



**武夷药业**  
Wuyi Pharmaceutical

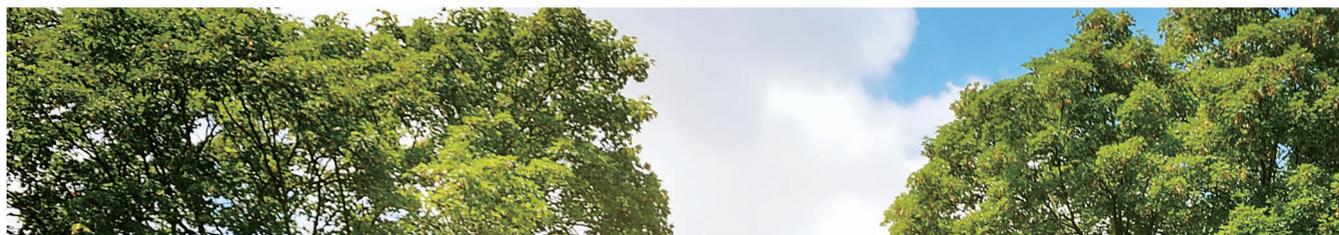
**Wuyi International Pharmaceutical Company Limited**

**武夷國際藥業有限公司**

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號 : 1889



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ANNUAL REPORT 2016 年報



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## Corporate Information 公司資料

### BOARD OF DIRECTORS

#### Executive Directors

- Mr. Lin Ou Wen (*Chairman*)  
Mr. Chen Cheng Qing  
(appointed with effect from 17 February 2017)  
Ms. Hung Hoi Lan  
(appointed with effect from 17 February 2017)  
Mr. Lin Qing Ping  
(retired with effect from 2 June 2016,  
appointed with effect from 30 June 2016 and  
resigned with effect from 14 October 2016)  
Mr. Lin Min  
(appointed with effect from 30 June 2016 and  
resigned with effect from 17 February 2017)  
Mr. Xu Chao Hui  
(retired with effect from 2 June 2016)

#### Non-executive Directors

- Mr. Tang Bin  
(retired with effect from 2 June 2016)  
Mr. John Yang Wang  
(resigned with effect from 30 June 2016)  
Mr. Wen Cyrus Jun-Ming  
(resigned with effect from 3 March 2016)

#### Independent Non-executive Directors

- Mr. Zhang Jie  
(appointed with effect from 30 June 2016)  
Mr. Zhang Xue Wen  
(appointed with effect from 30 June 2016)  
Mr. Wu Cheng Han  
(appointed with effect from 30 June 2016)  
Mr. Liu Jun  
(resigned with effect from 30 June 2016)  
Mr. Lam Yat Cheong  
(resigned with effect from 30 June 2016)  
Mr. Du Jian  
(resigned with effect from 30 June 2016)

### COMPANY SECRETARY

- Mr. Luk Ting Fung  
(appointed with effect from 13 June 2016)  
Mr. Kung Wai Chiu, Marco  
*FCPA (Practising), FCCA, FTIHK, ACIS, ACS and CTA (HK)*  
(resigned with effect from 13 June 2016)

### AUTHORIZED REPRESENTATIVES

- Mr. Lin Ou Wen  
Mr. Luk Ting Fung  
(appointed with effect from 13 June 2016)  
Mr. Kung Wai Chiu, Marco  
*FCPA (Practising), FCCA, FTIHK, ACIS, ACS and CTA (HK)*  
(resigned with effect from 13 June 2016)

### 董事會

#### 執行董事

- 林歐文先生 (*主席*)  
陳成慶先生  
(由二零一七年二月十七日起獲委任)  
洪海瀾女士  
(由二零一七年二月十七日起獲委任)  
林慶平先生  
(由二零一六年六月二日起退任，由二零一六年  
六月三十日起獲委任及由二零一六年十月十四日  
起辭任)  
林敏先生  
(由二零一六年六月三十日起獲委任及  
由二零一七年二月十七日起辭任)  
許朝暉先生  
(由二零一六年六月二日起退任)

#### 非執行董事

- 唐彬先生  
(由二零一六年六月二日起退任)  
王陽先生  
(由二零一六年六月三十日起辭任)  
聞俊銘先生  
(由二零一六年三月三日起辭任)

#### 獨立非執行董事

- 張捷先生  
(由二零一六年六月三十日起獲委任)  
張學文先生  
(由二零一六年六月三十日起獲委任)  
吳成翰先生  
(由二零一六年六月三十日起獲委任)  
劉軍先生  
(由二零一六年六月三十日起辭任)  
林日昌先生  
(由二零一六年六月三十日起辭任)  
杜建先生  
(由二零一六年六月三十日起辭任)

### 公司秘書

- 陸霆鋒先生  
(由二零一六年六月十三日起獲委任)  
孔維釗先生  
*FCPA (執業), FCCA, FTIHK, ACIS, ACS及CTA (香港)*  
(由二零一六年六月十三日起辭任)

### 法定代表

- 林歐文先生  
陸霆鋒先生  
(由二零一六年六月十三日起獲委任)  
孔維釗先生  
*FCPA (執業), FCCA, FTIHK, ACIS, ACS及CTA (香港)*  
(由二零一六年六月十三日起辭任)



#### AUDIT COMMITTEE

Mr. Zhang Jie (*Chairman*)  
(appointed with effect from 30 June 2016)  
Mr. Zhang Xue Wen  
(appointed with effect from 30 June 2016)  
Mr. Wu Cheng Han  
(appointed with effect from 30 June 2016)  
Mr. Lam Yat Cheong (*Chairman*)  
(resigned with effect from 30 June 2016)  
Mr. Liu Jun  
(resigned with effect from 30 June 2016)  
Mr. Du Jian  
(resigned with effect from 30 June 2016)

#### REMUNERATION COMMITTEE

Mr. Zhang Jie (*Chairman*)  
(appointed with effect from 30 June 2016)  
Mr. Lin Ou Wen  
Mr. Zhang Xue Wen  
(appointed with effect from 30 June 2016)  
Mr. Wu Cheng Han  
(appointed with effect from 30 June 2016)  
Mr. Lam Yat Cheong (*Chairman*)  
(resigned with effect from 30 June 2016)  
Mr. Liu Jun  
(resigned with effect from 30 June 2016)  
Mr. Du Jian  
(resigned with effect from 30 June 2016)

#### NOMINATION COMMITTEE

Mr. Lin Ou Wen (*Chairman*)  
Mr. Zhang Jie  
(appointed with effect from 30 June 2016)  
Mr. Zhang Xue Wen  
(appointed with effect from 30 June 2016)  
Mr. Wu Cheng Han  
(appointed with effect from 30 June 2016)  
Mr. Lin Qing Ping  
(retired with effect from 2 June 2016,  
appointed with effect from 30 June 2016 and  
resigned with effect from 14 October 2016)  
Mr. Lam Yat Cheong  
(resigned with effect from 30 June 2016)  
Mr. Liu Jun  
(resigned with effect from 30 June 2016)  
Mr. Du Jian  
(resigned with effect from 30 June 2016)

#### AUDITOR

Crowe Horwath (HK) CPA Limited  
Certified Public Accountants

#### 審核委員會

張捷先生 (*主席*)  
(由二零一六年六月三十日起獲委任)  
張學文先生  
(由二零一六年六月三十日起獲委任)  
吳成翰先生  
(由二零一六年六月三十日起獲委任)  
林日昌先生 (*主席*)  
(由二零一六年六月三十日起辭任)  
劉軍先生  
(由二零一六年六月三十日起辭任)  
杜建先生  
(由二零一六年六月三十日起辭任)

#### 薪酬委員會

張捷先生 (*主席*)  
(由二零一六年六月三十日起獲委任)  
林歐文先生  
張學文先生  
(由二零一六年六月三十日起獲委任)  
吳成翰先生  
(由二零一六年六月三十日起獲委任)  
林日昌先生 (*主席*)  
(由二零一六年六月三十日起辭任)  
劉軍先生  
(由二零一六年六月三十日起辭任)  
杜建先生  
(由二零一六年六月三十日起辭任)

#### 提名委員會

林歐文先生 (*主席*)  
張捷先生  
(由二零一六年六月三十日起獲委任)  
張學文先生  
(由二零一六年六月三十日起獲委任)  
吳成翰先生  
(由二零一六年六月三十日起獲委任)  
林慶平先生  
(由二零一六年六月二日起退任，  
由二零一六年六月三十日起獲委任及  
由二零一六年十月十四日起辭任)  
林日昌先生  
(由二零一六年六月三十日起辭任)  
劉軍先生  
(由二零一六年六月三十日起辭任)  
杜建先生  
(由二零一六年六月三十日起辭任)

#### 核數師

國富浩華(香港)會計師事務所有限公司  
執業會計師



## Corporate Information 公司資料

### SOLICITOR

Gallant

### PRINCIPAL BANKER

Bank of Communications Co., Ltd.

### REGISTERED OFFICE

Grand Pavilion  
Hibiscus Way  
802 West Bay Road  
P.O. Box 31119  
KY1-1205  
Cayman Islands  
(effective from 1 October 2016)

### PLACE OF BUSINESS

Unit 1113, 11/F  
North Tower, Concordia Plaza  
1 Science Museum Road  
Tsimshatsui East  
Kowloon, Hong Kong

### SHARE REGISTRARS AND TRANSFER OFFICES

*Principal share registrar and transfer office*  
Royal Bank of Canada Trust Company (Cayman) Limited  
4th Floor, Royal Bank House  
24 Shedden Road, George Town  
Grand Cayman KY1-1110  
Cayman Islands

*Hong Kong branch share registrar and transfer office*  
Computershare Hong Kong Investor Services Limited  
Shops 1712-1716, 17th Floor  
Hopewell Centre  
183 Queen's Road East  
Wanchai, Hong Kong

### STOCK CODE

1889

### WEBSITE

[www.wuyi-pharma.com](http://www.wuyi-pharma.com)

### 律師

何耀棣律師事務所

### 主要往來銀行

交通銀行股份有限公司

### 註冊辦事處

Grand Pavilion  
Hibiscus Way  
802 West Bay Road  
P.O. Box 31119  
KY1-1205  
Cayman Islands  
(由二零一六年十月一日起生效)

### 營業地點

香港九龍  
尖沙咀東部  
科學館道1號  
康宏廣場北座  
11樓1113室

### 股份過戶登記處

*股份過戶登記總處*  
Royal Bank of Canada Trust Company (Cayman) Limited  
4th Floor, Royal Bank House  
24 Shedden Road, George Town  
Grand Cayman KY1-1110  
Cayman Islands

*香港股份過戶登記分處*  
香港中央證券登記有限公司  
香港灣仔  
皇后大道東183號  
合和中心17樓  
1712-1716號舖

### 股份代號

1889

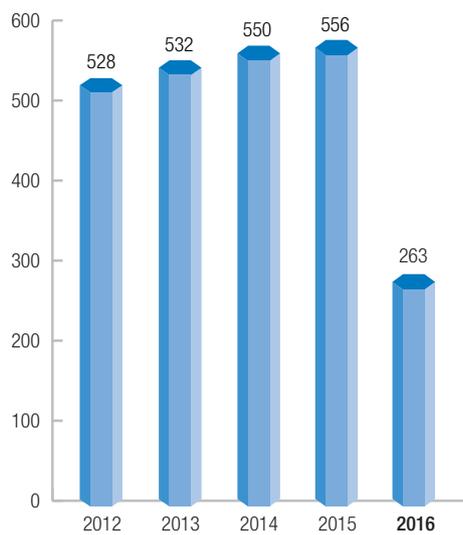
### 網址

[www.wuyi-pharma.com](http://www.wuyi-pharma.com)



Turnover  
營業額

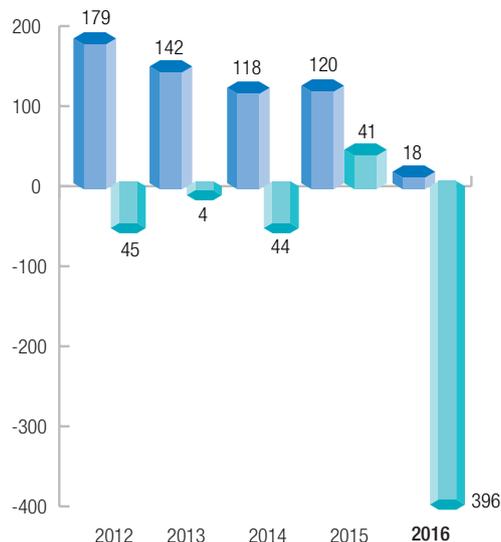
RMB million  
人民幣百萬元



Gross Profit & Net Profit/(Loss)  
毛利及淨溢利/(虧損)

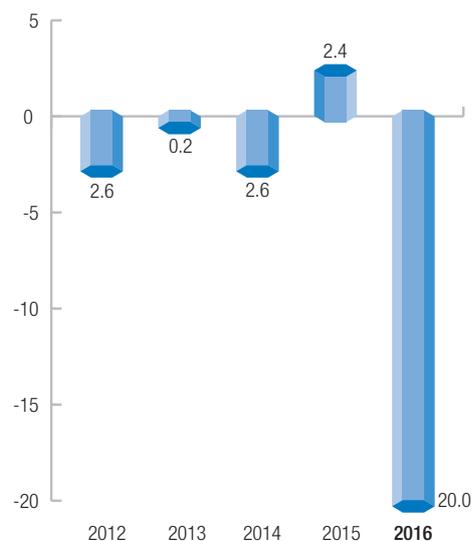
■ Gross Profit      ■ Net Profit/(loss)  
■ 毛利                ■ 淨溢利/(虧損)

RMB million  
人民幣百萬元



Earnings/(Loss) per share –  
Basic and diluted  
每股盈利/(虧損) – 基本及攤薄

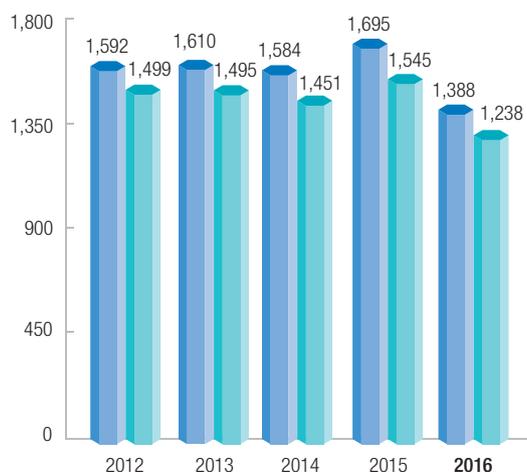
RMB (cents)  
人民幣(分)



Total Assets & Net Assets  
總資產及淨資產

■ Total Assets      ■ Net Assets  
■ 總資產            ■ 淨資產

RMB million  
人民幣百萬元





## Chairman's Statement 主席報告



To all Shareholders:

On behalf of the board (the "Board") of directors (the "Directors") of Wuyi International Pharmaceutical Company Limited ("Wuyi Pharmaceutical" or the "Company"), I am pleased to present to the shareholders the annual results of the Company and its subsidiaries (collectively, the "Group") for the financial year ended 31 December 2016.

### BUSINESS REVIEW

2016 was the start of "13th five years plan" and a year full of ups and downs. Since the implementation of policies such as "Healthy China 2030" and "Planning of Pharmaceutical Development" and various measures including "Urban-Rural Medical Insurance Integration", "Medical Insurance Reimbursement Standard", "Quality Consistency Evaluation" and "Two-invoice System", the pharmaceutical market has undergone tremendous changes with keen competition. The industry was generally under pressure due to a continuous decrease in the price of pharmaceutical products and a surge in cost of raw materials. During the year, the Group's two production lines in the plant located in Haixi Industrial and Trading Development Zone (the "Haixi plant") were suspended due to the carrying out of upgrades and enhancement on the production lines in obtaining new Good Manufacturing Practice ("GMP") Certification (the "Suspension") and all production compartments in the Haixi plant have been temporarily suspended as a result of an accidental rupture in the main underground steam pipelines, which caused interruption in production. However, the Group actively responded and overcame the challenges so as to continuously enhance the production efficiency, enrich the product portfolio and identify developing opportunities in the future.

For the year ended 31 December 2016, the Group's turnover was RMB263,025,000 (2015: RMB555,652,000), and the loss attributable to owners of the Company was RMB396,258,000 (2015: profit of RMB41,203,000). The Board do not recommend the payment of a final dividend for the year ended 31 December 2016 (2015: Nil).

致各位股東：

本人謹代表武夷國際藥業有限公司(「武夷藥業」或「本公司」)董事(「董事」)會(「董事會」)欣然向各位股東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財政年度的全年業績報告。

### 業務回顧

二零一六年是「十三五」的開局之年，也是一個顛簸跌盪的年頭。「健康中國2030」、「醫藥工業發展規劃」相繼發佈，「兩保合一」、「醫保支付標準」、「一致性評價」、「兩票制」等多項措施並舉，醫藥市場風起雲湧，企業間競爭不斷加劇，醫藥產品價格持續下調，原材料等成本上漲，行業普遍受壓。於年度內，本集團海西工貿開發區廠房(「海西廠房」)的兩條生產線因進行升級改造，以取得新的藥品生產質量管理規範證書而停產(「停產」)，加上海西廠房的地下蒸氣主管道意外破裂，各生產車間暫停生產，生產再遇阻滯。然而，本集團積極應對，迎難而上，不斷提升生產效益、豐富產品組合，識別未來的發展機遇，得以克服種種挑戰。

截至二零一六年十二月三十一日止年度，本集團營業額為人民幣263,025,000元(上年度：人民幣555,652,000元)，本公司擁有人應占虧損為人民幣396,258,000元(上年度：溢利人民幣41,203,000元)。董事會建議不派發截至二零一六年十二月三十一日止年度末期股息(上年度：無)。



**Marketing:** In addition to stocking up inventories, controlling cost and striving for orders after resuming production, the Group also launched 21 types of Western prescription injectables with different specifications during the year in order to turnaround the adverse situation caused by the Suspension and the supply shortage of products such as Perilla Oil Capsule. There was a huge demand in injectable market. As different doses and packaging are suitable for different specific conditions and customers may purchase other pharmaceutical products of the Group while purchasing such injectables, advertising promotion benefits had been achieved to a certain extent. The Group continued to plough and cultivate the target markets deeply and intensely and optimise its marketing resources by integrating new medicine promotion seminars, academic seminars as well as medicine fairs.

**Manufacturing:** As Haixi plant has been suspended due to the carrying out of upgrading process and all production compartments were temporarily suspended resulting from an accidental rupture of the main underground steam pipelines connecting all the production compartments, causing serious damages to water pipes, nitrogen pipes, fire pipes and sewage pipes, the production volume had a significant decrease throughout the year. Currently, the repair on damaged pipelines has mostly completed and the upgrading process is nearly finished.

**Management:** The acquisition of Fujian Liumai Medical Services Co., Ltd. ("Fujian Liumai") by the Group has been completed at the end of 2016. Fujian Liumai is currently an indirect wholly-owned subsidiary of the Group with sales of software and provision of consultancy services as its core business. Fujian Liumai achieved a satisfactory result during the year. Based on the audited financial statements of Fujian Liumai, its actual profits in 2016 exceeded the profit guarantee and it contributed revenue of approximately RMB283,000 to the Group after completion, which enabled the Group to lay a solid foundation to expand its profit sources, improve the overall management level of the Group, further explore the digital medical and healthcare service market.

**Research and Development (R&D):** The Group controlled R&D expenditure for new drugs cautiously, focused resources on promoting the research of new medical treatment results of Perilla Oil Capsule and conducted the research on the anti-hepatitis compound drug liver & gall bladder tablets in cooperation with the Department of Medicine of Peking University. Another new product, Pazufloxacin Mesilate Injectable, was still undergoing approval procedures during the period.

## FUTURE PROSPECTS

Despite of the slowdown in the national macroeconomics growth, keen competition in pharmaceutical market, stricter expense control of medical insurance and the norm of lowered bidding prices, the rigid demand for pharmaceutical products is still increasing against the backdrop of rapidly aging population, implementation of the urbanization policy and increasing national income. The Group will adhere to its new innovative development strategy, strengthen its internal management, enhance its advantages in core pharmaceutical business and steadily proceed with various works in order to further increase its sustainable development capacity.

The Group also actively pushes forward the quality consistency evaluation on imitating drugs by selecting certain existing drugs with greater potential to apply for receiving such evaluation and strives to expand its market shares after being evaluated. The relevant works are being processed in an orderly manner.

行銷方面，為扭轉停產及蘇子油軟膠囊等產品斷貨的不利局面，本集團除積極預備庫存、控制成本、爭取復產後訂單外，年內加推共21款不同規格的西藥處方注射液。這類注射液市場需求龐大，不同的劑量及包裝更能配合各種的使用情況，而且銷售能帶動客戶在採購注射液產品時，購入集團其他醫藥產品，具有一定的廣告推廣效益。集團於年內亦繼續通過整合新藥推介會、學術專場推介會和藥交會等推廣模式，深耕細作目標市場，發揮行銷資源的最大作用。

生產方面，海西廠房因改造停產，連同通往各生產車間地下蒸氣主管道意外破裂，造成注射用水管道、氮氣管道、消防水管、污水管道嚴重受損，各生產車間停產，全年生產量大幅減少。目前，管道破裂已經大致修復完成，而且改造工程接近完成階段。

管理方面，集團收購福建六脈醫療服務有限公司(「福建六脈」)已於二零一六年底完成，福建六脈現為本集團擁有的間接全資附屬公司，以銷售軟件及提供顧問服務為核心業務。該公司於年內有不俗表現，根據福建六脈之經審核財務報表，其二零一六年實際盈利超出盈利保證，收購完成後為本集團提供約人民幣283,000元營業額貢獻，為本集團擴大盈利來源，改善集團整體管理水準，和進一步挖掘數位醫療與健康服務市場，奠下穩固的基礎。

研究方面，集團謹慎控制新藥研發開支，集中資源推進蘇子油軟膠囊新療效研究、及與北京大學醫學部合作的抗肝炎新藥複方肝膽片的科研。另一新產品甲磺酸帕珠沙星注射液，於期內仍然處於審批過程中。

## 未來展望

儘管國家宏觀經濟增速放緩，醫藥市場競爭更趨激烈，醫保控費力度趨嚴、招標降價成為常態；但國內醫療市場不斷擴大，隨著中國人口老齡化速度的加快、城鎮化政策的推進及人民收入水準的提升，對醫藥品的剛性需求有增無減。本集團將堅持創新發展戰略，加強內部管理，強化在核心醫藥業務上的優勢，穩步推進各項工作，進一步增強可持續發展能力。

其中，本集團積極推進仿製藥品品質一致性評價工作，在目前的產品中篩選部分潛力較大的品種申報仿製藥品品質一致性評價，爭取通過評價後擴大市場份額。目前有關工作正在有條不紊地推進。



## Chairman's Statement 主席報告

The Group has formed an associate company with Antu County Huifeng Agricultural Trade Company Limited ("Huifeng") to invest in the sales and plantation of Perillas and Perilla seeds and its processed products. Perilla Oil Capsule has been the key product of the Group and Perillas is the raw material for its production. Following the formation of the associate company, the Group will be able to utilise the technical expertise of Huifeng in respect of plantation and management of Chinese herbal medicine and invest in Perillas plantation base for a stable supply of Perillas and a better control on the quality of Perillas so as to reduce purchase cost and meet the future market demand for Perilla Oil Capsule. As at 31 December 2016, the associate company was still in the preparatory stage in sourcing suitable plantation base.

Following the completion of upgrading process in the Haixi plant, it is expected that production will be fully resumed with a higher production capacity. The Group will further leverage on the advantage of economies of scale and reduce cost to enhance efficiency.

In addition, Mr. Lin Min resigned as executive Director of the Group due to his personal commitments. The Group has appointed Mr. Chen Cheng Qing and Ms. Hung Hoi Lan as executive Directors with effect from 17 February 2017. Both of them have substantial management experience and they will work with the Group to strengthen its core pharmaceutical business and key products while expanding new business, increasing its profitability and grasping new market opportunities at the same time.

I would like to express my heart-felt gratitude on behalf of the Board to Wuyi Pharmaceutical's management team and all the staff for their continuous effort and contribution. In the meantime, I have to thank shareholders for their ongoing support to the Group. In the past, we have overcome many challenges hand in hand; in the future, we will continually unite to further create handsome returns for the business partners and shareholders of the Group.

**Lin Ou Wen**  
*Chairman*

Hong Kong, 13 April 2017

本集團已與安圖縣滙豐農貿有限公司(「滙豐」)成立聯營公司，投資於紫蘇及紫蘇籽及其加工產品的銷售及種植。蘇子油軟膠囊一直為本集團的主要產品，紫蘇為生產的原材料，透過該聯營公司，本集團能利用滙豐在種植及管理中草药方面的技術專長，投資紫蘇種植基地，得到更穩定的紫蘇供應量，更好控制紫蘇的質素，有效減少採購成本，應付將來市場對蘇子油軟膠囊的需求。於二零一六年十二月三十一日，該聯營公司仍在籌備尋找合適的種植基地。

隨著海西廠房的改造工程即將完成，生產有望全面恢復，且設計生產力較前增加，本集團將進一步發揮規模經營優勢，降低成本，提升效益。

另外，林敏先生為投放更多時間專注於其個人業務，已辭任本集團的執行董事；本集團已委任陳成慶先生及洪海瀾女士自二零一七年二月十七日起為執行董事。兩位新任執行董事均擁有豐富管理經驗，與本集團並肩，銳意加強本集團的醫藥核心業務，把優勢產品做得更大更強，同時拓展新業務，增加盈利方式，抓住新的市場機遇。

本人謹代表董事會，衷心感謝武夷藥業的管理團隊及全體員工一直以來對集團的努力及貢獻。同時，本人感謝各位股東對集團的支持。過去，我們攜手跨越重重挑戰；未來，我們將繼續團結一致，務求為集團的合作夥伴和公司股東創造更理想的回報。

**林歐文**  
*主席*

香港，二零一七年四月十三日





## Management Discussion and Analysis 管理層討論及分析

### BUSINESS REVIEW

Looking back in 2016, the “Healthy China 2030” plan, published by the State Council, was the first medium to long term strategic plan at state level in respect of health in China since its founding. It was expected to boost demand for medical products and provide pharmaceutical enterprises with an opportunity to transform. However, pharmaceutical enterprises in China were still facing intense market competition and a difficult situation in industry restructuring in the previous year. Compared to 2015, the industry situation as a whole has no observable improvement with a continuous increase in cost of packaging, raw materials, labour and sales, which resulted in pressure on industrial profits and the elimination of some less efficient pharmaceutical enterprises.

In 2016, the sales of the Group were negatively affected by various factors. Two production lines in the Haixi plant were suspended due to the carrying out of upgrades and enhancement on production lines in obtaining new GMP Certification. Although the Group increased its production volume prior to the suspension and kept inventories of the related products in advance, certain key products, including the Perilla Oil Capsule, were still in short supply. The Group expects to obtain the new GMP Certification and resume the operation of the two suspended production lines by end of May 2017. On the other hand, sales deteriorated in 2016 as the Haixi plant has been temporarily suspended as a result of a rupture in the main underground steam pipelines connecting all the production compartments in November 2016. An investigation found that the pipeline rupture was mainly caused by peeling damage to the surface of the steam pipelines and by unstable pressure. As at the date of this Annual Report, most of the production facilities have resumed operations, we will hasten to resume the full production in the Haixi plant to fill the current sales gap.

Costs of purchase decreased following the reduced turnover. Among the costs of sales, the fixed costs (in particular, labour costs depreciation charges) did not decrease as the turnover did, which caused an increase in the proportion of the fixed costs to the overall costs of sales, affecting the overall gross profit margin.

In face of a multitude of challenges, the Group expanded its market under the strategy of lower profit margin but higher turnover and launched various new products to boost income of pharmaceutical products in 2016.

For the year ended 31 December 2016, the turnover of the Group recorded a year-on-year decrease of 52.7% to approximately RMB263.0 million. The overall gross profit was approximately RMB18.0 million and the gross profit margin recorded a year-on-year decrease of 14.7 percentage points to 6.8%. The loss attributable to the owners of the Company amounted to RMB396.3 million.

### 業務回顧

回顧二零一六年，國務院印發《「健康中國2030」規劃綱要》，是自建國以來首次從國家層面提出健康領域中長期戰略規劃，料將推動藥品需求，為藥企轉型帶來機遇。惟在過去一年，中國製藥企業仍面對市場競爭加劇、行業重整的困難局面，行業整體格局並無較二零一五年明顯改善，包裝、原材料、人工及銷售成本持續上升，行業利潤受壓，部分經營不濟的藥企被淘汰。

本集團於二零一六年之銷售受到多方不利因素影響。海西廠房的兩條生產線因進行升級改造，以取得新的藥品生產質量管理規範證書而停產，雖然本集團於停產前擴產及預先貯備相關產品存貨，惟若干重點產品（包括蘇子油膠囊）仍供不應求。本集團預計可於二零一七年五月底前取得新的藥品生產質量管理規範證書並恢復兩條停產之生產線之生產。另外，海西廠房通往各生產車間地下蒸氣主管道於二零一六年十一月突然破裂，導致各生產車間暫停生產，令二零一六年銷售雪上加霜。經查明，管道破裂主要是由於蒸氣管道介面剝落點損耗，加上壓力不穩定而造成。於本年報日期，大多數生產設備已恢復營運，我們將加快恢復海西廠房的全面生產，以彌補目前的銷售缺口。

採購成本因營業額減少而下降，惟銷售成本中之固定成本，尤其是勞工成本及折舊費用，並沒有隨營業額下降而改變，以致固定成本佔整體銷售成本的比例增加，從而影響整體毛利率。

面對各方挑戰，本集團於二零一六年採取薄利多銷的策略拓展市場，積極推出多款新產品帶動藥品收入。

截至二零一六年十二月三十一日止年度，本集團營業額按年下降52.7%至約人民幣263,000,000元。整體毛利約為人民幣18,000,000元，毛利率較去年同期下跌14.7個百分點至6.8%。本公司擁有人應佔虧損為人民幣396,300,000元。





### DEVELOPMENT OF MAJOR PRODUCTS

#### *Perilla Oil Capsule*

Perilla Oil Capsule is one of the key products of the Group. It is effective in lowering cholesterol, reducing low-density lipoprotein and increasing high-density lipoprotein. It is specifically effective in hyperlipidemia and its side effects are mild. For the year ended 31 December 2016, the turnover amounted to approximately RMB21.2 million, accounting for approximately 8.1% of the Group's turnover (2015: approximately RMB39.7 million, accounting for 7.1% of the Group's total turnover). The decrease in sales was mainly attributable to the suspension in Haixi plant, the inability to meet market demand due to inventory shortage as well as the year-on-year decrease by 17.5% in the price of Perilla Oil Capsule.

#### *N(2)-L Alanyl-L Glutamine Injectable*

During the year, there was keen competition within the N(2)-L Alanyl-L Glutamine Injectable market. However, as its production was not affected by the suspension and the Group strengthened its marketing effort and implemented effective and targeted marketing strategies, the turnover increased by 18.0% to RMB44.1 million, accounting for approximately 16.8% of the total revenue of the Group (2015: approximately RMB37.4 million, accounting for approximately 6.7% of the total revenue of the Group). Therefore, N(2)-L Alanyl-L Glutamine Injectable became the best seller of the Group.

#### *Compound Chinese Angelica Injectable*

Compound Chinese Angelica Injectable had decreased in sales in 2016 with an upward adjustment of the price by over 4.5%. Its turnover amounted to approximately RMB12.1 million, accounting for approximately 4.6% of the Group's total revenue (2015: approximately RMB18.8 million, accounting for approximately 3.4% of total revenue).

#### *Other products*

In 2015, the Group introduced four new products, which are Western prescription medicines, including (plastic bottle) sodium chloride injectable, (plastic bottle) 5% glucose injectable and two (plastic bottle) 10% glucose injectables of different volumes. In 2016, the price of (plastic bottle) sodium chloride injectable dropped by 3% while its turnover increased by RMB1.1 million or 26.7% and its gross profit margin increased by 2.7 percentage point as compared to the same period last year. The price of glucose injectable is similar to previous year while its turnover increased by RMB5.1 million or 114% and its gross profit margin decreased by 18.7 percentage point as compared to the same period last year due to the increase of depreciation expenses in cost of sales.

In 2016, the Group launched 21 Western prescription injectables with different specifications, including sodium chloride injectable, glucose injectables and glucose sodium chloride injectables packed in plastic bottles, soft bags and glass bottles, accounting for 1.9% of the Group's total revenue.

#### 主要產品發展

##### 蘇子油軟膠囊

本集團的重點產品蘇子油軟膠囊，有助降低膽固醇，減少低密度脂蛋白並增加高密度脂蛋白，於治療高血脂方面效果明確且副作用輕微。於截至二零一六年十二月三十一日止年度，營業額約人民幣21,200,000元，佔本集團營業額約8.1%（二零一五年：約人民幣39,700,000元，佔本集團整體營業額7.1%）。銷售下滑主要受海西廠房停產、庫存短缺未能滿足市場需求及蘇子油軟膠囊單價按年下調17.5%影響。

##### 諾賽肽注射液

年內，諾賽肽注射液的市場競爭依然激烈，但由於其生產並未受停產影響，本集團加大其行銷力度，實施有效針對性的行銷策略，營業額較去年上升18.0%達人民幣44,100,000元，佔本集團整體營業額約16.8%（二零一五年：約人民幣37,400,000元，佔本集團整體營業額約6.7%），成為本集團銷售額最高的產品。

##### 複方當歸注射液

於二零一六年，儘管複方當歸注射液售價上調4.5%，惟銷量出現下滑，年內營業額約為人民幣12,100,000元，佔本集團總體銷售額約4.6%（二零一五年：約人民幣18,800,000元，佔整體營業額3.4%）。

##### 其他產品

本集團於二零一五年新增四個西藥處方注射液新產品，包括（塑瓶）氯化鈉注射液、（塑瓶）5%葡萄糖注射液、及兩款不同容量的（塑瓶）10%葡萄糖注射液。於二零一六年，（塑瓶）氯化鈉注射液售價跌3%，營業額較去年同期上升人民幣1,100,000元或26.7%，毛利率上升2.7個百分點。葡萄糖注射液售價與去年相若，銷情向好，營業額較去年同期上升人民幣5,100,000元或114%，卻因銷售成本中的折舊費用增加，毛利率反降18.7個百分點。

本集團於二零一六年推出21款不同規格之西藥處方注射液，包括氯化鈉注射液、葡萄糖注射液、塑瓶、軟袋及玻璃瓶裝的葡萄糖氯化鈉注射液，佔本集團整體營業額1.9%。



## Management Discussion and Analysis 管理層討論及分析

### Research and development (R&D) of new medicines

Since the research and development of new medicines requires a vastness of resources, the Group, according to the market conditions and industry environment, controlled R&D expenditure for new drugs cautiously, focused resources on promoting the research of new medical treatment results of Perilla Oil Capsule and conducted the research on the anti-hepatitis compound drug liver & gall bladder tablets in cooperation with the Department of Medicine of Peking University. The Group would also focus its resources on operation of existing products to strive for quality consistency evaluation of products with greater potential.

### SALES NETWORK AND MARKETING

The Group's sales network covers 27 key provinces, municipalities and autonomous regions across China, mainly covering the more affluent coastal cities and provinces in the eastern region and the north-eastern region of China. During the period under review, the number of medicine distributors substantially increased by 78 to 136.

The Group recognized that there was an immense demand for affordable ordinary medicines with good quality in the rural markets in China and promoted various types of its affordable ordinary medicines in rural areas by adjusting resources and engaging county-level pharmaceutical companies. During the period under review, turnover in rural areas amounted to approximately 13.4% of the Group's total turnover, which was approximate to that of the same period in 2015. The Group will continue to explore opportunities in rural markets to increase its sales of ordinary medicines.

In 2016, the Group further consolidated its marketing resources on organizing academic seminars, new medicine promotion seminars, as well as medicine trade fairs to introduce the advantages of various medicines through professional channels.

### COMPLETION OF ACQUISITION OF A SUBSIDIARY AND FORMATION OF AN ASSOCIATE COMPANY

During the year, the Group completed the acquisition of Fujian Liumai, an enterprise with sales of softwares and provision of consultancy services as its core business. As the acquisition was completed on 16 December 2016, the revenue contribution to the Group's turnover during the year was only RMB283,000.

In accordance with the terms of the relevant share transfer agreement dated 9 December 2015, the vendors have jointly and severally undertaken and guaranteed that the total audited net profit after taxation of Fujian Liumai arising from its ordinary course of business (excluding non-operating income and extraordinary income) for the financial year ended 31 December 2016 shall not be less than RMB8.0 million. Based on the audited financial statements of Fujian Liumai, such guarantee had been fulfilled for the year ended 31 December 2016. As such, no adjustment to the consideration for the acquisition of equity interests in Fujian Liumai is required.

Furthermore, the Group on 4 November 2016 entered into a cooperation agreement with Huifeng in respect of, among others, the formation of an associate company, the provision of financial assistance and the cooperation regarding the planting, processing, production and sales of Perillas and Perilla seeds. As at 31 December 2016, the associate company was still in the preparatory stage in sourcing suitable plantation base, and had not yet contributed revenue to the Group.

### 新藥研發

鑒於新藥研究需要投入龐大資源，本集團根據市場狀況及行業環境，謹慎控制新藥研發開支，集中資源推進蘇子油軟膠囊新療效研究及與北京大學醫學部合作的抗肝炎新藥複方肝膽片的科研。本集團亦將集中資源經營好現有產品，選取潛力較大的產品完成一致性評價。

### 銷售網路及市場推廣

本集團的銷售網路遍佈全國27個重點省、市及自治區，主要覆蓋國內東部地區沿海富裕城市和省份，及東北部地區。回顧期內，藥物經銷商大幅增加78個至136個。

本集團看準中國農村市場對價格適宜且優質普藥有龐大需求，通過調整資源及透過縣級醫藥公司滲透農村市場，推廣旗下各個品種的廉價普藥。於回顧期內，農村的營業額佔本集團整體約13.4%，與二零一五年同期相約。本集團未來會持續積極挖掘農村市場機遇，提升普藥銷量。

二零一六年，本集團進一步整合銷售推廣資源投放，集中資源透過舉辦學術專場推介會、新藥推介會及藥交會，善用專業管道推廣各種藥品的優勢。

### 完成收購子公司及成立聯營公司

本集團於本年完成收購一家銷售軟件及提供顧問服務為核心業務的企業--福建六脈，由於該項收購於二零一六年十二月十六日完成，對本集團本年銷售額的貢獻僅為人民幣283,000元。

根據日期為二零一五年十二月九日的相關股份轉讓協議，賣方已共同及個別地承諾及保證福建六脈於截至二零一六年十二月三十一日止財政年度除稅後之經審核的日常經營(不含營業外收入及非經常性收入)之淨溢利總額不少於人民幣8,000,000元。根據福建六脈之經審核財務報表，該保證已於截至二零一六年十二月三十一日止年度達成。因此，無須就收購福建六脈股權之代價作出調整。

另外，本集團於二零一六年十一月四日與滙豐簽訂合作協議，其中包括成立聯營公司、提供財務資助及有關紫蘇及紫蘇籽之種植、加工、生產及銷售的合作。截至二零一六年十二月三十一日，該聯營公司仍在籌備尋找合適的種植基地，未對本集團盈利作出貢獻。



### OUTLOOK

The central government has issued a medium to long term national strategic plan in respect of health and implemented policies such as “Two-invoice System” and “Quality Consistency Evaluation” in order to create a healthy and good operating environment in the long term. Looking forward, reform of the pharmaceutical industry will continue to deepen at a fast pace. Although strengthening the regulatory requirements and rising the entry barriers may result in industry restructuring, the management of the Company believes that opportunities come with challenges. A more standardized market will ultimately be beneficial to the healthy development of the industry and the market in the long term.

### Seeking changes while maintaining stability and grasping the market's needs

The Group recognized that there was an immense demand for affordable ordinary medicines with good quality in the rural markets. In order to grasp the market's needs, the Company will continue its strategy of lower profit margin but higher turnover to expand its base of sales in a short period of time.

At the same time, the management realizes that customers have different demands for Western prescription injectable products in different specifications of package. In order to meet the needs of the market and to further boost sales, the Group launched various products of different specifications last year, including new packages of 250 ml and 150 ml. These products were put into production and launched. The initial response to these products was satisfactory, which further enhances the potential sales of products and can have a marketing effect on other pharmaceutical products and push up their revenue, while driving the overall revenue base at the same time.

### Expanding the industrial value chain to ensure a stable supply of raw materials with good quality

In 2016, a wholly-owned subsidiary of the Company participated in a joint investment in Perilla and Perilla seed planting, processing, production and sales business in Antu County, Jilin Province, China. As at 31 December 2016, the associate company was still in the preparatory stage in sourcing suitable plantation base. It is expected to provide the Group with high quality Perilla seeds at the lowest price in the market, which helps to control the production cost of Perilla Oil Capsule, our key product, and to stabilize the inventory level and supply of our products in order to cater for the immense market demand and potential in the future. As disclosed in the Company's announcement dated 23 January 2017, the upcoming sources of funding is expected to be funded by internal resources of the Group.

In the face of intense industrial competition, the Group is confident to keep abreast of market dynamics with a diversified product portfolio, experienced sales teams, competitive product prices and sales performance. On one hand, we will put our resources in strengthening sales and marketing activities of existing products, on the other hand, we will hasten to resume the production in the Haixi plant to fill the current sales gap.

### 未來展望

中央政府從國家層面提出健康領域中長期戰略規劃、落實「兩票制」及「一致性評價」等政策，長遠而言可為行業帶來更健康良性的營運環境。展望未來，醫藥行業改革料將持續深化、加速。儘管收緊監管及提高行業門檻或會使行業面臨洗牌重整，但本公司管理層相信，機遇與挑戰並存，更加規範的市場最終將有利行業及市場的長遠健康發展。

### 穩中求變 捕捉市場需求

本集團看準農村市場對優質、價廉的普藥有龐大市場需求。為了捕捉市場機遇，未來公司會繼續使用薄利多銷的策略，以達到在短時間內擴大銷售基礎。

與此同時，管理層洞悉到消費者對各類包裝規格的西藥處方注射液產品有不同需求。為了迎合市場並進一步刺激銷售，去年本集團加推了不同規格產品，包括250毫升及150毫升的新包裝，目前已在生產及銷售。初步反應理想，進一步提升產品銷量潛力，可帶動整體收入基礎的同時，亦可帶動其他藥品的廣告效應和收入。

### 擴展產業鏈 確保原料供應優質穩定

二零一六年，本公司全資附屬公司參與合作投資位於中國吉林省安圖縣的紫蘇及紫蘇籽種植、加工、生產及銷售業務。於二零一六年十二月三十一日，該聯營公司仍在籌備尋找合適的種植基地，預計可為本集團帶來市場最低價且優質的紫蘇籽，有利控制我們的主要產品—蘇子油軟膠囊的生產成本，同時可穩定庫存及供貨，藉此應付將來龐大的市場需求和潛力。承如本公司日期為二零一七年一月二十三日之公告中所披露，後續投入資金預計將由本集團的內部資金撥付。

面對行業競爭激烈，本集團有信心憑藉多元化的產品組合、經驗豐富的銷售團隊、有競爭力的產品價格及銷售表現，可與市場保持同步。我們一方面會繼續集中資源強化現有產品的銷售推廣，另一方面加快海西廠房的生產線復產，且彌補目前的銷售缺口。



## Management Discussion and Analysis

### 管理層討論及分析

The management firmly believes that the pharmaceutical industry is experiencing a golden period of long-term growth against the backdrop of an increase in per capita disposable income, population aging and urbanization. The Group will grasp the developing opportunity with timely moves and actively adjust its product portfolio. At the same time, the Group will optimize its sales network to increase its market shares in rural areas and lay the solid foundation for long-term growth of profit so as to generate optimal returns for the Group's partners and shareholders.

#### FINANCIAL REVIEW

##### 1. Turnover

To keep consolidating the development of existing medicine business and markets, the Group reinforced the sales strategies of "small profit, quick return" and focused on rural markets. The Group recorded an overall turnover of approximately RMB263.0 million (2015: approximately RMB555.7 million), representing a decrease of approximately 52.7%. Turnover of the second half of the year was approximately RMB91.5 million (turnover of the first half of the year was approximately RMB171.5 million), representing a decrease of approximately 46.7% as compared with that of the first half of the year due to the temporary suspension of the Haixi plant as a result of a rupture in the main underground steam pipelines connecting all the production compartments in November 2016.

Turnover of 2016 was still dominated by Western medicines, we recorded a turnover of approximately RMB177.3 million in Western medicines, accounting for approximately 67.4% of the overall turnover and representing a decrease of approximately 40.0% over last year (2015: approximately RMB295.4 million, representing approximately 53.2% of the overall turnover). The turnover of Chinese medicines amounted to approximately RMB81.7 million, accounting for approximately 31.1% of the overall turnover and representing a decrease of approximately 67.1% over last year (2015: approximately RMB248.0 million, accounting for approximately 44.6% of the overall turnover). The difference in proportion of the turnover of Western medicines and Chinese medicines increased. In addition, the pharmaceutical trading revenue recorded a turnover of approximately RMB3.7 million, accounting for approximately 1.4% of the overall turnover and representing a decrease of approximately 70.0% over last year (2015: approximately RMB12.3 million, accounting for approximately 2.2% of the overall turnover), representing a decrease as compared with the proportion of last year.

Although our key product, Perilla Oil Capsule, has obtained approval from Fujian, Shanxi, Inner Mongolia and Xinjiang for listing in the provincial medical insurance directories and it is still under a monitoring period, it is yet to be listed in the national medical insurance directory, together with the suspension of production in the Haixi plant, causing inability to meet market demand due to inventory shortage and the lowering of the unit price of Perilla Oil Capsule by 17.5% over last year, its production and sales were affected to a certain extent. Sales for the year amounted to approximately RMB21.2 million, accounting for approximately 8.1% of the overall turnover, or a decrease of approximately 46.6% over last year (2015: approximately RMB39.7 million, accounting for approximately 7.1% of the overall turnover).

管理層堅信，在人均可支配收入提升、人口老齡化及城鎮化的宏觀背景下，醫藥行業正處於長期增長軌道的黃金期。本集團將把握發展機遇，審時度勢，積極調整產品組合。同時，本集團將優化銷售網路擴大農村市場份額，為盈利長遠增長奠定穩健基礎，為本集團的合作夥伴和股東創造最佳回報。

#### 財務回顧

##### 1. 營業額

為持續鞏固現有藥品業務和市場的發展，本集團加強薄利多銷及注重農村市場的銷售策略。本集團整體營業額錄得約人民幣263,000,000元（二零一五年：約人民幣555,700,000元），較去年下降約52.7%。而下半年的營業額約為人民幣91,500,000元（上半年約為人民幣171,500,000元），較上半年的營業額下降約46.7%，乃由於海西廠房通往各生產車間地下蒸氣主管道於二零一六年十一月突然破裂，導致各生產車間暫停生產。

二零一六年之營業額仍然由西藥產品帶動，本集團在西藥產品錄得營業額約人民幣177,300,000元，佔整體營業額約67.4%，營業額較去年下跌約40.0%（二零一五年：約人民幣295,400,000元，佔整體營業額約53.2%）。中成藥產品之營業額約人民幣81,700,000元，佔整體營業額約31.1%，營業額較去年下降約67.1%（二零一五年：約人民幣248,000,000元，佔整體營業額約44.6%）。西藥產品與中成藥產品營業額之相差比例較去年增加。另外，醫藥貿易業務收入錄得營業額約人民幣3,700,000元，佔整體營業額約1.4%，營業額較去年下跌約70.0%（二零一五年：約人民幣12,300,000元，佔整體營業額約2.2%），百分比較去年下降。

本集團旗下重點產品蘇子油軟膠囊雖然已分別獲福建、山西、內蒙古及新疆省批准進入省醫保目錄及仍處於監測保護期內，然而，由於仍未獲批准列入國家醫保目錄，加上海西廠房停產、庫存短缺未能滿足市場需求及蘇子油軟膠囊單價按年下調17.5%，令生產及銷售情況受到一定影響。年內銷售約人民幣21,200,000元，佔整體營業額約8.1%，較去年下跌約46.6%（二零一五年：約人民幣39,700,000元，佔整體營業額約7.1%）。



The highest sales volume was again achieved by Western medicine, N(2)-L Alanyl-L Glutamine Injectable, with a turnover of approximately RMB44.1 million, representing approximately 16.8% of the overall turnover (2015: approximately RMB37.4 million, representing approximately 6.7% of the overall turnover). Due to the reduction of productivity of certain products as a result of the suspension of production in the Haixi plant, the Group focused on N(2)-L Alanyl-L Glutamine Injectable and strengthened its promotion during the year. Therefore, the turnover of this product increased by approximately 18.0% as compared with the same period of last year. Sales of the five top selling medicines amounted to approximately RMB128.1 million, representing approximately 48.7% of the overall turnover (2015: approximately RMB164.5 million, representing approximately 29.6% of the overall turnover). The Group introduced 21 Western prescription medicines of different specifications, including sodium chloride injectable, glucose injectable and glucose sodium chloride in plastic bottles, soft bags and glass bottles, their turnover for the year was approximately RMB5.0 million, representing approximately 1.9% of the overall turnover.

## 2. Gross Profit and Gross Profit Margin

Gross profit of the Group decreased by approximately 85.0% over last year to approximately RMB18.0 million (2015: approximately RMB119.6 million). Gross profit margin decreased to approximately 6.8% (2015: approximately 21.5%):

- (1) Turnover: Turnover was affected by various negative factors. Two production lines in the Haixi plant were suspended due to the carrying out of upgrades and enhancement on production lines in obtaining new GMP Certification. Although the Group increased its production volume prior to the suspension and kept inventories of the related products in advance, certain key products, including the Perilla Oil Capsule were still in short supply. On the other hand, sales was further deteriorated in 2016 as the Haixi plant has been temporarily suspended as a result of a rupture in the main underground steam pipelines connecting all the production compartments in November 2016;
- (2) Cost of sales: The new plant could officially produce medicines of relevant specifications starting from the beginning of 2015. The new plant and relevant production facilities newly acquired slightly increased the depreciation expenses in the cost of sales to approximately RMB69.2 million, representing approximately 28.2% of the overall cost of sales (2015: approximately RMB67.8 million, representing approximately 15.6%), and an increase of 2.0% over last year, where the overall proportion of sales costs decreased by 43.8 percentage points over last year.

The decrease in gross profit margin was mainly due to the decrease in turnover which resulted in a decrease in purchase costs. Among the costs of sales, the fixed costs (including labour costs and depreciation charges) did not decrease as the turnover did, which caused an increase in the proportion of the fixed costs in the overall costs of sales, affecting the overall gross profit margin.

本集團最高銷售額之產品仍然為西藥產品諾賽肽注射液，其營業額約為人民幣44,100,000元，佔整體營業額約16.8%（二零一五年：約人民幣37,400,000元，佔整體營業額約6.7%）。由於若干產品因為海西廠房停產而引致生產能下降，本集團本年以該產品為主力並加強推廣，本產品的營業額比去年同期上升約18.0%。而五大最高銷售產品之營業額約人民幣128,100,000元，佔整體營業額約48.7%（二零一五年：約人民幣164,500,000元，佔整體營業額約29.6%）。而本集團於本年推出21款不同規格之西藥處方藥品，包括氯化鈉注射液、葡萄糖注射液及塑瓶、軟袋、玻璃瓶裝的葡萄糖氯化鈉，全年營業額錄得約人民幣5,000,000元，佔整體營業額約1.9%。

## 2. 毛利及毛利率

本集團毛利較去年下滑約85.0%至約人民幣18,000,000元（二零一五年：約人民幣119,600,000元），而毛利率與去年相比下跌至約6.8%（二零一五年：約21.5%）：

- (1) 於營業額方面：受到多方不利因素影響。海西廠房的兩條生產線因進行升級改造，以取得新的藥品生產質量管理規範證書而停產，雖然本集團於停產前擴產及預先貯備相關產品存貨，惟供不應求，面對若干重點產品（包括蘇子油軟膠囊）斷貨的問題。另外，海西廠房通往各生產車間地下蒸氣主管道於二零一六年十一月突然破裂，導致各生產車間暫停生產，令二零一六年銷售雪上加霜；
- (2) 於銷售成本方面：新廠房自二零一五年年初起正式可進行相關規格之藥品生產。新廠房及新增相關生產設備令銷售成本內折舊支出略有上升至約人民幣69,200,000元，佔整體銷售成本約28.2%（二零一五年：約人民幣67,800,000元，佔整體成本約15.6%），較去年上升2.0%，整體銷售成本百分比比較去年下降43.8百分點。

毛利率下跌之主要原因為營業額下跌導致採購成本下降。而銷售成本中之固定成本，包括員工成本及折舊費用並沒有隨營業額下降，以致固定成本佔整體銷售成本的比例增加，從而影響整體毛利率。



## Management Discussion and Analysis

### 管理層討論及分析

Apart from the depreciation charges, the proportion of other cost of sales, including raw materials, packaging materials, energy and fuel costs, as well as direct labor costs and others, remained essentially the same, except that the related amounts decreased with the drop in sales as compared with the same period of last year.

### 3. Loss for the year

Although the Group reduced its product prices in the year under review, the suspension of production led to a decrease in both sales and gross profit. Also, impairment on the property, plant and equipment and the land use rights largely increased the Group's loss during the period under review. The Group recorded a loss of approximately RMB396.3 million (2015: profit amounted to approximately RMB41.2 million).

The distribution costs decreased by approximately 64.9% to approximately RMB15.5 million (2015: approximately RMB44.1 million). The main reason for the decrease was that the relevant advertising and marketing expenses of our three wholly-owned subsidiaries in the People's Republic of China (the "PRC") was approximately RMB0.1 million in total for the year under review, representing a decrease of approximately 99.0% over last year (2015: approximately RMB14.2 million). Since last year, the Group further reduced its investment in advertising resources substantially and invested in other areas with more apparent benefits. The Group will continue to participate in academic and new medicine promotion seminars, as well as medicine trade fairs to introduce the advantages of various medicines.

Administrative expenses increased approximately 57.2% over last year to RMB82.8 million (2015: approximately RMB52.7 million). The increase was mainly attributable to the equity-settled share-based payment expenses for approximately RMB19.9 million (2015: Nil).

Furthermore, during the period under review, the Board identified certain impairment indicators, among others, the turnover of the Group did not increase as anticipated and the gross profit deteriorated. In response to the impairment indicators identified, the Group performed an impairment review of the recoverable amount related to the Group's production facilities in the Haixi plant.

For the purpose of impairment testing, the property, plant and equipment and the land use rights located at the above production factories had been allocated to a cash generating unit ("CGU") and the recoverable amount of the Group's production facilities is determined through determining the recoverable amount of the CGU.

The Group determined the recoverable amount of the CGU on the basis of value-in-use calculations, which adopted the discount cash flow method, an income approach technique. The calculation was based on, among others, the following:

- cash flow forecast for the next five years as approved by the management, which had taken into account of the following assumptions: budgeted sales, expected gross profit margins and stable material price inflation rate of 3% per year (2015: 2%) during the next five-year period based on the Group's past performance, available market data and the management's reasonable expectations for the market development;

除折舊支出，其他銷售成本比例包括原材料、包裝物料、能源及燃料成本、直接勞動及其他較去年同期除因銷售下跌而令相關銷售成本金額下跌外，其所佔銷售成本比例比較均沒有重大變化。

### 3. 年內虧損

雖然本集團於回顧年度下調旗下產品的價格，但廠房之停產導致銷售及毛利同步下跌。此外，於回顧期內，物業、廠房及設備以及土地使用權之減值亦大幅擴大本集團期內之虧損。本集團錄得虧損約人民幣396,300,000元(二零一五年：溢利約人民幣41,200,000元)。

分銷成本下調約64.9%至約人民幣15,500,000元(二零一五年：約人民幣44,100,000元)。原因主要為於回顧年度，本集團中華人民共和國(「中國」)國內三所全資附屬公司相關廣告宣傳及推廣費用支出合共約人民幣100,000元，較去年同期下跌約99.0%(二零一五年：約人民幣14,200,000元)。本集團從去年起進一步大幅縮減廣告資源投放，並投放到其他效益更顯著的地方。本集團會繼續參與新藥推介會、學術專場推介會和藥交會等，來推廣各種藥品的優勢。

行政費用與去年比較上升約57.2%至約人民幣82,800,000元(二零一五年：約人民幣52,700,000元)，主要增加之原因為以權益結算以股份為基礎的付款支出約人民幣19,900,000元。(二零一五年：無)。

此外，於回顧期間內，董事會察覺若干減值跡象，(其中包括)本集團營業額增加未如預期，且毛利減少。有鑑於此，本集團因而對有關本集團於海西廠房的生產設備的可收回金額作出減值審查。

就減值測試而言，位於上述生產設備之物業、廠房及設備以及土地使用權已分配至一個現金產生單位(「現金產生單位」)，而本集團生產設備之可收回金額乃透過釐定現金產生單位之可收回金額而定。

本集團的現金產生單位之可收回金額乃基於使用價值計算方式釐定，當中採用折現現金流方法(為一種收入法)。計算方式乃根據(其中包括)下列各項作出：

- 由管理層經考慮下列假設後通過的未來五年現金流預測：根據本集團過往表現、可用市場數據以及管理層就市場發展的合理預期預測於未來五年期的預算銷售額、預期毛利率及穩定的原材料價格按年通漲率3%(二零一五年：2%)；



- cash flow forecast beyond the fifth year is extrapolated using an annual growth rate of 3% (2015: 2%) which is based on industry and firm specific forecast;
  - discount rate of approximately 13.5% (2015: 12.0%) by adopting weighted average cost of capital; and
  - reference to a valuation performed by an independent professional valuer, APAC Assets Valuation and Consulting Limited.
- 第五年後的現金流預測以按年增長率3%(二零一五年:2%)推算,有關增長率乃根據行內及公司的具體預測而定;
  - 加權平均資本成本的折現率約13.5%(二零一五年:12.0%);及
  - 參照由獨立專業估值師亞太資產評估有限公司進行的估值。

Based on the value-in-use calculation as above, the recoverable amount of the CGU as at 31 December 2016 was approximately RMB786.4 million, which was below the carrying amount of the CGU as at 31 December 2016, i.e. RMB1,118.5 million. Accordingly, the Group recognised an impairment loss of RMB332.1 million in total, including RMB316.8 million and RMB15.3 million in the property, plant and equipment and the land use rights respectively. Due to the drop in sales demand, suspension of two production lines in the Haixi plant due to the upgrading and enhancement of existing production equipment for new GMP Certification and the continuously deepening of the pharmaceutical system reform in China, the Group has experienced significant drop in revenue and gross profit during the year. In consideration of the uncertainty due to marketing competition, government policies such as environmental regulations and other reforms in laws and regulations, it is uncertain whether the sales after obtaining new GMP Certification and the completion of reconstruction work of the Haixi plant can resume back to previous level. Hence, the management adopted a conservative projected cash flow forecast which resulted in a significant impairment loss. Such impairment loss was mainly attributable to the non-cash accounting treatment on the impairment losses on these production facilities, and mainly to reflect the value in use of the assets. Accordingly, such impairment loss is a non-cash expense with no impact on the Group's cash flow or business and production operations. No such impairment loss was provided for the non-current assets including any production equipment for last year.

On 15 September 2016, the strong typhoon Meranti hit Fujian and brought heavy rainfall to Haixi plant. Furthermore, on 8 November 2016, there was a rupture of the main underground steam pipelines connecting all the production compartments occurred in the small hours, which has destroyed and suspended the operation of pipelines for water for injection, nitrogen gas, fire hose and sewage in the Haixi plant. These incidents have caused damage on production facilities and inventories, as a result the Group has written off RMB89.9 million and RMB13.0 million of property, plant and equipment and inventories for the year respectively.

根據上述的使用價值計算方式,現金產生單位截至二零一六年十二月三十一日之可收回金額約為人民幣786,400,000元,較相關現金產生單位截至二零一六年十二月三十一日之賬面值(即人民幣1,118,500,000元)為低。因此,本集團確認減值虧損合共人民幣332,100,000元,包括物業、廠房及設備以及土地使用權分別為人民幣316,800,000元及人民幣15,300,000元的減值虧損。由於銷售需求下降、海西廠房一共涉及改造的海西廠房兩條生產線為取得新的藥品生產質量管理規範證書而進行生產設備進行升級及提升而停止生產以及中國持續深化改革醫藥制度,集團之收益及毛利大幅減退。考慮市場競爭,政府政策例如環境法規及其他法例及法規上改革的不確定性,未知在取得新的藥品生產質量管理規範證書以及完成海西廠房重建工作完成後銷售額能否回復以往水平。因此,管理層採用保守估計的現金流預,並錄得大額減值。該減值虧損主要由於該等生產設備減值虧損的非現金會計處理方法,以及反映該資產之使用價值所致,因此,該減值虧損為非現金開支,不會對本集團的現金流或業務及生產營運造成影響。去年則未需為任何生產設備等非流動資產進行減值虧損。

於二零一六年九月十五日,強烈颱風莫蘭蒂侵襲福建並為海西廠房帶來暴雨。加上於二零一六年十一月八日,通往各生產車間地下蒸氣主管道於凌晨破裂,破裂造成注射用水管道、氮氣管道、消防水管道、污水管道的嚴重破壞並停止供給,導致海西廠房生產車間自當日起暫時停止生產。此事件對生產設施及存貨造成破壞,因此本集團於本年度對物業、廠房及設備以及存貨於年內撇銷分別人民幣89,900,000元及人民幣13,000,000元。



## Management Discussion and Analysis

### 管理層討論及分析

Finally, tax credit of the Group amounted to approximately RMB107.1 million (2015: tax expenses of approximately RMB16.4 million). It mainly included (i) deductible temporary differences arising from the impairment of property, plant and equipment and land use rights amounted to approximately RMB83.0 million (2015: Nil); (ii) deductible temporary difference arising from the write-off on property, plant and equipment amounted to approximately RMB22.5 million (2015: Nil); and (iii) withholding deferred income tax for the provision of undistributed profits for the three wholly-owned subsidiaries in the PRC and the deferred tax credit amounted to approximately RMB1.9 million (2015: tax expenses of approximately RMB792,000).

#### 4. Liquidity, Financial Resources and Capital Structure

The Group adopts conservative treasury policies in financial and cash management, manages bank credit availability and monitors risks of credit cost, and also reviews the funding liquidity and financing requirements regularly. As at 31 December 2016, the Group had cash and cash equivalents of approximately RMB147.5 million (2015: approximately RMB555.2 million) and most cash and cash equivalents were denominated in Renminbi and Hong Kong dollars. The decrease in cash and cash equivalents during the year under review was mainly due to the increase of capital expenditure of the Group (see note 10 below). As at 31 December 2016, the Group's secured bank loans which were secured by land use rights and property, plant and equipment amounted to approximately RMB85.6 million (2015: RMB35.0 million). The loans were denominated in Renminbi, carried interest at fixed rates ranged from 4.6% to 4.8% (2015: 5.0% and 6.4% respectively) per annum and are repayable within 1 year. The Group continued to maintain a stable financial position with low gearing and healthy cash flows. The Group generated a net cash outflow from operating activities of approximately RMB70.3 million (2015: net cash inflow of approximately RMB70.8 million). During the year, the Group did not use any financial instruments for hedging purpose.

The Group reviewed the capital structure by using a gearing ratio. The gearing ratio representing the total debt, which includes trade and other payables and secured bank loans of the Group divided by total equity of the Group. The gearing ratio of the Group was approximately 10.9% as at 31 December 2016 (2015: approximately 8.4%).

#### 5. Exposure to Fluctuation in Exchange Rates

For the year ended 31 December 2016, the Group conducted its business transactions principally in Renminbi. The Group has not experienced any material difficulties or negative impacts on its operations as a result of fluctuations in currency exchange rates. As at 31 December 2016, the Group did not have any foreign exchange contracts, interest or currency swaps or other financial derivatives for hedging purpose. Therefore, the Group was not exposed to any material interest and exchange risks.

最後，本集團稅項收入約人民幣107,100,000元(二零一五年：稅項支出約人民幣16,400,000元)。主要包括(i)計提物業、廠房及設備以及土地使用權的減值導致可抵扣暫時性差異約為人民幣83,000,000元(二零一五年：無)；(ii)計提物業、廠房及設備的撇銷導致可抵扣暫時性差異約為人民幣22,500,000元(二零一五年：無)；以及(iii)需要為國內三間全資附屬公司就未分配利潤撥備預提遞延所得稅，該遞延所得稅收入約人民幣1,900,000元(二零一五年：稅項支出約人民幣792,000元)。

#### 4. 流動資金、財政資源及資本結構

本集團對財務及現金採取審慎管理的庫務政策，定期管理銀行可用信貸額度及監察信貸成本風險，並對資金流動性及融資要求做出定期檢討。於二零一六年十二月三十一日，本集團之現金及現金等價物約為人民幣147,500,000元(二零一五年：約人民幣555,200,000元)及大部分現金及現金等價物以人民幣及港元計值。現金及現金等價物於回顧年度下跌的主要原因是本集團資本開支增加(見以下附註10)。於二零一六年十二月三十一日，本集團有抵押銀行貸款約人民幣85,600,000元(二零一五年：人民幣35,000,000元)由土地使用權及物業、廠房及設備抵押。貸款均以人民幣計值，按介乎4.6%至4.8%的固定年利率(二零一五年：5.0%及6.4%)計息及須於一年內償還。本集團繼續維持穩健之財務狀況，同時保持低資產負債比率及穩健之現金流。本集團之經營活動產生負現金流入淨額約人民幣70,300,000元(二零一五年：正現金流入淨額約人民幣70,800,000元)。於年內，本集團並無運用任何金融工具作對沖用途。

本集團運用資產負債比率檢討資本架構。資產負債比率指本集團之總負債(包括貿易應付款項及其他應付款項以及有擔保銀行貸款)除以本集團之總權益。本集團於二零一六年十二月三十一日之資產負債比率為約10.9%(二零一五年：約8.4%)。

#### 5. 匯率波動風險

於截至二零一六年十二月三十一日止年度，本集團之業務交易主要以人民幣進行。本集團從未因貨幣匯率波動而遭遇重大困難或承受負面影響。於二零一六年十二月三十一日，本集團沒有任何外匯合約、外匯利息或外匯掉期或其他用作對沖的金融衍生工具。因此，本集團並無任何重大利率及匯兌風險。



### 6. Significant Acquisitions and Disposals of Investments, Subsidiaries, Associates or Joint Ventures

For the year ended 31 December 2016, the Company had no other significant acquisitions and disposals of investments, subsidiaries, associates or joint ventures save as the following:

On 4 November 2016, Fuzhou Sanai Pharmaceutical Company Limited (福州三愛藥業有限公司) ("Fuzhou Sanai"), a wholly-owned subsidiary of the Company entered into a cooperation agreement (the "Cooperation Agreement") with Huifeng in respect of, among others, the formation of the Antu County Chinese Medicines Technology Development Company Limited (the "Associate Company"), the provision of a shareholder's loan to the Associate Company by Fuzhou Sanai in the sum of approximately RMB112.7 million and the cooperation regarding the planting, processing, production and sales of Perillas and Perilla seeds. The Associate Company is a limited company established in the PRC and is held as to 51% by Huifeng and 49% by Fuzhou Sanai. The Associate Company will be principally engaged in the planting, processing, production and sales of Perillas and Perilla seeds based in Antu County of Jilin Province of the PRC. Further details of the Corporation Agreement were disclosed in the announcement of the Company dated 23 January 2017.

### 7. The Number and Remuneration of Employees

For the year ended 31 December 2016, the Group employed approximately 355 employees (2015: 417 employees) with a staff cost of approximately RMB33.2 million (2015: approximately RMB54.4 million). The Group determines staff remuneration in accordance with prevailing market salary scales, individual qualifications and performance. Remuneration packages including performance bonuses and entitlements to share options are reviewed on regular basis.

### 8. Charge on Group Assets

As at 31 December 2016, the Group charged its assets including land use rights and property, plant and equipment amounted to approximately RMB167.1 million (2015: RMB94.4 million) in favour of secured bank loans of RMB85.6 million (2015: RMB35.0 million).

### 9. Contingent Liabilities

As at 31 December 2016, the Group did not have any contingent liabilities (2015: Nil).

### 10. Capital Expenditure

For the year ended 31 December 2016, capital expenditure of the Group for property, plant and equipment and for the construction and development of existing factory located in Fujian Province for its own use in our ordinary and usual course of business amounted to approximately RMB435.5 million (2015: approximately RMB93.6 million). The increment was due to the capital expenditure incurred on (i) the reconstruction work in the Haixi plant arising from the rupture of the main underground steam pipelines connecting all the production compartments and other damaged production facilities; and (ii) the upgrades and enhancement on the production lines in the Haixi plant in obtaining new GMP Certification.

### 11. Capital Commitments

As at 31 December 2016, the Group's capital expenditure contracted for but not provided in the financial statements amounted to approximately RMB30.9 million (2015: approximately RMB8.1 million).

### 6. 重要收購及出售投資、附屬公司、聯營公司或合營企業

於截至二零一六年十二月三十一日止年度，除以下所披露，本公司並無其他重大收購及出售投資、附屬公司、聯營公司或合營企業：

於二零一六年十一月四日，本公司的全資附屬公司福州三愛藥業有限公司（「福州三愛」）與匯豐就（其中包括）成立安圖縣廣匯中藥材科技發展有限公司（「聯營公司」）、福州三愛向聯營公司提供總額約人民幣112,700,000元的股東貸款及有關紫蘇及紫蘇籽之種植、加工、生產及銷售的合作訂立合作協議（「合作協議」）。聯營公司為一間於中國成立的有限公司，由匯豐持有51%及由福州三愛持有49%。聯營公司將主要從事種植、加工、生產及銷售紫蘇及紫蘇籽，種植地位於中國吉林省安圖縣。有關合作協議的進一步詳情披露於本公司日期為二零一七年一月二十三日之公告。

### 7. 僱員數目及薪酬

於截至二零一六年十二月三十一日止年度，本集團聘用僱員約為355名（二零一五年：417名僱員），員工成本約為人民幣33,200,000元（二零一五年：約人民幣54,400,000元）。本集團按現行市場薪酬水平、個人資歷及表現釐定員工薪酬。薪酬待遇包括表現花紅及獲發購股權之權利，並作定期檢討。

### 8. 本集團資產抵押

於二零一六年十二月三十一日，本集團將約人民幣167,100,000元（二零一五年：人民幣94,400,000元）資產（包括土地使用權及物業、廠房及設備）作為有抵押銀行貸款人民幣85,600,000元（二零一五年：人民幣35,000,000元）之抵押。

### 9. 或然負債

於二零一六年十二月三十一日，本集團並無任何或然負債（二零一五年：無）。

### 10. 資本開支

於截至二零一六年十二月三十一日止年度，本集團物業、廠房及設備及建設以及為開發位於福建省現有工廠作其自用及日常及一般業務用途的資本開支約為人民幣435,500,000元（二零一五年：約人民幣93,600,000元）。該增加是由於本集團資本開支投入（i）於通往各生產車間地下蒸氣主管道破裂及其他受破壞的生產設施而產生的海西廠房重建工作以及（ii）對海西廠房生產線進行升級改造，以取得新的藥品生產質量管理規範證書。

### 11. 資本承擔

於二零一六年十二月三十一日，本集團有已訂約但尚未於財務報表中撥備的資本開支約人民幣30,900,000元（二零一五年：約人民幣8,100,000元）。



## Corporate Governance Report 企業管治報告

The Company is committed to achieving a high standard of corporate governance practice, such that the interests of our shareholders, customers, employees as well as the long term development of the Company can be safeguarded.

### CORPORATE GOVERNANCE PRACTICES

The Company has complied with the provisions as set out in the Corporate Governance Code (the "CG Code") during the year ended 31 December 2016 as contained in Appendix 14 to the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), ensuring that the Company is up to the requirements of being diligent, accountable and professional, except for deviation from code provision A.2.1 of the CG Code in respect of the roles of chairman ("Chairman") and chief executive officer ("Chief Executive Officer") of the Company as further elaborated below.

### DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as the Company's own code for securities transactions by its Directors. In addition, the Company has made specific enquiries of all Directors and each Director confirmed that during the year ended 31 December 2016, they fully complied with the required standards as set out in the Model Code.

### BOARD OF DIRECTORS

As at the date of this report, the Board currently consists of six members, with three executive Directors, namely, Mr. Lin Ou Wen, Mr. Chen Cheng Qing and Ms. Hung Hoi Lan, and three independent non-executive Directors, namely, Mr. Zhang Jie, Mr. Zhang Xue Wen and Mr. Wu Cheng Han. All Directors have distinguished themselves in their field of expertise, and have exhibited high standards of personal and professional ethics and integrity. The biographical details of each Director are shown on pages 33 to 34 of this Annual Report.

Mr. Lin Ou Wen, the Chairman, is the younger brother of Mr. Lin Qing Ping. Mr. Lin Min is the son of Mr. Lin Qing Ping. Mr. Lin Ou Wen is the uncle of Mr. Lin Min. Save as disclosed, there is no relationship among the Directors.

The Board is responsible for planning and overseeing the overall development and management of the Group with the objective of enhancing shareholders' value. The Board, led by the Chairman, is responsible for the approval and monitoring of the overall strategies and policies of the Group, approval of annual budgets and business plans, evaluation of the Company's performance and oversight of the works of management.

The Board is accountable to the shareholders and report to them at general meetings. The day-to-day operations of the Group are delegated to the management, which is headed by the Chief Executive Officer.

本公司致力達至高度的企業管治常規，使股東、客戶、員工以及公司長遠發展的利益得以維護。

### 企業管治常規

於截至二零一六年十二月三十一日止年度，本公司已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」）附錄十四所載企業管治守則（「企業管治守則」）所載條文，確保本公司符合盡力、負責及專業之要求，惟本公司主席（「主席」）及行政總裁（「行政總裁」）的角色偏離企業管治守則條文第A.2.1條（於下文進一步闡述）除外。

### 董事進行證券交易

本公司已採納上市規則附錄十所載上市發行人董事進行證券交易的標準守則（「標準守則」），作為本公司董事進行證券交易之守則。此外，本公司已向所有董事作出具體查詢，且各董事均確認截至二零一六年十二月三十一日止年度內彼等已全面遵守標準守則所規定標準。

### 董事會

於本報告日期，董事會現由六名成員組成，其中三名為執行董事（即林歐文先生、陳成慶先生及洪海瀾女士）及三名為獨立非執行董事（即張捷先生、張學文先生及吳成翰先生）。全體董事均在其專業領域有突出表現，展現高尚的個人及專業道德和誠信。各董事的履歷詳情載於本年報第33至34頁。

主席林歐文先生是林慶平先生之胞弟。林敏先生為林慶平先生的兒子。林歐文先生為林敏先生之叔父。除所披露者外，董事之間概無任何關係。

董事會負責規劃及監察本集團整體發展及管理，以提升股東價值為目標。由主席領導之董事會負責審批及監管本集團的整體策略及政策、批准年度預算及業務計劃、評估本公司表現以及監督管理層之工作。

董事會對股東負責，並須於股東大會上向股東匯報工作。本集團的日常營運由管理層負責，行政總裁領導管理層執行工作。



The Board meets regularly throughout the year to review the overall strategy and to monitor the operation as well as the financial performance of the Company. The Chairman focuses on the Company's strategy and is responsible for chairing and managing the efficient operation of the Board and ensuring that all key issues are considered by the Board in a timely manner. Notice of at least 14 days has been given to all Directors for all regular Board meetings and the Directors can include matters for discussion in the agenda whenever they consider appropriate and necessary. Agenda and accompanying Board papers in respect of regular Board meetings are dispatched in full to all Directors within a reasonable time before the meeting. Directors have to declare their direct or indirect interests, if any, in any proposals or transactions to be considered at Board meetings and abstain from voting as appropriate. Draft minutes of all Board meetings are circulated to Directors for comment within a reasonable time prior to confirmation. The Board meets at least 4 times a year, at approximately quarterly intervals, to review the financial performance, results of each period, material investments and other matters of the Company that require the resolution of the Board. Simultaneous conference call may be used to improve attendance when individual Director cannot attend the meeting in person. Opinions of the independent non-executive Directors are actively sought by the Company if they are unable to attend the meeting in person.

Minutes of Board meetings are kept by the company secretary of the Company ("Company Secretary"); all Directors have access to Board papers and related materials, and are provided with adequate information in a timely manner; this enables the Board to make informed decision on matters placed before it.

In respect of the corporate governance functions, during the year under review, the Board formulated the terms of reference on the corporate governance duties and performed corporate governance duties in accordance with the terms of reference. To be specific, the Board mainly performed the following corporate governance duties during the year under review:

- To review the Company's policies and practices on corporate governance and make recommendations;
- To review and monitor the training and continuous professional development of Directors and senior management;
- To review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- To develop, review and monitor the code of conduct applicable to directors and employees; and
- To review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

## BOARD ATTENDANCE

For the year ended 31 December 2016, the Board had convened seven Board meetings and two general meetings.

董事會於整個年度定期開會以檢討本公司整體策略及監察經營以及財務表現。主席專注於公司策略並負責領導及管理董事會之有效運作，並確保所有重大問題已獲董事會適時考慮。所有定期董事會會議之通告最少在會議前14天內發給所有董事，而董事可將其認為適宜及需要的任何事項載入議程。定期董事會會議之議程及隨附之會議文件將於會議開始前之合理時間內悉數派發予所有董事。董事必須聲明彼等將於董事會會議上考慮之任何建議或交易之直接或間接權益(如有)，並於適合情況下放棄投票。所有董事會會議之會議記錄初稿將於確認前合理時間內發送予董事以供彼等提供意見。董事會每年至少舉行四次會議，約每季一次，以檢討本公司財務表現、每段期間之業績、重大投資以及需要董事會決議案之其他事宜。當個別董事未能親自出席會議，則可能會利用同步電話會議，以提高董事之出席率。倘獨立非執行董事未克親身出席會議，本公司仍會積極尋求彼等之意見。

本公司公司秘書(「公司秘書」)保存董事會會議記錄；所有董事均有權查閱董事會文件及相關材料，並會及時獲提供充分資料；此使董事會可就提呈之事項作出知情決定。

企業管治職能方面，董事會於回顧年度內就企業管治職責制訂了職權範圍，並按照職權範圍履行了企業管治職責。具體而言，董事會於回顧年度內主要履行了下列企業管治職責：

- 檢討本公司企業管治政策及常規，並提出建議；
- 檢討及監察董事及高級管理層的培訓及持續專業發展；
- 檢討及監察本公司在遵守法律及監管規定方面的政策及常規；
- 制定、檢討及監察董事及僱員適用的操守守則；及
- 檢討本公司遵守企業管治守則的情況及在企業管治報告內的披露事項。

## 董事會出席率

於截至二零一六年十二月三十一日止年度，董事會已舉行七次董事會會議及兩次股東大會。



# Corporate Governance Report

## 企業管治報告

Attendance records of the Directors are as follows:

董事之出席記錄如下：

Directors 董事		Number of attendance of Board meetings 董事會會議 出席次數	Number of attendance of general meetings 股東大會 出席次數
<b>Executive Directors</b>			
<b>執行董事</b>			
Mr. Lin Ou Wen (Chairman)	林歐文先生(主席)	7/7	2/2
Mr. Lin Qing Ping (retired with effect from 2 June 2016, appointed with effect from 30 June 2016 and resigned with effect from 14 October 2016)	林慶平先生 (由二零一六年六月二日起退任， 由二零一六年六月三十日起獲委任 及由二零一六年十月十四日起辭任)	6/6 (Note 1) (附註1)	2/2 (Note 1) (附註1)
Mr. Lin Min (appointed with effect from 30 June 2016 and resigned with effect from 17 February 2017)	林敏先生 (由二零一六年六月三十日起獲委任 及由二零一七年二月十七日起辭任)	3/3 (Note 2) (附註2)	1/1 (Note 2) (附註2)
Mr. Xu Chao Hui (retired with effect from 2 June 2016)	許朝暉先生 (由二零一六年六月二日起退任)	3/3 (Note 3) (附註3)	1/1 (Note 3) (附註3)
<b>Non-executive Directors</b>			
<b>非執行董事</b>			
Mr. Tang Bin (retired with effect from 2 June 2016)	唐彬先生 (由二零一六年六月二日起退任)	3/3 (Note 3) (附註3)	1/1 (Note 3) (附註3)
Mr. John Yang Wang (resigned with effect from 30 June 2016)	王陽先生 (由二零一六年六月三十日起辭任)	1/4 (Note 4) (附註4)	0/1 (Note 4, 7) (附註4、7)
Mr. Wen Cyrus Jun-Ming (resigned with effect from 3 March 2016)	聞俊銘先生 (由二零一六年三月三日起辭任)	0/0 (Note 5) (附註5)	0/0 (Note 5) (附註5)
<b>Independent non-executive Directors</b>			
<b>獨立非執行董事</b>			
Mr. Zhang Jie (appointed with effect from 30 June 2016)	張捷先生 (由二零一六年六月三十日起獲委任)	3/3 (Note 6) (附註6)	0/1 (Note 6, 7) (附註6、7)
Mr. Zhang Xue Wen (appointed with effect from 30 June 2016)	張學文先生 (由二零一六年六月三十日起獲委任)	3/3 (Note 6) (附註6)	1/1 (Note 6) (附註6)
Mr. Wu Cheng Han (appointed with effect from 30 June 2016)	吳成翰先生 (由二零一六年六月三十日起獲委任)	3/3 (Note 6) (附註6)	1/1 (Note 6) (附註6)
Mr. Liu Jun (resigned with effect from 30 June 2016)	劉軍先生 (由二零一六年六月三十日起辭任)	4/4 (Note 4) (附註4)	1/1 (Note 4) (附註4)
Mr. Lam Yat Cheong (resigned with effect from 30 June 2016)	林日昌先生 (由二零一六年六月三十日起辭任)	4/4 (Note 4) (附註4)	0/1 (Note 4, 7) (附註4、7)
Mr. Du Jian (resigned with effect from 30 June 2016)	杜建先生 (由二零一六年六月三十日起辭任)	4/4 (Note 4) (附註4)	0/1 (Note 4, 7) (附註4、7)



Note:

- (1) Mr. Lin Qing Ping retired with effect from 2 June 2016, appointed with effect from 30 June 2016 and resigned with effect from 14 October 2016, only 6 Board meetings and 2 general meetings were held during his appointment period.
- (2) Mr. Lin Min was appointed with effect from 30 June 2016, only 3 Board meetings and 1 general meeting were held during his appointment period.
- (3) Mr. Xu Chao Hui and Mr. Tang Bin retired with effect from 2 June 2016, only 3 Board meetings and 1 general meeting were held during their appointment period.
- (4) Mr. John Wang Yang, Mr. Lam Yat Cheong, Mr. Liu Jun and Mr. Du Jian resigned with effect from 30 June 2016, only 4 Board meetings and 1 general meeting were held during their appointment period.
- (5) Mr. Wen Cyrus Jun-Ming resigned with effect from 3 March 2016, no Board meeting and general meeting was held during his appointment period.
- (6) Mr. Zhang Jie, Mr. Zhang Xue Wen and Mr. Wu Cheng Han were appointed with effect from 30 June 2016, only 3 Board meetings and 1 general meeting were held during their appointment period.
- (7) Pursuant to code provision A.6.7 of the CG Code, independent non-executive Directors and other non-executive Directors should also attend general meetings. Mr. John Wang Yang, a non-executive Director, Mr. Zhang Jie, Mr. Lam Yat Cheong and Mr. Du Jian, the independent non-executive Directors, did not attend the general meeting of the Company due to their own business arrangement.

#### CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Under code provision A.2.1 of Appendix 14 to the Listing Rules, the roles of Chairman and Chief Executive Officer of an issuer should be separate and should not be performed by the same person. The Company does not at present separate the roles of Chairman and Chief Executive Officer. Mr. Lin Ou Wen is the Chairman and Chief Executive Officer responsible for overseeing the operations of the Group. The Board considers that vesting the roles of the Chairman and the Chief Executive Officer in the same person facilitates the execution of the Company's business strategies and maximizes the effectiveness of its operations. On the other hand, there are three independent non-executive Directors in the Board, all of them possess adequate independence and therefore the Board considers the Company has achieved balance of and provided sufficient protection to its interests and the interests of its shareholders. The Board shall review the structure from time to time and shall consider the appropriate adjustment should suitable circumstance arise.

#### NON-EXECUTIVE DIRECTORS

In full compliance with Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules, during the year ended 31 December 2016, the Company has appointed three independent non-executive Directors, at least one of whom has appropriate professional accounting qualifications or related financial management expertise. The Company has received from each independent non-executive Director an annual confirmation of his independence, and the Company considers such Directors to be independent in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules.

附註:

- (1) 林慶平先生由二零一六年六月二日起退休,由二零一六年六月三十日起獲委任及由二零一六年十月十四日起辭任。於彼任期內僅舉行6次董事會會議及2次股東會議。
- (2) 林敏先生由二零一六年六月三十日起獲委任。於彼任期內僅舉行3次董事會會議及1次股東會議。
- (3) 許朝暉先生及唐彬先生由二零一六年六月二日起退休,於彼等任期內僅舉行3次董事會會議及1次股東會議。
- (4) 王陽先生、林日昌先生、劉軍先生及杜建先生由二零一六年六月三十日起辭任,於彼等任期內僅舉行4次董事會會議及1次股東會議。
- (5) 聞俊銘先生由二零一六年三月三日起辭任,於彼等任期內概無舉行董事會會議及股東會議。
- (6) 張捷先生、張學文先生及吳成翰先生由二零一六年六月三十日起獲委任,於彼等任期內僅舉行3次董事會會議及1次股東會議。
- (7) 根據企業管治守則守則條文A.6.7條,獨立非執行董事及其他非執行董事亦須出席股東會議。非執行董事王陽先生、獨立非執行董事張捷先生、林日昌先生及杜建先生由於彼等自身業務安排並無出席股東會議。

#### 主席及行政總裁

根據上市規則附錄14守則條文第A.2.1條,發行人之主席及行政總裁之角色應予區分而不應由一人同時兼任。本公司目前並無分離主席及行政總裁之角色。林歐文先生同時出任主席及行政總裁,負責監察本集團之經營。董事會認為由同一人出任主席及行政總裁,便於執行本公司之業務策略以及提升其經營之效率。此外,董事會有三名獨立非執行董事,彼等均擁有足夠的獨立性,故董事會認為本公司已就其權益以及其股東的權益取得平衡及提供足夠保障。董事會將不時檢討有關架構,並於適當情況下考慮作出適當調整。

#### 非執行董事

為全面遵守上市規則第3.10(1)、3.10(2)及3.10A條,截至二零一六年十二月三十一日止年度,本公司已委任三名獨立非執行董事,其中至少一名具有適當的專業會計資格或相關財務管理專業知識。本公司已自各獨立非執行董事獲取有關彼等獨立性之年度確認,根據上市規則第3.13條所載獨立性指引,本公司認為所有該等非執行董事均為獨立人士。



## Corporate Governance Report 企業管治報告

All non-executive Directors (including independent non-executive Directors) are appointed for a term of one year. The appointment contracts will be renewed every year and they are subject to retirement by rotation and re-election by shareholders in accordance with the articles of association of the Company. The responsibilities of the non-executive Directors include, without limitation: regular attendance at meetings of the Board and of board committees of which they are members; provision of independent opinions at meetings of the Board and other board committees; resolution of or taking the lead where there is potential conflict of interests; service on the audit committee ("Audit Committee"), remuneration committee ("Remuneration Committee") and nomination committee ("Nomination Committee") of the Company; and scrutinizing and monitoring the performance of the Company.

### BOARD DIVERSITY

The Board has adopted the Board Diversity Policy in August 2013 whereas such Policy states the method by which the board diversity can be reached.

The Company has known the fact that the Board has become more and more diversified day by day has helped the Company achieved its strategic objective and has provided support for the Company's sustainable development.

The Company aims to achieve Board diversity by taking into consideration of various factors including the age, culture and educational background, race, professional experience, knowledge and other qualifications. When the Company determines the best combination for the members of the Board, it will, from time to time, take into consideration of its own business mode and specific needs.

The Nomination Committee has designed measurable goals according to four major aspects (namely, the age, professional qualification, term of service and independence) for purposes of implementing the Board Diversity Policy and considered that these goals have been achieved satisfactorily during the year. The relevant goals will be reviewed from time to time so as to ensure its appropriateness and its progress for achieving such goals. The Nomination Committee will review the Board Diversity Policy (if it is appropriate) to ensure that such Policy continues to be effective from time to time.

### DIRECTORS' INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT

On appointment to the Board, each Director receives a comprehensive induction package covering business operations, policy and procedures of the Company as well as the general, statutory and regulatory obligations of being a Director to ensure that he/she is sufficiently aware of his/her responsibilities under the Listing Rules and other relevant regulatory requirements.

The Directors are regularly briefed on the amendments to or updates on the relevant laws, rules and regulations. In addition, the Company has been encouraging the Directors and senior executives to enrol in a wide range of professional development courses and seminars relating to the Listing Rules, Companies Ordinance/Act and corporate governance practices organised by professional bodies, independent auditors and/or chambers in Hong Kong so that they can continuously update and further improve their relevant knowledge and skills.

所有非執行董事(包括獨立非執行董事)的委任期為期一年。委任合約每年重續，且非執行董事須根據本公司之公司章程細則輪席退任，並經股東重新選舉。非執行董事之責任包括(但不限於)：定期出席董事會及其出任成員的董事委員會會議；在董事會和其他董事委員會會議上提供獨立意見；在有潛在利益衝突時予以解決或起表率作用；出任本公司審核委員會(「審核委員會」)、薪酬委員會(「薪酬委員會」)及提名委員會(「提名委員會」)成員；及檢查及監察本公司表現。

### 董事會成員多元化

董事會於二零一三年八月採納董事會成員多元化政策，該政策載列達致董事會成員多元化的方法。

本公司知悉董事會成員日益多元化已有助達成本公司策略目標及為本公司可持續發展提供支持。

本公司藉考慮多項因素，包括年齡、文化及教育背景、種族、專業經驗、知識以及其他資格，務求達致董事會成員多元化。本公司在決定董事會最佳成員組合時亦將不時考慮其本身業務模式及具體需要。

提名委員會已按四個重點範疇(年齡、專業資格、服務任期及獨立性)設定可計量目標，以執行董事會成員多元化政策，並認為於年內已圓滿達成該等目標。有關目標將不時審閱以確保其合適及確定達成該等目標的進度。提名委員會將不時(視適用情況而定)審閱董事會成員多元化政策，確保相關政策持續有效。

### 董事之入職及持續專業發展

各董事獲委任加入董事會時將收到全面之入職資料，範圍涵蓋本公司之業務營運、政策及程序以及作為董事之一般、法定及監管責任，以確保其足夠瞭解其於上市規則及其他相關監管規定下之責任。

董事定期獲知會相關法例、規則及規例之修訂或最新版本簡報。此外，本公司一直鼓勵董事及高級行政人員報讀由香港專業團體、獨立核數師及／或商會舉辦的有關上市規則、公司條例／公司法及企業管治常規之廣泛專業發展課程及講座，使彼等可持續更新及進一步提高相關知識及技能。



From time to time, Directors are provided with written training materials to develop and refresh their professional skills; during the year under review, the Company Secretary also organised and arranged seminars on the latest development of applicable laws, rules and regulations for the Directors to assist them in discharging their duties.

According to the records maintained by the Company, the Directors received the following training with an emphasis on the roles, functions and duties of a director of a listed company in compliance with the requirement of the CG Code on continuous professional development during the period from 1 January to 31 December 2016:

董事將不時獲提供旨在發展及更新其專業技能之書面培訓材料；於回顧年度內，本公司之公司秘書亦會為董事舉辦及安排有關適用法例、規則及規例最新發展之講座，以協助彼等履行其職責。

根據本公司存置之記錄，為符合企業管治守則關於持續專業發展之規定，董事於二零一六年一月一日至十二月三十一日止期間接受以下重點在於上市公司董事之角色、職能及職責之培訓：

Directors 董事		Corporate Governance/ Updates on Laws, Rules and regulations 企業管治/法例、規則 及規例之最新版本		Accounting/Financial/ Management or Other Professional Skills 會計/財務/管理 或其他專業技能	
		Read Materials 閱覽材料	Attend Seminars/ Briefings 出席講座/簡報會	Read Materials 閱覽材料	Attend Seminars/ Briefings 出席講座/簡報會
<b>Executive Directors</b>	<b>執行董事</b>				
Mr. Lin Ou Wen (Chairman)	林歐文先生 (主席)	√			
Mr. Lin Qing Ping (retired with effect from 2 June 2016, appointed with effect from 30 June 2016 and resigned with effect from 14 October 2016)	林慶平先生 (由二零一六年六月二日起退任， 由二零一六年六月三十日起獲委任 及由二零一六年十月十四日起辭任)	√			
Mr. Lin Min (appointed with effect from 30 June 2016 and resigned with effect from 17 February 2017)	林敏先生 (由二零一六年六月三十日起獲委任 及由二零一七年二月十七日起辭任)	√			
Mr. Xu Chao Hui (retired with effect from 2 June 2016)	許朝暉先生 (由二零一六年六月二日起退任)	√		√	
<b>Non-executive Directors</b>	<b>非執行董事</b>				
Mr. Tang Bin (retired with effect from 2 June 2016)	唐彬先生 (由二零一六年六月二日起退任)	√			
Mr. John Yang Wang (resigned with effect from 30 June 2016)	王陽先生 (由二零一六年六月三十日起辭任)	√	√	√	√
Mr. Wen Cyrus Jun-Ming (resigned with effect from 3 March 2016)	聞俊銘先生 (由二零一六年三月三日起辭任)	√			
<b>Independent non-executive Directors</b>	<b>獨立非執行董事</b>				
Mr. Zhang Jie (appointed with effect from 30 June 2016)	張捷先生 (由二零一六年六月三十日起獲委任)	√		√	
Mr. Zhang Xue Wen (appointed with effect from 30 June 2016)	張學文先生 (由二零一六年六月三十日起獲委任)	√			
Mr. Wu Cheng Han (appointed with effect from 30 June 2016)	吳成翰先生 (由二零一六年六月三十日起獲委任)	√			
Mr. Liu Jun (resigned with effect from 30 June 2016)	劉軍先生 (由二零一六年六月三十日起辭任)	√			
Mr. Lam Yat Cheong (resigned with effect from 30 June 2016)	林日昌先生 (由二零一六年六月三十日起辭任)	√		√	√
Mr. Du Jian (resigned with effect from 30 June 2016)	杜建先生 (由二零一六年六月三十日起辭任)	√			



## Corporate Governance Report 企業管治報告

### DIRECTORS' AND OFFICERS' LIABILITY

The Company has renewed Directors' and Officers' liabilities insurance for all the Directors and the senior management of the Company for the year 2016/2017. The insurance covers them against costs, charges, expenses and liabilities incurred arising out of the corporate activities.

### BOARD COMMITTEES

The monitoring and assessment of certain governance matters are allocated to three committees which operate under defined terms of reference.

### AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference in compliance with the Listing Rules. The composition of the Audit Committee and their attendance records for the year ended 31 December 2016 were as follows:

Directors 董事		Number of attendance 出席次數
<b>Independent non-executive Directors:</b>	<b>獨立非執行董事：</b>	
Mr. Zhang Jie (Chairman) (appointed with effect from 30 June 2016)	張捷先生(主席) (由二零一六年六月三十日起獲委任)	1/1
Mr. Zhang Xue Wen (appointed with effect from 30 June 2016)	張學文先生 (由二零一六年六月三十日起獲委任)	1/1
Mr. Wu Cheng Han (appointed with effect from 30 June 2016)	吳成翰先生 (由二零一六年六月三十日起獲委任)	1/1
Mr. Lam Yat Cheong (Chairman) (resigned with effect from 30 June 2016)	林日昌先生(主席) (由二零一六年六月三十日起辭任)	2/2
Mr. Liu Jun (resigned with effect from 30 June 2016)	劉軍先生 (由二零一六年六月三十日起辭任)	2/2
Mr. Du Jian (resigned with effect from 30 June 2016)	杜建先生 (由二零一六年六月三十日起辭任)	2/2

Each member can bring to the committee his valuable experience in reviewing financial statements and evaluating significant control and financial issues of the Company as each of them possesses management experience in the accounting profession or commercial sectors.

The principal duties of the Audit Committee include the review and supervision of the Company's financial reporting system, financial statements and internal control procedures. The Audit Committee also monitors the appointment of the Company's external independent auditor. The terms of reference of the Audit Committee are available for inspection on the Company's website at [www.wuyi-pharma.com](http://www.wuyi-pharma.com) and the website of the Stock Exchange.

### 董事及高級職員責任

本公司已續保二零一六/二零一七年度本公司全體董事及高級管理層的董事及高級職員責任保險。有關保險為彼等承保企業活動所產生的成本、費用、開支及責任。

### 董事委員會

若干管治事宜之監察及評估工作已分配予三個董事委員會，彼等乃根據其界定之職權範圍運作。

### 審核委員會

本公司已根據上市規則成立審核委員會並書面確定其職權範圍。於二零一六年十二月三十一日止年度，審核委員會之組成及彼等的出席記錄如下：

由於彼等各自均於會計專業或商界擁有豐富的管理經驗，故每位成員貢獻其寶貴經驗，審閱財務報表及評估本公司重大控制及財務事宜。

審核委員會之主要責職包括審議及監察本公司之財務申報系統、財務報表及內部監控程序。審核委員會亦監督公司外聘獨立核數師的任用。審核委員會之職權範圍可於本公司網站 [www.wuyi-pharma.com](http://www.wuyi-pharma.com) 及聯交所網站查閱。



The Audit Committee shall meet at least twice a year. During the year under review, three meetings (on 24 March 2016, 6 April 2016 and 23 August 2016) were held. For the two meetings held on 24 March 2016 and 6 April 2016, the consolidated financial statements of the Company for the financial year ended 31 December 2015 and the Company's internal control system reports were reviewed, and with recommendation to the Board for further approval. For the meeting held on 23 August 2016, the Audit Committee reviewed the consolidated financial statement of the Company for the six months ended 30 June 2016 and the Company's internal control system reports were reviewed, and with recommendation to the Board for further approval. The annual results announcement and annual report of the Group and the reports on the Company's internal control and risk management systems for the year ended 31 December 2016 had also been reviewed by the Audit Committee in the meeting held on 13 April 2017, with no disagreement among all Audit Committee members, and with recommendation to the Board for approval.

審核委員會應每年至少舉行兩次會議。於回顧年內，本公司於二零一六年三月二十四日、二零一六年四月六日及二零一六年八月二十三日舉行了三次會議。於二零一六年三月二十四日及二零一六年四月六日舉行的兩次會議上，審核委員會審閱了本公司截至二零一五年十二月三十一日止財政年度之綜合財務報表及本公司之內部監控系統報告並向董事會推薦，以待其進一步批准。於二零一六年八月二十三日舉行的會議上，審核委員會審閱本公司截至二零一六年六月三十日止六個月之簡明綜合財務報表以及本公司之內部監控系統報告並向董事會推薦，以待其進一步批准。本集團截至二零一六年十二月三十一日止年度之年度業績公佈、年度報告及本公司之內部監控及風險管理系統報告亦已於二零一七年四月十三日在會議上獲審核委員會審閱，審核委員會所有成員之間並無異議，並向董事會推薦，以待批准。

### REMUNERATION COMMITTEE

The Company has established a remuneration committee with written terms of reference in compliance with the Listing Rules. The composition of the Remuneration Committee and their attendance records for the year ended 31 December 2016 were as follows:

### 薪酬委員會

本公司已根據上市規則成立薪酬委員會並書面確定其職權範圍。於二零一六年十二月三十一日止年度，薪酬委員會之組成及彼等的出席記錄如下：

Directors 董事		Number of attendance 出席次數
<b>Executive Director:</b> Mr. Lin Ou Wen	<b>執行董事：</b> 林歐文先生	1/1
<b>Independent non-executive Directors:</b> Mr. Zhang Jie (Chairman) <i>(appointed with effect from 30 June 2016)</i>	<b>獨立非執行董事：</b> 張捷先生(主席) <i>(由二零一六年六月三十日起獲委任)</i>	0/0
Mr. Zhang Xue Wen <i>(appointed with effect from 30 June 2016)</i>	張學文先生 <i>(由二零一六年六月三十日起獲委任)</i>	0/0
Mr. Wu Cheng Han <i>(appointed with effect from 30 June 2016)</i>	吳成翰先生 <i>(由二零一六年六月三十日起獲委任)</i>	0/0
Mr. Lam Yat Cheong (Chairman) <i>(resigned with effect from 30 June 2016)</i>	林日昌先生(主席) <i>(由二零一六年六月三十日起辭任)</i>	1/1
Mr. Liu Jun <i>(resigned with effect from 30 June 2016)</i>	劉軍先生 <i>(由二零一六年六月三十日起辭任)</i>	1/1
Mr. Du Jian <i>(resigned with effect from 30 June 2016)</i>	杜建先生 <i>(由二零一六年六月三十日起辭任)</i>	1/1

The Board has delegated the authority to the Remuneration Committee to review and recommend to the Board the compensation scheme of the Directors as well as that of the senior management staff.

董事會授權薪酬委員會檢討董事及高級管理員工的薪酬計劃及就此向董事會提出建議。

The main function of the Remuneration Committee is to assist the Board to oversee the Company's remuneration packages, bonus and other compensation payable to Directors and senior management and establish a transparent procedure for developing policy on such remuneration. The Board shall provide sufficient resources to the Remuneration Committee to enable it to discharge its duties.

薪酬委員會主要職能為協助董事會監察本公司支付董事及高級管理層之薪酬組合、獎金及其他補償以及訂立一套具透明度的程序，以制定有關該等酬金之政策。董事會須向薪酬委員會提供充足資源，以令其能夠履行其職責。



## Corporate Governance Report 企業管治報告

During the year under review, the Remuneration Committee has conducted a meeting on 30 June 2016. The Remuneration Committee assisted the Board to review and made recommendations to the Board on the remuneration of newly appointed executive Directors and independent non-executive Directors. The terms of reference of the Remuneration Committee are available for inspection on the Company's website at [www.wuyi-pharma.com](http://www.wuyi-pharma.com) and the website of the Stock Exchange.

The Company adopted a share option scheme for the senior management and employees on 8 January 2007, which serves as incentives or rewards to attract, retain and motivate staff.

### NOMINATION COMMITTEE

The Company has established a nomination committee with written terms of reference. The composition of the Nomination Committee and their attendance records for the year ended 31 December 2016 were as follows:

於回顧年度，薪酬委員會已於二零一六年六月三十日召開會議。薪酬委員會協助董事會就新任執行董事及獨立非執行董事之薪酬作出審議及就此向董事會提出建議。薪酬委員會之職權範圍可於本公司網站 [www.wuyi-pharma.com](http://www.wuyi-pharma.com) 及聯交所網站查閱。

本公司於二零零七年一月八日為高級管理層及僱員採納一項購股權計劃，作為鼓勵或獎勵以招攬、挽留及激勵員工。

### 提名委員會

本公司已成立提名委員會並書面確定其職權範圍。於二零一六年十二月三十一日止年度，提名委員會之組成及彼等的出席記錄如下：

Directors 董事		Number of attendance 出席次數
<b>Executive Directors:</b>		
Mr. Lin Ou Wen (Chairman)	執行董事： 林歐文先生(主席)	1/1
Mr. Lin Qing Ping <i>(retired with effect from 2 June 2016, appointed with effect from 30 June 2016 and resigned with effect from 14 October 2016)</i>	林慶平先生 <i>(由二零一六年六月二日起退任，由二零一六年六月三十日起獲委任及由二零一六年十月十四日起辭任)</i>	0/0
<b>Independent non-executive Directors:</b>		
Mr. Zhang Jie <i>(appointed with effect from 30 June 2016)</i>	獨立非執行董事： 張捷先生 <i>(由二零一六年六月三十日起獲委任)</i>	0/0
Mr. Zhang Xue Wen <i>(appointed with effect from 30 June 2016)</i>	張學文先生 <i>(由二零一六年六月三十日起獲委任)</i>	0/0
Mr. Wu Cheng Han <i>(appointed with effect from 30 June 2016)</i>	吳成翰先生 <i>(由二零一六年六月三十日起獲委任)</i>	0/0
Mr. Lam Yat Cheong <i>(resigned with effect from 30 June 2016)</i>	林日昌先生 <i>(由二零一六年六月三十日起辭任)</i>	1/1
Mr. Liu Jun <i>(resigned with effect from 30 June 2016)</i>	劉軍先生 <i>(由二零一六年六月三十日起辭任)</i>	1/1
Mr. Du Jian <i>(resigned with effect from 30 June 2016)</i>	杜建先生 <i>(由二零一六年六月三十日起辭任)</i>	1/1

The main functions of the Nomination Committee are to review the structure, size and composition of the Board, to identify individuals who are suitably qualified to become members of the Board, and to assess the independence of the independent non-executive Directors. Having regard to the independence and quality of nominees, the Nomination Committee shall make recommendations to the Board so as to ensure that all nominations are fair and transparent. The Nomination Committee is also responsible for reviewing the succession planning for Directors, in particular the chairman of the Board and the chief executive officer of the Company and reviewing the objectives set for implementing and reviewing the Board Diversity Policy as well as the composition and diversity of the Board. The Board shall provide sufficient resources to the Nomination Committee to enable it to discharge its duties.

提名委員會之主要職能是審議董事會之架構、規模及組成、物色具適合資格之人士加入董事會以及評估獨立非執行董事之獨立性。至於提名人士之獨立性及質素，提名委員會須向董事會提出推薦建議，以確保所有任命均屬公平及具透明度。提名委員會亦負責審議有關董事特別是董事會主席及本公司行政總裁之繼任計劃、審議執行的目標及審議董事會成員多元化政策以及董事會的構成及多元化。董事會須向提名委員會提供充足資源，以令其能夠履行其職責。



Pursuant to the Company's articles of association, one-third of the Directors for the time being (or, if their number is not a multiple of three, then the number nearest to but not less than one-third) shall retire from office by rotation at each annual general meeting of the Company provided that every Director shall be subject to retirement at least once every three years. The retiring Directors are eligible to offer themselves for re-election.

During the year under review, the Nomination Committee has conducted a meeting on 30 June 2016, in which the members of Nomination Committee performed appraisal of newly appointed executive Directors and independent non-executive Directors, recommended the Board to appoint them as Directors and certain of them as members of Board committees and reviewed the independence of the independent non-executive Directors. During the year under review, the Nomination Committee also monitored the implementation of the Board Diversity Policy. The terms of reference of the Nomination Committee are available for inspection on the Company's website at [www.wuyi-pharma.com](http://www.wuyi-pharma.com) and the website of the Stock Exchange.

### SENIOR MANAGEMENT'S REMUNERATION

Senior management's remuneration paid by the Group for the year ended 31 December 2016 falls within the following band:

Nil to HK\$1,000,000	零至 1,000,000 港元	4
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### AUDITOR'S REMUNERATION

The total remuneration paid or payable to the Company's external auditor, Crowe Horwath (HK) CPA Limited (including any entity under common control, ownership or management with the external auditor or any entity that a reasonable and informed third party having knowledge of all relevant information would reasonably conclude as part of the auditor nationally or internationally), for the year ended 31 December 2016 amounted to HK\$2,030,000.

根據本公司之公司章程細則，當時三分之一之董事(或如人數並非三之倍數，則為最接近但不少於三分之一之人數)須於本公司之每屆股東週年大會上輪席告退，惟每名董事須最少每三年輪席告退一次。將輪席告退之董事符合資格膺選連任。

於回顧年內，提名委員會已於二零一六年六月三十日舉行一次會議，提名委員會成員在會上對新委任執行董事及獨立非執行董事進行評估，建議董事會委任彼等為董事及委任彼等若干為董事會委員會成員，並審閱獨立非執行董事之獨立性。於回顧年度，提名委員會亦監控實施董事會成員多元化政策。提名委員會之職權範圍可於本公司網站[www.wuyi-pharma.com](http://www.wuyi-pharma.com)及聯交所網站查閱。

### 高級管理層酬金

本集團於截至二零一六年十二月三十一日止年度向高級管理層支付之酬金介乎以下範圍：

Number of individuals  
人數

Nil to HK\$1,000,000	零至 1,000,000 港元	4
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### 核數師酬金

於截至二零一六年十二月三十一日止年度，已向或應向本公司外聘核數師國富浩華(香港)會計師事務所有限公司(包括任何與外聘核數師受同一機構控制、擁有或管理，或掌握所有相關資料的第三方能合理地推斷其為該核數師事務所的全國或國際分部的機構)支付的酬金總額為2,030,000港元。

Fee paid and payable for  
the year ended 31 December  
已付及應付費用  
截至十二月三十一日止年度  
2016  
二零一六年  
HK\$  
港元

Audit services*	審核服務	1,590,000
Other services, including: the review of interim financial statements* review risk management and internal control systems	其他服務，包括： 審閱中期財務報表 審閱風險管理及內部監控系統	210,000 230,000
Total	總計	2,030,000

\* Provided by Crowe Horwath (HK) CPA Limited  
由國富浩華(香港)會計師事務所有限公司提供



## Corporate Governance Report 企業管治報告

### DIRECTORS' AND AUDITOR'S RESPONSIBILITIES FOR ACCOUNTS

The Board acknowledges their responsibility for presenting a balanced, clear and understandable assessment of annual and interim reports, inside information announcements and other financial disclosures required under the Listing Rules and other regulatory requirements. The Board acknowledges their responsibilities for the preparation of the consolidated financial statements of the Company for the year ended 31 December 2016, which give a true and fair view of the state of affairs of the Company and of the results and cash flows for that period. In preparing these consolidated financial statements, the Board has selected suitable accounting policies and applied them consistently; made judgments and estimates that are prudent, fair and reasonable; and have prepared the consolidated financial statements on a going concern basis. The Directors are responsible for keeping proper accounting records which disclose the financial position of the Group with reasonable accuracy at any time.

Crowe Horwath (HK) CPA Limited, the auditor of the Company, has presented their responsibilities in the independent auditor's report as set out on page 48.

### RISK MANAGEMENT AND INTERNAL CONTROL

The Board places great importance on risk management and internal control and has ultimate responsibilities for overseeing management in the design, implementation and monitoring of the risk management and internal control systems on an ongoing basis. The Board is also committed to review the adequacy and effectiveness of the Group's risk management and internal control systems at least annually.

The Group established the risk management and internal control systems with aims to manage rather than eliminate the risk of failure to achieve business objectives, and provide reasonable and not absolute assurance against material misstatements or losses caused by judgment in decision making process, human error, fraud or other irregularities.

In order to comply with the applicable code provisions set out in the CG Code, the Board has engaged an independent professional firm as an outsourced internal auditor to facilitate the Group's internal audit function to be equipped with adequate resources and to conduct reviews as required by the Stock Exchange and to assist the Audit Committee and the Board to perform review on the effectiveness of the Group's risk management and internal control systems for the year ended 31 December 2016 at least annually.

During the year ended 31 December 2016, the Group has established an internal audit charter which defined the scope and the duties and responsibilities of the internal audit function and its reporting protocol. The Group has conducted an annual risk assessment which identified respective strategic risks, operational risks, financial risks and compliance risks for each of the major business operations of the Group. Risk factors were analyzed and consolidated at the Group level. Based on the risk assessment results following a risk based methodology audit approach, a three-year internal audit plan was devised which prioritized the risks identified into respective annual internal audit projects accordingly.

### 董事及核數師有關賬目之責任

董事會明白其須負責依照上市規則及其他法定規則的要求作出有關年報、中期報告、內幕資料公佈及其他財務披露的平衡、清晰及可理解的評估。董事會明白其須負責編製本公司截至二零一六年十二月三十一日止年度之綜合財務報表，並真實公平地反映本公司於該期間之事務狀況以及業績與現金流量。於編製該等綜合財務報表時，董事會已選用合適之會計政策並貫徹應用該等會計政策；作出審慎、公正及合理之判斷及估計；及按持續經營基準編製綜合財務報表。董事須負責留存於任何時間均合理準確披露本集團財務狀況之適當會計記錄。

本公司核數師國富浩華(香港)會計師事務所有限公司已於第48頁之獨立核數師報告內載列其責任。

### 風險管理及內部監控

董事會高度重視風險管理及內部監控，對持續監督管理風險管理及內部監控系統的設計、實施及監察負有最終責任。董事會亦致力至少每年檢討本集團風險管理及內部監控系統的充分性及有效性。

本集團已建立風險管理及內部監控系統，旨在管理而非消除未能達成業務目標的風險，並就在決策過程中由判斷所引致的重大錯誤陳述或損失、人為錯誤、欺詐或其他違規行為提供合理且而非絕對之保證。

為遵守企業管治守則所載適用守則條文，董事會已委聘獨立專業事務所作為外聘內部核數師，以使本集團內部審核部門可配備充足資源及按聯交所的規定進行檢討，並協助審核委員會及董事會至少每年就本集團截至二零一六年十二月三十一日止年度之風險管理及內部監控系統的效能進行檢討。

截至二零一六年十二月三十一日止年度，本集團已建立一套內部審核約章，其定義內部審核部門的範圍及職責及其報告政策。本集團已進行年度風險評估，可識別本集團各主要業務營運的相關策略風險、經營風險、財務風險及合規風險。風險因素乃於本集團水平進行分析及綜合。根據採納風險主導的審核方法後的風險評估結果，本集團已制定一個三年內部審核計劃，可據此將所識別之風險優先列入年度內部審核項目。



An annual review was performed by the independent professional internal auditor firm according to the internal audit plan with a view to assisting the Audit Committee and the Board to evaluate the effectiveness of the Group's risk management and internal control systems for the year ended 31 December 2016. The review also covered the compliance of code provisions as set out in the CG Code and all material controls, including financial, operational and compliance controls at entity and operational levels. The Company has taken further steps to enhance its risk management and internal control systems according to some control weaknesses that were found during risk assessment and examination of the internal control system and strengthened the implementation of all the risk management and internal control systems.

The Company has established procedures in handling and dissemination of inside information in an accurate and secure manner to avoid possible mishandling of inside information within the Group. Release of inside information is subject to the approval of the Board. Unless duly authorized, all staff members of the Company shall not communicate inside information to any external parties and shall not respond to market speculation and rumours. In addition, all external presentation materials or publications must be pre-vetted before release.

Based on the risk management and internal control systems established and maintained by the Group, the work performed by the internal and external auditors, the Audit Committee and the Board performed an annual review on the effectiveness of the Group's risk management and internal control systems for the year ended 31 December 2016 and are of the view that the Group has maintained effective and adequate risk management and internal control systems during the year ended 31 December 2016.

### COMPANY SECRETARY

The former Company Secretary, Mr. Kung Wai Chiu, Marco, resigned with effect from 13 June 2016. The Company Secretary appointed with effect from 13 June 2016, Mr. Luk Ting Fung, undertook not less than 15 hours of professional training during the year under review in accordance with Rule 3.29 of the Listing Rules.

### COMMUNICATIONS WITH SHAREHOLDERS

The Company believes that shareholders' rights should be well respected and protected. The Company endeavours to maintain good communications with shareholders on its performance through interim reports, annual reports, general meetings and public disclosure on the Company's website ([www.wuyi-pharma.com](http://www.wuyi-pharma.com)) and the website of the Stock Exchange, so that they may make an informed assessment for their investments and exercise their rights as shareholders. The Company also encourages shareholders' participation through general meetings or other means. Specific enquiries and suggestions by shareholders can be sent in writing to the Board or the Company Secretary to the principal place of business in Hong Kong of the Company at Unit 1113, 11th Floor, North Tower, Concordia Plaza, 1 Science Museum Road, Tsimshatsui East, Kowloon, Hong Kong.

獨立專業內部審核事務所根據內部審核計劃進行年度檢討，旨在協助審核委員會及董事會評估本集團於截至二零一六年十二月三十一日止年度風險管理及內部監控系統之效能。該檢討亦涵蓋企業管治守則所載守則條文的合規性及所有重大監控（包括財務、營運及於實體及營運水平的合規控制）。本公司已根據於風險評估及內部監控系統檢查期間所發現的若干監控弱點，採取進一步措施增強其風險管理及內部監控系統及加強實施所有風險管理及內部監控系統。

本公司已建立以準確及安全之方式處理及公佈內部資料之程序，以避免不當處理本集團內之內部資料。公佈內部資料須經董事會批准。除非獲正式授權，否則本公司所有員工均不得向任何外部人士交流內部資料，且不得回應市場投機及傳言。此外，所有向外部提呈之材料或公佈於刊發前均需預先審閱。

根據本集團建立及維持的風險管理及內部監控系統，有關工作由內部及外部審核人員進行，審核委員會及董事會對截至二零一六年十二月三十一日止年度本集團風險管理及內部監控系統之效能進行檢討，並認為本集團已於截至二零一六年十二月三十一日止年度維持有效及充分的風險管理及內部監控系統。

### 公司秘書

前任公司秘書孔維釗先生由二零一六年六月十三日起辭任。由二零一六年六月十三日起獲委任之本公司秘書陸霆鋒先生於回顧年度內已按照上市規則第3.29條進行不少於十五小時的專業培訓。

### 與股東溝通

本公司相信股東之權利應得到充分尊重及保障。本公司致力於通過中期報告、年報、股東大會及於本公司網站([www.wuyi-pharma.com](http://www.wuyi-pharma.com))及聯交所網站之公開披露，就其表現與股東維持良好之溝通，以使彼等可就其投資作出知情評估及行使股東權利。本公司亦鼓勵股東通過股東大會或其他方式參與公司事務。股東之具體詢問及意見可以書面方式寄往本公司香港主要營業地點（位於香港九龍尖沙咀東部科學館道1號康宏廣場北座11樓1113室內）寄予董事會或公司秘書。



## Corporate Governance Report 企業管治報告

### SHAREHOLDERS' RIGHT

#### *Procedures to convene an extraordinary general meeting and putting forward proposals at general meeting*

Pursuant to the articles of association of the Company, any one or more members 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 Company Secretary, 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 (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Any requisition to convene an extraordinary general meeting or proposal to be put forward at the general meeting can be addressed to the principal place of business in Hong Kong of the Company at Unit 1113, 11th Floor, North Tower, Concordia Plaza, 1 Science Museum Road, Tsimshatsui East, Kowloon, Hong Kong. The requisitionists must state in their request(s) the objects of the extraordinary general meeting to be convened, and such request must be signed by all the requisitionists. Upon receipt, the Company will verify the requisitionists' particulars and if the request is in order, the Company will convene the extraordinary general meeting in accordance with its articles of association.

### CHANGE OF ARTICLES OF ASSOCIATION

During the year under review, there was no significant change to the articles of association of the Company.

### 股東權利

#### *召開股東特別大會及於股東大會上提出提案的程序*

根據本公司的公司章程細則，任何一位或一位以上於遞呈要求日期持有不少於本公司已繳足股本（附帶於本公司股東大會上投票權）十分之一的股東於任何時候均有權透過向董事會或公司秘書發出書面要求，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(2)個月內舉行。倘遞呈後二十一(21)日內，董事會未有召開該大會，則遞呈要求人士可自發以同樣方式作出此舉，而遞呈要求人士因董事會未有召開大會而合理產生的所有開支應由本公司向遞呈要求人士作出償付。

任何召開股東特別大會或在股東大會上提出提案的要求可發往本公司於香港的主要營業地點，地址為香港九龍尖沙咀東部科學館道1號康宏廣場北座11樓1113室。遞呈要求人士必須陳述其召開股東特別大會的目的，該提呈並須由所有遞呈要求人士簽署。本公司於獲接該提呈後，將核實遞呈要求人士資料，而倘提呈符合規程，本公司將按其公司章程細則召開股東特別大會。

### 公司章程細則變更

於回顧年度內，本公司的公司章程細則並無作出任何重大變更。



### EXECUTIVE DIRECTORS

**Mr. Lin Ou Wen**, aged 60, is the Chairman, the Chief Executive Officer, an Executive Director and founding shareholder. Mr. Lin graduated from Fujian Normal University with a bachelor's degree in physics in 1983. He is a senior economist. He is also the chairman and a director of various subsidiaries of the Company. He has over 15 years of experience in the pharmaceutical industry. He is the younger brother of Mr. Lin Qing Ping and the uncle of Mr. Lin Min, each a former Director.

**Mr. Chen Cheng Qing**, aged 39, is an entrepreneur with more than 20 years of experience in business management in the PRC. Mr. Chen is currently the chairman of Guizhou Changtong Cable Co., Ltd., the vice president of Pingba District Federation of Industry and Commerce, the executive vice president of Anshun Zhejiang Federation of Commerce, a member of Pingba District Committee of the Chinese People's Political Consultative Conference and the vice president of Guizhou Wenzhou Federation of Commerce. He was appointed as an executive Director with effect from 17 February 2017. He is the sole shareholder and director of Cyber Success Global Investments Limited, a substantial shareholder of the Company interested in approximately 18.49% of the total number of issued shares in the Company.

**Ms. Hung Hoi Lan**, aged 27, graduated from Sun Yat-Sen University with a bachelor's degree in marketing in 2011. She later obtained a master degree of science in hospitality with tourism management from University of Birmingham in 2013. She started operating wine business ran by her family during her studies in the United Kingdom and has joined the business development department of Hilton Beijing since 2013. She was appointed as an executive Director with effect from 17 February 2017.

### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. Zhang Jie**, aged 33, obtained a bachelor's degree in banking and international finance and a bachelor's degree in commerce from Flinders University in Australia in 2010. In 2011, he obtained a master's degree in business administration from Flinders University in Australia. He served as a senior auditor of an international audit services firm and is currently a senior consultant of a financial consultancy firm, focusing on enterprise consultation services. He is a CPA in Australia. He was appointed as an independent non-executive Director with effect from 30 June 2016.

**Mr. Zhang Xue Wen**, aged 45, graduated from Xiamen University with a bachelor's degree in laws in 1994. He later obtained a master's degree in laws from Xiamen University in 2004 and was awarded a doctorate degree in laws from Xiamen University in 2009. He was appointed as a judge of the Fuzhou Intermediate People's Court in Fujian Province. He was also an associate researcher of the Faculty of Law of Fuzhou University. From November 2010 to April 2016, he engaged in postdoctoral research work at the Institute of Law of the Chinese Academy of Social Sciences. He currently serves as a researcher of the Institute of Law of the Fujian Academy of Social Science, a member of China Law Society, a council member of China Commercial Law Society and an arbitrator of Fuzhou Arbitration Commission. Mr. Zhang was on the list of 2013 Fujian Province Million Talents Project at provincial level, and has been awarded the Social Sciences Outstanding Achievement Award (Fujian Province) for several times. His published literary works and academic papers are also abundant. He was appointed as an independent non-executive Director with effect from 30 June 2016.

### 執行董事

林歐文先生，60歲，為主席、行政總裁、執行董事及創辦股東。林先生於一九八三年在福建師範大學畢業，取得物理學士學位。他為高級經濟師。他亦為本公司多家附屬公司主席及董事。他擁有逾十五年藥業經驗。他為林慶平先生（一位前董事）的胞弟及林敏先生（一位前董事）的叔父。

陳成慶先生，39歲，為本公司之主要股東及於中國具有超過20年企業經營管理經驗的資深企業家。陳先生現任貴州長通線纜有限公司董事長、平壩區工商聯合會副會長、安順浙江商會常務副會長、平壩區政協委員及貴州溫州商會副會長。彼由二零一七年二月十七日起獲委任為執行董事。彼亦為科成環球投資有限公司（於本公司已發行股份總數中擁有約18.49%權益之本公司主要股東）之唯一股東及董事。

洪海瀾女士，27歲，於二零一一年畢業於中山大學，獲頒發市場營銷學學士學位。彼隨後於二零一三年自伯明翰大學取得理學碩士（酒店及旅遊業管理）學位。彼於英國深造期間開始經營家族酒業，並自二零一三年加入北京希爾頓的商貿發展部。彼由二零一七年二月十七日起獲委任為執行董事。

### 獨立非執行董事

張捷先生，33歲，二零一零年於澳大利亞弗林德斯大學取得銀行與國際金融學士學位及商業學士學位。二零一一年，張捷先生於澳大利亞弗林德斯大學取得工商管理碩士學位。他曾於一家國際審計事務所擔任高級審計師，現於一家財務諮詢機構擔任高級諮詢顧問，專注於企業諮詢服務工作。他為澳洲註冊會計師。彼由二零一六年六月三十日起獲委任為獨立非執行董事。

張學文先生，45歲，一九九四年畢業於廈門大學，取得法學學士學位。他於二零零四年於廈門大學取得法律碩士學位並於二零零九年於廈門大學取得法學博士學位。張先生曾於福建省福州市中級人民法院任職法官及在福州大學法學院任職副研究員。於二零一零年十一月至二零一六年四月，他在中國社會科學院法學研究所從事博士後研究工作。他現為福建社會科學院法學研究所研究員、中國法學會會員、中國商法學研究會理事及福州市仲裁委員會仲裁員。張先生曾入選二零一三年福建省百千萬人才工程省級入選名單，亦曾多次獲頒福建省社會科學優秀成果獎。其著作出版及學術論文發表亦甚為豐富。彼由二零一六年六月三十日起獲委任為獨立非執行董事。



## Directors and Senior Management 董事及高級管理層

**Mr. Wu Cheng Han**, aged 59, graduated from Guangzhou First Military Medical University in 1984 with a bachelor's degree. He once served as the chief doctor in Neurology of Nanjing Military Zone Fuzhou General Hospital and a professor of Fujian University of Traditional Chinese Medicine. He is currently the chief doctor of the Second People's Hospital of Fujian University of Traditional Chinese Medicine. He has been a standing committee member of the 11th session of Fujian Province Committee of the Chinese People's Political Consultative Conference since 2013. He is also a member, deputy chairman, vice-president, standing committee member, senior advisor and so forth of various medical associations. Mr. Wu has been awarded the Outstanding Award for Academic Dissertation in Natural Science (Fujian Province) for several times. He is an editor for various medical journals and the inventor of various patents. He was appointed as an independent non-executive Director with effect from 30 June 2016.

### SENIOR MANAGEMENT

**Mr. Chen Zhi Chuan**, aged 52, is the Chief Financial Officer in charge of financial management. He graduated from Fuzhou University with a bachelor's degree in Finance in 1988. He has over 16 years of experience in the pharmaceutical industry. He joined the Group in January 2001.

**Mr. Cheng Shi De**, aged 58, is the Deputy General Manager in charge of production. He graduated from Anhui Province Medical School with a bachelor's degree in pharmacy in 1982. He is a senior engineer. He has over 32 years of experience in the pharmaceutical industry. He joined the Group in June 2002.

**Ms. Yang Ai Min**, aged 41, is the manager of sales and marketing. She graduated from Fujian Medical University with a bachelor's degree in pharmacy in 1998. She has over 19 years of experience in the pharmaceutical industry. She joined the Group in January 2001.

### COMPANY SECRETARY

**Mr. Luk Ting Fung**, aged 32, is the Company Secretary and Financial Controller of the Company. Mr. Luk graduated from The Chinese University of Hong Kong with a bachelor's degree of Science in Molecular Biotechnology. He has over 7 years of experience working in an international audit services firm and an investment bank, focusing on auditing and equity research and analysis. Mr. Luk also served as the senior finance manager in a chain department store listed on the Stock Exchange, responsible for accounting, financial management, tax planning and management, and business advisory services. He is a member of the Hong Kong Institute of Certified Public Accountants and has been registered as a Certified Public Accountant (Practising) in Hong Kong since 2015. He joined the Group in June 2016.

吳成翰先生，59歲，於一九八四年畢業於廣州第一軍醫大學，獲學士學位；曾於南京軍區福州總醫院神經內科任職主治醫師及福建中醫藥大學任職教授，現任福建中醫藥大學附屬第二人民醫院主任醫師。自二零一三年至今任中國人民政治協商會議第十一屆福建省委員會常務委員，並擔任多個醫學學會的會員、副主任委員、副會長、常務委員、高級顧問等。吳先生曾多次獲頒福建省自然科學優秀學術論文獎項，為多家醫學雜誌的編委，且為多項專利的發明人。彼由二零一六年六月三十日起獲委任為獨立非執行董事。

### 高級管理層

陳志川先生，52歲，為財務總裁，負責財務管理工作。他於一九八八年於福州大學畢業，獲授財務學學士學位。他擁有逾十六年藥業經驗。他於二零零一年一月加盟本集團。

程世德先生，58歲，為副總經理，專責生產。他於一九八二年在安徽省醫科大學畢業，取得配藥學學士學位。他為高級工程師。他擁有逾三十二年藥業經驗。他於二零零二年六月加盟本集團。

楊愛民女士，41歲，為銷售及營銷經理。她於一九九八年於福建醫科大學畢業，取得配藥學學士學位。她擁有逾十九年藥業經驗。她於二零零一年一月加盟本集團。

### 公司秘書

陸霆鋒先生，32歲，為本公司之公司秘書及財務總監，陸先生於二零零七年於香港中文大學畢業，並取得分子生物技術學學士學位。他曾於一家國際審計事務所及投資銀行工作逾七年，專注於審計及證券研究及分析。他亦曾於一家在聯交所上市的連鎖百貨公司擔任高級財務經理，負責會計、財務管理、稅務計劃及管理及商業諮詢。他為香港會計師公會會員並於二零一五年起註冊為香港執業會計師。彼於二零一六年六月加入本集團。



The Directors would like to present their annual report together with the audited accounts of the Company for the year ended 31 December 2016.

### PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of its major subsidiaries are set out in note 20 to the consolidated financial statements.

### RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2016 are set out in the consolidated statement of profit or loss and other comprehensive income on page 55.

The Board of Directors do not suggest declaring any final dividend for the year ended 31 December 2016 (2015: Nil) to the shareholders.

### CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from Thursday, 8 June 2017 to Friday, 16 June 2017 (both days inclusive). In order to be qualified for attending the annual general meeting in 2017, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, 7 June 2017.

### RESERVES

As at 31 December 2016, the Company's reserves available for distribution amounted to RMB1,129,716,000 (2015: RMB1,023,122,000). Movements in the reserves of the Group and the Company during the year under review are set out in consolidated statement of changes in equity on page 57 and in note 29 to the financial statements respectively.

### PROPERTY, PLANT AND EQUIPMENT

Movements in the property, plant and equipment of the Company during the year under review are set out in note 16 to the financial statements.

### SHARE CAPITAL

During the year ended 31 December 2016, 376,000,000 ordinary shares were issued upon placing under general mandate. Details of the abovementioned placing can be found under the paragraph headed "Placing Agreement" in this section.

Details of movements in the share capital of the Company during the year under review are set out in note 29 to the financial statements.

### PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of associations or the laws of the Cayman Islands which oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

### TAX RELIEF

The Company is not aware of any relief from taxation available to the shareholders of the Company by reason of their holding of the shares in the Company.

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

The Group has not purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2016.

董事欣然呈列彼等的全年報告，連同本公司於截至二零一六年十二月三十一日止年度的經審核賬目。

### 主要業務

本公司為一間投資控股公司。其主要附屬公司之主要業務載於綜合財務報表附註20。

### 業績及分派

本集團截至二零一六年十二月三十一日止年度之業績載於第55頁之綜合損益及其他全面收益表。

董事會並不建議就截至二零一六年十二月三十一日止年度向股東派發任何末期股息(二零一五年：無)。

### 暫停辦理股份過戶登記手續

本公司將於二零一七年六月八日(星期四)起至二零一七年六月十六日(星期五)(包括首尾兩天)期間暫停辦理股份過戶登記手續。如欲符合資格出席二零一六年股東週年大會，必須於二零一七年六月七日(星期三)下午四時三十分前將所有過戶文件連同有關股票送達本公司股份過戶登記處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716號舖。

### 儲備

於二零一六年十二月三十一日，本公司可供分派的儲備為人民幣1,129,716,000元(二零一五年：人民幣1,023,122,000元)。本集團及本公司於回顧年度內之儲備變動分別載於第57頁之綜合權益變動表及財務報表附註29內。

### 物業、廠房及設備

本集團於回顧年度內物業、廠房及設備的變動載於財務報表附註16。

### 股本

於截至二零一六年十二月三十一日止年度，本公司根據一般授權於配售時發行376,000,000股普通股。上述配售的詳情載於本節「配售協議」一段。

於回顧年度內，本公司股本變動詳情載於財務報表附註29。

### 優先購置權

根據本公司的公司章程細則或開曼群島法律，概無優先購置權的條文致使本公司按比例向現有股東提呈發售新股份。

### 稅務寬免

本公司並不知悉本公司股東可由於持有本公司股份而享有任何稅務寬免。

### 購買、出售或贖回本公司的上市證券

於截至二零一六年十二月三十一日止年度，本集團概無購買、出售或贖回本公司任何上市證券。



## Directors' Report 董事會報告

### DIRECTORS

The Directors of the Company during the year under review and up to the date of this Annual Report were:

#### Executive Directors:

Mr. Lin Ou Wen (Chairman and Chief Executive Officer)  
Mr. Chen Cheng Qing (appointed with effect from 17 February 2017)

Ms. Hung Hoi Lan (appointed with effect from 17 February 2017)

Mr. Lin Qing Ping (retired with effect from 2 June 2016, appointed with effect from 30 June 2016 and resigned with effect from 14 October 2016)

Mr. Lin Min (appointed with effect from 30 June 2016 and resigned with effect from 17 February 2017)

Mr. Xu Chao Hui (retired with effect from 2 June 2016)

#### Non-executive Directors

Mr. Tang Bin (retired with effect from 2 June 2016)  
Mr. John Yang Wang (resigned with effect from 30 June 2016)

Mr. Wen Cyrus Jun-Ming (resigned with effect from 3 March 2016)

#### Independent non-executive Directors

Mr. Zhang Jie (appointed with effect from 30 June 2016)

Mr. Zhang Xue Wen (appointed with effect from 30 June 2016)

Mr. Wu Cheng Han (appointed with effect from 30 June 2016)

Mr. Liu Jun (resigned with effect from 30 June 2016)

Mr. Lam Yat Cheong (resigned with effect from 30 June 2016)

Mr. Du Jian (resigned with effect from 30 June 2016)

According to the requirements of the articles of association of the Company, Mr. Lin Ou Wen, Mr. Chen Cheng Qing, Ms. Hung Hoi Lan, Mr. Zhang Jie, Mr. Zhang Xue Wen and Mr. Wu Cheng Han will retire and being eligible, offer themselves for re-election in the forthcoming annual general meeting.

All of the independent non-executive Directors are members of the Company's audit committee, nomination committee and remuneration committee.

### ANNUAL CONFIRMATION OF INDEPENDENCE

The Company has received from each independent non-executive Director an annual confirmation of his independence, and the Company considers such Directors to be independent in accordance with the independence guidelines set out in rule 3.13 of the Listing Rules.

### 董事

於回顧年度內及直至本年度日期，本公司董事為：

#### 執行董事：

林歐文先生 (主席兼行政總裁)  
陳成慶先生 (由二零一七年二月十七日起獲委任)

洪海瀾女士 (由二零一七年二月十七日起獲委任)

林慶平先生 (由二零一六年六月二日起退任，由二零一六年六月三十日起獲委任及由二零一六年十月十四日起辭任)

林敏先生 (由二零一六年六月三十日起獲委任及由二零一七年二月十七日起辭任)

許朝暉先生 (由二零一六年六月二日起退任)

#### 非執行董事：

唐彬先生 (由二零一六年六月二日起退任)  
王陽先生 (由二零一六年六月三十日起辭任)

聞俊銘先生 (由二零一六年三月三日起辭任)

#### 獨立非執行董事：

張捷先生 (由二零一六年六月三十日起獲委任)

張學文先生 (由二零一六年六月三十日起獲委任)

吳成翰先生 (由二零一六年六月三十日起獲委任)

劉軍先生 (由二零一六年六月三十日起辭任)

林日昌先生 (由二零一六年六月三十日起辭任)

杜建先生 (由二零一六年六月三十日起辭任)

根據本公司的公司章程細則之規定，林歐文先生、陳成慶先生、洪海瀾女士、張捷先生、張學文先生及吳成翰先生將退任並符合資格於應屆股東週年大會膺選連任。

全體獨立非執行董事均為本公司審核委員會、提名委員會及薪酬委員會的成員。

### 獨立性之年度確認

本公司已自各獨立非執行董事獲取有關彼等獨立性之年度確認，根據上市規則第3.13條所載獨立性指引，本公司認為所有獨立非執行董事均為獨立。



## BIOGRAPHICAL DETAILS OF THE DIRECTORS AND THE SENIOR MANAGEMENT

The biographical details of the Directors and Senior Management are set out on pages 33 to 34 of this Annual Report.

## DIRECTORS' SERVICE CONTRACTS

None of the Directors (including Directors standing for re-election in the forthcoming annual general meeting) has entered into any contract of service, which is not determinable by the employer within one year without payment of compensation (other than statutory compensation), with the Company or any of its subsidiaries.

## PERMITTED INDEMNITY

The Company has renewed the Directors' and Officers' liabilities insurance for all the Directors and the senior management of the Company for the year ended 31 December 2016. The insurance covers them against costs, charges, expenses and liabilities incurred arising out of the corporate activities.

## MANAGEMENT CONTRACTS

Save for the contracts of service entered into with respective Directors, no contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year under review.

## RETIREMENT BENEFITS SCHEME

Details of the retirement benefits scheme is set out in note 33 to the financial statements.

## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2016, none of the Directors or Chief Executive of the Company is aware of any Director or Chief Executive of the Company who has any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO")) which were required to be recorded in the register maintained by the Company pursuant to section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules.

## DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Save for the Share Option Scheme, at no time during the year ended 31 December 2016 was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company in any other body corporate.

## 董事及高級管理層簡歷

董事及高級管理層簡歷載於本年報告第33至34頁。

## 董事服務合同

概無董事(包括於應屆股東週年大會膺選連任的董事)與本公司或其任何附屬公司訂有不可由僱主於一年內終止而毋須作出賠償(法定賠償除外)的服務合同。

## 獲准許的彌償保證

本公司已審閱本公司於截至二零一六年十二月三十一日止年度之全體董事及高級管理層之董事及行政人員之責任保險。保險覆蓋他們於企業活動中產生的成本、費用、開支及責任。

## 管理合同

除與各董事簽訂的服務合同外，於回顧年度內概無就有關本公司全部或任何主要業務訂立或存在管理及行政合同。

## 退休福利計劃

有關退休福利計劃的詳情載於財務報表附註33。

## 董事及主要行政人員於本公司及其相聯法團股份、相關股份及債權證的權益及淡倉

於二零一六年十二月三十一日，概無本公司董事或主要行政人員知悉本公司任何董事或主要行政人員在本公司或其相聯法團(定義見香港法例第571章證券及期貨條例(「證券及期貨條例」)第XV部)的股份、相關股份或債權證中擁有須根據證券及期貨條例第352條由本公司存置之登記冊所記錄的權益或淡倉，或根據上市規則附錄十所載上市發行人董事進行證券交易的標準守則(「標準守則」)須以其他方式知會本公司及聯交所的權益或淡倉。

## 董事收購股份或債權證的權利

除購股權計劃外，於截至二零一六年十二月三十一日止年度內任何時間，本公司或其任何之附屬公司概無訂立任何安排以使董事可藉由收購本公司或於任何其他法人團體的股份或債權證而獲得利益。



## Directors' Report 董事會報告

### SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES IN THE COMPANY

As at 31 December 2016, the following persons, other than a Director or Chief Executive of the Company, had an interest or a short position in the shares or underlying shares in the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

### 主要股東於本公司之股份及相關股份的權益及淡倉

於二零一六年十二月三十一日，以下人士（董事或本公司主要行政人員除外）於本公司股份或相關股份中擁有根據證券及期貨條例第336條須記錄於本公司存置的股東名冊的權益或淡倉如下：

Name of shareholder 股東名稱／ 姓名	Capacity 身份	Number of shares (Note 1) 股份數目 (附註1)	Approximate percentage of shareholding (Note 6) 概約股權 百分比 (附註6)
Cyber Success Global Investments Limited 科成環球投資有限公司	Beneficial owner (Note 2) 實益擁有人(附註2)	417,303,000 (L)	18.49%
Chen Cheng Qing 陳成慶	Interest of controlled corporation (Note 2) 受控法團權益(附註2)	417,303,000 (L)	18.49%
Pope Investments LLC	Beneficial owner (Note 3) 實益擁有人(附註3)	102,400,000 (L)	4.54%
Wells William P.	Interest of controlled corporation (Note 3) 受控法團權益(附註3)	102,400,000 (L)	4.54%
Credit Suisse (Hong Kong) Limited	Beneficial owner (Note 4 & 5) 實益擁有人(附註4及5)	133,545,000 (L) 66,772,500 (S)	5.92% 2.96%
Credit Suisse (International) Holding AG	Interest of controlled corporation (Note 4 & 5) 受控法團權益(附註4及5)	133,545,000 (L) 66,772,500 (S)	5.92% 2.96%
Credit Suisse	Interest of controlled corporation (Note 4 & 5) 受控法團權益(附註4及5)	133,545,000 (L) 66,772,500 (S)	5.92% 2.96%
China Medical Service Investment Holding Limited	Beneficial owner 實益擁有人	171,000,000(L)	7.58%



Notes:

- (1) The letters "L" and "S" denote long position and short position in the shares respectively.
- (2) These shares are registered in the name of Cyber Success Global Investments Limited, which is wholly owned by Mr. Chen Cheng Qing, an individual who was subsequently appointed as an executive Director on 17 February 2017. Mr. Chen Cheng Qing is deemed to be interested in all the shares in which Cyber Success Global Investments Limited is interested by virtue of the SFO.
- (3) In accordance with the individual substantial shareholder notice on disclosure of interests of Wells William P. and the corporate substantial shareholder notice on disclosure of interests of Pope Investments LLC, both filed on 7 February 2007, these shares are registered in the name of Pope Investments LLC, which is controlled by Pope Asset Management LLC, which is in turn controlled by Wells William P.. In accordance with the corporate substantial shareholder notice on disclosure of interests of Pope Asset Management LLC filed on 26 June 2013, Pope Asset Management LLC ceased to have a notifiable interest pursuant to the SFO since 26 June 2013.
- (4) In accordance with the corporate substantial shareholder notices on disclosure of interests of Credit Suisse (Hong Kong) Limited, Credit Suisse (International) Holding AG and Credit Suisse all filed for the relevant event took place on 1 February 2007, these shares are registered in the name of Credit Suisse (Hong Kong) Limited, which is owned as to 94.75% by Credit Suisse (International) Holding AG, which is in turn wholly owned by Credit Suisse. Therefore, Credit Suisse (International) Holding AG and Credit Suisse are deemed to be interested in all the shares in which Credit Suisse (Hong Kong) Limited is interested by virtue of the SFO.
- (5) In accordance with the corporate substantial shareholder notices on disclosure of interests of Credit Suisse (Hong Kong) Limited, Credit Suisse (International) Holding AG and Credit Suisse all filed for the relevant event took place on 1 February 2007, these shares are registered in the name of Credit Suisse (Hong Kong) Limited, which is owned as to 94.75% by Credit Suisse (International) Holding AG, which is in turn wholly owned by Credit Suisse. Therefore, Credit Suisse (Hong Kong) Limited, Credit Suisse (International) Holding AG and Credit Suisse are deemed to hold or hold a short position of 66,772,500 shares as defined under Part XV of the SFO.
- (6) The percentage of shareholding is calculated on the basis of 2,256,772,500 issued shares of the Company as at 31 December 2016.

Save for the disclosed above, the Company was not aware of any person who had an interest or a short position in the shares or underlying shares in the Company which were required to be recorded in the register to be kept by the Company under section 336 of the SFO as at 31 December 2016.

附註：

- (1) 「L」及「S」分別指於股份中之好倉及淡倉。
- (2) 該等股份以陳成慶先生(其後於二零一七年二月十七日獲委任為執行董事)全資擁有之公司科成環球投資有限公司之名義登記。根據證券及期貨條例，陳成慶先生被視為於科成環球投資有限公司擁有權益之全部股份中擁有權益。
- (3) 根據Wells William P.於二零零七年二月七日提交有關披露權益的個人大股東通知及Pope Investments LLC.於二零零七年二月七日提交有關披露權益的法團大股東通知，該等股份以Pope Asset Management, LLC控制之Pope Investments, LLC之名義登記，Pope Asset Management, LLC則由Wells William P.所控制。根據Pope Asset Management LLC於二零一三年六月二十六日提交有關披露權益的法團大股東通知，根據證券及期貨條例，Pope Asset Management LLC自二零一三年六月二十六日起不再擁有須具報權益。
- (4) 根據Credit Suisse (Hong Kong) Limited、Credit Suisse (International) Holding AG及Credit Suisse就於二零零七年二月一日發生的相關事件分別提交有關披露權益的法團大股東通知，該等股份乃以Credit Suisse (Hong Kong) Limited之名義登記，而Credit Suisse (Hong Kong) Limited由Credit Suisse (International) Holding AG擁有94.75%權益，而Credit Suisse (International) Holding AG則由Credit Suisse全資擁有。因此，根據證券及期貨條例，Credit Suisse (International) Holding AG及Credit Suisse被視為於Credit Suisse (Hong Kong) Limited持有權益之所有股份中擁有權益。
- (5) 根據Credit Suisse (Hong Kong) Limited、Credit Suisse (International) Holding AG及Credit Suisse就於二零零七年二月一日發生的相關事件分別提交有關披露權益的法團大股東通知，該等股份乃以Credit Suisse (Hong Kong) Limited之名義登記，而Credit Suisse (Hong Kong) Limited由Credit Suisse (International) Holding AG擁有94.75%權益，而Credit Suisse (International) Holding AG則由Credit Suisse全資擁有。因此，根據證券及期貨條例第XV部定義，Credit Suisse (Hong Kong) Limited、Credit Suisse (International) Holding AG及Credit Suisse被視為持有或持有66,772,500股股份之淡倉。
- (6) 股權百分比乃根據於二零一六年十二月三十一日本公司已發行股份2,256,772,500股計算。

除上文所披露者外，於二零一六年十二月三十一日，本公司并不知悉任何人士於本公司股份或相關股份中擁有權益或淡倉而須根據證券及期貨條例第336條記錄於本公司須存置的登記冊。



## Directors' Report 董事會報告

### CONTINUING CONNECTED TRANSACTIONS

#### Sale and Purchase Agreement for packaging materials

On 5 December 2014, Fujian Sanai Pharmaceutical Co. Ltd. ("Fujian Sanai") and Fuzhou Sanai, both are wholly-owned subsidiaries of the Company, entered into a sale and purchase agreement (the "Sale and Purchase Agreement") with Fuzhou Hongyu Packing Co., Ltd. ("Fuzhou Hongyu") in respect of the sale and purchase of packaging materials, including paper cartons and packaging colour boxes, from Fuzhou Hongyu for a term of 3 years from 1 January 2015 to 31 December 2017.

The entire share capital of Fuzhou Hongyu is owned by Lin Ou Wen, the Chairman, an executive Director and a then substantial shareholder of the Company. Accordingly, Fuzhou Hongyu is a connected person of the Company as defined under the Listing Rules.

By reference to (i) the actual amounts of the transactions under the previous sale and purchase agreement in respect of the above continuing connected transactions in the recent years; (ii) the estimated demand for packaging materials for the products of Fujian Sanai from Fuzhou Hongyu for the term of the Sale and Purchase Agreement; (iii) the estimated demand for packaging materials for the products of Fuzhou Sanai from Fuzhou Hongyu for the term of the Sale and Purchase Agreement; (iv) the possible increase in demand for the packaging materials for the products of Fujian Sanai and Fuzhou Sanai led by the improvement and possible expansion of the Group's medicine business; and (v) the estimated inflation rate and increase in costs including the labour costs in the PRC leading to the increase of manufacturing costs for the packaging materials, the annual caps are set at RMB8,000,000 (equivalent to approximately HK\$9,756,000) for each of the years ending 31 December 2015, 2016 and 2017.

The actual transaction amount under the Sale and Purchase Agreement is determined by the quantity of packaging materials ordered and received by Fujian Sanai and Fuzhou Sanai times the unit purchase prices of the packaging materials. The unit purchase prices of the packaging materials under the Sale and Purchase Agreement were determined by reference to (i) the current market price of similar products in the market; (ii) the unit purchase prices of the packaging materials offered by the independent third parties to Fujian Sanai and Fuzhou Sanai in their ordinary course of business; and (iii) the manufacturing costs for the packaging materials including labour costs.

The actual transaction amount under the Sale and Purchase Agreement for the year ended 31 December 2016 was RMB1,284,000.

The reasons for entering into the Sale and Purchase Agreement were set out in the announcement of the Company dated 5 December 2014. The independent non-executive Directors have reviewed and confirmed that the above continuing connected transactions have been entered into:

- (a) in the ordinary and usual course of businesses of the Group;
- (b) on normal commercial terms;
- (c) according to the relevant written agreement governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole; and
- (d) without exceeding the relevant cap amount.

The above continuing connected transactions are subject to the requirements of reporting and announcement under the Listing Rules and the Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

### 持續關連交易

#### 包裝材料買賣合同

於二零一四年十二月五日，福建三愛藥業有限公司（「福建三愛」）及福州三愛（均為本公司的全資附屬公司）與福州宏宇包裝工業有限公司（「福州宏宇」）訂立買賣協議（「買賣協議」），內容有關向福州宏宇銷售及購買包裝材料，包括紙板箱及彩色包裝盒，由二零一五年一月一日起至二零一七年十二月三十一日止為期三年。

福州宏宇之全部股本由林歐文（本公司主席、執行董事及當時的主要股東）擁有。因此，福州宏宇為本公司之關連人士（定義見上市規則）。

經參考 (i) 就上述持續關連交易先前的買賣協議下於近年交易之實際金額；(ii) 福建三愛於買賣協議期間對福州宏宇之產品包裝材料之估計需求；(iii) 福州三愛於買賣協議期間對福州宏宇之產品包裝材料之估計需求；(iv) 福建三愛及福州三愛產品對包裝材料的需求可能增長（由本集團製藥業務的推進及可能擴張所帶動）；及 (v) 中國的估計通脹率及成本（包括人工成本）上漲導致包裝材料的生產成本增加，截至二零一五年、二零一六年及二零一七年十二月三十一日止年度各年之年度上限定為人民幣8,000,000元（相當於約9,756,000港元）。

買賣協議項下之實際交易額乃按福建三愛及福州三愛訂購及收取之包裝材料數量乘以包裝材料之單位購買價釐定。買賣協議下包裝材料之單位購買價乃經參考 (i) 類似產品在市場之現時市價；(ii) 獨立第三方於一般業務過程中向福建三愛及福州三愛提供之包裝材料之單位購買價；及 (iii) 包裝材料包括人工成本在內之生產成本釐定。

截至二零一六年十二月三十一日止年度，買賣協議項下之實際交易額為人民幣1,284,000元。

訂立買賣協議之理由載於本公司日期為二零一四年十二月五日之公告內。獨立非執行董事已審閱並確認訂立上述持續關連交易均：

- (a) 於本集團一般及日常業務中進行；
- (b) 符合一般商業條款；
- (c) 依據規管該等交易的有關書面協議，而協議條款乃屬公平合理且符合本公司股東之整體利益；及
- (d) 不超過相關上限金額。

上述持續關連交易須遵守上市規則項下之申報及公告規定，及本公司已依照上市規則第14A章遵守披露規定。



The Board engaged the auditor of the Company to perform works on the continuing connected transactions set out above in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued his unqualified letter containing his findings and conclusions in respect of the continuing connected transactions disclosed by the Group in this section of the Annual Report in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

The related party transactions disclosed in the Note 34 to the financial statements constituted continuing connected transactions under Chapter 14A of the Listing Rules and the Company has complied with the disclosure requirements under Chapter 14A of the Listing Rules.

### EQUITY-LINKED AGREEMENTS

#### Share Option Scheme

The Company has adopted a share option scheme (the "Share Option Scheme") for, among others, the senior management and employees on 8 January 2007, which serves as incentives or rewards to attract, retain and motivate staff. Details of the Share Option Scheme are set out in note 30 to the financial statements.

On 14 October 2016, 164,000,000 share options were granted to certain grantees to subscribe for up to a total of 164,000,000 ordinary shares of HK\$0.01 each in the Company (the "Share Option") under the Share Option Scheme. The following table discloses movements in the Company's share options during the year:

Category of participant 參與人士類別	Number of share options 購股權數目					Date of grant 授出日期	Exercise period 行使期	Exercise price 行使價 (HK\$) (港元)	Closing price of the shares immediately before the date of grant 緊隨授出日期前 股份收市價 (HK\$) (港元)
	At 1 January 2016 於二零一六年一月一日	Granted during the year 年內授出	Cancelled or lapsed during the year 年內注銷或失效	Exercised during the year 年內行使	At 31 December 2016 於二零一六年十二月三十一日				
Non-employees in aggregate 非僱員總數	-	164,000,000	-	-	164,000,000	14 October 2016 二零一六年十月十四日	14 October 2016 to 13 October 2021 (Note) 二零一六年十月十四日至二零二一年十月十三日 (附註)	0.32	0.31
	-	164,000,000	-	-	164,000,000				

Note: The Share Options do not subject to any vesting period. The Company has received consideration of HK\$8 pursuant to the Share Options, details of the valuation of the Share Options as at the date of grant are set out in note 30 to the financial statements. The Group has no legal or constructive obligation to repurchase or settle the Share Options in cash at any time.

Save for 164,000,000 Share Options granted mentioned above, no option was granted, exercised, cancelled or lapsed during the year. As at 31 December 2016, the total number of ordinary shares in respect of which options may be granted under the Share Option Scheme was 300,000, which represents approximately 0.01% of the issued shares of the Company as at the date of this Annual Report. The Share Option Scheme expired on 31 January 2017.

董事會委聘本公司核數師按照香港會計師公會發出之香港鑒證業務準則第3000號(經修訂)「對過往財務資料進行審核或審閱以外之鑒證業務」就上述持續關連交易進行有關工作。關於本集團依照上市規則第14A.56條於本節年報內披露的持續關連交易，核數師已發出載有其鑒證結果及無保留意見函件。本公司已向聯交所提供核數師函件副本。

根據上市規則第14A章，披露於財務報表附註34的關連人士交易構成持續關連交易，及本公司已遵守上市規則第14A章之披露要求。

### 股票掛鈎協議

#### 購股權計劃

本公司已於二零零七年一月八日為(其中包括)高級管理層及僱員採納購股權計劃(「購股權計劃」)，作為吸引、挽留及激勵員工的獎勵或回報。購股權計劃的詳情載於財務報表附註30。

於二零一六年十月十四日，本公司根據購股權計劃向若干承授人授出164,000,000份可認購本公司最多164,000,000股每股面值0.01港元之普通股之購股權(「購股權」)。下表披露於年內本公司購股權之變動：

附註：購股權並不受任何待歸屬期所限。本公司於回顧年度內根據購股權已收取的代價為8港元，購股權於授出日期的估值詳情載於財務報表附註30。本集團並無法定或推定責任在任何時候以現金回購或結算購股權。

除上文所述164,000,000份購股權外，於本年度，概無購股權已授出、已行使、已註銷或已失效。於二零一六年十二月三十一日，根據購股權計劃可能授出的購股權所涉及普通股份總數為300,000股，約佔於本年報日期本公司已發行股份的0.01%。購股權計劃於二零一七年一月三十一日屆滿。



## Directors' Report 董事會報告

### Placing Agreement

On 9 September 2016, in order to enlarge the shareholder base and the capital base of the Company as well as strengthening the Group's financial position for future development of the Group, the Company entered into a placing agreement with a placing agent whereby the Company conditionally agreed to place, through the placing agent, on a best effort basis, 376,000,000 new ordinary shares of the Company of HK\$0.01 each to not less than six independent placees at HK\$0.22 per new share. The completion of the placing is conditional upon the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the placing shares. The above placing was completed on 23 September 2016 with not less than six independent placees and the net proceeds amounted to approximately RMB69.3 million (equivalent to HK\$80.5 million, representing a net placing price of HK\$0.21 per placing share). As at 31 December 2016, approximately RMB31.1 million of the net proceeds were being applied as investment in short-term equity securities, with the remaining as cash deposits in a financial institution in Hong Kong.

On 9 September 2016, being the date of the placing agreement, the closing price of the Company's shares was HK\$0.265 per share as quoted on the Stock Exchange. Details of the placing are set out in the announcement of the Company published on 9 September 2016.

### DIRECTORS' AND MANAGEMENT EMOLUMENTS

Particulars of the directors' emoluments on an individual and named basis and the five highest paid individuals in the Group are set out in notes 11 and 12 respectively to the financial statements. The remuneration policies of the Group are as follows:

- The amount of remuneration for the Directors or the employees is determined according to their relevant experience, responsibilities, workload, contributions and years of service in the Group and with reference to the goals and objectives of the Group;
- The non-monetary benefits are determined by the Board (or by the relevant management after consultation with the Board) and may be provided in the remuneration package of the Directors or the employees; and
- No person participates in the deliberation or approval of his own remuneration package.

The Company's policies concerning remuneration of the Directors are as follows:-

- (i) the amount of remuneration is determined on a case by case basis of the relevant Director's experience, responsibility, workload and the time devoted to the Group;
- (ii) non-cash benefits may be provided at the discretion of the Board to the relevant Directors under their remuneration package; and
- (iii) the Directors may be granted, at the discretion of the Board and in accordance with the requirements under the Listing Rules, with share options under the share option scheme adopted by the Company, as part of their remuneration package.

### 配售協議

於二零一六年九月九日，為擴大本公司的股東基礎及資本基礎，並增強本集團的財務狀況以配合本集團的未來發展，本公司與一家配售代理訂立配售協議。據此，本公司已有條件同意透過配售代理盡最大努力配售376,000,000股本公司每股面值0.01港元的新普通股予不少於六名獨立承配人，配售價為每股配售股份0.22港元。配售事項的完成受限於聯交所上市委員會批准配售股份的上市及交易。以上配售事項（不少於六名獨立配售人）已於二零一六年九月二十三日完成及所得款項淨額約人民幣69,300,000元（相當於約80,500,000港元）（相當於每股配售股份淨配售價港幣0.21元）。於二零一六年十二月三十一日，人民幣31,100,000之淨額用作投資短期股本證券，餘下為存於香港一家金融機構之現金存款。

於二零一六年九月九日（即配售協議日期），本公司股份於聯交所所報之收市價為每股0.265港元。配售的詳情已載於本公司於二零一六年九月九日刊發的公告。

### 董事及高級管理層之酬金

各董事酬金以及本集團獲最高薪酬之五位人士之資料詳情分別載列於財務報表附註11及12。本集團之薪酬政策如下：

- 薪酬數額根據董事或僱員的相關經驗、責任、工作量、貢獻及在集團服務年期等以及參考本集團目標及目的而確定；
- 非現金福利由董事會（或於諮詢董事會後由相關管理層）決定，及可於董事或僱員的薪酬待遇中提供；
- 概無人士參與其自身薪酬待遇的商討或批准。

本公司有關董事薪酬的政策如下：

- (i) 薪酬金額按個別情況就有關董事的經驗、職責、工作量及貢獻給本集團的時間釐定；
- (ii) 非現金福利可由董事會酌情按董事的薪酬待遇發放予有關董事；及
- (iii) 視乎董事會決定及根據上市規則的要求，董事或會獲授本公司所採納購股權計劃下的購股權，作為彼等部分的薪酬待遇。



### MAJOR CUSTOMERS AND SUPPLIERS

The information of revenue and purchases attributable to the major customers and suppliers of the Company for the year under review is as follows:

<b>Revenue from sales of goods or rendering of services</b>	銷售貨品或提供服務所得收益
The largest customer	最大客戶
Five largest customers in aggregate	五大客戶合共
<b>Purchases</b>	購買額
The largest supplier	最大供應商
Five largest suppliers in aggregate	五大供應商合共

None of the Directors, their close associates or any shareholders (which to the knowledge of the Directors owns more than 5% of the Company's share capital) had an interest in the major suppliers and major customers noted above.

### CORPORATE GOVERNANCE

Report for the corporate governance principles and practices adopted by the Company is set out on pages 20 to 32 of this Annual Report.

### SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this Annual Report, the Company has maintained sufficient public float as required under the Listing Rules.

### DONATIONS

During this year, the Group did not make any charitable donations (2015: Nil).

### MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as the Company's code of conduct for dealings in securities of the Company by the Directors. Based on specific enquiry made with all Directors, the Directors have complied with the required standard set out in the Model Code, throughout the accounting period covered by this Annual Report.

### DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in the paragraphs headed "Continuing Connected Transactions", none of the Directors or any of their connected entities had a material interest, whether directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group which the Company or any of its subsidiaries was a party to or involved in at the end of the year under review or at any time during the year under review.

### COMPETING INTERESTS

None of the Directors had an interest in a business which competes or may compete with the business of the Company or has any other conflict of interest with the Company during the year under review.

### 主要客戶及供應商

於回顧年度內，本公司主要客戶及供應商佔營業額及購買額之資料如下：

	2016 二零一六年 %	2015 二零一五年 %
Revenue from sales of goods or rendering of services		
The largest customer	4.5	4.4
Five largest customers in aggregate	20.7	19.9
Purchases		
The largest supplier	15.0	13.8
Five largest suppliers in aggregate	50.4	45.0

概無董事、彼等的緊密聯繫人或任何股東（就董事所知擁有本公司股本5%以上權益者）於主要供應商及主要客戶中擁有任何權益。

### 企業管治

有關本公司採納的企業管理原則及常規的報告載於本年報第20至32頁。

### 足夠公眾持股量

根據本公司公開資料並就董事所知，於本年報日期，根據上市規則的要求，本公司維持足夠公眾持股量。

### 捐款

年內本集團並無作出任何慈善捐款（二零一五年：無）。

### 證券交易標準守則

本公司已採用標準守則作為董事買賣本公司證券的操守守則。根據向全體董事作出的特定查詢，董事於本年報所涵蓋的整個會計期間一直遵守標準守則所規定標準。

### 董事於合約之權益

除「持續關連交易」一段所披露者外，於回顧年度結束時或於回顧年度內任何時間，概無董事或任何彼等之關連實體於本公司或任何其他附屬公司所訂立或所牽涉的對本集團業務而言屬重大的任何交易、安排或合約中擁有（不論直接或間接）重大權益。

### 競爭權益

於回顧年度內，概無董事於與本公司業務構成或可能構成競爭的業務中擁有權益，且並無與本公司存在任何其他利益衝突。



## Directors' Report 董事會報告

### AUDIT COMMITTEE

In compliance with Rule 3.21 of the Listing Rules, the Board has established an audit committee on 8 January 2007, with written terms of reference. The primary duties of the audit committee are to review the financial reporting procedures and internal control and risk management systems and provides guidance in relation thereto. The Audit Committee comprises three independent non-executive Directors.

The Audit Committee has reviewed the accounting principles and practice adopted by the Company as well as the audited financial statements of the Company for the year ended 31 December 2016 before recommending to the Board for approval.

### AUDITOR

The financial statements of the Company for the year ended 31 December 2016 have been audited by Messrs. Crowe Horwath (HK) CPA Limited. A resolution will be submitted at the annual general meeting of the Company to re-appoint Messrs. Crowe Horwath (HK) CPA Limited as auditor of the Company.

### BUSINESS REVIEW

#### Business Performance and Future Development

The discussion on the Group's business performance and future development, being part of the Directors' Report, is set out in the paragraphs headed "Business Review" and "Outlook" of the section headed "Management Discussion and Analysis".

#### Key Financial Performance Indicators

The analysis of the Group's key financial performance indicators, being part of the Directors' Report, is set out in the paragraph headed "Financial Review" of the section headed "Management Discussion and Analysis".

### RISKS RELATING TO OUR BUSINESS

#### Our newly launched products may not be well received by the market.

The success of a pharmaceutical company depends, to a large extent, on whether the products it introduces to the market are well received by the market. The primary factors which may affect the acceptance of our products by the market include efficacy, quality and price. In particular, the introduction of new products requires substantial investment of capital resources and research and development efforts. If any of our new drugs is not well received by the market because its efficacy is not as good as expected, it is too expensive compared to other substitutes, or for any other reason, we may not be able to recoup the investment we have made in developing such new drug, in which case our financial condition and results of operations may be materially adversely affected.

#### Our Group rely on third parties, such as hospitals, clinics and pharmacies, in selling our prescription and over-the-counter products.

We rely on different channels in selling our products in China. Our over-the-counter pharmaceutical products are sold mainly to consumers through pharmacies. Our prescription pharmaceutical products are sold mainly to hospitals and clinics for consumption by their patients. There is no assurance that pharmacies and hospitals and clinics will continue to stock and prescribe our products over those of our competitors, there are no contractual restrictions preventing our sales channels from selling our competitors' products. If our sales channels treat our competitors' products more favorably or stop selling our products, and we are unable to find appropriate substitutes, our business and results of operations may be materially adversely affected.

### 審核委員會

為遵守上市規則第3.21條，董事會已於二零零七年一月八日成立審核委員會，並書面釐定其職權範圍。審核委員會主要職責為審閱財務申報程序及內部監控及風險管理系統，並就此提供指引。審核委員會由三名獨立非執行董事組成。

審核委員會已審閱本公司所採納的會計政策及常規，並在建議董事會批准前已審閱本公司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。

### 核數師

本公司截至二零一六年十二月三十一日止年度之財務報表已由國富浩華(香港)會計師事務所有限公司審核。本公司將於股東週年大會上提呈一項決議案，續聘國富浩華(香港)會計師事務所有限公司為本公司之核數師。

### 業務審視

#### 業務表現和未來發展

本集團的業務表現和未來發展的討論載於「管理層討論與分析」之「業務回顧」及「未來展望」部份，該等討論為董事會報告的一部份。

#### 財務關鍵表現指標

本集團的財務關鍵表現指標的分析載於「管理層討論與分析」之「財務回顧」部份，該等討論為董事會報告的一部份。

### 與本公司業務有關的風險

#### 本公司的新產品未必受到市場歡迎。

醫藥公司成功與否，很大程度上取決於其產品是否受到市場歡迎，而影響市場對本公司產品接納程度的主要因素，則包括療效、質量與價格。其中，推介新產品尤其需要投入大量資本資源和研發力度。若因療效未如預期般理想、與其他替代品相比價格過於昂貴、或任何其他原因，以致本公司任何新藥未受到市場歡迎，則本公司未必能夠收回開發該等新藥的投資，如此可能會對本公司的財務狀況及經營業績造成實質性不利影響。

#### 本集團依賴第三方(例如醫院、診所及藥房)銷售本公司的處方藥及非處方藥。

本公司依賴不同渠道於中國銷售本公司產品。本公司主要通過藥房向消費者銷售非處方藥品，而處方藥品則主要向醫院及診所銷售，供其病人使用。無法保證藥房及醫院及診所將繼續積存及以本公司的產品開方，而非本公司競爭對手的產品。此外，並無合同限制禁止本公司的銷售渠道銷售本公司競爭對手的產品。倘本公司的銷售渠道優待本公司競爭對手的產品，或停止銷售本公司產品，而本公司無法覓得合適替代者，則本公司的業務及經營業績或會受到實質性不利影響。



## RISKS RELATING TO OUR INDUSTRY

### The pharmaceutical industry is extremely competitive.

Our business is subject to competition from other pharmaceutical manufacturers. Chinese and international pharmaceutical manufacturers engaged in the manufacture and sale of substitute or similar products to ours in China may have more capital resources, better research and development capabilities and more experience in manufacturing and marketing. Many of our competitors, including large pharmaceutical companies and other generic drug manufacturers, have employed various strategies intended to maximize their market share for previously-patented products. Competition is likely to intensify if (i) the number of manufacturers or distributors of substitute or similar products increases due to increased market demand or increased prices; (ii) competitors drastically reduce prices due to oversupply of products; or (iii) competitors develop new products or substitute products having comparable medicinal applications or therapeutic effects that may be used as direct substitutes for our products which are more effective with prices comparable to or lower than our products. If any of the above occurs, our profitability may be adversely affected.

### Our Company is subject to environmental regulations and may be exposed to liability and potential costs for environmental compliance.

We are subject to the PRC laws and regulations concerning the discharge of effluent water and solid waste during our manufacturing processes. We are required to obtain certain clearances and authorizations from governmental authorities for the treatment and disposal of such discharge. Any violation of these regulations may result in substantial fines, criminal sanctions, revocation of operating permits, shutdown of our facilities and obligation to take corrective measures. Our cost of complying with current and future environmental protection laws and regulations, and liabilities which may potentially arise from the discharge of effluent water and solid waste, may materially adversely affect our business, financial condition and results of operations.

The government may take steps towards the adoption of more stringent environmental regulations and there is no assurance that we will be at all times in full compliance with these regulatory requirements. Due to the possibility of unanticipated regulatory or other developments, the amount and timing of future environmental expenditures may vary substantially from those currently anticipated. If there is any unanticipated change in the environmental regulations, we may need to incur substantial capital expenditures to install, replace, upgrade or supplement our pollution control equipment or make operational changes to limit any adverse impact or potential adverse impact on the environment in order to comply with new environmental protection laws and regulations. If such costs become prohibitively expensive, we may be forced to modify, curtail or cease certain of our business operations.

## ENVIRONMENTAL POLICY AND PERFORMANCE

The Group understands the importance of environmental protection to the sustained stable development of enterprises. Striving to strike the best balance between cost control and environmental protection, the Group consistently executes the measures of clean production, energy saving, reducing consumption, etc. The Group also carries out regular reviews on various environmental protection measures and routine jobs, to ensure that all environmental protection permission and approval required by the regulatory authorities of the PRC will be granted.

In the meantime, the Group endeavours to create an environmentally-friendly work environment to promote the environmental awareness to employees by encouraging them to use less electricity and paper, and recycle office supplies and other materials.

## 與行業有關的風險

### 藥業的激烈競爭。

本公司的業務需面對其他製藥生產商的競爭。於中國從事生產或銷售本公司產品的代替產品或類似產品的中國或國際製造商或擁有更多的資金來源、更優勝的研究及發展能力，及於生產及市場推廣上有更豐富的經驗。眾多的競爭者包括大型的製藥公司及其他仿製藥製造商，均運用了不同的策略以擴大已獲得專利權產品的市場佔有率。假如(i)生產及分銷代替產品或類似產品的製造商或分銷商的數目因市場需求上升或價格上升而增加；(ii)競爭者因產品供應過剩而大幅降價；或(iii)競爭者所發展的產品或代替產品擁有相近的醫藥用途或醫療功效，並可直接代替本公司的產品，並且更為有效，而價格與本公司的產品相若或更便宜，則本公司所面對的競爭將更加激烈。

### 本公司須遵守環境法規及為達致環境標準承擔責任及潛在成本。

本公司需遵守有關生產過程中排放污水及固體廢物的中國法律及法規。本公司需為該等排放的處理及棄置從政府機關取得若干許可證及批准。違反這些法規可能引致大額罰款、刑事制裁、撤銷經營許可證、關閉設備及負責執行矯正措施。遵守現時及未來環境保護法律及法規的成本，以及排放污水及固體廢物所潛在產生的責任或會對本公司的業務、財務狀況及經營業績造成不利影響。

政府將逐步採取更嚴厲的環境法規，概不保證本公司將於所有時間均全面遵守這些法規要求。由於出現不可預知的法規及其他發展的可能性，未來環保開支的金額及時間計算可能與目前所估計的出現重大差異。假如環境法規出現任何不可預知的轉變，本公司將需作出重大的資本開支以安裝、更換、提升或補充本公司的污染控制器材或作出營運模式的轉變，藉此限制任何不利影響或對環境的潛在不利影響，以遵守新的環境保護法律及法規。假如該等成本高昂得無法負擔，本公司將被迫變更、縮減或停止本公司若干的業務營運。

## 環境政策及表現

本集團瞭解環境保護對企業持續穩定發展的重要性，並貫徹執行清潔生產、節能減耗及減少用量等措施，力求在成本控制及環保之間取得最佳平衡。本集團亦定期就各項環保措施及常規工作進行檢討，確保獲得所有中國監管機構所需的環保許可及批文。

本集團同時致力營造一個環保型的工作環境，向員工推廣環保意識，鼓勵節約用電、減少用紙、回收辦公用品及其他材料等。



## Directors' Report 董事會報告

The Company shall issue the Environmental, Social and Governance Report separately in accordance with the requirements under the Listing Rules.

### LAWS AND REGULATIONS THAT HAVE SIGNIFICANT IMPACT ON THE COMPANY

The principal activities of the Group are manufacturing, marketing and selling of branded prescription and non-prescription drugs as well as Chinese pharmaceutical products in the PRC. The production of all pharmaceutical products must comply with the current Good Manufacturing Practice standard of the PRC, and be approved by the China Food and Drug Administration. The Group also needs to comply with the Production Safety Law, Law on Employment Contracts and Company Law of the PRC. As the Company is listed on the Main Board of the Stock Exchange, the Company is also required to comply with the Listing Rules and the disclosure requirements of the Hong Kong Companies Ordinance.

For the year ended 31 December 2016, the Group is not aware of any occurrence of material breach of laws or regulations that have significant impact on the Group.

The Group acknowledges that as the PRC is in the midst of the critical period for healthcare system reform, laws, regulations and policies regarding the healthcare and pharmaceutical industry will be updated frequently. Hence, it will pay close attention to the updates and timely implement the measures required by the relevant laws and regulations so as to ensure the business and operation are free from adverse effects.

### IMPORTANT RELATIONS WITH STAKEHOLDERS

#### Employees

The Group endeavours to develop and maintain good working relationship with the employees. The Group provides directors and senior management with continuous professional training, including seminars and workshops, such that the latest changes of regulatory requirements and corporate governance practices can be introduced. Aiming to raise the operational efficiency, the Group also organises various pre-employment and on-the-job trainings to deepen the employees' understanding of its business objectives and operation. In the aspect of safeguarding the occupational safety and health of employees, the Group spares no effort to provide employees with a safe work environment and enhance their health and safety awareness. In addition, the Group provides competitive remuneration, rewards program, retirement and medical benefits to attract and incentivise employees.

#### Suppliers

The Group selects the suppliers prudently and requires them to satisfy certain evaluation criteria, including track records, experience, financial strength, reputation, ability to manufacture high-quality products, etc. The Group has developed long-term collaborative relationship with various suppliers and endeavours to make sure that they comply with the Group's commitment to quality and ethics.

#### Sales Agents and Distributors

The Group sells pharmaceutical products to hospitals, clinics and drug stores through sales agents and distributors. The Group requires the sales agents and distributors to comply with the relevant laws and regulations and the Group's marketing policies. The Group also collaborates with the distributors by providing training for their frontline salespersons to ensure that they provide high-quality sales services.

本公司將按照上市規則的要求另行刊發《環境、社會及管治報告》。

### 對公司有重大影響的法律法規

本集團的業務主要是在中國製造、營銷和銷售品牌處方、非處方西藥和中成藥產品，所有藥品的生產均需符合中國現行生產質量管理規範標準，並通過國家食品藥品監督管理局的認證。本集團同時需要遵守中國的安全生產法、勞動合同法、公司法等。由於本公司在聯交所主板上市，因此本公司亦需要遵守上市規則和香港公司條例的披露規定。

截至二零一六年十二月三十一日止年度，本集團並無知悉有重大違反對其有重大影響的法律及法規的情況。

本集團明白，中國正處於醫療體制改革關鍵時期，醫療保健及製藥業的法律、法規和政策經常更新，故將密切關注，以適時執行相關法律及法規所要求的工作，確保業務及營運免受不利影響。

### 與權益人之重要關係

#### 僱員

本集團致力與僱員建立及維繫良好的工作關係。本集團向董事及高級管理層提供持續專業培訓，包括舉辦講座及工作坊，以介紹監管要求及企業管治常規的最新動態。本集團亦舉辦各項職前及在職培訓，加深員工對業務目標及營運的認識，以提升本集團的營運效率。在保障員工的職業安全與健康方面，本集團亦不遺餘力，致力為員工提供安全的工作環境，增強其健康安全意識。另外，本集團提供具競爭性的薪酬待遇、獎勵計劃、退休和醫療福利，以吸引及激勵僱員。

#### 供貨商

本集團審慎挑選供貨商，並要求其滿足若干評估標準，包括往績記錄、經驗、財務實力、聲譽、生產高質素產品的能力等。本集團已與多家供貨商建立長期的合作關係，並盡力確保他們遵守本集團對質素及道德的承諾。

#### 銷售代理及經銷商

本集團透過銷售代理及經銷商向醫院、診所及藥店銷售藥品。本集團要求銷售代理及經銷商遵守相關法例、法規及本集團的銷售推廣政策。本集團亦與經銷商合作，提供培訓予其前線銷售人員，確保他們提供優質的銷售服務。



*Hospitals and Doctors*

The pharmaceutical products of the Group are mainly sold to 27 key provinces, cities and autonomous regions around the country. The Group continues to organise and participate in promotional activities such as seminars and pharmaceutical product launch events. The Group also keeps in touch with, explains and illustrates the clinical application of the Group's pharmaceutical products to doctors within the sales network through sales agents and distributors.

On behalf of the Board

**LIN OU WEN**  
*Chairman*

Hong Kong, 13 April 2017

*醫院及醫生*

本集團的藥品主要銷往全國27個重點省、市、自治區。本集團持續舉辦及參與研討會及藥品推介會等推廣活動，並透過銷售代理及經銷商與銷售網絡內的醫生保持聯繫，及向他們講解及說明本集團藥品的臨床應用。

承董事會命

林歐文  
主席

香港，二零一七年四月十三日



## Independent Auditor's Report 獨立核數師報告



國富浩華 (香港) 會計師事務所有限公司  
**Crowe Horwath (HK) CPA Limited**  
Member Crowe Horwath International

香港 銅鑼灣 禮頓道77號 禮頓中心9樓  
9/F Leighton Centre,  
77 Leighton Road,  
Causeway Bay, Hong Kong

### INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF WUYI INTERNATIONAL PHARMACEUTICAL COMPANY LIMITED (Incorporated in the Cayman Islands with limited liability)

#### OPINION

We have audited the consolidated financial statements of Wuyi International Pharmaceutical Company Limited ("the Company") and its subsidiaries ("the Group") set out on pages 55 to 135, which comprise the consolidated statement of financial position as at 31 December 2016, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2016, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

#### BASIS FOR OPINION

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

#### 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.

致武夷國際藥業有限公司股東的獨立核數師報告  
(於開曼群島註冊成立的有限公司)

#### 意見

吾等已審核載列於第55頁至第135頁武夷國際藥業有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)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、截至該日止年度的綜合損益及其他全面收入表、綜合權益變動表及綜合現金流量表以及綜合財務報表附註，包括主要會計政策概要。

吾等認為，綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的《香港財務報告準則》(「《香港財務報告準則》」)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，並已遵照香港《公司條例》的披露規定妥為編製。

#### 意見的基礎

吾等已根據香港會計師公會頒佈的《香港核數準則》(「《香港核數準則》」)進行審核。吾等於該等準則項下的責任會在本報告核數師就審核綜合財務報表須承擔的責任一節中詳述。根據香港會計師公會之專業會計師道德守則(「守則」)，吾等獨立於 貴集團，並已遵循守則履行其他道德責任。吾等相信，吾等所獲得的審核憑證乃充足及適當，為吾等作出意見提供基礎。

#### 關鍵審核事項

根據吾等的專業判斷，關鍵審核事項為吾等審核本期綜合財務報表中最重要的事項。吾等於審核綜合財務報表並就此形成意見時已從整體上處理此等事項，而不會就此等事項單獨發表意見。



**Impairment of property, plant and equipment and land use rights**

Refer to notes 16 and 17 to the consolidated financial statements and the accounting policies set out on pages 70-74

**物業、廠房及設備以及土地使用權的減值**

請參閱綜合財務報表附註16及17以及第70-74頁所載會計政策

<i>The Key Audit Matter</i>	<i>How the matter was addressed in our audit</i>	<i>關鍵審核事項</i>	<i>在審核中的處理方法</i>
<p>The Group has experienced a significant drop in revenue during the year. Further, on 8 November 2016, the operations of all the production compartments in the Group's production plant located in the Haixi Industrial and Trading Development Zone in Jianyang City, Fujian Province, China (the "Haixi Plant") have been temporarily suspended as a result of a rupture of the main underground steam pipelines connecting all the production compartments occurred, which has destroyed and suspended the operation of pipelines for water for injection, nitrogen gas, fire hose and sewage.</p>	<p>Our procedures in relation to management's impairment assessment included:-</p> <ul style="list-style-type: none"> <li>• Discussed with management about indicators of possible impairment;</li> <li>• Assessed the methodologies of and the appropriateness of key assumptions used by management in the forecast;</li> <li>• Checked the accuracy and relevance of input data used by management in the forecast;</li> <li>• Evaluated the competence, capabilities and objectivity of the independent professional valuers and the valuation methodologies employed;</li> <li>• Used our internal valuation specialists to assist us in evaluating the methodology used by management in the preparation of its discounted cash flow forecast and the valuations performed by independent professional valuers;</li> <li>• Compared the most significant inputs used in the discounted cash flow forecasts prepared in the prior year with the current year's performance of the Group to assess the accuracy of management's forecasting process and enquired management for any significant variations identified; and</li> <li>• Assessed the discount rates used in the discounted cash flow forecasts by benchmarking against other similar companies.</li> </ul>	<p>貴集團於年內經歷重大收益下跌。此外，於二零一六年十一月八日，貴集團位於中國福建省建陽市海西工貿開發區的生產廠房（「海西廠房」）暫停生產，乃由於通往各生產車間地下蒸氣主管道突然破裂，造成注射用水管道、氮氣管道、消防水管道及污水管道的嚴重破壞。</p> <p>被認為一項關鍵審核事項，乃由於其對財務報表的重要性及應用管理層判斷所包括之相關會計政策及頗為依賴財務預算及現金流量預測。</p>	<p>吾等就管理層的減值評估之程序包括：-</p> <ul style="list-style-type: none"> <li>• 與管理層討論可能減值的跡象；</li> <li>• 評估管理層於預測中所使用方法及所用關鍵假設之適當性；</li> <li>• 檢查管理層所使用輸入數據之準確性及相關性；</li> <li>• 評估獨立專業估值師之資歷、能力及客觀性及所採用之估值方法；</li> <li>• 利用吾等的內部估值專家協助吾等評估管理層於編製其折現現金流量預測時所使用方法及由獨立專業估值師所進行的估值；</li> <li>• 將上一年度所編製貼現現金流量預測所使用的最重要輸入數據與本公司本年度的表現進行比較，以評估管理層預測過程之準確性及就所發現的任何重大出入向管理層提出質詢；及</li> <li>• 通過對比其他同類公司的標準，評估貼現現金流量預測中所使用的貼現率。</li> </ul>



# Independent Auditor's Report

## 獨立核數師報告

### Business combination and impairment of goodwill

Refer to notes 19 and 35 to the consolidated financial statements and the accounting policies set out on pages 63-65 and 70-74

#### The Key Audit Matter

The Group has completed the acquisition of Fujian Liumai Medical Services Co., Limited ("Fujian Liumai") on 16 December 2016 at a consideration of HK\$145,000,000 (equivalent to approximately RMB124,304,000).

As a result of the acquisition, the Group recognised goodwill of RMB107,055,000.

Considered as a key audit matter as the acquisition is material and requires the use of significant management judgement regarding the identification of intangible assets acquired and the valuation of the assets and liabilities acquired. The valuation of certain assets involve the use of estimates regarding future cash flows.

#### How the matter was addressed in our audit

Our procedures included:–

- Considered and challenged management's assessment of the appropriate accounting treatment, the identification and valuation of tangible and intangible assets and the allocation of purchase price to the assets and liabilities acquired;
- Evaluated the assumptions and methodologies used by the Group and independent professional valuer in the determination of the fair value of contingent consideration payable;
- Evaluated and challenged the Group's future cash flow forecasts in the cash generating unit, and by which they were drawn up, including testing the underlying value in use calculations;
- Challenged management's key assumptions within the model such as the revenue growth rate and gross profit margin and compared these key assumptions to externally derived data;
- Used our internal valuation specialists to assist us in critically assessing the appropriateness and valuation of the identified intangible assets, the methodology used by the management in the preparation of its discounted cash flows forecasts and the appropriateness of the discount rates and long term growth rate and comparing the inputs used in determining the discount rate;
- Understood the Group's impairment testing process, including the valuation model adopted, allocation of cash generating units and assumptions used;
- Assessed the discount rates used in the discounted cash flow forecasts by benchmarking against other similar companies; and
- Evaluated the competence, capabilities and objectivity of the independent professional valuers.

### 業務合併及商譽減值

請參閱綜合財務報表附註19及35，第63-65頁及第70-74頁所載會計政策

#### 關鍵審核事項

貴集團已於二零一六年十二月十六日完成收購福建六脈醫療服務有限公司(「福建六脈」)，代價為145,000,000港元(相當於約人民幣124,304,000元)。

本集團因收購確認商譽人民幣107,055,000元。

被認為一項關鍵審核事項，乃由於收購屬重大並須使用管理層就識別已收購無形資產及已收購資產及負債之估值所行使的重大判斷。若干資產之估值涉及使用有關未來現金流量的估計。

#### 在審核中的處理方法

吾等的程序包括：–

- 考慮及質疑管理層對會計處理方法合適度的評估、對有形及無形資產進行的識別及估值以及將購買價分配至所收購資產及負債；
- 評估本集團及獨立專業估值師於釐定應付或然代價公平值時的假設及方法；
- 評估及質疑 貴集團對現金產生單位的未來現金流量預測，以及得出該等預測的方法(包括相關使用價值之計算)；
- 質疑管理層在該模型中的主要假設(如收入增長率及毛利率)，並將該等主要假設與外部獲得的數據作比較。
- 利用吾等的內部估值專家，協助吾等重點評估已識別無形資產的合適度、管理層於編製其貼現現金流量預測時所使用之方法及估值以及貼現率及長期增長率的合適度，並比較釐定貼現率所用的輸入數據；
- 了解 貴集團之減值測試過程，包括所採納之估值模式、分配現金產生單位及所用假設；
- 通過對比其他同類零售商的標準，評估貼現現金流量預測中所使用的貼現率；及
- 評估獨立專業估值師之資歷、能力及客觀性。



## Revenue recognition

Refer to note 8 to the consolidated financial statements and the accounting policies set out on page 80.

### The Key Audit Matter

Considered as a key audit matter as revenue is a key performance indicator of the Group.

The principal activities of the Group include sales of pharmaceutical products, sales of softwares and provision of consultancy services. There is a risk of improper revenue recognition, particularly with regard to cut-off at period end dates.

The risk has increased in the current year due to the acquisition which have resulted in new revenue streams for the Group.

### How the matter was addressed in our audit

We selected a sample of sales transactions. Our procedures in relation to those transactions included:-

- Understanding of and tested the key controls in respect of the Group's revenue recognition;
- Read the signed sales and purchase agreements to identify contractual arrangements;
- Reconciled the monetary amounts to the signed sales and purchase agreements;
- Scrutinised manual journals related to revenue to assess the timing and fair values of revenues recorded;
- Conducted substantive analytical procedures on revenue;
- Obtained evidence for the transfer of effective control of ownership; and
- Tested the recognition of sales transactions close to the end of the reporting period to assess whether those sales transactions were recorded in appropriate accounting period in accordance with the Group's revenue recognition policy.

## 收益確認

請參閱綜合財務報表附註8及第80頁所載會計政策。

### 關鍵審核事項

被認為關鍵審核事項，原因是收入為貴集團的主要表現指標。

貴集團的主要活動包括銷售藥品、銷售軟件及提供顧問服務。存在不當收益確認的風險。尤其是涉及到期間結算日的截止時間時。

本年度該風險之增加乃由於貴集團收購之新的收入流。

### 在審核中的處理方法

吾等抽樣選擇買賣交易。吾等就該等交易的程序包括：

- 了解及測試與本集團收益確認有關的關鍵控制；
- 閱覽已簽署買賣協議以識別合約安排；
- 將貨幣金額與已簽署買賣協議進行對賬；
- 詳細審查與收益有關的手工分錄，以評估收益記賬的時間性和公平值。
- 對收益進行實質性分析程序；
- 取得擁有權實際管轄權轉移的憑證；及
- 監測緊鄰報告期末之銷售之確認，以評估該等銷售交易是否根據貴集團之收益確認政策於適當會計期間入賬。



## Independent Auditor's Report 獨立核數師報告

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

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

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

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

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

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

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

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

### 綜合財務報表以外的資料及就此發出的核數師報告

董事須對其他資料承擔責任。其他資料包括年報中所包含的所有資料，但不包括綜合財務報表及吾等就此發出的核數師報告。

吾等對綜合財務報表作出的意見並不涵蓋其他資料，且吾等不對其他資料發表任何形式的核證結論。

就審核綜合財務報表而言，吾等的責任是閱讀其他資料，從而考慮其他資料是否與綜合財務報表或吾等在審核過程中獲悉的資料存在重大不符，或似乎存在重大錯誤陳述。

倘若吾等基於已完成的工作作出結論，認為其他資料出現重大錯誤陳述，吾等須報告此事實。吾等就此並無須報告事項。

### 董事就綜合財務報表須承擔的責任

董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港《公司條例》之披露規定編製綜合財務報表，以令綜合財務報表作出真實而公允的反映，及落實其認為編製綜合財務報表所必要的內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

在編製綜合財務報表時，董事須負責評估貴集團持續經營的能力，並披露與持續經營有關的事項（如適用），且除非董事有意將貴集團清盤或停止營運，或除此之外並無其他實際可行的辦法，否則董事須採用持續經營會計基準。

董事在審核委員會的協助下履行其職責，監督貴集團的財務報告流程。

### 核數師就審核綜合財務報表須承擔的責任

吾等的目標是合理確定整體而言綜合財務報表是否不存在由於欺詐或錯誤而導致的重大錯誤陳述，並發出包含吾等意見的核數師報告。本報告僅向全體股東報告，除此之外別無其他目的。吾等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。

合理保證屬高水平的核證，但不能保證根據香港核數準則進行的審核工作總能發現所有存在的重大錯誤陳述。錯誤陳述可源於欺詐或錯誤，倘個別或整體在合理預期情況下可影響使用者根據綜合財務報表作出的經濟決定時，被視為重大錯誤陳述。



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.
- 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 communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

吾等根據《香港核數準則》進行審核的工作之一，是運用專業判斷，在整個審核過程中抱持專業懷疑態度。吾等亦：

- 識別及評估綜合財務報表由於欺詐或錯誤而導致重大錯誤陳述的風險，因應該等風險設計及執行審核程序，獲得充足及適當的審核憑證為吾等的意見提供基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險較因錯誤而導致的重大錯誤陳述的風險為高。
- 了解與審核有關的內部控制，以設計恰當的審核程序，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所作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基準的恰當性作出結論，且根據所得的審核憑證，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。倘吾等的結論認為存在重大不確定性，則須在核數師報告中提請對綜合財務報表中相關披露資料的關注或倘有關披露資料不足，則修訂吾等的意見。吾等的結論是基於截至核數師報告日期所取得的審核憑證。然而，未來事件或情況可能導致 貴集團停止繼續持續經營。
- 評估綜合財務報表（包括披露資料）的整體列報、架構和內容，以及綜合財務報表是否已公允地列報相關交易及事項。
- 就 貴集團內各實體或業務活動的財務資料獲得充足適當的審核憑證，以就綜合財務報表發表意見。吾等須負責指導、監督和執行集團審核。吾等仍須為吾等的審核意見承擔全部責任。

吾等就（其中包括）計劃審核範圍、審核時間及重大審核發現（包括吾等在審核期間識別出內部控制的任何重大缺陷）與審核委員會進行溝通。

吾等亦向審核委員會提交聲明，說明吾等已符合有關獨立性的相關道德規範，並就一切被合理認為會影響吾等獨立性的關係和其他事項以及相關保障措施（如適用）與彼等進行溝通。



## Independent Auditor's Report 獨立核數師報告

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 director on the audit resulting in this independent auditor's report is Sze Chor Chun, Yvonne.

從與審核委員會溝通的事項中，吾等確定本期綜合財務報表審核的最重要事項即為關鍵審核事項。除非法律或法規不容許公開披露此等事項或在極罕有的情況下，吾等釐定披露此等事項可合理預期的不良後果將超過其產生的公眾利益而不應在吾等報告中予以披露，否則吾等會在核數師報告中描述此等事項。

本獨立核數師報告的審核工作董事為史楚珍。

**Crowe Horwath (HK) CPA Limited**  
*Certified Public Accountants*  
Hong Kong, 13 April 2017

Sze Chor Chun, Yvonne  
Practising Certificate Number P05049

國富浩華(香港)會計師事務所有限公司  
執業會計師  
香港，二零一七年四月十三日

史楚珍  
執業證書號碼 P05049

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

## 綜合損益及其他全面收益表



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

		Note	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
Revenue	收益	8	263,025	555,652
Cost of sales	銷售成本		(245,062)	(436,045)
Gross profit	毛利		17,963	119,607
Other income	其他收益	9	14,196	1,978
Net (loss)/gain on disposal of land use rights and property, plant and equipment	出售土地使用權及物業、廠房及設備之淨(虧損)/收益	10(c)	(7)	35,003
Distribution costs	分銷費用		(15,478)	(44,112)
Administrative expenses	行政費用		(82,781)	(52,660)
Finance costs	融資成本	10(a)	(2,117)	(2,241)
Impairment loss on land use rights	土地使用權減值虧損	17	(15,261)	-
Impairment loss on property, plant and equipment	物業、廠房及設備減值虧損	16	(316,841)	-
Written off on property, plant and equipment	物業、廠房及設備撇銷	16	(89,931)	-
Written off on inventories	存貨撇銷	22	(13,036)	-
Share of results of an associate	應佔聯營公司業績		(105)	-
(Loss)/profit before taxation	除稅項前(虧損)/溢利	10	(503,398)	57,575
Income tax	所得稅	13	107,140	(16,372)
(Loss)/profit for the year attributable to owners of the Company	本公司擁有人應佔年內(虧損)/溢利		(396,258)	41,203
Other comprehensive income for the year	年內其他全面收益		-	-
Total comprehensive (loss)/income for the year attributable to owners of the Company	本公司擁有人應佔年內全面(虧損)/收益總額		(396,258)	41,203
(Loss)/earnings per share – Basic and diluted	每股(虧損)/盈利 – 基本及攤薄	15	RMB(20.0) cents 人民幣(20.0)分	RMB2.4 cents 人民幣2.4分

The notes on pages 60 to 135 form part of these financial statements.

第60至135頁的附註構成本財務報表之一部分。



# Consolidated Statement of Financial Position

## 綜合財務狀況表

As at 31 December 2016 於二零一六年十二月三十一日

			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	16	750,373	796,531
Land use rights	土地使用權	17	36,137	52,632
Goodwill	商譽	19	107,055	–
Other intangible assets	其他無形資產	18	3,918	–
Deferred tax assets	遞延稅項資產	28(b)	169,736	64,478
Interests in an associate	於聯營公司權益	21	4,795	–
Deposits paid for acquisition of a subsidiary	就收購附屬公司已付按金	35	–	52,875
			1,072,014	966,516
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨	22	14,133	30,785
Trade and other receivables	貿易應收款項及其他應收款項	23	112,280	142,384
Tax recoverable	可收回稅項	28(a)	336	–
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	24	41,977	–
Cash and cash equivalents	現金及現金等價物	25	147,547	555,247
			316,273	728,416
<b>Current liabilities</b>	<b>流動負債</b>			
Trade and other payables	貿易應付款項及其他應付款項	26	49,546	94,800
Secured bank loans	有抵押銀行貸款	27	85,600	35,000
Current taxation	當期稅項	28(a)	988	5,045
			136,134	134,845
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Deferred tax liabilities	遞延稅項負債	28(b)	13,736	14,622
<b>Net assets</b>	<b>淨資產</b>		1,238,417	1,545,465
<b>Capital and reserves</b>	<b>資本及儲備</b>			
Share capital	股本	29(b)	21,762	18,527
Reserves	儲備		1,216,655	1,526,938
<b>Total equity attributable to owners of the Company</b>	<b>本公司擁有人應佔總權益</b>		1,238,417	1,545,465

Approved and authorised for issue by the board of directors on 13 April 2017 and signed on its behalf by:

已於二零一七年四月十三日經董事會批准及授權刊發，並由以下人士代表簽署：

**Lin Ou Wen**  
林歐文  
Chairman and Chief Executive Officer  
主席及行政總裁

**Chen Cheng Qing**  
陳成慶  
Executive Director  
執行董事

The notes on pages 60 to 135 form part of these financial statements.

第60至135頁的附註構成本財務報表之一部分。

# Consolidated Statement of Changes in Equity

## 綜合權益變動表



For the 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 Company								
		Share capital	Share premium	Share option reserve	Special reserve	Capital reserve	Statutory surplus reserve	Non-surplus distributable reserve	Retained profits/(accumulated losses)	Total equity
		(note 29(b))	(note 29(c)(i))	(note 30)	(note 29(c)(ii))	(note 29(c)(iii))	(note 29(c)(iv))	(note 29(c)(v))	(note 29(c)(vi))	(note 29(c)(vii))
		股本	股份溢價	購股權儲備	特別儲備	資本儲備	法定盈餘儲備	不可分派儲備	保留溢利/(累計虧損)	總權益
		RMB'000	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	人民幣千元
At 1 January 2015	於二零一五年一月一日	17,098	929,533	-	(124,106)	53,000	262,227	23,752	299,883	1,451,387
Profit and total comprehensive income for the year	年內溢利及全面收益總額	-	-	-	-	-	-	-	41,203	41,203
Issue of consideration shares (note 29(b)(ii))	發行代價股份(附註29(b)(ii))	1,429	51,446	-	-	-	-	-	-	52,875
Transfer to statutory surplus reserve	轉撥至法定盈餘儲備	-	-	-	-	-	9,777	-	(9,777)	-
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	18,527	980,979	-	(124,106)	53,000	262,004	23,752	331,309	1,545,465
Loss and total comprehensive loss for the year	年內虧損及全面虧損總額	-	-	-	-	-	-	-	(396,258)	(396,258)
Shares issued under placement (note 29(b)(iii))	根據配售發行之股份(附註29(b)(iii))	3,235	66,059	-	-	-	-	-	-	69,294
Equity-settled share-based transactions (note 30)	以權益結算以股份為基礎之交易(附註30)	-	-	19,916	-	-	-	-	-	19,916
Transfer to statutory surplus reserve	轉撥至法定盈餘儲備	-	-	-	-	-	2,193	-	(2,193)	-
At 31 December 2016	於二零一六年十二月三十一日	21,762	1,047,038	19,916	(124,106)	53,000	264,197	23,752	(67,142)	1,238,417

The notes on pages 60 to 135 form part of these financial statements.

第60至135頁的附註構成本財務報表之一部分。



# Consolidated Statement of Cash Flows

## 綜合現金流量表

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

		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>Operating activities</b>	<b>經營活動</b>		
(Loss)/profit before tax	除稅前(虧損)/溢利	(503,398)	57,575
Adjustments for:	為下列各項調整:		
Interest income	利息收入	(1,877)	(1,894)
Finance cost	融資成本	2,117	2,241
Net loss/(gain) on disposal of land use rights and property, plant and equipment	出售土地使用權及物業、廠房及設備之淨虧損/(收益)	7	(35,003)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	74,794	73,345
Amortisation of other intangible assets	其他無形資產攤銷	66	-
Amortisation of land use rights	土地使用權的攤銷	1,234	1,335
Written off on property, plant and equipment	物業、廠房及設備撇銷	89,931	-
Written off on inventories	存貨撇銷	13,036	-
Equity-settled share-based payment expenses	以權益估算以股份為基礎的支出	19,916	-
Share of results of an associate	應佔聯營公司業績	105	-
Changes in fair value on financial assets at fair value through profit or loss	按公平值計入損益之金融資產公平值變動	(9,308)	-
Impairment loss on property, plant and equipment	物業、廠房及設備減值虧損	316,841	-
Impairment loss on land use rights	土地使用權減值虧損	15,261	-
		<b>18,725</b>	<b>97,599</b>
<b>Changes in working capital</b>	<b>營運資金變動</b>		
Decrease/(increase) in inventories	存貨減少/(增加)	3,616	(1,590)
Decrease/(increase) in trade and other receivables	貿易應收款項及其他應收款項減少/(增加)	34,884	(3,967)
Decrease in trade and other payables	貿易應付款項及其他應付款項減少	(90,451)	(4,127)
Payment for purchase of financial assets at fair value through profit or loss	購買按公平值計入損益之金融資產的付款	(32,669)	-
<b>Cash (used in)/generated from operations</b>	<b>經營活動(所用)/產生的現金</b>	<b>(65,895)</b>	<b>87,915</b>
Income tax paid-The People's Republic of China (the "PRC")	已付所得稅 - 中華人民共和國(「中國」)	(4,393)	(17,149)
<b>Net cash (used in)/generated from operating activities</b>	<b>經營活動(所用)/所得現金淨額</b>	<b>(70,288)</b>	<b>70,766</b>
<b>Investing activities</b>	<b>投資活動</b>		
Interest received	已收利息	1,877	1,894
Net cash outflow from acquisition of a subsidiary	收購一間附屬公司現金流出淨額	(16,774)	-
Net cash outflow from formation of an associate	成立一間聯營公司現金流出淨額	(4,900)	-
Payment for the purchase of property, plant and equipment	購買物業、廠房及設備的付款	(435,477)	(92,122)
Proceeds from disposal of land use rights and property, plant and equipment	出售土地使用權及物業、廠房及設備所得款項	85	76,489
<b>Net cash used in investing activities</b>	<b>投資活動所用現金淨額</b>	<b>(455,189)</b>	<b>(13,739)</b>

# Consolidated Statement of Cash Flows

## 綜合現金流量表



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

		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>Financing activities</b>	<b>融資活動</b>		
Interest paid	已付利息	(2,117)	(2,241)
Proceeds from issue of new shares, net of issuance costs	發行新股份(扣除發行成本) 所得款項	69,294	-
Proceeds from new bank loans	新銀行貸款所得款項	105,600	35,000
Repayment of bank loans	償還銀行貸款	(55,000)	(15,000)
<b>Net cash generated from financing activities</b>	<b>融資活動所得現金淨額</b>	<b>117,777</b>	<b>17,759</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>現金及現金等價物 (減少)/增加淨額</b>	<b>(407,700)</b>	<b>74,786</b>
<b>Cash and cash equivalents at 1 January</b>	<b>於一月一日的 現金及現金等價物</b>	<b>555,247</b>	<b>480,461</b>
<b>Cash and cash equivalents at 31 December</b>	<b>於十二月三十一日的現金 及現金等價物</b>	<b>147,547</b>	<b>555,247</b>
<b>Analysis of the balances of cash and cash equivalents</b>	<b>現金及現金等價物結餘分析</b>		
Cash and cash equivalents at 31 December	於十二月三十一日的現金 及現金等價物	147,547	555,247

The notes on pages 60 to 135 form part of these financial statements.

第60至135頁的附註構成本財務報表之一部分。



# Notes to the Financial Statements

## 財務報表附註

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

### 1. GENERAL

Wuyi International Pharmaceutical Company Limited (the “Company”) was incorporated in the Cayman Islands on 21 March 2006 and registered as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands (the “Cayman Companies Law”) and acts as an investment holding company. Its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 1 February 2007. The addresses of the registered office and principal place of business of the Company are Grand Pavilion, Hibiscus Way, 802 West Bay Road, P.O. Box 31119, KY1-1205, Cayman Islands and Unit 1113, 11th Floor, North Tower, Concordia Plaza, 1 Science Museum Road, Tsimshatsui East, Kowloon, Hong Kong respectively. The principal activities of its principal subsidiaries are the development, manufacturing, marketing and sales of pharmaceutical products, sales of software and provision of consultancy services.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### a) Statement of compliance

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

The HKICPA has issued certain new and revised HKFRSs which are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from the initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

#### b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2016 comprise the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interest in an associate.

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). These financial statements are presented in Renminbi (“RMB”), rounded to the nearest thousand except for per share data. RMB is the Company’s functional and the Group’s presentation currency.

### 1. 一般資料

武夷國際藥業有限公司(「本公司」)根據開曼群島公司法(「開曼群島公司法」)第22章(一九六一年第三條法例)(經綜合及修訂)於二零零六年三月二十一日於開曼群島註冊成立並登記為受豁免有限公司並作為一家投資控股公司。其股份於二零零七年二月一日於香港聯合交易所有限公司(「聯交所」)主板上市。本公司的註冊辦事處及主要營業地點的地址分別為Grand Pavilion, Hibiscus Way, 802 West Bay Road, P.O. Box 31119, KY1-1205, Cayman Islands及香港九龍尖沙咀東部科學館道1號康宏廣場北座11樓1113室。本公司主要附屬公司的主要業務為從事醫藥產品開發、製造、市場推廣及銷售、銷售軟件及提供顧問服務。

### 2. 主要會計政策

#### a) 合規聲明

該等財務報表是按照香港會計師公會(「香港會計師公會」)頒佈的所有適用的香港財務報告準則(「香港財務報告準則」)(此統稱包括所有適用的個別香港財務報告準則、香港會計準則(「香港會計準則」)及解釋)、香港公認會計原則及香港公司條例的披露規定而編製。該等財務報表亦有遵照香港聯合交易所有限公司證券上市規則的適用披露條文。本集團採納之重大會計政策披露如下。

香港會計師公會已頒佈若干新訂及經修訂香港財務報告準則，該等香港財務報告準則於本集團之現行會計期間首次生效或可供提早採納。附註3提供首次應用此等新訂及經修訂準則所引致之任何會計政策變動之資料，以於該等財務報表中反映現行及過往會計期間與本集團相關者為限。

#### b) 財務報表的編製基準

截至二零一六年十二月三十一日止年度的綜合財務報表涵蓋本公司及其附屬公司(統稱為「本集團」)及本集團於聯營公司權益。

本集團各實體財務報表所載之項目乃按實體經營的主要經濟環境之貨幣(「功能貨幣」)計量。該等財務報表以人民幣(「人民幣」)呈列，湊整至最接近千位數，惟每股數據除外。人民幣為本公司之功能貨幣及本集團之呈列貨幣。

# Notes to the Financial Statements

## 財務報表附註



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

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### b) Basis of preparation of the financial statements (Continued)

The measurement basis used in the preparation of the financial statements is the historical cost basis except as otherwise set out in the accounting policies below.

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

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

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 4(b).

#### c) Subsidiaries

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

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

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses.

### 2. 主要會計政策(續)

#### b) 財務報表的編製基準(續)

財務報表乃按歷史成本法(下文所載的會計政策另有規定除外)編製。

按照香港財務報告準則編製財務報表時，管理層必須作出影響政策應用及所呈報資產、負債、收入及開支數額之判斷、估計及假設。在沒有其他明顯可參考的渠道下，其資產及負債的賬面值有關結果將由乃以過往經驗及多項其他於有關情況下視作合理之因素為基準的估計及有關假設組成。實際結果可能有別於此等估計數字。

估計及相關假設按持續基準予以檢討。僅影響該期間之會計估計修訂於修訂估計期間確認，倘修訂影響現時及日後期間，則於修訂之期間及日後期間確認。

管理層在應用香港財務報告準則時所作出對該等財務報表有重大影響的判斷，以及估計不確定性的主要來源載列於附註4(b)。

#### c) 附屬公司

附屬公司指受本集團控制的實體。當本集團因參與某實體對可變回報承擔風險或享有權利，及有能力藉對實體行使其權力而影響其回報，則本集團控制該實體。當評估本集團是否有權力時，只考慮實質權利(由本集團及其他人士持有)。

於附屬公司的投資自獲得控制權當日起併入綜合財務報表，直至控制權結束當日為止。集團公司間的結餘及交易以及從集團公司間交易產生的任何未變現現金流量，均於編製綜合財務報表時全數對銷。從集團公司間交易產生的未變現虧損，在沒有證據顯示出現減值的情況下按未變現收益的相同方式予以對銷。

於本公司的財務狀況表內，於附屬公司的投資乃按成本減減值虧損列賬。



# Notes to the Financial Statements

## 財務報表附註

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

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### d) Associates

An associate is an entity in which the Group has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

An investment in an associate is accounted for in the consolidated financial statements under the equity method, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (see note 2(j)). Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year and the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income are recognised in the consolidated statement of profit or loss and other comprehensive income.

When the Group's share of losses exceeds its interest in the associate, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate.

Unrealised profits and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

If an investment in an associate becomes an investment in a joint venture or vice versa, retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method.

In all other cases, when the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset.

### 2. 主要會計政策(續)

#### d) 聯營公司

聯營公司乃指本集團可以對其管理層發揮重大影響力的實體，包括參與其財務及經營決策，而非控制或聯合控制管理層。

於聯營公司的投資乃按權益法列入綜合財務報表，除非其被分類為持作出售。根據權益法，投資初步按成本入賬，按本集團佔被投資公司可識別資產淨值於收購日期公平值超出投資成本之任何差額(如有)作出調整。其後，投資就本集團佔被投資公司資產淨值之收購後變動及任何有關投資之減值虧損(見附註2(j))作出調整。任何收購日期超過成本之差額、本集團佔被投資公司於收購後之除稅後業績及任何年度減值虧損於綜合損益表內確認，而本集團佔被投資公司於收購後之除稅後其他全面收益項目於綜合損益及其他全面收益表確認。

如本集團應佔聯營公司之虧損超過其應佔權益，則本集團的權益將減至零，並會終止確認進一步虧損，惟集團所承擔之法律或推定責任或代表被投資公司償付之承擔除外。就此而言，本集團之權益為按權益法計算之投資賬面值，連同實質上構成本集團於聯營公司的投資淨值之集團長期權益。

集團與其聯營公司之間交易所產生之未變現損益，均按本集團於被投資公司所佔的權益比率抵銷，倘未變現虧損顯示已轉讓資產出現減值，則該等未變現虧損會即時於損益中確認。

倘於聯營公司之投資成為於合營企業的投資(反之亦然)，保留權益不會予以重新計量。投資反而繼續按權益法入賬。

於所有其他情況下，當本集團不再對聯營公司擁有重大影響力時，則按出售於該被投資公司的全部權益入賬，所產生之收益或虧損於損益中確認。任何於失去重大影響力在前被投資公司保留的權益按公平值確認及該金額被視為於初步確認金融資產時的公平值。

# Notes to the Financial Statements

## 財務報表附註



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

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### e) i) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for the control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 *Incomes Taxes* and HKAS 19 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 *Share-based Payment* at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

### 2. 主要會計政策(續)

#### e) i) 業務合併

業務收購乃採用收購法入賬。於業務合併轉撥之代價按公平值計量，而計算方法為本集團所轉撥之資產、本集團對被收購方前擁有人產生之負債及本集團於交換被收購方之控制權所發行之股權於收購日期之公平值之總和。與收購有關之成本一般於產生時在損益中確認。

於收購日期，所收購可識別資產及所承擔負債按其公平值確認，惟下列項目除外：

- 遞延稅項資產或負債及與僱員福利安排有關之負債或資產分別根據香港會計準則第12號「所得稅」及香港會計準則第19號「員工福利」確認及計量；
- 與被收購方以股份支付款項安排或本集團之以股份支付款項安排替換被收購方以支付款項安排有關的負債或權益工具於收購日期根據香港財務報告準則第2號「以股份支付款項」計量；及
- 根據香港財務報告準則第5號「持作出售之非流動資產及已終止經營業務」劃分為持作出售之資產(或出售組合)根據該項準則計量。

商譽乃以所轉讓之代價、任何非控股權益於被收購方中所佔金額及收購方以往持有之被收購方股權公平值(如有)之總和超出所收購可識別資產及所承擔的負債於收購日期之淨值之部份計量。倘經過評估後，所收購可識別資產及所承擔負債於收購日期之淨值超出所轉讓代價、任何非控股權益於被收購方中所佔金額以及收購方以往持有之被收購方股權公平值(如有)之總和，則超出部份即時於損益內確認為議價收購收益。



# Notes to the Financial Statements

## 財務報表附註

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

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### e) i) Business combinations (Continued)

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value.

Where the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured to fair value at subsequent reporting dates, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (that is, the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), and additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

### 2. 主要會計政策(續)

#### e) i) 業務合併(續)

屬現時擁有權益且於清盤時讓持有人有權按比例分佔相關附屬公司資產淨值之非控股權益，可初步按公平值或非控股權益應佔被收購方可識別資產淨值之已確認金額比例計量。計量基準視乎每項交易而作出選擇。其他類別之非控股權益乃按其公平值計量。

當本集團於業務合併中轉讓之代價包括或然代價安排產生之資產或負債時，或然代價按其收購日期公平值計量，並視為於業務合併中所轉讓之代價一部份。或然代價之公平值變動(證實為計量期間調整)可回顧調整，而就商譽作出相應調整。計量期間調整乃於「計量期間」(其不可超過自收購日期起計一年)內所獲得之有關於收購日期存在之事實及情況之額外資料所產生之調整。

或然代價之隨後入賬並無確認為計量期間調整，而取決於或然代價如何劃分。劃分為權益之或然代價並無於隨後申報日期重新計量，而其隨後結算於權益內入賬。劃分為資產或負債之或然代價於隨後申報日期重新計量至公平值，而相應之盈利或虧損於損益表中確認。

倘業務合併分階段完成，本集團先前於被收購方持有之股權重新計量至收購日期(即本集團獲得控制權當日)之公平值，而所產生之損益(如有)於損益中確認。過往於收購日期前於其他全面收益確認之被收購方權益所產生款額重新分類至損益(倘有關處理方法適用於出售權益)。

倘業務合併之初步會計處理於合併發生之申報期末尚未完成，則本集團報告未完成會計處理之項目臨時數額。該等臨時數額會於計量期間(見上文)予以調整，或確認額外資產或負債，以反映於收購日期已存在而倘知悉將可能影響該日已確認款額之事實與情況所取得之新資訊。

# Notes to the Financial Statements

## 財務報表附註



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

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### e) ii) Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently whenever there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units).

On the disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal.

#### f) Other investments in equity securities

The Group's and the Company's policies for investments in equity securities, other than investments in subsidiaries and associates, are as follows:

Investments in equity securities are initially stated at fair value, which is their transaction price unless it is determined that the fair value at initial recognition differs from the transaction price and that fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets. Cost includes attributable transaction costs, except where indicated otherwise below. These investments are subsequently accounted for as follows, depending on their classification:

Investments in securities held for trading are classified as current assets. Any attributable transaction costs are recognised in profit or loss as incurred. At the end of each reporting period the fair value is remeasured, with any resultant gain or loss being recognised in profit or loss. The net gain or loss recognised in profit or loss does not include any dividends or interest earned on these investments as these are recognised in accordance with the policies set out in note 2(s) (iv) and (ii).

### 2. 主要會計政策(續)

#### e) ii) 商譽

收購業務產生之商譽按於業務收購結束時確定之成本值減累計減值虧損(如有)列賬。

就減值測試而言，商譽乃分配至本集團各現金產生單位(或現金產生單位組別)，預期會受惠於合併所產生之協同效益，即為內部管理目的監察商譽之最低水平且不大於經營分部。

本集團會每年或於有關單位可能出現減值跡象時更頻繁地對商譽獲分配之現金產生單位(或現金產生單位組別)進行減值測試。就報告期內收購所產生之商譽，獲分配商譽之現金產生單位(或現金產生單位組合)會於報告期末前進行減值測試。倘可收回金額低於其賬面值，本集團會首先分配減值虧損以調減任何商譽獲分配單位之賬面值，然後根據單位中每項資產之賬面值按比例調減該單位(或現金產生單位組別)其他資產之賬面值。

出售有關現金產生單位時，商譽應佔之金額乃於釐定出售之損益金額時入賬。

#### f) 於股本證券的其他投資

本集團及本公司關於股本證券的投資(於附屬公司及一間聯營公司的投資除外)政策如下：

股本證券投資最初以公平值(亦即其交易價格)列賬，惟釐定初始確認之公平值有別於交易價格，而公平值以相同資產或負債在活躍市場之報價作依據，或採用僅輸入可觀察市場數據之估值技術。成本包括應佔交易成本，惟下文另行指出之成本除外。該等投資其後根據其分類按下文入賬：

持作交易的證券投資分類為流動資產。由此產生的任何交易費用均於產生時在損益中確認。公平值於各報告期末重新計量，所產生的任何盈虧會於損益中確認。於損益中確認的淨盈虧並不包括有關投資所賺取的任何股息或利息，因為有關股息或利息乃根據附註2(s)(iv)及(ii)所載之政策確認。



# Notes to the Financial Statements

## 財務報表附註

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

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### f) Other investments in equity securities (Continued)

Investments in securities which do not fall into any of the above categories are classified as available-for-sale securities. At the end of each reporting period the fair value is remeasured, with any resultant gain or loss being recognised in other comprehensive income and accumulated separately in equity in the investment revaluation reserve. As an exception to this, investments in equity securities that do not have a quoted price in an active market for an identical instrument and whose fair value cannot otherwise be reliably measured are recognised in the statement of financial position at cost less impairment losses (see note 2(j)). Dividend income from equity securities is recognised in profit or loss in accordance with the policy set out in note 2(s)(iv).

When the investments are derecognised or impaired, the cumulative gain or loss recognised in equity is reclassified to profit or loss. Investments are recognised/derecognised on the date the Group commits to purchase/sell the investments or they expire.

#### g) Property, plant and equipment

Property, plant and equipment, including buildings held for use in the production or supply of goods, or for administrative purposes, other than construction in progress, are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual values, if any, using the straight-line method over their estimated useful lives, at the following rates per annum:

Buildings	3.33% or over the unexpired term of lease, if shorter
Furniture, fixtures and equipment	10%-20%
Leasehold improvements	10%-20%
Motor vehicles	20%
Plant and machinery	10%-20%

For those impaired property, plant and equipment, including buildings, furniture, fixtures and equipment and plant and equipment in one of the factories in Jianyang City, Fujian Province, the PRC, not fully depreciated, depreciation is provided based on book value after deducting impairment provision over the estimated useful life.

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

### 2. 主要會計政策 (續)

#### f) 於股本證券的其他投資 (續)

不屬於上述任何類別之證券投資歸類為可供出售證券。於每個報告期末，公平值會重新計量，任何因此產生之盈虧在其他全面收益中確認，並在權益內之投資重估儲備內分開累積。此之例外情況為股本證券投資倘於交投活躍之市場並無同一工具之報價且其公平值無法可靠地計量，則按成本減去減值虧損於財務狀況表確認(見附註2(j))。股本證券使用實際利息法計算的股息收入分別按附註2(s)(iv)所載之政策於損益確認。

倘若這些投資不再被確認或減值時，在權益確認的累計損益會重新分類至損益內。投資於本集團承諾購買/出售投資或到期日時予以確認/不再確認。

#### g) 物業、廠房及設備

物業、廠房及設備(包括用於生產或供應貨品或作行政用途的樓宇)(在建工程除外)按成本減累計折舊以及任何累計減值虧損列賬。

物業、廠房及設備項目按下列年率計算折舊，減其估計剩餘價值(如有)以直線法在估計可使用年內撇銷其成本：

樓宇	3.33% 或於未屆滿租期內(以較短者為準)
傢具、固定裝置及設備	10%-20%
租賃物業裝修	10%-20%
汽車	20%
廠房及機器	10%-20%

就該位於中國福建省建陽市一家工廠的已減值但未完全折舊的物業、廠房及設備(包括樓宇、傢具、固定裝置及設備以及廠房及機器)，折舊乃根據賬面值經扣除減值撥備後按於估計可使用年期計提。

當物業、廠房及設備的各部分有著顯著不同的可使用年期，項目的成本將會按合理基準分配，而每個部分將作個別折舊。資產的可使用年期及其剩餘價值(如有)每年進行審閱。

# Notes to the Financial Statements

## 財務報表附註



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

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### g) Property, plant and equipment (Continued)

Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised in profit or loss during the financial period in which they are incurred.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

Properties, plant and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties, plant and equipment are classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

#### h) Intangible assets (other than goodwill)

##### *Internally-generated intangible assets – research and development expenditure*

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources and the intention to complete development. Capitalised development costs are stated at cost less accumulated amortisation and impairment losses. Other development expenditure is recognised as an expense in the period in which it is incurred.

##### *Intangible assets acquired separately*

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

### 2. 主要會計政策(續)

#### g) 物業、廠房及設備(續)

歷史成本包括收購該等項目直接引致的開支。成本可能亦包括由權益轉撥的外幣購買物業、廠房及設備符合現金流量對沖之任何收益／虧損。

期後成本僅在與該項目相關的未來經濟效益很可能歸於集團，而且能可靠地計量該項目成本的情況下，始計入有關資產的賬面值，或確認為獨立的資產(如適用)。重置部分之賬面值則取消確認。其他修理及維修成本則在其產生的財政期間在損益賬中支銷。

若資產的賬面值高於其估計可收回價值，其賬面值即時撇減至可收回金額。

物業、廠房及設備項目報廢或出售時產生的盈虧乃按出售所得款項淨額與項目的賬面值之間的差額釐定，盈虧於報廢或出售日期於損益表內確認。

用作生產、供應或行政用途之在建物業、廠房及設備按成本減已經確認的減值虧損列賬。成本包括專業費用及(就合資格資產而言)根據本集團會計政策資本化的借款費用。該等物業、廠房及設備在竣工並用於預定用途時分類至物業、廠房及設備的適當類別。該等資產與其他物業資產按相同基準，在可用作其擬定用途時開始計算折舊。

#### h) 無形資產(商譽除外)

##### *內部產生的無形資產－研發支出*

研究活動的支出於產生期間列作開支。倘產品或過程技術上或商業上可行，且本集團具備充裕資源並有意完成開發工作，則開發活動之開支將撥充資本。撥充資本開發成本乃按成本減累計攤銷及減值虧損列賬。其他開發支出於產生期間列作費用。

##### *個別收購的無形資產*

個別收購的具備有限可使用年期的無形資產按成本減累計攤銷及任何累計減值虧損入賬。具備有限可使用年期的無形資產攤銷於其估計可使用年期限內以直線法確認。估計可使用年期及攤銷方法於各個申報期末予以檢討，而估計之任何變動影響按未來適用法予以入賬。



# Notes to the Financial Statements

## 財務報表附註

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

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### h) Intangible assets (other than goodwill) (Continued)

##### *Intangible assets acquired separately (Continued)*

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

Product development costs	5 years
Patents	5 years
Software	5 years

Both the period and method of amortisation are reviewed annually.

##### *Intangible assets acquired in a business combination*

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

##### *Derecognition of intangible assets*

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss in the period when the asset is derecognised.

#### i) Leased assets

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

### 2. 主要會計政策(續)

#### h) 無形資產(商譽除外)(續)

##### *個別收購的無形資產(續)*

使用年期有限的無形資產攤銷乃以直線法按資產的估計可使用年期於損益中扣除。下列使用年期有限的無形資產自彼等可供使用之日起攤銷，彼等估計可使用年限如下：

產品開發成本	5年
專利	5年
軟件	5年

攤銷期間及方法均會每年進行檢討。

##### *於業務合併中收購的無形資產*

於業務合併中收購並與商譽分開確認的無形資產，按收購日期的公平值(被視為其成本)初步確認。

於初步確認後，於業務合併中收購的無形資產按與另行收購之無形資產相同的基準，按成本減累計攤銷及累計減值虧損呈報。

##### *終止確認無形資產*

無形資產於出售或當預期使用或出售不會產生未來經濟利益時終止確認。於終止確認無形資產所產生之任何盈虧乃以出售所得款項淨額與資產賬面值之差額計量，並於該資產終止確認之期間於損益確認。

#### i) 租賃資產

倘集團決定某項安排(包括一項交易或一連串交易)涉及轉讓一項可於協定期間內使用特定資產之權利以換取一筆或一連串付款，則該項安排屬於或包含一項租約。該項決定乃基於對安排內容之評估而作出，而不論該項安排是否採取租約之法律形式。

# Notes to the Financial Statements

## 財務報表附註



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

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### i) Leased assets (Continued)

##### i) *Classification of assets leased to the Group*

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

- property held under operating leases that would otherwise meet the definition of an investment property is classified as an investment property on a property-by-property basis and, if classified as investment property, is accounted for as if held under a finance lease; and
- land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease. For these purposes, the inception of the lease is the time that the lease was first entered into by the Group, or taken over from the previous lessee.

##### ii) *Operating lease charges*

Where the Group has the use of assets under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged as expenses in the accounting period in which they are incurred.

### 2. 主要會計政策(續)

#### i) 租賃資產(續)

##### i) *出租予本集團之資產分類*

本集團根據將擁有權之絕大部分風險及回報轉讓予本集團之租賃所持資產分類為融資租賃項下所持資產。擁有權之絕大部分風險及回報不會轉讓予本集團之租賃則分類為經營租賃，惟下列除外：

- 以經營租賃方式持有但在其他方面均符合投資物業定義的物業，會按照每項物業的基準歸類為投資物業。如果歸類為投資物業，其入賬方式會如同以融資租賃持有一樣；及
- 以經營租賃持作自用的土地於租賃開始時，其公平值未能與上蓋樓宇的公平值分開計量時，則按融資租賃持有的方式處理，惟樓宇亦明確以經營租賃持有者除外。就此而言，租賃開始當時為租賃首次獲本集團計入、或取代前期租賃、或該等樓宇的建築日期之較後發生者為準。

##### ii) *經營租賃費用*

倘若本集團以經營租賃持有資產使用權，以租賃作出的支付將於租期之會計期間按相同數額分期計入損益，惟若有另一種更能反映租賃資產衍生的利益模式的基準除外。所獲租賃減免在損益確認為已付淨租金總額一部分。或然租金將於所產生的會計期間列為支出註銷。



# Notes to the Financial Statements

## 財務報表附註

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

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### i) Leased assets (Continued)

##### iii) Leasehold land and building for own use

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments (including any lump sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as "land use rights" in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as property, plant and equipment.

#### j) Impairment of assets

##### i) Impairment of investments in equity securities and other receivables

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

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and
- a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

### 2. 主要會計政策(續)

#### i) 租賃資產(續)

##### iii) 持作自用的租賃土地及樓宇

當租賃包括土地及樓宇部分，本集團根據評估各部分之所有權的風險與報酬是否絕大部分轉移至本集團而將其劃分為融資租賃或經營租賃，除非肯定兩個部分均屬經營租賃，於此情況下，整份租約歸類為經營租賃。具體而言，最低租金(包括任何一筆過預付款項)於租約訂立時按租賃土地部分及樓宇部分中的租賃權益相對公平值比例於土地與樓宇部分間分配。

租金在可靠分配的情況下，被列為經營租賃的租賃土地權益於財務狀況表中呈列為「土地使用權」，並於租期內以直線基準攤銷。當租賃款項不能在土地和樓宇元素之間可靠地分配時，通常將全部租賃歸為融資租賃，並計入物業、廠房及設備。

#### j) 資產減值

##### i) 股本證券投資及其他應收款項之減值

按成本值或攤銷成本列賬之股本證券投資及其他流動與非流動應收款項會於各報告日期止進行檢討，以判斷有否存在客觀減值證據。減值之客觀證據包括本集團注意到以下一項或多項虧損事項之顯著數據：

- 債務人有重大財務困難；
- 違反合約，如拖欠償還利息或本金；
- 債務人可能破產或進行其他財務重組；
- 科技、市場、經濟或法律環境有重大改變而對債務人有不利影響；及
- 於權益工具之一項投資之公平值重大或持續下跌低於其成本。

# Notes to the Financial Statements

## 財務報表附註



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

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### j) Impairment of assets (Continued)

##### i) Impairment of investments in equity securities and other receivables (Continued)

If any such evidence exists, any impairment loss is determined and recognised as follows:

- For investments in associate accounted for under the equity method in the consolidated financial statements (see note 2(d)), the impairment loss is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with note 2(j)(ii). The impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount in accordance with note 2(j)(ii).
- For trade and other current receivables and other financial assets carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate (that is, the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where these financial assets share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

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

### 2. 主要會計政策(續)

#### j) 資產減值(續)

##### i) 股本證券投資及其他應收款項之減值(續)

如存在任何上述證據，則會釐定及確認減值虧損如下：

- 就按權益法於綜合財務報表列賬之於聯營公司投資而言(見附註2(d))，減值虧損的計量方法乃根據附註2(j)(ii)比較投資可收回金額與其賬面值。倘根據2(j)(ii)釐定可收回金額所用估計出現有利變動時，則撥回減值虧損。
- 就按攤銷成本列賬之貿易應收款項及其他即期應收款項以及其他金融資產而言，減值虧損按資產之賬面值與按金融資產最初之實際利率(即此等資產最初確認時計算所得之實際利率)(如貼現影響重大)估計之未來現金流量現值之差額計算。如該等金融資產具備類似之風險特徵，例如類似的逾期情況及並未單獨被評估為出現減值，則有關的評估會同時進行。金融資產之未來現金流量會根據與該組被評估資產具有類似信貸風險特徵資產之過往虧損情況一同減值。

倘於其後期間減值虧損金額有所減少，而客觀上與確認減值虧損後發生之事件有關，有關減值虧損會透過損益撥回。減值虧損之撥回不應導致資產之賬面值超過其在以往年度沒有確認任何減值虧損而應已釐定之數額。



# Notes to the Financial Statements

## 財務報表附註

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

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### j) Impairment of assets (Continued)

##### i) Impairment of investments in equity securities and other receivables (Continued)

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

##### ii) Impairment of other assets

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

- property, plant and equipment;
- land use rights;
- intangible assets;
- prepayments and deposits;
- goodwill;
- interests in an associate; and
- investments in subsidiaries in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill and intangible assets that are not yet available for use, the recoverable amount is estimated annually whether or not there is any indication of impairment.

### 2. 主要會計政策(續)

#### j) 資產減值(續)

##### i) 股本證券投資及其他應收款項之減值(續)

減值虧損從相應資產中直接撇銷，惟如包含在貿易應收款項及其他應收款項內的貿易應收款項，其是否可以收回屬難以預料，而並非微乎其微，則就其確認之減值虧損不會從相應的資產中直接撇銷。在此情況下，呆賬之減值虧損以撥備賬記錄。倘本集團確認能收回應收款項之機會微乎其微，則被視為不可收回之金額會直接從貿易應收款項中撇銷，而在撥備賬中就有關債務保留之任何金額會被撥回。倘之前計入撥備賬之款項在其後收回，則有關款項於撥備賬撥回。撥備賬之其他變動及其後收回先前直接撇銷之款項均於損益中確認。

##### ii) 其他資產之減值

本公司會於每個報告期末審閱內部及外界所得資料，以確定下列資產是否出現減值或(商譽除外)先前已確認之減值虧損不再存在或已經減少：

- 物業、廠房及設備；
- 土地使用權；
- 無形資產；
- 預付款及按金；
- 商譽；
- 於聯營公司權益；及
- 本公司財務狀況表內於附屬公司的投資。

倘出現任何該等跡象，則估計資產之可收回數額。此外，就尚未可供使用之商譽無形資產而言，其可收回數額會每年估計(不論有否出現減值跡象)。

# Notes to the Financial Statements

## 財務報表附註



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

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### j) Impairment of assets (Continued)

##### ii) Impairment of other assets (Continued)

###### – Calculation of recoverable amount

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

###### – Recognition of impairment losses

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

###### – Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

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

### 2. 主要會計政策(續)

#### j) 資產減值(續)

##### ii) 其他資產之減值(續)

###### – 計算可收回數額

資產之可收回數額乃指其公平值減出售成本與使用價值兩者中之較高者。在評估使用價值時，估計日後現金流量乃根據除稅前貼現率貼現至現值，而該貼現率須能反映市場現行對款項的時間價值及資產獨有風險之評估。倘某項資產之現金流量大致上不能獨立於其他資產之現金流量，則就可獨立產生現金流量之最小資產組別(即現金產生單位)釐定可收回數額。

###### – 確認減值虧損

倘資產或其所屬之現金產生單位之賬面值超過其可收回數額，則於損益表確認減值虧損。就現金產生單位確認之減值虧損而言，其首先用作減少已分配至現金產生單位(或單位類別)之任何商譽之賬面值，其後按比例用作減少單位(或單位類別)其他資產之賬面值，惟資產之賬面值將不得減少至低於其個別公平值減出售成本(如能計量)或使用價值(如能計算)。

###### – 減值虧損撥回

就除商譽外之資產而言，倘用作釐定可收回數額之估計出現有利變動，則須撥回減值虧損。與商譽有關的減值虧損則不會撥回。

減值虧損撥回只限於該資產並未計算過往年度所確認之減值虧損時之賬面值。減值虧損撥回之數於確認有關撥回之年度計入損益內。



# Notes to the Financial Statements

## 財務報表附註

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

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### j) Impairment of assets (Continued)

##### iii) Interim financial reporting and impairment

Under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Group is required to prepare an interim financial report in compliance with HKAS 34 Interim Financial Reporting, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see note 2(j)(i) and (ii)).

Impairment losses recognised in an interim period in respect of goodwill, available-for-sale equity securities and unquoted equity securities carried at cost are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates. Consequently, if the fair value of an available-for-sale equity security increases in the remainder of the annual period, or in any other period subsequently, the increase is recognised in other comprehensive income and not profit or loss.

#### k) Inventories

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

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

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

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

### 2. 主要會計政策(續)

#### j) 資產減值(續)

##### iii) 中期財務報告及減值

根據香港聯合交易所有限公司證券上市規則，本集團須根據香港會計準則第34號「中期財務報告」就財政年度首六個月編製中期財務報告。於中期完結時，本集團採用於財政年度完結時應採用之同一減值測試、確認及撥回準則(見附註2(j)(i)及(ii))。

於中期期間就商譽確認之減值虧損、可供出售股本證券及以成本列賬之無報價股本證券並無於往後期間撥回。即使若在中期期間相關的財政年度完結時評估減值就毋須確認任何虧損或只有些微虧損，情況亦同樣不變。因此，倘可供出售股本證券之公平值於餘下年度期間或其後任何其他期間增加，則有關增加於其他全面收益(並無於損益)內確認。

#### k) 存貨

存貨以成本與可變現淨值兩者中之較低者列賬。

成本按加權平均法釐定，並包括一切採購成本、轉換之成本及將存貨移至現址及達致現況而產生之其他成本。

可變現淨值指在日常業務過程中之估計售價，減估計完成成本及估計銷售成本。

於出售存貨時，該等存貨之賬面值於確認有關收益之期間列作開支。存貨撇減至可變現淨值之款額及所有存貨虧損均於撇減或虧損之期間內列作開支。因撇減存貨而撥回之款項，均於撥回期間內列作存貨開支數額之減少。

# Notes to the Financial Statements

## 財務報表附註



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

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### l) Trade and other receivables

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

#### m) Interest-bearing borrowings

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

#### n) Trade and other payables

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

#### o) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

### 2. 主要會計政策(續)

#### l) 貿易應收款項及其他應收款項

貿易應收款項及其他應收款項初步按公平值確認，其後使用實際利率法按攤銷成本減呆賬減值虧損後列賬，惟倘應收款項為向非關連人士作出且無固定還款期之免息貸款或貼現之影響不大情況則作別論。於該等情況下，應收款項按成本減呆賬減值撥備列賬(見附註2(j)(i))。

#### m) 計息借貸

計息借貸按公平值減去應佔交易成本後初始確認。初始確認後，計息借貸以攤銷成本列賬，而初始確認的金額與贖回價值之間的任何差異，連同任何應付利息和費用，均以實際利息法於借貸期內在損益賬中確認。

#### n) 貿易應付款項及其他應付款項

貿易應付款項及其他應付款項初步按公平值確認，其後則按攤銷成本列賬，惟在貼現影響屬並不重大之情況下，會按成本列賬。

#### o) 現金及現金等價物

現金及現金等價物包括銀行及手頭現金、銀行及其他金融機構之活期存款、可隨時轉換為既定數額現金而沒有重大價值變動風險之短期高流動性投資，到期日為於購入日期起計為期三個月以下。



# Notes to the Financial Statements

## 財務報表附註

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

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### p) Employee benefits

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

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

##### ii) Share-based payments

###### Share options granted to employees

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

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

### 2. 主要會計政策(續)

#### p) 僱員福利

##### i) 短期僱員福利及定額供款退休計劃之供款

薪金、年度花紅、有薪年假、定額供款退休計劃之供款及非貨幣福利成本於僱員提供相關服務之年度內累計。如遞延付款或結算會造成重大之影響，此等數額會以現值列賬。

##### ii) 以股份為基礎之付款

###### 授予僱員之購股權

授予僱員之購股權公平值於股本中之購股權儲備相應增加而確認為僱員成本。公平值於授出日計算，並考慮授出購股權時之條款及條件。如僱員於無條件獲授購股權前須先符合歸屬條件，則計入購股權歸屬之可能性後，估計之購股權公平值總額按歸屬期計算。

於歸屬期內，將檢討預期歸屬之購股權數目。對過往年度確認的累計公平值所作之任何調整將於檢討年度列支/計入損益內，相應之調整會於購股權儲備反映，惟初始僱員開支合資格於資產中確認除外。在歸屬日，確認為支出之數額將作出調整，以反映歸屬的實際購股權數目(相應之調整將於購股權儲備反映)，惟只有因本公司之股份市價致使歸屬情況未能達到而引致之廢除外。權益金額於購股權儲備內確認，直至購股權被行使(在此情況下將轉撥至股份溢價賬)或購股權屆滿(在此情況下將直接撥回保留溢利內)。

# Notes to the Financial Statements

## 財務報表附註



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

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### p) Employee benefits (Continued)

##### ii) Share-based payments (Continued)

###### *Share options granted to consultants*

Share options issued in exchange for goods or services are measured at the fair values of the goods or services received, unless that fair value cannot be reliably measured, in which case the goods or services received are measured by reference to the fair value of the share options granted. The fair values of the goods or services received are recognised as expenses, with a corresponding increase in equity (share option reserve), when the Group obtains the goods or when the counterparties render services, unless the goods or services qualify for recognition as assets.

##### iii) Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when it recognises restructuring costs involving the payment of termination benefits.

#### q) Income tax

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

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

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

### 2. 主要會計政策(續)

#### p) 僱員福利(續)

##### ii) 以股份為基礎之付款(續)

###### *向諮詢人授出購股權*

為獲取貨品或服務而發行的購股權按所獲取貨品或服務之公平值計量。除非公平值不能被可靠計量，於該情況下，所獲取貨品或服務參考已授出購股權公平值計量。當本集團取得貨品或對手方提供服務時，所獲取貨品或服務之公平值確認為開支，並於權益(購股權儲備)中相應增加，惟貨品或服務合資格確認為資產時則除外。

##### iii) 辭退福利

辭退福利於本集團不可再收回所提供之福利時或本集團確認重組成本(涉及支付解僱福利)時(以較早者為準)確認。

#### q) 所得稅

本年度所得稅包括當期所得稅和遞延所得稅資產與負債的變動。當期所得稅和遞延所得稅資產與負債的變動均在損益中確認，但與其他全面收益或直接在權益中確認的項目有關，則相關稅務款項分別在其他全面收益或直接於權益中確認。

當期所得稅是按本年度應課稅所得，根據在報告期末已生效或實質上已生效的稅率計算的預期應付稅項，加上以往年度應付稅項的任何調整。

遞延所得稅資產與負債分別由可抵扣和應課稅暫時差異產生。暫時差異是指資產與負債在財務報表上的賬面金額跟這些資產與負債的計稅基礎的差異。遞延所得稅資產也可以由未利用可抵扣虧損和未利用稅款抵減產生。



# Notes to the Financial Statements

## 財務報表附註

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

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### q) Income tax (Continued)

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

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

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

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

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

### 2. 主要會計政策(續)

#### q) 所得稅(續)

除了某些有限的例外情況外，所有遞延所得稅負債和遞延所得稅資產(只限於很可能獲得能利用該遞延所得稅資產來抵扣的未來應課稅溢利)都會確認。支持確認由可抵扣暫時差異所產生遞延所得稅資產的未來應課稅溢利包括因轉回目前存在的應課稅暫時差異而產生的數額；但這些轉回的差異必須與同一稅務機關和同一應課稅實體有關，並預期在可抵扣暫時差異預計轉回的同一年間或遞延所得稅資產所產生可抵扣虧損可向後期或向前期結轉的期間內轉回。在決定目前存在的應課稅暫時差異是否足以支持確認由未利用可抵扣虧損和稅款抵減所產生的遞延所得稅資產時，亦會採用同一準則，即差異是否與同一稅務機關和同一應課稅實體有關，以及是否預期在能夠使用未利用可抵扣虧損和稅款抵減撥回的同一年間內轉回。

確認遞延所得稅資產及負債的有限例外情況，乃有關來自不可扣稅的商譽、資產或負債之初步確認，而其並不影響會計或應課稅溢利(非企業合併之部分)的暫時差異，以及於附屬公司之投資的暫時差異，倘屬應課稅差異，僅以本集團可控制撥回時間，且在可預見未來不可能撥回有關差異之情況為限；或倘屬可扣稅差異，則以有可能於日後撥回差異之情況為限。

已確認遞延所得稅額是按照資產與負債賬面金額的預期實現或結算方式，根據已生效或在報告期末實質上已生效的稅率計量。遞延所得稅資產與負債均不折現計算。

本集團會在每個報告期末審閱遞延所得稅資產的賬面金額。如果本集團預期不再可能獲得足夠的應課稅溢利以抵扣相關的稅務利益，該遞延所得稅資產的賬面金額便會調低；但是如果日後有可能獲得足夠的應課稅溢利，有關減額便會轉回。

由派發股息所產生的額外所得稅乃在支付有關股息責任獲確認時確認。

# Notes to the Financial Statements

## 財務報表附註



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

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### q) Income tax (Continued)

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

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

#### r) Provisions and contingent liabilities

##### i) *Contingent liabilities assumed in business combinations*

Contingent liabilities assumed in a business combination which are present obligations at the date of acquisition are initially recognised at fair value, provided the fair value can be reliably measured. After their initial recognition at fair value, such contingent liabilities are recognised at the higher of the amount initially recognised, less accumulated amortisation where appropriate, and the amount that would be determined in accordance with note 2(r)(ii). Contingent liabilities assumed in a business combination that cannot be reliably fair valued or were not present obligations at the date of acquisition are disclosed in accordance with note 2(r)(ii).

### 2. 主要會計政策(續)

#### q) 所得稅(續)

當期和遞延所得稅結餘及其變動額會分開列示，並且不予抵銷。倘本公司或本集團有法定行使權以當期所得稅資產抵銷當期所得稅負債，並且符合以下附帶條件的情況下，當期和遞延所得稅資產才可以分別抵銷當期和遞延所得稅負債：

- 當期所得稅資產與負債：本公司或本集團計劃按淨額基準結算，或同時變現該資產和結算該負債；或
- 遞延所得稅資產與負債：這些資產與負債必須與同一稅務機關就以下其中一項徵收的所得稅有關：
  - 同一應課稅實體；或
  - 不同的應課稅實體，這些實體計劃在日後每個預計有大額遞延所得稅負債需要結算或大額遞延所得稅資產可以收回的期間內，按淨額基準實現當期所得稅資產和結算當期所得稅負債，或同時變現該資產和結算該負債。

#### r) 撥備及或然負債

##### i) *於業務合併時所承擔的或然負債*

於業務合併時所承擔的或然負債為於收購日的現有責任，按公平值作初步確認(惟公平值須能可靠地計量)。初步確認其公平值後，該等或然負債會按初始確認金額減累計攤銷(如適用)及根據附註2(r)(ii)釐定的金額兩者中的較高者確認。無法可靠地計量公平值或並非收購日現有責任的於業務合併時所承擔的或然負債根據附註2(r)(ii)作披露。



# Notes to the Financial Statements

## 財務報表附註

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

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### r) Provisions and contingent liabilities (Continued)

##### ii) Other provisions and contingent liabilities

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

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

#### s) Revenue recognition

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

##### i) Sale of goods

Revenue is recognised when goods are delivered which is taken to be the point in time when the customer has accepted the goods and the related risks and rewards of ownership. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts and returns.

##### ii) Interest income

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

##### iii) Service income

Service income is recognised in profit or loss when the services are delivered.

##### iv) Dividends

Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

### 2. 主要會計政策 (續)

#### r) 撥備及或然負債 (續)

##### (ii) 其他撥備及或然負債

若將須以經濟利益流出以結算本集團或本公司由於過往事項而產生之法定或推定責任之時間或金額不明確之責任，而相關流出可作出可靠估計時，將就其他責任確認撥備。若金錢時間值屬重大，撥備須按預期結算責任之支出之現值入賬。

若流出經濟利益之可能性微乎其微，或相關數額未能作出可靠估計時，該責任將披露為或然負債，惟流出經濟利益之可能性極低者除外。僅由於一項或多項未來事項之發生或不發生而確認是否存在之可能責任亦須披露為或然負債，惟流出經濟利益之可能性極低者除外。

#### s) 收入確認

收入乃按已收或應收代價的公平值計算。倘本集團可能獲得經濟利益，而收入與成本(如適用)能可靠地計算，收入按下列方式於損益中確認：

##### i) 銷售貨品

於貨物交付，即客戶接收貨物以及擁有權相關之風險及回報時確認收入，收入不包括增值稅或其他銷售稅項且已扣除任何貿易折扣及退貨。

##### ii) 利息收入

利息收入於其產生時採用實際利率法確認。

##### iii) 服務收入

服務收入於提供服務時於損益內確認。

##### iv) 股息

上市投資之股息收入於投資股價除息時確認。

# Notes to the Financial Statements

## 財務報表附註



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

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### t) Translation of foreign currencies

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

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

The results of foreign operations are translated into RMB at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items, including goodwill arising on consolidation if the foreign operations were acquired on or after 1 January 2005, are translated into RMB at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (that is, partial disposals of associates that do not result in the Group losing significant influence), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

#### u) Borrowing costs

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

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

### 2. 主要會計政策(續)

#### t) 外幣匯兌

於年內所發生之外幣交易按交易日的匯率換算。以外幣計值的貨幣資產及負債按報告期末的匯率換算。匯兌收益及虧損則在損益內確認。

以外幣的過往成本計量的非貨幣資產及負債使用交易日的現行匯率換算。按公平值列賬以外幣計值的非貨幣資產及負債則使用釐定公平值當日的現行匯率換算。

海外業務業績按交易日現行的概約匯率換算為人民幣。財務狀況表項目(包括倘於二零零五年一月一日或之後收購海外業務而合併所產生的商譽)均按報告期末的收市匯率換算為人民幣。所產生的匯率差額於其他全面收益中確認並獨立累計在權益中匯兌儲備內。

出售海外業務(即出售本集團海外業務的全部權益, 涉及失去附屬公司(包括海外業務), 或部分出售擁有海外業務之聯營公司之權益, 而保留權益成為金融資產)控制權之出售, 本公司擁有人應佔該業務於權益累計之所有匯兌差額重新分類至損益。

此外, 就部分出售(即不會導致本集團失去控制權)一間附屬公司(包括海外業務)而言, 按比例所佔的累計匯兌差額乃重新計入非控股權益且不會於損益中確認。對於所有其他部分出售(即部分出售聯營公司, 而並無造成本集團失去重大影響力), 則按比例佔之累計匯兌差額重新分類至損益。

#### u) 借貸成本

借貸成本直接來自收購、建設或生產必須經過較長時期準備方可作為擬定用途或出售使用的資產並予以資本化為該項資產成本的一部分。其他借貸成本於其產生期間支銷。

借貸成本於就合資格資產產生開支、產生借貸成本及進行對於使資產可用於原定用途或出售而言屬必需的活動時開始資本化為資產的部分成本。倘對於使合資格資產可用於原定用途或出售而言屬必需的絕大部分活動被中斷或已完成, 則借貸成本暫停或終止資本化。



# Notes to the Financial Statements

## 財務報表附註

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

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### v) Related parties

- a) A person, or a close member of that person's family, is related to the Group if that person:
- i) has control or joint control over the Group;
  - ii) has significant influence over the Group; or
  - iii) is a member of the key management personnel of the Group or the Group's parent.
- b) An entity is related to the Group if any of the following conditions applies:
- i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - iii) Both entities 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).
  - viii) The entity, or any member of a group of which it is a part, provide key management personnel services to the Group or to the Group's parent.

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

### 2. 主要會計政策(續)

#### v) 關連人士

- a) 倘屬以下人士，即該人士或該人士關係密切的家庭成員與本集團有關連：
- i) 控制或共同控制本集團；
  - ii) 對本集團有重大影響；或
  - iii) 為本集團或本集團母公司的主要管理層成員。
- b) 倘符合下列任何條件，即該實體與本集團有關連：
- i) 該實體及本集團為同一集團的成員公司(即各母公司、附屬公司及同系附屬公司為互相關連)。
  - ii) 一間實體為另一實體的聯營公司或合營企業(或另一實體為成員公司之集團旗下成員公司之聯營公司或合營企業)。
  - iii) 兩間實體均為同一第三方的合營企業。
  - iv) 一間實體為第三方實體的合營企業，而另一實體為該第三方實體的聯營公司。
  - v) 該實體為本集團或與本集團有關連之實體就僱員利益設立的離職福利計劃。
  - vi) 該實體受附註(a)所指的人士控制或共同控制。
  - vii) 於附註(a)(i)所指的人士對該實體有重大影響或屬該實體(或該實體的母公司)主要管理層成員。
  - viii) 該實體或該實體所屬集團的任何成員公司向該集團或集團母公司提供主要管理層成員服務。

一名人士之近親為預期在與有關實體交易時可影響該人士或受該人士影響之家庭成員。

# Notes to the Financial Statements

## 財務報表附註



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

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### w) Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's chief executive officer, being the chief operating decision maker, for the purpose of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

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

### 3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

The HKICPA has issued a number of amendments to HKFRSs that are first effective for the current accounting period of the Group:

Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012-2014 Cycle

#### Amendments to HKFRS 10, HKFRS 12 and HKAS 28 Investment Entities: Applying the Consolidation Exception

The Group has applied the amendments to HKFRS 10, HKFRS 12 and HKAS 28 Investment Entities: Applying the Consolidation Exception for the first time in the current year. The amendments clarify that the exemption from preparing consolidated financial statements is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all its subsidiaries at fair value in accordance with HKFRS 10. The amendments also clarify that the requirement for an investment entity to consolidate a subsidiary, whose main purpose is to provide services and activities that are related to the investment activities of the investment parent, applies only to subsidiaries that are not investment entities themselves.

The application of these amendments has had no impact on the Group's consolidated financial statements as the Group is not an investment entity and does not have any holding company, subsidiary, associate or joint venture that qualifies as an investment entity.

### 2. 主要會計政策(續)

#### w) 分部報告

綜合財務報表所報告之經營分部及各分部項目之款項乃定期向本集團行政總裁(首席營運決策人)提供之財務資料中確認,以分配資源予本集團不同業務及地區以及評估該等業務及地區之表現。

就財務報告而言,個別重大經營分部不會合併,惟分部間有類似經濟特點及在產品及服務性質、生產過程的性質、客戶種類或類別、用作分銷產品或提供服務的方法以及監管環境性質方面相類似則除外。個別非重大之經營分部倘符合大部分上述準則,可予合併處理。

### 3. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)

香港會計師公會已頒佈多項香港財務報告準則的修訂,該等修訂於本集團的當前會計期間首次生效:

香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第28號修訂本	投資實體:應用合併的例外規定
香港財務報告準則第11號修訂本	收購合營業務權益的會計方法
香港會計準則第1號修訂本	披露計劃
香港會計準則第16號及香港會計準則第38號修訂本	釐清可接受的折舊及攤銷方法
香港會計準則第16號及香港會計準則第41號修訂本	農業:生產性植物
香港財務報告準則修訂本	香港財務報告準則二零一二年至二零一四年週期的年度改進

#### 香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第28號之修正「投資實體:應用綜合入賬例外情況」

本集團於本年度首次應用香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第28號之修訂本「投資實體:應用綜合入賬例外情況」。該等修訂本澄清,即使投資實體根據香港財務報告準則第10號按公平值計量其所有附屬公司,但作為投資實體附屬公司之母實體仍可獲豁免編製綜合財務報表。該等修正亦澄清,投資實體將其主要宗旨是提供與投資實體母公司的投資活動相關的服務及活動的附屬公司綜合入賬之規定,僅適用於本身並非投資實體之附屬公司。

由於本集團並非一家投資實體,亦無任何符合投資實體資格的控股公司、附屬公司、聯營公司或合營企業,因此應用該等修訂本對本集團之綜合財務報表並無影響。



# Notes to the Financial Statements

## 財務報表附註

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

### 3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

#### Amendments to HKFRS 11 Accounting for Acquisitions of Interests in Joint Operations

The Group has applied the amendments to HKFRS 11 Accounting for Acquisitions of Interests in Joint Operations for the first time in the current year. The amendments to HKFRS 11 provide guidance on how to account for the acquisition of a joint operation that constitutes a business as defined in HKFRS 3 Business Combinations. Specifically, the amendments state that the relevant principles on accounting for business combinations in HKFRS 3 and other standards (for example, HKAS 12 Income Taxes regarding the recognition of deferred taxes at the time of acquisition and HKAS 36 Impairment of Assets regarding impairment testing of a cash-generating unit to which goodwill on acquisition of a joint operation has been allocated) should be applied. The same requirements should be applied to the formation of a joint operation if and only if an existing business is contributed to the joint operation by one of the parties that participate in the joint operation.

A joint operator is also required to disclose the relevant information required by HKFRS 3 and other standards for business combinations.

The application of these amendments has had no impact on the Group's consolidated financial statements as the Group did not have any such transactions in the current year.

#### Amendments to HKAS 1 Disclosure Initiative

The Group has applied the amendments to HKAS 1 Disclosure Initiative for the first time in the current year. The amendments to HKAS 1 clarify that an entity need not provide a specific disclosure required by an HKFRS if the information resulting from that disclosure is not material, and give guidance on the bases of aggregating and disaggregating information. However, the amendments reiterate that an entity should consider providing additional disclosures when compliance with the specific requirements in HKFRS is insufficient to enable users of financial statements to understand the impact of particular transactions, events and conditions on the entity's financial position and financial performance.

In addition, the amendments clarify that an entity's share of the other comprehensive income of associates and joint ventures accounted for using the equity method should be presented separately from those arising from the Group, and should be separated into the share of items that, in accordance with other HKFRSs: (i) will not be reclassified subsequently to profit or loss; and (ii) will be reclassified subsequently to profit or loss when specific conditions are met.

As regards the structure of the financial statements, the amendments provide examples of systematic ordering or grouping of the notes.

The application of these amendments has not resulted in any impact on the financial performance or financial position of the Group.

### 3. 應用新訂及經修訂香港財務報告準則 («香港財務報告準則») (續)

#### 香港財務報告準則第11號修訂本「收購合營業務權益之會計處理」

本集團於本年度首次應用香港財務報告準則第11號修訂本「收購合營業務權益之會計處理」。香港財務報告準則第11號修訂本就收購合營業務(其構成香港財務報告準則第3號「業務合併」所界定之業務)之會計處理提供指引。具體而言,該等修正訂明香港財務報告準則第3號及其他準則有關業務合併之相關會計原則應予以應用,例如香港會計準則第12號「所得稅」,有關收購時確認之遞延稅項及香港會計準則第36號「資產減值」,有關於收購合營業務時獲分配商譽之現金產生單位的減值測試。倘及僅於參與合營業務之其中一方向合營業務注入現有業務時,則成立合營業務亦須應用相同規定。

聯合經營者亦須根據香港財務報告準則第3號及有關業務合併的其他標準之規定披露相關資料。

由於本集團於本年度並無進行任何該等交易,故應用該等修訂本對本集團之綜合財務報表並無影響。

#### 香港會計準則第1號修訂本「披露計劃」

本集團於本年度首次應用香港會計準則第1號修訂本「披露計劃」。香港會計準則第1號之修訂本澄清,倘來自有關披露之資料並不重大,則實體毋須按香港財務報告準則規定提供具體披露,並基於匯總及分列資料作出指引。然而,該等修訂本重申,倘在符合香港財務報告準則之具體要求下仍不足以讓使用財務報表之人士理解特定交易、事件及狀況對實體之財務狀況及財務表現之影響,則實體亦須考慮應否披露額外資料。

此外,該等修訂本澄清,使用權益法入賬的實體應佔聯營公司及合營企業的其他全面收入應與來自本集團的收入分開呈列,並應根據其他香港財務報告準則分為以下應佔項目:(i)其後不會重新分類為損益;及(ii)其後將會於符合特定條件時重新分類為損益。

至於財務報表之架構,該等修訂本提供有系統地排序或附註分組之例子。

應用該等修訂本對本集團之財務表現或財務狀況並無產生任何影響。

# Notes to the Financial Statements

## 財務報表附註



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

### 3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

#### Amendments to HKAS 16 and HKAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation

The Group has applied the amendments to HKAS 16 and HKAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation for the first time in the current year. The amendments to HKAS 16 Property, Plant and Equipment prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to HKAS 38 Intangible Assets introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

- a) when the intangible asset is expressed as a measure of revenue; or
- b) when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

In addition, the amendments also clarify that in choosing an appropriate amortisation method an entity could determine the predominant limiting factor that is inherent in the intangible asset.

As the Group already uses the straight-line method for depreciation and amortisation for its property, plant and equipment, and intangible assets respectively, the application of these amendments has had no impact on the Group's consolidated financial statements.

#### Amendments to HKAS 16 and HKAS 41 Agriculture: Bearer Plants

The Group has applied the amendments to HKAS 16 and HKAS 41 Agriculture: Bearer Plants for the first time in the current year. The amendments to HKAS 16 Property, Plant and Equipment and HKAS 41 Agriculture define a bearer plant and require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with HKAS 16, instead of HKAS 41. The produce growing on bearer plants continues to be accounted for in accordance with HKAS 41.

The application of these amendments has had no impact on the Group's consolidated financial statements as the Group is not engaged in agricultural activities.

### 3. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

#### 香港會計準則第16號及香港會計準則第38號之修訂本「釐清折舊及攤銷之可接受方法」

本集團於本年度首次應用香港會計準則第16號及香港會計準則第38號之修訂本「釐清折舊及攤銷之可接受方法」。香港會計準則第16號之修訂本「物業、廠房及設備」禁止實體就物業、廠房及設備使用以收入為基準的折舊方法。香港會計準則第38號之修訂本引入可推翻的前設，即收入並非無形資產攤銷之合適基準。有關前設更可於以下兩個有限情況被推翻：

- a) 於無形資產以計算收入的方式代表時；或
- b) 於其能顯示無形資產的收入與其經濟利益消耗有緊密關係時。

此外，該等修訂本亦澄清，在選擇合適的折舊方法時，實體可釐定無形資產固有的主要限制因素。

由於本集團經已就其物業、廠房及設備以及無形資產的折舊及攤銷分別使用直線法，因此應用該等修訂本對本集團之綜合財務報表並無影響。

#### 香港會計準則第16號及香港會計準則第41號修訂本「農業：生產性植物」

本集團於本年度首次應用香港會計準則第16號及香港會計準則第41號修訂本「農業：生產性植物」。香港會計準則第16號「物業、廠房及設備」及香港會計準則第41號「農業」修訂本界定生產性植物，並規定符合生產性植物定義之生物資產須按香港會計準則第16號而非香港會計準則第41號入賬列作物業、廠房及設備。種植生產性植物所得農產品繼續按香港會計準則第41號入賬。

由於本集團並無進行農業獲得，故應用該等修訂本對本集團之綜合財務報表並無影響。



## Notes to the Financial Statements 財務報表附註

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

### 3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

#### Annual Improvements to HKFRSs 2012-2014 Cycle

The Group has applied the Annual Improvements to HKFRSs 2012-2014 Cycle for the first time in the current year which include a number of amendments to various HKFRSs as summarised below.

The amendments to HKFRS 5 clarify when an entity reclassifies an asset (or disposal group) from held for sale to held for distribution to owners (or vice versa), such a change should be considered as a continuation of the original plan of disposal and hence requirements set out in HKFRS 5 regarding the change of sale plan do not apply. The amendments also clarify the guidance for when held-for-distribution accounting is discontinued.

The amendments to HKFRS 7 provide additional guidance to clarify whether a servicing contract constitutes continuing involvement in a transferred asset for the purpose of the disclosures required in relation to transferred assets.

The amendments to HKAS 19 clarify that the rate used to discount post-employment benefit obligations should be determined by reference to market yields at the end of the reporting period on high quality corporate bonds. The assessment of the depth of a market for high quality corporate bonds should be at the currency level (that is, the same currency as the benefits are to be paid). For currencies for which there is no deep market in such high quality corporate bonds, the market yields at the end of the reporting period on government bonds denominated in that currency should be used instead.

The application of these amendments has had no material effect on how the Group’s results and financial position for the current or prior periods have been prepared or presented.

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

### 3. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

#### 香港財務報告準則二零一二年至二零一四年周期之年度改進

本集團於本年度首次應用香港財務報告準則二零一二年至二零一四年周期之年度改進，其中包括下文所概述對多條香港財務報告準則之多項修訂。

香港財務報告準則第5號之修正澄清，當實體將資產（或出售組別）從持作銷售重新分類為持作向擁有人分派（反之亦然）時，該轉變應被視為原來出售計劃之延續，因此香港財務報告準則第5號所載有關出售計劃轉變之規定並不適用。該等修訂本亦澄清有關何時終止持作分派會計處理之指引。

香港財務報告準則第7號之修訂本提供額外指引，以澄清就關於轉讓資產所需之披露而言，服務合約是否構成在轉讓資產中的持續參與。

香港會計準則第19號之修訂本澄清，用於將離職後福利責任貼現之比率應參考優質公司債券於報告期末之市場收益而釐定。優質公司債券之市場深度應於貨幣（即用於支付福利之同一貨幣）層面進行評估。若相關貨幣並無有關優質公司債券之深度市場，則應轉而使用以該貨幣計值之政府債券於報告期末之市場收益。

應用該等修訂本對如何編製或呈列本集團本期及去年同期之業績及財務狀況並無重大影響。

本集團並無應用於本會計期間尚未生效之任何新準則或詮釋。

# Notes to the Financial Statements

## 財務報表附註



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

### 4. ACCOUNTING JUDGEMENTS AND ESTIMATES

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

In the process of applying the Group's accounting policies, management has made the following accounting judgements:

##### i) Useful lives of property, plant and equipment

The Group's management determines the estimated useful lives, and related depreciation charges for its property, plant and equipment. The estimates are based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. Management will increase the depreciation charges where useful lives are less than previously estimated lives. It will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold. Actual economic lives may differ from estimated useful lives. Periodic review could result in a change in depreciable lives and therefore affect the depreciation charges in future periods.

##### ii) Income taxes

The Group is mainly subject to income taxes in Hong Kong and the PRC. Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

Deferred income tax assets relating to certain temporary differences and tax losses are recognised when management considers it is likely that future taxable profits will be available against which the temporary differences or tax losses can be utilised. When the expectations are different from the original estimates, such differences will impact the recognition of deferred income tax assets and income tax charges in the period in which such estimates have been changed.

##### iii) Equity-settled share-based transactions

The fair value of options granted is estimated by management based on various assumptions on volatility, life of options, dividend paid out rate and annual risk-free interest rate, which generally represent the best estimate of the fair value of share options at the date of grant.

### 4. 會計判斷及估計

#### a) 應用本集團會計政策的重大會計判斷

於應用本集團會計政策時，管理層作出下列會計判斷：

##### i) 物業、廠房及設備之可使用年期

本集團的管理層為其物業、廠房及設備釐定估計可使用年期及有關折舊支出。此估計以相似性質及功能之物業、廠房及設備之實際可使用年期之過往經驗為基準。倘可使用年期少於先前估計水平，管理層將提高折舊支出。其將沖銷或減記亦棄用或售出的技術上已屬陳舊或並非策略性質的資產。實際經濟年限可能不同於估計可使用年期。定期審查可能引致可折舊年期變動，從而影響未來期間的折舊支出。

##### ii) 所得稅

本集團主要須繳納香港及中國所得稅。釐定所得稅撥備時須作出重大判斷。日常業務中有多項交易和計算未能確定最終稅項。本集團根據會否應繳額外稅項的估計，就預期稅項事宜確認負債。倘有關的最終稅項與結果與最初入賬的金額不同，則差額會影響釐定稅項期間的所得稅及遞延稅項撥備。

倘管理層認為很可能有未來應課稅利潤抵銷暫時差額或稅項虧損，則會確認有關若干暫時差額及稅項虧損的遞延稅項資產。倘預期與原先估計不同，則差額會影響估計更改期間的遞延稅項資產及所得稅費用確認。

##### iii) 以權益結算以股份為基礎之交易

管理層通過不同的波動幅度、購股權期限、分紅發放率及無風險利率估計所授購股權的公平值以呈現自授權日對購股權的最佳估計。



# Notes to the Financial Statements

## 財務報表附註

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

### 4. ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

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

##### iv) Fair value of contingent consideration payables

The fair value of contingent consideration payables was determined by using a valuation technique. The Group uses its judgement to select a variety of methods and make assumptions, including the expected volatility and risk free rate, which are mainly based on market conditions existing at the end of each reporting period. Changes in assumption used could materially affect the fair value of the balance and as a result affect the Group's financial condition and results of operation.

#### b) Key sources of estimation uncertainty

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

##### i) Impairment of intangible assets

The policy for impairment of intangible assets of the Group is based on an evaluation of their recoverable amount with reference to expected future cash flows based on management's estimation. A considerable amount of judgement is required in estimating the expected future cash flows from the Group's pharmaceutical products under development and software. If the recoverable amounts are less or more than expected than the carrying amounts of the intangible assets, or changes in facts and circumstances which may result in revisions of the estimated future cash flows, impairment or reversal of impairment loss may be required.

The carrying amount of intangible assets as at 31 December 2016 was RMB3,918,000 (2015: Nil) (see note 18).

##### ii) Impairment of property, plant and equipment and land use rights

Property, plant and equipment and land use rights are reviewed for impairment whenever events or change in circumstances indicate that the carrying amounts may not be recoverable. The recoverable amounts have been determined based on the higher of value in use calculations or fair value less costs of disposal calculations. The calculations require the use of judgements and estimates.

### 4. 會計判斷及估計(續)

#### a) 應用本集團會計政策的重大會計判斷(續)

##### iv) 應付或然代價之公平值

應付或然代價的公平值乃使用估值技術釐定。本集團利用其判斷選擇各種方法及作出假設，其中包括預期波幅及無風險利率，乃主要基於各報告期末之現行市況。所採用假設的變動可對該等結餘的公平值造成重大影響，因而影響本集團之財務狀況及經營業績。

#### b) 估計不確定性的主要來源

以下是於報告期間結束時有關未來的主要假設及估計不明朗因素的其他主要來源，有關假設及來源可能具有導致資產及負債的賬面值於下一財政年度內作出大幅調整的重大風險。

##### i) 無形資產減值

本集團的無形資產減值的政策的基礎，是按管理層的估計並參照日後現金流量後對有關資產可收回金額的評估。在估計本集團現正開發的藥品及軟件的預期未來現金流量時，須作出重大的判斷。倘可收回金額少於或高於無形資產的賬面值，或事實及情況有變可能導致更改估計未來現金流量，則須作出減值或撥回減值虧損。

於二零一六年十二月三十一日無形資產的賬面值為人民幣3,918,000元(二零一五年：無)(見附註18)。

##### ii) 物業、廠房及設備以及土地使用權減值

一旦事件或情況變化表明或不能收回賬面值，則會對物業、廠房及設備進行減值審查。可收回金額已根據使用價值計算結果或公平值減出售費用計算結果當中之較高者釐定。該等計算方法須應用判斷及估計。

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## 財務報表附註



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

### 4. ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

#### b) Key sources of estimation uncertainty (Continued)

##### ii) Impairment of property, plant and equipment and land use rights (Continued)

Management judgement is required in the area of asset impairment particularly in assessing: (i) whether an event has occurred that may indicate that the related asset values may not be recoverable; (ii) whether the carrying value of an asset can be supported by the recoverable amount, being the higher of fair value less costs of disposal and value in use; and (iii) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management in assessing impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could affect the net present value used in the impairment test and as a result affect the Group's financial position and results of operations.

During the year, impairment loss on property, plant and equipment and land use rights recognised in profit or loss amounted to approximately RMB316,841,000 (2015: RMB Nil) and RMB15,261,000 (2015: RMB Nil) respectively.

The carrying amounts of property, plant and equipment and land use rights as at 31 December 2016 were RMB750,373,000 (2015: RMB796,531,000 (see note 16) and RMB36,137,000 (2015: RMB52,632,000) (see note 17) respectively.

##### iii) Estimated impairment of receivables

When there is objective evidence of impairment loss, the Group takes into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (that is, the effective interest rate computed at initial recognition). Where the actual future cash flows are less than expected or being revised downward due to changes on facts and circumstances, a material impairment loss may arise.

### 4. 會計判斷及估計(續)

#### b) 估計不確定性的主要來源(續)

##### ii) 物業、廠房及設備以及土地使用權減值(續)

管理層須就資產減值方面作出判斷，特別須評估：(i) 是否經已發生可能顯示有關資產價值可能無法收回之事件；(ii) 資產賬面值是否可獲可收回金額(即公平價值減出售成本與使用價值之較高者)支持；及(iii) 將用於編製現金流預測之適當主要假設，包括此等現金流預測是否以適當利率貼現。管理層於評估減值時選定假設(包括現金流預測之貼現率或增長率假設)之變動，可對減值測試所用之淨現值構成影響，從而影響本集團的財務狀況及經營業績。

年內，於損益內確認之物業、廠房及設備以及土地使用權之減值虧損分別約為人民幣316,841,000元(二零一五年：人民幣零元)及人民幣15,261,000元(二零一五年：人民幣零元)。

於二零一六年十二月三十一日，物業、廠房及設備及土地使用權的賬面值分別為人民幣750,373,000元(二零一五年：人民幣796,531,000元)(見附註16)及人民幣36,137,000元(二零一五年：人民幣52,632,000元)(見附註17)。

##### iii) 應收款項之估計減值

於存在減值虧損之客觀證據時，本集團考慮估計未來現金流量。減值虧損之金額為乃以資產賬面值與按金額資產之原實際利(即於初始確認時所計算實際利率)對估計未來現金流量(不包括尚未產生之未來信貸虧損)進行折現後之現值兩者之間之差額計量。倘實際未來現金流量乃少於預期或因事實及情況變動而作出向下調整，則可能產生重大減值虧損。



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### 4. ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

#### b) Key sources of estimation uncertainty (Continued)

##### iii) *Estimated impairment of receivables (Continued)*

As at 31 December 2016, the carrying amount of receivables was RMB112,042,000 (net of allowance for doubtful debts of RMBNil) (2015: RMB141,992,000, net of allowance for doubtful debts of RMBNil) (see note 23).

##### iv) *Estimated net realisable value of inventories*

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sales. The Group writes down slow-moving or obsolete inventories based on an assessment of the net realisable value of the inventories. Write-down of inventories will be made where events or changes in circumstances indicate that the net realisable value is less than cost. The determination of net realisable value requires the use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying amount of the inventories and the amount of inventory written down in the period in which such estimate has been changed.

As at 31 December 2016, the carrying amount of inventories was RMB14,133,000 (2015: RMB30,785,000) (see note 22).

##### v) *Fair value of assets acquired and liabilities assumed upon acquisition*

In connection with the acquisition of a subsidiary, the assets acquired and liabilities assumed were adjusted to their estimated fair values on the date of acquisition. The determination of the values of assets acquired and liabilities assumed involves management's judgements and assumptions. The values of assets acquired and liabilities assumed were based on valuation report from independent professional qualified valuer. Such valuations were based on certain assumptions, which were subject to uncertainty and might materially differ from the actual results. Any change in such judgements and assumptions would affect the fair value of assets acquired and liabilities assumed.

### 4. 會計判斷及估計(續)

#### b) 估計不確定性的主要來源(續)

##### iii) *應收款項之估計減值(續)*

於二零一六年十二月三十一日，貿易應收款項的賬面值為人民幣112,042,000元(扣除呆賬撥備人民幣零元)(二零一五年：人民幣141,992,000元，扣除呆賬撥備人民幣零元)(見附註23)。

##### iv) *存貨之估計可變現淨值*

存貨之可變現淨值乃其於日常業務過程中之估計售價，扣除估計完成之成本及進行銷售的必要開支。本集團根據對存貨可變現淨值之評估結果撇減滯銷或陳舊存貨。倘事件或情況變化顯示存貨之可變現淨值低於成本值，則將撇銷存貨。釐定可變現淨值需要運用判斷及估計。倘預期與原先估計有別，則該差額將對該估計出現變化之期間之存貨賬面值及撇減存貨金額構成影響。

於二零一六年十二月三十一日，存貨的賬面值為人民幣14,133,000元(二零一五年：人民幣30,785,000元)(附註22)。

##### v) *收購時所收購資產及所承擔負債之公平值*

關於收購一間附屬公司，會於收購日期調整所收購資產及所承擔負債至估計公平值。釐定所收購資產及所承擔負債之價值時涉及管理層的判斷及假設。所收購資產及所承擔負債之價值基於獨立專業合資格估值師的估值報告而定，而該等估值基於若干假設，或不確定，且估值或會與實際結果有明顯不同。相關判斷及假設的任何改變會影響所收購資產及所承擔負債的公平值。

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### 4. ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

#### b) Key sources of estimation uncertainty (Continued)

##### vi) Impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy set out in note 2(e)(ii). The recoverable amount of an asset or a cash-generating unit has been determined based on its value in use. These calculations require the use of estimates. There are a number of assumptions and estimates involved for the preparation of cash flow projections for the period covered by the approved budget and the estimated terminal value. Key assumptions include the expected gross margin, growth rates and selection of discount rates, to reflect the risks involved and the earnings multiple that can be realised for the estimated terminal value. Management prepared the financial budgets reflecting actual performance and market development expectations. Judgement is required to determine key assumptions adopted in the cash flow projections and changes to key assumptions can significantly affect these cash flow projections and therefore the result of the impairment reviews.

As at 31 December 2016, the carrying amount of goodwill was RMB107,055,000 (2015: Nil) (see note 19).

##### vii) Recoverability of deferred tax assets

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. In assessing the amount of deferred income tax assets that need to be recognised, the Group considers future taxable income and ongoing prudent and feasible tax planning strategies. In the event that the Group's estimates of projected future taxable income and benefits from available tax strategies are changed, adjustments to the recorded amount of net deferred income tax assets and income tax expense would be made.

As at 31 December 2016, the carrying amount of deferred tax assets was RMB169,736,000 (2015: RMB64,478,000) (see note 28(b)).

### 4. 會計判斷及估計(續)

#### b) 估計不確定性的主要來源(續)

##### vi) 商譽減值

本集團每年根據附註2(e)(ii)所載會計政策測試商譽是否減值。資產或現金產生單位的可收回金額基於使用價值釐定。相關計算要求使用估計。編製核准預算及估計最終價值期間的現金流預測涉及多項假設及估計。主要假設包括預計毛利率、增長率及就估計最終價值選擇貼現率以反映所涉風險以及可變現的市盈率。管理層編製反映實際表現和市場發展預期的財政預算時，須作出判斷，以釐定現金流預測所採用的主要假設以及嚴重影響現金流預測乃至減值檢討結果的主要假設之變化。

於二零一六年十二月三十一日，商譽之賬面值為人民幣107,055,000元(二零一五年：無)(見附註19)。

##### vii) 遞延稅項資產之可收回性

僅在可能會有未來應課稅溢利用於抵銷暫時性差額的情況下才會確認相關的遞延所得稅資產。於評估須確認的遞延所得稅資產金額時，本集團會考慮未來應課稅收入及持續審慎可行的稅務規劃策略。倘本集團對預計未來應課稅收入的估計及由可施行稅務策略獲得的裨益出現變動，則會對遞延所得稅資產及所得稅負債淨額的記錄金額作出調整。

於二零一六年十二月三十一日，遞延稅項資產之賬面值為人民幣169,736,000元(二零一五年：人民幣64,478,000元)(見附註28(b))。



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

### 4. ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

#### b) Key sources of estimation uncertainty (Continued)

##### viii) Withholding tax on the distributable profits of the Group's PRC subsidiaries

Pursuant to the PRC Enterprise Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in the PRC. The requirement became 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 the PRC and the jurisdiction of the foreign investors.

The Group has made provision for withholding tax on dividends expected to be remitted from group entities incorporated in the PRC based on the Group's general dividend policy for the net profits generated by the Group's PRC subsidiaries after 1 January 2008. The Group provided withholding tax for such undistributed profits as deferred tax liabilities. The directors of the Company will regularly review the dividend distribution policy of its subsidiaries from time to time.

As at 31 December 2016, the carrying amount of deferred tax liabilities arising from withholding tax on distributable profits was RMB12,740,000 (2015: RMB14,622,000) (see note 28(b)).

### 4. 會計判斷及估計(續)

#### b) 估計不確定性的主要來源(續)

##### viii) 本集團中國附屬公司的可分派盈利預扣稅

根據中國企業所得稅法，在中國成立的外商投資企業向境外投資者宣派股息須徵收10%的預扣稅。該項規定自二零零八年一月一日起生效，適用於二零零七年十二月三十一日之後的盈利。倘中國與境外投資者所在司法權區訂有稅收協定，則可能應用更低的預扣稅率。

本集團已根據本集團有關於二零零八年一月一日後本集團中國附屬公司所產生純利的一般股息政策就預計從在中國註冊成立的集團實體匯出的股息，計提預扣稅撥備。本集團就上述未分配盈利預扣稅計提遞延稅項負債。本公司董事會不時檢討其附屬公司的股息分派政策。

於二零一六年十二月三十一日，可分派溢利預扣稅產生的遞延稅項負債之賬面值為人民幣12,740,000元(二零一五年：人民幣14,622,000元)(見附註28(b))。

### 5. FINANCIAL INSTRUMENTS BY CATEGORIES

### 5. 按類別劃分之金融工具

		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>Financial assets</b>	<b>金融資產</b>		
Financial assets at fair value through profit or loss – Held-for-trading	按公平值計入損益之金融資產 – 待售投資	41,977	–
Loans and receivables (including cash and cash equivalents)	貸款及應收款項(包括現金及現金等價物)	259,589	697,239
		<b>301,566</b>	<b>697,239</b>
<b>Financial liabilities</b>	<b>金融負債</b>		
Amortised cost	攤銷成本	90,199	108,122
Contingent consideration payable included under trade and other payable	或然負債包括在貿易應收款項及其他應收款項	44,643	–

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## 財務報表附註



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### 6. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

The Group has exposure to the currency risk, interest rate risk, credit risk, liquidity risk and equity price risk arising from financial instruments. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

#### a) Currency risk

The Group currently does not have a foreign currency hedging policy but the directors monitor its foreign exchange exposures and will consider hedging significant foreign currency exposures should the need arises.

#### (i) Exposure to currency risk

The following table details the Group's exposure at the end of the reporting period to currency risks arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. The currencies giving rise to these risks are primarily United States Dollars ("USD") and Hong Kong Dollars ("HKD"). For presentation purposes, the amounts of the exposure are shown in RMB, translated using the spot rates at the end of the reporting period.

### 6. 財務風險管理及金融工具公平值

本集團因金融工具而面臨貨幣風險、利率風險、信貸風險、流動資金風險及股價風險。本集團面臨的該等風險及本集團的財務風險管理政策及常規載列如下。

#### a) 貨幣風險

本集團現時並無外匯對沖政策，但董事監控其外匯風險，並於需要時考慮對沖重大外匯風險。

#### (i) 貨幣風險

下表詳列於報告期末本集團以實體功能貨幣之外之其他貨幣列值之已確認資產或負債產生之貨幣風險。產生該類風險的貨幣主要為美元(「美元」)及港元(「港元」)。就呈報而言，風險金額以人民幣呈列，並以報告期末的即期匯率換算。

Exposure to foreign currency (expressed in RMB'000)  
外幣風險(以人民幣千元列值)

	2016 二零一六年		2015 二零一五年	
	USD 美元	HKD 港元	USD 美元	HKD 港元
Cash and cash equivalents	7	39,669	6	1,620
Accrued charges	-	(2,080)	-	(1,157)
Other payables	-	(611)	-	(33)
Contingent consideration payable	-	(44,643)	-	-
Net exposure arising from recognised assets and liabilities	7	(7,665)	6	430

#### (ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's (loss)/profit after tax (and (accumulated losses)/retained profits) that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant. In this respect, it is assumed that the pegged rate between the Hong Kong dollar and the United States dollar would be materially unaffected by any changes in movement in value of the United States dollar against other currencies.

#### (ii) 敏感度分析

下表列示於報告期末本集團面臨重大風險的外匯匯率於該日出現變動(假設所有其他可變風險保持不變)對本集團除稅後(虧損)/溢利(及(累計虧損)/保留溢利)產生的即時變動。就此而言，假設港元與美元間的聯繫匯率不會因美元兌其他貨幣之價值發生任何變動而受到重大影響。



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### 6. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

#### a) Currency risk (Continued)

##### (ii) Sensitivity analysis (Continued)

		2016 二零一六年		2015 二零一五年	
		Increase/ (decrease) in foreign exchange rates	Effect on loss after tax and accumulated losses 對除稅後虧損 及累計虧損 之影響	Increase/ (decrease) in foreign exchange rates	Effect on profit after tax and retained profits 對除稅後虧損 及保留溢利 之影響
		外匯匯率 增加/(減少)	RMB'000 人民幣千元	外匯匯率 增加/(減少)	RMB'000 人民幣千元
HKD	港元	5% (5%)	383 (383)	5% (5%)	22 (22)

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the group entities' loss after tax and equity measured in the respective functional currencies, translated into RMB at the exchange rate ruling at the end of the reporting period for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period. The analysis is performed on the same basis for 2015.

In the opinion of the directors, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the exposure at the end of the reporting period does not reflect the exposure during the year.

### 6. 財務風險管理及金融工具公平值 (續)

#### a) 貨幣風險 (續)

##### (ii) 敏感度分析 (續)

上表所載分析結果指為呈列目的而將以對應功能貨幣計量的各集團實體除稅後虧損及權益按報告期末現行匯率兌換為人民幣的綜合即時影響。

敏感性分析假設外匯匯率變動已應用於重新計量使本集團於報告期末面臨外匯風險的金融工具。分析按與二零一五年相同的基準進行。

董事認為，由於於報告期末面臨的年末風險未能反映本年內之風險，故敏感度分析對外匯固有之風險不具代表性。

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### 6. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

#### b) Interest rate risk

The Group is exposed to cash flow interest rate risks in relation to variable-rate cash and cash equivalents (note 25) and fair value interest rate risk in relation to fixed-rate bank borrowings (note 27). The Group currently does not use any derivative contracts to hedge its exposure to interest rate risks. However, the management of the Group will consider hedging significant interest rate exposures should the need arises.

#### i) Interest rate profile

The following details the interest rate profile of the Group's cash and cash equivalents and borrowing at the end of the reporting period:

		2016 二零一六年		2015 二零一五年	
		Range of interest rates 利率範圍		Range of Interest rates 利率範圍	
		%	RMB'000 人民幣千元	%	RMB'000 人民幣千元
<b>Variable rate deposits:</b>	浮息存款：				
Cash and cash equivalents	現金及現金等價物	0.01%–0.35%	107,926	0.01%–0.35%	553,871
<b>Fixed rate borrowings:</b>	定息貸款：				
Secured bank loans	有抵押銀行貸款	4.57%–4.79%	85,600	5.00%–6.44%	35,000

#### ii) Sensitivity analysis

The sensitivity analysis below have been determined assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to the exposure to interest rate risk for non-derivative financial instruments in existence at that date.

At 31 December 2016, it is estimated that a general increase of 100 basis points in interest rates, with all other variables held constant, would have decreased the Group's loss after tax and accumulated losses by approximately RMB810,000 (2015: increased the Group's profit after tax and retained profits by approximately RMB4,154,000). For a general decrease of 100 basis points in interest rates, with all other variables held constant, there would be an equal and opposite impact on the (loss)/profit after tax and the (accumulated losses)/retained profits.

### 6. 財務風險管理及金融工具公平值 (續)

#### b) 利率風險

本集團面臨有關浮息現金及現金等價物(附註25)的現金流量利率風險及有關定息銀行借貸的公平值利率風險(附註27)。本集團目前沒有使用任何衍生合約對沖利率風險。然而，若有需要，本集團管理層將考慮對重大利率風險安排對沖。

#### i) 利率詳情

以下為於報告期末本集團的現金及現金等價物及借貸的利率詳情：

#### ii) 敏感度分析

以下敏感度分析已假設利率於報告期末有所變動而釐定，並已應用至於該日存在之非衍生金融工具所承受之利率風險。

於二零一六年十二月三十一日，倘利率普遍調升100個基點且所有其他因素維持不變，本集團除稅後虧損及累計虧損減少約人民幣810,000元(二零一五年：本集團除稅後溢利及保留溢利增加約人民幣4,154,000元)。倘利率普遍減少100個基點且所有其他因素維持不變，則會對除稅後(虧損)/溢利及(累計虧損)/保留溢利產生相等但相反的影響。



## Notes to the Financial Statements 財務報表附註

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

### 6. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

#### b) Interest rate risk (Continued)

##### ii) Sensitivity analysis (Continued)

The 100 basis points increase/decrease represents management's assessment of a reasonably possible change in interest rates over the period until the end of the next reporting period. The analysis is performed on the same basis for 2015.

#### c) Credit risk

i) Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

ii) The Group's credit risk is primarily attributable to trade receivables, other receivables and amount due from an associate. In order to minimise the credit risks, the management has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, management reviews the recoverable amount of each individual debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors consider that the Group's credit risk is significantly reduced. Normally, the Group does not obtain collateral from its debtors.

iii) In respect of cash and cash equivalents, the Group has concentration of credit risk as 76% (2015: 99%) of the balances are placed in two (2015: two) financial institutions located in the PRC. The Group controls its credit risk on bank balances through regularly review of their credit rating. Cash held by financial institution represented amounts deposited in a financial institution in Hong Kong. Given the high credit rating, management does not expect the financial institution will fail to meet its obligations.

iv) In respect of trade and other receivables, the Group's exposure to credit risk is influenced mainly by the individual characteristics of each debtor. At the end of the reporting period, the Group had a concentration risk as 80% (2015: Nil) of the total loans and receivables was due from an associate.

### 6. 財務風險管理及金融工具公平值(續)

#### b) 利率風險(續)

##### ii) 敏感度分析(續)

100個基點的上升／減少相當於管理層對直至下一個報告期末期間利率的合理可能變動的估計。二零一五年之分析亦按同一基準進行。

#### c) 信貸風險

i) 信貸風險指交易對手未履行其合約責任而導致本集團財務虧損之風險。本集團已採納僅處理信譽良好的交易對手之政策，作為一種減輕因違約所致之財務虧損風險的方法。

ii) 本集團之信貸風險主要來自貿易應收款項、其他應收款項及應收聯營公司款項。為了最大限度地降低信貸風險，管理層已委派一組人員負責制訂信貸限額、信貸審批及其他監控程序，以確保採取跟進措施收回逾期債項。此外，於報告期末，管理層評估每項個別債項之可收回金額，以確保就不可收回金額作出充分之減值虧損。就此而言，董事認為本集團之信貸風險已大幅降低。通常，本集團並無自其債務人獲得抵押品。

iii) 就現金及現金等價物而言，由於76%（二零一五年：99%）之結餘乃存於中國境內兩間（二零一五年：兩間）金融機構，本集團存在信貸集中風險。透過定期審議相關信貸評級，本集團控制其銀行結餘的信貸風險。金融機構持有的現金指存放於香港金融機構的款項。鑒於其高信貸評級，管理層預期有關金融機構可履行其責任。

iv) 就貿易應收款項及其他應收款項而言，本集團所面臨之信貸風險主要受各債務人之個別特色所影響。於報告期末，本集團存在集中風險，因貸款及應收款項中的80%（二零一五年：零）乃由關聯公司所欠。

# Notes to the Financial Statements

## 財務報表附註



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

### 6. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

#### c) Credit risk (Continued)

- v) In respect of amount due from an associate, credit evaluations of the associate's financial position and condition are performed. The Group reviews the recoverable amount of the amount due at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade and other receivables are set out in note 23.

#### d) Liquidity risk

To manage liquidity risk, the Group monitors and maintains a level of cash and cash equivalents considered adequate by the directors to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The Group held cash and cash equivalents amounting to approximately RMB147,547,000 at 31 December 2016 (2015: RMB555,247,000).

The following tables detail the Group's remaining contractual maturities at the end of the reporting period for its financial liabilities. The tables have been drawn up based on contractual undiscounted cash flows of financial liabilities and based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows.

### 6. 財務風險管理及金融工具公平值 (續)

#### c) 信貸風險 (續)

- v) 就應收聯營公司款項而言，已對聯營公司的財務狀況及條件進行信貸評估。本集團檢討其於報告期末到期之可收回款項，以確保就不可收回之款項作出充分之減值虧損。

有關本集團所面臨貿易應收款項及其他應收款項產生的信貸風險之定量披露載於附註23。

#### d) 流動資金風險

在管理流動資金風險時，本集團監控及保持董事認為足夠的現金及現金等價物數額，以為本集團的業務營運提供資金並減輕現金流量波動的影響。於二零一六年十二月三十一日，本集團持有之現金及現金等價物約為人民幣147,547,000元(二零一五年：人民幣555,247,000元)。

下表詳述本集團於報告期末其金融負債之餘下合約到期日。該表乃按金融負債合約未貼現現金流量為基準編製，並按本集團可能被要求付款的最早日期為基準。該表包括利息及本金現金流量。

		Weighted average effective interest rate 加權平均實際利率 %	Within 1 year 1年以內 RMB'000 人民幣千元	More than 1 year but less than 2 years 1年以上但2年以內 RMB'000 人民幣千元	More than 2 years but less than 5 years 2年以上但5年以內 RMB'000 人民幣千元	Total undiscounted cash flows 未折現現金流量總額 RMB'000 人民幣千元	Carrying amount at the end of the reporting period 於報告期末的賬面值 RMB'000 人民幣千元
<b>2016</b>	<b>二零一六年</b>						
Trade payables	貿易應付款項	Nil 無	22	-	-	22	22
Other payables	其他應付款項	Nil 無	49,220	-	-	49,220	49,220
Secured bank loans	有抵押銀行貸款	4.6%	1,975	86,869	-	88,844	85,600
			51,217	86,869	-	138,086	134,842
<b>2015</b>	<b>二零一五年</b>						
Trade payables	貿易應付款項	Nil 無	55,131	-	-	55,131	55,131
Other payables	其他應付款項	Nil 無	17,991	-	-	17,991	17,991
Secured bank loans	有抵押銀行貸款	5.8%	35,733	-	-	35,733	35,000
			108,855	-	-	108,855	108,122



# Notes to the Financial Statements

## 財務報表附註

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

### 6. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

#### e) Equity price risk

The Group is exposed to equity price changes arising from equity investments classified as financial assets at fair value through profit or loss.

The Group's listed investments are listed on the Stock Exchange and are components of the Hang Seng Index (the "Index"). Decisions to buy or sell trading securities are based on daily monitoring of the performance of individual securities compared to that of the Index and other industry indicators, as well as the Group's liquidity needs.

At 31 December 2016, it is estimated that an increase/ (decrease) of 10% (2015: Nil) in the relevant stock market index with all other variables held constant would have (decreased)/ increased the Group's loss after tax (and accumulated losses) and other components of consolidated equity as follows:

Change in the relevant equity price risk variable:		股本價格風險變數之變動：	
Increase	增加	10%	(3,505)
Decrease	減少	10%	3,505

The sensitivity analysis indicates the instantaneous change in the Group's loss after tax (and accumulated losses) and other components of consolidated equity that would arise assuming that the changes in the stock market index had occurred at the end of the reporting period and had been applied to re-measure those financial instruments held by the Group which expose the Group to equity price risk at the end of the reporting period. It is also assumed that the fair values of the Group's equity investments would change in accordance with the historical correlation with the relevant stock market index.

### 6. 財務風險管理及金融工具公平值(續)

#### e) 股價風險

本集團須承擔分類為按公平值計入損益之金融資產之股權投資產生的股價變動風險。

本集團的上市投資於聯交所上市，並為恆生指數(「指數」)之一部分。買入或賣出買賣證券乃按每日監控個別證券之表現(與指數及其他行業指標比較)以及本集團的流動資金需要，而作出買賣決定。

於二零一六年十二月三十一日，假設其他變數維持不變，估計相關股市指數增加/(減少)10%(二零一五年：零)，本集團的除稅後虧損(及累計虧損)及綜合權益其他組成部分將(減少)/增加如下：

2016 二零一六年		2015 二零一五年	
Effect on loss after tax and accumulated losses	Effect on other components of equity	Effect on profit after tax and retained profits	Effect on other components of equity
對除稅後虧損及累計虧損之影響	對綜合權益其他組成部分之影響	對除稅後溢利及保留盈利之影響	對綜合權益其他組成部分之影響
RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
(3,505)	-	-	-
3,505	-	-	-

敏感度分析顯示，假設股市指數或其他相關風險變數之變動已於報告期末產生，並已應用於重新計量本集團所持有之金融工具，而該等工具令本集團於報告期末須承受股本價格風險，對本集團之除稅後虧損(及累計虧損)及綜合權益的其他部份將會造成之即時影響。亦假設本集團股本投資之公平值將根據與股市指數之歷來相互關係而變動。

# Notes to the Financial Statements

## 財務報表附註



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

### 6. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

#### e) Equity price risk (Continued)

##### i) Financial assets and liabilities measured at fair value

#### Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13 Fair Value Measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs, that is, unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs, that is, observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

The Group's financial controller is responsible for the fair value measurements of assets and liabilities required for financial reporting purposes, including level 3 fair value measurements. The financial controller reports directly to the Board of Directors for these fair value measurements. Discussions of valuation processes and results are held between the financial controller and the Board of Directors at least twice a year.

### 6. 財務風險管理及金融工具公平值 (續)

#### e) 股價風險 (續)

##### i) 按公平值計量之金融資產及負債

#### 公平值層級

下表呈列本集團金融工具之公平值，該等金融工具於報告期末按經常性基準計量，並分類為香港財務報告準則第13號，公平值計量所界定之三級公平值架構。將公平值計量分類之層級乃經參考如下估值方法所用數據之可觀察性及重要性後釐定：

- 第一級估值：僅使用第一級輸入數據（即於計量日同等資產或負債於活躍市場之未經調整報價）計量之公平值。
- 第二級估值：使用第二級輸入數據（即未能達到第一級之可觀察輸入數據）且並未使用重大不可觀察輸入數據計量之公平值。不可觀察輸入數據為無市場數據之輸入數據。
- 第三級估值：使用重大不可觀察輸入數據計量之公平值。

本集團的財務總監負責就財務報告進行所需的資產及負債之公平值計量（包括第三層級公平值計量）。財務總監就此等公平值計量直接向董事會匯報。財務總監與董事會每年至少兩次討論估值程序及有關結果。



# Notes to the Financial Statements

## 財務報表附註

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

### 6. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

#### f) Fair value measurement

Recurring fair value measurements	經常性公平值計量
Assets:	資產：
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產
Liabilities:	負債：
Contingent consideration payable	應付或然代價

Fair value at 31 December 2016 於二零一六年十二月三十一日之公平值 RMB'000 人民幣千元	Fair value measurements as at 31 December 2016 categorised into 於二零一六年十二月三十一日分類至以下級別之公平值		
	Level 1 第一級 RMB'000 人民幣千元	Level 2 第二級 RMB'000 人民幣千元	Level 3 第三級 RMB'000 人民幣千元
41,977	41,977	-	-
44,643	-	-	44,643

Recurring fair value measurements	經常性公平值計量
Assets:	資產：
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產

Fair value at 31 December 2015 於二零一五年十二月三十一日之公平值 RMB'000 人民幣千元	Fair value measurements as at 31 December 2015 categorised into 於二零一五年十二月三十一日分類至以下級別之公平值		
	Level 1 第一級 RMB'000 人民幣千元	Level 2 第二級 RMB'000 人民幣千元	Level 3 第三級 RMB'000 人民幣千元
-	-	-	-

During the years ended 31 December 2016, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

截至二零一六年十二月三十一日止年度，第一級與第二級之間並無轉移，亦無轉入或轉出第三級。本集團之政策為於公平值層級之間發生轉移的報告期末確認有關轉移。

The potential undiscounted amount of all future payments that the Group could be required to make under this arrangement is between RMB0 and RMB44,643,000.

本集團須根據此安排支付的全部未來付款的潛在未折現金額介乎人民幣零元至人民幣44,643,000元。

The fair value of the contingent consideration arrangement is RMB44,643,000 was estimated by applying the income approach and based on the valuation performed by an independent professional qualified valuer. The fair value estimates are based on assumed profit of Fujian Liumai Medical Services Co., Ltd. ("Fujian Liumai") of RMB8,000,000. This is a level 3 fair value measurement. The key unobservable inputs of the valuation were: (i) expected volatility of 53.7%; (ii) risk free rate of 3.21% and the estimated profits of Fujian Liumai.

或然代價安排之公平值人民幣44,643,000元乃應用收入法及根據獨立專業合資格估值師進行的估值而估計。該公平值估計乃基於福建六脈醫療服務有限公司（「福建六脈」）之假設溢利人民幣8,000,000元。此乃為第三級公平值計量。估值之主要不可觀察輸入數據為：(i) 預期波幅53.7%；(ii) 無風險利率3.21%及福建六脈之估計溢利。

# Notes to the Financial Statements

## 財務報表附註



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

### 6. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

#### f) Fair value measurement (Continued)

The movements during the period in the balance of Level 3 fair value measurements are as follows:

At beginning of year	年初
Acquisition of a subsidiary (note 35)	收購一間附屬公司 (附註35)
Total gains recognised in the statement of profit or loss	於損益表中確認的總收益
At end of year	年末

The major unobservable input to the valuation is the expected volatility. A slight increase in the expected volatility used in isolation would result in an increase in the fair value measurement.

#### g) Fair value of financial assets and liabilities carried at other than fair value

The directors of the Company consider the carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31 December 2016 and 2015 respectively.

### 6. 財務風險管理及金融工具公平值 (續)

#### f) 公平值計量

期內在第三級公平值計量結餘中的變動如下：

	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 beginning of year	-	-
Acquisition of a subsidiary (note 35)	44,643	-
Total gains recognised in the statement of profit or loss	-	-
At end of year	44,643	-

估值之主要不可觀察輸入數據為預期波幅。所用預期波幅輕微增加將導致公平值計量增加。

#### g) 按公平值以外列賬之金融資產及金融負債之公平值

本公司董事認為，本集團金融工具的賬面值按成本或攤銷成本列賬，與於二零一六年及二零一五年十二月三十一日之公平值並無重大差額。



# Notes to the Financial Statements

## 財務報表附註

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

### 7. SEGMENT INFORMATION

The Group determines its operating segments based on the internal reports reviewed by the Group's chief executive officer, being the chief operating decision maker, that are used to make strategic decisions.

The Group manages its businesses by business lines which comprises the development, manufacturing, marketing and sales of pharmaceutical products, sales of software and provision of consultancy services. The chief operating decision maker reviews the Group's business as a whole for the purposes of resources allocation and performance assessment. Accordingly, the Group has only one reportable segment and, therefore, there is no presentation of operating segment information. In addition, as the Group's revenue from external customers and the majority of the non-current assets of the Group are located in the PRC for both years, no geographical information is presented.

During 2016 and 2015, no revenue from transactions with a single external customer amounted to 10% or more of the Group's total revenue.

### 8. REVENUE

The principal activities of the Group are the development, manufacturing, marketing and sales of pharmaceutical products, sales of software and provision of consultancy services.

Revenue includes the net invoiced value of goods sold and services rendered by the Group. The amounts of each significant category of revenue recognised during the year are as follows:

Sales of pharmaceutical products	銷售藥品
Provision of consultancy services	提供顧問服務

### 9. OTHER INCOME

Bank interest income	銀行利息收入
Total interest income on financial assets not at fair value through profit or loss	並非按公平值計入損益之金融資產的利息收入總額
Exchange gain, net	匯兌收益淨額
Changes in fair value on financial assets at fair value through profit or loss	按公平值計入損益之金融資產公平值變動
Sundry income	雜項收入

### 7. 分類資料

本集團根據本集團行政總裁(首席營運決策人)用作決策所審閱的內部報告釐定其業務分類。

本集團按業務劃分管理其業務,其包括進行醫藥產品開發、製造、市場推廣及銷售及銷售軟件及提供顧問服務。首席營運決策人審閱本集團的整體業務,用以資源配置及評估表現。因此,本集團僅有一個須申報分類,故並無呈列任何經營分類資料。此外,由於本集團於兩個年度來自外界客戶之收益及大部份非流動資產位於中國,故並無呈列任何地區資料。

於二零一六年及二零一五年,概無與單一外部客戶進行之交易收益佔本集團總收益10%或以上。

### 8. 收益

本集團的主要業務為藥品開發、製造、市場推廣及銷售以及銷售軟件提供顧問服務。

收益包括本集團銷售的貨品及提供的服務的發票淨值。於年內確認的各重大類別之收益之金額如下:

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
262,742	555,652
283	-
<b>263,025</b>	<b>555,652</b>

### 9. 其他收益

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
1,877	1,894
<b>1,877</b>	<b>1,894</b>
2,984	84
9,308	-
27	-
<b>14,196</b>	<b>1,978</b>

# Notes to the Financial Statements

## 財務報表附註



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

### 10. (LOSS)/PROFIT BEFORE TAXATION

(Loss)/profit before taxation is arrived at after charging/(crediting):

### 10. 除稅項前(虧損)/溢利

除稅項前(虧損)/溢利已扣除/(計入)以下各項：

		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
<b>(a) Finance costs</b>	<b>融資成本</b>		
Interest on bank borrowings	銀行借貸利息	2,117	2,241
<b>(b) Staff costs</b>	<b>員工成本</b>		
Directors' and chief executive officer's emoluments (note 11)	董事及行政總裁薪酬 (附註11)	2,926	3,391
Other staff costs	其他員工成本		
– Contributions to defined contribution retirement plans	– 定額供款退休計劃供款	4,143	6,729
– Salaries, wages and other benefits	– 薪金、工資及其他福利	26,106	44,242
Total staff costs **	員工總成本 **	33,175	54,362
<b>(c) Other items</b>	<b>其他項目</b>		
Depreciation of property, plant and equipment ** (note 16)	物業、廠房及設備折舊 ** (附註16)	74,794	73,345
Amortisation of other intangible assets (note 18)	其他無形資產攤銷 (附註18)	66	–
Amortisation of land use rights (note 17)	土地使用權攤銷 (附註17)	1,234	1,335
Auditor's remuneration	核數師酬金		
– Audit service	– 審計服務	1,412	830
– Other service	– 其他服務	180	146
Equity-settled share-based payment expenses (note 30)	以權益結算以股份為基礎的付款支出 (附註30)	19,916	–
Impairment loss on property, plant and equipment (note 16)	物業、廠房及設備減值虧損 (附註16)	316,841	–
Impairment loss on land use rights (note 17)	土地使用權減值虧損 (附註17)	15,261	–
Written off on property, plant and equipment (note 16)	物業、廠房及設備撇銷 (附註16)	89,931	–
Written off on inventories (note 22)	存貨撇銷 (附註22)	13,036	–
Net loss/(gain) on disposal of land use rights and property, plant and equipment (note 16)	出售土地使用權及物業、廠房及設備之淨虧損/(收益) (附註16)	7	(35,003)
Operating lease payments in respect of rented premises	就租賃物業支付的經營租約付款	1,025	1,344
Cost of inventories # (note 22)	存貨成本# (附註22)	244,906	436,045
Research and development costs *	研發成本 *	4,135	4,550



# Notes to the Financial Statements

## 財務報表附註

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

### 10. (LOSS)/PROFIT BEFORE TAXATION (Continued)

- # Cost of inventories includes RMB76,401,000 (2015: RMB79,891,000) relating to staff costs and depreciation which amount is also included in the respective total amounts disclosed separately above.
- \* Research and development costs includes RMB3,972,000 (2015: RMB4,524,000) relating to staff costs and depreciation which amount is also included in the respective total amounts disclosed separately above.

### 11. DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation and the chief executive officer's emoluments are as follows:

	2016 二零一六年				2015 二零一五年			
	Fees 袍金	Salaries, allowances and other benefits 薪金津貼及 其他福利	Contributions to defined retirement plans 定額供款 退休 計劃的供款	Total 總額	Fees 袍金	Salaries, allowances and other benefits 薪金津貼及 其他福利	Contributions to defined retirement plans 定額供款 退休 計劃的供款	Total 總額
	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
<b>Executive directors</b>	<b>執行董事</b>							
Lin Ou Wen (Chief executive officer)	1,001	244	53	1,298	949	305	53	1,307
Lin Qing Ping (note a)	470	172	37	679	632	305	53	990
Xu Chao Hui (note b)	83	76	17	176	190	233	41	464
Lin Min (note c)	100	122	26	248	-	-	-	-
<b>Non-executive directors</b>	<b>非執行董事</b>							
Tang Bin (note d)	56	-	-	56	126	-	-	126
John Yang Wang (note e)	67	-	-	67	126	-	-	126
Wen Cyrus Jun-Ming (note h)	-	-	-	-	-	-	-	-
<b>Independent non-executive directors</b>	<b>獨立非執行董事</b>							
Liu Jun (note f)	67	-	-	67	126	-	-	126
Lam Yat Cheong (note f)	67	-	-	67	126	-	-	126
Du Jian (note f)	67	-	-	67	126	-	-	126
Zhang Jie (note g)	67	-	-	67	-	-	-	-
Zhang Xue Wen (note g)	67	-	-	67	-	-	-	-
Wu Cheng Han (note g)	67	-	-	67	-	-	-	-
	2,179	614	133	2,926	2,401	843	147	3,391

Note:

- a) Mr. Lin Qing Ping retired as executive director on 2 June 2016, appointed on 30 June 2016 and resigned on 14 October 2016.
- b) Mr. Xu Chao Hui resigned as executive director on 2 June 2016.
- c) Mr Lin Min was appointed as executive director on 30 June 2016 and resigned on 17 February 2017.
- d) Mr. Tang Bin resigned as non-executive director on 2 June 2016.

附註:

- a) 林慶平先生於二零一六年六月二日退任執行董事，於二零一六年六月三十日獲委任及於二零一六年十月十四日辭任。
- b) 許朝暉先生於二零一六年六月二日辭任執行董事。
- c) 林敏先生於二零一六年六月三十日獲委任為執行董事及於二零一七年二月十七日辭任。
- d) 唐彬先生於二零一六年六月二日辭任非執行董事。

# Notes to the Financial Statements

## 財務報表附註



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

### 11. DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS (Continued)

Note: (Continued)

- e) Mr. John Yang Wang resigned as non-executive director on 30 June 2016.
- f) Mr. Liu Jun, Mr. Lam Yat Cheong and Mr. Du Jian resigned as independent non-executive director on 30 June 2016.
- g) Mr. Zhang Jie, Mr. Zhang Xue Wen and Mr. Wu Cheng Han were appointed as independent non-executive directors on 30 June 2016.
- h) Mr. Wen Cyrus Jun-Ming was appointed as non-executive director on 15 June 2015 and resigned on 3 March 2016.

No emoluments were paid by the Group to any of the directors and chief executive officer as an inducement to join or upon joining the Group or as compensation for loss of office during the year. None of the directors and chief executive officer has waived any emoluments during the years ended 31 December 2016 and 2015.

### 12. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, three (2015: three) are directors whose emoluments are disclosed in note 11. The aggregate of the emoluments in respect of the remaining two (2015: two) individuals were as follows:

Salaries and other emoluments	薪金及其他酬金
Contributions to defined contribution retirement plans	定額供款退休計劃供款

The emoluments of the two (2015: two) individuals with the highest emoluments are within the following band:

Emoluments band	酬金範圍
Nil-HK\$1,000,000 (approximately equivalent to RMB855,000 (2015: RMB804,000))	零至1,000,000港元 (約等於人民幣855,000元 (二零一五年: 人民幣804,000元))
HK\$1,000,001-HK\$1,500,000 (approximately equivalent to RMB1,283,000) (2015: RMB1,215,000)	1,000,001港元至1,500,000港元 (約等於人民幣1,283,000元 (二零一五年: 人民幣1,215,000元))

No emoluments was paid by the Group to the above individuals as an inducement to join or upon joining the Group or as for loss of office during the year. None of the above individuals has waived any emoluments during the years ended 31 December 2016 and 2015.

### 11. 董事及行政總裁薪酬(續)

附註: (續)

- e) 王陽先生於二零一六年六月三十日辭任非執行董事。
- f) 劉軍先生、林日昌先生及杜建先生於二零一六年六月三十日辭任獨立非執行董事。
- g) 張捷先生、張學文先生及吳成翰先生於二零一六年六月三十日獲委任為獨立非執行董事。
- h) 聞俊銘先生於二零一五年六月十五日獲委任為非執行董事及於二零一六年三月三日辭任。

於年內，本集團概無向任何董事及行政總裁支付任何酬金，作為其加入本集團或在其加入本集團時的獎勵或離職補償。於截至二零一六年及二零一五年十二月三十一日止年度，概無董事及行政總裁放棄任何酬金。

### 12. 最高薪人士

五名最高薪人士中，三名(二零一五年: 三名)為本公司董事，彼等之酬金披露於附註11。餘下兩名(二零一五年: 兩名)人士的酬金總額如下:

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
1,249	1,212
49	55
1,298	1,267

兩名(二零一五年: 兩名)最高薪人士之酬金介乎下列組別:

Number of individuals 人數	
2016 二零一六年	2015 二零一五年
1	2
1	-
2	2

於年內，本集團概無支付任何酬金予上述人士，作為其加入本集團或在其加入本集團時的獎勵或離職補償。於截至二零一六年及二零一五年十二月三十一日止年度，概無上述人士放棄任何酬金。



# Notes to the Financial Statements

## 財務報表附註

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

### 13. INCOME TAX

#### a) Income tax (credit)/expense recognised in profit or loss

Current tax	當期稅項
PRC Enterprise Income Tax ("EIT")	中國企業所得稅 (「企業所得稅」)
Over-provision in respect of prior years	過往年度超額撥備
Deferred taxation	遞延稅項

In accordance with the relevant laws and regulations in the PRC, one of the PRC subsidiaries of the Group, Fujian Liunai, is exempted from PRC EIT for two years ended 31 December 2016 and 2017, followed by a 50% reduction for the next three years ended 31 December 2018 to 31 December 2020. For other PRC subsidiaries of the Group, PRC EIT is calculated at 25% (2015: 25%) in accordance with the relevant laws and regulations in the PRC.

No provision for Hong Kong profits tax have been made as the Group had no assessable profits in Hong Kong for the year ended 31 December 2016 (2015: Nil).

#### b) Reconciliation between tax expense and accounting (loss)/profit at applicable tax rates

(Loss)/profit before tax	除稅前(虧損)/溢利
Notional tax on (loss)/profit before tax, calculated at the rates applicable in the countries concerned	按相關國家的適用稅率計算除稅前(虧損)/溢利的名義稅項
Tax effect of non-deductible expenses	不可扣減費用的稅務影響
Tax effect of non-taxable income	非應課稅收益之稅務影響
Over-provision in respect of prior years	過往年度超額撥備
Tax effect of tax loss not recognised	未確認稅項虧損之稅務影響
Tax effect of share of profit less loss of an associate	應佔聯營公司溢利減虧損之稅務影響
Effect of withholding tax on the distributable profits of the Group's PRC subsidiaries (note 28(b)(i))	本集團中國附屬公司可分派溢利之預扣稅影響 (附註28(b)(i))
Actual tax (credit)/expense	實際稅項(抵免)/開支

### 13. 所得稅

#### a) 於損益內確認之所得稅(抵免)/開支

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

-	19,546
-	(1,250)
(107,140)	(1,924)
(107,140)	16,372

根據中國相關法律及法規，本集團的其中一間中國附屬公司，福建六脈，享有截至二零一六年及二零一七年十二月三十一日止兩個年度企業所得稅全免及截至二零一八年十二月三十一日至二零二零年十二月三十一日止未來三個年度企業所得稅減半徵收的稅務優惠。就本集團其他中國附屬公司而言，中國企業所得稅乃根據中國相關法律法規按25% (二零一五年：25%) 計算。

由於本集團於截至二零一六年十二月三十一日止年度在香港並無任何應課稅溢利(二零一五年：無)，故並無就香港利得稅作出任何撥備。

#### b) 按適用稅率計算的稅項開支與會計(虧損)/溢利對賬如下：

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

(503,398)	57,575
(123,965)	13,038
20,471	5,042
(18,735)	-
-	(1,250)
16,945	-
26	-
(1,882)	(458)
(107,140)	16,372

# Notes to the Financial Statements

## 財務報表附註



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

### 14. DIVIDENDS

The directors of the Company do not recommend the payment of a final dividend for both years ended 31 December 2016 and 2015.

### 15. (LOSS)/EARNINGS PER SHARE

#### a) Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share is based on the loss attributable to owners of the Company of approximately RMB396,258,000 (2015: profit of approximately RMB41,203,000) and the weighted average of 1,983,786,200 ordinary shares (2015: 1,716,331,400 ordinary shares) in issue during the year, calculated as follows:

(Loss)/profit attributable to owners of the Company (basic)      本公司擁有人應佔(虧損) / 溢利(基本)

Weighted average number of ordinary shares (basic)

Weighted average number of ordinary shares for the purpose of basic earnings per share      就每股基本盈利而言的普通股加權平均數

#### b) Diluted (loss)/earnings per share

For the year ended 31 December 2016, no adjustment has been made to the basic loss per share amount presented as the impact of the share options had an anti-dilutive effect on the basic loss per share amounts presented. Therefore, the calculation of diluted loss per share is based on the loss attributable to owners of the Company of RMB396,258,000 and the weighted average number of 1,983,786,200 ordinary shares in issue during the year.

For the year ended 31 December 2015, diluted earnings per share equals basic earnings per share as there is no dilutive potential ordinary shares outstanding.

### 14. 股息

本公司董事建議不就截至二零一六年及二零一五年十二月三十一日止兩個年度派付末期股息。

### 15. 每股(虧損)/盈利

a) 每股基本(虧損)/盈利  
每股基本(虧損)/盈利乃根據年內本公司擁有人應佔虧損約人民幣396,258,000元(二零一五年: 溢利約人民幣41,203,000元)以及已發行加權平均1,983,786,200股普通股(二零一五年: 1,716,331,400股普通股)計算, 計算如下:

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
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(396,258)	41,203
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普通股加權平均數(基本)

2016 二零一六年 '000 千股	2015 二零一五年 '000 千股
-----------------------------	-----------------------------

1,983,786	1,716,331
-----------	-----------

#### b) 每股攤薄(虧損)/盈利

截至二零一六年十二月三十一日止年度, 由於購股權對每股基本虧損列值金額具有反攤薄影響, 故並未對每股基本虧損列值金額作出調整。因此, 每股基本攤薄虧損乃根據年內本公司擁有人應佔虧損人民幣396,258,000元以及已發行權平均1,983,786,200股普通股計算。

截至二零一五年十二月三十一日止年度, 由於並無已發行攤薄潛在普通股, 故每股攤薄盈利等於每股基本盈利。



# Notes to the Financial Statements

## 財務報表附註

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

### 16. PROPERTY, PLANT AND EQUIPMENT

### 16. 物業、廠房及設備

		Buildings 樓宇	Leasehold improvement 租賃 物業裝修	Furniture, fixtures and equipment 傢具、 固定裝置及 設備	Motor vehicles 汽車	Plant and machinery 廠房及機器	Construction in progress 在建工程	Total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
<b>Cost</b>	<b>成本</b>							
At 1 January 2015	於二零一五年一月一日	248,056	-	49,420	7,892	942,982	4,600	1,252,950
Additions	添置	400	269	202	-	89,651	3,100	93,622
Transfer	轉撥	7,700	-	-	-	-	(7,700)	-
Disposals	出售	(35,900)	-	(5,491)	-	(26,089)	-	(67,480)
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	220,256	269	44,131	7,892	1,006,544	-	1,279,092
Additions	添置	-	-	3	-	435,474	-	435,477
Disposal	出售	-	-	-	(2,446)	-	-	(2,446)
Acquisitions through business combination (note 35)	透過業務合併收購(附註35)	-	-	23	-	-	-	23
Written off (note d)	撇銷(附註d)	(10,730)	-	-	-	(115,200)	-	(125,930)
At 31 December 2016	於二零一六年十二月三十一日	209,526	269	44,157	5,446	1,326,818	-	1,586,216
<b>Accumulated depreciation and impairment</b>	<b>累計折舊及減值</b>							
At 1 January 2015	於二零一五年一月一日	50,406	-	42,996	6,926	339,675	281	440,284
Charge for the year	年內開支	6,375	33	727	199	66,011	-	73,345
Transfer	轉撥	281	-	-	-	-	(281)	-
Eliminated on disposals of assets	出售資產時抵銷	(8,327)	-	(4,032)	-	(18,709)	-	(31,068)
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	48,735	33	39,691	7,125	386,977	-	482,561
Charge for the year	年內開支	5,596	170	532	168	68,328	-	74,794
Impairment losses recognised in profit or loss (note e)	於損益中確認的減值虧損 (附註e)	46,258	-	1,155	-	269,428	-	316,841
Eliminated on disposals of assets	出售資產時抵銷	-	-	-	(2,354)	-	-	(2,354)
Written off (note d)	撇銷(附註d)	(772)	-	-	-	(35,227)	-	(35,999)
At 31 December 2016	於二零一六年十二月三十一日	99,817	203	41,378	4,939	689,506	-	835,843
<b>Carrying amounts</b>	<b>賬面值</b>							
At 31 December 2016	於二零一六年十二月三十一日	109,709	66	2,779	507	637,312	-	750,373
At 31 December 2015	於二零一五年十二月三十一日	171,521	236	4,440	767	619,567	-	796,531

# Notes to the Financial Statements

## 財務報表附註



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

### 16. PROPERTY, PLANT AND EQUIPMENT (Continued)

Notes:

- a) As at 31 December 2016, the approval for applications of house ownership certificates for buildings of the Group with a total carrying amount of RMB109,709,000 (2015: RMB171,521,000) were still in progress.
- b) During the year ended 31 December 2016, the Group has disposed property, plant and equipment and land use rights with total carrying amounts of approximately RMB92,000 (2015: RMB36,412,000) and RMBNil (2015: RMB5,074,000) (see note 17) respectively, resulting in a net loss on disposal of approximately RMB7,000 (2015: net gain on disposal of approximately RMB35,003,000).
- c) At 31 December 2016, property, plant and equipment with a net book value of approximately RMB138,834,000 (2015: RMB53,130,000) was pledged to a bank as collateral against the bank loans of RMB85,600,000 (2015: RMB35,000,000) (note 27).
- d) On 10 September 2016 and 8 November 2016, the operations of all the production compartments in the Group's production plant located in the Haixi Industrial and Trading Development Zone in Jianyang City, Fujian Province, China (the "Haixi Plant") have been temporarily suspended (the "Suspension") due to typhoon Meranti and rupture of the main underground steam pipelines connecting all the production compartments. These incidents have caused damage to the production facilities. The Group therefore written off property, plant and equipment with carrying amounts of approximately RMB89,931,000.
- e) Impairment loss

During the year ended 31 December 2016, as a result of the drop in sales demand, suspension of production due to the upgrading and enhancement of existing production equipment for new GMP certification and the continuously deepening of the pharmaceutical system reform in China, the Group has experienced significant drop in revenue and gross profit during the period. The management of the Group therefore performed an impairment review of the recoverable amount related to the Haixi Plant. For the purposes of impairment testing of the Haixi Plant, property, plant and equipment and land use rights located at the Haixi Plant was allocated to one cash generating unit ("CGU") of sales of pharmaceutical products.

The recoverable amount of the relevant cash-generating unit of approximately RMB786,398,000 was determined on the basis of value in use calculations. Value in use calculations was based on the discount rate of 13.5% and cash flow projections prepared from financial forecasts approved by the management for the next five years. The cash-generating unit cash flows beyond the 5-year period were extrapolated using a growth rate of 3%. Other key assumptions for the value in use calculation related to the estimation of cash inflows/outflows which included budgeted sales and expected gross margins during the budget period which had been determined based on past performance and management's expectations for the market development.

In performing the impairment testing, the directors of the Company had also made reference to a valuation performed by an independent professional valuer, APAC Assets Valuation and Consulting Limited.

During the year ended 31 December 2016, impairment losses of RMB316,841,000 and RMB15,261,000 have been recognised in property, plant and equipment and land use rights respectively.

### 16. 物業、廠房及設備 (續)

附註：

- a) 於二零一六年十二月三十一日，本集團總面值為人民幣109,709,000元(二零一五年：人民幣171,521,000元)之樓宇房屋所有權證申請等待批准。
- b) 於截至二零一六年十二月三十一日止年度，本集團已出售賬面總值分別約為人民幣92,000元(二零一五年：人民幣36,412,000元)及人民幣零(二零一五年：5,074,000元)(附註17)的物業、廠房及設備以及土地使用權，產生出售淨虧損約人民幣7,000元(二零一五年：出售收益約35,003,000元)。
- c) 於二零一六年十二月三十一日，賬面淨值為人民幣138,834,000元(二零一五年：人民幣53,130,000元)的物業、廠房及設備已作為人民幣85,600,000(二零一五年：人民幣35,000,000)元的銀行貸款的抵押物抵押予銀行(附註27)。
- d) 於二零一六年九月十日及二零一六年十一月八日，因颱風莫蘭蒂及通往各生產車間主管道破裂，本集團位於中國福建省建陽市海西工貿開發區的生產廠房(「海西廠房」)各生產車間暫停生產(「停產」)。該等事件已對生產設備造成損壞。本集團因此撇銷賬面值約人民幣89,931,000元之物業、廠房及設備。
- e) 減值虧損

截至二零一六年十二月三十一日止年度，由於銷售需求下降、為取得新的藥品生產質量管理規範證書而對現有生產設備進行升級及提升而停止生產以及中國持續深化改革醫藥制度，本集團於期內之收益及毛利大幅減退。本集團管理層對與海西廠房有關的可收回金額作出減值審查。就海西廠房之減值測試而言，位於海西廠房之物業、廠房及設備以及土地使用權已分配為單一項作為銷售醫藥產品的現金產生單位。

相關現金產生單位之可收回金額約人民幣786,398,000元乃基於使用價值計算方式釐定。使用價值乃基於折現率約為13.5%及從財務預測編製並經由管理層批准的未來五年現金流量預測計算。超過五年期之現金產生單位現金流量乃採用3%增長率推算。有關使用價值計算的其他主要假設乃與預期期內預算銷售及預期毛利率包括的現金流入/流出估計有關，而預算期乃根據過往表現及管理層對市場發展的預測釐定。

在進行減值測試時，本公司董事亦已參考獨立專業估值師亞太資產評估有限公司進行的估值。

截至二零一六年十二月三十一日止年度，減值虧損人民幣316,841,000元及人民幣15,261,000元已分別於物業、廠房及設備以及土地使用權內確認。



# Notes to the Financial Statements

## 財務報表附註

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

### 17. LAND USE RIGHTS

		RMB'000 人民幣千元
<b>Cost</b>	<b>成本</b>	
At 1 January 2015	於二零一五年一月一日	70,635
Disposals	出售	(6,605)
At 31 December 2015, 1 January 2016 and 31 December 2016	於二零一五年十二月三十一日、二零一六年 一月一日及二零一六年十二月三十一日	64,030
<b>Accumulated amortisation and impairment</b>	<b>累計攤銷及減值</b>	
At 1 January 2015	於二零一五年一月一日	11,594
Amortisation for the year	年內攤銷	1,335
Eliminated on disposals	於出售時抵銷	(1,531)
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	11,398
Amortisation for the year	年內攤銷	1,234
Impairment losses recognised in profit or loss	於損益表內確認的減值虧損	15,261
At 31 December 2016	於二零一六年十二月三十一日	27,893
<b>Carrying amount</b>	<b>賬面值</b>	
At 31 December 2016	於二零一六年十二月三十一日	36,137
At 31 December 2015	於二零一五年十二月三十一日	52,632
i) As at 31 December 2016, land use rights with a net book value of approximately RMB28,308,000 (2015: RMB41,239,000) was pledged to a bank as collateral against the bank loans of RMB85,600,000 (2015: RMB35,000,000) (note 27).		

### 17. 土地使用權

i) 於二零一六年十二月三十一日，賬面淨值為約人民幣28,308,000元(二零一五年：人民幣41,239,000元)的土地使用權已抵押予銀行，作為銀行貸款人民幣85,600,000元(二零一五年：人民幣35,000,000元)的抵押品(附註27)。

### 18. OTHER INTANGIBLE ASSETS

		Patents 專利 RMB'000 人民幣千元	Product development costs 產品開發成本 RMB'000 人民幣千元	Software 軟件 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>Cost</b>	<b>成本</b>				
At 1 January 2015, 31 December 2015, 1 January 2016	於二零一五年一月一日、 二零一五年十二月三十一日、 二零一六年一月一日	16,230	7,977	-	24,207
Written off	撇銷	-	(127)	-	(127)
Acquisitions through business combination (note 35)	透過業務合併收購(附註35)	-	-	3,984	3,984
At 31 December 2016	於二零一六年十二月三十一日	16,230	7,850	3,984	28,064
<b>Accumulated amortisation and impairment</b>	<b>累計攤銷及減值</b>				
At 1 January 2015, 31 December 2015, 1 January 2016	於二零一五年一月一日、 二零一五年十二月三十一日、 二零一六年一月一日	16,230	7,977	-	24,207
Charge for the year	年內開支	-	-	66	66
Written off	撇銷	-	(127)	-	(127)
At 31 December 2016	於二零一六年十二月三十一日	16,230	7,850	66	24,146
<b>Carrying amount</b>	<b>賬面值</b>				
At 31 December 2016	於二零一六年十二月三十一日	-	-	3,918	3,918
At 31 December 2015	於二零一五年十二月三十一日	-	-	-	-

### 18. 其他無形資產

# Notes to the Financial Statements

## 財務報表附註



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

### 18. OTHER INTANGIBLE ASSETS (Continued)

The amortisation charge for the year is included in “administrative expenses” in the consolidated statement of profit or loss and other comprehensive income.

The above intangible assets have finite useful lives and are amortised on a straight-line basis over its estimated useful life of five years, except for certain of the intangible assets which are not yet available for use.

### 19. GOODWILL

Cost	成本
At 1 January	於一月一日
Acquisitions through business combination (note 35)	透過業務合併收購 (附註 35)
At 31 December	於十二月三十一日
Accumulated impairment losses	累計減值虧損
At 1 January	於一月一日
Impairment loss	減值虧損
At 31 December	於十二月三十一日
Carrying amount	賬面值
At 31 December	於十二月三十一日

The recoverable amount of the CGU is determined based on value in use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rate stated below. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

The key assumptions, long-term growth rate and discount rate used in the value in use calculations are as follows:

Gross margin	毛利率
Long term growth rate	長期增長率
Pre-tax discount rate	除稅前貼現率

The basis used to determine the value assigned to the budgeted gross margin is the average gross margins achieved in the year immediately before the budget year, increased for expected efficiency improvements, and expected market development. The long term growth rate used was adopted based on the PRC long term projected inflation as sourced from the International Monetary Fund. The discount rate used is pre-tax and reflect specific risks relating to the business.

### 18. 其他無形資產 (續)

本年度之攤銷費用乃計入綜合損益及其他全面收益表「行政費用」中。

上述無形資產具有有限可使用年期，以直線法按其估計可使用年期於五年內攤銷，惟尚不可動用的若干無形資產除外。

### 19. 商譽

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
-	-
107,055	-
107,055	-
-	-
-	-
-	-
107,055	-

現金產生單位之可收回金額乃根據使用價值計算釐定。該等計算乃使用管理層批准涵蓋五年期間之財務預算所作出之除稅前現金流量預測。五年期間後之現金流量則使用下文所述估計增長率推算。該增長率並無超越現金產生單位所經營業務之長期平均增長率。

於使用價值計算中使用的主要假設、長期增長率及貼現率如下：

2016 二零一六年 %	2015 二零一五年 %
69%	N/A 不適用
3%	N/A 不適用
12.5%	N/A 不適用

用於釐定預算毛利率之價值之基準為緊隨預算年度前一年達至的平均毛利率，已就預期效率提升及預期市場發展而增加。所使用長期增長率乃根據來源於國際貨幣基金組織的中國長期預計通脹採納。所用貼現率為除稅前，並反映與業務有關的特殊風險。



# Notes to the Financial Statements

## 財務報表附註

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

### 19. GOODWILL (Continued)

#### Impairment tests for cash-generating units containing goodwill

The carrying amount of goodwill was allocated to a CGU as follows:

Sales of software and provision of consultancy services 銷售軟件及提供顧問服務

### 20. SUBSIDIARIES

The following is a list of principal subsidiaries as at 31 December 2016:

Name of subsidiary 附屬公司名稱	Place of incorporation and business 註冊成立及經營地點	Particulars of issued and paid up capital/ registered capital 已發行及繳足股本/ 註冊資本詳情	Group's effective interest 本集團實益權益	Proportion of ownership interest 所有權百分比		Principal activity 主要業務
				Held by the Company 本公司持有	Held by a subsidiary 附屬公司持有	
Wuyi International Pharmaceutical Investment Company Limited ("Wuyi BVI") 武夷國際藥業投資有限公司 (「Wuyi BVI」)	British Virgin Islands ("BVI")/Hong Kong 英屬處女群島 (「英屬處女群島」)/香港	10,000 ordinary shares of US\$1 each 10,000 股每股面值 1 美元的普通股	100%	100%	-	Investment holding 投資控股
Wuyi International Pharmaceutical (Hong Kong) Company Limited 武夷國際藥業(香港)有限公司	Hong Kong 香港	1 ordinary share 1 股普通股	100%	-	100%	Investment holding 投資控股
Fujian Sanai Pharmaceutical Company Limited ("Fujian Sanai") (note (ii)) 福建三愛藥業有限公司 (「福建三愛」)(附註(ii))	PRC wholly-foreign-owned enterprise for a term of 50 years commencing 18 January 2000 中國，外商獨資企業， 二零零零年一月十八日 起計為期五十年	Registered capital 註冊資本 RMB290,780,000 人民幣 290,780,000 元	100%	-	100%	Develop, manufacture, marketing and sales of pharmaceutical products 開發、製造、營銷及銷售藥品

### 19. 商譽(續)

現金產生單位的減值測試包括商譽。

商譽之賬面值已分配至如下現金產生單位：

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
107,055	-

### 20. 附屬公司

以下為於二零一六年十二月三十一日的主要附屬公司的名單：

# Notes to the Financial Statements

## 財務報表附註



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

### 20. SUBSIDIARIES (Continued)

### 20. 附屬公司(續)

Name of subsidiary 附屬公司名稱	Place of incorporation and business 註冊成立及經營地點	Particulars of issued and paid up capital/ registered capital 已發行及 繳足股本/ 註冊資本詳情	Group's effective interest 本集團 實益權益	Proportion of ownership interest 所有權百分比		Principal activity 主要業務
				Held by the Company 本公司 持有	Held by a subsidiary 附屬公司 持有	
Fuzhou Sanai Pharmaceutical Company Limited ("Fuzhou Sanai") (note (iii))	PRC wholly-foreign-owned enterprise for a term of 50 years commencing 1 January 2004	Registered capital 註冊資本 US\$19,810,000	100%	-	100%	Develop, manufacture, marketing and sales of pharmaceutical products
福州三愛藥業有限公司 (「福州三愛」)(附註(iii))	中國，外商獨資企業， 二零零四年一月一日 起計為期五十年	19,810,000美元				開發、製造、營銷 及銷售藥品
Fujian Sanai Pharmaceutical Trading Co., Limited ("Sanai Pharmaceutical Trading") (note (iii))	PRC limited liability company for a term of 50 years commencing 25 February 2008	Registered capital 註冊資本 RMB30,000,000	100%	-	100%	Marketing and sales of pharmaceutical products
福建省三愛醫藥貿易有限公司 (「三愛醫藥」)(附註(iii))	中國，有限責任公司， 二零零八年二月二十五日 起計為期50年	人民幣30,000,000元				營銷及銷售藥品
Fujian Liumai Medical Services Co., Limited ("Fujian Liumai") (note (ii))	PRC limited liability company for a term of 30 years commencing 21 August 2014	Registered capital 註冊資本 RMB10,000,000	100%	-	100%	Sales of software and provision of consultancy services
福建六脈醫療服務有限公司 (「福建六脈」)(附註(ii))	中國，有限責任公司， 二零一四年八月二十一日 起計為期30年	人民幣10,000,000元				銷售軟件及提供顧問服務

Notes:

- (i) None of the subsidiaries had any debt securities outstanding at the end of the reporting period, or at any time during the year.
- (ii) The English names of subsidiaries are presented for identification purposes only.

附註：

- (i) 於報告期末或年內任何時間，概無附屬公司有任何未償還的債務證券。
- (ii) 附屬公司之英文名稱僅供識別。



# Notes to the Financial Statements

## 財務報表附註

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

### 21. INTERESTS IN AN ASSOCIATE

The following list contains only the particulars of the Group's associate, which is an unlisted company whose quoted market price is not available:

Name of associate 公司名稱	Place of incorporation and business 註冊成立及經營地點	Particulars of issued and paid up capital 已發行及繳足資本詳情	Group's effective interest 本集團之實際權益	Proportion of ownership interest 擁有權益之比例		Principal activity 主要活動
				Held by the Company 本公司持有	Held by a subsidiary 一間附屬公司持有	
Antu County Guanghui Chinese Medicine Technology Development Company Limited <sup>#</sup> 安圖縣廣匯中藥材料科技發展有限公司* <sup>#</sup>	PRC 中國	RMB10,000,000 Registered 已註冊人民幣10,000,000元	49%	-	49%	Not yet commence business 尚未開展業務

\* Registered under the laws of the PRC as a limited liability company

# The English name is presented for identification purpose only

21. 於聯營公司權益  
下表僅列出均為非上市公司且並無市價之本集團聯營公司之資料：

以上聯營公司使用權益法於綜合財務報表內入賬。

The above associate is accounted for using the equity method in the consolidated financial statements.

Aggregate information of the associate that is not individually material:

個別屬不重大的聯營公司之總計資料：

		RMB'000 人民幣千元
Aggregate carrying amount of individually immaterial associate in the consolidated financial statements	綜合財務報表內個別屬不重大之聯營公司之賬面總值	4,795
Aggregate amount of the Group's share of the associate's	集團應佔聯營公司總值	
Loss for the year	年內虧損	(213)
Other comprehensive income	其他全面收益	-
Total comprehensive loss	全面虧損總額	(213)

# Notes to the Financial Statements

## 財務報表附註



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

### 22. INVENTORIES

Raw materials	原材料
Work in progress	在製品
Finished goods	製成品
Merchandise	商品

The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

Carrying amount of inventories sold (note 10(c))	已售存貨之賬面值(附註10(c))
Written off on inventories (note 10 (c))	存貨撇銷(附註10(c))

During the year ended 31 December 2016, due to typhoon Meranti and rupture of the main underground steam pipelines connecting all the production compartments, the Group has written off inventories amounted to approximately RMB13,036,000.

### 22. 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
3,794	4,680
412	989
9,927	25,111
-	5
<b>14,133</b>	<b>30,785</b>

已確認為開支並計入損益賬之存貨金額分析如下：

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
244,906	436,045
13,036	-
<b>257,942</b>	<b>436,045</b>

截至二零一六年十二月三十一日止年度，由於颱風莫蘭蒂及通往各生產車間主管道破裂，本集團已撇銷存貨約人民幣13,036,000元。



# Notes to the Financial Statements

## 財務報表附註

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

### 23. TRADE AND OTHER RECEIVABLES

Trade receivables (note (ii))	貿易應收款項 (附註 (ii))
Other receivables (note (iii))	其他應收款項 (附註 (iii))
Amount due from an associate (note (iv))	應收聯營公司款項 (附註 (iv))
Loans and receivables	貸款及應收款項
Prepayments and deposits	預付款項及按金

#### Notes:

- i) Prepayments and deposits expected to be recovered after more than one year is RMB20,000 (2015: RMB115,000). All of the other trade and other receivables are expected to be recovered or recognised as expense within one year.
- ii) The Group normally grants credit terms of 60 days (2015: 60 days) to its customers. Further details on the Group's credit policy are set out in note 6(c).

As of the end of the reporting period, the ageing analysis of trade receivables at the end of the reporting period, presented based on the invoice dates:

0 to 30 days	0至30日
31 to 60 days	31日至60日

- iii) The balance mainly represented receivables of approximately RMB16,138,000 in relation to PRC individual income tax paid on behalf of the vendors related to the acquisition of a subsidiary during the year.
- iv) The balance is unsecured, interest-free and with no fixed repayment terms.
- v) Management closely monitors the credit quality of trade and other receivables and considers the trade and other receivables that are neither past due nor impaired relate to a number of debtors for whom there was no recent history of default. The Group does not hold any collateral over these balances.

### 23. 貿易應收款項及其他應收款項

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
3,414	131,417
18,713	10,575
89,915	–
112,042	141,992
238	392
112,280	142,384

#### 附註：

- i) 預期超過一年以後收回之預付款項及按金為人民幣20,000元(二零一五年：人民幣115,000元)。預期所有其他貿易應收款項及其他應收款項均會於一年內收回或確認為開支。
- ii) 本集團一般向其客戶授出60日(二零一五年：60日)的信貸期。有關本集團信貸政策的進一步詳情，載於附註6(c)。

於報告期末，按發票日期呈列的貿易應收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
1,648	65,372
1,766	66,045
3,414	131,417

- iii) 結餘主要指與於年內就收購附屬公司代表賣方支付的中國個人所得稅有關的應收款項約人民幣16,138,000元。
- iii) 該結餘為無抵押、免息且無固定償還期限。
- v) 管理層緊密監察貿易及其他應收款項的信貸質素，並認為並無逾期亦無減值的貿易及其他應收款項與近期無拖欠歷史的多名債務人有關。本集團並未就該等結餘持有任何抵押品。

# Notes to the Financial Statements

## 財務報表附註



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

### 24. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Listed equity securities in Hong Kong 香港上市權益證券

The fair values of the above listed securities are determined based on the quoted market bid prices available on the Stock Exchange.

As at 31 December 2016, the financial assets at fair value through profit and loss represent the trading equity securities of RMB41,977,000 (2015: Nil).

Fair value gain on financial assets at fair value through profit or loss of RMB9,308,000 (2015: Nil) are recognised in "Other income" in the consolidated income statement (Note 9).

These shares are held for trading. The fair value of these shares is based on the current bid prices in an active market.

### 25. CASH AND CASH EQUIVALENTS

Bank balances and cash (note (i)) 銀行結餘及現金(附註(i))  
Cash held under trust arrangement (note (i) and (ii)) 根據信託安排持有的現金(附註(i)及(ii))  
Cash held by financial institution (note (iii)) 金融機構持有的現金(附註(iii))

Notes:

- Bank balances and cash and cash held under trust arrangement of the Group comprise cash at bank and on hand. Cash at banks and cash held under trust arrangement earn interest at floating rates based on daily bank deposit rates.
- The balance represented cash held under trust arrangement by Mr. Lin Qing Ping, a former director of the Company and a related company, 福州宏宇包裝工業有限公司(Fuzhou Hongyu Packing Co., Ltd.) ("Fuzhou Hongyu"), a company controlled by Mr. Lin Ou Wen, who is a director and chief executive officer of the Company, to identify potential investment opportunities for the Group.
- Cash held by financial institution by the Group represents amounts deposited in financial institution in Hong Kong and does not carry any interest rate.

### 24. 按公平值計入損益之金融資產

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
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41,977

—

以上列出證券之公平值乃根據聯交所適用之市場報價釐定。

於二零一六年十二月三十一日，按公平值計入損益之金融資產公平值變動為交易股本證券人民幣41,977,000元(二零一五年：無)。

按公平值計入損益之金融資產公平值變動計入綜合收益表中的「其他收益」(附註9)中金額為人民幣9,308,000元(二零一五年：無)。

該等股份為持作買賣。此等股份之公平值是建基於活躍市場內的目前買入價。

### 25. 現金及現金等價物

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
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55,542

555,247

53,000

—

39,005

—

147,547

555,247

附註：

- 本集團銀行結餘及現金以及根據信託安排持有之現金包括銀行及手頭現金。銀行現金及根據信託安排持有的現金按每日銀行存款利率計算的浮動利率賺取利息。
- 結餘指林慶平先生(本公司前任董事)及一間關聯公司福州宏宇包裝工業有限公司(「福州宏宇」)(由本公司董事及行政總裁林歐文先生控制的公司)根據信託安排持有的現金，以識別本集團的潛在投資機會。
- 本集團之金融機構持有的現金指存放於香港金融機構且不計息的款項。



## Notes to the Financial Statements 財務報表附註

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

### 26. TRADE AND OTHER PAYABLES

Trade payables	貿易應付款項
- a related company (note)	- 一間關連公司(附註)
- others	- 其他
Payroll and welfare payables	應付薪金及福利
Payable for acquisition of property, plant and equipment	收購物業、廠房及 設備應付款項
Accrued charges	應計費用
Other payables	其他應付款項
Financial liabilities measured at amortised cost	按攤銷成本計算之 金融負債
Other PRC tax payables	其他應繳中國稅項
Contingent consideration payable	應付或然代價

Note:

The related company is Fuzhou Hongyu. The balance is unsecured, interest-free and repayable on demand.

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

0 to 30 days	0至30日
31 to 60 days	31日至60日

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

### 26. 貿易應付款項及其他應付款項

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
-	1,051
22	54,080
22	55,131
893	8,481
-	1,500
2,693	6,506
991	1,504
4,599	73,122
304	21,678
44,643	-
49,546	94,800

附註：

該關連公司為福州宏宇。結餘為無抵押、免息及須按要求償還。

於報告期末，以發票日期為基礎的所呈列貿易應付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
22	41,102
-	14,029
22	55,131

所有貿易應付款項及其他應付款項預期將於一年內支付或按要求償還。

# Notes to the Financial Statements

## 財務報表附註



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

### 27. SECURED BANK LOANS

The analysis of the carrying amount of secured bank loans is as follows:

Secured bank loans 有抵押銀行貸款

At 31 December 2016 and 2015, interest-bearing bank loans are due for repayment within 1 year and carried at amortised cost. The amounts due are based on the scheduled repayment date as stipulated in the respective loan agreement.

At 31 December 2016, land use rights with a net book value of approximately RMB28,308,000 (2015: RMB41,239,000) and property, plant and equipment with a net book value of approximately RMB138,834,000 (2015: RMB53,130,000) were pledged to a bank as collateral against the bank loans. The bank loans carry interest at fixed rates ranged from 4.57% to 4.79% (2015: fixed rate of 5.00% and 6.44%) per annum and are repayable within 1 year. The security will be released upon settlement of the loans.

### 28. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

a) (Tax recoverable)/current taxation in the consolidated statement of financial position represents:

Provision for the PRC EIT for the year (note 13)	本年度中國企業所得稅撥備(附註13)
PRC EIT paid for the year	年內已付中國企業所得稅
Balance of provision for the PRC EIT relating to prior year	與上一年度有關之中國企業所得稅撥備之結餘

Represented by: 指:

Current taxation	當期稅項
Tax recoverable	可收回稅項

### 27. 有抵押銀行貸款

有抵押銀行貸款的賬面值分析如下:

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
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85,600	35,000
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於二零一六年及二零一五年十二月三十一日，計息銀行貸款須於一年內償還並按攤銷成本入賬。應付款項按相關貸款協議訂明的計劃償還日期償還。

於二零一六年十二月三十一日，賬面值淨額約為人民幣28,308,000元(二零一五年：人民幣41,239,000元)的土地使用權及賬面值淨額約為人民幣138,834,000元(二零一五年：人民幣53,130,000元)的物業、廠房及設備已抵押予銀行作為銀行貸款的抵押。銀行貸款按固定年利率介乎4.57%至4.79%(二零一五年：固定利率5.00%及6.44%)計息及須於一年內償還。於償還借貸後，抵押將獲解除。

### 28. 於綜合財務狀況表內之所得稅

a) 於綜合財務狀況表內之(可收回稅項)/當期稅項指:

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
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-	19,546
(4,393)	(14,501)
5,045	-
652	5,045

988	5,045
(336)	-
652	5,045



# Notes to the Financial Statements

## 財務報表附註

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

### 28. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

#### b) Deferred tax assets and liabilities recognised:

- i) The components of deferred tax (assets)/liabilities recognised in the consolidated statement of financial position and the movements during the year are as follows:

Deferred tax arising from:	產生自以下的遞延稅項:	Related depreciation in excess of allowances 超過折舊撥備的相關折舊 RMB'000 人民幣千元	Fair value adjustments on intangible assets 無形資產公平值的調整 RMB'000 人民幣千元	Impairment loss on property plant and equipment 物業、廠房及設備的減值虧損 RMB'000 人民幣千元	Impairment loss on land use rights 土地使用權減值虧損 RMB'000 人民幣千元	Withholding tax on distributable profits 可分派利潤的預扣稅 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2015	於二零一五年一月一日	(22,645)	-	(40,811)	(806)	16,330	(47,932)
Credited to profit or loss	於損益內計入	(216)	-	-	-	(458)	(674)
Reversal upon payment of withholding tax	預扣稅付款撥回	-	-	-	-	(1,250)	(1,250)
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	(22,861)	-	(40,811)	(806)	14,622	(49,856)
Credited to profit or loss	於損益內計入	(22,233)	-	(79,210)	(3,815)	(1,882)	(107,140)
Acquired under business combination (note 35)	根據業務合併收購(附註35)	-	996	-	-	-	996
At 31 December 2016	於二零一六年十二月三十一日	(45,094)	996	(120,021)	(4,621)	12,740	(156,000)

Under the Enterprise Income Tax Law of the PRC, with effect from 1 January 2008 onwards, non-resident enterprises without an establishment or place of business in the PRC or which have an establishment or place of business but the relevant income is not effectively connected with the establishment or place of business in the PRC will be subject to withholding income tax at the rate of 10% on various types of passive income such as dividends derived from sources in the PRC. Pursuant to the double tax arrangement between the PRC and Hong Kong effective on 1 January 2007, the withholding income tax rate will be reduced to 5% if the investment by the Hong Kong investor in the investee entities in the PRC is not less than 25%. On 22 February 2008, the State Administration of Taxation approved Caishui (2008) No. 1, pursuant to which dividend distributions out of retained earnings of foreign investment enterprises prior to 31 December 2007 will be exempted from withholding income tax. As at 31 December 2016, deferred tax liabilities of RMB12,740,000 (2015: RMB14,622,000) in respect of the withholding income tax on dividends has been recognised by the Group.

### 28. 於綜合財務狀況表內之所得稅(續)

#### b) 已確認遞延稅項資產及負債:

- i) 本年度於綜合財務狀況表內確認之遞延稅項(資產)/負債及變動如下:

根據自二零零八年一月一日起生效的中國企業所得稅法，並非在中國成立或並無在中國設有經營地點之非居民企業，或在中國成立或在中國設有經營地點，惟有關收入實際上並非與在中國成立或中國經營地點有關之非居民企業，將須就多項被動收入(如源於中國境內之股息)按10%稅率繳付預扣所得稅。根據中國與香港訂立並於二零零七年一月一日生效的雙重徵稅安排，倘香港投資者對中國被投資實體的投資不少於25%，則預扣所得稅稅率將下調至5%。於二零零八年二月二十二日，國家稅務總局批准財稅(2008)第1號，據此，從外資企業二零零七年十二月三十一日之前的保留盈利中撥付的股息分派將獲豁免繳付預扣所得稅。於二零一六年十二月三十一日，本集團已就股息預扣所得稅確認遞延稅項負債為人民幣12,740,000元(二零一五年：人民幣14,622,000元)。

# Notes to the Financial Statements

## 財務報表附註



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

### 28. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

#### b) Deferred tax assets and liabilities recognised: (Continued)

##### i) (Continued)

Withholding tax on dividends represents tax charged by the PRC tax authority on dividends distributed by the Group's subsidiaries in the PRC during the year.

##### ii) Reconciliation to the consolidated statement of financial position

Deferred tax assets	遞延稅項資產
Deferred tax liabilities	遞延稅項負債

### 28. 於綜合財務狀況表內之所得稅(續)

#### b) 已確認遞延稅項資產及負債：(續)

##### i) (續)

股息預扣稅指年內中國稅務機關就本集團於中國的附屬公司分派的股息收取的稅項。

##### ii) 與綜合財務狀況表對賬

	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
	(169,736)	(64,478)
	13,736	14,622
	<b>(156,000)</b>	<b>(49,856)</b>

c) In accordance with the accounting policy set out in note 2(q), the Group has not recognised deferred tax assets in respect of cumulative tax losses of approximately RMB69,531,000 (2015: RMB Nil) as at 31 December 2016 as it is not probable that future taxable profits against which the tax losses can be utilised will be available in the relevant tax jurisdiction and entity. The tax losses do not expire under current tax legislation except for tax losses of RMB64,378,000 (2015: RMB Nil) in PRC which is available for carry forward to set-off future assessable income commencing from the year 2016 for a period of five years.

c) 根據附註2(q)所載會計政策，由於日後應課稅溢利不大可能用作抵銷其於相關司法權區及實體內的稅項虧損，故本集團已於二零一六年十二月三十一日就累計稅項虧損約人民幣69,531,000元(二零一五年：人民幣零元)確認遞延稅項資產。根據現行稅法，該稅項虧損不會屆滿，惟於中國的稅項虧損人民幣64,378,000元(二零一五年：人民幣零元)可用於結轉抵消未來五年期間之應課稅收入。



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## 財務報表附註

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

### 29. CAPITAL AND RESERVES

#### a) Movements in components of equity

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

Company 本公司		Share capital 股本 (note 29(b)) (附註29(b))	Share premium 股份溢價 (note 29(c)(i)) (附註29(c)(i))	Share option reserve 購股權儲備	Retained profits 保留溢利	Total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2015	於二零一五年一月一日	17,098	929,533	-	10,833	957,464
Issue of consideration shares (note 29(b)(i))	發行代價股份 (附註29(b)(i))	1,429	51,446	-	-	52,875
Profit and total comprehensive income for the year	溢利及年內全面總收益	-	-	-	31,310	31,310
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	18,527	980,979	-	42,143	1,041,649
Equity-settled share-based transactions (note 30)	以權益結算以股份為基礎 之交易(附註30)	-	-	19,916	-	19,916
Shares issued under placement (note 29(b)(iii))	根據配售發行之股份 (附註29(b)(iii))	3,235	66,059	-	-	69,294
Profit and total comprehensive income for the year	溢利及年內全面總收益	-	-	-	40,535	40,535
At 31 December 2016	於二零一六年十二月三十一日	21,762	1,047,038	19,916	82,678	1,171,394

#### b) Share capital

		2016 二零一六年		2015 二零一五年	
		No. of shares ('000) 股份數目 (千股)	HK\$000 千港元	No. of shares ('000) 股份數目 (千股)	HK\$000 千港元
<b>Authorised:</b>	<b>法定：</b>				
Ordinary shares of HK\$0.01 each	每股面值0.01港元的普通股	3,200,000	32,000	3,200,000	32,000
<b>Issued and fully paid:</b>	<b>已發行及繳足：</b>				
Ordinary shares of HK\$0.01 each	每股面值0.01港元的普通股				
At the beginning of the year	於年初	1,880,773	18,808	1,709,773	17,098
Issue of consideration shares (note 29(b)(i))	發行代價股份 (附註29(b)(i))	-	-	171,000	1,710
Shares issued under placement (note 29(b)(iii))	根據配售發行之股份 (附註29(b)(iii))	376,000	3,760	-	-
At end of the year	於年末	2,256,773	22,568	1,880,773	18,808

### 29. 股本及儲備

#### a) 各個權益部分之變動

本集團之綜合權益中各部分的年初及年末調節於綜合權益變動表內列載。本公司之各個權益部分的年初及年末變動詳情列載如下：

#### b) 股本

# Notes to the Financial Statements

## 財務報表附註



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

### 29. CAPITAL AND RESERVES (Continued)

#### b) Share capital (Continued)

Shown in the consolidated and Company statements of financial position at 31 December 於十二月三十一日之綜合及本公司財務狀況表所列

#### i) Issue of consideration shares

On 18 December 2015, an aggregate 171,000,000 ordinary shares of the Company were issued as deposit paid for acquisition of a subsidiary (note 35), of which RMB1,429,000 was credited to the share capital and the balance of RMB51,446,000 was credited to the share premium account.

#### ii) Shares issued under placement

On 9 September 2016, the Company entered into the placing agreement with the placing agent whereby the Company conditionally agreed to place, through the placing agent, on a best effort basis, 376,000,000 new shares to not less than six independent placees at the placing price of HK\$0.22 per placing share.

The placing was completed on 23 September 2016. A total of 376,000,000 placing shares have been placed to not less than six independent placees at the placing price of HK\$0.22 per placing share. The net proceeds from the placing after deducting relevant expenses of approximately HK\$2,188,000 incurred in relation to the placing, amounted to approximately HK\$80,532,000 (equivalent to approximately RMB69,294,000), of which RMB3,235,000 and RMB66,059,000 were credited to the share capital and the share premium account respectively.

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

#### c) Nature and purpose of reserves

#### i) Share premium

Under the Cayman Companies Law, the share premium account of the Company is distributable to the shareholders of the Company provided that immediately following the date on which a 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.

### 29. 股本及儲備(續)

#### b) 股本(續)

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
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21,762	18,527
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#### i) 發行代價股份

於二零一五年十二月十八日，本公司發行合共171,000,000股普通股，作為收購一間附屬公司已付按金(附註35)，其中，人民幣1,429,000計入股本及餘下人民幣51,446,000計入股份溢價賬。

#### ii) 根據配售發行之股份

於二零一六年九月九日，本公司與配售代理訂立配售協議，據此，本公司已有條件同意透過配售代理盡最大努力配售376,000,000股新股份予不少於六名獨立承配人，配售價為每股配售股份0.22港元。

配售於二零一六年九月二十三日完成。本公司已按配售價每股配售股份0.22港元配售376,000,000股股份予不少於六名獨立承配人。配售所得款項淨額(於扣除與配售有關的相關開支約2,188,000港元後)約80,532,000港元(約等於人民幣69,294,000元)，其中人民幣3,235,000元及人民幣66,059,000元分別計入股本及股份溢價賬目。

普通股擁有人有權收取不時宣派的股息及有權於本公司大會上投一票。所有普通股在有關本集團剩餘資產方面均享有同等地位。

#### c) 儲備之性質及目的

#### i) 股份溢價

根據開曼群島公司法，本公司股份溢價賬可供分派予本公司股東，惟緊隨建議分派股息日期後，本公司須有能力償還其於日常業務過程中已到期之債務。



# Notes to the Financial Statements

## 財務報表附註

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

### 29. CAPITAL AND RESERVES (Continued)

#### c) Nature and purpose of reserves (Continued)

##### ii) Special reserve

Special reserve represents the aggregate of:

- a) the difference between the consideration paid by a subsidiary of the Company, Wuyi BVI, for the acquisition of the entire equity interest in Fujian Sanai and the nominal value of the paid-in capital of Fujian Sanai pursuant to the group reorganisation in preparation for the listing of the Company's shares in 2007.
- b) the difference between the nominal amount of the shares issued by the Company and the amount of share capital of Wuyi BVI acquired pursuant to the group reorganisation in preparation for the listing of the Company's shares in 2007; and
- c) the difference between the consideration paid for the acquisition of additional interests in Fuzhou Sanai and the carrying values of the underlying net assets attributable to the additional interests in Fuzhou Sanai pursuant to the group reorganisation in preparation for the listing of the Company's shares in 2007.

##### iii) Capital reserve

Capital reserve represents the capital contributions from Mr. Lin Qing Ping, a former director and former shareholder of the Company; and Fuzhou Hongyu, a company controlled by Mr. Lin Ou Wen, a director and the chief executive officer of the Company.

##### iv) Statutory surplus reserve

As stipulated by the relevant laws and regulations for foreign investment enterprises in the PRC, the Company's PRC subsidiaries are required to appropriate 10% of their profit after tax to the reserve until such reserve reaches 50% of the registered capital and thereafter any further appropriation is optional. The statutory surplus reserve fund can be used to make up prior year losses, if any, and can be applied in conversion into capital by means of a capitalisation issue.

##### v) Non-distributable reserve

In accordance with the Articles of Association of Fujian Sanai, Fujian Sanai may appropriate funds to the non-distributable reserve at the discretion of its board of directors. According to the Articles of Association of Fujian Sanai, the non-distributable reserve can be used to (i) make up prior year losses; (ii) convert into capital, provided such conversion is approved by a resolution at a shareholders' meeting; and (iii) expand production operation.

### 29. 股本及儲備(續)

#### c) 儲備之性質及目的(續)

##### ii) 特別儲備

特別儲備指以下各項的總額：

- a) 根據為籌備本公司股份於二零零七年上市所進行集團重組，本公司附屬公司Wuyi BVI就收購福建三愛全部股權所付代價與福建三愛實繳資本面值的差額；
- b) 根據為籌備本公司股份於二零零七年上市所進行集團重組的本公司已發行股份面值與Wuyi BVI收購股本金額的差額；及
- c) 根據為籌備本公司股份於二零零七年上市所進行集團重組而收購福州三愛額外權益所支付代價與福州三愛額外權益應佔相關淨資產賬面值的差額。

##### iii) 資本儲備

資本儲備指本公司前任董事兼前股東林慶平先生及同為本公司董事兼行政總裁林歐文先生控制之福州宏宇的出資額。

##### iv) 法定盈餘儲備

根據中國海外投資企業的相關法律及法規，本公司中國附屬公司需從其除稅後溢利中撥出10%列入儲備金，直至該儲備金達至其註冊資本之50%，而其後之撥款則可隨意作出。法定盈餘儲備可用於填補過往年度虧損(如有)，並可透過資本化發行應用以轉換為資本。

##### v) 不可分派儲備

根據福建三愛的公司章程細則，福建三愛董事會可酌情將有關基金分配至不可分派儲備。根據福建三愛的公司章程細則，不可分派儲備可用作(i)彌補往年的虧損；(ii)轉換為資本，惟有關的轉換須經股東大會決議案通過；及(iii)擴充生產營運業務。

# Notes to the Financial Statements

## 財務報表附註



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

### 29. CAPITAL AND RESERVES (Continued)

#### c) Nature and purpose of reserves (Continued)

##### vi) Share option reserve

This comprises the portion of fair value of unexercised share options granted to eligible participants of the Company that has been recognised in accordance with the accounting policy adopted for share-based payments in note 2(p)(ii).

#### d) Distributability of reserves

Under the Cayman Companies Law, share premium is distributable to shareholders, subject to the condition that the Company cannot declare or pay a dividend, or make a distribution out of share premium if (i) it is, or would after the payment be, unable to pay its liabilities as they become due; or (ii) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its share capital account.

As at 31 December 2016, the Company's reserves available for distribution to shareholders amounted to approximately RMB1,129,716,000 (2015: RMB1,023,122,000) computed in accordance with the Cayman Companies Law and the Company's Articles of Association. This includes the Company's share premium of RMB1,047,038,000 (2015: RMB980,979,000), plus retained profits of RMB82,678,000 (2015: RMB42,143,000), which is available for distribution provided that immediately following the date on which a dividend is proposed, the Company will be able to pay off its debts as they fall due in the ordinary course of business.

#### e) Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debt, which includes trade and other payables, secured bank loans and equity attributable to owners of the Company, comprising issued share capital and reserves.

The directors of the Company review the capital structure on a semi-annual basis. During 2016, the Group's strategy was unchanged from 2015. The directors review the capital structure by considering the cost of capital and the risks associated with each class of capital. Based on the review, the directors will balance the Group's capital structure through new share issues and share buy-backs as well as the issue of new debts or the redemption of existing debts.

### 29. 股本及儲備(續)

#### c) 儲備之性質及目的(續)

##### vi) 購股權儲備

該等儲備包括授予本公司合資格參與者且根據附註2(p)(ii)內以股份支付款項所採納之會計政策確認之尚未行使購股權之公平值的一部分。

#### d) 可分派儲備

根據開曼群島公司法，股份溢價可分派予股東，惟倘(i)現時或於分派後無法償還到期負債；或(ii)其資產之可變現價值因而低於其負債及股本賬之總額，則本公司不得宣派或派付股息，或以股份溢價作出分派。

於二零一六年十二月三十一日，根據開曼群島公司法及本公司的公司章程細則計算，本公司可分派予股東之儲備約為人民幣1,129,716,000元(二零一五年：人民幣1,023,122,000元)。這包括本公司股份溢價人民幣1,047,038,000元(二零一五年：人民幣980,979,000元)加保留溢利人民幣82,678,000元(二零一五年：人民幣42,143,000元)，惟於緊隨建議股息日期後，本公司有能力於正常營業範圍內償還所有到期債務，方可予以分派。

#### e) 資金管理

本集團管理其資金，以確保本集團內的實體將能夠以持續經營方式營運，同時亦透過達致債務與股本之間最佳的平衡而為股東爭取最大回報。

本集團之資本結構包括債務，其中包括貿易應付款項及其他應付款項、有抵押銀行貸款及本公司擁有人應佔權益，包括已發行股本及儲備。

本公司董事會每半年一次檢討資本結構。於二零一六年，本集團之策略與二零一五年相比並無改變。董事透過考慮資本之成本及與各類別資本相關之風險檢討資本架構。根據有關檢討，董事將透過發行新股份及股份回購以及發行新債券或贖回現有債券以平衡本集團之資本結構。



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## 財務報表附註

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

### 29. CAPITAL AND RESERVES (Continued)

#### e) Capital management (Continued)

The Group's adjusted net debt-to-equity ratio at 31 December 2016 and 2015 was as follows:

Current liabilities	流動負債
Trade and other payables	貿易應付款項及其他應付款項
Secured bank loans	有抵押銀行貸款
Total debt	總債項
Total equity	總權益
Debt-to-equity ratio	債權比率

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

### 30. EQUITY-SETTLED SHARE-BASED TRANSACTIONS

The Company's share option scheme (the "Scheme") was adopted pursuant to a resolution passed on 8 January 2007 for the primary purpose of providing incentives to and recognising significant contributions from directors and eligible employees, and expiring on 31 January 2017. Under the Scheme, the Board may grant options to all full-time employees, directors (including independent non-executive Directors) and part-time employees with weekly working hours of 10 hours and above, of the Group, substantial shareholders of each member of the Group, associates of the Directors and substantial shareholders of any member of the Group, trustee of any trust pre-approved by the Board, and any advisor (professional or otherwise) or consultant, distributor, supplier, agent, customer, joint venture partner, service provider of the Group whom the Board considers, at its sole discretion, has contributed or contributes to the Group.

The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue on the date of listing of the shares on the Stock Exchange which represents 164,300,000 shares (excluding the over-allotment portion) or 7% of issued share capital of the Company, without prior approval from the Company's shareholders. The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under this Scheme shall not in aggregate exceed 30% of the shares in issue from time to time. No option may be granted under this Scheme and any other share option scheme of the Company if such limit is exceeded. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. Options granted to substantial shareholders or independent non-executive directors in excess of 0.1% of the Company's shares in issue or with an aggregate value in excess of HK\$5,000,000 must be approved in advance by the Company's shareholders.

### 29. 股本及儲備(續)

#### e) 資金管理(續)

於二零一六年及二零一五年十二月三十一日本集團經調整之淨債權比率如下：

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
49,546	94,800
85,600	35,000
135,146	129,800
1,238,417	1,545,465
10.9%	8.4%

本公司及其任何附屬公司概無承擔任何外部資本要求。

### 30. 以權益結算以股份為基礎之交易

本公司購股權計劃(「計劃」)乃根據二零零七年一月八日通過之決議案採納，主要目的為提供獎勵予董事及合資格僱員及對其重大貢獻作出認同，計劃將於二零一七年一月三十一日屆滿。根據計劃，董事會可全權酌情將購股權授予其認為對本集團有貢獻之全職僱員、董事(包括獨立非執行董事)及每週工作小時為10小時及以上之兼職僱員、本集團各成員公司之主要股東、本集團任何成員公司董事及主要股東之聯繫人、董事會預先批准任何信託之信託人，以及任何本集團之諮詢人(專業或其他)或顧問、經銷商、供應商、代理人、顧客、合資夥伴及服務供應商。

在未經本公司股東事先批准前，根據計劃可授出之購股權所涉及之股份總數，不得超過本公司股份於聯交所上市之日已發行股份10%(即164,300,000股，或佔本公司已發行股本之7%(超額配股部分除外))。按計劃未被行使但將有可能就行使所有餘下之已授予購股權而發行之股份之最高數目，總數不得超過於任何時間已發行股份30%。倘超出該限額者，將不會按計劃或本公司任何其他購股權計劃授出購股權。在未經本公司股東事先批准前，於任何一個年度向任何個別人士授出或可能授出之購股權所涉及之已發行或將發行股份數目，不得超過本公司於任何時間已發行股份1%。倘授予主要股東或獨立非執行董事之購股權所涉及之股份數目超過本公司已發行股份0.1%或總值超過5,000,000港元，必須獲本公司股東事先批准。

# Notes to the Financial Statements

## 財務報表附註



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

### 30. EQUITY SETTLED SHARE-BASED TRANSACTIONS (Continued)

The offer of a grant of share options under the Scheme may be accepted within 28 days from the date of offer upon payment of a consideration of HK\$1.00 by the grantee. Options may be exercised at any time and settled by shares immediately from the date of grant of the share options or during the period as notified by the directors at the date of grant. The exercise price is determined by the directors of the Company, and will not be less than the highest of (i) the closing price of the Company's shares on the date of grant, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's shares.

At 31 December 2016, a total of 164,000,000 shares (representing approximately 7% of the existing issued share capital at 31 December 2016 of the Company) may be issued upon exercise of all share options which were granted under the share option scheme.

No vesting period or vesting condition on the share options and the options may be exercised at any time from the date of grant and within a period of five years from the date of grant.

Each option gives the holder the right to subscribe for ordinary share in the Company and is settled gross in shares.

- a) The number and weighted average exercise prices of share options are as follows:

Outstanding at the beginning of the period	期初尚未行使	-	-
Granted during the period	期內授出	HK\$0.32	164,000,000
Outstanding at the end of the period	期末尚未行使	HK\$0.32	164,000,000
Exercisable at the end of the period	期末可予行使	HK\$0.32	164,000,000

No share option was exercised during the year ended 31 December 2016.

The share options outstanding at 31 December 2016 had an exercise price of HK\$0.32 and a weighted average remaining contractual life of 4.96 years.

### 30. 以權益結算以股份為基礎之交易 (續)

提呈根據計劃授出購股權可於提呈日期起之28日內接納，承授人須在接納時支付代價1.00港元。購股權可於授出購股權當日起，或由董事所通知之期間隨時行使並以股份結算。行使價由本公司董事釐定，惟不得低於以下三者之最高者：(i)於授出日期本公司股份之收市價；(ii)緊接授出日期前五個交易日之股份平均收市價；及(iii)本公司股份面值。

於二零一六年十二月三十一日，本公司可能於行使根據購股權計劃授出的所有購股權時發行合共164,000,000股股份（佔本公司於二零一六年十二月三十一日已發行股本約7%）。

自授出日期及自授出日期後五年期間內之任何時間，概無購股權之歸屬期及歸屬條件以及購股權獲行使。

每份購股權給予持有人認購本公司普通股，並以股份全數結算之權利

- a) 購股權數目及加權平均行使價如下：

2016 二零一六年		2015 二零一五年	
Weighted average exercise price	Number of shares issuable under options granted	Weighted average exercise price	Number of shares issuable under options granted
加權平均行使價	根據購股權可予發行之股份數目	加權平均行使價	根據購股權可予發行之股份數目
-	-	-	-
HK\$0.32	164,000,000	-	-
HK\$0.32	164,000,000	-	-
HK\$0.32	164,000,000	-	-

並無購股權於截至二零一六年十二月三十一日止年度獲行使。

於二零一六年十二月三十一日尚未行使之購股權之行使價0.32港元及加權平均剩餘合約年期為4.96年。



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

### 30. EQUITY SETTLED SHARE-BASED TRANSACTIONS (Continued)

#### b) Fair value of share options and assumptions

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured based on the Binomial Model. The contractual life of the share option is used as an input into this model.

#### Fair value of share options and assumptions

Fair value at measurement date	於計量日期之公平值	HK\$0.14
Share price	股價	HK\$0.32
Exercise price	行使價	HK\$0.32
Expected volatility (expressed as weighted average volatility used in the modelling under Binomial Model)	預期波幅(以於二項式模型所採用加權平均波幅列示)	52%
Option life (expressed as weighted average life used in the modelling under the Binomial Model)	購股權年期(以於二項式模型所採用加權平均年期列示)	5 years 年
Expected dividends	預期股息率	Nil 零%
Risk-free interest rate (based on Exchange Fund Notes)	無風險利率	0.68%

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

In the opinion of the directors of the Company, these share options were granted to the consultants for rendering miscellaneous services to the Group, including but not limited to consultancy services in respect of identification of potential investment opportunities and lining-up business connections for the Group. The Group granted share options to them for recognising their efforts. Since their services are such unique that the fair value cannot be reliably measured, the services received are measured by reference to the fair value of share options granted.

The Group recognised the total expense of approximately RMB19,916,000 during the year in relation to share options granted by the Company.

### 30. 以權益結算以股份為基礎之交易 (續)

#### b) 購股權之公平值及假設

作為已授出購股權回報之已收取服務之公平值乃參考所授購股權之公平值計量。所授購股權之估計公平值則按二項式模型計量。購股權計劃之合約年期乃用作本模式的輸入數據。

#### 購股權之公平值及假設

預期波幅乃根據歷史波幅(根據購股權加權平均剩餘年期計算)計算，並根據公開可用資料就未來波幅變動做出調整。預期股息率乃根據過往股息計算。主觀的輸入數據假設變動或會對公平值估計產生重大影響。

本公司董事認為，該等購股權乃就向本集團提供多種服務而授予有關顧問，包括但不限於就識別潛在投資機遇的顧問服務及為本集團組建業務聯繫。本集團向彼等授出購股權以嘉許彼等的努力。由於彼等提供的服務性質獨特而無法可靠地計量其公平值，故所接受的服務乃參考所授出購股權之公平值計量。

本集團確認年內與本公司授出的購股權有關的總開支約人民幣19,916,000元。

# Notes to the Financial Statements

## 財務報表附註



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

### 31. CAPITAL COMMITMENTS

Capital commitments outstanding at 31 December 2016 not provided for in the financial statements were as follows:

Contracted for Acquisition of intangible assets	已簽約收購無形資產
Share of capital commitment in the associate	於聯營公司資本承擔之份額

### 32. OPERATING LEASE COMMITMENTS

#### The Group as lessee

At 31 December 2016, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

Within 1 year	一年內
After 1 year but within 5 years	一年後但五年內

The Group leases office premises under operating leases. The leases typically run for an initial period of two years to three years with an option to renew the lease when all terms are renegotiated. None of the leases includes contingent rentals.

Significant leasing arrangements in respect of land under operating leases are described in note 17.

### 33. EMPLOYEE RETIREMENT BENEFITS

#### Defined contribution scheme

The Group operates a Mandatory Provident Fund Scheme (“the MPF scheme”) under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees’ relevant income, subject to a cap of monthly relevant income of HK\$30,000. Contributions to the plan vest immediately.

The Group also participates in a state-managed scheme. The employees of the Group’s subsidiaries in the PRC are members of a state-managed retirement benefits scheme operated by the government of the PRC. The PRC subsidiaries are required to contribute a specified percentage of their payroll to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefits scheme is to make the specified contributions.

### 31. 資本承擔

已於二零一六年十二月三十一日訂約但並未於財務報表內計提的尚未償還資本承擔如下：

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
8,100	8,100
22,785	-
30,885	8,100

### 32. 經營租約承擔

#### 本集團作為承租人

於二零一六年十二月三十一日，在下列年期的不可撤銷經營租約下之未來最低租金總額如下：

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
1,483	1,092
92	774
1,575	1,866

本集團根據經營租賃租賃辦公室物業。租賃一般初步為期兩年至三年，可選擇在所有條款重新磋商下續新租賃。概無租賃包括或然租金。

有關根據經營租約持有之土地之重大租約安排披露於附註17。

### 33. 僱員退休福利

#### 定額供款計劃

本集團根據香港強制性公積金計劃條例為受香港僱傭條例保障的僱員設立一項強制性公積金計劃（「強積金計劃」）。強積金計劃是一項由獨立信託人管理的定額供款退休計劃。根據強積金計劃，僱主和僱員均須按僱員的有關收入（每月上限為30,000港元）的5%向計劃作出供款。所有供款即時歸屬僱員。

本集團亦參與國家管理的計劃。本集團的中國附屬公司之僱員是中國政府設立之中國政府管理退休福利計劃之成員。中國附屬公司須按僱員工資之特定百分比向退休福利計劃供款以提供退休福利。本集團就退休福利計劃須履行之責任僅為作出特定之供款。



# Notes to the Financial Statements

## 財務報表附註

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

### 34. MATERIAL RELATED PARTY TRANSACTIONS

- a) In addition to the transactions and balances disclosed elsewhere in these financial statements, the Group entered into the following significant related party transactions, and had balances due to related parties in trade and other payables as at the end of the reporting period.

Name of related party 關連人士名稱	Relationship with related party 與關連人士的關係	Nature of transaction 交易性質	Transactions for the year ended 31 December 截至十二月三十一日止年度之交易		Balance as at 31 December 2016 於二零一六年十二月三十一日結餘	Balance as at 31 December 2015 於二零一五年十二月三十一日結餘
			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 payables 貿易應付款項 RMB'000 人民幣千元	Trade payables 貿易應付款項 RMB'000 人民幣千元
Fuzhou Hongyu 福州宏宇	A company controlled by Mr. Lin Ou Wen* 由林歐文先生控制的公司*	Purchase of packaging materials 購買包裝物料	1,097	4,480	-	1,051

\* Mr. Lin Ou Wen is the chief executive officer and a director of the Company.

\* 林歐文先生為本公司的行政總裁及董事。

- b) At the end of the reporting period, included in other receivables was amount due from a related party of RMB2,540,000. The related party is the key management personnel of a subsidiary of the Group.

- b) 於報告期末，於其他應收款中之應收關連人士為人民幣2,540,000元。此關連人士為本集團子公司之主要管理人員。

#### c) Key management personnel remuneration

Remuneration for key management personnel of the Group, representing amounts paid to the Company's directors as disclosed in note 11 is as follows:

#### c) 主要管理人員薪酬

本集團的主要管理人員薪酬(即如附註11所披露的支付予本公司董事之金額)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
Salaries and other short-term employee benefits 薪金及其他短期僱員福利	2,793	3,244
Post-employment benefits 離職後福利	133	147
	<b>2,926</b>	<b>3,391</b>



### 35. BUSINESS COMBINATION

On 9 December 2015, Fujian Sanai, an indirect wholly-owned subsidiary of the Company, entered into an agreement (“Share Transfer Agreement”) with two independent third parties, namely Mr. Lin Wei Yan and Mr. Chen Zi Xian (the “Vendors”), in which each of them owned 50% of equity interest in Fujian Liumai. Pursuant to the Share Transfer Agreement, the Vendors conditionally agreed to sell 100% equity interests in Fujian Liumai at a consideration of HK\$145,000,000 (approximately equivalents to RMB124,304,000) (the “Acquisition”), in which HK\$65,000,000 (approximately equivalents to RMB52,875,000) shall be settled by allotting and issuing 171,000,000 consideration shares at the issue price of HK\$0.38 each and the balance of HK\$80,000,000 (approximately equivalents to RMB71,429,000) shall be settled in cash.

The principal activities of Fujian Liumai are the sales of software and provision of consultancy services. The directors of the Company are of the opinion that through the acquisition, the Group will be able to promote the products of the Group and enhance the awareness of the products of the Group, to effectively facilitate the expansion of the Group’s market share in the pharmaceutical industry throughout the PRC, and to generate synergy in areas including distribution channels for pharmaceutical products and the daily operation and management of the Group.

Pursuant to the Share Transfer Agreement, the Vendors jointly and severally undertake and guarantee that based on the financial statements prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, the total audited net profit after taxation of Fujian Liumai arising from its ordinary course of business for the financial year ended 31 December 2016 shall not be less than RMB8,000,000 (the “2016 Profit Guarantee”). Under the Share Transfer Agreement, no adjustment shall be made to the consideration if Fujian Liumai meets the 2016 Profit Guarantee. If the audited net profit of Fujian Liumai is less than RMB8,000,000 but higher than RMB4,000,000, the consideration of Fujian Liumai will be adjusted based on a price-to-earnings ratio of 15 times on Fujian Liumai’s actual profit in year 2016, and the Vendors shall refund and pay to Fujian Sanai (or deduct from the consideration balance) in cash the shortfall.

The potential undiscounted amount of all future payments that the Group could be required to make under this arrangement is between RMB0 and RMB44,643,000.

The fair value of the contingent consideration arrangement is RMB44,643,000 was estimated by applying the income approach and based on the valuation performed by an independent professional qualified valuer. The fair value estimates are based on assumed profit of Fujian Liumai of RMB8,000,000. This is a level 3 fair value measurement. The key unobservable inputs of the valuation were: (i) expected volatility of 53.7%; (ii) risk free rate of 3.21% and (iii) the estimated profits of Fujian Liumai. No change in fair value was recognised in profit or loss during the year ended 31 December 2016.

During the year ended 31 December 2015, a total of 171,000,000 shares were issued by the Company as part payment of the consideration. The fair value of consideration shares issued was RMB52,875,000, which was determined using the published market price of the date of issue.

The acquisition was completed on 16 December 2016.

### 35. 業務合併

於二零一五年十二月九日，本公司之間接全資附屬公司福建三愛與兩名獨立第三方，即林為炎先生及陳自賢先生（「賣方」）（彼等各自於福建六脈中擁有50%股權）訂立協議（「股份轉讓協議」），根據股份轉讓協議，賣方有條件同意出售於福建六脈之100%股權，代價為145,000,000港元（相當於約人民幣124,304,000元）（「收購事項」），其中65,000,000港元（相當於約人民幣52,875,000元）將透過按發行價0.38港元配發及發行171,000,000股代價股份之方式支付及餘下80,000,000港元（相當於約人民幣71,429,000元）將以現金支付。

福建六脈主要從事銷售軟件及提供顧問服務。本公司董事認為透過是項收購，集團能提升本集團的產品知名度，有效協助擴闊本集團於全國醫藥行業的市場份額及產生協同效應於藥品分銷渠道及日常集團運作及管理。

根據股份轉讓協議，賣方已共同及個別地承諾及保證，根據國際會計準則委員會頒佈之國際財務報告準則，福建六脈於截至二零一六年十二月三十一日止財政年度除稅後之經審核的日常工作之淨溢利總額不少於人民幣8,000,000元（「二零一六年保證溢利」）。根據股份轉讓協議，倘福建六脈達至二零一六年保證溢利，則無須就代價作出調整。倘福建六脈之經審核淨溢利少於人民幣8,000,000元但高於人民幣4,000,000元，則須根據福建六脈於二零一六年度之實際溢利15倍之市盈率對福建六脈之代價作出調整，且賣方須以現金向福建六脈退還及支付差價。

本集團須根據此安排支付的全部未來付款的潛在未折讓金額介乎人民幣零元至人民幣44,643,000元。

或然代價安排之公平值人民幣44,643,000元乃應用收入法及根據獨立專業合資格估值師進行的估值而估計。該公平值估計乃基於福建六脈之假設溢利人民幣8,000,000元。此乃為第三級公平值計量。估值之主要不可觀察輸入數據為：(i)預期波幅53.7%；(ii)無風險利率3.21%及(iii)福建六脈之估計溢利。截至二零一六年十二月三十一日止年度，並沒有公平值變動確認於損益表。

截至二零一五年十二月三十一日止年度，本公司發行合共171,000,000股股份，作為代價之部分付款，已發行代價股份之公平值為人民幣52,875,000元，乃使用發行日期已發佈市場報價釐定。

收購已於是二零一六年十二月十六日完成。



## Notes to the Financial Statements 財務報表附註

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

### 35. BUSINESS COMBINATION (Continued)

- a) Assets acquired and liabilities recognised at the date of acquisition:

Property, plant and equipment (note 16)	物業、廠房及設備(附註16)
Intangible assets (note 18)	無形資產(附註18)
Trade and other receivables	貿易應收款項及其他應收款項
Cash and cash equivalents	現金及現金等價物
Other payables	其他應付款項
Deferred tax liabilities (note 28(b))	遞延稅項負債(附註28(b))
Total identifiable net assets at fair value	按公平值可識別資產淨值總額
Goodwill arising on acquisition (note 19)	收購產生的商譽(附註19)

- b)

Fair value of consideration transferred	轉讓代價之公平值
- Issue of consideration shares	- 發行代價股份
- Cash consideration paid	- 已付現金代價
- Contingent consideration payable (note 26)	- 應付或然代價(附註26)

Goodwill arising on the acquisition of Fujian Liumai is attributable to the benefit of expected synergies in areas including distribution channels for pharmaceutical products and the daily operation and management of the Group, revenue growth and future market development of Fujian Liumai. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

None of the goodwill arising on these acquisitions is expected to be deductible for tax purposes.

### 35. 業務合併(續)

- a) 於收購日期已收購資產及已確認負債：

Fair value  
recognised on  
acquisition  
收購確認之公平值  
RMB'000  
人民幣千元

23  
3,984  
4,780  
10,012  
(554)  
(996)

17,249  
107,055  
124,304

- b)

RMB'000  
人民幣千元

52,875  
26,786  
44,643  
124,304

收購福建六脈產生之商譽乃來自於醫藥產品分銷渠道及本集團日常運作及管理領域產生預期協同效應、收益增長及福建六脈未來市場發展之利益。由於該等利益未能達至識別無形資產之確認條件，故此該等利益並無與商譽分開確認。

預期該等收購產生的商譽概不可扣減稅項。

# Notes to the Financial Statements

## 財務報表附註



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

### 35. BUSINESS COMBINATION (Continued)

c) An analysis of cash flows in respect of the acquisition:

Cash and cash equivalents acquired	已收購現金及現金等價物
Less: Cash consideration paid	減：已付現金代價
Net cash outflows on acquisition	收購現金流出淨額

d) **Impact of the acquisition on the results of the Group**

Included in the revenue and the loss of the Group for the year ended 31 December 2016 is a revenue of approximately RMB283,000 and a loss of approximately RMB119,000 from Fujian Liumai since the date of completion of the acquisition.

Had the acquisition been effected on 1 January 2016, the revenue and the loss of the Group for the year ended 31 December 2016 would have been RMB266,138,000 and RMB397,567,000 respectively. The directors of the Company consider these 'pro-forma' numbers to represent an approximate measure of the performance of the combined group on an annualised basis and to provide a reference point for comparison in future periods.

Acquisition-related costs amounting to approximately RMB351,000 have been excluded from the consideration transferred and have been recognised as an expense in the current year, within the 'administrative expenses' line item in the consolidated statement of profit or loss.

The receivables acquired (which principally comprised trade receivables) in this transaction with a fair value of RMB2,320,000 had a gross contractual amount of RMB2,320,000. The best estimate at acquisition date of the contractual cash flows not expected to be collected is RMBNil.

### 35. 業務合併(續)

c) 與收購有關的現金流量分析：

RMB'000 人民幣千元
10,012
(26,786)
(16,774)

d) **收購對本集團業績之影響**

本集團截至二零一六年十二月三十一日止年度之收入及虧損包括於收購完成日期後來自福建六脈的收入約人民幣283,000元及虧損約人民幣119,000元。

倘收購事項於二零一六年一月一日生效，本集團截至二零一六年十二月三十一日止年度之收入及虧損將分別為人民幣266,138,000元及人民幣397,567,000元。本公司董事認為此等「備考」數字指合併集團按年化基準計算的概約業績，可作為與未來期間比較的參考業績。

與收購有關的成本約為人民幣351,000元已從已轉讓代價中剔除，並已於本年度於綜合損益表中「行政開支」項目內確認為一項開支。

該交易公平值人民幣2,320,000元的已收購之應收款項(主要包括貿易應收款項)，其總合約金額為人民幣2,320,000元。預期無法收回的合約現金流量於收購日期之最佳估計為人民幣零元。



# Notes to the Financial Statements

## 財務報表附註

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

### 36. COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

<b>Non-current assets</b>	<b>非流動資產</b>
Investments in subsidiaries	於附屬公司之投資
<b>Current assets</b>	<b>流動資產</b>
Other receivables	其他應收款項
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產
Cash and cash equivalents	現金及現金等價物
<b>Current liabilities</b>	<b>流動負債</b>
Other payables	其他應付款項
<b>Net assets</b>	<b>資產淨值</b>
<b>Capital and reserves</b>	<b>資本及儲備</b>
Share capital	股本
Reserves	儲備
<b>Total equity</b>	<b>總權益</b>

### 36. 公司層面財務狀況表

Note 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>214,861</b>	214,786
	<b>877,371</b>	826,913
	<b>41,977</b>	–
	<b>39,536</b>	249
	<b>958,884</b>	827,162
	<b>2,351</b>	299
	<b>1,171,394</b>	1,041,649
29(a)	<b>21,762</b>	18,527
	<b>1,149,632</b>	1,023,122
	<b>1,171,394</b>	1,041,649

### 37. MAJOR NON-CASH TRANSACTION

During the year ended 31 December 2015, deposit paid for acquisition of a subsidiary was settled by way of issue of 171,000,000 consideration shares of fair value of RMB52,875,000.

### 37. 重大非現金交易

截至二零一五年十二月三十一日止年度，收購一間附屬公司所付按金乃按發行171,000,000股之代價股份（公平值為人民幣52,875,000元）之方式結算。

# Notes to the Financial Statements

## 財務報表附註



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

### 38. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2016

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments and new standards which are not yet effective for the year ended 31 December 2016 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group.

HKFRS 9	Financial Instruments <sup>1</sup>
HKFRS 15	Revenue from Contracts with Customers and the related Amendments <sup>1</sup>
HKFRS 16	Leases <sup>4</sup>
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to HKAS 7	Disclosure Initiative <sup>2</sup>
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses <sup>2</sup>
Amendments to HKFRSs	Annual Improvements to HKFRSs 2014-2016 cycle <sup>5</sup>

- <sup>1</sup> Effective for annual periods beginning on or after 1 January 2018
- <sup>2</sup> Effective for annual periods beginning on or after 1 January 2017
- <sup>3</sup> Effective for annual periods beginning on or after a date to be determined
- <sup>4</sup> Effective for annual periods beginning on or after 1 January 2019
- <sup>5</sup> Effective for annual periods beginning on or after 1 January 2017 or 1 January 2018, as appropriate

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. As the Group has not completed its assessment, impacts may be identified in due course and will be taken into consideration whether to adopt any of these new requirements before their effective date and which transitional approach to take, where there are alternative approaches allowed under the new standards.

### 38. 截至二零一六年十二月三十一日止年度已頒佈但未生效的修訂、新準則及詮釋可能產生的影響

直至該等財務報表刊發之日，香港會計師公會已頒佈下列修訂及新準則，其於截至二零一六年十二月三十一日止年度尚未生效及並無於該等財務報表中獲採納。當中包括下列可能與本集團相關者。

香港財務報告準則第9號	金融工具 <sup>1</sup>
香港財務報告準則第15號	來自客戶合約之收益及相關修訂 <sup>1</sup>
香港財務報告準則第16號	租賃 <sup>4</sup>
香港財務報告準則第2號之修訂	以股份支付交易之分類及計量 <sup>1</sup>
香港財務報告準則第10號及香港會計準則第28號之修訂	投資者與其聯營公司或合營企業之間的資產出售或注資 <sup>3</sup>
香港會計準則第7號之修訂	披露計劃 <sup>2</sup>
香港會計準則第12號之修訂	就未變現虧損確認遞延稅項資產 <sup>2</sup>
香港財務報告準則之修訂	二零一四年至二零一六年週期香港財務報告準則之年度改進 <sup>5</sup>

- <sup>1</sup> 於二零一八年一月一日或之後開始之年度期間生效
- <sup>2</sup> 於二零一七年一月一日或之後開始之年度期間生效
- <sup>3</sup> 於將予釐定日期或之後開始之年度期間生效
- <sup>4</sup> 於二零一九年一月一日或之後開始之年度期間生效
- <sup>5</sup> 於二零一七年一月一日或二零一八年一月一日之後開始之年度期間生效，如適用

本集團正就該等修訂及新訂準則於初始採納時期的影響作出評估。由於本集團尚未完成其評估，可能於適當時候識別影響，並將考慮於該等新規定生效日期前是否採納任何該等新規定及根據新訂準則有替代方法可用時採用何種過渡方法。



## Five-Year Financial Summary 五年財務概要

### RESULTS

### 業績

		Year ended 31 December 截至十二月三十一日止年度				
		2012	2013	2014	2015	2016
		二零一二年	二零一三年	二零一四年	二零一五年	二零一六年
		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
Revenue	收益	528,119	532,341	549,625	555,652	263,025
Cost of sales	銷售成本	(348,713)	(389,917)	(431,601)	(436,045)	(245,062)
Gross profit	毛利	179,406	142,424	118,024	119,607	17,963
Other income	其他收益	3,169	2,094	1,846	1,978	14,196
Net gain/(loss) on disposal of land use rights and property, plant and equipment	出售土地使用權及物業、廠房及設備淨收益/(虧損)	-	-	-	35,003	(7)
Distribution costs	分銷成本	(86,879)	(84,875)	(63,789)	(44,112)	(15,478)
Administrative expenses	行政費用	(44,486)	(47,048)	(48,299)	(52,660)	(82,781)
Impairment loss on property, plant and equipment	物業、廠房及設備的減值虧損	(108,050)	(10,419)	(44,775)	-	(316,841)
Impairment loss on land use rights	土地使用權減值虧損	-	-	(3,225)	-	(15,261)
Written off on property, plant and equipment	物業、廠房及設備撇銷	-	-	-	-	(89,931)
Written off on inventory	存貨撇銷	-	-	-	-	(13,036)
Finance costs	財務成本	-	(127)	(978)	(2,241)	(2,117)
Share of results of an associate	應佔聯營公司業績	-	-	-	-	(105)
(Loss)/profit before tax	除稅前(虧損)/溢利	(56,840)	2,049	(41,196)	57,575	(503,398)
Income tax	所得稅	12,284	(5,604)	(2,833)	(16,372)	107,140
(Loss)/profit for the year	年內(虧損)/溢利	(44,556)	(3,555)	(44,029)	41,203	(396,258)
Attributable to: Owners of the Company	下列人士應佔: 本公司擁有人	(44,556)	(3,555)	(44,029)	41,203	(396,258)
Dividends paid	已付股息	11,229	-	-	-	-
(Loss)/earnings per share - Basic and diluted	每股(虧損)/盈利 - 基本及攤薄	RMB(2.6) cents 人民幣(2.6)分	RMB(0.2) cents 人民幣(0.2)分	RMB(2.6) cents 人民幣(2.6)分	RMB2.4 cents 人民幣2.4分	RMB(20.0) cents 人民幣(20.0)分

### ASSETS AND LIABILITIES

### 資產及負債

		As at 31 December 於十二月三十一日				
		2012	2013	2014	2015	2016
		二零一二年	二零一三年	二零一四年	二零一五年	二零一六年
		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
Total assets	總資產	1,592,266	1,610,072	1,584,042	1,694,932	1,388,287
Total liabilities	總負債	(93,295)	(114,656)	(132,655)	(149,467)	(149,870)
Net assets	資產淨值	1,498,971	1,495,416	1,451,387	1,545,465	1,238,417



**武夷药业**  
Wuyi Pharmaceutical

**Wuyi International Pharmaceutical Company Limited**

**武夷國際藥業有限公司**

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號 : 1889