



四环医药
SihuanPharm

2018 年度報告 ANNUAL REPORT

Sihuan Pharmaceutical Holdings Group Ltd.

四環醫藥控股集團有限公司

(incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

Stock Code 股份代號：0460



公司簡介

Corporate Profile

四環醫藥控股集團有限公司(「四環醫藥」或「本公司」), 連同其附屬公司為「本集團」成立於二零零一年, 過往取得了理想發展, 現已成為擁有領先研究與開發(「研發」)、營銷和生產能力的醫藥公司。四環醫藥自二零零七年起成為中國心腦血管(「心腦血管」)處方藥市場最大的製藥公司, 其主要藥品歐迪美、源之久、克林澳、威澳、也多佳、邁諾康等, 已廣泛用於治療各種心腦血管疾病。

二零一八年, 四環醫藥已邁進第十八年。本集團在中國醫院心腦血管處方藥市場份額穩居首位, 按醫院採購額計, 在中國醫院處方藥市場排名第十一。本集團目前銷售產品及在研發產品線涵蓋中國五大醫療領域: 心腦血管系統、中樞神經系統、新陳代謝、腫瘤及糖尿病。

Founded in 2001, Sihuan Pharmaceutical Holdings Group Ltd. (“Sihuan Pharmaceutical” or the “Company”, together with its subsidiaries, the “Group”) achieved sound development in the past and has now become a pharmaceutical corporation with leading capabilities in research and development (“R&D”), marketing and sales and production. Sihuan Pharmaceutical has been the largest cardio-cerebral vascular (“CCV”) drug franchise in China’s prescription drug market since 2007. Its major products such as Oudimei, Yuanzhijiu, Kelinao, Wei’ao, Yeduojia and Mainokang are widely used in the treatment of various CCV diseases.

Sihuan Pharmaceutical marked its eighteenth year in 2018. The Group continued to be the largest CCV prescription drug manufacturer and is the eleventh largest pharmaceutical company in China’s hospital prescription drug market in terms of hospital purchase. The Group’s current products and R&D pipeline encompass the top five medical therapeutic areas in China: CCV system, central nervous system, metabolism, oncology and diabetes.



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公司資料

Corporate Information

董事會

執行董事

車馮升醫生 (主席)
郭維城醫生 (副主席及行政總裁)
蔡耀忠先生 (首席財務官)
郭峰博士 (於二零一八年四月二十日辭任)
張炯龍醫生 (首席投資官)
(於二零一八年四月二十日獲委任)
陳燕玲女士 (於二零一八年四月二十日獲委任)

非執行董事

孫弘先生 (於二零一八年四月二十日辭任)
金鎮夏先生

獨立非執行董事

辛定華先生
曾華光先生
朱迅先生

聯席公司秘書

蔡耀忠先生
莫明慧女士

授權代表

蔡耀忠先生
莫明慧女士

審核委員會

辛定華先生 (主席)
曾華光先生
朱迅先生
金鎮夏先生

BOARD OF DIRECTORS

Executive Directors

Dr. Che Fengsheng (Chairman)
Dr. Guo Weicheng (Deputy Chairman and Chief Executive Officer)
Mr. Choi Yiau Chong (Chief Financial Officer)
Dr. Guo Feng (resigned on 20 April 2018)
Dr. Zhang Jionglong (Chief Investment Officer)
(appointed on 20 April 2018)
Ms. Chen Yanling (appointed on 20 April 2018)

Non-Executive Directors

Mr. Homer Sun (resigned on 20 April 2018)
Mr. Kim Jin Ha

Independent Non-Executive Directors

Mr. Patrick Sun
Mr. Tsang Wah Kwong
Mr. Zhu Xun

JOINT COMPANY SECRETARIES

Mr. Choi Yiau Chong
Ms. Mok Ming Wai

AUTHORISED REPRESENTATIVES

Mr. Choi Yiau Chong
Ms. Mok Ming Wai

AUDIT COMMITTEE

Mr. Patrick Sun (Chairman)
Mr. Tsang Wah Kwong
Mr. Zhu Xun
Mr. Kim Jin Ha

薪酬委員會

朱迅先生(主席)
車馮升醫生
辛定華先生
曾華光先生

提名委員會

曾華光先生(主席)
郭維城醫生
辛定華先生
朱迅先生

風險管理委員會

蔡耀忠先生(主席)
郭維城醫生
辛定華先生
曾華光先生

獨立核數師

安永會計師事務所
執業會計師
香港中環
添美道1號
中信大廈22樓

註冊辦事處

Clarendon House
2 Church Street
P.O. Box HM1022
Hamilton HM DX
Bermuda

REMUNERATION COMMITTEE

Mr. Zhu Xun (Chairman)
Dr. Che Fengsheng
Mr. Patrick Sun
Mr. Tsang Wah Kwong

NOMINATION COMMITTEE

Mr. Tsang Wah Kwong (Chairman)
Dr. Guo Weicheng
Mr. Patrick Sun
Mr. Zhu Xun

RISK MANAGEMENT COMMITTEE

Mr. Choi Yiau Chong (Chairman)
Dr. Guo Weicheng
Mr. Patrick Sun
Mr. Tsang Wah Kwong

INDEPENDENT AUDITOR

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

REGISTERED OFFICE

Clarendon House
2 Church Street
P.O. Box HM1022
Hamilton HM DX
Bermuda

公司資料

Corporate Information

香港主要營業地點

香港灣仔
港灣道1號
會展廣場辦公大樓4309室

主要股份登記處

Codan Services Company Limited
Clarendon House
2 Church Street
P.O. Box HM1022
Hamilton HM DX
Bermuda

香港證券登記處

卓佳證券登記有限公司
香港皇后大道東183號
合和中心22樓

網址

www.sihuanpharm.com

股份代號

0460

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 4309, Office Tower, Convention Plaza
1 Harbour Road
Wanchai, Hong Kong

PRINCIPAL SHARE REGISTRAR

Codan Services Company Limited
Clarendon House
2 Church Street
P.O. Box HM1022
Hamilton HM DX
Bermuda

HONG KONG SHARE REGISTRAR

Tricor Investor Services Limited
Level 22, Hopewell Centre
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Hong Kong

WEBSITE

www.sihuanpharm.com

STOCK CODE

0460

二零零一年

- 創辦海南四環醫藥有限公司(「海南四環」)。

二零零二年

- 創建了差異化營銷模式。

二零零三年

- 獨家首仿藥克林澳推出市場。
- 收購北京四環製藥有限公司(「北京四環」)的28%股權，及拓展本公司的業務至產品生產。
- 川青推出市場。

二零零四年

- 克林澳的合成工藝在中華人民共和國(「中國」)取得為期20年的專利保護。

二零零五年

- 海南四環被評為「高新技術企業」。

二零零六年

- 克林澳被中國科技部評為「國家火炬計劃」項目。
- 收購北京四環的餘下權益，北京四環繼而成為本集團的全資附屬公司。
- 安捷利推出市場。
- 就生產克林澳及安捷利時所採用的改良方法在中國取得為期20年的專利保護。

二零零七年

- 四環醫藥於二零零七年三月二十三日在新加坡證券交易所主板上市。
- 本集團開始在中國的心腦血管市場佔據最大市場份額。
- 海南四環心腦血管藥物研究院有限公司(「海南四環心腦血管藥物研究院」)成為本集團的全資附屬公司。

2001

- Hainan Sihuan Pharmaceutical Co., Ltd. (“Hainan Sihuan”) was founded.

2002

- Developed a differentiated marketing and sales model.

2003

- Exclusive first-to-market generic drug Kelinao was launched.
- Acquired 28% interest in Beijing Sihuan Pharmaceutical Co., Ltd. (“Beijing Sihuan”) and expanded the Company’s business into product manufacturing.
- Chuanqing was launched.

2004

- Received a 20-year patent protection in the People’s Republic of China (“PRC” or “China”) for the synthesis process of Kelinao.

2005

- Hainan Sihuan was granted the “High and New Technology Enterprise” status.

2006

- Kelinao was granted “State Torch Programme” status by the Science and Technology Ministry of the PRC.
- Acquired the remaining interest in Beijing Sihuan which then became a wholly-owned subsidiary of the Group.
- Anjeli was launched.
- Received a 20-year patent protection in the PRC for the improved production method of Kelinao and Anjeli.

2007

- Sihuan Pharmaceutical was listed on the main board of the SGX-ST on 23 March 2007.
- The Group has commanded the largest market share of the CCV market in China.
- Hainan Sihuan Cardiocerebral Vascular Drugs Research Institute Co., Ltd. (“Hainan Sihuan CVD Research”) became a wholly-owned subsidiary of the Group.

發展里程 Milestones

二零零八年

- 收購山東軒竹醫藥科技有限公司(「山東軒竹」)的60%股權，提高本集團研發創新藥物的能力。
- GM1 推出市場。
- 在中國就生產克林澳及安捷利的非溶劑馬來酸桂哌齊特晶體的發明及生產方法取得為期20年的專利保護。
- 北京四環被評為「高新技術企業」，而海南四環再次成功獲評「高新技術企業」。

二零零九年

- 清通推出市場。
- MSPEA III Cayman 投資本公司，隨後公司私有化，從新加坡證券交易所退市。

二零一零年

- 於二零一零年十月二十八日在香港聯合交易所有限公司(「聯交所」)主板上市。
- 位列二零一零年福布斯中國潛力企業榜第四位及醫藥公司第一位。
- 完成廊坊高博京邦製藥有限公司(「廊坊高博京邦」，前稱廊坊四環高博制藥有限公司)的原料藥生產基地的建設。
- 取得益脈寧為期30年的獨家分銷權。

2008

- Acquired 60% interest in Shandong Xuanzhu Pharma Co., Ltd. (“Shandong Xuanzhu”, “KBP BioSciences”, or known as “KBP BioSciences Co., Ltd.”) to enhance the Group’s research and development capabilities of innovative drugs.
- GM1 was launched.
- Received a 20-year patent protection in the PRC for the invention and production method of non-solvated cinepazide maleate crystal for producing Kelinao and Anjieli.
- Beijing Sihuan was granted the “High and New Technology Enterprise” status while Hainan Sihuan successfully had its “High and New Technology Enterprise” status renewed.

2009

- Qingtong was launched.
- MSPEA III Cayman invested in the Company. Subsequently the Company was privatised and delisted from the SGX-ST.

2010

- Listed on the main board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 28 October 2010.
- Ranked No. 4 in the Forbes 2010 list of the most promising enterprises in the PRC and No. 1 among pharmaceutical companies.
- Completed the construction of a pharmaceutical raw material plant, Langfang Gaobo Jingband Pharmaceutical Co., Ltd. (“Langfang Gaobo Jingband” or formerly known as Langfang Sihuan Gaobo Pharmaceutical Co., Ltd.).
- Obtained a 30-year exclusive distribution rights of Yimaining.

二零一一年

- 收購吉林四環製藥有限公司(「吉林四環」, 前稱多菲製藥(中國)有限公司), 該公司擁有三個獨家藥品及多個獨家配方藥, 主要治療心腦血管疾病。
- 收購長春翔通藥業有限公司(「長春翔通」) 80% 權益, 該公司擁有GMI注射液及原料藥生產設施及批件。
- 收購吉林四長製藥有限公司(「吉林四長」), 該公司擁有四種具有龐大市場潛力的治療心腦血管病中藥。於二零一一年下半年, 本集團以溢價向中國中藥市場龍頭山東步長製藥有限公司(「山東步長」) 出售吉林四長19% 權益。本集團與吉林四長將繼續共同開發更多治療心腦血管疾病的中藥產品。
- 歐迪美、源之久和也多佳推出市場。
- 吉林四環被評為「高新技術企業」。

二零一二年

- 廊坊高博京邦被評為「高新技術企業」。
- 獨家首仿藥注射用鹽酸羅沙替丁醋酸酯及仿製藥鹽酸納美芬注射液獲得生產批件。
- 丹參川芎嗪注射液推出市場。
- 收購山東軒竹餘下40% 權益, 山東軒竹繼而成為本集團的全資附屬公司。
- 與瑞典上市公司NeuroVive Pharmaceutical AB訂立合作協定, 於中國開發、推廣及銷售創新專利藥CicloMulsion® 及NeuroSTAT®。

2011

- Acquired Jilin Sihuan Pharmaceutical Co., Ltd. (“Jilin Sihuan”, formerly known as Dupromise Pharmaceutical (China) Co., Ltd.) which owns three exclusive drug products and various exclusive drug formulations mainly focused on CCV diseases.
- Acquired 80% interest in Changchun Xiangtong Pharmaceutical Co., Ltd. (“Changchun Xiangtong”), which owns both the manufacturing facility and production license of the GMI injection and API.
- Acquired Jilin Sichang Pharmaceutical Co., Ltd. (“Jilin Sichang”) which owns four Traditional Chinese Medicine (“TCM”) CCV products with vast market potential. In the second half of 2011, the Group sold 19% equity interest in Jilin Sichang to Shandong Buchang Pharmaceutical Co., Ltd. (“Shandong Buchang”), a leader in China’s TCM market, at a premium. The Group will continue its cooperation with Jilin Sichang to develop more TCM CCV products.
- Oudimei, Yuanzhijiu and Yeduojia were launched.
- Jilin Sihuan was granted the “High and New Technology Enterprise” status.

2012

- Langfang Gaobo Jingband was granted the “High and New Technology Enterprise” status.
- Obtained production approval for exclusive first-to-market generic drug Roxatidine Acetate Hydrochloride for Injection and generic drug Nalmefene Hydrochloride Injection.
- Danshen Chuanxiongqin Injection was launched.
- Acquired remaining 40% equity interest in Shandong Xuanzhu which then became a wholly-owned subsidiary of the Group.
- Established cooperation with NeuroVive Pharmaceutical AB, a company listed in Sweden, to develop, promote and sell innovative patent drugs, CicloMulsion® and NeuroSTAT® in China.

發展里程

Milestones

二零一三年

- 創新專利藥鹽酸依格列汀及安納拉唑鈉獲得臨床批件。
- 本集團首種自行研發腫瘤藥哌羅替尼的臨床試驗批件申請獲得中國國家食品藥品監督管理總局(「國家藥監總局」)受理。
- 廊坊高博京邦通過了美國食品藥品監督管理局(「FDA」)的現場檢查。

二零一四年

- 廊坊高博京邦獲得美國FDA發出的現場審查報告(「EIR」)。
- 向美國FDA順利提交哌羅替尼的新藥臨床試驗(「新藥臨床」)註冊申請，並獲准進入臨床試驗。
- 自主研發抗高血壓創新藥鹽酸泰樂地平獲臨床試驗批件。
- 自主研發治療糖尿病創新藥加格列淨臨床試驗申請獲國家藥監總局受理。
- 與重慶派金生物科技有限公司就胰島素專案開發建立合作。

二零一五年

- 收購北京銳業製藥有限公司(「北京銳業」)的39%股權以豐富及拓寬本集團的產品。
- 山東軒竹與科文斯公司(「科文斯」)簽署了長期合作夥伴協議，以支持本集團在研發新藥項目的全球開發。
- 自主研發的抗腫瘤創新專利藥哌羅替尼在美國進入I期臨床試驗；並成功獲得國家藥監總局I/II/III期全部臨床試驗批件。
- 自主研發的另一抗腫瘤創新專利藥賽羅替尼和治療前列腺增生及勃起功能障礙創新藥復達那非的臨床試驗申請獲國家藥監總局受理。
- 山東軒竹與RaQualia Pharma Inc. (「RaQualia」)就開發新型鎮痛藥及離子通道技術達成技術研究合作。

2013

- Obtained clinical trial approval for innovative patent drugs Imiglitin Dihydrochloride and Anaprazole Sodium.
- The application for clinical trial approval of Pirotinib (the first self-developed oncology drug of the Group) was accepted by China Food and Drug Administration (“CFDA”).
- Langfang Gaobo Jingband passed on-site inspection by the United States of America (“U.S.A.”) Food and Drug Administration (“FDA”).

2014

- Langfang Gaobo Jingband received the Establishment Inspection Report (“EIR”) issued by the U.S.A. FDA.
- The Investigational New Drug (“IND”) application of Pirotinib was successfully submitted to the U.S.A. FDA and the clinical trial approval was granted.
- Tylerdipine Hydrochloride (the self-developed innovative antihypertensive drug) received clinical trial approval.
- The application for clinical trial approval of Janagliflozin (the self-developed innovative anti-diabetic drug) was accepted by CFDA.
- Established cooperation with Chongqing Peg-Bio Biotechnology Co., Ltd for development of Insulin Products.

2015

- Acquired 39% interest in Beijing Ruiye Drugs Manufacture Co. Ltd. (“Beijing Ruiye”) to enrich and expand the Group’s product resources.
- Shandong Xuanzhu and Covance Inc. (“Covance”) signed a long-term partnership to support the global development of the Group’s drug candidate pipeline consisting of multiple compounds.
- The Phase I clinical trial of Pirotinib, the first self-developed innovative patented oncology drug commenced in the U.S.A.. CFDA has granted full approval of Phase I/II/III clinical trials of Pirotinib.
- The Investigational New Drug applications for clinical trial approval for two innovative patent drugs, Sirotinib (another oncology drug) and Fadanafil (clinically to treat BPH, ED), were officially accepted by the CFDA.
- Shandong Xuanzhu and RaQualia Pharma Inc. (“RaQualia”), entered into a research collaboration agreement in novel analgesic drugs development and ionchannel technology.

二零一六年

- 自主研发治療糖尿病創新藥加格列淨成功獲得國家藥監總局臨床批件。
- 自主研发專利新藥鹽酸依格列汀獲國家藥監總局頒發II/III期臨床試驗批件。
- 投資參股的上海立迪生物技術有限公司成功在全國中小企業股份轉讓系統上市。
- 自主研发專利新藥複達那非獲國家藥監總局頒發I/II/III期臨床試驗批件。

二零一七年

- 收購弘和製藥(中國)有限公司(「弘和製藥(中國)」)100%股權，該公司目前持有的藥品生產批文包括甘草酸單鉍半胱氨酸氯化鈉注射液(商標名「回能」)和杏芍氯化鈉注射液(商標名「邁諾康」)。
- 與奧地利製藥公司CROMA-Pharma GmbH(「Croma-Pharma」)成立合營公司，拓展中國醫療美容市場。
- 自主研发1類新藥「吡羅西尼」獲國家藥監總局頒發I-III期臨床試驗批件。
- 於美國加利福尼亞州三藩市灣區(San Francisco Bay Area)成立美國研發中心(「美國研發中心」或「該中心」)。該中心專注於開發更具創新性的小分子及大分子藥物，尤其是全球首創的腫瘤免疫治療藥物。
- 本集團分階段投資佛山德芮可製藥有限公司(「德芮可」)，最高將總共獲得德芮可51%股權。德芮可擁有符合美國食品藥品監督管理局(「美國藥監局」)要求的生產系統，抗精神分裂症用藥富馬酸喹硫平緩釋片等取得美國藥監局上市核准的部分藥品已經向中國食品藥品監督管理局遞交了上市申請。

2016

- CFDA granted approval for clinical trials of internally developed diabetes treatment new drug Janagliflozin.
- CFDA granted approval for Phase II/III clinical trials of Imigliptin Dihydrochloride, an internally developed innovative patent drug.
- Shanghai LIDE Biotech Co., Ltd., an equity participation investment, successfully listed on the National Equities Exchange and Quotations System.
- CFDA granted approval for Phase I/II/III clinical trials of internally developed innovative patent new drugs - Fadanafil.

2017

- Acquired 100% interest in Ambest Pharmaceutical (China) Company Limited (“Ambest Pharmaceutical (China)”) which currently holds the drug production approvals of Monoammonium Glycyrhizinate and Cysteine and Sodium Chloride Injection and Floium Ginkgo Extract with the brand name “Huineng” and Tertram Ethypyrazine Sodium Chloride Injection with the brand name “Mainokang”.
- Established joint venture company (“JV”)with Austria-based pharmaceutical company CROMA-Pharma GmbH (“Croma-Pharma”), expanding into the aesthetic medicine market in China.
- CFDA granted approval of Phase I-III clinical trials for Birociclib, an internally developed innovative patented new drug.
- Set up the United States Research and Development Centre (“U.S. R&D Centre” or the “Centre”) in the San Francisco Bay Area in California of the United States (the “U.S.”). The Centre focuses on developing more innovative small molecule and large molecule drugs, especially first-in-class immunotherapy.
- The Group invests in PharmaDax (FoShan) Co., Ltd (“PharmaDax Foshan”) in phases and will hold a maximum of 51% equity interests in PharmaDax Foshan in aggregate. The PharmaDax Foshan owns advanced drug production technique and normative drug quality control system that meets the United States (the “US”) Food and Drug Administration (“FDA”) requirements. New Drug Application of its US-FDA-approved products such as the Quetiapine Fumarate ER Tablet (anti-psychotic) have been submitted to the CFDA.

發展里程 Milestones

二零一八年

- 三個自主研发創新藥進入中國II期臨床試驗，包括唯一國內自主研发的新一代抑酸藥物安納拉唑鈉、國內首個獨立專利的碳青黴烯類抗生素百納培南和抗腫瘤靶點藥哌羅替尼。
- 抗高血壓新藥泰樂地平已經完成健康人I期研究，正在患者中開展臨床試驗。
- 三個自主研发創新藥進入中國I期臨床試驗，包括抗腫瘤新藥選擇性CDK4/6抑制劑吡羅西尼、第三代雙靶點酪氨酸激酶抑制劑XZP-3621和PDE-5抑制劑複達那非。
- 鹽酸二甲雙胍片獲首家按照一致性評價補充申請申報通過。
- 國內獨家產品、兒童用藥咪達唑侖口頰粘膜溶液擬納入優先審評程式。
- 成立國際業務拓展部門，於中國、美國均設有辦事處，該團隊成員為擁有豐富海內外醫藥行業經驗的資深人士，專注於拓展包括抗腫瘤在內的各個重大治療領域的前沿藥物的合作與項目引進。

二零一九年

- 首個自主研发治療糖尿病創新專利藥加格列淨啟動中國III期臨床試驗。
- 複方電解質注射液(II)(500毫升)獲頒藥品註冊批件，四環醫藥為該品種首家國內企業獲得上市批准。
- 「非PVC粉液雙室袋即配型輸液」產品(包括頭孢他定、頭孢呋辛、頭孢地嗪)，已經通過現場考核，預計該產品於二零一九年上半年上市。
- 獲得醋酸奧曲肽注射液、鹽酸氨溴索注射液和鹽酸法舒地爾注射液的生產批文。
- 複方氨基酸注射液(20AA)獲藥品註冊批件。
- 醋酸艾司利卡西平片生產批件首家申報獲得受理。

2018

- Three innovative drugs commenced Phase II clinical trials in China, including the only domestically developed new generation digestive system drug Anaprazole Sodium, China's first independently patented innovative carbapenem antibiotic Benapenem and innovative targeted oncology drug Pirotinib.
- Antihypertensive drug Tylerdipine Hydrochloride has finished Phase I studies in healthy individuals and has initiated trials in patients.
- Three innovative drugs commenced Phase I clinical trials in China, including selective CDK4/6 inhibitor Birociclib, third-generation irreversible tyrosine kinase inhibitor XZP-3621, and PDE-5 inhibitor Fadanafil.
- Metformin Hydrochloride Tablets obtained consistency evaluation approval (the first generic product to obtain approval through supplementary application).
- Exclusive product and paediatric medicine Midazolam Oromucosal Solution has been included in the priority review process.
- The Group has established its Global Business Development Department in both China and the United States ("U.S."). The team is equipped with expertise in both domestic and overseas pharmaceutical industries, and will be dedicated in exploring and introducing leading medicinal technology in major therapeutic areas.

2019

- The Group's first diabetes innovative patented new drug Janagliflozin commenced Phase III clinical trials in China.
- Sihuan Pharmaceutical became the first company in China that was granted drug registration approval for Compound Electrolyte Injection (II) (500ml).
- "Non-PVC solid-liquid double chamber infusion soft bag" (including Cefazidime, cefuroxime, cefodizime) has passed on-site assessment and is expected to launch in the first half of 2019.
- Production approval has been obtained for Octreotide Acetate Injection, Ambroxol Hydrochloride Injection and Buflomedil Hydrochloride Injection.
- Compound Amino Acid Injection (20AA) was granted approval for drug registration.
- Eslicarbazepine Acetate received acceptance of first application for production approval.

二零一八年財務摘要

- 二零一八年本集團收益由人民幣2,745.8百萬元增加6.2%至人民幣2,917.4百萬元。
- 二零一八年本公司擁有人應佔溢利增加11.8%至人民幣1,620.0百萬元。
- 二零一八年每股基本盈利較二零一七年增加約11.8%至約人民幣17.1分。
- 董事會建議宣派及派發末期現金股息每股人民幣1.3分，惟須經本公司股東（「股東」）將於本公司應屆股東週年大會上批准（二零一七年：每股人民幣1.3分）。

2018 FINANCIAL HIGHLIGHTS

- Revenue of the Group increased by 6.2% from RMB2,745.8 million to RMB2,917.4 million in 2018.
- Profit attributable to owners of the Company increased by 11.8% to RMB1,620.0 million in 2018.
- Basic earnings per share increased by approximately 11.8% over 2017 to approximately RMB17.1 cents in 2018.
- The Board recommends the declaration and payment of a final cash dividend of RMB1.3 cents per share which is subject to the approval of the shareholders of the Company (the "Shareholders") at the forthcoming annual general meeting (2017: RMB1.3 cents per share).

	人民幣千元 RMB'000	二零一四年 2014	二零一五年 2015	二零一六年 2016	二零一七年 2017	二零一八年 2018
經營業績	Operating results					
收益	Revenue	3,084,236	3,167,211	3,185,699	2,745,809	2,917,405
毛利	Gross profit	2,111,422	2,228,054	2,188,946	1,986,853	2,379,088
經營溢利	Operating profit	1,979,088	2,808,998	2,131,156	1,688,256	2,025,943
除所得稅前溢利	Profit before income tax	2,073,423	2,841,746	2,152,570	1,729,075	2,012,165
本公司擁有人 應佔年度溢利	Profit for the year attributable to owners of the Company	1,671,281	2,062,378	1,708,239	1,448,935	1,619,956
利潤率	Profitability					
毛利率	Gross margin	68.5%	70.3%	68.7%	72.4%	81.5%
純利率	Net profit margin	54.6%	64.6%	52.7%	53.9%	57.6%
每股盈利	Earning per share					
基本及攤薄(人民幣分)	Basic and diluted (RMB cents)	16.1	19.9	16.8	15.3	17.1
資產狀況	Asset status					
總資產	Total assets	11,322,983	12,321,007	12,187,604	13,591,863	15,443,475
本公司權益擁有人應佔權益	Equity attributable to equity owners of the Company	9,291,677	11,095,639	10,901,438	11,056,992	12,510,413
總負債	Total liabilities	1,916,970	1,129,275	1,216,511	2,255,793	2,669,112
現金及現金等價物	Cash and cash equivalents	1,317,945	2,282,370	2,407,073	831,859	3,314,845
速動比率(倍)	Quick ratio (times)	3	6	5	2	2
流動比率(倍)	Current ratio (times)	3	6	5	3	3
存貨週轉期(日)	Inventory turnover ratio (days)	52	79	78	102	177
貿易應收賬款週轉(日)	Trade receivables turnover ratio (days)	82	60	63	69	58
貿易應付賬款週轉(日)	Trade payables turnover ratio (days)	13	22	40	43	24

主席報告

Chairman's Statement

二零一八年，國家進一步深化醫療制度的改革，覆蓋面廣而深，監管與利好同行，創新與整合並舉。出台政策涵蓋了從藥物研發、上市到臨床使用等多個方面，目的是為了鼓勵創新藥研發，控制醫療費用及減輕對於醫藥產業的監管負擔。新政策對於整個醫藥行業的每一個環節，和所有醫藥企業的未來發展，均具有深遠而重大的意義。

政策大時代，行業正行進在新徵程的十字路口。面對政策改革和經營環境的變化，四環醫藥整頓步伐，以「加強研發實力、優化產品資源及加快市場擴張」為目標，根據變化適應調整，鞏固強化基本面，以明確、清晰且堅定的銷售及經營策略，在多年來沉積的基礎上穩步前進。二零一八年，四環醫藥抓住市場機會，培育出新的競爭力優勢，保持市場龍頭地位，銷售也在年內重回升軌。本集團二零一八年銷售收入為約人民幣2,917.4百萬元，比去年增加6.2%；本公司擁有人應佔溢利為人民幣1,620.0百萬元，比去年增加11.8%。

四環醫藥在年內取得多項突破性進展。新藥研發方面，本集團繼續加大研發投入，迅速推進在研藥物的臨床進度，在年內多個創新藥項目取得突破性臨床進展，首個自主研發治療糖尿病創新專利藥啟動中國III期臨床試驗、三個自主研發創新藥進入中國II期臨床試驗、三個自主研發創新藥進入中國I期臨床試驗，本集團創新藥最快將於二零二一年進行上市。仿製藥研發方面，鹽酸二甲雙胍片獲首家按照一致性評價補充申請申報通過，多個其他產品爭取成為首家或首兩家通過一致性評價，預計在二零一九年下半年開始陸續通過。孤兒藥咪達唑啉口頰黏膜溶液擬納入優先審評程序，複方電解質注射液(II)(500毫升)獲頒藥品註冊批件，「非PVC粉液雙室袋即配型輸液」產品預計於二零一九年上半年上市。本集團計劃在未來幾年會有多個新仿製藥藥品上市，期待在不遠將來儘快獲得生物製劑類在研藥品的臨床批件。

In 2018, China further deepened the reforms of its healthcare system, with an enhanced scope in terms of industry regulation, development, innovation and consolidation. Spanning from pharmaceutical R&D, marketing to clinical usage, the new policies are aimed to encourage the development of new drugs, control of healthcare costs and mitigation of regulatory burden in the pharmaceutical industry, bringing profound significance to all segments of the industry and affecting the growth of all pharmaceutical companies.

Under this critical period of policy deepening, the industry is finding itself at the crossroad of a new era, with both challenges and opportunities ahead. Faced with policy reforms and the changing operating environment, Sihuan Pharmaceutical is gearing up to “strengthen R&D capabilities, optimize product resources and accelerate market expansion”. The Group will make appropriately adjustments to external changes, and continue to build on its concrete operational foundation with precise, clear and determined sales and operational strategies. In 2018, Sihuan Pharmaceutical successfully captured market opportunities to cultivate new competitive edges and maintain its leadership position, leading to gradual rally in its sales performance during the year. In 2018, the Group recorded a revenue of approximately RMB2,917.4 million, representing a year-on-year increase of 6.2%. Profit attributable to owners of the Company was RMB1,620.0 million, representing a year-on-year increase of 11.8%.

Sihuan Pharmaceutical achieved major breakthroughs in multiple areas of businesses. For R&D, the Group continued to increase R&D expenditure and successfully forged ahead clinical trial process of multiple products under development during the year. The Group's first diabetes patented innovative drug commenced Phase III clinical trials in China, three other innovative drugs commenced Phase II clinical trials in China and three innovative drugs commenced Phase I clinical trials in China enabling the Group to launch its first innovative drug earliest in 2021. For generics development, Metformin Hydrochloride Tablets (鹽酸二甲雙胍片) was the first to obtain consistency evaluation approval, while multiple other products are progressing to become the first or among the first two of their kind to pass consistency evaluation from the second half of 2019. Orphan drug Midazolam Oromucosal Solution (咪達唑啉口頰黏膜溶液) has been included in the priority review process, Compound Electrolyte Injection (II) (複方電解質注射液(II)) (500ml) was granted drug registration approval, and “non-PVC solid-liquid double chamber infusion soft bag” is expected to be launched in the first half of 2019. The Group will be rolling out a number of new generic drugs to the market and is expecting to receive its first clinical trial approval for a biological agent product in the near future.

市場銷售方面，本集團充分發揮多元化產品結構的優勢，通過精細化市場管理，積極推廣成長期產品，快速增加醫院覆蓋；同時進行市場下沉，充分挖掘核心品種未開發市場的潛力。本集團致力於完善循證證據體系，促進其主要產品列入診療指南、專家共識以及臨床路徑釋義，以及已開展獨家及主要產品的上市後再評價，為產品的臨床有效性和安全性提供充分支持。

本集團過去一直致力通過進行國際合作機會及併購活動來優化產品資源，為了進一步加速國際化進程，本集團於年內成立國際業務拓展部門，於中國、美國均設有辦事處，專注於為本集團拓展包括抗腫瘤在內的各個重大治療領域的前沿藥物的合作與項目引進，優化和加快公司在生物醫藥領域的戰略佈局。

隨著醫改進一步推動，藥企正面臨著愈加嚴峻的挑戰，行業環境也在醫改的深入下逐步走向規範，並且，作為全球最具有增長潛力的市場，老齡化、城鎮化等帶來的市場剛需仍將驅動行業穩步增長，多方位的政策也會裨益行業健康發展。四環醫藥講順應政策和市場的趨勢，並結合自身特點重新思考和調整戰略，在變革中的中國醫藥市場轉型制勝。我們相信本集團多年來對研發的大力投入已經逐漸取得成果，我們清晰的藥物管線及卓越的市場營銷能力，將令我們在改革的浪潮中重整優勢，脫穎而出。儘管未來充滿挑戰，但我們堅信集團正朝著正確的發展道路上穩健前進，為股東帶來優厚回報。

董事會主席
車馮升醫生

二零一九年三月十八日

Changes in the operating environment is inevitably pressuring the Group's sales performance. Utilizing its diversified product portfolio, the Group implemented targeted marketing management that is to focus its promotional efforts in its growth stage products to quickly expand their hospital coverage. Meanwhile, the Group deepened its penetration in primary markets to fully release the potential of its core products. The Group promoted inclusion of its core products in official clinical guidelines, expert consensus and interpretation of clinical pathways. In addition, the Group conducted evidence-based research to reinforce the recognition of its main products' clinical efficacy, safety and indications.

The Group continued to optimize its product resources through international cooperation and merger and acquisitions. For further internationalization, the Group has established its Global Business Development Department in both China and the United States ("U.S."). The team is equipped with expertise in both domestic and overseas pharmaceutical industries, and will be dedicated in exploring and introducing products and technologies in major therapeutic areas including oncology.

Following the deepening of healthcare reforms, the operating environment of the pharmaceutical industry is increasingly regulated, pressuring industry players as uncertainties lies ahead. Sihuan Pharmaceutical adapts to the changes with high level of flexibility, and has redefined and reformulated its strategic plans leveraging its competitive edges, so as to transform and come out victorious by embracing the opportunities and overcoming the challenges arising in China's pharmaceutical industry. We believe our dedicated investment in R&D over the past years are gradually paying off with fruitful results. Blending a clear product pipeline with remarkable marketing capabilities, we are well positioned to emerge stronger in the wave of reforms. As the world's most promising market with boundless potentials, China offers an opportunity for the pharmaceutical industry to enjoy healthy growth under the strong demand presented by urbanization and an aging population, as well as the benefits from the diversified policies. Despite various challenges ahead, we are confident that the Group is taking firm steps on the right developmental track to create ample value for its shareholders.

Dr. Che Fengsheng
Chairman of the Board

18 March 2019

環境、社會及管治報告

Environmental, Social and Governance Report

關於本報告

報告時間範圍

二零一八年一月一日至二零一八年十二月三十一日(「本年度」)。

發佈週期

四環醫藥控股集團有限公司的環境、社會及管治(「ESG」)報告(「本報告」)為年度報告，每年定期發佈。

報告覆蓋範圍

除非特別說明，本報告內容涵蓋四環醫藥控股集團有限公司及其附屬公司於可持續發展及社會責任方面所作出的努力及成果，範圍包括：

北京四環製藥有限公司(「北京四環」)、吉林四長製藥有限公司(「吉林四長」)、吉林匯康製藥有限公司(「吉林匯康」)、吉林四環製藥有限公司(「吉林四環」)、本溪恒康製藥有限公司(「本溪恒康」)、長春翔通藥業有限公司(「長春翔通」)、吉林振澳製藥有限公司(「吉林振澳」)、吉林四環澳康藥業有限公司(「吉林澳康」)、吉林津升製藥有限公司(「吉林津升」)、弘和製藥有限公司(「弘和製藥」)、深圳四環醫藥有限公司(「深圳四環」)、通化濟達醫藥有限公司(「通化濟達」)、北京澳合藥物研究院(「北京澳合」)、山東軒竹醫藥科技有限公司(「山東軒竹」)。

由於廊坊高博京邦製藥有限公司(「廊坊高博京邦」)於本年度暫停生產，而該生產部份由吉林匯康投入額外生產補上，因此對比上年度的報告範圍，本年度的報告加入了吉林匯康並除去廊坊高博京邦。

有關企業管治的詳情，請參閱本報告的《企業管治報告》。

編製依據

本報告依照香港聯合交易所有限公司(「聯交所」)主板上市規則附錄二十七《環境、社會及管治報告指引》所編寫。

ABOUT THIS REPORT

Reporting period

From 1 January 2018 to 31 December 2018 (the “Year”).

Publication cycle

The Environmental, Social and Governance (“ESG”) Report (the “Report”) of Sihuan Pharmaceutical Holdings Group Ltd. is an annual report and is published regularly.

Scope of the Report

Unless otherwise specified, the Report covers the effort and achievement made in the areas of sustainable development and social responsibility by Sihuan Pharmaceutical Holdings Group Ltd. and its subsidiaries, which include:

Beijing Sihuan Pharmaceutical Co., Ltd. (“Beijing Sihuan”), Jilin Sichang Pharmaceutical Co., Ltd. (“Jilin Sichang”), Jilin Huikang Pharmaceutical Co., Ltd. (“Jilin Huikang”), Jilin Sihuan Pharmaceutical Co., Ltd. (“Jilin Sihuan”), Benxi Hengkang Pharmaceutical Co., Ltd. (“Benxi Hengkang”), Changchun Xiangtong Pharmaceutical Co., Ltd. (“Changchun Xiangtong”), Jilin Zhen’ao Pharmaceutical Co., Ltd. (“Jilin Zhen’ao”), Jilin Sihuan Aokang Pharmaceutical Co., Ltd. (“Jilin Aokang”), Jilin Jinsheng Pharmaceutical Co., Ltd. (“Jilin Jinsheng”), Honghe Pharmaceutical Co., Ltd. (“Honghe Pharmaceutical”), Shenzhen Sihuan Pharmaceutical Co., Ltd. (“Shenzhen Sihuan”), Tonghua Jida Pharmaceutical Co., Ltd. (“Tonghua Jida”), Beijing Aohe Pharmaceutical Research Institute (“Beijing Aohe”) and Shandong Xuanzhu Pharmaceutical Technology Co., Ltd. (“Shandong Xuanzhu”).

During the Year, Langfang Gaobojingbang Pharmaceutical Co., Ltd. (“Langfang Gaobang”) has suspended its production, which was supplemented by the additional production in Jilin Huikang. Therefore, Jilin Huikang was added into the reporting scope of the Year with Langfang Gaobang being excluded as compared to that of last year.

As for the information of corporate governance, please refer to the Corporate Governance Report of this Annual Report.

Basis of preparation

The Report was prepared in accordance with the “Environmental, Social and Governance Reporting Guide” under Appendix 27 of the Main Board Listing Rules issued by the Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

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指代說明

為便於表達，四環醫藥控股集團有限公司及其附屬公司(本報告範圍內)在本報告中統稱為「四環醫藥」、「集團」或「我們」。

資料及意見

本報告所引用的歷年資料為最終統計資料，當中若財務資料與年報有出入，則以年報為準。除特別說明外，本報告中的財務資料以人民幣為單位。

電子版可於聯交所網站 <https://www.hkex.com.hk> 下載。我們高度重視閣下的意見，倘若閣下有任何意見或建議，歡迎將意見經電郵發送至：IR@sihuanpharm.com。

ESG 責任管治

四環醫藥視 ESG 議題為集團風險管控的重要一環，董事會(「董事會」)在集團風險管治的基礎架構上，建立了針對 ESG 的管理體系。集團亦成立了由董事會成員及各部門主管組成的風險管理委員會，委員會除負責統籌和監管集團的風險管理外，也負責確定集團各項 ESG 發展策略，並定期召開會議指導及開展旗下公司的 ESG 相關工作。

Abbreviations

In the Report, Sihuan Pharmaceutical Holdings Group Ltd. and its subsidiaries (within the scope of the Report) are collectively referred to as “Sihuan Pharmaceutical”, the “Group” or “we” for convenience.

Information and feedback

All historical information quoted in the Report is the final statistics. If there is any inconsistency between the financial information contained herein and those contained in the Annual Report, the latter shall prevail. Unless otherwise specified, all financial information in the Report is denominated in RMB.

Electronic version is available on the website of the Stock Exchange <https://www.hkex.com.hk>. Your opinions are highly valued. Should you have any comments or suggestions, please send your feedbacks by email to IR@sihuanpharm.com.

ESG GOVERNANCE

Sihuan Pharmaceutical considers ESG issues as an important part of our risk management. The Board of Directors (“the Board”) has established an ESG management system on the basis of the group-wide risk management framework. The Group has set up a Risk Management Committee which is composed of members of the Board and various departmental leaders. The committee is responsible for coordinating and monitoring our risk management, as well as establishing the ESG development strategies of the Group. The Risk Management Committee also holds regular meetings to guide and initiate ESG-related works for the Group’s subsidiaries.

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四環醫藥堅持將對環境和社會的承諾應用於集團發展策略中。本年度，集團聘請了第三方諮詢公司對風險因素進行識別和梳理，以鞏固集團的ESG體系，規避相關風險。

Sihuan Pharmaceutical is committed to embedding the environmental and social commitments in our development strategies. During the Year, we engaged a third-party consultancy company to identify and sort out risk factors to strengthen the Group's ESG system and avoid related risks.

ESG 管理架構

ESG MANAGEMENT STRUCTURE



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利益相關方的參與

四環醫藥高度重視與利益相關方的溝通交流，通過各種管道宣揚集團的ESG理念與實踐，了解利益相關方的要求，並採取應對措施，滿足其合理期望與訴求。

Stakeholder engagement

Sihuan Pharmaceutical highly values the communication with stakeholders. We work to promote the Group's philosophy and practices in ESG and understand the needs of stakeholders through various channels so that corresponding measures can be carried out to meet stakeholders' expectations and requirements.

利益相關方 Stakeholders	期望與要求 Expectations and Requirements	溝通與回應方式 Communication Channels
政府與監管機構 Government and regulators	<ul style="list-style-type: none"> • 遵守國家政策及法律法規 • 促進地方經濟發展 • 帶動地方就業 • 按時足額納稅 • 安全生產 • Compliance with national policies, laws and regulations • Support for local economic growth • Contribution in local employment • Tax payment in full and on time • Safe production 	<ul style="list-style-type: none"> • 定期資訊報送 • 定期與監管機構會話 • 檢查督查 • Regular Information reporting • Regular meetings with regulators • Examination and inspection
股東 Shareholders	<ul style="list-style-type: none"> • 收益回報 • 合規運營 • 提升公司價值 • 資訊透明及高效溝通 • Returns • Compliant operation • Growth in corporate value • Information transparency and effective communication 	<ul style="list-style-type: none"> • 股東大會 • 公司公告 • 電郵、電話通訊及公司網站 • 專題匯報 • Shareholders meeting • Announcements • Email, telephone communication and company website • Dedicated reports
合作夥伴 Business partners	<ul style="list-style-type: none"> • 誠信經營 • 公平競爭 • 依法履約 • 互利共贏 • Operation with integrity • Fair competition • Performance of contracts • Mutual benefit and win-win cooperation 	<ul style="list-style-type: none"> • 審查與評估會 • 商務溝通 • 交流研討 • 洽談合作 • Review and appraisal meetings • Business communication • Exchanges and discussions • Engagement and cooperation

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利益相關方 Stakeholders	期望與要求 Expectations and Requirements	溝通與回應方式 Communication Channels
客戶 Customers	<ul style="list-style-type: none"> • 優質產品與服務 • 健康與安全 • 依法履約 • 誠信經營 	<ul style="list-style-type: none"> • 客戶服務中心和熱線 • 客戶意見調查 • 客戶溝通會議 • 回訪
環境 Environment	<ul style="list-style-type: none"> • Outstanding products and services • Health and safety • Performance of contracts • Operation with integrity 	<ul style="list-style-type: none"> • Customer service center and hotlines • Customer feedback surveys • Customer communication meetings • Client review
環境 Environment	<ul style="list-style-type: none"> • 達標排放 • 節能減排 • 保護生態 	<ul style="list-style-type: none"> • 與當地環境部門交流 • 與當地居民溝通 • 報表報送
環境 Environment	<ul style="list-style-type: none"> • Compliance with emission regulations • Energy saving and emission reduction • Protection of ecosystem 	<ul style="list-style-type: none"> • Communication with local environmental departments • Communication with the local population • Reporting
行業 Industry	<ul style="list-style-type: none"> • 行業標準制定 • 促進行業發展 	<ul style="list-style-type: none"> • 參與行業論壇 • 考察互訪
行業 Industry	<ul style="list-style-type: none"> • Establishment of industrial standards • Enhancement of industrial development 	<ul style="list-style-type: none"> • Participation in industry forums • Visits and mutual inspections
員工 Employees	<ul style="list-style-type: none"> • 權益維護 • 職業健康 • 薪酬福利 • 職業發展 • 人文關懷 	<ul style="list-style-type: none"> • 員工溝通會 • 公司內刊和內聯網 • 員工信箱 • 培訓與工作坊 • 員工活動
員工 Employees	<ul style="list-style-type: none"> • Protection of rights • Occupational health • Remunerations and benefits • Career development • Humanity cares 	<ul style="list-style-type: none"> • Employee meetings • House journal and intranet • Employee mailbox • Training and workshop • Employee activities
社區及公眾 Community and the public	<ul style="list-style-type: none"> • 改善社區環境 • 參與公益事業 • 資訊公開透明 	<ul style="list-style-type: none"> • 公司公告 • 傳媒採訪
社區及公眾 Community and the public	<ul style="list-style-type: none"> • Improvement in community environment • Participation in charity • Information transparency 	<ul style="list-style-type: none"> • Announcements • Interview with media

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重要性議題評估

為加強報告的針對性與回應性，集團依據聯交所《環境、社會及管治報告指引》的要求，委託第三方諮詢公司進行重要性議題評估，以識別集團和利益相關方重視的ESG議題，確保報告披露的資訊全面覆蓋集團發展和利益相關方關注的重點議題。

重要性評估的實施分為三個主要階段：

- (i) 基於國家及地方相關標準和政策、行業特點以及本集團自身發展情況，確立了38項可能影響本集團業務或利益相關方的ESG議題；
- (ii) 邀請內部及外部利益相關方(包括員工、管理層、董事、客戶、供應商和社區)填寫線上問卷，以收集意見並識別其對各議題的關注程度；及
- (iii) 分析有效調查問卷後，將該等議題標繪於重要性矩陣之中，並歸納出重要的ESG議題。

Materiality assessment

Pursuant to the ESG Reporting Guide of the Stock Exchange and in order to enhance the relevance and responsiveness of the Report, the Group has engaged a third-party consultancy company to conduct a materiality assessment, in which issues that are highly valued by the Group and stakeholders are identified so as to ensure that information disclosed in the Report fully covers the material issues pertain to the Group's development and stakeholders' concerns.

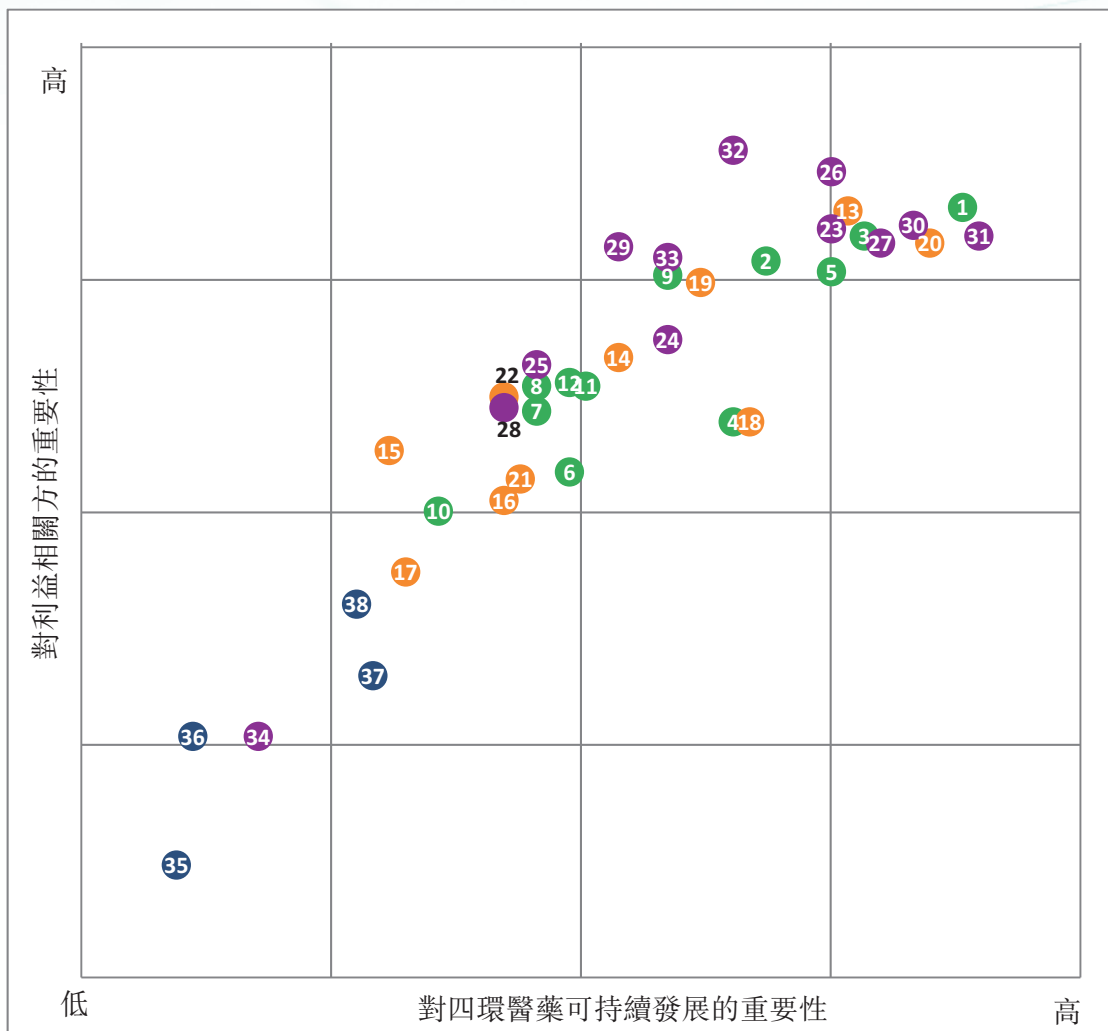
The materiality assessment was conducted in three stages:

- (i) to identify 38 potential ESG issues that may affect the Group's business or stakeholders with reference to relevant national and local standards and policies, industrial features and the Group's own development;
- (ii) to invite internal and external stakeholders (including employees, management, directors, customers, suppliers and the community) to complete online questionnaires so as to collect and examine their awareness towards each issue; and
- (iii) to analyze effective questionnaires and identify material ESG issues by plotting all potential issues in the materiality matrix.

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經過以上階段後，下圖為從問卷調查結果得出的重要性矩陣：



環境

1. 遵循環境保護相關法律法規
2. 廢氣管理
3. 廢水管理
4. 溫室氣體排放
5. 廢棄物管理
6. 循環利用
7. 能源使用
8. 水資源使用
9. 清潔生產
10. 綠色辦公室
11. 原材料及包裝材料使用
12. 環境及天然資源管理

僱傭及勞工常規

13. 遵循勞工相關法律法規
14. 薪酬及福利
15. 工作時數及假期
16. 員工多元化與平等機會
17. 僱員參與及溝通
18. 人才吸納及留任
19. 職業健康與安全
20. 危險化學品管理
21. 員工培訓與發展
22. 防止童工及強制勞工

營運慣例

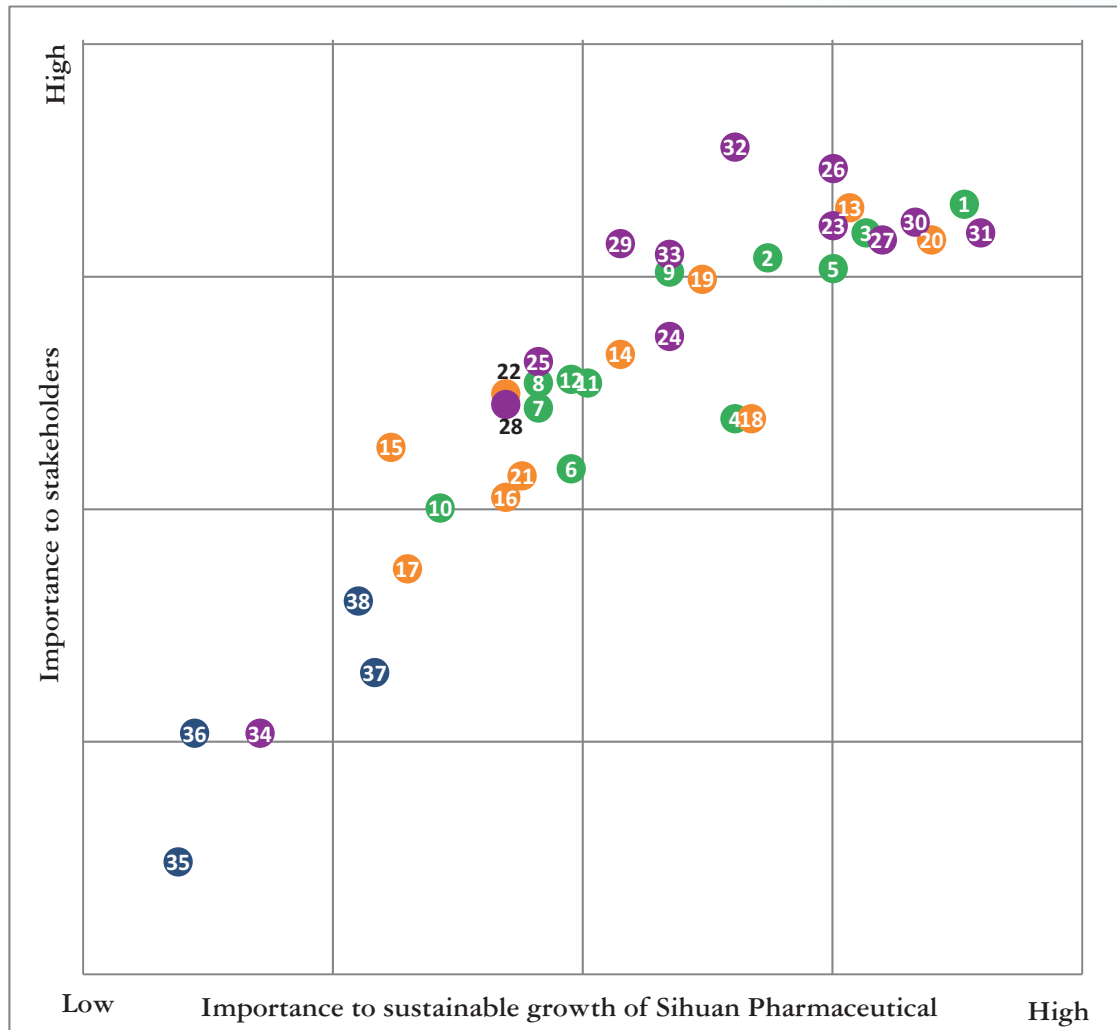
23. 遵循提供產品與服務相關法律法規
24. 供應商管理
25. 採購措施/慣例
26. 產品/服務質量
27. 客戶健康與安全
28. 與產品/服務相關的標籤
29. 客戶服務
30. 保障知識產權
31. 研究及開發
32. 資訊安全與隱私保護
33. 反貪污
34. 動物權益

社區投資

35. 公益慈善
36. 社區影響
37. 帶動地方就業
38. 社會溝通

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After the above-mentioned procedures, the materiality matrix based on the results of questionnaires are as follows:



Environment	Employment and Labor Practices	Operation Practices	Community Investment
1. Compliance with environmental-related laws and regulations	13. Compliance with labour laws and regulations	23. Compliance with laws and regulations relating to the provision and use of products and services	35. Charity
2. Air pollutant management	14. Employees' remuneration and benefits	24. Supply chain management	36. Impact on the community
3. Wastewater management	15. Employees' working hours and rest periods	25. Procurement practices/measures	37. Promotion of local employment
4. Greenhouse gas (GHG) emission	16. Diversity and equal opportunity	26. Product/service quality	38. Community communication
5. Waste management	17. Employee engagement and communication	27. Customer health and safety	
6. Recycling	18. Talent attraction and retention	28. Product/service labelling	
7. Energy consumption	19. Occupational health and safety	29. Customer services	
8. Use of water resources	20. Hazardous chemical management	30. Protection of intellectual property rights	
9. Clean production	21. Staff training and development	31. Research and development	
10. Green office	22. Prevention of child labour and forced labour	32. Information security and privacy protection	
11. Use of raw materials and packaging materials		33. Anti-corruption	
12. Environmental and natural resources management		34. Animal rights	

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本集團從重要性矩陣中識別出10項重要議題，其內容於本報告各對應章節中加以詳述。

The Group has identified 10 material issues which are disclosed in detail in the corresponding sections of the Report.

層面 Aspects	重要議題 Material Issues	對應章節 Reference Sections
環境 Environment	1. 遵循環境保護相關法律法規 3. 廢水管理 5. 廢棄物管理	排放物管理 排放物管理 排放物管理
	1. Compliance with environmental-related laws and regulations 3. Wastewater management 5. Waste management	Emission management Emission management Emission management
僱傭及勞工常規 Employment and labor practices	13. 遵循勞工相關法律法規 20. 危險化學品管理	員工權益與福利 危險化學品管理
	13. Compliance with labour laws and regulations 20. Hazardous chemical management	Employee rights and benefits Hazardous chemical management
營運慣例 Operation practices	23. 遵循提供產品與服務相關法律法規 26. 產品／服務質量 27. 客戶健康與安全 30. 保障知識產權 31. 研究及開發	質量保證、客戶服務、保護客戶隱私 質量保證 質量保證 保障知識產權 研發創新
	23. Compliance with laws and regulations relating to the provision and use of products and services 26. Product/service quality 27. Customer health and safety 30. Protection of intellectual property rights 31. Research and development	Quality assurance, Customer service, Customer privacy protection Quality assurance Quality assurance Protecting intellectual property R&D and innovation

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運營管理

強大的創新研發能力、優質的產品質量、高效的客戶服務與負責任的原材料採購始終是四環醫藥多年在發展運營過程中對自身的要求和對社會的承諾。集團嚴格遵守相關法律法規，如《中華人民共和國藥品管理法》、《中華人民共和國產品質量法》、《中華人民共和國消費者權益保護法》、《藥品生產質量管理規範》（「藥品GMP」）及《藥品不良反應報告和監測管理辦法》等。對此，我們建立了全面的管理制度，通過不斷實施和完善，促進集團可持續發展，同時也力求能助推整個醫藥行業的長足進步。

研發創新

研發創新是醫藥企業可持續發展的核心競爭力。四環醫藥同時專注研發首仿藥與創新藥，堅持以市場需求為主導，持續提升現有藥物性能與用藥便利性，並積極填補未被滿足的醫療需求。本年度，我們提交新專利申請共47件，獲授權的專利為26件；而在中國國家知識產權局維持有效的授權專利共有265件，在其他國家或地區維持有效專利為70餘件。同時，北京澳合順利通過高新技術企業覆審及授予北京市級企業科技研究開發機構，給予了集團在創新研發能力的充分肯定。

OPERATION MANAGEMENT

Strong research and development ("R&D") and innovation capabilities, superior product quality, efficient customer services, and responsible material procurement have always been Sihuan Pharmaceutical's requirements for itself and commitment to society in the course of development and operation for years. The Group strictly abides by relevant laws and regulations, such as the Pharmaceutical Administration Law of the People's Republic of China, Product Quality Law of the People's Republic of China, Law of the People's Republic of China on the Protection of Consumer Rights and Interests, Good Manufacturing Practices for Pharmaceutical Products ("GMP for Pharmaceutical Products"), and Measures for the Reporting and Monitoring of Adverse Drug Reactions. In this regard, we have established a comprehensive management system to facilitate the sustainable growth of the Group through consistent implementation and improvement thereof. We also strive to facilitate the development of the pharmaceutical industry as a whole.

R&D and innovation

R&D and innovation represent the core competitiveness for a pharmaceutical company's sustainable growth. Sihuan Pharmaceutical focuses on the R&D of both first generic drugs and innovative drugs. We work actively to meet unsatisfied medical needs by sticking to a market-oriented approach and continuously improving the effectiveness and ease of use of our drugs. During the Year, we submitted 47 new patents applications and received 26 authorized applications, while 265 patents are still validly authorized and maintained by the National Intellectual Property Administration of the PRC and more than 70 valid patents in other countries or regions. In the meantime, Beijing Aohe has successfully passed the review of High and New-Technology Enterprise and was granted the title of Technology Research and Development Institute of Beijing (北京市級企業科技研究開發機構), which recognized the Group's R&D and innovation capabilities.

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• 研發進展

我們憑藉先進完善的科研設備與高素質的研究團隊，持續開發和推出自主知識產權產品。本年度，集團在創新藥及仿製藥研發領域成果豐碩，包括：

- 用於治療等滲性脫水的複方電解質注射液(II)獲得中國國家藥品監督管理局(「國家藥監局」)頒發藥品註冊批件，為該品種首家國內企業獲得上市批准；
- 用於治療糖尿病的鹽酸二甲雙胍片獲國家藥監局批准通過仿製藥質量和療效一致性評價(「一致性評價」)，成為國內該品種首家按照一致性評價補充申請申報通過的企業；
- 自主研發的碳青黴烯類抗生素「百納培南」、消化系統創新專利藥「安納拉唑鈉」，以及抗腫瘤創新專利藥「哌羅替尼」已正式進入中國II期臨床試驗；及
- 擬用於治療成人2型糖尿病的長效胰島素類似物德谷胰島素已成功獲得國家藥監局頒發的臨床試驗批件，目前已進入臨床試驗前準備階段。

• R&D progress

The Company continues to develop and launch products with proprietary intellectual properties by leveraging on a state-of-the-art research equipment and highly capable R&D teams. During the Year, the Group has made great achievements in R&D of both innovative drugs and generic drugs, including:

- Compound Electrolyte Injection (II) (複方電解質注射液(II)), which is applied in treating isotonic dehydration, has been granted drug registration approval by the National Medical Products Administration of the PRC (the "NMPA") and the Group is the first enterprise in China being granted approval for products of the same kind;
- Metformin Hydrochloride Tablets (鹽酸二甲雙胍片), which are prescribed to patients with diabetes, has been granted approval by the NMPA for passing the consistency evaluation for quality and efficacy of generic drugs (the "Consistency Evaluation"), making the Group the first manufacturer to pass the Consistency Evaluation through supplementary application in China;
- Self-developed innovative drugs, including carbapenem antibiotic – Benapenem (百納培南), digestive system drug – Anaprazole Sodium (安納拉唑鈉), and Oncology Drug – Pirotinib (哌羅替尼), have commenced Phase II Clinical Trial in China; and
- Long-acting insulin analogue degludec (德谷胰島素), which is intended to treat type 2 diabetes in adult patients, has been granted approval for clinical trials by the NMPA and has commenced pre-clinical preparation.

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- 促進行業發展

四環醫藥重視行業研發資源的合作與交流，持續提升產學研合作的規模和層次，維持具卓越成效的創新發展。我們緊貼國內外前沿技術的發展趨勢，與多家國內外優秀科研機構建立長期合作關係，並以優勢互補、共同促進醫藥創新研發為目標。

在國內，集團的研發部門與中國人民解放軍軍事醫學科學院保持著多項研發合作，包括用於治療兒童癲癇的咪達唑侖口腔黏膜溶液及治療精神分裂症的棕櫚酸帕利哌酮注射液；其中咪達唑侖口腔黏膜溶液已於本年度成功獲國家藥監局藥品審評中心納入「優先審評程序」及取得「減或者免臨床研究」受理通知書。在國外，自二零一五年開始，我們與日本 RaQualia Pharma Inc. (「RaQualia」) 公司密切合作，成功篩選出新型鎮痛藥物 – Nav 1.7 選擇性拮抗劑，並取得多項卓越研發成果。於二零一八年九月，本集團在美國波士頓舉行的第 17 屆二零一八世界疼痛研究大會中聯合 RaQualia 公佈了多項卓越的研發成果。

- Promotion of industrial development

Sihuan Pharmaceutical emphasizes cooperation and exchange with the industry in respect of R&D resources, and continues to extend the scale and level of cooperation in order to provide steady and effective support for innovation. We keep ourselves abreast of the development of cutting-edge technologies home and abroad and have developed long-term partnership with many outstanding research institutes within and outside of China with a view to complementing the advantages of each other and jointly promoting pharmaceutical innovation and R&D.

In China, the Group's R&D department and the Academy of Military Medical Sciences of the People's Liberation Army of China maintain a number of R&D collaboration, including pediatric medicine Midazolam Oromucosal Solution (咪達唑侖口腔黏膜溶液) for the treatment of childhood epilepsy and Paliperidone Palmitate Injection (棕櫚酸帕利哌酮注射液) for schizophrenia. The Pediatric Medicine Midazolam Oromucosal Solution has been successfully included in the "Procedure for Priority Review" by the Center for Drug Evaluation, NMPA, and obtained the notification of acceptance of "Reduction or Exemption from Clinical Studies" during the Year. Outside China, we have been closely cooperating with RaQualia Pharma Inc. ("RaQualia"), a Japan-based pharmaceutical company, on R&D since 2015 and have identified a new pain treatment drug – Nav 1.7 selective antagonists and obtained many outstanding research achievements. In September of 2018, Sihuan Pharmaceutical and RaQualia had jointly announced various outstanding R&D results in the 17th IASP World Congress on Pain 2018 in Boston, the United States of America.

環境、社會及管治報告

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質量保證

四環醫藥深明有效的質量管理系統對確保產品質量及維持集團聲譽和成就至關重要。集團生產過程以藥品GMP為基本執行標準，並已建立先進的產品質量控制及藥物警戒體系，監控研發、生產以至終端銷售等不同過程的產品質量，致力確保產品達到最高行業標準及要求。

- **質量管理系統**

按照 GB/T 19001-2016 IDT/ ISO 9001:2015《質量管理體系要求》標準，集團制定了《質量管理手冊》、明確質量方針及目標，有系統地指導總部及其附屬公司建立、實施、保持和改進質量管理機制。我們的質量管理系統已順利獲得 ISO 9001 質量管理體系認證證書。

為降低生產過程中工藝技術與管理流程中的質量風險，我們根據藥品GMP及《質量管理體系：藥品GMP指南》，建立《質量風險手冊》，以識別、分析、評估及控制藥品生產質量管理體系的風險。集團亦制定《內部審核管理程序》，對質量管理體系進行內部審核，如發現任何問題，將立即採取糾正措施。

- **生產質量控制**

集團嚴格遵守標準經營及設備操作程序，對生產工序的各階段進行監督管理，以確保生產工序符合集團的質量標準。如發現任何異常，會即時糾正並記錄在案。集團所有生產設施均獲國家藥監局藥品GMP認證，我們亦要求第三方製造商遵守集團的質量及藥品GMP標準。

Quality assurance

Sihuan Pharmaceutical recognizes that an effective quality management system is crucial to ensure product quality and safeguard the reputation and achievements of the Group. The production process of the Group is in line with the standards of the GMP for Pharmaceutical Products. We have set up advanced systems for product quality control and pharmacovigilance to secure the product quality control at different stages, from R&D, manufacturing to point of sales. We are committed to ensuring that products consistently meet the highest industrial standards and requirements.

- **Quality management system**

By formulating the Quality Management Manual in accordance with GB/T 19001-2016 IDT/ISO 9001:2015 Quality Management System, the Group has made the principles and objectives of quality control explicit, and provided systematic guidance for the headquarter and subsidiaries to establish, implement, maintain and improve the quality management system. Our quality management system has successfully obtained the ISO 9001 Quality Management System certificate.

In order to reduce the quality risks of technologies and management procedures in the course of manufacturing process, we have established the Quality Risk Manual according to the GMP for Pharmaceutical Products and Quality Management System: GMP Guidelines for Drugs, aiming at identifying, analyzing, assessing and controlling risks of the quality management system of drug manufacturing. The Group has also established an Internal Audit Administration Procedure to conduct internal audit on the quality management system. In case of any problems, immediate remedial actions will be taken.

- **Production quality control**

On the basis of strict compliance with standard operational procedures and equipment operating procedures, the Group closely monitors and manages all steps of the production process to ensure these processes are in line with the Group's quality standards. Any abnormality found will be rectified and recorded immediately. All production facilities of the Group are certified with GMP for Pharmaceutical Products by the NMPA. We also require third-party manufacturers to comply with our quality and GMP for Pharmaceutical Products standards.

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- **成品質量控制**

集團每批成品均需經嚴格的抽樣檢測後，方可發往分銷商。檢測完成後，集團會發出成品報告，只有通過檢測的產品方會運至倉庫。此外，集團會審核原材料使用、生產工序、生產控制及批次記錄，如無發現任何不足之處，方發出產品批准證書。集團倉庫僅會在收到成品報告及相關產品批准證書後發出產品。針對不合格品的控制，集團內部實施《不合格產品管理程序》，以防止不合格產品的非預期使用和交付，並根據《糾正和預防措施管理程序》杜絕問題，防止情況再次發生。

- **藥物警戒體系**

四環醫藥根據國家法規《藥品不良反應報告和監測管理辦法》和《藥品不良反應報告和監測檢查指南(試行)》的要求，建立了藥物警戒體系並制定《藥品安全評價與控制管理規定》，以管理和監督旗下各生產型附屬公司藥品的不良事件報告和監測工作。

為了確保可及時處理市面上有安全隱患的銷售藥品，我們制定了《藥品召回管理標準作業程序》，其中包括藥品安全隱患的發現、調查和評估、藥品召回實施、處理、跟蹤與資料歸檔等詳細操作規範。集團定期為各級人員安排召回模擬演練，確保產品召回系統有效運作。本年度，集團並未接獲嚴重藥品不良事件的報告，亦未發生大規模產品回收事件。

- **Quality control of finished products**

Each batch of the Group's finished products is subject to strict sampling examination before being sent to distributors. Reports on the examined products will be issued following the examination so that only those products which have passed the examination will be transported to the warehouse. Besides, use of raw materials, production process, production control and batch records are audited and a product approval certificate is issued in the absence of any defective findings. The warehouse will deliver the products only upon receipt of both the finished product report and the product approval certificate. For the control of defective products, the Group has put in place the Defective Product Management Procedures as a way to prevent unintended use and delivery of substandard products, as well as to eliminate the culprits of defects and prevent recurrence pursuant to the Corrective and Preventive Measures Management Procedures.

- **Pharmacovigilance system**

Sihuan Pharmaceutical has established a pharmacovigilance system and the Administrative Provisions on Evaluation and Control of Drug Safety in accordance with the Measures for the Reporting and Monitoring of Adverse Drug Reactions and Guide on Examination for the Reporting and Monitoring of Adverse Drug Reactions (Trial) in order to manage and supervise the reporting and monitoring on adverse drug reactions across all manufacturing subsidiaries.

In order to ensure a prompt response can be made for potential safety problems of marketed drugs, we have developed Standard Operating Procedure: Management of Drug Recalls, in which detailed operational specifications have been drawn up to deal with drug safety hazards' discovery, investigation and evaluation, drug recall implementation, handling, tracking and data archiving. The Group organizes recall drills for all levels of personnel to ensure the effectiveness of product recalling system. During the Year, the Group did not receive reports of serious adverse drug events and there were no large-scale product recalls.

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客戶服務

四環醫藥十分重視客戶對產品與服務的回饋及意見，通過良好有效的客戶溝通了解客戶需求，協助客戶處理銷售過程中遇到的各類情況，並在過程中保護客戶隱私，從而提高客戶滿意度。

- **客戶投訴及回饋**

集團嚴肅對待來自分銷商、醫院、醫療機構及終端客戶的相關回饋資訊及對於集團產品質量的投訴，並因此制定《藥品不良事件投訴與醫學信息諮詢處理程序》。接到投訴後，我們會詳細記錄並歸類投訴內容，進而轉交給相應部門處理。如遇到不良事件，將由集團醫學事務部對藥品不良事件進行評價，必要時組織醫學專家作出專業分析及建議，再由藥物警戒部總結不良事件並回覆投訴者。所有不良事件均會按時上報國家藥品不良反應監測系統並在集團內歸檔。

- **提供優質服務**

我們為客戶提供一站式管家服務，針對客戶提出的問題和回饋，將由第一位接收人全權負責並跟進。為提高客戶滿意度，相關部門日常工作中會參考自行編寫的《客戶話務手冊》作為基本指南。根據客戶簽訂購銷合同的情況，我們定期與客戶進行電話溝通，獲取銷量回饋。同時，我們為客戶分配專業的發貨助理，為客戶呈報貨物運單號並提醒客戶定期備貨。

Customer service

Sihuan Pharmaceutical attaches great importance to customers' feedback and opinions on our products and services. We improve customer satisfaction by understanding their needs via smooth communication and helping them to deal with various issues arising from the sales process while protecting their privacy in the meantime.

- **Customer complaints and feedback**

The Group always deals with feedback and complaints on our product quality from distributors, hospitals, medical institutions and end customers in earnest. We have formulated the Handling Method of Adverse Drug Events' Complaint and Medical Information Consultation, under which a complaint received will be recorded in detail, sorted and then referred to relevant department for follow-up actions. In the case of adverse events, the department of medical affairs of the Group will conduct adverse event evaluation and organized pharmaceutical experts to undertake professional analysis and provide suggestions when necessary. The pharmacovigilance department will then draw a conclusion for the adverse events and reply the complainants. All the adverse events will be reported to the National Adverse Drug Reaction Monitoring System on time and for filling within the Group.

- **Provision of high quality services**

We provide customers with one-stop management services. Enquiries and issues raised by customers are handled and followed up by the first feedback-receiver. To improve customer satisfaction, the Customer Script Manual has been compiled as a guideline for day-to-day works for relevant departments. We continue to engage our customers in telephone conversation on a regular basis to seek for feedback on sales volume based on sale and purchase contracts signed with them. At the same time, a dedicated shipment assistant is assigned to each customer and is responsible for notifying customers the waybill numbers of goods and reminding customers to refill stocks regularly.

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供應鏈管理

為識別採購風險及促進集團的產品質量，我們制定《供應商管理規程》，定期對供應商進行考核與評價。同時，我們十分注重對下游銷售系統及代理商的管理，通過完善的培訓體系提高其管理與專業技能水平。

- 供應商准入及考核

集團對所有採購流程執行雙人監管，互相監督，並成立專門的供應商調查小組，通過實地考察與資格檔案查閱，對供應商進行評價。我們根據供應商考核與評價結果，對供應商進行分級管理及實行不同的獎懲政策。集團對合格供應商進行日常管理及年度審計，確保供應商提供穩定、高質量的產品與服務。

Supply chain management

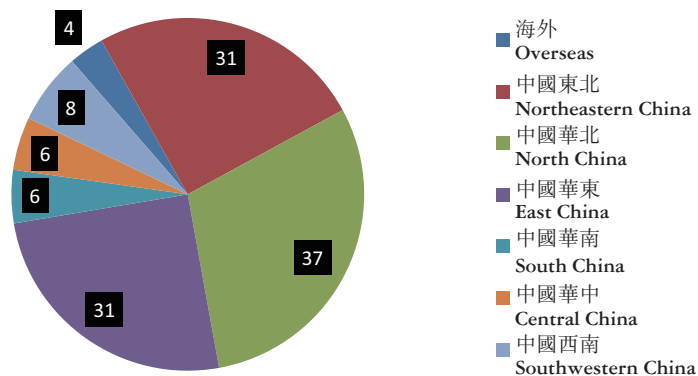
In order to identify purchasing risk and facilitate the steady improvement in product quality, we have set up the Supplier Management Protocol for accessing and evaluating suppliers on a regular basis. Meanwhile, we highly value the management of downstream sales system and distributors, and therefore we manage to enhance their managerial and professional capabilities through implementing a robust training system.

- Supplier admission and assessment

All procurement processes of the Group are supervised by two staff to sustain mutual supervision. A dedicated supplier survey team has also been set up to evaluate suppliers through field visits and qualification review. Based on the results of supplier assessment and evaluation, suppliers are managed after being graded and subject to a reward-and-punishment policy. The Group conducts day-to-day management and annual audits on qualified suppliers, ensuring the stability and quality of their products and services.

四環醫藥按地區劃分的供應商數目

Number of Suppliers to Sihuan Pharmaceutical by Region



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- **綠色供應鏈**

集團積極推動上下游企業共同實踐綠色可持續發展。我們在採購合同中明確規定供應商提供的產品必需符合有關環保法律法規的要求，並同時符合國家與行業標準。在日常採購過程中，我們也充分考慮國家相關政策對供應商生產情況的影響，以避免與風險較大的供應商合作。在評標定標過程中，我們比較各家供應商提供的技術方案，將環保因素及員工健康安全因素作為單獨評分項，已獲ISO 14001環境管理體系認證或OHSAS 18001職業安全衛生管理系統認證的供應商可獲優先考慮。

- **銷售系統培訓**

為妥善管理集團龐大的銷售和市場團隊，我們除擁有一套高效的內部管理系統外，亦積極為相關人員提供培訓。本年度，集團的行銷培訓部針對代理商及內部行銷員進行16項主題培訓，包括新員工培訓、異議處理、產品介紹、專業拜訪技巧等，為超過500名銷售人員進行針對性培訓。為提高培訓效率，我們亦提供問答手冊和視頻課件等多樣的培訓配套，為行銷人員及代理商的培訓提供便利。

- **Green supply chain**

The Group proactively engages upstream and downstream businesses in practising green sustainable development together. Our procurement contracts clearly specify that products provided by suppliers must comply with the requirements of relevant environmental laws and regulations, as well as national and industrial standards. In day-to-day procurement, we avoid cooperating with risky suppliers after due consideration of the potential impacts of national policies on the production of our suppliers. In the process of tender evaluation and determination, in addition to comparing technical solutions offered by suppliers, environmental factors and employees' health and safety factors are also regarded as separate grading criteria. Suppliers who have obtained ISO 14001 Environmental Management System certificate or OHSAS 18001 Occupational Safety and Health Management System certificate are given priority.

- **Sales system training**

In order to properly manage the large sales and marketing team of the Group, we provide training for relevant personnel in addition to establishing an efficient internal management system. During the Year, the Group's sales training department has conducted 16 thematic programme for agents and internal sales staff, including new joiners training, objection handling, product introduction, professional visiting skills, etc. We have provided targeted training for more than 500 sales personnel. To improve training efficiency, training materials in various forms such as Q&A manuals and video courseware are also provided to sales personnel and agents for convenient training.

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安全生產

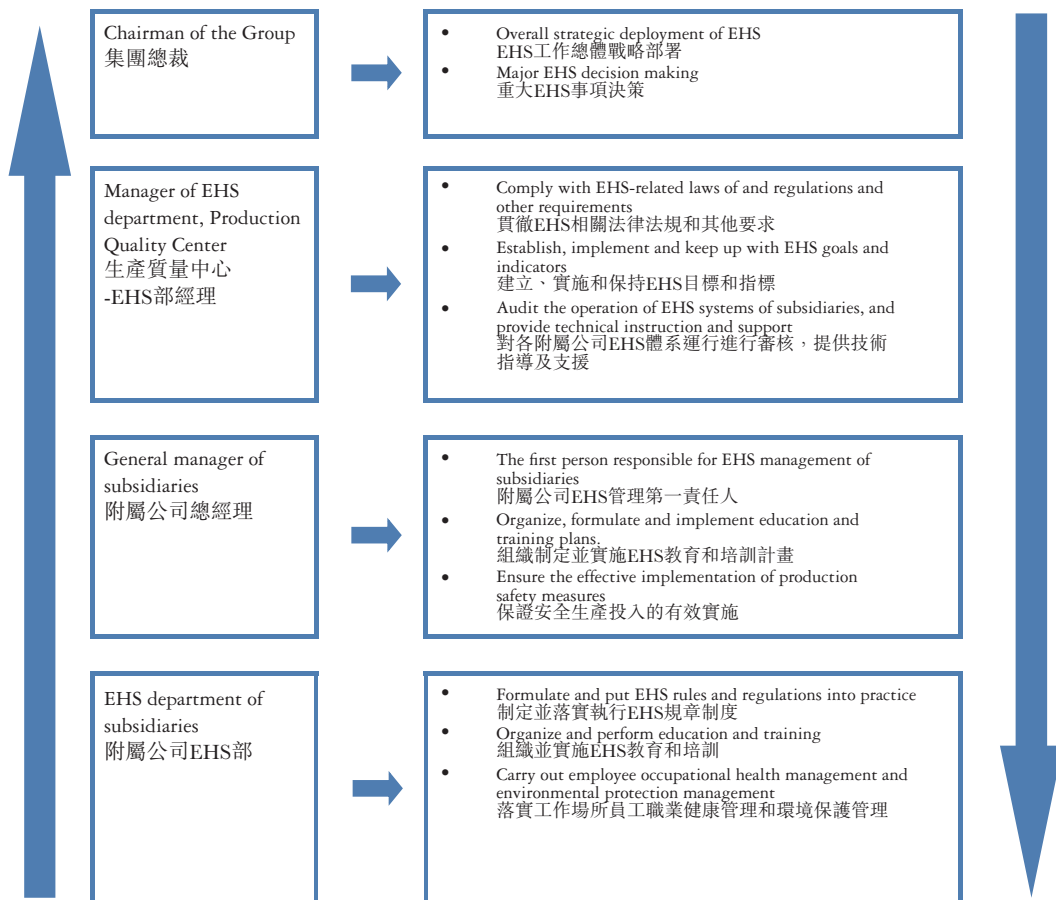
為貫徹國家安全環境方針，提高各生產型附屬公司的環境、健康與安全（「EHS」）管理水平及完善EHS管理體系，本年度，四環醫藥總部及各附屬公司均設立了獨立的EHS部門及設置專職的EHS管理人員，竭力打造從集團總裁到各附屬公司EHS部門「人人負責」的EHS工作體系。我們對目標職責、制度建設、教育培訓、現場安全管理、隱患排查治理、應急管理、事故管理以及持續改進等方面進行管理，致力確保所有附屬公司除滿足合規要求外，同時亦達到集團制定的EHS要求。有關EHS部門在改善集團環保方面作出的努力和成果，請參閱本報告「環境保護」章節。

SAFE MANUFACTURING

In an effort to fully implement the national safety and environmental policies, improve the environmental, health and safety (“EHS”) management performance of each manufacturing subsidiary, as well as enhance the EHS management system, Sihuan Pharmaceutical has established independent EHS departments in the headquarter and each subsidiary and appointed EHS commissioners for management during the Year, striving to build an EHS accountability system covering each and every employee from the Chairman to the EHS department of each subsidiary of the Group. We are dedicated to ensuring all subsidiaries meet the EHS requirements set by the Group in addition to fulfilling compliance requirements. Thus, we put effort into the management of target achievement, policy establishment, education and training, on-site safety management, hazard inspection and rectification, emergency management, accident management and continuous improvement. Please refer to the section “Environmental Protection” of the Report for the efforts and achievements made by the EHS department in improving the Group’s environmental performance.

Structure and Responsibility of the Group’s EHS Department

集團EHS組織架構及職責



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危險化學品管理

在藥物的研發和生產過程中，需要使用具有腐蝕、毒性、易燃、易爆等性質的危險化學品。危險化學品除了具有污染環境的風險外，在沒有妥善處理的情況下，亦會對員工的健康安全構成威脅。作為集團重要的企業社會責任議題之一，我們一直採取嚴謹的態度規範危險化學品的使用。

本年度，為對研發和生產過程中使用的各種危險化學品進行更有效的管理，我們新增了《危險化學品安全管理規程》，防止在採購、運輸、儲存、使用及廢棄等過程中對人體及環境造成影響。在採購化學品時，我們根據工藝要求，在滿足相同使用效果的前提下盡可能選擇毒性或危險性較低的環保產品。在運輸和儲存的過程中，我們嚴格執行化學品安全技術說明書中的指引，確保所有危險化學品都貼上適當的警告標籤，保障使用人員的安全。有關廢棄危險化學品的處理，請參考本報告的「環境保護－廢物管理」章節。

安全教育與培訓

安全教育與培訓是提升員工安全意識、構建內部安全文化的重要政策之一。集團根據《生產經營單位安全培訓規定》制定了三級安全培訓制度，規定新入職員工在正式上班前必須接受公司級、部門級、崗位級的三級安全培訓，並要求新員工必須在考試合格後，方可領取個人勞動防護用品上班。為降低生產及研發過程中潛在的安全風險，我們向員工進行詳細的闡述及培訓，並定期舉辦演練，使員工能完全掌握消防安全的基本常識。

Hazardous chemical management

Hazardous chemicals with corrosive, toxic, inflammable and explosive properties are being used during R&D and manufacturing processes. In addition to the risk of polluting the environment, hazardous chemicals also pose a threat to the health and safety of employees in the event of mishandling. As one of the material topics of corporate social responsibility of the Group, we have always adopted a prudent approach to regulate the use of hazardous chemicals.

During the Year, in order to better manage the use of hazardous chemicals during R&D and manufacturing processes, we have formulated Hazardous Chemical Safety Management Protocol to avoid causing any harm to humans or the environment during procurement, transportation, storage, usage and disposal. When procuring chemicals, we give priority to environmentally-friendly products with lower toxicity or risk as far as they meet the process requirements. In the course of transportation and storage, we strictly implement the guidelines set out in Material Safety Data Sheet to ensure all hazardous chemicals are properly labelled to safeguard the safety of users. As for the handling methods of hazardous chemical waste, please refer to the section “Environmental Protection - Waste treatment” of the Report.

Safety education and training

Safety education and training are a crucial part of the initiatives to raise safety awareness among employees and foster internal safety culture. The Group has established a three-level safety training system pursuant to the Provisions on the Safety Training of Production and Operating Entities. All new joiners are required to take the three-level safety training education consisting of the company level, departmental level and positional level. They are also required to pass the examination before commencing their work with the personal protective equipment. To lower the potential safety risks in the processes of production and R&D, we have provided our employees with detailed explanations and training. Furthermore, we conduct regular drills to equip employees with basic knowledge on fire safety.

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為貫徹國家「安全生產月」的活動要求，集團EHS部門組織各附屬公司開展「安全生產月」的相關活動。例如，長春翔通開展了各類EHS培訓活動及宣傳，包括組織消防安全、職業健康、環境保護等相關培訓，以及舉辦安全環保知識問答比賽等，以提升員工的安全知識和意識。本年度，我們的附屬公司進行了25次安全演練，共2,073名員工參與。同時，本集團沒有發生因工受傷或死亡的事件。

職業健康與防護

集團嚴格執行國家各項安全法規，如《中華人民共和國安全生產法》及《中華人民共和國職業病防治法》，以健全的機制與適當的個人防護設備，為員工的健康和安全提供保障。為進一步防範職業病，集團附屬公司定期委託第三方專業公司進行職業病危害現狀評估，並未發現任何超出安全標準的危害因素。此外，我們亦會根據前線生產人員的工作環境安排相應的體檢，例如為長期處於高噪音環境的員工進行聽力檢查。本年度，集團共為1,971名員工提供年度健康體檢。

In order to fulfill the requirements of the national “Safe Production Month” activity, the EHS department of the Group has organized various subsidiaries to carry out relevant activities. For instance, Changchun Xiangtong initiated multifarious EHS-related activities and promotion, including training on fire safety, occupational health and environmental protection, as well as organizing safety and environmental protection competition to enhance employees’ safety knowledge and awareness. During the Year, our subsidiaries had conducted safety drills 25 times with 2,073 employees participated. At the same time, the Group had no work-related fatality and injuries.

Occupational health and protection

The Group strictly complies with various national safety laws and regulations, such as the Work Safety Law of the People’s Republic of China and Law of the People’s Republic of China on the Prevention and Control of Occupational Diseases. With robust systems and suitable personal protective equipment, we work to secure the health and safety of our employees. To further prevent occupational diseases, the Group’s subsidiaries have regularly entrusted third-party professional companies to assess the current status of occupational hazards, during which no hazard indicators were found to be exceeding the safety standards. In addition, we arrange medical examinations for frontline production personnel according to their working environment. For example, hearing tests are arranged for employees who constantly work under noisy environment. During the Year, the Group had provided annual medical checkups for 1,971 employees.

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風險防範與控制

集團致力控制生產運營過程中的潛在風險，制定了多個措施，以全方位地保障生產及研發的安全。本年度，北京四環、吉林四環、吉林津升、弘和製藥均取得了由國家安全生產監督管理總局頒發的安全生產標準化三級企業(醫藥)證書。

表：四環醫藥安全風險控制措施

附屬公司／部門名稱

Subsidiary/department

集團EHS部門

EHS department of the Group

吉林四環、吉林津升、吉林振澳、
弘和製藥及吉林四長

Jilin Sihuan, Jilin Jinsheng, Jilin Zhen'ao,
Honghe Pharmaceutical and Jilin Sichang

吉林匯康

Jilin Huikang

Risk prevention and control

The Group places emphasis on the control of potential risks in the course of production and operation, hence setting up a number of all-round measures to ensure safety in production and R&D. During the Year, Beijing Sihuan, Jilin Sihuan, Jilin Jinsheng and Honghe Pharmaceutical have obtained the certificates of Level-3 (Pharmaceutical) Enterprise of Work Safety Standardization issued by State Administration of Work Safety.

Table: Control measures of safety risk of Sihuan Pharmaceutical

措施

Measures

制定《事故應急管理規程》，務求在緊急情況發生時能迅速採取有效的行動，將破壞降到最低程度。

Formulated Emergency Management Protocol in order to take effective actions promptly in the event of an emergency so as to minimize damage.

貫徹執行政府對安全生產工作的指引，落實安全生產風險管控和隱患排查治理工作。

Implemented the government's guidelines on safety production, undertook safety production risk management and control, as well as investigation and handling of potential risks.

對污水站和控制室進行了整改，減低發生短路、火災和爆炸事故的風險；及
Rectified and reformed sewage station and control room so as to reduce the risks of short circuits, fires and explosions; and

加強現場危險作業監管，規範施工方履行安全管理。

Strengthened monitoring of on-site dangerous operations and stipulated safety management undertaken by contractors.

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環境保護

四環醫藥嚴格遵照國家法律法規及行業標準，如《中華人民共和國環境保護法》、《中華人民共和國環境影響評價法》、《中華人民共和國固體廢物污染環境防治法》、《中華人民共和國水污染防治法》及《中華人民共和國大氣污染防治法》等，致力推行環境保護及污染防治工作。集團EHS部門已就環境相關的不同範疇實施嚴格的管理制度，包括環保設備、廢水、廢氣、固體廢物、危險廢物及突發環境事件等，並對污水處理和鍋爐廢氣排放等工作訂立了明確規定。

排放物管理

我們嚴禁任何超標排放行為，集團生產運營過程中產生的廢氣、廢水和固體廢棄物均遵照國家和地方相關規定排放。在合規前提下，集團積極探索並實行污染物減排措施，儘量降低對環境的影響。

- **廢氣減排**

北京四環積極回應政府部署的秋冬季大氣污染綜合治理攻堅行動，嚴格按照空氣污染程度執行限停產措施：紅色預警執行停產措施、橙色預警執行至少減排20%的限產措施、黃色預警執行至少減排10%的限產措施。EHS部門定期聯繫合資格的第三方公司以檢測廢氣排放，確保所排放的廢氣符合當地環保要求。

集團鼓勵旗下各生產型附屬公司改造鍋爐廢氣處理裝置，創造更多環境效益。為減少氮氧化物排放，我們已於本年度更換了三台燃氣鍋爐的燃燒器。

ENVIRONMENTAL PROTECTION

In strict compliance with the national laws and regulations and industrial standards, such as the Environmental Protection Law of the People's Republic of China, Law of the People's Republic of China on Environmental Impact Assessment, Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes, Water Pollution Prevention and Control Law of the People's Republic of China and Atmospheric Pollution Prevention and Control Law of the People's Republic of China, Sihuan Pharmaceutical is committed to protecting the environment and preventing and controlling pollution. The Group's EHS department has strictly carried out several management systems for different environment-related areas, including environmental protection equipment, wastewater, exhaust gas, solid waste, hazardous waste, environmental emergencies, etc., and clearly set up regulations for activities, such as sewage treatment and boiler emissions.

Emissions management

Excessive emission is strictly prohibited by the Group. The exhaust gas, wastewater and solid waste generated from the Group's operation are disposed of in compliance with relevant national and local regulations. The Group actively explores and implements measures to reduce pollutant emissions in a compliant manner so as to minimize the impacts on the environment.

- **Gas emissions reduction**

Beijing Sihuan actively responds to actions taken by the government to tackle air pollution in autumn and winter. We cut and halt production according to the level of air pollution: under red warning, production is halted; under orange warning, production is cut to reduce at least 20% of the emissions; under yellow warning, production is cut to reduce at least 10% of the emissions. The EHS department regularly contacts qualified third-party companies to carry out inspection on the exhaust gas to ensure local environmental requirements are met.

The manufacturing subsidiaries of the Group are encouraged to improve the boiler exhaust gas treatment devices to achieve a better environmental performance. In order to reduce the emission of nitrogen oxides, we have replaced three boiler burners during the Year.

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表：四環醫藥廢氣排放情況

排放物	Emissions	二零一八年 ¹	二零一七年
		2018 ¹	2017
廢氣排放總量 (萬標立方米)	Total exhaust gas emissions (10,000 standard cubic meters)	26,814.7	28,843.4
二氧化硫排放量(噸)	Sulphur dioxide emissions (tons)	110.1	81.4
氮氧化物排放量(噸)	Nitrogen oxides emissions (tons)	96.4	92.8
顆粒物排放量(噸)	Particulate matter emissions (tons)	27.5	15.4

1 集團於本年度修改了報告範圍，而集團年產量亦有所增加，我們相信此等變化導致本年度的部分參數有所上升。

Table: Gas emissions of Sihuan Pharmaceutical

Emissions	二零一八年 ¹	二零一七年
	2018 ¹	2017
Total exhaust gas emissions (10,000 standard cubic meters)	26,814.7	28,843.4
Sulphur dioxide emissions (tons)	110.1	81.4
Nitrogen oxides emissions (tons)	96.4	92.8
Particulate matter emissions (tons)	27.5	15.4

1 The reporting scope of the Year has been changed and the Group's annual production volume of the Year has increased, which are believed to have caused the increase in some parameters.

• 污水處理

集團要求旗下各生產型附屬公司恰當處理運營過程中產生的所有廢水，以保障周邊環境與地下水源免受污染。集團產生的廢水通過專用管道進入污水處理設施，經由「活性污泥法」、「水解—好氧技術(H/O法)」等步驟處理，達到排放標準之後排入市政污水管網。污水處理設施均裝有排污監測裝置，以確保排污水口水質達標。為珍惜寶貴的水資源，經處理後的污水會優先考慮回收再用，如用於園區綠化或廁所沖洗等。

• Wastewater treatment

The manufacturing subsidiaries of the Group are required to properly treat all wastewater generated from the operation to protect the surrounding environment and underground water from pollution. Wastewater generated from production is discharged to wastewater treatment facilities through dedicated pipelines, and is treated with processes such as the activated sludge process and the H/O process. The treated water is then discharged to municipal sewage network after the emissions standards being met. All water treatment facilities are equipped with pollutant emission monitoring devices to ensure the water quality at the discharge outlet meets the standards. To save valuable water resources, reuse of the treated wastewater, such as watering in green space and toilet flushing, are preferred.

表：四環醫藥廢水排放情況

排放物	Emissions	二零一八年 ²	二零一七年
		2018 ²	2017
廢水排放總量(噸)	Total wastewater discharge (tons)	357,486.4	259,646.5
總化學需氧量(噸)	Total chemical oxygen demand (tons)	96.9	50.1
氨氮排放量(噸)	Ammonia-nitrogen discharge (tons)	2.1	2.2

2 集團於本年度修改了報告範圍，而集團年產量亦有所增加，我們相信此等變化導致本年度的部分參數有所上升。

Table: Wastewater discharge of Sihuan Pharmaceutical

Emissions	二零一八年 ²	二零一七年
	2018 ²	2017
Total wastewater discharge (tons)	357,486.4	259,646.5
Total chemical oxygen demand (tons)	96.9	50.1
Ammonia-nitrogen discharge (tons)	2.1	2.2

2 The reporting scope of the Year has been changed and the Group's annual production volume of the Year has increased, which are believed to have caused the increase in some parameters.

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• 廢物管理

集團產生的廢棄物可分為無害廢棄物和有害廢棄物，對於不同類型的廢棄物，我們均設有規範化的收集管理流程與處理方式。我們所產生的無害廢棄物主要為一般工業固體廢棄物與生活垃圾。一般工業固體廢棄物包括生產過程產生的爐渣、粉煤灰、廢棄包裝材料等，由EHS部門監督處理；生活垃圾包括運營中產生的廢舊紙張、辦公用品與廚餘垃圾等，由行政部統一收集管理。集團對於辦公區域的垃圾分類有嚴格要求和明確規定，廢舊紙箱等可回收廢棄物以及不可回收的廢舊玻璃分別存放在不同的獨立垃圾房內，並且定期送到指定地點處理，而其他生活垃圾和廚餘垃圾也會進行分類處理並及時移送給環衛公司。本年度，集團透過循環再造，共減少了42.5噸的無害廢棄物。

集團產生的有害廢棄物主要包括生產與研發過程中產生的醫療廢棄物及化學品，以及少量辦公用品。集團嚴格按照國家法規和省市環保部門的要求，制定了《危險廢棄物管理規程》規範有害廢棄物的收集、運輸、中轉暫存的流程，以避免對生態環境及人體健康造成影響。所有有害廢棄物均會妥善標識及儲存，可回收的有害廢棄物及其包裝物由採購部負責委託供貨商回收，而不可回收的有害廢棄物則由EHS管理部門聯繫合格危廢處置單位進行處理。集團積極採用無污染或少污染的新材料、新工藝、新技術、新方法，在提倡「以無毒代有毒，以低毒代高毒，以少量代大量」的同時，儘量在實驗項目之間充分利用各種物質，以減少產生有害廢棄物。

• Waste management

Wastes generated by the Group can be classified into non-hazardous waste and hazardous waste, for which different standardized collection processes and disposal procedures have been set up. Non-hazardous waste comes in the form of general industrial solid waste and daily garbage. The former includes slag, coal ash and waste packaging materials generated from production which are treated under the supervision of the EHS department, while the latter includes used paper, office waste and food waste generated from daily operation which are collected by the administration department. The Group has put in place strict and clear regulations for waste sorting in the office area. Recyclable waste such as used cartons and non-recyclable waste such as waste glasses are stored in separate garbage chambers and are sent to designated locations for disposal regularly. Daily garbage and food waste are also sorted and separately and timely collected by sanitation companies. The Group has reduced 42.5 tons of non-hazardous waste by recycling during the Year.

The hazardous waste of the Group mainly includes medical waste and chemicals generated during production and R&D, as well as a small quantity of office supplies. The Group strictly abides by the national laws and requirements from provincial environmental departments, and has formulated the Provision on Hazardous Waste Management to stipulate the procedures of collection, transportation, intermediate transfer and storage of hazardous waste so as to prevent causing any harm to the ecosystem and human health. All hazardous wastes are properly labelled and stored, of which procurement department is responsible for engaging suppliers to collect all recyclable hazardous waste and its packaging materials, while EHS management department is responsible for liaising qualified hazardous handling unit to collect those non-recyclable counterparts. Adhering to the principle of “non-toxic rather than toxic, low-toxicity instead of high-toxicity, consume less than more”, the Group actively adopts new materials, techniques, technologies and methods with less-or-zero pollution, and spares no effort to make full use of materials among experimental projects in order to reduce the generation of hazardous waste.

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表：四環醫藥廢物產生量

廢棄物種類
無害廢棄物 (噸)
生活垃圾 (噸)
一般工業固體廢物 (噸)
無害廢棄物密度
(千克/收益千元) ⁴
有害廢棄物 (噸)
有害廢棄物密度
(千克/收益千元)

³ 集團於本年度修改了報告範圍，而集團年產量亦有所增加，我們相信此等變化導致本年度的部分參數有所上升。

⁴ 由於二零一七年為本集團第一年刊發環境關鍵績效指標，故未有披露各指標的密度。本報告中有關二零一七年度的環境關鍵績效指標的密度均經重新計算後得出。

⁵ 本年度的有害廢棄物亦包括107節廢電池、188個廢燈泡、463支廢燈管、492個廢墨水匣及2台廢電腦。由於未有量度其重量，故這些有害廢棄物並不包括在上述數據中。

• 溫室氣體排放

全球暖化是近年中國以及國際最為關注的議題之一。作為負責任的企業，四環醫藥致力從各方面減少溫室氣體的排放。集團生產及營運活動產生的溫室氣體排放主要包括三個範疇：範疇1—直接排放或清除，包括鍋爐和車輛消耗燃料、使用製冷劑產生的排放，以及種植樹木的減排量；範疇2—能源間接排放，包括購買蒸氣及電力產生的排放；範疇3—其他間接排放，包括淡水及污水處理消耗的電力以及在垃圾堆填區棄置的廢紙產生的排放。集團通過多種手段，致力減少溫室氣體排放。本年度，集團透過回收廢紙及種植樹木，分別避免及減少了6.1噸及0.9噸二氧化碳當量的排放。

Table: Waste generation of Sihuan Pharmaceutical

Waste type	二零一八年 ³	二零一七年
	2018 ³	2017
Non-hazardous waste (tons)	10,193.4	8,282.0
Daily garbage (tons)	362.3	318.6
General industrial solid waste (tons)	9,831.1	7,963.4
Intensity of non-hazardous waste		
(kg/thousand dollar revenue) ⁴	3.5	3.0
Hazardous waste (tons)	118.9 ⁵	303.3
Intensity of hazardous waste		
(kg/thousand dollar revenue)	0.04	0.11

³ The reporting scope of the Year has been changed and the Group's annual production volume of the Year has increased, which are believed to have caused the increase in some parameters.

⁴ As 2017 was the first year reporting the environmental key performance indicators ("KPIs"), the intensities of each KPIs were not disclosed. The intensities of all environmental KPIs in 2017 presented in the Report are being recalculated.

⁵ Hazardous waste generated during the Year also included 107 batteries, 188 light bulbs, 463 light tubes, 492 toner cartridges and 2 computers. As their weights were not being measured, the weight of these hazardous wastes is excluded from the above figures.

• Greenhouse gas emissions

Global warming is one of the most concerned issues in China and the world in recent years. As a responsible enterprise, Sihuan Pharmaceutical is committed to reducing the greenhouse gas emissions in all aspects. The greenhouse gas emissions generated by the Group's production and operation activities can mainly be classified into three categories: scope 1 - direct emissions or removals, which include emissions from fuel combustion of boilers and vehicles and the use of refrigerants, as well as removals from planting of trees; scope 2 - indirect energy emissions, which consist of emissions from the purchased steam and electricity; scope 3 - other indirect emissions, which include electricity consumed by fresh water and wastewater treatment, and emissions from waste paper disposal to landfills. The Group strives to reduce greenhouse gas emissions through various means and had avoided and reduced 6.1 tons and 0.9 tons of carbon dioxide equivalent by recycling waste paper and tree planting during the Year.

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表：四環醫藥溫室氣體排放情況

溫室氣體排放
總排放量(噸二氧化碳當量)
範圍一：直接排放 (噸二氧化碳當量)
範圍二：能源間接排放 (噸二氧化碳當量)
範圍三：其他間接排放 (噸二氧化碳當量)
密度(千克二氧化碳 當量/收益千元)

⁶ 由於二零一七年為本集團第一年刊發碳排放數據，故未披露範圍一至三的詳細數據。為了提高披露質量，本年度已添加範圍一至三的碳排放詳細數據。

精益生產

集團宣導綠色清潔的生產方式，致力於將可持續發展理念融入各個生產環節，以減少生產過程及日常營運中在物料、人力資源、能源、過度加工及出現不合格產品造成的浪費，同時加強員工的資源節約意識並構建環境友好型企業。為順利在各生產型附屬公司推行精益生產工作，我們成立了精益生產實施小組和評價小組，並每年制定集團年度精益生產項目工作計劃書，在集團上下全力推行精益生產項目。

Table: Greenhouse gas emissions of Sihuan Pharmaceutical

Greenhouse gas emissions	二零一八年 2018	二零一七年 2017
Total emissions (tons of carbon dioxide equivalent)	91,861.4	106,022.9
Scope 1: Direct emissions (tons of carbon dioxide equivalent)	55,110.2	不適用 ⁶ N/A ⁶
Scope 2: Energy indirect emissions (tons of carbon dioxide equivalent)	36,269.1	不適用 ⁶ N/A ⁶
Scope 3: Other indirect emissions (tons of carbon dioxide equivalent)	482.2	不適用 ⁶ N/A ⁶
Intensity (kg of carbon dioxide equivalent/thousand dollar revenue)	31.5	38.6

⁶ As 2017 is the first year reporting the data of carbon emissions, the Group did not disclose the data, from Scope 1 to 3, in detail. In order to enhance the quality of disclosure, the detailed data of carbon emissions by Scope 1 to 3 have been added in the Year.

Lean production

The Group advocates green and clean production and is committed to integrating sustainable development concepts into all aspects of production in order to reduce wastage of materials, human resources, energy, excessive processing and defective products during manufacturing and daily operation; in the meantime, raising employees' awareness of resources conservation and building an environmentally-friendly enterprise. A lean production task force and an evaluation team were established in order to smoothly implement the lean production measures in our manufacturing subsidiaries. A lean production proposal is also formulated annually to facilitate lean production projects in the Group.

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- **精益培訓**

精益生產的核心是避免浪費，而最終目的是將精益生產的管理理念和思想融入生產與日常運營中。為加強各級精益生產的管理及實施人員的專業水平，以奠定日後精益生產體系的基礎，集團本年度的精益生產工作以專業知識培訓為重點。培訓以不同形式進行，包括外部培訓或聘請專家培訓、集團內部培訓及企業內部培訓等。

- **技術改進**

集團的生產過程雖不屬於高耗能活動，但我們仍通過研究能耗來源，不斷推出新的節能措施。集團鼓勵各生產型附屬公司申請技術改進計劃，例如對生產技術、工作流程、公用工程管線、管理等方面進行改進、革新、創新及精細化。

- **Lean training**

The core concept of lean production is to avoid wastage, and the ultimate goal is to integrate the management philosophies and concepts of lean production into production and daily operation. In order to strengthen the management of lean production at all levels and professional qualifications of the executors so as to lay a solid foundation for the follow-up construction of lean production systems, the Group has focused on professional knowledge as the core of lean production training during the Year. The training was conducted in different forms, which consisted of external training, training conducted by experts, intra-group and in-house training.

- **Technological improvement**

Although the Group's production process is not highly energy-consuming, we still introduce new energy-saving measures by investigating the sources of energy consumptions. We encourage all manufacturing subsidiaries to apply for technological improvement project, which can improve, reform, innovate and refine different aspects such as manufacturing technologies, work flow, utility pipeline and management.

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表：四環醫藥技術改進清單

Table: Technological improvement of Sihuan Pharmaceutical

項目名稱 Project title	改造措施 Improvement measures
乙醇精餾再利用 Ethanol distillation and recovery	進行乙醇提取後，在確定不會對產品質量造成影響的情況下透過精餾回收乙醇，以增加乙醇的使用次數。藉此，我們於本年度共節省48噸乙醇。 On the basis of not affecting product quality, ethanol was recovered by distillation after performing ethanol extraction to increase the utility of ethanol, of which 48 tons of ethanol in total was saved during the Year.
公用系統廢氣利用 Reuse of exhaust gas from utility system	將生產廠房排放的冷凝水餘氣連接至空調加濕器前端，用冷凝水的餘氣對空調進行加濕，從而減少加濕器的蒸氣用量，以節約能源。 Connected the residual gas of condensed water discharged from the production plant to the front end of the air conditioner humidifier, which humidifies the air conditioner and reduce the use of steam, thereby reducing the energy consumption.
公用系統廢水利用 Reuse of wastewater from utility system	將廢水潔淨後回收至原水罐中進行利用，從而減少水資源的浪費及提高產水率。 Recycled treated wastewater into raw water tank so as to reduce wastage of water resource and enhance water production rate.
供水泵改造 Water pumps replacement	更換效率更高的供水泵。 Replaced water supply pumps of higher efficiency.
升級LED照明系統 LED lighting system upgrade	改造生產設備的照明設施，將原有普通照明設施更換為LED照明設施，以節約用電。 Replaced the original lighting system in production facilities with LED lights in order to save electricity.
每年集團對上一年度的精益生產項目進行評選，對於優秀的精益生產項目，集團會向具備實施條件的附屬公司進行推廣，使整個集團的生產效益都能長足進步。	Every year, the Group evaluates lean production projects of the previous year and recommend outstanding projects to suitable subsidiaries in an attempt to make significant progress to enhance the production efficiency of the Group.

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表：四環醫藥資源使用情況

資源使用
能源總耗量(兆瓦時)
能源消耗密度 (千瓦時／收益千元)
總用水量(立方米)
用水密度 (立方米／收益千元)
包裝物料總用量(噸)
包裝物料密度 (千克／收益千元)

⁷ 集團於本年度修改了報告範圍，而集團年產量亦有所增加，我們相信此等變化導致本年度的部分參數有所上升。

⁸ 二零一七年的ESG報告只計算了外購電力的耗量，故沒有用作比較本年度數據。

⁹ 由於二零一七年為本集團第一年刊發包裝物料的使用量，故未有披露該數據。

綠色辦公室

集團推行可持續辦公模式，特別制定了《辦公用紙管理制度》，要求員工提高使用紙張的效益，並鼓勵使用再生紙。辦公用品採用以舊換新的方式申請，硒鼓墨盒以填充墨粉的方式循環使用。集團從運營管理上實踐節能，並宣導員工節省能源，如在新員工入職培訓課程中灌輸和加強節能減排意識，並規範空調的使用，亦會於辦公區內張貼節約能源的提示、要求員工下班後主動檢查及關閉能源開關及派專人進行監督檢查等。

Table: Resource consumption of Sihuan Pharmaceutical

Resource consumption	二零一八年 ⁷ 2018 ⁷	二零一七年 2017
Total energy consumption (MWh)	227,039.5	不適用 ⁸ N/A ⁸
Energy consumption intensity (kWh/thousand dollar revenue)	77.8	不適用 ⁸ N/A ⁸
Total water consumption (cubic meter)	842,959.0	773,748.2
Water consumption intensity (cubic meter/thousand dollar revenue)	0.3	0.28
Total packaging material consumption (tons)	3,180.5	不適用 ⁹ N/A ⁹
Packaging material consumption intensity (kg/thousand dollar revenue)	1.1	不適用 ⁹ N/A ⁹

⁷ The reporting scope of the Year has been changed and the Group's annual production volume of the Year has increased, which are believed to have caused the increase in some parameters.

⁸ The total energy consumption disclosed in the ESG Report of 2017 included only the consumption from purchased electricity. Hence, the data is not used to compare with the data during the Year.

⁹ As 2017 is the first year reporting the consumption of packaging materials, the data was not disclosed.

Green office

In order to advocate a sustainable approach in offices, the Group has formulated the Policy on Office Paper Use, which requires employees to raise the efficiency of paper usage and advocates the use of recycled paper. We replenish office equipment with the recyclable one, and toner cartridges are refilled and reused. Besides, the Group puts energy saving into practice during operation management and promotes energy saving among employees. For instance, employees' awareness of energy saving and emission reduction are raised by inculcating them with relevant knowledge during orientations for new joiners. The use of air-conditioners is also regulated, and notices of energy saving are posted in office areas which require employees to check and turn off the power after work while dedicated staff are assigned to carry out corresponding inspection.

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商業道德

在專專業務發展的同時，集團深明合乎商業道德的運作模式對集團的可持續發展尤其重要。在不侵犯同業知識產權的前提下，我們堅持竭力保障集團的重要資源免被侵犯。同時，我們亦重視保護客戶私隱、致力維護實驗動物的權益，並對一切賄賂、勒索、欺詐及洗黑錢等不法行為抱持「零容忍」的態度。

保障知識產權

為保障知識產權，集團設立了由董事長直接領導的知識產權部，統一處理知識產權事務和管控知識產權風險，並嚴格遵守《中華人民共和國專利法》、《中華人民共和國專利法實施細則》及《企業知識產權管理規範》等法律法規。集團建立了知識產權管理體系，對知識產權管理過程中的保密、風險控制、爭議處理、申請和維護等工作設立明確及標準的界定。四環醫藥創新藥研發團隊的知識產權管理體系通過了知識產權貫標認證，並已獲得第三方監督審核合格通知書。

我們的研發型附屬公司均設立專利事務部，並要求員工在入職及離職時簽訂《保守商業秘密協定》，規定員工不得洩露任何技術資訊。生產銷售型附屬公司設立知識產權專員與聯絡人，負責規劃集團知識產權工作，管控運維其知識產權資產。同時，為有效融合知識產權戰略與集團經營戰略，集團將商標、技術秘密、著作權等知識產權納入管理運維範疇，並將知識產權管理審批程序嵌入集團OA系統，以集中管理集團知識產權事務並達致高效審批。

BUSINESS ETHICS

While focusing on business development, the Group understands that operating business in an ethical manner is crucial to sustainability. While on the one hand avoiding infringement of intellectual property rights of other enterprises in the same industry, we on the other hand strive to protect our important resources from being infringed. At the same time, we also attach importance to the protection of customer privacy, strive to safeguard the rights and interests of laboratory animals, and hold a “zero tolerance” attitude towards all illegalities such as bribery, extortion, fraud and money laundering.

Protecting intellectual property

In order to protect intellectual property rights, the Group has set up the intellectual property department, which is responsible for collectively handling issues and controlling risks related to intellectual property rights directly under the leadership of the chairman of the Board. We strictly abide by laws and regulations such as the Patent Law of the People's Republic of China, Rules for Implementation of the Patent Law of the People's Republic of China, and Specifications for the Administration of Intellectual Property Rights of Enterprise. The Group has established an intellectual property right management system to provide a clear and standardized guidance for the confidentiality, risk control, dispute resolution, application and maintenance regarding intellectual property management. The intellectual property right management system of Sihuan Pharmaceutical's R&D team in innovative drugs has passed the certification and has obtained the qualification notice issued by a third-party verification unit.

Patent affairs department is set up in all of our R&D subsidiaries. All employees are required to sign a Commercial Non-Disclosure Agreement at induction and resignation, which stipulates that employees must keep all technical information confidential. For production and sales subsidiaries, intellectual property commissioners and liaisons are appointed to execute the Group's planning on intellectual property rights, as well as managing and operating the intellectual properties. Meanwhile, to facilitate the alignment of the intellectual property strategy with the Group's operation strategy, the Group has included its intellectual property such as trademarks, technical know-how and copyrights in management and operation, while embedding the review and approval process for intellectual property management into its OA system, in order to achieve a centralized management and effective approval of issues related to intellectual property rights across the Group.

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保護客戶隱私

我們注重保護客戶隱私，集團日常客戶資訊及發貨資料均通過企業資源管理計劃系統保存，並嚴格設置此系統的使用人員權限。我們要求每位員工入職前簽署《保密協定》，並針對客戶價格資訊，要求客服中心人員在入職前簽署《價格保密檔》。我們要求使用內部系統交流所有工作內容，如有員工離職則及時登出郵箱及系統帳號，並更新部門通訊錄，同時告知相關部門進行資訊更新與共享。

關注動物權益

集團尊重所有動物的生命。我們的研發型附屬公司的原則為保證實驗動物生存時享有最基本的權利，如免受饑渴、生活舒適、享有良好的飼養和標準化的生活環境，並參照國際實驗動物管理評鑒及認證協會的標準，制定了《實驗動物倫理審查制度》，規定新增的實驗方法必須通過倫理委員會審批，才能開展試驗，避免任何不人道及非必要的動物試驗。

我們嚴格規定進行動物試驗的相關人員必須通過專業培訓，並在充分考慮動物的權益後，以善待動物為前提，編寫一系列進行動物實驗時的行為操作及技術規程，以防止或減少動物遭受到的壓力、痛苦和傷害，嚴格禁止暴力對待動物。我們不斷優化動物實驗方案以保護實驗動物，特別是瀕危動物物種，承諾在不影響實驗結果的科學性、可比性下，採取動物替代方法，以減少使用動物進行實驗。

反貪污

四環醫藥謹遵所有相關的法律法規，並不斷鞏固其附屬公司合規反腐、廉潔從業的制度建設及管理監督，建立完善的合規制度與流程，以降低包括商業賄賂在內的腐敗風險，為集團治理及長期發展提供穩健保障。

Protecting customer privacy

We lay emphasis on the protection of customer privacy. Customer information and shipment details contained in the Group's day-to-day operation are stored on the Enterprise Resources Planning System, of which user access has been strictly controlled. Before joining the Group, each employee is required to sign a Non-Disclosure Agreement, and staff working in the customer service center are also required to sign a Price Confidentiality Document before reporting duty so as to protect the pricing information among customers. All work-related communications are required to be made on internal system. Staff's email and system accounts will be signed out upon the last employment day together with the department directory updated. Relevant departments are also notified to update and share the updated information.

Animal rights

The Group respects the lives of all animals. Our R&D subsidiaries work under the principle of ensuring the basic rights of laboratory animals, such as being free from hunger and thirst, living comfortably, being fed appropriately and having a standard living environment. We have set up the Policy on Laboratory Animal Ethics Review with reference to the standard set by the Association for Assessment and Accreditation of Laboratory Animal Care International (AAALAC), stipulating that new experimental methodologies must be approved by the ethics committee before commencing animal testing to avoid any inhuman and unnecessary animal testing.

We strictly stipulate that the personnel responsible for performing animal testing must receive professional training. After taking full consideration of animal rights, we have compiled a series of code of conduct and technical procedures for conducting animal testing in order to prevent or reduce stress, pain and injury suffered by animals, and strictly forbid any violent behaviors against animals. We continually improve the animal testing protocols to protect the laboratory animals, especially the endangered animal species. Under the circumstance of not affecting the scientificity and comparativity of the experimental results, we are committed to conducting the experiments without animal testing to reduce the use of laboratory animals.

Anti-corruption

Sihuan Pharmaceutical complies with all relevant laws and regulations, continues to strengthen the system development and supervision for compliance, anti-corruption and integrity of the subsidiaries. With well-established compliance systems and procedures, corruption risks including commercial bribery are reduced so as to provide solid support for our corporate governance and long-term development.

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四環醫藥針對醫藥行業的特殊性，向全體員工制訂了《四環醫藥控股集團合規管理規定》，為集團商務行為、市場推廣、專家服務、資訊保密、費用支付、贊助和捐贈、投訴舉報等各項業務流程提供操作規範和程序。同時，我們要求廉政風險較高的部門，如銷售、採購、工程、研發等部門的員工簽訂《合規承諾書》以強化集團合規要求。此外，我們致力推動外部合作夥伴的廉潔合規治理，要求上游採購供應商簽訂《廉潔合作協定》、下游經銷商及業務人員簽訂《合規承諾書》，以禁止一切形式的商業賄賂。

集團制定及頒佈投訴舉報制度，訂明投訴舉報範圍、保密原則、渠道和受理方式等。對於各級員工、外部合作夥伴的投訴舉報，集團合規部門會開展獨立調查，最終向管理層匯報調查報告。一旦調查事實確鑿，將對相關負責人進行紀律或相關處分。

本年度，集團共進行12次合規制度培訓及宣講，未出現貪污訴訟事件。

和諧發展

四環醫藥十分重視內外協同發展，員工發展與社區發展，均是企業責任的重要一環，對內維護員工合法權益，努力打造和諧人文環境；對外以舉辦公益活動、促進當地發展等方式積極回饋社會。

員工權益與福利

集團深知穩定的員工和人才發展是公司長久發展的重要基礎，我們嚴格遵守《中華人民共和國勞動法》、《中華人民共和國勞動合同法》等相關法律法規，並制定《招聘管理制度》、《招聘操作規範與指引手冊》、《勞動合同管理規定》等管理規章制度。

In light of the special nature of the pharmaceutical industry, the Group has established the Compliance Management Regulation of Sihuan Pharmaceutical Holdings Group for all employees, which stipulates the operational standards and procedures for all business processes including business behaviour, marketing, expert services, confidentiality, payment, sponsorship and donations, complaints and whistle blowing. To enhance the Group's compliance requirements, employees in departments exposed to higher corruption risks, such as sales, procurement, engineering and R&D are required to sign a Compliance Undertaking Letter. Moreover, we strive to promote the integrity and compliance governance of external partners by requiring upstream suppliers to sign an Integrity Partnership Agreement and downstream distributors to sign a Compliance Undertaking Letter, which prohibits all forms of commercial bribery.

The Group has established and announced a compliant and whistle-blowing system, which defines the scope of complaints and reports, principle of confidentiality, channels, acceptance approach, etc. Our compliance department will conduct an independent investigation of complaints and reports made by employees at all levels or external partners, and issue an investigation report to the management eventually. Disciplinary or relevant actions will be taken against responsible persons once the allegation is substantiated.

During the Year, the Group has conducted a total of 12 compliance training and lectures. No litigation in regard to corruption was filed.

HARMONIOUS DEVELOPMENT

Sihuan Pharmaceutical focuses on coordinated development internally and externally, taking employee development and community development as an integral part of corporate responsibility. Internally, we protect the lawful rights of employees and foster a harmonious culture. Externally, we actively contribute to the community through organizing charitable events and enhancing local development.

Employee rights and benefits

The Group recognizes that stable development of employees and talents are essential to its long-term development. As such, we strictly comply with applicable laws and regulations including the Labor Law of the People's Republic of China and Labor Contract Law of the People's Republic of China, and have formulated administrative rules and provisions such as the Recruitment Management System, Recruitment Operational Practice and Guidebook, and Provisions on Employment Contract.

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我們根據應聘人員面試、考核及素質測評情況，優先挑選合格者，並全面確保合法僱傭、杜絕一切性別、年齡、民族、宗教、殘疾和婚姻狀況等方面的歧視，讓每一位員工從應聘開始即享有公平、公正、無歧視的待遇與工作環境。對於基本的勞工議題，如僱傭童工和強制勞工等，集團均採取零容忍的態度，規定任何崗位的員工必須年滿18歲，並在面試時接受身份核查以避免僱傭童工。員工的工作時間亦清楚列明在員工手冊上，集團並不鼓勵員工加班工作，但如有需要，員工在加班後將得到相應補償。

集團亦重視員工權益的保障，一方面提供多種渠道讓員工表達意見，如開放總經理信箱、定期開展員工座談會等，另一方面設立工會關注員工權益，幫扶困難員工。

集團為員工提供豐厚的福利，除為員工按時繳納五險一金及提供法定假期外，員工亦享有帶薪年假、婚假、產假、待產假、喪假、節日禮金等福利。同時，我們還配有員工宿舍和活動中心，員工活動中心內設瑜伽室、健身室、兒童娛樂室、乒乓球室等多種娛樂設施，提供員工豐富的業餘生活。此外，為增加員工歸屬感，我們定期舉行團建與主題活動，促進員工彼此的溝通交流，增進團隊凝聚力。對於高端人才，集團更設有專家公寓，提供購房津貼、生活津貼等補貼。截至本年度十二月三十一日，四環醫藥員工總數為3,952人。

We select applicants based on their performance on interviews, examinations and quality evaluation, and preclude all forms of discrimination of grounds of gender, age, nationality, religion, disability and marital status, in order to ensure legal employment and provide all employees a fair, equitable and discrimination-free treatment and working environment since job application. The Group adopts a zero-tolerance approach with respect to basic labour issues such as child labour and forced labour. Employees working in any positions in the Group should be aged 18 or above and should have passed the identification check during interview to avoid employing child labour. The working hours of employees are also clearly stated in the employee handbook. The Group does not encourage employees to work overtime, but if necessary, employees will be compensated appropriately.

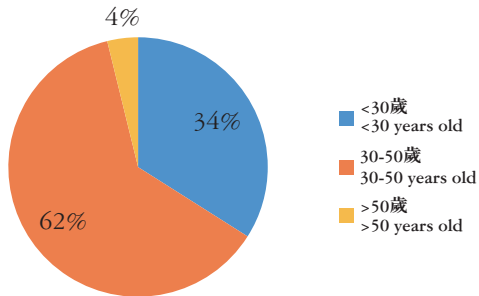
The Group also pays attention to the protection of employees' rights and interests. On one hand, we provide various feedback channels, such as setting up general manager's mailbox and hosting employees' forum regularly, for our employees to express their opinions. On the other hand, we set up labour unions focusing on labour rights and interests which serve to help employees with difficulties.

The Group provides employees with comprehensive welfare. In addition to the provision of social insurance and provident fund, employees are also entitled to statutory leaves which include paid annual leaves, marriage leaves, maternity leaves, paternity leaves and compassionate leaves, as well as cash gifts for holidays. In addition, we provide dormitories and activity centers with yoga rooms, gym rooms, children's playrooms, table tennis rooms and other amenities for employees to enrich their lives. Moreover, we work to boost employees' sense of belonging and team cohesion through regular team building and thematic activities to facilitate communications and interactions among them. For staff of high potential, the Group provides them with apartments and allowances such as housing allowance and living allowance. As at 31 December of the Year, the total number of employee of Sihuan Pharmaceutical was 3,952.

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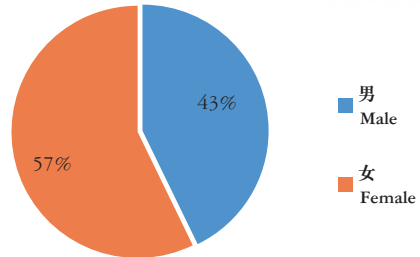
按年齡劃分的員工人數

Total Workforce by Age



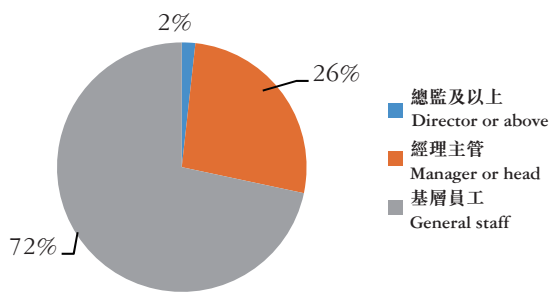
按性別劃分的員工人數

Total Workforce by Gender



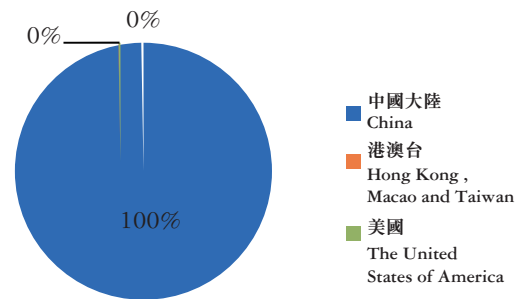
按層級劃分的員工人數

Total Workforce by Grade



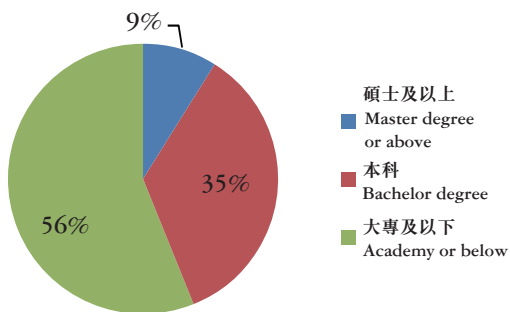
按地區劃分的員工人數

Total Workforce by Geographical Region



按學歷劃分的員工人數

Total Workforce by Academic Qualification



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員工培訓與發展

員工成長與企業發展相輔相成，集團視員工為核心資產，將員工的職業培訓與職業發展放在首位。集團具有完善的職業發展體系，包括員工培訓、晉升機制及績效評估等，員工不論職位或資歷高低，都擁有廣闊的職業發展空間。

- 員工培訓

集團建有完善的培訓系統，明確規劃培訓的統籌架構及釐定針對各類員工的培訓內容，為培養員工職業素質與提升員工能力提供了開放自由的平台。我們亦設計了「培訓計劃－組織實施－培訓評估－培訓檔案」一系列操作模板，統一與規範集團總部各部門及附屬公司的培訓系統。

員工培訓分為入職培訓、上崗培訓及在崗培訓。入職培訓主要為加深新入職員工對集團的認識及對相關相律法規的了解。針對職位所屬部門，我們提供上崗培訓讓員工熟悉所在部門及崗位，學習崗位所需的專業知識和工作技能。同時，集團為在職員工提供持續增值的機會，透過在崗培訓，提升員工知識層面及工作效率。培訓後設有考核評估，保證員工可持續進步以滿足集團發展要求。

Employee training and development

The growth of employees is inextricably intertwined with the development of the enterprise. The Group regards employees as core assets and gives priority to their professional training and career development. The Group has put in place a well-established career development system which comprises employee training, promotion mechanism, performance assessment, etc. Employees are provided with diversified promotion opportunities regardless of their position or seniority.

- Employee training

The Group has a well-developed training system which clearly plans the overall structure of training and determines the training contents for all types of employees, allowing us to provide employees with an open platform to cultivate their professional talents and enhance their abilities. We have developed a series of operational procedures, covering training planning, organization and implementation, to training assessment and training documentation, which help to unify and standardize the training systems across all departments of the Group's headquarter and all the subsidiaries.

Employees' training is classified into orientation, induction training and on-the-job training. Orientation is conducted to enhance the new employees' basic understanding of the Group and relevant laws and regulations. On the other hand, new employees will receive induction training offered by their respective departments in order to get familiarized with their departments and positions and learn the required professional knowledge and skills. The Group also provides opportunities for employees to equip themselves continuously through on-the-job training, which aims to broaden their knowledge and improve their efficiency. Examinations are provided after training to ensure the continual improvement of employees meets the development needs of the Group.

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為深入了解員工對在崗培訓內容的需求，集團根據上一年度課程規劃需求調研結果，結合員工對學習方式和次數的意見，編製本年度的員工培訓計劃，並結合自家打造的培訓品牌—「講武堂」，為員工提供一系列的在崗培訓課程。在崗培訓課程包括為部門經理及總監提供提升管理能力的課程、為新晉經理提供專業及技術走向管理培訓，以及為有需要員工提供辦公軟體技能培訓等。同時，我們推出線上培訓平台，將集團不同部門的業務精英和技術骨幹合力設計的微課程推送給遍佈全國各地的員工。本年度，集團僱員受訓總人次為14,668人，每名僱員平均受訓25小時。

- **發展及激勵**

為完善員工職業發展規劃，集團將員工專業技能的成長和發展與集團的業務發展緊密相連，集團建立清晰完善的職業晉升路徑與機制，以確保員工擁有公平與透明的晉升機會。我們本著「能者上、平者讓、庸者下」的用人理念，制定了《員工晉職晉級管理制度》。集團透過年度綜合績效考核、綜合素質評估以及業務知識考核等方式篩選並晉升達指定年資的員工。除正常晉升途徑外，對於工作表現突出或為集團作出重大貢獻的員工，我們亦設有破格晉升機制，使人才能在企業中盡展所長。

集團設有具競爭力的薪酬待遇，並按職級設立完整薪酬體系。員工試用期合格後，可享有績效獎金，並根據績效考核結果發放。除績效獎金外，在成功申請專利後，專利發明人可獲獎勵報酬，以鼓勵集團創新研發的工作。

To better understand the employees' needs for on-the-job training, the Group has set up the employee training plan in accordance with the outcome of training plan survey conducted in previous year and employees' opinions on the format and frequency of training. Together with the self-developed training brand, "Jiangwutang", we provide employees with a series of on-the-job training. On-the-job training programmes include programmes for improving management skills for department managers and directors, professional and technical training for new managers, and training on office software skills for employees in need. Meanwhile, in order to provide training to our employees located at various places, we have offered online training which are complied by business elites and core technical personnel from different departments. During the Year, the number of the Group's employees participating in training was 14,668, and the average training hours completed per employee was 25 hours.

- **Encouragement and development**

To better employees' career development and complement our business development with employees' professional skills and development, the Group has established a clear and comprehensive path and mechanism for career development to secure fair and transparent promotions. The Group has formulated the Employee Promotion Management System under a merit-based philosophy. Employees who have been engaged for a certain period are selected and arranged for promotion after being assessed in the annual performance appraisal, comprehensive quality assessment and working knowledge examination. Apart from the common promotion mechanism, the Group upholds the philosophy of meritocracy that an exceptional promotion mechanism is also established for promoting employees with outstanding performance or great contribution to the Group, allowing employees to give full play to their talents.

We offer competitive remuneration packages and a comprehensive graded remuneration system to employees. After passing probation, employees are entitled to a performance bonus according to their performance appraisal results. In addition to performance bonus, inventors who have been granted a patent will be rewarded with rewards so as to encourage R&D and innovation within the Group.

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回饋社會

四環醫藥堅持以「社區和諧發展共同進步」為理念，在發展自身業務的同時，通過多種方式奉獻愛心，回饋社會。

集團附屬公司分佈於中國各個省份及城市，我們關注當地社區發展與民眾福祉。集團於《招聘錄用管理制度》中明確規定招聘錄用人才時，應優先考慮當地社區居民，為他們提供就業機會與相應的就業培訓。集團亦大力回應國家政策，在東北老工業基地投資多個專案，振興當地經濟發展。

不僅如此，集團積極支持公益事業。我們整合行業資源，與外部平台積極合作，搭建了公開免費的線上學術交流與專業培訓平台，目前已形成多個主題模組：「北京醫院神經內科沙龍」主要對象為基層醫生，旨在提供醫學知識和技能的專業培訓；「繼續醫學教育」旨在通過專家授課為臨床神經科醫生提供繼續教育機會，並已成為國家級持續醫學教育項目。

此外，集團附屬公司亦會參與形式多樣的志願活動。本年度，弘和製藥183名員工參加了在吉林省梅河口市舉行的「為愛暴走」公益活動，員工以慈善跑的形式資助貧困家庭兒童購買牛奶，保障他們一學年每天一袋牛奶。

Social contribution

Sihuan Pharmaceutical adheres to the idea of harmonious and joint development with the community. While developing its own business, it also contributes to society through various ways.

The Group's pharmaceutical plants are located in various provinces and cities in China, and we care for local community development and public well-being. The Recruitment Management System of the Group specifically requires that priority shall be given to residents around the plants during recruitment, who are provided with employment training commensurate with the jobs. In active response to national policies, the Group has also invested in a number of projects in the established industrial bases in Northeastern China to revitalize local economy.

In addition, the Group actively supports the philanthropic cause. We have integrated industrial resources and work with external platforms to build a free and open online platform for academic exchange and professional training with a number of thematic modules developed so far, including the "Beijing Hospital Neurology Department Salon", which aims to provide front-line doctors with professional training on medical knowledge and skills; "Continuing Medical Education", a state-level continuing medical education project aims to provide clinical neurological doctors with opportunities for continuing education through expert lectures.

Besides, subsidiaries under the Group also engage in a variety of volunteering activities. During the Year, 183 employees of Honghe Pharmaceutical participated a charity campaign called "Run for Love" held in Meihekou City, Jilin Province. The charity run has funded the children from poverty-stricken families to buy milk every day for one academic year.

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附錄：《環境、社會及管治報告指引》內容索引

APPENDIX: ESG REPORTING GUIDE CONTENT INDEX

ESG 關鍵績效指標 概述		章節	頁碼
ESG KPI Indicators Description		Chapters	Page No.
A. 環境			
A. Environment			
A1 排放物			
A1 Emissions			
一般披露	有關廢氣及溫室氣體排放、向水及土地的排污、有害及無害廢棄物的產生等的：	排放物管理；精益生產；綠色辦公室	35-42
	(a) 政策；及		
	(b) 遵守對發行人有重大影響的相關法律及規例的資料。		
General Disclosure	Information on:	Emissions management; Lean production; Green office	35-42
	(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.		
A1.1	排放物種類及相關排放資料。	排放物管理	35
A1.1	The types of emissions and respective emissions data.	Emissions management	35
A1.2	溫室氣體總排放量及密度。	排放物管理	35
A1.2	Greenhouse gas emissions in total and intensity.	Emissions management	35
A1.3	所產生有害廢棄物總量及密度。	排放物管理	35
A1.3	Total hazardous waste produced and intensity.	Emissions management	35
A1.4	所產生無害廢棄物總量及密度。	排放物管理	35
A1.4	Total non-hazardous waste produced and intensity.	Emissions management	35
A1.5	描述減低排放量的措施及所得成果。	排放物管理；精益生產；綠色辦公	35-42
A1.5	Description of measures to mitigate emissions and results achieved.	Emissions management; Lean production; Green office	35-42
A1.6	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。	排放物管理；精益生產；綠色辦公室	35-42
A1.6	Description of handling hazardous and non-hazardous wastes, reduction initiatives and results achieved.	Emissions management; Lean production; Green office	35-42

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ESG KPI Indicators	Description	Chapters	Page No.
A2 資源使用			
A2 Use of Resources			
一般披露	有效使用資源的政策，包括能源、水及其他原材料。	精益生產	39-42
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Lean production	39-42
A2.1	按類型劃分的直接及／或間接能源總耗量及密度。	精益生產	39-42
A2.1	Direct and/or indirect energy consumption by type in total and intensity.	Lean production	39-42
A2.2	總耗水量及密度。	精益生產	39-42
A2.2	Water consumption in total and intensity.	Lean production	39-42
A2.3	描述能源使用效益計劃及所得成果。	精益生產；綠色辦公室	39-42
A2.3	Description of energy use efficiency initiatives and results achieved.	Lean production; Green office	39-42
A2.4	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。	精益生產	39-42
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Lean production	39-42
A2.5	製成品所用包裝材料的總量及每生產單位佔量。	精益生產	39-42
A2.5	Total packaging material used for finished products and with reference to per unit produced.	Lean production	39-42
A3 環境及天然資源			
A3 The Environment and Natural Resources			
一般披露	減低發行人對環境及天然資源造成重大影響的政策。	排放物管理；精益生產	35-42
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Emissions management; Lean production	35-42
A3.1	描述業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動。	排放物管理；精益生產	35-42
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage.	Emissions management; Lean production	35-42

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ESG KPI Indicators	Description	Chapters	Page No.
B. 社會			
B. Social			
B1 僱傭			
B1 Employment			
一般披露	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、反歧視以及其他待遇及福利的：	員工權益與福利	45-47
	(a) 政策；及		
	(b) 遵守對發行人有重大影響的相關法律及規例的資料。		
General Disclosure	Information on:	Employee rights and benefits	45-47
	(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.		
B1.1	按性別、僱傭類型、年齡組別及地區劃分的僱員總數。	員工權益與福利	45-47
B1.1	Total workforce by gender, employment type, age group and geographical region.	Employee rights and benefits	45-47
B1.2	按性別、年齡組別及地區劃分的僱員流失比率。	本年度並無相關披露事宜	不適用
B1.2	Employee turnover rate by gender, age group and geographical region.	No relevant disclosure for the Year	N/A
B2 健康與安全			
B2 Health and Safety			
一般披露	有關提供安全工作環境及保障僱員避免職業性危害的：	危險化學品管理；安全教育與培訓；職業健康與防護；風險防範與控制	31-34
	(a) 政策；及		
	(b) 遵守對發行人有重大影響的相關法律及規例的資料。		
General Disclosure	Information on:	Hazardous chemical management;	31-34
	(a) the policies; and	Safety education and training;	
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer	Occupational health and protection;	
	relating to providing a safe working environment and protecting employees from occupational hazards.	Risk prevention and control	
B2.1	因工作關係而死亡的人數及比率。	安全教育與培訓	32-33
B2.1	Number and rate of work-related fatalities.	Safety education and training	32-33
B2.2	因工傷損失工作日數。	安全教育與培訓	
B2.2	Lost days due to work injury.	Safety education and training	

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B2.3	描述所採納的職業健康與安全措施，以及相關執行及監察方法。	危險化學品管理；安全教育與培訓；職業健康與防護；風險防範與控制	31-34
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Hazardous chemical management; Safety education and training; Occupational health and protection; Risk prevention and control	31-34
B3 發展及培訓			
B3 Development and Training			
一般披露	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。	員工培訓與發展	48-49
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Employee training and development	48-49
B3.1	按性別及僱員類別劃分的受訓僱員百分比。	本年度並無相關披露事宜	不適用
B3.1	The percentage of employees trained by gender and employee category.	No relevant disclosure for the Year	N/A
B3.2	按性別及僱員類別劃分，每名僱員完成受訓的平均時數。	本年度並無相關披露事宜	不適用
B3.2	The average training hours completed per employee by gender and employee category.	No relevant disclosure for the Year	N/A
B4 勞工準則			
B4 Labor Standards			
一般披露	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的資料。	員工權益與福利	45-47
General Disclosure	Information on: (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.	Employee rights and benefits	45-47
B4.1	描述檢討招聘慣例的措施以避免童工及強制勞工。	員工權益與福利	45-47
B4.1	Description of measures to review employment practices to avoid child and forced labour.	Employee rights and benefits	45-47
B4.2	描述在發現違規情況時消除有關情況所採取的步驟。	本年度並無相關披露事宜	不適用
B4.2	Description of steps taken to eliminate such practices when discovered.	No relevant disclosure for the Year	N/A

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B5 供應鏈管理			
B5 Supply Chain Management			
一般披露	管理供應鏈的環境及社會風險政策。	供應鏈管理	29-30
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply chain management	29-30
B5.1	按地區劃分的供應商數目。	供應鏈管理	29-30
B5.1	Number of suppliers by geographical region.	Supply chain management	29-30
B5.2	描述有關聘用供應商的慣例，向其執行有關慣例的供應商數目、以及有關慣例的執行及監察方法。	供應鏈管理	29-30
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Supply chain management	29-30
B6 產品責任			
B6 Product Responsibility			
一般披露	有關所提供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的資料。	質量保證；客戶服務；保護客戶隱私	26-28,44
General Disclosure	Information on: (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, labeling and privacy matters relating to products and services provided and methods of redress.	Quality assurance; Customer service; Protecting customer privacy	26-28,44
B6.1	已售或已運送產品總數中因安全與健康理由而須回收的百分比。	本年度並無相關披露事宜	不適用
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	No relevant disclosure for the Year	N/A
B6.2	接獲關於產品及服務的投訴數目以及應對方法。	客戶服務	28
B6.2	Number of products and service related complaints received and how they are dealt with.	Customer service	28
B6.3	描述與維護及保障知識產權有關的慣例。	保障知識產權	43
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Protecting intellectual property	43

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B6.4	描述質量檢定過程及產品回收程序。	質量保證	26-27
B6.4	Description of quality assurance process and recall procedures.	Quality assurance	26-27
B6.5	描述消費者資料保障及私隱政策，以及相關執行及監察方法。	保護客戶隱私	44
B6.5	Description of consumer data protection and privacy policies, related implementation and monitoring measures.	Protecting customer privacy	44
B7 反貪污			
B7 Anti-corruption			
一般披露	有關防止賄賂、勒索、欺詐及洗黑錢的：	反貪污	44-45
	(a) 政策；及		
	(b) 遵守對發行人有重大影響的相關法律及規例的資料。		
General Disclosure	Information on:	Anti-corruption	44-45
	(a) the policies; and		
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.		
B7.1	於匯報期內對發行人或其僱員提出並已審結的貪污訴訟案件的數目及訴訟結果。	反貪污	44-45
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption	44-45
B7.2	描述防範措施及舉報程序，以及相關執行及監察方法。	反貪污	44-45
B7.2	Description of preventive measures and whistle-blowing procedures, related implementation and monitoring measures.	Anti-corruption	44-45
B8 社區投資			
B8 Community Investment			
一般披露	有關以社區參與來了解發行人營運所在社區的需要和確保其業務活動會考慮社區利益的政策。	回饋社會	50
General Disclosure	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.	Social contribution	50
B8.1	專注貢獻範疇。	回饋社會	50
B8.1	Focus areas of contribution.	Social contribution	50
B8.2	在專注範疇所動用資源。	本年度並無相關披露事宜	不適用
B8.2	Resources contributed to the focus area.	No relevant disclosure for the Year	N/A

A. 業務回顧

二零一八年，中華人民共和國（「中國」）國務院、國家衛計委等部門相繼發佈新政策法規，為製藥行業帶來了巨大的影響和變動。該等新政策法規主要鼓勵創新及整合。為鼓勵創新，涉及審評審批制度改革、上市許可持有人制度、將創新藥納入國家醫保藥品目錄等，從創新藥研發與開發（「研發」）、市場准入到支付都大力給予鼓勵；二是整合存量，比如一致性評價、「兩票制」、藥佔比控制、限抗限輔等。

面對新形勢及新挑戰，本集團致力穩定經營基礎，保障短中期增長動力，同時繼續傾斜資源推動研發專案進展，多年來堅定不移的投入已經開始取得突破性成果，長遠發展實力逐步鞏固。

年內主要策略包括：第一，推動研發項目進展：以推動創新藥和仿製藥研發為集團最重要發展手段，佈局重大治療領域，多個專案取得突破性進展；第二，精細化市場管理：擴大銷售管道，加速市場下沉，加強現有產品的學術推廣及循證醫學證據支援，全面釋放產品增長潛力；第三，優化產品資源：以提升整體產品組合水準為目標，積極尋求投資、併購和國際合作機遇。

A. BUSINESS REVIEW

In 2018, new regulations implemented by government bodies such as the State Council of the People's Republic of China ("PRC" or "China") and National Health and Family Planning Commission have created tremendous changes and influences on the pharmaceutical industry. These new regulations mainly encourage innovation and consolidation. Aiming to encourage innovations, the government has unveiled a series of regulatory reforms involving the Review and Approval System for Drugs and Medical Devices, the Marketing Authorization Holder ("MAH") system and inclusion of innovative drugs into the National Reimbursement Drug Lists. These measures were significant from the aspects of the research and development ("R&D"), market access, to expense payment and settlement of innovative drugs. The government is also consolidating the industry through requiring bioequivalent tests for generics, implementing the "two-invoice system", tightening control over drug expenditure proportion and monitoring unnecessary use of anti-infectives and adjuvant drugs.

Facing changing landscapes, the Group is determined to solidify its operation fundamentals to drive its short- to mid-term growth. Meanwhile, Sihuan Pharmaceutical also propels its R&D projects, most of which are now producing ground-breaking results after years of dedications and, in turn, boosted the Group's capabilities for long-term development.

During the Year, the Group has deployed the following main strategies: 1) Propelling the R&D of innovative drug and generic drug to raise the Group's profile in major therapeutic areas, achieving breakthroughs for several projects; 2) Targeted marketing management to fully realise potential of its products, by expanding sales network, accelerating the development in primary markets, and enhancing academic promotion and evidence-based research for existing products; 3) Optimizing product resources by improving the quality of its overall product portfolio, through proactively seeking opportunities of investment, M&A and international collaboration.

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主要突破性進展

二零一八年至今，本集團在市場推廣、新藥研發及業務拓展等方面已取得多項主要成就，包括但不限於：

研發

R&D

- 首個自主研发治療糖尿病創新專利藥加格列淨啟動中國III期臨床試驗。
- The Group's first diabetes innovative patented new drug Janagliflozin (加格列淨) commenced Phase III clinical trials in China.
- 三個自主研发創新藥進入中國II期臨床試驗，包括唯一國內自主研发的新一代抑酸藥物安納拉唑鈉、國內首個獨立專利的碳青黴烯類抗生素百納培南和抗腫瘤靶點藥哌羅替尼。
- Three innovative drugs commenced Phase II clinical trials in China, including the only domestically developed new generation digestive system drug Anaprazole Sodium (安納拉唑鈉), China's first independently patented innovative carbapenem antibiotic Benapenem (百納培南) and innovative targeted oncology drug Pirotinib (哌羅替尼).
- 抗高血壓新藥泰樂地平已經完成健康人I期研究，正在患者中開展臨床試驗。
- Antihypertensive drug Tylerdipine Hydrochloride (泰樂地平) has finished Phase I studies in healthy individuals and has initiated trials in patients.
- 三個自主研发創新藥進入中國I期臨床試驗，包括抗腫瘤新藥選擇性CDK4/6抑制劑吡羅西尼、第三代雙靶點酪氨酸激酶抑制劑XZP-3621和PDE-5抑制劑複達那非。
- Three innovative drugs commenced Phase I clinical trials in China, including selective CDK4/6 inhibitor Birociclib (吡羅西尼), third-generation irreversible tyrosine kinase inhibitor XZP-3621, and PDE-5 inhibitor Fadanafil (複達那非).
- 鹽酸二甲雙胍片獲首家按照一致性評價補充申請申報通過。
- Metformin Hydrochloride Tablets (鹽酸二甲雙胍片) obtained consistency evaluation approval (the first generic product to obtain approval through supplementary application).
- 國內獨家產品、兒童用藥咪達唑侖口頰黏膜溶液擬納入優先審評程式。
- Exclusive product and paediatric medicine Midazolam Oromucosal Solution (咪達唑侖口頰黏膜溶液) has been included in the priority review process.
- 複方電解質注射液(II)(500毫升)獲頒藥品註冊批件，四環醫藥為該品種首家國內企業獲得上市批准。
- Sihuan Pharmaceutical became the first company in China that was granted drug registration approval for Compound Electrolyte Injection (II) (複方電解質注射液(II))(500ml).
- 「非PVC粉液雙室袋即配型輸液」產品(包括頭孢他定，頭孢呋辛，頭孢地嗪)，已經通過現場考核，預計該產品於二零一九年上半年上市。
- "Non-PVC solid-liquid double chamber infusion soft bag" (including ceftazidime (頭孢他定), cefuroxime (頭孢呋辛), cefodizime (頭孢地嗪)) has passed on-site assessment and is expected to launch in the first half of 2019.

Major Breakthroughs

From the beginning of 2018 to date, the Group has accomplished major achievements in marketing, R&D and business development, including:

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- 獲得醋酸奧曲肽注射液、鹽酸氨溴索注射液和鹽酸法舒地爾注射液的生產批文。
 - Production approval has been obtained for Octreotide Acetate Injection (醋酸奧曲肽注射液), Ambroxol Hydrochloride Injection (鹽酸氨溴索注射液) and Buflomedil Hydrochloride Injection (鹽酸法舒地爾注射液).
 - 複方氨基酸注射液(20AA)獲藥品註冊批件。
 - Compound Amino Acid Injection (20AA) granted approval for drug registration.
- 市場推廣
- 主要產品新增臨床路徑納入，其中包括腦苷肌肽注射液(歐迪美、澳輔泰、位通、捷利欣四個品牌)被納入2018版《臨床路徑釋義》康復醫學分冊、甘草酸單鉍半胱氨酸氯化鈉注射液(回能)被納入2018版《臨床路徑藥物釋義》風濕免疫分冊。
- Sales & marketing
- Several key products have been included in more clinical pathways. Cerebroside-kinin Injection (brand name: Oudimei/Aofutai/Weitong/Jielixin) has been included in the 2018 edition of the Interpretation of Clinical Pathway (Rehabilitative medicine). Monoammonium Glycyrhizinate and Cysteine and Sodium Chloride Injection (Brand name: Huineng) has been included in the 2018 edition of the Interpretation of Clinical Pathway and Therapeutic Drugs (Rheumatology).
 - 成熟產品曲克蘆丁腦蛋白水解物注射液(源之久、杏唯、欣升通)及丹參川芎嗪注射液(威澳)銷售額增長理想，較去年同期分別增加39.3%及53.7%。
 - Two mature products, including Troxerutin and Cerebroproptein Hydrolysate Injection (brand name: Yuanzhijiu/Xingwei/Xinyintong) and Salvia Miltiorrhiza and Ligustrazine Hydrochloride Injection (brand name: Wei'ao) have recorded desirable growth, with a year-on-year growth rate of 39.3% and 53.7% respectively.
 - 成長期產品注射用鹽酸羅沙替丁醋酸酯(傑澳)及甘草酸單鉍半胱氨酸氯化鈉注射液(回能)實現理想增長，整體銷售額較去年同期分別增加71.4%與131.2%。
 - Two growth-stage products, Roxatidine Acetate Hydrochloride For Injection (Brand name: Jie'ao) and Monoammonium Glycyrhizinate and Cysteine and Sodium Chloride Injection (Brand name: Huineng) continued to exhibit strong growth, with a year-on-year growth rate of 71.4% and 131.2% for their sales revenue respectively.
- 業務拓展
- 成立國際業務拓展部門，於中國、美國均設有辦事處，該團隊成員為擁有豐富海內外醫藥行業經驗的資深人士，專注於拓展包括抗腫瘤在內的各個重大治療領域的前沿藥物的合作與項目引進。
- Business development
- The Group has established its Global Business Development Department in both China and the United States ("U.S."). The team is equipped with expertise in both domestic and overseas pharmaceutical industries, and will be dedicated in exploring and introducing leading medicinal technology in major therapeutic areas.

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主要財務表現

本集團本年度銷售收入為約人民幣2,917.4百萬元，比去年增加6.2%；本公司擁有人應佔溢利為人民幣1,620.0百萬元，比去年增加11.8%，增加主要歸因於有效的精細化市場管理，及相關產品銷售市場下沉進展良好，以及非心腦血管藥物市場表現取得快速增長。

年內，本集團的毛利為人民幣2,379.1百萬元。比去年增加19.7%，整體毛利率由二零一七年的72.4%上升至本年度的81.5%，增加主要原因是生產成本控制及年內擁有更高利潤的產品銷售增加。

本年度經營現金流為人民幣1,792.8百萬元。本集團的負債與資本比率（即其他借款除以本公司擁有人應佔權益之百分比）維持低於1%，保持健康財務狀況。

年內，研發投入及相關活動上升48.3%至人民幣533.2百萬元，佔銷售額比例18.3%，上升主要是多個項目取得臨床進展。

研發

大力推進創新藥研發，年內臨床進展顯著

本集團首個自主研發治療糖尿病創新專利藥加格列淨啟動中國III期臨床試驗，加格列淨為SGLT-2（鈉-葡萄糖共轉運蛋白2）抑制劑，是目前國際上極受推薦的治療2型糖尿病的新型口服降糖藥物，該藥品已獲得中國、美國、歐洲、日本和韓國專利權，目標成為在中國市場由本土企業推出的同類靶點藥物的前兩位。SGLT-2抑制劑可單獨使用也可以與其他降糖藥物聯用，在國內外糖尿病市場具有龐大的市場潛力。該新藥成功進入臨床III期，標誌著本公司在治療糖尿病領域原研創新藥方向獲得突破性進展。

Key Financial Performance

For the Year, the Group recorded a revenue of approximately RMB2,917.4 million, representing a year-on-year increase of 6.2%. Profit attributable to owners of the Company was RMB1,620.0 million, representing a year-on-year increase of 11.8%. The growth was mainly attributable to the effective targeted market management and further penetration in primary markets. Another contributing factor was the rapid growth of non-CCV drugs.

For the Year, gross profit was RMB2,379.1 million, representing a year-on-year growth of 19.7%. Overall gross profit margin increased from 72.4% for 2017 to 81.5% for the Year, which was mainly attributable to the implementation of production cost control procedures of the Group and higher sales from products with better profit during the Year.

Operating cash flow was RMB1,792.8 million for the Year. The Group's debt to equity ratio, expressed as a percentage of other borrowings over equity attributable to owners of the Company, was maintained below 1%, maintaining a sound financial position.

During the Year, expenditure for R&D and relevant activities increased by 48.3% to RMB533.2 million, accounting for 18.3% of the revenue. This was mainly due to the advancement in clinical trials of multiple projects.

R&D

Innovative drug R&D advancement with remarkable clinical progress

The Group's first diabetes patented innovative drug Janagliflozin（加格列淨）commenced Phase III clinical trial in China. Janagliflozin is an orally active inhibitor of the sodium-glucose transport protein subtype 2 (SGLT-2). Gaining international popularity, SGLT-2 inhibitors are a new pharmacotherapeutic class for the treatment of Type 2 Diabetes Mellitus. This new drug has acquired patents in China, the U.S., Europe, Japan and Korea. Janagliflozin targets to become one of the country's top two domestically-produced SGLT-2 inhibitors on the market. SGLT-2 inhibitors can be taken as monotherapy or in combination with other anti-diabetic agents. The market is massive for SGLT-2 inhibitors in China and abroad. The fact that SGLT-2 inhibitors have entered Phase III clinical trials demonstrates that the Company has made significant breakthroughs in original R&D of diabetes drugs.

管理層討論及分析 Management Discussion and Analysis

本集團有三個自主研發創新藥進入中國II期臨床試驗，包括安納拉唑鈉、百納培南和哌羅替尼。安納拉唑鈉為國內唯一自主研發的質子泵抑制劑類抑酸藥，擬用於十二指腸潰瘍、胃十二指腸反流等消化道疾病。該新藥通過無酶代謝和多酶代謝，可避免/降低臨床上藥物相互作用的風險。百納培南為碳青霉烯類廣譜抗生素，對G⁺、G⁻以及厭氧菌均有較強的抗菌活性，可廣泛用於重症感染患者，與同類產品相比，該新藥具有半衰期長、安全性優越等特性。目前安納拉唑鈉針對十二指腸潰瘍的II期臨床試驗和百納培南針對複雜性尿路感染的II期臨床試驗已在中國多家臨床試驗單位開展，且進展順利。創新腫瘤藥哌羅替尼為新一代針對包括表皮生長因數受體(「EGFR」)家族在內的多靶點、不可逆酪氨酸激酶抑制劑，擬用於治療非小細胞肺癌(「NSCLC」)等多種惡性腫瘤。已完成在美國和中國進行的國際多中心I期臨床試驗，中國II期臨床試驗已開展，並由頂尖肺癌專家吳一龍教授牽頭。

Three of the Group's self-developed innovative drugs have commenced Phase II clinical trials, including Anaprazole Sodium (安納拉唑鈉), Benapenem (百納培南) and Pirotinib (哌羅替尼). Anaprazole is China's only self-developed novel drug in the proton pump inhibitors family and is intended for the treatment of digestive diseases such as duodenal ulcer and duodenogastric reflux. The new drug avoids/reduces the risk of other clinical drug interactions through enzyme-free metabolism and multi-enzyme metabolism. Benapenem (百納培南) is a carbapenem antibiotic which has strong antibacterial activity against G⁺, G⁻ and anaerobic bacteria that it can be widely used in patients with severe infection. Compared to similar products, Benapenem (百納培南) has a long half-life and proven better safety. Phase II clinical trials for Anaprazole Sodium (安納拉唑鈉) for duodenal ulcer and Benapenem (百納培南) on complicated urinary tract infections, respectively, are being conducted in multiple institutions in China and have been progressing smoothly. Innovative oncology drug Pirotinib (哌羅替尼) is a novel irreversible pan-epidermal growth factor receptor tyrosine kinase inhibitor ("EGFR"), intended for the treatment of various types of malignant tumor, including non-small cell lung cancer ("NSCLC"). International multi-centered Phase I clinical trials have already been completed in China and the U.S.. Phase II clinical trials have commenced in China, led by top oncologist Professor Wu Yilong.

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泰樂地平是創新型鈣離子雙通道阻滯劑，可同時抑制L-型及T-型鈣離子通道，擬用於高血壓的治療，泰樂地平在健康人中的I期臨床研究已經完成，正在進行在患者中的臨床研究。另外，本集團三個自主研發的抗腫瘤藥物進入中國I期臨床試驗：選擇性CDK4/6抑制劑吡羅西尼相比與同類產品可單藥治療，並能有效通過血腦屏障，臨床前研究顯示其潛在有更好的安全性特徵，該產品目前正在臨床I期階段，預計將於二零一九年在臨床試中驗證其作用機制。第三代雙靶點酪氨酸激酶抑制劑XZP-3621也已於二零一八年底進入中國I期臨床試驗，擬用於非小細胞肺癌。複達那非是PDE-5抑制劑，針對治療領域為男性生殖。其健康人單劑量I期耐受性試驗已經完成，將開展健康人多劑量I期臨床試驗。

截至二零一八年十二月底，創新藥研發平台共遞交國內專利申請600餘件、PCT國際專利申請44件、巴黎公約申請1件(含4個國家)及單獨提交美國專利申請2件。至今，本集團已有176件申請獲得中國專利權，69件申請獲得國外專利權。

Tylerdipine Hydrochloride (泰樂地平) is an antihypertensive drug whose mechanism of action is through dual inhibition of L-T-type calcium channels. Phase I clinical studies of Tylerdipine Hydrochloride in healthy individuals have been completed and clinical studies in patients are undergoing. Additionally, Phase I clinical trials are being conducted for three of the Group's independently developed oncology drugs. Selective CDK4/6 inhibitor Birciclib (吡羅西尼) can be taken as monotherapy and possesses a unique pharmacokinetic property of efficient blood-brain barrier penetration. Preclinical studies revealed that Birciclib (吡羅西尼) is potentially more safe compared to similar products. The drug is now in Phase I clinical trials and is expected to prove its mechanism in 2019. XZP-3621, a third-generation dual-target tyrosine kinase inhibitor, has also entered Phase I clinical trials in China at the end of 2018. It is intended for non-small cell lung cancer. Fadanafil, a PDE-5 inhibitor, is intended to treat the male reproductive system. The single-dose Phase I tolerability test for healthy individuals has been completed and multi-dose Phase I clinical trials of healthy individuals will be conducted.

As of the end of December in 2018, the innovative drug platform has submitted applications for over 600 domestic patents, 44 PCT international patents, 1 Paris Convention patent (consisting of 4 countries) and 2 U.S. patents submitted individually. To date, the Group has been granted 176 domestic patents and 69 overseas patents.

創新藥研發管線

Innovative Drug Pipeline

臨床前新藥項目 Projectat Preclinical Stage	治療領域 Therapeutic Area	臨床 I 期 Phase I Clinical Trial	臨床 II 期 Phase II Clinical Trial	臨床 III 期 Phase III Clinical Trial
加格列淨 Janagliflozin	糖尿病 Diabetes	↑	↑	↑
德穀胰島素生物類似物 CP001 Long-acting Basal Insulin	糖尿病 Diabetes	↑		
門冬胰島素生物類似物 Insulin Aspart	糖尿病 Diabetes	↑		
門冬胰島素 30 生物類似物 Insulin Aspart30	糖尿病 Diabetes	↑		
門冬胰島素 50 生物類似物 Insulin Aspart50	糖尿病 Diabetes	↑		
吡羅西尼 Birociclib	腫瘤 Oncology	↑		
哌羅替尼* Pirotinib*	腫瘤 Oncology	↑		
XZP-3621	腫瘤 Oncology	↑		
百納培南 Benapenem	抗感染 Anti-infective	↑		
安納拉唑鈉 Anaprazole Sodium	消化性潰瘍 Gastrointestinal Disease	↑		
泰樂地平 Tyleptine	高血壓 Anti-hypertension	↑		
複達那非 Fadamafl	男性生殖 BPH-LUTS/ED	↑		
XZP-5809	腫瘤 Oncology	↑	先導化合物發現優化 LJ/LLO	臨床前 Preclinical
XZP-P009	非小細胞肺癌 NASH			
XZP-P135	非小細胞肺癌 NASH			
XZP-P118	腫瘤 Oncology			
XZP-P179	腫瘤 Oncology			
XZP-P183	非小細胞肺癌 NASH			
XZP-P107	腫瘤 Oncology			
XZP-P215	腫瘤 Oncology			
XZP-P223	腫瘤 Oncology			

* 哌羅替尼在美國和中國的 II 期臨床試驗已完成，並獲得國家藥監總局 I/II/III 期臨床試驗批件，國內 II 期臨床試驗已啟動
Phase I clinical trials of Pirotinib were completed in the US and in China. It also obtained approval for Phase I/II/III clinical trials from the CFDA, and Phase II clinical trials in China have been commenced



管理層討論及分析

Management Discussion and Analysis

仿製藥開發進展理想持續投入心腦血管及中樞神經系統領域

本集團評估在研藥品的競爭格局及臨床需求現狀，推動重點專案的開發，未來數年將陸續將新產品推出市場。本集團已選定幾個口服固體藥物進行仿製藥一致性評價，上市後將進一步推動四環盈利增長。

於本年度內，糖尿病一線用藥鹽酸二甲雙胍片通過一致性評價，成為國內該品種首家按照一致性評價補充申請申報通過的企業。鹽酸二甲雙胍片是治療糖尿病的基礎用藥，因其在療效和可及性上的優勢，二甲雙胍於國內外專業學術組織所制定的2型糖尿病防治指南中均被列為降糖治療的一線用藥。根據米內網資料庫顯示，二零一七年二甲雙胍片在全國(城市公立、縣級公立)醫院銷售額為人民幣25.9億元，為國內口服降糖藥通用名市場規模第二的藥品。

此外，本集團自主開發的兒童用藥咪達唑侖口頰粘膜溶液已獲中國國家食品藥品監督管理總局(「國家藥監總局」)納入國家第三批優先審評程序藥品註冊申請目錄。該產品擬用於治療嬰兒、幼兒、兒童及青少年(3個月至18歲)延時的急性驚厥發作，本集團為國內首家並獨家提交該品種生產批件申請的生產廠家，目前等待審評。納入優先審評程序將縮短該產品的審評審批及上市時間，若日後獲批上市，市場前景廣闊。

本集團仿製藥研發管線中多個產品預期將成為首三家通過或視同通過一致性評價的產品，預計在二零一九年下半年開始陸續通過審評，包括重酒石酸卡巴拉汀膠囊、阿奇黴素膠囊、布洛芬注射液、醋酸奧曲肽注射液。

Continued investment in CCV and central nervous system (“CNS”) generic drug projects and achieved sound progress

By assessing competitive landscape and clinical demand, the Group has forged ahead the development of key projects, and scheduled a number of new products to be launched in the coming years. Besides, the Group has designated a few oral solid dosage products for bioequivalence test, which are expected to contribute to the profitability of the Group when officially launched.

During the Year, the Group’s Metformin Hydrochloride Tablet (鹽酸二甲雙胍片), a first-line diabetes drug, has passed the bioequivalent test. The Group is the first manufacturer to pass the Consistency Evaluation through supplementary application in China. Metformin Hydrochloride Tablets (鹽酸二甲雙胍片) are prescribed as primary care to patients with diabetes and acknowledged as a first-line medication for diabetes in guidance for Type 2 diabetes prevention and treatment established by domestic and international organizations, attributable to its efficacy and accessibility. According to statistics from Menet (China Medical and Pharmaceutical Economic Information Network), the total revenue of metformin tablets in city- and county-level public hospitals in China reached RMB2.59 billion in 2017, which ranked second in the oral blood glucose-lowering agents market in China.

In addition, Midazolam Oromucosal Solution (咪達唑侖口頰粘膜溶液), the Group’s self-developed pediatric medicine, has been listed in the 30th batch of “Announcement on Registration Application for Drugs to be Included in the Priority Review Process” recently released by the Center for Drug Evaluation of China Food and Drug Administration (“CFDA”) (國家第三批優先審評藥品註冊申請目錄). The product is intended to treat prolonged, acute, convulsive seizures in infants, toddlers, children and adolescents (from the age of 3 months to 18 years). The Group has been the first and sole entity to submit application for production approval to CFDA and the product is currently in the process of review and evaluation. The inclusion in the priority review process is expected to expedite the review and approval timeframe for the drug to market. This product is expected to exhibit broad prospect when marketed in the future.

Some products in the Group’s generic drug pipeline are expected to become amongst the first three products of its kind to pass or to be deemed as pass the BE tests, starting from the second half of 2019. They include capraplatin tartaric acid capsule (重酒石酸卡巴拉汀膠囊), azithromycin capsule (阿奇黴素膠囊), ibuprofen injection (布洛芬注射液), and octreotide acetate injection (醋酸奧曲肽注射液).

管理層討論及分析 Management Discussion and Analysis

由四環醫藥持有44%股份權益的北京銳業醫藥有限公司(「北京銳業」)所研發的「非PVC粉液雙室袋即配型輸液」產品(包括頭孢他定, 頭孢呋辛, 頭孢地嗪), 已經通過現場考核, 現處於等待生產批件階段, 預計該產品於二零一九年上半年上市, 四環醫藥擁有該產品的獨家經營銷售權。在歐美、日本等已發展國家, 非PVC軟袋輸液的市場份額在過去十年內已超過80%, 而非PVC軟袋輸液僅佔中國市場的5%。北京銳業研發的「非PVC粉液雙室袋即配型輸液」將會是國內首家推出的產品, 擁有巨大的市場潛力。

四環醫藥開發的複方電解質注射液(II)(500毫升)獲頒藥品註冊批件, 為該品種首家國內企業獲得上市批准。另外, 本集團開發的複方氨基酸注射液(20AA)獲藥品註冊批件, 該產品在防治肝損傷和肝功能異常臨床上已顯明有很大價值。另外, 本集團獲得醋酸奧曲肽注射液、鹽酸氨溴索注射液和鹽酸法舒地爾注射液的生產批文。

截至二零一八年十二月底, 仿製藥平台已提交3個品種一致性評價申報, 並已獲得1個一致性評價批件。對7個品種已經開展一致性評價工作。目前在國家藥品監督管理局(「國家藥監局」)和食品藥品審核檢驗中心審評審批的仿製藥專案合計31個; 11個參比製劑備案項目已經獲得批准; 完成臨床試驗登記品種8項。本年度取得生產批件3個(以規格計為5個)。共申請專利22件, 其中, 國內申請21件, PCT國際申請1件。本年度內獲得專利授權16件。

Beijing Ruiye Drugs Manufacture Co. Ltd. (“Beijing Ruiye”), in which Sihuan Pharmaceutical holds a 44% stake, is dedicated to the R&D of the “non-PVC solid-liquid double chamber infusion soft bag” (including Cefazidime (頭孢他定), cefuroxime (頭孢呋辛), cefodizime (頭孢地嗪)). The product has passed on-site assessment and is now awaiting production approval and expected to launch in the first half of 2019. Sihuan Pharmaceutical will be the product’s exclusive distributor. In developed countries such as Europe, the U.S. and Japan, the non-PVC soft infusion bag has taken more than 80% market share in the past decade, whilst it only accounts for 5% market share in China. Being the first domestically manufactured product of the kind, the “non-PVC solid-liquid double chamber infusion soft bag” developed by Beijing Ruiye will enjoy enormous market potential.

Sihuan Pharmaceutical became the first company in China that was granted drug registration approval for Compound Electrolyte Injection (II) (複方電解質注射液(II)) (500ml). The Group also obtained approval for drug registration for its Compound Amino Acid Injection (20AA). The product demonstrates great clinical value in prevention and treatment of hepatic injury and abnormal liver function. In addition, the Group obtained the production approvals for Octreotide Acetate Injection (醋酸奧曲肽注射液), Ambroxol Hydrochloride Injection (鹽酸氨溴索注射液) and Buflomedil Hydrochloride Injection (鹽酸法舒地爾注射液).

As of the end of December in 2018, the generic drug platform has submitted bio-equivalence test applications for 3 products, and 1 product has already passed bio-equivalence test. 7 products has begun the procedure of bio-equivalence tests. At present, there are 31 generic projects are undergoing the review and approval process at the Centre for Food and Drug Inspection of National Medical Products Administration (“NMPA”). 11 drugs were approved for reference medicinal product filing. 8 drugs completed registration for clinical trials. During the year, the platform obtained production approval for 3 products (5 in terms of formulations). The platform submitted patent applications for 22 products, among which there were 21 domestic patents and 1 PCT international patent. During the Year, the Group obtained patents for 16 products.

管理層討論及分析

Management Discussion and Analysis

產品銷售和市場推廣

本集團擁有多元化的產品組合，可以因應不同市況靈活調整銷售及市場策略，於本年度內，本集團積極推廣成長期產品，並且借助既往管道，快速拓展市場，在穩定核心品種銷售趨穩的同時，開闢新的銷售增長點。本集團為不同成長階段的產品制定了針對性的發展策略，通過精細化市場管理，進一步實現產品組合的潛力。據艾美仕市場研究公司（「艾美仕」）資料顯示，本集團在中國心腦血管處方藥市場份額達8.3%，穩居首位；在中國整體醫院市場，本集團市場份額為1.42%，位列第11位。

1. 加強循證醫學研究，加大學術推廣力度

本集團致力完善循證證據體系，加強進行上市後循證醫學研究，以鞏固主要產品的臨床有效性、安全性及增加其適應症範疇，其結果已經公佈。同時，本集團促進其主要產品列入診療指南、專家共識以及臨床路徑釋義，於今年陸續出版的國家版《臨床路徑釋義》和《臨床路徑治療藥物釋義》中，本集團多個產品已經獲得多個不同病種路徑推薦，其中包括腦苷肌肽注射液（商品名：歐迪美、澳輔泰、位通、捷利欣）被納入二零一八年版《臨床路徑釋義》康復醫學分冊，甘草酸單鉍半胱氨酸氫化鈉（商品名：回能）被納入二零一八年版《臨床路徑藥物釋義》風濕免疫分冊等。

本集團開展獨家及主要產品的上市後再評價，例如已啟動桂呱齊特和腦苷肌肽開展上市後再評價工作。

同時，本集團繼續加大力度進行全國性學術推廣，加強產品治療作用傳播的力度和廣度。

Sales and Marketing

The Group possesses a diversified product portfolio that gives it flexibility to adjust its sales and marketing strategies in accordance to different market situations. During the Year, the Group focused its promotional efforts in its growth stage products to quickly seize market share by utilizing existing sales channels. The Group also sought after new growth drivers while striving to maintain growth momentum of its core products. The Group rolled out targeted strategies for products in different stages of growth. Through targeted management, the Group further realized potential of its product portfolio. According to data from IMS Health Incorporate (“IMS”), the Group remained the largest CCV drug manufacturer in China’s prescription drug market with a market share of 8.3%. The Group ranks 11 among pharmaceutical companies in China’s hospital market with a market share of 1.42%.

1. Strengthened academic promotions and evidence-based research

The Group conducted evidence-based research to reinforce the recognition of the clinical efficacy, safety and indications of its main products, of which the results have been published. Meanwhile, the Group promoted inclusion of its main products in official clinical guidelines, expert consensus and interpretation of clinical pathways. In the national-level Interpretation of Clinical Pathways and the Interpretation of Clinical Pathway and Therapeutic Drugs which have been published consecutively during the Year, multiple products of the Group have been recommended for various indications. Cerebroside-kinin injection (brand name: Oudimei/Aofutai/Weitong/Jielixin) has been included in the 2018 edition of the Interpretation of Clinical Pathway (Rehabilitative medicine). Monoammonium Glycyrrhizinate and Cysteine and Sodium Chloride Injection (Brand name: Huineng) has been included in the 2018 edition of the Interpretation of Clinical Pathway and Therapeutic Drugs (Rheumatology).

The Group has also started the post-launch re-evaluation of its exclusive and major products. For instance, the Group has already commenced post-launch re-evaluation study for Cinepazide Maleate Injection and Cerebroside-kinin injection.

In the meantime, the Group continued to step up its national academic promotions, resulting in improved market recognition and coverage.

2. 提高醫院覆蓋率加快市場下沉

於本年度內，成熟產品的潛力在原有一線市場得到深入挖掘，醫院覆蓋率得到進一步提高，銷量穩中增長。同時，本集團積極順應國家政府分級診療的政策導向，致力引導資源向基層醫療機構下沉，加快三四線城市中小型醫院及社區醫療機構的開拓。根據艾美仕二零一八年第三季度資料，四環醫藥在縣域市場開發方面排名第7，採購額達到人民幣294億元。

主要產品的銷售表現

心腦血管用藥

曲克蘆丁腦蛋白水解物注射液(商品名：源之久、杏唯、欣升通)

本集團產品曲克蘆丁腦蛋白水解物注射液為全國獨家品種，適用於治療腦血栓、腦出血及腦痙攣等慢性腦血管疾病。該產品具有「科學配比、養治結合」的優勢，是同步作用於神經、血管單元的協同修復製劑。於本年度內，該產品銷售額達人民幣646.0百萬元，比去年增加39.3%。截至二零一八年十二月三十一日，該產品醫院覆蓋數目為4,200家，其中二零一八年新增765家；省醫保目錄數目為21個，源之久中標省份數目為29個，杏唯中標省份數目為28個，欣升通中標省份數目為22個，中標價格穩定。

2. Increasing hospital coverage and accelerate the development of primary market

During the Year, the Group dedicated its efforts in deepening penetration of its mature products in first-tier markets where there was already extensive coverage, targeting to exploit untapped hospital resources, with the aim to stabilize sales and achieve steady growth. At the same time, in view of the government's promotion of hierarchical healthcare system, the Group concentrated its effort on directing the resource to primary healthcare institutions, while accelerating the development of small and medium-sized hospitals and community medical institutions in third- and fourth-tier cities. According to IMS, for the third quarter of 2018, Sihuan Pharmaceutical ranked seventh in terms of county market development with purchase amount reaching RMB29.4 billion.

Sales Figures of Key Products

CCV Products

Troxerutin and cerebroproptein hydrolysate injection (Brand name: Yuanzhijiu/Xingwei/Yinxintong)

This product is exclusive in China, with indications for treating chronic cerebrovascular diseases, including cerebrothrombosis, cerebral hemorrhage and cerebral vasospasm. The product has the competitive edge of scientific ingredients ratio and combining treatment with nourishment, and has dual effects on both neural and cardiovascular system. During the Year, revenue for this product reached RMB646.0 million, representing a year-on-year increase of 39.3%. By 31 December 2018, the product was regularly prescribed in 4,200 hospitals, among which 765 were added in 2018. The product has been included in 21 PRDLs. The number of provincial tenders won by Yuanzhijiu, Xingwei and Yinxintong are 29, 28 and 22, respectively, and the bidding price remained stable.

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腦苷肌肽注射液 (商品名：歐迪美、澳輔泰、位通、捷利欣)

本集團產品腦苷肌肽注射液為全國獨家品種，適用於腦卒中、阿茲海默症、顛腦損傷及新生兒缺氧缺血性腦病等中樞神經損傷。該產品為包含多種神經修復、再生成份的複方製劑，已進入二零一七年版《臨床路徑釋義》與《臨床路徑治療藥物釋義》(縣級醫院版)，並獲得二零一八年國家版《臨床路徑釋義》康復醫學分冊以及內分泌病及代謝病分冊的明確推薦。於本年度內，該產品銷售額達人民幣749.7百萬元，比去年增加9.1%。截至二零一八年十二月三十一日，該產品醫院覆蓋數目為5,530家，其中二零一八年新增2,094家，省醫保目錄數目為24個，歐迪美中標省份數目為27個，澳輔泰中標省份數目為23個，位通中標省份數目為21個，捷利欣中標省份數目為20個，中標價格穩定。

丹參川芎嗪注射液 (商品名：威澳)

本集團為丹參川芎嗪注射液全國兩家生產廠家之一，該產品適用於閉塞性腦血管疾病、缺血性心血管疾病、糖尿病併發症及其他腦血管症狀。於本年度內，該產品銷售額達人民幣332.9百萬元，比去年增加53.7%。截至二零一八年十二月三十一日，該產品醫院覆蓋數目為5,182家，其中二零一八年新增覆蓋1,309家，省醫保目錄數目為19個，中標省份數目為27個，中標價格穩定。

Cerebroside-kinin injection (Brand name: Oudimei/Aofutai/Weitong/Jielixin)

This product is exclusive in China, with indications for treating central nervous system lesions caused by stroke, alzheimer's disease, craniocerebral lesions and hypoxic-ischemic encephalopathy in newborns. The product is a compound preparation composed of a variety of ingredients aiding nerve repair and regeneration. The product has been included in the 2017 edition of the Interpretation of Clinical Pathways and Interpretation of Clinical Pathway and Therapeutic Drugs (County level edition) and has been recommended by the section of rehabilitation medicine and the section of endocrine and metabolism diseases in the 2018 national-level edition of the Interpretation of Clinical Pathways. During the Year, revenue from this product reached RMB749.7 million, representing a year-on-year increase of 9.1%. By 31 December 2018, the product was regularly prescribed in 5,530 hospitals and 2,094 of them were covered in 2018. The product was included in 24 PRDLs. The numbers of provincial tenders won by Oudimei, Aofutai, Weitong and Jielixin are 27, 23, 21 and 20, respectively, and the bidding price remained stable.

Salvia Miltiorrhiza and Ligustrazine Hydrochloride Injection (Brand name: Wei'ao)

The Group is one of the only two manufacturers of Salvia Miltiorrhiza and Ligustrazine Hydrochloride Injection in China. This product is intended to treat occlusive cerebrovascular diseases, ischemic cardiovascular disease, diabetic complications and other CCV symptoms. During the Year, revenue from this product reached RMB332.9 million, representing a year-on-year increase of 53.7%. By 31 December 2018, the product was regularly prescribed in 5,182 hospitals and 1,309 of them were covered in 2018. The product was included in 19 PRDLs. The product had won 27 provincial tenders while the bidding price remained stable.

管理層討論及分析

Management Discussion and Analysis

馬來酸桂哌齊特注射液 (商品名：克林澳、安捷利)

本集團產品馬來酸桂哌齊特注射液為「國家重大新藥創新專項藥物」，於二零一七年獲得國家智慧財產權局頒發的「中國專利金獎」。該產品適用於腦動脈硬化、腦血栓、冠心病及雷諾氏病等心腦血管及外周血管疾病，具有改善腦血循環及神經保護的雙重功效。該產品為國家醫保目錄（「國家醫保目錄」）藥品，本集團已積極開展對該產品的上市後再評價試驗，進度和規模均優於同業。於本年度內，該產品銷售額達人民幣314.5百萬元，比去年減少19.3%。截至二零一八年十二月三十一日，該系列產品醫院覆蓋5,173家，其中二零一八年新增覆蓋1,276家，克林澳中標省份數目為29個，安捷利中標省份數目為30個，中標價格穩定。

杏苧氯化鈉注射液 (商品名：邁諾康)

杏苧氯化鈉注射液為銀杏葉提取物和川芎嗪複方製劑，用於治療缺血性心腦血管疾病如腦供血不足、腦血栓、腦栓塞、冠心病、心絞痛、心肌梗死等以及腦功能障礙和老年性癡呆等。銀杏葉提取物和川芎嗪皆為國家醫保目錄品種且臨床上被廣泛使用。於本年度內，該產品銷售額達人民幣59.7百萬元，比去年增加9.3%。截至二零一八年十二月三十一日，該產品醫院覆蓋數目為423家，其中二零一八年新增覆蓋176家，省醫保目錄數目為10個，杏苧100毫升中標省份數目為24個，中標價格穩定。

Cinepazide Maleate Injection (Brand name: Kelinao/Anjieli)

This product has been granted “Significant New Drugs Development” by National Major Scientific and Technological Special Project and received “Chinese Patent Gold Award” by State Intellectual Property Office (SIPO) in 2017. This product has dual effect on improving cerebral circulation and neural protection, and is intended to treat CCV and peripheral vascular diseases, including cerebral arteriosclerosis, cerebral thrombosis, coronary disease and Raynaud’s disease. The product has been included in National Reimbursement Drug List (“NRDL”). The Group has already commenced post-launch re-evaluation study for this product, of which the progress and scale both outperform peers. During the Year, revenue from this product reached RMB 314.5 million, representing a year-on-year decrease of 19.3%. By 31 December 2018, the product was regularly prescribed in 5,173 hospitals and 1,276 of them were covered in 2018. The numbers of provincial tenders won by Kelinao and Anjieli are 29 and 30, respectively, and the bidding price remained stable.

Floium Ginkgo Extract and Tertam Ethylpyrazine Sodium Chloride Injection (Brand name: Mainuokang)

This product is a compound preparation of floium ginkgo extract and tertram ethylpyrazine, with indications in treating ischemic CCV disease, including blood supply insufficiency, cerebral thrombosis, cerebral embolism, coronary heart diseases, angina, heart attack, cerebral dysfunction and Alzheimer’s disease. Floium ginkgo extract and tertram ethylpyrazine are both included in NRDL and commonly used in clinical practice. During the Year, revenue from this product reached RMB59.7 million, representing a year-on-year increase of 9.3%. By 31 December 2018, this product was regularly prescribed in 423 hospitals and 176 of them were covered in 2018. The product was included in 10 PRDLs. This product (100 ml) had won 24 provincial tenders while the bidding price remained stable.

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非心腦血管用藥

注射用鹽酸羅沙替丁醋酸酯(商品名：傑澳)

該產品為新一代組胺H2受體拮抗劑，適用於由消化道潰瘍、應激性潰瘍等引起的上消化道出血。該產品具有適中的抑酸效果及獨特的胃黏膜保護作用，已被納入二零一七年版《臨床路徑釋義》外科分冊及《臨床路徑治療藥物釋義》內科分冊(縣級醫院版)並於日前獲得二零一八年國家版《臨床路徑釋義》消化病分冊推薦。根據艾美仕資料，抑酸劑市場容量超過人民幣160億元，潛力龐大。質子泵抑制劑類抑酸產品因過度使用在二零一七年國家醫保目錄中受限，增長放緩，為本產品帶來增長空間。於本年度內，該產品銷售額達人民幣60.5百萬元，比去年增加71.4%。截至二零一八年十二月三十一日，該產品醫院覆蓋數目為477家，其中二零一八年新增覆蓋314家，省醫保目錄數目為11個，中標省份數目為29個，中標價格穩定。

甘草酸單鉍半胱氨酸氯化鈉注射液(商品名：回能)

該產品為甘草酸單鉍和半胱氨酸複方製劑，具有抗肝中毒、恢復肝細胞功能等保肝降酶功效，適用於急慢性肝炎、肝中毒及初期肝硬化等症狀。該產品為獨家複方製劑，具有數個產品專利，是甘草酸製劑中唯一適用於老人及兒童患者的品種，因其安全性及有效性從而獲得數個診療指南及專家共識推薦，且被獲納入二零一八年國家版《臨床路徑釋義》風濕免疫性疾病分冊。於本年度，該產品銷售額達人民幣44.6百萬元，比去年增加131.2%。截至二零一八年十二月三十一日，該產品醫院覆蓋數目為471家，其中二零一八年新增覆蓋322家，省醫保目錄數目為11個，回能100毫升中標省份數目為28個，中標價格穩定。

於本年度內，心腦血管藥物銷售收益同比增加4.0%至人民幣2,685.7百萬元，佔本集團總收益的92.1%，銷售增加主要收益於產品銷售結構調整。非心腦血管產品銷售收益同比增加42.2%至人民幣231.7百萬元，佔本集團總收益的7.9%。

Non-CCV Product

Roxatidine Acetate Hydrochloride Injection (Brand name: Jie'ao)

This product is a novel H2 receptor antagonist, with indications in treating upper digestive tract hemorrhage caused by peptic ulcer and stress ulcer. This product suppresses gastric acid secretion and protects gastric mucosa, and has been included in the surgery section of the 2017 edition of the Interpretation of Clinical Pathways and the general medicine section of the Interpretation of Clinical Pathway and Therapeutic Drugs (county-level), and has been recommended by the digestive disease section of the 2018 national-level edition of the Interpretation of Clinical Pathways. According data from IMS, the market volume of acid inhibitor exceeds RMB16 billion which indicates broad market potential. Additionally, the excessive use of proton pump inhibitor led to prescription restrictions indicated in the 2017 edition of NRDL, which has brought market opportunity for this product. During the Year, revenue for this product reached RMB60.5 million, representing a year-on-year increase of 71.4%. By the end of 31 December 2018, this product was regularly prescribed in 477 hospitals and 314 of them were covered in 2018. The products was included in 11 PRDLs. The product had won 29 provincial tenders while the bidding price remained stable.

Monoammonium Glycyrrhizinate and Cysteine and Sodium Chloride Injection (Brand name: Huineng)

This product is a compound preparation of ammonium glycyrrhizinate and cysteine and sodium chloride, with liver protecting and enzyme reducing effects. This product is intended to treat chronic and acute hepatitis, hepatotoxicity, early-stage cirrhosis and other conditions. This product is an exclusive patented compound preparation and is the only glycyrrhizic acid product suitable for elderlies and children. In addition, it is recommended by several clinical guidelines and expert consensus for its outperforming safety and efficacy properties, and was included in the rheumatology section of the 2018 edition of the Interpretation of Clinical Pathway and Therapeutic Drugs. During the Year, revenue from this product reached RMB44.6 million, representing a year-on-year increase of 131.2%. By the end of 31 December 2018, this product was regularly prescribed in 471 hospitals and 322 of them were covered in 2018. The product was included in 11 PRDLs. This product (100 ml) had won 28 provincial tenders while the bidding price remained stable.

During the Year, revenue from CCV products increased by 4.0% year-on-year to RMB2,685.7 million, accounting for 92.1% of the Group's total revenue. The growth was mainly attributable to the adjustment of product structure. Revenue from non-CCV products increased by 42.2% to RMB231.7 million, accounted for 7.9% of the Group's total revenue.

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主要心腦血管產品的銷售

Sales of Key CCV Products

產品 Product	截至該年止年度 For the year ended		同比銷售額 變動 Changes year
	二零一七年 2017 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000	- on-year
歐迪美/澳輔泰/位通/捷利欣(腦苷肌肽注射液) Oudimei/Aofutai/Weitong/Jielixin (Cerebroside-kinin Injection)	686,909	749,710	9.1%
源之久/杏唯/欣升通(曲克蘆丁腦蛋白水解物注射液) Yuanzhijiu/Xingwei/Xinshengtong (Troxerutin and Cerebroprotein Hydrolysate Injection)	463,879	645,958	39.3%
威澳(丹參川芎嗪注射液) Wei' Ao (Salvia Miltiorrhiza and Ligustrazine Hydrochloride Injection)	216,549	332,880	53.7%
克林澳/安捷利(馬來酸桂呱齊特注射液) Kelinao/Anjeli (Cinopazide Maleate Injection)	389,969	314,547	-19.3%
益康寧/益脈寧(前列地爾脂乳注射液) Yikangning/Yimaining (Alprostadil Lipid Emulsion Injection)	216,460	154,056	-28.8%
澳昔/翔通(GM1注射液) Aogan/Xiangtong (GM1)	151,400	153,516	1.4%
也多佳(複方三維B(II)注射液) Yeduojia (Compound Trivitamin B(II) for Injection)	126,487	141,865	12.2%
邁諾康(杏芍氯化鈉注射液) Mainuokang (Floium Ginkgo Extract and Tertam Ethypyrazine Sodium Chloride Injection)	65,774	59,667	-9.3%
注射用煙醯胺 Nicotinamide Injection	9,458	42,284	347.1%
曲奧(腦蛋白水解物) Qu'ao (Cerebroprotein Hydrolysate)	78,909	29,076	-63.2%

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主要非心腦血管產品的銷售

Sales of key Non-CCV Products

產品 Product	截至該年止年度 For the year ended		同比銷售額 變動 Changes year- on-year
	二零一七年 2017 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000	
傑澳(注射用鹽酸羅沙替丁醋酸酯) Jie'ao (Roxatidine Acetate Hydrochloride for Injection)	35,269	60,457	71.4%
回能(甘草酸單銨半胱氨酸氯化鈉注射液) Huineng (Monoammonium Glycyrrhizinate and Cysteine and Sodium Chloride Injection)	19,289	44,604	131.2%
注射用煙酸(維生素類) Nicotinic Acid Injection (Vitamins)	989	27,866	2,718.0%
仁澳(奧凱西平) Ren'ao (Oxcarbazepine)	28,079	22,436	-20.1%
欣諾澳(注射用鹽酸克林黴素) Xinnuoao (Clindamycin Injection)	17,534	15,324	-12.6%

B. 未來展望

醫改政策對整體醫藥市場發展有非常深遠的影響，有鑒於周邊環境的改變，四環醫藥沉着應戰，建立明確、清晰且堅定的銷售及經營策略，在多年來沉積的基礎上，持續夯實基本面，致力以「加強研發實力、優化產品資源及加快市場擴張」為目標，邁向下一個發展階段。

本集團將提升整體產品資源為主要發展目標，繼續視研發為保持持續性增長的第一手段，加大投放資源建立可持續的創新藥及仿製藥產品線，並通過內部研發、併購及國際合作優化產品組合，佈局全面產品線保證本集團中長期產品資源。

在市場行銷方面，本集團將繼續完善循證證據體系，加強主要產品的循證醫學研究，鞏固臨床有效性、安全性及擴大其適應症範疇，繼續進行主要產品的上市後再評價。此外，加強產品治療作用的傳播力度和廣度，加強終端開發下沉和快速上量；加快進行科室覆蓋與滲透；確保學術活動的覆蓋度。

財務回顧

營業額

本集團通過精細化市場管理繼續增強心腦血管藥物業務，同時提高其他治療領域的產品銷量。結合這兩項策略，本年度收益總額增加約6.2%至約人民幣2,917.4百萬元(二零一七年：人民幣2,745.8百萬元)。

其中，來自心腦血管藥物的收入，佔本集團營業總額的92.1%，銷售額約為人民幣2,685.7百萬元，增加約102.8百萬元；餘下來自非心腦血管藥物收益，大幅增加了42.2%(約人民幣68.8百萬元)至約人民幣231.7百萬元(二零一七年：人民幣162.9百萬元)。主要因為年內擴大了增長期產品的醫院銷售量。

B. FUTURE PROSPECTS

Healthcare reform has a profound impact on the pharmaceutical industry. Facing external changes, Sihuan Pharmaceutical forged ahead with clear and firm strategies in sales and marketing and business operation. Riding on the hard-fought foundations, Sihuan Pharmaceutical will continue to enhance its fundamentals. With the aim to “strengthen R&D capabilities, optimize product resources and accelerate market expansion”, the Group strides into the next stage of development.

The Group will stay focused on elevating overall product resources and prioritize R&D as the drive for sustainable growth. The Group will also direct more resources to creating a sustainable innovative drug and generic drug pipeline. Through in-house R&D, M&A and international collaboration, Sihuan Pharmaceutical will optimize its product portfolio and achieve a fuller pipeline for the mid- to long-term growth.

In terms of marketing, the Group will continue to improve its evidence-based research system and reinforce evidence-based research to strengthen clinical efficacy, safety and indications of its main products. Moreover, the Group will continue to conduct post-launch re-evaluation for its main products. In addition, The Group will dedicate more efforts in gaining widespread recognition for the efficacy of its products. The Group will accelerate the volume growth of our products with further penetration in primary markets and increase coverage in hospitals and respective medical departments, supported by nationwide academic promotion.

FINANCIAL REVIEW

Turnover

The Group expanded its CCV drug business by effective targeted market management when in parallel it strives to enhancing the sales of products in other therapeutic areas. With combined efforts of these two strategies, revenue of the Group for the Year has improved by approximately 6.2% to approximately RMB2,917.4 million (2017: RMB2,745.8 million).

Among which, income from CCV drugs, contributed to 92.1% of total revenue, was approximately RMB2,685.7 million. It has increased by approximately RMB102.8 million whereas the remaining revenue from sales of non-CCV drugs has significantly increased by 42.2%, or approximately RMB68.8 million, to approximately RMB231.7 million (2017: RMB162.9 million). It was attributable to increased hospital coverage of growth-stage products during the Year.

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銷售成本

本集團本年度銷售成本約為人民幣538.3百萬元。佔收益總額的18.5%。

毛利

本年度的毛利為約人民幣2,379.1百萬元(二零一七年：人民幣1,986.9百萬元)，上升約19.7%。整體毛利率由去年的72.4%上升至本年度的81.5%。毛利率上升主要是由於年內集團更好地控制生產成本及增加較高利潤率產品的銷售。

其他收益淨額

本年度其他收益淨額為人民幣610.1百萬元(二零一七年：人民幣313.9百萬元)。人民幣296.2百萬元增加主要由於政府補助較去年增加及本年度內按公平值計入損益的金融資產的公平值收益變動所致。

分銷開支

本年度的分銷開支為人民幣271.1百萬元。增加的人民幣43.5百萬元是由於本集團為強化產品品牌建設，加強全國層面的學術推廣活動。

行政開支

本年度的行政開支為人民幣396.1百萬元(二零一七年：人民幣325.1百萬元)。大幅增加約21.8%主要由於人員費用增長。

研發開支

本年度的研發開支為人民幣480.3百萬元(二零一七年：人民幣303.9百萬元)大幅度增加約58.0%，主要由於研發活動強度增大，研發團隊的擴展所致。

Cost of sales

Cost of sales for the Year amounted to approximately RMB538.3 million. It represented 18.5% of total revenue.

Gross profit

Gross profit for the Year amounted to approximately RMB2,379.1 million (2017: RMB1,986.9 million). It increased by approximately 19.7%. Overall gross profit margin increased from 72.4% last year to 81.5% for the Year. The higher profit margin generated was mainly attributable to the implementation of production cost control procedures of the Group and higher sales from products with better profit margin during the Year.

Other net gains

Other net gains for the Year amounted to RMB610.1 million (2017: RMB313.9 million). The increment of RMB296.2 million was mainly attributable to an increase in government grants compared to last year as well as gain on changes in fair value of financial assets at fair value through profit or loss during the Year.

Distribution expenses

Distribution expenses for the Year amounted to RMB271.1 million. The increment of RMB43.5 million was mainly attributable to the Group's enhanced academic promotion across the nation aiming for brand strengthening.

Administrative expenses

Administrative expenses for the Year amounted to RMB396.1 million (2017: RMB325.1 million). It sharply increased by approximately 21.8% as attributable to an increase in staff cost.

Research and development expenses

Research and development expenses for the Year amounted to RMB480.3 million (2017: RMB303.9 million) which represented a significant increase of approximately 58.0%. It was mainly due to more efforts in research and development activities and expansion of the research and development team.

其他開支

本年度的其他開支增加至人民幣30.4百萬元(二零一七年:人民幣18.2百萬元),主要由於外匯虧損增加所致。

除所得稅前溢利

由於上述因素,本年度本集團的除所得稅前溢利上升約16.4%至人民幣2,012.2百萬元(二零一七年:人民幣1,729.1百萬元)。

所得稅開支

本年度本集團所得稅開支為人民幣332.8百萬元(二零一七年:人民幣250.2百萬元),錄得約33.0%的上升。主要由於本年度預扣稅增加所致。

年內溢利

由於上述因素,本集團年內的純利增加約13.6%至人民幣1,679.4百萬元(二零一七年:人民幣1,478.9百萬元)。

本公司擁有人應佔溢利

本年度本公司擁有人應佔溢利增加11.8%至人民幣1,620.0百萬元(二零一七年:人民幣1,448.9百萬元)。

非控股權益

本年度非控股權益增加至人民幣59.4百萬元(二零一七年:人民幣30.0百萬元)。

Other expenses

Other expenses for the Year increased to RMB30.4 million (2017: RMB18.2 million). It was attributable to increase in foreign exchange loss.

Profit before income tax

Taking into account of the above, profit before income tax of the Group for the Year increased by approximately 16.4% to RMB2,012.2 million (2017: RMB1,729.1 million).

Income tax expenses

Income tax expenses of the Group for the Year amounted to RMB332.8 million (2017: RMB250.2 million), an increment of approximately 33.0% was recorded. It was principally due to higher withholding tax provided for the Year.

Profit for the year

Taking into account of the above, profit for the year increased by approximately 13.6% to RMB1,679.4 million (2017: RMB1,478.9 million).

Profit attributable to owners of the Company

Profit attributable to owners of the Company for the Year increased by 11.8% to RMB1,620.0 million (2017: RMB1,448.9 million).

Non-controlling interests

Non-controlling interests for the Year increased to RMB59.4 million (2017: RMB30.0 million).

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流動資金及財務資源

於二零一八年十二月三十一日，本集團現金及現金等價物為人民幣3,314.8百萬元(二零一七年十二月三十一日：人民幣831.9百萬元)，及其他金融資產為人民幣1,303.3百萬元(二零一七年十二月三十一日：人民幣2,967.4百萬元)。

本集團一般將多餘現金存入計息銀行賬戶。本集團可能將額外的現金用作短期投資，以獲取較豐厚的回報。因此，本集團與若干銀行機構訂立協定，將額外的現金進行投資。根據已簽訂協定的條款，本年度本集團投資總額為約人民幣1,274.0百萬元。本集團進行的投資為短期投資，且主要為向若干國有銀行購買的財務計劃產品。對於上述財務計劃產品，發行該等財務計劃產品的銀行可酌情決定將資金投資於國債、貼現的銀行承兌匯票及商業承兌匯票以及銀行存款等財務工具。截至二零一八年十二月三十一日，本集團於綜合財務狀況表確認按公平值計入損益的金融資產合共約人民幣1,303.3百萬元，其中包括投資本金約人民幣1,274.0百萬元及利息收入約人民幣29.3百萬元。於本公告日期，本集團錄得已出售／償還投資本金總額人民幣1,250.0百萬元。

本集團維持穩健的財務狀況。於二零一八年十二月三十一日，本集團之現金及現金等價物達人民幣3,314.8百萬元(二零一七年：人民幣831.9百萬元)。於同日，本集團之向一家附屬公司非控股股東借款達人民幣95.0百萬元(二零一七年：無)。本集團持有之現金淨額逾人民幣3,219.8百萬元(二零一七年：人民幣831.9百萬元)。

Liquidity and financial resources

As at 31 December 2018, the Group's cash and cash equivalents amounted to RMB3,314.8 million (31 December 2017: RMB831.9 million) and other financial assets amounted to RMB1,303.3 million (31 December 2017: RMB2,967.4 million).

In general, the Group places its excess cash into interest-bearing bank accounts. The Group may use extra cash for short term investments for higher returns. Thus, the Group has entered into agreements with certain banks for surplus fund investment. According to terms of the agreements signed, the total amount of investment conducted by the Group for the Year, reached approximately RMB1,274.0 million. The investments made by the Group were short-term in nature and mainly consisted of financial planning products purchased from certain state-owned banks. At their discretion, issuing banks for the above-mentioned financial planning products may invest in financial instruments such as government bonds, discounted bank acceptance bills and commercial acceptance bills, and bank deposits. As of 31 December 2018, the Group recognized total financial assets at fair value through profit or loss approximately RMB1,303.3 million, comprising of principal of investment of approximately RMB1,274.0 million and approximately RMB29.3 million interest income, in the consolidated statement of financial position. As at the date of this announcement, the Group has recorded total amount of the sold/repaid investment principal amounting to as RMB1,250.0 million.

The Group maintained strong financial position. As at 31 December 2018, the Group's cash and cash equivalents amounted to RMB3,314.8 million (2017: RMB831.9 million). As at the same date, borrowings from non-controlling shareholders of a subsidiary of the Group amounted to RMB95.0 million (2017: Nil). The Group maintained net cash of over RMB3,219.8 million (2017: RMB831.9 million).

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本集團於二零一八年十二月三十一日有足夠現金。董事認為，本集團並無任何重大資金風險。

The Group had sufficient cash as at 31 December 2018. The Directors are of the opinion that the Group does not have any significant capital risk.

		於十二月三十一日	
		As at 31 December	
		二零一八年	二零一七年
		2018	2017
		人民幣千元	人民幣千元
		RMB'000	RMB'000
現金及現金等價物	Cash and cash equivalents	3,314,845	831,859

貿易及其他應收賬款

本集團的貿易應收賬款包括其分銷商支付產品的信貸銷售款。本集團的其他應收賬款包括來自其他應收賬款、應收票據、預付供應商款項及應收聯營公司及其他關聯方款項。於二零一八年十二月三十一日，本集團擁有的貿易及其他應收賬款為人民幣857.2百萬元(二零一七年十二月三十一日：人民幣747.1百萬元)。此金額增加了人民幣110.1百萬元，主要因為應收第三方款項和預付所得稅增加所致。

Trade and other receivables

The Group's trade receivables include credit sales of its products to be paid by its distributors. Other receivables of the Group consist of other receivables, bills receivable, prepayments to suppliers and amounts due from associates and other related parties. As at 31 December 2018, the Group's trade and other receivables were RMB857.2 million (31 December 2017: RMB747.1 million). The amount increased by RMB110.1 million and was mainly due to an increase in both amount due from third parties and prepaid income tax.

存貨

於二零一八年十二月三十一日，存貨金額為人民幣301.1百萬元(二零一七年十二月三十一日：人民幣228.0百萬元)。本年度存貨周轉期為177日(二零一七年十二月三十一日：102日)。存貨周期增加是由於新增附屬公司開始投產日後推出新產品的過程較長所致。本集團本年度並無存貨減值。

Inventory

As at 31 December 2018, inventories amounted to RMB301.1 million (31 December 2017: RMB228.0 million). The turnover period for the Year was 177 days (31 December 2017: 102 days). The increase was attributable to longer stock process of new subsidiaries which has commenced production of new products for future sales launch. The Group have no inventory impairment during the Year.

物業、廠房及設備

本集團的物業、廠房及設備包括樓宇、生產及電子設備、汽車及在建工程。於二零一八年十二月三十一日，物業、廠房及設備的賬面淨值為人民幣2,775.4百萬元，較二零一七年十二月三十一日增加了人民幣321.8百萬元，上升13.1%。主要是現有生產廠進行擴建、建設新廠房以及購置新設備。

Property, plant and equipment

The Group's property, plant and equipment include buildings, production and electronic equipment, vehicles and construction in progress. As at 31 December 2018, net book value of the property, plant and equipment was RMB2,775.4 million, representing a 13.1% increment of RMB321.8 million compared to 31 December 2017. The major contributors were the expansion of existing factory, construction of new production plants and purchase of new equipments.

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商譽

本集團的商譽產生自收購附屬公司。於二零一八年十二月三十一日，商譽的賬面淨值為人民幣2,843.9百萬元(二零一七年十二月三十一日：人民幣2,843.9百萬元)。

無形資產

本集團的無形資產主要包括客戶關係、遞延開發成本、進行中產品開發以及商標及軟件。遞延開發成本及進行中產品開發主要指收購若干藥品研發項目與其自主開發的研發項目。於二零一八年十二月三十一日，無形資產淨值為人民幣1,252.3百萬元(二零一七年十二月三十一日：人民幣1,338.0百萬元)。

貿易及其他應付賬款

本集團的貿易及其他應付賬款主要包括貿易應付賬款、其他應付賬款、應計開支及應付職工薪酬。於二零一八年十二月三十一日，貿易及其他應付賬款為人民幣1,686.7百萬元(二零一七年十二月三十一日：人民幣1,804.8百萬元)，金額減少了人民幣118.1百萬元，主要是因為客戶墊款未付結餘因採納國際財務報告準則第15號由貿易及其他應付賬款重新分類至合約負債。

或然負債及擔保

於二零一八年十二月三十一日，本集團概無任何重大或然負債或擔保(二零一七年十二月三十一日：無)。

資產負債表外承擔及安排

於二零一八年十二月三十一日，本集團並無訂立任何資產負債表外安排或承擔為任何第三方的任何付款責任提供擔保。本集團並無在任何非綜合實體(為本集團提供融資或流動資金、或引致市場風險或提供信貸支援、或從事提供租賃或對沖或研發服務)擁有任何可變權益。

Goodwill

The Group's goodwill arose from the acquisition of subsidiaries. As at 31 December 2018, the net carrying amount of goodwill was RMB2,843.9 million (31 December 2017: RMB2,843.9 million).

Intangible assets

The Group's intangible assets mainly comprise customer relationships, deferred development costs, product development in progress and trademark and software. The deferred development costs and product development in progress mainly related to the acquisitions of several drug R&D projects and self-developed R&D projects. As at 31 December 2018, net intangible assets amounted to RMB1,252.3 million (31 December 2017: RMB1,338.0 million)

Trade and other payables

The Group's trade and other payables mainly consist of trade payables, other payables, accrued expenses and payables to employee remuneration. As at 31 December 2018, trade and other payables amounted to RMB1,686.7 million (31 December 2017: RMB1,804.8 million), The decrease of RMB118.1 million was mainly attributable the outstanding balance of advances from customers which has been reclassified from trade and other payables to contract liabilities due to the adoption of IFRS 15.

Contingent liabilities and guarantees

As at 31 December 2018, the Group had no material contingent liabilities or guarantees (31 December 2017: Nil).

Off-balance sheet commitments and arrangements

As at 31 December 2018, the Group has neither entered into any off-balance sheet arrangements nor commitments to provide guarantees for any payment obligations with any third party. The Group did not have any variable interests in any unconsolidated entities which provide financing or liquidity funding, or generate market risk or provide credit support, or engage in the provision of leasing or hedging or R&D services to the Group.

資本承擔

於二零一八年十二月三十一日，本集團的資本承擔總額為人民幣321.1百萬元，主要預留作購買物業、廠房及設備以及無形資產。

信貸風險

信貸風險來自現金及現金等價物、貿易應收賬款、理財產品及其他應收賬款。

所有現金等價物及銀行存款均存放於中國若干信譽良好的金融機構及中國境外的優質國際金融機構。所有該等不可撤回銀行票據(分類為應收票據)均由中國具有高信貸評級的銀行發出。近期並無有關該等金融機構的現金等價物及銀行存款違約記錄。

就貿易應收賬款而言，本集團並無信貸風險高度集中的情況，並設有政策確保於與客戶協定相關銷售訂單後收取若干現金墊款。對於獲授信貸期的客戶而言，本集團評估其信貸質素時會考慮其財務狀況、信貸記錄及其他因素，並會採取若干監控程序，確保採取適當跟進行動以收回逾期債務。本集團根據貿易應收賬款的過往資料及現金收回記錄定期進行賬齡分析、評估信貸風險及估計收回款項情況。

就理財產品而言，本集團面臨的信貸風險載於財務報表附註13。

就其他應收賬款而言，本集團會考慮債務人的財務狀況、與本集團的關係、信貸記錄及其他因素評估其信貸質素。管理層亦會定期檢討該等其他應收賬款的可收回能力，並跟進有關糾紛或逾期金額(如有)。執行董事認為對方的拖欠情況屬於低。

概無其他金融資產承擔重大信貸風險。

Capital commitment

As at 31 December 2018, the Group's total capital commitment was RMB321.1 million. It was mainly set aside to purchase of property, plant and equipment and intangible assets.

Credit risk

Credit risk arises from cash and cash equivalents, trade receivables, wealth management products and other receivables.

All cash equivalents and bank deposits are deposited with certain reputable financial institutions in the PRC and high-quality international financial institutions outside the PRC. All those irrevocable bank bills, classified as notes receivable, are issued by banks with high credit rating in the PRC. There was no recent history of default of cash equivalents and bank deposits in relation to these financial institutions.

In respect of trade receivables, the Group has no high concentrations of credit risk and has policies in place to secure certain cash advances has been received upon the agreement of the related sales orders with customers. For customers granted with credit terms, the Group will consider its financial position, credit record and other factors when assessing customers credit quality. It also undertakes certain monitoring procedures to ensure appropriate follow-up action being taken to recover overdue debts. The Group regularly performs aging analysis, assesses credit risks and estimates recoverability based on historical data and cash recovery records of trade receivables.

In respect of wealth management products, the Group's exposure to credit risk is set out in note 13 to the financial statements.

In respect of other receivables, the Group will assess the credit quality of the debtors by taking into account their financial position, relationship with the Group, credit history and other factors. Management will also review the recoverability of these other receivables on a regular basis and follow up on disputes or amounts overdue, if any. The executive Directors are of the opinion that the default of the counterparties is low.

No other financial assets bear a significant exposure to credit risk.

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外匯風險

本集團的功能貨幣為人民幣。本集團的金融工具以人民幣計值。本集團有以美元、港元或歐元計值的若干現金結餘令本集團面對美元、港元或歐元兌人民幣的外匯風險。此外，以由人民幣兌換的外幣派付股息須遵守中國政府頒佈的外匯規則及條例。於二零一八年十二月三十一日，本集團並無以外幣計值的未償還借款。

於本年度，本集團概無購買任何外匯、利率衍生產品或相關對沖工具。

庫務政策

本集團以自有內部資源為其日常經營業務提供所需資金。

資本開支

本集團的資本開支主要包括購買物業、廠房及設備、投資物業、土地使用權及無形資產。本年度，本集團的資本開支為人民幣837.9百萬元，其中購買物業、廠房及設備和投資物業，購買土地使用權及購買或自研無形資產的開支分別為人民幣710.8百萬元、人民幣107.4百萬元及人民幣19.7百萬元。

於本年度，本集團研發投入的資本開支為人民幣78.6百萬元，其中物業、廠房及設備的開支為人民幣65.4百萬元。餘額人民幣13.2百萬元與購買及自研無形資產有關。

於本年度，本公司全資附屬公司與第三方（為一家香港上市公司的附屬公司）訂立買賣協議，以代價555.0百萬元（相當於約人民幣448.5百萬元）收購一家持有一項物業的英屬處女群島公司的全部註冊資本。有關交易已於二零一八年三月二十九日完成。部分收購物業用作本公司的辦公室，其餘則已出租。自交易完成起，本集團將自用部分記錄為固定資產，租出部分則記錄為投資物業。

Foreign exchange risk

The Group's functional currency is RMB. Financial instruments are denominated in RMB. The Group is subject to currency risk of United States Dollar ("USD"), Hong Kong Dollar ("HKD") or Euro ("EUR") against RMB as the Group's has some cash balances denominated in USD, HKD or EUR. In addition, dividend payment in foreign currencies converted from RMB is subject to foreign exchange rules and regulations promulgated by the PRC government. As at 31 December 2018, the Group had no outstanding borrowings denominated in foreign currencies.

During the Year, the Group did not purchase any foreign exchange, interest rate derivative products or relevant hedging tools.

Treasury policy

The Group finances its ordinary operations with internally generated resources.

Capital expenditure

The Group's capital expenditure mainly includes purchase of property, plant and equipment, investment property, land use rights and intangible assets. For the Year, the Group's capital expenditure amounted to RMB837.9 million, of which expense on property, plant and equipment and investment property, acquisition of land use rights and purchase or in-house development of intangible assets amounted to RMB710.8 million, RMB107.4 million and RMB19.7 million, respectively.

For the Year, the Group's investment in capital expenditure for R&D amounted to RMB78.6 million, of which RMB65.4 million was spent on property, plant and equipment. The remaining RMB13.2 million related to the purchase of and self-developed intangible assets.

During the Year, a wholly-owned subsidiary of the Company entered into a sale and purchase agreement with a third party, a subsidiary of a Hong Kong listed company, to acquire the entire registered capital of a British Virgin Islands company which held a property at a consideration of HK\$555.0 million (equivalent to approximately RMB448.5 million). The transaction was completed on 29 March 2018. Part of the property acquired is used as the Company's office and the remaining portion has been leased out. The Group recorded the self-used part as fixed asset and the leased out part as investment property since completion of the transaction.

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重大投資收購和出售

本年度概無任何重大收購及出售。

資產抵押

於二零一八年十二月三十一日，本集團概無抵押資產。

人力資源及僱員薪金

人力資源是本集團在充滿挑戰的環境中得以成功的不可或缺資產。本集團致力為全體僱員提供具競爭力的薪酬待遇，定期檢討人力資源政策，以鼓勵僱員努力提升本公司價值及促進本公司的可持續增長。

於二零一八年十二月三十一日，本集團僱用員工3,952人，本集團本年度的薪金總額及相關成本約為人民幣495.7百萬元(二零一七年：人民幣375.3百萬元)。

Material acquisition and disposal

There was no material acquisition and disposal during the Year.

Pledge of assets

As at 31 December 2018, none of the Group's assets was pledged.

Human Resources and Remuneration of Employees

Talents are an indispensable asset to the Group's success in a competitive environment. The Group is committed to providing competitive remuneration packages and regularly reviewing human resources policies, to encourage employees to work towards enhancing the value of the Company and promoting the sustainable growth of the Company.

As at 31 December 2018, the Group had 3,952 employees. For the Year, the Group's total salary and related costs was approximately RMB495.7 million (2017: RMB375.3 million).

董事及高級管理層履歷

Biographical Details of Directors and Senior Management

執行董事

車馮升醫生，57歲，為執行董事及本公司主席（「主席」），於二零零六年五月十八日獲委任為董事會成員。彼為本集團的共同創辦人，車醫生負責本集團的整體管理、策略規劃及業務發展，自其於二零零一年成立起負責本集團發展及拓展業務。在本集團成立之前，車醫生擁有逾八年醫生／神經科醫生執業經驗，並在藥品的銷售及行銷以及醫藥公司管理方面擁有逾二十年經驗。一九九七年至二零零一年，車醫生為海南康通醫藥有限公司總經理，負責該公司的整體管理。一九九五年至一九九七年，車醫生為深圳市新藥特藥有限公司的副總經理及營銷副經理，負責該公司業務的營銷及整體管理。一九九三年至一九九五年，車醫生為深圳市健安醫藥公司的產品推廣經理及華東地區經理，負責銷售及營銷。一九九一年至一九九三年，車醫生擔任廣州市第一軍醫大學珠江醫院的神經科醫生主任及講師。車醫生由一九八四年至一九九一年分別於中國西安市第四軍醫大學及中國西安市西京醫院第四軍醫大學任神經科醫生及助理講師。車醫生曾擔任若干委員會及協會的副主席，包括中國政策科學培訓中心、中國藥物經濟學雜誌社及海南省企業家協會。車醫生亦為海南省企業家協會食品藥業工作委員會的副主任及中國企業改革發展研究院指定研究員。於二零零六年，彼獲海南省商業聯合會、海南省工業經濟聯合會及海南省工商業十大領軍人物十大新銳人物評委會授予「首屆海南省工商業十大新銳人物」稱號。二零一零年至二零一一年擔任全國工商聯醫藥業商會副會長。二零一二年獲中國生命科學業安永企業家獎。二零一四年為全國五一勞動獎章獲得者。二零一四年擔任北京生物工程學會第四屆理事。二零一五年獲全國勞動模範。於一九八四年及一九九零年，車醫生分別於中國西安第四軍醫大學獲得航空醫學學士學位及神經醫學碩士學位。於一九九九年，彼亦獲中歐國際工商管理學院工商管理碩士學位。

EXECUTIVE DIRECTORS

Dr. Che Fengsheng, aged 57, is our executive Director and chairman of the Company (the “Chairman”) and was appointed to the Board on 18 May 2006. He is a co-founder of the Group and is responsible for the overall management, strategic planning and business development of the Group and is instrumental to the Group’s growth and business expansion since its establishment in 2001. Prior to the Group’s establishment, Dr. Che had more than 8 years of experience as a medical doctor/neurologist and 20 years of experience in the sales and marketing of pharmaceutical products and the management of pharmaceutical companies. From 1997 to 2001, Dr. Che was general manager of Hainan Kang Tong Pharmaceutical Co., Ltd where he was in charge of the company’s overall management. From 1995 to 1997, Dr. Che was the assistant general manager and vice manager (marketing) of Shenzhen City New Special Pharmaceutical Products Co., Ltd. where he was responsible for the marketing and overall management of the company’s business. Between 1993 and 1995, Dr. Che was the product promotions manager of Shenzhen City Healthcare Pharmaceutical Company and East China Regional manager, in charge of sales and marketing. From 1991 to 1993, Dr. Che held the position of chief neurologist and lecturer in First Military Medical University, Zhu Jiang Hospital, Guangzhou City, PRC. Dr. Che was a neurologist and an assistant lecturer at the Fourth Military Medical University in Xi’an City, PRC and at the Fourth Military Medical University, Xi Jing Hospital in Xi’an City, PRC from 1984 to 1991 respectively. Dr. Che was the vice-chairman of several committees and associations including, China Political Science Training Centre, China Medical Economics Magazine Board and the Hainan Entrepreneurs Association. Dr. Che is also a deputy supervisor of the Hainan Food and Drug Working Committee in the Hainan Entrepreneurs Association as well as a specially appointed research member of the China Enterprise Reform and Development Research Institute. In 2006, he was named as one of the Top 10 New and Enterprising Businessmen in Hainan Province by the Hainan Province Commerce Association, the Hainan Industry & Economics Association and the Evaluation Committee of Top 10 Leading Businessmen and Top 10 New and Enterprising Businessmen in Industry and Commerce in Hainan. He was vice chairman of the Medical Pharmaceutical Chamber of the All-China Federation of Industry and Commerce from 2010 to 2011. He won the Ernst & Young Entrepreneur Award for Life Science Industry of China in 2012. He was awarded the National Labour Day Medal in 2014. He was appointed director for the Fourth Session of the Board of the Society of Biotechnology in Beijing in 2014. He was recognized as the National Labour Model in 2015. Dr. Che received his Bachelor of Medicine (Aviation) and Master of Medicine (Neurology) from the Fourth Military Medical University, Xi’an City, PRC, in 1984 and 1990 respectively. He also received an Executive Master of Business Administration from China Europe International Business School in 1999.

董事及高級管理層履歷

Biographical Details of Directors and Senior Management

郭維城醫生，55歲，為執行董事、副主席及本公司行政總裁。他於二零零六年五月十八日獲委任為董事會成員及為本集團的共同創辦人。郭醫生負責本集團的整體營運、營銷及我們的研發活動，專注於策略規劃，特別是合併與收購及產品合作方面。於二零零七年我們收購深圳四環醫藥有限公司後，彼亦負責其整體營運。自我們於二零零一年成立以來，郭醫生幫助本集團發展及擴展業務。在我們成立之前，郭醫生擔任外科醫生擁有逾四年經驗，並在藥品銷售及行銷方面擁有逾二十年經驗。一九九二年至一九九三年，郭醫生在廣州軍區177醫院擔任外科主任。一九八六年至一九八九年，郭醫生在中國西安市第四軍醫大學任外科醫生及助理講師。於一九八六年及一九九二年，郭醫生分別於中國西安市第四軍醫大學獲醫學學士學位及外科醫學碩士學位。

蔡耀忠先生，45歲，為執行董事，首席財務官兼其中一位聯席公司秘書，於二零一七年十二月八日獲委任為董事會成員。蔡先生於二零零六年加入本集團，負責監察及管理本集團的會計及財務部。在加入本集團之前，蔡先生在上市公司以及德勤累計多年財務會計經驗。蔡先生於一九九七年取得新西蘭Nelson Polytechnic(現稱Nelson Marlborough Institute of Technology)的工商(會計)學士學位。彼為英國特許管理會計師公會成員，亦為新加坡會計師協會成員。蔡先生自二零一七年至今擔任耀忠國際(香港)有限公司(於香港成立的投資控股公司及本公司全資附屬公司)的董事。蔡先生自二零一四年起至今擔任本公司若干附屬公司的董事。在過去三年中，蔡先生並無在任何上市公司擔任任何董事職務。

Dr. Guo Weicheng, aged 55, is our executive Director, deputy chairman and chief executive officer of the Company. He was appointed to our Board on 18 May 2006 and is a co-founder of our Group. Dr. Guo is responsible for the overall operations of our Group, sales and marketing and our R&D activities, with a focus on strategic planning, particularly in relation to mergers and acquisitions and product collaborations. He has also become responsible for Shenzhen Sihuan's Pharmaceutical Co., Ltd. overall operations after it was acquired in 2007. Dr. Guo is instrumental to our Group's growth and business expansion since our establishment in 2001. Prior to our establishment, Dr. Guo had more than 4 years of experience as a general surgeon and more than 20 years of experience in the sales and marketing of pharmaceutical products. From 1992 to 1993, Dr. Guo held the position of chief surgeon in Guangzhou Military 177 Hospital. Dr. Guo was a surgeon and assistant lecturer at the Fourth Military Medical University, Tang Du Hospital, Xi'an City, PRC from 1986 to 1989. Dr. Guo received his Bachelor of Medicine and Master of Medicine (General Surgery) from the Fourth Military Medical University, PRC in 1986 and 1992, respectively.

Mr. Choi Yiau Chong, aged 45, is our executive Director, chief financial officer and one of the joint company secretaries and was appointed to the Board on 8 December 2017. Mr. Choi joined our Group in 2006 and is responsible for overseeing and managing the accounting and finance functions of our Group. Prior to joining our Group, Mr. Choi gained his finance and accounting experience at listed companies and Deloitte. Mr. Choi received a Bachelor of Commerce (Accounting) from Nelson Polytechnic (now known as Nelson Marlborough Institute of Technology), New Zealand in 1997. He is a member of the Chartered Institute of Management Accountants (UK) and also a member of the Institute of Certified Public Accountants of Singapore. Currently, Mr. Choi is a director of Sun Moral International (HK) Limited, an investment holding company established in Hong Kong and a wholly-owned subsidiary of the Company since 2017. Mr. Choi is currently the director of certain subsidiaries of the Company since 2014. Mr. Choi did not hold any directorship in any listed public companies during the past three years.

董事及高級管理層履歷

Biographical Details of Directors and Senior Management

張炯龍醫生，57歲，為集團投資部負責人，職責為處理集團各投資、收購兼併專案。於二零零五年加入本集團，於二零零六年五月十八日獲委任為董事會的非執行董事，直至二零一七年十二月八日。張醫生擁有逾十年任醫生經驗。一九八三年至一九九二年，張醫生在中國深圳市最大醫院之一深圳市人民醫院擔任醫生。張醫生於一九八三年獲汕頭醫學專科學院（現稱為汕頭大學醫學院）醫療研究生證書。於一九九二年，張醫生獲深圳市職稱改革領導小組授予主任醫生專業職銜。

陳燕玲女士，41歲，為集團董事會秘書處負責人，主要職責為管理所有董事會相關事宜。於二零零六年三月加入本集團，至今已經服務本集團十三年，自二零零六年加入本集團，擔任本集團董事長助理，分管董事會秘書處以及海南四環醫藥有限公司，負責集團上市日常管理以及投資者管理等工作。加入本集團之前，二零零一年就職廣州市旅遊局問詢中心，任職英文翻譯。二零零二年就職於葉氏油墨（中山）有限公司，任職總經理助理，負責總經理辦公室之日常管理以及企業宣傳工作。二零零四年就職於廣州文化傳信有限公司，總裁助理，負責總裁辦公室之日常管理、企業策劃費用預算制訂和執行，媒介資源的整和開發及維護等工作。

Dr. Zhang Jionglong, aged 57, is the head of the Group's investment department. He is in charge of the Group's investment and mergers and acquisitions. He joined the Group in 2005 and was first appointed to the Board as a non-executive Director on 18 May 2006 until 8 December 2017. Dr. Zhang has more than 10 years of experience as a medical doctor. From 1983 to 1992, Dr. Zhang worked as a medical doctor in Shenzhen City People's Hospital, one of the largest hospitals in Shenzhen City, PRC. Dr. Zhang obtained a Graduate Certificate in Medical Treatment from Shantou Medical College, PRC (汕頭醫學專科學院) (now known as Shantou University Medical College (汕頭大學醫學院)) in 1983. In 1992, Dr. Zhang was conferred the professional title of Chief Physician by the Shenzhen City Title Conferment Reform Leadership Group (深圳市職稱改革領導小組).

Ms. Chen Yanling, aged 41, is the person in charge of the secretariat of the Group's Board of Directors. Her main responsibilities are to manage all matters relating to the board of directors. She joined the Group in March 2006 and has served in the Group for 13 years. Joined the Group since 2006, she has been working as an assistant to the Chairman of the Group assisting in managing the board secretariat and Hainan Sihuan Pharmaceutical Co., Ltd. She is in charge of the listing, daily management and investor relationship of the Group, etc. Prior to joining the Group, she worked as an English translation officer at the information centre of Guangzhou Tourism Bureau in 2001. In 2002, she worked as an assistant to general manager at Yip's Ink & Chemicals (Zhongshan) Company Ltd. (葉氏油墨(中山)有限公司) and was in charge of the daily management of the general manager's office as well as planning and promotion. In 2004, she worked as an assistant to the president of Guangzhou Culturecom Company Ltd. (廣州文化傳信有限公司) and was in charge of the daily management of the president's office, planning and budgeting, media resources integration and development, maintenance, etc.

董事及高級管理層履歷

Biographical Details of Directors and Senior Management

非執行董事

金鎮夏先生，52歲，為非執行董事，於二零一七年十二月八日獲委任為董事會成員。現任三諾數碼集團有限公司董事。金先生於二零零一年創立專門投資中韓兩地公司之領先私募股權基金Lindeman Asia Investment Corporation (「Lindeman」)。金先生自二零零一年起擔任Lindeman之首席執行官。Lindeman於二零一八年三月十四日於韓國證券交易所韓國證券交易所自動報價系統掛牌(KOSDAQ: 277070)。自上市以來，金先生為Lindeman的主席。創立Lindeman前，金先生於一九九四年至二零零一年為元大證券韓國有限公司(Yuanta Securities Korea Co., Ltd, 前稱東陽證券有限公司(Tong Yang Securities Inc.))(一家於韓國證券交易所上市之公司)(KRX: 003470)中國部部長。金先生分別於一九九零年及一九九二年在首爾國立大學取得中文及文學研究文學士及碩士學位，並於一九九九年獲中歐國際工商學院(CEIBS)頒授工商管理士碩士學位。於二零一七年六月至二零一八年二月，金先生曾擔任科通芯城集團(股份代號：400)的非執行董事。

NON-EXECUTIVE DIRECTORS

Mr. Kim Jin Ha, aged 52, is our non-executive Director and was appointed to the Board on 8 December 2017. He is currently serving as a director of 3NOD Digital Group Co., Ltd. Mr. Kim founded Lindeman Asia Investment Corporation (“Lindeman”) in 2001, a leading private equity fund in Korea which specializes in investing in Korean-Chinese companies. Mr. Kim has been serving as Lindeman’s chief executive officer since 2001. Lindeman was listed on the Korea Securities Dealers Automated Quotations of the Korea Exchange (KOSDAQ: 277070) on 14 March 2018. Mr. Kim is the Chairman of Lindeman since listed. Prior to founding Lindeman, Mr. Kim was the head of the China division with Yuanta Securities Korea Co., Ltd (KRX: 003470) (formerly known as Tong Yang Securities Inc.), a company listed on Korea Exchange, from 1994 to 2001. Mr. Kim obtained his Bachelor and Master of Arts degrees in Chinese Language and Literature from Seoul National University in 1990 and 1992, respectively, and was awarded an MBA degree by China Europe International Business School (CEIBS) in 1999. Mr. Kim previously served as a non-executive director of Cogobuy Group (stock code: 400) from June 2017 to February 2018.

董事及高級管理層履歷

Biographical Details of Directors and Senior Management

獨立非執行董事

辛定華先生，60歲，為獨立非執行董事，於二零一零年十月七日獲委任加入董事會。辛先生現任利邦控股有限公司(股份代號：891)、中國泰凌醫藥集團有限公司(股份代號：1011)及崑崙能源有限公司(股份代號：135)的獨立非執行董事(該等公司均於聯交所上市)。辛先生現在亦任中國中車股份有限公司(股份代號：SH601766及HK1766)及中國鐵建股份有限公司(股份代號：SH601186及HK1186)獨立非執行董事(該等公司於上海證券交易所及聯交所上市)。彼亦曾擔任中國鐵路通信信號股份有限公司(股份代號：3969)(於聯交所上市)。彼現為香港上市公司商會有限公司副主席，並曾於二零一三年至二零一五年任其主席。彼曾擔任證券及期貨交易所轄下收購及合併委員會及收購上訴委員會委員、上市委員會副召集人／主席和聯交所理事會理事。彼曾任摩根大通香港地區高級主管兼投資銀行部主管及怡富控股有限公司的集團執行董事兼中華區投資銀行業務主管。辛先生於一九八一年畢業於美國賓夕法尼亞大學沃頓商學院，獲頒經濟理學學士學位。辛先生為英國特許會計師公會及香港會計師公會資深會員。

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Patrick Sun, aged 60, is an independent non-executive Director and was appointed to our Board on 7 October 2010. Mr. Sun is currently an independent non-executive director of Trinity Limited (stock code: 891), China NT Pharma Group Company Limited (stock code: 1011) and Kunlun Energy Company Limited (stock code: 135) (all of which are listed on the Stock Exchange). Mr. Sun is currently also an independent non-executive director of CRRC Corporation Limited (stock code: SH601766 and HK1766) and China Railway Construction Corporation Limited (Stock code: SH601186 and HK1186), both of which are listed on the Shanghai Stock Exchange and the Stock Exchange. He also previously served as an independent non-executive director of China Railway Signal & Communication Corporation Limited (stock code: 3969) (listed on the Stock Exchange) He is currently a vice chairman of the Chamber of Hong Kong Listed Companies and was formerly its chairman from 2013 to 2015. He was a member of the Takeovers & Mergers Panel and the Takeovers Appeal Committee of the Securities and Futures Exchange, Deputy Convenor/Chairman of the Listing Committee and a member of the Council of the Stock Exchange. He was previously the Senior Country Officer and Head of Investment Banking for Hong Kong of JPMorgan Chase, group executive director and Head of Investment Banking for Greater China at Jardine Fleming Holdings Limited. Mr. Sun graduated from the Wharton School of the University of Pennsylvania, United States with a Bachelor of Science degree in Economics in 1981. Mr. Sun is a fellow of the Chartered Association of Certified Accountants, United Kingdom, and a fellow of the Hong Kong Institute of Certified Public Accountants.

董事及高級管理層履歷

Biographical Details of Directors and Senior Management

曾華光先生，67歲，為獨立非執行董事，於二零一三年九月四日獲委任為董事會成員。加入本集團前，曾先生為香港及中國羅兵咸永道會計師事務所前合夥人。彼於審核及在首次公開發售和收購交易提供支援方面積逾三十年經驗。曾先生現為多間公司的獨立非執行董事，包括招商局中國基金有限公司(股份代號：HK133)，東江集團(控股)有限公司(股份代號：HK2283)，華夏動漫形象有限公司(股份代號：HK1566)及平安證券集團(控股)有限公司(股份代號：HK231)。曾先生於二零一一年八月至二零一七年十月曾擔任 Agria Corporation (曾於紐約證券交易所上市)的獨立董事。於二零一四年十二月至二零一七年十月曾擔任新西蘭證券交易所上市公司 PGG Wrightson Limited 的董事及於二零一三年一月至二零一六年一月曾擔任榮陽實業集團有限公司(股份代號：HK2078)的獨立非執行董事。曾先生獲香港中文大學工商管理學士學位。彼為香港會計師公會資深會員、中國註冊會計師協會會員及英國特許公認會計師公會資深會員。

Mr. Tsang Wah Kwong, aged 67, is our independent non-executive Director and was appointed to our Board on 4 September 2013. Prior to joining the Group, Mr. Tsang was a former partner of PricewaterhouseCoopers in Hong Kong and China. He has over 30 years of experience in auditing and providing support for initial public offerings and acquisition transactions. Mr. Tsang is currently an independent non-executive director of a number of companies, including China Merchants China Direct Investments Limited (stock code: HK133); TK Group (Holdings) Limited (stock code: HK2283); China Animation Characters Company Limited (stock code: HK1566) and Ping An Securities Group (Holdings) Limited (stock code: HK231). Mr. Tsang was an independent director of Agria Corporation (formerly listed on the New York Stock Exchange) from August 2011 to October 2017, a director of PGG Wrightson Limited (a company listed on the New Zealand Stock Exchange) from December 2014 to October 2017, and an independent non-executive director of PanAsialum Holdings Company Limited (stock code: HK2078) from January 2013 to January 2016. Mr. Tsang received a bachelor degree in business administration from the Chinese University of Hong Kong. He is a fellow member of the Hong Kong Institute of Certified Public Accountants, a member of the Chinese Institute of Certified Public Accountants and a fellow member of the Chartered Association of Certified Accountants.

董事及高級管理層履歷

Biographical Details of Directors and Senior Management

朱迅先生，61歲，為獨立非執行董事，於二零一四年二月二十日獲委任為董事會成員。朱先生為長春市人，一九九五年至二零零零年曾任白求恩醫科大學副校長，二零零零年至二零零三年任長春市政府副秘書長，二零零四年至二零零六年任長春市政府市長特別助理等。加入本集團前，朱先生於醫藥行業擁有逾二十多年經驗。現任同寫意新藥英才俱樂部理事長、藥渡戰略總師、貝殼大學名譽校長等。現兼任尚城資本特聘醫藥專家、深圳微芯生物獨立董事、長春金賽藥業、深圳奧薩醫藥高級顧問等。

朱先生二零零一年創建長春醫藥生物技術中心，任中心主任，同年創業建立長春博迅生物技術公司，並任董事長；二零零三年獲得英國上市公司國泰國際控股800萬美元的創業資金支持，創建了長春博泰，任首席執行官，直至二零一零年。

朱先生先後擔任國家新藥諮詢委員會成員、國家自然科學基金委員會生命科學部專家評審組成員、國家發改委生物技術專家諮詢組成員、國家科技部中小企業技術創新基金評審委員、中華醫學科學獎評審委員會委員、中國實驗診斷雜誌創始主編、藥學進展雜誌副主編、中國腫瘤生物治療雜誌編委、中國免疫學雜誌編委等。

Mr. Zhu Xun, aged 61, is an independent non-executive Director and was appointed as a member of the Board on 20 February 2014. Mr. Zhu is a native of Changchun City. From 1995 to 2000, he served as the vice principal of Norman Bethune University of Medical Science. From 2000 to 2003, he served as deputy secretary general of the Changchun Municipal Government and from 2004 to 2006, he served as special assistant to the mayor of Changchun Municipal Government. Prior to joining the Group, Mr. Zhu has over 20 years of experience in the pharmaceutical industry. He is currently the Chairman of the Board of Directors of the Tongxieyi New Drugs Talent Club* (同寫意新藥英才俱樂部), the Chief of Medicine and Strategy* (藥渡戰略), and the Honorary Principal of Shell University* (貝殼大學). He is also a special medical expert of Advantech Capital Investment* (尚城資本), an independent director of Shenzhen ChipScreen BioS (深圳微芯生物), a senior consultant of Changchun Jinsai Pharmaceutical* (長春金賽藥業), and Shenzhen Osa Pharmaceutical* (深圳奧薩醫藥).

Mr. Zhu founded Changchun Medical Biotechnology Center* (長春醫藥生物技術中心) in 2001 as the supervisor of the center. In the same year, he founded Changchun Boxun Biotechnology Co., Ltd.* (長春博迅生物技術公司) and served as the chairman of the board. Funded with 8 million US dollars from the British listed company Cathay International Pharmaceutical Limited in 2003, Mr. Zhu founded Changchunbotai* (長春博泰) as Chief Executive Officer until 2010.

Mr. Zhu has served as a member of the National New Drug Advisory Committee* (國家新藥諮詢委員會), the expert review group of the Life Science Division of the National Natural Science Foundation of China (國家自然科學基金委員會生命科學部專家評審組成員), member of the expert advisory group in Biotechnology of the National Development and Reform Commission (國家發改委生物技術專家諮詢組成員), member of the review group of the Innovation Fund for SMEs of the Ministry of Science and Technology of the PRC (國家科技部中小企業技術創新基金評審委員) and a member of the China Medical Science Awards Committee* (中華醫學科學獎評審委員會委員), the founding editor of the Chinese Journal of Experimental Diagnostics* (中國實驗診斷雜誌創始主編), the deputy editor of the Journal of Pharmaceutical Progress* (藥學進展雜誌副主編), the editorial board of the Chinese Journal of Cancer Biotherapy* (中國腫瘤生物治療雜誌編委), and the editorial board of the Chinese Journal of Immunology* (中國免疫學雜誌編委).

* For identification purpose onlu 僅供識別

董事及高級管理層履歷

Biographical Details of Directors and Senior Management

高級管理層

蔡耀忠先生，45歲，為本公司執行董事，首席財務官兼其中一位聯席公司秘書。蔡先生於二零零六年加入本集團，負責監察及管理本集團的會計及財務部。在加入本集團之前，蔡先生在上市公司以及德勤累計多年財務及會計經驗。蔡先生於一九九七年取得新西蘭Nelson Polytechnic(現稱Nelson Marlborough Institute of Technology)的工商(會計)學士學位。彼為英國特許管理會計師公會成員，亦為新加坡會計師協會成員。

史澈空博士，63歲，為山東軒竹總經理，於二零一一年加入集團。史博士的新藥研發工作涉及多個治療領域，具有二十六年以上從事新藥研發和管理工作的經驗。史博士於一九七九年獲得台灣大學生物化學專業學士學位，後留學美國，於一九八五年獲美國紐約洛克菲勒大學分子遺傳工程及腫瘤學博士學位，並於一九八八年在美國斯隆凱特琳腫瘤醫院完成博士後研究。一九八八年至二零一零年，史博士於美國勃林格殷格翰製藥公司從事新藥研發及專案管理工作，擔任首席科學家及專案負責人。

SENIOR MANAGEMENT

Mr. Choi Yiau Chong, aged 45, is our executive director, chief financial officer and one of the joint company secretaries. Mr. Choi joined our Group in 2006 and is responsible for overseeing and managing the accounting and finance functions of our Group. Prior to joining our Group, Mr. Choi gained his finance and accounting experience at Listed companies and Deloitte. Mr. Choi received a Bachelor of Commerce (Accounting) from Nelson Polytechnic (now known as Nelson Marlborough Institute of Technology), New Zealand in 1997. He is a member of the Chartered Institute of Management Accountants (UK) and also a member of the Institute of Certified Public Accountants of Singapore.

Dr. Shih Chengkon, aged 63, is the general manager of Shandong Xuanzhu. He joined our Group in 2011. He has more than 26 years of experience in innovation drug R&D and management in various therapeutic areas. Before he studied abroad in the U.S.A., Dr. Shih received his B.S. degree in Biochemistry from National Taiwan University in 1979. He received a Ph.D. in Molecular Genetics and Oncology from the Rockefeller University in 1985 and accomplished his postdoctoral program in Memorial Sloan-Kettering Cancer Center in 1988. Between 1988 and 2010, he was a senior principal scientific officer and project team leader at Boehringer Ingelheim Pharmaceuticals, Inc., and responsible for project management and innovation drug research.

董事及高級管理層履歷

Biographical Details of Directors and Senior Management

宋運濤博士，55歲，現為山東軒竹執行董事兼首席科學官，於二零一五年加入集團。宋博士的新藥研發工作涉及多個治療領域，具有二十五年以上從事新藥研發和管理工作的經驗。宋博士於一九八六年獲得山東大學有機化學專業學士學位，後留學美國，於一九九二年獲美國威斯康辛大學－麥迪森分校有機化學博士學位，一九九二年至二零零七年，宋博士在美國 Parke-Davis/Warner Lambert/Pfizer 製藥公司工作並拾級而上至副研究員。二零零七年至二零零八年底，宋博士在北京亦莊創辦了北京奧特康森公司並擔任總經理。二零零九年初加入本集團擔任首席科學官和山東軒竹的首席運營官和首席科學官。二零一三年，宋博士在美國創辦了 CS Therapeutics Inc.，並擔任總經理直至二零一五年，CS Therapeutics Inc. 被本集團收購後，宋博士又回到本集團任職。

霍彩霞博士，49歲，現為北京澳合藥物研究院有限公司總經理。霍博士於二零零四年加入本集團，負責藥品的註冊及協助監察本集團研發部。由二零零二年至二零零四年期間，彼為中國科學院化學研究所助理研究員。霍博士分別於一九九三年、一九九八年及二零零二年取得內蒙古醫學院的藥劑學理學學士學位、內蒙古醫學院的藥物化學理學碩士及北京大學的藥物化學理學博士學位。

聯席公司秘書

蔡耀忠先生，為我們的執行董事，首席財務官兼聯席公司秘書。蔡先生的履歷請參閱本節「高級管理層」。

莫明慧女士，為我們的聯席公司秘書。莫女士於二零一三年十二月被任命。莫女士擁有逾二十四年公司秘書方面的專業及內部經驗。她為香港特許秘書公會和英國特許秘書及管理人員公會的資深會員。

Dr. Yuntao Song, aged 55, is currently the executive director and chief scientific officer at Shandong Xuanzhu. He joined our Group in 2015. Dr. Song has more than 25 years of experience in pharmaceutical R&D and management in various therapeutic areas. He received his B.S. Degree of Organic Chemistry from Shandong University in 1986, and a Ph.D. in Organic Chemistry from University of Wisconsin-Madison in 1992. From 1992 to 2007, he worked at Parke-Davis/Warner Lambert/Pfizer where he rose through the ranks to become Associate Research Fellow. From 2007 to the end of 2008, he co-founded Beijing AoTeKangSen Co. Ltd. in Yizhuang, Beijing and acted as its general manager. In early 2009, he joined Sihuan as chief scientist officer of the Group and chief operating officer and chief scientific officer of Shandong Xuanzhu. In 2013, Dr. Song co-founded CS Therapeutics Inc., in the U.S.A. engaging in discovery of novel therapeutics where he was the general manager. In 2015, after the acquisition of CS Therapeutics Inc., by the Group, Dr. Song rejoined the Group.

Dr. Huo Caixia, aged 49, is the general manager of Beijing Ao He Research Institute Co., Ltd. Dr. Huo joined our Group in 2004 and is responsible for the registrations of pharmaceutical products and assists in overseeing the R&D functions of our Group. Between 2002 and 2004, she was an assistant researcher at the Chemistry Research Institution of the Chinese Academy of Sciences. Dr. Huo received a Bachelor of Science (Pharmacy) from Inner Mongolia Medical College in 1993, a Master of Science (Pharmaceutical Chemistry) from Inner Mongolia Medical College in 1998 and a Doctor of Science (Pharmaceutical Chemistry) from Peking University in 2002.

JOINT COMPANY SECRETARIES

Mr. Choi Yiau Chong, is our executive Director, chief financial officer and joint company secretary. Please refer to this section headed “Senior Management” for his biography.

Ms. Mok Ming Wai, is our joint company secretary. Ms. Mok was appointed in December 2013. Ms. Mok has over 24 years of professional and in-house experience in company secretarial field. She is a fellow member of the Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators in the United Kingdom.

良好的企業管治有利於提高本公司的整體表現、透明性及問責性，對於現代化企業管治尤為重要。董事會以股東利益為依歸，致力維持及確保高水平之企業管治。

企業管治守則

本公司認識到公司的透明度及問責之重要性。本公司致力於實現高標準的企業管治及憑藉行之有效的企業管治流程，帶領本集團取得良好業績及提高企業形象。

於報告期內本公司已遵守上市規則附錄十四內企業管治守則（「守則」）所載的所有適用守則條文。

董事會

董事會由五名執行董事、一名非執行董事及三名獨立非執行董事組成。除馮升醫生為本公司主席兼執行董事外，董事會成員之間並無任何財務、業務、家族或其他重要關係。董事會成員之履歷載於第82至90頁之「董事及高級管理層履歷」。

董事會負責監管本集團的戰略發展，決定本集團的目標、商務策略及政策，並監察及掌控營運及財務表現，以達到本集團的戰略性目標。本集團的管理團隊具備廣泛的營運經驗及行業知識，並已獲董事會授予權力及責任以處理本集團的日常管理事務。此外，董事會亦已授出若干特定責任予多個董事會委員會，即審核委員會、薪酬委員會、提名委員會及風險管理委員會。該等董事會委員會的進一步詳情載列如下。

Good corporate governance is favorable for the improvement of the overall performance, transparency and accountability of the Company and is crucial to the modern corporate administration. The Board, in the interests of the Shareholders, devotes considerable efforts to maintaining and ensuring a high standard of corporate governance.

CORPORATE GOVERNANCE CODE

The Company recognises the importance of corporate transparency and accountability. The Company is committed in achieving a high standard of corporate governance and leading the Group to attain better results and improve its corporate image with effective corporate governance procedures.

The Company has complied with all the applicable code provisions as set out in the Corporate Governance Code (the “Code”) contained in Appendix 14 to the Listing Rules during the reporting period.

BOARD OF DIRECTORS

The Board comprises five executive Directors, one non-executive Director and three independent non-executive Directors. Save for Dr. Che Fengsheng who is the Chairman and executive Director of the Company, there is no financial, business, family or other material relationship among the members of the Board. The biographical information of the members of the Board are set out on pages 82 to 90 in the section headed “Biographical Details of Directors and Senior Management”.

The Board is responsible for the governance of the Group’s strategic development, determination of the Group’s objectives, business strategies and policies, and the supervision and control of the operation and financial performance in pursuit of the Group’s strategic objectives. Our management team, which possesses extensive operating experience and industry knowledge, has been delegated by the Board with the authority and responsibility for the day-to-day management of the Group. In addition, the Board has also delegated certain specific responsibilities to the various Board committees, namely, the audit committee, remuneration committee, nomination committee and risk management committee. Further details of these Board committees are set out below.

企業管治報告

Corporate Governance Report

董事會於報告期間召開四次董事會會議。有關會議前至少14日，向全體董事寄發載有董事會會議議程的會議通知。獨立非執行董事於董事會會議積極尋求他們的意見。董事會及董事會委員會的會議記錄由各會議經正式委任的秘書保存，全體董事將會及時獲得提供董事會文件及相關數據，使董事會可就提呈會議的事項作出知情決定。此外，董事會全體成員已定時審閱有關本集團的業務文件及資料。

全體董事均可獲聯席公司秘書提供意見及服務。本公司聯席公司秘書為蔡耀忠先生(兼任本公司的首席財務官)及莫明慧女士。莫女士在本公司的主要公司聯絡人為蔡耀忠先生。

蔡先生及莫女士已各自遵照上市規則第3.29條於本年度內進行不少於15小時的相關專業培訓。

於報告期間，各董事出席董事會會議的出席率如下：

The Board convened four Board meetings during the Reporting Period. All Directors were sent a meeting notice, at least 14 days prior to such meeting, with the Board meeting agenda. The views of independent non-executive Directors were actively solicited by the Company during Board meetings. Minutes of Board meetings and Board committees meetings are kept by duly appointed secretaries of the respective meetings. All Directors are provided with Board papers and related statistics on a timely manner, which enabled the Board to make informed decisions on matters proposed. In addition, all Board members have regularly reviewed the business documents and information related to the Group.

All Directors are entitled to access to the advice and services of the joint company secretaries. The joint company secretaries of the Company are Mr. Choi Yiau Chong, who is also the chief financial officer of the Company, and Ms. Mok Ming Wai. The primary contact person of Ms. Mok at the Company is Mr. Choi Yiau Chong.

In compliance with Rule 3.29 of the Listing Rules, each of Mr. Choi and Ms. Mok, has undertaken no less than 15 hours of relevant professional training during the Year.

The attendance of each Director at the Board meetings, during the Reporting Period, is stated below:

	出席次數／舉行之 董事會會議次數
	Attendance/ No. of Board meetings held
執行董事	Executive Directors
車馮升醫生(主席)	Dr. Che Fengsheng (Chairman) 4/4
郭維城醫生(副主席兼行政總裁)	Dr. Guo Weicheng (Deputy Chairman and CEO) 4/4
蔡耀忠先生(首席財務官)	Mr. Choi Yiau Chong (CFO) 4/4
郭峰博士(於二零一七年十二月八日獲委任並 於二零一八年四月二十日辭任)	Dr. Guo Feng (appointed on 8 December 2017 and resigned on 20 April 2018) 1/1
張炯龍醫生(首席投資官) (於二零一八年四月二十日獲委任)	Dr. Zhang Jionglong (CIO) (appointed on 20 April 2018) 3/3
陳燕玲女士(於二零一八年四月二十日獲委任)	Ms. Chen Yanling (appointed on 20 April 2018) 3/3
非執行董事	Non-executive Directors
孫弘先生(於二零一八年四月二十日辭任)	Mr. Homer Sun (resigned on 20 April 2018) 1/1
金鎮夏先生	Mr. Kim Jin Ha 4/4
獨立非執行董事	Independent Non-executive Directors
辛定華先生	Mr. Patrick Sun 4/4
曾華光先生	Mr. Tsang Wah Kwong 4/4
朱迅先生	Mr. Zhu Xun 4/4

本公司已安排合適的責任保險，以就董事因公司業務而產生的責任向彼等提供彌償。保險覆蓋範圍將每年進行檢討。

至於守則條文規定董事應向發行人披露彼等於公眾公司或組織擔任職務的數目及性質及其他重大承擔，亦應披露該等承擔所涉及的公眾公司或組織的名稱以及彼等擔任有關職務所涉及的時間，董事們已同意及時向本公司披露彼等的職務承擔。

非執行董事及獨立非執行董事

董事會現已委任一名非執行董事及三名獨立非執行董事。三名獨立非執行董事中，最少其中一名具備上市規則第3.10條規定的適當專業資格，或會計或相關的財務管理專長。三分之一董事會成員為獨立非執行董事。獨立非執行董事辛定華先生續訂自二零一八年十月二十七日起為期一年的委任函。非執行董事金鎮夏已與本公司續訂自二零一八年十二月八日起為期一年的委任函。獨立非執行董事曾華光先生及朱迅先生已分別與本公司續訂彼等的委任函，年期自二零一八年九月四日及二零一九年二月二十日起為期一年。非執行董事及獨立非執行董事須根據本公司細則輪值告退或重選連任。各獨立非執行董事已根據上市規則第3.13條規定向本公司提交年度獨立性確認書。本公司認為，所有獨立非執行董事均屬獨立人士，並符合上市規則第3.13條所載的獨立性指引。

The Company has arranged appropriate liability insurance to indemnify the Directors for their liabilities arising out of corporate activities. The insurance coverage will be reviewed on an annual basis.

With regards to the code provision requiring directors to disclose the number and nature of offices held in public companies or organizations and other significant commitments as well as their identity and the time involved in such commitments, the Directors has agreed to disclose their commitments to the Company in a timely manner.

NON-EXECUTIVE DIRECTOR AND INDEPENDENT NON-EXECUTIVE DIRECTORS

The Board has currently appointed one non-executive Director and three independent non-executive Directors. At least one of the three independent non-executive Directors holds appropriate professional qualifications, or accounting or related financial management expertise as required by Rule 3.10 of the Listing Rules. One-third of the members of the Board are independent non-executive Directors. Mr. Patrick Sun, being an independent non-executive Director has renewed his respective letter of appointment with the Company for a term of one year commencing from 27 October 2018. Mr. Kim Jin Ha, being a non-executive Director, has renewed the letter of appointment with the Company for a term of one year commencing from 8 December 2018. Mr. Tsang Wah Kwong and Mr. Zhu Xun, being the independent non-executive Directors, have renewed their letters of appointment with the Company for a term of one year commencing from 4 September 2018 and 20 February 2019 respectively. The non-executive Director and independent non-executive Directors are subject to retirement by rotation or re-election in accordance with the Company's by-laws. Each independent non-executive Director has submitted to the Company an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company considers that all independent non-executive Directors are independent and meet the independence guidelines set out in Rule 3.13 of the Listing Rules.

企業管治報告

Corporate Governance Report

委任、重選及撤換董事

本公司細則規定，所有董事須至少每三年輪值退任一次，而於每次股東週年大會上，當時三分之一董事（或倘人數並非三的倍數，則為最接近但不少於三分之一）須輪值退任，及如符合資格則可膺選連任。此外，任何獲董事會委任以填補臨時空缺的董事將任職至其獲委任後的首次股東大會為止，並須於該大會上接受重選。

任何獲董事會委任以增添現有董事會的董事將僅任職至下屆股東週年大會為止，屆時符合資格膺選連任。退任董事符合資格於有關股東大會上接受股東重選。

根據本公司細則，車馮升醫生、郭維城醫生及朱迅先生將於二零一九年五月三十一日舉行之本公司股東週年大會上輪流退任及有資格膺選為董事。

本公司可透過普通決議案於董事任期屆滿前罷免有關董事（但不得損害有關董事可能就因違反其與本公司訂立的任何合約引致的損失而提出的任何索償），惟任何就罷免董事而召開有關大會的通告應載有擬提呈該決議案的意向聲明，並於大會舉行14日前送交有關董事，而該董事有權於該會議上聆聽有關其罷免的動議。

因此，董事會認為已有足夠措施以確保本公司在此方面的企業管治常規為股東權益提供足夠保障，而保障水平與守則條文相若。

APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS

The bye-laws of the Company provide that all the Directors are subject to retirement by rotation at least once every three years and at each annual general meeting, one-third of the Directors for the time being (or, if the number is not a multiple of three, then the number nearest to but not less than one-third) shall retire from office by rotation and being eligible, can offer themselves for re-election. In addition, any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting after his appointment and be subject to re-election at such meeting.

Any Director appointed by the Board as an addition to the existing Board shall hold office only until the next annual general meeting and shall then be eligible for re-election. The retiring Directors are eligible for re-election by the Shareholders at the respective general meetings.

Pursuant to bye-laws of the Company, Dr. Che Fengsheng, Dr. Guo Weicheng and Mr. Zhu Xun will retire by rotation and be eligible for re-election as Directors at the annual general meeting held on 31 May 2019.

A Director may be removed by an ordinary resolution of the Company before the expiration of his period of office (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and the Company) provided that the notice of any such meeting convened for the purpose of removing a Director shall contain a statement of the intention to do so and be served on such Director 14 days before the meeting and, at such meeting, such Director shall be entitled to be heard on the motion for his removal.

As such, the Board considers that sufficient measures have been put in place to ensure our Company's corporate governance practice in this respect provides sufficient protection for the interests of Shareholders to a standard commensurate with the provision of the Code.

董事培訓

本公司鼓勵董事參與持續的專業發展，以發展及更新彼等的知識及技能，以確保其在具備全面資訊及切合所需的前提下為董事會作出貢獻。於二零一八年，董事嚴格遵守守則條文第A.6.5條進行董事培訓。全體董事均已參與持續的專業發展，並已提供彼等接受培訓的記錄。

DIRECTORS' TRAINING

The Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant. During the year of 2018, the Directors are committed to complying with the code provision A.6.5 of the Code on Directors' training. All Directors have participated in continuous professional development and provided a record of training they received.

董事姓名	Name of Director	出席與董事職責 相關的研討會、 會議及工作坊 Attending seminar, conference and workshop related to director's duties	閱讀資料，例如 報紙、雜誌及企業 管治相關更新資料 Reading materials like newspapers, journals and updates relevant to corporate governance
執行董事	Executive Directors		
車馮升醫生	Dr. Che Fengsheng	√	√
郭維城醫生	Dr. Guo Weicheng	√	√
蔡耀忠先生	Mr. Choi Yiau Chong	√	√
郭峰博士 (於二零一七年十二月八日獲委任 並於二零一八年四月二十日辭任)	Dr. Guo Feng (appointed on 8 December 2017 and resigned on 20 April 2018)	√	√
張炯龍醫生 (於二零一八年四月二十日獲委任)	Dr. Zhang Jionglong (appointed on 20 April 2018)	√	√
陳燕玲女士 (於二零一八年四月二十日獲委任)	Ms. Chen Yanling (appointed on 20 April 2018)	√	√
非執行董事	Non-Executive Directors		
孫弘先生 (於二零一八年四月二十日辭任)	Mr. Homer Sun (resigned on 20 April 2018)	√	√
金鎮夏先生	Mr. Kim Jin Ha	√	√
獨立非執行董事	Independent Non-Executive Directors		
辛定華先生	Mr. Patrick Sun	√	√
曾華光先生	Mr. Tsang Wah Kwong	√	√
朱迅先生	Mr. Zhu Xun	√	√

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審核委員會

本公司已根據上市規則第3.21條的規定設立審核委員會（「審核委員會」），並遵從守則訂明其書面職權範圍。審核委員會的主要職責是協助董事會就本集團財務申報程序、內部監控及風險管理系統的效率提供獨立意見，監察審計過程及履行董事會規定的其他職務及職責。審核委員會目前包括一名非執行董事（金鎮夏先生）及三名獨立非執行董事（辛定華先生、曾華光先生及朱迅先生），並由持有會計專業資格的辛定華先生擔任主席。

於報告期間，審核委員會已舉行三次會議。審核委員會審閱了本集團的財務申報事項，以及檢討了財務和會計方面的內部監控制度，並已提交改善建議給董事會。審核委員會的職權範圍與守則有關部分所載條文一致。

此外，審核委員會已審閱、討論及批准截至二零一八年十二月三十一日止年度的年度業績及截至二零一八年六月三十日止期間的中期業績。於本年度報告日期，審核委員會亦審閱二零一九年的核數師酬金及向董事會推薦續聘安永為二零一九年之本公司核數師，惟須待股東於二零一九年股東週年大會上批准。

審核委員會成員於報告期間的會議出席記錄如下：

董事姓名	Name of Directors	出席次數／舉行之會議次數 Attendance/ No. of meetings held
辛定華先生(主席)	Mr. Patrick Sun (Chairman)	3/3
曾華光先生	Mr. Tsang Wah Kwong	3/3
朱迅先生	Mr. Zhu Xun	3/3
金鎮夏先生	Mr. Kim Jin Ha	3/3

AUDIT COMMITTEE

The Company has established the audit committee (the “Audit Committee”) in accordance with the requirements of Rule 3.21 of the Listing Rules and with its written terms of reference in compliance with the Code. The primary duties of the Audit Committee are to assist the Board to provide an independent view on the effectiveness of the financial reporting procedures, internal control and risk management system of the Group, to oversee the audit process and to perform other duties and responsibilities as required by the Board. The Audit Committee currently comprises one non-executive Director (Mr. Kim Jin Ha) and three independent non-executive Directors (Mr. Patrick Sun, Mr. Tsang Wah Kwong and Mr. Zhu Xun), and is chaired by Mr. Patrick Sun who has a professional qualification in accountancy.

During the Reporting Period, three meetings were held by the Audit Committee. The Audit Committee had reviewed the Group’s financial reporting matters, reviewed the internal control system in relation to finance and accounting and submitted improvement proposals to the Board. The terms of reference of the Audit Committee are consistent with the provisions set out in the relevant sections of the Code.

In addition, the Audit Committee had reviewed, discussed and approved the annual results for the year ended 31 December 2018 and the interim results for the period ended 30 June 2018. As at the date of this annual report, the Audit Committee also reviewed the auditor’s remuneration for 2019 and recommended the Board to re-appoint Ernst & Young as the Company’s auditor for the year of 2019, which is subject to approval by the Shareholders at the 2019 AGM.

The attendance record of the Audit Committee members at the meetings held during the Reporting Period was as follows:

提名委員會

本公司根據守則規定成立提名委員會（「提名委員會」），並訂明其書面職權範圍。提名委員會的主要職責為（其中包括）：審閱董事會架構、規模及組成方式；評估獨立非執行董事的獨立性；以及就委任董事有關事宜向董事會作出推薦建議。提名委員會目前包括一名執行董事（郭維城醫生）及三名獨立非執行董事（辛定華先生、曾華光先生及朱迅先生），並由曾華光先生擔任主席。提名委員會的職權範圍與守則有關部分條文一致。於報告期間，提名委員會已根據守則規定審閱董事會的組成，並認為董事會由具備多元化背景及技能的成員組成，並確保充分制衡以及保障股東及公眾人士利益。

董事會採納董事會成員多元化政策（「董事會多元化政策」）及提名政策（「提名政策」），制定達致董事會成員多元化而採取之方針。本公司相信可透過實施董事會多元化政策達致多元化。採納以下可計量目標：甄選人選將按一系列多元化範疇為基準，包括但不限於年齡、性別、技能、知識、經驗、專長、專業資格、學歷、背景及其他個人素質。充分顧及董事會成員多元化的裨益，最終將按客觀條件、人選的長處及可為董事會提供的貢獻而作決定。

於報告期間，提名委員會舉行兩次會議。提名委員會檢討董事會的架構、人數及組成；考慮退任董事的重新委任；及評估獨立非執行董事的獨立性。在向董事會提呈建議最終委任作最終批准前，提名委員會經考慮他們的技能、經驗及知識、本公司相關要求以及董事會結構及組成，盡職謹慎地識別、檢討及提名適合成為本公司董員會成員的候選人。

NOMINATION COMMITTEE

The Company established a nomination committee (the “Nomination Committee”) with its written terms of reference in compliance with the Code. The primary duties of the Nomination Committee are, among others, to review the structure, size and composition of the Board, to assess the independence of the independent non-executive Directors and to make recommendations to the Board on matters relating to the appointment of Directors. The Nomination Committee currently comprises one executive Director (Dr. Guo Weicheng) and three independent non-executive Directors (Mr. Patrick Sun, Mr. Tsang Wah Kwong and Mr. Zhu Xun) and is chaired by Mr. Tsang Wah Kwong. The terms of reference of the Nomination Committee are consistent with the provisions set out in the relevant sections of the Code. During the Reporting Period, the Nomination Committee reviewed the composition of the Board in accordance with the requirements as stipulated in the Code and concluded that the Board comprised members with diversified backgrounds and skills which ensured check and balance and safeguarded the interests of Shareholders as well as the public.

The Board adopted a board diversity policy (the “Board Diversity Policy”) and Nomination Policy (the “Nomination Policy”) setting out the approach to diversify members of the Board. The Company believes that a diversified perspective can be achieved through implementation of the Board Diversity Policy. The following measurable objectives were adopted: Selection of candidates will be based on a range of diversity perspectives, including but not limited to age, gender, skills, knowledge, experience, expertise, professional and educational qualifications, background and other personal qualities. The ultimate decision will be based on objective criteria, merit and contribution that the selected candidates will bring to the Board having due regard for the benefits of diversity on the Board.

During the Reporting Period, two meetings were held by the Nomination Committee. The Nomination Committee had reviewed the structure, size and composition of the Board, considered the re-appointment of the retiring Directors and assessed the independence of the independent non-executive Directors. The Nomination Committee, had also, taking into consideration the skills, experience and knowledge, the relevant requirements of the Company and the structure and composition of the Board, identified, reviewed and nominated, with diligence and care, candidates who are suitable as Board members of the Company before making final recommendations to the Board for their final appointment.

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於報告期間，提名委員會成員出席會議記錄如下：

The attendance record of the Nomination Committee members at the meetings held during the Reporting Period was as follows:

董事姓名	Name of Directors	出席次數／舉行之會議次數 Attendance/ No. of meetings held
曾華光先生(主席)	Mr. Tsang Wah Kwong (Chairman)	2/2
郭維城醫生	Dr. Guo Weicheng	2/2
辛定華先生	Mr. Patrick Sun	2/2
朱迅先生	Mr. Zhu Xun	2/2

提名委員會將定期檢討董事會成員多元化政策及提名政策以確保其持續有效。

The Nomination Committee will review the Board Diversity Policy and Nomination Policy on a regular basis to ensure its continued effectiveness.

提名政策

根據香港聯合交易所新增《企業管治守則》要求，董事會於二零一九年三月十八日批准並採納提名政策，載列考慮董事候選人的委任及重新委任董事時將採納之準則及程序。

NOMINATION POLICY

The Board has approved and adopted a nomination policy on 18 March 2019 according to the new “Corporate Governance Code” requirements of the Stock Exchange of Hong Kong. It sets out the criteria and procedures to be adopted when considering candidates to be appointed or re-appointed as directors of the Company.

提名準則

1. 在考慮提名董事候選人或重新委任董事時，提名委員會應注意以下準則：
 - 1.1 候選人的性別、年齡、技能、知識、經驗、專長、專業資格、學歷、背景及其他個人素質；
 - 1.2 對董事會的組成及成員多元化之影響；
 - 1.3 候選人投入充足的時間且有效地履行其職責的承諾。就此而言，應考慮候選人於公眾公司或組織所任職位的數量及性質，其他行政委任或其他重要的工作承擔；

NOMINATION CRITERIA

1. When considering a candidate nominated for directorship or a director's proposed re-appointment, the Nomination Committee will have regard to the following factors:
 - 1.1 age, gender, skills, knowledge, experience, expertise, professional and educational qualifications, background and other personal qualities of the candidate;
 - 1.2 effect on the board's composition and diversity;
 - 1.3 commitment of the candidate to devote sufficient time to effectively carry out his/her duties. In this regard, the number and nature of offices held by the candidate in public companies or organizations, and other executive appointments or significant commitments will be considered;

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| <p>1.4 候選人因獲選而引發潛在／實際的利益衝突；</p> <p>1.5 候選人的獨立性；</p> <p>1.6 就建議續任獨立非執行董事而言，彼已在任之服務年期；及</p> <p>1.7 提名委員會按照個別情況而認為有關係的其他因素。</p> | <p>1.4 potential/actual conflicts of interest that may arise if the candidate is selected;</p> <p>1.5 independence of the candidate;</p> <p>1.6 in the case of a proposed re-appointment of an independent non-executive director, the number of years he/she has already served; and</p> <p>1.7 other factors considered to be relevant by the Nomination Committee on a case by case basis.</p> |
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提名程序及流程

2. 在本公司組織章程細則條文的規限下，如董事會認為有必要委任額外董事，則應採納以下程序：
- 2.1 提名委員會依據以上所列之準則，不論是在借助或沒有借助外部機構或本公司之援助的情況下，物色及挑選候選人；
- 2.2 提名委員會可使用任何認為適當評估候選人的流程，其中可能包括個人訪談，背景調查，陳述或由候選人及第三方提供之書面參考；
- 2.3 提名委員會應透過舉行會議審議事項，除非舉行會議並不實際，否則應避免以書面決議之方式作出決定；
- 2.4 提名委員會向董事會提供所有關於候選人所需資料，包括上市規則第13.51(2)條內載列之所需資料；
- 2.5 董事會委任人選前，評估董事會當時所具備的技能、知識及經驗，並根據該評估編製特定委任所需的職責及能力說明再向董事會提出建議（包括任期及委任條件）；
- 2.6 董事會依據提名委員會的建議而審議及決定有關委任；
- 2.7 董事的所有委任應透過委任書予以確定，而委任書應經過提名委員會批准，列明董事委任的主要條款及條件；及

NOMINATION PROCEDURES AND PROCESS

2. Subject to the provisions in the Company's Articles of Association, if the Board recognises the need to appoint an additional director, the following procedures should be adopted:
- 2.1 the Nomination Committee identifies or selects candidates recommended to the Committee, with or without assistance from external agencies or the Company, pursuant to the criteria set out above;
- 2.2 the Nomination Committee adopts any process appropriate to evaluate the candidates, which may include personal interviews, background checks, presentations or written submissions by the candidates and third party references;
- 2.3 the Nomination Committee will hold a physical meeting to consider the matter and avoid the making of decisions by written resolutions unless it is impractical that a physical meeting be held;
- 2.4 the Nomination Committee provides to the Board with all the information required including information set out in Rule 13.51(2) of the Listing Rules in relation to the candidates;
- 2.5 before recommendation to the Board, evaluate the balance of skills, knowledge and experience on the Board to prepare a description of the role and capabilities required for a particular appointment, then the Nomination Committee makes recommendation to the Board including the terms and conditions of the appointment;
- 2.6 the Board deliberates and decides on the appointment based upon the recommendation of the Nomination Committee;
- 2.7 all appointments of director should be confirmed by letter of appointment setting out the key terms and conditions of the appointment of the directors, which should be approved by the Nomination Committee; and

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2.8 根據上市規則第13.74條，凡股東須就選舉或重新選舉董事進行表決，附有相關股東大會通知的通函應載有上市規則第13.51(2)條規定之候選人的所有資料。

在重新委任現任董事之情況下，須根據載於上文準則，透過舉行會議考慮有關續任的事宜。

股東提名

本公司股東亦可提名參選董事的人選，有關詳情載列於本公司的《股東提名人士膺選董事的程序》。

薪酬委員會

本公司根據上市規則第3.25條的規定成立薪酬委員會（「薪酬委員會」），並遵從守則訂明其書面職權範圍。薪酬委員會的主要職責為（其中包括）就本集團董事及高級管理層所有薪酬政策與架構向董事會提供建議及檢討及審批管理層的薪酬建議。董事薪酬參考彼等職責及經驗與當前市況釐定。薪酬委員會目前包括一名執行董事（馮升醫生）及三名獨立非執行董事（辛定華先生、曾華光先生及朱迅先生），並由朱迅先生擔任主席。薪酬委員會的職權範圍與守則有關部分所載條文一致。

於本年度，薪酬委員會已評估執行董事表現、檢討薪酬政策、審議及批核二零一九年執行董事的董事袍金建議以及向董事會建議非執行董事的董事袍金。

於報告期間，薪酬委員會舉行四次會議，會上討論及建議董事會考慮有關二零一九年本公司執行董事及高級管理層薪酬的決議案及二零一九年執行董事及高級管理層的薪酬政策。

2.8 pursuant to Rule 13.74 of the Listing Rules, where shareholders are required to vote on electing or re-electing a director, the circular accompanying the notice of the relevant general meeting should contain all the information of the candidates required under Rule 13.51(2) of the Listing Rules.

In cases of re-appointments of existing directors, a physical meeting will be held to consider the re-appointment based on the same criteria set out in above.

NOMINATION BY SHAREHOLDERS

The shareholders of the Company may also propose a person for election as a director, details of which are set out in the “Procedures for Shareholders to Propose a Person for Election as a Director” of the Company.

REMUNERATION COMMITTEE

The Company established a remuneration committee (the “Remuneration Committee”) in accordance with the requirements of Rule 3.25 of the Listing Rules and with its written terms of reference in compliance with the Code. The primary duties of the Remuneration Committee are, amongst other things, to make recommendations to the Board on the Group’s policy and structure for all remuneration of the Directors and senior management and to review and approve the management’s remuneration proposals. The remuneration of the Directors is determined with reference to their duties, responsibilities and experience, and to prevailing market conditions. The Remuneration Committee currently comprises one executive Director (Dr. Che Fengsheng) and three independent non-executive Directors, (Mr. Patrick Sun, Mr. Tsang Wah Kwong and Mr. Zhu Xun) and is chaired by Mr. Zhu Xun. The terms of reference of the Remuneration Committee are consistent with the provisions set out in the relevant sections of the Code.

During the Year, the Remuneration Committee assessed the performance of executive Directors, reviewed the remuneration policy, reviewed and approved the proposed 2019 directors’ fees for executive Directors and made recommendation to the Board on the directors’ fees for non-executive Directors.

During the Reporting Period, four meetings were held by the Remuneration Committee, during which the resolutions regarding the remuneration of executive Directors and senior management of the Company in 2019 and the remuneration policy for the executive Directors and senior management for 2019 were discussed and recommended to the Board for consideration.

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於報告期間，薪酬委員會成員出席會議記錄如下：

董事姓名

朱迅先生(主席)
車馮升醫生
辛定華先生
曾華光先生

董事酬金詳情載列於財務報表附註25。此外，根據守則之守則條文第B.1.5條，於本年度內，高級管理人員年度酬金分級載列如下：

酬金分級(港元)

零 - 1,000,000
1,000,001 - 2,000,000
2,000,001 - 3,000,000
3,000,001 - 4,000,000

風險管理委員會

於二零一五年十二月十三日，董事會批准和成立本公司的風險管理委員會(「風險管理委員會」)，並制訂其具體書面職權範圍。風險管理委員會的主要職責為(其中包括)：審核本公司的風險管理、內部監控系統、ESG策略、政策、指引及程序以及檢討風險管理、內部監控系統及ESG工作的有效性。風險管理委員會包括兩名執行董事(郭維城醫生及蔡耀忠先生)及兩名獨立非執行董事(辛定華先生及曾華光先生)，並由蔡耀忠先生擔任主席。

於報告期間，風險管理委員會共舉行三次會議。風險管理委員會審核及就本公司的風險管理和內部監控系統作出檢討並提供建議予董事會。風險管理委員會亦就ESG策略、政策、指引及程序作審核和檢討並向董事會提供意見。

The attendance record of the Remuneration Committee members at the meetings held during the Reporting Period was as follows:

Name of Directors	出席次數/舉行之會議次數 Attendance/ No. of meetings held
Mr. Zhu Xun (Chairman)	4/4
Dr. Che Fengsheng	4/4
Mr. Patrick Sun	4/4
Mr. Tsang Wah Kwong	4/4

Details of the Directors' remuneration are set out in Note 25 to the Financial Statements. In addition, pursuant to code provision B.1.5 of the Code, the annual remuneration of members of the senior management by band for the Year is set out below:

Remuneration band (HKD)	人數 Number of individual
Nil - 1,000,000	1
1,000,001 - 2,000,000	1
2,000,001 - 3,000,000	0
3,000,001 - 4,000,000	2

RISK MANAGEMENT COMMITTEE

On 13 December 2015, the Board approved and established the risk management committee of the Company (the "Risk Management Committee") with written terms of reference. The primary duties of the Risk Management Committee are, among others, to review the Company's risk management, internal control system and ESG strategies, policies, guidelines and procedures and to review the effectiveness of the work on risk management, internal control systems and ESG. The Risk Management Committee consists of two executive Directors (Dr. Guo Weicheng and Mr. Choi Yiau Chong) and two independent non-executive Directors (Mr. Patrick Sun and Mr. Tsang Wah Kwong), and is chaired by Mr. Choi Yiau Chong.

During the Reporting Period, three meetings were held by the Risk Management Committee. The Risk Management Committee reviewed and assessed the risk management and internal control systems of the Company, and made suggestions to the Board. The Risk Management Committee had also reviewed and assessed the ESG strategies, policies, guidelines and procedures, and expressed their opinions to the Board.

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於報告期間，風險管理委員會成員出席會議記錄如下：

The attendance record of the Risk Management Committee members at the meetings held during the Reporting Period was as follows:

董事姓名	Name of Directors	出席次數／舉行之會議次數 Attendance/ No. of meetings held
蔡耀忠先生(主席)	Mr. Choi Yiau Chong (Chairman)	3/3
郭維城醫生	Dr. Guo Weicheng	3/3
辛定華先生	Mr. Patrick Sun	3/3
曾華光先生	Mr. Tsang Wah Kwong	3/3

董事及有關僱員的證券交易標準守則

本公司已採納上市規則附錄十所載的上市公司董事進行證券交易的標準守則(「標準守則」)為董事進行證券交易的操守守則。經向所有董事作特別查詢，所有董事確認，彼等於報告期間一直遵守標準守則之標準。為遵守守則之守則條文第A.6.4條，本集團亦已設定及採納標準守則為有關僱員進行證券交易的操守守則，以規管本集團若干被認為可能會擁有本公司內幕資料的僱員買賣本集團之證券。

MODEL CODE FOR SECURITIES TRANSACTIONS BY THE DIRECTORS AND RELEVANT EMPLOYEES

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules (the “Model Code”) as its own code of conduct for securities transactions by the Directors. Having made specific enquiry to all Directors, all Directors confirmed that they had complied with the required standard set out in the Model Code throughout the Reporting Period. To comply with code provision A.6.4 of the Code, the Group has also established and adopted the Model Code as the code of conduct for securities transactions by relevant employees to regulate the dealings in the securities of the Group by certain employees of the Group who are deemed to be likely in possession of the inside information of the Company.

董事就綜合財務報表承擔的責任

董事確認彼等的責任為編製真實公平反映本集團於截至二零一八年十二月三十一日止財政年度財務狀況的財務報表。有關本公司外聘核數師的申報責任聲明載於本年報第134至300頁。

DIRECTORS' RESPONSIBILITY ON THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors confirmed that it is their responsibility to prepare the financial statements which give a true and fair view of the state of affairs of the Group for the financial year ended 31 December 2018. A statement on reporting responsibility with respect to the external auditor of the Company is set out on pages 134 to 300 of this annual report.

風險管理及內部監控

董事會負責確保本集團維持健全有效的內部監控制度。本集團已採納內部監控程序及政策，以保障資產，確保妥善保存會計記錄及作出可靠的財務報告，並確保遵守有關法例及規定。本公司的內部審核團隊（「內部審核團隊」）在董事會審計委員會和董事會主席指導下獨立開展審計工作，配備具備一定職業道德、專業能力、審計經驗及恰當溝通能力的人員，定期檢討本集團財務及運作、向審核委員會報告檢討結果及監管方面的漏洞（如有），定期對公司內部控制系統的合法性、健全性和有效性進行測評和監督檢查。審核委員會審批年度工作計劃，內部審核團隊則監察基於審核委員會建議所協議的跟進行動。此外，審核委員會協助董事會每年檢討本集團內部監控系統是否有效，且已檢討截至本年度本集團內部監控系統是否有效，當中包括本公司會計及財務報告部的資源充足性、員工資質及經驗、培訓計劃及預算並認為其已有效及足夠。

於二零一八年董事會聘請專業第三方公司為本集團就風險管理、內部監控系統及ESG提供專業意見及服務。

本集團建立了全面風險管理體系，並與現有的內部監督體系實現了有機融合。通過風險識別建立符合公司經營情況的風險清單，通過風險評估合理判斷各類風險發生的可能性與影響力，結合定性和定量分析挖掘風險成因，從經營策略、制度流程、架構職能、技術工具、人員技能、資源配置、績效考核七個方面出發，提出多維度、行之有效的應對策略，形成書面報告並匯報管理層和董事會。最終通過內部監督制度實現有效落實，體現風險管理的工作效果。且通過此次風險體系建設過程，集團形成常態化的風險日常監控與定期評估機制，實現對日常經營管理活動中的風險要素進行持續監督。

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has the responsibility to ensure that a sound and effective internal control system is maintained within the Group. The Group has adopted internal control procedures and policies to safeguard the assets, to ensure proper maintenance of accounting records, to carry out reliable financial reporting, and to guarantee compliance with the relevant laws and regulations. The internal audit team of the Company (the "Internal Audit Team") conducts independent auditing work under the guidance of the Audit Committee of the Board and the Chairman of the Board. It is composed of officers who possess professional ethics, professional capabilities, auditing experience and appropriate communication abilities. It conducts regular financial and operational reviews on the Group and reports its findings and supervisory weaknesses, if any, to the Audit Committee. It performs evaluation and supervisory inspection on the legal compliance, soundness and effectiveness of the internal control system of the Company. The annual work plan is reviewed and endorsed by the Audit Committee. The Internal Audit Team monitors follow-up actions agreed based on recommendations of the Audit Committee. In addition, the Audit Committee will assist the Board to conduct annual review on the effectiveness of the internal control system of the Group, and has reviewed the effectiveness of the internal control system of the Group for the Year, including the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting functions, their training programs and budget, which are considered effective and adequate.

In 2018, the Board has appointed a professional third party company to provide professional advice and services on risk management, internal control system and ESG to the Group.

The Group has established a comprehensive risk management system and realized organic integration with the internal control system. A list of risks is compiled through identification of risks with respect to the operating conditions of the Company. Reasonable judgment on the possibility of occurrence and the effects of various types of risks is attained through assessment of risks. By combining qualitative and quantitative analysis to find out the causes of risks, recommendations of multi-dimensional and effective responsive strategies are made from seven aspects, including operation strategy, system process, structural functions, technical tools, skills of staff, allocation of resources and performance appraisal, and a written report is prepared for submission to the management and the Board. Finally, fruitful results of risk management will be realized through effective implementation of the internal control system. And through the process of establishing this risk system, the Group has formed a regular mechanism for daily monitoring and regular assessment of risks to realize continuing supervision on essential risk factors in the daily operational management activities.

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集團除了在內部實施風險管理及內部監控並定期回顧外，每年外聘核數師在開展起法定審核工作的同時，檢查若干主要的風險管理及內部監控是否充足及有效。於適當情況下，集團採納外聘核數師的有關建議，加強風險管理及內部監控。

此外，為規範集團運營，保證集團各項業務符合相關法規，於二零一五年將原集團監察部改組為合規部，負責集團所有與合規相關工作的建立、檢查和報告，自此在集團內部建立了合規風險管理組織架構，定期回顧集團內部員工、客戶、供應商、合作方行為合規性，開展遵紀守法、合規廉潔的培訓教育，每年與員工簽訂合規承諾書。

集團制定了《資訊披露管理辦法》，並遵守適用法律、法規和上市規則，按資訊處理及發佈程式，真實、及時、準確、合法、完整地披露資訊，履行披露義務，並確保適當批准披露該等消息前維持保密，保護公司股東、債權人及其他利益相關人員的合法權益。

與股東及投資者之溝通

本集團的投資者關係於二零一八年取得顯著改善。本集團多次參與機構投資者會議，並通過多元化渠道定期與眾多投資者溝通。本集團亦於本公司及聯交所網站刊登年度及中期報告、業績公告、其他公告及通函，藉以達致最高標準及財務透明。

本年度內，本公司於二零一八年六月一日舉行股東週年大會（「二零一八年股東週年大會」）。本公司全部董事（即車馮升醫生、郭維城醫生、蔡耀忠先生、張炯龍醫生、陳燕玲女士、金鎮夏先生、辛定華先生、曾華光先生及朱迅先生），均有出席會議。

In addition to internal implementation of risk management and conducting regular review on internal control, the Group will engage external auditors annually to perform statutory audits as well as to examine the adequacy and effectiveness of certain key risk management and internal control aspects. Under appropriate circumstances, the Group will adopt the relevant recommendations of the external auditors to enhance risk management and internal control.

Moreover, to regulate operations of the Group and to ensure that all businesses of the Group comply with relevant laws and regulations, the Group's former Surveillance Department has been restructured into the compliance department in 2015 and is responsible for the establishment, inspection and reporting of all compliance-related work of the Group. A compliance risk management organizational structure has been established within the Group since then to conduct regular reviews on the compliance of conducts of the Group's internal staff, customers, suppliers and cooperative partners, provide training and education on observing discipline and laws and complying with anti-corruption rules, and sign letters of undertakings on compliance with employees annually.

The Group has formulated the Information Disclosure Management Measures, and has complied with applicable laws, regulations and the Listing Rules, to disclose information truthfully, timely, accurately, legally and completely in accordance with the information processing and release procedures to perform the obligations of disclosure, and to ensure that such information has been kept confidential prior to the proper approval of its disclosure to protect the legitimate interests of the Company's shareholders, creditors and other stakeholders.

COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

The Group had made remarkable improvements in investor relationship in 2018. The Group has participated in a number of institutional investor conferences and regularly communicated with many investors through various means. The Group has also set to provide the highest standard and financial transparency through publication of annual and interim reports, results announcements, other announcements and circulars through the websites of the Company and the Stock Exchange.

During the Year, the Company held an annual general meeting on 1 June 2018 (the "2018 AGM"). All Directors of the Company, namely Dr. Che Fengsheng, Dr. Guo Weicheng, Mr. Choi Yiau Chong, Dr. Zhang Jionglong, Ms. Chen Yanling, Mr. Kim Jin Ha, Mr. Patrick Sun, Mr. Tsang Wah Kwong and Mr. Zhu Xun, attended the meeting.

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董事出席二零一八年股東週年大會的記錄載列如下：

The attendance records of the Directors at the 2018 AGM is set out below:

		出席次數／舉行之會議次數 Attendance/ No. of meetings held
執行董事	Executive Directors	
車馮升醫生	Dr. Che Fengsheng	1/1
郭維城醫生	Dr. Guo Weicheng	1/1
蔡耀忠先生	Mr. Choi Yiau Chong	1/1
郭峰博士(於二零一七年十二月八日獲委任並於二零一八年四月二十日辭任)	Dr. Guo Feng (appointed on 8 December 2017 and resigned on 20 April 2018)	不適用 N/A
張炯龍醫生(於二零一八年四月二十日獲委任)	Dr. Zhang Jionglong (appointed on 20 April 2018)	1/1
陳燕玲女士(於二零一八年四月二十日獲委任)	Ms. Chen Yanling (appointed on 20 April 2018)	1/1
非執行董事	Non-executive Directors	
孫弘先生(於二零一八年四月二十日辭任)	Mr. Homer Sun (resigned on 20 April 2018)	不適用 N/A
金鎮夏先生	Mr. Kim Jin Ha	1/1
獨立非執行董事	Independent Non-executive Directors	
辛定華先生	Mr. Patrick Sun	1/1
曾華光先生	Mr. Tsang Wah Kwong	1/1
朱迅先生	Mr. Zhu Xun	1/1

憲法文件

自二零一八年一月一日至本年報日期，本公司的組織章程大綱及細則並無變更。

CONSTITUTIONAL DOCUMENTS

During the period from 1 January 2018 to the date of this annual report, there has not been any change in the Company's memorandum of association and bye-laws.

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股東權利

下列程序受本公司細則(「細則」)、百慕達一九八一年公司法(「公司法」)及適用之法例與法規所規限。股東若對下列程序有疑問，或欲向董事會詢問，可向本公司聯席公司秘書(「公司秘書」)提出書面請求，地址為香港灣仔港灣道1號會展廣場辦公大樓4309室。

A. 股東於股東大會提呈建議(建議指定人士參選董事除外)的程序

- (1) 根據細則第56及57條，本公司股東週年大會(「股東週年大會」)須每年舉行一次，並可於必要時舉行股東特別大會。
- (2) 根據公司法第79條，(i)持有有權於股東大會上投票之全體股東總投票權不少於二十分之一的股東；或(ii)不少於一百名股東，可向有權收取股東週年大會或股東大會通知的股東提呈書面要求以通知於股東週年大會上動議的任何決議案，或就於特定股東大會提呈之任何決議案所述事項或處理的事務作出不少於1,000字的書面陳述。
- (3) 書面請求／陳述須由相關股東簽署，並於股東週年大會舉行前六(6)周(倘要求獲提供決議案通知)或股東大會舉行前一(1)周(倘為任何其他要求)呈遞至本公司註冊辦事處(地址為Clarendon House, 2 Church Street, P.O.Box, HM1022, Hamilton, HM DX, Bermuda)及連同副本呈交至本公司香港主要辦事處(地址為香港灣仔港灣道1號會展廣場辦公大樓4309室)，致公司秘書。

SHAREHOLDERS' RIGHTS

The following procedures are subject to the bye-laws of the Company (the "Bye-laws"), the Bermuda Companies Act 1981 (the "Act") and applicable legislation and regulation. Shareholders who have enquires about the following procedures or have enquires to put to the Board may write to the joint company secretaries of the Company (the "Company Secretary") at Room 4309, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong.

A. Procedures for Shareholders to make proposals at general meeting other than a proposal of a person for election as a Director

- (1) Pursuant to Bye-laws 56 and 57, the Company holds an annual general meeting ("AGM") every year, and may hold a general meeting known as a special general meeting whenever necessary.
- (2) Pursuant to section 79 of the Act, Shareholder(s) holding (i) not less than one-twentieth of the total voting rights of all Shareholders having the right to vote at the general meeting; or (ii) not less than 100 Shareholders, can submit a written request for notice of any resolution intended to be moved at an AGM or a statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at a particular general meeting to be given to the Shareholders entitled to receive notice of the AGM or general meeting.
- (3) The written request/statements must be signed by the Shareholder(s) concerned and deposited at the Company's registered office at Clarendon House, 2 Church Street, P.O.Box, HM1022, Hamilton, HM DX, Bermuda with a copy to its principal office in Hong Kong at Room 4309, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong, for the attention of the Company Secretary, not less than six (6) weeks before the AGM in the case of a requisition for notice of a resolution and not less than one (1) week before the general meeting in the case of any other requisition.

- (4) 根據公司法第80條，倘書面要求適當，公司秘書可要求董事會(i)將決議案加載股東週年大會議程及提供決議案通知；或(ii)傳閱股東大會陳述，惟相關股東須支付董事會釐定的合理金額的費用，以便本公司根據法定要求向全體登記股東寄發決議案通知及／或向彼等傳閱相關股東提呈的陳述。相反，倘要求無效，或相關股東未有支付足夠費用供本公司作出上述行動，則向相關股東告知此結果，因此建議決議案不會加載股東週年大會議程，股東大會陳述亦不會傳閱。

B. 股東建議指定人士參選董事的程序

- (1) 倘正式合資格出席因處理委任／選舉董事而召開的股東大會並於會上投票的股東欲建議指定人士(股東本身除外)於該大會上參選董事，則須將書面通知呈遞至本公司註冊辦事處(地址為Clarendon House, 2 Church Street, P.O. Box, HM1022, Hamilton, HM DX, Bermuda)及本公司香港主要辦事處(地址為香港灣仔港灣道1號會展廣場辦公大樓4309室)，致公司秘書。
- (2) 為使本公司告知全體股東有關建議，書面通知須列明獲建議參選董事人士的全名及上市規則第13.51(2)條規定的該名人士履歷詳情，並須由相關股東簽署及連同該名人士簽署的通知，表明其有意參選。

- (4) Pursuant to section 80 of the Act, if the written request is in order, the Company Secretary will request the Board (i) to include the resolution in the agenda for the AGM and give notice of the resolution; or (ii) to circulate the statement for the general meeting, provided that the Shareholder(s) concerned have deposited a sum of money reasonably determined by the Board sufficient to meet the Company's expenses in serving the notice of the resolution and/or circulating the statement submitted by the Shareholder(s) concerned in accordance with the statutory requirements to all the registered Shareholders. On the contrary, if the requisition is invalid or the Shareholder(s) concerned have failed to deposit sufficient money to meet the Company's expenses for the said purposes, the Shareholder(s) concerned will be advised of this outcome and accordingly, the proposed resolution will not be included in the agenda for the AGM or the statement will not be circulated for the general meeting.

B. Procedures for a Shareholder to propose a person for election as a Director

- (1) If a Shareholder, who is duly qualified to attend and vote at the general meeting convened to deal with appointment/election of Director(s), wishes to propose a person (other than the Shareholder himself/herself) for election as a Director at that meeting, he/she must deposit a written notice at the Company's registered office at Clarendon House, 2 Church Street, P.O. Box, HM1022, Hamilton, HM DX, Bermuda and its principal office in Hong Kong at Room 4309, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong, for the attention of the Company Secretary.
- (2) In order for the Company to inform all Shareholders of that proposal, the written notice must state the full name of the person proposed for election as a director, his/her biographical details as required by rule 13.51(2) of the Listing Rules, and be signed by the Shareholder concerned and accompanied by a notice signed by that person indicating his/her willingness to be elected.

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(3) 發出有關書面通知的最短期限至少須為七(7)日，倘該等通知於寄發指定舉行有關選舉之股東大會通知後遞交，則遞交有關通知的期限將於寄發指定舉行有關選舉之股東大會通告翌日開始，並於不遲於有關股東大會日期前七(7)日結束。

(4) 倘於該股東大會日期前不足十五(15)個營業日收到該通知，則本公司須考慮押後股東大會，以(i)評估建議候選人是否合適；及(ii)於相關股東大會前最少十四(14)個整日及不少於十(10)個營業日就該建議向股東刊發公佈或寄發補充通函。

C. 股東召開股東特別大會(「股東特別大會」)的程序

(1) 於遞呈要求當日持有不少於附有本公司股東大會投票權之本公司繳足股本十分之一的股東，可隨時向本公司註冊辦事處發出書面要求(地址為Clarendon House, 2 Church Street, P.O. Box, HM1022, Hamilton, HM DX, Bermuda)及連同其副本呈遞至香港主要辦事處(地址為香港灣仔港灣道1號會展廣場辦公大樓4309室)，致董事會或公司秘書，要求董事會召開股東特別大會，處理有關要求所指明任何事項的相關議程，而有關大會須於遞呈上述要求後兩(2)個月內舉行。

(3) The minimum length of the period, during which such written notice(s) may be given, shall be at least seven (7) days and that (if the notices are submitted after the despatch of the notice of the general meeting appointed for such election) the period for lodgment of such notice(s) shall commence on the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.

(4) If the notice is received less than fifteen (15) business days prior to that general meeting, the Company will need to consider adjournment of the general meeting in order to (i) assess the suitability of the proposed candidate; and (ii) publish an announcement or circulate a supplementary circular in relation to the proposal to the Shareholders at least fourteen (14) clear days and not less than ten (10) business days prior to the general meeting.

C. Procedures for Shareholders to convene special general meeting (“SGM”)

(1) Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition sent to the Company’s registered office at Clarendon House, 2 Church Street, P.O. Box, HM1022, Hamilton, HM DX, Bermuda and with a copy to its principal office in Hong Kong at Room 4309, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong, for the attention of the Board or the Company Secretary, to require a SGM to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition.

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- (2) 書面要求須列明股東大會的目的，經相關要求人士簽署，並可由多份相同格式的文件組成，惟每份文件須經一名或多名該等要求人士簽署。
- (3) 倘要求適當，公司秘書將要求董事會根據法定要求向全體註冊股東發出充分通知後召開股東特別大會。相反，倘要求無效，則向相關要求人士告知此結果，亦不會應要求召開股東特別大會。
- (4) 向全體註冊股東發出通知以供考慮相關要求人士於股東特別大會上所提呈建議的期限因建議性質而異，詳情如下：
- 倘建議屬本公司特別決議案(除更正明顯錯誤的純粹文書修訂外，不得予以修訂)，須最少發出二十一(21)個整日及不少於十(10)個完整營業日的書面通知；及
 - 倘建議屬本公司普通決議案，須最少發出十四(14)個整日及不少於十(10)個完整營業日的書面通知。
- (5) 倘遞呈後二十一(21)日內董事會未有召開有關大會，則遞呈要求人士可根據公司法第74(3)條的規定自行以同樣方式召開大會。
- (6) 根據公司法第74(3)條的規定，倘董事會於遞呈要求日期起計二十一(21)日內未有召開有關大會，則遞呈要求人士或擁彼等全體總表決權半數以上的任何該等人士可自行以同樣方式召開大會，惟所召開大會不得於上述日期起三(3)個月屆滿後舉行。
- (2) The written requisition must state the purposes of the general meeting, be signed by the requisitionists and may consist of several documents in like form, each signed by one or more of those requisitionists.
- (3) If the requisition is in order, the Company Secretary will ask the Board to convene a SGM by serving sufficient notice in accordance with the statutory requirements to all the registered Shareholders. On the contrary, if the requisition is invalid, the requisitionists will be advised of this outcome and accordingly, a SGM will not be convened as requested.
- (4) The notice period to be given to all the registered Shareholders for consideration of the proposal raised by the requisitionists at a SGM varies according to the nature of the proposal, as follows:
- at least twenty-one (21) clear days' and not less than ten (10) clear business days' notice in writing if the proposal constitutes a special resolution of the Company, which cannot be amended other than to a mere clerical amendment to correct a patent error; and
 - at least fourteen (14) clear days' and not less than ten (10) clear business days' notice in writing if the proposal constitutes an ordinary resolution of the Company.
- (5) If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionists themselves may do so in accordance with the provisions of section 74(3) of the Act.
- (6) In accordance with the provision of section 74(3) of the Act, if the Board does not within twenty-one (21) days from the date of deposit of the requisition proceed duly to convene a meeting, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of three (3) months from the said date.

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- (7) 遞呈要求人士因董事會未有正式召開大會而產生的所有合理開支須由本公司向遞呈要求人士償付，而本公司將從基於有關失責董事的服務而到期應付或即將應付的任何袍金或其他薪酬款項中扣留所償付款項。

D. 股東向董事會作出查詢的程序

股東可隨時透過公司秘書以書面形式將其查詢及問題遞交董事會。公司秘書的聯絡詳情如下：

四環醫藥控股集團有限公司
香港灣仔
港灣道1號
會展廣場辦公大樓4309室
電話：(86) 755 8860 9726
傳真：(852) 3101 0362
電郵：ir@sihuanpharm.com

股東亦可在本公司股東大會上向董事會作出查詢。

股息政策

根據香港聯合交易所新增《企業管治守則》要求，董事會已於二零一九年三月十八日批准並採納股息政策。

1. 本公司可透過股東大會以任何貨幣宣派股息，惟所宣派的股息不得超過董事會建議的金額。董事會亦可不時宣派股息或其他分派。
2. 本公司宣派任何股息，均應當根據百慕達公司法、本公司組織章程細則以及其他適用法律法規進行，且以不影響本公司及其附屬公司的正常營運為原則。

- (7) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board duly to convene a meeting shall be repaid to the requisitionists by the Company, and any sum so repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration in respect of their services to such directors as were in default.

D. Procedures for Directing Shareholders' Enquiries to the Board

Shareholders may at any time send their enquiries and concerns to the Board in writing through the Company Secretary whose contact details are as follows:

Sihuan Pharmaceutical Holdings Group Ltd.
Room 4309, Office Tower,
Convention Plaza, 1 Harbour Road,
Wanchai, Hong Kong
Telephone: (86) 755 8860 9726
Fax: (852) 3101 0362
Email: ir@sihuanpharm.com

Shareholders may also make enquiries to the Board at the general meetings of the Company.

DIVIDEND POLICY

The Board has approved and adopted a dividend policy on 18 March 2019 according to the new "Corporate Governance Code" requirements of the Stock Exchange of Hong Kong.

1. The Company may declare dividends in any currency through the shareholders' meeting, but the dividends declared shall not exceed the amount recommended by the Board. The Board may also declare dividends or other distributions from time to time.
2. Any dividend declared by the Company shall be conducted in accordance with the Bermuda Companies Law, the bye-laws of the Company and other applicable laws and regulations, and shall not affect the normal operation of the Company and its subsidiaries as the principle.

3. 在符合上文第二段的前提下，本公司是否宣派股息以及宣派金額，將取決於本公司的業績、現金流量與財務狀態及狀況、營運及資金需求、營商情況和策略、未來的運營和收益、資本要求和開支計劃、適用會計準則下可分派溢利金額以及董事會認為與本集團有關的其他因素。

董事會持續審核本股息政策，並保留隨時更新、修正、修改和／(或)取消本股息政策的絕對自主權利。本公司不保證在任何既定期間，派發任何特定金額的股息，並且公司沒有任何預先確定的派息率。

3. Subject to the second paragraph above, whether the Company declares dividends and the declared amounts will depend on the Company's financial results, cash flow and financial status and conditions, operating and funding needs, business conditions and strategies, future operations and earnings, capital requirements and expenditure plans, the amount of profit that can be distributed under the applicable accounting standards and other factors that the Board considers relevant to the Group.

The Board will continuously review this dividend policy and reserves the absolute autonomy to update, amend, modify and/or cancel this dividend policy at any time. The Company does not guarantee the payment of any specific amount of dividends for any given period of time and does not have any pre-determined dividend payout ratio.

企業管治職能

董事會負責確保公司建立健全的企業管治常規及程序。董事會授權審核委員會履行以下企業管治職務：

- (a) 發展及檢討本公司的企業管治政策及常規，並向董事會提出建議；
- (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) 檢討及監察本公司的政策及常規在法律及監管規定方面的合規情況；
- (d) 發展、檢討及監察適用於本公司董事及僱員的行為守則及企業管治事宜合規指引(如有)；及
- (e) 檢討本公司對守則及企業管治報告中的其他相關規則及披露規定的合規情況。

核數師酬金

本年度，本集團核數師向本集團提供核數服務。二零一八年度核數服務費用為人民幣5.5百萬元。

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for ensuring that the Company establishes good corporate governance practices and procedures. The Audit Committee is authorised by the Board to perform the corporate governance duties as below:

- (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 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 to corporate governance matters (if any) applicable to Directors and employees of the Company; and
- (e) to review the Company's compliance with the Code and other related rules and disclosure in the Corporate Governance Report.

AUDITOR'S REMUNERATION

For the Year, the auditor of the Group provided audit services for the Group. The service fees for audit services in 2018 amounted to RMB5.5 million.

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遵守不競爭承諾

車馮升醫生、郭維城醫生、孟憲慧先生、張炯龍醫生及 Plenty Gold Enterprises Limited (統稱為「契諾人」) 各自已就其遵守不競爭承諾契據的條款(於本公司日期為二零一零年十月十五日的招股章程披露) 提供年度聲明書。根據不競爭契據，各契諾人已(其中包括) 不可撤銷及無條件地向本公司承諾，於有關期間內任何時間，各契諾人須各自及須促使其連絡人(本集團成員公司除外)：

- (i) 不會直接或間接從事、投資、參與或試圖參與或提供任何服務或提供任何財務支持或以其他方式參與(不論以其個人名義或互相或聯同或代表任何人士或公司) 與本集團的業務相同、類似或產生競爭的任何業務；及
- (ii) 不會採取任何行動干涉或中斷或可能干涉或中斷本集團的業務。

獨立非執行董事亦已審閱契諾人遵守不競爭承諾契據的情況。

COMPLIANCE OF THE NON-COMPETITION UNDERTAKING

Each of Dr. Che Fengsheng, Dr. Guo Weicheng, Mr. Meng Xianhui, Dr. Zhang Jionglong and Plenty Gold Enterprises Limited (collectively, the “Covenantors” and each a “Covenantor”) had provided an annual declaration in respect of their compliance with the terms of the deed of non-competition undertaking (as disclosed in the Company’s prospectus dated 15 October 2010). Pursuant to the deed of non-competition, each of the Covenantors has, among other things, irrevocably and unconditionally undertaken with the Company that at any time during the relevant period, each of the Covenantors shall, and shall procure that its associates (other than members of our Group):

- (i) not, directly or indirectly, engage in, invest in, participate in, or attempt to participate in or render any services to or provide any financial support to or otherwise be involved in, whether on its own account or with each other or in conjunction with or on behalf of any person or company, any business which is the same as, similar to or in competition with the business of the Group; and
- (ii) not take any action which interferes with or disrupts or may interfere with or disrupt the business of the Group.

The independent non-executive Directors have also reviewed the compliance by the Covenantors with the deed of non-competition undertaking.

董事會欣然提呈本年度董事會報告及經審核綜合財務報表（「財務報表」）。

主要業務

本公司為一家投資控股公司，本公司附屬公司之主要業務載列於財務報表附註 11。

業務審視

有關本集團本年度業務的審視與對未來業務發展的論述均載於本年報第 12 頁至第 13 頁的主席報告，而有關本集團可能面對的風險及不明朗因素的描述，亦載於第 12 頁至第 13 頁的主席報告，財務報表附註 3 還刊載了本集團的財務風險管理分析。本年報第 11 頁則刊載本集團財務摘要，以財務關鍵表現指標分析本集團年內表現。此外，關於風險管理、內部監控系統、ESG、與持份者關係及對本集團有重大影響的相關法律及規例之遵守情況，分別刊於第 12 頁至第 13 頁的主席報告、第 91 頁至第 112 頁的企業管治報告及第 113 頁至第 133 頁之本董事會報告書中，並於本集團企業網頁的中可供查閱。

環境保護

本公司一直以來都將環境保護視為工作重點之一。本公司在業務營運中審慎利用資源，使用可持續及環保材料，以達到其保護環境的承諾。根據聯交所的《環境、社會及管治報告指引》，本公司對內部管理系統進行了更新，加強了對於環境保護的管控。本集團鼓勵環保、遵守環保規例並致力提升僱員的環保意識，同時堅守循環再用及減少廢物之原則，實施各項綠色辦公室措施，例如用電子化審批代替紙質審批、雙面打印及複印、設置回收箱、提倡使用環保紙及透過關掉閒置的電燈及電器減少耗能。本公司亦鼓勵其股東透過聯交所及本公司之網站收取電子公司通訊，以節約紙張的浪費。

The Board is pleased to present the Directors' report together with the audited consolidated financial statements for the Year (the "Financial Statements").

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of its subsidiaries are set out in Note 11 to the Financial Statements.

BUSINESS REVIEW

A review of the business of the Group during the Year and a discussion on the Group's future business development are provided in the Chairman's Statement on pages 12 to 13 of this Annual Report. Description of possible risks and uncertainties that the Group may be facing can be found in the Chairman's Statement on pages 12 to 13. Also, the financial risk management analysis of the Group can be found in Note 3 to the Financial Statements. An analysis of the Group's performance during the year using financial key performance indicators is provided in the Group Financial Summary on page 11 of this Annual Report. In addition, discussions on the Group's risk management, internal control, ESG, relationships with its key stakeholders and compliance with relevant laws and regulations which have a significant impact on the Group are contained in the Chairman's Statement, the Corporate Governance Report and this Directors' Report on pages 12 to 13, pages 91 to 112 and pages 113 to 133 respectively and in the Group's corporate website.

ENVIRONMENTAL PROTECTION

The Company has long considered environmental protection as one of its key priorities. During its business operation, the Company has used its resources prudently, employed reusable and eco-friendly materials to fulfil its commitment to protect the environment. With reference to the Stock Exchange's Environmental, Social and Governance Reporting Guide, the Company has implemented measures to update its internal control system and strengthen the regulation and control of environmental protection initiatives. The Group is supportive of environmental protection, committed to comply with environmental protection regulations and dedicated to heighten the environmental awareness of its employees. Meanwhile, it also adheres to the principle of recycling and reducing and carries forward various initiatives to green the office, including replacing paper approval by electronic approval, printing and copying double-sided, setting up recycling bins, advocating the use of recycled paper and reducing energy consumption by switching off idling lights and electronic appliances. The Company also encourages its Shareholders to receive electronic communications through the websites of the Stock Exchange and the Company in order to save paper.

董事會報告

Report of Directors

本集團將不時檢討其環保工作，並將考慮在本集團之業務營運中實施進一步環保之措施及慣例，加強環境之可持續性。

環保工作具體之實施情況和績效詳情，請參考本年報第14至56頁之環境、社會及管治報告。

分部資料

本年度，本集團之營業額、收益及分部資料之分析載列於財務報表附註5。

業績及分派

本集團本年度之業績載列於本年報第145至146頁之綜合損益及其他全面收益表。

於二零一八年支付每股普通股人民幣0.4分的中期現金股息，合共人民幣37,884,000元。

董事會建議向股東派付每股普通股人民幣1.3分的末期現金股息，惟須待股東於二零一九年股東週年大會審議及批准後方可作實。

財務摘要

本集團過往五個財政年度之業績以及資產與負債之摘要載列於本年報第11頁。

物業、廠房及設備

於本年度內，本集團之物業、廠房及設備之變動詳情載列於財務報表附註6。

附屬公司、聯營公司及合營企業

有關本公司於二零一八年十二月三十一日之主要附屬公司、聯營公司及合營企業之詳情分別刊於財務報表附註11、12及33。

股本

於本年度內，本公司之股本變動詳情連同其原因載列於財務報表附註18。

The Group will review its environmental protection activities from time to time and consider the further implementation of measures and practices on environmental protection in the Group's business operations, thereby enhancing environmental sustainability.

Details of implementation and performance of the environmental protection activities are set out in the Environment, Social and Governance Report on pages 14 to 56 of this annual report.

SEGMENT INFORMATION

An analysis of the Group's turnover, income and segment information for the Year is set out in Note 5 to the Financial Statements.

RESULTS AND DISTRIBUTIONS

The Group's results for the Year are set out in the consolidated statement of profit or loss and other comprehensive income on pages 145-146 of this annual report.

An interim cash dividend of RMB0.4 cents per ordinary share, totaling RMB37,884,000 was paid during 2018.

The Board proposed to distribute a final cash dividend of RMB1.3 cents per ordinary share to Shareholders. Such proposal is subject to the consideration and approval of Shareholders at the 2019 annual general meeting.

FINANCIAL HIGHLIGHTS

A summary of the Group's results and assets and liabilities for the last five financial years is set out on page 11 of this annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the Year are set out in Notes 6 to the Financial Statements.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Details of the Company's principal subsidiaries, associates and joint venture at 31 December 2018 are set out in Notes 11, 12 and 33 to the Financial Statements, respectively.

SHARE CAPITAL

Details of movements in the share capital of the Company during the Year together with the reasons for such movements are set out in Note 18 to the Financial Statements.

股份及儲備

有關本集團及本公司於本年度的股份及儲備變動詳情載列於綜合權益變動表以及財務報表附註18及19。於報告期間完結時，可供分派予股東的儲備為人民幣8,179,232,000元(二零一七年：人民幣6,719,232,000元)。本公司於本年度內並無發行任何股份。

購股權計劃

股東於二零一七年十月二十四日舉行的股東特別大會上批准及採納購股權計劃(「購股權採納日期」)，自購股權採納日期起計十(10)年內有效。

購股權計劃的目的

購股權計劃旨在鼓勵合資格人士(載於下文(b)段)(i)於日後對本集團作出最大貢獻；(ii)獎勵彼等過往作出的貢獻；及(iii)吸納及挽留對本集團而言屬重要及／或其貢獻有利或將有利於本集團表現、增長及所得成果的合資格人士，或以其他方式與彼等維持持續關係。

(a) 合資格人士

董事會可全權酌情邀請本集團任何成員公司的任何董事或候任董事(包括獨立非執行董事)、任何執行董事、經理或在本集團任何成員公司擔任行政、管理、監督或類似職位的其他僱員(「僱員」)、任何候任僱員、任何全職或兼職僱員、或當時調入本集團任何成員公司作全職或兼職工作的人士(「行政人員」)、本集團任何成員公司的顧問、業務或合營公司夥伴、特許經營商、承包商、代理或代表、向本集團任何成員公司提供研究、開發或其他技術支持或任何諮詢、顧問、專業或其他服務的個人或實體，或上述任何人士的聯繫人(定義見上市規則)(統稱及各自為「合資格人士」)。

SHARES AND RESERVES

Details of movements in the shares and reserves of the Group and the Company during the Year are set out in the Consolidated Statement of Changes in Equity and also in Notes 18 and 19 to the Financial Statements. As at the end of the reporting period, the reserves available for distribution to Shareholders amounted to RMB8,179,232,000 (2017: RMB6,719,232,000). The Company had not issued any shares during the Year.

SHARE OPTION SCHEME

The Share Option Scheme was approved and adopted by the Shareholders at the special general meeting held on 24 October 2017 (“Share Option Scheme Adoption Date”), which will be valid for ten (10) years from the Share Option Scheme Adoption Date.

PURPOSE OF THE SHARE OPTION SCHEME

The purpose of the Share Option Scheme is to motivate Eligible Persons (as set out in paragraph (b) below) (i) to optimise their future contributions to our Group; (ii) to reward them for their past contributions; and (iii) to attract, retain or otherwise maintain on-going relationships with Eligible Persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth and success of our Group.

(a) Eligible persons

Our Board may, at its sole discretion, invite any director or proposed director (including an independent non-executive director) of any member of our Group, any executive director of, manager of, or other employee holding an executive, managerial, supervisory or similar position in, any member of our Group (an “Employee”), any proposed Employee, any full-time or part-time Employee, or a person for the time being seconded to work full-time or part-time for any member of our Group (an “Executive”), a consultant, business or joint venture partner, franchisee, contractor, agent or representative of any member of our Group, a person or entity that provides research, development or other technological support or any advisory, consultancy, professional or other services to any member of our Group, or an associate (as defined under the Listing Rules) of any of the foregoing persons (together, “Eligible Persons” and each an “Eligible Person”).

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(b) 釐定資格

- (i) 董事會可全權酌情決定根據購股權計劃向任何合資格人士(「承授人」)提出要約授出可認購股份的購股權。
- (ii) 董事將不時依據任何合資格人士對本集團發展、增長及所得成果作出的貢獻，釐定該等人士獲授任何購股權的資格基準。
- (iii) 為免生疑問，除非董事另有決定，否則本公司向任何被界定為合資格人士的人士授出可認購股份的任何購股權，不應因此被詮釋為根據購股權計劃授出購股權。
- (iv) 合資格人士或承授人須向董事會提供董事會不時(包括於提出有關授出購股權的要約前、於接納所授出的購股權時及於行使購股權時)全權酌情要求的有關資料及支持證據，以評估及／或釐定其作為合資格人士及／或承授人或其緊密聯繫人的資格或是否持續符合資格，或用作與購股權(及其行使)條款或購股權計劃及其管理有關的用途。

因根據購股權計劃(及根據本公司任何其他首次公開發售後購股權計劃)可能授出的所有購股權獲行使而將予發行的股份數目，最多合共不得超過於購股權採納日期的已發行股份的10%(「計劃授權上限」)，惟本公司可於董事會認為合適的情況下隨時尋求股東批准更新計劃授權上限，惟因行使根據購股權計劃(及根據本公司任何其他首次公開發售後購股權計劃)可能授出的所有購股權而將予發行的股份數目，最多不得超過股東於股東大會上批准更新該上限之日的已發行股份的10%。

(b) Determination of eligibility

- (i) The Board may, at its absolute discretion, offer to grant to any Eligible Person (a “Grantee”) an option to subscribe for Shares under the Share Option Scheme.
- (ii) The basis of eligibility of any Eligible Person to the grant of any option shall be determined by our Directors from time to time on the basis of their contributions to the development, growth and success of our Group.
- (iii) For the avoidance of doubt, the grant of any option by our Company for the subscription of Shares to any person who falls within the definition of Eligible Persons shall not, by itself, unless our Directors otherwise determine, be construed as a grant of options under the Share Option Scheme.
- (iv) An Eligible Person or a Grantee shall provide the Board such information and supporting evidence as the Board may in its absolute discretion request from time to time (including before the offer of a grant of option, at the time of acceptance of a grant of option and at the time of exercise of an option) for the purpose of assessing and/or determining his eligibility or continuing eligibility as an Eligible Person and/or a Grantee or that of his close associates or for purposes in connection with the terms of an option (and the exercise thereof) or the Share Option Scheme and the administration thereof.

The maximum number of Shares to be issued upon exercise of all options which may be granted under the Share Option Scheme (and under any other post-IPO share option scheme of our Company) shall not in aggregate exceed 10% of the Shares in issue as at the Share Option Scheme Adoption Date (“Scheme Mandate Limit”), provided that our Company may at any time as our Board may think fit seek approval from the Shareholders to refresh the Scheme Mandate Limit, except that the maximum number of Shares to be issued upon exercise of all options which may be granted under the Share Option Scheme (and under any other post-IPO share option scheme of our Company) shall not exceed 10% of the Shares in issue as at the date of approval by the Shareholders in general meeting where such limit is refreshed.

儘管有前段所述者，惟因行使根據購股權計劃(及根據本公司任何其他首次公開發售後購股權計劃)授出而尚未行使及有待行使的所有購股權而將予發行的股份數目，最多不得超過不時已發行股份的30%。

於股東特別大會上通過有關採納購股權計劃之決議案後，根據購股權計劃可能配發及發行之股份總數將為947,108,220股股份，相當於購股權採納日期已發行之股份總數約10%。

在任何12個月期間內因授予任何一名合資格人士的購股權(包括已行使及尚未行使的購股權)獲行使而已發行及將予發行的股份數目，最多不得超過不時已發行股份的1%。倘向上述合資格人士增授購股權會導致截至增授購股權之日(包括該日)止12個月期間因行使已授予及可能授予該合資格人士的所有購股權(包括已行使、已註銷及尚未行使的購股權)而已發行及將予發行的股份，合共超過當時已發行股份的1%，則增授購股權須在股東大會上取得股東另行批准，而該合資格人士及其聯繫人或緊密聯繫人(視情況而定)均須放棄投票。

授出購股權

根據購股權計劃的條款及條件並在其規限下，董事會有權於由購股權採納日期起計的十(10)年期內隨時向董事會全權酌情選定的任何合資格人士提出要約授出任何購股權，並於要約獲接納時向合資格人士授出獲接納的該部分購股權。

Despite the above-mentioned, the maximum number of Shares to be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme (and under any other post-IPO share option scheme of our Company) shall not exceed 30% of the Shares in issue from time to time.

The total number of Shares that may fall to be allotted and issued under the Share Option Scheme after the resolution regarding the adoption of the Share Option Scheme is passed at the SGM would be 947,108,220 Shares, representing approximately 10% of the total number of Shares in issue as at the Share Option Scheme Adoption Date.

The maximum number of Shares issued and to be issued upon exercise of the options granted to any one Eligible Person (including exercised and outstanding options) in any 12-month period shall not exceed 1% of the Shares in issue from time to time. Where any further grant of options to such an Eligible Person would result in the Shares issued and to be issued upon exercise of all options granted and which may be granted to such Eligible Person (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant would exceed 1% of the Shares in issue at such time, such further grant shall be separately approved by the Shareholders in general meeting with such Eligible Person and his associates or close associates (as the case may be) abstaining from voting.

Grant of options

On and subject to the terms and conditions of the Share Option Scheme, our Board shall be entitled at any time within a period of ten (10) years commencing on the Share Option Scheme Adoption Date to offer the grant of any option to any Eligible Person as the Board may in its absolute discretion select, and on acceptance of the offer, grant such part of the option as accepted to the Eligible Person.

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在購股權計劃條文的規限下，董事會在提出要約授出購股權時，可全權酌情決定在購股權計劃所載條文以外施加任何董事會認為適當的有關條件、限制或局限（將於載有授出購股權要約的函件內列明），包括（在不影響前述者的一般性原則下）持續符合資格標準、關於本公司及／或承授人須達致表現、營運或財務目標的條件、限制或局限、承授人完滿履行或達成若干條件或義務，或就購股權所涉全部或部分股份行使有關購股權的權利的歸屬時間或期限，惟購股權所涉股份的歸屬期不得超過授出購股權當日起計滿十(10)年。

購股權計劃的規則規定，董事會可指定獲授購股權的合資格人士、每份購股權所涉及的股份數目及獲授購股權的日期。購股權可於購股權期限內隨時行使，惟受限於根據購股權計劃規則施加的若干條件、限制或局限。釐定認購價的基準亦於購股權計劃規則中訂明。購股權計劃並無明確表現目標。董事認為，讓董事會擁有酌情權可在授出購股權時設定（其中包括）購股權可予行使前須符合的最短持有期限、表現目標及認購價，將可更有效地達成購股權計劃的目的，原因是這可讓董事會因應承授人的具體情況，經考慮承授人的資歷、經驗、過往工作表現、專業領域等因素後授出購股權，因而可給予承授人適當的鼓勵及激勵。

當本公司於載有授出購股權要約的函件所列明的期限內收到經承授人妥為簽署有關接納購股權的函件複本，連同以本公司為收款人作出的1.00港元（作為獲授購股權的代價）匯款，則授出購股權要約將被視為已獲接納。一旦作出有關接納，購股權將被視為經已授出，並於要約日期起生效。

承授人可按本公司不時設立有關行使購股權的程序行使全部或部分購股權。每次行使購股權均須附上行使該購股權所涉將予發行股份的全數認購價款。

Subject to the provisions of the Share Option Scheme, the Board may in its absolute discretion when offering the grant of an option impose any condition, restriction or limitation in relation thereto in addition to those set forth in the Share Option Scheme as the Board may think fit (to be stated in the letter containing the offer of the grant of the option), including but without prejudice to the generality of the foregoing continuing eligibility criteria, conditions, restrictions or limitations relating to the achievement of performance, operating or financial targets by our Company and/or the Grantee, the satisfactory performance or maintenance by the Grantee of certain conditions or obligations or the time or period when the right to exercise the option in respect of all or some of the Shares to which the option relates shall vest, provided that the period within which the Shares that the option relates shall vest on a date not more than ten (10) years from the date of the grant of the option.

The rules of the Share Option Scheme provide that the Board may specify the Eligible Persons to whom Share Options shall be granted, the number of Shares subject to each Share Option and the date on which the Share Options shall be granted. The Share Options may be exercised at any time during the Share Option Period subject to certain conditions, restrictions or limitations imposed pursuant to the rules of the Share Option Scheme. The basis for determining the subscription price is also specified precisely in the rules of the Share Option Scheme. There is no performance target specified in the Share Option Scheme. The Directors consider that allowing the Board discretion to fix, among other things, the minimum period for which a Share Option must be held before it can be exercised, performance targets and the subscription price, upon the grant of Share Options will better serve the purpose of the Share Option Scheme as this will allow the Board to grant Share Options that cater to the specific circumstances of the Grantee, taking into consideration the Grantee's seniority, experience, past work performance, field of expertise, etc., and thereby providing appropriate motivation and incentive to the Grantee.

An offer of the grant of an option shall be deemed to have been accepted when the duplicate letter comprising acceptance of the option duly signed by the Grantee together with a remittance in favour of our Company of HK\$1.00 by way of consideration for the grant thereof is received by our Company within the period specified in the letter containing the offer of the grant of the option. Once such acceptance is made, the option shall be deemed to have been granted and to have taken effect from the offer date.

An option shall be exercised in whole or in part by the Grantee according to the procedures for the exercise of options established by our Company from time to time. Every exercise of an option must be accompanied by a remittance for the full amount of the subscription price for the Shares to be issued upon exercise of such option.

任何特定購股權所涉及的認購價應由董事會於授出相關購股權時全權酌情釐定(並須於載有授出購股權要約的函件內列明)，惟認購價不得低於下列各項的最高者：

- (i) 股份面值；
- (ii) 於要約日期聯交所每日報價表所報的股份收市價；及
- (iii) 緊接要約日期前五個營業日聯交所每日報價表所報的股份平均收市價。

認購價亦可根據資本結構重組予以調整。

自購股權採納日期起，概無根據購股權計劃授出、行使、註銷或失效的購股權，並沒有尚未行使的購股權存在。

僱員股份獎勵計劃

為向本集團管理層提供獎勵，若干股東(即 Plenty Gold Enterprises Limited、車馮升醫生及郭維城醫生)已於二零一零年十月二十五日(「採納日期」)採納一項獎勵計劃(「僱員股份獎勵計劃」)。Plenty Gold Enterprises Limited、車馮升醫生及郭維城醫生(作為信託的財產授予人(「財產授予人」))已為僱員股份獎勵計劃預留及撥出合共33,750,000股本公司股份(「Plenty Gold股份」)。於二零一三年一月二十五日，MSPEA Pharma Holdings B.V.向僱員股份獎勵計劃貢獻額外3,750,000股本公司股份(連同Plenty Gold股份，統稱「預留股份」)。受託人公司(於英屬處女群島成立的私人信託公司，由Plenty Gold Enterprises Limited全資擁有)已獲委任為受託人(「計劃受託人」)，根據僱員股份獎勵計劃持有預留股份，計劃受託人將於接獲薪酬委員會的指示後，向經甄選的本集團管理人員及僱員(不包括董事)(「承授人」)授出可按薪酬委員會將釐定的價格購入預留股份的權利(「獎勵」)。

The subscription price in respect of any particular option shall be such price as our Board may in its absolute discretion determine at the time of the grant of the relevant option (and shall be stated in the letter containing the offer of the grant of the option) but the subscription price shall not be less than whichever is the highest of:

- (i) the nominal value of a Share;
- (ii) the closing price of Shares as stated in the Stock Exchange's daily quotations sheet on the offer date; and
- (iii) the average of the closing prices of Shares as stated in the Stock Exchange's daily quotations sheet for the five Business Days immediately preceding the offer date.

The subscription price shall also be subject to adjustment in accordance with reorganization of capital restructure.

Since the date of the adoption, no share option had been granted, exercised, cancelled or lapsed under the Share Option Scheme and there are no outstanding share options.

EMPLOYEE SHARE AWARD SCHEME

An award scheme for the purpose of incentivising the management of the Group (the "Employee Share Award Scheme") has been adopted by certain Shareholders (namely, Plenty Gold Enterprises Limited, Dr. Che Fengsheng and Dr. Guo Weicheng) on 25 October 2010 (the "Adoption Date"). Plenty Gold Enterprises Limited, Dr. Che Fengsheng and Dr. Guo Weicheng, as settlors (the "Settlors") of a trust, has reserved and set aside a total of 33,750,000 shares of the Company (the "Plenty Gold Shares") for the Employee Share Award Scheme. On 25 January 2013, MSPEA Pharma Holdings B.V. contributed an additional 3,750,000 shares of the Company (together with the Plenty Gold Shares, the "Reserve Shares") to the Employee Share Award Scheme. Trustee Co (a private trust company established in the British Virgin Islands and wholly-owned by Plenty Gold Enterprises Limited) has been appointed as the trustee (the "Scheme Trustee") to hold the Reserve Shares under the Employee Share Award Scheme, and the Scheme Trustee will, upon receiving instructions from the Remuneration Committee, award to selected management personnel and employees of the Group (excluding Directors) (a "Grantee") the rights to acquire the Reserve Shares ("Awards") at a price to be determined by the Remuneration Committee.

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僱員股份獎勵計劃涉及授出本公司現有股份，故不會根據此安排發行新股份。由於獎勵的承授人將為經甄選的本集團管理人員(不包括董事)且財產授予人為關連人士，故預留股份不會計入公眾持股量。所有相關獎勵計劃(包括此僱員股份獎勵計劃)合共將不會超過本公司已發行股本的30%。薪酬委員會應釐定將獲授獎勵的僱員，而獎勵可自採納日期起計三年期間內隨時授出。待達成行使獎勵的若干條款及條件(包括若干歸屬條件及表現目標(如有))後，承授人可於計劃受託人向該名僱員發出的要約函件所述行使獎勵的限期前，隨時行使其接納的任何部分獎勵。

於二零一三年九月二十七日，本集團234名僱員獲授獎勵，有權按每股3.19港元的行使價購買合共19,750,000股本公司股份。本集團6名僱員於二零一三年十月二十一日獲授獎勵，可按行使價每股0.70港元向受託人公司購買合共2,050,000股本公司股份。待達成若干歸屬條件及達到若干業績目標(如有)後，該獎勵可於授予獎勵之日起五年期間行使。

於二零一六年六月二十八日，本集團234名僱員(「選定參與者」)獲授新獎勵(「新獎勵」)，可藉此按行使價每股1.57港元購買合共31,448,172股每股面值0.01港元的本公司普通股，條件是選定參與者將交回現有獎勵。待達成若干歸屬條件及若干績效指標(如有)後，新獎勵可於授出日當日起計五年內行使。

截至二零一八年十二月三十一日，合共31名僱員已行使獎勵，涉及2,884,164股本公司股份。

優先購股權

本公司的章程細則或百慕達(即本公司註冊成立的司法權區)法律並無任何規定本公司須向現有股東提供按比例發售新股份的優先購買權規定。

The Employee Share Award Scheme involves granting of the existing shares of the Company and no new shares will be issued by the Company pursuant to this arrangement. The Reserve Shares will not be counted towards the public float as Grantees of Awards will be selected management personnel of the Group (excluding Directors) and the Settlers are connected persons. All related award schemes (including this Employee Share Award Scheme) will not in aggregate exceed 30% of the issued share capital of the Company. The Remuneration Committee shall determine which employee will be granted the Awards, and Awards may be granted at any time during a period of three years commencing from the Adoption Date. Subject to satisfying certain terms and conditions for exercise of the Awards, including certain vesting conditions and performance targets (if any), a Grantee may exercise any portion of his or her Award accepted by him/her at any time before the deadline for exercising the Award as stated in the offer letter from the Scheme Trustee to such employee.

On 27 September 2013, 234 employees of the Group were granted Awards entitling them to acquire an aggregate of 19,750,000 shares of the Company from the Trustee Co at an exercise price of HKD3.19 per share. On 21 October 2013, 6 employees of the Group were granted Awards entitling them to acquire an aggregate of 2,050,000 shares of the Company from the Trustee Co at an exercise price of HKD0.70 per share. Subject to certain vesting conditions and the satisfaction of certain performance targets (if any), such Awards shall be exercisable over a period of five years commencing from the date on which the Awards were granted.

On 28 June 2016, 234 employees of the Group (the "Selected Participants") were granted new Awards ("New Awards") entitling them to acquire an aggregate of 31,448,172 ordinary shares of par value HKD0.01 each of the Company at an exercise price of HKD1.57 per share on the condition that the Selected Participants will surrender the existing Awards. Subject to certain vesting conditions and the satisfaction of certain performance targets (if any), the New Awards shall be exercisable over a period of five years commencing from the date on which the New Awards are granted.

As of 31 December 2018, a total of 31 employees have exercised their Awards involving 2,884,164 shares of the Company.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's bye-laws or the laws of Bermuda, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new shares on a pro-rata basis to the existing Shareholders.

購買、出售或贖回本公司上市證券

於本年度，本公司或其任何附屬公司概無購買、出售或贖回本公司的任何上市證券。

主要客戶及供貨商

於二零一八年，本集團最大單一客戶及五個最大客戶所佔集團本年度的總銷售額比例分別為5.8%及22.3%。

於二零一八年，本集團最大單一供貨商及五個最大供貨商所佔集團本年度的總採購額比例分別為7.92%及25.55%。

各董事、主要行政人員、彼等之緊密聯繫人士或任何就董事所知擁有本公司已發行股本5%以上之股東，於本年度內概無於本集團五大客戶及供貨商中擁有任何實益權益。

關連交易

本集團截至二零一八年十二月三十一日止年度的關聯方交易詳情載於財務報表附註33。該等交易概無構成上市規則第十四A章項下的關連交易。

截至二零一八年十二月三十一日止年度，本集團並無進行任何其他須遵守上市規則項下有關申報及年度審核規定的關連交易或持續關連交易(定義見上市規則)。

全球發售所得款項用途

於二零一零年十月，本公司透過國際配售及公開發售以價格4.60港元配發1,437,500,000股普通股。除下文所披露者外，上述國際配售及公開發售所得款項淨額約6,365.7百萬港元(相當於約人民幣5,407.6百萬元)已根據本公司於二零一零年十月十五日的招股章程所披露用途動用。

於二零一八年十二月三十一日，本公司國際配售及公開發售所籌集資金已全部動用完畢。

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

During the Year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

MAJOR CUSTOMERS AND SUPPLIERS

In 2018, the aggregate sales attributable to the Group's largest customer and five largest customers were 5.8% and 22.3% respectively of the Group's sales for the Year.

In 2018, the aggregate purchases attributable to the Group's largest supplier and five largest suppliers were 7.92% and 25.55% respectively of the Group's purchases for the Year.

Neither the Directors or chief executive or any of their close associates or any Shareholder (which, to the knowledge of the Directors, owns more than 5% of the Company's issued share capital) had any beneficial interest in any of the Group's five largest customers and suppliers during the Year.

CONNECTED TRANSACTIONS

Details of the related-party transactions of the Group during the year ended 31 December 2018 are set out in Note 33 to Financial Statements. None of these transactions constituted connected transactions under Chapter 14A of the Listing Rules.

During the year ended 31 December 2018, the Group has not conducted any other connected transaction or continuing connected transaction (as defined under the Listing Rules) which is subject to reporting and annual review requirements under the Listing Rules.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

In October 2010, the Company allotted 1,437,500,000 ordinary shares at a price of HKD4.60 through international placing and public offer. Save as disclosed below, the net proceeds raised from such international placing and public offer, being approximately HKD6,365.7 million (equivalent to approximately RMB5,407.6 million), are used in accordance with the purposes disclosed in the prospectus of the Company dated 15 October 2010.

As at 31 December 2018, proceeds from the international placing and public offer of the Company have been fully utilized.

董事會報告

Report of Directors

董事

於截至二零一八年十二月三十一日止年度及直至本年報日期，本公司之董事（「董事」）如下：

執行董事

車馮升醫生（主席）
郭維城醫生（副主席兼行政總裁）
蔡耀忠先生（財務總監）
郭峰博士（於二零一七年十二月八日獲委任並
於二零一八年四月二十日辭任）
張炯龍醫生（首席投資官）
（於二零一八年四月二十日獲委任）
陳燕玲女士（於二零一八年四月二十日獲委任）

非執行董事

孫弘先生（於二零一八年四月二十日辭任）
金鎮夏先生

獨立非執行董事

辛定華先生
曾華光先生
朱迅先生

董事及高級管理層的履歷載於本年報「董事及高級管理層履歷」一節。

根據細則第84(1)條，車馮升醫生、郭維城醫生及朱迅先生須輪流退任，且均符合資格在二零一九年股東週年大會上膺選連任。

DIRECTORS

The directors of the Company (the “Directors”) during the year ended 31 December 2018 and up to the date of this annual report were as follows:

Executive Directors

Dr. Che Fengsheng (Chairman)
Dr. Guo Weicheng (Deputy Chairman and CEO)
Mr. Choi Yian Chong (CFO)
Dr. Guo Feng (appointed on 8 December 2017 and
resigned on 20 April 2018)
Dr. Zhang Jionglong (CIO)
(appointed on 20 April 2018)
Ms. Chen Yanling (appointed on 20 April 2018)

Non-executive Directors

Mr. Homer Sun (resigned on 20 April 2018)
Mr. Kim Jin Ha

Independent non-executive Directors

Mr. Patrick Sun
Mr. Tsang Wah Kwong
Mr. Zhu Xun

The biographical details of the Directors and senior management are set out under the Section “Biographical Details of Directors and Senior Management” of this annual report.

Pursuant to bye-law 84(1) of the Bye-Laws, Dr. Che Fengsheng, Dr. Guo Weicheng and Mr. Zhu Xun shall retire by rotation, and being eligible, have offered themselves for re-election as Directors at the 2019 Annual General Meeting.

董事之服務合約

執行董事馮升醫生及郭維城醫生已各自與本公司續訂服務合約，由二零一六年十月二十八日起計為期三年，可於屆滿前由一方向另一方發出至少三個月書面通知予以終止。車醫生及郭醫生各自將分別收取年薪人民幣10,000,000元及人民幣6,000,000元(包括任何董事袍金)(年薪須由董事會及薪酬委員會每年檢討)及董事會及薪酬委員會計及相關執行董事的表現後可能酌情釐定的酌情花紅。

蔡先生已與本公司簽訂服務合約，由二零一八年三月二十六日起計為期三年，可於屆滿前由一方向另一方發出至少三個月書面通知予以終止。蔡耀忠先生將收取年薪(包括董事袍金)3,600,000港元。

張炯龍醫生已與本公司簽訂服務合約，由二零一八年四月二十日起計為期三年，可於屆滿前由一方向另一方發出至少三個月書面通知予以終止。張醫生將收取年薪(包括董事袍金)2,000,000港元。陳燕玲女士已與本公司簽訂服務合約，由二零一八年四月二十日起計為期三年，可於屆滿前由一方向另一方發出至少三個月書面通知予以終止。陳女士將收取年薪(包括董事袍金)1,300,000港元。

該等執行董事須就董事會批准釐定應向其支付的薪金、花紅及其他福利的任何決議案放棄投票，亦不會計入法定人數內。

非執行董事金鎮夏先生已與本公司續訂委任函，由二零一八年十二月八日起計為期一年。非執行董事將不會自本公司收取任何薪酬。

獨立非執行董事辛定華先生、曾華光先生及朱迅先生分別與本公司續訂彼等的委任函，分別自二零一八年十月二十七日、二零一八年九月四日及二零一九年二月二十日起為期一年。辛定華先生、曾華光先生及朱迅先生的二零一八年度袍金分別為412,000港元、412,000港元及人民幣280,000元。

除本年報所披露者外，在二零一九年股東週年大會參加重選的董事與本公司並無訂立任何本公司不可於一年內終止而毋須作出賠償(法定賠償除外)之服務合約。

DIRECTORS' SERVICE CONTRACTS

Each of Dr. Che Fengsheng and Dr. Guo Weicheng being the executive Directors, renewed their service contracts with the Company for a term of three years commencing from 28 October 2016, subject to termination before expiry by either party giving not less than three months' notice in writing to the other. Each of Dr. Che and Dr. Guo will receive an annual salary (including any director's fees) of RMB10,000,000 and RMB6,000,000 respectively (such annual salary is subject to annual review by the Board and the Remuneration Committee) and a discretionary bonus as may be decided by the Board and the Remuneration Committee at their discretion, having regard to the performance of the relevant executive Director.

Mr. Choi has entered into service contracts with the Company for a term of three years commencing from 26 March 2018, subject to termination before expiry by either party giving not less than three months' notice in writing to the other. Mr. Choi Yiau Chong will receive an annual salary (including director's fee) of HKD3,600,000.

Dr. Zhang Jionglong has entered into service contracts with the Company for a term of three years commencing from 20 April 2018, subject to termination before expiry by either party giving not less than three months' notice in writing to the other. Dr. Zhang will receive an annual salary (including director's fee) of HKD2,000,000. Ms. Chen Yanling has entered into service contracts with the Company for a term of three years commencing from 20 April 2018, subject to termination before expiry by either party giving not less than three months' notice in writing to the other. Ms. Chen will receive an annual salary (including director's fee) of HKD1,300,000.

Such executive Directors shall abstain from voting, and not be counted in the quorum, in respect of any resolution of the Board approving the determination of the salary, bonus and other benefits payable to him.

Mr. Kim Jin Ha, being the non-executive Director, renewed his letter of appointment with the Company, for a term of one year commencing from 8 December 2018. The non-executive Director will not receive any remuneration from the Company.

Mr. Patrick Sun, Mr. Tsang Wah Kwong and Mr. Zhu Xun, being the independent non-executive Directors, renewed their respective letters of appointment with the Company for a term of one year, commencing from 27 October 2018, 4 September 2018 and 20 February 2019 respectively. The 2018 annual fees for Mr. Patrick Sun, Mr. Tsang Wah Kwong and Mr. Zhu Xun are HKD412,000, HKD412,000 and RMB280,000 respectively.

Saved as disclosed in this annual report, none of the Directors standing for re-election at the 2019 AGM has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than the statutory compensation.

董事會報告

Report of Directors

管理合約

本年度內，本公司並無就整體業務或任何重要業務之管理或行政工作簽訂或存有任何合約。

董事於競爭業務、交易、安排及合約中的權益

於本年度內，概無董事或彼等各自之聯繫人（定義見上市規則）被視為於與本集團業務競爭或極可能競爭（直接或間接）之業務中擁有權益。再者，在年終或本年度內任何時間，本公司並無訂立任何對本集團業務重大且董事於其中直接或間接擁有重大權益的交易、安排或合約。

重大合約

年內，本公司或其任何附屬公司概無與本公司或其任何附屬公司或本公司的控股股東或其任何附屬公司訂立重大合約。

董事及主要行政人員於股份、相關股份及債券中之權益及淡倉

於二零一八年十二月三十一日，各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（「證券及期貨條例」）第 XV 部）之股份、相關股份及債券中擁有本公司須記錄在根據證券及期貨條例第 352 條規定須存置之登記冊，及根據標準守則知會本公司及聯交所之權益及淡倉如下：

MANAGEMENT CONTRACTS

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

DIRECTORS' INTERESTS IN COMPETING BUSINESS, TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

During the Year, no Directors or their respective associates (as defined in the Listing Rules) are considered to have an interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group. Furthermore, no transactions, arrangements or contracts of significance in relation to the Group's business in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year.

SIGNIFICANT CONTRACTS

No contract of significance to which the Company, or any of its subsidiaries has been entered into between the Company, or any of its subsidiaries nor the Company's controlling shareholders or any of its subsidiaries during the Year.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2018, the Directors and chief executive of the Company had the following interests and short positions in the shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code:

董事會報告

Report of Directors

(i) 董事於股份中的權益

(i) Directors' interests in Shares

董事姓名 Name of Director	權益性質／身份 Nature of Interest/Capacity	股份數目 Total Number of Shares	股權概約百分比 Approximate percentage of Shareholding
車馮升醫生 Dr. Che Fengsheng	配偶的權益 800,000 股 (好倉) Interest of Spouse 800,000 Shares (L)	5,907,274,699 股 (好倉) 8,155,661 股 (淡倉) 5,907,274,699 Shares (L) 8,155,661 Shares (S)	62.37% (好倉) 0.09% (淡倉) 62.37% (L) 0.09% (S)
	受託人 3,357,693,225 股 (好倉) Trustee 3,357,693,225 Shares (L)		
	一致行動人士 (附註 1) 2,537,525,813 股 (好倉) A concert party to an agreement (Note 1) 2,537,525,813 Shares (L)		
	其他權益 (附註 2) 11,255,661 股 (好倉) 8,155,661 股 (淡倉) Other interest (Note 2) 11,255,661 Shares (L) 8,155,661 Shares (S)		
	實益擁有人 11,350,000 股 (好倉) Beneficial owner 11,350,000 Shares (L)	5,907,274,699 股 (好倉) 5,907,274,699 Shares (L)	62.37% (好倉) 62.37% (L)
	可影響受託人如何行使其酌情權的酌情信託 成立人 1,579,884,399 股 (好倉) Founder of a discretionary trust who can influence how the trustee exercises his discretion 1,579,884,399 Shares (L)		
	一致行動人士 (附註 3) 4,316,040,300 股 (好倉) A concert party to an agreement (Note 3) 4,316,040,300 Shares (L)		

董事會報告

Report of Directors

董事姓名	權益性質／身份	股份數目	股權概約百分比
Name of Director	Nature of Interest/Capacity	Total Number of Shares	Approximate percentage of Shareholding
張炯龍醫生	配偶的權益	5,907,274,699 股 (好倉)	62.37% (好倉)
Dr. Zhang Jionglong	1,321,000 股 (好倉) Interest of Spouse 1,321,000 Shares (L) 可影響受託人如何行使其酌情權的酌情信託 成立人 255,582,886 股 (好倉) Founder of a discretionary trust who can influence how the trustee exercises his discretion 255,582,886 Shares (L) 一致行動人士 (附註 4) 5,451,430,813 股 (好倉) A concert party to an agreement (Note 4) 5,451,430,813 Shares (L) 受控發團權益 (附註 5) 198,940,000 股 (好倉) Interest in a controlled corporation (Note 5) 198,940,000 Shares (L)	5,907,274,699 Shares (L)	62.37% (L)

附註：

- 根據證券及期貨條例第317及318條，車馮升醫生被視為分別由郭維城醫生、Successmax Global Limited、Smart Top Overseas Limited、Victory Faith International Limited、張炯龍醫生、Keen Mate Limited及Mingyao Capital Limited擁有權益或被視為擁有權益的329,736,000股、1,261,498,399股、113,180,000股、377,267,528股、1,321,000股、198,940,000股、255,582,886股及2,537,525,813股股份中擁有權益。
- 由於車馮升醫生為信託Sihuan Management (PTC) Limited (「受託人公司」) 為其受託人的財產授予人之一，故被視為於受託人公司持有的11,255,661股股份(好倉)中擁有權益及於8,155,661股股份中持有淡倉。
- 根據證券及期貨條例第317及318條，郭維城醫生被視為分別由車馮升醫生、Network Victory Limited、Proper Process International Limited、Smart Top Overseas Limited、Victory Faith International Limited、Keen Mate Limited、Mingyao Capital Limited及張炯龍醫生擁有權益或被視為擁有權益的12,055,661股、497,448,000股、2,860,245,225股、113,180,000股、377,267,528股、198,940,000股、255,582,886股及1,321,000股股份中擁有權益。

Notes:

- Under sections 317 and 318 of the SFO, Dr. Che Fengsheng is deemed to be interested in the 329,736,000 Shares, 1,261,498,399 Shares, 113,180,000 Shares, 377,267,528 Shares, 1,321,000 Shares, 198,940,000 Shares, 255,582,886 Shares and 2,537,525,813 Shares held by Dr. Guo Weicheng, Successmax Global Limited, Smart Top Overseas Limited, Victory Faith International Limited, Dr. Zhang Jionglong, Keen Mate Limited and Mingyao Capital Limited, respectively.
- Since Dr. Che Fengsheng is one of the settlors of the trust for which Sihuan Management (PTC) Limited is a trustee, Dr. Che Fengsheng is deemed to be interest in the long position of 11,255,661 Shares and the short position of 8,155,661 Shares held by Sihuan Management (PTC) Limited.
- Under sections 317 and 318 of the SFO, Dr. Guo Weicheng is deemed to be interested in the 12,055,661 Shares, 497,448,000 Shares, 2,860,245,225 Shares, 113,180,000 Shares, 377,267,528 Shares, 198,940,000 Shares, 255,582,886 Shares and 1,321,000 Shares held by Dr. Che Fengsheng, Network Victory Limited, Proper Process International Limited, Smart Top Overseas Limited, Victory Faith International Limited, Keen Mate Limited, Mingyao Capital Limited and Dr. Zhang Jionglong, respectively.

- (4) 根據證券及期貨條例第317及318條，張炯龍醫生被視為分別由車馮升醫生、郭維城醫生、Network Victory Limited、Proper Process International Limited、Smart Top Overseas Limited、Victory Faith International Limited及Successmax Global Holdings Limited擁有權益或被視為擁有權益的12,055,661股、329,736,000股、497,448,000股、2,860,245,225股、113,180,000股、377,267,528股及1,261,498,399股股份中擁有權益。
- (5) 張炯龍醫生為Keen Mate Limited全部已發行股本的實益擁有人。因此，張炯龍醫生故被視為於Keen Mate Limited持有的198,940,000股股份中擁有權益。

除上文所披露者外，各董事、主要行政人員或彼等之聯繫人概無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)之股份、相關股份及債券中擁有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聯交所之權益或淡倉(包括根據證券及期貨條例之有關條文被視為或被當作擁有之權益或淡倉)，或須記錄在根據證券及期貨條例第352條須存置之登記冊之權益或淡倉，或根據標準守則須知會本公司及聯交所之權益或淡倉。

董事購買股份或債券之權利

本年度內本公司並無授予任何董事、主要行政人員或其配偶或未成年子女任何透過購買本公司股份或債券而獲取實益之權利；以上人士於本年度內亦無行使所述權利。本公司、其控股公司、或其任何附屬公司亦無參與任何安排，致令各董事於任何其他法人團體獲得此等權利。

捐款

截至二零一八年十二月三十一日止年度，本公司並沒有任何捐款。

股票掛鈎協議

除上文所披露僱員股份獎勵計劃外，本公司於本年度內並無訂立任何股票掛鈎協議。

- (4) Under sections 317 and 318 of the SFO, Dr. Zhang Jionglong is deemed to be interested in 12,055,661 Shares, 329,736,000 Shares, 497,448,000 Shares, 2,860,245,225 Shares, 113,180,000 Shares, 377,267,528 Shares, 1,261,498,399 Shares held by Dr. Che Fengsheng, Dr. Guo Weicheng, Network Victory Limited, Proper Process International Limited, Smart Top Overseas Limited, Victory Faith International Limited, Successmax Global Holdings Limited, respectively.

- (5) Dr. Zhang Jionglong is the beneficial owner of 100% of the issued share capital of Keen Mate Limited. As such, Dr. Zhang Jionglong is deemed to be interested in the 198,940,000 Shares held by Keen Mate Limited.

Save as disclosed above, none of the Directors, chief executive and their associates had any interests or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations, within the meaning of Part XV of the SFO, which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she/it was deemed or taken to have under such provisions of the SFO) or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

During the Year, the Company did not grant any rights to any Directors, chief executive or their respective spouse or children under 18 to acquire beneficial interests by means of the acquisition of shares in, or debentures of, the Company, and none of the above persons have exercised the said rights during the Year. The Company, its holding company or any of its subsidiaries were not a party to any arrangements to enable the Directors to acquire such rights in any other body corporate.

DONATIONS

For the year ended 31 December 2018, the Company has not made any donations.

EQUITY-LINKED AGREEMENTS

Other than the Employee Share Award Scheme as disclosed above, the Company did not enter into any equity-linked agreement during the Year.

董事會報告

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獲准許的彌償條文

根據本公司細則，每位董事或本公司其他人員均可從本公司的資產及溢利獲得彌償，董事執行其各自的職責或假定職責時在各自的職位或信託中因所作出、發生的作為或不作為而招致或蒙受或可能招致或蒙受的所有訴訟、費用、收費、損失、損害及開支，可獲確保免就此受任何損害，惟本彌償保證不延伸至任何上述人士與欺詐或不忠誠有關的事宜。

本公司已安排合適的責任保險，以就董事因公司業務而產生的責任向彼等提供彌償。

主要股東於股份、相關股份及債券中之權益及淡倉

於二零一八年十二月三十一日，本公司遵照證券及期貨條例第336條須存置之登記冊記錄，以下股東(不包括本公司之董事或主要行政人員)於本公司已發行股本、相關股份或債券中擁有5%或以上權益(包括淡倉)：

PERMITTED INDEMNITY PROVISION

Pursuant to Company's bye-laws, every Director or other officers of the Company shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty or supposed duty, in their respective offices or trusts, provided that such indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of the said persons.

The Company has arranged appropriate liability insurance to indemnify the Directors for their liabilities arising out of corporate activities.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2018, the following Shareholders, other than the Directors or chief executive of the Company, which were recorded in the register required to be kept by the Company under Section 336 of the SFO, had interests of 5% or more (including short positions) in the issued share capital, underlying shares or debentures of the Company:

股東姓名	權益性質/身份	股份數目	股權概約百分比
Name of Shareholder	Nature of Interest/Capacity	Total Number of Shares	Approximate percentage of Shareholding
孟憲慧先生	受控發團權益(附註1)	5,907,274,699股(好倉)	62.37%(好倉)
Mr. Meng Xianhui	113,180,000股(好倉)	5,907,274,699 shares (L)	62.37% (L)
	Interest in a controlled corporation (Note 1)		
	113,180,000 shares (L)		
	可影響受託人如何行使其酌情權的酌情信託成立人		
	377,267,528股(好倉)		
	Founder of a discretionary trust who can influence how the trustee exercises his discretion		
	377,267,528 shares (L)		
	一致行動人士(附註2)		
	5,416,827,171股(好倉)		
	A concert party to an agreement (Note 2)		
	5,416,827,171 shares (L)		

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股東姓名 Name of Shareholder	權益性質／身份 Nature of Interest/Capacity	股份數目 Total Number of Shares	股權概約百分比 Approximate percentage of Shareholding
Proper Process International Limited	實益擁有人 2,860,245,225 股 (好倉) Beneficial owner 2,860,245,225 shares (L)	5,907,274,699 股 (好倉) 5,907,274,699 shares (L)	62.37% (好倉) 62.37% (L)
	一致行動人士 (附註 3) 3,047,029,474 股 (好倉) A concert party to an agreement (Note 3) 3,047,029,474 shares (L)		
Network Victory Limited	實益擁有人 497,448,000 股 (好倉) Beneficial owner 497,448,000 shares (L)	5,907,274,699 股 (好倉) 5,907,274,699 shares (L)	62.37% (好倉) 62.37% (L)
	一致行動人士 (附註 4) 5,409,826,699 股 (好倉) A concert party to an agreement (Note 4) 5,409,826,699 shares (L)		
Successmax Global Holdings Limited	實益擁有人 1,261,498,399 股 (好倉) Beneficial owner 1,261,498,399 shares (L)	5,907,274,699 股 (好倉) 5,907,274,699 shares (L)	62.37% (好倉) 62.37% (L)
	一致行動人士 (附註 5) 4,645,776,300 股 (好倉) A concert party to an agreement (Note 5) 4,645,776,300 shares (L)		
Victory Faith International Limited	實益擁有人 377,267,528 股 (好倉) Beneficial owner 377,267,528 shares (L)	5,907,274,699 股 (好倉) 5,907,274,699 shares (L)	62.37% (好倉) 62.37% (L)
	一致行動人士 (附註 6) 5,530,007,171 股 (好倉) A concert party to an agreement (Note 6) 5,530,007,171 shares (L)		

董事會報告

Report of Directors

股東姓名	權益性質／身份	股份數目	股權概約百分比
Name of Shareholder	Nature of Interest/Capacity	Total Number of Shares	Approximate percentage of Shareholding
Smart Top Overseas Limited	實益擁有人	5,907,274,699 股 (好倉)	62.37% (好倉)
	113,180,000 股 (好倉)	5,907,274,699 shares (L)	62.37% (L)
	Beneficial owner		
	113,180,000 shares (L)		
Mingyao Capital Limited	一致行動人士 (附註 7)		
	5,794,094,699 股 (好倉)		
	A concert party to an agreement (Note 7)		
	5,794,094,699 shares (L)		
Keen Mate Limited	實益擁有人	5,907,274,699 股 (好倉)	62.37% (好倉)
	255,582,886 股 (好倉)	5,907,274,699 shares (L)	62.37% (L)
	Beneficial owner		
	255,582,886 shares (L)		
UBS Trustee (Cayman) Ltd.	一致行動人士 (附註 8)		
	5,651,691,813 股 (好倉)		
	A concert party to an agreement (Note 8)		
	5,651,691,813 shares (L)		
UBS TC (Jersey) Ltd.	實益擁有人	5,907,274,699 股 (好倉)	62.37% (好倉)
	198,940,000 股 (好倉)	5,907,274,699 shares (L)	62.37% (L)
	Beneficial owner		
	198,940,000 shares (L)		
UBS Trustee (Cayman) Ltd.	一致行動人士 (附註 9)		
	5,708,334,699 股 (好倉)		
	A concert party to an agreement (Note 9)		
	5,708,334,699 shares (L)		
UBS Trustee (Cayman) Ltd.	受託人	5,907,274,699 股 (好倉)	62.37% (好倉)
	5,907,274,699 股 (好倉)	5,907,274,699 shares (L)	62.37% (L)
	Trustee		
	5,907,274,699 shares (L)		
UBS TC (Jersey) Ltd.	受託人	5,907,274,699 股 (好倉)	62.37% (好倉)
	5,907,274,699 股 (好倉)	5,907,274,699 shares (L)	62.37% (L)
	Trustee		
	5,907,274,699 shares (L)		

附註：

- (1) 孟憲慧先生為 Smart Top Overseas Limited 全部已發行股本的實益擁有人。因此，孟憲慧先生被視為於 Smart Top Overseas Limited 持有的本公司 113,180,000 股股份中擁有權益。
- (2) 根據證券及期貨條例第 317 及 318 條規定，張炯龍醫生被視為於車馮升醫生、郭維城醫生、張炯龍醫生、Proper Process International Limited、Network Victory Limited、Successmax Global Holdings Limited、Keen Mate Limited 及 Mingyao Capital Limited 分別持有 12,055,661 股、329,736,000 股、1,321,000 股、2,860,245,225 股、497,448,000 股、1,261,498,399 股、198,940,000 股及 255,582,886 股股份中擁有權益。
- (3) 根據證券及期貨條例第 317 及 318 條規定，Proper Process International Limited 被視為於車馮升醫生、郭維城醫生、張炯龍醫生、Network Victory Limited、Successmax Global Holdings Limited、Smart Top Overseas Limited、Victory Faith International Limited、Keen Mate Limited 及 Mingyao Capital Limited 分別持有 12,055,661 股、329,736,000 股、1,321,000 股、497,448,000 股、1,261,498,399 股、113,180,000 股、377,267,528 股、198,940,000 股及 255,582,886 股股份中擁有權益。
- (4) 根據證券及期貨條例第 317 及 318 條規定，Network Victory Limited 被視為於車馮升醫生、郭維城醫生、張炯龍醫生、Proper Process International Limited、Successmax Global Holdings Limited、Smart Top Overseas Limited、Victory Faith International Limited、Keen Mate Limited 及 Mingyao Capital Limited 分別持有 12,055,661 股、329,736,000 股、1,321,000 股、2,860,245,225 股、1,261,498,399 股、113,180,000 股、377,267,528 股、198,940,000 股及 255,582,886 股股份中擁有權益。
- (5) 根據證券及期貨條例第 317 及 318 條規定，Successmax Global Holdings Limited 被視為於車馮升醫生、郭維城醫生、張炯龍醫生、Network Victory Limited、Proper Process International Limited、Smart Top Overseas Limited、Victory Faith International Limited、Keen Mate Limited 及 Mingyao Capital Limited 分別持有 12,055,661 股、329,736,000 股、1,321,000 股、497,448,000 股、2,860,245,225 股、113,180,000 股、377,267,528 股、198,940,000 股及 255,582,886 股股份中擁有權益。

Notes:

- (1) Mr. Meng Xianhui is the beneficial owner of 100% of the issued share capital of Smart Top Overseas Limited. As such, Mr. Meng Xianhui is deemed to be interested in the 113,180,000 Shares held by Smart Top Overseas Limited.
- (2) Under sections 317 and 318 of the SFO, Dr. Zhang Jionglong is deemed to be interested in 12,055,661 Shares, 329,736,000 Shares, 1,321,000 Shares, 2,860,245,225 Shares, 497,448,000 Shares, 1,261,498,399 Shares, 198,940,000 Shares and 255,582,886 Shares held by Dr. Che Fengsheng, Dr. Guo Weicheng, Dr. Zhang Jionglong, Proper Process International Limited, Network Victory Limited, Successmax Global Holding Limited, Keen Mate Limited and Mingyao capital Limited, respectively.
- (3) Under section 317 and 318 of the SFO, Proper Process International Limited is deemed to be interested in 12,055,661 Shares, 329,736,000 Shares, 1,321,000 Shares, 497,448,000 Shares, 1,261,498,399 Shares, 113,180,000 Shares, 377,267,528 Shares, 198,940,000 Shares and 255,582,886 Shares held by Dr. Che Fengsheng, Dr. Guo Weicheng, Dr. Zhang Jionglong, Network Victory Limited, Successmax Global Holdings Limited, Smart Top Overseas Limited, Victory Faith International Limited, Keen Mate Limited and Mingyao Capital Limited, respectively.
- (4) Under section 317 and 318 of the SFO, Network Victory Limited is deemed to be interested in 12,055,661 Shares, 329,736,000 Shares, 1,321,000 Shares, 2,860,245,225 Shares, 1,261,498,399 Shares, 113,180,000 Shares, 377,267,528 Shares, 198,940,000 Shares and 255,582,886 Shares held by Dr. Che Fengsheng, Dr. Guo Weicheng, Dr. Zhang Jionglong, Proper Process International Limited, Successmax Global Holdings Limited, Smart Top Overseas Limited, Victory Faith International Limited, Keen Mate Limited and Mingyao Capital Limited, respectively.
- (5) Under section 317 and 318 of the SFO, Successmax Global Holdings Limited is deemed to be interested in 12,055,661 Shares, 329,736,000 Shares, 1,321,000 Shares, 497,448,000 Shares, 2,860,245,225 Shares, 113,180,000 Shares, 377,267,528 Shares, 198,940,000 Shares and 255,582,886 Shares held by Dr. Che Fengsheng, Dr. Guo Weicheng, Dr. Zhang Jionglong, Network Victory Limited, Proper Process International Limited, Smart Top Overseas Limited, Victory Faith International Limited, Keen Mate Limited and Mingyao Capital Limited, respectively.

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- (6) 根據證券及期貨條例第317及318條規定，Victory Faith International Limited被視為於車馮升醫生、郭維城醫生、張炯龍醫生、Network Victory Limited、Proper Process International Limited、Successmax Global Holdings Limited、Smart Top Overseas Limited、Keen Mate Limited及Mingyao Capital Limited分別持有12,055,661股、329,736,000股、1,321,000股、497,448,000股、2,860,245,225股、1,261,498,399股、113,180,000股及198,940,000股及255,582,886股股份中擁有權益。
- (7) 根據證券及期貨條例第317及318條規定，Smart Top Overseas Limited被視為於車馮升醫生、郭維城醫生、張炯龍醫生、Network Victory Limited、Proper Process International Limited、Successmax Global Holdings Limited、Victory Faith International Limited、Keen Mate Limited及Mingyao Capital Limited分別持有12,055,661股、329,736,000股、1,321,000股、497,448,000股、2,860,245,225股、1,261,498,399股、377,267,528股、198,940,000股及255,582,886股股份中擁有權益。
- (8) 根據證券及期貨條例第317及318條規定，Mingyao Capital Limited被視為於車馮升醫生、郭維城醫生、張炯龍醫生、Network Victory Limited、Proper Process International Limited、Successmax Global Holdings Limited、Smart Top Overseas Limited、Keen Mate Limited及Victory Faith International Limited分別持有12,055,661股、329,736,000股、1,321,000股、497,448,000股、2,860,245,225股、1,261,498,399股、113,180,000股、198,940,000股及377,267,528股股份中擁有權益。
- (9) 根據證券及期貨條例第317及318條規定，Keen Mate Limited被視為於車馮升醫生、郭維城醫生、張炯龍醫生、Network Victory Limited、Proper Process International Limited、Successmax Global Holdings Limited、Victory Faith International Limited、Smart Top Overseas Limited及Mingyao Capital Limited分別持有12,055,661股、329,736,000股、1,321,000股、497,448,000股、2,860,245,225股、1,261,498,399股、377,267,528股、113,180,000股及255,797,159股股份中擁有權益。
- (6) Under section 317 and 318 of the SFO, Victory Faith International Limited is deemed to be interested in 12,055,661 Shares, 329,736,000 Shares, 1,321,000 Shares, 497,448,000 Shares, 2,860,245,225 Shares, 1,261,498,399 Shares, 113,180,000 Shares, 198,940,000 Shares and 255,582,886 Shares held by Dr. Che Fengsheng, Dr. Guo Weicheng, Dr. Zhang Jionglong, Network Victory Limited, Proper Process International Limited, Successmax Global Holdings Limited, Smart Top Overseas Limited, Keen Mate Limited and Mingyao Capital Limited, respectively.
- (7) Under section 317 and 318 of the SFO, Smart Top Overseas Limited is deemed to be interested in 12,055,661 Shares, 329,736,000 Shares, 1,321,000 Shares, 497,448,000 Shares, 2,860,245,225 Shares, 1,261,498,399 Shares, 377,267,528 Shares, 198,940,000 Shares and 255,582,886 Shares held by Dr. Che Fengsheng, Dr. Guo Weicheng, Dr. Zhang Jionglong, Network Victory Limited, Proper Process International Limited, Successmax Global Holdings Limited, Victory Faith International Limited, Keen Mate Limited and Mingyao Capital Limited, respectively.
- (8) Under section 317 and 318 of the SFO, Mingyao Capital Limited is deemed to be interested in 12,055,661 Shares, 329,736,000 Shares, 1,321,000 Shares, 497,448,000 Shares, 2,860,245,225 Shares, 1,261,498,399 Shares, 113,180,000 Shares, 198,940,000 Shares and 377,267,528 Shares held by Dr. Che Fengsheng, Dr. Guo Weicheng, Dr. Zhang Jionglong, Network Victory Limited, Proper Process International Limited, Successmax Global Holdings Limited, Smart Top Overseas Limited, Keen Mate Limited and Victory Faith International Limited, respectively.
- (9) Under section 317 and 318 of the SFO, Keen Mate Limited is deemed to be interested in 12,055,661 Shares, 329,736,000 Shares, 1,321,000 Shares, 497,448,000 Shares, 2,860,245,225 Shares, 1,261,498,399 Shares, 377,267,528 Shares, 113,180,000 Shares and 255,797,159 Shares held by Dr. Che Fengsheng, Dr. Guo Weicheng, Dr. Zhang Jionglong, Network Victory Limited, Proper Process International Limited, Successmax Global Holdings Limited, Victory Faith International Limited, Smart Top Overseas Limited and Mingyao Capital Limited, respectively.

除上文所披露者外，於二零一八年十二月三十一日，本公司遵照證券及期貨條例第336條須存置之登記冊記錄，概無任何其他人士於本公司股份或相關股份中擁有根據證券及期貨條例第336條記錄之權益或淡倉。

Save as disclosed above, according to the records in the register required to be kept by the Company under section 336 of the SFO, no other parties had an interest or a short position in the shares or underlying shares of the Company recorded under section 336 of the SFO as at 31 December 2018.

企業管治

本公司致力維持高水平之企業管治常規。有關本公司所採納之企業管治常規資料刊載於本年報第91至112頁之企業管治報告內。

公眾持股量

根據公開予本公司的資料及就董事所知，於本年報日期，本公司最少25%的已發行股本已按上市規則規定由公眾股東持有。

報告期後事件

除本公司於本年報另有所披露者外，直至本年報日期，本集團概無任何重大報告期後事件。

核數師

於二零一六年七月十五日，安永獲首次委任為本公司之新核數師填補因國富浩華辭任產生的出缺，而國富浩華於二零一六年一月十八日被任命為本公司之核數師。於二零一八年六月一日本公司之股東週年大會，安永獲再次委任為本公司之新核數師。

本公司截至二零一八年十二月三十一日止年度的綜合財務報表乃由安永審核。

安永將退任，並合資格膺選連任。本公司將於應屆股東週年大會上提呈一項決議案續聘安永為本公司之核數師。

除上文所披露者之外，在過去三年本公司之核數師並無其變動。

承董事會命
董事會主席
車馮升醫生

二零一九年三月十八日

CORPORATE GOVERNANCE

The Company is dedicated to maintaining a high 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 91 to 112 of this annual report.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the best knowledge of the Directors, at least 25% of the Company's issued share capital were held by members of the public as required under the Listing Rules as at the date of this annual report.

EVENTS AFTER THE REPORTING PERIOD

Save as otherwise disclosed in this annual report, the Group has no significant events after the reporting period up to the date of this annual report.

AUDITOR

Ernst & Young was first appointed as new auditor of the Company on 15 July 2016 to fill the casual vacancy following the resignation of Crowe Horwath, while Crowe Horwath was appointed as auditor of the Company on 18 January 2016. Ernst & Young was appointed again as the auditor at the annual general meeting of the Company held on 1 June 2018.

The consolidated financial statements of the Company for the year ended 31 December 2018 were audited by Ernst & Young.

Ernst & Young will retire and being eligible, offer themselves for re-election. A resolution for the reappointment of Ernst & Young as auditor of the Company will be proposed at the forthcoming annual general meeting.

Save as disclosed above, there has been no other change in the auditor of the Company in the preceding three years.

By Order of the Board
Dr. Che Fengsheng
Chairman of the Board

18 March 2019

獨立核數師報告

Independent auditor's report



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致四環醫藥控股集團 有限公司股東

(於百慕達註冊成立的有限公司)

TO THE SHAREHOLDERS OF SIHUAN PHARMACEUTICAL HOLDINGS GROUP LTD.

(Incorporated in Bermuda with limited liability)

意見

吾等已審計載於第143至300頁四環醫藥控股集團有限公司(「貴公司」)及其附屬公司(「貴集團」)的綜合財務報表，此綜合財務報表包括於二零一八年十二月三十一日的綜合財務狀況表，及截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表和綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

吾等認為，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」)，綜合財務報表真實公平反映 貴集團於二零一八年十二月三十一日的綜合財務狀況，及截至該日止年度的綜合財務表現及綜合現金流量，且已根據香港公司條例的披露規定妥為編製。

意見基準

吾等已根據國際會計準則理事會頒佈的國際審計準則(「國際審計準則」)進行審計。吾等在該等準則下承擔的責任已在本報告核數師就審核綜合財務報表須承擔的責任一節作進一步闡述。根據香港會計師公會頒佈的《專業會計師道德守則》(「守則」)，吾等獨立於 貴集團，並已根據守則履行其他道德責任。吾等相信，吾等所獲得的審計憑證能充分及適當地為吾等的意見提供基礎。

OPINION

We have audited the consolidated financial statements of Sihuan Pharmaceutical Holdings Group Ltd. (the “Company”) and its subsidiaries (the “Group”) set out on pages 143 to 300, which comprise the consolidated statement of financial position as at 31 December 2018, 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 2018, 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 International Standards on Auditing (“ISAs”) issued by the IASB. 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.

關鍵審核事項

根據吾等的專業判斷，關鍵審核事項為吾等審核於本期間的綜合財務報表中最重要的事項。吾等在審核整體綜合財務報表及就此達致意見時處理此等事項，而不會就此等事項單獨發表意見。就下文各事項而言，有關吾等審核時處理此等事項的描述僅適用於此等情況。

吾等已履行本報告核數師就審核綜合財務報表須承擔的責任一節所述的責任，包括與此等事項相關之責任。據此，吾等的審核範圍包括旨在回應吾等對綜合財務報表進行重大錯誤陳述風險評估的程序的表現。審核程序(包括為處理下列事項而進行的程序)的結果為吾等就隨附綜合財務報表發表審核意見提供了基礎。

KEY AUDIT MATTERS

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

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

獨立核數師報告

Independent auditor's report

關鍵審核事項

商譽減值

於二零一八年十二月三十一日，貴集團因收購附屬公司錄得大額商譽約人民幣28億元。商譽會分配至預期可從業務合併中獲益的各現金產生單位（「現金產生單位」）或現金產生單位組。根據國際財務報告準則，貴集團須最少每年對商譽進行減值測試。減值測試乃根據商譽所屬各現金產生單位的可收回金額進行。管理層採用貼現現金流量預測按使用價值計算方法進行減值測試。由於減值測試程序較複雜且涉及重大判斷，故此事項對吾等的審核而言乃屬重要。

有關披露請參閱綜合財務報表附註2.11「商譽」、附註4(b)「商譽減值」及附註8「商譽」。

我們的審核如何處理關鍵審核事項

吾等讓估值專家參與協助吾等評估減值分析中所用的關鍵假設及方法，尤其是貼現率及長期增長率。吾等特別注意透過將預測與各現金產生單位的過往表現及業務發展計劃對比就未來收入及經營業績所用的預測。此外，吾等評估貴集團於綜合財務報表中對商譽的披露是否充足。

Key audit matter

Impairment of goodwill

The Group had significant goodwill amounting to approximately RMB2.8 billion as at 31 December 2018, arising from the acquisition of subsidiaries. Goodwill was allocated to each of the cash-generating units (“CGUs”), or groups of CGUs, which was expected to benefit from the synergies of the combination. Under IFRSs, the Group is required to at least annually perform the impairment test for goodwill. The impairment test was based on the recoverable amounts of the respective CGUs to which the goodwill was allocated. Management performed the impairment test based on the value in use calculation using discounted cash flow projections. This matter was significant to our audit because the impairment test process was complex and involved significant judgements.

Please refer to Note 2.11 “Goodwill”, Note 4(b) “Goodwill impairment” and Note 8 “Goodwill” to the consolidated financial statements for related disclosures.

How our audit addressed the key audit matter

We involved valuation specialists to assist us in the evaluation of the key assumptions and methodologies used in the impairment analysis, in particular discount rate and long-term growth rate. We paid specific attention to the forecasts used with respect to future revenues and operating results by comparing the forecasts with the historical performance of the respective CGUs and the business development plan. Furthermore, we assessed the adequacy of the Group’s disclosures concerning goodwill in the consolidated financial statements.

關鍵審核事項

資本化開發成本

於二零一八年十二月三十一日，貴集團資本化開發成本約人民幣227百萬元以開發新醫藥產品。當附註2.12(a)「研究及開發」所述一切標準達成後，開發活動的開支予以資本化。在釐定是否貴集團符合資本化標準時，需要運用重大管理層估計及判斷。

有關披露請參閱綜合財務報表附註2.12(a)「研究及開發」、附註4(e)資本化開發成本及附註9「無形資產」。

我們的審核如何處理關鍵審核事項

吾等評估貴集團所用資本化標準符合國際會計準則第38號的情況，通過與行業慣例比較評價管理層對滿足標準的判斷及獲得試驗資料及監管公告。我們已獲得對貴集團內部管治及審批流程的了解以及審查內部商業及技術可行性報告。我們亦已評估貴集團對開發成本資本化的披露。

Key audit matter

Capitalisation of development costs

As at 31 December 2018, the Group had capitalised development costs amounting to approximately RMB227 million for the development of new pharmaceutical products. The expenditure on development activities was capitalised when all the criteria mentioned in Note 2.12(a) “Research and development” were satisfied. Significant management estimation and judgement were required in determining whether the Group met the capitalisation criteria.

Please refer to Note 2.12(a) “Research and development”, Note 4(e) “Capitalisation of development costs” and Note 9 “Intangible assets” to the consolidated financial statements for related disclosures.

How our audit addressed the key audit matter

We assessed the compliance of capitalisation criteria used by the Group with ISA 38, evaluated management judgement on the satisfaction of criteria through comparison to industry practice, and obtained trial readouts and regulatory announcements. We obtained an understanding of the Group’s internal governance and approval process and examined the internal commercial and technical feasibility reports. We also assessed the adequacy of the Group’s disclosures of capitalisation of development costs.

獨立核數師報告

Independent auditor's report

關鍵審核事項

無形資產減值

於二零一八年十二月三十一日，貴集團的遞延開發成本及進行中產品開發分別約為人民幣1,002百萬元及人民幣227百萬元。管理層基於就資本化開發成本的各醫藥專利或許可的估計未來現金流量及醫藥行業的預計產品生命週期作出減值評估。此事項涉及重大管理層判斷及估計，如預測收益增長、未來實際年期、利潤率及貼現率。該等假設變化可能導致減值結果出現變化。

有關披露請參閱綜合財務報表附註2.12「無形資產」、附註4(a)「遞延開發成本減值」及附註9「無形資產」。

我們的審核如何處理關鍵審核事項

我們讓估值專家協助我們評估減值分析中所用的關鍵假設及方法，尤其是貼現率及未來實際年期。我們檢查的關鍵假設包括產品的預計市場份額、預期售價及就行業分析師評論將產生的相關成本、對若干治療領域的一致預測及可資比較公司的基準數據（倘可獲得）。我們亦通過比較實際結果與先前期間所作推測來考慮管理層預測的可靠性。吾等已評估貴集團於綜合財務報表中對無形資產減值的披露。

Key audit matter

Impairment of intangible assets

As at 31 December 2018, the Group had deferred development costs and product development in progress amounting to approximately RMB1,002 million and RMB227 million, respectively. Management made impairment assessment based on estimated future cash flows of each pharmaceutical patent or license in capitalisation of development costs and projected product lifecycles experienced in the pharmaceutical industry. This matter involved significant management judgements and estimates, such as forecasted revenue growth, future beneficial life, profit margin and discount rate. Changes in these assumptions might lead to a change in the impairment results.

Please refer to Note 2.12 “Intangible assets”, Note 4(a) “Impairment of deferred development costs” and Note 9 “Intangible assets” to the consolidated financial statements for related disclosures.

How our audit addressed the key audit matter

We involved valuation specialists to assist us in the evaluation of the key assumptions and methodologies used in the impairment analysis, in particular discount rate and future beneficial life. We checked the key assumptions including the product's projected market share, expected selling price and associated costs to be incurred against industrial analyst commentaries, consensus forecasts of certain therapeutic area and benchmark data for comparable companies where available. We also considered the reliability of management's forecast by comparing the actual results with the projections made in prior periods. We evaluated the Group's disclosures of impairment of intangible assets in the consolidated financial statements.

刊載於年報的其他資料

貴公司董事須對其他資料負責。其他資料包括刊載於年報的資料，但不包括綜合財務報表及我們的核數師報告。

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

就我們對綜合財務報表的審核而言，我們的責任是閱讀其他資料，在此過程中，考慮其他資料是否與綜合財務報表或我們在審核過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。基於我們已執行的工作，倘我們認為其他資料存在重大錯誤陳述，我們須報告該事實。在此方面我們沒有任何報告。

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且公允的綜合財務報表，並對其認為使綜合財務報表的編製不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

在編製綜合財務報表時，貴公司董事須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止經營，或別無其他實際的替代方案。

審核委員會協助貴公司董事履行職責，監督貴集團的財務報告過程。

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.

獨立核數師報告

Independent auditor's report

核數師就審核綜合財務報表須承擔的責任

我們的目標是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，並出具包括我們意見的核數師報告。我們根據一九八一年百慕達公司法第90條僅對全體股東作出報告，本報告概不作其他用途。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

合理保證是高水平的保證，但不能保證按照國際審計準則進行的審核在某重大錯誤陳述存在時總能發現。錯誤陳述可能由欺詐或錯誤引起，而倘合理預期彼等單獨或總體可能影響使用者依賴該等綜合財務報表所作出的經濟決定，則有關錯誤陳述被視為重大。

作為我們根據國際審計準則進行審核的一部分，在審核過程中我們運用專業判斷及保持專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審核程序以應對該等風險，以及獲取充足及適當的審核憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審核相關的內部控制，以設計適當的審核程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。

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, in accordance with section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 ISAs, 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.

獨立核數師報告

Independent auditor's report

- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審核憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對 貴集團的持續經營能力產生重大疑慮。倘我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於截至核數師報告日期所取得的審核憑證。然而，未來事件或情況可能導致 貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構及內容(包括披露)，以及綜合財務報表是否公允呈列相關交易及事件。
- 就 貴集團內實體或業務活動的財務資料獲取充足、適當的審核憑證，以便對綜合財務報表發表意見。我們負責 貴集團審核的方向、監督和執行。我們為審核意見承擔全部責任。
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

我們與審核委員會溝通了計劃的審核範圍、時間安排、重大審核發現等，包括我們在審核中識別出內部控制的任何重大缺陷。

我們亦向審核委員會提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與彼等溝通可能合理地被認為會影響我們獨立性的所有關係及其他事項以及(倘適用)相關防範措施。

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.

獨立核數師報告

Independent auditor's report

從與審核委員會溝通的事項中，我們確定哪些事項對本期綜合財務報表的審核最為重要，因而構成關鍵審核事項。我們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有關事項，或在極端罕見的情況下，倘合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，則我們決定不應在報告中溝通該事項。

出具本獨立核數師報告的審核項目合夥人是梁偉立。

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 Leung Wai Lap, Philip.

安永會計師事務所
執業會計師

香港
二零一九年三月十八日

Ernst & Young
Certified Public Accountants

Hong Kong
18 March 2019

綜合財務狀況表

Consolidated Statement of Financial Position

		於十二月三十一日	
		As at 31 December	
		二零一八年	二零一七年
		2018	2017
		附註	附註
		Notes	Notes
		人民幣千元	人民幣千元
		RMB'000	RMB'000
非流動資產	NON-CURRENT ASSETS		
物業、廠房及設備	Property, plant and equipment	6	2,775,371
投資物業	Investment properties	7	209,206
商譽	Goodwill	8	2,843,903
無形資產	Intangible assets	9	1,252,251
土地使用權	Land use rights	10	849,190
使用權益法計算的投資	Investments accounted for using the equity method	12	1,168,623
按公平值計入損益的金融資產	Financial assets at fair value through profit or loss	13	181,783
可供出售金融資產	Available-for-sale financial assets	13	—
其他非流動資產	Other non-current assets	14	275,615
遞延稅項資產	Deferred tax assets	23	111,114
非流動資產總額	Total non-current assets		9,667,056
流動資產	CURRENT ASSETS		
存貨	Inventories	15	301,117
貿易及其他應收賬款	Trade and other receivables	16	857,181
按公平值計入損益的金融資產	Financial assets at fair value through profit or loss	13	1,303,276
可供出售金融資產	Available-for-sale financial assets	13	—
現金及現金等價物	Cash and cash equivalents	17	3,314,845
流動資產總額	Total current assets		5,776,419
總資產	TOTAL ASSETS		15,443,475

continued/...

綜合財務狀況表

Consolidated Statement of Financial Position

		於十二月三十一日	
		As at 31 December	
		二零一八年	二零一七年
		2018	2017
		人民幣千元	人民幣千元
		RMB'000	RMB'000
權益	EQUITY		
本公司擁有人應佔權益	Equity attributable to owners of the Company		
股本	Share capital	18 78,233	78,233
股份溢價	Share premium	18 4,093,317	4,093,317
其他儲備	Other reserves	19 159,631	166,210
保留盈利	Retained earnings	19 8,179,232	6,719,232
		12,510,413	11,056,992
非控股權益	Non-controlling interests	263,950	279,078
總權益	Total equity	12,774,363	11,336,070
非流動負債	NON-CURRENT LIABILITIES		
遞延稅項負債	Deferred tax liabilities	23 256,937	264,396
合約負債	Contract liabilities	22 9,575	—
其他非流動負債	Other non-current liabilities	20 153,981	88,084
非流動負債總額	Total non-current liabilities	420,493	352,480
流動負債	CURRENT LIABILITIES		
貿易及其他應付賬款	Trade and other payables	21 1,686,749	1,804,787
合約負債	Contract liabilities	22 517,519	—
應付所得稅	Income tax payable	37,671	70,829
其他流動負債	Other current liabilities	20 6,680	27,697
流動負債總額	Total current liabilities	2,248,619	1,903,313
總負債	TOTAL LIABILITIES	2,669,112	2,255,793
權益及負債總額	TOTAL EQUITY AND LIABILITIES	15,443,475	13,591,863

車馮升
董事

郭維城
董事

Che Fengsheng
Director

Guo Weicheng
Director

第151至300頁的附註為此等綜合財務報表的組成部分。

The notes on pages 151 to 300 are an integral part of these consolidated financial statements.

綜合損益及其他全面收益表

Consolidated Statement of Profit or Loss and Other Comprehensive Income

		附註 Notes	二零一八年 2018 人民幣千元 RMB'000	二零一七年 2017 人民幣千元 RMB'000
收益	Revenue	24	2,917,405	2,745,809
銷售成本	Cost of sales	25	(538,317)	(758,956)
毛利	GROSS PROFIT		2,379,088	1,986,853
其他收入	Other income	24	214,676	136,534
其他收益－淨額	Other gains - net	24	610,083	313,917
終止確認一間附屬公司的收益	Gain on derecognition of a subsidiary		—	125,771
分銷開支	Distribution expenses	25	(271,119)	(227,633)
行政開支	Administrative expenses	25	(396,106)	(325,102)
研發開支	Research and development expenses	25	(480,325)	(303,926)
其他開支	Other expenses	25	(30,354)	(18,158)
經營溢利	OPERATING PROFIT		2,025,943	1,688,256
財務開支	Finance expenses		(6,060)	(46)
分佔使用權益法計算的投資損益	Share of profits and losses of investments accounted for using the equity method	12	(7,718)	40,865
除所得稅前溢利	PROFIT BEFORE INCOME TAX		2,012,165	1,729,075
所得稅開支	Income tax expense	28	(332,804)	(250,167)
年度溢利	PROFIT FOR THE YEAR		1,679,361	1,478,908
以下人士應佔：	Attributable to:			
本公司擁有人	Owners of the Company		1,619,956	1,448,935
非控股權益	Non-controlling interests		59,405	29,973
			1,679,361	1,478,908

continued/...

綜合損益及其他全面收益表

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	附註 Notes	二零一八年 2018 人民幣千元 RMB'000	二零一七年 2017 人民幣千元 RMB'000
年度溢利	PROFIT FOR THE YEAR	1,679,361	1,478,908
其他全面收入	OTHER COMPREHENSIVE INCOME		
可於其後期間重新分類至損益的 其他全面收入：	Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
可供出售投資的公平值變動	Changes in fair value on available-for-sale investment	—	93,138
計入綜合損益表的收益的 重新分類調整 —可供出售投資的出售所得	Reclassification adjustments for gains included in the consolidated statement of profit or loss — gain on disposal on available-for-sale investments	—	(85,137)
年度其他全面收入，扣除稅項	OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	—	8,001
年度全面收入總額	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	1,679,361	1,486,909
以下人士應佔：	Attributable to:		
本公司擁有人	Owners of the Company	1,619,956	1,456,936
非控股權益	Non-controlling interests	59,405	29,973
年度全面收入總額	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	1,679,361	1,486,909
本公司普通權益持有人應佔 每股盈利	EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY		
年度每股基本及 攤薄盈利	Basic and diluted earnings per share for profit for the year	29	29
		RMB 人民幣 17.1 cents 分	RMB 人民幣 15.3 cents 分

第151至300頁的附註為此等綜合財務報表的組成部分。

The notes on pages 151 to 300 are an integral part of these consolidated financial statements.

綜合權益變動表

Consolidated Statement of Changes in Equity

		本公司擁有人應佔						非控股權益	
		Attributable to owners of the Company							
附註	股本	庫存股	股份溢價	其他儲備	保留盈利		非控股權益	總權益	
Notes	Share capital	Treasury shares	Share premium	Other reserves	Retained earnings	總計	controlling interests	Total equity	
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
於二零一七年一月一日	At 1 January 2017	79,443	(255)	4,344,229	137,096	6,340,925	10,901,438	69,655	10,971,093
年度溢利	Profit for the year	—	—	—	—	1,448,935	1,448,935	29,973	1,478,908
年度其他全面收入：	Other comprehensive income for the year:								
可供出售金融資產 公平值變動，扣除稅項	Change in fair value of available-for-sale financial assets, net of tax	19	—	—	8,001	—	8,001	—	8,001
年度全面收入總額	Total comprehensive income for the year	—	—	—	8,001	1,448,935	1,456,936	29,973	1,486,909
僱員股份獎勵計劃：	Employee share award scheme:								
— 僱員服務價值	— Value of employee services	27	—	—	1,775	—	1,775	—	1,775
二零一六年末期股息	Final 2016 dividends	30	—	—	—	(359,901)	(359,901)	—	(359,901)
特別現金股息	Special cash dividends	30	—	—	—	(520,910)	(520,910)	—	(520,910)
二零一七年中期股息	Interim 2017 dividends	30	—	—	—	(170,479)	(170,479)	—	(170,479)
已付非控股股東股息	Dividends paid to non-controlling shareholders		—	—	—	—	—	(92,800)	(92,800)
購回股份	Repurchase of shares	18	—	(955)	(250,912)	—	(251,867)	—	(251,867)
註銷庫存股	Cancellation of treasury shares	18	(1,210)	1,210	—	—	—	—	—
轉撥至中國法定儲備金	Transfer to PRC statutory reserve fund	19	—	—	19,338	(19,338)	—	—	—
出售一家附屬公司	Disposal of a subsidiary		—	—	—	—	—	346	346
新設立附屬公司產生 的非控股權益	Non-controlling interests arising on a newly established subsidiary		—	—	—	—	—	23,907	23,907
收購一家附屬公司	Acquisition of a subsidiary		—	—	—	—	—	247,997	247,997
於二零一七年十二月三十一日	At 31 December 2017	78,233	—	4,093,317	166,210	6,719,232	11,056,992	279,078	11,336,070

綜合權益變動表

Consolidated Statement of Changes in Equity

附註 Notes	本公司擁有人應佔 Attributable to owners of the Company					非控股權益 Non- controlling interests	總權益 Total equity		
	股本 Share capital	股份溢價 Share premium	其他儲備 Other reserves	保留盈利 Retained earnings	總計 Total				
	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000				
於二零一七年十二月三十一日 採納國際財務報告準則第9號的影響Effect of adoption of IFRS 9	At 31 December 2017	78,233	4,093,317	166,210	6,719,232	11,056,992	279,078	11,336,070	
		—	—	(22,865)	22,865	—	—	—	
於二零一八年一月一日(經重列)	At 1 January 2018 (restated)	78,233	4,093,317	143,345	6,742,097	11,056,992	279,078	11,336,070	
年度溢利	Profit for the year	—	—	—	1,619,956	1,619,956	59,405	1,679,361	
僱員股份獎勵計劃： — 僱員服務價值	Employee share award scheme: - Value of employee services	27	—	—	345	—	345	—	345
二零一七年末期股息	Final 2017 dividends	30	—	—	(123,124)	(123,124)	—	(123,124)	
二零一八年中中期股息	Interim 2018 dividends	30	—	—	(37,884)	(37,884)	—	(37,884)	
已付非控股 股東股息	Dividends paid to non-controlling shareholders	—	—	—	—	—	(78,999)	(78,999)	
轉撥至中國法定儲備金	Transfer to PRC statutory reserve fund	19	—	—	21,813	(21,813)	—	—	
不改變控制權之附屬公司 所有權益變更	Changes in ownership interests in subsidiaries without change of control	—	—	—	(5,872)	(5,872)	4,466	(1,406)	
於二零一八年十二月三十一日	At 31 December 2018	78,233	4,093,317	159,631	8,179,232	12,510,413	263,950	12,774,363	

第151至300頁的附註為此等綜合財務報表的組成部分。

The notes on pages 151 to 300 are an integral part of these consolidated financial statements.

綜合現金流量表

Consolidated Statement of Cash Flows

	附註 Notes	二零一八年 2018 人民幣千元 RMB'000	二零一七年 2017 人民幣千元 RMB'000
經營活動現金流量			
CASH FLOWS FROM OPERATING ACTIVITIES			
營運產生的現金	31	2,297,603	2,359,243
已付所得稅		(504,809)	(441,653)
經營活動產生的現金淨流		1,792,794	1,917,590
投資活動現金流量			
CASH FLOWS FROM INVESTING ACTIVITIES			
對聯營公司出資	12	(164,250)	(110,831)
出售附屬公司的現金流入淨額		—	139,646
收購一間附屬公司		(419,475)	(576,114)
購買物業、廠房及設備的付款		(262,279)	(406,304)
購買無形資產		(19,742)	(22,165)
購買土地使用權		(107,433)	(58,564)
購買按公平值計入損益的金融資產/ 購買可供出售金融資產		(21,454,174)	(12,434,239)
出售按公平值計入損益的金融資產/ 出售可供出售金融資產		23,113,324	11,284,850
出售物業、廠房及設備所得款項	31	2,158	229
已收利息		134,737	86,238
投資活動所產生/(所用)現金淨流		822,866	(2,097,254)

綜合現金流量表

Consolidated Statement of Cash Flows

		附註 Notes	二零一八年 2018 人民幣千元 RMB'000	二零一七年 2017 人民幣千元 RMB'000
融資活動現金流量	CASH FLOWS FROM FINANCING ACTIVITIES			
其他貸款償付款項	Repayment from other loans	35	(137,132)	(3,500)
其他貸款所得款項	Proceeds from other loans	35	224,192	(251,867)
附屬公司產生的非控股權益	Non-controlling interests arising in subsidiaries		21,530	3,907
已付股息	Dividends paid		(240,007)	(1,144,090)
已付利息	Interest paid		(1,257)	—
融資活動所用現金淨流	Net cash flows used in financing activities		(132,674)	(1,395,550)
現金及現金等價物增加/ (減少)淨額	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		2,482,986	(1,575,214)
年初現金及現金等價物	Cash and cash equivalents at beginning of year		831,859	2,407,073
年末現金及現金等價物	CASH AND CASH EQUIVALENTS AT END OF YEAR	17	3,314,845	831,859

第151至300頁的附註為此綜合財務報表組成部分。

The notes on pages 151 to 300 are an integral part of these consolidated financial statements.

財務報表附註

Notes to the Financial Statements

截至二零一八年十二月三十一日止年度

For the year ended 31 December 2018

1. 公司及集團資料

四環醫藥控股集團有限公司(「本公司」)根據百慕達公司法於百慕達註冊成立為獲豁免公司。

本公司為投資控股公司。本公司及其附屬公司(統稱「本集團」)的主要業務為於中華人民共和國(「中國」)研究及發展(「研發」)、製造及銷售醫藥產品。

本公司註冊辦事處地址為Clarendon House, 2 Church Street, P.O. Box HM 1022, Hamilton HM DX, Bermuda。本集團香港主要營業地點為香港灣仔港灣道1號會展廣場辦公大樓4309室, 及北京主要營業地點為中國北京市朝陽區八里莊西里住邦2000四號樓22樓(郵編: 100025)。

本公司於二零一零年十月二十八日的第一上市地為香港聯合交易所有限公司(「聯交所」)。

1. CORPORATE AND GROUP INFORMATION

Sihuan Pharmaceutical Holdings Group Ltd. (the “Company”) is incorporated in Bermuda under the Bermuda Companies Act as an exempted company.

The Company is an investment holding company. The principal activities of the Company and its subsidiaries (together, the “Group”) are the research and development (“R&D”), and the manufacture and sale of pharmaceutical products in the People’s Republic of China (the “PRC”).

The address of the Company’s registered office is Clarendon House, 2 Church Street, P.O. Box HM 1022, Hamilton HM DX, Bermuda. The address of the principal place of business of the Group in Hong Kong is Room 4309, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong, and the address of the principal place of business in Beijing is 22/F, Building 4, Zhubang 2000, West Balizhuang, Chaoyang District, Beijing 100025, the PRC.

The Company had its primary listing on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 28 October 2010.

財務報表附註

Notes to the Financial Statements

截至二零一八年十二月三十一日止年度

For the year ended 31 December 2018

2. 主要會計政策概要

編製綜合財務報表採用的主要會計政策載於下文。除另有說明外，該等政策在呈報的所有年度內貫徹應用。

2.1 編製基準

該等綜合財務報表乃按照由國際會計準則委員會（「國際會計準則委員會」）頒佈的國際財務報告準則（「國際財務報告準則」）編製，其包括所有國際財務報告準則、國際會計準則（「國際會計準則」）及相關詮釋。該等財務報表亦符合香港公司條例的披露規定，以及聯交所證券上市規則的適用披露規定。

財務報表按歷史成本法編製，惟理財產品及股權投資按公平值計量。該等財務報表以人民幣（「人民幣」）呈列，除另有指示外，所有價值均約整至最接近千位數。

編製符合國際財務報告準則的財務報表須使用若干關鍵會計估計，亦須管理層在運用本集團會計政策的過程中行使判斷。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”), which include all IFRSs, International Accounting Standards (“IASs”) and interpretations, promulgated by the International Accounting Standards Board (the “IASB”). These financial statements also complied with the disclosure requirements of the Hong Kong Companies Ordinance, and applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange.

They have been prepared under the historical cost convention, except for wealth management products and equity investments 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.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies.

財務報表附註

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2. 主要會計政策概要(續)

2.2 會計政策變動及披露事項

本集團已於本年度財務報表首次採納以下新訂及經修訂國際財務報告準則。

國際財務報告準則 第2號的修訂	股份付款交易的 分類及計量
國際財務報告準則 第4號的修訂	在國際財務 報告準則第4號 保險合約下 應用國際 財務報告 準則第9號 金融工具
國際財務報告準則 第9號	金融工具
國際財務報告準則 第15號	客戶合約收益
國際財務報告準則 第15號的修訂	釐清國際財務 報告準則 第15號客戶 合約收益
國際會計準則 第40號的修訂	轉讓投資物業
國際財務報告詮釋 委員會詮釋 第22號	外幣交易及 墊付代價
二零一四年至 二零一六年 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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies and disclosures

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

Amendments to IFRS 2	<i>Classification and Measurement of Share-based Payment Transactions</i>
Amendments to IFRS 4	<i>Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts</i>
IFRS 9	<i>Financial Instruments</i>
IFRS 15	<i>Revenue from Contracts with Customers</i>
Amendments to IFRS 15	<i>Clarifications to IFRS 15 Revenue from Contracts with Customers</i>
Amendments to IAS 40	<i>Transfers of Investment Property</i>
IFRIC 22	<i>Foreign Currency Transactions and Advance Consideration</i>
<i>Annual Improvements 2014-2016 Cycle</i>	<i>Amendments to IFRS 1 and IAS 28</i>

財務報表附註

Notes to the Financial Statements

截至二零一八年十二月三十一日止年度

For the year ended 31 December 2018

2. 主要會計政策概要(續)

2.2 會計政策變動及披露事項(續)

除下文所述有關國際財務報告準則第9號及國際財務報告準則第15號的影響外，採納上述新訂及經修訂準則此等財務報表並無重大財務影響。

- a) 於二零一八年一月一日或之後開始的年度期間，國際財務報告準則第9號金融工具取代國際會計準則第39號金融工具：確認及計量，彙集金融工具會計法的兩個範疇：分類及計量，以及減值。

本集團已確認就於二零一八年一月一日的適用期初股權結餘作出的過渡調整。因此，並無重列比較資料且將繼續根據國際會計準則第39號呈列。

分類及計量

下列資料載列採納國際財務報告準則第9號對財務狀況表的影響，包括以國際財務報告準則第9號的預期信貸虧損(「預期信貸虧損」)取代國際會計準則第39號計算產生信貸虧損的影響。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies and disclosures (Continued)

Other than as explained below regarding the impact of IFRS 9 and IFRS 15, the adoption of the above new and revised standards has had no significant financial effect on these financial statements.

- a) IFRS 9 *Financial Instruments* replaces IAS 39 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018, bringing together all two aspects of the accounting for financial instruments: classification and measurement, and impairment.

The Group has recognised the transition adjustments against the applicable opening balances in equity at 1 January 2018. Therefore, the comparative information was not restated and continues to be reported under IAS 39.

Classification and measurement

The following information sets out the impacts of adopting IFRS 9 on the statement of financial position, including the effect of replacing IAS 39's incurred credit loss calculations with IFRS 9's expected credit losses ("ECLs").

財務報表附註

Notes to the Financial Statements

截至二零一八年十二月三十一日止年度

For the year ended 31 December 2018

2. 主要會計政策概要(續)

2.2 會計政策變動及披露事項(續)

分類及計量(續)

於二零一八年一月一日根據國際會計準則第39號的賬面值與根據國際財務報告準則第9號所呈列結餘的對賬如下：

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies and disclosures (Continued)

Classification and measurement (Continued)

A reconciliation between the carrying amounts under IAS 39 and the balances reported under IFRS 9 as at 1 January 2018 is as follows:

	附註 Note	國際 會計準則 第39號 計量金額 IAS 39 measurement Amount 人民幣千元 RMB'000	重新分類 Re- classification 人民幣千元 RMB'000	國際財務 報告準則 第9號 計量金額 IFRS 9 re- measurement Amount 人民幣千元 RMB'000
金融資產				
按公平值計入損益的 金融資產		—	3,006,430	3,006,430
來自：可供出售金融資產				
	(i)	3,006,430	(3,006,430)	—

附註：

- (i) 本集團將先前分類為可供出售金融資產的理財產品及非上市股權投資分類為按公平值計入損益的金融資產，原因為此等投資並無通過國際財務報告準則第9號的合約現金流量特點測試。

Note:

- (i) The Group has classified its wealth management products and unlisted equity investments previously classified as available-for-sale financial assets as financial assets at fair value through profit or loss as these investments did not pass the contractual cash flow characteristics test in IFRS 9.

財務報表附註

Notes to the Financial Statements

截至二零一八年十二月三十一日止年度

For the year ended 31 December 2018

2. 主要會計政策概要(續)

2.2 會計政策變動及披露事項(續)

減值

國際財務報告準則第9號項下的期初減值總額並無重大財務影響。詳情載於財務報表附註16。

- b) 國際財務報告準則第15號及其修訂取代國際會計準則第11號建築合約、國際會計準則第18號收入及相關詮釋，除少數例外情況外，其適用於所有與客戶間的合約產生的收益。國際財務報告準則第15號建立新的五步法模型以計算與客戶間的合約產生的收益。根據國際財務報告準則第15號，收益按反映實體預期有權就轉移商品或服務予客戶而換取的代價的金額確認。國際財務報告準則第15號內的原則為計量及確認收入提供更具架構的方法。準則亦引進廣泛的描述性及定量披露規定，包括總收入的分拆、有關履行義務的資料、合約資產及負債賬戶結餘於各期間的變動以及重大判斷及估計。

本集團已透過採用經修訂的追溯法採納國際財務報告準則第15號。按照此方法，該準則可應用於初始應用日期之所有合約或僅可應用於在該日尚未完成之合約。本集團已選擇將該準則應用於二零一八年一月一日尚未完成的合約。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies and disclosures (Continued)

Impairment

There is no significant financial effect for the aggregate opening impairment under IFRS 9. Further details are disclosed in Note 16 to the financial statements.

- b) IFRS 15 and its amendments replace IAS 11 *Construction Contracts*, IAS 18 Revenue and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. IFRS 15 establishes a new five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates.

The Group has adopted IFRS 15 using the modified retrospective method of adoption. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Group has elected to apply the standard to contracts that are not completed as at 1 January 2018.

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Notes to the Financial Statements

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2. 主要會計政策概要(續)

2.2 會計政策變動及披露事項(續)

減值(續)

於二零一八年一月一日的調整性質及對二零一八年十二月三十一日財務狀況表重大變動的原因載列如下：

預收客戶代價

採納國際財務報告準則第15號前，本集團確認預收客戶代價為來自客戶的墊款，計入貿易及其他應付賬款，而遞延收益則計入其他負債。根據國際財務報告準則第15號，金額分類為合約負債。

因此，採納國際財務報告準則第15號後，於二零一八年一月一日，本集團將人民幣360,594,000元的來自客戶的墊款重新分類為合約負債，並將人民幣44,222,000元的遞延收益重新分類為合約負債。於二零一八年十二月三十一日，根據國際財務報告準則第15號，人民幣504,171,000元由來自客戶的墊款重新分類為合約負債，人民幣22,923,000元由遞延收益重新分類為合約負債。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies and disclosures (Continued)

Impairment (Continued)

The nature of the adjustments as at 1 January 2018 and the reasons for the significant changes in the statement of financial position as at 31 December 2018 are described below:

Consideration received from customers in advance

Before the adoption of IFRS 15, the Group recognised consideration received from customers in advance as advances from customers which are included in trade and other payables, and deferred revenue which is included in other liabilities. Under IFRS 15, the amount is classified as contract liabilities.

Therefore, upon adoption of IFRS 15, the Group reclassified RMB360,594,000 from advances from customers to contract liabilities, and RMB44,222,000 from deferred revenue to contract liabilities as at 1 January 2018. As at 31 December 2018, under IFRS 15, RMB504,171,000 was reclassified from advances from customers to contract liabilities, and RMB22,923,000 was reclassified from deferred revenue to contract liabilities.

財務報表附註

Notes to the Financial Statements

截至二零一八年十二月三十一日止年度

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2. 主要會計政策概要(續)

2.3 已頒佈但尚未生效的國際財務報告準則

本集團並無於該等財務報表採納以下已頒佈但尚未生效的新訂及經修訂國際財務報告準則。

國際財務報告準則 第3號的修訂	業務的定義 ²
國際財務報告準則 第9號的修訂	具負補償之預 付款項特點 ¹
國際財務報告準則 第10號及國際會計 準則第28號的修訂	投資者與其聯營 公司或合營企業 之間的銷售或 注資 ⁴
國際財務報告準則 第16號	租賃 ¹
國際財務報告準則 第17號	保險合約 ³
國際會計準則第1號及 國際會計準則 第8號的修訂	重大的定義 ²
國際會計準則 第19號的修訂	計劃的修訂、 縮減或結算 ¹
國際會計準則 第28號的修訂	於聯營公司及 合營企業的權益 ¹
國際財務報告詮釋 委員會詮釋第23號	所得稅處理的 不確定性 ¹
二零一五年至 二零一七年週期的 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 ¹

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 3	<i>Definition of a Business</i> ²
Amendments to IFRS 9	<i>Prepayment Features with Negative Compensation</i> ¹
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ⁴
IFRS 16	<i>Leases</i> ¹
IFRS 17	<i>Insurance Contracts</i> ³
Amendments to IAS 1 and IAS 8	<i>Definition of Material</i> ²
Amendments to IAS 19	<i>Plan Amendment, Curtailment or Settlement</i> ¹
Amendments to IAS 28	<i>Long-term Interests in Associates and Joint Ventures</i> ¹
IFRIC 23	<i>Uncertainty over Income Tax Treatments</i> ¹
<i>Annual Improvements 2015-2017 Cycle</i>	Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23 ¹

財務報表附註

Notes to the Financial Statements

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2. 主要會計政策概要(續)

2.3 已頒佈但尚未生效的國際財務報告準則(續)

- 1 於二零一九年一月一日或以後開始年度期間生效
- 2 於二零二零年一月一日或以後開始年度期間生效
- 3 於二零二一年一月一日或以後開始年度期間生效
- 4 並未釐定強制性生效日期，但可供採納

預期將適用於本集團的該等國際財務報告準則的進一步資料載於下文。

國際財務報告準則第3號的修訂釐清業務的定義及提供有關定義的額外指引。該修訂釐清，一組綜合活動及資產須至少包括一項參數與一個重要過程，且兩者須共同對創造收益的能力作出重大貢獻，方能被視為一項業務。在並未包含所有創造收益的參數及過程的情況下，業務亦可存續。該修訂取消對市場參與者是否具備能力收購業務及持續產生收益進行的評估，相反，其重點放在已取得的參數及已取得的重要過程能否共同對創造收益的能力作出重大貢獻。該修訂亦收窄收益的定義，聚焦向客戶提供的貨品或服務、投資收入或來自日常活動的其他收入。此外，該修訂提供有關評估已取得的過程是否屬重大的指引，並引入選擇性公平值集中度測試，允許對一組已收購活動及資產是否屬一項業務進行簡單評估。本集團預期將於二零二零年一月一日起提前採納該修訂。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Issued but not yet effective IFRSs (Continued)

- 1 Effective for annual periods beginning on or after 1 January 2019
- 2 Effective for annual periods beginning on or after 1 January 2020
- 3 Effective for annual periods beginning on or after 1 January 2021
- 4 No mandatory effective date yet determined but available for adoption

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

Amendments to IFRS 3 clarify and provide additional guidance on the definition of a business. The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs. Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities. Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. The Group expects to adopt the amendments prospectively from 1 January 2020.

財務報表附註

Notes to the Financial Statements

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For the year ended 31 December 2018

2. 主要會計政策概要(續)

2.3 已頒佈但尚未生效的國際財務報告準則(續)

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Issued but not yet effective IFRSs (Continued)

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

財務報表附註

Notes to the Financial Statements

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2. 主要會計政策概要(續)

2.3 已頒佈但尚未生效的國際財務報告準則(續)

國際財務報告準則第16號取代國際會計準則第17號「租賃」、國際財務報告詮釋委員會詮釋第4號「釐定安排是否包括租賃」、詮釋常務委員會詮釋第15號「經營租賃－優惠」及詮釋常務委員會詮釋第27號評估涉及租賃法律形式交易的實質。該準則載列確認、計量、呈列及披露租賃的原則，並規定承租人就大多數租賃確認資產及負債。該準則包括給予承租人兩項租賃確認豁免－低價值資產租賃及短期租賃。於租賃開始日期，承租人將確認於租賃期作出租賃付款為負債(即租賃負債)及代表可使用相關資產的權利為資產(即有使用權資產)。除非有使用權資產符合國際會計準則第40號投資物業的定義，或涉及應用重估模型的物業、廠房及設備類別，否則有使用權資產其後按成本減累計折舊及任何減值虧損計量。租賃負債其後會就反映租賃負債利息而增加及因租賃付款而減少。承租人將須分別確認租賃負債的利息開支及有使用權資產的折舊開支。承租人亦將須於若干事件發生時重新計量租賃負債，例如由於租賃期變更或用於釐定該等付款的一項指數或比率變更而引致未來租賃付款變更。承租人一般將重新計量租賃負債的數額確認為有使用權資產的調整。國際財務報告準則第16號大致沿用國際會計準則第17號內出租人的會計處理方式。出租人將繼續使用與國際會計準則第17號相同的分類原則對所有租賃進行分類，並將之分為經營租賃及融資租賃。國際財務報告準則第16號規定承租人及出租人較根據國際會計準則第17號作出更多披露。出租人可選擇以全面追溯應用或部分追溯應用方式應用該準則。本集團將於二零一九年一月一日起採納國際財務報告準則第16號。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Issued but not yet effective IFRSs (Continued)

IFRS 16 replaces IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases - Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise assets and liabilities for most leases. The standard includes two 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 will adopt IFRS 16 from 1 January 2019.

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2. 主要會計政策概要(續)

2.3 已頒佈但尚未生效的國際財務報告準則(續)

本集團計劃採納國際財務報告準則第16號中的過渡性條款，將首次採納的累計影響確認為二零一九年一月一日期初保留盈利的調整，且不會重列比較資料。此外，本集團計劃採納新規定簽署先前根據國際會計準則第17號識別為租賃的合約，並按剩餘租賃付款期計量租賃負債，以及使用首次應用日期的新增借款利率貼現。使用權資產將按租賃負債金額計量，並按緊隨首次應用前於財務狀況表內確認的租賃相關的任何預付金額或應計租賃付款進行調整。本集團計劃就於首次應用日期租賃期限將於12個月內屆滿的租賃合約使用準則所允許的豁免。於二零一八年，本集團已對採納國際財務報告準則第16號的影響進行詳細評估。本集團估計於二零一九年一月一日的使用權資產及租賃負債將並不重大。

國際會計準則第1號及國際會計準則第8號的修訂提供新的重大定義。新定義指出，如有遺漏，錯報或模糊資料，可以合理地預期其會影響財務報表的主要使用者在此等財務報表的基礎上做出的決策，則此資料可被視作重大。修訂釐清重要性將取決於資料的性質或程度。若可合理地預期資料的錯報將影響主要使用者作出的決定，則錯報屬重大。本集團預期自二零二零年一月一日起採納該等修訂。該等修訂預期不會對本集團的財務報表產生任何重大影響。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Issued but not yet effective IFRSs (Continued)

The Group plans to adopt the transitional provisions in IFRS 16 to recognise the cumulative effect of initial adoption as an adjustment to the opening balance of retained earnings at 1 January 2019 and will not restate the comparatives. In addition, the Group plans to apply the new requirements to contracts that were previously identified as leases applying IAS 17 and measure the lease liability at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at the date of initial application. The right-of-use asset will be measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position immediately before the date of initial application. The Group plans to use the exemptions allowed by the standard on lease contracts whose lease terms end within 12 months as of the date of initial application. During 2018, the Group has performed a detailed assessment on the impact of adoption of IFRS 16. The Group has estimated that right-of-use assets and lease liabilities will not be material at 1 January 2019.

Amendments to IAS 1 and IAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. The Group expects to adopt the amendments prospectively from 1 January 2020. The amendments are not expected to have any significant impact on the Group's financial statements.

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2. 主要會計政策概要(續)

2.3 已頒佈但尚未生效的國際財務報告準則(續)

國際會計準則第28號的修訂釐清國際財務報告準則第9號的剔除範圍僅包括適用權益法的於聯營公司或合營公司的投資，而不包括實質上構成於聯營公司或合營公司投資淨額一部分且不適用權益法的長期權益。因此，一家實體在對該等長期權益入賬時應用國際財務報告準則第9號，包括國際財務報告準則第9號項下的減值規定，而非國際會計準則第28號。僅當確認聯營公司或合營公司虧損及於聯營公司或合營公司投資淨額的減值時，國際會計準則第28號則適用於該投資淨額，其中包括長期權益。本集團預期於二零一九年一月一日採納該等修訂，並將使用修訂中的過渡規定基於二零一九年一月一日存在的事實及情況評估該等長期權益的業務模式。本集團亦擬於採納該等修訂時申請豁免重列過往期間比較資料。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Issued but not yet effective IFRSs (Continued)

Amendments to IAS 28 clarify that the scope exclusion of IFRS 9 only includes interests in an associate or joint venture to which the equity method is applied and does not include long-term interests that in substance form part of the net investment in the associate or joint venture, to which the equity method has not been applied. Therefore, an entity applies IFRS 9, rather than IAS 28, including the impairment requirements under IFRS 9, in accounting for such long-term interests. IAS 28 is then applied to the net investment, which includes the long-term interests, only in the context of recognising losses of an associate or joint venture and impairment of the net investment in the associate or joint venture. The Group expects to adopt the amendments on 1 January 2019 and will assess its business model for such long-term interests based on the facts and circumstances that exist on 1 January 2019 using the transitional requirements in the amendments. The Group also intends to apply the relief from restating comparative information for prior periods upon adoption of the amendments.

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2. 主要會計政策概要(續)

2.3 已頒佈但尚未生效的國際財務報告準則(續)

國際財務報告詮釋委員會詮釋第23號針對當稅項處理涉及影響國際會計準則第12號應用的不確定性(常稱為「不確定稅項狀況」)時的所得稅(即期及遞延)會計處理。該詮釋並不適用於國際會計準則第12號範圍之外的稅項及徵費，尤其亦不包括涉及有關不確定稅項處理的權益及罰金的規定。該詮釋具體針對(i)實體是否單獨考慮不確定稅項處理；(ii)實體對稅務機關的稅項處理檢查所作的假設；(iii)實體如何釐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)實體如何考慮事實及情況變動。實體將不採用事後確認地全面追溯或以作為於初步應用日期的期初權益的調整而應用的累計效應追溯應用該詮釋，而不重列比較資料。本集團預期自二零一九年一月一日起採納該詮釋。該詮釋預期不會對本集團的財務報表產生任何重大影響。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Issued but not yet effective IFRSs (Continued)

IFRIC 23 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.

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2. 主要會計政策概要(續)

2.4 附屬公司

2.4.1 合併

附屬公司乃本集團對其有控制權的實體(包括結構性實體)。當本集團具有承擔或享有參與有關實體所得之可變回報的風險或權利，並能透過其對該實體的權力影響該等回報時，本集團即對該實體有控制權。附屬公司在控制權轉移至本集團之日合併入賬。附屬公司在控制權終止之日起終止合併入賬。

(a) 業務合併

本集團應用購買法入賬業務合併。就收購附屬公司而轉讓的代價為本集團轉讓資產、欠付被收購方前擁有人之負債及發行股權的公平值。所轉讓的代價包括或然代價安排產生的任何資產或負債的公平值。在業務合併中所收購可識別的資產以及所承擔的負債及或然負債，初步以其於收購日期的公平值計量。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Subsidiaries

2.4.1 Consolidation

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

(a) Business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

財務報表附註

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2. 主要會計政策概要(續)

2.4 附屬公司(續)

2.4.1 合併(續)

(a) 業務合併(續)

本集團以逐項收購為基礎確認於被收購方的任何非控股權益。屬現時擁有之權益且於清盤時讓持有人有權按比例分佔實體淨資產之被收購方的非控股權益，可按公平值或現時擁有之權益應佔被收購方可識別資產淨值的已確認金額比例計量。非控股權益的所有其他分部按收購日期公平值計量，除非國際財務報告準則另規定計量基準。

購買相關成本於產生時支銷。

倘業務合併分階段進行，則收購方先前持有的被收購方股權於收購日期的賬面值乃重新計量為收購日期的公平值；該重新計量產生的任何收益或虧損於損益確認。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Subsidiaries (Continued)

2.4.1 Consolidation (Continued)

(a) Business combinations (Continued)

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by IFRSs.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

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2. 主要會計政策概要(續)

2.4 附屬公司(續)

2.4.1 合併(續)

(a) 業務合併(續)

本集團轉讓的任何或然代價於收購日期按公平值確認。視為資產或負債之或然代價公平值之日後變動根據國際會計準則第39號於損益確認或確認為其他全面收入變動。分類為權益之或然代價不會重新計量，且日後結算於權益入賬。

所轉讓代價、於被收購方的任何非控股權益金額及任何先前於被收購方的股權於收購日期的公平值超逾所收購可識別淨資產公平值的差額，乃入賬列作商譽。倘所轉讓代價、已確認非控股權益及先前持有的權益計量的總額低於所收購附屬公司淨資產的公平值(在議價收購的情況下)，則該差額會直接於損益確認。

集團內公司間交易、結餘及集團公司之間交易的未變現收益均予以抵銷。未變現虧損亦予以抵銷。附屬公司所報金額已於必要時作出調整，以與本集團的會計政策一致。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Subsidiaries (Continued)

2.4.1 Consolidation (Continued)

(a) Business combinations (Continued)

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

2. 主要會計政策概要(續)

2.4 附屬公司(續)

2.4.1 合併(續)

(b) 不改變控制權之附屬公司所有權權益變更

不會導致喪失控制權之與非控股權益交易入賬為權益交易(即與附屬公司擁有人(以擁有人身分)進行的交易。所支付的任何代價公平值與相關應佔所收購附屬公司淨資產賬面值的差額於權益列賬。向非控股權益出售所得的損益亦於權益列賬。

(c) 出售附屬公司

倘本集團喪失控制權，於實體的任何保留權益按喪失控制權之日之公平值重新計量，而賬面值變更於損益確認。公平值為初始賬面值，以便日後入賬為聯營公司、合營企業或金融資產之保留權益。此外，有關該實體先前於其他全面收入確認的任何金額按猶如本集團直接出售有關資產或負債而入賬，即先前於其他全面收入確認之金額重新分類至損益。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Subsidiaries (Continued)

2.4.1 Consolidation (Continued)

(b) *Changes in ownership interests in subsidiaries without change of control*

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners of the subsidiaries in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

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2. 主要會計政策概要(續)

2.4 附屬公司(續)

2.4.1 合併(續)

(c) 出售附屬公司(續)

於附屬公司的投資按成本減減值入賬。成本包括直接應佔投資成本。附屬公司業績由本公司基於已收及應收股息入賬。

倘宣派股息期間股息超過附屬公司損益及其他全面收入總額，或被投資方淨資產(包括商譽)之獨立財務報表之投資賬面值超過綜合財務報表之賬面值，則須於自於附屬公司的投資收取股息時對有關投資進行減值測試。

2.5 投資至聯營公司及合營企業

聯營公司是集團擁有一般不少於20%股份投票權的長期權益，並可對其發揮重大影響力的實體。重大影響是參與被投資者的財務及經營決策的權力，但不控制或共同控制該等政策。

合營企業指一種合營安排，對安排擁有共同控制權的訂約方據此對合營企業之資產淨值擁有權利。共同控制指按照合約協定對一項安排所共有之控制，共同控制僅在有關活動要求享有控制權之訂約方作出一致同意的決定時存在。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Subsidiaries (Continued)

2.4.1 Consolidation (Continued)

(c) Disposal of subsidiaries (Continued)

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total profit or loss and other comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.5 Investments in associates and joint ventures

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

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2. 主要會計政策概要 (續)

2.5 投資至聯營公司及合營企業 (續)

按權益會計法，本集團於聯營公司及合營企業的投資，以本集團應佔淨資產減任何減值虧損，於綜合財務狀況表列賬。任何可能存在的相異會計政策已作出相應調整使之貫徹一致。本集團應佔聯營公司及合營企業收購後業績及其他全面收益分別計入綜合損益及其他全面收益表。此外，倘直接於聯營公司或合營企業的權益確認有關變動，則本集團會於綜合權益變動表確認其應佔任何變動(如適用)。本集團與其聯營公司或合營企業間交易的未變現收益及虧損將以本集團於聯營公司或合營企業的投資為限對銷，惟倘未變現虧損為所轉讓資產減值的憑證。收購聯營公司或合營企業的商譽列為本集團於聯營公司或合營企業的投資的一部分。

倘於聯營公司之投資成為於合營企業之投資(反之亦然)，保留權益不會予以重新計量。相對地，投資繼續按權益法入賬。在所有其他情況下，本集團對聯營公司不再有重大影響或對合營企業不再有共同控制時，按公平值計量及確認任何保留投資。本集團於失去重大影響或共同控制時聯營公司或合營企業的賬面值與保留投資的公平值及出售所得款項之間的任何差額於損益內確認。

當於聯營公司及合營企業的投資被分類為持作出售，其根據國際財務報告準則第5號持作出售的非流動資產及已終止經營業務列賬。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Investments in associates and joint ventures (Continued)

The Group's investments in associates and joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist. The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in the consolidated statement of profit or loss and other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's investments in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's investments in associates or joint ventures.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When an investment in an associate or a joint venture is classified as held for sale, it is accounted for in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

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2. 主要會計政策概要(續)

2.6 於合營業務的權益

合營業務為對安排擁有共同控制權的各方作出的合營安排，彼等於安排相關的資產擁有權利，並須承擔責任。

本集團就其於合營業務的權益確認：

- 其資產，包括其於共同持有的任何資產的份額；
- 其負債，包括其於共同產生的任何負債的份額；
- 其來自出售合營業務的產出中所佔份額的收益；
- 其於出售合營業務的產出所得收益的份額；及
- 其開支，包括其於共同產生的任何開支的份額。

有關本集團於合營業務權益的資產、負債、收益及開支均根據國際財務報告準則適用於特定資產、負債、收益及開支入賬。

2.7 分部報告

經營分部按照與向主要經營決策者提供的內部報告貫徹一致的方式報告。主要經營決策者負責分配資源及評估經營分部的表現，已被認定為作出戰略決策的本公司董事會執行董事。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.6 Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

The Group recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The assets, liabilities, revenues and expenses relating to the Group's interest in a joint operation are accounted for in accordance with the IFRSs applicable to the particular assets, liabilities, revenues and expenses.

2.7 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors of the board of the Company that makes strategic decisions.

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2. 主要會計政策概要 (續)

2.8 外幣換算

(a) 功能及呈列貨幣

本集團各實體的財務報表所包括項目乃以該實體營運所在主要經濟環境的貨幣(「功能貨幣」)計算。綜合財務報表乃以本公司的功能貨幣及本集團的呈列貨幣人民幣呈列。

(b) 交易及結餘

外幣交易乃按交易日或重新計量項目的估值日期的適用匯率換算為功能貨幣。該等交易結算以及以外幣計值的貨幣資產及負債按年末匯率換算產生的匯兌損益，於損益內確認，惟於權益內遞延作為合資格現金流量對沖及合資格投資淨額對沖則除外。

所有匯兌損益乃於綜合損益及其他全面收益表的「其他開支」或「其他收益－淨額」中呈列。

以外幣計值分類為可供出售之債務證券之公平值變動分析為證券攤銷成本變動及證券賬面值之其他變動產生之換算差額。有關攤銷成本變動之換算差額於損益確認，而賬面值之其他變動於其他全面收入確認。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in RMB, which is the Company's functional and the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

All the foreign exchange gains and losses are presented in the consolidated statement of profit or loss and other comprehensive income within "other expenses" or "other gains – net".

Changes in the fair value of debt securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the securities and other changes in the carrying amount of the securities. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

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2. 主要會計政策概要 (續)

2.8 外幣換算 (續)

(b) 交易及結餘 (續)

非貨幣金融資產及負債(如按公平值計入損益之權益)之換算差額於損益確認為公平值損益。非貨幣金融資產(如分類為可供出售權益)之換算差額計入其他全面收入。

(c) 集團公司

所有功能貨幣與呈列貨幣不同之集團實體(均無惡性通脹經濟之貨幣)之業績及財務狀況換算為以下呈列貨幣：

- (i) 各資產負債表所呈列資產及負債按結算日之收市價換算；
- (ii) 各損益及其他全面收益表之收入及開支按平均匯率換算，除非有關平均並非交易日期一般比率之累計影響之合理近似值，而在此情況下，收入及開支按交易日期之比率換算；
- (iii) 得出的所有貨幣換算差額於其他全面收入確認。

收購境外實體產生之商譽及公平值調整視為境外實體之資產及負債，按收市價換算，所產生的貨幣換算差額於其他全面收入確認。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Foreign currency translation (Continued)

(b) Transactions and balances (Continued)

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in other comprehensive income.

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each statement of profit or loss and other comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rates on the dates of the transactions);
- (iii) all resulting currency translation differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Currency translation differences arising are recognised in other comprehensive income.

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2. 主要會計政策概要 (續)

2.9 物業、廠房及設備

物業、廠房及設備主要包括工廠及辦公室。物業、廠房及設備乃按歷史成本減累計折舊及任何減值虧損列賬。歷史成本包括購買價及將資產促成其擬作用途工作狀態及地點的任何應佔直接成本。

其後成本僅於有關該項目的未來經濟利益很可能流入本集團，而該項目的成本能可靠計量時，方計入資產賬面值或確認為一項獨立資產（倘適用）。被取替部分的賬面值已終止確認。所有其他維修及保養在產生的期間內於損益支銷。

物業、廠房及設備折舊乃採用直線法按以下估計可使用年期將其成本分配至其剩餘價值計算：

	殘值率	估計可使用年期
樓宇	5%	10至35年
生產及電子設備	5%	3至10年
辦公室設備	5%	3至10年
汽車	5%	4至10年

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Property, plant and equipment

Property, plant and equipment comprise mainly factories and offices. Property, plant and equipment are stated at historical cost less accumulated depreciation and any impairment losses. Historical cost includes purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

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

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

	Residual rate	Estimated useful lives
Buildings	5%	10 – 35 years
Production and electronic equipment	5%	3 – 10 years
Office equipment	5%	3 – 10 years
Motor vehicles	5%	4 – 10 years

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2. 主要會計政策概要(續)

2.9 物業、廠房及設備(續)

在建工程指建造中的物業及廠房，並按成本扣除減值虧損後的金額列賬。成本包括建造成本及其他直接成本。在建工程並不計提折舊，直至有關工程完成及可供使用為止。

資產的剩餘價值及可使用年期於各報告期末進行檢討，並在適當時作出調整。

倘資產的賬面值高於其估計可收回金額，其賬面值即時撇減至可收回金額(附註2.14)。

出售損益透過比較所得款項與賬面值釐定，並於損益及其他全面收益表內的「其他收益－淨額」確認。

2.10 投資物業

投資物業(包括辦公樓宇)乃持作長期租金收入或資本增值或兩者均是，且並非本集團所佔用的物業。

投資物業按過往成本減折舊及減值虧損入賬。折舊乃按直線法於物業的估計可使用年期內將其成本分配至其剩餘價值計算。於各報告期末檢討及適當調整投資物業之剩餘價值及可使用年期。修訂之影響於變動時計入損益內。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Property, plant and equipment (Continued)

Construction in progress represents properties and plants under construction and is stated at cost less any impairment losses. This includes cost of construction and other direct costs. Construction in progress is not depreciated until the relevant assets are completed and ready for use.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.14).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "other gains - net" in the statement of profit or loss and other comprehensive income.

2.10 Investment properties

Investment properties, comprising office buildings, are held for long-term rental yields or for capital appreciation or both, and that are not occupied by the Group.

Investment properties are stated at historical cost less depreciation and any impairment losses. Depreciation is calculated using a straight-line method to allocate their cost to their residual values over the estimated useful lives of the properties. The residual values and useful lives of investment properties are reviewed, and adjusted if appropriate, at the end of each reporting period. The effects of any revision are included in the profit or loss when the changes arise.

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2. 主要會計政策概要 (續)

2.11 商譽

商譽初步按成本計量，即轉讓代價、確認為非控股權益的金額及本集團先前持有的被收購方股權的公平值之和超出所收購可識別資產淨值及所承擔負債的部分。倘該代價及其他項目之和低於所收購淨資產的公平值，有關差額在重估後於損益確認為廉價收購收益。

初步確認後，商譽按成本減任何累計減值虧損計量。如有任何事件或情況變動表明賬面值可能減值，則會每年或更頻繁地對商譽進行減值測試。本集團每年於十二月三十一日進行商譽減值測試。就減值測試而言，於業務合併時收購的商譽自收購日起分配至預期將從合併協同效應受益的本集團各現金產生單位（「現金產生單位」）或現金產生單位組別，而不論本集團的其他資產或負債是否已被分配至該等單位或單位組別。

減值通過評估商譽所屬的現金產生單位（現金產生單位組別）的可收回金額而釐定。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。就商譽所確認的減值虧損不會於其後期間撥回。

倘商譽被分配至某現金產生單位（或現金產生單位組別），而該單位內的部分業務被出售，與被出售業務有關的商譽將於釐定出售該業務的收益或虧損時計入該業務賬面值。在此等情況下被出售的商譽按被出售業務的相對價值及保留的現金產生單位部分計量。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Goodwill

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

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units (the "CGUs"), or groups of CGUs, 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 CGU (group of CGUs) to which the goodwill relates. Where the recoverable amount of the CGU (group of CGUs) 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 CGU (or group of CGUs) 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 CGU retained.

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2. 主要會計政策概要(續)

2.12 無形資產

(a) 研究及開發

- (i) 為獲取新科技或技術知識及認識而進行研究活動的開支會於產生期間內確認為開支。倘產品或工序在技術及商業上為可行，而本集團擁有充足資源並有意完成有關開發且本集團擁有足夠能力使用或出售資產，而該資產將取得未來經濟利益，及倘成本能可靠計量，則開發活動(與設計及測試新產品或改良產品有關)的開支將於「進行中產品開發」分類項下撥充資本。於某一產品開始投入商業生產後，開發活動的開支會轉入「遞延開發成本」，並按直線法於其預期可獲利期間攤銷。研究及開發成本包括研究及開發活動直接產生的費用或可按合理基準分配至該等活動的成本。
- (ii) 本集團所獲遞延開發成本乃按成本減累計攤銷及任何減值虧損於綜合財務狀況表內列賬。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Intangible assets

(a) Research and development

- (i) Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised as an expense in the period in which it is incurred. Expenditure on development activities (relating to the design and testing of new or improved products) is capitalised under the category of “product development in progress” if the product or process is technically and commercially feasible, the Group has sufficient resources and the intention to complete the development, the Group has sufficient ability to use or sell the asset, the asset will generate future economic benefit, and the cost can be reliably measured. Upon the commencement of the commercial production of a product, the expenditure on development activities is transferred to “deferred development costs” and amortised on a straight-line basis over the period of its expected benefit. Research and development costs comprise costs that are directly attributable to research and development activities or that can be allocated on a reasonable basis to such activities.
- (ii) Deferred development costs that are acquired by the Group are stated in the consolidated statement of financial position at cost less accumulated amortisation and any impairment losses.

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2. 主要會計政策概要(續)

2.12 無形資產(續)

(a) 研究及開發(續)

(iii) 收購或完成開發活動後產生的其後開支乃於產生時確認為支出，除非此項開支可能將致使資產產生超出其原先評估表現水平的未來經濟利益，且此項開支能可靠地計算及計入資產，則作別論。倘符合該等條件，其後開支會計入無形資產的成本。

(iv) 遞延開發成本乃按5至15年的估計可使用年期以直線法於損益內支銷。

(b) 商標

分開收購的商標按歷史成本列賬。於業務合併收購的商標於收購日期按公平值確認。商標具有有限可使用年期，按成本減累計攤銷及任何減值虧損入賬。攤銷乃按直線法於5至10年的估計可使用年期内分攤商標成本計算。

(c) 電腦系統

所收購電腦軟件許可證基於收購及使用特定軟件產生的成本撥充資本。有關成本採用直線法於3至5年的估計可使用年期内攤銷。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Intangible assets (Continued)

(a) Research and development (Continued)

(iii) Subsequent expenditure on development activities after its acquisition or its completion is recognised as an expense when it is incurred unless it is probable that this expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standard of performance and this expenditure can be measured and attributed to the asset reliably. If these conditions are met, the subsequent expenditure is added to the cost of the intangible asset.

(iv) Amortisation of deferred development costs is charged to the profit or loss on a straight-line basis over the estimated useful lives of 5 to 15 years.

(b) Trademarks

Separately acquired trademarks are shown at historical cost. Trademarks acquired in a business combination are recognised at fair value at the acquisition date. Trademarks have a finite useful life and are carried at cost less accumulated amortisation and any impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of trademarks over their estimated useful lives of 5 to 10 years.

(c) Computer systems

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised using the straight-line method over their estimated useful lives of 3 to 5 years.

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2. 主要會計政策概要(續)

2.12 無形資產(續)

(d) 客戶關係

客戶關係具有有限使用年期，乃按成本減累計攤銷及任何減值虧損列賬。攤銷採用直線法於5年預計年內計算。

無形資產的攤銷期間及攤銷方法至少於各報告期末作出檢討。任何修訂的影響乃於產生變動時於損益確認。

2.13 土地使用權

土地使用權指為獲得長期使用土地的權利而預先支付的款項，按成本列賬，並按直線法按餘下租期於損益內支銷(扣除任何減值虧損)。

2.14 非金融資產(商譽除外)減值

可使用年期不限定的無形資產或尚未可供使用的無形資產無需攤銷，而倘事件或情況有變顯示賬面可能減值，則須每年或更頻密就減值進行測試。須予折舊及攤銷的資產會於發生事項或情況出現變化而顯示賬面值未必能夠收回時，評估有否減值。減值虧損按資產的賬面值超出其可收回金額的差額確認。可收回金額以資產的公平值扣除銷售成本與使用價值兩者之間較高者為準。於評估減值時，資產按可分開識別現金流量(現金產生單位)的最低層次組合。已減值的非金融資產(商譽除外)在各報告日期均就減值是否可以撥回進行檢討。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Intangible assets (Continued)

(d) Customer relationships

The customer relationships have a finite useful life and are carried at cost less accumulated amortisation and any impairment losses. Amortisation is calculated using the straight-line method over the expected life of 5 years.

The amortisation period and amortisation method of intangible assets are reviewed at least at the end of each reporting period. The effects of any revision are recognised in profit or loss when the changes arise.

2.13 Land use rights

Land use rights are up-front payments to acquire long-term interests in the usage of land. It is stated at cost and charged to profit or loss over the remaining period of the lease on a straight-line basis, net of any impairment losses.

2.14 Impairment of non-financial assets other than goodwill

Intangible assets that have an indefinite useful life or intangible assets not ready for use are not subject to amortisation and are tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Assets that are subject to depreciation and amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

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2. 主要會計政策概要(續)

2.15 投資及其他金融資產

2.15.1 投資及其他金融資產(自二零一八年一月一日起適用的國際財務報告準則第9號項下的政策)

(a) 初步確認及計量

金融資產於初步確認時分類為其後按攤銷成本，按公平值計入其他全面收益及按公平值計入損益計量。

於初步確認時，金融資產分類取決於金融資產的合約現金流量特點及本集團管理該等金融資產的業務模式。除並無重大融資成分或本集團已應用不就重大財務融資成分的影響作出調整的可行權宜方法的貿易應收款項外，本集團初步按公平值加上(倘金融資產並非按公平值計入損益)交易成本計量金融資產。並無重大融資成分或本集團已應用可行權宜方法的貿易應收款項根據下文「收益確認(自二零一八年一月一日起適用)」所列政策國際財務報告準則第15號釐定的交易價格計量。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.15 Investments and other financial assets

2.15.1 Investments and other financial assets (policies under IFRS 9 applicable from 1 January 2018)

(a) Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition (applicable from 1 January 2018)" below.

財務報表附註

Notes to the Financial Statements

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2. 主要會計政策概要(續)

2.15 投資及其他金融資產(續)

2.15.1 投資及其他金融資產(自二零一八年一月一日起適用的國際財務報告準則第9號項下的政策)(續)

(a) 初步確認及計量(續)

為使金融資產按攤銷成本或按公平值計入其他全面收益進行分類及計量，需產生純粹為支付本金及未償還本金利息(「純粹為支付本金及利息」)的現金流量。

本集團管理金融資產的業務模式指其如何管理其金融資產以產生現金流量。業務模式確定現金流量是否來自收集合約現金流量、出售金融資產，或兩者兼有。

所有以常規方式買賣的金融資產均於交易日(即本集團承諾買賣該資產當日)予以確認。常規方式買賣指規定須於一般市場規例或慣例確立之期間內交付資產的金融資產買賣。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.15 Investments and other financial assets (Continued)

2.15.1 Investments and other financial assets (policies under IFRS 9 applicable from 1 January 2018) (Continued)

(a) Initial recognition and measurement (Continued)

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

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

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2. 主要會計政策概要(續)

2.15 投資及其他金融資產(續)

2.15.1 投資及其他金融資產(自二零一八年一月一日起適用的國際財務報告準則第9號項下的政策)(續)

(b) 其後計量

金融資產的其後計量取決於其分類如下：

按攤銷成本計量之金融資產(債務工具)

倘符合以下兩個條件，本集團將按攤銷成本計量金融資產：

- 於旨在持有金融資產以收取合約現金流量的業務模式中持有的金融資產。
- 金融資產的合約條款於特定日期產生的現金流量純粹為未償還本金支付本金及利息。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.15 Investments and other financial assets (Continued)

2.15.1 Investments and other financial assets (policies under IFRS 9 applicable from 1 January 2018) (Continued)

(b) Subsequent measurement

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

Financial assets at amortised cost (debt instruments)

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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2. 主要會計政策概要(續)

2.15 投資及其他金融資產(續)

2.15.1 投資及其他金融資產(自二零一八年一月一日起適用的國際財務報告準則第9號項下的政策)(續)

(b) 其後計量(續)

按攤銷成本計量之金融資產(債務工具)
(續)

按攤銷成本列賬的金融資產其後使用實際利率法計量，並可能受減值影響。當資產終止確認、修訂或減值時，收益及虧損於綜合損益及其他全面收益表確認。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.15 Investments and other financial assets (Continued)

2.15.1 Investments and other financial assets (policies under IFRS 9 applicable from 1 January 2018) (Continued)

(b) Subsequent measurement (Continued)

Financial assets at amortised cost (debt instruments)
(Continued)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the consolidated statement of profit or loss and other comprehensive income when the asset is derecognised, modified or impaired.

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2. 主要會計政策概要(續)

2.15 投資及其他金融資產(續)

2.15.1 投資及其他金融資產(自二零一八年一月一日起適用的國際財務報告準則第9號項下的政策)(續)

(b) 其後計量(續)

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，於初步確認時指定按公平值計入損益的金融資產，或強制要求按公平值計量的金融資產。倘為於近期出售或購回而收購金融資產，則該等金融資產分類為持作買賣。衍生工具(包括獨立嵌入式衍生工具)亦分類為持作買賣，惟該等衍生工具被指定為有效對沖工具則除外。現金流量並非純粹支付本金及利息的金融資產，不論其業務模式如何，均按公平值計入損益分類及計量。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.15 Investments and other financial assets (Continued)

2.15.1 Investments and other financial assets (policies under IFRS 9 applicable from 1 January 2018) (Continued)

(b) Subsequent measurement (Continued)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

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2. 主要會計政策概要(續)

2.15 投資及其他金融資產(續)

2.15.1 投資及其他金融資產(自二零一八年一月一日起適用的國際財務報告準則第9號項下的政策)(續)

(b) 其後計量(續)

按公平值計入損益的金融資產(續)

按公平值計入損益的金融資產按公平值於財務狀況表列賬，而公平值變動淨額於綜合收益表確認。

該類別包括本集團並無不可撤回地選擇按公平值計入其他全面收益進行分類的衍生工具及股本投資。分類為按公平值計入損益的金融資產的股本投資的股息亦在支付權確立時於損益表確認為其他收入，股息涉及的經濟利益有可能流入至本集團及股息的金額可靠地計量。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.15 Investments and other financial assets (Continued)

2.15.1 Investments and other financial assets (policies under IFRS 9 applicable from 1 January 2018) (Continued)

(b) Subsequent measurement (Continued)

Financial assets at fair value through profit or loss (Continued)

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the consolidated statement of profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on equity investments classified as financial assets at fair value through profit or loss are also recognised as other income in the consolidated statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

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Notes to the Financial Statements

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For the year ended 31 December 2018

2. 主要會計政策概要 (續)

2.15 投資及其他金融資產 (續)

2.15.1 投資及其他金融資產(自二零一八年一月一日起適用的國際財務報告準則第9號項下的政策) (續)

(b) 其後計量 (續)

按公平值計入損益的金融資產 (續)

當嵌入混合合約(包含金融負債及非金融主體)的衍生工具具備與主體不緊密相關的經濟特徵及風險;具備與嵌入式衍生工具相同條款的單獨工具符合衍生工具的定義;且混合合約並非按公平值計入損益,則該衍生工具與主體分開並作為單獨衍生工具列賬。嵌入式衍生工具按公平值計量,且其變動計入綜合損益表。僅當合約條款出現變動,大幅改變其他情況下所需現金流量時;或當原分類至按公平值計入損益的金融資產獲重新分類時,方進行重新評估。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.15 Investments and other financial assets (Continued)

2.15.1 Investments and other financial assets (policies under IFRS 9 applicable from 1 January 2018) (Continued)

(b) Subsequent measurement (Continued)

Financial assets at fair value through profit or loss (Continued)

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in the consolidated statement of profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

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For the year ended 31 December 2018

2. 主要會計政策概要(續)

2.15 投資及其他金融資產(續)

2.15.1 投資及其他金融資產(自二零一八年一月一日起適用的國際財務報告準則第9號項下的政策)(續)

(b) 其後計量(續)

按公平值計入損益的金融資產(續)

嵌入混合合約(包含金融資產主體)的衍生工具不得單獨列賬。金融資產主體連同嵌入式衍生工具須整體分類為按公平值計量且其變動計入損益。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.15 Investments and other financial assets (Continued)

2.15.1 Investments and other financial assets (policies under IFRS 9 applicable from 1 January 2018) (Continued)

(b) Subsequent measurement (Continued)

Financial assets at fair value through profit or loss (Continued)

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

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For the year ended 31 December 2018

2. 主要會計政策概要(續)

2.15 投資及其他金融資產(續)

2.15.2 投資及其他金融資產(自二零一八年一月一日起適用的國際會計準則第39號項下的政策)

(a) 初步確認及計量

金融資產於初步確認時分類為按公平值計入損益的金融資產、貸款及應收賬款以及可供出售金融資產、或作為以有效對沖方式指定為對沖工具的衍生工具(倘適用)。金融資產初步確認時，以公平值加收購該金融資產時產生的交易成本計量，惟按公平值計入損益的金融資產除外。

所有以常規方式買賣的金融資產均於交易日(即本集團承諾買賣該資產當日)予以確認。常規方式買賣指規定須於一般市場規例或慣例確立之期間內交付資產的金融資產買賣。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.15 Investments and other financial assets (Continued)

2.15.2 Investments and other financial assets (policies under IAS 39 applicable before 1 January 2018)

(a) 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 marketplace.

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2. 主要會計政策概要(續)

2.15 投資及其他金融資產(續)

2.15.2 投資及其他金融資產(自二零一八年一月一日起適用的國際會計準則第39號項下的政策)(續)

(b) 其後計量

金融資產的其後計量取決於其分類如下：

貸款及應收賬款

貸款及應收賬款指有固定或可釐定付款金額及並無在活躍市場報價的非衍生金融資產。初步計量後，該等資產隨後採用實際利率法以攤銷成本減任何減值撥備計量。計算攤銷成本時，計入收購產生的任何折讓或溢價，且包括實際利率中不可或缺的费用或成本。實際利率攤銷計入綜合損益表的其他收入及收益。貸款減值虧損於綜合損益表確認為融資成本，而應收賬款的減值虧損於綜合損益表確認為其他開支。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.15 Investments and other financial assets (Continued)

2.15.2 Investments and other financial assets (policies under IAS 39 applicable before 1 January 2018) (Continued)

(b) Subsequent measurement

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

Loans and receivables

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

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2. 主要會計政策概要 (續)

2.15 投資及其他金融資產 (續)

2.15.2 投資及其他金融資產(自二零一八年一月一日前適用的國際會計準則第39號項下的政策) (續)

(b) 其後計量 (續)

可供出售金融投資

可供出售金融投資指上市及非上市股本投資及債務證券中的非衍生金融資產。既非持作買賣，亦非指定為按公平值計入損益的股本投資歸類為可供出售，無固定持有期限且可因流動資金需求或市況改變而出售的債務證券歸類至該類別。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.15 Investments and other financial assets (Continued)

2.15.2 Investments and other financial assets (policies under IAS 39 applicable before 1 January 2018) (Continued)

(b) Subsequent measurement (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.

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2. 主要會計政策概要(續)

2.15 投資及其他金融資產(續)

2.15.2 投資及其他金融資產(自二零一八年一月一日起適用的國際會計準則第39號項下的政策)(續)

(b) 其後計量(續)

可供出售金融投資(續)

初步確認後，可供出售金融投資其後以公平值計量，未變現收入或虧損於可供出售投資重估儲備確認為其他全面收益，直至終止確認投資(累計收益或虧損於綜合損益表確認為其他收益)或投資被釐定已減值(累計收益或虧損自可供出售投資重估儲備重新分類至綜合損益表的其他收益或虧損)為止。持有可供出售金融投資所賺取的利息及股息分別呈報為利息收益及股息收益，根據下文「收益確認(二零一八年一月一日起適用)」所載政策於綜合損益表確認為其他收益。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.15 Investments and other financial assets (Continued)

2.15.2 Investments and other financial assets (policies under IAS 39 applicable before 1 January 2018) (Continued)

(b) Subsequent measurement (Continued)

Available-for-sale financial investments (Continued)

After initial recognition, available-for-sale financial investments are subsequently measured at fair value, with unrealised gains or losses recognised as other comprehensive income in the available-for-sale investment revaluation reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in the consolidated statement of profit or loss in other income, or until the investment is determined to be impaired, when the cumulative gain or loss is reclassified from the available-for-sale investment revaluation reserve to the consolidated statement of profit or loss in other gains or losses. Interest and dividends earned whilst holding the available-for-sale financial investments are reported as interest income and dividend income, respectively and are recognised in the consolidated statement of profit or loss as other income in accordance with the policies set out for “Revenue recognition (applicable before 1 January 2018)” below.

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2. 主要會計政策概要(續)

2.15 投資及其他金融資產(續)

2.15.2 投資及其他金融資產(自二零一八年一月一日起適用的國際會計準則第39號項下的政策)(續)

(b) 其後計量(續)

可供出售金融投資
(續)

當非上市股本投資的公平值由於(a)公平值合理估計範圍的變化對該投資而言屬重大或(b)上述範圍內各種預計的機率難以合理評估並用於估計公平值而無法可靠計量時，該等投資以成本減任何減值虧損列賬。

本集團評估是否有能力及意向以及是否適宜在短期內出售可供出售金融資產。在特殊情況下，當本集團缺乏活躍市場而無法買賣該等金融資產時，管理層有能力及意向在可見將來持有該等資產或持有至到期，則本集團可重新分類該等金融資產。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.15 Investments and other financial assets (Continued)

2.15.2 Investments and other financial assets (policies under IAS 39 applicable before 1 January 2018) (Continued)

(b) Subsequent measurement (Continued)

Available-for-sale financial investments (Continued)

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

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

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2. 主要會計政策概要(續)

2.15 投資及其他金融資產(續)

2.15.2 投資及其他金融資產(自二零一八年一月一日起適用的國際會計準則第39號項下的政策)(續)

(b) 其後計量(續)

可供出售金融投資
(續)

倘金融資產從可供出售類別重新劃分為其他類別，則重新分類當日的公平面值為其新攤銷成本，之前於權益確認的該資產的收益或虧損採用實際利率法於剩餘投資年期內在損益攤銷。新攤銷成本與到期金額的差額亦採用實際利率法於資產剩餘年期內攤銷。倘資產其後釐定為已減值，則計入權益的金額重新分類至綜合損益表。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.15 Investments and other financial assets (Continued)

2.15.2 Investments and other financial assets (policies under IAS 39 applicable before 1 January 2018) (Continued)

(b) Subsequent measurement (Continued)

Available-for-sale financial investments (Continued)

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

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Notes to the Financial Statements

截至二零一八年十二月三十一日止年度

For the year ended 31 December 2018

2. 主要會計政策概要(續)

2.15 投資及其他金融資產(續)

2.15.3 取消確認金融資產(根據二零一八年一月一日起適用的國際財務報告準則第9號的政策及根據二零一八年一月一日前適用的國際會計準則第39號的政策)

金融資產(或(如適用)金融資產的一部分或一組類似金融資產的一部分)於下列情況下將取消確認(即於本集團的綜合財務狀況表中移除):

- 取自該項資產所得現金流量的權利已屆滿;或
- 本集團已轉讓其收取自該項資產所得現金流量的權利,或根據「轉手」安排在沒有嚴重延誤的情況下承擔向第三方悉數支付已收取現金流量的責任,及(a)本集團已轉讓該項資產的絕大部分風險及回報;或(b)本集團並無轉讓或保留該項資產的絕大部分風險及回報,但已轉讓該項資產的控制權。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.15 Investments and other financial assets (Continued)

2.15.3 Derecognition of financial assets (policies under IFRS 9 applicable from 1 January 2018 and policies under IAS 39 applicable before 1 January 2018)

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.

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2. 主要會計政策概要(續)

2.15 投資及其他金融資產(續)

2.15.3 取消確認金融資產(根據二零一八年一月一日起適用的國際財務報告準則第9號的政策及根據二零一八年一月一日前適用的國際會計準則第39號的政策)(續)

倘本集團已轉讓其收取自該項資產所得現金流量的權利或訂立轉手安排，其會評估其是否已保留資產所有權的風險及回報以及保留至何種程度。倘本集團並無轉讓亦無保留該項資產的絕大部分風險及回報，亦無轉讓該項資產的控制權，則該項已轉讓資產將按本集團持續涉及該項資產的程度繼續確認入賬。在此情況下，本集團亦確認相關負債。已轉讓資產及相關負債乃按反映本集團已保留的權利及責任的基準計量。

本集團就已轉讓資產作出一項擔保而導致持續涉及時，已轉讓資產乃以該項資產的初步賬面值及本集團或須償還的對價數額上限中的較低者計算。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.15 Investments and other financial assets (Continued)

2.15.3 Derecognition of financial assets (policies under IFRS 9 applicable from 1 January 2018 and policies under IAS 39 applicable before 1 January 2018) (Continued)

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

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

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Notes to the Financial Statements

截至二零一八年十二月三十一日止年度

For the year ended 31 December 2018

2. 主要會計政策概要(續)

2.16 金融資產減值

2.16.1 金融資產減值(根據二零一八年一月一日起適用的國際財務報告準則第9號的政策)

本集團確認對並非按公平值計入損益的所有債務工具預期信用損失的撥備。預期信用損失乃基於根據合約到期的合約現金流量與本集團預期收取的所有現金流量之間的差額而釐定，並以原實際利率的近似值貼現。預期現金流量將包括出售所持抵押的現金流量或組成合約條款的其他信貸提升措施。

簡化方法

就貿易應收賬款項及不包含重大融資成分的合約資產而言，或當本集團採取務實權宜之計不調整重大融資成分的影響時，本集團於計算預期信用損失時應用簡化方法。根據簡化方法，本集團並無追溯信貸風險變動，而是根據各報告日期的全期預期信用損失確認虧損撥備。本集團已設立根據其過往信貸虧損經驗計算之撥備矩陣，並按債務人之特定前瞻性因素及經濟環境作出調整。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.16 Impairment of financial assets

2.16.1 Impairment of financial assets (policies under IFRS 9 applicable from 1 January 2018)

The Group recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

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2. 主要會計政策概要(續)

2.16 金融資產減值(續)

2.16.2 金融資產減值(根據二零一八年一月一日前適用的國際會計準則第39號的政策)

本集團於各報告期末評估是否有客觀證據顯示一項金融資產或一組金融資產出現減值。如果在初步確認資產後發生的一項或多項事件對該金融資產或該組金融資產的估計未來現金流量產生可以可靠估計的影響，則存在減值。減值證據可能包括有跡象顯示一名債務人或一組債務人正經歷重大財務困難、違約或拖欠利息或本金付款，其將陷入破產或其他財務重組的可能性以及可觀察數據(例如與違約相關的欠款或經濟狀況變化)顯示，估計未來現金流量有可衡量的下降。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.16 Impairment of financial assets (Continued)

2.16.2 Impairment of financial assets (policies under IAS 39 applicable before 1 January 2018)

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and 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.

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2. 主要會計政策概要(續)

2.16 金融資產減值(續)

2.16.2 金融資產減值(根據二零一八年一月一日前適用的國際會計準則第39號的政策)(續)

(a) 按攤銷成本列賬的金融資產

對於按攤銷成本列賬的金融資產，本集團首先會評估個別重大金融資產或按組合基準評估個別非重大金融資產是否存在減值。倘本集團認定並無客觀證據顯示按個別基準評估的金融資產出現(無論是否重大)減值，則有關資產會歸入一組具有相似信貸風險特徵的金融資產，並按組合基準評估有否減值。經個別評估減值且已確認或持續確認減值虧損的資產不會納入組合減值評估之內。

已確認的任何減值虧損金額會按該項資產的賬面值與估計未來現金流量現值(不包括未產生的未來信貸虧損)的差額計量。估計未來現金流量現值會按金融資產的原實際利率(即初步確認時所用的實際利率)折現。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.16 Impairment of financial assets (Continued)

2.16.2 Impairment of financial assets (policies under IAS 39 applicable before 1 January 2018) (Continued)

(a) *Financial assets carried at amortised cost*

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

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

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2. 主要會計政策概要(續)

2.16 金融資產減值(續)

2.16.2 金融資產減值(根據二零一八年一月一日前適用的國際會計準則第39號的政策)(續)

(a) 按攤銷成本列賬的金融資產(續)

資產賬面值透過使用撥備賬削減，而虧損在綜合損益表內確認。利息收入按已扣減的賬面值持續累計，並採用計量減值虧損時用以貼現未來現金流量的利率累計。貸款及應收款項連同任何相關撥備於不存在日後收回的實際可能性及所有抵押品已變現或轉讓予本集團時撇銷。

倘估計減值虧損的金額在其後期間因確認減值後發生的事項出現增減，則先前確認的減值虧損可通過調整撥備賬而增減。倘撇銷於其後收回，則收回金額將以其他開支計入綜合損益表。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.16 Impairment of financial assets (Continued)

2.16.2 Impairment of financial assets (policies under IAS 39 applicable before 1 January 2018) (Continued)

(a) Financial assets carried at amortised cost (Continued)

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

If, in a subsequent 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 reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other expenses in the consolidated statement of profit or loss.

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2. 主要會計政策概要(續)

2.16 金融資產減值(續)

2.16.2 金融資產減值(根據二零一八年一月一日前適用的國際會計準則第39號的政策)(續)

(b) 可供出售金融投資

就可供出售金融投資而言，本集團會於各報告期末評估有否客觀證據顯示一項投資或一組投資出現減值。

當可供出售金融資產出現減值時，其成本(扣除任何本金付款和攤銷)和其現有公平值，扣減之前於損益表內確認之任何減值虧損之差額，將自其他全面收益移除，並在損益表中確認。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.16 Impairment of financial assets (Continued)

2.16.2 Impairment of financial assets (policies under IAS 39 applicable before 1 January 2018) (Continued)

(b) Available-for-sale financial investments

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

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

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2. 主要會計政策概要(續)

2.16 金融資產減值(續)

2.16.2 金融資產減值(根據二零一八年一月一日前適用的國際會計準則第39號的政策)(續)

(b) 可供出售金融投資(續)

倘股權投資被列作可供出售類別，則客觀證據將包括該項投資的公平值大幅或長期跌至低於其成本。「大幅」是相對於投資之原始成本評估，而「長期」則相對於公平值低於原始成本之期間而評估。倘出現減值證據，則累計虧損(按收購成本與現時公平值之差額減該項投資先前在損益表內確認的任何減值虧損計量)將從其他全面收益中移除，並於損益表內確認。分類為可供出售的股本工具的減值虧損不可通過損益表撥回，而其公平值於減值後的增加部分會直接於其他全面收益中確認。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.16 Impairment of financial assets (Continued)

2.16.2 Impairment of financial assets (policies under IAS 39 applicable before 1 January 2018) (Continued)

(b) Available-for-sale financial investments (Continued)

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

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2. 主要會計政策概要(續)

2.16 金融資產減值(續)

2.16.2 金融資產減值(根據二零一八年一月一日前適用的國際會計準則第39號的政策)(續)

(b) 可供出售金融投資(續)

確定是否屬「大幅」或「長期」時須作出判斷。在作出判斷時，本集團會評估(其中包括)一項投資的公平值少於其成本的持續時間或程度。

2.17 金融負債

2.17.1 初步確認及計量

金融負債於初步確認時被分類為貸款及借貸以及應付款項。

所有金融負債初步按公平值確認及倘為貸款及借貸以及應付款項，則應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、計息銀行貸款及其他借貸。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.16 Impairment of financial assets (Continued)

2.16.2 Impairment of financial assets (policies under IAS 39 applicable before 1 January 2018) (Continued)

(b) Available-for-sale financial investments (Continued)

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

2.17 Financial liabilities

2.17.1 Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings, and payables.

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

The Group’s financial liabilities include trade and other payables, and interest-bearing bank and other borrowings.

2. 主要會計政策概要(續)

2.17 金融負債(續)

2.17.2 其後計量

金融資產之其後計量取決於彼等以下的分類情況：

貸款及借貸

於初步確認後，計息貸款及借貸隨後以實際利率法按攤銷成本計量，除非貼現影響微不足道，則按成本列賬。終止確認負債及按實際利率法攤銷過程中產生的損益在損益表內確認。

計算攤銷成本時考慮收購所產生的任何折價或溢價以及作為實際利率一部分的費用或成本。實際利率攤銷於損益表內列為融資成本。

2.17.3 終止確認金融負債

金融負債於負債責任解除、撤銷或屆滿時終止確認。

倘現有金融負債由同一放債人提供但條款差異甚大的另一金融負債替代，或現有負債的條款已作重大修訂，則有關替代或修訂被視作終止確認原有負債並確認新負債，而各賬面值之差額則於損益表確認。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.17 Financial liabilities (Continued)

2.17.2 Subsequent measurement

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

Loans and borrowings

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

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

2.17.3 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 the statement of profit or loss.

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2. 主要會計政策概要 (續)

2.18 存貨

存貨按成本值及可變現淨值兩者中的較低者入賬。成本按加權平均法釐定。製成品及在製品成本包括研發成本、原材料、直接人工費用、其他直接成本及相關的間接生產費用(按正常運營能力計)。其不包括借貸成本。可變現淨值為日常業務過程中的估計售價減適用可變銷售開支。

2.19 現金及現金等價物

於綜合現金流量表中，現金及現金等價物包括手頭現金、銀行通知存款、原到期日為三個月或以內的其他短期高流動性投資及銀行透支。於綜合財務狀況表中，銀行透支在流動負債的借款中列示。

2.20 股本

普通股分類列為權益。與發行新股或獎勵直接有關的增量成本，列入權益作為所得款項(扣除稅項)扣減。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.18 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises research and development costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.19 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. In the consolidated statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

2.20 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or awards are shown in equity as a deduction, net of tax, from the proceeds.

財務報表附註

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2. 主要會計政策概要(續)

2.21 即期及遞延所得稅

年度稅項開支包括即期及遞延稅項。稅項於綜合損益及其他全面收益表確認，惟與在其他全面收入或直接於權益確認的項目有關者除外。在此情況下，稅項亦分別於其他全面收入或直接於權益確認。

(a) 即期所得稅

即期所得稅開支按本公司的附屬公司及聯營公司經營及產生應課稅收入所在國家於報告期末已頒佈或實質頒佈的稅法計算。管理層就適用稅務規例有待詮釋的情況定期評估報稅表的狀況，並在適用情況下根據預期須向稅務機關支付的稅款作出撥備。

(b) 遞延所得稅

內部基準差異

遞延所得稅採用負債法就資產及負債的稅基與其在綜合財務報表的賬面值產生的暫時差額確認。然而，倘遞延所得稅來自交易(不包括業務合併)資產或負債的初步確認，而在交易發生時不影響會計損益或應課稅損益，則不予入賬。遞延所得稅採用在報告期末前已頒佈或實質頒佈，並在有關的遞延所得稅資產變現或遞延所得稅負債結算時預期將會適用的稅率(及法例)而釐定。

遞延所得稅資產乃僅就有可能將未來應課稅溢利與可使用的暫時差異抵銷而確認。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.21 Current and deferred income tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the consolidated statement of profit or loss and other comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) Deferred income tax

Inside basis differences

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

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2. 主要會計政策概要 (續)

2.21 即期及遞延所得稅 (續)

(b) 遞延所得稅 (續)

外部基準差異

遞延所得稅就於附屬公司及聯營公司的投資所產生的暫時差額作出撥備，惟就遞延所得稅負債而言，倘若本集團可以控制暫時差額的撥回時間，而暫時差額在可預見將來不大可能撥回者，則除外。一般而言，本集團無法控制給予聯營公司的暫時差額撥回。僅於可預見未來有協議賦予本集團能力控制撥回暫時差額時，則不會確認與聯營公司之未分配溢利產生之應課稅暫時差額有關之遞稅項負債。

因投資附屬公司及聯營公司而產生的可扣減暫時差額確認為遞延所得稅資產，惟倘暫時差額在將來可撥回，且有充足應課稅溢利抵銷可動用暫時差額則除外。

(c) 抵銷

倘有合法執行權利以即期稅項資產抵銷即期稅項負債，以及當遞延所得稅資產和負債涉及由同一稅務機關就相同應課稅實體或有意以淨額基準結算結餘的不同應課稅實體徵收所得稅，則遞延所得稅資產與負債互相抵銷。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.21 Current and deferred income tax (Continued)

(b) Deferred income tax (Continued)

Outside basis differences

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not be reversed in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for the associates. Only when there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference in the foreseeable future, deferred tax liability in relation to taxable temporary differences arising from the associate's undistributed profits is not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries and an associate only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

(c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

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2. 主要會計政策概要(續)

2.22 僱員福利

(a) 退休金責任

本集團已根據有關規定參與由當地社會保險局管理的退休保險及醫療保險計劃。本集團每月須就上述保險計劃按僱員每月工資向當地社會保險局作出供款。除上述界定供款外，本集團並無其他責任。本集團於該計劃項下的供款於綜合損益及其他全面收益表支銷。

(b) 離職福利

離職福利於僱員在正常退休日前被本集團終止聘用或僱員接受自願離職以換取這些福利時支付。本集團按以下日期(以較早者為準)確認離職福利：(a) 於本集團不能取消提供該等福利時；及(b) 實體確認任何屬國際會計準則第37號範疇內及涉及終止服務權益付款之有關重組成本當日。在提出要約以鼓勵自願離職的情況下，離職福利乃根據預期接受要約的僱員人數計量。在報告期末後超過十二個月到期支付的福利應貼現為現值。

(c) 分享溢利及花紅計劃

本集團根據一項公式就花紅及溢利分享確認負債及開支，該公式考慮了於作出若干調整後的本公司股東應佔溢利。本集團就合約責任或倘若因過往慣例曾產生推定責任而確認撥備。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.22 Employee benefits

(a) Pension obligations

The Group participates in the retirement insurance and medical insurance scheme organised by the local social security bureau pursuant to the relevant provisions. The Group is required to make monthly contributions in respect of the above insurance scheme to the local social security bureau based on the monthly salaries of its employees. The Group has no further liabilities other than the above defined contributions. The Group's contributions under the scheme are charged to the consolidated statement of profit or loss and other comprehensive income.

(b) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(c) Profit-sharing and bonus plans

The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

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2. 主要會計政策概要(續)

2.22 僱員福利(續)

(d) 僱員假期

僱員於成為僱員時即享有年假。已就僱員截至報告期末提供的服務作出年假估計負債撥備。

僱員的病假及產假僅於僱員開始休假時確認。

2.23 以股份為基礎的付款

(a) 以股權結算的股份支付交易

本集團實行若干以股權結算以股份為基礎的補償計劃，根據計劃，作為本集團權益工具(獎勵)的代價，實體收取僱員服務。透過授出獎勵而交換所得的僱員服務的公平值確認為支銷。將予支銷的總金額乃參考所授獎勵的公平值而釐定：

- 包括任何市場表現狀況(如實體的股價)；
- 不包括任何服務及非市場表現歸屬條件(如盈利能力、銷售增長目標及於特定期間留任實體僱員)的影響；及
- 包括任何非歸屬條件(如要求僱員儲蓄或於特定期間持有股份)的影響。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.22 Employee benefits (Continued)

(d) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

2.23 Share-based payments

(a) Equity-settled share-based payment transaction

The Group operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (awards) of the Group. The fair value of the employee services received in exchange for the grant of the awards is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the awards granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save or hold shares for a specified period of time).

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2. 主要會計政策概要(續)

2.23 以股份為基礎的付款(續)

(a) 以股權結算的股份支付交易(續)

於各報告期末，本集團會根據非市場表現及服務條件對預期將予歸屬的獎勵數目估計進行修訂。本集團會於綜合損益及其他全面收益表確認修訂原來估計(如有)的影響，並相應調整權益。

此外，於若干情況下，僱員可於授予日期之前提供服務，因此，本集團會就確認服務開始期間與授予日期之間的支銷而估計授予日期的公平值。

(b) 集團實體間的股份支付交易

本公司向本集團附屬公司僱員授予來自股本工具的獎勵被視為出資。僱員所提供服務公平值經參考授予日期公平值後計量，於歸屬期確認為對附屬公司的投資增幅，並相應於母公司賬目中入賬至權益。

2.24 撥備

當本集團因過往事件須承擔現有法律責任，而解除責任將很可能須消耗資源，且有關金額已作出可靠估算時，會確認法律索償撥備。但不會就日後經營虧損確認任何撥備。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.23 Share-based payments (Continued)

(a) Equity-settled share-based payment transaction (Continued)

At the end of each reporting period, the Group revises its estimates of the number of awards that are expected to vest based on the non-marketing performance and service conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated statement of profit or loss and other comprehensive income, with a corresponding adjustment to equity.

In addition, in some circumstances, employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between the service commencement period and the grant date.

(b) Share-based payment transaction among group entities

The grant by the Company of awards over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the parent entity accounts.

2.24 Provisions

Provisions for legal claims are recognised when: the Group has a present legal obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

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2. 主要會計政策概要 (續)

2.25 政府補助

於合理確定會收到政府補助且本集團滿足所有附屬條件時，政府補助以其公平值確認。

與成本相關的政府補助予以遞延，並於與其擬定補償的成本配對補助的所需期間內於綜合損益及其他全面收益表確認。

與物業、廠房及設備有關的政府補助在非流動負債中計作遞延政府補助，並於相關資產的預計年內按直線法貸記至綜合損益及其他全面收益表。

2.26 收益確認

2.26.1 收益確認 (由二零一八年一月一日起適用)

(a) 客戶合約收益

客戶合約收益於貨品或服務控制權轉讓至客戶時確認，有關金額反映本集團預期就交換該等貨品或服務而可獲得之代價。

當合約的代價包括可變金額時，代價金額將估計為本集團將貨品或服務轉移至客戶所有權換取者。可變代價在合約開始時估計並受約束，直至在隨後解決與可變代價的相關不確定性時，於所確認累計收益金額中的重大收益回撥很有可能不會發生為止。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.25 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the consolidated statement of profit or loss and other comprehensive income over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the consolidated statement of profit or loss and other comprehensive income on a straight-line basis over the expected lives of the related assets.

2.26 Revenue recognition

2.26.1 Revenue recognition (applicable from 1 January 2018)

(a) Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

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2. 主要會計政策概要(續)

2.26 收益確認(續)

2.26.1 收益確認(由二零一八年一月一日起適用)(續)

(a) 客戶合約收益(續)

倘合約中包含為客戶提供超過一年轉移貨品或服務的重大融資利益的融資成分，則收益按應收金額的現值計量，並使用訂立合約時本集團與客戶的單獨融資交易中反映的貼現率貼現。倘合約中包含為本集團提供超過一年重大融資利益的融資成分，則根據該合約確認的收益包括按實際利率法計算的合約負債所產生的利息開支。對於客戶付款與承諾的貨品或服務轉移之間的期限為一年或少於一年的合約，交易價不會因重大融資成分的影響而調整，而是使用國際財務報告準則第15號可行的權宜之計。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.26 Revenue recognition (Continued)

2.26.1 Revenue recognition (applicable from 1 January 2018) (Continued)

(a) Revenue from contracts with customers (Continued)

When the contract contains a financing component which provides the customer a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

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2. 主要會計政策概要(續)

2.26 收益確認(續)

2.26.1 收益確認(由二零一八年一月一日起適用)(續)

(a) 客戶合約收益(續)

(i) 銷售貨品

銷售工業產品的收益在資產控制權轉移給客戶的一刻確認，通常在交付工業產品時確認。

部分工業產品銷售合約為客戶提供了退貨權和數量折扣。退貨權和數量折扣帶來可變的代價。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.26 Revenue recognition (Continued)

2.26.1 Revenue recognition (applicable from 1 January 2018) (Continued)

(a) Revenue from contracts with customers (Continued)

(i) Sales of goods

Revenue from the sale of industrial products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the industrial products.

Some contracts for the sale of industrial products provide customers with rights of return and volume rebates. The rights of return and volume rebates give rise to variable consideration.

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2. 主要會計政策概要(續)

2.26 收益確認(續)

2.26.1 收益確認(由二零一八年一月一日起適用)(續)

(a) 客戶合約收益(續)

(i) 銷售貨品(續)

退貨權

對於為客戶提供在指定期限內退貨的權利的合約，預期價值法用於估計不會退回的貨物，因為該方法最能推測本集團有權獲得的可變代價金額。國際財務報告準則第15號關於約束可變代價估計的規定予以採用，以確定可包含在交易價格中的可變代價金額。對於預計將退回的貨物，退款責任(而非收益)將被確認。對於退回資產權利(以及相應的銷售成本調整)亦會就從客戶收回產品的權利予以確認。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.26 Revenue recognition (Continued)

2.26.1 Revenue recognition (applicable from 1 January 2018) (Continued)

(a) Revenue from contracts with customers (Continued)

(i) Sales of goods (Continued)

Rights of return

For contracts which provide a customer with a right to return the goods within a specified period, the expected value method is used to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in IFRS 15 on constraining estimates of variable consideration are applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, a refund liability is recognised. A right-of-return asset (and the corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer.

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2. 主要會計政策概要(續)

2.26 收益確認(續)

2.26.1 收益確認(由二零一八年一月一日起適用)(續)

(a) 客戶合約收益(續)

(i) 銷售貨品(續)

數量折扣

當期間購買的產品數量越過合約中規定的門檻，部分客戶可獲提供追溯性數量折扣。折扣將在客戶應付的金額中扣除。關於估計預期未來折扣的可變代價，就只有單一門檻的合約使用最可能金額方法，而有超過一個門檻的合約則使用預期價值方法。所甄選最佳推測可變代價金額的方法主要由合約中含有的數量門檻帶動。設有約束可變代價估計的規定，而預期未來折扣的退款責任亦予以確認。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.26 Revenue recognition (Continued)

2.26.1 Revenue recognition (applicable from 1 January 2018) (Continued)

(a) Revenue from contracts with customers (Continued)

(i) Sales of goods (Continued)

Volume rebates

Retrospective volume rebates may be provided to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the most likely amount method is used for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The requirements on constraining estimates of variable consideration are applied and a refund liability for the expected future rebates is recognised.

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2. 主要會計政策概要(續)

2.26 收益確認(續)

2.26.1 收益確認(由二零一八年一月一日起適用)(續)

(a) 客戶合約收益(續)

(ii) 提供服務

提供研發服務的收益隨著時間的推移而得到確認，使用輸入法來衡量服務達致獲得完全滿意的進度，因為本集團的表現創造或提升客戶所控制的資產(隨著該資產獲創造或提升)。輸入法根據實際發生的成本與估計的服務使對方滿足總成本的比例確定收益。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.26 Revenue recognition (Continued)

2.26.1 Revenue recognition (applicable from 1 January 2018) (Continued)

(a) Revenue from contracts with customers (Continued)

(ii) Rendering of services

Revenue from the provision of research and development services is recognised over time, using an input method to measure progress towards complete satisfaction of the service, because the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced. The input method recognises revenue based on the proportion of the actual costs incurred relative to the estimated total costs for satisfaction of the services.

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2. 主要會計政策概要(續)

2.26 收益確認(續)

2.26.1 收益確認(由二零一八年一月一日起適用)(續)

(b) 其他收益來源

租金收入按租賃期的時間比例確認。

(c) 其他收入

利息收入按應計基準以實際利率法通過採用將金融工具的估計未來所收現金在預計可使用年期(或較短期間(如適合))內準確貼現至金融資產賬面值淨值的利率予以確認。

2.26.2 收益確認(二零一八年一月一日前適用)

收益按已收或應收代價的公平值計量，指供應貨品的應收賬款，扣除折扣、退貨及增值稅後列值。當收益的數額能夠可靠計量、未來經濟利益很有可能流入有關集團實體，而本集團每項活動均符合下文所述具體條件時，本集團會確認收益。本集團會根據其退貨往績並考慮客戶類別、交易種類及每項安排的特點作出估計。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.26 Revenue recognition (Continued)

2.26.1 Revenue recognition (applicable from 1 January 2018) (Continued)

(b) Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms.

(c) Other income

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

2.26.2 Revenue recognition (applicable before 1 January 2018)

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the group entity; and when specific criteria have been met for each of the Group's activities, as described below. The Group bases its estimates of return on historical results, taking into consideration of the type of customer, the type of transaction and the specifics of each arrangement.

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2. 主要會計政策概要(續)

2.26 收益確認(續)

2.26.2 收益確認(二零一八年一月一日前適用)(續)

(a) 貨品銷售

本集團於批發市場製造及銷售一系列藥品。當集團實體交付產品予批發商，而批發商對出售產品的渠道及價格有充分酌情權，且並無不能償付的責任可影響批發商接納該等產品時，貨品銷售會予以確認。在產品運至特定地點、陳舊過時及虧損風險已轉移予批發商、批發商已按銷售合約規定接納產品且接納規定已失效、或本集團有客觀證據顯示接納的所有標準均已達致時，方會確認交付。

(b) 銷售分銷權

銷售分銷權於分銷權年內按直線法在綜合損益及其他全面收益表確認。

(c) 租金收入

投資物業之租金收入按直線基準於租期在綜合損益及其他全面收益表確認。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.26 Revenue recognition (Continued)

2.26.2 Revenue recognition (applicable before 1 January 2018) (Continued)

(a) Sales of goods

The Group manufactures and sells a range of pharmaceutical products in the wholesale market. Sales of goods are recognised when a group entity has delivered products to the wholesaler, the wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery does not occur until the products have been shipped to the specified locations, the risks of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler has accepted the products in accordance with the sales contract and the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

(b) Sales of distribution rights

Sales of distribution rights are recognised in the consolidated statement of profit or loss and other comprehensive income on a straight-line basis over the term of the distribution rights.

(c) Rental income

Rental income from investment property is recognised in the consolidated statement of profit or loss and other comprehensive income on a straight-line basis over the term of the lease.

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2. 主要會計政策概要(續)

2.26 收益確認(續)

2.26.3 合約資產(二零一八年一月一日起適用)

合約資產乃就換取已向客戶轉讓的貨品或服務而收取代價的權利。倘本集團於客戶支付代價或付款到期前將貨品或服務轉讓予客戶，則就附帶條件的已賺取代價確認合約資產。

2.26.4 合約負債(二零一八年一月一日起適用)

合約負債指本集團因已向客戶收取代價(或代價款項已到期)，而須向客戶轉讓貨品或服務的責任。倘客戶於本集團將貨品或服務轉讓予客戶前支付代價，則於作出付款或付款到期時(以較早者為準)確認合約負債。合約負債於本集團履行合約時確認為收益。

2.27 經營租賃

凡擁有權的絕大部分風險及回報由出租人保留的租賃均分類為經營租賃。根據經營租賃作出的付款(扣除出租人給予的任何優惠)在租期內以直線法自損益及其他全面收益表支銷。

2.28 股息分派

向本公司股東分派的股息在股息獲本公司股東或董事(視情況而定)批准期間於本集團及本公司財務報表內確認為負債。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.26 Revenue recognition (Continued)

2.26.3 Contract assets (applicable from 1 January 2018)

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

2.26.4 Contract liabilities (applicable from 1 January 2018)

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received a consideration (or an amount of consideration that is due) from the customer. If a customer pays the consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

2.27 Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of profit or loss and other comprehensive income on a straight-line basis over the period of the lease.

2.28 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors where appropriate.

財務報表附註

Notes to the Financial Statements

截至二零一八年十二月三十一日止年度

For the year ended 31 December 2018

2. 主要會計政策概要(續)

2.29 關聯方

在下列情況下，有關方將被視為本集團的關聯方：

- (a) 有關方為一名人士或該人士的近親，而該人士
 - (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響；或
 - (iii) 為本集團或本集團母公司的主要管理人員；

或

- (b) 有關方為實體，而符合以下條件：
 - (i) 該實體與本集團屬同一集團的成員公司；
 - (ii) 該實體為另一實體的聯營公司或合營企業（或該實體的母公司、附屬公司或同系附屬公司）；
 - (iii) 該實體及本集團均為同一第三方的合營企業；
 - (iv) 該實體為第三方實體的合營企業，而另一實體為該第三方實體的聯營公司；

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.29 Related parties

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

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (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;

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For the year ended 31 December 2018

2. 主要會計政策概要 (續)

2.29 關聯方 (續)

- (b) 有關方為實體，而符合以下條件：(續)
 - (v) 該實體為離職後福利計劃，該計劃的受益人為本集團或與本集團有關的實體的僱員；及離職後福利計劃的贊助僱主；
 - (vi) 該實體受(a)所識別人士控制或受共同控制；
 - (vii) 於(a)(i)所識別人士對該實體有重大影響或屬該實體(或該實體母公司)主要管理人員；及
 - (viii) 實體或其所屬集團的任何成員公司向本集團或本集團的母公司提供主要管理人員服務。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.29 Related parties (Continued)

- (b) the party is an entity where any of the following conditions applies: (Continued)
 - (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; and the sponsoring employers of the post-employment benefit plan;
 - (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.

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3. 財務風險管理

3.1 財務風險因素

本集團的業務活動承受多種財務風險：市場風險(包括外幣風險、價格風險及利率風險)、信貸風險及流動性風險。本集團整體風險管理政策專注於金融市場的不可預測性，並尋求盡量減低對本集團財務表現的潛在不利影響。

(a) 市場風險

(i) 外幣風險

本公司及其附屬公司的功能貨幣為人民幣。本集團的所有收入均源自於中國的業務。本集團的金融工具主要以人民幣計值。人民幣轉換為外幣受中國政府頒佈的外匯管制規則及法規監管。本集團以外幣計值的主要資產及負債為以美元(「美元」)、港元(「港元」)及歐元(「歐元」)計值的若干現金及現金等價物(附註17)。本公司董事會執行董事認為，本集團並無面臨重大外幣風險。

本集團現時並無外幣對沖政策。

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Market risk

(i) Foreign currency risk

The functional currency of the Company and its subsidiaries is RMB. All of the revenues of the Group are derived from operations in the PRC. The financial instruments of the Group are mainly denominated in RMB. The conversion of RMB into foreign currencies is subject to the rules and regulations of foreign exchange control promulgated by the PRC government. The main foreign currency denominated assets and liabilities of the Group were certain cash and cash equivalents (Note 17), which were denominated in United States Dollars ("USD"), Hong Kong Dollars ("HKD") and Euro ("EUR"). In the opinion of the executive directors of the board of the Company, the Group does not have significant exposure to foreign exchange risk.

The Group currently does not have a foreign currency hedge policy.

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For the year ended 31 December 2018

3. 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(i) 外幣風險(續)

於二零一八年十二月三十一日，倘若人民幣兌美元貶值／升值3%(二零一七年：3%)，而所有其他因素維持不變，則截至二零一八年十二月三十一日止年度的除稅後溢利將增加／減少約人民幣41,067,000元(二零一七年：人民幣10,494,000元)，主要由於換算以美元為單位的現金及現金等價物的匯兌收益／虧損所致。

於二零一八年十二月三十一日，倘若人民幣兌港元貶值／升值3%(二零一七年：3%)，而所有其他因素維持不變，則截至二零一八年十二月三十一日止年度的除稅後溢利將增加／減少約人民幣130,000元(二零一七年：人民幣608,000元)，主要由於換算以港元為單位的現金及現金等價物的匯兌收益／虧損所致。

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(i) Foreign currency risk (Continued)

As at 31 December 2018, if RMB had weakened/strengthened by 3% (2017: 3%) against USD with all other variables held constant, post-tax profit for the year ended 31 December 2018 would have been approximately RMB41,067,000 (2017: RMB10,494,000) higher/lower, mainly as a result of foreign exchange gains/losses on translation of USD-denominated cash and cash equivalents.

As at 31 December 2018, if RMB had weakened/strengthened by 3% (2017: 3%) against HKD with all other variables held constant, post-tax profit for the year ended 31 December 2018 would have been approximately RMB130,000 (2017: RMB608,000) higher/lower, mainly as a result of foreign exchange gains/losses on translation of HKD-denominated cash and cash equivalents.

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Notes to the Financial Statements

截至二零一八年十二月三十一日止年度
For the year ended 31 December 2018

3. 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(i) 外幣風險(續)

於二零一八年十二月三十一日，倘若人民幣兌歐元貶值／升值3%(二零一七年：3%)，而所有其他因素維持不變，則截至二零一八年十二月三十一日止年度的除稅後溢利將增加／減少約人民幣75,000元(二零一七年：人民幣459,000元)，主要由於換算以歐元為單位的現金及現金等價物的匯兌收益／虧損所致。

(ii) 價格風險

本集團並無面臨任何重大股本市場風險，亦無面臨任何商品價格風險。

(iii) 利率風險

本集團的計息資產主要包括理財產品以及現金及現金等價物，詳情已於附註13及17披露。

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(i) Foreign currency risk (Continued)

As at 31 December 2018, if RMB had weakened/strengthened by 3% (2017: 3%) against EUR with all other variables held constant, post-tax profit for the year ended 31 December 2018 would have been approximately RMB75,000 (2017: RMB459,000) higher/lower, mainly as a result of foreign exchange gains/losses on translation of EUR-denominated cash and cash equivalents.

(ii) Price risk

The Group is not exposed to any significant equity market risk, nor exposed to any commodity price risk.

(iii) Interest rate risk

The interest-bearing assets of the Group mainly include the wealth management products and cash and cash equivalents, details of which have been disclosed in Notes 13 and 17.

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Notes to the Financial Statements

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For the year ended 31 December 2018

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 信貸風險

信貸風險來自現金及現金等價物、貿易應付賬款、理財產品及其他應收賬款。

所有現金等價物及銀行存款均存放於中國若干信譽良好的金融機構及中國內地以外的優質國際金融機構。所有該等不可撤回銀行票據(分類為應收票據(附註16))均由中國具備高信貸評級的銀行發出。近期並無有關該等金融機構的現金等價物及銀行存款欠款記錄。

本集團並無有關貿易應收賬款信貸風險高度集中的情況，並設有政策確保於與客戶協定相關銷售訂單後收取若干現金墊款。對於獲授信貸期的客戶而言，本集團會考慮有關對手方的財務狀況、信貸記錄及其他因素評估其信貸質素，並會採取若干監控程序，確保採取適當跟進行動以收回逾期債務。本集團根據具有近似信貸風險的貿易應收賬款群組的過往數據及現金收回記錄定期對彼等進行賬齡分析、評估信貸風險及估計收回款項情況。

理財產品是由中國若干信譽良好的銀行機構發行的銀行金融產品。近期並無欠款記錄，故本公司董事會的執行董事認為，與投資有關的信貸風險屬於低。

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk

Credit risk arises from cash and cash equivalents, trade receivables, wealth management products and other receivables.

All the cash equivalents and bank deposits are placed in certain PRC reputable financial institutions and high-quality international financial institutions outside Mainland China. All those irrevocable bank bills, classified as notes receivable (Note 16), are issued by the banks in the PRC with high credit rating. There was no recent history of default of cash equivalents and bank deposits in relation to these financial institutions.

In relation to trade receivables, the Group has no significant concentrations of credit risk and has policies in place to ensure that certain cash advance has been received upon the agreement of the related sales orders with customers. For those with credit periods granted, the credit quality of the counterparties is assessed by taking into account their financial position, credit history and other factors. It also undertakes certain monitoring procedures to ensure that proper follow-up action is taken to recover overdue debts. The Group regularly performs ageing analysis, assesses credit risks and estimates the recoverability of groups of trade receivables bearing similar credit risk based on historical data and cash collection history.

Wealth management products are the bank financial products issued by certain PRC reputable banking institutions. There was no recent history of default and the executive directors of the board of the Company are of the opinion that the credit risk related to the investments is low.

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3. 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

就其他應收賬款而言，本集團會考慮債務人的財務狀況、與本集團的關係、信貸記錄及其他因素評估其信貸質素。管理層亦會定期檢討該等其他應收賬款的收回情況，並跟進有關糾紛或逾期金額(如有)。本公司董事會的執行董事認為對手方的拖欠情況屬於低。

最大風險及於二零一八年十二月三十一日年末的分級

下表列示根據本集團的信貸政策的信貸質素及就信貸風險所面對的最大風險，主要以賬齡資料為依據(除非有其他資料而毋須使用過多成本或努力)，以及於二零一八年十二月三十一日的年末分級。呈報金額為金融資產的賬面值總額。

計入貿易及其他應收賬款的
金融資產

* 就計入貿易及其他應收賬款的金融資產而言，本集團採用簡化方法計算減值，根據撥備矩陣的資料於財務報表附註16披露。

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

In relation to other receivables, the credit quality of the debtors is assessed by taking into account their financial position, relationship with the Group, credit history and other factors. Management will also regularly review the recoverability of these other receivables and follow up the disputes or amounts overdue, if any. The executive directors of the board of the Company are of the opinion that the default by counterparties is low.

Maximum exposure and year-end staging as at 31 December 2018

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on ageing information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December 2018. The amounts presented are gross carrying amounts for financial assets.

Financial assets included in trade and
other receivables

* For financial assets included in trade and other receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 16 to the financial statements.

使用年期
簡化方法
Lifetime ECLs
Simplified
approach
人民幣千元
RMB'000

857,181

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Notes to the Financial Statements

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3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 信貸風險 (續)

於二零一七年十二月三十一日的最大風險

就本集團其他金融資產(包括現金及現金等價物、貿易應收賬款、理財產品及其他應收賬款)的信貸風險而言，最大風險相等於該等工具的賬面值。

(c) 流動性風險

審慎的流動資金管理指維持足夠現金。本集團維持足夠的現金結餘，以為其日常的資金需求提供靈活性。

於二零一八年十二月三十一日，本集團擁有流動資產淨額人民幣3,527,800,000元，包括現金及現金等價物人民幣3,314,845,000元。本公司董事會執行董事認為，本集團維持充裕的流動資金儲備。

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Maximum exposure as at 31 December 2017

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, trade receivables, wealth management products and other receivables, with a maximum exposure equal to the carrying amounts of these instruments.

(c) Liquidity risk

Prudent liquidity management implies maintaining sufficient cash. The Group maintains sufficient cash balances to provide flexibility in meeting its day to day funding requirements.

The Group had net current assets of RMB3,527,800,000 which included cash and cash equivalents of RMB3,314,845,000 as at 31 December 2018. The executive directors of the board of the Company are of the opinion that the Group maintains an adequate liquidity reserve.

財務報表附註

Notes to the Financial Statements

截至二零一八年十二月三十一日止年度

For the year ended 31 December 2018

3. 財務風險管理(續)

3.1 財務風險因素(續)

(c) 流動性風險(續)

本集團於報告期末根據已訂約未貼現款項計算之金融負債到期情況如下：

於二零一八年十二月三十一日	At 31 December 2018
貿易及其他應付賬款	Trade and other payables
其他借款	Other borrowings
於二零一七年十二月三十一日	At 31 December 2017
貿易及其他應付賬款	Trade and other payables

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

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

少於一年	一年以上	總計
Less than	More than	Total
1 year	1 year	Total
人民幣千元	人民幣千元	人民幣千元
RMB'000	RMB'000	RMB'000

1,572,003	—	1,572,003
—	95,000	95,000
—	1,210,553	1,210,553

3.2 資本管理

本集團管理資本的主要目標為保障本集團的持續營運能力，以及維持穩健的資金比率，以支持其業務及將股東價值最大化。

本集團管理其資本架構，並應經濟狀況之變化對其作出調整。為維持或調整資本架構，本集團可能調整向股東派付之股息款項、向股東退回資本或發行新股。本集團毋須遵守任何外部施加的資本規定。截至二零一八年十二月三十一日及二零一七年十二月三十一日止年度，概無對管理資本之目標、政策或程序作出任何變更。

3.2 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 payments to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2018 and 31 December 2017.

財務報表附註

Notes to the Financial Statements

截至二零一八年十二月三十一日止年度

For the year ended 31 December 2018

3. 財務風險管理(續)

3.2 資本管理(續)

本集團於二零一八年及二零一七年十二月三十一日擁有充足的現金及現金等價物。本公司董事會執行董事認為本集團並無重大資本風險。

3. FINANCIAL RISK MANAGEMENT (Continued)

3.2 Capital management (Continued)

The Group had sufficient cash and cash equivalents as at 31 December 2018 and 2017. The executive directors of the board of the Company are of the opinion that the Group does not have significant capital risk.

		二零一八年 2018 人民幣千元 RMB'000	二零一七年 2017 人民幣千元 RMB'000
現金及現金等價物(附註17)	Cash and cash equivalents (Note 17)	3,314,845	831,859
減：其他借款(附註20)	Less: Other borrowings (Note 20)	95,000	—
		3,219,845	831,859

3.3 金融工具的公平值及公平值層級

除賬面值與其公平值合理相若的金融工具外，本集團金融工具的賬面值及公平值如下：

3.3 Fair Value and Fair Value Hierarchy of Financial Instruments

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

		賬面淨值 Carrying amounts		公平值 Fair values	
		二零一八年 2018 人民幣千元 RMB'000	二零一七年 2017 人民幣千元 RMB'000	二零一八年 2018 人民幣千元 RMB'000	二零一七年 2017 人民幣千元 RMB'000
金融資產	Financial Assets				
可供出售金融資產	Available-for-sale financial assets	—	3,006,430	—	3,006,430
按公平值計入損益的 金融資產	Financial assets at fair value through profit or loss	1,485,059	—	1,485,059	—
		1,485,059	3,006,430	1,485,059	3,006,430
金融負債	Financial Liabilities				
其他借款	Other borrowings	95,000	—	98,995	—

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3. 財務風險管理(續)

3.3 金融工具的公平值及公平值層級(續)

管理層已評估現金及現金等價物、計入貿易及其他應收賬款的金融資產以及貿易及其他應付賬款的公平值與其賬面值相若，主要由於該等工具期限較短。

金融資產及負債的公平值以自願交易方(強迫或清盤出售除外)在當前交易中可交易的該工具金額入賬。用以估計公平值的方法及假設如下：

其他借款的公平值，乃以條款、信貸風險及尚餘年期相若的工具目前的利率，折現預期未來現金流量計算得出。本集團其他借款於二零一八年十二月三十一日的不履約風險被評估為並不重大。

3. FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair Value and Fair Value Hierarchy of Financial Instruments (Continued)

Management has assessed that the fair values of cash and cash equivalents, financial assets included in trade and other receivables, trade and other payables approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair value of other borrowings has been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for other borrowings as at 31 December 2018 was assessed to be insignificant.

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For the year ended 31 December 2018

3. 財務風險管理 (續)

3.3 金融工具的公平值及公平值層級 (續)

先前分類為可供出售股權投資的按公平值計入損益的非上市股權投資的公平值，乃根據並非由可見市價或比率支持之假設，使用市場估值方法預測。估值要求董事根據行業、規模、槓桿及戰略釐定可資比公眾公司，並就各間識別可資比公眾公司計算合適價格倍數，例如企業價值對除利息、稅項、折舊、及攤銷前盈利(「EV/EBITDA」)倍數及價格(「P/E」)倍數。倍數乃以可資比公司的企業價值除以盈利衡量計算得出。交易倍數以各可資比公司根據公司獨有因素及情況的考慮因素，例如非流通性及規模差異，予以貼現。貼現倍數用於非上市股權投資的相應盈利衡量以計量公平值。董事相信估值方法得出的估計公平值(記錄於綜合財務狀況表)及相關公平值變動(記錄於綜合損益及其他全面收益表)屬合理，並為報告期末最合適的價值。

3. FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair Value and Fair Value Hierarchy of Financial Instruments (Continued)

The fair values of unlisted equity investments designated at fair value through profit or loss, which were previously classified as available-for-sale equity investments, have been estimated using a market-based valuation technique based on assumptions that are not supported by observable market prices or rates. The valuation requires the directors to determine comparable public companies based on industry, size, leverage and strategy, and calculates an appropriate price multiple, such as enterprise value to earnings before interest, taxes, depreciation and amortisation (“EV/EBITDA”) multiple and price to earnings (“P/E”) multiple, for each comparable company identified. The multiple is calculated by dividing the enterprise value of the comparable company by an earnings measure. The trading multiple is then discounted for considerations such as illiquidity and size differences between the comparable companies based on company-specific facts and circumstances. The discounted multiple is applied to the corresponding earnings measure of the unlisted equity investments to measure the fair value. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in the consolidated statement of profit or loss and other comprehensive income, are reasonable, and that they were the most appropriate values at the end of the reporting period.

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For the year ended 31 December 2018

3. 財務風險管理(續)

3.3 金融工具的公平值及公平值層級(續)

本集團投資於非上市投資，即中國大陸銀行發行的理財產品。本集團已使用貼現現金流量估值模型，根據類似年期及風險的工具的市場利率估算該等非上市投資的公平值。

公平值層級

下表列示本集團金融工具的公平值計量層級：

按公平值計量的資產：

於二零一八年十二月三十一日

3. FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair Value and Fair Value Hierarchy of Financial Instruments (Continued)

The Group invests in unlisted investments, which represent wealth management products issued by banks in Mainland China. The Group has estimated the fair value of these unlisted investments by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 31 December 2018

		按以下各項計量公平值			
		Fair value measurement using			
		於活躍市場	重大可觀察	重大不可觀察	
		之報價	參數	參數	
		Quoted prices	Significant	Significant	
		in active	observable	unobservable	
		markets	inputs	inputs	
		(第一級)	(第二級)	(第三級)	總計
		(Level 1)	(Level 2)	(Level 3)	Total
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
		RMB'000	RMB'000	RMB'000	RMB'000
按公平值計入損益的	Financial assets at fair value				
金融資產：	through profit or loss:				
非上市股權投資，	Unlisted equity investments,				
按公平值	at fair value				
理財產品	Wealth management products	—	—	181,783	181,783
		1,303,276	—	—	1,303,276
		1,303,276	—	181,783	1,485,059

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3. 財務風險管理 (續)

3.3 金融工具的公平值及公平值層級 (續)

公平值層級 (續)

按公平值計量的資產：(續)

於二零一七年十二月三十一日

3. FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair Value and Fair Value Hierarchy of Financial Instruments (Continued)

Fair value hierarchy (Continued)

Assets measured at fair value: (Continued)

As at 31 December 2017

	按以下各項計量公平值			總計	
	於活躍市場之報價	重大可觀察參數	重大不可觀察參數		
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	Total	
	(第一級)	(第二級)	(第三級)		
	(Level 1)	(Level 2)	(Level 3)		
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
	RMB'000	RMB'000	RMB'000	RMB'000	
可供出售金融資產：	Available-for-sale financial assets:				
理財產品	Wealth management products	2,967,354	—	—	2,967,354

年內，第三級內的公平值計量變動如下：

The movements in fair value measurements within Level 3 during the year are as follows:

人民幣千元
RMB'000

按公平值計入損益的股權投資／可供出售金融資產－非上市：	Equity investments at fair value through profit or loss/available-for-sale financial assets – unlisted:	
於二零一七年十二月三十一日	At 31 December 2017	39,076
採納國際財務報告準則第9號的影響	Effect of adoption of IFRS 9	—
於二零一八年一月一日	At 1 January 2018	39,076
於損益表確認的總收益	Total gains recognised in the statement of profit or loss	131,367
購買	Purchases	11,340
於二零一八年十二月三十一日	At 31 December 2018	181,783

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3. 財務風險管理(續)

3.3 金融工具的公平值及公平值層級(續)

公平值層級(續)

按公平值計量的負債：

於二零一八年及二零一七年十二月三十一日，本集團概無任何按公平值計量的金融負債。

年內，就金融資產及金融負債而言，概無公平值計量在第一級和第二級之間轉移，亦無轉入或轉出第三級(二零一七年：無)。

4. 重要會計估計及判斷

本集團不斷評估估計、假設及判斷，並會考慮過往經驗以及其他因素，包括對在有關情況下視為對未來事件的合理預期。

本集團對未來作出估計及假設。所得的會計估計如其定義，很少與相關實際結果相同。很大機會導致下個財政年度的資產及負債的賬面值作出重大調整的估計及假設討論如下。

(a) 遞延開發成本減值

本集團管理層就資本化開發成本釐定每種醫藥專利或許可的估計未來現金流量。該估計乃基於醫藥業的預計產品生命週期作出。

其可能因針對行業週期出現的醫藥創新及競爭對手的行動而發生重大變動。於未來現金流量低於預期及少於相關開發成本金額時，管理層會就資本化開發成本確認減值虧損。

倘估計未來現金流量較於二零一八年及二零一七年十二月三十一日的管理層估計低10%，則本集團並無就開發成本確認的減值虧損(二零一七年：無)。

3. FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair Value and Fair Value Hierarchy of Financial Instruments (Continued)

Fair value hierarchy (Continued)

Liabilities measured at fair value:

The Group did not have any financial liabilities measured at fair value as at 31 December 2018 and 2017, respectively.

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (2017: Nil).

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Impairment of deferred development costs

The Group's management determines the estimated future cash flows of each pharmaceutical patent or licence in capitalisation of development costs. These estimates are based on projected product lifecycles experienced in the pharmaceutical industry.

It could change significantly as a result of medicine innovations and competitor actions in response to industry cycles. Management will recognise impairment loss on the capitalised development costs when future cash flows are less than expectation and fall below the amount of related development costs.

If the estimated future cash flows had been 10% lower than management's estimates as at 31 December 2018 and 2017, the Group would have recognised no impairment loss on the development costs (2017: Nil).

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4. 重要會計估計及判斷(續)

(b) 商譽減值

商譽每年及當有跡象顯示商譽可能出現減值時根據附註2.11所述的會計政策進行減值測試。現金產生單位的可收回金額已根據使用價值計算方法釐定。

於二零一八年十二月三十一日，商譽的賬面值為人民幣2,843,903,000元(二零一七年：人民幣2,843,903,000元)。用於計算可收回金額的估計詳情於附註8披露。

倘估計未來現金流量較於二零一八年及二零一七年十二月三十一日的管理層估計低10%，則本集團將會確認商譽的減值虧損人民幣50,427,000元(二零一七年：人民幣154,867,000元)。

倘貼現率較於二零一八年及二零一七年十二月三十一日的管理層估計高2%(如為17%而非15%)，則本集團將會確認商譽的減值虧損人民幣137,903,000元(二零一七年：人民幣218,508,000元)。

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(b) Goodwill impairment

Goodwill is tested for impairment annually and whenever there is indication that the goodwill may be impaired in accordance with the accounting policy stated in Note 2.11. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations.

The carrying amount of goodwill as at 31 December 2018 was RMB2,843,903,000 (2017: RMB2,843,903,000). Details of the estimates used to calculate the recoverable amounts are disclosed in Note 8.

If the estimated future cash flows had been 10% lower than management's estimates as at 31 December 2018 and 2017, the Group would have recognised an impairment loss against the goodwill of RMB50,427,000 (2017: RMB154,867,000).

If the discount rate had been 2% higher than management's estimates (for example, 17% instead of 15%) as at 31 December 2018 and 2017, the Group would have recognised an impairment loss against the goodwill of RMB137,903,000 (2017: RMB218,508,000).

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4. 重要會計估計及判斷(續)

(c) 物業、廠房及設備的可使用年期及剩餘價值

物業、廠房及設備的可使用年期及剩餘價值由管理層參考既定行業慣例、有關資產耐用性的技術評估、本集團過往發生的維修及保養開支的幅度及走勢進行估計。該估計可能會由於技術發展及競爭對手因嚴峻的行業週期採取行動而發生重大變動。倘可使用年期及剩餘價值較之前的估計為短，則管理層會增加折舊費用，或將技術過時或已報廢的非策略資產撤銷或撇減。

(d) 所得稅及遞延稅項

釐定所得稅及遞延稅項撥備時須作出重大判斷。在一般業務過程中，許多交易及計算的最終釐定結果並不確定。

有關若干可扣減暫時性差額及稅項虧損的遞延稅項資產，會於管理層認為將來可能有應課稅溢利以抵銷可扣減暫時性差額或可使用稅務虧損時予以確認。其實際應用結果可能不同。有關遞延稅項的詳情於附註23披露。

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(c) Useful lives and residual values of property, plant and equipment

The estimate of useful lives and residual values of property, plant and equipment was made by management with reference to the established industry practices, technical assessments made on the durability of the assets, as well as the historical magnitude and trend of repair and maintenance expenses incurred by the Group. It could change significantly as a result of technical innovations and competitor actions in responses to severe industry cycles. Management will increase the depreciation charge where useful lives and residual values are less than those previously estimated or it will write off or write down technically obsolete or non-strategic assets that have been abandoned.

(d) Income taxes and deferred taxation

Significant judgement is required in determining the provision for income tax and deferred taxation. There are many transactions and calculations for which the ultimate determination is uncertain during the ordinary course of business.

Deferred tax assets relating to certain deductible temporary differences and tax losses are recognised when management considers it is probable that future taxable profit will be available against which the deductible temporary differences or tax losses can be utilised. The outcome of their actual utilisation may be different. Details of the deferred taxation are disclosed in Note 23.

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4. 重要會計估計及判斷(續)

(e) 開發成本資本化

開發成本乃根據財務報表附註2.12的研發成本會計政策進行資本化。釐定將予資本化的金額需要管理層就預計資產於未來產生的現金、將予採用的貼現率及預計得益期間作出假設。於二零一八年十二月三十一日，已資本化開發成本賬面值的最佳估計約為人民幣227,137,000元(二零一七年：約人民幣227,137,000元)。更多詳情請參閱附註9。

5. 分部資料

主要經營決策者已被認定為本公司董事會執行董事。本公司董事會執行董事審閱本集團的內部報告，以評估績效及分配資源。管理層基於該等報告釐定經營分部。

本公司董事會執行董事從產品角度考慮業務。本集團僅經營一項業務分部，即在中國研發、製造及銷售藥品。截至二零一八年十二月三十一日止年度，所有銷售來自分銷商及本集團概無分銷商所帶來的收益佔本集團收益10%或以上(二零一七年：無)。

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(e) Capitalisation of development costs

Development costs are capitalised in accordance with the accounting policy for research and development costs in Note 2.12 to the financial statements. Determining the amounts to be capitalised requires management to make assumptions regarding the expected future cash generation of the assets, discount rates to be applied and the expected period of benefits. At 31 December 2018, the best estimate of the carrying amount of capitalised development costs was approximately RMB227,137,000 (2017: approximately RMB227,137,000). More details are given in Note 9.

5. SEGMENT INFORMATION

The chief operating decision-maker has been identified as the executive directors of the board of the Company. The executive directors of the board of the Company review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The executive directors of the board of the Company consider the business from product perspective. The Group is engaged in only one business segment, being the research and development, and the manufacture and sale of pharmaceutical products in the PRC. During the year ended 31 December 2018, all sales were from distributors and there were no distributors of the Group from which the revenue amounted to 10% or more of the Group's revenue (2017: Nil).

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6. 物業、廠房及設備

6. PROPERTY, PLANT AND EQUIPMENT

		樓宇 Buildings	生產及 電子設備 Production and electronic equipment	辦公設備 Office equipment	汽車 Motor vehicles	在建工程 Construction in progress	總計 Total
		人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000
二零一八年十二月三十一日	31 December 2018						
二零一七年十二月三十一日及 二零一八年一月一日：	At 31 December 2017 and at 1 January 2018:						
成本	Cost	2,021,204	643,021	38,767	39,877	387,805	3,130,674
累計折舊	Accumulated depreciation	(332,718)	(293,289)	(28,684)	(22,389)	—	(677,080)
賬面淨值	Net carrying amount	1,688,486	349,732	10,083	17,488	387,805	2,453,594
於二零一八年一月一日， 扣除累計折舊	At 1 January 2018, net of accumulated depreciation	1,688,486	349,732	10,083	17,488	387,805	2,453,594
添置	Additions	13,292	75,555	5,798	485	165,970	261,100
收購附屬公司	Acquisition of subsidiaries	448,516	—	—	—	—	448,516
轉撥自在建工程	Transfer from construction in progress	161,423	45,082	145	—	(206,650)	—
轉撥至投資物業(附註7)	Transfer to investment properties (Note 7)	(193,655)	—	—	—	—	(193,655)
出售(附註31)	Disposals (Note 31)	(2,581)	(1,841)	(32)	(131)	—	(4,585)
折舊開支(附註25)	Depreciation charge (Note 25)	(96,705)	(83,361)	(6,031)	(3,502)	—	(189,599)
於二零一八年十二月三十一日， 扣除累計折舊	At 31 December 2018, net of accumulated depreciation	2,018,776	385,167	9,963	14,340	347,125	2,775,371
於二零一八年十二月三十一日：	At 31 December 2018:						
成本	Cost	2,447,600	752,181	44,029	40,226	347,125	3,631,161
累計折舊	Accumulated depreciation	(428,824)	(367,014)	(34,066)	(25,886)	—	(855,790)
賬面淨值	Net carrying amount	2,018,776	385,167	9,963	14,340	347,125	2,775,371

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6. 物業、廠房及設備 (續)

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

		樓宇 Buildings	生產及 電子設備 Production and electronic equipment	辦公設備 Office equipment	汽車 Motor vehicles	在建工程 Construction in progress	總計 Total
		人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000
二零一七年十二月三十一日	31 December 2017						
二零一六年十二月三十一日及 二零一七年一月一日：	At 31 December 2016 and at 1 January 2017:						
成本	Cost	1,578,202	595,130	37,106	36,067	410,289	2,656,794
累計折舊	Accumulated depreciation	(274,748)	(233,333)	(24,379)	(20,035)	—	(552,495)
賬面淨值	Net carrying amount	1,303,454	361,797	12,727	16,032	410,289	2,104,299
於二零一七年一月一日， 扣除累計折舊	At 1 January 2017, net of accumulated depreciation	1,303,454	361,797	12,727	16,032	410,289	2,104,299
添置	Additions	77,860	43,062	2,645	4,455	294,927	422,949
收購附屬公司	Acquisition of subsidiaries	125,342	38,073	564	413	—	164,392
轉撥自在建工程	Transfer from construction in progress	317,411	—	—	—	(317,411)	—
轉撥自投資物業 (附註7)	Transfer from investment properties (Note 7)	10,109	—	—	—	—	10,109
出售 (附註31)	Disposals (Note 31)	—	(66)	(27)	(223)	—	(316)
出售一間附屬公司	Disposal of a subsidiary	(60,224)	(19,836)	—	—	—	(80,060)
折舊開支 (附註25)	Depreciation charge (Note 25)	(85,466)	(73,298)	(5,826)	(3,189)	—	(167,779)
於二零一七年十二月三十一日， 扣除累計折舊	At 31 December 2017, net of accumulated depreciation	1,688,486	349,732	10,083	17,488	387,805	2,453,594
於二零一七年十二月三十一日：	At 31 December 2017:						
成本	Cost	2,021,204	643,021	38,767	39,877	387,805	3,130,674
累計折舊	Accumulated depreciation	(332,718)	(293,289)	(28,684)	(22,389)	—	(677,080)
賬面淨值	Net carrying amount	1,688,486	349,732	10,083	17,488	387,805	2,453,594

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6. 物業、廠房及設備(續)

於二零一八年十二月三十一日的在建工程主要包括正在中國大陸施工的新的製藥廠。

於二零一八年十二月三十一日，本集團尚未取得賬面值合共約人民幣446,560,000元(二零一七年：人民幣913,495,000元)的若干樓宇的所有權證(「房屋所有權證」)。本公司董事認為，本集團申請及取得有關房屋所有權證並無法律限制，且不會對本集團的業務經營產生任何重大不利影響。

7. 投資物業

按成本列賬

於一月一日的賬面值

轉撥自／(至)業主自用物業

折舊

於十二月三十一日的賬面值

At Cost

Carrying amount at 1 January

Transfers from/(to) owner-occupied property

Depreciation

Carrying amount at 31 December

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

Construction in progress as at 31 December 2018 mainly comprised new pharmaceutical manufacturing plants being constructed in Mainland China.

As at 31 December 2018, the ownership certificates of certain buildings (“Building Ownership Certificates”) of the Group with an aggregate carrying value of approximately RMB446,560,000 (2017: RMB913,495,000) had not been obtained by the Group. The directors of the Company consider that there is no legal restriction for the Group to apply for and obtain the Building Ownership Certificates and it should not lead to any significant adverse impact on the operations of the Group.

7. INVESTMENT PROPERTIES

二零一八年 2018 人民幣千元 RMB'000 樓宇 Buildings	二零一七年 2017 人民幣千元 RMB'000 樓宇 Buildings
--	--

按成本列賬	At Cost		
於一月一日的賬面值	Carrying amount at 1 January	17,814	29,103
轉撥自／(至)業主自用物業	Transfers from/(to) owner-occupied property	193,655	(10,109)
折舊	Depreciation	(2,263)	(1,180)
於十二月三十一日的賬面值	Carrying amount at 31 December	209,206	17,814

本集團根據經營租賃為賺取租金收入持有的物業按成本模式計量，並入賬為投資物業。投資物業位於中國大陸及香港。

本集團於二零一八年十二月三十一日之投資物業約人民幣310,654,000元(二零一七年：人民幣66,996,000元)之公平值乃由本公司董事經參考同類物業之估計市價釐定，並列入公平值架構第二層。

The Group's property held under an operating lease for the purpose of earning rentals is measured using the cost model and accounted for as an investment property. The investment properties are located in Mainland China and Hong Kong.

The fair value of the Group's investment properties of approximately RMB310,654,000 as at 31 December 2018 (2017: RMB66,996,000) has been determined by the directors of the Company with reference to the estimated market value of similar properties, and has been classified into level 2 fair value hierarchy.

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8. 商譽

8. GOODWILL

人民幣千元

RMB'000

於二零一七年一月一日：	At 1 January 2017:	
成本	Cost	2,284,788
累計減值	Accumulated Impairment	(37,060)
賬面淨值	Net carrying amount	2,247,728
於二零一七年一月一日的成本，扣除累計減值	Cost at 1 January 2017, net of accumulated impairment	2,247,728
收購一家附屬公司	Acquisition of a subsidiary	616,967
出售一家附屬公司	Disposal of a subsidiary	(20,792)
於二零一七年十二月三十一日	At 31 December 2017	2,843,903
於二零一七年十二月三十一日：	At 31 December 2017:	
成本	Cost	2,880,963
累計減值	Accumulated Impairment	(37,060)
賬面淨值	Net carrying amount	2,843,903
於二零一八年一月一日的成本，扣除累計減值	Cost at 1 January 2018, net of accumulated impairment	2,843,903
因註銷附屬公司而減少成本	Decrease in cost due to deregistering of a subsidiary	(1,943)
因註銷附屬公司而減少減值	Decrease in impairment due to deregistering of a subsidiary	1,943
於二零一八年十二月三十一日	At 31 December 2018	2,843,903
於二零一八年十二月三十一日：	At 31 December 2018:	
成本	Cost	2,879,020
累計減值	Accumulated Impairment	(35,117)
賬面淨值	Net carrying amount	2,843,903

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8. 商譽(續)

商譽減值測試

通過業務合併收購的商譽會就減值測試分配至所收購附屬公司現金產生單位。現金產生單位的可收回款額按使用價值計算法釐定，該計算法乃基於管理層所批准涵蓋五年期的財政預算案採用現金流量預測計算。五年期以後的現金流量則採用下述估計增長率進行推斷。增長率並無超出現金產生單位營運所屬醫藥業務的長期平均增長率。

分配至各現金產生單位的商譽賬面值如下：

8. GOODWILL (Continued)

Impairment testing of goodwill

Goodwill acquired through business combinations is allocated to the acquired subsidiaries, which are CGUs, for impairment testing. The recoverable amount of the 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 management. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the pharmaceutical business in which the CGU operates.

The carrying amounts of goodwill allocated to each of the CGUs are as follows:

		二零一八年 2018 人民幣千元 RMB'000	二零一七年 2017 人民幣千元 RMB'000
吉林四環製藥有限公司(「吉林四環」)	Jilin Sihuan Pharmaceutical Co., Ltd. ("Jilin Sihuan")	2,126,800	2,126,800
弘和製藥(中國)有限公司 (「弘和製藥(中國)」)	Ambest Pharmaceutical (China) Co., Ltd. ("Ambest Pharmaceutical (China)")	481,706	481,706
吉林四長製藥有限公司(「吉林四長」)	Jilin Sichang Pharmaceutical Co., Ltd. ("Jilin Sichang")	135,260	135,260
長春翔通藥業有限公司(「長春翔通」)	Changchun Xiangtong Pharmaceutical Co., Ltd. ("Changchun Xiangtong")	57,137	57,137
本溪恆康製藥有限公司(「本溪恆康」)	Benxi Hengkang Pharmaceutical Co., Ltd. ("Benxi Hengkang")	30,870	30,870
深圳四環醫藥有限公司(「深圳四環」)	Shenzhen Sihuan Pharmaceutical Co., Ltd. ("Shenzhen Sihuan")	11,836	11,836
北京四環製藥有限公司(「北京四環」)	Beijing Sihuan Pharmaceutical Co., Ltd. ("Beijing Sihuan")	294	294
		2,843,903	2,843,903

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8. 商譽(續)

商譽減值測試(續)

計算於二零一八年十二月三十一日及二零一七年十二月三十一日現金產生單位的使用價值時已採用假設。下文描述管理層在進行商譽減值測試時對其現金流量預測採用之各項主要假設：

毛利率： 管理層基於過往表現及對市場發展的預期釐定預算毛利率。

增長率： 所採用的平均增長率與行業報告所載預測一致。

貼現率： 所採用的貼現率為稅前，並反映相關單位的特定風險。

8. GOODWILL (Continued)

Impairment testing of goodwill (Continued)

Assumptions were used in the value in use calculation of the CGUs for 31 December 2018 and 31 December 2017. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Gross margins: Management determined budgeted gross profit margins based on past performance and their expectations of market development.

Growth rate: The average growth rates used are consistent with the forecasts included in industry reports.

Discount rate: The discount rates used are before tax and reflect specific risks relating to the relevant units.

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8. 商譽(續)

商譽減值測試(續)

就擁有龐大商譽金額之各個現金產生單位而言，於二零一八年及二零一七年進行使用價值計算法所採用之毛利率、長期增長率及貼現率如下：

		北京四環	深圳四環	吉林四環	長春翔通	本溪恆康	吉林四長	弘和製藥 (中國) Ambest Pharmaceutical (China)
		Beijing Sihuan	Shenzhen Sihuan	Jilin Sihuan	Changchun Xiangtong	Benxi Hengkang	Jilin Sichang	
於二零一八年十二月三十一日	As at 31 December 2018							
毛利率	Gross profit margin	86%	44%	89%	69%	76%	83%	60%
長期增長率	Growth rate	3%	3%	3%	3%	3%	3%	3%
貼現率	Discount rate	19%	19%	19%	19%	19%	19%	18%
於二零一七年十二月三十一日	As at 31 December 2017							
毛利率	Gross profit margin	49%	45%	86%	60%	78%	80%	61%
長期增長率	Growth rate	3%	3%	3%	3%	3%	1%	3%
貼現率	Discount rate	18%	19%	19%	19%	19%	19%	18%

在決定估計折現率時，本集團參考了若干同行業上市公司的關鍵參數，考慮到本集團的經營性質，其他採用的折現率處於合理範圍內。

8. GOODWILL (Continued)

Impairment testing of goodwill (Continued)

For each of the CGUs with a significant amount of goodwill, gross profit margin, long-term growth rate and discount rate used in the value-in-use calculations in 2018 and 2017 are as follows:

When determining the estimated discount rate, the Group used the key parameters by reference to certain listed companies of the same industry. Given the nature of the Group's business, the discount rate adopted falls within the reasonable range.

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9. 無形資產

9. INTANGIBLE ASSETS

		遞延 開發成本	進行中 產品開發	商標及軟件	總計	
	客戶關係	Deferred	Product	Trademark	Total	
	Customer	development	development in	and	Total	
	relationship	costs	progress	software	Total	
	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	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
於二零一七年一月一日：	At 1 January 2017:					
成本	Cost	433,932	551,689	350,767	48,132	1,384,520
累計攤銷	Accumulated amortisation	(394,037)	(265,931)	—	(19,892)	(679,860)
減值	Impairment	—	(2,032)	(123,630)	—	(125,662)
賬面淨值	Net carrying amount	39,895	283,726	227,137	28,240	578,998
於二零一七年一月一日的成本：	Cost at 1 January 2017, net of accumulated					
扣除累計攤銷和減值	amortisation and impairment	39,895	283,726	227,137	28,240	578,998
添置	Additions	—	13,797	—	2,808	16,605
收購附屬公司	Acquisition of subsidiaries	—	856,228	—	1,130	857,358
攤銷開支(附註25)	Amortisation charge (Note 25)	(39,895)	(69,477)	—	(5,583)	(114,955)
於二零一七年十二月三十一日	Net carrying amount at 31 December 2017					
的賬面淨值		—	1,084,274	227,137	26,595	1,338,006
於二零一七年十二月三十一日：	At 31 December 2017:					
成本	Cost	433,932	1,421,714	350,767	52,070	2,258,483
累計攤銷	Accumulated amortisation	(433,932)	(335,408)	—	(25,475)	(794,815)
減值	Impairment	—	(2,032)	(123,630)	—	(125,662)
賬面淨值	Net carrying amount	—	1,084,274	227,137	26,595	1,338,006
於二零一八年一月一日的	Cost at 1 January 2018, net of accumulated					
成本：扣除累計攤銷和減值	amortisation and impairment	—	1,084,274	227,137	26,595	1,338,006
添置	Additions	—	13,165	—	926	14,091
出售	Disposals	—	—	—	(2,936)	(2,936)
攤銷開支(附註25)	Amortisation charge (Note 25)	—	(95,148)	—	(1,762)	(96,910)
於二零一八年十二月三十一日	Net carrying amount at 31 December 2018					
的賬面淨值		—	1,002,291	227,137	22,823	1,252,251
於二零一八年十二月三十一日：	At 31 December 2018:					
成本	Cost	433,932	1,434,879	350,767	49,124	2,268,702
累計攤銷	Accumulated amortisation	(433,932)	(430,556)	—	(26,301)	(890,789)
減值	Impairment	—	(2,032)	(123,630)	—	(125,662)
賬面淨值	Net carrying amount	—	1,002,291	227,137	22,823	1,252,251

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10. 土地使用權

10. LAND USE RIGHTS

		土地使用權 Land use rights 人民幣千元 RMB'000
於二零一七年一月一日：	At 1 January 2017:	
成本	Cost	702,390
累計攤銷	Accumulated amortisation	(54,621)
賬面淨值	Net carrying amount	647,769
於二零一七年一月一日的成本，扣除累計攤銷	Cost at 1 January 2017, net of accumulated amortisation	647,769
添置	Additions	—
收購附屬公司	Acquisition of subsidiaries	68,023
攤銷開支(附註25)	Amortisation charge (Note 25)	(13,131)
於二零一七年十二月三十一日的賬面淨值	Net carrying amount at 31 December 2017	702,661
於二零一七年十二月三十一日：	At 31 December 2017:	
成本	Cost	770,413
累計攤銷	Accumulated amortisation	(67,752)
賬面淨值	Net Carrying amount	702,661
於二零一八年一月一日的成本，扣除累計攤銷	Cost at 1 January 2018, net of accumulated amortisation	702,661
添置	Additions	164,998
攤銷開支(附註25)	Amortisation charge (Note 25)	(18,469)
於二零一八年十二月三十一日的賬面淨值	Net carrying amount at 31 December 2018	849,190
於二零一八年十二月三十一日：	At 31 December 2018:	
成本	Cost	935,411
累計攤銷	Accumulated amortisation	(86,221)
賬面淨值	Net Carrying amount	849,190

土地使用權指中國境內餘下租期介乎28至49年(二零一七年：29至50年)的土地使用權。

於二零一八年十二月三十一日，賬面淨值約人民幣432,153,000元(二零一七年：人民幣402,360,000元)的土地使用權並無獲得房產證。本公司董事會認為，本集團合法、有效地佔有或使用該等土地。

The land use rights represent land use rights in the PRC with the remaining period ranged from 28 to 49 years (2017: 29 to 50 years).

As at 31 December 2018, land use rights with a net book value of approximately RMB432,153,000 (2017: RMB402,360,000) had not obtained property title certificates. The directors of the board of the Company are of the opinion that the Group is lawfully and validly entitled to occupy or use these pieces of land.

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11. 於附屬公司的投資

本公司於二零一八年十二月三十一日的主要附屬公司詳情載列如下，全部均為有限責任公司。

11. INVESTMENTS IN SUBSIDIARIES

The following is a list of subsidiaries at 31 December 2018, all of which are limited liability companies.

公司名稱 Name	主要活動及營業地點 Principal activities and place of operation	註冊成立地點 Place of incorporation	註冊資本 Registered capital	本集團所持 權益比例(%) Proportion of interest held by the Group (%)
直接持有 Directly held				
耀忠國際(香港)有限公司 Sun Moral International (HK) Ltd.	投資控股 Investment holding	香港 Hong Kong	10,000 港元 HKD10,000	100
間接持有 Indirectly held				
海南四環醫藥有限公司 Hainan Sihuan Pharmaceutical Co., Ltd.	於中國營銷醫藥產品 Marketing of pharmaceutical products in the PRC	中國 PRC	人民幣200,000,000元 RMB200,000,000	100
北京四環製藥有限公司 Beijing Sihuan Pharmaceutical Co., Ltd.	於中國製造醫藥產品 Manufacture of pharmaceutical products in the PRC	中國 PRC	人民幣50,000,000元 RMB50,000,000	100
海南四環醫藥信息有限公司 Hainan Sihuan Pharmaceutical Information Co., Ltd.	於中國提供信息支持服務 Provision of information support services in the PRC	中國 PRC	人民幣1,000,000元 RMB1,000,000	100
海南四環心腦血管藥物研究院 Hainan Sihuan Cardiovascular Drugs Research Institute Co., Ltd.	於中國提供研發服務 Provision of research and development services in the PRC	中國 PRC	人民幣6,000,000元 RMB6,000,000	100
深圳四環醫藥有限公司 Shenzhen Sihuan Pharmaceutical Co., Ltd.	於中國營銷醫藥產品 Marketing of pharmaceutical products in the PRC	中國 PRC	人民幣50,000,000元 RMB50,000,000	100
山東軒竹醫藥科技有限公司 Xuanzhu Pharma Co., Ltd.	於中國研發醫藥產品 Research and development of pharmaceutical products in the PRC	中國 PRC	人民幣50,000,000元 RMB50,000,000	100
廊坊高博京邦製藥有限公司 Langfang Gaobo Jingband Pharmaceutical Co., Ltd.	於中國製造醫藥物料 Manufacture of pharmaceutical materials in the PRC	中國 PRC	人民幣30,000,000元 RMB30,000,000	100
北京澳合藥物研究院有限公司 Beijing Ao He Research Institute Co., Ltd.	於中國提供研發服務 Provision of research and development services in the PRC	中國 PRC	人民幣3,600,000元 RMB3,600,000	100
多菲控股有限公司 Dupromise Holdings Limited	於中國投資控股 Investment holding in the PRC	英屬處女群島 British Virgin Islands ("BVI")	1 美元 USD1	100
吉林四環製藥有限公司 Jilin Sihuan Pharmaceutical Co., Ltd.	於中國製造醫藥產品 Manufacture of pharmaceutical products in the PRC	中國 PRC	人民幣70,000,000元 RMB70,000,000	100
長春翔通藥業有限公司 Changchun Xiangtong Pharmaceutical Co., Ltd.	於中國製造醫藥產品 Manufacture of pharmaceutical products in the PRC	中國 PRC	人民幣16,880,000元 RMB16,880,000	80

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11. 於附屬公司的投資(續)

11. INVESTMENTS IN SUBSIDIARIES (Continued)

公司名稱 Name	主要活動及營業地點 Principal activities and place of operation	註冊成立地點 Place of incorporation	註冊資本 Registered capital	本集團所持 權益比例(%) Proportion of interest held by the Group (%)
間接持有(續)				
Indirectly held (Continued)				
通化濟達醫藥有限公司 Tonghua Jida Pharmaceutical Co., Ltd.	於中國營銷醫藥產品 Marketing of pharmaceutical products in the PRC	中國 PRC	人民幣12,000,000元 RMB12,000,000	100
西馬巴斯特投資有限公司 Smart Baskets Investment Limited	於中國投資控股 Investment holding in the PRC	英屬處女群島 BVI	1美元 USD1	100
海南李茲曼製藥有限公司 Hainan Litzman Pharmaceutical Co., Ltd.	於中國進行製造醫藥產品的項目籌備 Project preparation for the manufacture of pharmaceutical products in the PRC	中國 PRC	人民幣19,500,000元 RMB19,500,000	100
本溪恒康製藥有限公司 Benxi Hengkang Pharmaceutical Co., Ltd.	於中國製造醫藥產品 Manufacture of pharmaceutical products in the PRC	中國 PRC	人民幣21,500,000元 RMB21,500,000	100
麥孚營養科技(北京)有限公司 Maifu Nutrition Technology (Beijing) Co., Ltd.	於中國出售醫療器械 Sale of medical appliance in the PRC	中國 PRC	人民幣35,000,000元 RMB35,000,000	70.19
醫路康健康管理(北京)有限公司 e-HMO (Beijing) Co., Ltd.	於中國推廣技術 Promotion of technology in the PRC	中國 PRC	人民幣60,000,000元 RMB60,000,000	51
吉林四環澳康藥業有限公司 Jilin Sihuan Aokang Pharmaceutical Co., Ltd.	於中國建立醫療項目 Construction of medical project in the PRC	中國 PRC	人民幣301,000,000元 RMB301,000,000	100
吉林四環科技有限公司 Jilin Sihuan Technology Co., Ltd.	於中國推廣技術 Promotion of technology in the PRC	中國 PRC	人民幣10,300,000元 RMB10,300,000	51
吉林四環海斯凱爾科技有限公司 Jilin Sihuan Haisikaier Technology Co., Ltd.	於中國推廣技術 Promotion of technology in the PRC	中國 PRC	人民幣18,870,000元 RMB18,870,000	53
吉林振澳製藥有限公司 Jilin Zhen'ao Pharmaceutical Co., Ltd.	於中國推廣技術 Promotion of technology in the PRC	中國 PRC	人民幣58,500,000元 RMB58,500,000	100
吉林津升製藥有限公司 Jilin Jinsheng Pharmaceutical Co., Ltd.	於中國製造醫藥產品 Manufacture of pharmaceutical products in the PRC	中國 PRC	人民幣50,000,000元 RMB50,000,000	100
聖科醫美醫藥科技(吉林)有限公司 Shengke Aesthetic Medicine PharmaSciences (Jilin) Co., Ltd.	於中國製造醫藥產品 Marketing of pharmaceutical products in the PRC	中國 PRC	人民幣10,000,000元 RMB10,000,000	74.9682
北京博奧泰藥業科技有限公司 Beijing Bootai PharmaSciences Co., Ltd.	於中國推廣技術及提供諮詢服務 Promotion of technology and consulting services in the PRC	中國 PRC	人民幣4,500,000元 RMB4,500,000	70
CS PharmaSciences, Inc(iii) CS PharmaSciences, Inc(iii)	於美國(「美國」)投資控股 Investment holding in The United States ("US")	美國 US	人民幣7,099,580元 RMB7,099,580	70
隆裕弘達投資管理有限公司 Longyu Hongda Investment Management Co., Ltd.	於中國投資控股 Investment holding in the PRC	中國 PRC	人民幣100,000,000元 RMB100,000,000	100

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截至二零一八年十二月三十一日止年度

For the year ended 31 December 2018

11. 於附屬公司的投資 (續)

11. INVESTMENTS IN SUBSIDIARIES (Continued)

公司名稱 Name	主要活動及營業地點 Principal activities and place of operation	註冊成立地點 Place of incorporation	註冊資本 Registered capital	本集團所持 權益比例(%) Proportion of interest held by the Group (%)
間接持有(續)				
Indirectly held (Continued)				
西藏康馨藥業有限公司 Xizang Kangxin Pharmaceutical Co., Ltd.	於中國營銷醫藥產品 Marketing of pharmaceutical products in the PRC	中國 PRC	人民幣50,000,000元 RMB50,000,000	100
吉林匯康製藥有限公司 Jilin HuiKang Pharmaceutical Co., Ltd.	於中國製造醫藥產品 Manufacture of pharmaceutical products in the PRC	中國 PRC	人民幣30,000,000元 RMB30,000,000	100
吉林升通化工有限公司 Jilin Shengtong Chemical Co., Ltd.	於中國製造醫藥產品 Manufacture of pharmaceutical products in the PRC	中國 PRC	人民幣100,000,000元 RMB100,000,000	100
通化中檢分析測試服務有限公司 Tonghua Zhongjian Analysis Testing Service Co., Ltd.	於中國提供研發服務 Provision of research and development services in the PRC	中國 PRC	人民幣50,000,000元 RMB50,000,000	100
吉林軒創醫藥科技有限公司 Jilin Xuchuan PharmaSciences Co., Ltd.	於中國提供研發服務 Provision of research and development services in the PRC	中國 PRC	人民幣2,700,000元 RMB2,700,000	100
吉林沃軒醫藥科技有限公司 Jilin Woxuan PharmaSciences Co., Ltd.	於中國提供研發服務 Provision of research and development services in the PRC	中國 PRC	人民幣5,700,000元 RMB5,700,000	100
吉林巨澳醫藥科技有限公司 Jilin Juao PharmaSciences Co., Ltd.	於中國提供研發服務 Provision of research and development services in the PRC	中國 PRC	人民幣1,800,000元 RMB1,800,000	100
吉林麥孚營養科技有限公司 Jilin Nutrition Technology Co., Ltd.	於中國提供研發服務 Provision of research and development services in the PRC	中國 PRC	人民幣13,000,000元 RMB13,000,000	70.19
濟林(北京)醫藥科技有限公司 Jilin (Beijing) Medical Technology Co., Ltd.	於中國提供研發服務 Provision of research and development services in the PRC	中國 PRC	人民幣30,000,000元 RMB30,000,000	100
弘和製藥(中國)有限公司 Ambest Pharmaceutical (China) Co., Ltd.	於中國提供研發服務 Provision of research and development services in the PRC	中國 PRC	人民幣50,000,000元 RMB50,000,000	100
CS Sciences Limited	投資控股	開曼群島	50,000美元	88.46%
CS Sciences Limited	Investment holding	Cayman Islands	USD50,000	
聖科醫療美容國際貿易有限公司 SunCro Aesthetic & Cosmetic International Co., Ltd.	於香港進行醫療美容藥品進出口貿易及營銷 Import and export trade and marketing of pharmaceutical and aesthetic medicines in Hong Kong	香港 Hong Kong	2,000,000歐元 EUR2,000,000	74.9682
CS-BAY THERAPEUTICS Inc.	於美國提供研發服務	美國	3,761,462美元	
CS-BAY THERAPEUTICS Inc.	Provision of research and development services in US	US	USD3,761,462	88.46%

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11. 於附屬公司的投資(續)

11. INVESTMENTS IN SUBSIDIARIES (Continued)

公司名稱 Name	主要活動及營業地點 Principal activities and place of operation	註冊成立地點 Place of incorporation	註冊資本 Registered capital	本集團所持 權益比例(%) Proportion of interest held by the Group (%)
間接持有(續) Indirectly held (Continued)				
CS Pharmatech Limited	於開曼群島提供研發服務 Provision of research and development services in Cayman Islands	開曼群島 Cayman Islands	50,000美元 USD50,000	88.46%
軒達投資有限公司 High Great Investment Co., Ltd.	控股公司 Holding company	香港 Hong Kong	50,000,000港元 HKD50,000,000	88.46%
北京軒義醫藥科技有限公司 Xuanyi (Beijing) Medical Technology Co., Ltd.	於中國提供研發服務 Provision of research and development services in the PRC	中國 PRC	人民幣50,000,000元 RMB50,000,000	88.46%
重慶市西區醫院管理有限公司 Xiqu Hospital (Chongqing) Management Co., Ltd.	於中國提供一般醫院服務及醫院管理服務 Provision of general hospital services and hospital management services in the PRC	中國 PRC	人民幣50,000,000元 RMB50,000,000	60
星匯有限公司 Well Nova Limited	於英屬處女群島提供研發服務 Provision of research and development services in BVI	英屬處女群島 BVI	35,000美元 USD35,000	88.46%
吉林四長製藥有限公司 Jilin Sichang Pharmaceutical Co., Ltd	於中國製造及銷售醫藥產品 Manufacture and sale of pharmaceutical products in the PRC	中國 PRC	人民幣28,300,000元 RMB28,300,000	51
重慶市西區醫院有限公司 Xiqu Hospital (Chongqing) Co., Ltd.	於中國提供一般醫院服務 Provision of general hospital services	中國 PRC	人民幣10,000,000元 RMB10,000,000	60
Radiant (Hong Kong) Investment Limited	物業投資 Property investment	英屬處女群島 BVI	50,000美元 USD50,000	100
吉林維創恒合信息科技有限公司 Jilin Weichuang Henghe Information Technology Co., Ltd.	於中國提供信息支持服務 Provision of information support services in the PRC	中國 PRC	人民幣1,000,000元 RMB1,000,000	100
海南麥孚營養科技有限公司 Hainan Maifu Nutrition Technology Co., Ltd.	於中國銷售醫療器材 Sale of medical appliances in the PRC	中國 PRC	人民幣57,866,500元 RMB57,866,500	70.19
吉林澤盛環保工程有限公司 Jilin Zesheng Environmental Protection Engineering Co., Ltd.	於中國建設環保項目 Construction of environmental protection projects in the PRC	中國 PRC	人民幣30,000,000元 RMB30,000,000	100
吉林津升盈凱營銷管理有限公司 Jilin Jinsheng Yingkai Marketing Management Co., Ltd.	於中國營銷醫藥產品 Marketing of pharmaceutical products in the PRC	中國 PRC	人民幣1,000,000元 RMB1,000,000	100
SMBD COMPANY LIMITED	於美國提供業務發展服務 Provision of business and development services in US	美國 US	1美元 USD1	100
華夏晨光生物技術有限公司(i) SinoSun Glory Biopharmaceutical Company (i)	於開曼群島提供研發服務 Provision of research and development services in Cayman Islands	開曼群島 Cayman Islands	50,000美元 USD50,000	100

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11. 於附屬公司的投資 (續)

11. INVESTMENTS IN SUBSIDIARIES (Continued)

公司名稱 Name	主要活動及營業地點 Principal activities and place of operation	註冊成立地點 Place of incorporation	註冊資本 Registered capital	本集團所持 權益比例(%) Proportion of interest held by the Group (%)
間接持有(續) Indirectly held (Continued)				
晨光(香港)有限公司(ii) CnG(HK) Company Limited (ii)	於香港提供研發服務 Provision of research and development services in Hong Kong	香港 Hong Kong	10,000港元 HKD10,000	100
海南軒竹醫藥科技有限公司 HaiNan XuanZhu Pharma Co., Ltd	於中國提供研發服務 Provision of research and development services in the PRC	中國 PRC	人民幣50,000,000元 RMB50,000,000	100
宜春弘文醫藥有限公司 YiChun HongWen Pharma Co., Ltd	於中國批發原材料及醫藥器械 Wholesale of chemical raw materials and medical devices in the PRC	中國 PRC	人民幣1,000,000元 RMB1,000,000	100
香港麥孚營養科技有限公司 Hong Kong Maifu Nutrition Technology Co., Ltd	於香港提供研發服務 Provision of research and development services in Hong Kong	香港 Hong Kong	10,000港元 HKD10,000	70.19
宜春津創醫藥有限公司 YiChun Jin Chuang Pharma Co., Ltd	於中國批發原材料及醫藥器械 Wholesale of chemical raw materials and medical devices in the PRC	中國 PRC	人民幣1,000,000元 RMB1,000,000	51

(i) 該公司的名稱於二零一九年二月二十二日改為軒竹醫藥科技有限公司。

(ii) 該公司的名稱於二零一九年二月二十八日改為軒竹(香港)醫藥科技有限公司。

(iii) 該公司於二零一九年二月十三日註銷。

(i) The name of this company changed to Xuanzhu Biopharmaceutical Ltd. on 22 February 2019.

(ii) The name of this company changed to Xuanzhu (HK) Biopharmaceutical Ltd. on 28 February 2019.

(iii) The company deregistered on 13 February 2019.

於二零一八年十二月三十一日，於非全資附屬公司的總非控股權益為人民幣263,950,000元(二零一七年：人民幣279,078,000元)，就個別而言並不重大。

於二零一八年十二月三十一日，現金及短期存款人民幣1,995,204,000元(二零一七年：人民幣220,682,000元)乃於中國大陸的附屬公司持有，並須受當地外匯管制規例的規限。該等地方外匯管制規例訂明對中國大陸輸出資金(並非透過正常股息)的限制。

The total non-controlling interests in non-wholly-owned subsidiaries at 31 December 2018 amounted to RMB263,950,000 (2017: RMB279,078,000), which are individually not material.

At 31 December 2018, cash and short-term deposits of RMB1,995,204,000 (2017: RMB220,682,000) were held in subsidiaries in Mainland China and were subject to local exchange control regulations. These local exchange control regulations provide for restrictions on exporting capital from Mainland China, other than through normal dividends.

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For the year ended 31 December 2018

12. 使用權益法計算的投資

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

		二零一八年 2018 人民幣千元 RMB'000	二零一七年 2017 人民幣千元 RMB'000
應佔資產淨值	Share of net assets	651,659	551,557
收購時的商譽	Goodwill on acquisition	516,964	460,534
		1,168,623	1,012,091
		二零一八年 2018 人民幣千元 RMB'000	二零一七年 2017 人民幣千元 RMB'000
於一月一日的年初結餘	Opening balance at 1 January	1,012,091	1,272,851
增加聯營及合營公司及合營企業(i)	Addition of associates and joint ventures (i)	159,160	90,832
向一家現有聯營公司出資(ii)	Capital contributions to an existing associate (ii)	5,090	19,999
取消確認一家聯營公司	Derecognition of an associate	—	(19,076)
取消確認一家合營公司	Derecognition of a joint venture	—	(393,380)
應佔聯營公司和合營公司稅後損益(附註31)	Share of post-tax profits and losses of associates and joint ventures (Note 31)	(7,718)	40,865
於十二月三十一日的年末結餘	Closing balance at 31 December	1,168,623	1,012,091

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截至二零一八年十二月三十一日止年度

For the year ended 31 December 2018

12. 使用權益法計算的投資(續)

- (i) 於二零一八年二月，本集團以代價人民幣30,000,000元收購北京斯丹姆賽爾技術有限責任公司21.13%股權。

於二零一八年三月，本集團以代價人民幣100,000,000元取得福建平潭華興康平醫藥產業投資合夥企業(有限合夥)50%股權。

於二零一八年五月，本集團以代價人民幣660,000元取得華興康平醫藥產業(平潭)投資管理有限公司33%股權。

於二零一八年八月，本集團以代價人民幣28,500,000元從深圳恒合互聯網絡科技有限公司(「深圳恒合」)另一名股東增購深圳恒合的3%股權。交易完成後，本集團擁有深圳恒合的20%股權。

- (ii) 於二零一八年一月，本集團確認於現有聯營公司仁方醫療控股有限公司(「仁方醫療」)的額外投資。於二零一八年一月底，有關資本以現金方式注入仁方醫療，工商變更手續於二零一八年完成。

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

- (i) In February 2018, the Group acquired 21.13% of the equity of Beijing Stemexcel Technology Co., Ltd., at a consideration of RMB30,000,000.

In March 2018, the Group acquired 50% of the equity of Fujian Pingtan Huaxing Kangping Pharmaceutical Industry Investment Partnership (Limited Partnership) at a consideration of RMB100,000,000.

In May 2018, the Group acquired 33% of the equity of Huaxing Kangping Pharmaceutical Industry (Pingtan) Investment Management Co., Ltd. at a consideration of RMB660,000.

In August 2018, the Group acquired an additional 3% equity interest in Shenzhen Henghe Internet Technology Co., Ltd., (“Shenzhen Henghe”) from another shareholder of Shenzhen Henghe at a consideration of RMB28,500,000. The Group has 20% of the equity of Shenzhen Henghe upon the transaction.

- (ii) In January 2018, the Group recognised an additional investment in an existing associate, Renfang Medical Holdings Ltd. (“Renfang Medical”). The capital was injected to Renfang Medical by cash at the end of January 2018, and the legal and substance modification procedures were completed in 2018.

財務報表附註

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截至二零一八年十二月三十一日止年度

For the year ended 31 December 2018

12. 使用權益法計算的投資(續)

以下載列本集團於二零一八年十二月三十一日的一家聯營公司，而董事認為其對本集團而言乃屬重大。下列聯營公司的股本僅包括由本集團間接持有的普通股。

實體名稱 Name of entity	註冊成立及 營業地點 Place of incorporation and operation	佔擁有權 權益比例 Proportion of ownership interest	主要業務 Principal activities
仁方醫療控股有限公司(「仁方醫療」) Renfang Medical Holdings Ltd. ("Renfang Medical")	英屬處女群島 BVI	38.14%	提供一般醫療服務及醫院管理服務 Provision of general hospital services and hospital management services

除上海立迪生物技術有限公司(一家在中國全國中小企業股份轉讓系統上市的公司)外，該等聯營公司及合營公司為私人公司且其股份並無市場報價。並無有關本集團於聯營公司及合營公司權益的或然負債。

下文載列聯營公司及合營公司的財務資料概要。

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

Set out below is an associate of the Group as at 31 December 2018, which, in the opinion of the directors, is material to the Group. The associate as listed below has share capital consisting solely of ordinary shares, which are held indirectly by the Group.

Except for Shanghai Lide Biotech Co., Ltd., a public company in the National Equities Exchange and Quotations in the PRC, the associates and joint ventures are private companies and there are no quoted market prices available for these shares. There are no contingent liabilities relating to the Group's interests in the associates and joint ventures.

Set out below are the summarised financial information for the associates and joint ventures.

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截至二零一八年十二月三十一日止年度

For the year ended 31 December 2018

12. 使用權益法計算的投資 (續)

財務狀況表概要

		仁方醫療		其他聯營公司及合營公司	
		Renfang Medical		Other associates and joint ventures	
		二零一八年	二零一七年	二零一八年	二零一七年
		2018	2017	2018	2017
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
		RMB'000	RMB'000	RMB'000	RMB'000
流動	Current				
資產	Assets	558,966	502,234	367,658	585,667
負債	Liabilities	(112,943)	(121,534)	(404,299)	(322,404)
總流動資產/(負債)淨值	Total net current assets/(liabilities)	446,023	380,700	(36,641)	263,263
非流動	Non-current				
資產	Assets	651,902	672,178	953,140	669,282
負債	Liabilities	(23,475)	(24,740)	(267,918)	(428,840)
總非流動資產淨值	Total net non-current assets	628,427	647,438	685,222	240,442
資產淨值	Net assets	1,074,450	1,028,138	648,581	503,705

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

Summarised statements of financial position

財務報表附註

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For the year ended 31 December 2018

12. 使用權益法計算的投資(續)

損益表概要

		仁方醫療		其他聯營公司 及合營公司	
		Renfang Medical		Other associates and joint ventures	
		二零一八年	二零一七年	二零一八年	二零一七年
		2018	2017	2018	2017
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
		RMB'000	RMB'000	RMB'000	RMB'000
收益	Revenue	521,921	528,097	223,605	112,820
除所得稅前溢利/(虧損)	Profit/(loss) before income tax	32,968	21,562	(68,263)	(54,495)
所得稅開支	Income tax expense	—	—	(1,365)	—
年度溢利/(虧損)	Profit/(loss) for the year	32,968	21,562	(69,628)	(54,495)
全面收入/(虧損)總額	Total comprehensive income/(loss)	32,968	21,562	(69,628)	(54,495)

以上資料反映聯營公司及合營公司的財務報表所呈列的就本集團與聯營公司及合營公司的會計政策差異而調整的金額。

The information above reflects the amounts presented in the financial statements of the associates and joint ventures adjusted for differences in accounting policies among the Group and the associates and joint ventures.

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12. 使用權益法計算的投資 (續)

財務資料概要對賬

所呈列財務資料概要與於聯營公司及合營公司權益賬面值的對賬。

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of its interests in associates and joint ventures.

		仁方醫療		其他聯營公司及合營公司	
		Renfang Medical		Other associates and joint ventures	
		二零一八年	二零一七年	二零一八年	二零一七年
		2018	2017	2018	2017
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
		RMB'000	RMB'000	RMB'000	RMB'000
於一月一日的年初資產淨值	Opening net assets at 1 January	1,028,138	1,006,576	503,705	1,157,622
股東注資	Capital injection by shareholders	13,344	—	202,000	24,997
增加聯營公司及合營公司	Addition of associates and joint ventures	—	—	10,618	37,906
年內溢利／(虧損)	Profit/(loss) for the year	32,968	21,562	(67,742)	(54,495)
終止確認聯營公司	Derecognition of associates	—	—	—	(662,325)
於十二月三十一日的年末資產淨值	Closing net assets at 31 December	1,074,450	1,028,138	648,581	503,705
於聯營公司及合營公司的權益	Interests in associates and joint ventures	409,795	392,132	241,864	159,425
商譽	Goodwill	—	—	516,964	460,534
賬面值	Carrying value	409,795	392,132	758,828	619,959

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13. 按公平值計入損益的金融資產／可供出售金融資產

下文所載為本集團於二零一八年十二月三十一日及二零一七年十二月三十一日所持有的金融資產(現金及現金等價物、貿易及其他應收賬款除外)概要：

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS/AVAILABLE-FOR-SALE FINANCIAL ASSETS

Set out below is an overview of financial assets, other than cash and cash equivalents, trade and other receivables, held by the Group as at 31 December 2018 and 31 December 2017:

	附註 Notes	二零一八年 2018 人民幣千元 RMB'000	二零一七年 2017 人民幣千元 RMB'000
非流動	Non-current		
按公平值計入損益的金融資產：	Financial assets at fair value through profit or loss:		
按公平值計量的非上市股權投資	Unlisted investments, at fair value	181,783	—
可供出售金融資產：	Available-for-sale financial assets:		
按成本計量的非上市股權投資	Unlisted investments, at cost	—	39,076
非流動總額	Total non-current	(i) 181,783	39,076
流動	Current		
按公平值計入損益的金融資產：	Financial assets at fair value through profit or loss:		
短期投資	Short-term investments	1,303,276	—
可供出售金融資產：	Available-for-sale financial assets:		
短期投資	Short-term investments	—	2,967,354
流動總額	Total current	(ii) 1,303,276	2,967,354
其他金融資產總值	Total other financial assets	1,485,059	3,006,430

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13. 按公平值計入損益的金融資產／可供出售金融資產(續)

上文於二零一八年十二月三十一日的股權投資分類為按公平值計入損益的金融資產，乃由於本集團並無選擇於其他全面收益確認為公平值損益。

- (i) 該款項指於江蘇安泰生物技術有限公司、KBP Biosciences Holdings Limited、Lindeman Asia No.12 Investment Fund及浙江智達藥業有限公司非上市權益股份的股權投資。本集團擬於可見未來持有該等權益股份，且並無不可撤回地選擇分類為按公平值計入其他全面收益。

截至二零一八年十二月三十一日止年度，上述股權投資按公平值計入的收益總額約為人民幣131,367,000元。

- (ii) 該款項指若干中國信譽良好的銀行機構發行，於六個月內到期及並無固定回報率的理財產品。該等理財產品被強制分類為按公平值計入損益的金融資產，因為其合約現金流量並非僅是本金及利息付款。該等投資均以人民幣列值。該等投資的公平值乃基於平均估計回報率4.73% (二零一七年：4.5%) 計算。於報告日期的最大信貸風險為該等投資的賬面值。既無逾期亦無減值的該等投資的信貸質素可參考銀行機構內部信貸評級評估。

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS/AVAILABLE-FOR-SALE FINANCIAL ASSETS (Continued)

The above equity investments at 31 December 2018 were classified as financial assets at fair value through profit or loss as the Group has not elected to recognise the fair value gain or loss through other comprehensive income.

- (i) The amount represents equity investments in the unquoted equity shares of Jiangsu Antai Biotechnology Co., Ltd., KBP Biosciences Holdings Limited, Lindeman Asia No.12 Investment Fund and Zhejiang Zhida Pharmaceutical Co. Ltd. The Group intends to hold these equity shares for the foreseeable future and has not irrevocably elected to classify at fair value through other comprehensive income.

During the year ended 31 December 2018, the gross gain at fair value in respect of the above equity investments amounted to approximately RMB131,367,000.

- (ii) The amount represents wealth management products issued by certain PRC reputable banking institutions with maturity within 6 months and a non-fixed return rate. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest. These investments are all denominated in RMB. The fair values of these investments are based on an average estimated return rate of 4.73% (2017: 4.5%). The maximum exposure to credit risk at the reporting date was the carrying values of these investments. The credit quality of these investments that are neither past due nor impaired can be assessed by referring to the internal credit ratings of banking institutions.

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14. 其他非流動資產

14. OTHER NON-CURRENT ASSETS

			二零一八年 2018	二零一七年 2017
		附註 Notes	人民幣千元 RMB'000	人民幣千元 RMB'000
應收聯營公司款項	Amounts due from associates	i/33	168,000	120,000
其他應收賬款	Other receivables	ii	100,000	100,000
購買長期資產的預付款項	Prepayments for purchase of long-term assets	iii	7,615	62,880
			275,615	282,880

- (i) 應收聯營公司佛山德茵可製藥有限公司(「佛山德茵可」)款項為計息、無抵押、須於四年內償還。

應收聯營公司北京銳業製藥有限公司(「北京銳業」)的款項乃以北京銳業的母公司北京銳業經濟技術開發有限責任公司的15%權益作抵押須於三年內償還。利息按每年5%計算。

- (ii) 應收北京博仁醫院(「北京博仁」)的款項乃以北京博仁的100%權益作抵押並須於六年內償還。利息按每年3%計算。

- (iii) 該金額指購買長期資產的預付款項。

- (i) The receivable from an associate, Pharmadax (Foshan) Co., Ltd. (“Pharmadax (Foshan)”), was interest-bearing, unsecured, repayable in four years.

The receivable from an associate, Beijing Ruiye Drugs Manufacture Co., Ltd. (“Beijing Ruiye”), secured by the 15% equity interest in Beijing Ruiye’s parent company, Beijing Ruiye Economic Technology Development Co., Ltd., was repayable in three years. Interest is charged at 5% annually.

- (ii) The receivable from Beijing Boren Hospital (“Beijing Boren”) was secured by the 100% interest in Beijing Boren and repayable in six years. Interest is charged at 3% annually.

- (iii) The amount represented prepayments for purchases of long-term assets.

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15. 存貨

15. INVENTORIES

		二零一八年 2018 人民幣千元 RMB'000	二零一七年 2017 人民幣千元 RMB'000
原材料	Raw materials	132,151	88,630
在製品	Work in progress	93,813	66,359
製成品	Finished goods	75,153	72,981
		301,117	227,970

16. 貿易及其他應收賬款

16. TRADE AND OTHER RECEIVABLES

		附註 Notes	二零一八年 2018 人民幣千元 RMB'000	二零一七年 2017 人民幣千元 RMB'000
貿易應收賬款－第三方	Trade receivables – third parties	i	203,467	167,854
應收票據	Notes receivables	ii	273,271	290,589
預付供應商款項	Prepayments to suppliers		117,253	112,594
應收聯營公司款項	Amounts due from associates	iii/33	74,019	107,959
應收其他關聯方款項	Amount due from other related parties	33	9,674	9,675
其他應收賬款	Other receivables	iv	191,173	58,470
其他應收賬款壞賬撥備	Impairment allowance for other receivables	iv	(11,676)	—
			857,181	747,141

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16. 貿易及其他應收賬款(續)

(i) 貿易應收賬款－第三方

本集團授予客戶的信用期介乎一個月至一年。本集團致力嚴格控制未收回應收賬款。鑒於上文所述及本集團的貿易應收賬款涉及大量各類客戶，並無重大信用風險集中。本集團並無就貿易應收賬款結餘持有任何抵押品或其他信用增級。貿易應收賬款為免息。

於報告期末，貿易應收賬款按發票日期作出的賬齡分析如下(經扣除撥備)：

3個月以內	Within 3 months
3至6個月	3 to 6 months
6個月至1年	6 months to 1 year
1年以上	More than 1 year

於各報告日期採用撥備矩陣進行減值分析，以計量預期信貸虧損。撥備率乃基於具有類似虧損模式的多個客戶分部組別的賬齡釐定(即地區、產品類別及客戶類別)。該計算反映或然率加權結果、貨幣時值及於報告日期可得的有關過往事項、當前狀況及未來經濟條件預測的合理及可靠資料。

16. TRADE AND OTHER RECEIVABLES (Continued)

(i) Trade receivables – third parties

The Group's credit terms granted to customers range from one month to one year. The Group seeks to maintain strict control over its outstanding receivables. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of provisions, is as follows:

		二零一八年 2018 人民幣千元 RMB'000	二零一七年 2017 人民幣千元 RMB'000
3個月以內	Within 3 months	190,879	161,537
3至6個月	3 to 6 months	7,978	2,613
6個月至1年	6 months to 1 year	4,544	3,700
1年以上	More than 1 year	66	4
		203,467	167,854

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on ageing for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type and customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

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16. 貿易及其他應收賬款(續)

(i) 貿易應收賬款－第三方(續)

根據國際財務報告準則第9號，本集團評估於二零一八年十二月三十一日概無就貿易應收賬款確認重大虧損撥備。

根據國際會計準則第39號於二零一七年十二月三十一日並無被視為個別或共同已減值的貿易應收賬款的賬齡分析如下：

無逾期亦無減值
逾期3至6個月
逾期6個月至1年
逾期1年以上

16. TRADE AND OTHER RECEIVABLES (Continued)

(i) Trade receivables – third parties (Continued)

The Group assessed that there was no significant loss allowance for trade receivables recognised in accordance with IFRS 9 as at 31 December 2018.

The aging analysis of the trade receivables as at 31 December 2017 that are were not individually nor collectively considered to be impaired under IAS 39 is as follows:

	二零一七年 2017 人民幣千元 RMB'000
Neither past due nor impaired	161,537
3 to 6 months past due	2,613
6 months to 1 year past due	3,700
More than 1 year past due	4
	<hr/>
	167,854

已逾期但無減值的應收賬款與數名獨立客戶有關，彼等與本集團擁有良好往績。根據過往經驗，董事認為毋須就該等結餘根據國際會計準則第39號計提減值撥備，原因為信貸質素並無重大變動，且結餘仍被視為可全數收回。

(ii) 應收票據指由中國信用評級較高的銀行開出的不可撤銷銀行票據。

Receivables that were past due but not impaired related to a number of independent customers that had a good track record with the Group. Based on past experience, the directors were of the opinion that no provision for impairment under IAS 39 was necessary in respect of these balances as there had not been a significant change in credit quality and the balances were still considered fully recoverable.

(ii) The notes receivable represent the irrevocable bank bills issued by the banks in the PRC with high credit rating.

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16. 貿易及其他應收賬款 (續)

16. TRADE AND OTHER RECEIVABLES (Continued)

(iii) 應收聯營公司款項的明細如下：

(iii) The breakdown of amounts due from associates is as follows:

			二零一八年 2018	二零一七年 2017
		附註 Notes	人民幣千元 RMB'000	人民幣千元 RMB'000
北京銳業製藥有限公司	Beijing Ruiye Drugs Manufacture Co., Ltd.	(a)	1,957	30,000
通化天實製藥有限公司	Tonghua Tianshi Pharmaceutical Co., Ltd.	(b)	72,062	77,942
Medifood International SA	Medifood International SA		—	17
			74,019	107,959

(a) 應收聯營公司北京銳業的款項乃以北京銳業的母公司北京銳業經濟技術開發有限責任公司的15%權益作抵押。利息按每年5%計算。

(a) The receivable from an associate, Beijing Ruiye was secured by the 15% interest in Beijing Ruiye's parent company, Beijing Ruiye Economic Technology Development Co., Ltd. Interest is charged at 5% annually.

(b) 應收聯營公司通化天實製藥有限公司(「通化天實」)的款項(包括貸款本金人民幣60,000,000元及利息人民幣12,062,000元)乃無抵押及須按要求悉數償還。利息按每年4.75%計算。

(b) The receivable from an associate, Tonghua Tianshi Pharmaceutical Co., Ltd. ("Tonghua Tianshi"), including a loan principal of RMB60,000,000 and interest amounting to RMB12,062,000, was unsecured and repayable in full on demand. Interest is charged at 4.75% annually.

(iv) 其他應收賬款指供應商按金。預期信貸虧損乃經參考過往虧損記錄及透過使用虧損率法估計。虧損率將於適當時作出調整以反映現時情況及預測未來經濟情況。

(iv) Other receivables mainly represent deposits with suppliers. Expected credit losses are estimated by applying a loss rate approach with reference to the historical loss record of the Group. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate.

本集團根據國際財務報告準則第9號就二零一八年十二月三十一日的其他應收賬款評估及確認虧損撥備人民幣11,676,000元。

The Group assessed and recognised a loss allowance for other receivables amounting to RMB11,676,000 in accordance with IFRS 9 as at 31 December 2018.

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17. 現金及現金等價物

17. CASH AND CASH EQUIVALENTS

		二零一八年 2018 人民幣千元 RMB'000	二零一七年 2017 人民幣千元 RMB'000
現金及銀行結餘	Cash and bank balances	1,337,231	333,129
定期存款	Time deposits	1,977,614	498,730
現金及現金等價物	Cash and cash equivalents	3,314,845	831,859

銀行現金按以每日銀行存款利率計算的浮息賺取利息。視乎本集團即時現金需求而定，短期定期存款就介乎一天至三個月的不同期間作出，並按相關短期定期存款利率賺取利息。

本集團於各報告日期的現金及現金等價物以下列貨幣計值：

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates.

The Group's cash and cash equivalents at each reporting date are denominated in the following currencies:

		二零一八年 2018 人民幣千元 RMB'000	二零一七年 2017 人民幣千元 RMB'000
人民幣	RMB	1,997,679	305,957
美元	USD	1,310,749	349,790
歐元	EUR	2,219	15,298
英鎊	GBP	—	140,535
港元	HKD	4,198	20,279
		3,314,845	831,859

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18. 股本及股份溢價

18. SHARE CAPITAL AND SHARE PREMIUM

		已發行及 繳足普通股		股本	庫存股份	股份溢價	總計
		法定 普通股數目	數目	Share	Treasury Shares	Share premium	Total
		Number of Number of authorised ordinary shares	Number of issued and fully paid ordinary shares	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		千股	千股	RMB'000	RMB'000	RMB'000	RMB'000
		Share'000	Share'000				
於二零一七年一月一日	As at 1 January 2017						
(每股面值0.01港元)	(HKD0.01 per share)	100,000,000	9,586,684	79,443	(255)	4,344,229	4,423,417
於二零一七年一月一日至 二零一七年十二月三十一日	Movement from 1 January 2017 to 31 December 2017:						
期間之變動：							
購回及註銷股份	Repurchase and cancellation of shares	—	(115,602)	(1,210)	255	(250,912)	(251,867)
於二零一七年十二月三十一日	As at 31 December 2017						
(每股面值0.01港元)	(HKD0.01 per share)	100,000,000	9,471,082	78,233	—	4,093,317	4,171,550
於二零一八年一月一日和 二零一八年十二月三十一日	As at 1 January 2018 and 31 December 2018						
(每股面值0.01港元)	(HKD0.01 per share)	100,000,000	9,471,082	78,233	—	4,093,317	4,171,550

本公司以總代價282,283,000港元(相當於人民幣251,867,000元)於香港聯合交易所有限公司購買其115,602,000股股份，代價乃根據香港公司條例第257條以股份溢價悉數支付。於二零一七年十二月三十一日，所有已購股份已全部註銷。

The Company purchased 115,602,000 of its shares on The Stock Exchange of Hong Kong Limited at a total consideration of HKD282,283,000 (equivalent to RMB251,867,000), which was paid wholly out of share premium in accordance with section 257 of the Hong Kong Companies Ordinance. As at 31 December 2017, all purchased shares were cancelled.

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19. 其他儲備及保留盈利

19. OTHER RESERVES AND RETAINED EARNINGS

		中國法定 儲備金 PRC statutory reserve fund 人民幣千元 RMB'000	可供出售 金融資產 Available- for-sale financial assets 人民幣千元 RMB'000	資本儲備 Capital reserve 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000	保留盈利 Retained earnings 人民幣千元 RMB'000
於二零一七年一月一日	At 1 January 2017	268,890	14,864	(146,658)	137,096	6,340,925
年度溢利	Profit for the year	—	—	—	—	1,448,935
股息(附註30)	Dividends (Note 30)	—	—	—	—	(1,051,290)
僱員股份獎勵計劃	Employee share award scheme					
— 僱員服務價值	— Value of employee services	—	—	1,775	1,775	—
可供出售金融資產	Change in fair value					
— 公平值變動	— of available- for-sale financial assets	—	8,001	—	8,001	—
轉撥至中國法定儲備金(i)	Transfer to PRC statutory reserve fund (i)	19,338	—	—	19,338	(19,338)
於二零一七年十二月三十一日	At 31 December 2017	288,228	22,865	(144,883)	166,210	6,719,232
年初調整	Opening adjustment					
採納國際財務報告準則 第9號的影響	Effect of IFRS 9 adoption 第9號的影響	—	(22,865)	—	(22,865)	22,865
於二零一八年一月一日(經重列)	At 1 January 2018 (restated)	288,228	—	(144,883)	143,345	6,742,097
年度溢利	Profit for the year	—	—	—	—	1,619,956
股息(附註30)	Dividends (Note 30)	—	—	—	—	(161,008)
僱員股份獎勵計劃	Employee share award scheme					
— 僱員服務價值	— Value of employee services	—	—	345	345	—
不改變控制權之附屬公司	Changes in ownership interests					
— 所有權權益變更	— in subsidiaries without change of control	—	—	(5,872)	(5,872)	—
轉撥至中國法定儲備金(i)	Transfer to PRC statutory reserve fund (i)	21,813	—	—	21,813	(21,813)
於二零一八年十二月三十一日	At 31 December 2018	310,041	—	(150,410)	159,631	8,179,232

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19. 其他儲備及保留盈利 (續)

- (i) 本公司於中國的附屬公司須遵循中國法例及規例以及其各自的組織章程細則。該等附屬公司須將其各財政年度的純利的至少10%分配至儲備金，直至該基金餘額達到其各自註冊資本的50%。該儲備金僅可於取得股東大會批准或類似授權後用於抵銷累計虧損或用於增資。該儲備金不可用於向股東分派(清盤時例外)。

19. OTHER RESERVES AND RETAINED EARNINGS

(Continued)

- (i) The Company's subsidiaries in the PRC are required to follow the laws and regulations of the PRC and their respective articles of association. These subsidiaries are required to allocate at least 10% of their net profits for each financial year to the reserve fund until the balance of such fund has reached 50% of their respective registered capital. The reserve fund can only be used, upon approval by the shareholders' meeting or similar authorities, to offset accumulated losses or increase capital. The reserve fund is not available for distribution to shareholders except in the case of liquidation.

20. 其他負債

20. OTHER LIABILITIES

		二零一八年 2018 人民幣千元 RMB'000	二零一七年 2017 人民幣千元 RMB'000
銷售分銷權的遞延收益 (i)	Deferred revenue for sales of distribution rights (i)	—	44,222
遞延政府補助 (ii)	Deferred government grants (ii)	65,661	71,559
其他借款 (iii)	Other borrowings (iii)	95,000	—
		160,661	115,781
減：流動部分	Less: current portion		
銷售分銷權的遞延收益 (i)	Deferred revenue for sales of distribution rights (i)	—	21,300
遞延政府補助 (ii)	Deferred government grants (ii)	6,680	6,397
		6,680	27,697
非流動部分	Non-current portion	153,981	88,084

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20. 其他負債 (續)

- (i) 其指出售若干醫藥產品的分銷權為期五年於分銷商已收的現金墊款。收益已按直線基準於綜合損益及其他全面收益表確認。採納國際財務報告準則第15號後，已就有關現金墊款的未清償結餘重新分類至合約負債。
- (ii) 其指就建設物業、廠房及設備所收到的遞延政府補助收益。其將於相關資產預計年內按直線基準計入綜合損益及其他全面收益表。
- (iii) 其指來自本集團一家附屬公司非控股股東的借款，借款為計息、無抵押及須於七年內償還。

20. OTHER LIABILITIES (Continued)

- (i) It represents the cash advances received for sales of distribution rights of certain pharmaceutical products to distributors for a period of five years. The revenue is recognised in the consolidated statement of profit or loss and other comprehensive income based on the straight-line basis. Upon adoption of IFRS 15, reclassifications have been made to contract liabilities for the outstanding balance of such cash advances.
- (ii) It represents the deferred revenue of government grants received for the construction of property, plant and equipment. It will be credited to the consolidated statement of profit or loss and other comprehensive income on a straight-line basis over the expected lives of the related assets.
- (iii) It represents the borrowings from non-controlling shareholders a subsidiary of the Group, which is interest-bearing, unsecured, repayable in seven years.

21. 貿易及其他應付賬款

21. TRADE AND OTHER PAYABLES

		二零一八年 2018 人民幣千元 RMB'000	二零一七年 2017 人民幣千元 RMB'000
貿易應付賬款 (i)	Trade payables (i)	37,202	34,320
來自客戶的墊款 (ii)	Advances from customers (ii)	—	360,594
應付建設成本及設備採購款項	Costs of construction and purchase of equipment payables	53,977	51,857
收購一間附屬公司應付賬款	Payable for acquisition of a subsidiary	300,000	300,000
應付其他關聯方款項 (附註 33)	Amount due to other related party (Note 33)	83	83
應付按金	Deposit payables	221,506	241,225
應付分銷商的應計補償	Accrued reimbursement to distributors	899,683	505,833
應付其他稅項	Other taxes payable	59,417	180,749
應付薪金	Salaries payable	55,329	52,891
應付利息	Interest payables	3,995	—
其他應付賬款	Other payables	55,557	77,235
		1,686,749	1,804,787

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21. 貿易及其他應付賬款 (續)

- (i) 貿易應付賬款為不計息，平均信貸期為40天。
- (ii) 採納國際財務報告準則第15號後，已就有關來自客戶的墊款的未清償結餘由貿易及其他應付賬款重新分類至合約負債。

於報告期結束時，貿易應付賬款基於發票開具日的賬齡分析如下：

6個月內	Within 6 months
6個月至1年	6 months to 1 year
1年以上	More than 1 year

貿易及其他應付賬款的公平值與其賬面值相若。

21. TRADE AND OTHER PAYABLES (Continued)

- (i) The trade payables are non-interest-bearing and have an average term of 40 days.
- (ii) Upon adoption of IFRS 15, reclassifications have been made from trade and other payables to contract liabilities for the outstanding balance of advances from customers.

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

		二零一八年 2018 人民幣千元 RMB'000	二零一七年 2017 人民幣千元 RMB'000
6個月內	Within 6 months	31,271	24,329
6個月至1年	6 months to 1 year	3,301	3,766
1年以上	More than 1 year	2,630	6,225
		37,202	34,320

The fair values of trade and other payables approximate to their carrying amounts.

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22. 合約負債

22. CONTRACT LIABILITIES

		二零一八年 2018 人民幣千元 RMB'000
來自客戶的墊款	Advances from customers	504,171
銷售分銷權的遞延收益	Deferred revenue for sales of distribution rights	22,923
		527,094
減：流動部分	Less: Current portion	
來自客戶的墊款	Advances from customers	504,171
銷售分銷權的遞延收益	Deferred revenue for sales of distribution rights	13,348
		517,519
非流動部分	Non-current portion	9,575

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23. 遞延稅項

遞延稅項資產及遞延稅項負債分析如下：

23. DEFERRED TAX

The analysis of deferred tax assets and deferred tax liabilities is as follows:

		二零一八年 2018 人民幣千元 RMB'000	二零一七年 2017 人民幣千元 RMB'000
遞延稅項資產	Deferred tax assets		
— 將在12個月內收回	— to be recovered within 12 months	102,128	115,481
— 將在超過12個月後收回	— to be recovered after more than 12 months	8,986	12,033
		111,114	127,514
遞延稅項負債	Deferred tax liabilities		
— 將在12個月內結算	— to be settled within 12 months	(61,591)	(57,305)
— 將在超過12個月後結算	— to be settled after more than 12 months	(195,346)	(207,091)
		(256,937)	(264,396)
遞延稅項負債—淨額	Deferred tax liabilities - net	(145,823)	(136,882)

遞延稅項賬戶變動總額如下：

The gross movements in the deferred tax accounts are as follows:

		二零一八年 2018 人民幣千元 RMB'000	二零一七年 2017 人民幣千元 RMB'000
於一月一日	At 1 January	(136,882)	(38,211)
收購附屬公司	Acquisition of subsidiaries	—	(200,363)
於綜合損益及其他全面收益表 (支銷)/入賬(附註28)	(Charged)/credited to the consolidated statement of profit or loss and other comprehensive income (Note 28)	(8,941)	101,692
於十二月三十一日	At 31 December	(145,823)	(136,882)

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23. 遞延所得稅 (續)

本年度內遞延稅項資產及負債變動如下 (未考慮同一稅務司法權區內的餘額抵銷)：

遞延稅項資產

		固定資產 相關政府 補助 Government subsidies associated with fixed assets 人民幣千元 RMB'000	集團內 公司間 銷售的 未變現溢利 Unrealised profit of intra-group sales 人民幣千元 RMB'000	應計費用 Accrued expenses 人民幣千元 RMB'000	出售分銷權 的未變現 溢利 Unrealised profit of sales of distribution rights 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
於二零一七年一月一日	At 1 January 2017	7,500	9,007	17,824	1,552	35,883
於綜合損益及其他 全面收益表入賬	Credited to consolidated statement of profit or loss and other comprehensive income	1,234	4,227	81,089	5,081	91,631
於二零一七年十二月三十一日	At 31 December 2017	8,734	13,234	98,913	6,633	127,514
於二零一八年一月一日	At 1 January 2018	8,734	13,234	98,913	6,633	127,514
於綜合損益及其他 全面收益表支銷	Charged to consolidated statement of profit or loss and other comprehensive income	(644)	(805)	(12,231)	(2,720)	(16,400)
於二零一八年十二月三十一日	At 31 December 2018	8,090	12,429	86,682	3,913	111,114

若可通過未來應納稅溢利變現相關稅項優惠，則就稅項虧損結轉確認遞延稅項資產。由於本公司董事會董事尚未確定是否可獲得未來應納稅溢利，故本集團於二零一八年十二月三十一日並無確認與稅項虧損人民幣266,748,000元(二零一七年：人民幣171,729,000元)有關的遞延稅項資產約人民幣66,687,000元(二零一七年：人民幣42,932,000元)。該等虧損可以結轉以抵銷未來應課稅溢利。虧損人民幣9,937,000元、人民幣25,674,000元、人民幣78,126,000元、人民幣46,784,000元及人民幣104,728,000元將分別於二零一九年、二零二零年、二零二一年、二零二二年及二零二三年到期。

23. DEFERRED TAX (Continued)

The movements in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

Deferred tax assets

	Fixed assets related government subsidies Government subsidies associated with fixed assets RMB'000	Intra-group sales Unrealised profit of intra-group sales RMB'000	Accrued expenses RMB'000	Unrealised profit of sales of distribution rights RMB'000	Total RMB'000
At 1 January 2017	7,500	9,007	17,824	1,552	35,883
Credited to consolidated statement of profit or loss and other comprehensive income	1,234	4,227	81,089	5,081	91,631
At 31 December 2017	8,734	13,234	98,913	6,633	127,514
At 1 January 2018	8,734	13,234	98,913	6,633	127,514
Charged to consolidated statement of profit or loss and other comprehensive income	(644)	(805)	(12,231)	(2,720)	(16,400)
At 31 December 2018	8,090	12,429	86,682	3,913	111,114

Deferred tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefits through the future taxable profits is probable. Due to the fact that the directors of the board of the Company are not certain on whether future taxable profits would be available, the Group did not recognise deferred tax assets of approximately RMB66,687,000 (2017: RMB42,932,000) in respect of tax losses amounting to RMB266,748,000 (2017: RMB171,729,000) as at 31 December 2018 that can be carried forward to offset against future taxable profits. Losses amounting to RMB9,937,000, RMB25,674,000, RMB78,126,000, RMB46,784,000 and RMB104,728,000 will expire in 2019, 2020, 2021, 2022 and 2023, respectively.

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23. 遞延所得稅 (續)

遞延稅項負債

23. DEFERRED TAX (Continued)

Deferred tax liabilities

			中國附屬 公司未匯出 收益的預扣稅	合營公司 所產生的 公平值調整	總計
		收購產生的 公平值收益	Withholding tax of the unremitted earnings of a PRC subsidiary	Fair value adjustment arising from recognition of a joint venture	Total
		人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000
於二零一七年一月一日	At 1 January 2017	28,639	—	45,455	74,094
收購附屬公司	Acquisition of subsidiaries	200,363	—	—	200,363
於綜合損益及其他全面 收益表入賬	Credited to consolidated statement of profit or loss and other comprehensive income	(10,061)	—	—	(10,061)
於二零一七年十二月三十一日	At 31 December 2017	218,941	—	45,455	264,396
於二零一八年一月一日	At 1 January 2018	218,941	—	45,455	264,396
於綜合損益及其他全面 收益表(入賬)/支銷	(Credited)/Charged to consolidated statement of profit or loss and other comprehensive income	(11,850)	4,391	—	(7,459)
於二零一八年十二月三十一日	At 31 December 2018	207,091	4,391	45,455	256,937

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23. 遞延所得稅 (續)

遞延稅項負債 (續)

根據於二零零七年十二月六日頒佈的新企業所得稅法實施細則(「實施條例」)，於二零零八年一月一日起對在中國成立的公司向其海外投資者宣派的股息，徵收10%的預扣稅。倘外國投資者於香港註冊成立且符合中國與香港訂立的雙重徵稅安排之條件或規定，則有關預扣稅率將自10%減至5%。截至二零一八年十二月三十一日止年度，海南四環宣派予耀忠之股息的預扣稅率為5%(二零一七年：5%)。

於二零一八年十二月三十一日，本集團並無就預計中國附屬公司在可預見未來匯出的盈利確認任何遞延稅項負債(二零一七年：零)。基於管理層對中國以外的資金要求的估計而預計的由中國附屬公司保留且在可預見將來不會匯出中國的溢利約人民幣3,129,895,000元(二零一七年：人民幣3,032,923,000元)及本集團的股息分派政策，並無計提預扣稅。

23. DEFERRED TAX (Continued)

Deferred tax liabilities (Continued)

Pursuant to the Detailed Implementation Regulations (“DIR”) for the implementation of the new Corporate Income Tax Law issued on 6 December 2007, a 10% withholding tax is levied on the dividends declared by the companies established in the PRC to their foreign investors starting from 1 January 2008. If a foreign investor is incorporated in Hong Kong and meets the conditions or requirements under the double taxation arrangement entered into between the PRC and Hong Kong, the relevant withholding tax rate will be reduced to 5% from 10%. The withholding tax rate levied on the dividends declared by Hainan Sihuan to Sun Moral was 5% for the year ended 31 December 2018 (2017: 5%).

As at 31 December 2018, the Group did not recognise any deferred tax liabilities (2017: Nil) on the earnings anticipated to be remitted by the PRC subsidiaries in the foreseeable future. No withholding tax has been provided for the earnings of approximately RMB3,129,895,000 (2017: RMB3,032,923,000) which are expected to be retained by the PRC subsidiaries and not to be remitted out of the PRC in the foreseeable future based on management’s estimated requirement for funding outside the PRC and the dividend distribution policy of the Group.

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24. 收益、其他收入及收益

收益、其他收入及收益的分析如下：

24. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue, other income and gains is as follows:

		二零一八年 2018 人民幣千元 RMB'000	二零一七年 2017 人民幣千元 RMB'000
收益	Revenue		
藥品銷售 (i)	Sales of pharmaceutical products (i)	2,917,405	2,743,803
綜合醫院服務收益	Revenue from general hospital services	—	2,006
		2,917,405	2,745,809
其他收入	Other income		
利息收入	Interest income	164,558	97,475
出售分銷權	Sales of distribution rights	21,300	35,256
研發收入	Research and development income	15,786	—
租金收入	Rental income	3,560	3,803
其他	Others	9,472	—
		214,676	136,534
其他收益－淨額	Other gains - net		
政府補助 (ii)	Government grants (ii)	469,434	304,963
按公平值計入損益的金融資產的 公平值收益	Fair value gain on financial assets at fair value through profit or loss	137,779	—
其他	Others	2,870	8,954
		610,083	313,917

(i) 藥品銷售指向客戶供應貨品的銷售額，並扣除銷售稅、增值稅、銷售退貨及商業折扣。

(ii) 政府補助指從地方政府收取且並無附帶特別條件的補貼。

(i) Sales of pharmaceutical products represent the sales value of goods supplied to customers, net of sales tax, value added tax, sales returns and commercial discounts.

(ii) The total government grants represented the subsidies received from the local government and no specific conditions were attached to them.

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25. 按性質劃分的費用

25. EXPENSES BY NATURE

		二零一八年 2018 人民幣千元 RMB'000	二零一七年 2017 人民幣千元 RMB'000
研究費用	Research expenses	263,829	163,932
遞延開發成本攤銷(附註9)	Amortisation of deferred development costs (Note 9)	95,148	69,477
原料成本	Raw materials used	265,469	401,607
製成品及在製品存貨變化	Changes in inventories of finished goods and work in progress	29,626	10,399
僱員福利開支	Employee benefit expenses		
工資及薪金	Wages and salaries	395,864	309,967
福利	Welfares	99,451	63,538
以股份為基礎的付款(附註27)	Share-based payments (Note 27)	345	1,775
物業、廠房及設備折舊(附註6)	Depreciation of property, plant and equipment (Note 6)	189,599	167,779
無形資產攤銷 (不包括遞延開發成本攤銷)(附註9)	Amortisation of intangible assets excluding the amortisation of deferred development costs (Note 9)	1,762	45,478
稅項及附加費	Tax surcharges	101,740	90,238
辦公開支	Office expenses	42,541	43,022
差旅開支	Travelling expenses	26,526	28,649
專業服務開支	Professional services expense	85,322	48,258
運輸開支	Transportation expenses	21,313	24,600
水電及物業管理費	Utilities and property management fee	11,846	9,476
租賃開支	Rental expenses	9,115	8,673
土地使用權攤銷(附註10)	Amortisation of land use rights (Note 10)	18,469	13,131
廣告及促銷開支	Advertising and promotional expenses	28,182	47,885
核數師酬金	Auditor's remuneration	5,500	5,500
業務招待開支	Entertainment expenses	10,044	8,131
銀行手續費	Bank charges	968	561
其他	Others	13,562	71,699
銷售成本、分銷開支、行政開支、 研發開支及其他開支總額	Total cost of sales, distribution expenses, administrative expenses, research and development expenses and other expenses	1,716,221	1,633,775

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26. 僱員福利開支

(a) 董事酬金

截至二零一八年十二月三十一日止
年度各董事的薪酬如下：

姓名	Name	退休金 計劃供款 Pension			總計 Total
		袍金 Fees	薪金 Salaries	其他 Other	
		人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000
董事	Directors				
執行董事：	Executive directors:				
車馮升醫生(i)	Dr. Che Fengsheng (i)	—	10,000	—	10,000
郭維城醫生(i)	Dr. Guo Weicheng (i)	—	6,000	—	6,000
張炯龍醫生(iii)	Dr. Zhang Jionglong (iii)	—	1,219	12	1,231
蔡耀忠先生	Mr. Choi Yiau Chong	—	3,048	15	3,063
郭峰博士(iii)	Dr. Guo Feng (iii)	—	3,753	—	3,753
陳燕玲女士(iii)	Ms. Chen Yanling (iii)	—	675	11	807
非執行董事：	Non-executive directors:				
孫弘先生(iii)	Mr. Homer Sun (iii)	—	—	—	—
金鎮夏先生	Mr. Kim Jin Ha	—	—	—	—
獨立非執行董事：	Independent non-executive directors:				
辛定華先生	Mr. Patrick Sun	347	—	—	347
曾華光先生	Mr. Tsang Wah Kwong	347	—	—	347
朱迅博士	Mr. Zhu Xun	280	—	—	280
		974	24,695	38	25,828

26. EMPLOYEE BENEFIT EXPENSES

(a) Directors' emoluments

The remuneration of every director for the year ended 31 December 2018 is set out below:

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截至二零一八年十二月三十一日止年度

For the year ended 31 December 2018

26. 僱員福利開支 (續)

(a) 董事酬金 (續)

截至二零一七年十二月三十一日止年度各董事的薪酬如下：

姓名	Name	袍金 Fees 人民幣千元 RMB'000	薪金 Salaries 人民幣千元 RMB'000	退休金 計劃供款	總計 Total 人民幣千元 RMB'000
				Pension Scheme Contribution 人民幣千元 RMB'000	
董事	Directors				
執行董事：	Executive directors:				
車馮升醫生 (i)	Dr. Che Fengsheng (i)	—	10,000	—	10,000
郭維城醫生 (i)	Dr. Guo Weicheng (i)	—	6,000	—	6,000
孟憲慧先生 (ii)	Mr. Meng Xianhui (ii)	—	4,000	—	4,000
蔡耀忠先生	Mr. Choi Yiau Chong	—	1,728	16	1,744
郭峰博士	Dr. Guo Feng	—	1,499	—	1,499
非執行董事：	Non-executive directors:				
孫弘先生	Mr. Homer Sun	—	—	—	—
張炯龍醫生 (ii)	Dr. Zhang Jionglong (ii)	—	—	—	—
金鎮夏先生 (ii)	Mr. Kim Jin Ha(ii)	—	—	—	—
獨立非執行董事：	Independent non-executive directors:				
辛定華先生	Mr. Patrick Sun	304	—	—	304
曾華光先生	Mr. Tsang Wah Kwong	304	—	—	304
朱迅先生	Mr. Zhu Xun	280	—	—	280
		888	23,227	16	24,131

(i) 車馮升醫生於二零一四年十月二十日辭任行政總裁，而郭維城醫生獲委任為本公司的行政總裁，於二零一四年十月二十日起生效。

(ii) 於二零一七年十二月八日，孟憲慧先生辭任執行董事，張炯龍辭任非執行董事，及金鎮夏先生委任為非執行董事。

(iii) 於二零一八年四月二十日，郭峰博士及孫弘先生辭任執行董事，張炯龍醫生獲委任為執行董事及陳燕玲女士獲委任為執行董事。

26. EMPLOYEE BENEFIT EXPENSES (Continued)

(a) Directors' emoluments (Continued)

The remuneration of every director for the year ended 31 December 2017 is set out below:

姓名	Name	袍金 Fees 人民幣千元 RMB'000	薪金 Salaries 人民幣千元 RMB'000	退休金 計劃供款	總計 Total 人民幣千元 RMB'000
				Pension Scheme Contribution 人民幣千元 RMB'000	
董事	Directors				
執行董事：	Executive directors:				
車馮升醫生 (i)	Dr. Che Fengsheng (i)	—	10,000	—	10,000
郭維城醫生 (i)	Dr. Guo Weicheng (i)	—	6,000	—	6,000
孟憲慧先生 (ii)	Mr. Meng Xianhui (ii)	—	4,000	—	4,000
蔡耀忠先生	Mr. Choi Yiau Chong	—	1,728	16	1,744
郭峰博士	Dr. Guo Feng	—	1,499	—	1,499
非執行董事：	Non-executive directors:				
孫弘先生	Mr. Homer Sun	—	—	—	—
張炯龍醫生 (ii)	Dr. Zhang Jionglong (ii)	—	—	—	—
金鎮夏先生 (ii)	Mr. Kim Jin Ha(ii)	—	—	—	—
獨立非執行董事：	Independent non-executive directors:				
辛定華先生	Mr. Patrick Sun	304	—	—	304
曾華光先生	Mr. Tsang Wah Kwong	304	—	—	304
朱迅先生	Mr. Zhu Xun	280	—	—	280
		888	23,227	16	24,131

(i) Dr. Che Fengsheng resigned as the chief executive officer on 20 October 2014 and Dr. Guo Weicheng was appointed as the chief executive officer of the Company with effect from 20 October 2014.

(ii) On 8 December 2017, Mr. Meng Xianhui resigned as an executive director, Dr. Zhang Jionglong resigned as a non-executive director and Mr. Kim Jin Ha was appointed as a non-executive director.

(iii) On 20 April 2018, Dr. Guo Feng resigned as an executive director, Mr. Homer Sun resigned as a non-executive director, Dr. Zhang Jionglong was appointed as an executive director, and Ms. Chen Yanling was appointed as an executive director.

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26. 僱員福利開支 (續)

(b) 五名最高薪人士

本集團本年度最高薪酬的五名人士包括四名董事(二零一七年：五名)，其酬金已反映在上文呈列的分析內。於二零一八年，已付或應付其餘一名人士的酬金如下：

		二零一八年 2018 人民幣千元 RMB'000	二零一七年 2017 人民幣千元 RMB'000
基本薪金、房屋補貼、 其他補貼及實物利益	Basic salaries, housing allowances, other allowances and benefits in kind	1,500	—
以股份為基礎的付款	Share-based payments	—	—
		1,500	—

薪酬介乎以下範圍的最高薪僱員(非董事及非最高行政人員)人數如下：

		二零一八年 2018	二零一七年 2017
1,500,001 港元至 2,000,000 港元	HKD1,500,001 – HKD2,000,000	1	—

截至二零一八年及二零一七年十二月三十一日止年度，本集團並無向董事或最高薪酬人士就吸引其加入或補償其離職而支付款項，亦概無董事或最高薪酬人士放棄收取任何有關酬金。

26. EMPLOYEE BENEFIT EXPENSES (Continued)

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year included four (2017: five) directors whose emoluments are reflected in the analysis presented above. The emoluments paid or payable to the remaining one individual in 2018 is as follows:

		二零一八年 2018 RMB'000	二零一七年 2017 RMB'000
Basic salaries, housing allowances, other allowances and benefits in kind		1,500	—
Share-based payments		—	—
		1,500	—

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

		二零一八年 2018	二零一七年 2017
1,500,001 HKD to 2,000,000 HKD	HKD1,500,001 – HKD2,000,000	1	—

For the years ended 31 December 2018 and 2017, no payments had been made by the Group to the directors or the highest paid individuals in respect of inducement to join or compensation for loss of office, and no directors or the highest paid individuals waived any of the emoluments.

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截至二零一八年十二月三十一日止年度

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27. 以股份為基礎的付款

(a) 股份獎勵計劃

為向本集團管理層提供獎勵，本公司若干股東(即Plenty Gold Enterprises Limited(「Plenty Gold」)、車馮升醫生及郭維城醫生)已於二零一零年十月二十五日採納一項獎勵計劃(「僱員股份獎勵計劃」或「該計劃」)。於二零一三年一月二十五日，本公司的另一股東(即MSPEA Pharma Holdings B.V.)亦參與僱員股份獎勵計劃。受託人公司(於英屬處女群島成立的私人信託公司，由Plenty Gold全資擁有)已獲委任為受託人，根據僱員股份獎勵計劃持有預留股份。Plenty Gold、車馮升醫生及郭維城醫生(作為信託的財產授予人)已預留及撥出合共33,750,000股本公司股份；而MSPEA Pharma Holdings B.V.預留及撥出額外3,750,000股本公司股份。所有該等股份由受託人公司根據僱員股份獎勵計劃以受託人的身份持有。僱員股份獎勵計劃涉及授出由受託人公司持有的現有股份，並不會根據僱員股份獎勵計劃發行新股份。

本公司根據適用於以股權結算的股份支付交易的規定，計量其僱員提供的服務，而相關的增幅則在權益確認為來自主要股東的貢獻。本公司將不會根據僱員股份獎勵計劃發行新股份，且概不會因僱員股份獎勵計劃而對每股盈利的計算方式造成攤薄影響。

根據僱員股份獎勵計劃，獎勵乃授予本集團合資格僱員，可行使為於各個財政年度(由授出日期起直至已授出的相關獎勵屆滿日期止期間)獲指定的受託人公司持有的本公司股份的特定數目。

27. SHARE-BASED PAYMENTS

(a) Share award scheme

An award scheme for the purpose of incentivising the management of the Group (the “Employee Share Award Scheme” or the “Scheme”) has been adopted by certain shareholders of the Company (namely, Plenty Gold Enterprises Limited (“Plenty Gold”), Dr. Che Fengsheng and Dr. Guo Weicheng) on 25 October 2010. On 25 January 2013, another shareholder of the Company (namely, MSPEA Pharma Holdings B.V.) also participated in the Employee Share Award Scheme. Trustee Co (a private trust company established in the British Virgin Islands and wholly owned by Plenty Gold) has been appointed as the trustee to hold the reserved shares under the Employee Share Award Scheme. Plenty Gold, Dr. Che Fengsheng and Dr. Guo Weicheng, as settlors of a trust, have reserved and set aside a total of 33,750,000 shares; and MSPEA Pharma Holdings B.V. has reserved and set aside an additional 3,750,000 shares, all of which are being held by the Trustee Co as trustee for the Employee Share Award Scheme. The Employee Share Award Scheme involves granting existing shares held by Trustee Co., and no new shares will be issued pursuant to the Employee Share Award Scheme.

The Company measures the services received from its employees in accordance with the requirements applicable to equity-settled share-based payment transactions, with a corresponding increase recognised in equity as a contribution from the major shareholders. No new shares will be issued by the Company under the Employee Share Award Scheme and there is no dilution impact on the earnings per share calculation as a result of the Employee Share Award Scheme.

Under the Employee Share Award Scheme, awards were granted to the eligible employees of the Group, which are exercisable into the specific number of shares of the Company, held by Trustee Co., designed in each financial year during the period from the grant date up to the expiry date of the relevant awards granted.

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27. 以股份為基礎的付款 (續)

(a) 股份獎勵計劃 (續)

已授予本集團若干僱員的股份獎勵概要如下：

授出日期	Grant date	每份股份 獎勵行使價 港元 Exercise price in HKD per share award	已授出獎勵 數目 (千份) Number of awards granted (thousands)
二零一二年三月二十日	20 March 2012	3.19	14,150
二零一三年九月二十七日	27 September 2013	3.19	19,750
二零一三年十月二十一日	21 October 2013	0.7	2,050
			35,950

於二零一六年六月二十八日，本集團調整了股份獎勵計劃。已授予234名僱員但未獲行使的餘下31,448,172份購股權已由新股份獎勵(行使價為每股股份獎勵1.57港元)取代。

27. SHARE-BASED PAYMENTS (Continued)

(a) Share award scheme (Continued)

The summary of the share awards granted to certain employees of the Group is as follows:

授出日期	Grant date	每份股份 獎勵行使價 港元 Exercise price in HKD per share award	已授出獎勵 數目 (千份) Number of awards granted (thousands)
二零一二年三月二十日	20 March 2012	3.19	14,150
二零一三年九月二十七日	27 September 2013	3.19	19,750
二零一三年十月二十一日	21 October 2013	0.7	2,050
			35,950

On 28 June 2016, the Group modified the share award scheme. The remaining 31,448,172 share options, which were granted to but not yet exercised by 234 employees, were replaced by new share awards with an exercise price of HKD1.57 per share award.

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27. 以股份為基礎的付款 (續)

(b) 股份獎勵變動

以下購股權根據計劃於年內未獲行使：

		每股股份 獎勵平均 行使價港元 Average exercise price in HKD per share award	獎勵(千份) Awards (in thousands)	
			二零一八年 2018	二零一七年 2017
			於一月一日	At 1 January
已行使	Exercised	1.57	(1,614)	(2,260)
已沒收	Forfeited	1.57	(18)	(239)
於十二月三十一日	At 31 December		1,272	2,904

以下為期末尚未行使的股份獎勵之到期日期及行使價：

到期日期	Expiry date	每份股份 獎勵 行使價 港元 Exercise price in HKD per share award	已授出尚未到期的 股份獎勵數目(千份) Number of outstanding awards granted (thousands)		已歸屬及尚未行使的 獎勵數目(千份) Number of outstanding vested and exercisable awards (thousands)	
			二零一八年 2018	二零一七年 2017	二零一八年 2018	二零一七年 2017
			二零二一年六月二十八日	28 June 2021	1.57	1,272
			1,272	2,904	—	—

於二零一八年十二月三十一日，於1,272,000份(二零一七年：2,904,000份)未行使獎勵中，無(二零一七年：無)獎勵已獲行使。

年內，就向僱員授出的股份獎勵而於綜合損益及其他全面收益表支銷總開支人民幣345,000元(二零一七年：人民幣1,775,000元)，並於權益內確認相應變動。

27. SHARE-BASED PAYMENTS (Continued)

(b) Share award movements

The following share options were outstanding under the Scheme during the year:

		每股股份 獎勵平均 行使價港元 Average exercise price in HKD per share award	獎勵(千份) Awards (in thousands)	
			二零一八年 2018	二零一七年 2017
			於一月一日	At 1 January
已行使	Exercised	1.57	(1,614)	(2,260)
已沒收	Forfeited	1.57	(18)	(239)
於十二月三十一日	At 31 December		1,272	2,904

Share awards outstanding at the end of the year had the following expiry date and exercise price:

到期日期	Expiry date	每份股份 獎勵 行使價 港元 Exercise price in HKD per share award	已授出尚未到期的 股份獎勵數目(千份) Number of outstanding awards granted (thousands)		已歸屬及尚未行使的 獎勵數目(千份) Number of outstanding vested and exercisable awards (thousands)	
			二零一八年 2018	二零一七年 2017	二零一八年 2018	二零一七年 2017
			二零二一年六月二十八日	28 June 2021	1.57	1,272
			1,272	2,904	—	—

Out of the 1,272,000 (2017: 2,904,000) outstanding awards, no (2017: Nil) awards were exercisable at 31 December 2018.

During the year, total expenses amounting to RMB345,000 (2017: RMB1,775,000) were charged to the consolidated statement of profit or loss and other comprehensive income for share awards granted to employees with a corresponding change in equity.

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27. 以股份為基礎的付款 (續)

(c) 股份獎勵的公平值

本公司董事會執行董事已使用二項式模式釐定將於歸屬期內支銷的已授出獎勵的公平值。本公司董事會執行董事在應用二項式模式時要求對如無風險利率、股息率及預期波幅等參數作出重要判斷，該等參數的輸入數據的概要如下。

於授出日期的收市價

無風險利率

股息率

預期波幅 (i)

- (i) 按照預期股價回報的標準偏差計算的預期波幅，乃根據本公司股份平均每日買賣價格的波幅釐定。

27. SHARE-BASED PAYMENTS (Continued)

(c) Fair value of share awards

The executive directors of the board of the Company have used the binomial model to determine the fair value of the awards granted, which is to be expensed over the vesting period. Significant judgement on parameters, such as risk-free rate, dividend yield and expected volatility, is required to be made by the executive directors of the board of the Company in applying the binomial model, of which the inputs are summarised below.

二零一六年
於
六月二十八日
授出的
股份獎勵
2016
Share awards
granted on
28 June

Closing price at the grant date

Risk-free rate

Dividend yield

Expected volatility (i)

- (i) The expected volatility, measured as the standard deviation of expected share price returns, is determined based on the average daily trading price volatility of the shares of the Company.

1.60 港元

HKD1.60

0.64%

2.14%

41.38%

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28. 所得稅開支

本集團截至二零一八年及二零一七年十二月三十一日止年度的所得稅開支分析如下：

28. INCOME TAX EXPENSE

The income tax expense of the Group for the years ended 31 December 2018 and 2017 is analysed as follows:

		二零一八年 2018 人民幣千元 RMB'000	二零一七年 2017 人民幣千元 RMB'000
即期稅項：	Current taxation:		
年度撥備	Provision for the year	248,863	326,858
預扣稅撥備	Provision for withholding tax	75,000	25,001
即期稅項總額	Total current tax	323,863	351,859
遞延稅項：	Deferred tax:		
暫時差異的產生及撥回(附註23)	Origination and reversal of temporary differences (Note 23)	8,941	(101,692)
遞延稅項總額	Total deferred tax	8,941	(101,692)
所得稅開支	Income tax expense	332,804	250,167

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28. 所得稅開支(續)

本集團除稅前溢利的稅項與採用適用於合併實體溢利的法定稅率計算的理論數額不同，載列如下：

28. INCOME TAX EXPENSE (Continued)

The tax on the Group's profit before tax differs from the theoretical amount that would arise from using the statutory tax rate applicable to profits of the consolidated entities as follows:

		二零一八年 2018 人民幣千元 RMB'000	二零一七年 2017 人民幣千元 RMB'000
除稅前溢利	Profit before tax	2,012,165	1,729,075
按中國法定稅率25% (二零一七年：25%)計算的稅項	Tax calculated at the PRC applicable statutory tax rate of 25% (2017: 25%)	503,041	432,269
下列項目的稅務影響：	Tax effects of:		
– 動用先前未確認的稅務虧損	– Utilisation of previously unrecognised tax losses	(1,009)	(1,415)
– 稅項優惠及豁免的影響	– Effect of tax concessions and exemption	(260,043)	(201,366)
– 不可扣稅開支	– Expenses not deductible for tax purposes	27,491	25,641
– 歸屬合營公司和聯營公司的 溢利及虧損	– Profits and losses attributable to joint ventures and associates	1,930	(10,216)
– 無須納稅收入	– Income not subject to tax	(32,842)	(31,443)
– 未確認遞延所得稅資產的 稅項損失	– Tax losses for which no deferred income tax asset was recognised	19,236	11,696
– 5%預扣稅對本集團中國 附屬公司可分配利潤的影響	– Effect of withholding tax at 5% on the distributable profits of the Group's PRC subsidiaries	75,000	25,001
所得稅開支	Income tax expense	332,804	250,167

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28. 所得稅開支(續)

百慕達利得稅

年內，本集團毋須繳納該司法權區的任何稅項(二零一七年：無)。

香港利得稅

年內，由於本集團並無在香港產生應課稅溢利，故並無提撥香港利得稅(二零一七年：無)。

中國企業所得稅(「中國企業所得稅」)

中國企業所得稅按現時組成本集團的公司於中國產生的應課稅收入(經調整毋須就中國企業所得稅課稅或可扣除中國企業所得稅的項目)計提撥備。

本集團的中國附屬公司根據中國企業所得稅法按稅率25%釐定及繳納企業所得稅。

本集團若干附屬公司符合高新技術企業的資格。因此，該等附屬公司就二零一八年及二零一七年的企業所得稅按稅率15%計提撥備。

保留溢利的中國預扣稅

根據適用中國稅務法規，於中國成立的公司就自二零零八年一月一日後產生的溢利向外國投資者分派股息須繳納10%的預扣稅。倘外國投資者於香港註冊成立且滿足中國與香港訂立的雙重稅務安排的條件或規定，則有關預扣稅率由10%減至5%。

就派付現金股息的目的而言，本集團的本地附屬公司向海外的已派付股息為人民幣1,500,000,000元(二零一七年：人民幣500,000,000元)以達到特定資金需求，其乃來自二零一七年的股息計劃及於二零一八年支付相關預扣稅。

28. INCOME TAX EXPENSE (Continued)

Bermuda profits tax

The Group was not subject to any taxation in this jurisdiction during the year (2017: Nil).

Hong Kong profits tax

No Hong Kong profits tax has been provided as the Group had no assessable profits arising in Hong Kong during the year (2017: Nil).

PRC corporate income tax ("PRC CIT")

PRC CIT is provided on the assessable income of the companies now comprising the Group derived from the PRC, adjusted for those items which are not assessable or deductible for the PRC CIT purposes.

The PRC subsidiaries of the Group have determined and paid the corporate income tax in accordance with the Corporate Income Tax Law of the PRC at the tax rate of 25%.

Certain subsidiaries of the Group were qualified as high-tech enterprises. Accordingly, those subsidiaries' corporate income tax for 2018 and 2017 was provided at the rate of 15%.

PRC withholding tax on retained profits

According to applicable PRC tax regulations, dividends distributed by a company established in the PRC to a foreign investor with respect to profits derived after 1 January 2008 are subject to a 10% withholding tax. If a foreign investor is incorporated in Hong Kong and meets the conditions or requirements under the double taxation arrangement entered into between the PRC and Hong Kong, the relevant withholding tax rate will be reduced to 5% from 10%.

For purpose of cash dividends payment, the domestic subsidiaries of the Group distributed dividends amounting to RMB1,500,000,000 (2017: RMB500,000,000) to overseas to meet the special requirement for funding which was out of dividend plan in year 2017 and paid relevant withholding tax in year 2018.

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29. 每股盈利

(a) 基本

每股基本盈利按本公司擁有人應佔溢利除以年內已發行普通股加權平均股數計算。

本公司擁有人應佔溢利
(人民幣千元)

計算每股基本盈利所用已發行
普通股加權平均股數(千)

每股基本盈利(每股人民幣分)

29. EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issuance during the year.

		二零一八年 2018	二零一七年 2017
本公司擁有人應佔溢利 (人民幣千元)	Profit attributable to owners of the Company (RMB' 000)	1,619,956	1,448,935
計算每股基本盈利所用已發行 普通股加權平均股數(千)	Weighted average number of ordinary shares in issue for basic earnings per share ('000)	9,471,082	9,482,649
每股基本盈利(每股人民幣分)	Basic earnings per share (RMB cents per share)	17.1	15.3

(b) 攤薄

於二零一八年及二零一七年因並無存在潛在攤薄普通股，故於該等年度內並無每股盈利攤薄。每股攤薄盈利相等於每股基本盈利。

(b) Diluted

There was no dilution to earnings per share during 2018 and 2017 because there were no potential dilutive ordinary shares existing during these years. The diluted earnings per share amounts equalled to the basic earnings per share amounts.

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30. 股息

於二零一八年及二零一七年派付的股息分別為人民幣161,008,000元及人民幣1,051,290,000元。董事會建議，截至二零一八年十二月三十一日止年度末期現金股息為人民幣123,124,066元，惟須於應屆股東週年大會上獲得批准。

於年度內批准及派發予本公司擁有人的股息：

30. DIVIDENDS

The dividends paid in 2018 and 2017 were RMB161,008,000 and RMB1,051,290,000, respectively. A final cash dividend for the year ended 31 December 2018 of RMB 123,124,066 was recommended by the Board and subject to approval at the forthcoming annual general meeting of the Company.

Dividends approved and paid to owners of the Company during the year:

		二零一八年 2018 人民幣千元 RMB'000	二零一七年 2017 人民幣千元 RMB'000
年度內派發上一年度每股普通股 二零一七年末期股息人民幣1.3分 (二零一六年：人民幣3.8分)	Final 2017 dividend of RMB1.3 (2016: RMB3.8) cents per ordinary share for the previous year, paid during the year	123,124	359,901
二零一七年派發上一年度每股普通股 二零一六年末期特別現金股息 人民幣5.5分	Final 2016 special cash dividend of RMB5.5 cents per ordinary share for the previous year, paid during 2017	—	520,910
年度內宣派及派發每股普通股中期 股息人民幣0.4分(二零一七年： 人民幣1.8分)	Interim dividend of RMB0.4 (2017: RMB1.8) cents per ordinary share, declared and paid during the year	37,884	170,479
		161,008	1,051,290
年度內建議之本公司股息：	Dividends proposed by the Company during the year:		
建議末期現金股息每股普通股1.3分 (二零一七年：人民幣1.3分)	Proposed final cash dividend of RMB1.3 (2017: RMB1.3) cents per ordinary share	123,124	123,124

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31. 經營產生的現金

31. CASH GENERATED FROM OPERATIONS

		二零一八年 2018 人民幣千元 RMB'000	二零一七年 2017 人民幣千元 RMB'000
除稅前溢利	Profit before tax	2,012,165	1,729,075
經以下項目調整：	Adjustments for:		
— 物業、廠房及設備折舊(附註25)	— Depreciation of property, plant and equipment (Note 25)	189,599	167,779
— 投資物業折舊	— Depreciation of investment properties	2,263	1,180
— 無形資產攤銷(附註25)	— Amortisation of intangible assets (Note 25)	96,910	114,955
— 無形資產減值(附註25)	— Impairment of intangible assets (Note 25)	—	—
— 土地使用權攤銷(附註25)	— Amortisation of land use rights (Note 25)	18,469	13,131
— 使用權益法入賬的應佔投資溢利(附註12)	— Share of profits of investments accounted for using the equity method (Note 12)	7,718	(40,865)
— 出售物業、廠房及設備的虧損(i)	— Loss on disposal of property, plant and equipment (i)	2,427	87
— 終止確認一家附屬公司的收益	— Gain on derecognition of a subsidiary	—	(125,771)
— 按公平值計入損益的金融資產的公平值收益	— Gain on changes in fair value of financial assets at FVTPL	(137,779)	—
— 以股份為基礎的補償開支	— Share-based compensation expenses	345	1,775
— 利息開支	— Interest expense	5,253	—
— 利息收入	— Interest income	(138,048)	(86,815)
— 財務開支	— Finance expenses	10,240	—
營運資金變動前營運現金流量	Operating cash flow before working capital changes	2,069,562	1,774,531
營運資產及負債變動：	Changes in operating assets and liabilities:		
— 存貨	— Inventories	(73,147)	(9,965)
— 貿易及其他應收賬款	— Trade and other receivables	(20,345)	146,210
— 貿易及其他應付賬款	— Trade and other payables	321,533	448,467
經營活動產生的現金	Cash generated from operating activities	2,297,603	2,359,243

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31. 經營產生的現金 (續)

- (i) 於綜合現金流量表中，出售物業、廠房及設備的所得款項包括：

		二零一八年 2018 人民幣千元 RMB'000	二零一七年 2017 人民幣千元 RMB'000
賬面淨值(附註6)	Net book amount (Note 6)	4,585	316
出售物業、廠房及設備的虧損	Loss on disposal of property, plant and equipment	(2,427)	(87)
出售物業、廠房及設備的 所得款項	Proceeds from disposal of property, plant and equipment	2,158	229

32. 承擔

- (a) 資本承擔

於報告期末已訂約但尚未計提撥備的資本開支如下：

		二零一八年 2018 人民幣千元 RMB'000	二零一七年 2017 人民幣千元 RMB'000
物業、廠房及設備	Property, plant and equipment	219,318	148,135
無形資產－開發中產品	Intangible assets - product development in progress	101,806	73,875
		321,124	222,010

31. CASH GENERATED FROM OPERATIONS (Continued)

- (i) In the consolidated statement of cash flows, proceeds from disposal of property, plant and equipment comprise:

32. COMMITMENTS

- (a) Capital commitments

Capital expenditure contracted for but not yet provided at the end of the reporting period is as follows:

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32. 承擔 (續)

(b) 經營租賃承擔

本集團根據不可撤銷經營租賃協議租賃若干辦公室物業。租賃期限為一至七年，且大多數租賃協議可按市價於租賃期限屆滿時續約。

根據不可撤銷經營租賃應付的未來最低租金總額如下：

		二零一八年 2018 人民幣千元 RMB'000	二零一七年 2017 人民幣千元 RMB'000
一年以內	Within 1 year	4,624	1,460
於兩至五年以內	Between 2 and 5 years	7,344	654
五年以上	More than 5 years	1,481	—
		13,449	2,114

32. COMMITMENTS (Continued)

(b) Operating lease commitments

The Group leases various office premises under non-cancellable operating lease agreements. The lease terms are between one and seven years and the majority of lease agreements are renewable at the end of the lease period at the market rate.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

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33. 關聯方交易

本集團的最終控股股東為車馮升醫生、郭維城醫生、張炯龍醫生和孟憲慧先生。

關聯方名稱及與關聯方的關係如下：

名稱 Name
Network Victory Limited (「Network Victory」) Network Victory Limited (“Network Victory”)
仁方醫療控股有限公司 Renfang Medical Holdings Ltd.
北京銳業製藥有限公司 Beijing Ruiye Drugs Manufacture Co., Ltd.
通化天實製藥有限公司 Tonghua Tianshi Pharmaceutical Co., Ltd.
佛山德芮可製藥有限公司 Pharmadax (Foshan) Co., Ltd.
上海立迪生物技術有限公司 Shanghai Lide Biotech Co., Ltd.
Medifood International SA Medifood International SA

33. RELATED PARTY TRANSACTIONS

The ultimate controlling shareholders of the Group are Dr. Che Fengsheng, Dr. Guo Weicheng, Dr. Zhang Jionglong and Mr. Meng Xianhui.

Name of and relationship with related parties are as follows:

關係 Relationship
由車馮升醫生控制 Controlled by Dr. Che Fengsheng
本集團的聯營公司 Associate of the Group
本集團的聯營公司 Associate of the Group
本集團的聯營公司 Associate of the Group
本集團的聯營公司 Associate of the Group
本集團的聯營公司 Associate of the Group
本集團的聯營公司 Associate of the Group

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33. 關聯方交易(續)

年末結餘及與關聯方的交易：

33. RELATED PARTY TRANSACTIONS (Continued)

Year-end balances and transactions with related parties are as follows:

		二零一八年 2018 人民幣千元 RMB'000	二零一七年 2017 人民幣千元 RMB'000
向聯營公司購買研發服務	Purchase of R&D service from an associate		
– 上海立迪生物技術有限公司	– Shanghai Lide Biotech Co., Ltd.	79	154
來自聯營公司的利息收入	Interest income from associates		
– 北京銳業	– Beijing Ruiye	1,957	1,102
– 通化天實	– Tonghua Tianshi	3,501	3,423
		5,458	4,525
		二零一八年 2018 人民幣千元 RMB'000	二零一七年 2017 人民幣千元 RMB'000
應收聯營公司款項(附註14及16)	Amounts due from associates (Notes 14 and 16)		
– 通化天實(i)	– Tonghua Tianshi (i)	72,062	77,942
– 佛山德芮可(i)	– Pharmadax (Foshan) (i)	120,000	120,000
– 北京銳業(i)	– Beijing Ruiye (i)	48,000	30,000
– Medifood International SA (i)	– Medifood International SA (i)	—	17
		240,062	227,959
應收其他關聯方款項(附註16)	Amount due from other related party (Note 16)		
– 車馮升醫生(ii)	– Dr. Che Fengsheng (ii)	9,674	9,675
應付其他關聯方款項(附註21)	Amount due to other related party (Note 21)		
– 車馮升醫生(ii)	– Dr. Che Fengsheng (ii)	83	83

(i) 於報告期末應收聯營公司款項的詳情載於財務報表附註14及16。

(ii) 應收/付其他關聯方款項須應要求償還。

(i) Details of the amounts due from associates as at the end of the reporting period are disclosed in Notes 14 and 16 to the financial statements.

(ii) The amounts due from/to other related parties are repayable on demand.

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33. 關聯方交易(續)

主要管理層於本年度的酬金詳情如下：

		二零一八年 2018 人民幣千元 RMB'000	二零一七年 2017 人民幣千元 RMB'000
短期僱員福利	Short term employee benefits	31,766	30,727
以股份為基礎的付款	Share-based payments	—	307
支付給主要管理人員的薪酬總額	Total compensation paid to key management personnel	31,766	31,034

截至二零一八年十二月三十一日止年度，本集團並無進行任何須遵守上市規則項下有關申報及年度審核規定的關連交易或持續關連交易(定義見上市規則)。

33. RELATED PARTY TRANSACTIONS (Continued)

Details of key management compensation during the year are as follows:

During the year ended 31 December 2018, the Group has not conducted any connected transaction or continuing connected transaction (as defined under the Listing Rules) which is subject to reporting and annual review requirements under the Listing Rules.

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34. 金融工具分類

於報告期末，各類別金融工具的賬面金額如下：

二零一八年十二月三十一日

金融資產

34. FINANCIAL INSTRUMENT BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

31 December 2018

Financial assets

		按公平值 計入損益的 金融資產 Financial assets at fair value through profit or loss 人民幣千元 RMB'000	按攤銷 成本計算的 金融資產 Financial assets at amortised cost 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
按公平值計入損益的金融資產	Financial assets at fair value through profit or loss	—	1,485,059	1,485,059
貿易及其他應收款項 (不包括預付款)	Trade and other receivables excluding prepayments	739,928	—	739,928
其他非流動資產 (不包括預付款)	Other non-current assets excluding prepayments	268,000	—	268,000
現金及現金等價物	Cash and cash equivalents	3,314,845	—	3,314,845
		4,322,773	1,485,059	5,807,832

金融負債

Financial liabilities

		按攤銷 成本計算的 金融負債 Financial liabilities at amortised cost 人民幣千元 RMB'000
其他借款	Other borrowings	95,000
貿易及其他應付款項(不包括非金融負債)	Trade and other payables excluding non-financial liabilities	1,572,003

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34. 金融工具分類(續)

於報告期末，各類別金融工具的賬面金額如下：(續)

二零一七年十二月三十一日

金融資產

34. FINANCIAL INSTRUMENT BY CATEGORY (Continued)

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows: (Continued)

31 December 2017

Financial assets

		貸款及 應收賬款 Loans and receivables	可供出售 金融資產 Available- for-sale financial assets	總計 Total
		人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000
可供出售金融資產	Available-for-sale financial assets	—	3,006,430	3,006,430
貿易及其他應收款項 (不包括預付款)	Trade and other receivables excluding prepayments	634,547	—	634,547
其他非流動資產 (不包括預付款)	Other non-current assets excluding prepayments	220,000	—	220,000
現金及現金等價物	Cash and cash equivalents	831,859	—	831,859
		1,686,406	3,006,430	4,692,836

金融負債

Financial liabilities

		按攤銷 成本計算的 金融負債 Financial liabilities at amortised cost 人民幣千元 RMB'000
貿易及其他應付款項(不包括非金融負債)	Trade and other payables excluding non-financial liabilities	1,210,553

財務報表附註

Notes to the Financial Statements

截至二零一八年十二月三十一日止年度
For the year ended 31 December 2018

35. 綜合現金流量表附註

融資活動所產生的負債變動

於二零一八年一月一日
融資現金流量產生的變動
外匯變動

於二零一八年十二月三十一日

35. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Changes in liabilities arising from financing activities

借款
Borrowings
人民幣千元
RMB'000

At 1 January 2018	—
Changes from financing cash flows	87,060
Foreign exchange movement	10,240
At 31 December 2018	97,300

36. 報告期後事項

本集團於報告期結束後直至本報告日期並無發生重大事項。

36. EVENTS AFTER THE REPORTING PERIOD

The Group had no significant events after the reporting period up to the date of this report.

37. 比較數據

為了與本年度陳述相一致，某些比較數據進行了重新分類。

37. COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified to conform with the current year's presentation.

財務報表附註

Notes to the Financial Statements

截至二零一八年十二月三十一日止年度

For the year ended 31 December 2018

38. 本公司財務狀況表

本公司財務狀況表

38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Statement of financial position of the Company

		二零一八年 2018 人民幣千元 RMB'000	二零一七年 2017 人民幣千元 RMB'000
資產	ASSETS		
非流動資產	NON-CURRENT ASSETS		
物業、廠房及設備	Property, plant and equipment	3	3
於附屬公司的投資	Investments in subsidiaries	208,617	208,617
		208,620	208,620
流動資產	CURRENT ASSETS		
貿易及其他應收賬款	Trade and other receivables	472	472
應收附屬公司款項	Amounts due from subsidiaries	5,195,067	5,348,880
現金及現金等價物	Cash and cash equivalents	9,215	30,078
		5,204,754	5,379,430
總資產	TOTAL ASSETS	5,413,374	5,588,050

財務報表附註

Notes to the Financial Statements

截至二零一八年十二月三十一日止年度
For the year ended 31 December 2018

38. 本公司財務狀況表(續)

本公司財務狀況表(續)

38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Statement of financial position of the Company (Continued)

		二零一八年 2018 人民幣千元 RMB'000	二零一七年 2017 人民幣千元 RMB'000
權益	EQUITY		
股本	Share capital	78,233	78,233
庫存股	Treasury shares	—	—
股份溢價	Share premium	4,093,317	4,093,317
資本儲備(i)	Capital reserve (i)	22,608	22,608
保留盈利(i)	Retained earnings (i)	1,177,078	1,350,956
總權益	TOTAL EQUITY	5,371,236	5,545,114
負債	LIABILITIES		
流動負債	CURRENT LIABILITIES		
貿易及其他應付賬款	Trade and other payables	42,138	42,936
總負債	TOTAL LIABILITIES	42,138	42,936
權益及負債總額	TOTAL EQUITY AND LIABILITIES	5,413,374	5,588,050

財務報表附註

Notes to the Financial Statements

截至二零一八年十二月三十一日止年度

For the year ended 31 December 2018

38. 本公司財務狀況表(續)

(i) 本公司儲備概要如下：

		資本儲備 Capital reserve 人民幣千元 RMB'000	保留盈利 Retained earnings 人民幣千元 RMB'000
於二零一七年一月一日	At 1 January 2017	22,608	2,428,849
年度虧損	Loss for the year	—	(26,603)
股息(附註30)	Dividends (Note 30)	—	(1,051,290)
於二零一七年十二月三十一日及 二零一八年一月一日	At 31 December 2017 and 1 January 2018	22,608	1,350,956
年度虧損	Loss for the year	—	(12,870)
股息(附註30)	Dividends (Note 30)	—	(161,008)
於二零一八年十二月三十一日	At 31 December 2018	22,608	1,177,078

38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

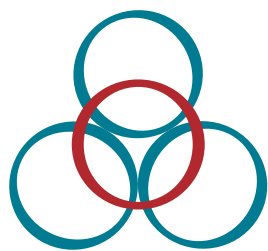
(i) A summary of the Company's reserves is as follows:

39. 批准財務報表

於二零一九年三月十八日，財務報表由董事會批准及授權發出。

39. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 18 March 2019.



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