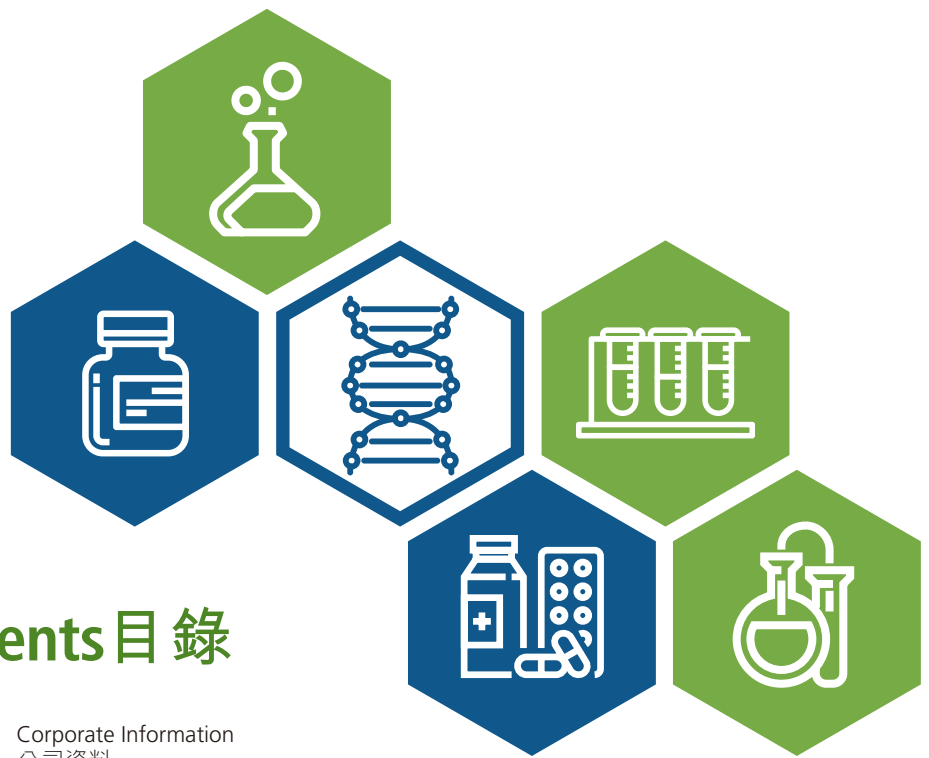


Sinco Pharmaceuticals Holdings Limited
兴科蓉医药控股有限公司

(Incorporated under the laws of the Cayman Islands with limited liability)
(根據開曼群島法例註冊成立的有限公司)
Stock Code 股份代號: 6833



2017
ANNUAL 年
REPORT 報



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Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Huang Xiangbin (*Chairman and Co-Chief Executive Officer*)
Ms. Zhang Zhijie

Independent Non-executive Directors

Mr. Chow Siu Lui
Mr. Wang Qing
Mr. Liu Wenfang
Mr. Chen David Yu
(appointed with effect from 19 January 2018)
Mr. Philip Wong Yee Teng
(appointed with effect from 19 January 2018)

AUDIT COMMITTEE

Mr. Chow Siu Lui (*Chairman*)
Mr. Liu Wenfang
Mr. Wang Qing

REMUNERATION COMMITTEE

Mr. Wang Qing (*Chairman*)
Ms. Zhang Zhijie
Mr. Liu Wenfang

NOMINATION COMMITTEE

Mr. Huang Xiangbin (*Chairman*)
Mr. Liu Wenfang
Mr. Chow Siu Lui

INTERNAL CONTROL AND CORPORATE GOVERNANCE COMMITTEE

Mr. Chow Siu Lui (*Chairman*)
Mr. Wang Qing
Mr. Liu Wenfang

AUTHORISED REPRESENTATIVES

Mr. Huang Xiangbin
Ms. Wong Sau Ping

JOINT COMPANY SECRETARIES

Ms. Ko Wing Yu
Ms. Wong Sau Ping

REGISTERED OFFICE

PO Box 309
Ugland House
Grand Cayman, KY1-1104
Cayman Islands

董事會

執行董事

黃祥彬先生 (*主席兼聯席行政總裁*)
張志傑女士

獨立非執行董事

鄒小磊先生
汪晴先生
劉文芳先生
陳宇先生
(於2018年1月19日獲委任)
黃已艇先生
(於2018年1月19日獲委任)

審核委員會

鄒小磊先生 (*主席*)
劉文芳先生
汪晴先生

薪酬委員會

汪晴先生 (*主席*)
張志傑女士
劉文芳先生

提名委員會

黃祥彬先生 (*主席*)
劉文芳先生
鄒小磊先生

內部控制及企業管治委員會

鄒小磊先生 (*主席*)
汪晴先生
劉文芳先生

授權代表

黃祥彬先生
黃秀萍女士

聯席公司秘書

高穎妤女士
黃秀萍女士

註冊辦事處

PO Box 309
Ugland House
Grand Cayman, KY1-1104
Cayman Islands



CORPORATE HEADQUARTERS

E5-1805, Global Centre
No. 1700, North Section of Tianfu Avenue
High-Tech Zone, Chengdu
Sichuan
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 4408A, 44/F, Cosco Tower
183 Queen's Road Central
Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Maples Fund Services (Cayman) Limited
P.O. Box 1093, Boundary Hall
Cricket Square
Grand Cayman, KY1-1102
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor, Hopewell Centre,
183 Queen's Road East
Wan Chai
Hong Kong

HONG KONG LEGAL ADVISER

Jones Day

AUDITOR

Ernst & Young
Certified Public Accountants

STOCK CODE ON THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED

6833

COMPANY'S WEBSITE

www.sinco-pharm.com

LISTING DATE

10 March 2016

公司總部

中國
四川省
成都市高新區
天府大道北段1700號
環球中心E5-1805室

香港主要營業地點

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皇后大道中183號
中遠大廈44樓4408A室

開曼群島證券登記總處及過戶代理

Maples Fund Services (Cayman) Limited
P.O. Box 1093, Boundary Hall
Cricket Square
Grand Cayman, KY1-1102
Cayman Islands

香港證券登記分處

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至1716室

香港法律顧問

眾達國際法律事務所

核數師

安永會計師事務所
執業會計師

香港聯合交易所有限公司主板股份代號

6833

本公司網站

www.sinco-pharm.com

上市日期

2016年3月10日

Financial Highlights

財務摘要

- Revenue of the Group decreased by 6.1% or RMB52.2 million to RMB806.7 million for the Reporting Period (2016: RMB858.9 million), primarily due to a decline in sales of Human Albumin Solution of RMB106.9 million during the Group's adjustment process of marketing network in response to the implementation of new policies across the pharmaceutical distribution industry in China.
- Gross profit of the Group decreased by 10.6% or RMB11.1 million to RMB93.5 million for the Reporting Period (2016: RMB104.6 million), due to a decrease in sales volume and an increase in average unit cost of sales as a result of the depreciation of RMB against USD.
- During the Reporting Period, the Group recorded net loss of RMB185.9 million (2016: net profit of RMB18.3 million), primarily due to a decrease in gross profit as mentioned above, an increase in selling and distribution expenses of RMB84.4 million, an increase in finance costs of RMB24.5 million and impairment losses on inventory, intangible assets and goodwill of RMB91.7 million.
- During the Reporting Period, loss attributable to owners of the Company amounted to RMB185.9 million, representing a decrease of RMB205.3 million as compared to the net profit attributable to owners of the Company of RMB19.4 million in 2016.
- Basic loss per share amounted to RMB0.115 during the Reporting Period (2016: basic earnings per share of RMB0.013).
- The Board resolved not to declare any final dividend for the Reporting Period (2016: Nil).
- 報告期內，本集團收益減少6.1%或人民幣52.2百萬元至人民幣806.7百萬元(2016年：人民幣858.9百萬元)，主要是由於本集團在調整營銷網絡體系以應對中國醫藥流通領域所實施的新政策的過程中，人血白蛋白注射液銷售額下降人民幣106.9百萬元。
- 報告期內，本集團毛利下降10.6%或人民幣11.1百萬元至人民幣93.5百萬元(2016年：人民幣104.6百萬元)，此乃由於銷量減少及人民幣兌美元貶值導致平均單位銷售成本增加所致。
- 報告期內，本集團錄得淨虧損人民幣185.9百萬元(2016年：純利人民幣18.3百萬元)，主要由於上述毛利下降、銷售及分銷費用增加人民幣84.4百萬元、財務成本增加人民幣24.5百萬元及存貨、無形資產和商譽減值人民幣91.7百萬元所致。
- 報告期內，本公司擁有人應佔虧損為人民幣185.9百萬元，較2016年本公司擁有人應佔純利人民幣19.4百萬元減少人民幣205.3百萬元。
- 報告期內，每股基本虧損為人民幣0.115元(2016年：每股基本盈利人民幣0.013元)。
- 董事會決議不就報告期宣派任何末期股息(2016年：無)。

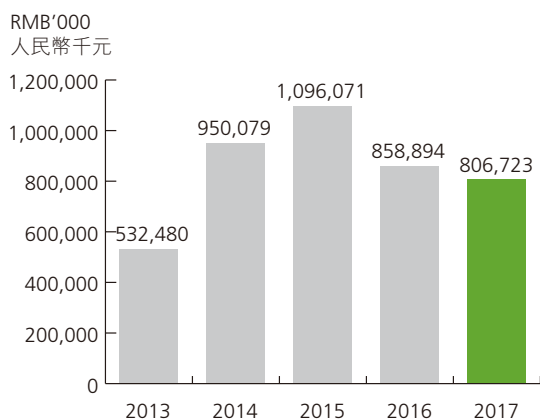
		2013	2014	2015	2016	2017
		2013年	2014年	2015年	2016年	2017年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Operating results	經營業績					
Revenue	收益	532,480	950,079	1,096,071	858,894	806,723
Gross profit	毛利率	61,119	129,770	152,507	104,568	93,533
Profit/(loss) before tax	除稅後溢利／(虧損)	50,919	93,812	86,638	25,566	(194,868)
Profit/(loss) for the year	本年度溢利／(虧損)	42,987	80,129	69,441	18,337	(185,897)
Profit/(loss) attributable to owners of the Company	本公司擁有人應佔溢利／(虧損)	36,539	69,367	69,614	19,367	(185,896)
Profitability	盈利					
Gross margin (%)	毛利率(%)	11.5%	13.7%	13.9%	12.2%	11.6%
Net profit/(loss) margin (%)	純利／(虧損)率(%)	8.1%	8.4%	6.3%	2.1%	(23.0%)

Financial Highlights (Continued)

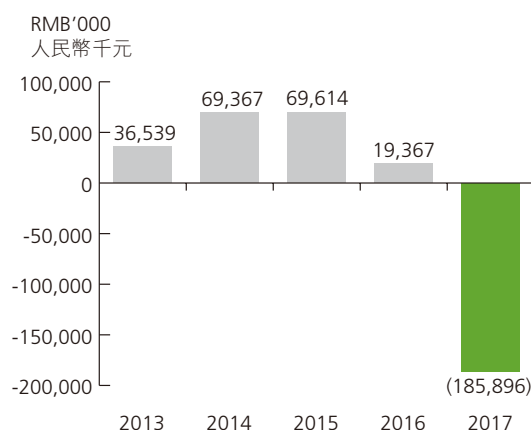
財務摘要(續)



Revenue 收益



Profit/(loss) Attributable to Owners of the Company 本公司擁有人應佔溢利/(虧損)



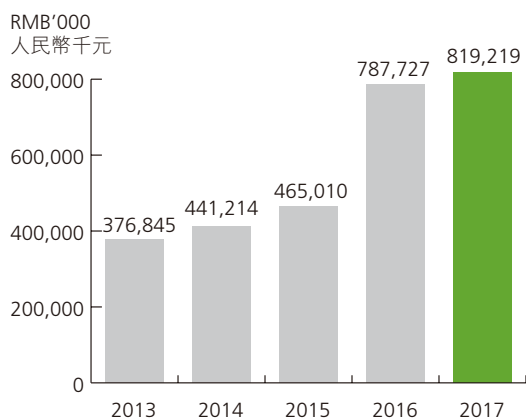
	2013	2014	2015	2016	2017
	2013年	2014年	2015年	2016年	2017年
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元

Financial position	財務狀況	2013	2014	2015	2016	2017
		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	376,845	441,214	465,010	787,727	819,219
Total equity	總權益	48,356	123,485	193,554	457,275	272,730
Total liabilities	總負債	328,489	317,729	270,662	330,452	546,489
Equity attributable to owners of the Company	本公司擁有人應佔權益	40,847	105,214	193,428	458,179	273,635
Cash and cash equivalents*	現金及現金等價物*	44,455	70,216	60,206	154,079	75,651

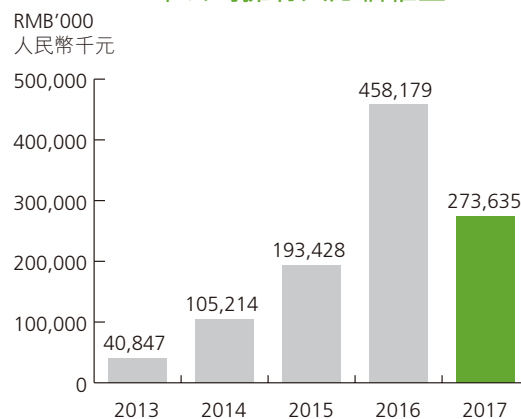
* As stated in the statement of cash flows

* 如現金流量報表所載

Total Assets 總資產



Equity Attributable to Owners of the Company 本公司擁有人應佔權益



Chairman's Statement

主席報告

Dear Shareholders,

On behalf of the Board, I would like to express my gratitude to our Shareholders for their attention and support to the Company, and present the report of the Group for the Reporting Period.

2017 is a year for the reform of the pharmaceutical industry in China with the launch and full implementation of numerous new policies. The policies such as the "Two-Invoice System" across the pharmaceutical circulation industry, quality consistency evaluation for generic drugs and zero mark-up for hospital drug sales have generated significant impact on the field of the sale of pharmaceutical products. In response to the centralization of implementation of new policies and the increasingly stringent regulations in this industry, all enterprises engaging in the pharmaceutical operation in China are seeking self-reformation and experiencing the tough challenges arising from the reform. Given the gradual nationwide promulgation and implementation of the detailed implementation plan of the "Two-Invoice System" during the Reporting Period, the Group, as a provider of marketing, promotion and channel management ("MPCM") services of imported pharmaceutical products in the Chinese market, shall destruct its existing distributor marketing network system and develop and construct a new marketing network system with substantial funds and human resources within a short period of time. In the process of reform and adjustment, the sales volume of various product portfolios of the Group has decreased to a certain extent, whereas the costs of human resources and marketing expenses have significantly increased.

In terms of market condition, there has been a continuous growth in the overall supply of Human Albumin in the Chinese market during 2017, with the overall annual lot release¹ reaching 41.22 million bottles, representing an increase of 5.10% as compared with the annual lot release of approximately 39.22 million bottles in 2016. The increase of supply has heightened market competition, as shown by the decrease of approximately RMB106.9 million in the sales volume of Human Albumin Solution of the Group during the Reporting Period as compared with that in 2016, representing a decrease of 20.8%. As for the procurement, there were substantial fluctuations in the exchange rate of RMB during the Reporting Period, which represented a general depreciation against the US dollar as compared with that in 2016, and hence led to the increase in purchase cost for the Group's imported pharmaceutical products.

¹ The data is derived from the data published by various drug inspection institutes, with the specification of each Human Albumin Solution calculated at 10g(20%50ml)/bottle

尊敬的各位股東：

本人謹代表董事會對各位股東對本公司的關注與支持表示衷心感謝，並在此呈報本集團於報告期之報告。

2017年是中國醫藥行業改革新政集中落地並全面執行的一年，藥品流通行業「兩票制」、仿製藥一致性評價及醫院藥品銷售零加成等政策均對藥品銷售領域產生了重大影響。面對行業新政的集中執行和行業監管的日趨嚴格，中國藥品經營企業均在尋求自我變革，並經歷着變革帶來的陣痛。本集團作為進口藥品在中國市場的營銷、推廣及渠道管理服務商，報告期內「兩票制」具體實施方案在全國範圍的陸續頒佈及執行，迫使我們必須在短時間內打破原有的經銷商營銷網絡體系，並投入大量的財力和人力去開發和建設新的營銷網絡體系。在變革和調整的過程中，本集團各產品組合的銷售量均有一定程度的下滑，同時人力成本和營銷費用卻大幅增加。

從市場情況來看，2017年中國人血白蛋白市場整體供應量保持了持續的增長，全年整體批簽發量¹達到約4,122萬瓶，較2016年全年的批簽發量約3,922萬瓶增加了5.10%。供應量的增長帶來市場競爭的加劇，報告期內本集團人血白蛋白注射液銷售額相比2016年下降約人民幣106.9百萬元，跌幅約20.8%。採購方面，人民幣匯率在報告期內呈現了較大幅度的波動，整體上相比2016年人民幣對美元匯率出現了貶值，並由此導致本集團的進口藥品採購成本上漲。

¹ 數據來源於各藥品檢驗所公開數據，各規格人血白蛋白注射液均折算為10g(20%50ml)/瓶計算



In addition, in order to concentrate its resources on the business of its core products, such as the products of Human Albumin Solution and antibiotics, the Group conducted thorough review and prudent business assessment of its existing product portfolio, and has taken steps to terminate or suspend the business of some non-major products, such as the products of Taurolite and Esafosfina, during the Reporting Period. Such business restructuring resulted in a plunge of approximately RMB64.0 million in the sales revenue of such non-major products as compared with that in 2016, and the provision for impairment and price decrease was provided for their corresponding distribution rights and inventories during the Reporting Period, respectively, with affected amount of approximately RMB52.7 million.

Based on the comprehensive analysis above, the Group recorded a loss in operating activities in 2017, which further contributed to the impairment of the Group's goodwill of approximately RMB39.0 million. During the Reporting Period, net loss amounted to RMB185.9 million, representing a decrease of RMB204.2 million as compared with the net profit of RMB18.3 million in last year.

Although the Group recorded a significant loss for the Reporting Period, the adjustments to the Group's business model has promoted further localization of its marketing network and hence stronger control over the terminal sales network. At the same time, the adjustments to the business of non-major products enabled our Group to further concentrate its resources on its core products. In terms of existing business of MPCM for pharmaceutical products, the Company will continue to maintain close cooperation with overseas suppliers, focusing on the development of blood products and antibiotics as core products, and actively respond to changes in domestic and overseas economic situations, policies and market conditions. Through strictly controlling risks, seeking for opportunities amidst challenges and striving for innovation, the Group will have a quick recovery in its business of the sale of pharmaceutical products. In addition, according to its developing plan, the Group also actively seeks for opportunities to enter the downstream industry. The Group believes that new business and existing business of MPCM for pharmaceutical products will be integrated seamlessly and create synergy effect, strengthening the Group's core competitiveness and profit stability.

此外，為集中資源專注於本集團的核心產品，如人血白蛋白注射液及抗生素等產品的業務，本集團在報告期內對現有產品組合進行了徹底的檢討和謹慎的業務評估，逐步停止或中止了部分非主要產品，如滔羅特、愛賽福等產品的業務。業務調整致使該等非主要產品的銷售收益較2016年大幅減少約人民幣64.0百萬元，其對應的經銷權及存貨也在報告期內分別計提了減值準備和跌價準備，影響金額約為人民幣52.7百萬元。

基於上述的綜合分析，本集團在2017年的經營業務錄得了虧損，進一步導致本集團的商譽發生減值約人民幣39.0百萬元，報告期內的虧損淨額為人民幣185.9百萬元，相比去年的純利人民幣18.3百萬元減少人民幣204.2百萬元。

雖然報告期內本集團錄得了大幅虧損，但是在這一年裏對業務模式的調整使得集團的營銷網絡進一步下沉，對終端銷售網絡具有更強的掌控能力。同時，對非主要產品業務的調整，使得本集團的資源將更加集中投放在主要的核心產品上。對於現有的藥品營銷、推廣及渠道管理業務，公司將繼續保持與國外廠家的緊密合作，堅持以血液製品和抗生素為核心產品的發展，積極面對國內外經濟形勢、政策及市場環境的變化，嚴控風險、危中求機、勇於創新，使本集團的藥品銷售業務得以盡快復蘇。此外，根據集團的發展規劃，本集團也在積極尋求進入下游產業的機會，本集團相信新業務和現有的藥品營銷、推廣及渠道管理業務將能無縫融合併發揮其協同效應，增強本集團的核心競爭力和盈利穩定性。



Apart from the business of the Group as described above, the Group believes that outstanding staff and quality management talents are crucial to successful promotion of its strategic development. Therefore, it also put efforts into the establishment of system and functions such as management, marketing, human resources and hospital management through employing new employees for key positions and continuously promoting management ability and internal training of staff. While continuing to develop its system of internal control and risk management, the Company also paid significant attention to its corporate social responsibilities and practised them during the Group's governance.

Last but not least, on behalf of the Board, I would like to thank our Shareholders, customers and partners for their trust and support during the Group's difficult time, and all the employees of the Group for their hard work and contribution. The Group will seize the market opportunities brought by the upgrade and transformation of the pharmaceutical industry and continuously improve its competitiveness, in an effort to create maximum value for the Shareholders, customers and other stakeholders.

Huang Xiangbin
Chairman

29 March, 2018

除上述關於本集團業務的說明外，本集團相信優秀的員工和高素質的管理人才對成功推動本集團的戰略發展至關重要，因此也在制度建設及管理、市場營銷、人力資源及醫院管理職能的主要位置上招攬新人員，不斷強化管理能力和員工內部培訓。本公司亦會繼續強化內部控制及風險管理體系的建設，高度關注企業社會責任，並在集團管治中踐行企業的社會責任。

最後，本人謹代表董事會對各位股東、客戶及合作夥伴在本集團面對困難時給予的充分信賴和支持，以及本集團全體僱員作出的努力和貢獻致以衷心的感謝。本集團將把握醫藥行業升級轉型的市場機遇，不斷提升自身競爭力，為股東、客戶及各權益人創造最大價值。

黃祥彬
主席

2018年3月29日



Management Discussion and Analysis

管理層討論及分析

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW

With extensive experience in the distribution of pharmaceutical imports, the Group provides comprehensive MPCM services for small and medium sized overseas pharmaceutical manufacturers. Meanwhile, the Group is the only MPCM service provider for imported blood products in the PRC, leveraging our quality product portfolio that centers on blood products and nationwide marketing and promotion network. The Group's existing product portfolio encompasses many quality products produced by small and medium-sized overseas pharmaceutical manufacturers, covering multiple therapeutic areas such as anti-infectives, blood products, and products for digestive and cardiovascular systems. Included in such products are blood products (which are in short supply in the Chinese market) and prescription drugs which can meet the huge demand for high-quality drugs with excellent clinical results among medical institutions and patients.

1. Core products

Human Albumin Solution

Dating back to the early 1940s, blood products have undergone decades of fast development. Such products have grown from Human Albumin at the very beginning to the current 20-plus categories in three series, encompassing such sub-categories as Human Albumin, immune globulin and blood coagulation factors. Given the approval granted to new indications and an improved rate of diagnosis, the Plasma Protein Therapeutics Association (PPTA) predicts that the market demand for blood products will retain a high-speed growth around the globe. In these two years, as many new plasma collection stations have been put into service, the amount of plasma collection increases every year and production capacity of domestic manufacturers also increased rapidly. As the largest sales category in the market of blood products in the PRC, Human Albumin is the only kind of blood product allowed to be imported at the present, and its lot release of imported and domestic categories maintains a rapid growth every year. In 2017, the annual lot release¹ amounted to 41.22 million bottles (2016: 39.22 million bottles), among which the percentages of imported and domestic categories were 57.2% and 42.8% respectively. Manufactured by Octapharma, a global leading manufacturer of blood products, and included as a Category B product in the National Reimbursement Drug List (NRDL), the Human Albumin Solution operated by the Group is used to remedy the shock caused by hypovolemia, remove edema and poisonous substances, and treat neonatal hyperbilirubinemia. Based on the lot release of the Human Albumin Solution¹ in the PRC in 2017, the market share of the Human Albumin Solution manufactured by Octapharma was approximately 6.98%.

¹ The data is derived from the data published by various drug inspection institutes, with the specification of each Human Albumin Solution calculated at 10g (20%50ml)/bottle.

業務回顧

本集團擁有進口醫藥分銷的豐富經驗，為海外中小型藥商提供綜合營銷、推廣及渠道管理服務。同時，本集團憑藉以血液製品為核心的優質產品組合和覆蓋全中國的營銷及推廣網絡，是中國進口血液製品唯一的營銷、推廣及渠道管理服務供貨商。本集團現有產品組合包括多項由海外中小型製藥商生產的優質產品，涵蓋抗感染藥物、血液製品、消化系統、心血管系統等多個治療領域。該等產品既包括在中國市場上供不應求的血液製品，亦包括可滿足醫療機構、患者對於臨床效果卓越、品質優異的藥品的強烈需求的處方藥品。

1. 核心產品

人血白蛋白注射液

血液製品起源於20世紀40年代初，經過幾十年的快速發展，產品品種已由最初的人血白蛋白發展到人血白蛋白、免疫球蛋白和凝血因子類等3大系列20多個品種。隨著新的適應症的獲批和診治率的提高，國際血漿蛋白治療協會(PPTA)預計未來全球血液製品市場需求仍將保持較高的增長速度。近兩年，隨著國內新批採漿站的投入使用，每年的採漿量得到了增長，國內生產廠家的生產產品能力也得到快速提升。人血白蛋白作為中國血液製品市場中最大的銷售品種，也是目前唯一可以允許進口的血液製品，其每年進口和國產品種的批發發量都保持了快速的增長，2017年全年的批發發量¹為4,122萬瓶(2016年：3,922萬瓶)，其中進口和國產的比重分別為57.2%和42.8%。本集團經營的人血白蛋白注射液是由全球血液製品巨頭之一的奧克特珐瑪公司生產，用於治療因血容量降低引起的休克、消除水腫和有毒物質、新生兒高膽紅素血症等，是國家醫保目錄乙類產品。以2017年中國人血白蛋白注射液批發發量¹統計，奧克特珐瑪人血白蛋白注射液市場佔有率約為6.98%。

¹ 數據來源於各藥品檢驗所公開數據，各規格人血白蛋白注射液均折算為10g(20%50ml)/瓶計算。



Axetine (Cefuroxime Sodium for injection)

Manufactured by Medochemie Ltd. from Cyprus, the Axetine operated by the Group is classified as the second generation of cephalosporin antibiotics. It is used to remedy bacterial infections caused by sensitive bacteria, including respiratory infection, urinary tract infection, and skin and soft tissue infections. The product has been included in the National Catalogue of Essential Pharmaceuticals and the Category A products of NRDL.

Medocef (Cefoperazone Sodium for injection)

Also manufactured by Medochemie Ltd. and operated by the Group, Medocef is classified as the third generation of cephalosporin antibiotics. The product is used to remedy bacterial infections caused by sensitive lactamase, including respiratory infection, urinary tract infection, biliary tract infection, abdominal infection, skin and soft tissue infections, pelvic infection and septicemia. The product is also effective in treating the brain infections caused by influenza and meningococcus.

Trifamox IBL (Amoxicillin Sodium and Sulbactam Sodium for injection)

Manufactured by Laboratorios Bago S.A. from Argentina, Trifamox IBL is a classic compound preparation of penicillin-amidase inhibitors, and an imported original product recommended by the relevant guideline for the empirical treatment of community acquired pneumonia (CAP) of children. Characteristic of an extensive antibacterial range, a great effect of enzyme inhibition, safety and reliability, Trifamox IBL is a top choice of empirical medication in the early-stage antibacterial treatment of community-acquired infection and nosocomial infection. The product is used to remedy the respiratory infection, skin and soft tissue infections, pelvic infection, urinary system infection, oral cavity infection and severe systemic infection caused by β – lactamase generating bacteria resistant to β – lactam antibiotics and cephalosporin.

安可欣(注射用頭孢味辛鈉)

本集團經營的安可欣是由塞浦路斯麥道甘美大藥廠生產，屬第二代頭孢類抗菌素。用於治療敏感細菌所造成的感染症，如呼吸道感染、生殖泌尿道感染、皮膚及軟組織感染等，該產品被納入國家基本藥物目錄、國家醫保目錄甲類品種。

麥道必(注射用頭孢哌酮鈉)

本集團經營的麥道必是由塞浦路斯麥道甘美大藥廠生產，屬第三代頭孢類抗菌素。用於治療敏感產黴菌引起的感染症，如呼吸系統、生殖泌尿道感染、膽道、胸腹腔、皮膚及軟組織感染、盆腔感染及敗血症等。該產品對流感桿菌、腦膜炎球菌引起的腦內感染亦有較好療效。

特福猛(注射用阿莫西林鈉舒巴坦鈉)

本集團經營的特福猛是由阿根廷霸科製藥廠生產，是經典的青黴素酶抑制劑複方製劑，原研進口產品，其是指南推薦的用於治療兒童社區獲得性肺炎(CAP)經驗治療的推薦用藥。具有廣譜抗菌、強效抑酶、安全可靠的特點，是社區感染、院內感染早期抗菌治療的經驗性用藥首選。適用於對單獨使用 β – 內酰胺類抗生素和頭孢菌素耐藥的產 β – 內酰胺酶的微生物所致的呼吸道感染、皮膚和軟組織感染、盆腔感染、泌尿系統感染、口腔感染、嚴重系統性感染等。



2. Marketing Network Development

The Group provides its marketing service through its internal teams and their cooperation with third-party promoters. Hence, one of the Group's key development strategies is to continuously expand the marketing network and enhance distributor and promoter management. During the Reporting Period, the Group took "Flexible, Professional and Efficient" as its objective, and strove to develop its marketing team in respect of the ability of quickly responding to market environment changes and executing operational plans with high efficiency. Furthermore, the Group sorted out its human resources in each division. The marketing team had its structure streamlined and its performance management further refined, with optimised allocation of sales resources that are invested in each product and higher efficiency of business operation. As at 31 December 2017, the Group had an internal marketing team of approximately 50 members.

At the same time, the implementation of "Two-Invoice System" took place at a faster pace in each province. To positively respond to such implementation, the existing structure of distributor network was comprehensively sorted out. Based on sufficient communication with its distributors, the Group has further extended its sales channels to end markets through the collaboration between its internal sales team and local distributors. Originally, promoters were allocated by region. Now, the promoters are matched with each hospital of the region concerned, which enables the Company's sales network to reach the end market. Besides, the coverage of the network has also been extended from large top Class-III hospitals to provincial, municipal and county hospitals, to keep improving market penetration, thereby establishing a precision management system that each hospital will have its respective promoters.

In addition, the Group has further improved the direct participation of its internal marketing team in product marketing activities. In this regard, approaches include regularly training third-party promoters on product knowledge, hosting or taking part in medical or pharmaceutical conferences, symposiums and product seminars to directly partake in the academic promotion activities of products, and extend the opinion leadership network for the main therapeutic areas of products. All the approaches serve to ensure accurate and timely delivery of product information to doctors. In addition to product promotion, the Group has taken the initiative to invite third party promoters from across the country to discuss and interpret the major impact of national policies, to increase the added value and attraction of the Group's training. During the Reporting Period, the Group had over 500 distributors and promoters in 31 provinces, municipalities and autonomous regions in China, covering approximately 1,200 Class-III hospitals, 1,500 Class-II hospitals, and over 1,200 Class-I hospitals, pharmacies and other medical institutions.

2. 營銷推廣網絡發展

本集團的營銷推廣服務通過內部團隊及與第三方推廣服務商合作而展開。因此，不斷拓展營銷推廣網絡，並持續強化對經銷商及推廣服務商的管理是本集團的重點發展戰略之一。於報告期內，本集團以「靈活應變」和「專業高效」為目標，著力打造營銷推廣隊伍快速應對市場環境變化以及高效執行運營方案兩方面的能力，對各部門進行人才盤點，精簡營銷推廣隊伍組織架構。同時，進一步細化營銷團隊績效管理，優化對各產品投入的銷售資源分配，提升營銷推廣隊伍業務運營效率。於2017年12月31日，本集團擁有的內部營銷團隊約50人。

與此同時，本集團積極應對在各省加速落地的「兩票制」，全面梳理現有經銷商網絡結構，在與經銷商進行充分交流的基礎上，採取內部銷售隊伍和與各地經銷商合作的方式，加速推動銷售渠道向終端市場延伸，由原有按照區域劃分轉型到按照各個區域內的醫院劃分對應的推廣服務商，使公司的銷售網絡直達終端市場，同時從大型的三級甲等醫院逐漸往下覆蓋到省地市以及縣一級醫院，不斷加深市場滲透率，以達到建立每家醫院均有對應推廣服務商的精細化管理體系。

另外，本集團進一步強化內部營銷團隊對產品市場推廣活動的直接參與，包括定期向第三方推廣服務商提供產品知識培訓，通過籌辦或參與醫療或醫藥會議、座談會及產品研討會等方式直接參與產品的學術推廣活動，拓展產品主要治療領域的意見領袖網絡等，以保證產品信息準確及時地傳達於醫生。除了產品推介外，本集團還主動邀請全國第三方推廣服務商一同探討解讀國家政策的重大影響，提高集團培訓的附加值及吸引力。於報告期內，本集團擁有遍佈中國31個省、市及自治區的500名經銷商及推廣商，覆蓋至全國約1,200家三級醫院、1,500家二級醫院及超過1,200家一級醫院、藥房和其他醫療機構。



3. The Cold Chain Storage Facility

Considering the future demand for business expansion and the significant demand for pharmaceutical cold chains in the storage and delivery of blood products and bio-products, the Group has constructed a cold chain storage facility in Shuangliu District, Chengdu, Sichuan Province. The Group has completed the first phase of its cold chain storage facility (15,000 square meters), which can satisfy the Group's storage demand and provide better control for the quality and safety of the blood products in our product portfolio. Additionally, we will be able to provide third parties with high quality pharmaceutical cold-chain storage services upon completing the second-phase construction (which includes 25,000 square meters of cold chain storage and 47,000 square meters of research and development base), which will be a new business unit of the Group.

Currently, the Group has applied to Shuangliu District Government for land transfer, with its procedures well under way. On 13 June 2017, the Group has entered into an equity transfer agreement with an independent third party to acquire a company with qualifications for pharmaceutical operation in Shuangliu District at a consideration of RMB4.52 million. The acquisition was completed on 19 September 2017.

Save as mentioned above, the Company did not hold any material investments, and there was no material acquisition or disposal of its subsidiaries, associates or joint ventures during the Reporting Period.

4. Research and Development

The Group has entered into a collaboration agreement with the China Academy of Chinese Medical Sciences to develop "Sinco I", a new realgar-based chemical medicine for treating acute promyelocytic leukemia. The collaboration aims for the upstream extension of the Group's business and the future provision of a new medicine for patients in the therapeutic area. The Group is currently making efforts in designing and building a pilot plant for pilot experiments. During the Reporting Period, the Group incurred RMB2.0 million as the research and development expenses for developing Sinco I.

3. 冷鏈倉儲設施

考慮到本集團今後業務擴張需求以及關於血液製品、生物製品在倉儲、運輸環節對於醫藥冷鏈的巨大需求，本集團在四川省成都市雙流區建設了冷鏈倉儲設施。已完工的第一期冷鏈倉儲設施(15,000平方米)可滿足本集團自身的倉儲需求，能夠更好地控制產品組合中血液製品的質量安全，待第二期建設(包括25,000平方米的冷鏈倉儲及47,000平方米的研發基地)竣工時可向第三方提供高質量的醫藥冷鏈倉儲服務，形成本集團新的業務單元。

目前，本集團向雙流區政府提請辦理土地出讓手續正在積極進行中，並於2017年6月13日與一家獨立第三方訂立股權轉讓協議，以人民幣4.52百萬元的對價收購一家位於雙流區的擁有藥品經營資質的公司，該收購事項於2017年9月19日完成。

除上文所述者外，本集團並不持有任何重大投資，於報告期內亦無任何附屬公司、聯營公司及合營公司的重大收購或出售。

4. 研發

本集團與中國中醫科學院中藥研究所訂立合作協議，開發以雄黃為原料的化學藥物「Sinco I」，是以雄黃為原料的用於治療急性早幼粒細胞白血病的新型藥物，以期將集團業務向上游延伸的同時，未來將該治療領域的新藥提供給患者。目前正在設計建設中試車間以開展中試試驗。於報告期內，本集團產生開發Sinco I的研發費用為人民幣2.0百萬元。



OUTLOOK

In 2018, the domestic and global macro-economic environment still remains in uncertainty. Under the top-level strategy for a “Healthy China”, the Chinese pharmaceutical and healthcare reform will enter a crucial year that features full implementation of multiple medical-reform policies, optimization of industrial structures, upgrade of technologies and facilities, and more support for international development. Meanwhile, there will be greater disparity in corporate and product landscape, together with faster industrial integration, presenting both opportunities and challenges. Factors, such as an aging population, greater health awareness, changes to disease spectrum and the application of new technologies, will generate long-term rigid demand to support the development of the Chinese pharmaceutical industry. As an important sector in China relating to people’s livelihood, the pharmaceutical and healthcare industry still enjoys a strong growth momentum and huge rigid demand. The Group will continue with its corporate development strategies of optimizing the marketing network and the product portfolio, and maintain the business of blood products and antibiotics as a core therapeutic area. By concentrating its advantageous resources, the Group spares no effort in reaching a speedy completion of the adjustment on sales pattern under the new policies for stabilising its business. In respect of expanding its marketing network, the Group will build its sales team at a faster pace, continuously localise the channels in its marketing network, and extend it to the end market by establishing multi-mode cooperation with hospitals, all in a bid to contribute higher profit to the Group, develop core marketing capabilities and build a terminal network to accommodate more products. In terms of the direction of business development, the Group will proactively expand its business to the downstream hospital industry. The Group believes that the hospital industry business and the current pharmaceutical sales business will be integrated seamlessly and create synergy effect, strengthening the Group’s core competitiveness and profit stability.

Apart from the above, the Group will continue to enhance the development of its internal control system and risk management, pay much attention to and fulfill its corporate social responsibilities throughout the Group’s governance. The Group will offer its staff a great platform for career development, and keep working to create greater value for the Shareholders.

未來展望

2018年，國內外宏觀經濟環境依然充滿不確定性因素。在「健康中國」的頂層戰略設計下，中國醫藥衛生體制改革將進入攻堅之年，多項醫改政策將全面實施，產業結構優化、技術設施升級、國際化發展會受到更多支持，企業格局和產品格局會更加分化，行業整合加速，機遇與挑戰並存。受人口老齡化、健康意識提高、疾病譜轉變、新興技術運用等因素驅動，推動中國醫藥行業發展的剛性需求將長期存在，醫藥健康行業作為中國的重要民生產業，仍具有強勁的增長動力和巨大的剛性需求。本集團將繼續秉持優化營銷推廣網絡和產品組合的企業發展戰略，堅持以血液製品和抗生素製品為業務發展的核心治療領域，集中優勢資源，積極快速完成在新政策下的銷售模式調整，穩定本集團的業務。在擴大營銷推廣網絡上，本集團將加快銷售隊伍建設步伐，不斷推進營銷推廣網絡渠道下沉並通過開發與醫院的多模式合作方式向終端市場延伸，為集團提升利潤貢獻，打造核心營銷能力和建立終端網絡以期承載更多產品。在業務發展方向上，本集團將積極拓展進入下游醫院產業的業務，本集團相信醫院產業業務和現有的藥品銷售業務將能無縫融合共同發揮其協同效應，增強本集團的核心競爭力 and 盈利穩定性。

此外，本集團將繼續加強企業內部控制體系建設，強化風險管理，亦高度關注企業社會責任，並在集團管治中踐行。本集團將為員工提供理想的職業發展平台，為股東創造價值而不懈努力。



FINANCIAL REVIEW

Revenue

The Group recorded revenue of RMB806.7 million for the Reporting Period, representing a decrease of RMB52.2 million as compared with RMB858.9 million in 2016, with a decrease rate of 6.1%, mainly due to the following factors:

(i) Human Albumin Solution

Affected by the Group's adjustments to its marketing network and restructure of the blood products market, the Group's sales volume of Human Albumin Solution during the Reporting Period decreased by approximately 16.9% as compared with 2016. Moreover, in response to market competition, the Group also lowered the average selling price for approximately 4.6%. As a result, revenue contributed by Human Albumin Solution decreased by RMB106.9 million as compared with that in 2016.

(ii) Antibiotics

Medocef only contributed RMB5.6 million to our revenue for the Reporting Period as its supply has not yet been restored, representing a decrease of RMB20.7 million as compared with 2016. Introduced in late 2016, sales revenue of Trifamox IBL was RMB28.5 million for the Reporting Period, representing an increase of RMB27.7 million as compared with 2016, offsetting the effects from the decrease in sales volume of Medocef.

During the Reporting Period, sales revenue of Axetine was RMB292.0 million, representing an increase of RMB47.1 million as compared with 2016, mainly due to the changes in the Group's marketing model under the impact of the "Two-Invoice System", which led to the simultaneous increase of both sales revenue and sales expenses. Without taking into account the "Two-Invoice System" factor, during the Reporting Period, the sales revenue of antibiotics remained stable as compared with that in 2016.

財務回顧

收益

本集團於報告期內錄得收益人民幣806.7百萬元，較2016年的人人民幣858.9百萬元減少人民幣52.2百萬元，跌幅6.1%，其主要由於下列因素所致：

(i) 人血白蛋白注射液

受本集團營銷網絡體系及血液製品市場調整影響，報告期內人血白蛋白注射液銷量較2016年減少約16.9%，且為應對市場競爭，本集團亦降低平均售價約4.6%。因此，人血白蛋白注射液所貢獻收益較2016年減少人民幣106.9百萬元；

(ii) 抗生素

麥道必因供應量尚未恢復，報告期內僅貢獻收入人民幣5.6百萬元，較2016年減少人民幣20.7百萬元；2016年末引進特福猛報告期內實現銷售收入人民幣28.5百萬元，較2016年增長人民幣27.7百萬元，抵消了麥道必銷量下降的影響。

報告期內安可欣實現銷售收入人民幣292.0百萬元，較2016年增加人民幣47.1百萬元，主要是因為受「兩票制」的影響，本集團的營銷模式有所改變，導致銷售收入和銷售費用同時增加。若扣除「兩票制」因素，於報告期內抗生素銷售收入維持穩定於2016年水平。



(iii) Other products

On one hand, in order to concentrate its resources on the business of its core products, such as the products of Human Albumin Solution and antibiotics, the Group conducted thorough review and prudent business assessment of its existing product portfolio, and has taken steps to terminate or suspend the business of some non-major products, such as the products of Taurilite and Esafosfina, resulting in a plunge of approximately RMB64.0 million in the sales revenue of such non-major products during the Reporting Period as compared with that in 2016; on the other hand, Qingdao Ruichi Pharmaceuticals Co., Ltd. ("Qingdao Ruichi") was acquired by the Group by the end of 2016, and it generated revenue of approximately RMB64.7 million mainly from the sales of Diphereline, Tanakan and Etiasa during the Reporting Period. Affected by both factors, the Group recorded revenue of RMB73.3 million for other products during the Reporting Period, which basically remained stable as in 2016.

Cost of sales

The Group recorded the cost of sales of RMB713.2 million for the Reporting Period, representing a decrease of RMB41.1 million as compared with RMB754.3 million in 2016, with a decrease rate of 5.4%, which was mainly due to the decrease in sales volume.

Gross profit and gross profit margin

The Group's gross profit for the Reporting Period was approximately RMB93.5 million, representing a decrease of RMB11.1 million or 10.6% as compared with 2016. Gross profit margin decreased from 12.2% in 2016 to 11.6% for the Reporting Period. Such decrease could be further analysed as below:

- (i) the average selling price of Human Albumin Solution was reduced by approximately 4.6%, as well as the increase in unit cost of sales of approximately 4.3% under the impact of depreciation of RMB against USD, which led to a drop of 8.2% in gross profit margin of Human Albumin Solution;
- (ii) resulting from the depreciation of RMB against USD and the adjustment of purchase price, the purchase costs of Axetine and Medocef increased, causing the average unit cost of sales to increase by approximately 10.5% during the Reporting Period as compared with that in 2016. However, meanwhile, the selling price increased under the model of "Two-Invoice System", which led to the increase in average selling price of antibiotics during the Reporting Period. The combined effects of the above two factors resulted in an increase of 10.4% in the gross profit margin of antibiotics;

(iii) 其他產品

一方面，為集中資源專注於本集團的核心產品，如人血白蛋白注射液及抗生素等產品的業務。本集團在報告期內對現有產品組合進行了徹底的檢討和謹慎的業務評估，逐步停止或中止了部分非主要產品，如滔羅特、愛賽福等產品的業務，致使該等非主要產品的銷售收益較2016年大幅減少約人民幣64.0百萬元；另一方面，本集團於2016年底收購青島瑞馳藥業有限公司(「青島瑞馳」)，青島瑞馳於報告期內主要銷售達菲林、達納康及艾迪莎產生收入約人民幣64.7百萬元。在兩方面因素的影響下，本集團於報告期內其他產品錄得收益約人民幣73.3百萬元，較2016年基本維持穩定。

銷售成本

本集團於報告期內錄得銷售成本人民幣713.2百萬元，較2016年的人民幣754.3百萬元減少人民幣41.1百萬元，跌幅5.4%，主要是受到銷量減少的影響。

毛利及毛利率

報告期內，本集團銷售毛利潤約人民幣93.5百萬元，較2016年減少人民幣11.1百萬元或10.6%。毛利率由2016年的12.2%下跌至報告期內的11.6%。有關下跌可進一步分析如下：

- (i) 人血白蛋白注射液平均銷售價格下調約4.6%，同時受人民幣兌美元貶值影響，單位銷售成本上漲約4.3%，導致人血白蛋白注射液毛利率下滑8.2%；
- (ii) 因人民幣兌美元貶值及採購價格調整，安可欣及麥道必採購成本提高，導致報告期內平均單位銷售成本較2016年增加約10.5%；但同時「兩票制」模式下銷售價格有所提高，使得報告期內抗生素平均售價增加。兩方面綜合影響使得抗生素銷售毛利率增加10.4%；



(iii) due to the gradual termination or suspension in the sales of part of our products, and the lower gross profit margin of the products sold by Qingdao Ruichi, gross profit margin of other products therefore decreased by approximately 10.1% as compared with that in 2016.

(iii) 因逐步停止或中止部分產品銷售，以及青島瑞馳銷售產品的毛利率較低的緣故，其他產品毛利率較2016年下降約10.1%。

Other income and gains

Other income and gains for the Reporting Period amounted to RMB4.2 million, representing a decrease of RMB4.3 million as compared with 2016, primarily because the Group recorded foreign exchange gains of RMB4.2 million in 2016, while in 2017 the Group recorded foreign exchange loss in the other expense account.

其他收入及收益

報告期內，其他收入及收益為人民幣4.2百萬元，較2016年減少人民幣4.3百萬元，主要是由於本集團於2016年錄得人民幣4.2百萬元匯兌收益，而於2017年本集團則在其他開支賬目錄得匯兌虧損所致。

Selling and distribution expenses

During the Reporting Period, the Group recorded selling and distribution expenses of RMB95.9 million, representing an increase of RMB84.4 million as compared with 2016, primarily because in responding to the gradual implementation of "Two-Invoice System", the Group has undertaken marketing and promotion expenses, and has also streamlined its distributor network in order to involve more internal sales team to cooperate with regional third-party promoters. As a result, the Group's marketing and promotion expenses increased by RMB80.7 million, while staff costs and travelling expenses and entertainment fee incurred by internal sales team also increased by RMB2.1 million during the Reporting Period.

銷售及經銷開支

於報告期內，本集團錄得銷售及經銷開支人民幣95.9百萬元，較2016年增加人民幣84.4百萬元，主要由於為應對「兩票制」的逐步推行，本集團在承擔營銷及推廣開支同時精簡其經銷商網絡，並投入更多內部銷售團隊與區域第三方推廣商進行合作，因此，於報告期內，本集團營銷及推廣費用增加人民幣80.7百萬元，而員工成本及內部銷售團隊所產生差旅費、招待費亦增加人民幣2.1百萬元。

Administrative expenses

During the Reporting Period, the Group recorded administrative expenses of RMB57.3 million, representing a decrease of RMB5.1 million as compared with 2016, primarily due to the decrease in listing expenses of RMB17.5 million. The decrease was partially offset by the increase in the following aspects:

行政開支

於報告期內，本集團錄得行政開支人民幣57.3百萬元，較2016年減少人民幣5.1百萬元，主要由於上市費用減少人民幣17.5百萬元。減少由以下各方面的增加所部分抵銷：

- (i) depreciation of RMB5.0 million in relation to additions of property, plant and equipment;
- (ii) amortisation expenses of the distribution rights of RMB4.6 million were reclassified from cost of sales to administrative expenses; and
- (iii) professional consultation fee of RMB3.2 million.

- (i) 與新添置物業、廠房及設備相關的折舊人民幣5.0百萬元；
- (ii) 經銷權攤銷開支人民幣4.6百萬元由銷售成本重新分類至行政開支；及
- (iii) 專業諮詢費人民幣3.2百萬元。



Impairment loss on intangible assets

During the Reporting Period, based on prudent business assessment and thorough review of the product portfolio, the Group had taken steps to terminate or suspend the business of Taurolite and Esafosfina, and concentrated resources on the marketing and promotion of the Group's core products. Such business restructuring resulted in a plunge in the sales revenue of Taurolite and Esafosfina during the Reporting Period and impairment loss of RMB27.5 million in relation to the distribution rights of these two products.

Impairment loss on goodwill

During the Reporting Period, affected by the implementation of "Two-Invoice System" across the pharmaceutical circulation industry, the heightened competition within Human Albumin market, the fluctuations in the exchange rate of RMB against USD, the Group has suffered a decrease in gross profit and an increase in selling and distribution expenses. Due to the above factors, the Group's profitability has declined, which in turn led to an impairment of goodwill of RMB39.0 million during the Reporting Period.

Other expenses

During the Reporting Period, the Group recorded other expenses of RMB39.2 million, representing an increase of RMB34.7 million as compared with 2016, primarily due to (i) inventory provision of RMB25.2 million resulting from the termination or suspension in the sales of certain products; (ii) foreign exchange losses of RMB2.1 million; and (iii) loss on settlement of forward foreign currency transactions of RMB8.1 million.

Finance costs

During the Reporting Period, the Group recorded finance costs of RMB33.7 million, representing an increase of RMB24.5 million as compared with 2016, primarily due to the extension of the import cycle and sales cycle of Human Albumin Solution, as well as the increase in use of capital during the process of adjustments in the sales pattern, which led to the increase of the Group's finance costs. The increase in the finance costs includes (i) increase in the bond interest expense of RMB11.0 million; (ii) increase in the interest expenses on bank and other loans of RMB9.7 million; and (iii) increase in the interest on discounted bills receivable of RMB3.8 million.

Income tax credits/(expense)

During the Reporting Period, the Group recorded income tax credit of RMB9.0 million as the operation result was in a loss position.

無形資產減值虧損

於報告期內，基於對產品組合謹慎的業務評估和徹底的檢討，本集團逐步停止或中止了滔羅特及愛賽福的業務，以集中資源專注於本集團核心產品的市場推廣。由於進行此等業務重組，報告期內滔羅特和愛賽福的銷售收入大幅下滑，並因此就兩項產品的經銷權計提了約人民幣27.5百萬元減值虧損。

商譽減值虧損

於報告期內，受到醫藥流通行業執行「兩票制」，人血白蛋白市場競爭加劇以及人民幣兌美元匯率波動的影響，本集團在毛利潤下降的同時銷售及經銷開支卻上漲。由於以上因素，本集團盈利能力下降，進而導致報告期內發生商譽減值虧損人民幣39.0百萬元。

其他開支

於報告期內，本集團錄得其他開支人民幣39.2百萬元，較2016年增加人民幣34.7百萬元，主要是由於(i)因停止或中止部分產品銷售，計提相應的存貨跌價準備人民幣25.2百萬元；(ii)匯兌損失人民幣2.1百萬元；及(iii)遠期外匯交易結算虧損人民幣8.1百萬元。

財務成本

於報告期內，本集團錄得財務成本人民幣33.7百萬元，較2016年增加人民幣24.5百萬元，主要是因為人血白蛋白注射液進口周期及銷售周期延長，以及銷售模式調整過程中資金佔用量均有所增加，導致集團財務成本增加。財務成本增加包括(i)債券利息支出增加人民幣11.0百萬元；(ii)銀行及其他借貸利息支出增加人民幣9.7百萬元；及(iii)應收票據貼現利息增加人民幣3.8百萬元。

所得稅抵免/(開支)

於報告期內，由於經營業績處於虧損狀態，本集團錄得所得稅抵免人民幣9.0百萬元。



(Loss)/profit for the Reporting Period

As a result of the foregoing, the Group recorded net loss of RMB185.9 million, representing a decrease of RMB204.2 million as compared with the net profit of RMB18.3 million in 2016.

Inventories

Inventory balances increased by RMB153.6 million to RMB291.2 million as of 31 December 2017 (31 December 2016: RMB137.6 million). The increase was mainly due to the increase of year-end inventories in Human Albumin Solution by RMB199.7 million as a result of the decline in sales volume affected by the market adjustment of blood products. The increase was partially offset by the decrease in inventories of antibiotics of RMB13.5 million and the decrease in inventories of other products of RMB32.6 million.

The Group's average inventory turnover days increased from 45 days for the year ended 31 December 2016 to 110 days for the Reporting Period, primarily due to the sales volume decrease and inventory balance increase of Human Albumin Solution.

Trade and bills receivables

Trade receivables increased by RMB14.7 million to RMB26.5 million as of 31 December 2017 (31 December 2016: RMB11.8 million). Bills receivables increased by RMB2.5 million to RMB10.6 million as of 31 December 2017 (31 December 2016: RMB8.1 million). During the Reporting Period, the Group's trading terms with its customers are mainly on full payment in advance of delivery either in cash or in bills receivable accepted by a bank, except for certain customers which are granted credit terms ranging from 45 days to 90 days. Average bills and trade receivable turnover days decreased from 21 days for the year ended 31 December 2016 to 13 days for the Reporting Period, mainly reflecting the impact of Qingdao Ruichi acquisition.

Based on the invoice date, all trade receivables of the Group as of 31 December 2017 were aged within three months and were neither past due nor impaired.

Prepayment, deposits and other receivables

Prepayment, deposits and other receivables increased by RMB79.6 million to RMB146.7 million as of 31 December 2017 (31 December 2016: RMB67.1 million), mainly due to the increase in prepaid marketing and promotion service fee of RMB74.6 million made to ten independent third-party distributors. During the Reporting Period, the Group entered service agreements with these distributors with aggregate amount of approximately RMB85.5 million to perform marketing and promotion activities within the areas where the distributors are located. The service agreements cover period from 1 September 2017 to 31 October 2018, among which RMB10.9 million has been recorded as marketing and promotion service expense during the Reporting Period.

報告期內(虧損)/溢利

由於上述因素，本集團錄得虧損淨額人民幣185.9百萬元，較2016年的純利人民幣18.3百萬元減少人民幣204.2百萬元。

存貨

於2017年12月31日，存貨結餘增加人民幣153.6百萬元至人民幣291.2百萬元(2016年12月31日：人民幣137.6百萬元)。該增加主要由於受血液製品市場調整影響銷量下跌導致人血白蛋白注射液年末庫存增加人民幣199.7百萬元。該增加由抗生素庫存減少人民幣13.5百萬元及其他產品庫存減少人民幣32.6百萬元所部分抵銷。

本集團的平均存貨周轉天數由截至2016年12月31日止年度的45天增加至報告期內的110天，主要是由於人血白蛋白注射液的銷量下降及存貨結餘增加所致。

貿易應收款項及應收票據

於2017年12月31日，貿易應收款項增加人民幣14.7百萬元至人民幣26.5百萬元(2016年12月31日：人民幣11.8百萬元)。應收票據增加人民幣2.5百萬元至2017年12月31日的人民幣10.6百萬元(2016年12月31日：人民幣8.1百萬元)。於報告期內，除若干客戶獲授介乎45日至90日的信貸期外，本集團與其客戶的貿易條款主要為於交付產品前以現金或銀行承兌的應收票據全數付款。應收票據及貿易應收款項平均周轉天數由截至2016年12月31日止年度的21天減少至報告期內的13天，主要反映收購青島瑞馳的影響。

根據發票日期，本集團截至2017年12月31日的全部貿易應收款項賬齡均介乎三個月內且並無逾期或減值。

預付款項、按金及其他應收款項

於2017年12月31日，預付款項、按金及其他應收款項增加人民幣79.6百萬元至人民幣146.7百萬元(2016年12月31日：人民幣67.1百萬元)，主要是向十位獨立第三方經銷商預付的市場推廣服務費增加人民幣74.6百萬元所致。於報告期內，本集團與該等經銷商簽訂了總金額約人民幣85.5百萬元服務協議，用在經銷商所在地區開展市場推廣服務。服務協議期間涵蓋2017年9月1日至2018年10月31日，其中人民幣10.9百萬元已於報告期內確認為市場推廣服務費。



Payments in advance

Payments in advance decreased by RMB59.2 million to RMB40.7 million as of 31 December 2017 (31 December 2016: RMB99.9 million), primarily due to (i) the transfer of RMB94.0 million for the first-phase construction of cold chain storage facility to property, plant and equipment during the Reporting Period; (ii) payment of RMB30.8 million in relation to the second-phase construction of cold chain storage facility; and (iii) prepayment of RMB8.6 million in relation to the research and development expenses for Sinco I.

Trade payables

Trade payables decreased by RMB23.3 million to RMB22.5 million as of 31 December 2017 (31 December 2016: RMB45.8 million), primarily due to the settlement of payments for Diphereline and Tanakan of RMB32.2 million, and increase in payables for the purchase of antibiotics of RMB8.9 million. Average trade payable turnover days decreased from 26 days for the year ended 31 December 2016 to 17 days for the Reporting Period.

Borrowings and gearing ratio

As of 31 December 2017, the Group has (i) interest-bearing bank loans of RMB157.7 million (31 December 2016: RMB165.0 million), all of which were repayable within one year; (ii) interest-bearing other loans of RMB118.1 million (31 December 2016: Nil) repayable within one year; and (iii) bonds of RMB133.9 million (31 December 2016: Nil) repayable within one year.

預付款項

於2017年12月31日，預付款項減少人民幣59.2百萬元至人民幣40.7百萬元(2016年12月31日：人民幣99.9百萬元)，主要由於(i)冷鏈倉儲設施一期工程人民幣94.0百萬元於報告期內已轉移至物業、廠房及設備；(ii)有關冷鏈倉儲設施二期工程的付款人民幣30.8百萬元；(iii)預付有關Sinco I研發費人民幣8.6百萬元。

貿易應付款項

截至2017年12月31日，貿易應付款項減少人民幣23.3百萬元至人民幣22.5百萬元(2016年12月31日：人民幣45.8百萬元)，主要是由結算達菲林及達納康貨款人民幣32.2百萬元，以及應付抗生素採購款增加人民幣8.9百萬元所致。貿易應付款項平均周轉天數由截至2016年12月31日止年度的26天減少至報告期內的17天。

借貸及負債比率

於2017年12月31日，本集團有(i)計息銀行貸款人民幣157.7百萬元(2016年12月31日：人民幣165.0百萬元)，全部均須於一年內償還；(ii)須於一年內償還的其他帶息貸款人民幣118.1百萬元(2016年12月31日：零)及；(iii)須於一年內償還的債券人民幣133.9百萬元(2016年12月31日：零)。



At the end of the Reporting Period, the Group's gearing ratio was 61.1% at the end of the reporting period. 於報告期末，本集團的負債比率計算如下：

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Interest-bearing bank and other loans	計息銀行及其他貸款	275,815	165,000
Trade payables	貿易應付款項	22,522	45,832
Other payables	其他應付款項	70,029	61,734
Tax payable	應付稅項	2,546	12,221
Bonds	債券	133,856	-
Less: Cash and cash equivalents	減：現金及現金等價物	(22,710)	(102,050)
Less: Pledged bank balances	減：已抵押銀行結餘	(52,941)	(52,029)
Net debt	負債淨額	<u>429,117</u>	<u>130,708</u>
Equity	權益	<u>272,730</u>	<u>457,275</u>
Equity and net debt	權益及負債淨額	<u>701,847</u>	<u>587,983</u>
Gearing ratio	負債比率	61.1%	22.2%



Liquidity and capital resources

The following table is a condensed summary of the Group's consolidated statement of cash flows during the Reporting Period.

流動資金及資本來源

下表為本集團於報告期內綜合現金流量表的簡明摘要。

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Net cash used in operating activities	經營活動所用現金淨額	(358,654)	(29,903)
Net cash from/(used in) investing activities	投資活動所得／(所用)現金淨額	71,985	(206,206)
Net cash from financing activities	籌資活動所得現金淨額	209,498	321,921
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物增加／(減少)淨額	(77,171)	85,812
Effect of foreign exchange rate changes	匯率變動影響	(1,257)	8,061
Cash and cash equivalents at beginning of the year	年初現金及現金等價物	154,079	60,206
Cash and cash equivalents at end of the year	年末現金及現金等價物	75,651	154,079

Net cash used in operating activities

During the Reporting Period, the Group's net cash used in operating activities was RMB358.7 million (2016: RMB29.9 million). This was mainly due to the cash used in purchase of products and the payment of selling and distribution expenses were greater than the cash received from sales of these products.

經營活動所用現金淨額

於報告期內，本集團於經營活動所用現金淨額為人民幣358.7百萬元(2016年：人民幣29.9百萬元)。此乃主要由於購買產品以及支付銷售及經銷開支所用現金高於銷售產品所收取現金所致。

Net cash from/(used in) investing activities

During the Reporting Period, the Group's net cash from investing activities was RMB72.0 million (2016: cash outflow of RMB206.2 million), including (i) redemption of an available-for sale investment of RMB108.1 million; and (ii) payment in relation to capital expenditure of RMB36.4 million with details set out in the capital expenditure analysis below.

投資活動所得／(所用)現金淨額

於報告期內，本集團於投資活動所得現金淨額為人民幣72.0百萬元(2016年：現金流出人民幣206.2百萬元)，包括(i)贖回可供出售投資人民幣108.1百萬元；及(ii)支付有關資本開支人民幣36.4百萬元，有關詳情載於下文資本開支分析。

Net cash from financing activities

During the Reporting Period, the Group's net cash from financing activities was RMB209.5 million (2016: RMB321.9 million), which mainly included (i) proceeds from bank and other loans of RMB632.5 million; and (ii) proceeds from the issue of bonds of RMB139.9 million. Cash inflow was partially offset by (i) repayment of bank and other loans of RMB520.9 million; (ii) payment of interest of RMB33.6 million; and (iii) payment of service fee in relation to financing activities of RMB8.4 million.

籌資活動所得現金淨額

於報告期內，本集團於籌資活動所得現金淨額為人民幣209.5百萬元(2016年：人民幣321.9百萬元)，主要包括(i)銀行及其他貸款的所得款項人民幣632.5百萬元；及(ii)發行債券所得款項人民幣139.9百萬元。現金流入由(i)償還銀行及其他借貸人民幣520.9百萬元；(ii)支付利息人民幣33.6百萬元；及(iii)支付與融資活動相關服務費人民幣8.4百萬元所部分抵銷。



The following table sets out the Group's cash and cash equivalents at the end of the Reporting Period:

下表載列本集團於報告期末的現金及現金等價物：

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Denominated in RMB	以人民幣計值	70,897	100,945
Denominated in US\$	以美元計值	3,303	36,467
Denominated in HK\$	以港元計值	1,451	16,251
Denominated in Euro	以歐元計值	—	416
		75,651	154,079

Foreign currency risk

The Group's purchase of products from the overseas suppliers is denominated in US\$. Most of the Group's assets and liabilities are denominated in RMB, except for certain items of cash and cash equivalents, pledged bank balances, other receivables, trade payables, bank loans and bonds that are denominated in US\$ and HK\$.

The Group does not enter into any hedging transactions to manage the potential fluctuation in foreign currencies. Management monitors the Group's foreign currency exposure and will consider hedging significant foreign currency exposure when the need arises.

外匯風險

本集團向海外供貨商購買產品以美元計值。本集團大部分資產及負債以人民幣計值，惟若干現金及現金等價物、已抵押銀行結餘、其他應收款項、貿易應付款項、銀行貸款、應付債券項目則以美元及港元計值。

本集團並無訂立任何對沖交易以管理外匯潛在波動。管理層會監察本集團外匯風險，並將在有需要時考慮對沖重大外匯風險。

Capital expenditure

The following table sets out the Group's capital expenditure for the periods indicated:

資本開支

下表載列本集團於所示期間的資本開支：

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Purchase of property, plant and equipment and intangible assets	購買物業、廠房及設備以及無形資產	29,802	42,780
Acquisition of subsidiaries	收購附屬公司	6,616	59,688
		36,418	102,468



Indebtedness

The maturity profile of the Group's financial liabilities at the end of the Reporting Period, based on the contractual undiscounted payments, is as follows:

債務

以下為本集團金融負債於報告期末基於合約未貼現付款的到期情況：

		2017 2017年			
		On demand 於要求時 RMB'000 人民幣千元	Less than 3 months 少於三個月 RMB'000 人民幣千元	3 to 12 months 三至十二個月 RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
Interest-bearing bank and other loans	計息銀行貸款及其他貸款	-	209,696	71,512	281,208
Trade payables	應付貿易款項	-	22,522	-	22,522
Other payables	其他應付款項	1,262	32,395	34,931	68,588
Bonds	債券	-	138,569	-	138,569
		1,262	403,182	106,443	510,887

		2016 2016年			
		On demand 於要求時 RMB'000 人民幣千元	Less than 3 months 少於三個月 RMB'000 人民幣千元	3 to 12 months 三至十二個月 RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
Interest-bearing bank loans	計息銀行貸款	-	10,092	158,623	168,715
Trade payables	貿易應付款項	-	45,832	-	45,832
Other payables	其他應付款項	926	2,755	54,362	58,043
		926	58,679	212,985	272,590



Contingent liabilities

The Group had no material contingent liabilities as of 31 December 2017.

Pledge of assets

As of 31 December 2017, the Group's buildings with net carrying amount of RMB84.7 million (31 December 2016: RMB76.1 million), bank balances of RMB30.0 million (31 December 2016: Nil) and inventories of RMB125.7 million (31 December 2016: Nil) were pledged to secure certain bank and other loans, and the Group's bank balances of RMB22.9 million (31 December 2016: RMB52.0 million) were pledged for issuance of letters of credit.

Dividend

The Directors do not recommend the payment of a final dividend for the Reporting Period.

EMPLOYEE AND REMUNERATION POLICY

As of 31 December 2017, the Group had a total of 112 employees. For the Reporting Period, the total staff costs of the Group were RMB15.1 million (2016: RMB12.8 million).

The Group's employee remuneration policy is determined by factors such as remuneration in respect of the local market, the overall remuneration standard in the industry, the inflation level, corporate operating efficiency and employee performance. The Group conducts performance appraisals once every year for its employees, the results of which are applied in annual salary reviews and promotional assessments. The Group's employees are considered for annual bonuses according to certain performance criteria and appraisals results. Social insurance contributions are made by the Group for its PRC employees in accordance with the relevant PRC regulations.

The Group also provides continuous learning and training programs to its employees to enhance their skills and knowledge, so as to maintain their competitiveness and improve customer service quality. The Group did not experience any major difficulties in recruitment, nor did it experience any material loss in manpower or suffer from any material labor dispute during the Reporting Period.

In addition, the Company adopted a share option scheme to recognise the contribution by certain employees of the Group, and to provide them with incentives in order to retain them for their continuing support in the operation and development of the Group.

或然負債

於2017年12月31日，本集團概無任何重大或然負債。

資產抵押

於2017年12月31日，本集團賬面淨值人民幣84.7百萬元(2016年12月31日：人民幣76.1百萬元)的樓宇，銀行結餘人民幣30.0百萬元(2016年12月31日：零)及人民幣125.7百萬元存貨(2016年12月31日：零)已抵押以取得若干銀行及其他借貸，而本集團的銀行結餘人民幣22.9百萬元(2016年12月31日：人民幣52.0百萬元)已抵押用作開立信用證。

股息

董事並無建議派發報告期的末期股息。

僱員及薪酬政策

於2017年12月31日，本集團共有112名僱員。於報告期，本集團的員工成本總計人民幣15.1百萬元(2016年：人民幣12.8百萬元)。

本集團僱員薪酬政策乃考慮有關當地市場的薪酬、行業的整體薪酬標準、通脹水平、企業營運效率及僱員表現等因素而釐定。本集團每年為僱員作一次表現評核，年度薪金檢討及晉升評估時會考慮有關評核結果。本集團僱員根據若干績效條件及評核結果考慮其年度花紅。本集團根據相關中國法規為其中國僱員作出社會保險供款。

本集團亦為僱員提供持續學習及培訓計劃，以提升彼等的技能及知識，藉此維持彼等的競爭力並提高客戶服務的質量。本集團於報告期在招聘方面並無遇到任何重大困難，亦無出現任何嚴重人員流失或任何重大勞資糾紛。

此外，本公司採納購股權計劃以肯定本集團若干僱員的貢獻，及向彼等提供獎勵，以挽留彼等繼續協助本集團的營運及發展。



RISK MANAGEMENT

The principal risks and uncertainties identified by the Company which may have material and adverse impact on our performance or operation are summarised below. There may be other principal risks and uncertainties in addition to those set out below which are not known to the Company or which may not be material now but could turn out to be material in the future.

- Failure to maintain relationships with existing suppliers – The Group currently sources all the products in portfolio from limited suppliers, either directly or indirectly through their sales agents.
- Exchange rate fluctuation – The Group's purchase of products from the overseas suppliers is denominated in US\$, and certain items of bank balances, other receivables, bank borrowings and bonds are denominated in US\$ and HK\$.
- Decrease in gross profits due to increase in cost and competition.
- Experience prolonged delays or significant disruptions to the supply of the products.

The Company believes that risk management is essential to the Group's efficient and effective operation. The Company's management assists the Board in evaluating material risk exposure existing in the Group's business, and participates in formulating appropriate risk management and internal control measures, and to ensure such measures are properly implemented in daily operational management.

風險管理

以下概述本公司所識別的主要風險及不明朗因素，該等風險及不明朗因素可能會對我們的表現或營運造成重大不利影響。除下文所示者外，可能還有其他為本公司未知或現時不重大但於未來可變為重大的主要風險及不明朗因素。

- 未能與現有供貨商維持關係 – 本集團現時向數目有限的供貨商直接或透過銷售代理間接採購所有產品組合。
- 匯率波動 – 本集團向海外供貨商購買的產品以美元計值，且若干銀行結餘、其他應收款項、銀行借貸及債券項目均以美元及港元計值。
- 成本增加及競爭加劇導致利潤率下跌。
- 產品供應遭遇長時間延誤或重大中斷。

本公司相信，風險管理對本集團的營運效率及效益十分重要。本公司的管理層協助董事會評估本集團業務所面對的重大風險，並參與製訂合適的風險管理及內部控制措施，以及確保在日常營運管理中妥善實施有關措施。



RELATIONSHIP WITH KEY STAKEHOLDERS

Human resources is one of the most important assets of the Group. The Group strives to motivate its employees by providing them with a clear career path as well as comprehensive and professional training courses. In addition, the Group also offers competitive remuneration packages to its employees, including basic salary, certain benefits and other performance based incentives.

The Group purchases imported pharmaceutical products from overseas suppliers, either directly or indirectly through their sales agents, and generate revenue by on-selling them to hospitals and pharmacies through distributors and deliverers. Our suppliers or their sales agents have granted us the rights to market, promote and manage sales channels for their products in China. The Group maintains a stable and long-term relationship with its suppliers by providing them access to the growing Chinese market with steady sales growth.

The Group sells pharmaceutical products to distributors, who on-sell the products to hospitals and pharmacies either directly or indirectly through their sub-distributors. The Group maintains stable and long-term relationship with its distributors by providing them guidance, training and support to carry out more targeted field marketing and promotion activities.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is primarily engaged in MPCM for imported pharmaceutical products, a line of business that does not have material impact on the environment. The key environmental impact from the Group's operation is related to electricity, water and paper consumption. The Group is fully aware of the importance of sustainable environmental development, and has implemented the following measures to encourage environmental protection and energy conservation:

- Promoting paperless office
- Encouraging low-carbon commuting
- Ensuring reasonable energy consumption

During the Reporting Period, we did not incur any material cost of compliance with relevant environmental laws and regulations.

與主要利益相關者的關係

人力資源作為本集團的重要資產之一，本集團致力於以清晰的職業發展路徑以及完善專業的培訓課程激勵僱員。此外，本集團亦為僱員提供具有市場競爭力的薪酬待遇，包括基本薪金、若干福利及其他績效獎勵。

本集團從海外供貨商直接或透過銷售代理間接採購進口藥品，然後通過經銷商或配送商轉售予醫院和藥房產生收益。供貨商或其銷售代理授予我們在中國營銷、推廣產品及管理銷售渠道的權利，我們與供貨商維持穩定長遠關係，讓供應商可以進入不斷增長的中國市場，獲得穩定的銷售增長。

本集團將藥品售予經銷商，再由其直接或經其分經銷商售予醫院和藥房。本集團與經銷商維持穩定長遠關係，為經銷商提供指引、培訓和支持，以在目標領域開展更多營銷及推廣活動。

環境政策及表現

本集團主要從事進口藥品營銷、推廣及渠道管理，該類業務一般不會嚴重影響環境。本集團營運所造成的重要環境影響與電、水及紙張消耗有關。本集團深明環境可持續發展的重要性，並已實施以下措施，以推動環保及節能：

- 推行無紙化辦公
- 鼓勵低碳出行
- 確保合理利用能源

於報告期內，我們並無因遵守相關環境法律及法規而產生任何重大支出。



COMPLIANCE WITH LAWS AND REGULATIONS

The Group's business and operations are subject to related laws and regulations of the Cayman Islands, the British Virgin Islands, Hong Kong and the PRC. During the Reporting Period, we have complied with all related laws and regulations of the Cayman Islands, the British Virgin Islands, Hong Kong and the PRC, which would have significant impact on the Group.

ADDITIONAL INFORMATION

On 27 June 2017, the Company issued unlisted bonds in the aggregate principal amount of HK\$120,000,000 (equivalent to RMB104,150,000). The maturity date of the bonds falls 24 months after the date of issue. The interest rate is 10% per annum and the interest should be payable quarterly. With effect from 12 October 2017, the nominal effective interest rate was amended to 15% per annum with interest payable quarterly and the maturity date was amended to 27 March 2018. On 27 March 2018, the maturity date has been further amended to 30 April 2018.

On 30 June 2017, the Company issued convertible bonds in the aggregate principal amount of HK\$40,000,000 (equivalent to RMB34,717,000). The maturity date of the convertible bonds falls 24 months after the date of issue. The interest rate is 8% per annum and the interest should be payable quarterly. With effect from 18 December 2017, all rights and obligations of the holder of the convertible bonds and the Company in relation to the conversion rights were deleted. Meanwhile, the maturity date was amended to 30 March 2018 and the interest rate was amended to 15% per annum with interest payable quarterly. On 27 March 2018, the maturity date has been further amended to 30 April 2018.

遵守法律法規

本集團的業務及營運須遵守開曼群島、英屬維爾京群島、香港及中國相關法律及法規。於報告期內，我們一直遵守對本集團有重大影響的開曼群島、英屬維爾京群島、香港及中國所有相關法律及法規。

額外資料

於2017年6月27日，本公司發行本金總額為120,000,000港元(相當於人民幣104,150,000元)的非上市債券。債券的到期日為發行日期滿24個月當日。年利率為10%，利息須按季支付。自2017年10月12日起，賬面實際年利率改為15%而利息須按季支付，到期日改為2018年3月27日。於2018年3月27日，到期日進一步修訂為2018年4月30日。

於2017年6月30日，本公司發行本金總額為40,000,000港元(相當於人民幣34,717,000元)的可換股債券。可換股債券的到期日為發行日期後24個月。年利率為8%，利息須按季支付。自2017年12月18日起，可換股債券持有人及本公司有關兌換權的所有權利及義務已刪除。同時，到期日改為2018年3月30日，年利率改為15%而利息須按季支付。於2018年3月27日，到期日進一步修訂為2018年4月30日。



On 12 October 2017, the Company and Crede CG III Ltd. (the “Subscriber”) entered into a subscription agreement (the “Subscription Agreement”). On 6 December 2017, the Company and the Subscriber entered into an amended and restated subscription agreement (the “Amended and Restated Subscription Agreement”) to amend, restate, supersede and replace in its entirety the Subscription Agreement. Pursuant to the Amended and Restated Subscription Agreement, the Subscriber shall subscribe for, and the Company shall issue, the convertible bonds (the “Convertible Bonds”) with an aggregate principal amount of up to US\$150,000,000 (equivalent to approximately HK\$1,170,000,000) to be issued in up to 30 tranches, comprising the first part of the Convertible Bonds in the principal amount of up to US\$50,000,000 (equivalent to approximately HK\$390,000,000) (the “First Part CB”) and the second part of the Convertible Bonds in the principal amount of up to US\$100,000,000 (equivalent to approximately HK\$780,000,000). The maturity date of the Convertible Bonds is falling 36 months after the issue date of such tranche of the Convertible Bonds or, if that is not a business day, the first business day thereafter. The interest rate is 4% per annum and the interest should be paid semi-annually.

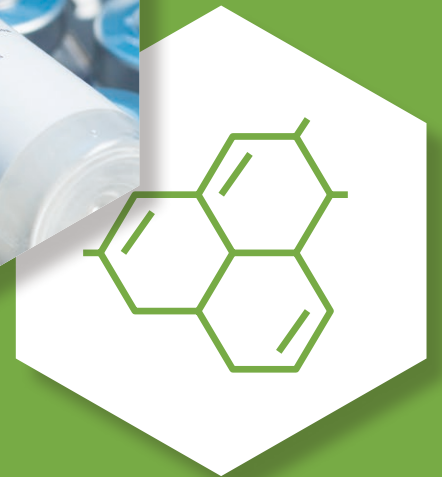
On 17 January 2018, the first tranche of the First Part CB (the “First Tranche”) in the principal amount of US\$5,000,000 (equivalent to approximately HK\$39,000,000) has been issued to the Subscriber. The initial conversion price in respect of the First Tranche is HK\$0.50869, being 70% of the volume weighted average price of the shares of the Company in the 20 trading days prior to 17 January 2018.

On 17 January 2018, the Subscriber exercised its conversion rights attached to the First Tranche in full. As a result, 76,670,585 conversion shares were issued to the Subscriber, representing approximately 4.7% of the issued share capital of the Company before the issue of the conversion shares and approximately 4.5% of the issued share capital of the Company as enlarged by the issue of such conversion shares.

於2017年10月12日，本公司與Crede CG III Ltd(「認購方」)訂立認購協議(「認購協議」)。於2017年12月6日，本公司與認購方訂立經修訂及重列認購協議(「經修訂及重列認購協議」)，以修訂、重列、取代及更換整份認購協議。根據經修訂及重列認購協議，認購方將認購而本公司將最多分30批發行最高本金總額為150,000,000美元(相當於約1,170,000,000港元)的可換股債券(「可換股債券」，其中包括最高本金總額為50,000,000美元(相當於約390,000,000港元)的第一部分可換股債券(「第一部分可換股債券」)及最高本金總額為100,000,000美元(相當於約780,000,000港元)的第二部分可換股債券)。可換股債券的到期日為可換股債券有關批次發行日期後36個月或倘當日並非營業日，則為此後的首個營業日。年利率為4%，而利息將半年支付一次。

於2018年1月17日，本金額為5,000,000美元(相當於約39,000,000港元)的首批第一部分可換股債券(「首批」)已發行予認購方。首批的初步兌換價為0.50869港元，即本公司於2018年1月17日前20個交易日內股份成交量加權平均價的70%。

於2018年1月17日，認購方悉數行使首批所附帶的兌換權。因此，將向認購方發行76,670,585股兌換股份，相當於本公司在發行兌換股份前已發行股本約4.7%及本公司經發行該等兌換股份擴大後已發行股本約4.5%。



Environmental, Social and Governance Report

環境、社會及管治報告



Environmental, Social and Governance Report

環境、社會及管治報告

1. Basis of Preparation

The Report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “ESG Guide”) of The Stock Exchange of Hong Kong (the “HKEx”) as set out in Appendix 27 to the Listing Rules and complies with the reporting principle of “comply or explain” and compilation in relation to key performance indicators (“KPIs”) in the environmental area under ESG Guide.

The data and information cited in the Report are referenced from the archived questionnaires, records, statistics and research of the Company. The Report covers an information period that spans from 1 January 2017 to 31 December 2017, exactly the financial year covered by the 2017 annual report of the Company.

The Report encompasses the information of the Company and all its subsidiaries (collectively referred to as the “Group”).

2. Contact

Should you have any query or feedback on the Report, please contact us via the following methods:

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- b. Tel: +86 28 62912988
- c. Fax: +86 28 62912922
- d. Email: sinco-pharm@sinco-pharm.com
- e. Official website: <http://www.sinco-pharm.com>

3. Overview

With extensive experience in the distribution of pharmaceutical imports, the Group provides comprehensive MPCM services for small and medium-sized overseas pharmaceutical manufacturers. Meanwhile, the Group, leveraging its quality product portfolio that centers on blood products and nationwide marketing and promotion network, is the only MPCM service provider for imported blood products in the PRC. Currently, the Group’s product portfolio includes blood products, antibiotics, and other pharmaceutical imports that enjoy high-speed growth or a sizable market.

1. 報告編輯依據

本報告根據香港聯合交易所(「港交所」)上市規則附錄二十七所載《環境、社會及管治報告指引》(「環境、社會及管治指引」)編寫，並且符合「不遵守就解釋」的報告原則及環境、社會及管治報告指引中關於環境範疇關鍵績效指標的彙編。

本報告所引用的數據及資料源於本公司各項存檔問卷、記錄、統計和研究。本報告內容所刊載和統計的資訊期間為2017年1月1日至2017年12月31日。與本公司2017年年報涵蓋的財政年度一致。

本報告涵蓋本公司及其所有附屬公司(統稱「本集團」)之信息。

2. 聯繫方式

如對本報告及其內容有任何疑問或反饋意見，歡迎通過以下方式與我們聯繫：

- a. 地址：四川省成都市高新區天府大道北段1700號環球中心E5-1805
- b. 電話：+86 28 62912988
- c. 傳真：+86 28 62912922
- d. 電郵地址：sinco-pharm@sinco-pharm.com
- e. 官方網站：<http://www.sinco-pharm.com>

3. 概況

本集團擁有豐富的進口醫藥分銷經驗，為海外中小型藥商提供綜合營銷、推廣及渠道管理服務。同時，本集團憑藉以血液製品為核心的優質產品組合和覆蓋全中國的行銷及推廣網路，是中國進口血液製品唯一的行銷、推廣及渠道管理服務供應商。本集團的現有產品組合包括血液製品、抗生素及其他高速增長或有相當市場規模的進口藥品。



4. Core Values

Constant in pursuing excellence of product quality and pharmaceutical technology services, the Group aspires to become a top partner for overseas pharmaceutical businesses who intends to enter the Chinese pharmaceutical market. Sticking to its core values “Simplicity, Innovation, National, Collaboration, and Openness”, the Group wishes to deliver good corporate governance and fulfill its environmental and social responsibilities, to realize sustainable development and safeguard the investors, staff, suppliers, distributors, governments, communities, financial institutions and other stakeholders.

5. Stakeholder Identification and Communications

The Group will continue to maintain close contact and communications with the stakeholders, and receives valuable opinion from them each year. In order to decide the content and direction of the Annual Report for the Year, we referred to the analysis results of material concern raised by the stakeholders last year and the relevant response.

4. 核心價值觀

本集團不斷追求品質卓越的醫藥產品和醫藥科技服務，目標成為海外藥商進入中國醫藥市場的首選合作夥伴。本集團秉承新型高效(Simplicity)、勇於創新(Innovation)、全國覆蓋(National)、合作雙贏(Collaboration)及開放包容(Openness)的核心價值觀，以優良的企業管治、對環境及社會責任的履行實現可持續發展，維護包括投資者、員工、供應商、經銷商、政府、社區及金融機構等在內的各方權益人。

5. 權益人識別與溝通

本集團將繼續與各方權益人保持緊密聯系和溝通，每年度都會接收他們寶貴的意見。我們已上年度的權益人重大關注議題與回應的分析結果作為基礎以擬定本年度報告的內容和方向。

Significant Subjects for Stakeholders and Response

權益人重大關注議題與回應

Type of Stakeholders 權益人類型	Focus 關注重點	Means of Communication 主要溝通方式	Response and Feedback 響應與反饋
Shareholders/Investors 股東／投資者	Continuous, stable investment returns Timely information disclosure Corporate operation in compliance with laws and regulations 持續穩定的投資回報 及時的信息披露 合規的企業運營	Annual reports, interim reports and announcements General meetings Roadshows/telephone conferences/meet-and-greets Media communication mechanism Press conferences Opinion monitoring Consultation via telephone/email/website Investor visits 年度報告、中期報告及公告 股東大會 路演／電話會議／見面會 媒體溝通機制 新聞發布會 輿情監測 電話／電郵／網站諮詢 投資者來訪	Publishing AGM notices and resolutions according to regulations Timely disclosing corporate information Publishing disclosure announcements and regular reports according to regulations 按規定發布股東周年大會通知和議案 按時披露公司信息 按規定披露公告和發布定期報告



Type of Stakeholders 權益人類型	Focus 關注重點	Means of Communication 主要溝通方式	Response and Feedback 響應與反饋
Staff 員工	Training and career development Remuneration and benefits Health and safety 培訓和職業發展 薪酬與福利 健康與安全	Direct communication Performance appraisal Medical checkups Training programmes Staff opinion surveys Safety management 直接溝通 績效考核 體檢 培訓課程 員工意見徵詢 安全管理	Providing a healthy and safe work environment Establishing a fair mechanism for promotion Organizing staff activities 提供健康、安全的工作環境 建立公平的晉升機制 組織員工活動
Suppliers 供應商	Standard supplier management and purchase process Timely performance of contracts Corporate reputation 規範的供應商管理及採購流程 按時履行合同約定 企業信譽	Execution of orders/contracts Direct communication Supplier management system Supplier archives 訂單／合同執行 直接溝通 供應商管理制度 供應商檔案	Performing contracts as agreed Maintaining long-term collaboration with outstanding suppliers Timely payment Ensuring pharmaceutical quality and safety Keeping complete supplier archives 按約履行合同 與優秀供應商保持長期合作 按時付款 確保藥品質量安全 齊全的供應商檔案
Distributors 經銷商	A robust process of customer service A complete mechanism of information communication A stable and safe supply of pharmaceutical products Timely response to requests 健全的客戶服務流程 完善的信息交流機制 穩定、安全的藥品供應 訴求的及時回應	Daily communication Aftersales service Customer satisfaction surveys Customer archives Visits to distributors 日常溝通 售後服務 客戶滿意度調查 客戶檔案 企業參觀／走訪	Enhancing quality management Performing contracts as agreed Providing distributors with pharmaceutical knowledge training and marketing support Sufficient communication 加強質量管理 按約履行合同 為經銷商提供藥品知識培訓和營銷推廣支持 充分溝通



Type of Stakeholders 權益人類型	Focus 關注重點	Means of Communication 主要溝通方式	Response and Feedback 響應與反饋
Governments/ Communities 政府／社區	Corporate operation in compliance with laws and regulations Contributing to community development 合規的企業運營 貢獻社區發展	Government visits Participation in government meetings and regular visits Government projects Community service 政府參觀指導 參與政府會議、定期拜訪 政府項目 社區服務	Strict complying with laws and regulations Enhancing safety management Actively assuming social responsibility 嚴格遵守法律法規 加強安全管理 積極承擔社會責任
Financial Institutions 金融機構	Good corporate credit, and stable capability of loan repayment Stable corporate development 良好的企業信用，穩定的償貸能力 穩定的企業發展	Financial reports and announcements Visits Direct communication 財務報告及公告 參觀指導 直接溝通	Timely repayment of loans Maintaining good cooperative relations 按時償還貸款 保持良好的合作關係

6. Social

To perform social responsibility, the Group always attaches great importance to the details of staff, product management and community benefit at work to provide a fair and equitable treatment to the related stakeholders of the Group and deeply believes that this management direction is a long-term investment for the Group.

a. Employment

The Group has been aware of a number of laws and regulations on the protection of the labor force established by the People's Republic of China and has strictly complied with their requirements to carry out all of the relevant laws and regulations when employing staff members. The relevant laws and regulations include: PRC Labor Law, Employment Promotion Law, Labor Contract Law, Tentative Provisions on Salary Payment, Regulations on the Management of Housing Provident Fund, Labor Dispute Mediation and Arbitration Law, Regulation on Work-related Injury Insurances, and local labor laws and regulations. The Group also ensures the entitlement to all statutory social insurance and statutory holidays of its staff members. Furthermore, to provide staff members with better welfare, the Group has formulated Remuneration Management System, Staff Fund Management System, and Staff Reward and Punishment Provisions, and also provides staff members with allowances for transport and lunch, staff activities and group tours, with an aim at achieving fair treatment for all staff members of the Group. In addition to the said welfare, the Group also attaches great importance to raise intrinsic value of the staff. Therefore, the Group provides staff members at all levels with targeted development and incentive schemes, and clear and fair promotion opportunities through performance appraisal according to the Group's Performance Management System.

6. 社會

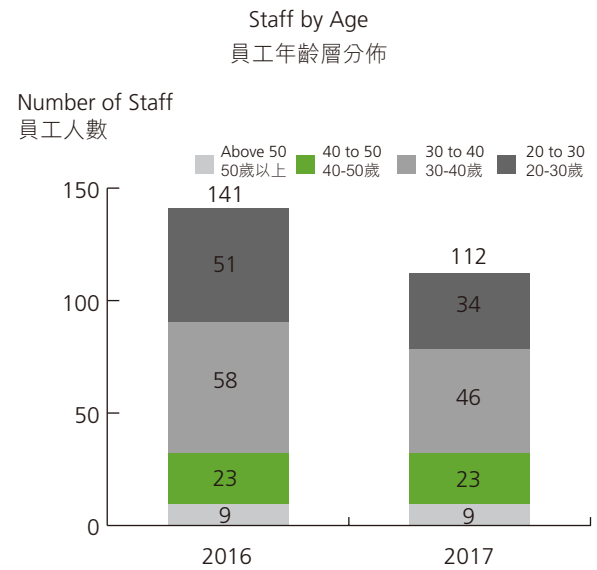
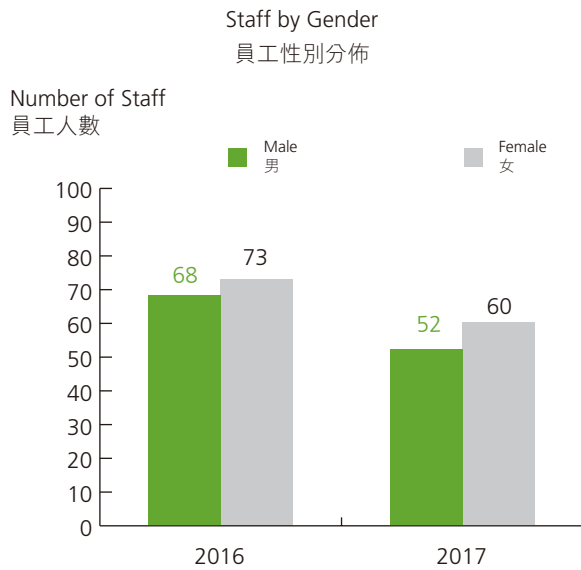
為履行企業社會責任，本集團一向非常重視工作上對員工、產品管理以及社區福利的細節，務求對本集團有關的權益人作出公平和公正的對待，並且深信此管理方針是為本集團長遠的投資。

a. 僱傭

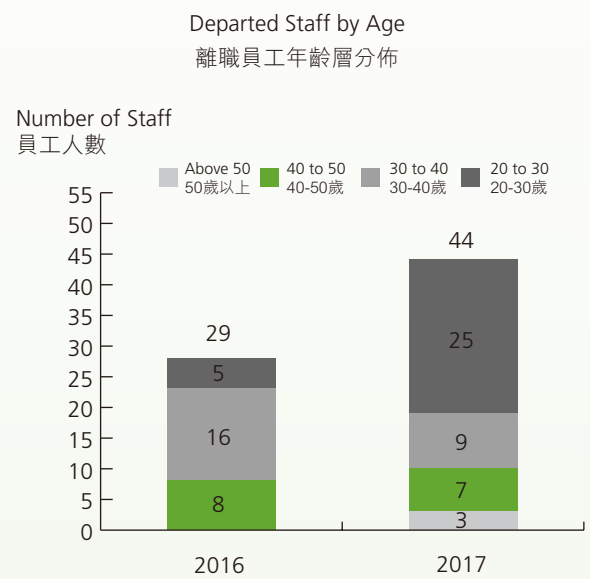
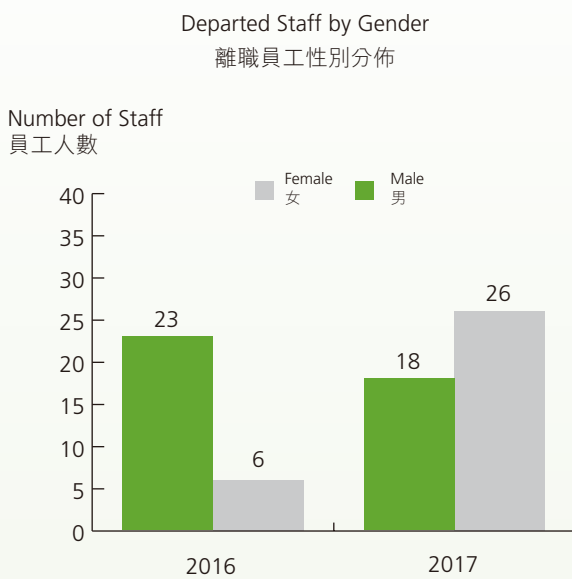
本集團清楚瞭解中華人民共和國設立的多項保護勞動人口法規，並嚴格按照其規定，執行所有有關法規僱傭員工，相關的法規包括：中華人民共和國《勞動法》、《就業促進法》、《勞動合同法》、《工資支付暫行規定》、《住房公積金管理條例》、《勞動爭議調解仲裁法》、《工傷保險條例》及各地區的勞動法律及條例。本集團亦確保向員工提供所有的法定社會保險及法定假期。本集團為了向員工提供更好的福利待遇，還制定了《薪酬管理制度》、《員工基金管理制度》、《員工獎懲條例》等政策，亦提供交通及午餐補貼、員工活動和團體旅遊等，以求達到公平對待本集團所有員工。除了相關福利之外，本集團亦重視提升員工的內在價值，所以本集團訂立了一個針對性的專項培育及鼓勵計劃予不同級別的員工，而且根據本集團《績效管理制度》進行績效考核，為員工提供清晰、公平的晉升機會。



Employment Indicators 僱傭指標



During the Reporting Period, the Group recorded a staff outflow of 44, representing a demission* rate of 28.2%.
 於報告期內，本集團離職員工44人，離職率*為28.2%。



* Demission rate = Number of staff departed during the Reporting Period / (Headcount at the end of the Reporting Period + Number of staff departed during the Reporting Period)

* 離職率 = 報告期內離職員工人數 / (報告期末人數 + 報告期內離職員工數)



In addition to the existing staff policies, the Group's strict recruitment system that can ensure it enjoys comprehensive human resources allocation. The Group has always been recruiting talents externally and keeping contact with recruitment agencies, universities and colleges to attract potential talents to join the Group. It has set up a "Staff Referral Award" to encourage its staff members to recommend capable talents to join the Group.

Moreover, the Group ensures all the job applicants and staff enjoy equal opportunities for employment, with zero tolerance of any discrimination over gender, age, ethnicity, nationality and disability. As at 31 December 2017, the Group had a staff of 112 in total, with a proper gender balance (46.4% being male staff and 53.6% being female staff). During the Reporting Period, no employment discrimination has occurred within the Group.

b. Health and Safety

Staff health and safety are also areas that the Group attached great importance to. The Group, at all times, strictly complies with all requirements of relevant regulations, including the PRC Labor Law, Fire Prevention Law, Occupational Health and Safety Management System, Special Regulation on the Labor Protection of Female Staff, Measures for the Ascertainment of Work-related Injuries, and the Regulation on Work-related Injury Insurances.

The Group strives to offer its staff a safe work environment and minimize all potential risks on health and safety. We conduct ongoing risk assessment and inspection on work environment with certain high-risk to mitigate the risks. During the Reporting Period, the Group implemented a series of health management measures, so that its staff members can work in a safe environment free of occupational hazards:

- Staff medical examination
- Fire Drills
- Regular maintenance of electrical equipment
- Traffic safety study for drivers



During the Reporting Period, the Group incurred no work-related fatalities among its staff; nor did any staff lose any work days due to work-related injuries.

除了對現有員工的政策外，本集團嚴謹的招募制度能確保本集團擁有完善的人力資源配置。本集團一直採取對外招聘的形式，亦與人力招聘機構及高等院校保持聯繫，務求吸納有潛力的人才加入本集團。為了鼓勵員工推薦有能力的人才加入，本集團設有「內部推薦伯樂獎」。

再者，本集團為所有應徵者和員工提供平等的就業機會，絕不容許任何由於性別、年齡、民族、國籍、殘疾而歧視任何應聘者和員工的行為。於2017年12月31日，本集團員工總人數為112人，男女比例均衡，男女佔比分別為46.4%和53.6%。於報告期內，本集團未有發生就業歧視事件。

b. 健康與安全

員工健康及安全都是本集團非常重視的範疇，本集團一直嚴格遵守所有有關的法規的要求，包括中華人民共和國《勞動法》、《消防法》、《職業健康安全管理體系》、《女職工勞動保護特別規定》、《工傷認定辦法》、《工傷保險條例》等。

本集團盡可能為員工提供一個安全的工作環境，減低各類潛在的健康與安全風險。本集團持續對有特定高風險的工作環境作風險評估及檢查，以減低風險。於報告期內，本集團實施了一系列健康管理措施，為員工提供安全的工作環境以及保障員工避免職業性危害：

- 員工體檢
- 消防演習
- 電力設備定期檢修
- 駕駛員交通安全學習

於報告期內，本集團並無任何員工因工作關係死亡，也無任何員工因工傷損失工作日數。



c. Development and Training

Improving the quality and techniques of staff members is a momentum for the Group's development. To ensure effective implementation of staff training schemes, the Group has formulated Management Measures for Staff Training, which expressly set out an integrated system and implementation process that encompass induction, internal training and external training:

i. Induction

New recruits are introduced to the general knowledge of the Group, such as corporate culture, product knowledge, basic internal control system and process, the work process of the department concerned, and details of the work position.

ii. Internal Training

Based on the actual demands at work, the Group applies its internal training resources to the communications on professional knowledge and skills, to share experience. Such training takes place in the following forms: self-learning with shared training materials on the Group's online work platform, and discussions at regular departmental meetings, communication sessions for business teams and inter-departmental sharing sessions.

iii. External Training

The Group encourages its staff members to improve their professional techniques and, given their efficient work arrangement, attend training and policy seminars hosted by external institutions.

In order to share and inherit the Group's knowledge and experience with internal staff members, the Group has formulated its Internal Lecturer Management Measures to enhance the efficiency and effectiveness of training. At the beginning of each year, human resources department formulates annual training scheme according to feedback from the previous year, the Group's strategic planning and the actual demand of each department, and prepares training curricular and course content on a quarterly basis.

c. 發展與培訓

提升員工整體素質和技術水準是對本集團發展的動力，為了有效地實施員工的培訓計劃，本集團制訂了《員工培訓管理辦法》，當中明確列明入職培訓、內部培訓和外派培訓的綜合體系及實施流程：

i. 入職培訓

向新入職員工介紹本集團的企業文化、產品知識、基本內部控制制度及流程等通用知識及所在部門的工作流程、所任崗位元的說明等。

ii. 內部培訓

根據工作中的實際需求，利用本集團內部培訓資源對員工開展有關業務知識和崗位技能的交流與經驗分享。其形式包括通過集團在綫辦公平台共享培訓資料進行的自主學習，召開部門例會、業務小組溝通會、跨部門分享會等形式進行的討論。

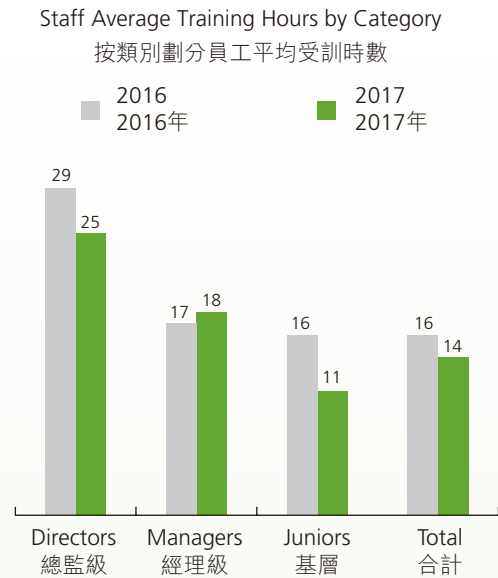
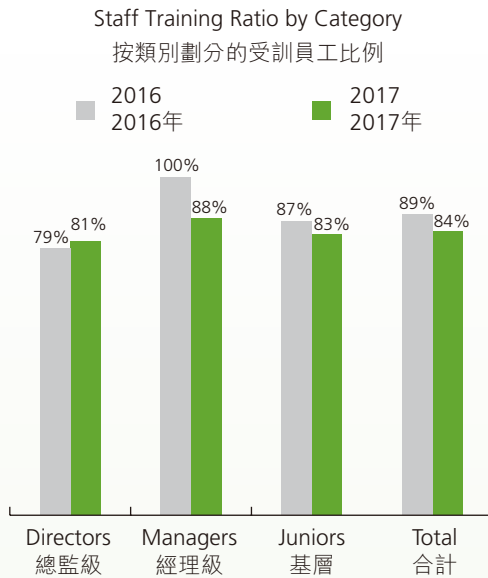
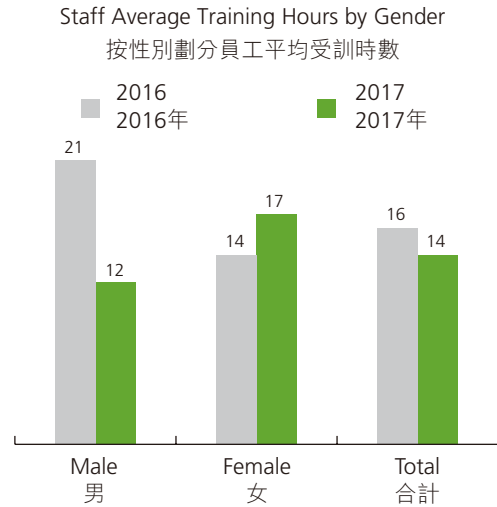
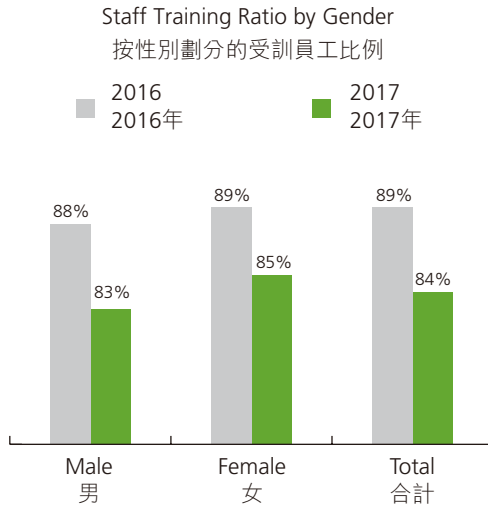
iii. 外派培訓

本集團鼓勵員工提升專業技術水準，在高效合理安排工作的前提下，參加外部機構舉辦的培訓及政策研討會。

本集團還制定了《內部講師管理辦法》，實現知識與經驗在本集團內部的共享及傳承以提高培訓的效率及效果。人力資源部門每年年初會根據上年度的回饋、本集團的戰略規劃及各部門實際需求制定年度培訓計劃，按季度制定培訓大綱及課程資訊。



Training-related Indicators 培訓相關指標



d. Labor Standards

The Group's policies on staff recruitment and treatment are in strict compliance with relevant national and local regulations, including the PRC Labor Law, Law on the Protection of Minors, and Provisions on the Prohibition of Using Child Labor. The Staff Manual of the Group clearly states that child labor shall not be allowed. Relevant departments also regularly monitors employment-related information and data, to ensure there is no child labor or forced labor.

During the Reporting Period, the Group did not discover any use of child labor or forced labor.

d. 勞工準則

本集團在招聘員工和對待員工的政策都嚴格按照國家和地方的有關規定執行，包括中華人民共和國《勞動法》、《未成年人保護法》及《禁止使用童工規定》。本集團的《員工手冊》中已清楚列明嚴禁僱用童工，有關部門亦會定期檢查僱傭相關資訊及數據，以確保不會僱用童工或強制勞動。

於報告期內，本集團未發現有僱用童工或強制勞動的情況。



e. Supply Chain Management

The Group is well aware that effective management of procurement is the most critical part to maintaining quality and safety of product and service. To systemize the complicated procurement process of pharmaceutical imports, the Group has formulated procurement business standardised documents for various pharmaceutical products. Such documents are based on the Management Regulation on the Procurement of Imported Products with reference to the regulations of special authorities such as the PRC General Administration of Customs, Entry-Exit Inspection and Quarantine Bureau, and China Food and Drug Administration (CFDA). In addition to the internal management system, the Group has established a good relationship with our suppliers and kept liaison, exchanging news on the market updates and sales data of products for coordinating and adjusting procurement and sales plans accordingly.

Prior to establishing any partnership with suppliers or its sales agents, the following factors are considered by the Group:

1. Product compliance
2. Brand influence
3. Strategic synergy with the Group's development
4. Prospects in the Chinese market
5. Other potential risks

The Group appraises its existing suppliers according to the Appraisal Measures for Suppliers, to ensure that suppliers cooperating with the Group can maintain quality. Currently, the Group's suppliers are mainly small and medium-sized pharmaceutical manufacturers from overseas countries, including Austria, Sweden and Cyprus.

To protect information privacy of the suppliers, the Group continually enhances its information security, establishing targeted security principals for the business network, office network, servers, cyber computer room management and controlled visits. The staff members are required to sign an agreement to avoid the leak of information.

e. 供應鏈管理

本集團深知採購環節的有效管理是保障各項產品與服務質量與安全的關鍵。為了將繁複的進口藥品採購流程系統化，本集團根據國家及海關總署、出入境檢驗檢疫局、食品藥品監督管理局等部門的規章制度，針對各種藥品制訂了採購業務標準化文件，設立了《進口採購管理制度》。除了內部的管理體系，本集團都一直與供應商建立良好的關係並保持溝通，互相提供產品的最新市場情況及銷售數據，以便協調及調整採購及銷售計劃。

與供應商或其銷售代理建立任何合作關係前，本集團會考慮以下數個因素：

1. 產品合規性
2. 品牌影響力
3. 與本集團發展的戰略匹配度
4. 中國市場前景
5. 其他潛在風險

本集團會按照《供應商核辦法》對現有的供應商進行考核，以保障本集團合作的供應商都能保持質素。目前本集團的主要供應商為海外中小型的製藥企業，供應商來自於奧地利、瑞典、賽浦路斯等國家。

為了保護供應商的資訊私隱，本集團一直不斷強化資訊安全建設，在業務網絡、辦公網絡、服務器、資訊化機房管理、訪問控制等方面建立具體安全性原則，員工亦需簽定協議書，以免發生任何人為私隱洩漏。



f. Product Responsibility

As the Group is a member of the pharmaceutical industry and the products are prescription drugs, the product quality is crucial and potential risks must be properly controlled. To ensure product quality and safety, the Group strictly complies with all national laws and regulations on product safety, including the PRC Pharmaceutical Administration Law and its Implementation Regulations, Good Supply Practice for Pharmaceutical Products and its Implementation Rules. Besides, the Group has a systematic system for managing pharmaceutical quality in place with active cooperation with the regulators in their inspections. The Group proactively provides internal training on the knowledge of safety and quality and promotes the policies, systems and concepts of quality management.

In respect of hardware, the Group has always been storing pharmaceutical products with advanced technology and facilities and operates a product mix composed of quality pharmaceutical imports with an outstanding track record of safety. The Group also has cooperated with creditworthy collaborating parties of long-term partnership on the provision of warehousing and logistics services. Apart from that, the Group has built its cold chain storage facility with advanced temperature-control technology and a precision system of quality control in Shuangliu District, Chengdu, Sichuan Province, which can ensure a more stable quality control for the Group.

The Group has a comprehensive system for process of quality inspection and product recall, establishes and strictly executes the policies on the Management Regulation on Pharmaceutical Product Procurement, the Management Regulation on Pharmaceutical Product Reception, the Management Regulation on Pharmaceutical Product Acceptance, and the Management Regulation on Pharmaceutical Product Return, ensuring that all product quality and safety operation program has taken place in standard processes. In addition to this, we have formulated relevant management document such as Distributor Management Measures, Sales Management System and the Code of Conduct on Customer Servicing to protect the security and privacy of its customer information.

The Group has no corresponding measures for advertising and labeling, because all of its products are prescription drugs which are prohibited from advertising according to national regulations, and because CFDA issues the permit on product packaging and specifications.

f. 產品責任

本集團為醫藥行業的其中一員，產品亦是處方藥品，因此產品質量是非常重要的，而潛在風險必須控制得宜。為確保產品質量及安全，本集團嚴格遵守所有關於國家產品安全的法律法規，包括《中華人民共和國藥品管理法》、《中華人民共和國藥品管理法實施條例》、《藥品經營質量管理規範》、《藥品經營質量管理規範實施細則》。除此之外，本集團亦擁有系統化的藥品質量管理制度體系，並積極配合監管部門進行各項檢查。本集團亦積極向員工提供內部安全質量知識培訓，並宣傳質量管理政策制度及理念。

在硬體上，本集團一向採用先進的技術和設備儲存藥品，而且所經營的產品組合均為擁有出色安全記錄的優質進口藥品。本集團亦一直選擇信譽良好、有長期合作關係的協力廠商提供倉儲及物流服務。同時，本集團在四川省成都市雙流區興建的冷鏈倉儲設施擁有先進的控溫技術及精密的質量控制系統，以保證本集團在質量控制上提供更穩定的監控。

本集團擁有完善的質量監測及產品回收系統，亦設立及嚴格執行《藥品採購管理制度》、《藥品收貨管理制度》、《藥品驗收管理制度》和《藥品退貨管理制度》等政策，確保所有產品質量及安全操作程式以既定的標準和規範進行。除此之外，我們亦設立《經銷商管理辦法》、《銷售管理制度》、《客服工作守則》等有關管理文件，保障客戶資料的安全和私隱。

由於本集團的銷售產品為處方藥物，國家規定不得進行廣告宣傳，同時產品的包裝及說明書均由國家食品藥品監督管理總局核發，故本集團在廣告、標籤等方面無相應措施。



During the Reporting Period, the Group did not recall any product due to product quality issues, nor did it receive any complaints about its products and services. All products are examined by the Institute for Drug Control after their customs clearance, with an examination report of pharmaceutical imports issued.

g. Anti-corruption

The Group has been advocating honesty, integrity and responsibility as its ethical concepts, opposes any form of corrupt behavior, such as bribery, extortion, fraud and money laundering. The Group has formulated its Anticorruption and Anti-bribery Management Regulations and its Staff Code of Conduct against Corruption and Bribery, according to national, regulations and the actual industrial condition. The Group also requires its staff and partners to sign an Anti-corruption and Anti-bribery Letter of Undertaking on a mutual agreed basis, included anti-corruption into the staff induction system, and set up a comprehensive reporting procedure for reporting non-compliance behaviors and protecting whistleblower. The Group's internal audit department will also conduct audits to executives in sales who are departing.

During the Reporting Period, no case of corruption, extortion, fraud and money laundering occurred within the Group, with confirmation that it strictly complied with relevant laws and regulations such as the PRC Criminal Law and its Judicial Interpretation, Criminal Procedure law and its Judicial Interpretation, Interpretation on Several Issues Concerning the Applicable Laws to Handling Criminal Cases of Embezzlement and Bribery, and Anti-Money Laundering Law.

h. Community investment

Community charities and public welfare have always been one of the considerations for business development of the Group. The Group attaches great importance to each stakeholder who is affected by its business scope. In order to maintain good relationship, we keep close liaison with them, which includes participating in community activities to ensure the business development of the Group has fully taken into account the interests of the community.

報告期內，本集團未出現因產品質量問題而召回產品的情況，亦未有收到任何關於產品和服務的投訴，所有產品均在清關後由藥檢所進行藥品檢驗並核發進口藥品檢驗報告書。

g. 反貪污

本集團的理念以誠實守信、盡職盡責為本，堅決反對任何形式的賄賂、勒索、欺詐及洗黑錢等腐敗行為。本集團設立了《反腐敗反賄賂管理制度》及《員工反腐敗反賄賂行為準則》，當中依照國家法規和行業實際情況而定立的。本集團亦要求員工及合作夥伴在雙方同意下簽訂《反腐敗反賄賂承諾書》，將反貪污內容納入員工培訓體系，設立完善的違規行為舉報程式及保障舉報人。本集團的內審部門亦會對即將離任的銷售主管人員進行離任審計。

報告期內，本集團未發生任何貪污、勒索、欺詐及洗黑錢案件，確認嚴格遵守《刑法》、《刑法司法解釋》、《刑事訴訟法》、《刑事訴訟法司法解釋》、《關於辦理貪污賄賂刑事案件適用法律若干問題解釋》、《反洗黑錢法》等相關法律法規。

h. 社區投資

社區慈善和公益為本集團業務發展考慮因素之一。本集團高度關注受業務範圍影響的各個權益方，為了保持良好關係，本集團不斷與他們保持緊密聯繫，包括積極參與社區活動，以確保本集團的業務發展充分考慮社區的利益。



i Establishing charity funds

In March 2017, the Group has established Sinco Charitable Foundation (興科蓉慈善基金) named after the enterprise in Chengdu Charity Federation. The fund aims at providing assistance to the impoverished such that they can receive better medical treatment; improving the unhealthy living habit and health conditions of low-income patients; enhancing publicity of health knowledge and changing outdated concept of getting medical treatment. Currently, the "Taurolite charity assistance project" under Sinco Charitable Foundation has been launched to provide economic subsidies for patients who purchase medicine.

ii Co-organizing college competitions

In November 2017, the Group has participated in the 7th "Sinopharm Engineering – East Fulong Cup" (國藥工程—東富龍杯), a pharmaceutical engineering and design competition for college students in the PRC, to leverage the Group's experience in pharmaceutical engineering to deepen mentors' understanding on the competitions subject, enhance guidance ability of pharmaceutical engineering of young teachers, and guarantee the quality of the entries.

iii Organizing staff activities

While respecting and safeguarding the rights and interests of staff members, the Group is also attentive to their physical and mental health, and committed to creating a beneficial work environment and a harmonious work atmosphere for them. To do that, the Group has hosted diverse activities, such as annual gatherings, birthday parties and sports activities, during which staff members can relax and balance work with life. This also makes the Group a more cohesive community.

i 設立慈善基金

於2017年3月，本集團在成都市慈善總會設立以企業冠名的興科蓉慈善基金。該項基金旨在援助廣大貧困患者，使其獲得更優的醫學治療；改善低收入患者的不良生活習慣和健康狀況；及加強健康知識宣傳、改變落後的就醫觀念。目前，興科蓉慈善基金下已發起「滔羅特慈善援助項目」，用於向購買藥品的患者提供經濟補貼。

ii 協辦高校競賽

於2017年11月，本集團參與第七屆「國藥工程—東富龍杯」全國大學生製藥工程設計競賽，以運用本集團在製藥工程的經驗，提高指導教師對製藥工程設計競賽題目的理解、提高青年教師的製藥工程設計指導能力和保障參賽作品品質。

iii 組織員工活動

本集團在尊重和保障員工權益的同時，也關注員工的身心健康，致力於為員工營造良好的工作環境和和諧的工作氛圍，通過組織年會、生日會、體育鍛煉等活動，幫助員工在工作間隙放鬆心情，以實現工作與生活的平衡，提高團體凝聚力。

7. Environmental

a. Emissions

The Group operates all relevant business in strict compliance with the PRC Environmental Protection Law, Law on the Prevention and Control of Water Pollution, Law on the Prevention and Control of Atmospheric Pollution, and Law on the Prevention and Control of Pollution from Environmental Noise, as well as other laws and requirements on environmental protection to ensure that the Group did not cause any negative impact to the environment.

7. 環境

a. 排放物

本集團在經營各項業務都嚴格遵守《中華人民共和國環境保護法》、《中華人民共和國水污染防治法》、《中華人民共和國大氣污染防治法》、《中華人民共和國環境噪聲污染防治法》以及其他環境保護法和規章制度要求，確保本集團不會對環境造成任何負面影響。



However, as the Group is mainly engaged in the MPCM, it will not cause significant impact to the environment. The Group also consumes no direct combustion fuel other than transportation, therefore it does not produce any hazardous wastes. Instead, the emissions mainly comprise the exhaust of all vehicles of the Group, the greenhouse gases indirectly emitted during its operation, and such non-hazardous wastes as scrap paper, plastics and house refuse.

During the Reporting Period, the Group adopted various control measures to reduce emissions and the results were more significant, whether on exhaust of automotive or electricity consumption.

The Group always encourages employees to travel in a quicker and greener way, such as taking subway when the destination is easily accessible or sharing bikes when destination is close. In addition, benefitted from rapid development of the transportation road network in the PRC, staff is more willing to implement the energy conservation direction of the Group, hence the exhaust of vehicles reduced by approximately 20% during the Reporting Period.

During the Reporting Period, the Group redesigned the management system of business trip, which requires staff to plan Itinerary of business trip ahead for avoiding low efficiency. Meanwhile, by assigning sales staff based on the regions, sales staff can basically visit clients within their assigned region by bullet train. The aforesaid measures successfully reduced over 30% of CO₂ emissions of the Group which arose from flight travel.

The rise in consumption of scrap paper is mainly attributable to business development and increase in the number of clients, resulting in increase in consumption of paper for administrative purposes. At the same time, product information was newly printed in the Reporting Period for introduction while there was no such material printing in the previous year, therefore, the paper consumption of the Group has increased significantly. In view of this, the Group will review the policies of paper consumption for administrative purposes in the future, and assess the feasibility of replacing the current way with electronic files to save more paper and pose no burden on the environment.

然而，本集團的業務主要負責營銷、推廣及銷售管道管理，該類業務一般不會對環境構成嚴重的影響。本集團除了交通運輸外，亦沒有使用任何直接燃燒燃料，因而沒有製造任何有害廢棄物。而主要排放物來源包括本集團所有車輛的廢氣排放，營運過程中產生的溫室氣體、廢紙、塑膠及生活垃圾等無害廢棄物。

報告期內，在汽車排放或用電量方面，本集團實施各項控制措施來減少排放，成效較為明顯。

本集團鼓勵員工選擇更快捷和更環保的出行方式，例如前往交通便利的目的地可選擇地鐵，距離較近的目的地可選擇共用單車。而且受益於國家交通網路的快速發展，員工亦更願意配合本集團的節能方針，所以報告期內的車輛廢氣排放減少了約兩成。

報告期內，本集團重新設計員工出差管理制度，要求員工提前規劃出差行程，以避免低效的出差。同時對銷售人員的區域劃分，銷售人員在負責區域內拜訪客戶可以乘坐動車出行。前述措施成功令本集團因乘坐飛機產生的二氧化碳排放量下降超過三成。

報告期內，本集團用紙量增加的主要原因為業務發展和客戶增多，導致行政紙用量有所增加。同時由於報告期內新印刷了一批產品介紹資料，而上年度則沒有印刷活動，導致用紙量有比較明顯的增長。有見及此，本集團會在未來檢討行政用紙的政策，是否可以用電子檔取代現行的方法，以節省更多紙張而不會造成環境保護上的負擔。



Major Emissions Indicators

Emissions of Vehicle Exhaust	Unit	Year		Increase/ (Decrease)
		2017	2016	%
NO _x Emissions	Kilogram	148.6	203.5	(27.0)
SO _x Emissions	Kilogram	0.17	0.23	(26.1)
Particles Emissions	Kilogram	13.8	18.1	(23.8)

CO ₂ Emissions	Unit	Year		Increase/ (Decrease)
		2017	2016	%
From Electricity Consumption	Tonne	106.9	109.2	(2.1)
From Flights	Tonne	93.0	145.5	(36.1)
From Processing Scrap Paper	Tonne	8.8	5.7	54.4
From Processing Sewage	Tonne	0.59	0.66	(10.6)
Total	Tonne	209.29	261.06	(19.8)

b. Resource Consumption

The paperless office and low-carbon travel activities promoted by the Group during the Reporting Period received keen support from the staff and were successful. Therefore, apart from the activities previously held, the Group will also take more measures to support environmental protection in the future.

Energy and Water Consumption Indicators

Energy consumption	Unit	Year		Increase/ (Decrease)
		2017	2016	%
Total Electricity Consumption	Kilowatt Per Hour	110,563.3	112,741.7	(1.9)
Total Gasoline Consumption	Kilogram	11,474.0	15,769.6	(27.2)
Total Water Consumption	Cubic Meter	1,553.4	1,393.2	11.5

c. The Environment and Natural Resources

The business of the Group does not cause any material impact on the environment and natural resources.

主要排放物指標

車輛廢氣排放	單位	年份		增/ (減)
		2017	2016	%
氮氧化物(NO _x)排放量	千克	148.6	203.5	(27.0)
二氧化硫(SO ₂)排放量	千克	0.17	0.23	(26.1)
顆粒物(PM)排放量	千克	13.8	18.1	(23.8)

二氧化碳(CO ₂)排放當量	單位	年份		增/ (減)
		2017	2016	%
用電產生	噸	106.9	109.2	(2.1)
乘坐飛機產生	噸	93.0	145.5	(36.1)
處理廢紙產生	噸	8.8	5.7	54.4
處理污水產生	噸	0.59	0.66	(10.6)
合計	噸	209.29	261.06	(19.8)

b. 資源運用

本集團報告期內推行的無紙化辦公及低碳出行活動得到員工踴躍支持而得到成功，所以未來除了會繼續維行以往的活動之外，亦會採取更多措施支持環保。

能源及水資源消耗指標

能源消耗量	單位	年份		增/ (減)
		2017	2016	%
總耗電量	千瓦時	110,563.3	112,741.7	(1.9)
汽油消耗總量	千克	11,474.0	15,769.6	(27.2)
總耗水量	立方米	1,553.4	1,393.2	11.5

c. 環境及天然資源

本集團所經營的業務範圍不會對環境及天然資源造成重大影響。



The guideline to the content 內容索引

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A. 環境			
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<i>層面A1：排放物</i>			
General Disclosures 一般披露	A1 (a) The policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	有關廢棄及溫室氣體排放、向水及土地的排污、有害及無害廢棄物的產生等的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例	43-44
KPI 關鍵績效指標	A1.1 The types of emissions and respective emissions data	排放物種類及相關排放數據	44
	A1.2 Greenhouse gas emissions in total and intensity	溫室氣體總排放量及密度	44
	A1.3 Total hazardous waste produced and intensity	所產生有害廢棄物總量及密度	The Group did not produce hazardous wastes 本集團沒有產生有害廢棄物
	A1.4 Total non-hazardous waste produced and intensity	所產生無害廢棄物總量及密度	The Group did not produce non-hazardous wastes 本集團沒有產生無害廢棄物
	A1.5 Description of measures to mitigate emissions and results achieved	描述減低排放量的措施及所得成果	43
	A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	描述處理有害及無害廢棄物的方法、減低產生量的措施及所得成果	The Group did not produce any waste 本集團沒有產生任何廢棄物



Environmental, Social and Governance Reporting Guide Aspects and General Disclosures				
環境、社會及管治報告指引層面及一般披露		Description	描述	Pages/Notes 頁數／備註
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	A2.2	Water consumption in total and intensity	總耗水量及密度	44
	A2.3	Description of energy use efficiency initiatives and results achieved	描述能源使用效益計劃及所得成果	44
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	描述求取適用水源上可有任何問題，以及提升用水效益計劃及所得成果	The Group did not have any issue in sourcing water that is fit for purpose. 本集團沒有任何求取適用水源的問題
	A2.5	Total packaging material used for finished products	製成品所用包裝材料的總量	The Group did not use any packaging material 本集團沒有使用任何包裝材料
<i>Aspect A3: The Environment and Natural Resources</i> 層面A3：環境及天然資源				
General Disclosure 一般披露	A3	Policies on minimising the issuer's significant impact on the environment and natural resources	減低發行人對環境及天然資源造成重大影響的政策	44
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B. 社會				
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<i>Aspect B1: Employment</i> 層面B1：僱傭				
General Disclosure 一般披露	B1	(a) The policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視及其他待遇及福利等的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例	34-36
<i>Aspect B2: Health and Safety</i> 層面B2：健康與安全				
General Disclosure 一般披露	B2	(a) The policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards	有關提供安全工作環境及保障僱員避免職業性危害等的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例	36
<i>Aspect B3: Development and Training</i> 層面B3：發展與培訓				
General Disclosure 一般披露	B3	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	有關提升僱員履行工作職責的知識及技能的政策。描述培訓活動。	37-38



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<i>Aspect B4: Labour Standards</i> 層面B4：勞工準則				
General Disclosure 一般披露	B4	(a) The policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour	有關防止童工或強制勞工的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例	38
Operating Practices 營運慣例				
<i>Aspect B5: Supply Chain Management</i> 層面B5：供應鏈管理				
General Disclosure 一般披露	B5	Policies on managing environmental and social risks of the supply chain	管理供應鏈的環境及社會風險政策	39
<i>Aspect B6: Product Responsibility</i> 層面B6：產品責任				
General Disclosure 一般披露	B6	(a) The policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	有關所有提供的產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例	40-41



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<i>Aspect B7: Anti-corruption</i> 層面B7：反貪污				
General Disclosure 一般披露	B7	(c) The policies; and (d) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	有關防止賄賂、勒索、欺詐及洗黑錢的： (c) 政策；及 (d) 遵守對發行人有重大影響的相關法律及規例	41
<i>Aspect B8: Community Investment</i> 層面B8：社區投資				
General Disclosure 一般披露	B8	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests	有關以社區參與來了解發行人營運所在社區需要和確保其業務活動會考慮社區利益的政策	41-42
KPI 關鍵績效指標	B8.1	Focus areas of contribution	專注貢獻範疇	42

Director and Senior Management

董事及高級管理層

Executive Directors

Mr. Huang Xiangbin (黃祥彬), aged 52, founder of our Group, has been the Chairman and executive Director of our Group since April 2011. He is also the Co-Chief Executive Officer of the Company and is mainly responsible for overall strategic planning and operation management. Mr. Huang has served as the director of Risun, the controlling shareholder of the Company, and all the subsidiaries of the Company except for Chengdu Sinco Pharmaceutical Technology Co., Ltd., Chengdu Hengsheng Ziguang Pharmaceutical Technology Co., Ltd., Sichuan Sinco Biological Technology Co., Ltd., Qingdao Ruichi pharmaceuticals Co., Ltd., Sinco Shanghai Trading Co., Ltd. and Chengdu Sinco Pharmaceuticals Co., Ltd.. Prior to joining our Group, Mr. Huang was the director and chairman of Vast Surplus since November 2004 up until now, mainly responsible for strategic planning and operation of Vast Surplus. After Vast Surplus transferred its exclusive distribution rights to service Taurilite, TAD and Esafosfina to Hong Kong Prosperous Group Holding Limited in March 2015, it has no other business operations. Since then, Mr. Huang has been devoting a majority of his time to our Group's business. In addition, Mr. Huang was also a founder, chief executive officer and director of Chengdu Ruixin Biopharmaceutical Technology Co., Ltd ("Ruixin") from February 2004 to April 2011. The principal business of Ruixin was consultation in the pharmaceuticals industry, which included testing and sampling new pharmaceutical products, providing marketing and promotion services as well as assisting in obtaining regulatory approvals and registrations for pharmaceutical products. However, the pharmaceutical products serviced by Ruixin were mainly traditional Chinese medicine extracts, which are different from those of the pharmaceutical products serviced by the Group. Ruixin was not engaged in any business which competed or was likely to compete, either directly or indirectly, with the Group's business. Furthermore, Ruixin was jointly owned as to 50% by Mr. Huang and 50% by Mr. Chen Xiangui (an independent third party who is not considered a connected person or associate of a connected person of the Company under the Listing Rules ("Independent Third Party")) and was never a member of the Group which was readily disposable for corporate reorganisation solely based on Mr. Huang's decision. Eventually, as the management of Ruixin began to focus on the business development of the Group since Mr. Huang incorporated Sichuan Sinco Pharmaceuticals in 2011, Ruixin did not have any business or operations, which subsequently led to the passing of the shareholders' resolutions on 22 September 2015 to voluntarily dissolve Ruixin.

Mr. Huang worked in the Drug Inspection Institute of Guangyuan (廣元市藥品檢驗所) from July 1988 to July 2004 as pharmacist in charge of drug quality research as well as collection and delivery of drug safety information.

執行董事

黃祥彬先生，52歲，本集團創始人，自2011年4月起一直為本集團主席兼執行董事。彼亦為本公司的聯席行政總裁，主要負責整體戰略策劃及經營管理。黃先生亦擔任本公司控股股東Risun的董事，以及除成都興科蓉醫藥技術有限責任公司、成都恒盛紫光醫藥技術有限責任公司、四川興科蓉生物科技有限公司、青島瑞馳藥業有限公司、興科蓉(上海)貿易有限公司及成都興科蓉藥業有限公司以外本公司所有附屬公司的董事。加入本集團前，黃先生自2004年11月至今擔任鵬盈董事兼主席，主要負責鵬盈的戰略規劃及公司營運。鵬盈於2015年3月將其滔羅特、泰特及愛賽福的獨家經銷權轉讓予香港恒盛集團控股有限公司後無其他業務營運。自此，黃先生將其大部分時間投入到本集團業務中。此外，黃先生自2004年2月至2011年4月，亦一直為成都瑞欣生物醫藥技術有限公司(「瑞欣」)的創始人、行政總裁兼董事。瑞欣的主要業務是醫藥行業顧問，包括抽樣測試新藥品，提供營銷及推廣服務，和協助獲取監管批文及進行藥品註冊。然而，瑞欣提供的藥品主要為傳統中藥精華類，不同於本集團提供的藥品種類。瑞欣並無從事與本集團業務直接或間接競爭或可能競爭的任何業務。此外，瑞欣分別由黃先生及陳賢貴先生(根據上市規則並不視為本公司關連人士或關連人士之聯繫人士的獨立第三方(「獨立第三方」))共同擁有50%及50%權益，不曾為本集團成員公司，故不可因公司重組而由黃先生全權決定將其出售。由於自黃先生於2011年註冊成立四川興科蓉藥業以來，瑞欣管理層開始注重本集團業務發展，而瑞欣本身並無任何業務或營運，隨後導致瑞欣股東於2015年9月22日通過股東決議案，自願解散瑞欣。

黃先生自1988年7月至2004年7月擔任廣元市藥品檢驗所的藥劑師，負責藥品質量研究、藥品安全信息收集和報送。

Director and Senior Management (Continued)

董事及高級管理層(續)



Mr. Huang had been a director of Beijing Guangtong Shidai Medical Consulting Company Limited (“Beijing Guangtong”) (北京廣通時代醫藥投資顧問有限公司), a limited liability company established in the PRC in 2003, since its establishment up until 2004. Prior to the revocation of its business license, Beijing Guangtong was owned as to 50%, 40% and 10% by Mr. Huang, Mr. You Fei and Mr. You Hao respectively. Both Mr. You Fei and Mr. You Hao are Independent Third Parties. Mr. Huang confirmed that at the time of the revocation of the business license of Beijing Guangtong, he was not involved in the daily operation of Beijing Guangtong as he was focusing on the development of Ruixin’s business. To the best of Mr. Huang’s knowledge, Beijing Guangtong had ceased attending annual inspection (年檢) as it had no business operation, resulting in its business license being revoked subsequently on 26 November 2004. Mr. Huang confirmed that there is no wrongful act on his part leading to the revocation and he is not aware of any actual or potential claim that has been or will be made against him as a result of the revocation.

Mr. Huang obtained a master’s degree in EMBA from Shanghai Jiao Tong University (上海交通大學) in December 2008 and graduated from the MBA programme of Renmin University (中國人民大學) in August 2002. He also obtained a bachelor’s degree in botanical resources (野生植物資源) from Jilin Agriculture University (吉林農業大學) in July 1988. Mr. Huang has been studying in the Université Paris – Dauphine under the Executive Doctorate in Business Administration (EDBA) program since December 2013.

Ms. Zhang Zhijie (張志傑), aged 49, joined our Group in November 2013 and is an executive Director and vice president for technics of our Company, mainly responsible for new pharmaceuticals research and development. Prior to joining our Group, Ms. Zhang successively served as a postdoctoral fellow of the research center, an associate chief physician (starting from July 2013) and a research fellow (starting from December 2014) of the pharmacognosy study center of the Institute of Chinese Medical Sciences from July 2008 up until now, and was responsible for the coordination and management of the daily researches of the pharmaceutical research centre and was also involved in the process of setting up the pharmaceuticals research centre. Although Ms. Zhang is concurrently working at the Institute of Chinese Medical Sciences, she is heavily involved in the Group’s research and development programme. Ms. Zhang is leading the Group’s Sinco I programme as a research fellow for the Institute of Chinese Medical Sciences.

黃先生自北京廣通時代醫藥投資顧問有限公司(「北京廣通」)(一家於2003年在中國成立的有限公司)成立之時起至2004年為該公司董事。北京廣通被撤銷營業執照前，由黃先生、游飛先生及游浩先生分別持有其50%、40%及10%股權。游飛先生及游浩先生均為獨立第三方。黃先生確認當北京廣通被撤銷營業執照時，彼因專注瑞欣業務發展而無參與北京廣通日常營運。就黃先生所深知，由於北京廣通並無業務營運，故不再參加年檢，因而於2004年11月26日被撤銷營業執照。黃先生確認本身並無不當行為導致該執照遭撤銷，據其所知本身亦無因執照遭撤銷而遭致任何實際或潛在申索。

黃先生於2008年12月獲得上海交通大學高級管理人員工商管理碩士學位，並於2002年8月自中國人民大學獲得工商管理碩士課程結業證書。彼亦於1988年7月獲吉林農業大學頒發野生植物資源學士學位，並自2013年12月起攻讀巴黎第九大學高級工商管理博士學位。

張志傑女士，49歲，於2013年11月加入本集團，為執行董事兼本公司技術副總監，主要負責新藥品的研發。加入本集團前，張女士於2008年7月至今先後擔任中國中醫科學研究院研究中心博士後研究員、生藥研究中心副主任醫師(自2013年7月開始)及研究員(自2014年12月開始)，負責醫藥研究中心日常科研工作的協調和管理，亦參與籌建醫藥研究中心。儘管張女士目前於中國中醫科學院工作，但彼深入參與本集團研發項目。作為中國中醫科學院的研究員，張女士領導本集團的Sinco I項目。

Director and Senior Management (Continued) 董事及高級管理層(續)



The Directors are of the view that Ms. Zhang has been and will continue to be able to allocate sufficient time to fulfill her duties and responsibilities as an executive Director based on the following reasons: (i) as Ms. Zhang is responsible for overseeing the Group's new pharmaceuticals research and development, her position as a researcher at the Institute of Chinese Medical Sciences, in particular her involvement in the development of Sinco I, is directly related to her role as an executive Director. By working as a researcher at the Institute of Chinese Medical Sciences, Ms. Zhang is, at the same time, also fulfilling her responsibilities as an executive Director; (ii) to enable Ms. Zhang to allocate sufficient time to carry out her duties as an executive Director, the Group has assigned four personnel to assist Ms. Zhang with the development of Sinco I with respect to clinical trials, patent applications and manufacturing processes, including two researchers each with over 15 years of experience in the production and quality control of pharmaceuticals, a researcher with a master's degree in clinical pharmacology specialising in the design and implementation of pharmaceutical testing and a researcher with a bachelor's degree in business administration focusing on pharmaceutical laws who is in charge of drafting reports and registration-related matters; and (iii) Ms. Zhang has been diligently attending the Board meetings held by the Company since she was appointed as an executive Director. In the event that Ms. Zhang is unable to attend a Board meeting in person, according to the Articles of Association, she is able to participate in such Board meeting by way of telephone conference.

Ms. Zhang served as the general manager of Zhaoye Bio-Technology Co., Ltd (兆業生物科技有限公司), a subsidiary of Nanjing Xiaoying Pharmaceuticals Group Co., Ltd (南京小營藥業集團有限公司), from July 2006 to October 2008, mainly responsible for new drug research and development. She has also engaged in national research projects, which involved contributing to the testing of mineral medicine and its quality control. Ms. Zhang was the co-editor of two books and published several research papers in national and international academic journals. Ms. Zhang has also been awarded Second Prize for Science and Technology by the China Association of Chinese Medicine in November 2005. Ms. Zhang obtained her Ph.D degree in June 2006 from Nanjing University of Chinese Medicine (南京中醫藥大學). Ms. Zhang worked as a pharmacist in Henan Provincial Pingdingshan City Chinese Medicine Hospital (河南省平頂山市中醫院) from September 1990 to August 2003. She obtained a bachelor's degree in Chinese medicine from Henan University of Traditional Chinese Medicine (河南中醫學院) in July 1990.

董事認為張女士過往及日後均會持續投入足夠精力履行作為執行董事的職責及責任，理由如下：(i)張女士負責監管本集團新藥品研發，而彼擔任中國中醫科學院研究員(特別是參與研發Sinco I)與彼作為執行董事有直接聯繫。在擔任中國中醫科學院研究員的同時，張女士亦履行作為執行董事的責任；(ii)為使張女士能夠投入足夠精力履行作為執行董事的職責，本集團已指派四名人員協助張女士管理Sinco I項目的臨床試驗、專利申請及生產過程，包括兩名擁有逾十五年藥物生產及品質監控經驗的研究人員、一名擁有臨床藥理學碩士學位(主修藥物測試設計及應用)的研究人員及一名擁有行政工商管理學士學位(主修藥物法律)的研究人員(負責草擬報告及註冊相關事務)；及(iii)張女士獲委任為執行董事以來，均有出席本公司舉行的董事會會議。倘張女士未能親身出席董事會會議，則可根據組織章程細則透過電話會議形式參與該董事會會議。

自2006年7月至2008年10月，張女士擔任南京小營藥業集團有限公司附屬公司兆業生物科技有限公司總經理，主要負責新藥物研發。彼亦參與國家級科研項目，工作涉及礦藥物的檢測技術與品質監控。張女士曾為兩部專著擔任合作編輯並在國內外學術期刊發表多篇研究論文。張女士亦於2005年11月獲頒中華中醫藥學會科學技術二等獎。張女士於2006年6月取得南京中醫藥大學博士學位。自1990年9月至2003年8月，張女士擔任河南省平頂山市中醫院的藥劑師。彼於1990年7月獲河南中醫學院頒發中藥專業學士學位。



Independent non-executive Directors

Mr. Chow Siu Lui (鄒小磊), aged 58, was appointed as an independent non-executive Director of the Company with effect from 1 February 2016.

Mr. Chow currently holds or once held directorship in the following companies listed on the HKSE:

獨立非執行董事

鄒小磊先生，58歲，獲委任為本公司獨立非執行董事，自2016年2月1日起生效。

鄒先生現時擔任或曾擔任以下香港聯交所上市公司的董事職務：

Name of listed company 上市公司名稱	HKEX stock code 香港交易所股份代號	Position held 職位	Period 期間
Universal Medical Financial & Technical Advisory Services Company Limited 環球醫療金融與技術諮詢服務有限公司	HKEX: 2666 香港交易所：2666	Independent non-executive director 獨立非執行董事	From June 2015 to present 2015年6月至今
Fullshare Holdings Limited 豐盛控股有限公司	HKEX: 607 香港交易所：607	Independent non-executive director 獨立非執行董事	From December 2013 to present 2013年12月至今
Kong Shum Union Property Management (Holding) Limited 港深聯合物業管理(控股)有限公司	HKEX: 8181 香港交易所：8181	Independent non-executive director 獨立非執行董事	From February 2015 to October 2015 2015年2月至2015年10月
NWS Holdings Limited 新創建集團有限公司	HKEX: 659 香港交易所：659	Independent non-executive director 獨立非執行董事	From March 2012 to June 2012 2012年3月至2012年6月
Shanghai Dazhong Public Utilities (Group) Co., Ltd. 上海大眾公用事業(集團)股份有限公司	HKEX: 1635 香港交易所：1635	Independent non-executive director 獨立非執行董事	From April 2016 to present 2016年4月至今
Futong Technology Development Holdings Limited 富通科技發展控股有限公司	HKEX: 465 香港交易所：465	Independent non-executive director 獨立非執行董事	From December 2016 to present 2016年12月至今
China Everbright Greentech Limited 中國光大綠色環保有限公司	HKEX: 1257 香港交易所：1257	Independent non-executive director 獨立非執行董事	From May 2017 to present 2017年5月至今

Mr. Chow has a wealth of experience in fund raising and IPO activities in Hong Kong and accounting & financial areas. Mr. Chow was in service with KPMG Hong Kong for about 28 years and was admitted as one of its partners in 1995. He was then mainly responsible for providing advice in pre-IPO group structuring and fund raising in local and overseas stock exchanges. He is currently a partner of VMS Group. He is a core member of the Investment Committee and responsible for VMS Group private equities investment, including due diligence of all investment projects.

Mr. Chow is currently a member of the investment strategy task force of the HKICS and also the former chairman of the Mainland Development Strategies Advisory Panel of the HKICPA.

鄒先生於香港的集資及首次公開發售活動及會計及財務領域擁有豐富經驗。鄒先生服務畢馬威香港約28年，並於1995年獲認可為其合夥人之一。彼當時主要負責就首次公開發售前集團重組及在本地及海外證券交易所進行集資活動提供意見。彼現為鼎佩集團的合夥人。彼為投資委員會的核心成員，負責鼎佩集團私人股權投資(包括所有投資項目的盡職審查)。

鄒先生現為香港特許秘書公會投資策略工作組成員，並為香港會計師公會內地發展策略諮詢委員會前主席。

Director and Senior Management (Continued)

董事及高級管理層(續)



Apart from being an independent non-executive Director of the Company, Mr. Chow is now an independent non-executive director of China Everbright Greentech Limited (whose shares are listed on the main board of the Stock Exchange (stock code: 1257)), Universal Medical Financial & Technical Advisory Services Company Limited (whose shares are listed on the main board of the Stock Exchange (stock code: 2666)), Fullshare Holdings Limited (whose shares are listed on the main board of the Stock Exchange (stock code: 607)), NWS Holdings Limited (whose shares are listed on the main board of Stock Exchange (stock code: 659)), Futong Technology Development Holdings Limited (whose shares are listed on the main board of the Stock Exchange (stock code: 465)) and Shanghai Dazhong Public Utilities (Group) Co., Ltd. (whose shares are listed on the main board of the Stock Exchange (stock code: 1635)), respectively. He acted as an independent non-executive director of Kong Shum Union Property Management (Holding) Limited (whose shares are listed on the growth enterprise market of the Stock Exchange (stock code: 8181)) from February 2015 to October 2015.

Mr. Chow was awarded a Professional Diploma in Accountancy from the Hong Kong Polytechnic University (formerly known as Hong Kong Polytechnic), Hong Kong in November 1983. By profession, he became a fellow of the Association of Chartered Certified Accountants in July 1991, the Institute of Chartered Secretaries and Administrators and the Hong Kong Institute of Chartered Secretaries both in October 2009, and the Hong Kong Institute of Certified Public Accountants in December 1993.

Mr. Wang Qing (汪晴), aged 53, was appointed as an independent non-executive Director with effect from 1 February 2016, mainly responsible for supervising and providing independent judgement to the Board. Mr. Wang worked at Dalian University of Technology (大連理工大學) from April 2003 up until now. Mr. Wang served as an associate professor when he first joined Dalian University of Technology and was later promoted to professor in November 2010 and he was responsible for research and development and teaching. From July 1986 to September 1997, Mr. Wang worked as a pharmacist supervisor at Liaoning Provincial Medical Company Limited (遼寧省藥材有限責任公司), where he was responsible for drugs inspection and evaluation and participated in research and technical renovation.

Mr. Wang obtained his Ph.D. in treatment therapy system at Kyushu Institute of Technology (九州工業大學) in Japan in March 2003 and a master's degree in treatment therapy system at Kyushu Institute of Technology in March 2000. Mr. Wang obtained his bachelor's degree in medicinal plants at Jilin Agricultural University (吉林農業大學) in July 1986.

除了擔任本公司的獨立非執行董事，鄒先生目前分別擔任中國光大綠色環保有限公司(其股份於聯交所主板上市(股份代號：1257))、環球醫療金融與技術諮詢服務有限公司(其股份於聯交所主板上市(股份代號：2666))、豐盛控股有限公司(其股份於聯交所主板上市(股份代號：607))、新創建集團有限公司(其股份於聯交所主板上市(股份代號：659))、富通科技發展控股有限公司(其股份於聯交所主板上市(股份代號：465))及上海大眾公用事業(集團)股份有限公司(其股份於聯交所主板上市(股份代號：1635))的獨立非執行董事。彼於2015年2月至2015年10月為港深聯合物業管理(控股)有限公司(其股份於聯交所創業板上市(股份代號：8181))的獨立非執行董事。

鄒先生於1983年11月自香港理工大學(前稱香港理工學院)取得會計學專業文憑。就專業而言，鄒先生於1991年7月成為英國特許公認會計師公會資深會員、於2009年10月分別成為英國特許秘書及行政人員公會及香港特許秘書公會資深會員，及於1993年12月成為香港會計師公會資深會員。

汪晴先生，53歲，獲委任為獨立非執行董事，自2016年2月1日起生效，主要負責監督董事會並為其提供獨立意見。汪先生自2003年4月至今任職於大連理工大學，最初擔任副教授，隨後於2010年11月晉升為教授，負責研發及教學。自1986年7月至1997年9月，汪先生擔任遼寧省藥材有限責任公司的藥劑師監督員，負責藥品監督與評估，並參與研究及技術創新。

汪先生於2003年3月獲得日本九州工業大學治療系統學博士學位，於2000年3月獲得九州工業大學治療系統學碩士學位。汪先生於1986年7月獲得吉林農業大學藥用植物學學士學位。

Director and Senior Management (Continued)

董事及高級管理層(續)



Mr. Liu Wenfang (劉文芳), aged 80, was appointed as an independent non-executive Director with effect from 1 February 2016, mainly responsible for supervising and providing independent judgement to the Board. Prior to joining our Group, from February 2011 to present, he serves as an independent director of China Biologic Products, Inc. (泰邦生物製品有限公司), a company listed on NASDAQ (stock code: CBPO). From 2007 to 2011, Mr. Liu Wengfang worked as a chief consultant at Sichuan Yuanda Shuyang Pharmaceuticals Co., Ltd (四川遠大蜀陽藥業股份有限公司) where he was responsible for research and promoting new theories and applications in the medical field. From 2000 to 2007, he served as the chief engineer and director of Hualan Biological Engineering Inc. (華蘭生物工程股份有限公司) where he was responsible for supervising the manufacturing process and quality management. From May 1998 to May 1999, he served as the chief engineer of Guiyang Qianfeng Bio Manufacture Company (貴陽黔峰生物製品有限責任公司) where he was responsible for research and developing new products. From 1978 to 1988, he worked in the Institute of Blood Transfusion, Chinese Academy of Medical Sciences (中國醫學科學院輸血研究所) and was engaged in the segregation and purification of blood and protein and research, development and quality analysis of blood products.

He obtained a bachelor's degree majoring in biochemistry from the Shenyang Institute of Applied Ecology, Chinese Academy of Sciences (中國科學院瀋陽應用生態研究所) (formerly known as the Institute of Forestry and Soil Sciences) in August 1963.

Mr. Chen David Yu (陳宇), aged 50, was appointed as an independent non-executive Director with effect from 19 January 2018. Mr. Chen has been an executive director and the vice chairman of the board of directors of Hengxing Gold Holding Company Limited, a company listed on the main board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") with stock code of 2303 ("Hengxing"), since March 2013 and the president of Hengxing since September 2013. Mr. Chen founded Huashan Capital, a venture investment company in China. He is also a venture partner at a private equity firm Tripod Capital. Mr. Chen began his career in sales marketing positions with international media companies. He has over 15 years of experience in venture investment and corporate development. Mr. Chen was an independent director of Zhonglu Co., Ltd. (中路股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600818) from May 2009 to November 2014. He has been a non-executive Chairman of Range Resources Ltd, a company dual listed on the Australian Securities Exchange (stock code: RRS) and the AIM market of the London Stock Exchange (stock code: RRL), from December 2014 to November 2016. He is also a board member of numerous technology venture companies.

Mr. Chen obtained a Bachelor of Economics degree from Monash University in Australia in 1992.

劉文芳先生，80歲，獲委任為獨立非執行董事，自2016年2月1日起生效，主要負責監督董事會並為其提供獨立意見。加入本集團之前，自2011年2月至今，彼於納斯達克上市公司泰邦生物製品有限公司(股份代號：CBPO)擔任獨立董事。自2007年至2011年，劉文芳先生擔任四川遠大蜀陽藥業股份有限公司首席顧問，負責研究及推廣醫藥領域的新理論及應用。自2000年至2007年，彼擔任華蘭生物工程股份有限公司首席工程師及董事，負責監督製造過程及質量管理。自1998年5月至1999年5月，彼擔任貴陽黔峰生物製品有限責任公司首席工程師，負責研發新產品。自1978年至1998年，彼於中國醫學科學院輸血研究所工作，從事血液及蛋白質分離純化及血製品研發與質量分析。

彼於1963年8月獲得中國科學院瀋陽應用生態研究所(前身為林業土壤研究所)生物化學學士學位。

陳宇先生，50歲，獲委任為獨立非執行董事，自2018年1月19日起生效。陳先生自2013年3月起擔任恒興黃金控股有限公司(「恒興」，於香港聯合交易所有限公司(「聯交所」)主板上市的公司，股份代號：2303)執行董事兼副董事長，並自2013年9月起出任恒興行政總裁。陳先生於中國創立創投企業華山資本，彼亦為私募股權公司鼎鑫資本的創業夥伴。陳先生的職業生涯始於若干國際傳媒公司的銷售營銷職位。彼於創投及企業發展方面擁有逾15年經驗。陳先生於2009年5月至2014年11月擔任中路股份有限公司(於上海證券交易所上市的公司，股份代號：600818)的獨立董事。自2014年12月至2016年11月，彼擔任Range Resources Ltd的非執行主席，該公司為雙重上市公司，在澳洲證券交易所及倫敦證券交易所另類投資市場的股份代號分別為RRS及RRL。彼亦為多家科技投資企業的董事會成員。

陳先生於1992年畢業於澳洲蒙納士大學，取得經濟學學士學位。



Mr. Philip Wong Yee Teng (黃已艇), aged 40, was appointed as an independent non-executive Director with effect from 19 January 2018. Mr. Wong has more than 15 years of international investment experience specializing in alternative investments. Mr. Wong has been serving as chief executive officer since August 2017 and as executive director since September 2017 at Pine Capital Group Ltd., a company listed on the Singapore Stock Exchange (stock code: ADJ.SI) ("PCG"). Mr. Wong has been serving on the board of directors of both Advance Capital Partners Asset Management Private Limited, a regulated fund management company regulated by the Monetary Authority of Singapore since April 2017 and Pine Asia Asset Management Inc. ("Pine Asia"), an asset management company regulated by the Financial Supervisory Service of South Korea, since April 2015. Mr. Wong served as co-chief executive officer of One Asia Investment Partners, an asset and wealth management firm headquartered in Singapore, from October 2016 to January 2017. He also served as chairman and chief executive officer of Shanghai Tongjia Asset Management in the People's Republic of China from May 2014 to January 2017.

Mr. Wong graduated from St. Ignatius of Loyola Secondary School with Ontario Secondary School Diploma in June 1997.

We have entered into service agreements with each of our executive Directors and have issued letters of appointment to each of our independent non-executive Directors. The term of each of the service agreements and letters of appointment with our Directors is three years.

Senior Management

Mr. Wu Qingjiang (吳慶江), aged 55, joined our Group in February 2017 and was appointed as the Co-chief Executive Officer of the Company in May 2017. Mr. Wu is mainly responsible for the Group's overall business development, operation and management. Mr. Wu has over 30 years of experience in managing production and quality control of pharmaceutical products and is familiar with the regulations about drug administration and new drug research and development. Prior to joining the Group, Mr. Wu served as an executive director in Chengdu Haizhong Investment Co., Ltd.* (成都海眾投資有限公司) from 2014 to February 2017, held the position of chairman and general manager in Sichuan Weiao Pharmaceuticals Co., Ltd. (四川維奧製藥有限公司) and Sichuan Weiao Sanjiang Pharmaceuticals Co., Ltd. (四川維奧三江製藥有限公司) from 1997 to 2015, worked as an executive deputy general manager in Sichuan Jinhui Pharmaceutical Co., Ltd. (四川金輝藥業有限公司) from 1995 to 1996, and successively served as a technician, section manager, and deputy factory manager in Sichuan Jisheng Pharmaceutical Factory (四川省濟生製藥廠) from 1983 to 1995. Mr. Wu graduated from the Department of Pharmacy of Chengdu University of Traditional Chinese Medicine in July 1983 and obtained a bachelor degree in Chinese medicine.

黃已艇先生，40歲，獲委任為獨立非執行董事，自2018年1月19日起生效。黃先生擁有逾15年國際投資經驗，專長另類投資。黃先生自2017年8月起於Pine Capital Group Ltd. (一家於新加坡證券交易所上市的公司，股份代號：ADJ.SI) (「PCG」) 擔任首席執行官及自2017年9月起擔任執行董事。黃先生自2017年4月起於Advance Capital Partners Asset Management Private Limited (一家受新加坡金融管理局規管的受監管基金管理公司)，及自2015年4月起於PineAsia Asset Management Inc. (「Pine Asia」，一家受南韓金融監督院(Financial Supervisory Service)規管的資產管理公司) 同時擔任董事會職務。黃先生於2016年10月至2017年1月期間擔任總部設於新加坡的資產及財富管理公司One Asia Investment Partners的聯席首席執行官。彼亦於2014年5月至2017年1月期間在中華人民共和國擔任上海同嘉資產管理的董事長兼首席執行官。

黃先生於1997年6月在St. Ignatius of Loyola Secondary School畢業，獲頒安大略中學(Ontario Secondary School)文憑。

我們已與各執行董事訂立服務合約，已向各獨立非執行董事發出委任函。董事各自的服務合約及委任函為期三年。

高級管理層

吳慶江先生，55歲，於2017年2月加入本集團，於2017年5月獲委任為本公司聯席行政總裁，主要負責本集團的整體業務發展、運營和管理的工作。吳先生於管理藥物生產及品質控制方面擁有逾30年經驗，並熟悉藥物管理及新藥研發之規例。加入本集團前，吳先生自2014年至2017年2月擔任成都海眾投資有限公司執行董事，自1997年至2015年擔任四川維奧製藥有限公司及四川維奧三江製藥有限公司董事長兼總經理，自1995年至1996年擔任四川金輝藥業有限公司常務副總經理，自1983年至1995年先後擔任四川省濟生製藥廠技術員、科長及副廠長。吳先生於1983年7月畢業於成都中醫藥大學藥學系並獲得中藥學學士學位。

Director and Senior Management (Continued)

董事及高級管理層(續)



Mr. Hu Haibin (胡海濱), aged 45, joined our Group in April 2011 and was appointed as the Chief Operating Officer of the Company in December 2017, mainly responsible for marketing management of the Group. Mr. Hu has over 10 years of experience in sales management. Before joining the Group, from June 2004 to March 2011, Mr. Hu served as a sales manager of Ruixin and was mainly responsible for its sales management. From August 1995 to May 2004, Mr. Hu served as a project manager of Sichuan Yuan Zhou Information Technology Company Limited (四川遠洲信息科技有限公司), responsible for project management. Mr. Hu obtained an associate degree in economic information and computer application from Sichuan Economic Management Cadre Institute (四川省經濟管理幹部學院) in July 1995.

Mr. Li Yifan (李一帆), aged 38, joined our Group in February 2015 and was appointed as the Chief Financial Officer of the Company in June 2015, mainly responsible for the overall financial strategic planning, internal control system management, and investment and financing management of the Group. Mr. Li is also the director of Sichuan Sinco Pharmaceuticals Co., Ltd.. Mr. Li has over 10 years of experience in accounting and financial management. Before joining the Company, Mr. Li worked for China Polymetallic Mining Limited, a company listed on the HKSE (stock code: 2133) from March 2011 to January 2015, and last served as the deputy chief financial officer responsible for financial accounting and management. From February 2005 to February 2011, Mr. Li successively served as an auditor of the Shenzhen branch and a senior auditor of the Chengdu branch of Ernst & Young Hua Ming LLP. Mr. Li obtained a Master of Science in Finance degree from the University of Stirling in January 2005 and graduated from Southwestern University of Finance and Economics (西南財經大學) in July 2002 with a bachelor's degree in management. Mr. Li has been a Chinese Certified Public Accountant since January 2012.

Ms. Wu Yue (吳玥), aged 38, joined our Group in December 2014 and currently holds the position of Vice President for public affairs of the Group. Prior to joining our Group, Ms. Wu served as a business manager of Baxter Healthcare Trading (Shanghai) Co., Ltd. (百特醫療用品貿易(上海)有限公司) for Southwest China and Northwest China from October 2014 to December 2014, responsible for business management. She served as a regional business manager of Jin Bao Shen Nursing Products (Shanghai) Co., Ltd. (金寶腎護理產品(上海)有限公司) from June 2013 to September 2014, mainly responsible for business management. Ms. Wu served as a senior regional business manager of Becton Dickinson Medical Devices (Shanghai) Co., Ltd. (碧迪醫療器械(上海)有限公司) from November 2008 to June 2013. Ms. Wu worked for Pfizer Investment Co., Ltd. where she served as a regional manager of its commercial and retail business department from September 2004 to October 2008. Ms. Wu received a bachelor's degree in accounting from Southwestern University of Finance and Economics (西南財經大學) in June 2004.

胡海濱先生，45歲，於2011年4月加入本集團，於2017年12月獲委任為本公司運營總裁，主要負責本集團的營銷管理。胡先生積逾10年銷售管理經驗。加入本集團前，胡先生自2004年6月至2011年3月擔任瑞欣的銷售經理，主要負責銷售管理，自1995年8月至2004年5月擔任四川遠洲信息科技有限公司的項目經理，負責項目管理。胡先生於1995年7月獲得四川省經濟管理幹部學院取得經濟信息及計算機應用副學士學位。

李一帆先生，38歲，於2015年2月加入本集團，於2015年6月獲委任為本公司首席財務官，主要負責本集團的整體財務戰略策劃、內部控制系統管理及投資與融資管理。李先生亦為四川興科蓉藥業有限責任公司的董事。李先生有逾10年會計及財務管理經驗。加入本公司前，李先生自2011年3月至2015年1月任職香港聯交所上市公司中國多金屬礦業有限公司(股份代號：2133)，離職前擔任財務副總監，負責財務會計及管理。自2005年2月至2011年2月，李先生先後擔任安永華明會計師事務所深圳分公司核數師及成都分公司高級核數師。李先生於2005年1月獲得斯特靈大學金融學理學碩士學位，於2002年7月畢業於西南財經大學並獲得管理學學士學位。李先生於2012年1月獲得中國註冊會計師資格。

吳玥女士，38歲，2014年12月加入本集團，目前擔任本集團公共事務副總裁職務。加入本集團前，吳女士自2014年10月至2014年12月擔任百特醫療用品貿易(上海)有限公司的西南西北大區業務經理，負責業務管理。彼自2013年6月至2014年9月擔任金寶腎護理產品(上海)有限公司分區業務經理，主要負責業務管理。吳女士自2008年11月至2013年6月擔任碧迪醫療器械(上海)有限公司高級分區業務經理。吳女士自2004年9月至2008年10月擔任Pfizer Investment Co., Ltd. 商業與零售業務部分區經理。吳女士於2004年6月取得西南財經大學會計學學士學位。

Director and Senior Management (Continued)

董事及高級管理層(續)



Mr. Lei Shifeng (雷世鋒), aged 51, joined our Group in July 2016 as the general manager of Chengdu Sinco Pharmaceutical Technology Co., Ltd. and was appointed as the general manager of Sichuan Sinco Pharmaceuticals Co., Ltd. in October 2016, mainly responsible for its overall operation and management. Mr. Lei is also the director of Chengdu Sinco Pharmaceutical Technology Co., Ltd., Chengdu Sinco Pharmaceuticals Co., Ltd., Chengdu Hengsheng Ziguang Pharmaceutical Technology Co., Ltd. and Sichuan Sinco Biological Technology Co., Ltd.. Prior to joining the Group, Mr. Lei worked for Sichuan Derentang Traditional Chinese Medicine Technology Co., Ltd. (四川德仁堂中藥科技股份有限公司), mainly responsible for procurement, manufacturing and quality. From May 2001 to May 2007, he worked as the vice general manager of Chengdu Zhongxin Pharmaceutical Co., Ltd. (成都中新藥業有限公司), mainly responsible for the overall business operation and management. From July 1988 to April 2001, he was a manager at Chengdu Traditional Chinese Medicine Company (成都市中藥材公司), mainly responsible for the procurement and business operation and management of its branches. Mr. Lei earned his bachelor's degree from Jilin Agricultural University (吉林農業大學) in July 1988 and the Certified Pharmacist qualification in January 2000.

Mr. Peng Fei (彭飛), aged 44, joined our Group in April 2011 and was appointed as the Financial Controller of our Company in June 2015, mainly responsible for overall finance management. Mr. Peng is also the director of Sichuan Sinco Pharmaceuticals Co., Ltd. and Qingdao Ruichi Pharmaceuticals Co., Ltd.. Prior to joining our Group, Mr. Peng served as the finance manager of Ruixin from September 2004 to March 2011, responsible for finance management. Mr. Peng also served as the finance staff of the Third Construction Section of the Factory Construction Engineering Bureau, the Ministry of Railway and China Railway Construction Engineering Group North Project Co., Ltd. (鐵道部建廠工程局第三工程處、中鐵建工集團北方工程有限公司) from September 1991 to August 2004, mainly responsible for the company's finance management. Mr. Peng obtained a bachelor's degree in accounting from Southwestern University of Finance and Economics (西南財經大學) in December 2006. He also obtained the qualification of Registered Tax Agent issued by Sichuan Provincial Human Resources Department (四川省人事廳) in April 2009, and obtained the license as a senior accountant from Chengdu Reform Leading Group of Professional Titles in April 2013. He has been a Chinese Certified Public Accountant since December 2016.

雷世鋒先生，51歲，於2016年7月加入本集團擔任成都興科蓉醫藥技術有限公司總經理，於2016年10月獲委任為四川興科蓉藥業有限責任公司總經理，主要負責其整體運營管理工作。雷先生亦為成都興科蓉醫藥技術有限公司、成都興科蓉醫藥有限公司、成都恒盛紫光醫藥技術有限責任公司及四川興科蓉生物科技有限公司的董事。加入本集團前，雷先生曾任職四川德仁堂中藥科技股份有限公司，主要負責採購、生產、質量。自2001年5月至2007年5月任職成都中新藥業有限公司常務副總經理，主要負責公司整體業務運營管理。自1988年7月至2001年4月任職成都市中藥材公司經理，主要負責中藥分公司採購及業務經營管理工作。雷先生於1988年7月獲授吉林農業大學學士學位，於2000年1月獲得執業藥師資格。

彭飛先生，44歲，於2011年4月加入本集團，於2015年6月獲委任為本公司財務總監，主要負責整體財務管理。彭先生亦為四川興科蓉藥業有限責任公司及青島瑞馳藥業有限公司的董事。加入本集團前，彭先生自2004年9月至2011年3月擔任瑞欣的財務經理，負責財務管理。彭先生自1991年9月至2004年8月擔任鐵道部建廠工程局第三工程處、中鐵建工集團北方工程有限公司財務人員，主要負責公司財務管理。彭先生於2006年12月取得西南財經大學會計學學士學位，於2009年4月獲得四川省人事廳註冊稅務代理人資格，於2013年4月獲成都市職稱改革領導小組授予高級會計師執照，於2016年12月獲得中國註冊會計師資格。



Company Secretary

Ms. Ko Wing Yu (高穎妤), was appointed as the joint company secretary of the Company since April 2015 and has over 10 years of experience of management in the pharmaceuticals industry. Before joining the Group, from January 2013 to April 2015, Ms. Ko served as the general manager of Vast Surplus, and was mainly responsible for its daily operation. From August 2011 to January 2013, Ms. Ko worked at Industrial Securities (HK) Financial Holdings Limited (興證(香港)金融控股有限公司) as an administrative manager. From October 2002 to August 2011, Ms. Ko served as the deputy general manager of Vital Group Holdings Limited (維奧集團控股有限公司) (currently known as CGN Mining Company Limited whose shares are listed on the HKSE (Stock Code: 1164)). From November 1994 to December 2000, Ms. Ko served as the general manager of Yinli Foreign Investors Golf Club Company Limited (銀利外商高爾夫球俱樂部有限公司), and was mainly responsible for building the golf course and its daily management and planning. Ms. Ko holds a bachelor's degree in Accountancy.

Ms. Wong Sau Ping (黃秀萍) is a joint company secretary of the Company. Ms. Wong is a senior manager of the Listing Services Department of TMF Hong Kong Limited. She has over 15 years of experience in the company secretarial field. Ms. Wong had worked for one of the four largest international audit firms, where she served large and well-known companies listed on the HKSE. Ms. Wong holds a bachelor's degree in business administration and a master degree in professional accounting and information system. She is an associate member of the HKICS and the Institute of Chartered Secretaries and Administrators in the United Kingdom.

公司秘書

高穎妤女士，於2015年4月獲委任為本公司聯席公司秘書，在製藥業積逾10年管理經驗。加入本集團前，高女士由2013年1月至2015年4月擔任騰盈總經理，主要負責其日常營運，自2011年8月至2013年1月期間在興證(香港)金融控股有限公司擔任行政經理，自2002年10月至2011年8月在維奧集團控股有限公司(現稱中廣核礦業有限公司，其股份於香港聯交所上市(股份代號：1164))擔任副總經理。自1994年11月至2000年12月，高女士擔任銀利外商高爾夫球俱樂部有限公司的總經理，主要負責高爾夫球場的修築、日常管理及規劃。高女士持有會計學士學位。

黃秀萍女士，本公司聯席公司秘書。黃女士為達盟香港有限公司上市服務部高級經理，擁有逾15年公司秘書領域經驗。黃女士曾任職於國際四大會計師事務所之一，為香港聯交所大型知名上市公司提供服務。黃女士持有工商管理學士學位和專業會計及資訊系統碩士學位，為香港特許秘書公會會員及英國特許秘書及行政人員公會會員。

Report of the Directors

董事會報告

The Board is pleased to present its report together with the audited consolidated financial statements of the Group for the Reporting Period.

Principal Activities

The principal activity of the Company is investment holding and the Group is principally engaged in the provision of comprehensive marketing, promotion and channel management service for imported pharmaceutical products and medical devices in China. The analysis of the revenue of the principal activities of the Group during the Reporting Period is set out in the note 4 to the consolidated financial statements.

Business Review and Results

A review of the business of the Group during the Reporting Period is provided in "Management Discussion and Analysis" on pages 9 to 29. An analysis of the Group's performance during the Reporting Period using financial key performance indicators is provided in the Financial Highlights on pages 4 to 5 of this annual report.

The results of the Group for the Reporting Period are set out in the Consolidated Statement of Profit or Loss and Other Comprehensive Income on page 98 of this annual report.

Final Dividends

The Directors do not recommend a final dividend for the Reporting Period.

Closure of the Register of Members

The register of members of the Company will be closed from Monday, 21 May 2018 to Friday, 25 May 2018, both days inclusive, in order to determine the identity of the Shareholders who are entitled to attend the forthcoming AGM to be held on Friday, 25 May 2018. All transfers accompanied by the relevant share certificates and transfer forms must be lodged with the Company's Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on Friday, 18 May 2018.

Financial Summary

A summary of the Group's results, assets, liabilities for the last five financial years are set out on pages 4 to 5 of this annual report. This summary does not form part of the audited consolidated financial statements.

董事會欣然提呈其報告連同本集團於報告期的經審核綜合財務報表。

主要業務

本公司的主要業務為投資控股，而本集團主要於中國為進口藥品及醫療器械提供綜合性營銷、推廣及渠道管理服務。本集團於報告期的主要業務收益分析載列於綜合財務報表附註4。

業務回顧及業績

本集團於報告期的業務回顧載於第9至29頁的「管理層討論及分析」。運用財務關鍵表現指標對本集團於報告期的表現進行的分析載於本年報第4至5頁的財務摘要。

本集團於報告期的業績載於本年報第98頁的綜合損益及其他全面收益表。

末期股息

董事並無建議派發報告期的末期股息。

暫停辦理股份過戶登記手續

為釐定有權出席於2018年5月25日(星期五)舉行的應屆股東週年大會的股東身份，本公司將於2018年5月21日(星期一)至2018年5月25日(星期五)(包括首尾兩日)暫停辦理股份過戶登記手續。所有過戶文件連同相關股票及過戶表格，須於2018年5月18日(星期五)下午4時30分前送交本公司香港證券登記分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至1716室。

財務概要

本集團過去五個財政年度的業績、資產、負債的概要載於本年報第4至5頁。本概要並不構成經審核綜合財務報表的一部分。



Use of Net Proceeds from Listing

Net proceeds from the listing of the Company (after deducting underwriting fee and relevant expenses) amounted to approximately HK\$260.0 million (equivalent to approximately RMB217.2 million). As of 31 December 2017, RMB217.2 million had been utilised in the manner consistent with the allocation set out in the Prospectus and the Company's announcements dated 30 December 2016 and 16 June 2017 regarding the changes in use of proceeds.

上市所得款項淨額用途

本公司上市所得款項淨額(經扣除包銷佣金及所有相關開支)約為260.0百萬港元(相當於約人民幣217.2百萬元)。於2017年12月31日,人民幣217.2百萬元已按照招股書與本公司日期為2016年12月30日及2017年6月16日有關變更所得款項用途的公告所載的方式運用。

Uses		Proposed use of proceeds	Utilised Proceeds as of 31 December 2017
用途		所得款項建議用途 RMB million 人民幣百萬元	於二零一七年 十二月三十一日 已動用所得款項 RMB million 人民幣百萬元
(i) Acquisition of – Sales and distribution rights of new products – businesses in the pharmaceutical industry with proprietary intellectual property or growth potential	(i) 收購 – 新產品的銷售及經銷權 – 醫藥行業具備專有知識產權或增長潛力的企業	39.5	39.5
(ii) Repaying a portion of the outstanding loans and bank trade credits due from the Group which were guaranteed by Mr. Huang	(ii) 償還部分由黃先生作擔保的本集團未償還貸款及銀行貿易信貸	60.7	60.7
(iii) Developing cold chain facility and research and development base located in Sichuan Shuangliu Bonded Area	(iii) 在四川雙流保稅區開發冷鏈設施及研發基地	–	–
(iv) Deposits for obtaining letters of credit	(iv) 取得信用證的按金	43.3	43.3
(v) Repaying letters of credit at maturity	(v) 償還已到期信用證	48.3	48.3
(vi) Repaying bank loans	(vi) 償還銀行貸款	8.0	8.0
(vii) Working capital and other general corporate purposes	(vii) 營運資金及其他一般企業用途	17.4	17.4
Total	總計	217.2	217.2

Major Customers and Suppliers

For the Reporting Period, the Group's products purchased from the largest supplier, accounted for 75.0% (2016: 62.0%) of total products purchased, and products purchased from five largest suppliers accounted for 96.5% (2016: 100.0%) of our total products purchased.

For the Reporting Period, the Group's sales to largest customer accounted for 11.4% (2016: 18.6%) of our revenue, and sales to the five largest customers accounted for 25.2% (2016: 44.3%) of our total revenue.

主要客戶及供應商

報告期內,本集團向最大供應商採購的產品佔總採購產品的75.0%(2016年:62.0%),向五大供應商採購的產品則佔我們總採購產品的96.5%(2016年:100.0%)。

報告期內,本集團向最大客戶作出的銷售額佔我們收益的11.4%(2016年:18.6%),向五大客戶作出的銷售額則佔我們總收益的25.2%(2016年:44.3%)。



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

Property, Plant and Equipment

Details of movements in the property, plant and equipment of the Group during the Reporting Period are set out in note 12 to the consolidated financial statements.

Subsidiaries

Details of the major subsidiaries of the Company as of 31 December 2017 are set out in note 1 to the consolidated financial statements.

Share Capital

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

Reserves

Details of movements in the reserves of the Group during the Reporting Period are set out on page 101 in the consolidated statement of changes in equity.

Distributable Reserves

As at 31 December 2017, the Company's reserves available for distribution, calculated in accordance with the provisions of Cayman Companies Law of the Cayman Islands and the Articles of Associations, amounted to approximately RMB255.0 million (as at 31 December 2016: RMB271.0 million).

Bank and other Loans

Particulars of bank and other loans of the Group as at 31 December 2017 are set out in note 24 to the consolidated financial statements.

Share Option Scheme

Pursuant to a resolution passed by the Shareholders, the Company had adopted a share option scheme (the "Share Option Scheme") which became effective on 10 March 2016 (the "Listing Date").

1. Purpose

The purpose of the Share Option Scheme is to provide an incentive or reward for Eligible Participants (defined below) for their contribution or potential contribution to the Company and/or any of its subsidiaries.

概無董事或彼等的任何緊密聯繫人或任何股東(就董事所深知, 擁有本公司已發行股本5%以上)於本集團五大客戶及供應商中擁有任何權益。

物業、廠房及設備

本集團於報告期內的物業、廠房及設備變動詳情載於綜合財務報表附註12。

附屬公司

本公司於2017年12月31日的主要附屬公司詳情載於綜合財務報表附註1。

股本

本公司於報告期內的股本變動詳情載於綜合財務報表附註27。

儲備

本集團於報告期內的儲備變動詳情載於第101頁的綜合權益變動表。

可供分派儲備

於2017年12月31日, 本公司根據開曼群島公司法條文及組織章程細則計算的可供分派儲備約為人民幣255.0百萬元(於2016年12月31日: 人民幣271.0百萬元)。

銀行及其他貸款

本集團於2017年12月31日的銀行及其他貸款詳情載於綜合財務報表附註24。

購股權計劃

根據股東通過的一項決議案, 本公司已採納購股權計劃(「購股權計劃」), 其已於2016年3月10日(「上市日期」)生效。

1. 目的

購股權計劃旨在向已經向本公司及/或其任何附屬公司作出貢獻或即將作出貢獻的合資格參與者(定義見下文)提供獎勵或回報。



2. Eligible participants

The Board may subject to and in accordance with the provisions of the Share Option Scheme and the Listing Rules, at its discretion grant options to any full-time or part-time employees, including executives, senior management or officers (including executive, non-executive and independent non-executive directors) of the Company, its subsidiaries or any entity in which the Group holds any equity interest, and to any company wholly owned by one or more persons belonging to any of the above classes of participants who, in the absolute discretion of the Board has contributed or will contribute to the Group (collectively, the "Eligible Participants").

3. Life of the Share Option Scheme

The Share Option Scheme shall be valid and effective for a period of ten years from 1 February 2016, after which time no further option will be granted.

4. Total number of Shares available for issue

The maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme shall not, in aggregate, exceed 160,000,000, representing 9.91% of the issued share capital of the Company as at the date of this report.

5. Maximum entitlement of each participant

Unless approved by Shareholders, the total number of Shares issued and to be issued upon exercise of options granted to any participant (including exercised and outstanding options) under the Share Option Scheme in any 12-month period up to the date of grant shall not exceed 1% of the total Shares in issue.

6. Offer period and amount payable for options

An option may be accepted by an Eligible Participant within 15 days from the date of the offer of grant of the option. A nominal consideration of HK\$1.00 is payable upon acceptance of the grant of option.

7. Minimum period for which an option must be held before it can be exercised

The period during which an option must be held before it can be exercised in accordance with the terms of the Share Option Scheme shall be one year after the date on which the option is granted. The Board may in its absolute discretion impose further restrictions on the exercise of the option.

2. 合資格參與者

董事會依循及遵照購股權計劃的條款及上市規則可全權酌情將購股權授予本公司、其附屬公司或本集團持有任何股權的任何實體的任何全職或兼職僱員(包括行政人員、高級管理人員或高級職員(包括執行董事、非執行董事及獨立非執行董事))，以及董事會全權酌情認為已向或將向本集團作出貢獻的任何一名或多名上述類別參與者(統稱「合資格參與者」)全資擁有的任何公司。

3. 購股權計劃的期限

購股權計劃自2016年2月1日起計十年期間有效及生效，之後不會進一步授出購股權。

4. 可供發售股份總數

因行使根據購股權計劃所授全部購股權而可能發行的最高股份數目，合共不得超過160,000,000股股份，佔本公司於本報告日期已發行股本的9.91%。

5. 每位參與者可享有的最高股份數目

除非經股東批准，於截至授出日期的任何12個月期間內因行使根據購股權計劃已授予各參與者的購股權(包括已行使及尚未行使的購股權)而已發行及將發行的股份總數，不得超逾已發行股份總數的1%。

6. 發售期及購股權應付金額

合資格參與者可於要約授出購股權日期起計15日內接納購股權。於接納獲授購股權時須支付名義代價1.00港元。

7. 可行使購股權前必須持有的最短期限

根據購股權計劃的條款，可行使購股權前必須持有的期限自授出購股權當日起計為期一年。董事會可全權酌情對行使購股權施加進一步限制。



8. Period within which the Share must be taken up

Subject to the discretion of the Board who may impose restrictions on the exercise of the option, any option may be exercised one year after the date on which the options is granted and shall expire on the earlier of the last day of (i) a six year period from the date of such grant and (ii) the expiration of the Share Option Scheme.

9 Basis of determining the subscription price

The price per Share at which a Grantee may subscribe for Shares upon exercise of an option (the "Exercise Price") shall be a price determined by the Board but in any event shall be at least the highest of:

- (i) the closing price of the Shares as stated in the HKSE's daily quotations sheets on the date on which the option is granted;
- (ii) the average closing price of the Shares as stated in the HKSE's daily quotations sheets for the five business days immediately preceding the date of grant of that option; and
- (iii) the nominal value of the Shares.

The summary of the options granted under the Share Option Scheme that were still outstanding as at the date of this report are as follows:

8. 接納股份的期限

在董事會可酌情限制行使購股權的規限下，購股權可於授出購股權日期後一年行使，並於下列較早期限的最後一日屆滿：(i)授出日期起計六年期限；及(ii)購股權計劃期滿。

9 釐定認購價的基準

承授人行使購股權時可能認購股份的每股股份價格(「行使價」)乃由董事會釐定，惟於任何情況下不得低於下列三者中的最高者：

- (i) 股份於授出購股權日期在香港聯交所日報表所載的收市價；
- (ii) 股份於緊接授出購股權日期前五個營業日在香港聯交所日報表所載的平均收市價；及
- (iii) 股份面值。

根據購股權計劃授出而於本報告日期仍尚未行使的購股權概述如下：

Grantee's name 承授人姓名	Number of Options 購股權數目					On 31 December 2017 於2017年 12月31日	Exercise Price ⁽²⁾ 行使價 ⁽²⁾	Date of grant 授出日期	Exercise period ⁽³⁾ 行使日期 ⁽³⁾
	On 1 January 2017 於2017年 1月1日	Granted 授出	Exercised 行使	Cancelled 註銷	Lapsed 失效				
Mr. Hao Jinghui ⁽¹⁾ 郝景輝先生 ⁽¹⁾	5,000,000	-	-	-	5,000,000	-	HK\$0.568 0.568港元	21 September 2016 2016年9月21日	21 September 2017- 20 September 2022 2017年9月21日至 2022年9月20日
Employees in aggregate 僱員合共	25,000,000	-	-	-	7,150,000 ⁽⁴⁾	17,850,000	HK\$0.568 0.568港元	21 September 2016 2016年9月21日	21 September 2017- 20 September 2022 2017年9月21日至 2022年9月20日
Total 總數	30,000,000	-	-	-	12,150,000	17,850,000			



Notes:

- (1) Mr. Hao Jinghui is the former Co-chief Executive Officer of the Company. Pursuant to Rule 17.04(1) of the Listing Rules, the grant of options to the Co-chief Executive Officer has been approved by the independent non-executive Directors. Save as disclosed above, none of the Grantees is a director, chief executive or substantial shareholder or an associate of any of them, 5,000,000 share options granted to Mr. Hao Jinghui lapsed in July 2017, two months after his resignation as the Co-chief Executive Officer.
- (2) The exercise price represents not less than the highest of (i) the closing price of HK\$0.540 per Share as stated in the HKSE's daily quotation sheets on 21 September 2016, being the date of such grant; (ii) the average closing price of HK\$0.568 per Share as stated in the HKSE's daily quotation sheets for five business days immediately preceding the date of such grant; and (iii) the nominal value of the Share at HK\$0.0001 per Share.
- (3) 40% of the options granted shall be vested and can be exercised upon one year commencing the date of such grant (i.e. 21 September 2017) and a continuous employment of one year. Another 30% of the options granted, shall be vested and can be exercised upon two years commencing the date of such grant (i.e. 21 September 2018) and a continuous employment of two years. The remaining 30% of the options granted, shall be vested and can be exercised upon three years commencing the date of such grant (i.e. 21 September 2019) and a continuous employment of three years.
- (4) 7,150,000 share options granted to several employees lapsed two months after their cessation of employment.

Equity-linked Agreements

Other than the following agreements, no equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the Reporting Period or subsisted at the end of the Reporting Period:

- (1) the Share Option Scheme of the Company as disclosed above;
- (2) the subscription agreement dated 24 June 2017 and entered into between the Company as issuer, Harvest Progress International Limited as investor and Mr. Huang Xiangbin as guarantee, the bond instrument dated 30 June 2017 by the Company, and the supplemental deed dated 12 October 2017 in relation to the convertible bonds in the aggregate principal amount of HK\$40,000,000 as disclosed in the note 26 to the consolidated financial statements; and
- (3) the Subscription Agreement and the Amended and Restated Subscription Agreement as disclosed in the note 37 to the consolidated financial statements.

附註：

- (1) 郝景輝先生為本公司前任聯席行政總裁。向聯席行政總裁授出購股權已根據上市規則第17.04(1)條獲獨立非執行董事批准。除以上所披露者外，概無承授人為董事、主要行政人員或主要股東或彼等的任何聯繫人。向郝景輝先生授出的5,000,000份購股權於2017年7月失效，即其辭任聯席行政總裁後兩個月。
- (2) 行使價不低於以下三者中的最高者：(i)於2016年9月21日(即有關授出日期)在香港聯交所日報表所載的收市價每股0.540港元；(ii)股份於緊接有關授出日期前五個營業日在香港聯交所日報表所載的平均收市價每股0.568港元；及(iii)股份面值每股0.0001港元。
- (3) 授出購股權的40%將自有關授出日期起計一年(即2017年9月21日)且持續受僱一年後可予歸屬及行使。授出購股權的另外30%將自有關授出日期起計兩年(即2018年9月21日)且持續受僱兩年後可予歸屬及行使。授出購股權的餘下30%將自有關授出日期起計三年(即2019年9月21日)且持續受僱三年後可予歸屬及行使。
- (4) 授予若干僱員的7,150,000份購股權於彼等終止受聘之日起兩個月後失效。

股票掛鈎協議

除下述協議外，本公司於報告期內並無訂立或於報告期末存續任何股票掛鈎協議，而將會或可能導致本公司發行股份，或規定本公司訂立任何將會或可能導致本公司發行股份的協議：

- (1) 上文所披露的本公司購股權計劃；
- (2) 本公司(作為發行人)、Harvest Progress International Limited(作為投資者)及黃祥彬先生(作為受擔保人)所訂立日期為2017年6月24日的認購協議、本公司日期為2017年6月30日的債券文據以及綜合財務報表附註26所披露日期為2017年10月12日有關本金總額40,000,000港元可換股債券的補充契據；及
- (3) 綜合財務報表附註37所披露的認購協議以及經修訂及重列認購協議。



Directors

The Directors during the Reporting Period and up to the date of this report were:

Executive Directors:

Mr. Huang Xiangbin (*Chairman and Co-Chief Executive Officer*)
Ms. Zhang Zhijie

Independent Non-Executive Directors:

Mr. Chow Siu Lui
Mr. Wang Qing
Mr. Liu Wenfang
Mr. Chen David Yu (appointed with effect from 19 January 2018)
Mr. Philip Wong Yee Teng (appointed with effect from 19 January 2018)

In accordance with article 16.02 of the Articles of Association, Mr. Chen David Yu and Mr. Philip Wong Yee Teng shall hold office only until the forthcoming AGM and, being eligible, have offered themselves for re-election at the forthcoming AGM.

In accordance with article 16.18 of the Articles of Association, Ms. Zhang Zhijie and Mr. Wang Qing will retire and being eligible, have offered themselves for re-election as Directors at the forthcoming AGM.

Details of the Directors to be re-elected at the forthcoming AGM are set out in the circular to the Shareholders.

Directors' and Senior Management's Biographies

Biographical details of the Directors and senior management of the Group are set out on pages 50 to 59 of this annual report.

Confirmation of Independence of Independent Non-Executive Directors

The Company has received a confirmation of independence pursuant to rule 3.13 of the Listing Rules from each of the independent non-executive Directors and the Company considers such Directors to be independent in accordance with rule 3.13 of the Listing Rules.

董事

於報告期內及直至本報告日期，董事為：

執行董事：

黃祥彬先生(*主席兼聯席行政總裁*)
張志傑女士

獨立非執行董事：

鄒小磊先生
汪晴先生
劉文芳先生
陳宇先生(於2018年1月19日獲委任)
黃已艇先生(於2018年1月19日獲委任)

根據組織章程細則16.02條，陳宇先生及黃已艇先生將僅任職至應屆股東週年大會，惟合資格並願意於應屆股東週年大會上重選連任。

根據組織章程細則第16.18條，張志傑女士及汪晴先生將於應屆股東週年大會上退任，且合資格並願意重選連任董事。

將於應屆股東週年大會上重選的董事詳情載於寄發予股東的通函。

董事及高級管理層履歷

本集團董事及高級管理層的履歷詳情載於本年報第50至59頁。

獨立非執行董事的獨立性確認書

本公司已接獲各獨立非執行董事根據上市規則第3.13條發出的獨立性確認書，本公司認為，該等董事均為根據上市規則第3.13條的獨立人士。



Directors' Service Contracts and Letter of Appointments

Each of the executive Directors has entered into a service agreement with the Company on 2 June 2015 for a term of three years commencing from the same date, which may be terminated by not less than three months' notice in writing served by either party to the other.

Mr. Chow Siu Lui, Mr. Wang Qing and Mr. Liu Wenfang each has signed a letter of appointment on 1 February 2016 for an initial term of three years commencing from the same date. Mr. Chen David Yu and Mr. Philip Wong Yee Teng each has signed a letter of appointment on 19 January 2018 for an initial term of three years commencing from the same date, which may be terminated by not less than three months' notice in writing served by either party to the other.

None of the Directors proposed for re-election at the forthcoming AGM has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

Directors' Interests in Transactions, Arrangements or Contracts of Significance

Other than those transactions disclosed in note 34 to the consolidated financial statements, no transactions, arrangements or contracts of significance in relation to the business of the Group to which the Company or any of its subsidiaries was a party and in which a Director or an entity connected with a Director had, directly or indirectly, a material interest subsisted during or at the end of the Reporting Period.

Directors' Interest in Competing Business

None of the Directors or their respective associates had engaged in or had any interest in any business which competes or may compete, either directly or indirectly, with the businesses of the Group during the Reporting Period.

Management Contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Reporting Period.

Employees and Emolument Policy

As of 31 December 2017, the Group had an aggregate of 112 full-time employees. The remuneration committee of the Company (the "Remuneration Committee") was set up for reviewing the Group's emolument policy and structure for all remuneration of the Directors and senior management of the Group, having regard to the Group's operating results, individual performance of the Directors and senior management and comparable market practices.

董事服務合約及委聘函

各執行董事已於2015年6月2日與本公司訂立服務協議，年期自同日起計為期三年，可由任何一方向另一方發出不少於三個月書面通知予以終止。

鄒小磊先生、汪晴先生、劉文芳先生各自已於2016年2月1日簽訂委聘函，初步任期自同日起計為期三年。陳宇先生及黃已艇先生各自已於2018年1月19日簽訂委聘函，初步任期自同日起計為期三年，可由任何一方向另一方發出不少於三個月書面通知予以終止。

概無擬於即將舉行的股東週年大會上膺選連任的董事訂立本集團不可於一年內免付賠償(法定補償除外)而終止的服務合約。

董事於重大交易、安排或合約的權益

除於綜合財務報表附註34所披露的該等交易外，於報告期內或期末，本公司或其任何附屬公司概無訂立對本集團業務而言屬重大，且董事或與董事相關的實體於當中直接或間接擁有重大權益的任何交易、安排或合約。

董事於競爭業務的權益

於報告期內，董事或彼等各自的聯繫人概無從事對本集團業務構成或可能構成直接或間接競爭的任何業務或於當中擁有任何權益。

管理合約

於報告期內，概無訂立或存在有關管理及經營本公司所有或任何重大部分業務的合約。

僱員及薪酬政策

截至2017年12月31日，本集團共有112名全職僱員。本公司薪酬委員會(「薪酬委員會」)已告成立，以審閱本集團的薪酬政策及本集團全體董事及高級管理層的薪酬結構，當中已考慮本集團的經營業績、董事及高級管理層的個別表現以及可資比較市場慣例。



Remuneration of Directors and Five Individuals with Highest Emoluments

Details of the emoluments of the Directors and five highest paid individuals are set out in note 8 to the consolidated financial statements.

Changes to Information in Respect of Directors

Up to the date of this report, there were no changes to information which are required to be disclosed and had been disclosed by Directors pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules.

Directors' Rights to Acquire Shares or Debentures

Save as otherwise disclosed in this report, no rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company were granted to any Director or their respective spouse or children under 18 years of age, nor were any such rights exercised by them. Neither the Company nor any of its subsidiaries was a party to any arrangement to enable the Directors, or their respective spouse or children under 18 years of age, to acquire such rights in any other body corporate during the Reporting Period.

Directors' and Chief Executive's Interests and Short Position in Shares, Underlying Shares and Debentures

As at 31 December 2017, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the HKSE pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which were taken or deemed to have under such provisions of the SFO), or (ii) which were required, pursuant to section 352 of the SFO, to be entered into the register maintained by the Company, or (iii) which were required to be notified to the Company and the HKSE pursuant to Model Code as set out in Appendix 10 to the Listing Rules were as follows:

(i) Interest in Shares or Underlying Shares of the Company

Name of Director and chief executive	Nature of Interest	Number of Shares or underlying Shares ⁽¹⁾ 股份或 相關股份數目 ⁽¹⁾	Approximate percentage of shareholding interest ⁽³⁾ 股權 概約百分比 ⁽³⁾
董事及主要行政人員姓名	權益性質		
Mr. Huang ⁽²⁾ 黃先生 ⁽²⁾	Interest in controlled corporation 於受控法團的權益	1,050,000,000 (L)	65.01%

董事及五名最高薪人士的酬金

董事及五名最高薪人士的酬金詳情載於綜合財務報表附註8。

董事資料變更

截至本報告日期，根據上市規則第13.51(2)條第(a)至(e)段及(g)段董事須予披露且已披露的資料並無變更。

董事收購股份或債券的權利

除本報告另有披露者外，概無授予任何董事或彼等各自的配偶或未滿18歲子女任何以收購本公司股份或債券方式獲得利益的權利，彼等亦無行使任何有關權利。於報告期內，本公司及其任何附屬公司概無訂立任何令董事或彼等各自的配偶或未滿18歲子女獲得任何其他法人團體有關權利的安排。

董事及主要行政人員於股份、相關股份及債券中的權益及淡倉

於2017年12月31日，董事及本公司主要行政人員於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份及債券中，擁有(i)根據證券及期貨條例第XV部第7及8分部須知會本公司及香港聯交所的權益及淡倉(包括根據證券及期貨條例有關條文，彼等被當作或被視為擁有的任何權益及淡倉)，或(ii)根據證券及期貨條例第352條須記錄於本公司存置的登記冊內的權益及淡倉，或(iii)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須知會本公司及香港聯交所的權益及淡倉如下：

(i) 於本公司股份或相關股份的權益



Notes:

- (1) The letter "L" denotes the person's long position in the Shares.
- (2) Mr. Huang was the settlor of a trust in which UBS Trustees (B.V.I.) Limited was the trustee and held the entire interest in Fullwealth Holdings Limited, which in turn held the entire beneficial interest in Risun. Mr. Huang was deemed to be interested in the 1,050,000,000 Shares beneficially held by Risun.
- (3) The calculation is based on the total number of 1,615,220,000 Shares in issue as at 31 Decembr 2017.

附註：

- (1) 字母「L」指該名人士於股份所持有的好倉。
- (2) 黃先生為一項信託的財產授予人，其中UBS Trustees (B.V.I.) Limited為該信託的受託人並持有 Fullwealth Holdings Limited 全部權益，而 Fullwealth Holdings Limited 持有 Risun 全部實益權益。黃先生被視作擁有 Risun 實益所持 1,050,000,000股股份的權益。
- (3) 該百分比乃根據於 2017 年 12 月 31 日總數 1,615,220,000股已發行股份而計算得出。

(ii) Interest in associated corporation

(ii) 於相聯法團的權益

Name of Director 董事姓名	Name of associated corporation 相關法團名稱	Nature of Interest 權益性質	Amount of registered share capital 已註冊股本金額	Approximate percentage of shareholding interest 股權概約百分比
Ms. Zhang Zhijie 張志傑女士	Sichuan Sinco Biological Technology Co., Ltd. 四川興科蓉生物科技有限公司	Interest in controlled corporation ⁽¹⁾ 於受控法團的權益 ⁽¹⁾	RMB300,000 人民幣300,000元	30%

Note:

- (1) Sichuan Sinco Biological Technology Co., Ltd. was owned as to 30% by Beijing Kang Tai Yun Dao Technology Co., Ltd., which was in turn owned as to 60% by Ms. Zhang Zhijie.

Save as disclosed above, as at 31 December 2017, none of the Directors and the chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was required to be recorded in the register of the Company required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the HKSE pursuant to the Model Code.

附註：

- (1) 四川興科蓉生物科技有限公司由北京康泰運道科技有限公司擁有30%權益，而北京康泰運道科技有限公司由張志傑女士擁有60%權益。

除上文所披露者外，於2017年12月31日，本公司董事及主要行政人員概無於本公司或其相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份或債券中擁有或被視為擁有須記錄於本公司根據證券及期貨條例第352條規定須存置的登記冊內的權益或淡倉，或根據標準守則須另行知會本公司及香港聯交所的任何權益或淡倉。



Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares

As at 31 December 2017, to the best knowledge of the Directors, the following persons/entities (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares of the Company which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

(i) Interest in the Company

主要股東於股份及相關股份中的權益及淡倉

於2017年12月31日，就董事所深知，根據本公司按照證券及期貨條例第336條須予存置的登記冊內所記錄，以下人士／實體（董事或本公司主要行政人員除外）於股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部的條文須向本公司披露的權益或淡倉：

(i) 於本公司的權益

Name 名稱	Nature of Interest 權益性質	Number of Shares ⁽¹⁾ 股份數目 ⁽¹⁾	Approximate percentage of shareholding interest ⁽⁵⁾ 股權概約百分比 ⁽⁵⁾
Risun ⁽²⁾	Beneficial owner 實益擁有人	1,050,000,000 (L)	65.01%
Fullwealth Holdings Limited ⁽²⁾	Interest in controlled corporation 於受控法團的權益	1,050,000,000 (L)	65.01%
UBS Trustees (B.V.I.) Limited ⁽²⁾	Trustee 受託人	1,050,000,000 (L)	65.01%
Wisem Group Holding Limited ("Wisem") ⁽³⁾	Beneficial owner 實益擁有人	90,000,000 (L)	5.57%
Mr. Liu Sichuan ⁽³⁾ 劉思川先生 ⁽³⁾	Interest in controlled corporation 於受控法團的權益	90,000,000 (L)	5.57%
Harvest Progress International Limited ("Harvest") ⁽⁴⁾	Person having a security interest in shares 於股份擁有證券權益人士	1,049,990,000 (L)	65.01%
Li Han Fa ("Mr. Li") ⁽⁴⁾ 李漢發(「李先生」) ⁽⁴⁾	Interest in controlled corporation 於受控法團的權益	1,049,990,000 (L)	65.01%
Hong Pei Hua ("Ms. Hong") ⁽⁴⁾ 洪佩華(「洪女士」) ⁽⁴⁾	Interest of a substantial shareholder's child under 18 or spouse 主要股東未滿18歲子女或配偶權益	1,049,990,000 (L)	65.01%

Notes:

- (1) The letter "L" denotes the person's long position in the Shares.
- (2) Mr. Huang was the settlor of a trust in which UBS Trustees (B.V.I.) Limited was the trustee and held the entire interest in Fullwealth Holdings Limited, which in turn held the entire beneficial interest in Risun. Mr. Huang was deemed to be interested in the 1,050,000,000 Shares beneficially held by Risun.

附註：

- (1) 字母「L」指該名人士於股份所持有的好倉。
- (2) 黃先生為一項信託的財產授予人，其中UBS Trustees (B.V.I.) Limited為該信託的受託人並持有 Fullwealth Holdings Limited 全部權益，而 Fullwealth Holdings Limited 持有 Risun 全部實益權益。黃先生被視作擁有 Risun 實益所持 1,050,000,000 股股份的權益。



- (3) Wisen was owned as to 100% by Mr. Liu Sichuan; therefore Mr. Liu Sichuan was deemed to be interested in the 90,000,000 Shares held by Wisen.
- (4) Harvest had security interest in 1,049,990,000 Shares. Harvest was owned as to 100% by Mr. Li and Mr. Li was deemed to be interested in the 1,049,990,000 Shares. Ms. Hong was the spouse of Mr. Li and was therefore deemed to be interested in the 1,049,990,000 Shares.
- (5) The calculation is based on the total number of 1,615,220,000 Shares in issue as at 31 December 2017.

Save as disclosed above, as at 31 December 2017, the Directors were not aware of any persons (who were not Directors or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed under Division 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

Purchase, Sale or Redemption of Listed Securities

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

Connected Transaction

Details of the related party transactions undertaken by the Group are set out in note 34 to the consolidated financial statements. Pursuant to Rule 14A.90 of the Listing Rules, the guarantee provided by Mr. Huang as disclosed in note 26 to the consolidated financial statements is a connected transaction exempted from announcement, reporting, annual review and independent shareholders' approval requirements under Rule 14A.90 of the Listing Rules. The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules in respect of the above connected transaction.

Pre-Emptive Rights

There are no provisions for pre-emptive rights under the Articles of Association or the Cayman Companies Law where the Company was incorporated, which would oblige the Company to offer new Shares on a pro rata basis to existing Shareholders.

Tax Relief and Exemption

The Directors are not aware of any tax relief and exemption available to the Shareholders by reason of their holding the Company's securities.

- (3) Wisen由劉思川先生全資擁有。因此，劉思川先生被視作擁有Wisen所持90,000,000股股份的權益。
- (4) Harvest擁有1,049,990,000股股份的證券權益。Harvest由李先生全資擁有，且李先生被視作擁有1,049,990,000股股份的權益。洪女士為李先生的配偶，因此被視作擁有1,049,990,000股股份的權益。
- (5) 該百分比乃根據於2017年12月31日總數1,615,220,000股已發行股份而計算得出。

除上文披露者外，於2017年12月31日，董事概不知悉任何人士(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XV部第2及3分部須予披露的權益或淡倉，或根據證券及期貨條例第336條須記錄於該條文所指的登記冊內的權益或淡倉。

購買、出售或贖回上市證券

於報告期內，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

關連交易

本集團進行的關連方交易詳情載於綜合財務報表附註34。根據上市規則第14A.90條，於綜合財務報表附註26所披露由黃先生提供的擔保屬獲豁免遵守上市規則第14A.90條的公告、申報、年度審核及獨立股東批准規定的關連交易。本公司已就上述關連交易遵守上市規則第14A章的披露規定。

優先權

組織章程細則或本公司註冊成立所在地開曼群島公司法概無條文規定本公司須向現有股東按比例發售新股的優先認股權條文。

稅務減免

董事並不知悉因任何股東持有本公司證券而享有任何稅務減免。



Non-Competition Undertaking

On 1 February 2016, Mr. Huang and Risun, our controlling shareholders entered into a deed of non-competition in favour of our Company (for itself and on behalf of all members of the Group), pursuant to which they have undertaken, subject to and except as mentioned in the Prospectus, that they, would not, and would procure that none of their associates (other than any member of our Group) will directly or indirectly, engage in any business which competes or is likely to compete, directly or indirectly, with our Group's business as described in the Prospectus in the PRC or any other places in which our Group carries on business.

The Company has received confirmations from the controlling shareholders confirming their compliance with the deed of non-competition during the Reporting Period.

Permitted Indemnity Provision

As at the date of this report, all Directors of the Company were covered under the liability insurance purchased by the Company for its Directors.

Charitable Donations

During the Reporting Period, the Group made charitable donations of RMB100,000.

Subsequent Events

The material subsequent events are disclosed in note 37 to the consolidated financial statements in this annual report.

Disclosure Under Rule 13.20 of the Listing Rules

The Directors are not aware of any circumstances resulting in the responsibility of disclosure under Rule 13.20 of the Listing Rules regarding the provision of advance by the Company to an entity.

Continuing Disclosure Requirements Pursuant to Rule 13.21 of the Listing Rules

On 27 June 2017, the Company issued unlisted bonds in the aggregate principal amount of HK\$120,000,000 (equivalent to RMB104,150,000) (the "June 2017 Bonds"). The maturity date of the June 2017 Bonds falls 24 months after the date of issue. The interest rate is 10% per annum and the interest should be payable quarterly. With effect from 12 October 2017, the interest rate was amended to 15% per annum with interest payable quarterly and the maturity date was amended to 27 March 2018. On 27 March 2018, the maturity date of the June 2017 Bonds has been further amended to 30 April 2018.

不競爭承諾

於2016年2月1日，我們的控股股東黃先生及Risun以本公司(為其本身及代表本集團所有成員公司)為受益人訂立不競爭契約，據此，根據招股書所述限制及若干例外情況，彼等承諾自身不會亦將促使其聯繫人(本集團任何成員公司除外)不會在中國或本集團業務所在其他地區直接或間接從事與招股書所述本集團業務直接或間接構成競爭或可能構成競爭的任何業務。

本公司已收到控股股東就彼等於報告期內已遵守不競爭契約的確認書。

獲准許的彌償條文

於本報告日期，本公司全體董事均已投保本公司為其董事購買的責任保險。

慈善捐款

於報告期內，本集團作出人民幣100,000元的慈善捐款。

期後事項

重大期後事項於本年報綜合財務報表附註37予以披露。

根據上市規則第13.20條作出披露

董事並不知悉有任何有關本公司向實體提供墊款而導致根據上市規則第13.20條須予披露的責任的情況。

根據上市規則第13.21條的持續披露規定

於2017年6月27日，本公司發行本金總額為120,000,000港元(相當於人民幣104,150,000元)的非上市債券(「2017年6月債券」)。2017年6月債券的到期日為發行日期起滿24個月當日。債券的年利率為10%，利息須按季支付。自2017年10月12日起，年利率改為15%，利息須按季支付，且到期日改為2018年3月27日。於2018年3月27日，2017年6月債券的到期日進一步改為2018年4月30日。



On 30 June 2017, the Company issued convertible bonds in the aggregate principal amount of HK\$40,000,000 (equivalent to RMB34,717,000). The maturity date of the convertible bonds falls 24 months after the date of issue. The interest rate is 8% per annum and the interest should be payable quarterly. With effect from 18 December 2017, all rights and obligations of the holder of the convertible bonds and the Company in relation to the conversion rights were deleted. Meanwhile, the maturity date was amended to 30 March 2018 and the interest rate was amended to 15% per annum with interest payable quarterly. Those bonds are referred to as the “**December 2017 Bonds**”. On 27 March 2018, the maturity date of the December 2017 Bonds has been further amended to 30 April 2018.

The Company's obligations under the above bonds are unconditionally guaranteed by Mr. Huang Xiangbin, a controlling shareholder of the Company, and secured by (i) 1,049,990 shares of the Company held by Risun, a controlling shareholder of the Company; and (ii) the entire issued share capital of Risun held by Fullwealth Holdings Limited, a controlling shareholder of the Company.

Please refer to the announcements of the Company dated 25 June 2017, 27 June 2017, 30 June 2017, 13 October 2017 and 17 January 2018 for further details.

Code of Conduct Regarding Directors' Securities Transactions

The Company has adopted the Model Code as its own code of conduct regarding Directors' securities transactions. Having made specific enquiry with the Directors, all the Directors confirmed that they had complied with such code of conduct throughout the Reporting Period.

Corporate Governance

The Company is committed to maintaining the highest standard of corporate governance practices. Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 73 to 90 of this annual report.

Sufficiency of Public Float

Based on information publicly available to the Company and to the knowledge of the Directors, at least 25% of the Company's total issued share capital, the prescribed minimum percentage of public float approved by the HKSE and permitted under the Listing Rules, are held by the public at all times as of the date of this report.

於2017年6月30日，本公司發行本金總額為40,000,000港元(相當於人民幣34,717,000元)的可換股債券。可換股債券的到期日為發行日期起滿24個月當日。年利率為8.00%，每季應付利息。自2017年12月18日起，可換股債券持有人及本公司有關兌換權的所有權利及義務已刪除。同時，到期日改為2018年3月30日，年利率改為15%，每季應付利息。該等債券稱為「**2017年12月債券**」。於2018年3月27日，2017年12月債券的到期日進一步改為2018年4月30日。

本公司就上述債券承擔的責任由本公司控股股東黃祥彬先生無條件擔保，並以(i)本公司控股股東Risun所持有的本公司1,049,990股股份；及(ii)本公司控股股東Fullwealth Holdings Limited所持有的Risun全部已發行股本作為抵押。

有關進一步詳情，請參閱本公司日期為2017年6月25日、2017年6月27日、2017年6月30日、2017年10月13日及2018年1月17日的公告。

董事進行證券交易的操守守則

本公司已採用標準守則作為其董事進行證券交易的操守守則。經向董事作出具體查詢後，全體董事確認彼等於報告期內一直遵守該等操守守則。

企業管治

本公司致力於維持最高水平的企業管治常規。有關本公司所採納企業管治常規的資料載於本年報第73至90頁的企業管治報告。

足夠公眾持股量

根據本公司公開取得的資料及就董事所知，截至本報告日期，本公司已發行股本總額中至少25%(香港聯交所批准及根據上市規則所允許的規定最低公眾持股百分比)一直由公眾持有。



Audit Committee

The principal duties of the audit committee of the Company (“Audit Committee”) include the review and supervision of the Group’s financial reporting system, the preparation of financial statements and internal control procedures. It also acts as an important link between the Board and the external auditor in matters within the scope of the group audit.

The annual results for the Reporting Period of the Company have been reviewed by the Audit Committee.

Auditor

Ernst & Young has acted as auditor of the Company for the Reporting Period.

Ernst & Young shall retire in the forthcoming AGM and, being eligible, will offer themselves for re-appointment. A resolution for the re-appointment of Ernst & Young as auditor of the Company will be proposed at the forthcoming AGM.

On behalf of the Board
Huang Xiangbin
Chairman

Hong Kong, 29 March 2018

審核委員會

本公司審核委員會(「審核委員會」)主要職責包括檢討及監察本集團財務申報系統、編製財務報表及內部監控程序。其亦就集團審核範圍內的事宜作為董事會與外聘核數師之間的重要聯繫。

審核委員會已審閱本公司報告期內的年度業績。

核數師

安永會計師事務所於報告期內一直擔任本公司核數師。

安永會計師事務所將於應屆股東週年大會上退任，惟其合資格並願意獲續聘連任。有關續聘安永會計師事務所為本公司核數師的決議案，將於應屆股東週年大會上提呈。

代表董事會
主席
黃祥彬

香港，2018年3月29日

Corporate Governance Report

企業管治報告

Corporate Governance Practices

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 to the Listing Rules as its own code of corporate governance. For the year ended 31 December 2017, the Company has complied with all applicable code provisions under the CG Code except for the deviation from code provision A.2.1 as mentioned in the paragraph headed “Chairman and Chief Executive Officer” of this report. The key corporate governance principles and practices of the Company are outlined later in this report. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

The Board Responsibilities

The Board is responsible for the overall leadership of the Group, oversees the Group’s strategic decisions and monitors business and performance. The Board has delegated the authority and responsibility for day-to-day management and operation of the Group to the senior management of the Group. To oversee particular aspects of the Company’s affairs, the Board has established four Board committees including the Audit Committee, the Remuneration Committee, the nomination committee (the “Nomination Committee”) and the internal control and corporate governance committee (the “Internal Control and Corporate Governance Committee”) (together, the “Board Committees”). The Board has delegated to the Board Committees responsibilities as set out in their respective terms of reference.

All Directors have carried out their duties in good faith and in compliance with applicable laws and regulations, and have acted in the interests of the Company and the Shareholders at all times.

The Company has arranged appropriate liability insurance in respect of legal action against the Directors. The insurance coverage will be reviewed on an annual basis.

企業管治常規

本集團致力於維持高水平的企業管治，以保障股東的利益並提高企業價值及問責性。本公司已採納上市規則附錄十四所載的企業管治守則（「企業管治守則」）作為其本身的企業管治守則。截至2017年12月31日止年度，除本報告「主席及行政總裁」一段所述偏離守則條文第A.2.1條外，本公司一直遵守企業管治守則的所有適用守則條文。本公司的主要企業管治原則及常規於本報告下文概述。本公司將繼續審閱及監察其企業管治常規，以確保遵守企業管治守則。

董事會職責

董事會負責全面領導本集團、監督本集團的策略決策及監察業務與表現。董事會已向本集團高級管理層授予有關本集團日常管理及經營方面的權力及職責。為監督本公司特定的事務，董事會已成立四個董事委員會，即審核委員會、薪酬委員會、提名委員會（「提名委員會」）及內部控制及企業管治委員會（「內部控制及企業管治委員會」）（統稱「董事委員會」）。董事會已向董事委員會授予其各自職權範圍所載的職責。

全體董事已遵照適用法律及法規真誠履職，一直基於本公司及股東的利益行事。

本公司已就針對董事的法律訴訟安排適當的責任保險，並會每年審查承保範圍。



Board Composition

As at the date of this annual report, the Board comprises two executive Directors and five independent non-executive Directors as follows:

Executive Directors:

Mr. Huang Xiangbin
Ms. Zhang Zhijie

Independent Non-executive Directors:

Mr. Chow Siu Lui
Mr. Wang Qing
Mr. Liu Wenfang
Mr. Chen David Yu (*appointed with effect from 19 January 2018*)
Mr. Philip Wong Yee Teng (*appointed with effect from 19 January 2018*)

The biographies of the Directors are set out under the section headed "Directors and Senior Management" of this annual report.

During the year ended 31 December 2017, the Company has been in compliance with the requirements under rules 3.10(1) and 3.10(2) of the Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one independent non-executive Director possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has also complied with rule 3.10A of the Listing Rules relating to the appointment of independent non-executive Directors representing at least one-third of the Board.

The Company believes that the diversity of Board members will be immensely beneficial for the enhancement of the Company's performance. Therefore, the Company has adopted a Board diversity policy to ensure that the Company will, when determining the composition of the Board, consider Board diversity in terms of, among other things, age, cultural and educational background, professional experience, skills and knowledge. The Board diversity policy sets out the approach towards achieving diversity on the Board. Pursuant to the Board diversity policy, all Board appointments will be based on merits, and candidates will be considered against objective criteria, having due regard for the benefits of diversity of the Board.

As each of the independent non-executive Directors has confirmed his independence pursuant to rule 3.13 of the Listing Rules, the Company considers all of them to be independent parties.

董事會組成

於本年報日期，董事會由以下兩名執行董事及五名獨立非執行董事組成：

執行董事：

黃祥彬先生
張志傑女士

獨立非執行董事：

鄒小磊先生
汪晴先生
劉文芳先生
陳宇先生(自2018年1月19日起獲委任)
黃己艇先生(自2018年1月19日起獲委任)

該等董事的履歷載於本年報「董事及高級管理層」一節。

截至2017年12月31日止年度，本公司一直遵守上市規則第3.10(1)及第3.10(2)條的規定，內容有關委任至少三名獨立非執行董事，且其中至少一名獨立非執行董事須擁有適當的專業資格或會計或相關財務管理專長。

本公司亦遵守上市規則第3.10A條的規定，內容有關委任的獨立非執行董事須佔董事會成員人數至少三分之一。

本公司相信董事會成員多元化對提升本公司的表現益處良多。因此，本公司已採納董事會多元化政策，確保本公司在釐定董事會組成時會從多方面考慮董事會多元化，其中包括年齡、文化及教育背景、專業經驗、技能及知識。董事會多元化政策載列實現董事會多元化的方法。根據董事會多元化政策，董事會所有委任均以用人唯才為原則，衡量人選時會考慮客觀條件及充分顧及董事會多元化的益處。

根據上市規則第3.13條，各獨立非執行董事均已確認本身的獨立性，因此本公司認為彼等均為獨立人士。



Save as disclosed in the Directors' biographies set out in the section headed "Directors and Senior Management" in this annual report, none of the Directors has any personal relationship (including financial, business, family or other material or relevant relationship) with any other Director and chief executive.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. Independent non-executive Directors are invited to serve on the Audit Committee, the Remuneration Committee, the Nomination Committee and the Internal Control and Corporate Governance Committee.

As regards the CG Code provision requiring directors to disclose the number and nature of offices held in public companies or organisations and other significant commitments as well as the identity and the time involved to the issuer, Directors have agreed to disclose their commitments and any subsequent change to the Company in a timely manner.

Induction and Continuous Professional Development

Each newly appointed Director is provided with necessary induction and information to ensure that he/she has a proper understanding of the Company's operations and businesses as well as his/her responsibilities under relevant statutes, laws, rules and regulations. The Company also arranges regular seminars to provide Directors with updates on latest development and changes in the Listing Rules and other relevant legal and regulatory requirements from time to time. The Directors are also provided with regular updates on the Company's performance, position and prospects to enable the Board as a whole and each Director to discharge their duties.

Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The company secretary of the Company has from time to time updated and provided written training materials relating to the roles, functions and duties of a Director.

除本年報「董事及高級管理層」一節所載董事履歷所披露者外，概無董事與任何其他董事及主要行政人員有任何個人關係(包括財務、業務、家族或其他重大或相關關係)。

所有董事(包括獨立非執行董事)均為董事會貢獻各種不同的寶貴業務經驗、知識及專業技能，使其高效及有效運作。獨立非執行董事獲邀加入審核委員會、薪酬委員會、提名委員會及內部控制及企業管治委員會。

由於有關企業管治守則條文要求董事披露彼等在公眾公司或組織擔任職位的數目和性質及其他重要供職及彼等的身份及為發行人投入的時間，董事已同意及時向本公司披露彼等的供職及其後任何變更。

入職及持續專業發展

各新委任董事均獲提供所需的入職培訓及資料，以確保彼等充分了解本公司的營運及業務以及彼等根據相關法例、法律、規則及法規所承擔的責任。本公司亦為董事安排定期講座，內容有關上市規則及其他不時相關的法律及監管規定的最新發展及變更的最新消息。董事亦會定期獲提供有關本公司表現、狀況及前景的最新資料，以確保董事會整體及各董事履行其職責。

本公司鼓勵董事參與持續專業發展，以增進及更新知識及技能。本公司的公司秘書不時更新及提供有關董事的角色、職能及職責的書面培訓材料。



According to the information provided by the Directors, a summary of training received by the Directors throughout the year ended 31 December 2017 is as follows:

根據董事所提供的資料，董事於截至2017年12月31日止年度所接受的培訓概要如下：

Name of Director	董事姓名	Nature of Continuous Professional Development Programmes 持續專業發展計劃的性質
<i>Executive Directors</i>		
Mr. Huang Xiangbin	黃祥彬先生	A, C & D
Ms. Zhang Zhijie	張志傑女士	A, B, C & D
<i>Independent Non-executive Directors</i>		
Mr. Chow Siu Lui	鄒小磊先生	A, B, C & D
Mr. Wang Qing	汪晴先生	A, B, C & D
Mr. Liu Wenfang	劉文芳先生	A, C & D

Notes:

- A: Attending seminars and/or meetings and/or forums and/or briefings
- B: Giving talks in the seminars and/or meetings and/or forums
- C: Attending training relevant to the Company's business conducted by lawyers
- D: Reading materials relevant to corporate governance, director's duties and responsibilities, listing rules and other relevant ordinances

附註：

- A：出席講座及／或會議及／或論壇及／或簡報會
- B：於講座及／或會議及／或論壇上演講
- C：出席由律師舉辦與本公司業務相關的培訓
- D：閱讀有關企業管治、董事職能及職責、上市規則及其他相關條例的材料



Chairman and Chief Executive Officer

Under code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and performed by different individuals.

Under the organization structure of the Company, Mr. Huang was the Chairman of the Board and the co-chief executive officer of the Company ("Co-CEO"). With Mr. Huang's extensive experience in the pharmaceutical industry, the Board considered that vesting the roles of chairman and co-chief executive officer in the same person is beneficial to the business prospects and management of the Group. The check and balance of power and authority is ensured by the operation of the senior management and the Board, which comprises experienced and high calibre individuals. Accordingly, the Board believes that this arrangement will not impact on the balance of power and authorizations between the Board and the management of the Company.

Mr. Wu Qing Jiang ("Mr. Wu") has been appointed as the Co-CEO with effect from 5 May 2017 to replace Mr. Hao Jinghui, who resigned as the Co-CEO due to other business commitments with effect from 5 May 2017. Both Mr. Huang and Mr. Wu are responsible for the Group's overall business development, operation and management.

Appointment and Re-election of Directors

Each of the executive Directors has signed a service contract with the Company for a term of three years commencing from their respective date of appointment subject to termination as provided in the service contract.

Each of the independent non-executive Directors has signed an appointment letter with the Company for a term of three years commencing from their respective date of appointment.

The appointments of executive Directors and independent non-executive Directors are subject to the provisions of retirement and rotation of Directors under the Articles of Association and the applicable Listing Rules.

None of the Directors has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

主席及行政總裁

根據企業管治守則條文第A.2.1條，主席及行政總裁的角色應予以區分及由不同人士擔任。

根據本公司的組織架構，黃先生為董事會主席兼本公司聯席行政總裁(「聯席行政總裁」)。黃先生於醫藥行業擁有豐富經驗，董事會認為由同一人兼任主席及聯席行政總裁職位，有利於本集團的業務前景及管理。於富有經驗及卓越才幹的人士組成的高級管理層與董事會運作下，可確保權力與權限之間有所制衡。因此，董事會相信，該安排不會影響董事會與本公司管理層之間的權力與權限互相制衡。

吳慶江先生(「吳先生」)已自2017年5月5日起獲委任為聯席行政總裁，以替代因有其他業務承擔而自2017年5月5日起退任聯席行政總裁的郝景輝先生。黃先生與吳先生共同負責本集團整體業務發展、營運及管理的工作。

委任及重選董事

各執行董事已與本公司簽訂自各自獲委任日期起計為期三年的服務合約，惟可根據服務合約的規定予以終止。

各獨立非執行董事已與本公司簽訂自各自獲委任日期起計為期三年的委任函。

委任執行董事及獨立非執行董事須遵守組織章程細則及適用上市規則有關董事輪流退任的條文。

概無董事訂有本集團於一年內不予賠償(法定賠償除外)則不可終止的服務合約。



In accordance with the Articles of Association, one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third) shall retire from office by rotation and shall be eligible for re-election and re-appointment provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years at every AGM and any new Director appointed to fill a causal vacancy or as an addition to the Board shall submit himself/herself for re-election by Shareholders at the next general meeting after appointment.

The procedures and process of appointment, re-election and removal of Directors are set out in the Articles of Association. The Nomination Committee is responsible for reviewing the Board composition and making recommendations to the Board on the appointment or re-election of Directors and succession planning for Directors.

Board Meetings

The Company intends to hold Board meetings regularly, at least four times a year, and at approximately quarterly intervals. Notices of not less than fourteen days will be given for all regular Board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for a regular meeting.

For other Board and Board Committee meetings, reasonable notice is generally given. The agenda and accompanying board papers are dispatched to the Directors or Board Committee members at least three days before the meetings to ensure that they have sufficient time to review the papers and are adequately prepared for the meetings. When Directors or Board Committee members are unable to attend a meeting, they will be advised of the matters to be discussed and given an opportunity to make their views known to the Chairman prior to the meeting. Minutes of meetings are kept by the joint company secretary with copies circulated to all Directors for information and records.

Minutes of the Board meetings and Board Committee meetings are recorded in sufficient detail about the matters considered by the Board and the Board Committees and the decisions reached, including any concerns raised by the Directors. Draft minutes of each Board meeting and Board Committee meeting are/will be sent to the Directors for comments within a reasonable time after the date on which the meeting is held. Minutes of the Board meetings are open for inspection by Directors.

根據組織章程細則，於每屆股東週年大會上，當時為數三分之一的董事(或如董事人數並非三或三的倍數，則須為最接近但不少於三分之一的董事人數)須輪流退任，並合資格接受重選及獲重新委任，惟各董事(包括以具有指定任期的方式獲委任的董事)須最少每三年輪流退任一次，且任何因填補臨時職位空缺而獲委任或董事會增補的新任董事須在獲委任後的下屆股東大會上由股東進行重選。

董事委任、重選及罷免的程序及過程載於組織章程細則。提名委員會負責檢討董事會組成，並就董事的委任或重選及董事繼任計劃向董事會提出推薦意見。

董事會會議

本公司擬定期舉行董事會會議，每年至少四次，大致按季度舉行會議。所有董事會例行會議通知將於會議舉行前至少14日送呈全體董事，讓其有機會出席會議，會議通知亦載有例行會議議程內的事宜。

就其他董事會及董事委員會會議而言，本公司一般會發出合理通知。議程及隨附董事會文件將於會議舉行前至少3日寄予董事或董事委員會成員，以確保彼等有充足時間審閱有關文件及為會議作出充分準備。倘董事或董事委員會成員未能出席會議，則彼等會獲告知將予討論的事宜及於會議舉行前有機會讓主席獲悉彼等的意見。會議記錄由聯席公司秘書保存，副本將於全體董事間傳閱，以供參考及記錄。

董事會會議及董事委員會會議的會議記錄詳列董事會及董事委員會所考慮的事宜及達致的決定，包括董事提出的任何關注事項。各董事會會議及董事委員會會議的會議記錄草擬本於/將於會議舉行當日後在合理時間內寄送至各董事，以供彼等提出意見。董事會會議的會議記錄可供董事查閱。



During the year ended 31 December 2017, five Board meetings and two general meetings were held and the attendance record of each Director is set out in the table below:

於截至2017年12月31日止年度，共舉行五次董事會會議及兩次股東大會，各董事的出席記錄載列如下：

Directors	董事	Attended/ Eligible to attend the Board meeting(s) 已出席／可出席董事會 會議次數	Attended/ Eligible to attend the general meeting(s) 已出席／可出席 股東大會次數
Mr. Huang Xiangbin	黃祥彬先生	3/5	1/2
Ms. Zhang Zhijie	張志傑女士	5/5	2/2
Mr. Chow Siu Lui	鄒小磊先生	5/5	1/2
Mr. Wang Qing	汪晴先生	4/5	2/2
Mr. Liu Wenfang	劉文芳先生	4/5	2/2

Model Code for 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 its own code of conduct regarding Directors' dealings in the Company's securities.

證券交易的標準守則

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」)作為其董事進行本公司證券交易的操守守則。

Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Model Code for the year ended 31 December 2017.

經向全體董事作出具體查詢後，董事確認彼等於截至2017年12月31日止年度一直遵守標準守則。

Delegation by the Board

The Board reserves for its decision all major matters of the Company, including: approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters. Directors could have recourse to seek independent professional advice in performing their duties at the Company's expense and are encouraged to access and to consult with the Company's senior management independently.

董事會的授權

董事會對本公司所有重大事宜保留決策權，包括：批准及監督一切政策事宜、整體策略及預算、內部控制及風險管理系統、重大交易(特別是可能牽涉利益衝突者)、財務資料、委任董事及其他主要財務及營運事宜。董事可尋求獨立專業意見以履行彼等的職責，費用由本公司承擔，本公司亦鼓勵董事個別聯絡及諮詢本公司高級管理層。

The daily management, administration and operation of the Group are delegated to the senior management. The delegated functions and responsibilities are periodically reviewed by the Board. Approval has to be obtained from the Board prior to any significant transactions entered into by the management.

高級管理層獲授權負責本集團的日常管理、行政及營運。授權職能及職責由董事會定期檢討。管理層訂立任何重大交易前須取得董事會批准。



Corporate Governance Function and Internal Control and Corporate Governance Committee

The Internal Control and Corporate Governance Committee comprises three members, namely Mr. Chow Siu Lui (chairman), Mr. Liu Wenfang and Mr. Wang Qing, all of them are independent non-executive Directors.

The Board recognizes that corporate governance should be the collective responsibility of the Directors and delegated the corporate governance duties to the Internal Control and Corporate Governance Committee which includes, without limitation:

- (a) to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;
- (b) to review and monitor the training and continuous professional development of the Directors and senior management of the Company;
- (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors of the Company;
- (e) to review the Company's compliance with the code and disclosure in the corporate governance report of the Company (the "Corporate Governance Report"); and
- (f) to oversee the Company's risk management and internal control systems on an ongoing basis and ensure that a review of the effectiveness of the risk management and internal control systems of the Company and its subsidiaries has been conducted at least annually and report to Shareholders that it has done so in its Corporate Governance Report. The review shall cover all material controls, including financial, operational and compliance controls.

The written terms of reference of the Internal Control and Corporate Governance Committee are available on the websites of the HKSE and the Company.

企業管治職能與內部控制及企業管治委員會

內部控制及企業管治委員會有三名成員，包括鄒小磊先生(主席)、劉文芳先生及汪晴先生，彼等均為獨立非執行董事。

董事會明瞭企業管治乃全體董事的共同責任，並將企業管治職責授權予內部控制及企業管治委員會，包括但不限於以下事項：

- (a) 制訂及檢討本公司企業管治政策和常規，並向董事會提出推薦意見；
- (b) 檢討及監察本公司董事及高級管理層的培訓及持續專業發展；
- (c) 檢討及監察本公司遵照法律及監管規定的政策及常規；
- (d) 制訂、檢討及監察適用於本公司僱員及董事的操守守則及合規手冊(如有)；
- (e) 檢討本公司遵守其企業管治報告(「企業管治報告」)所載守則及披露事項的狀況；及
- (f) 持續監督本公司的風險管理及內部控制系統，並確保最少每年檢討一次本公司及其附屬公司的風險管理及內部控制系統是否有效，且在企業管治報告中向股東彙報已經完成有關檢討。該檢討應涵蓋所有重要的監控範圍，包括財務監控、營運監控及合規監控。

內部控制及企業管治委員會的書面職權範圍已載於香港聯交所及本公司網站。



During the year ended 31 December 2017, one Internal Control and Corporate Governance Committee was held and the attendance records are set out below:

截至2017年12月31日止年度，共舉行一次內部控制及企業管治委員會會議，出席記錄載列如下：

Directors	董事	Attendance/ Number of meeting 出席次數／會議次數
Mr. Chow Siu Lui	鄒小磊先生	1/1
Mr. Wang Qing	汪晴先生	1/1
Mr. Liu Wenfang	劉文芳先生	1/1

Audit Committee

The Audit Committee comprises three members, namely Mr. Chow Siu Lui (chairman), Mr. Liu Wenfang and Mr. Wang Qing, all of them are independent non-executive Directors.

審核委員會

審核委員會有三名成員，包括鄒小磊先生(主席)、劉文芳先生及汪晴先生，彼等均為獨立非執行董事。

The principal duties of the Audit Committee include but not limited to the following:

審核委員會的主要職責包括但不限於以下事項：

- | | |
|---|---|
| <p>(a) to review the relationship with the Auditor by reference to the work performed by the Auditor, their fees and terms of engagement, and make recommendations to the Board on the appointment, reappointment and removal of the Auditor;</p> | <p>(a) 基於核數師的工作表現、收費與受聘條款檢討與核數師的關係，並向董事會作出有關聘任、續聘及解聘核數師的推薦意見；</p> |
| <p>(b) to review the financial statements and reports and consider any significant or unusual items raised by the Company's staff responsible for the accounting and financial reporting function, compliance officer or the Auditor before submission to the Board; and</p> | <p>(b) 檢討財務報表及報告，並且審議本公司負責會計及財務申報的人員、規章監察人員或核數師所提出任何重要或不尋常的事宜，然後向董事會呈報；及</p> |
| <p>(c) to review the adequacy and effectiveness of the Company's financial reporting system, internal control system and risk management system and associated procedures, including the adequacy of the resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function.</p> | <p>(c) 檢討本公司財務申報體系、內部控制體系、風險管理體系與相關程序是否足夠有效，包括資源是否足夠、員工資歷與經驗、本公司會計及財務申報人員的培訓計劃與預算等。</p> |

The written terms of reference of the Audit Committee are available on the websites of the HKSE and the Company.

審核委員會的書面職權範圍已載於香港聯交所及本公司網站。



During the year ended 31 December 2017, two Audit Committee Meetings were held and the attendance records of the Audit Committee Meeting are set out below:

截至2017年12月31日止年度，共舉行兩次審核委員會會議，審核委員會會議的出席記錄載列如下：

Directors	董事	Attendance/ Number of meeting(s) 出席次數／會議次數
Mr. Chow Siu Lui	鄒小磊先生	2/2
Mr. Wang Qing	汪晴先生	2/2
Mr. Liu Wenfang	劉文芳先生	2/2

Remuneration Committee

The Remuneration Committee comprises three members, including two independent non-executive Directors namely Mr. Wang Qing (chairman), Mr. Liu Wenfang and one executive Director namely Ms. Zhang Zhijie.

薪酬委員會

薪酬委員會有三名成員，包括兩名獨立非執行董事汪晴先生(主席)及劉文芳先生以及一名執行董事張志傑女士。

The principal duties of the Remuneration Committee include but not limited to the following:

薪酬委員會的主要職責包括但不限於以下事項：

- to make recommendations to the Board on the Company's policy and structure for all remuneration of the Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration;
 - to review and approve performance-based remuneration with reference to corporate goals and objectives resolved by the Board;
 - to determine the remuneration packages of individual executive Directors and senior management. These include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
 - to make recommendations to the Board on the remuneration of non-executive Directors;
 - to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
 - to review and approve compensation payable to executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;
- 就本公司董事及高級管理層的整體薪酬政策與結構及制訂正式且透明的薪酬決策程序向董事會提供推薦意見；
 - 基於董事會議定公司目標與宗旨檢討及批准績效薪酬；
 - 釐定個別執行董事及高級管理層的薪酬待遇，包括實物福利、退休金權利及賠償數額，即包括任何離職或終止職務或取消委任應付的賠償；
 - 就非執行董事的薪酬向董事會提供推薦意見；
 - 考慮可資比較公司支付的薪金、投入的時間與承擔的責任，以及本集團其他方面的聘用條件；
 - 檢討及批准向執行董事及高級管理層就其離職或終止職務或取消委任應付的賠償，以確保賠償與合約條款一致；若賠償與合約條款並不一致，賠償亦須公平而不致過多；



7. to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate; and
8. to ensure that no Director or any of his/her associates (as defined in the Listing Rules) is involved in deciding his/her own remuneration.

The written terms of reference of the Remuneration Committee are available on the websites of the HKSE and the Company.

During the year ended 31 December 2017, two Remuneration Committee Meetings were held and the attendance records are set out below:

7. 檢討及批准董事因行為失當而遭解僱或罷免所涉及的賠償安排，以確保賠償與合約條款一致；若賠償與合約條款並不一致，賠償亦須合理恰當；及
8. 確保並無董事或其任何聯繫人(定義見上市規則)參與釐定其本身的薪酬。

薪酬委員會的書面職權範圍已載於香港聯交所及本公司網站。

截至2017年12月31日止年度，共舉行兩次薪酬委員會會議，出席記錄載列如下：

Directors	董事	Attendance/ Number of meeting(s) 出席次數／會議次數
Mr. Wang Qing	汪晴先生	2/2
Ms. Zhang Zhijie	張志傑女士	2/2
Mr. Liu Wenfang	劉文芳先生	2/2

Nomination Committee

The Nomination Committee currently comprises three members, including one executive Director namely Mr. Huang Xiangbin (chairman), and two independent non-executive Directors namely Mr. Liu Wenfang and Mr. Chow Siu Lui.

The principal duties of the Nomination Committee include the following:

1. to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
2. to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;
3. to assess the independence of independent non-executive Directors;

提名委員會

提名委員會目前有三名成員，包括一名執行董事黃祥彬先生(主席)及兩名獨立非執行董事劉文芳先生及鄒小磊先生。

提名委員會的主要職責包括以下事項：

1. 每年至少檢討一次董事會的結構、人數及組成(包括技能、知識及經驗)，並就配合本公司的企業策略所擬作出的任何變更向董事會提供推薦意見；
2. 物色具備合適資格的人士出任董事會成員，並就獲提名出任董事的人選進行甄選或向董事會提供推薦意見；
3. 評估獨立非執行董事的獨立性；



4. to make recommendations to the Board on the appointment or reappointment of Directors and the succession planning for Directors, in particular the chairman and the chief executive officer; and

5. to review the Board diversity policy.

The Nomination Committee assesses the candidate or incumbent on criteria such as integrity, experience, skill and ability to commit time and effort to carry out the duties and responsibilities. The recommendations of the Nomination Committee will then be put to the Board for decision. The written terms of reference of the Nomination Committee are available on the websites of the HKSE and the Company.

During the year ended 31 December 2017, two Nomination Committee Meetings were held and the attendance records are set out below:

4. 就委任或重新委任董事及董事(尤其是主席及行政總裁)的繼任計劃向董事會提供推薦意見；及

5. 檢討董事會多元化政策。

提名委員會基於多項準則衡量候選人或在任者，包括品格、經驗、技能及為履行職務及職責所能投入的時間及努力，隨後將其推薦意見提呈董事會決策。提名委員會的書面職權範圍已載於香港聯交所及本公司網站。

截至2017年12月31日止年度，共舉行兩次提名委員會會議，出席記錄載列如下：

Directors	董事	Attendance/ Number of meeting 出席次數／會議次數
Mr. Huang Xiangbin	黃祥彬先生	2/2
Mr. Chow Siu Lui	鄒小磊先生	2/2
Mr. Liu Wenfang	劉文芳先生	1/2

Remuneration of Directors and Senior Management

Details of the Directors' remuneration are set out in note 8 to the consolidated financial statements in this annual report. The remuneration of senior management, whose biographies are set out on pages 56 to 58 of this annual report, for the year ended 31 December 2017 are set out below:

董事及高級管理層的薪酬

董事薪酬詳情載於本年報綜合財務報表附註8。高級管理層(彼等的履歷載於本年報第56至58頁)於截至2017年12月31日止年度的薪酬載列如下：

Remuneration band (RMB)	薪酬範圍 (人民幣)	Number of individual 人數
Below 1,000,000	1,000,000以下	7



Directors' Responsibilities for Financial Reporting in Respect of Financial Statements

The Directors acknowledge their responsibility for preparing the financial statements for the year ended 31 December 2017 which give a true and fair view of the affairs of the Company and the Group and of the Group's results and cash flows.

The management has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval. The Company provides all members of the Board with monthly updates on Company's performance, positions and prospects.

The Directors were not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern.

The statement by the Auditor regarding their reporting responsibilities on the consolidated financial statements of the Company is set out in the Independent Auditor's Report on pages 93 to 97 of this annual report.

Risk Management and Internal Control

The Board acknowledges that it is the responsibility of the Board for maintaining an adequate risk management and internal control systems to safeguard Shareholder investments and Company assets and reviewing the effectiveness of such system on an annual basis.

The Group's internal audit department plays a major role in monitoring the internal governance of the Company. The major tasks of the internal audit department are reviewing the financial condition and internal control of the Company and conducting comprehensive audits of all branches and subsidiaries of the Company on a regular basis.

The Board has conducted a review of the effectiveness of the risk management and internal control systems of the Group and considered the risk management and internal control system to be effective and adequate.

董事對財務報表的財務申報責任

董事明白彼等有責任編撰截至2017年12月31日止年度的財務報表，以真實公平地反映本公司及本集團的狀況以及本集團的業績與現金流量。

管理層已向董事會提供必要的說明及資料，以便董事會可以就提呈董事會批准的本公司的財務報表進行知情的評估。本公司每月向董事會全體成員提供有關本公司表現、狀況及前景的最新資料。

董事並不知悉與事件或狀況有關的任何重大不明朗因素，以致可能令本集團的持續經營能力嚴重成疑。

核數師有關本公司綜合財務報表申報責任的聲明，載於本年報第93至97頁的獨立核數師報告。

風險管理和內部控制

董事會明白其有責任設立恰當的風險管理和內部控制體系，以保障股東的投資及本公司的資產，並且每年檢討該體系的效用。

本集團的內部審核部門在監察本公司內部管治方面擔當重要角色。內部審核部門的主要職責是檢討本公司的財務狀況及內部控制，並且定期全面審核本公司所有分支機構及附屬公司。

董事會已檢討本集團風險管理和內部控制體系的效用，認為該風險管理和內部控制體系有效並且恰當。

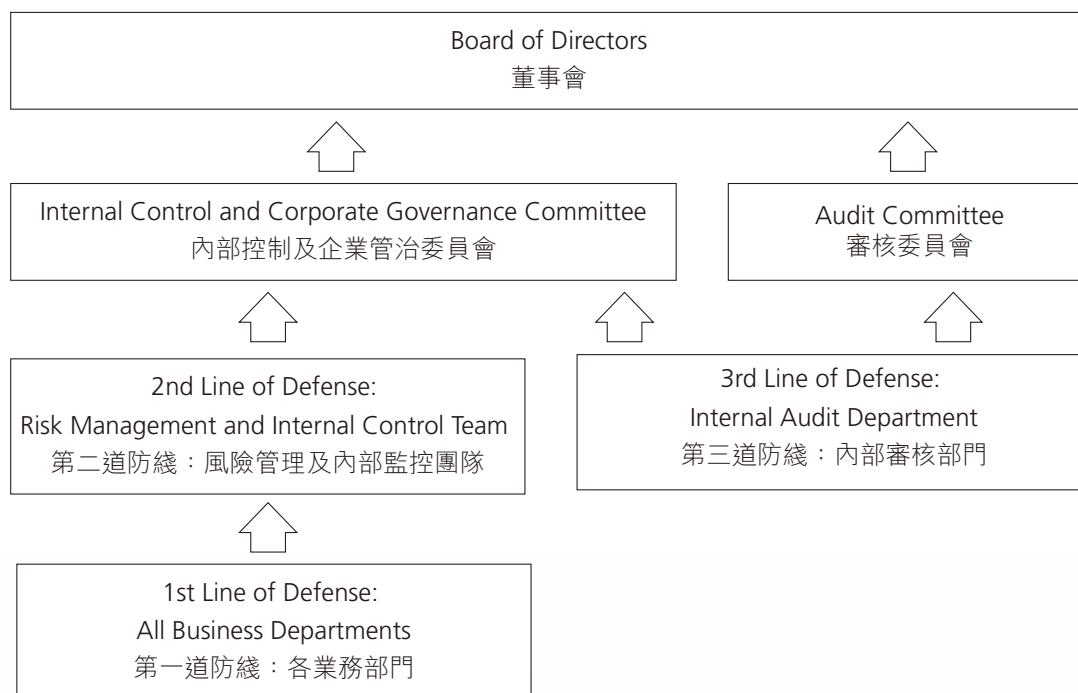


Main Characteristics of the Risk Management and Internal Control Systems

The Group's risk management framework is structured in the following "Three Lines of Defense" model as a guide:

風險管理及內部控制系統的主要特點

本集團的風險管理框架以下圖列示的「三道防線」模式作為指引：



The Board acknowledges its responsibility of overseeing the Group's risk management and internal control systems and reviewing their effectiveness at least annually through the Internal Control and Corporate Governance Committee (the "ICCG Committee") and the Audit Committee. Such review encompasses all major control aspects, including finance, operation and compliance. Such risk management and internal control systems can only provide reasonable but not absolute assurance against material misstatement or loss, as they are designed to manage, rather than eliminate the risk of failure to achieve business objectives.

The Board has completed its annual review of the internal control and risk management systems of the Company for the year ended 31 December 2017, with all the above major control aspects covered. The Board has considered the operation of risk management and internal control systems to be generally adequate and effective, with no significant areas brought to its attention during the year.

董事會確認其有責任監察本集團風險管理及內部控制系統，並透過內部控制及企業管治委員會（「內部控制及企業管治委員會」）及審核委員會至少每年審閱一次其成效，有關審閱涵蓋所有重要的控制方面，包括財務控制、運作控制及合規控制。有關風險管理及內部控制系統只能對防範重大失實陳述或損失作出合理而非絕對的保證，原因為其旨在管理而非消除未能達致業務目標的風險。

董事會已就截至2017年12月31日止年度完成對本公司內部控制及風險管理系統的年度檢討，涵蓋上述所有重要的控制方面。董事會認為風險管理及內部控制系統運作整體上充足且有效，於本年度並無重大範疇值得關注。



The ICCG Committee and the Audit Committee assist the Board to fulfill its responsibilities of risk management and internal control, ensuring adequate resources, staff qualifications and experience, staff training courses and related budgets for the Group in executing its accounting, internal audit and financial reporting functions. The committees also considers the important investigation results concerning the matters of risk management and internal control, reports to and raise suggestions to the Board.

1st Line of Defense

By preparing a risk list with risk control responsibility allocated to departments, the Group is able to deliver risk management across all the business departments. These departments continuously review and assess the risks that may have a potential impact on corporate operation, and effectively execute the process control for business according to the respective functions and departmental regulations, all in a bid to raise the efficiency in risk management.

2nd Line of Defense

Composed of nominated department managers and senior management, the Risk Management and Internal Control Team organizes business departments to identify, assess and manage the risks that may have a potential impact on corporate operation, and ensures the implementation of proper measures and internal control regulations to address major risks. In the meantime, the Team monitors risks and takes measures to reduce the risks in daily operation, provides timely response to and follow up of the investigation results of internal control from the Internal Audit Department, and confirms to the Board as to the effectiveness of such risk management and internal control systems.

3rd Line of Defense

The Internal Audit Department executes the actual review procedure, to collect the evidence on the adequacy and effectiveness of the Group's risk management and internal control systems, and report the review results to the ICCG Committee. In addition, the Department raises suggestions to the Board and the management, to address major institutional inadequacies or any control loopholes spotted.

External auditors further complement the third line of defense in respect of the major risk and control issues on financial reporting procedures that are spotted during the review process.

內部控制及企業管治委員會及審核委員會協助董事會執行其風險管理及內部控制的職責，確保本集團在履行會計、內部審核及財務申報職能方面有足夠的資源、員工資歷與經驗、員工培訓課程以及有關預算。委員會亦考慮有關風險管理及內部控制事宜的重要調查結果，並向董事會彙報及作出建議。

第一道防綫

通過建立落實風險控制責任部門的風險清單，本集團將風險管理貫穿至各業務部門。各業務部門持續地審閱及評估可能對企業經營構成潛在影響的風險，並按照各自職能分工及部門各項規章制度有效執行業務層面的流程控制，以加強風險管理效率。

第二道防綫

風險管理及內部控制團隊由獲提名的部門經理及高級管理層組成，負責組織業務部門識別、評估及管理可能對企業經營構成潛在影響的風險，確保就主要風險落實恰當的應對措施及內部控制規定。同時，團隊監察風險並採取措施降低日常營運風險，針對內部審核部門提出的內部控制調查結果作出及時的回應及跟進，以及向董事會提供有關風險管理及內部控制系統是否有效的確認。

第三道防綫

內部審核部門負責執行實際的審閱程序，以收集本集團風險管理及內部控制系統是否足夠及有效的證據，並向內部控制及企業管治委員會彙報審閱結果。此外，部門向董事會及管理層作出建議，以改善制度的重大不足之處或所發現的任何監控缺失。

外聘核數師通過在審核過程中發現的財務報告程序方面的重大風險及控制問題，進一步補充第三道防綫。



Procedures Applied to Identifying, Assessing and Managing Major Risks

- Determining the scope: preparing uniform risk terms and risk assessment standards for the Group
- Risk identification: identifying the risks that may have a potential impact on corporate operation
- Risk assessment: considering risks in respect of the degree of importance of their impact on business and their occurrence, and assessing the risks identified
- Risk management: establishing risk management policies and internal control procedures, to avert or reduce risks
- Risk monitoring and reporting: continuously monitoring relevant risks, ensuring proper procedures of internal control, and regularly reporting to the management and the Board on the results of risk monitoring

Function of Internal Audit

The Group's Internal Audit Department plays a major role in monitoring the internal governance of the Company. The Department's main responsibilities are to review the financial conditions and internal control of the Company and all its subsidiaries, communicate with department managers and senior management on the identified problems, noncompliance issues and inadequacies, and jointly prepare rectification and improvement solutions. The Department also follows such rectification results, and reports to the ICCG Committee and the Audit Committee.

Information Disclosure System

The Group has formulated its information disclosure system, to ensure the identification and confidentiality of potential inside information until it is disclosed according to the Listing Rules in a consistent and timely manner. The procedures for publishing and processing inside information include:

- Business department managers as the people in charge of information reporting;
- Senior management as the people in charge of the information confidentiality of their respective business segments;
- The Board as the party in charge of information disclosure; and
- The Investor Relations Department and the Board Secretary as the parties responsible for managing information disclosure, the reporting, audit and disclosure of information which needs public announcement, and archiving and keeping such information disclosure documents and announcements.

用於識別、評估及管理重大風險的程序

- 確立範圍：為本集團制定統一的風險用語及風險評估標準
- 風險識別：識別可能對企業經營構成潛在影響的風險
- 風險評估：考慮風險對業務影響的重要程度及發生的可能性，並評估已識別的風險
- 風險管理：確立風險管理政策及內部控制程序，以防止或降低風險
- 風險監督與彙報：持續監督有關風險，確保設有恰當的內部控制程序，並向管理層及董事會定期彙報風險監督的結果

內部審計職能

本集團的內部審核部門在監察本公司內部管治方面擔當重要角色。內部審核部門的主要職責是審閱本公司及所有附屬公司的財務狀況及內部控制，就發現的問題、違規事項或不足之處與各部門經理及高級管理層溝通，共同確立改正及完善方案。部門亦跟進整改結果，向內部控制及企業管治委員會以及審核委員會彙報。

信息披露制度

本集團訂有信息披露制度，確保能識別潛在內幕消息並加以保密，直至按照上市規則作出一致且適時的披露為止。發佈及處理內幕消息的程序包括：

- 業務部門經理作為信息報告責任人；
- 高級管理層作為分管業務板塊信息保密責任人；
- 董事會作為信息披露責任人；及
- 投資者關係部及董事會秘書負責信息披露管理，需公開信息的報送、審核及披露事項，並對信息披露文件及公告進行歸檔保存。



Auditor's Remuneration

The remuneration for the audit services provided by the Auditor to the Group during the year ended 31 December 2017 was approximately RMB2,700,000. There is no remuneration paid to the Auditor in respect of non-audit services.

Company Secretary

Ms. Ko Wing Yu ("Ms. Ko"), one of our joint company secretaries of the Company, is responsible for advising the Board on corporate governance matters and ensuring that the Board policies and procedures, as well as the applicable laws, rules and regulations are followed.

In order to uphold good corporate governance and ensure compliance with the Listing Rules and applicable Hong Kong laws, the Company also engages Ms. Wong Sau Ping ("Ms. Wong"), senior manager of TMF Hong Kong Limited (a global corporate service provider), as another joint company secretary to assist Ms. Ko to discharge her duties as company secretary of the Company. The primary corporate contact person at the Company is Ms. Ko, one of the joint company secretaries of the Company.

For the year ended 31 December 2017, Ms. Ko and Ms. Wong have undertaken not less than 15 hours of relevant professional training respectively in compliance with rule 3.29 of the Listing Rules.

Communication with Shareholders and Investor Relations

The Company considers that effective communication with the Shareholders is essential for enhancing investor relations and understanding of the Group's business, performance and strategies. The Company also recognizes the importance of timely and non-selective disclosure of information, which will enable Shareholders and investors to make the informed investment decisions.

The AGM provides opportunity for the Shareholders to communicate directly with the Directors. The Chairman of the Company and the chairmen of the Board Committees will attend the AGM to answer Shareholders' questions. The Auditor will also attend the AGM to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence.

To promote effective communication, the Company adopts a shareholders' communication policy which aims at establishing a two-way relationship and communication between the Company and the Shareholders and maintains a website of the Company at www.sinco-pharm.com, where up-to-date information on the Company's business operations and developments, financial information, corporate governance practices and other information are available for public access.

核數師酬金

核數師於截至2017年12月31日止年度為本集團提供有關審核服務收取的酬金約為人民幣2,700,000元。核數師並無就提供非審核服務獲取任何酬金。

公司秘書

高穎妤女士(「高女士」)是本公司其中一位聯席公司秘書，負責為董事會提供有關企業管治事宜的意見，及確保符合董事會的政策及程序及適用的法例、規則及條例。

為維持良好的企業管治及確保遵守上市規則與適用的香港法例，本公司亦聘請達盟香港有限公司(提供全球企業服務的公司)的高級經理黃秀萍女士(「黃女士」)擔任另一位聯席公司秘書，以協助高女士履行本公司的公司秘書職務。本公司的主要公司聯絡人為高女士，即本公司其中一位聯席公司秘書。

截至2017年12月31日止年度，高女士及黃女士各自均已遵守上市規則第3.29條的規定，接受不少於15小時的相關專業培訓。

與股東溝通及投資者關係

本公司認為，與股東有效溝通對加強投資者關係及讓投資者了解本集團業務、表現及策略十分重要。本公司亦明瞭及時全面披露資訊以便股東及投資者作出知情投資決定的重要性。

股東週年大會提供機會讓股東可與董事直接對話。本公司主席及各董事委員會主席將出席股東週年大會，回應股東的疑問。核數師亦會出席股東週年大會，解答有關審核工作、核數師報告的編撰過程與內容、會計政策及核數師獨立性等疑問。

為促進有效溝通，本公司所採取的股東溝通政策，旨在建立本公司與股東之間的雙向關係與交流，並且設立本公司網站www.sinco-pharm.com，刊載本公司業務營運與發展、財務資料、企業管治慣例及其他方面的最新資訊，以供公眾查閱。



Shareholders' Rights

To safeguard Shareholders' interests and rights, a separate resolution will be proposed for each issue at general meetings, including the election of individual Directors.

All resolutions put forward at general meetings will be voted by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and the HKSE in a timely manner after each general meeting.

Convening of extraordinary general meeting and putting forward proposals

Shareholders may put forward proposals for consideration at a general meeting of the Company according to the Articles of Association. Any one or more members holding as at 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 any one of the joint company secretaries of the Company, to require an extraordinary general meeting of the Company to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within 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.

As regards proposing a person for election as a Director, the procedures are available on the website of the Company.

Enquiries to the Board

Shareholders who intend to put forward their enquiries about the Company to the Board could send their enquiries to the headquarters of the Company at E5-1805, Global Centre, No. 1700, North section of Tianfu Avenue, High-Tech Zone, Chengdu, Sichuan, PRC. (email address: sinco-pharm@sinco-pharm.com).

Change in Constitutional Documents

The amended and restated Memorandum and Articles of Association have been adopted on 1 February 2016 and with effect from the Listing Date. And there were no significant changes in the Memorandum and Articles of Association of the Company during the year ended 31 December 2017.

股東權利

為保障股東的權益與權利，在股東大會上商討的各項事宜(包括選舉個別董事)須以獨立決議案的方式提呈。

在股東大會上提呈的所有決議案將根據上市規則以投票方式表決，而投票結果將在各股東大會結束後適時在本公司及香港聯交所網站公佈。

召開股東特別大會及提呈議案

股東可根據組織章程細則提呈議案以在本公司股東大會上進行審議。在提出要求當日持有不少於本公司十分之一繳足股本且附有權利於本公司股東大會上投票的任何一名或多名股東，隨時有權向董事會或本公司任何一位聯席公司秘書提出書面要求，要求董事會召開本公司股東特別大會，以處理該項要求指明的任何事宜，而該會議須在提出要求後兩個月內舉行。倘若董事會未能於提出要求後21天內召開會議，則提出要求的人士本身可以相同的方式召開會議，而本公司須向提出要求的人士就其因董事會未能召開會議所承擔的一切合理開支作出補償。

有關提名人士出選董事的手續，可在本公司網站查閱。

向董事會查詢

股東如欲向董事會查詢有關本公司的事宜，可提交查詢至本公司的總部，地址為中國四川省成都市高新區天府大道北段1700號環球中心E5-1805室(電郵地址：sinco-pharm@sinco-pharm.com)。

更改組織章程文件

經修訂及重訂的組織章程大綱及細則已於2016年2月1日採納並自上市日期起生效，且本公司組織章程大綱及細則於截至2017年12月31日止年度概無重大變動。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

To the shareholders of Sinco Pharmaceuticals Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of Sinco Pharmaceuticals Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 98 to 189, which comprise the consolidated statement of financial position as at 31 December 2017, 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 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for opinion

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

Key audit matter

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

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

致興科蓉醫藥控股有限公司股東
(於開曼群島註冊成立的有限公司)

意見

吾等已審計載於第98至189頁的興科蓉醫藥控股有限公司(「貴公司」)及其附屬公司(「貴集團」)的綜合財務報表，當中載有於2017年12月31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益表、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(包括重大會計政策概要)。

吾等認為，綜合財務報表已根據國際會計準則理事會(「國際會計準則理事會」)頒佈的國際財務報告準則(「國際財務報告準則」)真實公平地反映貴集團於2017年12月31日的綜合財務狀況及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。

意見基礎

吾等根據香港會計師公會(「香港會計師公會」)頒佈的香港審計準則(「香港審計準則」)進行審計。吾等就該等準則承擔的責任在本報告核數師就審計綜合財務報表須承擔的責任一節中進一步闡述。根據香港會計師公會的職業會計師道德守則(「守則」)，吾等獨立於貴集團，並已根據守則履行其他職業道德責任。吾等相信，吾等所獲得的審計憑證能充分且適當地為吾等的審計意見提供基礎。

關鍵審計事項

關鍵審計事項乃根據吾等的專業判斷，認為對吾等審計當期綜合財務報表最為重要的事項。該等事項乃於吾等審計整體綜合財務報表及吾等就其作出意見時進行處理，而吾等不會就該等事項提供單獨的意見。就該事項而言，吾等就此提供有關吾等於審計時如何處理事項的闡述。

吾等已履行本報告核數師就審計綜合財務報表須承擔的責任一節所述的責任(包括有關該等事項的責任)。因此，吾等的審計包括執行旨在應對綜合財務報表重大錯誤陳述風險評估的程序。吾等的審計程序結果(包括就處理以下事項而執行的程序)為吾等就隨附綜合財務報表作出審計意見提供基礎。



Key audit matter (Continued)

關鍵審計事項(續)

Key audit matter

關鍵審計事項

Impairment assessment of goodwill

商譽減值評估

In accordance with IFRSs, the Group is required to annually test the amount of goodwill for impairment. This annual impairment test was significant to our audit because the cost of goodwill of RMB62,662,000 as of 31 December 2017 which consisted of goodwill of RMB35,526,000 arising from the acquisition of Xizang Linzhi Ziguang Pharmaceutical Co., Ltd., goodwill of RMB23,106,000 arising from the acquisition of Qingdao Ruichi Pharmaceuticals Co., Ltd. and goodwill of RMB4,030,000 arising from the acquisition of Chengdu Sinco Pharmaceuticals Co., Ltd. was material to the financial statements. In addition, management's impairment assessment process is complex and highly judgemental and is based on assumptions, specially budgeted gross margins, growth rates and the discount rate, which are affected by expected future market or economic conditions. Management performed the impairment assessment based on the discounted cash flow model on the related cash-generating units ("CGUs"). A total impairment loss on goodwill of RMB38,961,000 was recognised during the year.

The Group's disclosures about impairment assessment of goodwill are included in note 3 headed "SIGNIFICANT ACCOUNTING ESTIMATES" and note 15 headed "GOODWILL" to the financial statements.

根據國際財務報告準則，貴集團須每年就商譽減值金額進行測試。年度減值測試就吾等的審計而言屬重要，原因為截至2017年12月31日的商譽結餘人民幣62,662,000元(包括因收購西藏林芝紫光藥業有限責任公司產生的商譽人民幣35,526,000元、收購青島瑞馳藥業有限公司產生的商譽人民幣23,106,000元以及收購成都興科蓉醫藥有限公司產生的商譽人民幣4,030,000元)對財務報表而言屬重大。此外，管理層的減值評估過程複雜及涉及高度判斷性並基於假設，尤其是預算毛利率、增長率及貼現率，受到對未來預期市場及經濟狀況的影響。管理層根據貼現現金流量模式，就相關現金產生單位(「現金產生單位」)進行減值評估。年內確認的商譽減值虧損總額為人民幣38,961,000元。

貴集團有關商譽減值評估的披露載於財務報表附註3「重要會計估計」及附註15「商譽」。

How our audit addressed the key audit matter

吾等進行審計時如何處理關鍵審計事項

Our audit procedures included:

- We obtained an understanding of goodwill impairment assessment process to identify the risks of material misstatement affecting the goodwill;
- We tested the impairment model selected for CGUs, by understanding the model methodology, comparing that to our understanding of the CGUs and checking the mathematical accuracy;
- We accessed the cash flow projection by comparing key market-derived estimates, including selling prices of pharmaceutical products and discount rate, against external data;
- We assessed the cash flow projection by comparing sales volume and other key items to historical results, current market conditions and management's business strategy. We held discussions with senior management, reviewed documentation such as new contracts and the historical order book; and
- We involved the valuation specialist to assist in evaluating the key valuation parameters such as the discount rate, terminal growth rate applied and the valuation model used in the impairment assessment models, which are based on complex assumptions used in the estimation.

吾等的審計程序包括：

- 吾等瞭解商譽減值評估過程，以識別影響商譽的重大錯誤陳述風險；
- 吾等透過瞭解模式方法，與吾等對現金產生單位的理解進行對比，並檢查其計算準確性，以測試就現金產生單位所選用的減值模式；
- 吾等通過將市場相關的關鍵估計(包括藥品售價及貼現率)與外部數據進行對比以評估現金流量預測；
- 吾等通過將銷量及其他關鍵項目與歷史結果、現時市場狀況及管理層的業務策略進行對比以評估現金流量預測。吾等已與高級管理層進行討論，審閱文件(如新合約及過往訂貨簿)；及
- 吾等邀請估值專家加入參與，協助評估如貼現率、所用的末期增長率及減值評估模式所用估值模式等估計過程中使用的基於複雜假設的關鍵估值參數。



Other information included in the Annual Report

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

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

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

Responsibilities of the directors for the consolidated financial statements

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

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

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

Auditor's responsibilities for the audit of the consolidated financial statements

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

年報所載的其他資料

貴公司董事須對其他資料負責。其他資料包括年報所載的資料，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發表的意見並不涵蓋其他資料，吾等亦不對其他資料發表任何形式的鑒證結論。

就審計綜合財務報表而言，吾等的責任為閱覽其他資料，在此過程中，考慮其他資料是否與綜合財務報表或吾等在審計過程中所瞭解的情況有重大抵觸，或似乎存在重大錯誤陳述。基於已執行的工作，倘吾等認為其他資料有重大錯誤陳述，吾等須報告該事實。吾等於此方面概無任何報告。

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據國際會計準則理事會頒佈的國際財務報告準則及香港公司條例的披露規定編製真實公平的綜合財務報表，以及落實董事認為必要的內部控制，以確保編製綜合財務報表時不存在由於欺詐或錯誤而導致的重大錯誤陳述。

於編製綜合財務報表時，貴公司董事負責評估貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營會計基礎，除非貴公司董事有意將貴集團清盤或停業，或別無其他實際的替代方案惟如此行事，則另當別論。

貴公司董事在審核委員會的協助下履行監督貴集團財務報告過程的責任。

核數師就審計綜合財務報表須承擔的責任

吾等的目標為就綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並發出包括吾等意見的核數師報告。吾等僅向閣下整體作出報告，除此之外，本報告並無其他用途。吾等不會就本報告的內容向任何其他人士負責或承擔責任。



Auditor's responsibilities for the audit of the consolidated financial statements (Continued)

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

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

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

核數師就審計綜合財務報表須承擔的責任(續)

合理保證屬高度保證，但並非關於根據香港審計準則進行的審計總能發現某一存在的重大錯誤陳述的擔保。錯誤陳述可由欺詐或錯誤引起，倘個別或整體合理預期情況下可影響使用者根據該等綜合財務報表作出的經濟決定，則有關錯誤陳述可被視作重大。

作為根據香港審計準則進行的審計工作的一部分，吾等於整個審計過程中行使專業判斷並抱持專業懷疑態度。吾等亦：

- 識別及評估綜合財務報表由於欺詐或錯誤而導致的重大錯誤陳述風險，設計及執行審計程序以應對該等風險，以及獲取充分及適當審計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、虛假陳述或僭越內部控制，故因未能發現欺詐而導致的重大錯誤陳述風險高於因未能發現錯誤而導致的重大錯誤陳述風險。
- 瞭解有關審計的內部控制，以設計在各類情況下適當的審計程序，但並非旨在對貴集團內部控制的成效發表意見。
- 評估董事所用會計政策的恰當性及所作會計估計及相關披露的合理性。
- 總結董事採用持續經營會計基礎是否恰當，並根據已獲得的審計憑證，總結是否存在與事件或情況有關的重大不明朗因素，以致可能令貴集團的持續經營能力嚴重成疑。倘吾等得出結論認為存在重大不明朗因素，吾等須於核數師報告中提請使用者注意綜合財務報表內的相關披露，或倘相關披露不足，則修訂吾等的意見。吾等的結論以截至核數師報告日期所獲得的審計憑證為基礎。然而，未來事件或情況可能導致貴集團不再持續經營。



Auditor's responsibilities for the audit of the consolidated financial statements (Continued)

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Siu Fung Terence Ho.

Certified Public Accountants
Hong Kong

29 March 2018

核數師就審計綜合財務報表須承擔的責任(續)

- 評估綜合財務報表的整體列報、架構及內容(包括披露)，以及綜合財務報表是否已公允反映相關交易及事件。
- 就 貴集團內實體或業務活動的財務資料獲得充足及適當的審計憑證，以就綜合財務報表發表意見。吾等負責指導、監督及執行集團的審計工作。吾等為吾等的審計意見承擔全部責任。

吾等與審核委員會溝通(其中包括)審計工作的計劃範圍、時間及重大審計發現，該等發現包括吾等於審計期間識別出內部控制的任何重大缺陷。

吾等亦向審核委員會提交聲明，說明吾等已遵守有關獨立性的相關道德要求，並與彼等溝通可能被合理認為會影響吾等獨立性的所有關係及其他事宜以及相關防範措施(倘適用)。

從與審核委員會溝通的事項中，吾等決定對本期綜合財務報表審計最為重要的該等事項，因而構成關鍵審計事項。吾等在核數師報告中描述該等事項，除非法律或法規不允許公開披露該事項，或於極端罕見情況下，倘合理預期在報告中溝通某事項造成的負面後果超過其產生的公眾利益，則吾等決定不應在報告中溝通該事項。

本獨立核數師報告的審計項目合夥人為何兆烽。

執業會計師
香港

二零一八年三月二十九日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

Year ended 31 December 2017 截至2017年12月31日止年度

		Notes	2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
		附註		
REVENUE	收益	4	806,723	858,894
Cost of sales	銷售成本		(713,190)	(754,326)
Gross profit	毛利		93,533	104,568
Other income and gains	其他收入及收益	5	4,211	8,533
Selling and distribution expenses	銷售及經銷開支		(95,919)	(11,470)
Administrative expenses	行政開支		(57,256)	(62,419)
Impairment loss on intangible assets	無形資產減值虧損	13	(27,531)	–
Impairment loss on goodwill	商譽減值虧損	15	(38,961)	–
Other expenses	其他開支		(39,244)	(4,459)
Finance costs	財務成本	6	(33,701)	(9,187)
PROFIT/(LOSS) BEFORE TAX	除稅前溢利/(虧損)	7	(194,868)	25,566
Income tax credit/(expense)	所得稅抵免/(開支)	9	8,971	(7,229)
PROFIT/(LOSS) AND TOTAL COMPREHENSIVE INCOME/ (LOSS) FOR THE YEAR	年內溢利/(虧損)及 全面收入/(虧損)總額		(185,897)	18,337
Attributable to:	以下人士應佔：			
Owners of the parent	母公司擁有人		(185,896)	19,367
Non-controlling interests	非控股權益		(1)	(1,030)
			(185,897)	18,337
Earnings/(loss) per share attributable to ordinary equity holders of the parent:	母公司普通股持有人應佔 每股盈利/(虧損)：			
– Basic and diluted (RMB)	– 基本及攤薄(人民幣元)	11	(0.115)	0.013

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

31 December 2017 2017年12月31日

		Notes	2017	2016
		附註	RMB'000	RMB'000
			人民幣千元	人民幣千元
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	12	191,767	103,712
Intangible assets	無形資產	13	223	32,454
Payments in advance	預付款項	14	40,736	99,858
Goodwill	商譽	15	23,701	58,632
Deposit	按金	16	3,000	3,000
Deferred tax assets	遞延稅項資產	17	9,159	–
Total non-current assets	非流動資產總值		268,586	297,656
CURRENT ASSETS	流動資產			
Inventories	存貨	18	291,193	137,602
Trade and bills receivables	貿易應收款項及應收票據	19	37,106	19,868
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	16	146,683	67,115
Financial assets at fair value through profit or loss classified as held for trading	分類為持作買賣按公平值計入損益的金融資產	25	–	146
Available-for-sale investment	可供出售投資	20	–	111,261
Pledged bank balances	已抵押銀行結餘	21	52,941	52,029
Cash and cash equivalents	現金及現金等價物	21	22,710	102,050
Total current assets	流動資產總值		550,633	490,071
CURRENT LIABILITIES	流動負債			
Trade payables	貿易應付款項	22	22,522	45,832
Advances from customers	客戶墊款		41,503	45,665
Other payables	其他應付款項	23	70,029	61,734
Interest-bearing bank and other loans	計息銀行及其他貸款	24	275,815	165,000
Tax payable	應付稅項		2,546	12,221
Financial liabilities at fair value through profit or loss classified as held for trading	分類為持作買賣按公平值計入損益的金融負債	25	218	–
Bonds	債券	26	133,856	–
Total current liabilities	流動負債總額		546,489	330,452
NET CURRENT ASSETS	流動資產淨值		4,144	159,619
Total assets less current liabilities	總資產減流動負債		272,730	457,275
Net assets	資產淨值		272,730	457,275

Consolidated Statement of Financial Position (Continued)

綜合財務狀況表(續)

31 December 2017 2017年12月31日



		Notes	2017	2016
		附註	RMB'000 人民幣千元	RMB'000 人民幣千元
EQUITY	權益			
Equity attributable to owners of the parent	母公司擁有人應佔權益			
Issued capital	已發行股本	27	130	130
Reserves	儲備	29	273,505	458,049
			273,635	458,179
Non-controlling interests	非控股權益		(905)	(904)
Total equity	權益總額		272,730	457,275

Huang Xiangbin

黃祥彬

Director

董事

Zhang Zhijie

張志傑

Director

董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

Year ended 31 December 2017 截至2017年12月31日止年度

		Attributable to owners of the parent 母公司擁有人應佔									
		Share Issued capital	Share premium account	Contributed surplus	Statutory reserve	Share option reserve	Changes in non- controlling interests 非控股 權益變動	Retained earnings/ (accumulated losses) 保留盈利/ (累計虧損)	Non- controlling interests 總計	Total equity 權益總額	
		RMB'000 人民幣千元 (note 27) (附註27)	RMB'000 人民幣千元 (note 29(a)) (附註29(a))	RMB'000 人民幣千元 (note 29(b)) (附註29(b))	RMB'000 人民幣千元 (note 29(c)) (附註29(c))	RMB'000 人民幣千元 (note 29(d)) (附註29(d))	RMB'000 人民幣千元 (note 29(d)) (附註29(d))	RMB'000 人民幣千元 (note 29(d)) (附註29(d))	RMB'000 人民幣千元 (note 29(d)) (附註29(d))	RMB'000 人民幣千元 (note 29(d)) (附註29(d))	
At 1 January 2016	於2016年1月1日	95	14,533	4,250	11,286	-	4,014	159,250	193,428	126	193,554
Profit and total comprehensive income for the year	年內溢利及全面收入總額	-	-	-	-	-	-	19,367	19,367	(1,030)	18,337
Interim 2016 dividend declared	宣派2016年中期股息	-	(4,555)	-	-	-	-	-	(4,555)	-	(4,555)
Transfer from retained earnings	轉自保留盈利	-	-	-	3,219	-	-	(3,219)	-	-	-
Issue of new shares	發行新股份	35	277,762	-	-	-	-	-	277,797	-	277,797
Share issue expenses	股份發行開支	-	(28,853)	-	-	-	-	-	(28,853)	-	(28,853)
Equity-settled share option arrangements (note 28)	股權結算購股權安排 (附註28)	-	-	-	-	995	-	-	995	-	995
At 31 December 2016 and 1 January 2017	於2016年12月31日及 2017年1月1日	130	258,887*	4,250*	14,505*	995*	4,014*	175,398*	458,179	(904)	457,275
Loss and total comprehensive loss for the year	年內虧損及全面虧損總額	-	-	-	-	-	-	(185,896)	(185,896)	(1)	(185,897)
Transfer from retained earnings	轉自保留盈利	-	-	-	24	-	-	(24)	-	-	-
Equity-settled share option arrangements (note 28)	股權結算購股權安排 (附註28)	-	-	-	-	1,352	-	-	1,352	-	1,352
At 31 December 2017	於2017年12月31日	130	258,887*	4,250*	14,529*	2,347*	4,014*	(10,522)*	273,635	(905)	272,730

* These reserve accounts comprise the consolidated reserves of RMB273,505,000 (2016: RMB458,049,000) in the consolidated statement of financial position.

* 該等儲備賬包括綜合財務狀況表中的綜合儲備人民幣273,505,000元(2016年: 人民幣458,049,000元)。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

Year ended 31 December 2017 截至2017年12月31日止年度

	Notes 附註	2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
CASH FLOWS FROM OPERATING ACTIVITIES	經營活動所得現金流量		
Profit/(loss) before tax	除稅前溢利/(虧損)	(194,868)	25,566
Adjustments for:	就以下各項調整：		
Depreciation	折舊	10,660	5,554
Amortisation of intangible assets	無形資產攤銷	4,700	5,112
Unrealised foreign exchange gain	未變現匯兌收益	(221)	(11,962)
Losses/(gains) on disposal of items of property, plant and equipment	處置物業、廠房及設備項目的虧損/(收益)	(128)	1,435
Equity-settled share option expense	以股權結算的購股權開支	1,352	995
Interest income on an available-for-sale investment	來自可供出售投資的利息收入	(2,024)	(1,810)
Fair value losses/(gains) on financial assets at fair value through profit or loss classified as held for trading	分類為持作買賣按公平值計入損益的金融資產公平值虧損/(收益)	218	(146)
Finance costs	財務成本	33,701	9,187
Bank interest income	銀行利息收入	(1,155)	(655)
Inventory provision	存貨撥備	25,213	–
Intangible asset provision	無形資產撥備	27,531	–
Goodwill provision	商譽撥備	38,961	–
		(56,060)	33,276
Decrease/(increase) in trade and bills receivables	貿易應收款項及應收票據減少/(增加)	(17,238)	69,069
Increase in prepayments, deposits and other receivables	預付款項、按金及其他應收款項增加	(71,444)	(29,648)
Increase in inventories	存貨增加	(178,804)	(47,864)
Increase in payments in advance	預付款項增加	(8,581)	–
Decrease in trade payables	貿易應付款項減少	(23,310)	(57,086)
Increase/(decrease) in other payables	其他應付款項增加/(減少)	10,167	(3,937)
Increase/(decrease) in advances from customers	客戶墊款增加/(減少)	(4,162)	10,131
Cash used in operations	營運所用現金	(349,432)	(26,059)
Interest received	已收利息	641	655
Tax paid	已付稅項	(9,863)	(4,499)
Net cash flows used in operating activities	經營活動所用現金流量淨額	(358,654)	(29,903)
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動所得現金流量		
Purchase of items of property, plant and equipment	購買物業、廠房及設備項目	(4,425)	(12,037)
Purchase of intangible assets	購買無形資產	(60)	(312)
Proceeds from disposal of items of property, plant and equipment	處置物業、廠房及設備所得款項	322	1,749
Increase in payments in advance	預付款項增加	(25,317)	(30,431)
Acquisition of subsidiaries	收購附屬公司	(6,616)	(59,688)
Redemption/(purchase) of an available-for-sale investment	贖回/(購買)可供出售投資	108,081	(105,487)
Net cash flows from/(used in) investing activities	投資活動所得/(所用)現金流量淨額	71,985	(206,206)

Consolidated Statement of Cash Flows (Continued)

綜合現金流量表(續)

31 December 2017 2017年12月31日



	Notes 附註	2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of shares		-	277,797
Share issue expenses		-	(25,156)
Interest paid	31	(33,607)	(9,187)
Increase in prepayments, deposits and other receivables	31	(7,048)	-
Increase in payments in advance	31	(1,346)	-
Net proceeds from issue of convertible bonds and bonds	31	139,881	-
Proceeds from bank and other loans		632,537	211,039
Repayment of bank and other loans		(520,919)	(127,924)
Dividends paid		-	(4,648)
Net cash flows from financing activities		209,498	321,921
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
Effect of foreign exchange rate changes, net		(77,171)	85,812
Cash and cash equivalents at beginning of year		(1,257)	8,061
		154,079	60,206
CASH AND CASH EQUIVALENTS AT END OF YEAR			
		75,651	154,079
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and cash equivalents as stated in the statement of financial position	21	22,710	102,050
Time deposits with original maturity of less than three months when acquired, pledged as security for issuance of letters of credit	21	22,941	52,029
Time deposits with maturity date within three months pledged as security for a bank loan	21	30,000	-
Cash and cash equivalents as stated in the statement of cash flows		75,651	154,079

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

31 December 2017 2017年12月31日

1. Corporate and Group Information

The Company is a limited liability company incorporated in the Cayman Islands on 16 March 2015. The registered office address of the Company is P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The Company's principal place of business in Hong Kong is Unit 4408A, 44/F, Cosco Tower, 183 Queen's Road Central, Hong Kong.

During the year, the Group was principally engaged in marketing, promotion and channel management services for improved human plasma-based pharmaceutical, antibiotics and other pharmaceuticals focused on therapeutic areas complementary to human plasma-based products and other fast-growing categories in Mainland China. There were no significant changes in the nature of the Group's principal activities during the year.

In the opinion of the Directors, Risun Investments Limited ("Risun"), a company incorporated in the British Virgin Islands ("BVI"), is the parent and the ultimate holding company of the Company.

Information about subsidiaries

Particulars of the Company's subsidiaries are as follows:

1. 公司及集團資料

本公司為於2015年3月16日在開曼群島註冊成立的有限公司。本公司的註冊辦事處地址為P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands。香港主要營業地點為香港皇后大道中183號中遠大廈44樓4408A室。

年內，本集團主要於中國內地從事改善人體血漿藥品、抗生素及專注於治療領域與人體血漿製品及其他快速增長類別互補的其他藥品的市場營銷、推廣及渠道管理服務。本集團主要業務的性質於年內並無重大變動。

董事認為，Risun Investments Limited（「Risun」）（在英屬維爾京群島（「英屬維爾京群島」）註冊成立的公司）為本公司的母公司及最終控股公司。

附屬公司資料

本公司附屬公司的詳情如下：



1. Corporate and Group Information (Continued)

Information about subsidiaries (Continued)

1. 公司及集團資料(續)

附屬公司資料(續)

Name 名稱	Place and date of incorporation/ registration and place of business 註冊成立/註冊地點 及日期與營業地點	Issued ordinary/ registered share capital 已發行普通/ 註冊股本	Percentage of equity attributable to the Company 本公司應佔 權益百分比		Principal activities 主要業務
			Direct 直接 %	Indirect 間接 %	
Starwell Group Holding Limited 興豪集團控股有限公司	26 November 2013 BVI 2013年11月26日 英屬維爾京群島	US\$50,000 50,000美元	100	–	Investment holding 投資控股
Bright Ritzy Limited 晨晔有限公司	5 August 2016 BVI 2016年8月5日 英屬維爾京群島	US\$1 1美元	100	–	Investment holding 投資控股
Hong Kong Prosperous Group Holding Limited (“Hong Kong Prosperous”) 香港恒盛集團控股有限公司 (「香港恒盛」)	20 December 2013 Hong Kong 2013年12月20日 香港	HK\$100 100港元	–	100	Sale of pharmaceutical products 銷售藥品
Glorious Empire Limited 曄煜有限公司	26 August 2016 Hong Kong 2016年8月26日 香港	HK\$1 1港元	–	100	Investment holding 投資控股
Sichuan Sinco Pharmaceuticals Co., Ltd. ^(a) (“Sichuan Sinco Pharmaceuticals”) 四川興科蓉藥業有限責任公司 ^(a) (「四川興科蓉藥業」)	1 April 2011 Mainland China 2011年4月1日 中國內地	RMB50,000,000 人民幣50,000,000元	–	100	Sale of pharmaceutical products 銷售藥品
Sichuan Sinco Biological Technology Co., Ltd. ^(a) 四川興科蓉生物科技有限公司 ^(a)	25 November 2013 Mainland China 2013年11月25日 中國內地	RMB1,000,000 人民幣1,000,000元	–	70	Research and development on pharmaceutical products 藥品研發



1. Corporate and Group Information (Continued)

Information about subsidiaries (Continued)

1. 公司及集團資料(續)

附屬公司資料(續)

Name 名稱	Place and date of incorporation/ registration and place of business 註冊成立/註冊地點 及日期與營業地點	Issued ordinary/ registered share capital 已發行普通/ 註冊股本	Percentage of equity attributable to the Company 本公司應佔 權益百分比		Principal activities 主要業務
			Direct 直接 %	Indirect 間接 %	
Chengdu Sinco Pharmaceutical Technology Co., Ltd. ^(a) ("Chengdu Sinco Technology") 成都興科蓉醫藥技術有限責任公司 ^(a) (「成都興科蓉技術」)	26 February 2014 Mainland China 2014年2月26日 中國內地	RMB22,000,000 人民幣22,000,000元	–	100	Providing warehouse facilities for pharmaceutical products 提供藥品倉庫設施
Chengdu Hengsheng Ziguang Pharmaceutical Technology Co., Ltd. ^(a) ("Chengdu Hengsheng") 成都恒盛紫光醫藥技術有限責任公司 ^(a) (「成都恒盛」)	4 March 2015 Mainland China 2015年3月4日 中國內地	RMB100,000 人民幣100,000元	–	100	Consultation on medical and biological technology 醫療及生物技術諮詢
Xizang Linzhi Ziguang Pharmaceutical Co., Ltd. ^(a) ("Linzhi Ziguang") 西藏林芝紫光藥業有限責任公司 ^(a) (「林芝紫光」)	17 November 2014 Mainland China 2014年11月17日 中國內地	RMB10,000,000 人民幣10,000,000元	–	100	Sale of pharmaceutical products 銷售藥品
Sinco Shanghai Trading Co., Ltd. ^(a) ("Sinco Shanghai") 興科蓉(上海)貿易有限公司 ^(a) (「興科蓉上海」)	25 August 2016 Mainland China 2016年8月25日 中國內地	RMB5,000,000 人民幣5,000,000元	–	100	Sale of pharmaceutical products 銷售藥品
Qingdao Yusheng Hengying Trading Co., Ltd. ^(a) ("Qingdao Yusheng") 青島煜盛恒盈貿易有限公司 ^(a) (「青島煜盛」)	15 November 2016 Mainland China 2016年11月15日 中國內地	RMB30,000,000 人民幣30,000,000元	–	100	Investment holding 投資控股



1. Corporate and Group Information (Continued)

Information about subsidiaries (Continued)

1. 公司及集團資料(續)

附屬公司資料(續)

Name 名稱	Place and date of incorporation/ registration and place of business 註冊成立/註冊地點 及日期與營業地點	Issued ordinary/ registered share capital 已發行普通/ 註冊股本	Percentage of equity attributable to the Company 本公司應佔 權益百分比		Principal activities 主要業務
			Direct 直接 %	Indirect 間接 %	
Qingdao Ruichi Pharmaceuticals Co., Ltd. ⁽ⁱ⁾ ("Qingdao Ruichi") 青島瑞馳藥業有限公司 ⁽ⁱ⁾ (「青島瑞馳」)	15 May 2007 Mainland China 2007年5月15日 中國內地	RMB10,000,000 人民幣10,000,000元	–	100	Sale of pharmaceutical products 銷售藥品
Chengdu Sinco Pharmaceuticals Co., Ltd. ⁽ⁱⁱ⁾ ("Chengdu Sinco Pharmaceuticals") 成都興科蓉醫藥有限公司 ⁽ⁱⁱ⁾ (「成都興科蓉醫藥」)	17 February 2011 Mainland China 2011年2月17日 中國內地	RMB68,000,000 人民幣68,000,000元	–	100	Sale of pharmaceutical products 銷售藥品
(i) Sichuan Sinco Pharmaceuticals, Sinco Shanghai and Qingdao Yusheng are registered as wholly-foreign-owned enterprises under the PRC law.			(i)		四川興科蓉藥業、興科蓉上海及青島煜盛根據中國法律註冊為外商獨資企業。
(ii) These subsidiaries are registered as domestic enterprises under the PRC law.			(ii)		該等附屬公司根據中國法律註冊為內資企業。

During the year, the Group acquired Chengdu Sinco Pharmaceuticals from an independent third party. Further details of this acquisition are included in note 30 to the financial statements.

年內，本集團從一名獨立第三方收購成都興科蓉醫藥。有關該收購的進一步詳情，載於財務報表附註30。



2.1 Basis of Preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”), which comprise all standards and interpretations approved by the International Accounting Standards Board (the “IASB”), and International Accounting Standards (“IASs”) and Standing Interpretations Committee interpretations approved by the International Accounting Standards Committee that remain in effect and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for derivative financial instruments which have been measured at fair value. These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2017. A subsidiary is an entity, directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

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

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

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

2.1 編製基準

該等財務報表按照國際財務報告準則(「國際財務報告準則」)編製，包括所有仍然生效的國際會計準則理事會(「國際會計準則理事會」)認可的準則及詮釋以及國際會計準則委員會認可的國際會計準則(「國際會計準則」)及常設詮釋委員會詮釋以及香港公司條例的披露要求。該等財務報表按歷史成本慣例編製，惟衍生金融工具除外。除另有指明者外，該等財務報表以人民幣(「人民幣」)呈列，而所有價值均約整至最接近千元。

綜合基準

綜合財務報表包括本公司及其附屬公司截至2017年12月31日止年度的財務報表。附屬公司指本公司直接或間接控制的實體。當本集團通過參與投資對象的相關活動而承擔可變回報的風險或有權享有可變回報，並有能力運用對投資對象的權力(即賦予本集團現有有能力以主導投資對象相關活動的既存權利)影響該等回報時，即取得控制權。

倘本公司直接或間接擁有少於投資對象過半數的投票或類似權利，則本集團於評估其是否擁有對投資對象的權力時會考慮所有相關事實和情況，包括：

- (a) 與投資對象其他投票持有人的合約安排；
- (b) 其他合約安排所產生的權利；及
- (c) 本集團的投票權及潛在投票權。

附屬公司的財務報表按與本公司相同的報告期編製，並採用貫徹一致的會計政策。附屬公司的業績由本集團取得控制權當日起綜合計算，並繼續綜合計算，直至該控制權終止之日為止。



2.1 Basis of Preparation (Continued)

Basis of consolidation (Continued)

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

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

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

2.2 Changes in Accounting Policies and Disclosures

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

Amendments to IAS 7	<i>Disclosure Initiative</i>
Amendments to IAS 12	<i>Recognition of Deferred Tax Assets for Unrealised Losses</i>
Amendments to IFRS 12 included in <i>Annual Improvements to IFRSs 2014-2016 Cycle</i>	<i>Disclosure of Interests in Other Entities: Clarification of the Scope of IFRS 12</i>

None of the above amendments to IFRSs has had a significant financial effect on these financial statements. Disclosure has been made in note 31 to the financial statements upon the adoption of amendments to IAS 7, which require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

2.1 編製基準(續)

綜合基準(續)

即使會導致非控股權益產生虧絀結餘，損益及其他全面收入的各個組成部分仍歸屬於本集團母公司擁有人及非控股權益。與本集團成員公司交易有關的所有集團內公司間資產及負債、股權、收入、開支及現金流量均於綜合時悉數對銷。

倘事實及情況反映上述三項控制因素的其中一項或多項有所變動，則本集團會重估是否仍然控制投資對象。並無失去控制權的附屬公司所有權變動會入賬為股本交易。

倘本集團失去附屬公司的控制權，則取消確認(i)該附屬公司的資產(包括商譽)及負債；(ii)任何非控制權益的賬面值；及(iii)於權益內記錄的累計匯兌差額；及確認(i)所獲代價的公平值；(ii)所保留任何投資的公平值；及(iii)因此在損益產生的盈虧。先前已於其他全面收入確認的本集團應佔部分重新分類至損益或保留溢利(如適用)，基準與本集團直接出售相關資產或負債所需使用者相同。

2.2 會計政策及披露的變動

本集團於本年度的財務報表首次採納下列經修訂國際財務報告準則。

國際會計準則	披露計劃
第7號(修訂本)	
國際會計準則第12號(修訂本)	就未變現虧損確認遞延稅項資產
納入國際財務報告準則2014年至2016年週期年度改進的國際財務報告準則第12號(修訂本)	披露於其他實體的權益－澄清國際財務報告準則第12號的範圍

上述國際財務報告準則修訂本概無對該等財務報表有重大財務影響。由於國際會計準則第7號修訂本規定，實體須提供披露以使財務報表使用者能夠評估融資活動產生的負債變動(包括現金流量產生的變動及非現金變動)，故於採納國際會計準則第7號後，已於財務報表附註31作出有關披露。



2.3 Issued But Not Yet Effective IFRSs

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

Amendments to IFRS 2	<i>Classification and Measurement of Share-based Payment Transactions¹</i>
Amendments to IFRS 4	<i>Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts¹</i>
IFRS 9	<i>Financial Instruments¹</i>
Amendments to IFRS 9	<i>Prepayment Features with Negative Compensation²</i>
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture⁴</i>
IFRS 15	<i>Revenue from Contracts with Customers¹</i>
Amendments to IFRS 15	<i>Clarifications to IFRS 15 Revenue from Contracts with Customers¹</i>
IFRS 16	<i>Leases²</i>
IFRS 17	<i>Insurance Contracts³</i>
Amendments to IAS 28	<i>Long-term Interests in Associates and Joint Ventures²</i>
Amendments to IAS 19	<i>Employee Benefits²</i>
Amendments to IAS 40	<i>Transfers of Investment Property¹</i>
IFRIC 22	<i>Foreign Currency Transactions and Advance Consideration¹</i>
IFRIC 23	<i>Uncertainty over Income Tax Treatments²</i>
Annual Improvements 2014-2016 Cycle	Amendments to IFRS 1 and IAS 28 ¹
Annual Improvements 2015-2017 Cycle	Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23 ²

- ¹ Effective for annual periods beginning on or after 1 January 2018
- ² Effective for annual periods beginning on or after 1 January 2019
- ³ Effective for annual periods beginning on or after 1 January 2021
- ⁴ No mandatory effective date yet determined but available for adoption

2.3 已頒佈惟未生效的國際財務報告準則

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

國際財務報告準則第2號(修訂本)	以股份為基礎付款的交易的分類及計量 ¹
國際財務報告準則第4號(修訂本)	與國際財務報告準則第4號保險合約一併應用國際財務報告準則第9號金融工具 ¹
國際財務報告準則第9號	金融工具 ¹
國際財務報告準則第9號(修訂本)	具有負補償的提前還款特性 ²
國際財務報告準則第10號及國際會計準則第28號(修訂本)	投資者與其聯營公司或合營企業之間的資產出售或注入 ⁴
國際財務報告準則第15號	來自客戶合約的收益 ¹
國際財務報告準則第15號(修訂本)	對國際財務報告準則第15號來自客戶合約的收益的澄清 ¹
國際財務報告準則第16號	租賃 ²
國際財務報告準則第17號	保險合約 ³
國際會計準則第28號(修訂本)	於聯營公司及合營企業的長期權益 ²
國際會計準則第19號(修訂本)	僱員福利 ²
國際會計準則第40號(修訂本)	轉讓投資物業 ¹
國際財務報告詮釋委員會第22號	外幣交易及墊付代價 ¹
國際財務報告詮釋委員會第23號	所得稅處理的不確定性 ²
2014年至2016年週期的年度改進	國際財務報告準則第1號及國際會計準則第28號的修訂 ¹
2015年至2017年週期的年度改進	國際財務報告準則第3號、國際財務報告準則第11號、國際會計準則第12號及國際會計準則第23號的修訂 ²

- ¹ 於2018年1月1日或之後開始的年度期間生效
- ² 於2019年1月1日或之後開始的年度期間生效
- ³ 於2021年1月1日或之後開始的年度期間生效
- ⁴ 尚未確定但可採納的強制生效日期



2.3 Issued But Not Yet Effective IFRSs (Continued)

Further information about those IFRSs that are expected to be applicable to the Group is described below.

The IASB issued amendments to IFRS 2 in June 2016 that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding a certain amount in order to meet an employee's tax obligation associated with the share-based payment; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash-settled to equity-settled. The amendments clarify that the approach used to account for vesting conditions when measuring equity-settled share-based payments also applies to cash-settled share-based payments. The amendments introduce an exception so that a share-based payment transaction with net share settlement features for withholding a certain amount in order to meet the employee's tax obligation is classified in its entirety as an equity-settled share-based payment transaction when certain conditions are met. Furthermore, the amendments clarify that if the terms and conditions of a cash-settled share-based payment transaction are modified, with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as an equity-settled transaction from the date of the modification. On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if they elect to adopt for all three amendments and other criteria are met. The Group will adopt the amendments from 1 January 2018. The amendments are not expected to have any significant impact on the Group's financial statements

In July 2014, the IASB issued the final version of IFRS 9, bringing together all phases of the financial instruments project to replace IAS 39 and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. The Group will adopt IFRS 9 from 1 January 2018. The Group will not restate comparative information and will recognise any transition adjustments against the opening balance of equity at 1 January 2018. During 2017, the Group has performed a detailed assessment of the impact of the adoption of IFRS 9. The expected impacts relate to the classification and measurement and the impairment requirements and are summarised as follows:

2.3 已頒佈惟未生效的國際財務報告準則(續)

有關預期適用於本集團的國際財務報告準則的進一步資料概述如下。

國際會計準則理事會於2016年6月發佈對國際財務報告準則第2號的修訂，涉及三個主要領域：歸屬條件對現金結算股份支付交易計量的影響；對具有淨額結算特徵的股份支付交易中僱主為僱員代扣代繳因股份支付而產生的納稅義務的相關稅金的分類；以及對股份支付交易中條款和條件的修改導致其分類從現金結算變更為權益結算的會計處理。修訂本澄清，在衡量以權益結算的股份支付時用於計算歸屬條件的方法也適用於現金結算的股份支付。修訂本還引進一項例外規定，在滿足某些條件下，將股份支付交易中因扣除一定數額以滿足僱員納稅義務而具有淨額結算特徵的股份支付交易，可完全分類為股權結算的股份支付交易。此外，修訂本澄清，如現金結算的股份支付交易的條款和條件修改後變更為以權益結算的股份支付交易，則該交易自修改之日起作為權益結算的交易進行會計處理。採納該修訂時，實體毋須重述過往年度財務報告資料，但當實體選擇採用上段所述三項修訂並達致其他相關標準時，其可採用追溯調整法。本集團將於2018年1月1日起採用該修訂。預期該修訂將不會對本集團財務報表帶來重大影響。

於2014年7月，國際會計準則理事會頒佈國際財務報告準則第9號的最終版本，將金融工具項目的所有階段綜合以取代國際會計準則第39號及國際財務報告準則第9號之前的所有版本。該準則引入了分類及計量、減值及對沖會計處理的新規定。本集團將自2018年1月1日起採納國際財務報告準則第9號。本集團將不會重列比較資料，並將確認對於2018年1月1日的期初權益結餘的任何過渡調整。於2017年，本集團已詳細評估採納國際財務報告準則第9號的影響。有關分類及計量以及減值規定的預期影響概述如下：



2.3 Issued But Not Yet Effective IFRSs (Continued)

(a) *Classification and measurement*

The Group does not expect that the adoption of IFRS 9 will have a significant impact on the classification and measurement of its financial assets. It expects to measure at fair value all financial assets currently held at fair value through profit or loss, and to continue measuring at amortised cost all financial assets currently measured at amortised cost.

(b) *Impairment*

IFRS 9 requires an impairment on debt instruments recorded at amortised cost or at fair value through other comprehensive income, lease receivables, loan commitments and financial guarantee contracts that are not accounted for at fair value through profit or loss under IFRS 9, to be recorded based on an expected credit loss model either on a twelve-month basis or a lifetime basis. The Group will apply the simplified approach and record lifetime expected losses that are estimated based on the present values of all cash shortfalls over the remaining life of all of its trade receivables. Furthermore, the Group will apply the general approach and record twelve-month expected credit losses that are estimated based on the possible default events on its other receivables within the next twelve months. The Group has determined that no material further impairment will be provided for upon the initial adoption of the standard.

2.3 已頒佈惟未生效的國際財務報告準則(續)

(a) *分類及計量*

本集團並無預期採納國際財務報告準則第9號將對其金融資產的分類及計量造成重大影響。其預期按公平值計量現時所持全部按公平值計入損益的金融資產，並繼續按攤銷成本計量所有現時按攤銷成本計量的金融資產。

(b) *減值*

國際財務報告準則第9號規定，按攤銷成本或按公平值計入其他全面收入入賬的債務工具、租賃應收款項、貸款承擔及財務擔保合約(並非根據國際財務報告準則第9號以按公平值計入損益方式列賬)的減值，須根據預期信貸虧損模式或按十二個月基準或存續期基準入賬。本集團將應用簡化法，將根據於其所有貿易應收款項餘下年期內的所有現金短缺現值估計的存續期預期虧損入賬。此外，本集團將應用一般法，將根據下個十二個月內其他應收款項的可能拖欠事件估計的十二個月預期信貸虧損入賬。本集團已釐定，初步採納該準則後不會作出進一步重大減值撥備。



2.3 Issued But Not Yet Effective IFRSs (Continued)

IFRS 15, issued in May 2014, establishes a new five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The standard will supersede all current revenue recognition requirements under IFRSs. Either a full retrospective application or a modified retrospective adoption is required on the initial application of the standard. In April 2016, the IASB issued amendments of IFRS 15 to address the implementation issues on identifying performance obligations, application guidance on principal versus agent and licences of intellectual property, and transition. The amendments are also intended to help ensure a more consistent application when entities adopt IFRS 15 and decrease the cost and complexity of applying the standard. The Group plans to adopt the transitional provisions in IFRS 15 to recognise the cumulative effect of initial adoption as an adjustment to the opening balance of retained earnings at 1 January 2018. In addition, the Group plans to apply the new requirements only to contracts that are not completed before 1 January 2018. The Group expects that the transitional adjustment to be made on 1 January 2018 upon initial adoption of IFRS 15 will not be material. The expected changes in accounting policies, as further explained below, will not have a material impact on the Group's financial statements from 2018 onwards. During 2017, the Group has performed a detailed assessment on the impact of the adoption IFRS 15.

The presentation and disclosure requirements in IFRS 15 are more detailed than those under the current IAS 18. The presentation requirements represent a significant change from current practice and will significantly increase the volume of disclosures required in the Group's financial statements. Many of the disclosure requirements in IFRS 15 are new and the Group has assessed that the impact of some of these disclosure requirements will be significant. In addition, as required by IFRS 15, the Group will disaggregate revenue recognised from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

2.3 已頒佈惟未生效的國際財務報告準則(續)

於2014年5月頒佈的國際財務報告準則第15號建立一個新的五步模式，以將自客戶合約產生的收益入賬。根據國際財務報告準則第15號，收益按反映實體預期就向客戶轉讓貨品或服務而有權獲得的交換代價金額確認。國際財務報告準則第15號的原則為計量及確認收益提供更加結構化的方法。該準則亦載有廣泛的定性及定量披露規定，包括分拆收益總額、關於履行責任的資料、不同期間之間合約資產及負債賬目結餘的變動以及主要判斷及估計。該準則將取代國際財務報告準則項下所有現行收益確認規定。初步應用該準則時須完全追溯應用或修訂後追溯採納。於2016年4月，國際會計準則理事會頒佈國際財務報告準則第15號的修訂本，內容有關識別履約責任、委託人與代理及知識產權牌照的應用指引以及過渡的執行問題。該等修訂本亦擬協助確保實體於採納國際財務報告準則第15號時能更加一致地應用，以及降低應用該準則的成本及複雜性。本集團計劃採納國際財務報告準則第15號的過渡性條文，將初步採納該準則的累積影響確認為對2018年1月1日保留盈利率期初結餘的調整。此外，本集團計劃僅將新規定應用於2018年1月1日前尚未完成的合約。本集團預期，初步採納國際財務報告準則第15號後，於2018年1月1日將不會作出重大過渡性調整。會計政策的預期變動(於下文詳述)將不會對本集團的財務報表(不包括自2018年起的若干附有銷售折扣的可變交易合約)造成重大影響。於2017年，本集團已詳細評估採納國際財務報告準則第15號的影響。

國際財務報告準則第15號的呈列及披露規定較現行國際會計準則第18號下的有關規定更為詳盡。呈列規定代表較現行慣例的顯著變動，其會極大地增加本集團財務報表所需披露量。國際財務報告準則第15號的眾多披露規定屬新增，而本集團已評定該等披露規定中的部分將造成重大影響。此外，如國際財務報告準則第15號所規定，本集團須將收益與客戶合約分開確認，將收益列入說明收益的性質、金額、時間及不確定性以及現金流量如何受到經濟因素影響的類別。



2.3 Issued But Not Yet Effective IFRSs (Continued)

IFRS 16, issued in January 2016, replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases – Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise assets and liabilities for most leases. The standard includes two elective recognition exemptions for lessees – leases of low-value assets and short-term leases. At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses unless the right-of-use asset meets the definition of investment property in IAS 40, or relates to a class of property, plant and equipment to which the revaluation model is applied. The lease liability is subsequently increased to reflect the interest on the lease liability and reduced for the lease payments. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will also be required to remeasure the lease liability upon the occurrence of certain events, such as change in the lease term and change in future lease payments resulting from a change in an index or rate used to determine those payments. Lessees will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under IFRS 16 is substantially unchanged from the accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between operating leases and finance leases. IFRS 16 requires lessees and lessors to make more extensive disclosures than under IAS 17. Lessees can choose to apply the standard using either a full retrospective or a modified retrospective approach. The Group expects to adopt IFRS 16 from 1 January 2019. The Group is currently assessing the impact of IFRS 16 upon adoption and is considering whether it will choose to take advantage of the practical expedients available and which transition approach and reliefs will be adopted. As disclosed in note 32 to the financial statements, at 31 December 2017, the Group had future minimum lease payments under non-cancellable operating leases in aggregate of approximately RMB1,606,000. Upon adoption of IFRS 16, certain amounts included therein may need to be recognised as new right-of-use assets and lease liabilities. Further analysis, however, will be needed to determine the amount of new rights of use assets and lease liabilities to be recognised, including, but not limited to, any amounts relating to leases of low-value assets and short term leases, other practical expedients and reliefs chosen, and new leases entered into before the date of adoption.

2.3 已頒佈惟未生效的國際財務報告準則(續)

於2016年1月頒佈的國際財務報告準則第16號取代國際會計準則第17號租賃、國際財務報告詮釋委員會第4號釐定安排是否包括租賃、常設詮釋委員會第15號經營租賃－優惠及常設詮釋委員會第27號評估牽涉租賃的法律形式的交易內容。該準則載列租賃的確認、計量、呈列及披露原則，並要求承租人就大部分租賃確認資產及負債。該準則包括給予承租人的兩項可選的確認豁免－低價值資產租賃及短期租賃。於租賃開始日期，承租人將確認一項作出租賃付款的負債(即租賃負債)及一項相當於租賃期內相關資產使用權的資產(即使用權資產)。使用權資產隨後以成本減累計折舊及任何減值虧損計量，除非使用權資產符合國際會計準則第40號投資物業的定義，或與已應用重估模式的一類物業、廠房及設備相關。租賃負債其後會增加以反映租賃負債的利息並因租賃付款而減少。租賃負債隨後為反映該租賃負債的利息予以上調，並就租賃付款作出調減。承租人將須分別確認租賃負債的利息開支及使用權資產的折舊開支。於若干情況下，例如租賃期變更及因用以釐定未來租賃付款的指數或比率變更而導致該等付款變更，承租人亦須重新計量租賃負債。承租人一般將租賃負債的重新計量金額確認為使用權資產的調整。國際財務報告準則第16號下的出租人會計處理較國際會計準則第17號下的會計處理大致不變。出租人將繼續使用與國際會計準則第17號相同的分類原則對所有租賃進行分類，並將之分為經營租賃及融資租賃。國際財務報告準則第16號規定承租人及出租人須作出較國際會計準則第17號而言更為廣泛的披露。承租人可選擇採用使用全面追溯法或經修訂追溯法的準則。本集團預期於2019年1月1日採納國際財務報告準則第16號，目前正評估採納國際財務報告準則第16號後的影響，並考慮其是否選擇利用現有的實際權宜辦法及將採取何種過渡方法及紓緩措施。如財務報表附註32所披露，於2017年12月31日，本集團有根據不可撤銷經營租約的到期未來最低租賃款項總額約人民幣1,606,000元。一經採用國際財務報告準則第16號，當中若干款項或須作新使用權資產及租賃負債確認。然而須經進一步分析以釐定將確認的新使用權資產及租賃負債金額，包括(但不限於)任何低價資產相關租賃及短期租賃、其他實際權益及選用的紓緩措施，以及於採納日期前訂立的新租賃款項。



2.3 Issued But Not Yet Effective IFRSs (Continued)

IFRIC 22, issued in December 2016, provides guidance on how to determine the date of the transaction when applying IAS 21 to the situation where an entity receives or pays advance consideration in a foreign currency and recognises a non-monetary asset or liability. The interpretation clarifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset (such as a prepayment) or non-monetary liability (such as deferred income) arising from the payment or receipt of the advance consideration. If there are multiple payments or receipts in advance of recognising the related item, the entity must determine the transaction date for each payment or receipt of the advance consideration. Entities may apply the interpretation on a full retrospective basis or on a prospective basis, either from the beginning of the reporting period in which the entity first applies the interpretation or the beginning of the prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the interpretation. The Group expects to adopt the interpretation prospectively from 1 January 2018. The interpretation is not expected to have any significant impact on the Group's financial statements.

2.3 已頒佈惟未生效的國際財務報告準則(續)

於2016年12月頒佈的國際財務報告詮釋委員會第22號就於實體以外幣預付或預收代價及確認一項非貨幣資產或負債的情況下採用國際會計準則第21號時如何釐定交易日期提供指引。該詮釋澄清，就釐定初始確認有關資產、開支或收入(或其部分)所用匯率而言，交易日期為實體初始確認預付或預收代價所產生的非貨幣資產(如預付款項)或非貨幣負債(如遞延收入)的日期。倘於確認有關項目前預付或預收多筆款項，則實體須確定每筆預付或預收代價的交易日期。實體可自首次採用該詮釋的報告期間期初或於實體首次採用該詮釋的報告期間財務報表中作為比較資料列示的前一報告期的期初起全面追溯應用或預先應用該詮釋。本集團預期將自2018年1月1日起採納該詮釋。該詮釋預期不會對本集團財務報表造成任何重大影響。



2.3 Issued But Not Yet Effective IFRSs (Continued)

IFRIC 23, issued in June 2017, addresses the accounting for income taxes (current and deferred) when tax treatments involve uncertainty that affects the application of IAS 12 (often referred to as “uncertain tax positions”). The interpretation does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses (i) whether an entity considers uncertain tax treatments separately; (ii) the assumptions an entity makes about the examination of tax treatments by taxation authorities; (iii) how an entity determines taxable profits or tax losses, tax bases, unused tax losses, unused tax credits and tax rates; and (iv) how an entity considers changes in facts and circumstances. The interpretation is to be applied retrospectively, either fully retrospectively without the use of hindsight or retrospectively with the cumulative effect of application as an adjustment to the opening equity at the date of initial application, without the restatement of comparative information. The Group expects to adopt the interpretation from 1 January 2019. The interpretation is not expected to have any significant impact on the Group’s financial statements.

2.4 Summary of Significant Accounting Policies

Business combinations and goodwill

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

2.3 已頒佈惟未生效的國際財務報告準則(續)

於2017年6月頒佈的國際財務報告詮釋委員會第23號針對當稅務處理涉及影響應用國際會計準則第12號的不確定性(通常被稱為「不確定的稅務狀況」)時所得稅的會計處理。該詮釋不適用於國際會計準則第12號範圍以外的稅項及收費，也並未特別包括關於與稅務處理的不確定性相關的利息及罰款的規定。該詮釋特別針對以下問題：(i)實體是否單獨考慮稅務處理的不確定性；(ii)實體針對稅務機關核查稅務處理所作的假設；(iii)實體如何確定應課稅溢利或稅項虧損、稅基、未動用稅項虧損、未動用稅項抵免及稅率；及(iv)實體如何考慮事實和情況變化。該詮釋將予追溯應用，方法之一是在不使用後見之明的情況下全面追溯應用，之二是追溯應用，但將首次採用的累計影響作為首次採用日權益的調整，而在該方法下，比較資料毋須重述。本集團預期將自2019年1月1日起採納該詮釋。該詮釋預期不會對本集團財務報表造成任何重大影響。

2.4 主要會計政策概要

業務合併及商譽

業務合併採用收購法入賬。轉讓代價以收購日期的公平值計量，該公平值為本集團轉讓的資產於收購日期的公平值、本集團對被收購方前擁有人承擔的負債及本集團為換取被收購方控制權發行的股權的總和。就各項業務合併而言，本集團選擇是否以公平值或於被收購方可識別資產淨值的應佔比例，計量於被收購方的非控股權益，即於被收購方中賦予持有人權利可在清盤時按比例分佔資產淨值的現有所有權權益。非控股權益的所有其他組成部分均按公平值計量。收購相關成本於產生時支銷。



2.4 Summary of Significant Accounting Policies (Continued)

Business combinations and goodwill (Continued)

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

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

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

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

2.4 主要會計政策概要(續)

業務合併及商譽(續)

當本集團收購業務時，須根據合約條款、收購日期的經濟情況及相關條件對金融資產及所承擔負債進行評估，以進行適當分類及指定，包括將嵌入式衍生工具與被收購方主合約分開。

倘業務合併分階段進行，先前持有的股權按其於收購日期的公平值重新計量，所產生的任何收益或虧損於損益中確認。

收購方將予轉讓的任何或然代價按收購日期的公平值確認。被分類為資產或負債的或然代價按公平值計量，其公平值變動於損益確認，而被分類為權益的或然代價則毋須重新計量，後續結算於權益中入賬。

商譽按成本初步計量，即(a)已轉讓代價、(b)非控股權益的確認金額及(c)本集團先前所持於被收購方的股權公平值總額超出所收購可識別資產淨值及所承擔負債的差額。倘此代價及其他項目的總和低於所收購資產淨值的公平值，則於重新評估後的差額會於損益確認為廉價購買的收益。



2.4 Summary of Significant Accounting Policies (Continued)

Business combinations and goodwill (Continued)

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

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

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

2.4 主要會計政策概要(續)

業務合併及商譽(續)

初步確認後，商譽按成本減任何累計減值虧損計量。商譽每年就減值進行測試，倘有事件或情況變化顯示賬面值可能出現減值跡象，則進行更為頻密的測試。本集團會對12月31日的商譽進行年度減值測試。就減值測試而言，業務合併中購入的商譽由收購日期起，被分配到預期將從合併的協同效應中受益的本集團各現金產生單位或現金產生單位組別，不論本集團的其他資產或負債是否被分配至該等單位或單位組別。

減值通過評估與商譽有關的現金產生單位(現金產生單位組別)可收回金額釐定。倘現金產生單位(現金產生單位組別)的可收回金額低於賬面值，則確認減值虧損。就商譽確認的減值虧損不會於隨後期間撥回。

當商譽分配至現金產生單位(或現金產生單位組別)而該單位的部分業務被出售，則於釐定出售業務的收益或虧損時，與出售業務相關的商譽計入該業務的賬面值。在此情況下出售的商譽以出售業務和保留的現金產生單位部分相對價值為基礎計量。



2.4 Summary of Significant Accounting Policies (Continued)

Fair value measurement

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

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

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

2.4 主要會計政策概要(續)

公平值計量

本集團於各報告期末計量其按公平值計量的可供出售投資、按公平值計入損益的金融資產及按公平值計入損益的金融負債。公平值為市場參與者於計量日期在有序交易中出售資產時收取或轉讓負債時支付的價格。公平值計量乃基於假設出售資產或轉讓負債的交易於資產或負債的主要市場中進行，倘無主要市場，則於資產或負債的最有利市場進行。主要或最有利市場必須為本集團可進入的市場。資產或負債的公平值採用對資產或負債定價時市場參與者採用的假設計量，並假設市場參與者以彼等最佳經濟利益行事。

非金融資產的公平值計量計及市場參與者對使用資產的最高及最佳使用價值，或透過將其出售予另一名將使用資產的最高及最佳使用價值的市場參與者而產生經濟利益的能力。

本集團採用當時情況下屬適當且有足夠數據的估值方法計量公平值，盡量使用有關可觀察輸入數據及盡量避免使用不可觀察輸入數據。



2.4 Summary of Significant Accounting Policies (Continued)

Fair value measurement (Continued)

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

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

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

Impairment of non-financial assets

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

2.4 主要會計政策概要(續)

公平值計量(續)

於財務報表中計量或披露公平值的所有資產及負債在公平值層級(如下所述)中,根據對整體公平值計量而言屬重大的最低層級輸入數據進行分類:

- 第一級 – 根據相同資產或負債於活躍市場的報價(未經調整)
- 第二級 – 根據對公平值計量而言屬重大的最低層級輸入數據為可觀察(不論直接或間接)輸入數據的估值方法
- 第三級 – 根據對公平值計量而言屬重大的最低層級輸入數據為不可觀察輸入數據的估值方法

就按經常基準於財務報表中確認的資產及負債而言,本集團於各報告期末會重新評估分類(根據對整體公平值計量而言屬重大的最低層級輸入數據),以釐定轉撥是否已於各層級之間發生。

非金融資產減值

倘資產出現減值跡象,或須對資產進行年度減值測試(不包括存貨、金融資產及遞延稅項資產),則會估計資產的可收回金額。資產的可收回金額按資產或現金產生單位的使用價值與其公平值減出售成本兩者的較高者計算,並就個別資產釐定,除非有關資產並不產生很大程度上獨立於其他資產或資產組合的現金流入,在此情況下,則就有關資產所屬的現金產生單位釐定可收回金額。



2.4 Summary of Significant Accounting Policies (Continued)

Impairment of non-financial assets (Continued)

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises.

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

Related parties

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

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

2.4 主要會計政策概要(續)

非金融資產減值(續)

僅當資產的賬面值超過其可收回金額時，方會確認減值虧損。評估使用價值時，使用稅前折現率將估計未來現金流量折現至其現值，而該折現率反映市場當時所評估的貨幣時間價值及該資產的特定風險。減值虧損在其產生期間自損益扣除。

於各報告期末均會評估是否有任何跡象顯示過往確認的減值虧損可能不復存在或有所減少。如有任何該等跡象，則估計可收回金額。先前就資產(不包括商譽)確認的減值虧損，僅於用以釐定該資產可收回金額的估計有變時予以撥回，但撥回金額不得高於假設過往年度並無就該資產確認減值虧損而應釐定的賬面值(扣除任何折舊／攤銷)。減值虧損的撥回計入產生期間的損益。

關連方

在下列情況下，該人士將被認為與本集團有關連：

- (a) 該人士屬以下人士或其關係密切的家庭成員
 - (i) 對本集團具有控制權或共同控制權；
 - (ii) 對本集團具有重大影響力；或
 - (iii) 為本集團或本集團母公司的主要管理人員；



2.4 Summary of Significant Accounting Policies (Continued)

Related parties (Continued)

or

- (b) the party is an entity where any of the following conditions applies:
- (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

2.4 主要會計政策概要(續)

關連方(續)

或

- (b) 該人士為符合下列任何條件的實體：
- (i) 該實體與本集團為同一集團的成員公司；
 - (ii) 一個實體為另一個實體(或該實體的母公司、附屬公司或同系附屬公司)的聯營公司或合營公司；
 - (iii) 該實體與本集團為同一第三方的合營公司；
 - (iv) 一個實體為第三方實體的合營公司，而另一個實體為該第三方實體的聯營公司；
 - (v) 該實體為以本集團或與本集團有關聯的實體的僱員為受益人的離職後福利計劃；
 - (vi) 該實體由(a)項界定的人士控制或共同控制；
 - (vii) (a)(i)項界定的人士對該實體有重大影響力，或為該實體(或該實體母公司)的主要管理人員；及
 - (viii) 該實體或該實體所屬集團的任何成員公司為本集團或本集團母公司提供主要管理人員服務。



2.4 Summary of Significant Accounting Policies (Continued)

Property, plant and equipment and depreciation

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

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

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The estimated useful lives of items of property, plant and equipment are as follows:

	Useful lives
Leasehold land and buildings	34-60 years
Office equipment	3-5 years
Motor vehicles	4-5 years

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

2.4 主要會計政策概要(續)

物業、廠房及設備以及折舊

物業、廠房及設備(在建工程除外)乃按成本減累計折舊及任何減值虧損入賬。物業、廠房及設備項目的成本包括購買價及使資產達到擬定用途運作狀態及地點的任何直接應計成本。

物業、廠房及設備項目投入運作後產生的維修及保養等開支，通常於產生期間自損益扣除。於符合確認標準的情況下，大型檢測開支於資產賬面值中資本化為重置成本。倘物業、廠房及設備的主要部分須定期替換，則本集團將該等部分確認為獨立資產，並設定特定的可使用年期及相應計提折舊。

折舊乃按直線基準將每項物業、廠房及設備的成本於其估計可使用年內撇銷至其剩餘價值。物業、廠房及設備項目的估計可使用年期如下：

	可使用年期
租賃土地及樓宇	34至60年
辦公室設備	3至5年
汽車	4至5年

倘物業、廠房及設備項目各部分的可使用年期不同，則此項目的成本將按合理基準於各部分間分配，且每部分將計提個別折舊。至少於各財政年度末會檢討剩餘價值、可使用年期及折舊方法並作出調整(如適用)。



2.4 Summary of Significant Accounting Policies (Continued)

Property, plant and equipment and depreciation (Continued)

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

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

Intangible assets (other than goodwill)

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

Intangible assets are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives. The principal estimated useful lives of intangible assets are as follows:

Exclusive distribution rights	9 years
Software	5 years

2.4 主要會計政策概要(續)

物業、廠房及設備以及折舊(續)

初始確認的物業、廠房及設備項目(包括任何重大部分)於出售後或預期使用或出售不會產生未來經濟利益時終止確認。於資產終止確認年度在損益確認的任何出售或報廢盈虧為有關資產的出售所得款項淨額與賬面值的差額。

在建工程指在建物業、廠房及設備項目，按成本減任何減值虧損列賬而不計提折舊。成本包括建設期間的直接建設成本及相關借貸的已資本化借貸成本。在建工程於完成並可使用時重新分類至適當的物業、廠房及設備類別。

無形資產(商譽除外)

單獨收購的無形資產於初始確認時按成本計量。業務合併中購入的無形資產成本為收購日期的公平值。無形資產的可使用年期被評估為有限定期或無限期。有限定期期的無形資產其後按可使用經濟年期攤銷，並於有跡象顯示該無形資產可能出現減值時進行減值評估。有限定期可使用的無形資產的攤銷期間及攤銷方法至少於各財政年度末檢討。

無形資產按成本減任何減值虧損入賬及以直線法按估計可使用年期攤銷。無形資產的主要估計可使用年期如下：

獨家經銷權	9年
軟件	5年



2.4 Summary of Significant Accounting Policies (Continued)

Operating leases

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

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease payments are included in the cost of land and buildings as a finance lease in property, plant and equipment.

Investments and other financial assets

Initial recognition and measurement

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

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

2.4 主要會計政策概要(續)

經營租賃

資產擁有權的絕大部分回報及風險由出租人承受的租賃，皆作經營租賃列賬。倘本集團為承租人，根據經營租賃應付租金減收出租人的任何優惠，乃以直線法於租期內自損益扣除。

經營租賃的預付土地租金初始按成本列賬，其後於租期內按直線法確認。倘租金無法在土地及樓宇之間可靠分配，則全部租金計入物業、廠房及設備融資租賃的土地及樓宇成本。

投資及其他金融資產

初始確認及計量

於初始確認時，金融資產劃分為按公平值計入損益的金融資產、貸款及應收款項以及可供出售金融投資或有效對沖中指定為對沖工具的衍生工具(如適用)。金融資產在初始確認時以公平值加歸屬於收購金融資產的交易成本計量，惟按公平值計入損益的金融資產除外。

所有常規方式買賣的金融資產於交易日(即本集團承諾買賣該資產之日)確認。常規方式買賣乃指須通常於法規或市場慣例約定的時間內交付資產的金融資產買賣。



2.4 Summary of Significant Accounting Policies (Continued)

Investments and other financial assets (Continued)

Subsequent measurement

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

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with positive net changes in fair value presented as "Other income and gains" and negative net changes in fair value presented as "Finance costs" in profit or loss. These net fair value changes do not include any dividends or interest earned on these financial assets, which are recognised in accordance with the policies set out for "Revenue recognition" below.

Loans and receivables

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

2.4 主要會計政策概要(續)

投資及其他金融資產(續)

後續計量

金融資產的後續計量取決於其如下分類：

按公平值計入損益的金融資產

按公平值計入損益的金融資產包括持作買賣的金融資產及初始確認時指定為按公平值計入損益的金融資產。金融資產倘以短期出售為目的而購買，則分類為持作買賣。按公平值計入損益的金融資產於財務狀況表內按公平值列賬，其公平值變動正淨額則於損益內呈列為「其他收入及收益」，而公平值變動負淨額呈列為「財務成本」。該等公平值淨額變動並不包括就該等金融資產賺取的任何股息或利息，該等收益根據下文「收益確認」所載政策確認。

貸款及應收款項

貸款及應收款項指附帶固定或可釐定付款金額，且無活躍市場報價的非衍生金融資產。於初始計量後，該等資產其後以實際利率法按攤銷成本減任何減值準備計量。攤銷成本經計及收購時的任何折價或溢價後計算，並包括組成實際利率一部分的費用或成本。實際利率的攤銷計入損益內的「其他收入及收益」。貸款及應收款項減值產生的虧損分別於損益的「財務成本」及「其他開支」內確認。



2.4 Summary of Significant Accounting Policies (Continued)

Investments and other financial assets (Continued)

Available-for-sale financial investments

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

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

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

2.4 主要會計政策概要(續)

投資及其他金融資產(續)

可供出售金融投資

可供出售金融投資為上市及非上市股本投資及債務證券的非衍生金融資產。分類為可供出售的股本投資為未分類為持作買賣或指定按公平值計入損益的股本投資。此分類項下的債務證券為有意無限期持有的債務證券，並可能會因應流動資金需要或市況變化而出售。

於初始確認後，可供出售金融投資其後按公平值計量，未變現收益或虧損於可供出售金融投資估值儲備中確認為其他全面收入，直至該投資終止確認，屆時累計收益或虧損則於損益確認為其他收入；或直至該投資被確定為已減值，屆時累計收益或虧損則從可供出售投資重估儲備重新分類至損益中的其他收益或虧損。持有可供出售金融投資期間所賺取的利息及股息分別呈報為利息收入及股息收入並根據下文「收益確認」所載政策於損益確認為其他收入。

本集團會評估在短期內出售其可供出售金融資產的能力及意向是否仍屬適當。於罕有的情況下，由於市場不活躍而導致本集團無法買賣該等金融資產時，倘管理層有能力及有意於可預見未來持有該等資產或持有至其到期，則本集團可能選擇將該等金融資產重新分類。



2.4 Summary of Significant Accounting Policies (Continued)

Derecognition of financial assets

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

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

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

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

2.4 主要會計政策概要(續)

終止確認金融資產

金融資產(或(倘適用)金融資產的其中部分或一組類似金融資產的其中部分)主要在下列情況下終止確認(即從本集團綜合財務狀況表中刪除):

- 自資產收取現金流量的權利已屆滿;或
- 本集團已出讓自資產收取現金流量的權利,或已根據「轉付」安排承擔在無重大延誤的情況下將全數所得現金流量支付予第三方的責任;及(a)本集團已出讓資產的絕大部分風險及報酬,或(b)本集團並無出讓或保留資產的絕大部分風險及報酬,惟已出讓資產的控制權。

倘本集團已出讓自資產收取現金流量的權利,或已訂立轉付安排,將評估其是否保留該項資產的擁有權風險及報酬以及保留的程度。倘本集團並無出讓或保留資產的絕大部分風險及報酬,亦無出讓資產的控制權,則本集團在繼續參與該資產的情況下繼續確認獲出讓資產。在該情況下,本集團亦確認相關負債。已出讓資產及相關負債乃按反映本集團已保留權利及責任的基準計量。

就已出讓資產作出保證的持續參與,已出讓資產乃以該項資產的原賬面值與本集團或須償還的代價金額上限的較低者計量。



2.4 Summary of Significant Accounting Policies (Continued)

Impairment of financial assets

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

Financial assets carried at amortised cost

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

2.4 主要會計政策概要(續)

金融資產減值

本集團於各報告期末評估是否有客觀憑證顯示一項金融資產或一組金融資產出現減值。倘於資產初始確認後發生一項或多項事件對該項金融資產或該組金融資產的估計未來現金流量造成影響，而該影響能可靠估計，則出現減值。減值憑證可能包括單個債務人或一組債務人正面臨重大財務困難、違約或未能償還利息或本金付款、可能破產或進行其他財務重組，以及有可觀察數據顯示估計未來現金流量出現可計量的減少等跡象，例如欠款數目變動或出現與違約相關的經濟狀況。

按攤銷成本入賬的金融資產

對於按攤銷成本入賬的金融資產，本集團首先會按個別基準就個別屬重大的金融資產或按組合基準就個別不屬重大的金融資產，評估是否存在客觀減值憑證。倘本集團釐定個別評估的金融資產並無客觀憑證顯示存在減值，則無論重大與否，均須將該項資產歸入一組具有相似信貸風險特徵的金融資產內，從整體評估該組金融資產是否存在減值。經個別評估減值且減值虧損會予以確認或繼續予以確認的資產，不計入整體減值評估。



2.4 Summary of Significant Accounting Policies (Continued)

Impairment of financial assets (Continued)

Financial assets carried at amortised cost (Continued)

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

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

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

Available-for-sale financial investments

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

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

2.4 主要會計政策概要(續)

金融資產減值(續)

按攤銷成本入賬的金融資產(續)

任何已識別減值虧損金額按資產賬面值與估計未來現金流量(不包括尚未產生的未來信貸虧損)現值之間的差額計量。估計未來現金流量的現值乃按金融資產原實際利率(即初始確認時計算的實際利率)貼現。

該資產的賬面值會直接或通過使用準備賬目減少，而其虧損於損益確認。利息收入於減少後的賬面值中，採用計量減值虧損時用以貼現未來現金流量的利率持續累計。若日後收回的機會極低，且所有抵押品已變現或轉讓予本集團，則撇銷貸款及應收款項連同任何相關準備。

倘於其後期間估計減值虧損金額由於確認減值後發生的事件而增加或減少，則透過調整準備賬目增加或減少先前確認的減值虧損。倘於其後收回撇銷，該項收回計入損益。

可供出售金融投資

對於可供出售金融投資，本集團於各報告期末評估是否有客觀憑證顯示一項投資或一組投資出現減值。

倘可供出售資產出現減值，則包括其成本(扣除任何本金付款及攤銷)與其當前公平值的差額，減任何先前於損益確認的減值虧損的款項將從其他全面收入中刪除，並於損益確認。



2.4 Summary of Significant Accounting Policies (Continued)

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or loans and borrowings, as appropriate.

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

The Group's financial liabilities include trade and other payables, financial liabilities at fair value through profit or loss, interest-bearing bank and other loans and bonds.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

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

2.4 主要會計政策概要(續)

金融負債

初始確認及計量

於初始確認時，金融負債分類為按公平值計入損益的金融負債或貸款及借貸(如適用)。

所有金融負債初始按公平值確認及，如屬貸款及借款則扣除直接應佔交易成本。

本集團的金融負債包括貿易及其他應付款項、按公平值計入損益的金融負債、計息銀行及其他貸款及債券。

後續計量

金融負債按不同類別作後續計量如下：

按公平值計入損益的金融負債

按公平值計入損益的金融負債包括持作買賣的金融負債及初始確認時指定為按公平值計入損益的金融負債。

金融負債倘以短期回購為目的而購入，則分類為持作買賣。此類別包括本集團所訂立但未被指定為對沖關係的對沖工具(定義見國際會計準則第39號)的衍生金融工具。獨立的嵌入式衍生工具亦被分類為持作買賣，除非該等工具被指定為有效的對沖工具。持作買賣負債的收益或虧損於綜合損益及其他全面收益表確認。於綜合損益及其他全面收益表確認的公平值收益或虧損淨額不包括就該等金融負債收取的任何利息。



2.4 Summary of Significant Accounting Policies (Continued)

Financial liabilities (Continued)

Loans and borrowings (including bonds)

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

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

Convertible bonds

If the conversion option of convertible bonds exhibits characteristics of an embedded derivative, it is separated from its liability component. On initial recognition, the derivative component of the convertible bonds is measured at fair value and presented as part of derivative financial instruments. Any excess of proceeds over the amount initially recognised as the derivative component is recognised as the liability component. Transaction costs are apportioned between the liability and derivative components of the convertible bonds based on the allocation of proceeds to the liability and derivative components when the instruments are initially recognised. The portion of the transaction costs relating to the liability component is recognised initially as part of the liability. The portion relating to the derivative component is recognised immediately in the consolidated statement of profit or loss and other comprehensive income.

Derecognition of financial liabilities

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

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

Offsetting of financial instruments

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

2.4 主要會計政策概要(續)

金融負債(續)

貸款及借貸(包括債券)

於初始確認後，計息銀行及其他貸款其後採用實際利率法按攤銷成本計量，惟貼現影響並不重大，則按成本列賬。收益及虧損在負債終止確認時透過實際利率攤銷程序於損益確認。

計算攤銷成本時計及收購所產生的任何折讓或溢價，並包括組成實際利率一部分的費用或成本。實際利率攤銷計入損益的「財務成本」內。

可換股債券

倘可換股債券的轉換選擇權展現嵌入式衍生工具特性，則須與負債部分分開呈列。首次確認時，可換股債券的衍生部分按公平值計量，並作為衍生金融工具的一部分呈列。所得款項超出首次確認為衍生部分金額的任何款項確認為負債部分。交易成本於工具首次確認時，根據所得款項於負債及衍生部分的分配比例分配至可換股債券的負債及衍生部分。負債部分的相關交易成本首次確認為負債一部分。衍生部分的相關款項即時於綜合損益及其他全面收益表確認。

終止確認金融負債

金融負債於負債的責任已獲解除或註銷或屆滿時終止確認。

當現有金融負債為同一出借人以大致上相異的條款的另一項負債取代時，或現有負債的條款出現重大修改時，有關替換或修改被視為終止確認原有負債及確認一項新負債，而各賬面值的差額於損益確認。

抵銷金融工具

倘現時存在可執行合法權利抵銷已確認金額，且有意以淨額結算，或同時變現資產及清償負債，則金融資產及金融負債將予抵銷，且淨金額於財務狀況表呈報。



2.4 Summary of Significant Accounting Policies (Continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average method. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired.

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

Provisions

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

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

Income tax

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

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

2.4 主要會計政策概要(續)

存貨

存貨按成本及可變現淨值兩者的較低者列賬。成本按加權平均法釐定。可變現淨值乃基於估計售價減完成及出售所產生的任何估計成本計算。

現金及現金等價物

就綜合現金流量表而言，現金及現金等價物包括手頭現金及活期存款，以及可隨時兌換為已知金額現金及所涉價值變動風險不高，且一般自取得起計三個月內到期的短期高流動性投資。

就綜合財務狀況表而言，現金及現金等價物包括用途不受限制的手頭及銀行現金(包括定期存款)。

撥備

當過往事件導致目前須承擔責任(法定或推定)，且日後可能需要有資源流出以償付有關責任，則會確認撥備，惟該項責任的數額能夠可靠地估計。

當貼現影響重大時，確認的撥備數額為預期日後用作償付有關責任所需支出於報告期末的現值。當貼現現值隨時間流逝而有所增加，有關增幅會計入損益的「財務成本」內。

所得稅

所得稅包括即期及遞延稅項。與於損益外確認的項目有關的所得稅於損益外確認，即於其他全面收入或直接於權益確認。

即期稅項資產及負債按預期可自稅務機關收回或向其支付的數額計量，採用於報告期末已制定或實質已制定的稅率(及稅法)，計及本集團經營所在國家的現行詮釋及慣例。



2.4 Summary of Significant Accounting Policies (Continued)

Income tax (Continued)

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

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

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

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

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

2.4 主要會計政策概要(續)

所得稅(續)

遞延稅項使用負債法就於報告期末資產及負債的計稅基礎與其作財務匯報用途的賬面值之間的所有暫時差額計提撥備。

除下列情況外，對所有應課稅暫時差額確認遞延稅項負債：

- 當遞延稅項負債源於初始確認商譽或一項並非業務合併的交易中的資產或負債，且於該項交易進行時不影響會計溢利及應課稅損益時；及
- 就與於附屬公司的投資有關的應課稅暫時差額而言，當暫時差額的撥回時間可予控制且該暫時差額於可見未來可能不會撥回時。

遞延稅項資產乃就所有可扣減暫時差額、結轉未動用稅項抵免及任何未動用稅項虧損予以確認。遞延稅項資產在有可能出現應課稅溢利用作抵銷該等可扣減暫時差額、結轉未動用稅項抵免及未動用稅項虧損的情況下，方予以確認，惟下列情況除外：

- 有關可扣減暫時差額的遞延稅項資產源於初始確認一項並非業務合併的交易中的資產或負債，且於該項交易進行時不影響會計溢利及應課稅損益；及
- 就與於附屬公司的投資有關的可扣減暫時差額而言，遞延稅項資產僅會於暫時差額有可能會於可預見未來撥回及存在應課稅溢利可用作抵銷該暫時差額的情況下予以確認。



2.4 Summary of Significant Accounting Policies (Continued)

Income tax (Continued)

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

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

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

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

Where the grant relates to an asset, the fair value is credited to a deferred income account and is deducted from the carrying amount of the asset and released to profit or loss by way of a reduced depreciation charge.

2.4 主要會計政策概要(續)

所得稅(續)

遞延稅項資產的賬面值於各報告期末檢討，並減少至不再可能擁有足夠應課稅溢利以動用全部或部分遞延稅項資產為限。未確認遞延稅項資產於各報告期末重新評估，並於可能有足夠應課稅溢利可收回全部或部分遞延稅項資產時予以確認。

遞延稅項資產及負債按預期適用於資產變現或負債清償期間的稅率計量，並以各報告期末已制定或實質已制定的稅率(及稅法)為基準。

倘及惟倘本集團擁有合法可執行權利將即期稅項資產及即期稅項負債抵銷，而即期稅項資產及即期稅項負債與同一稅務機關向同一應課稅實體或不同應課稅實體(該等實體擬於預期將清償或收回重大金額遞延稅項負債或資產的各未來期間按淨額清償即期稅項負債及資產，或於變現資產的同時清償負債)徵收的所得稅有關。

政府補助

如能合理確保收到補助及符合所有附帶條件，則按公平值確認政府補助。如補助與開支項目有關，則於擬用作補貼的成本支銷期間按系統基準確認為收入。

如補助與資產有關，則公平值會計入遞延收入賬目及自該資產賬面值扣減，並以減少折舊開支的方式轉至損益。



2.4 Summary of Significant Accounting Policies (Continued)

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- (b) interest income, on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset; and
- (c) dividend income, when the shareholders' right to receive payment has been established.

Share-based payments

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Subject to the shareholders' agreement, the Company may also allot and issue certain new shares in the Company for the purpose of providing incentives for specific employees to remain with the Group and to motivate them to strive for the further development and expansion of the Group. Employees (including the co-chief executive) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using valuation techniques that are appropriate in the circumstances, further details of which are given in note 28 to the financial statements.

2.4 主要會計政策概要(續)

收益確認

收益於經濟利益很可能流入本集團且能可靠計量時確認，基準如下：

- (a) 銷售貨物收益，於所有權的重大風險及回報已轉歸買方時予以確認，惟本集團不再參與一般與所有權有關的管理，對所售貨物亦不再有實際控制權；
- (b) 利息收入，以實際利率法按應計基準確認，採用於金融工具預計年期或較短期間（如適用）將估計未來現金收入準確貼現至金融資產賬面淨值的利率；及
- (c) 股息收入，於股東收取付款的權利確立時確認。

以股份為基礎的付款

本公司實行購股權計劃，旨在為對本集團業務成功作出貢獻的合資格參與者提供獎勵及回報。根據股東協議，本公司亦可向特定僱員配發及發行本公司若干新股份作為其留在本集團的獎勵，並激勵彼等為本集團的進一步發展及擴充而努力。本集團僱員（包括聯席行政人員）以股份為基礎的付款方式收取薪酬，據此僱員提供服務作為收取股本工具的代價（「股權結算交易」）。

與僱員進行的股權結算交易成本乃參考於授出日期股本工具的公平值計量。公平值乃由外部估值師以於多個情況下屬適當的估值技術釐定，進一步詳情載於財務報表附註28。



2.4 Summary of Significant Accounting Policies (Continued)

Share-based payments (Continued)

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

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

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

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

2.4 主要會計政策概要(續)

以股份為基礎的付款(續)

股權結算交易成本連同股本的相應增加乃於達致服務條件的期間內於僱員福利開支中確認。於各報告期末直至歸屬日期為止就股權結算交易確認的累計開支反映歸屬期已屆滿及本集團對將最終歸屬的股本工具數目的最佳估計。於期內扣除自或計入損益的金額指於期初及期末所確認的累計開支變動。

於釐定獎勵在授出日期的公平值時並不考慮服務及非市場表現條件，惟能達成條件的可能性則被評定為將最終歸屬為本集團股本工具數目的最佳估計的一部分。市場表現條件將於授出日期的公平值內反映。獎勵附帶的任何其他條件(惟並無相關服務要求)被視為非歸屬條件。非歸屬條件於獎勵的公平值中反映，並直接支銷獎勵，惟另有服務及/或表現條件則除外。

因未能達至非市場表現及/或服務條件而導致最終並無歸屬的獎勵並不會確認開支。倘獎勵包括一項市場或非歸屬條件，無論市場或非歸屬條件是否達成，該等交易均會被視為已歸屬，前提是所有其他表現及/或服務條件須已達成。

倘若股權結算獎勵的條款有所變更，則在達致獎勵原定條款的情況下，所確認的開支最少須達到猶如條款並無任何變更的水平。此外，倘若按變更日期計算，任何變更導致以股份為基礎的付款總公平值有所增加，或為僱員帶來其他利益，則應就該等變更確認開支。



2.4 Summary of Significant Accounting Policies (Continued)

Share-based payments (Continued)

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

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Other employee benefits

Pension schemes

The employees of the subsidiaries in Mainland China are required to participate in a defined central pension scheme managed by the local municipal government of the areas in Mainland China in which they operate. These subsidiaries are required to contribute a certain percentage of the relevant part of the payroll of these employees to the central pension scheme. The Group has no obligation for the payment of retirement benefits beyond the annual contributions. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

In addition to the above, the Group also participates in a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for its employees in Hong Kong. The Company's contributions have been capped to HK\$1,500 per month since 1 June 2014 for each of its employees in Hong Kong and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

Housing fund

Contributions to a defined contribution housing fund administered by the Public Accumulation Funds Administration Centre in Mainland China are charged to profit or loss as incurred.

2.4 主要會計政策概要(續)

以股份為基礎的付款(續)

倘股權結算獎勵註銷，則視為已於註銷日期歸屬，任何尚未確認的獎勵(包括未能符合本集團或僱員可控制的非歸屬條件的任何獎勵)開支，均即時確認。然而，若已授出新獎勵代替已註銷的獎勵，並於授出日期指定為替代獎勵，則如前段所述，已註銷獎勵及新獎勵均視為原有獎勵的變更。

於計算每股盈利時，尚未行使購股權的攤薄影響反映為額外股份攤薄。

其他僱員福利

退休金計劃

中國內地附屬公司的僱員須參與由經營所在中國內地地方市政府管理的定額中央退休金計劃。該等附屬公司須按該等僱員相關部分薪資的若干百分比向中央退休金計劃作出供款。除每年供款外，本集團並無支付退休福利的責任。供款根據中央退休金計劃的規則於應付時，自損益中扣除。

除上述者外，本集團亦根據強制性公積金計劃條例為其香港僱員參與定額供款強制性公積金退休福利計劃(「強積金計劃」)。自2014年6月1日起，本公司就各香港僱員作出的供款上限為每月1,500港元，並根據強積金計劃的規則於應付時自損益中扣除。強積金計劃的資產與本集團的資產分開持有，並由獨立管理的基金管理。本集團的僱主供款於向強積金計劃作出供款時全數撥歸僱員所有。

住房公積金

向中國內地住房公積金管理中心管理的定額供款住房公積金作出的供款於產生時自損益中扣除。



2.4 Summary of Significant Accounting Policies (Continued)

Borrowing costs

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

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the Directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared. In the event that the interim dividends are paid out of the share premium account, shareholders' approval at an extraordinary general meeting is needed. When these interim dividends have been approved by the shareholders and declared, they are recognised as a liability.

2.4 主要會計政策概要(續)

借貸成本

收購、建設或生產合資格資產(即需一段時間預備方可作擬定用途或出售的資產)直接應佔的借貸成本,會撥充資本作為該等資產的部分成本。當資產已大致備妥作擬定用途或出售時,借貸成本不再撥充資本。就特定借貸用作合資格資產開支前進行臨時投資所賺取的投資收入,會自撥充資本的借貸成本扣除。所有其他借貸成本在產生期間列作開支。借貸成本包括實體因借入資金所產生的利息及其他成本。

股息

末期股息於獲股東在股東大會批准時確認為負債。建議末期股息於財務報表附註披露。

由於本公司組織章程大綱及細則賦予董事權力宣派中期股息,故中期股息的建議派付及宣派同時進行。因此,中期股息於建議派付及宣派時立即確認為負債。倘以股份溢價賬派付中期股息,則須於股東特別大會上獲得股東批准。該等中期股息獲股東批准及宣派後,方確認為負債。



2.4 Summary of Significant Accounting Policies (Continued)

Foreign currencies

These financial statements are presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

Research and development costs

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

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

Deferred development costs are stated at cost less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying products not exceeding five to seven years, commencing from the date when the products are put into commercial production.

2.4 主要會計政策概要(續)

外幣

該等財務報表以人民幣呈列，而人民幣為本公司的功能貨幣。本集團旗下各實體釐定其各自的功能貨幣，而各實體的財務報表所載項目均以該功能貨幣計量。本集團旗下實體記錄的外幣交易初始以交易當日現行各自功能貨幣匯率記錄。以外幣計值的貨幣資產及負債按報告期末的功能貨幣匯率換算。結算或換算貨幣項目產生的差額於損益中確認。

以歷史成本計量並以外幣計值的非貨幣項目使用首次交易當日的匯率換算。按公平值計量並以外幣計值的非貨幣項目使用計量公平值當日的匯率換算。換算按公平值計量的非貨幣項目產生的收益或虧損的處理方式，與有關項目公平值變動的收益或虧損的確認方式一致(即公平值收益或虧損於其他全面收益或損益中確認的項目的換算差額，亦會分別於其他全面收益或損益中確認)。

研發成本

所有研究成本均於產生時自損益中扣除。

僅當本集團可證明完成無形資產以供使用或出售在技術上可行、本集團有意完成及有能力使用或出售該資產、資產產生未來經濟利益的方式、有足夠資源完成項目及能可靠計量開發期間的開支時，開發新產品的項目產生的開支方會撥充資本及遞延。不符合該等標準的產品開發開支會於產生時支銷。

遞延開發成本按成本減任何減值虧損列賬並按直線法在有關產品不超出由產品投入商業生產日期起計五至七年的商業壽命期間予以攤銷。



3. Significant Accounting Estimates

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

Estimation uncertainty

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

(a) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill as at 31 December 2017 was RMB23,701,000 (2016: RMB58,632,000). Further details are given in note 15 to the financial statements.

(b) Impairment of receivables

Impairment of receivables is estimated based on an assessment of the recoverability of receivables. The assessment of impairment of receivables involves the use of estimates and judgements. An estimate for doubtful debts is made when collection of the full amount under the invoice is no longer probable, as supported by objective evidence using available contemporary and historical information to evaluate the exposure. Bad debts are written off as incurred. Where the actual outcome or expectation in the future is different from the original estimates, such differences will affect the carrying value of receivables and thus the impairment loss in the period in which such estimate is changed. There was no impairment provision for receivables during the year (2016: Nil).

3. 重要會計估計

編製本集團財務報表須管理層作出判斷、估計及假設，而該等判斷、估計及假設影響收益、開支、資產及負債的呈報金額及隨附披露，以及有關或然負債的披露。該等假設及估計的不確定因素可導致日後須對受影響資產或負債的賬面值進行重大調整。

估計不確定因素

於報告期末關於未來的主要假設及估計不確定因素的其他主要來源具有導致下一財政年度內資產及負債賬面值須作出重大調整的重大風險，論述如下。

(a) 商譽減值

本集團至少每年釐定一次商譽是否出現減值，而此舉需估計獲分配商譽的現金產生單位的使用價值。估計使用價值時，本集團須對現金產生單位的預計未來現金流量進行估計，並選擇適當的貼現率，以計算該等現金流量的現值。於2017年12月31日，商譽的賬面值為人民幣23,701,000元（2016年：人民幣58,632,000元）。進一步詳情載於財務報表附註15。

(b) 應收款項減值

應收款項減值基於應收款項的可收回性評估進行估計。評估應收款項減值涉及估計及判斷的使用。當不可能收回發票的全數款項時，利用現有及過往資料評估風險的客觀憑證，以對呆賬進行估計。壞賬於產生時撇銷。若日後的實際結果或預期與原來估計有別，該等差額將於有關估計變動的期間影響應收款項的賬面值及減值虧損。年內概無就應收款項計提減值撥備（2016年：無）。



3. Significant Accounting Estimates (Continued)

Estimation uncertainty (Continued)

(c) *PRC corporate income tax ("PRC CIT")*

The Group's operating subsidiaries in Mainland China are subject to PRC CIT. As a result of the fact that certain matters relating to PRC CIT have not been confirmed by the relevant local tax authorities, objective estimates based on currently enacted tax laws, regulations and other related policies are required in determining the provision for PRC CIT to be made. Where the final tax outcome of these matters is different from the amounts originally recorded, the differences will impact the income tax expense and tax provision in the period in which the differences realise. The carrying amounts of PRC CIT payable as at 31 December 2017 was RMB2,546,000 (2016: RMB12,221,000).

(d) *Useful lives of property, plant and equipment*

The Group determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is 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 charge where useful lives are less than previously estimated, or it will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold. The useful lives of property, plant and equipment are disclosed in note 2.4 to the financial statements.

(e) *Net realisable value of inventories*

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs to be incurred to completion and disposal. These estimates are based on the current market condition and the historical experience of selling products of a similar nature. Management reassesses these estimates at the end of each reporting period. The carrying amount of inventories as at 31 December 2017 was RMB291,193,000 (2016: RMB137,602,000) and the total impairment provision for inventories as at 31 December 2017 was RMB25,213,000 (2016: Nil).

3. 重要會計估計(續)

估計不確定因素(續)

(c) *中國企業所得稅(「中國企業所得稅」)*

本集團在中國內地的營運附屬公司須繳納中國企業所得稅。由於相關地方稅務機關尚未確認有關中國企業所得稅的若干事宜，因此釐定中國企業所得稅撥備時須根據現行稅法、法規及其他相關政策作出客觀估計。倘該等事項的最終稅務結果與初始記錄金額有別，該等差額將影響所得稅開支及差額變現期間的稅項撥備。於2017年12月31日，應付中國企業所得稅的賬面值為人民幣2,546,000元(2016年：人民幣12,221,000元)。

(d) *物業、廠房及設備的可使用年期*

本集團釐定其物業、廠房及設備的估計可使用年期及相關折舊開支。該估計乃基於性質及功能相若的物業、廠房及設備的實際可使用年期的過往經驗。倘可使用年期短於先前估計，管理層將上調折舊開支，或撇銷或撇減技術過時或已棄用或出售的非策略性資產。物業、廠房及設備的可使用年期披露於財務報表附註2.4。

(e) *存貨可變現淨值*

存貨可變現淨值即一般業務過程中的估計售價減完成及出售所產生估計成本。該等估計是基於當前市況及銷售性質相若產品的過往經驗。於各報告期末，管理層重新評估該等估計。於2017年12月31日，存貨的賬面值為人民幣291,193,000元(2016年：人民幣137,602,000元)，而於2017年12月31日，存貨的減值撥備總額為人民幣25,213,000元(2016年：無)。



3. Significant Accounting Estimates (Continued)

Estimation uncertainty (Continued)

(f) *Research expenses*

Research expenses are expensed in accordance with the accounting policy for research and development costs in note 2.4 to the financial statements. Determining the amounts to be expensed requires management to make judgements on the research and development progress. Research costs charged to profit or loss for the year ended 31 December 2017 amounted to RMB1,996,000 (2016: RMB5,089,000).

(g) *Deferred tax assets*

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that sufficient taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilised based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying amount of deferred tax assets at 31 December 2017 was RMB9,159,000 (2016: Nil). Further details are given in note 17 to the financial statements.

(h) *Impairment of non-financial assets (other than goodwill)*

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Non-financial assets with definite lives are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of sell and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

3. 重要會計估計(續)

估計不確定因素(續)

(f) *研究開支*

研究開支乃根據財務報表附註2.4所載研發成本的會計政策支銷。釐定支銷金額時，管理層須判斷研發進度。截至2017年12月31日止年度，自損益中扣除的研究成本為人民幣1,996,000元(2016年：人民幣5,089,000元)。

(g) *遞延稅項資產*

根據可能時間表及未來應課稅溢利水平以及未來稅項計劃策略，倘很可能有足夠的應課稅溢利可用以抵銷可扣稅減暫時差額及可動用未動用稅項虧損，則會就所有可扣減暫時差額及未動用稅項虧損確認遞延稅項資產。遞延稅項資產於二零一七年十二月三十一日的賬面值為人民幣9,159,000元(二零一六年：無)。進一步詳情載於財務報表附註17。

(h) *非金融資產減值(商譽除外)*

本集團於各報告期末評估所有非金融資產是否出現任何減值跡象。擁有無限年期的非金融資產則於有跡象顯示賬面值可能無法收回時進行減值測試。當資產或現金產生單位的賬面值超逾其可回收金額時，即公平值減出售成本與使用值的較高者，則存在減值。計量公平值減出售成本時，按以公平基準就類似資產進行具約束力銷售交易的可得數據，或以客觀市場價格減出售資產的已增加成本得出。當計量使用值時，管理層須估計預期資產或現金產生單位的未來現金流量，並釐定適當的折舊率以計量該等現金流量的現值。



4. Revenue and Operating Segment Information

Revenue represents the net invoiced value of goods sold, net of various types of government surcharges.

The Group's revenue and contribution to consolidated results are mainly derived from its sales of human albumin solution, antibiotics and other pharmaceutical products focused on therapeutic areas complementary to human plasma-based products and other fast-growing categories in Mainland China, which is regarded as a single reportable segment in a manner consistent with the way in which information is reported internally to the Group's senior management for purposes of resource allocation and performance assessment. In addition, the principal non-current assets employed by the Group are located in Mainland China. Accordingly, no segment analysis is presented other than entity-wide disclosures.

Entity-wide disclosures

Information about products

The following table sets forth the total revenue from external customers by product and the percentage of total revenue by product during the year:

		2017		2016	
		RMB'000	%	RMB'000	%
		人民幣千元		人民幣千元	
Sales of goods:	銷售貨物：				
Human albumin solution	人血白蛋白注射液	407,321	50.5	514,265	59.9
Antibiotics*	抗生素*	326,070	40.4	272,069	31.7
Others#	其他#	73,332	9.1	72,560	8.4
		806,723	100.0	858,894	100.0

* Axetine, Medocef and Trifamox IBL

Taurilite, Diphereline, Etiasa, Tanakan, Smecta and Esafosfina

Geographical information

All external revenue of the Group during each of the two years ended 31 December 2017 and 2016 was attributable to customers located in Mainland China, the place of domicile of the Group's operating entities. The Group's non-current assets are all located in Mainland China.

Information about major customers

Revenue from each of the major customers, which amounted to 10% or more of the total revenue, is set out below:

4. 收益及經營分部資料

收益指已售貨物的發票淨值(扣除多種政府附加稅)。

本集團的收益及對綜合業績的貢獻主要來自其於中國內地的人血白蛋白注射液、抗生素、專注於與人體血漿製品互補的其他治療藥品及其他快速增長類別的銷售額，我們將其列為單一可報告分部，與本集團內部向本集團高級管理層報告資料方式一致，以便進行資源分配及表現評估。此外，本集團使用的主要非流動資產均位於中國內地。因此，除以實體為單位的披露外，未有呈列分部分析。

以實體為單位的披露

產品資料

下表載列年內按產品劃分來自外部客戶的總收益及各產品所佔總收益百分比：

* 安可欣、麥道必及特福猛

滔羅特、達菲林、艾迪莎、達納康、思密達及愛賽福

地區資料

本集團於截至2017年及2016年12月31日止兩個年度各年的所有外界收益均來自位於中國內地(本集團營運實體註冊地)的客戶。本集團所有非流動資產均位於中國內地。

主要客戶資料

來自各主要客戶的收益(佔總收益的10%或以上)載列如下：



4. Revenue and Operating Segment Information (Continued) 4. 收益及經營分部資料(續)

		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
Customer A	客戶A	91,626	*
Customer B	客戶B	*	159,587

* Less than 10%

* 少於10%

5. Other Income and Gains

An analysis of other income and gains is as follows:

5. 其他收入及收益

有關其他收入及收益的分析如下：

		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
Bank interest income	銀行利息收入	1,155	655
Government grants*	政府補助*	883	1,205
Foreign exchange gains, net	匯兌收益淨額	-	4,231
Interest income on an available-for-sale Investment (note 20)	來自可供出售投資的利息收入 (附註20)	2,024	1,810
Net gains on disposal of property, plant and equipment	來自出售物業、廠房及設備 收益淨額	128	-
Fair value gains on financial assets at fair value through profit or loss classified as held for trading	來自分類為持作買賣透過損益 按公平值計量的金融資產 公平值收益	-	146
Others	其他	21	486
		4,211	8,533

* There were no unfulfilled conditions or contingencies relating to the government grants.

* 並無有關政府補助的未履行條件或或然事項。

6. Finance Costs

An analysis of finance costs is as follows:

6. 財務成本

有關財務成本的分析如下：

		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
Interest on bank loans and other loans	銀行貸款及其他貸款利息	18,348	8,627
Interest on discounted bills receivable (note 19)	應收票據貼現利息(附註19)	4,376	560
Interest on bonds	債券利息	10,977	-
		33,701	9,187



7. Profit/(Loss) Before Tax

The Group's profit/(loss) before tax was arrived at after charging/(crediting):

7. 除稅前溢利/(虧損)

本集團的除稅前溢利/(虧損)乃經扣除/(計入)以下各項後得出：

		Notes 附註	2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
Cost of inventories sold	已售存貨成本		713,190	754,326
Employee benefit expense (including directors' remuneration as set out in note 8):	僱員福利開支 (包括附註8所載董事 薪酬):			
Wages and salaries	工資及薪金		11,641	9,152
Welfare and other benefits	福利及其他利益		310	1,078
Equity-settled share option expense	以股權結算的購股權開支	28	1,352	995
Pension scheme contributions	退休金計劃供款			
– Defined contribution fund	– 定額供款基金		1,300	1,080
Housing fund	住房公積金			
– Defined contribution fund	– 定額供款基金		479	466
Total employee benefit expense	僱員福利開支總額		15,082	12,771
Depreciation of items of property, plant and equipment	物業、廠房及 設備項目折舊	12	10,660	5,554
Amortisation of intangible assets	無形資產攤銷	13	4,700	5,112
Depreciation and amortisation	折舊及攤銷		15,360	10,666
Impairment losses recognised on:	就以下各項確認的 減值虧損:			
Intangible assets	無形資產	13	27,531	–
Goodwill	商譽	15	38,961	–
Write-down of inventories to net realisable value	存貨撤減至可變現淨值		25,213	–
Research expenses	研究開支		1,996	5,089
Operating lease rentals	經營租約租金		1,682	1,418
Foreign exchanges losses/(gains), net	匯兌虧損/(收益)淨額		2,068	(4,231)
Loss on disposal of an exclusive distribution right	處置獨家經銷權的虧損		–	1,435
Gains on disposal of items of property, plant and equipment	出售物業、廠房及 設備項目的收益	5	(128)	–
Loss on settlement of derivative financial instruments	衍生金融工具結算虧損		8,055	–
Fair value losses on financial liabilities at fair value through profit or loss	透過損益按公平值計量的 金融負債公平值虧損	25	218	–
Auditors' remuneration	核數師薪酬		2,700	2,680



8. Directors' and Chief Executives' Remuneration and Five Highest Paid Employees

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on the HKSE, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
Fees	袍金	640	565
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	2,543	2,274
Equity-settled share option expense	以股權結算的購股權開支	(166)	166
Pension scheme contributions	退休金計劃供款		
– Defined contribution fund	– 一定額供款基金	23	4
		3,040	3,009

During the year, a co-chief executive officer was granted share options, in respect of his services to the Group, under the share option scheme of the Company, further details of which are set out in note 28 to the financial statements. The fair value of such options, which has been recognised in profit or loss over the vesting period, was determined as of the date of grant and the amount included in the financial statements for the current year is included in the above directors' and chief executive's remuneration disclosures.

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
Mr. Chow Siu Lui	鄒小磊先生	160	145
Mr. Liu Wenfang	劉文芳先生	160	145
Mr. Wang Qing	汪晴先生	160	145
		480	435

There were no other emoluments payable to the independent non-executive directors during the year.

8. 董事及主要行政人員薪酬以及五名最高薪僱員

根據香港聯交所證券上市規則、香港公司條例第383(1)(a)、(b)、(c)及(f)條及公司(披露董事利益資料)規例第2部披露，年內董事及主要行政人員薪酬如下：

年內，根據本公司購股權計劃，聯席行政總裁就向本集團提供的服務獲授予購股權，進一步詳情載於財務報表附註28。該等已於歸屬期在損益表獲確認的購股權的公平值乃於授出日期釐定，而計入本年度財務報表的金額載於上述董事及主要行政人員的薪酬披露資料中。

(a) 獨立非執行董事

年內已付獨立非執行董事的袍金如下：

年內概無應付予獨立非執行董事的其他酬金。



8. Directors' and Chief Executives' Remuneration and Five Highest Paid Employees (Continued)

(b) Executive directors and the chief executive

8. 董事及主要行政人員薪酬以及五名最高薪僱員(續)

(b) 執行董事及主要行政人員

		Fees	Salaries, allowances and benefits in kind	Equity-settled share option expense	Pension scheme contributions	Total
		袍金	薪金、津貼 及實物福利	以股權結算的 購股權開支	退休金 計劃供款	總計
		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
2017	2017年					
Executive directors:	執行董事：					
- Mr. Huang Xiangbin	- 黃祥彬先生	-	1,774	-	16	1,790
- Mr. Hao Jinghui*	- 郝景輝先生*	-	606	(166)	-	440
- Mr. Wu Qingjiang*	- 吳慶江先生*	-	163	-	7	170
- Ms. Zhang Zhijie	- 張志傑女士	160	-	-	-	160
		160	2,543	(166)	23	2,560
2016	2016年					
Executive directors:	執行董事：					
- Mr. Huang Xiangbin	- 黃祥彬先生	-	1,554	-	4	1,558
- Mr. Hao Jinghui*	- 郝景輝先生*	-	720	166	-	886
- Ms. Zhang Zhijie	- 張志傑女士	130	-	-	-	130
		130	2,274	166	4	2,574

* Mr. Hao Jinghui resigned as co-chief executive officer of the Company on 5 May 2017. Mr. Wu Qingjiang was appointed as the new co-chief executive officer of the Company with effect from 5 May 2017.

* 郝景輝先生於2017年5月5日辭任本公司聯席行政總裁。吳慶江先生獲委任為本公司新聯席行政總裁，自2017年5月5日起生效。

There was no arrangement under which a director waived or agreed to waive any remuneration during the year.

年內概無董事放棄或同意放棄任何薪酬的安排。



8. Directors' and Chief Executives' Remuneration and Five Highest Paid Employees (Continued)

(c) Five highest paid employees

The five highest paid employees during the year included one director and the co-chief executive officer (2016: one director and the co-chief executive officer), details of whose remuneration are set out above. Details of the remuneration during the year of the remaining three (2016: three) highest paid employees who are neither a director nor a chief executive of the Company as follows:

		2017	2016
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	908	1,025
Pension scheme contributions	退休金計劃供款	72	71
Equity-settled share option expense	以股權結算的購股權開支	855	292
		1,835	1,388

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following band is as follows:

		2017	2016
Nil to HK\$1,000,000	零至1,000,000港元	3	3

During the year, share options were granted to three non-director and non-chief executive highest paid employees in respect of their services to the Group, further details of which are included in the disclosures in note 28 to the financial statements. The fair value of such options, which has been recognised in profit or loss over the vesting period, was determined as of the date of grant and the amount included in the financial statements for the current year is included in the above non-director and non-chief executive highest paid employees' remuneration disclosures.

8. 董事及主要行政人員薪酬以及五名最高薪僱員(續)

(c) 五名最高薪僱員

年內，五名最高薪僱員包括一名董事及聯席行政總裁(2016年：一名董事及聯席行政總裁)，其薪酬詳情載於上文。其餘三名(2016年：三名)最高薪非本公司董事或主要行政人員僱員於年內的薪酬詳情如下：

薪酬介乎下列範圍的最高薪非董事及非主要行政人員僱員的人數如下：

年內，三名最高薪非董事及非主要行政人員僱員就向本集團提供的服務獲授予購股權，進一步詳情計入財務報表附註28的披露資料內。該等已於歸屬期在損益表獲確認的購股權的公平值乃於授出日期釐定，而計入本年度財務報表的金額載於上述最高薪非董事及非主要行政人員僱員的薪酬披露資料。



9. Income Tax/(Credit)

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and British Virgin Islands.

Hong Kong profits tax has been provided at the rate of 16.5% on the Group's assessable profits derived from Hong Kong. No provision for Hong Kong profits tax has been made as the Group had no assessable profits derived from or earned in Hong Kong during the year.

The provision for PRC CIT is based on the respective PRC CIT rates applicable to the subsidiaries located in Mainland China as determined in accordance with the relevant income tax rules and regulations of Mainland China for the year. Except for certain subsidiaries domiciled in the PRC (the "PRC subsidiaries") that were entitled to a preferential income tax rate, other PRC subsidiaries were subject to PRC CIT at a rate of 25% during the two years ended 31 December 2017 and 2016.

The major components of income tax expense/(credit) are as follows:

9. 所得稅／(抵免)

根據開曼群島及英屬維爾京群島的規則及法規，本集團毋須繳納開曼群島及英屬維爾京群島的任何所得稅。

本集團來自香港的應課稅利潤已按香港利得稅稅率16.5%繳稅。由於本集團於年內並無源自香港或在香港賺取的應課稅利潤，故未有計提香港利得稅撥備。

中國企業所得稅撥備乃根據年內中國內地有關所得稅規則及法規所釐定分別適用於中國內地附屬公司的中國企業所得稅稅率計提。截至2017年及2016年12月31日止兩個年度，除於中國註冊的若干附屬公司(「中國附屬公司」)有權享有優惠所得稅稅率外，其他中國附屬公司須按中國企業所得稅稅率25%繳稅。

所得稅開支／(抵免)的主要組成部分如下：

		2017	2016
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Current tax:	即期稅項：		
Income tax in Mainland for the year	中國內地年內所得稅	188	5,961
Income tax in Hong Kong for the year	香港年內所得稅	-	1,268
Deferred tax:	遞延稅項：		
Deferred tax in Mainland for the year (note 17)	中國內地年內遞延稅項 (附註17)	(8,023)	-
Deferred tax in Hong Kong for the year (note 17)	香港年內遞延稅項(附註17)	(1,136)	-
Total tax charge/(credit) for the year	年內稅項開支／(抵免)總額	(8,971)	7,229



9. Income Tax/(Credit) (Continued)

A reconciliation of the tax expense/(credit) applicable to profit/(loss) before tax at the applicable tax rate for companies within the Group to the tax expense/(credit) at the effective tax rate is as follows:

		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
Profit/(loss) before tax	除稅前溢利/(虧損)	(194,868)	25,566
Added: disallowed expenses incurred by the Company*	增加: 本公司所招致的不可扣稅開支*	15,929	14,012
Profit before tax generated by Hong Kong and PRC subsidiaries	香港及中國附屬公司所產生的除稅前溢利	(178,939)	39,578
Tax at the respective statutory tax rates	按各自法定稅率計算的稅項		
– PRC subsidiaries at 25%	– 中國附屬公司按25%計算	(34,601)	9,593
– Hong Kong subsidiary at 16.5%	– 香港附屬公司按16.5%計算	(6,597)	199
Lower tax rate for certain subsidiaries (note (a))	若干附屬公司的較低稅率(附註(a))	16,580	(4,977)
Expenses not deductible for tax	不可扣稅開支	10,027	1,233
Tax effect on deductible temporary differences not recognised	可扣減暫時差額的稅務影響	3,782	
Income not subject to tax	毋須課稅收入	(12)	(447)
Tax losses not recognised	未確認稅項虧損	1,850	1,628
		(8,971)	7,229

* Expenses incurred by the Company during each of the two years ended 31 December 2017 and 2016 mainly consisted of listing fees, consultancy service fees, equity-settled share option expense, interest on bonds and foreign exchange differences incurred by the Company. These expenses are not expected to be tax deductible.

Notes:

(a) Sichuan Sinco Pharmaceuticals is entitled to a preferential tax rate of 15% according to the "Western Development Policy" until 31 December 2020.

From year 2015 to year 2017, the income tax rate of the Tibet Autonomous Region has changed from 15% to 9%. Accordingly, Linzhi Ziguang was entitled to the 9% preferential tax rate for the year ended 31 December 2017.

9. 所得稅/(抵免)(續)

按本集團旗下公司適用稅率計算的適用於除稅前溢利/(虧損)的稅項開支/(抵免)與按實際稅率計算的稅項開支/(抵免)的對賬如下:

		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
Profit/(loss) before tax	除稅前溢利/(虧損)	(194,868)	25,566
Added: disallowed expenses incurred by the Company*	增加: 本公司所招致的不可扣稅開支*	15,929	14,012
Profit before tax generated by Hong Kong and PRC subsidiaries	香港及中國附屬公司所產生的除稅前溢利	(178,939)	39,578
Tax at the respective statutory tax rates	按各自法定稅率計算的稅項		
– PRC subsidiaries at 25%	– 中國附屬公司按25%計算	(34,601)	9,593
– Hong Kong subsidiary at 16.5%	– 香港附屬公司按16.5%計算	(6,597)	199
Lower tax rate for certain subsidiaries (note (a))	若干附屬公司的較低稅率(附註(a))	16,580	(4,977)
Expenses not deductible for tax	不可扣稅開支	10,027	1,233
Tax effect on deductible temporary differences not recognised	可扣減暫時差額的稅務影響	3,782	
Income not subject to tax	毋須課稅收入	(12)	(447)
Tax losses not recognised	未確認稅項虧損	1,850	1,628
		(8,971)	7,229

* 截至2017年及2016年12月31日止兩個年度各年，本公司所產生的開支主要包括本公司所產生的上市費用、諮詢服務費用、以股權結算的購股權開支、債券利息及匯兌差額。該等開支預期為不可扣稅開支。

附註:

(a) 根據「西部大開發政策」，四川興科蓉藥業享有15%的優惠稅率，直至2020年12月31日。

2015年至2017年期間，西藏自治區的所得稅稅率已由15%變更為9%。因此，截至2017年12月31日止年度，林芝紫光有權享有9%的優惠稅率。



9. Income Tax/(Credit) (Continued)

Notes: (Continued)

- (b) Pursuant to the income tax rules and regulations of the PRC, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement has been effective from 1 January 2008 and applied to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. The withholding tax rate for the Group is 10%.

As of 31 December 2017, no deferred tax liability has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in Mainland China. In the opinion of the Directors, it is not probable that these subsidiaries will distribute such earnings in the foreseeable future after their assessment based on factors which included the dividend policy, the level of working capital required for the Group's operations and the expansion of the Group's operations in Mainland China. The aggregate amount of temporary differences as associated with investments in subsidiaries in Mainland China for which deferred tax liabilities have not been recognised totalled approximately RMB140,067,000 (2016: RMB188,224,000).

10. Dividends

At a meeting of the Board held on 29 March 2018, the Directors resolved not to pay final dividends to shareholders for the year ended 31 December 2017 (2016 final dividend: Nil).

11. Earnings/(Loss) Per Share Attributable to Ordinary Equity Holders of the Company

The calculation of basic loss (2016: earnings) per share for the year ended 31 December 2017 is based on the loss (2016: profit) for the year attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of 1,615,220,000 (2016: 1,535,776,448) in issue during the year.

No adjustment has been made to the basic loss per share for the Reporting Period in respect of a dilution as the exercise prices of the Company's outstanding share options were higher than the average market prices for the Company's shares during the Reporting Period. No adjustment has been made to the basic earnings per share for the prior period as no diluting events occurred during the prior period.

9. 所得稅/(抵免)(續)

附註：(續)

- (b) 根據中國所得稅規則及法規，就於中國內地成立的外資企業向外國投資者宣派的股息徵收10%的預扣稅。該規定自2008年1月1日起生效，並適用於2007年12月31日後的盈利。倘中國內地與外國投資者所在司法權區已簽訂稅務協議，則可採用較低的預扣稅率。本集團的預扣稅率為10%。

截至2017年12月31日，並無就本集團於中國內地成立的若干附屬公司應付的未匯出盈利所繳納的預扣稅確認遞延稅項負債。董事認為，基於股息政策、本集團業務所需的營運資金水平及本集團擴大中國內地的業務等因素進行評估後，該等附屬公司於可見將來不大可能分派有關盈利。未就有關於中國內地成立的附屬公司的投資的暫時性差異總額約人民幣140,067,000元(2016年：人民幣188,224,000元)確認遞延稅項負債。

10. 股息

董事已於2018年3月29日舉行的董事會議上決議不會就截至2017年12月31日止年度向股東派付末期股息(2016年末期股息：無)。

11. 本公司普通股持有人應佔每股盈利/(虧損)

截至2017年12月31日止年度的每股基本虧損(2016年：盈利)，是基於本公司普通股持有人應佔年度虧損(2016年：溢利)，及年內已發行普通股的加權平均數1,615,220,000股(2016年：1,535,776,448股)計算。

由於本公司尚未行使購股權的行權價高於報告期內本公司股份的平均市價，因此並無就報告期內每股基本虧損作出任何攤薄調整。由於過往期間並無出現攤薄事件，因此並無就過往期間的每股基本盈利作出調整。



12. Property, Plant and Equipment

12. 物業、廠房及設備

		Leasehold land and buildings 租賃土地及 樓宇 RMB'000 人民幣千元	Office equipment 辦公室 設備 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Construction in progress ("CIP") 在建工程 (「在建工程」) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
31 December 2017	2017年12月31日					
Cost:	成本:					
At 1 January 2017	於2017年1月1日	92,570	4,464	17,089	3,372	117,495
Additions	添置	115	5,947	2,635	90,018	98,715
Acquisition of a subsidiary (note 30)	收購一間附屬公司 (附註30)	-	126	68	-	194
Transferred from CIP	轉自在建工程	91,645	-	-	(91,645)	-
Disposals/written off	出售/撇銷	-	(156)	(1,319)	-	(1,475)
At 31 December 2017	於2017年12月31日	184,330	10,381	18,473	1,745	214,929
Accumulated depreciation:	累計折舊:					
At 1 January 2017	於2017年1月1日	5,507	2,072	6,204	-	13,783
Provided for the year (note 7)	年內撥備(附註7)	4,197	2,267	4,196	-	10,660
Disposals/written off	出售/撇銷	-	(146)	(1,135)	-	(1,281)
At 31 December 2017	於2017年12月31日	9,704	4,193	9,265	-	23,162
Net carrying amount:	賬面淨值:					
At 1 January 2017	於2017年1月1日	87,063	2,392	10,885	3,372	103,712
At 31 December 2017	於2017年12月31日	174,626	6,188	9,208	1,745	191,767
31 December 2016	2016年12月31日					
Cost:	成本:					
At 1 January 2016	於2016年1月1日	91,417	3,729	10,005	-	105,151
Additions	添置	-	399	7,084	4,525	12,008
Acquisition of a subsidiary	收購一間附屬公司	-	336	-	-	336
Transferred from CIP	轉自在建工程	1,153	-	-	(1,153)	-
At 31 December 2016	於2016年12月31日	92,570	4,464	17,089	3,372	117,495
Accumulated depreciation:	累計折舊:					
At 1 January 2016	於2016年1月1日	3,233	1,312	3,684	-	8,229
Provided for the year (note 7)	年內撥備(附註7)	2,274	760	2,520	-	5,554
At 31 December 2016	於2016年12月31日	5,507	2,072	6,204	-	13,783
Net carrying amount:	賬面淨值:					
At 1 January 2016	於2016年1月1日	88,184	2,417	6,321	-	96,922
At 31 December 2016	於2016年12月31日	87,063	2,392	10,885	3,372	103,712



12. Property, Plant and Equipment (Continued)

- (a) As of 31 December 2017, the Group's buildings with a net carrying amount of approximately RMB100,506,000 (2016: RMB14,090,000), were erected on the land where the Group is still in the process of applying for the land use rights certificate. The Directors are of the view that the Group is entitled to lawfully and validly occupy and use the above-mentioned land. The Directors are also of the opinion that the aforesaid matter will not have any significant impact on the Group's financial position as of 31 December 2017.
- (b) As of 31 December 2017, the Group's buildings with a net carrying amount of RMB84,725,000 (2016: RMB76,145,000) were pledged to two banks to secure the bank loans (note 24 (a)).
- (c) The Group's land included in property, plant and equipment is situated in Mainland China and held under medium lease terms.

12. 物業、廠房及設備(續)

- (a) 於2017年12月31日，本集團賬面淨值約人民幣100,506,000元(2016年：人民幣14,090,000元)的樓宇建於本集團仍在申請土地使用權證的土地上。董事認為本集團有權合法及有效佔用及使用上述土地。董事亦認為，上述事宜對本集團於2017年12月31日的財務狀況不會有任何重大影響。
- (b) 於2017年12月31日，本集團賬面淨值為人民幣84,725,000元(2016年：人民幣76,145,000元)的樓宇已抵押予兩間銀行，作為銀行貸款的擔保(附註24(a))。
- (c) 計入物業、廠房及設備的本集團土地位於中國內地，按中期租約持有。



13. Intangible Assets

13. 無形資產

		Software 軟件 RMB'000 人民幣千元	Exclusive distribution rights 獨家經銷權 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Cost at 1 January 2017, net of accumulated amortisation	於2017年1月1日按成本， 扣除累計攤銷	334	32,120	32,454
Amortisation provided during the year (note 7)	年內攤銷撥備(附註7)	(111)	(4,589)	(4,700)
Impairment during the year	年內減值	-	(27,531)	(27,531)
At 31 December 2017	於2017年12月31日	<u>223</u>	<u>-</u>	<u>223</u>
At 31 December 2017:	於2017年12月31日：			
Cost	成本	403	41,298	41,701
Accumulated amortisation	累計攤銷	(180)	(13,767)	(13,947)
Impairment	減值	-	(27,531)	(27,531)
Net carrying amount	賬面淨值	<u>223</u>	<u>-</u>	<u>223</u>
Cost at 1 January 2016, net of accumulated amortisation	於2016年1月1日按成本， 扣除累計攤銷	30	40,348	40,378
Additions	添置	372	-	372
Disposals	處置	-	(3,184)	(3,184)
Amortisation provided during the year (note 7)	年內攤銷撥備(附註7)	(68)	(5,044)	(5,112)
At 31 December 2016	於2016年12月31日	<u>334</u>	<u>32,120</u>	<u>32,454</u>
At 31 December 2016:	於2016年12月31日：			
Cost	成本	403	41,298	41,701
Accumulated amortisation	累計攤銷	(69)	(9,178)	(9,247)
Net carrying amount	賬面淨值	<u>334</u>	<u>32,120</u>	<u>32,454</u>



13. Intangible Assets (Continued)

In order to adapt to the new pharmaceutical policy and market changes, having conducted prudent business assessment and thorough review of its product portfolio, the Group has taken steps to terminate or suspend the business of some non-major products, such as Taurolite and Esafosfina, during the year ended 31 December 2017, and concentrated resources on the marketing and promotion of the Group's core products such as Human Albumin Solution and antibiotics. Such business restructuring resulted in a plunge in the sales revenue of Taurolite and Esafosfina and the full impairment of the distribution rights of RMB27,531,000 for the year ended 31 December 2017 (2016: Not applicable).

14. Payments in Advance

13. 無形資產(續)

為適應新的醫藥政策和市場變化，本集團對產品組合進行了謹慎的業務評估和徹底檢討後，本集團於截至2017年12月31日止年度逐步停止或中止了部分非主要產品滔羅特及愛賽福等業務，同時借此集中資源專注於本集團核心產品人血白蛋白注射液及抗生素等品種的市場銷售和提升推廣服務。由於進行此等業務重組，截至2017年12月31日止年度非主要產品滔羅特及愛賽福的銷售收益大幅減少及經銷權悉數減值人民幣27,531,000元(2016年：不適用)。

14. 預付款項

		2017	2016
		RMB'000	RMB'000
		人民幣千元	人民幣千元
<i>In respect of:</i>	<i>關於：</i>		
Prepaid long-term technique service fee	預付長期技術服務費	8,581	-
Prepaid long-term consulting service fee	預付長期諮詢服務費	1,346	-
Construction of a warehouse	建設倉庫	30,809	99,858
		40,736	99,858



15. Goodwill

15. 商譽

		RMB'000 人民幣千元
Cost at 1 January 2016, net of accumulated impairment	於2016年1月1日按成本，扣除累計減值	35,526
Acquisition of a subsidiary	收購一間附屬公司	23,106
Cost and net carrying amount at 31 December 2016	於2016年12月31日的成本及賬面淨值	<u>58,632</u>
At 31 December 2016:	於2016年12月31日：	
Cost	成本	58,632
Accumulated impairment	累計減值	—
Net carrying amount	賬面淨值	<u>58,632</u>
Cost at 1 January 2017, net of accumulated impairment	於2017年1月1日按成本，扣除累計減值	58,632
Acquisition of a subsidiary (note 30)	收購一間附屬公司(附註30)	4,030
Impairment during the year	年內減值	(38,961)
Cost and net carrying amount at 31 December 2017	於2017年12月31日的成本及賬面淨值	<u>23,701</u>
At 31 December 2017:	於2017年12月31日：	
Cost	成本	62,662
Accumulated impairment	累計減值	(38,961)
Net carrying amount	賬面淨值	<u>23,701</u>

Goodwill is acquired through the business combination of Chengdu Hengsheng and its wholly-owned subsidiary, namely, Linzhi Ziguang on 31 March 2015 (Linzhi Ziguang Goodwill), the business combination of Qingdao Ruichi on 22 December 2016 (Qingdao Ruichi Goodwill) and the business combination of Chengdu Sinco Pharmaceuticals on 19 September 2017 (Chengdu Sinco Pharmaceuticals Goodwill).

Impairment testing of goodwill

Goodwill acquired through business combinations is allocated to the following cash-generating units ("CGU") for impairment testing:

- Sichuan Sinco Pharmaceuticals CGU (Linzhi Ziguang Goodwill and Chengdu Sinco Pharmaceuticals Goodwill); and
- Qingdao Ruichi CGU (Qingdao Ruichi Goodwill)

商譽透過成都恒盛及其全資附屬公司林芝紫光於2015年3月31日的業務合併(林芝紫光商譽)、青島瑞馳於2016年12月22日的業務合併(青島瑞馳商譽)及成都興科蓉醫藥於2017年9月19日的業務合併(成都興科蓉醫藥商譽)所產生。

商譽減值測試

自業務合併所得商譽分類至下列現金產生單位(「現金產生單位」)作減值測試：

- 四川興科蓉醫藥現金產生單位(林芝紫光商譽及成都興科蓉醫藥商譽)；及
- 青島瑞馳現金產生單位(青島瑞馳商譽)



15. Goodwill (Continued)

Sichuan Sinco Pharmaceuticals CGU

The recoverable amount of the Sichuan Sinco Pharmaceuticals CGU has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to the cash flow projections is 20.1% (2016: 20.1%), which is determined by reference to the average rates for a similar industry and the business risk of the relevant business unit. Cash flows beyond the five-year period were assumed to be stable.

Qingdao Ruichi CGU

The recoverable amount of the Qingdao Ruichi CGU has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to the cash flow projections is 21.3% (2016: Not applicable), which is determined by reference to the average rates for a similar industry and the business risk of the relevant business unit. Cash flows beyond the five-year period were assumed to be stable.

The carrying amount of goodwill allocated to each of the CGU is as follows:

	Sichuan Sinco Pharmaceuticals		Qingdao Ruichi		Total		
	四川興科蓉藥業		青島瑞馳		總計		
	2017	2016	2017	2016	2017	2016	
	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	
Carrying amount of goodwill	商譽賬面值	23,585	58,632	116	-	23,701	58,632

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Budgeted gross margins – The basis used to determine the value assigned to the budgeted gross margins is the average gross margin achieved in the year immediately before the budget year, increased for expected market development.

Discount rate – The discount rate used is pre-tax and reflects specific risks relating to the relevant unit.

The values assigned to key assumptions are consistent with external information sources.

15. 商譽(續)

四川興科蓉藥業現金產生單位

四川興科蓉藥業現金產生單位的可收回金額乃採用基於高級管理層通過涵蓋五年期間的財務預算作出的現金流量預測按使用價值計算釐定。現金流量預測所採用的貼現率分別為20.1%(2016年: 20.1%)，此乃經參考類似行業的平均比率及相關業務單位的業務風險後釐定。五年以上的現金流量假設為穩定。

青島瑞馳現金產生單位

青島瑞馳現金產生單位的可收回金額乃採用基於高級管理層通過涵蓋五年期間的財務預算作出的現金流量預測按使用價值計算釐定。現金流量預測所採用的貼現率分別為21.3%(2016年: 不適用)，此乃經參考類似行業的平均比率及相關業務單位的業務風險後釐定。五年以上的現金流量假設為穩定。

各現金產生單位所分配的商譽賬面值如下：

管理層為進行商譽減值測試時制定現金流量預測所依據的各項主要假設如下：

預算毛利率 – 用作釐定預算毛利率所指定價值的基準乃緊接預算年度前一年所取得的平均毛利率，按預期市場發展而增加。

貼現率 – 所用貼現率為稅前比率，反映有關單位涉及的特定風險。

賦予主要假設的價值與外界資料來源相符。



16. Prepayments, Deposits and Other Receivables

16. 預付款項、按金及其他應收款項

		Notes	2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
		附註		
Current portion	流動部分			
<i>Prepayments in respect of:</i>	<i>以下項目的預付款項：</i>			
– purchase of inventories	– 購買存貨		3,128	21,123
– financing consultation service fee	– 融資諮詢服務費		7,048	–
– marketing and promotion service fee	– 營銷及推廣服務費	(a)	74,608	–
– consultation service fee	– 諮詢服務費		397	5,443
– others	– 其他		61	469
Deposits	按金		1,818	1,748
<i>Other receivables in respect of:</i>	<i>以下項目的其他應收款項：</i>			
– value-added tax recoverable	– 可收回增值稅		57,763	36,049
– purchase rebate	– 購買回扣		1,048	874
– staff advances	– 員工墊款		214	297
– interest receivable for time deposits with original maturity of over three months	– 原到期三個月以上的定期存款應收利息		514	–
– others	– 其他		84	1,112
			146,683	67,115
Non-current portion	非流動部分			
<i>Deposit in respect of:</i>	<i>以下項目的按金：</i>			
– property, plant and equipment	– 物業、廠房及設備	(b)	3,000	3,000
			149,683	70,115

Notes:

- (a) The balance as at 31 December 2017 represents a prepayment of RMB74,608,000 in relation to promotion service provided by ten independent third-party distributors. The total service prepayment amounted to RMB85,485,000 covering the period from 1 September 2017 to 31 October 2018, of which RMB10,877,000 has been released to profit or loss during the year ended 31 December 2017.
- (b) The balance represents a deposit paid to an independent third party, which is controlled by State-owned Assets Supervision and Administration Office of Shuangliu District, in respect of the construction of the Group's warehouse.

None of the above assets is either past due or impaired. The financial assets included in the above relate to receivables for which there was no recent history of default.

附註：

- (a) 於2017年12月31日的結餘指就十名獨立第三方分銷商提供的推廣服務預付人民幣74,608,000元。2017年9月1日至2018年10月31日期間的服務預付款總金額為人民幣85,485,000元，當中人民幣10,877,000元已轉至截至2017年12月31日止年度的損益。
- (b) 結餘指就建設本集團倉庫向一名由雙流區國有資產監督管理委員會控制的獨立第三方支付按金的按金。

上述資產概無逾期或減值。計入上述結餘的金融資產與近期無拖欠記錄的應收款項有關。



17. Deferred Tax

The movements in deferred tax assets are as follows:

		Changes in fair value of financial liabilities at fair value through profit or loss classified as held for trading 分類為持作買賣 透過損益按 公平值計量的 金融負債公平值 RMB'000 人民幣千元	Losses available for offsetting against taxable profits 溢利的虧損 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2017	於2017年1月1日			
Deferred tax credited to profit or loss in Mainland China during the year (note 9)	年內計入中國內地損益的遞延稅項(附註9)	33	7,990	8,023
Deferred tax credited to profit or loss in Hong Kong during the year (note 9)	年內計入香港損益的遞延稅項(附註9)	-	1,136	1,136
		<u>33</u>	<u>9,126</u>	<u>9,159</u>
At 31 December 2017	於2017年12月31日			

As at 31 December 2017, the Group had accumulated tax losses arising in Hong Kong of RMB6,885,000 (31 December 2016: Not applicable) that are available indefinitely for offsetting against future taxable profits of the company in which the losses arose.

As at 31 December 2017, the Group also had accumulated tax losses arising in Mainland China of RMB53,267,000 (31 December 2016: Not applicable) that would expire in five years for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of the tax losses arisen in subsidiaries that have been loss making as it was not considered probable that tax profits would be available against which the tax losses can be utilised.

Deferred tax assets related to the subsidiary in Hong Kong have been provided at the enacted profits tax rate of 16.5%. Deferred tax assets related to the PRC subsidiaries have been provided at the enacted corporate income tax rate of 15%.

17. 遞延稅項

遞延稅項資產的變動如下：

於2017年12月31日，本集團於香港產生的累計稅項虧損為人民幣6,885,000元(2016年12月31日：不適用)，可無限期用作抵銷產生虧損的公司的未來應課稅溢利。

於2017年12月31日，本集團於中國內地產生的累計稅項虧損為人民幣53,267,000元(2016年12月31日：不適用)，將於五年內到期，可用作抵銷產生虧損的公司的未來應課稅溢利。並無就由持續虧損的附屬公司產生的稅項虧損確認遞延稅項資產，原因為有關附屬公司被視為不可能有應課稅溢利可供抵銷稅項虧損。

與香港附屬公司有關的遞延稅項資產已按所頒布的利得稅稅率16.5%計提。與中國附屬公司有關的遞延稅項資產已按所頒布的企業所得稅稅率15%計提。



18. Inventories

At the end of the reporting period, all inventories represented purchased pharmaceutical products.

At 31 December 2017, the Group's inventories with a carrying amount of RMB125,739,000 (2016: Nil) were pledged to secure the Group's other loans as further detailed in note 24(d) to the financial statements.

19. Trade and Bills Receivables

		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
Trade receivables	貿易應收款項	26,481	11,751
Bills receivable	應收票據	10,625	8,117
		37,106	19,868

The Group's trading terms with its customers are mainly on full payment in advance of delivery either in cash or in bills receivable accepted by a bank, except for certain customers which are granted credit terms ranging from 45 days to 90 days. The Group maintains strict control over the settlements of its outstanding receivables and has a credit control department to minimise credit risk. Trade receivables are non-interest-bearing and unsecured.

Based on the invoice date, all trade receivables of the Group as of 31 December 2017 were aged within three months and were neither past due nor impaired.

18. 存貨

於報告期末，所有存貨指所購買的藥品。

於2017年12月31日，本集團以存貨賬面值人民幣125,739,000元(2016年：零)作為本集團其他貸款的抵押，進一步詳情載於財務報表附註24(d)。

19. 貿易應收款項及應收票據

	2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
Trade receivables	26,481	11,751
Bills receivable	10,625	8,117
	37,106	19,868

本集團與其客戶的貿易條款主要為須於交付產品前以現金或銀行承兌的應收票據全數付款(若干客戶除外，其獲授的信貸期介乎45日至90日)。本集團對其尚未收回的應收款項結算維持嚴格控制，並擁有信貸控制部門，以將信貸風險降至最低。貿易應收款項為不計息及無抵押。

根據發票日期，本集團截至2017年12月31日的全部貿易應收款項賬齡均介乎三個月內且並無逾期或減值。



19. Trade and Bills Receivables (Continued)

As at 31 December 2017, the Group discounted certain bills receivable accepted by banks in the PRC, with a carrying amount in aggregate of RMB200,920,000 (the "Derecognised Bills") (2016: RMB94,687,000). The Derecognised Bills had been accepted by reputable banks in the PRC like Industrial and Commercial Bank of China, China Merchants Bank, Bank of Dahua, Bank of China and Chengdu Rural Commercial Bank and had a maturity within three months at the end of the reporting period. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills have a right of recourse against the Group if the PRC banks default (the "Continuing Involvement"). In the opinion of the Directors, the Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills and the associated advances on discounting. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their face amounts. In the opinion of the Directors, the fair values of the Group's Continuing Involvement in the Derecognised Bills are not significant.

During the year, the Group has recognised interest expenses of RMB4,376,000 (2016: RMB560,000) (note 6) on discounted bills receivable. No gains or losses were recognised from the Continuing Involvement, both during the year or cumulatively. The discounting has been made evenly throughout the year.

19. 貿易應收款項及應收票據(續)

於2017年12月31日，本集團貼現若干獲中國的銀行承兌的應收票據，該等應收票據賬面值合共為人民幣200,920,000元（「終止確認票據」）（2016年：人民幣94,687,000元）。終止確認票據獲中國工商銀行、招商銀行、大華銀行、中國銀行及成都農村商業銀行等中國知名銀行承兌，於報告期末，該等票據的到期日均在三個月以內。根據《中華人民共和國票據法》，倘中國的銀行違約，終止確認票據的持有人對本集團擁有追索權（「持續參與」）。董事認為，本集團已轉移絕大部分與終止確認票據有關的風險及回報。因此，其已終止確認終止確認票據及相關貼現墊款的全部賬面值。本集團對終止確認票據的持續參與而面對的最大損失風險及購回該等終止確認票據的未貼現現金流量與其面值相等。董事認為，本集團對終止確認票據的持續參與的公平值並不重大。

年內，本集團確認應收貼現票據的利息開支人民幣4,376,000元（2016年：人民幣560,000元）（附註6）。概無於年內或累計確認持續參與的收益或虧損。整年的貼現額分佈平均。



20. Available-For-Sale Investment

The available-for-sale investment as at 31 December 2016 represents a one-year fund of HK\$120,000,000 (equivalent to RMB103,500,000), namely William Merger and Acquisition Fund No. 9 (the "Fund") issued by Shenzhen City William Financial Holding Limited, an independent third party, on 13 July 2016. The fixed return rate of the Fund is 3.6% per annum based on the stable income from investment portfolio including bonds, reverse repurchase bonds, bank deposits, negotiable certificates of deposit, exchange market funds, other financial products which is having low risk profile with high liquidity. The Fund is redeemable by the Group at any time after the subscription upon giving a written notice of not less than five days in advance of the redemption. Therefore, the above investment is designated as an available-for-sale debt instrument. Pursuant to the underlying contract, the Fund is principal guaranteed upon redemption or maturity. The principal and accrued interest income of the Fund have been fully collected at the end of July 2017.

During the year, the accrued interest income on the Group's available-for-sale investment recognised as "other income" in profit or loss amounted to RMB2,024,000 (note 5) (2016: RMB1,810,000).

20. 可供出售投資

於2016年12月31日的可供出售投資指一年期基金120,000,000港元(相當於人民幣103,500,000元),即由獨立第三方深圳市威廉金融控股有限公司於2016年7月13日發行的威廉金控併購9號基金(「基金」)。基金每年固定回報率為3.6%,為根據包括債券、逆回購債券、銀行存款、可轉讓存款證、外匯市場基金以及具有低風險及高流動性的其他金融產品的投資組合所得穩定收入計算。於贖回前不少於五日發出書面通知後,本集團可於認購事項後隨時贖回基金。因此,上述投資被指定為可供出售債務工具。根據相關合約,基金本金於贖回或到期時可獲保證。於2017年7月底,基金本金及應計利息收入已悉數收回。

年內,本集團於損益確認為「其他收入」的可供出售投資的應計利息收入為人民幣2,024,000元(附註5)(2016年:人民幣1,810,000元)。

21. Cash and Cash Equivalents and Pledged Bank Balances

21. 現金及現金等價物及已抵押銀行結餘

		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
Cash and bank balances	現金及銀行結餘	75,651	154,079
Less: Pledged bank balances*	減: 已抵押銀行結餘*	(52,941)	(52,029)
Cash and cash equivalents	現金及現金等價物	22,710	102,050

* The balances represent time deposits of RMB22,941,000 with original maturity of less than three months pledged for issuance of letters of credit for the purchase of pharmaceutical products and a one-year fixed deposit of RMB30,000,000 with a maturity date in February 2018 pledged at Bank of Shanghai by the Group for the bank loans of RMB28,500,000 as mentioned in note 24(b) to the financial statements.

* 結餘指原到期日不超過三個月就簽發信用證以購買藥品而抵押的定期存款人民幣22,941,000元及本集團就獲取財務報表附註24(b)所述銀行貸款人民幣28,500,000元向上海銀行質押到期日為2018年2月的一年定期存款人民幣30,000,000元。



21. Cash and Cash Equivalents and Pledged Bank Balances (Continued)

The Group's cash and bank balances at the end of the reporting period can be further analysed as follows:

		2017	2016
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Denominated in RMB	以人民幣計值	70,897	100,945
Denominated in US\$	以美元計值	3,303	36,467
Denominated in HK\$	以港元計值	1,451	16,251
Denominated in Euro	以歐元計值	-	416
		75,651	154,079

The RMB is not freely convertible into other currencies. However, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Time deposits are made for the period of three months and one year, and earn interest at the respective deposit rates. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default.

22. Trade Payables

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

		2017	2016
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Within three months	三個月內	22,522	45,832

Trade payables of the Group are non-interest-bearing and are normally settled within 90 days.

21. 現金及現金等價物及已抵押銀行結餘(續)

於報告期末，本集團的現金及銀行結餘可進一步分析如下：

人民幣不能自由兌換為其他貨幣。然而，根據中國內地《外匯管理條例》及《結匯、售匯及付匯管理規定》，本集團可透過獲授權開展外匯業務的銀行將人民幣兌換成其他貨幣。

銀行現金按根據每日銀行存款利率計算的浮動利率計息。定期存款的存款期為三個月及一年，並按各自的存款利率計息。銀行結餘及定期存款乃存於近期無拖欠記錄且信譽良好的銀行。

22. 貿易應付款項

於報告期末，貿易應付款項基於發票日期的賬齡分析如下：

本集團的貿易應付款項為不計息及通常於90日內結清。



23. Other Payables

23. 其他應付款項

	Note	2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
	附註		
Payables related to:	有關以下項目的應付款項：		
Payroll and welfare payable	應付工資及福利	1,108	1,219
Property, plant and equipment	物業、廠房及設備	1,323	1,399
Intangible assets	無形資產	–	60
Deposits received	已收按金 (a)	34,931	54,362
Acquisition of subsidiaries	收購附屬公司	–	2,100
Consulting and professional fees	諮詢及專業費用	30,978	1,296
Tax other than income tax	所得稅除外的稅項	333	372
Interest payable	應付利息	94	–
Other payables	其他應付款項	1,262	926
		70,029	61,734

Note:

- (a) The balances represented refundable deposits received from the Group's distributors according to the sales contracts in order to guarantee their performance under the distribution agreement.

All other payables of the Group are non-interest-bearing and unsecured.

附註：

- (a) 結餘指為保證本集團經銷商按照經銷協議履約而根據銷售合約已收彼等的可退還按金。

本集團所有其他應付款項均免息及無抵押。



24. Interest-Bearing Bank And Other Loans

24. 計息銀行及其他貸款

		Notes	2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
		附註		
Bank loans:	銀行貸款：			
Secured and guaranteed	有抵押及有擔保	(a)	88,000	—
Secured	有抵押	(b)	58,500	35,000
Guaranteed	有擔保	(c)	11,213	110,000
Unsecured	無抵押		—	20,000
			157,713	165,000
Other loans:	其他貸款：			
Secured	有抵押	(d)	118,102	—
			275,815	165,000
Bank and other loans repayable:	應償還銀行及其他貸款：			
Within one year	一年內		275,815	165,000

Notes:

- (a) The balance as at 31 December 2017 represents (i) a one-year bank loan of RMB50,000,000 bearing interest at the rate of 6.525% per annum granted by Mianyang City Commercial Bank Co., Ltd with a maturity date on 24 July 2018, which is guaranteed by Sichuan Development Financing Guarantee Co., Ltd. ("Sichuan Development"). The guarantee provided by Sichuan Development is secured by the Group's equity interest in Chengdu Sinco Technology and Group's buildings located in Chengdu High-tech District and Chengdu High-tech Western District; (ii) two six-month bank loans totalling RMB20,000,000 granted by Bank of China bearing interest at the rate of 1.58% above the one-year China Inter Bank Offered Rate ("CIBOR") with respective maturity dates on 1 June 2018 and 5 June 2018, which are secured by the Group's certain building located in Chengdu Shuangliu District and jointly guaranteed by the Company, Sichuan Sinco Pharmaceuticals and Chengdu Hengsheng; and (iii) a six-month bank loan of RMB18,000,000 granted by Bank of China bearing interest at the rate of 2.01% above the one-year CIBOR with a maturity date on 28 February 2018, which is secured by the Group's certain building located in Chengdu Shuangliu District and jointly guaranteed by the Company, Sichuan Sinco Pharmaceuticals and Chengdu Sinco Technology;

附註：

- (a) 於2017年12月31日的結餘指(i)由綿陽市商業銀行股份有限公司授出的一年期銀行貸款人民幣50,000,000元(按年利率6.525%計息)，於2018年7月24日到期並由四川發展融資擔保股份有限公司(「四川發展」)擔保。四川發展所提供的擔保由本集團於成都興科蓉技術的股權及本集團位於成都高新區及成都高新西區的樓宇作抵押；(ii)由中國銀行授出的兩項六個月銀行貸款總額人民幣20,000,000元，按一年期中國銀行同業拆息(「中國銀行同業拆息」)加1.58%的利率計息並各自於2018年6月1日及2018年6月5日到期，且由本集團位於成都雙流區的若干樓宇作抵押並由本公司、四川興科蓉藥業及成都恒盛共同擔保；及(iii)由中國銀行授出的六個月銀行貸款人民幣18,000,000元，按一年期中國銀行同業拆息加2.01%的利率計息並於2018年2月28日到期，且由本集團位於成都雙流區的若干樓宇作抵押並由本公司、四川興科蓉藥業及成都興科蓉技術共同擔保；



24. Interest-Bearing Bank And Other Loans (Continued)

Notes: (Continued)

- (b) The balance as at 31 December 2017 represents (i) a one-year bank loan of RMB28,500,000 granted by Bank of Shanghai bearing interest at the rate of 4.3935% per annum with a maturity date on 13 February 2018, which is secured by a one-year fixed deposit of RMB30,000,000; and (ii) a one-year bank loan of RMB30,000,000 granted by Bank of Shanghai bearing an interest rate of 5.655% per annum with a maturity date on 22 January 2018, which is secured by the Group's 100% equity interests in Linzhi Ziguang and 40% equity interests in Sichuan Sinco Pharmaceuticals.
- (c) The balance as at 31 December 2017 represents three-month bank loans of US\$558,000 (equivalent to RMB3,648,000) and US\$1,158,000 (equivalent to RMB7,565,000) granted by China Merchants Bank to the Group, both of which bear interest at the rate of 2.5% above three-month LIBOR with maturity dates on 27 March 2018 and 26 March 2018 respectively. They are jointly guaranteed by Sichuan Kelun Pharmaceutical Trading Co., Ltd, an independent third party incorporated in Chengdu, coupled with the Company.
- (d) The balance as at 31 December 2017 represents other loans borrowed from two independent third parties with principal of RMB118,102,000 in aggregate, which bear interest at effective interest rates ranging from 17.7% to 20.7% per annum with maturity dates in March 2018. Such loans are secured by the Group's inventories with a carrying amount of RMB125,739,000 (note 18).

Management has assessed that the fair values of the above interest-bearing bank and other loans approximate to their carrying amounts largely due to the short term maturities of these instruments.

24. 計息銀行及其他貸款(續)

附註：(續)

- (b) 於2017年12月31日的結餘指(i)由上海銀行授出的一年期銀行貸款人民幣28,500,000元，按年利率4.3935%計息並於2018年2月13日到期，且由一年期固定存款人民幣30,000,000元作抵押；及(ii)由上海銀行授出的一年期銀行貸款人民幣30,000,000元，按年利率5.655%計息並於2018年1月22日到期，且由本集團於林芝紫光的全部股權及於四川興科蓉藥業40%的股權作抵押。
- (c) 於2017年12月31日的結餘指中國招商銀行授予本集團的三個月銀行貸款558,000美元(相當於人民幣3,648,000元)及1,158,000美元(相當於人民幣7,565,000元)，兩者均按三個月倫敦銀行同業拆息加2.5%的利率計息，並分別於2018年3月27日及2018年3月28日到期。由在成都註冊成立的獨立第三方四川科倫藥業股份有限公司及本公司共同擔保。
- (d) 於2017年12月31日的結餘即由兩名獨立第三方借出於2018年3月到期本金額共計人民幣118,102,000元的貸款，按介乎年利率17.7%至20.7%的實際利率計息。該貸款以賬面值人民幣125,739,000元的本集團存貨作抵押(附註18)。

管理層評估，上述計息銀行及其他貸款的公平值與各自的賬面值相若，主要由於該等工具的短期性質使然。



25. Financial Assets/(Liabilities) at Fair Value through Profit or Loss Classified as Held for Trading

		2017	2016
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Currency forward contract	貨幣遠期合約	(218)	146

Financial liabilities at fair value through profit or loss classified as held for trading represented fair value losses on currency forward contract at fair value as at 31 December 2017.

As of 31 December 2017, the outstanding currency forward contract of US\$1,706,000 with maturity date in January 2018 were entered into by the Group and the Bank of East Asia, Limited ("BEA") and were designated by the Group as financial liabilities at fair value through profit or loss classified as held for trading upon initial recognition. The fair value of the currency forward contract was estimated by an independent professional valuer by using the discounted cash flow model.

25. 分類為持作買賣透過損益按公平值計量的金融資產/(負債)

分類為持作買賣透過損益按公平值計量的金融負債指於2017年12月31日按公平值計量的貨幣遠期合約的公平值虧損。

於2017年12月31日，本集團與東亞銀行有限公司(「東亞銀行」)訂有未到期貨幣遠期合約1,706,000美元，到期日為2018年1月，並於初步確認時由本集團指定為分類為持作買賣透過損益按公平值計量的金融負債。貨幣遠期合約的公平值由獨立專業估值師使用貼現現金流量模式估計。

26. Bonds

			2017	2016
			RMB'000	RMB'000
			人民幣千元	人民幣千元
		Notes 附註		
June 2017 Bonds	2017年6月債券	(a)	100,152	-
December 2017 Bonds	2017年12月債券	(b)	33,704	-
Carrying amount of bonds at 31 December 2017	於2017年12月31日的 債券賬面值		133,856	-

26. 債券



26. Bonds (Continued)

Notes:

- (a) On 27 June 2017, the Company issued unlisted bonds in the aggregate principal amount of HK\$120,000,000 (equivalent to RMB104,150,000) (the "June 2017 Bonds"). The Company's obligations under the bonds are unconditionally guaranteed by Mr. Huang Xiangbin, the Chairman, executive Director and Co-chief executive officer of the Company, and secured by (i) 1,049,990 shares of the Company held by Risun; and (ii) the entire issued share capital of Risun. The maturity date of the bonds falls 24 months after the date of issue. The nominal effective interest rate is 10% per annum and the interest should be payable quarterly. Pursuant to the bond supplemental deed executed by the Company in respect of amendments of certain terms and conditions of the June 2017 Bonds which took effective on 12 October 2017, the nominal effective rate was amended to 15% per annum with interest payable quarterly and the maturity date was amended to 27 March 2018.

The related interest expense of the June 2017 Bonds for the year ended 31 December 2017 amounted to RMB8,117,000 (2016: Not applicable).

- (b) On 30 June 2017, the Company issued convertible bonds in the aggregate principal amount of HK\$40,000,000 (equivalent to RMB34,717,000). The Company's obligations under the convertible bonds are unconditionally guaranteed by Mr. Huang Xiangbin and secured by (i) 1,049,990 shares of the Company held by Risun; and (ii) the entire issued share capital of Risun. Pursuant to the convertible bond supplemental deed which took effective on 18 December 2017, all rights and obligations of the holder of the convertible bonds and the Company in relation to the conversion rights were deleted. Meanwhile, the maturity date was amended to 30 March 2018 and the interest rate was amended to 15% per annum with interest payable quarterly. Management was of the view that the revised terms and conditions of the convertible bonds were substantially different and the modification was automatically required to be treated as an extinguishment. Hence, the Group derecognised the existing liability and recognised a new bond (the "December 2017 Bonds").

The related interest expense of the December 2017 Bonds for the year ended 31 December 2017 amounted to RMB2,860,000 (2016: Not applicable).

26. 債券(續)

附註：

- (a) 於2017年6月27日，本公司發行本金總額為120,000,000港元(相當於人民幣104,150,000元)的非上市債券(「2017年6月債券」)。本公司就債券承擔的責任由本公司主席、執行董事及聯席行政總裁黃祥彬先生無條件擔保，並以(i) Risun所持有的本公司1,049,990股股份；和(ii) Risun的全部已發行股本作為抵押。債券的到期日為發行日期起滿24個月當日。賬面實際年利率為10%，利息須按季支付。根據於2017年10月12日生效的由本公司就修訂2017年6月債券若干條款及條件而簽立的債券補充契據，賬面實際年利率改為15%而利息須按季支付，到期日改為2018年3月27日。

於截至2017年12月31日止年度的2017年6月債券的相關利息開支為人民幣8,117,000元(2016年：不適用)。

- (b) 於2017年6月30日，本公司發行本金總額為40,000,000港元(相當於人民幣34,717,000元)的可換股債券。本公司就可換股債券承擔的責任由黃祥彬先生無條件擔保，並以(i) Risun所持有的本公司1,049,990股股份；和(ii) Risun的全部已發行股本作為抵押。根據於2017年12月18日生效的可換股債券補充契據，可換股債券持有人及本公司有關兌換權的所有權利及義務已刪除。同時，到期日改為2018年3月30日，年利率改為15%而利息須按季支付。管理層認為，可換股債券條款及條件的修訂本大不相同，該修訂須自動視為失效。因此，本集團終止確認現有負債及確認新債券(「2017年12月債券」)。

於截至2017年12月31日止年度的2017年12月債券的相關利息開支為人民幣2,860,000元(2016年：不適用)。



27. Share Capital Shares

27. 股本 股份

		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
Authorised:	法定：		
10,000,000,000 (31 December 2016: 3,800,000,000) ordinary shares of HK\$0.0001 each	10,000,000,000股 (2016年12月31日： 3,800,000,000股) 每股面值0.0001港元的 普通股	822	304
Issued and fully paid:	已發行及繳足：		
1,615,220,000 (31 December 2016: 1,615,220,000) ordinary shares of HK\$0.0001 each	1,615,220,000股 (2016年12月31日： 1,615,220,000股) 每股面值0.0001港元的 普通股	130	130

During the year, the authorised share capital was increased from HK\$380,000 divided into 3,800,000,000 shares of HK\$0.0001 each to HK\$1,000,000 divided into 10,000,000,000 shares of HK\$0.0001 each by the creation of 6,200,000,000 additional unissued shares of HK\$0.0001 each. The increase in authorised share capital was approved by the shareholders at the Extraordinary General Meeting (the "EGM") on 29 December 2017. As at 31 December 2017, the Company had 1,615,220,000 shares in issue and 8,384,780,000 unissued shares.

A summary in the Company's issued share capital is as follows:

年內，法定股本透過額外增設6,200,000,000股每股0.0001港元的未發行股份由380,000港元（分為3,800,000,000股每股0.0001港元的股份）增加至1,000,000港元（分為10,000,000,000股每股0.0001港元的股份）。增加法定股本已獲股東於2017年12月29日的股東特別大會（「股東特別大會」）上批准。於2017年12月31日，本公司已發行1,615,220,000股股份，未發行股份為8,384,780,000股。

本公司已發行股本概要如下：

		Number of ordinary shares 普通股數目	Nominal value of ordinary shares 普通股面值 RMB'000 人民幣千元
At 1 January 2017	於2017年1月1日	1,615,220,000	130
At 31 December 2017	於2017年12月31日	1,615,220,000	130



28. Share Option Scheme

The Company operates a Share Option Scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the development of the Group. Eligible participants of the Share Option Scheme are employees (whether full time or part time) of the Company, its subsidiaries or any entity in which the Group holds any equity interest (the "Invested Entity"), including directors (including independent non-executive directors) and senior management of the Company, its subsidiaries and any Invested Entity. The Share Option Scheme was approved by the Company's shareholders on 1 February 2016 and became effective upon the listing of the shares of the Company and, unless otherwise cancelled or amended, will remain in force for 10 years from 1 February 2016. Please refer to the 2016 annual report of the Company for details.

The following share options were outstanding under the Share Option Scheme during the year:

		Notes 附註	Weighted average exercise price 加權平均行使價 HK\$ per Share 每股股份港元	Number of options 購股權數目 '000 千份
As of 1 January 2017	於2017年1月1日	(i)	0.568	30,000
Forfeited during the year	年內沒收	(ii)	0.568	(12,150)
As of 31 December 2017	於2017年12月31日		0.568	17,850

Notes:

- (i) The share options outstanding as at 1 January 2017 represented 30,000,000 share options granted by the Company on 21 September 2016 at an exercise price of HK\$0.568 per share to certain eligible participants of the Company in respect of their contributions to the Group's development under the Share Option Scheme.
- (ii) The share options granted to certain eligible participants under the Share Option Scheme were forfeited following their resignations during the year.

28. 購股權計劃

本公司設有購股權計劃，旨在向對本集團發展作出貢獻的合資格參與者提供獎勵及回報。購股權計劃的合資格參與者為本公司、其附屬公司或本集團持有任何股權的實體（「投資實體」）的僱員（無論全職或兼職），包括本公司、其附屬公司及任何投資實體的董事（包括獨立非執行董事）及高級管理層。購股權計劃已於2016年2月1日獲本公司股東批准並於本公司股份上市後生效，且除非另行取消或修訂，否則將由2016年2月1日起計十年內維持有效。詳情請參閱本公司2016年報。

以下為年內尚未根據購股權計劃行使的購股權：

附註：

- (i) 於2017年1月1日尚未行使的購股權指本公司已就本公司若干合資格參與者對本集團發展所作出的貢獻，根據購股權計劃按行使價每股0.568港元於2016年9月21日向彼等授出的30,000,000份購股權。
- (ii) 年內，根據購股權計劃向若干合資格參與者授出的購股權於彼等辭任後沒收。



28. Share Option Scheme (Continued)

The exercise prices and exercise periods of the share options outstanding as of 31 December 2017 and 31 December 2016 are as follows:

31 December 2017

Number of options 購股權數目 '000 千份	Exercise price per share 每股行使價 HK\$ 港元	Exercise period 行使期
7,140	0.568	From 21 September 2017 to 20 September 2022 2017年9月21日至2022年9月20日
5,355	0.568	From 21 September 2018 to 20 September 2022 2018年9月21日至2022年9月20日
5,355	0.568	From 21 September 2019 to 20 September 2022 2019年9月21日至2022年9月20日
17,850		

31 December 2016

Number of options 購股權數目 '000 千份	Exercise price per share 每股行使價 HK\$ 港元	Exercise period 行使期
12,000	0.568	From 21 September 2017 to 20 September 2022 2017年9月21日至2022年9月20日
9,000	0.568	From 21 September 2018 to 20 September 2022 2018年9月21日至2022年9月20日
9,000	0.568	From 21 September 2019 to 20 September 2022 2019年9月21日至2022年9月20日
30,000		

28. 購股權計劃(續)

於2017年12月31日及2016年12月31日尚未行使購股權的行使價及行使期如下：

The Company recognised a share option expense of RMB1,352,000 during the year (2016: RMB995,000).

年內本公司確認購股權開支為人民幣1,352,000元(2016年：人民幣995,000元)。



28. Share Option Scheme (Continued)

The fair value of equity-settled share options granted under the Share Option Scheme was estimated as of the date of grant, using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

Dividend yield (%)	Nil
Expected volatility (%)	48.75
Risk-free interest rate (%)	0.72

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

No other feature of the options granted was incorporated into the measurement of fair value.

As at 31 December 2017, the Company had 17,850,000 share options outstanding under the Share Option Scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 17,850,000 additional ordinary shares of the Company and additional share capital of HK\$1,785 and share premium of at least HK\$10,137,015 (before issue expenses).

At the date of approval of these financial statements, the Company had 17,850,000 share options outstanding under the Share Option Scheme, which represented approximately 1.1% of the Company's shares in issue as of that date.

28. 購股權計劃(續)

根據購股權計劃授出的以股權結算的購股權的公平值乃於授出日期以二項式模式估計，並經計及所授出購股權的條款及條件。下表載列所採用的模式參數：

股息率(%)	零
預期波幅(%)	48.75
無風險利率(%)	0.72

預期波幅反映歷史波幅可標示未來趨勢的假設，但未必為實際結果。

計量公平值時概無納入已授出購股權的其他特徵。

於2017年12月31日，根據購股權計劃，本公司擁有17,850,000份尚未行使的購股權。根據本公司目前的資本架構，倘悉數行使尚未行使的購股權，將導致額外發行17,850,000股本公司普通股以及增加股本1,785港元及股份溢價至少10,137,015港元(扣除發行開支前)。

於該等財務報表批准日期，根據購股權計劃，本公司擁有17,850,000份尚未行使的購股權，佔本公司於該日期已發行股份約1.1%。



29. Reserves

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity of the financial statements.

(a) Share premium account

The application of the share premium account is governed by the Companies Law of the Cayman Islands. Under the constitutional documents and the Companies Law of the Cayman Islands, the share premium is distributable as dividend on the condition that the Company is able to pay its debts when they fall due in the ordinary course of business at the time the proposed dividend is to be paid.

(b) Contributed surplus

The contributed reserve represents the aggregate nominal amount of the paid-up capital of Sichuan Sinco Pharmaceuticals attributable to the owners of the Company.

(c) Statutory reserve

In accordance with the Company Law of the PRC and the respective articles of association of subsidiaries domiciled in Mainland China, each of the PRC subsidiaries is required to allocate 10% of its profit after tax, as determined in accordance with PRC GAAP, to the statutory surplus reserve (the "SSR") until such reserve reaches 50% of its registered capital.

As Sichuan Sinco Pharmaceuticals, Sinco Shanghai and Qingdao Yusheng are wholly-foreign-owned enterprises, allocation to the SSR is not required. According to the Rules for the Implementation of Foreign-funded Enterprise Law of the PRC and articles of association of Sichuan Sinco Pharmaceuticals, Sinco Shanghai and Qingdao Yusheng, they are required to allocate 10% of their profit after tax in accordance with PRC GAAP to the statutory reserve fund (the "SRF") until such reserve reaches 50% of their respective registered capital.

The SSR and the SRF are non-distributable except in the event of liquidation and subject to certain restrictions set out in the relevant PRC regulations. They can be used to offset accumulated losses or capitalised as paid-up capital.

29. 儲備

本集團的儲備金額及其於本年度及過往年度的變動在財務報表的綜合權益變動表呈列。

(a) 股份溢價賬

應用股份溢價賬受開曼群島公司法規管。根據章程文件及開曼群島公司法，倘本公司於派付建議股息時能夠償還日常業務過程中的到期債務，則股份溢價可分派為股息。

(b) 實繳盈餘

實繳盈餘指本公司擁有人應佔四川興科蓉藥業實繳股本總面值。

(c) 法定儲備

根據中國公司法及位於中國內地的附屬公司各自的組織章程細則，各中國附屬公司須將其稅後溢利10%（根據中國公認會計原則釐定）撥至法定盈餘儲備（「法定盈餘儲備」），直至該等儲備達到其註冊資本的50%為止。

由於四川興科蓉藥業、興科蓉(上海)及青島煜盛乃外商獨資企業，故毋須撥款至法定盈餘儲備。根據中國外資企業法實施細則以及四川興科蓉藥業、興科蓉(上海)及青島煜盛的組織章程細則，該等公司須根據中國公認會計原則分配其10%稅後溢利至法定儲備基金（「法定儲備基金」），直至該儲備金達到其註冊資本的50%為止。

除清盤情況及受相關中國法規所載若干限制所限外，法定盈餘儲備及法定儲備基金不可分派，惟可用於抵銷累計虧損或資本化為實繳股本。



29. Reserves (Continued)

(d) Share option reserve

The share option reserve comprises the fair value of share options granted which are yet to be exercised, as further explained in the accounting policy for share-based payments in note 2.4 to the financial statements. The amount will either be transferred to the share premium account when the related options are exercised, or be transferred to retained profits should the related options expire or be forfeited.

30. Business Combination

On 19 September 2017, the Group acquired a 100% equity interest in Chengdu Sinco Pharmaceuticals from an independent third party, namely Chengdu Jisi Feili Pharmaceuticals Technology Co., Ltd.. Chengdu Sinco Pharmaceuticals is primarily engaged in the trading of pharmaceutical products. The acquisition was made for the application for the land use right certificate where the Group's warehouse was located. The total purchase consideration for the acquisition was RMB4,520,000 which was paid during the year ended 31 December 2017.

The fair values of the identifiable assets and liabilities of Chengdu Sinco Pharmaceuticals as of the date of acquisition were as follows:

29. 儲備(續)

(d) 購股權儲備

購股權儲備包括已授出但尚未行使購股權的公平值，進一步詳情於財務報表附註2.4有關以股份為基礎的付款的會計政策內闡述。該金額將於相關購股權獲行使時轉撥至股份溢價賬，或於相關購股權到期或被沒收時轉撥至保留溢利。

30. 業務合併

於2017年9月19日，本集團自獨立第三方成都吉思菲利醫藥科技有限公司收購成都興科蓉醫藥的全部股權。成都興科蓉醫藥主要從事藥品貿易業務。收購乃為申請本集團倉庫所在地的土地使用權證所作出。收購總購買代價為人民幣4,520,000元，已於截至2017年12月31日止年度支付。

於收購日期成都興科蓉醫藥的可識別資產及負債的公平值如下：

		Fair value recognised on acquisition 收購時 已確認的 公平值 RMB'000 人民幣千元
Property, plant and equipment (note 12)	物業、廠房及設備(附註12)	194
Cash and cash equivalents	現金及現金等價物	4
Other receivables	其他應收款項	562
Other payables	其他應付款項	(270)
Total identifiable net assets at fair value	按公平值列賬的可識別資產淨值總額	490
Goodwill on acquisition (note 15)	收購產生的商譽(附註15)	4,030
		4,520



30. Business Combination (Continued)

30. 業務合併(續)

		Fair value recognised on acquisition 收購時 已確認的 公平值 RMB'000 人民幣千元
Satisfied by:	以下列方式支付：	
Cash	現金	4,520

An analysis of the cash flows in respect of the acquisition of a subsidiary is as follows:

收購一家附屬公司的相關現金流量分析如下：

		RMB'000 人民幣千元
Cash consideration	現金代價	(4,520)
Cash and bank balances acquired	所得現金及銀行結餘	4
Net outflow of cash and cash equivalents	現金及現金等價物流出淨額	(4,516)

Since the acquisition, Chengdu Sinco Pharmaceuticals contributed RMB607,000 to the Group's revenue and RMB25,706,000 to the consolidated loss for the year ended 31 December 2017.

自收購以來，成都興科蓉醫藥對本集團截至2017年12月31日止年度的收益及綜合虧損貢獻人民幣607,000元及人民幣25,706,000元。

Had the combination taken place at the beginning of the year, the revenue of the Group and the loss of the Group for the year ended 31 December 2017 would have been RMB806,723,000 and RMB186,778,000 respectively.

假設業務合併於年初進行，則本集團於截至2017年12月31日止年度的收益及虧損分別應為人民幣806,723,000元及人民幣186,778,000元。



31. Note to the Consolidated Statement of Cash Flows

Changes in liabilities arising from financing activities

31. 綜合現金流量表附註

融資活動所得負債變動

		Bonds 債券 RMB'000 人民幣千元 (note 26) (附註26)	Interest payable 應付利息 RMB'000 人民幣千元 (note 23) (附註23)	Dividends paid 已派付股息 RMB'000 人民幣千元 (note 36) (附註36)	Bank and other loans 銀行及其他貸款 RMB'000 人民幣千元 (note 24) (附註24)
At 1 January 2017	2017年1月1日	-	-	-	165,000
Changes from financing cash flows	融資現金流量變動	139,881	(33,607)	-	111,618
Non-cash changes:	非現金變動：				
Foreign exchange movement	外匯變動	(6,025)	-	-	(803)
Interest expense	利息開支	-	33,701	-	-
At 31 December 2017	於2017年12月31日	133,856	94	-	275,815
At 1 January 2016	於2016年1月1日	-	-	-	81,915
Changes from financing cash flows	融資現金流量變動	-	(9,187)	(4,648)	83,115
Non-cash changes:	非現金變動：				
Foreign exchange movement	外匯變動	-	-	93	(30)
Share premium	股份溢價	-	-	4,555	-
Interest expense	利息開支	-	9,187	-	-
At 31 December 2016	於2016年12月31日	-	-	-	165,000

Changes in assets arising from financing activities

融資活動所得資產變動

		Prepaid long-term consultation service fee 預付長期諮詢服務費 RMB'000 人民幣千元 (note 14) (附註14)	Prepaid consultation service fee 預付諮詢服務費 RMB'000 人民幣千元 (note 16) (附註16)
At 1 January 2017	於2017年1月1日	-	-
Changes from financing cash flows	融資現金流量變動	1,346	7,048
At 31 December 2017	於2017年12月31日	1,346	7,048



32. Operating Lease Arrangements

As lessee

The Group leases certain of its office properties under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to three years. At the end of the reporting period, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
Within one year	一年內	979	925
In the second to fifth years, inclusive	第二至五年內(包括首尾兩年)	627	1,121
		1,606	2,046

33. Commitments

The Group had the following capital commitments at the end of the reporting period:

		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
Contracted, but not provided for:	已訂約但未撥備:		
– Construction of a warehouse	– 建設倉庫	84,691	2,265

34. Related Party Transactions

(a) During the year, the Group had the following material transactions with related parties:

		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
Bonds guaranteed by Mr. Huang Xiangbin	由黃祥彬先生擔保的債券	133,856	–
Bonds secured by Risun's shares over the Company	以Risun所持有的本公司股份抵押的債券	133,856	–

32. 經營租約安排

作為承租人

本集團根據經營租約安排租賃若干辦公物業。物業租期議定為介乎一至三年。於報告期末，本集團根據不可撤銷經營租約的到期未來最低租賃款項總額如下：

33. 承擔

本集團於報告期末的資本承擔如下：

34. 關連方交易

(a) 於年內，本集團擁有下列與關連方進行的重大交易：

**34. Related Party Transactions (Continued)****(b) Compensation of key management personnel of the Group**

		2017	2016
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	2,543	2,274
Pension scheme contributions	退休金計劃供款	23	4
Equity-settled share option expense	以股權結算的購股權開支	(166)	166
		2,400	2,444

34. 關連方交易(續)**(b) 本集團主要管理人員報酬****35. Financial Risk Management Objectives and Policies**

The financial assets of the Group mainly include cash and bank balances, pledged bank balances, trade and bills receivables, prepayments, deposits and other receivables, which arise directly from its operations. Financial liabilities of the Group mainly include trade and other payables, financial liabilities at fair value through profit or loss classified as held for trading, interest-bearing bank and other loans and bonds.

Risk management is carried out by the finance department which is led by the Group's executive directors. The Group's finance department identifies and evaluates financial risks in close co-operation with the Group's operating units. The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk.

The Group's financial risk management policy seeks to ensure that adequate resources are available to manage the above risks and to create value for its shareholders. The Directors regularly review these risks and they are summarised below.

35. 財務風險管理目標及政策

本集團的金融資產主要包括營運直接產生的現金及銀行結餘、已抵押銀行結餘、貿易應收款項及應收票據、預付款項、按金以及其他應收款項。本集團的金融負債主要包括貿易及其他應付款項、分類為持作買賣按公平值計入損益的金融負債、計息銀行及其他貸款及債券。

財務部門在本集團執行董事的領導下進行風險管理。本集團的財務部門與營運單位密切合作，以識別及評估財務風險。來自本集團金融工具的主要風險為利率風險、外匯風險、信貸風險及流動資金風險。

本集團的財務風險管理政策尋求確保有充裕資源用以管理上述風險及為股東創造價值。董事定期檢討該等風險並概述如下。



35. Financial Risk Management Objectives and Policies (Continued)

Interest rate risk

The Group's exposure to interest rate risk relates primarily to the Group's bank deposits and interest-bearing bank and other loans. The interest rates and terms of repayment of interest-bearing bank loans are disclosed in note 24 to the financial statements.

The Group manages its cash flow interest rate risk exposure arising from all of its interest-bearing loans through the use of floating rates or a mix of floating and fixed rates. The Group also holds certain borrowings at floating interest rates so as to manage part of the fair value interest rate risk. In addition, the Group has not used any interest rate swaps to hedge against interest rate risk.

As of 31 December 2017, floating interest rate borrowings accounted for about 23% (2016: 18%) of the Group's borrowings, and fixed interest rate borrowings accounted for about 77% (2016: 82%) of the Group's borrowings. Management would adjust the proportion of floating rate borrowings based on changes in the market interest rates to reduce the significant impact of the interest rate risk.

If there would be a general increase/decrease in the market interest rates by one percentage point, with all other variables held constant, the Group's consolidated pre-tax profit/loss would have decreased/increased by approximately RMB2,758,000 (2016: RMB1,650,000) for the year ended 31 December 2017, and there would be no impact on other components of the consolidated equity, except for retained earnings, of the Group. The sensitivity analysis above has been determined assuming that the change in market interest rates had occurred at the end of the year and had applied the exposure to interest rate risk to those financial instruments in existence at those dates.

35. 財務風險管理目標及政策(續)

利率風險

本集團面對主要與其銀行存款及計息銀行及其他貸款相關的利率風險。利率及計息銀行貸款還款期限披露於財務報表附註24。

本集團透過使用浮動利率或浮動及固定利率相結合管理其全部計息貸款所產生的現金流量利率風險。本集團亦持有若干按浮動利率計息的借貸以管理部分公平值利率風險。此外，本集團並無使用任何利率掉期對沖利率風險。

於2017年12月31日，浮動利率借貸佔本集團借貸約23%（2016年：18%），而固定利率借貸佔本集團借貸約77%（2016年：82%）。管理層基於市場利率變動調整浮動利率借貸比例，以降低利率風險的重大影響。

倘市場利率整體上升／下降一個百分點，在所有其他變量保持不變的情況下，本集團於截至2017年12月31日止年度的綜合稅前溢利／（虧損）將減少／增加約人民幣2,758,000元（2016年：人民幣1,650,000元），對本集團綜合權益的其他部分（保留盈利除外）並無影響。上述敏感度分析乃按市場利率變動已於年末發生且本集團已於有關日期就該等金融工具作出利率風險敞口的假設而釐定。



35. Financial Risk Management Objectives and Policies (Continued)

Foreign currency risk

The Group's purchase of products from the overseas suppliers is denominated in US\$. Most of the Group's assets and liabilities are denominated in RMB, except for certain items of cash and cash equivalents, pledged bank balances, other receivables, bank borrowings, bonds and trade payables that are denominated in US\$ and HK\$.

The Group does not enter into any hedging transactions to manage the potential fluctuation in foreign currencies. Management monitors the Group's foreign currency exposure and will consider hedging significant foreign currency exposure when the need arises.

The following table demonstrates the sensitivity to a 5.0% change in RMB against US\$ and HK\$. The 5.0% is the rate used when reporting currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in the foreign currency rate. The sensitivity analyses of the Group's exposure to foreign currency risk at the end of each reporting period have been determined based on the adjustment of translation of the monetary assets and liabilities at the end of each reporting period for a 5.0% change in RMB against US\$ and HK\$, respectively, with all other variables held constant, of the Group's profit before tax for the years ended 31 December 2017 and 2016 (due to changes in the fair value of cash and cash equivalents, pledged bank balances, other receivables, bank borrowings, trade payables and bonds denominated in US\$ and HK\$):

		2017	2016
		RMB'000	RMB'000
		人民幣千元	人民幣千元
<i>Increase/(decrease) in profit before tax</i>	<i>除稅前溢利增加/(減少)</i>		
If RMB weakens against US\$ and HK\$	倘人民幣兌美元及港元貶值	(8,879)	9,276
If RMB strengthens against US\$ and HK\$	倘人民幣兌美元及港元升值	8,879	(9,276)

35. 財務風險管理目標及政策(續)

外匯風險

本集團向海外供應商購買產品以美元計值。本集團大部分資產及負債以人民幣計值，惟若干現金及現金等價物、已抵押銀行結餘、其他應收款項、銀行借貸、債券及應付貿易款項以美元及港元計值。

本集團並無訂立任何對沖交易以管理潛在的外匯波動。管理層會監察本集團外匯風險，並將在有需要時考慮對沖重大外匯風險。

下表列示人民幣兌美元及港元匯率變動5.0%的敏感度。5.0%乃內部向主要管理人員呈報外匯風險所用比率，為管理層對外幣匯率合理可能變動的評估。本集團於各報告期末面對的外匯風險敏感度分析，乃根據在所有其他變量保持不變的情況下，就人民幣兌美元及港元匯率變動5.0%分別調整各報告期末貨幣資產及負債換算值對本集團截至2017年及2016年12月31日止年度除稅前溢利的影響釐定(由於以美元及港元計值的現金及現金等價物、已抵押銀行結餘、其他應收款項、銀行借貸、應付貿易款項及債券的公平值變動所致)：



35. Financial Risk Management Objectives and Policies (Continued)

Credit risk

Substantial amounts of the Group's cash and cash equivalents and time deposits are held in major reputable financial institutions located in Mainland China, which management believes are of high credit quality. The credit risk of the Group's other financial assets, which comprise trade and bills receivables, and other receivables, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments. The Group has no other financial assets which carry significant exposure to credit risk.

The Group trades only with recognised and creditworthy customers with no requirement for collateral. It is the Group's policy that except for certain customers which are granted credit terms ranging from 45 days to 90 days, customers should make full prepayment either in cash or bank accepted bills receivable. The Group seeks to maintain strict control over its outstanding receivables and senior management of the Company keeps reviewing and assessing the creditworthiness of the Group's existing customers on an ongoing basis. The Group's exposure to credit risk is also influenced by the individual characteristics of each customer and default risk of the industry in which the customers operate. As the Group's exposure to credit risk spreads over a diversified portfolio of customers, there is no significant concentration of credit risk.

In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

Liquidity risk

The Group monitors its exposure to a shortage of funds by considering the maturity of both its financial liabilities and financial assets and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing bank and other loans, bonds and its own funding sources.

35. 財務風險管理目標及政策(續)

信貸風險

本集團絕大部分現金及現金等價物以及定期存款存放於中國內地具有良好聲譽的主要金融機構，管理層相信該等金融機構具備高信貸質素。本集團其他金融資產(包括貿易應收款項及應收票據以及其他應收款項)的信貸風險來自對手方違約，最高風險敞口相當於該等工具的賬面值。本集團並無其他附有重大信貸風險的金融資產。

本集團僅與獲認可的誠信客戶進行交易，不要求抵押。根據本集團的政策，除獲授信貸期介乎45日至90日的若干客戶外，客戶應以現金或應收銀行承兌票據進行全額預付。本集團致力於對尚未收回的應收款項維持嚴格控制，且本公司高級管理層持續檢討及評估本集團現有客戶的信譽。本集團面對的信貸風險亦受各名客戶的個別特徵及客戶營運所在行業的違約風險的影響。由於本集團面對的信貸風險遍及多元化客戶組合，因此並無重大集中的信貸風險。

此外，應收款項結餘按持續基準監管，而本集團的壞賬風險並不重大。

流動資金風險

本集團透過考慮金融負債及金融資產的到期日以及預計自營運產生的現金流量監控資金短缺的風險。

本集團的目標為透過使用計息銀行及其他貸款、債券及其自身資金來源維持資金持續性與靈活性的平衡。



35. Financial Risk Management Objectives and Policies (Continued)

Liquidity risk (Continued)

The maturity profile of the Group's financial liabilities at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

35. 財務風險管理目標及政策(續)

流動資金風險(續)

以下為本集團金融負債於報告期末基於合約未貼現付款的到期情況：

		2017			
		On demand	Less than 3 months	3 to 12 months	Total
		於要求時	少於三個月	三至十二個月	總額
		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
Interest-bearing bank and other loans	計息銀行及其他貸款	-	209,696	71,512	281,208
Trade payables	貿易應付款項	-	22,522	-	22,522
Other payables	其他應付款項	1,262	32,395	34,931	68,588
Bonds	債券	-	138,569	-	138,569
		1,262	403,182	106,443	510,887

		2016			
		On demand	Less than 3 months	3 to 12 months	Total
		於要求時	少於三個月	三至十二個月	總額
		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
Interest-bearing bank loans	計息銀行貸款	-	10,092	158,623	168,715
Trade payables	貿易應付款項	-	45,832	-	45,832
Other payables	其他應付款項	926	2,755	54,362	58,043
		926	58,679	212,985	272,590



35. Financial Risk Management Objectives and Policies (Continued)

Fair values

Fair value estimates are made at a specific point in time and are based on relevant market information and information about the financial instruments. These estimates are subjective in nature and involve uncertainties and matters of significant judgement and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

The carrying amounts of the Group's cash deposits and interest-bearing bank and other loans approximated to their fair values based on the prevailing borrowing rates available for deposits and loans with similar terms and maturities during the reporting period.

The fair values of financial liability at fair value through profit or loss classified as held for trading are estimated based on valuation techniques. The model incorporates observable inputs of certain foreign exchange rates and risk-free interest rates. The carrying amounts of financial liability at fair value through profit or loss classified as held for trading are the same as their fair values. The fair value measurement hierarchy of the Group's financial liability at fair value through profit or loss classified as held for trading measured at fair value required observable inputs (Level 2) as of 31 December 2017 and 2016.

The carrying amounts of the Group's other financial instruments approximated to their fair values due to the short term to maturity at the end of the reporting period.

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or raise new capital from its investors.

No changes were made in the objectives, policies or processes for managing financial risk during the year.

35. 財務風險管理目標及政策(續)

公平值

公平值估計乃於特定時間根據相關市場資料及金融工具資料作出。該等估計屬主觀性質，涉及不確定因素及重大判斷事項，因此不能準確釐定。假設的變動可能嚴重影響估計。

根據於報告期設有類似條款及到期日的存款及貸款的現行借貸率計，本集團的現金存款及計息銀行及其他貸款的賬面值與其公平值相若。

分類為持作買賣透過損益按公平值計量的金融負債公平值乃按估值方法估計。該模式包括若干外匯匯率的可觀察輸入數據及無風險利率。分類為持作買賣透過損益按公平值計量的金融負債賬面值相等於其公平值。於2017年及2016年12月31日，本集團分類為持作買賣透過損益按公平值計量的金融負債的公平值計量層級需要可觀察輸入數據(第二級)。

於報告期末，本集團其他金融工具的賬面值與其公平值相若，原因為該等工具於短期內到期。

資本管理

本集團資本管理的主要目標為確保本集團有能力繼續持續經營及維持穩健的資本比率，以支持其業務及盡量提升股東價值。

本集團按經濟狀況的變動管理其資本架構並對其作出調整。為維持或調整資本架構，本集團或會調整股東股息款項或向其投資者募集新資金。

年內，管理財務風險的目標、政策或過程並無任何變動。



35. Financial Risk Management Objectives and Policies (Continued)

Capital management (Continued)

The Group is currently funding its capital expenditure through internal generated funds from its operations, proceeds from the bonds and new bank and other borrowings. The Group monitors capital using a gearing ratio, which is net debt divided by total equity plus net debt. Net debt is defined as interest-bearing bank and other loans, trade payables, other payables, tax payable and bonds, less cash and cash equivalents and pledged bank balances, excluding liabilities incurred for working capital purposes. Equity includes equity attributable to the owners of the parent and non-controlling interests. The gearing ratio at the end of the reporting period is as follows:

35. 財務風險管理目標及政策(續)

資本管理(續)

本集團現時透過其營運所得內部資金、債券所得款項及新增銀行及其他借貸撥付其資本開支。本集團利用負債比率(負債淨額除權益總額加負債淨額)監控資本。負債淨額指計息銀行及其他貸款、貿易應付款項、其他應付款項、應付稅項及債券減現金及現金等價物及已抵押銀行結餘(不包括就營運資金目的所產生的債務)。權益包括母公司擁有人應佔權益及非控股權益。報告期末的負債比率如下：

		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
Interest-bearing bank and other loans	計息銀行及其他貸款	275,815	165,000
Trade payables	貿易應付款項	22,522	45,832
Other payables	其他應付款項	70,029	61,734
Tax payable	應付稅項	2,546	12,221
Bonds	債券	133,856	-
Less: Cash and cash equivalents	減：現金及現金等價物	(22,710)	(102,050)
Less: Pledged bank balances	減：已抵押銀行結餘	(52,941)	(52,029)
Net debt	負債淨額	429,117	130,708
Equity	權益	272,730	457,275
Equity and net debt	權益及負債淨額	701,847	587,983
Gearing ratio	負債比率	61.1%	22.2%



36. Statement of Financial Position of the Company

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

36. 本公司財務狀況表

有關本公司於報告期末的財務狀況表資料如下：

		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
NON-CURRENT ASSETS	非流動資產		
Investment in a subsidiary	於一間附屬公司的投資	306	306
Payments in advance	預付款項	1,347	-
Total non-current assets	非流動資產總值	1,653	306
CURRENT ASSETS	流動資產		
Prepayments	預付款項	6,415	313
Amounts due from subsidiaries	應收附屬公司款項	409,706	259,242
Cash and cash equivalents	現金及現金等價物	395	15,908
Total current assets	流動資產總值	416,516	275,463
CURRENT LIABILITIES	流動負債		
Other payables	其他應付款項	296	61
Amounts due to a subsidiary	應付一間附屬公司款項	26,503	3,618
Bonds	債券	133,856	-
Total current liabilities	流動負債總額	160,655	3,679
NET CURRENT ASSETS	流動資產淨值	255,861	271,784
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債	257,514	272,090
Net assets	資產淨值	257,514	272,090
EQUITY	權益		
Issued capital	已發行股本	130	130
Reserves (note)	儲備(附註)	257,384	271,960
Total equity	權益總額	257,514	272,090



36. Statement of Financial Position of the Company (Continued) 36. 本公司財務狀況表(續)

Note:

The movements in the Company's reserves are as follows:

附註：

本公司儲備變動如下：

		Share premium account	Share option reserve	Retained earnings/ (Accumulated losses)	Total
		股份溢價賬 RMB'000 人民幣千元	購股權儲備 RMB'000 人民幣千元	保留盈利/ (累計虧損) RMB'000 人民幣千元	總計 RMB'000 人民幣千元
At 1 January 2016	於2016年1月1日	14,533	–	(681)	13,852
Issue of new shares	發行新股	277,762	–	–	277,762
Share issue expenses	股份發行開支	(28,853)	–	–	(28,853)
Interim 2016 dividend declared	宣派2016年中期股息	(4,555)	–	–	(4,555)
Equity-settled share option arrangements (note 28)	以股權結算的購股權安排(附註28)	–	995	–	995
Profit and total comprehensive income for the year	年內溢利及全面收入總額	–	–	12,759	12,759
At 31 December 2016	於2016年12月31日	258,887	995	12,078	271,960
At 31 December 2016 and 1 January 2017	於2016年12月31日及2017年1月1日	258,887	995	12,078	271,960
Equity-settled share option arrangements (note 28)	以股權結算的購股權安排(附註28)	–	1,352	–	1,352
Loss and total comprehensive loss for the year	年內虧損及全面虧損總額	–	–	(15,928)	(15,928)
At 31 December 2017	於2017年12月31日	258,887	2,347	(3,850)	257,384



37. Events After the Reporting Period

(a) Issue of the first tranche of the first part CB and conversion of the first tranche of the first part CB

On 12 October 2017, the Company and Crede GG III Ltd. (the "Subscriber") entered into a subscription agreement (the "Subscription Agreement"). On 6 December 2017, the Company and the Subscriber entered into an amended and restated subscription agreement (the "Amended and Restated Subscription Agreement") to amend, restate, supersede and replace in its entirety the Subscription Agreement. Pursuant to the Amended and Restated Subscription Agreement, the Subscriber shall subscribe for, and the Company shall issue, the convertible bonds (the "Convertible Bonds") with an aggregate principal amount of up to US\$150,000,000 (equivalent to approximately HK\$1,170,000,000) to be issued in up to 30 tranches, comprising the first part of the Convertible Bonds in the principal amount of up to US\$50,000,000 (equivalent to approximately HK\$390,000,000) (the "First Part CB") and the second part of the Convertible Bonds in the principal amount of up to US\$100,000,000 (equivalent to approximately HK\$780,000,000). The maturity date of the Convertible Bonds is falling 36 months after the issue date of such tranche of the Convertible Bonds or, if that is not a business day, the first business day thereafter. The nominal interest rate is 4% per annum and the interest should be paid semi-annually.

On 17 January 2018, the first tranche of the First Part CB (the "First Tranche") in the principal amount of US\$5,000,000 (equivalent to approximately HK\$39,000,000) has been issued to the Subscriber. The initial conversion price in respect of the First Tranche is HK\$0.50869, being 70% of the volume weighted average price of the shares of the Company in the 20 trading days prior to 17 January 2018.

On 17 January 2018, the Subscriber exercised its conversion rights attached to the First Tranche in full. As a result, 76,670,585 conversion shares were issued to the Subscriber, representing approximately 4.7% of the issued share capital of the Company before the issue of the conversion shares and approximately 4.5% of the issued share capital of the Company as enlarged by the issue of such conversion shares.

37. 報告期後事件

(a) 發行首批第一部分可換股債券及兌換首批第一部分可換股債券

於2017年10月12日，本公司與Crede GG III Ltd. (「認購方」) 訂立認購協議(「認購協議」)。於2017年12月6日，本公司與認購方訂立經修訂及重列認購協議(「經修訂及重列認購協議」)，以修訂、重列、取代及更換整份認購協議。根據經修訂及重列認購協議，認購方將認購而本公司將最多分30批發行最高本金總額為150,000,000美元(相當於約1,170,000,000港元)的可換股債券(「可換股債券」，其中包括最高本金額為50,000,000美元(相當於約390,000,000港元)的第一部分可換股債券(「第一部分可換股債券」)及最高本金額為100,000,000美元(相當於約780,000,000港元)的第二部分可換股債券)。可換股債券的到期日為可換股債券有關批次發行日期後36個月或倘當日並非營業日，則為此後的首個營業日。票面年利率為4%，而利息將半年支付一次。

於2018年1月17日，本金額為5,000,000美元(相當於約39,000,000港元)的首批第一部分可換股債券(「首批」)已發行予認購方。首批的初步兌換價為0.50869港元，即本公司於2018年1月17日前20個交易日內股份成交量加權平均價的70%。

於2018年1月17日，認購方悉數行使首批所附帶的兌換權。因此，將向認購方發行76,670,585股兌換股份，相當於本公司在發行兌換股份前已發行股本約4.7%及本公司經發行該等兌換股份擴大後已發行股本約4.5%。



37. Event After the Reporting Period (Continued)

(b) Further amendments to June 2017 Bonds and December 2017 Bonds

On 27 March 2018, the Company executed the June 2017 Bonds further supplemental deed and the December 2017 Bonds further supplemental deed by way of deed poll pursuant to which maturity dates of the June 2017 Bonds and the December 2017 Bonds have been both amended to 30 April 2018. Furthermore, the transferability of the June 2017 Bonds and the December 2017 Bonds have been changed. As of 27 March 2018, all the conditions in respect of the amendments above have been fulfilled. Therefore, the June 2017 Bonds amendments and December 2017 Bonds amendments took effective from 27 March 2018.

38. Approval of the Financial Statements

The financial statements were approved and authorised for issue by the Board of Directors on 29 March 2018.

37. 報告期後事件(續)

(b) 2017年6月債券及2017年12月債券的進一步修訂

於2018年3月27日，本公司以平邊契據方式簽立2017年6月債券進一步補充契據及2017年12月債券進一步補充契據，據此2017年6月債券及2017年12月債券到期日均修訂為2018年4月30日。此外，2017年6月債券及2017年12月債券的可轉換性也發生改變。於2018年3月27日，所有與上述修訂相關的條件已獲達成。因此，對於2017年6月債券及2017年12月債券的修訂自2018年3月27日起生效。

38. 批准財務報表

財務報表已於2018年3月29日獲董事會批准及授權刊發。

DEFINITIONS

釋義

“affiliate” 「聯屬人士」	any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person 直接或間接控制指定人士或受其直接或間接控制或與指定人士直接或間接受共同控制的任何其他人士
“AGM” 「股東週年大會」	annual general meeting of the company 本公司股東週年大會
“Articles” or “Articles of Association” 「細則」或「組織章程細則」	the articles of association of the Company (as amended from time to time), conditionally adopted on 1 February 2016 本公司於2016年2月1日有條件採納的組織章程細則(經不時修訂)
“Board” 「董事會」	Board of Directors 董事會
“Cayman Companies Law” 「開曼群島公司法」	the Companies Law (2013 Revision) of the Cayman Islands, Cap. 22 (Law 3 of 1961), as amended or supplemented or otherwise modified from time to time 開曼群島法例第22章(1961年第3號法例)公司法(2013年修訂版)，經不時修訂或補充或以其他方式修改
“China” or “the PRC” 「中國」	the People’s Republic of China excluding, for the purpose of this report, Hong Kong, Macau Special Administrative Region and Taiwan 中華人民共和國，本報告中不包括香港、澳門特別行政區及台灣
“Company” or “our Company” or “the Company” 「本公司」	Sinco Pharmaceuticals Holdings Limited (興科蓉醫藥控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 16 March 2015 興科蓉醫藥控股有限公司，於2015年3月16日在開曼群島註冊成立的獲豁免有限公司
“Controlling Shareholders” 「控股股東」	Mr. Huang and Risun 黃先生及Risun
“Director(s)” 「董事」	the director(s) of the Company 本公司董事
“Group”, “our Group”, “the Group”, “we”, “us”, or “our” 「本集團」、「我們」或「我們的」	our Company and our subsidiaries and, in respect of the period before we became the holding company of our present subsidiaries, the businesses operated by such subsidiaries or their predecessors (as the case may be) 本公司及我們的附屬公司以及(就我們成為現有附屬公司之控股公司前的期間而言)相關附屬公司或其前身(視情況而定)經營的業務
“HK\$” 「港元」	Hong Kong Dollars, the lawful currency of Hong Kong 港元，香港法定貨幣

Definitions (Continued)

釋義(續)



“HKSE” 「香港聯交所」	The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司
“Hong Kong” 「香港」	the Hong Kong Special Administrative Region of the PRC 中國香港特別行政區
“Hong Kong Branch Share Registrar” 「香港證券登記分處」	Computershare Hong Kong Investor Services Limited 香港中央證券登記有限公司
“Human Albumin Solution” 「人血白蛋白注射液」	refers to Octapharma’s human albumin solution 20% (containing 200 grammes of total protein per litre) and human albumin solution 25% (containing 250 grammes of total protein per litre). The term Human Albumin Solution refers to both products or either one of them as the context requires 奧克特瑛瑪生產的20%人血白蛋白注射液(每升含總蛋白200克)及25%人血白蛋白注射液(每升含總蛋白250克)。人血白蛋白注射液表示兩種產品或其中一種(視乎文義)
“Institute of Chinese Medical Sciences” 「中國中醫科學院」	the Institute of Chinese Materia Medica, China Academy of Chinese Medical Sciences (中國中醫科學院中藥研究所) 中國中醫科學院中藥研究所
“Listing Rules” 「上市規則」	the Rules Governing the Listing of Securities on the HKSE, as amended or supplemented from time to time 香港聯交所證券上市規則，經不時修訂或補充
“Main Board” 「主板」	Main Board of the HKSE 香港聯交所主板
“MPCM” 「營銷、推廣及渠道管理」	refers to marketing, promotion and channel management for the sale and promotion of pharmaceutical products for pharmaceutical manufacturers 為醫藥生產商銷售及推銷藥品進行的營銷、推廣及渠道管理
“Mr. Huang” 「黃先生」	Mr. Huang Xiangbin (黃祥彬), our Chairman, Executive Director, Chief Executive Officer and one of our Controlling Shareholders 黃祥彬先生，我們的主席、執行董事、行政總裁兼控股股東之一
“Prospectus” 「招股書」	the prospectus issued by the Company dated 29 February 2016 本公司於2016年2月29日刊發的招股書
“Reporting Period” 「報告期」	the financial year ended 31 December 2017 截至2017年12月31日止財政年度
“Risun” 「Risun」	Risun Investments Limited, a limited company incorporated under the laws of BVI on 16 January 2015, which is a wholly-owned subsidiary of Mr. Huang Risun Investments Limited，於2015年1月16日在英屬維爾京群島註冊成立的有限公司，是黃先生全資擁有的附屬公司

Definitions (Continued)

釋義(續)



“RMB” 「人民幣」	Renminbi Yuan, the lawful currency of China 人民幣元，中國法定貨幣
“SFO” 「證券及期貨條例」	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time 香港法例第571章證券及期貨條例，經不時修訂或補充
“Share(s)” 「股份」	ordinary share(s) in the capital of the Company with nominal value of HK\$0.0001 each 本公司股本中每股面值0.0001港元的普通股
“Shareholder(s)” 「股東」	holder(s) of Shares 股份持有人
“Share Option Scheme” 「購股權計劃」	the share option scheme conditionally adopted by our Company on 1 February 2016, the principal terms of which are summarised in “Statutory and General Information — D. Other Information — 1 Share Option Scheme” in Appendix VII to the Prospectus 本公司於2016年2月1日有條件採納的購股權計劃，其主要條款概述於招股書附錄七「法定及一般資料 — D. 其他資料 — 1 購股權計劃」
“U.S. dollars” or “US\$” 「美元」	U.S. dollars, the lawful currency of the United States of America 美元，美利堅合眾國法定貨幣
“Vast Surplus” 「鵬盈」	Vast Surplus Corporation Limited, a limited liability company incorporated in Hong Kong on 6 October 2004 and wholly-owned by Mr. Huang Xiangbin 鵬盈有限公司，於2004年10月6日在香港註冊成立的有限公司，由黃祥彬先生全資擁有

In this Annual Report, the terms “associate,” “close associate,” “connected person,” “connected transaction,” “controlling shareholder,” “core connected person,” “subsidiary” and “substantial shareholder” shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

在本年報中，除文義另有所指外，「聯繫人」、「緊密聯繫人」、「關連人士」、「關連交易」、「控股股東」、「核心關連人士」、「附屬公司」及「主要股東」具有上市規則所賦予的涵義。

The English translation of the PRC entities, enterprises, nationals, facilities, regulations in Chinese are translations of the Chinese names. To the extent there is any inconsistency between the Chinese names of the PRC entities, enterprises, nationals, facilities, regulations and their English translations, the Chinese names shall prevail.

中國實體、企業、國家機構、設施、法規的英文名為中文名的翻譯。倘中國實體、企業、國家機構、設施、法規的中文名稱與其英文譯名有任何歧義，概以中文名稱為準。



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