Beijing Tong Ren Tang
Chinese Medicine Company Limited
北京同仁堂國藥有限公司
(Incorporated in Hong Kong with limited liability)
(於香港註冊成立之有限公司)

Stock code 股份代號：8138

五色
Inspection
of natural hue of the face

望
診

Annual Report 2017 年報

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Inspection
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望診

肝青
gān qīng

心赤
xīn chì

脾黃
pí huáng

肺白
fèi bái

腎黑
shèn hēi

Five Color Inspection

is one of the diagnostic techniques in traditional Chinese medicine. It involves the diagnosis of disease based on the change of body colour (Green, Red, Yellow, White and Black) with reference to the theory of five elements in traditional Chinese medicine. Five Colour inspection is mostly used in facial diagnosis, which is also called Facial Five Colour inspection.

五色診症

是中醫望診中的診斷方法之一，是運用中醫五行學說，根據病人機體所表現的青、赤、黃、白、黑 不同顏色的變化進行疾病診斷。五色診在面部望診中應用最多，故又稱面部五色診。

Annual Report 2017 年報

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由於GEM上市公司普遍為中小型公司，在GEM買賣的證券可能會較於主板買賣之證券承受較大的市場波動風險，同時無法保證在GEM買賣的證券會有高流通量的市場。

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本報告的資料乃遵照《香港聯合交易所有限公司的GEM證券上市規則》而刊載，旨在提供有關本公司的資料；本公司的董事願就本報告的資料共同及個別地承擔全部責任。各董事在作出一切合理查詢後，確認就其所知及所信，本報告所載資料在各重要方面均屬準確完備，沒有誤導或欺詐成分，且並無遺漏任何事項，足以令致本報告或其所載任何陳述產生誤導。

青

Green

青色為經脈經阻滯，氣血不通之象。
寒主收引主凝滯，寒盛而留於血脈，則氣滯血瘀，
故面色發青。經脈氣血不通，不通則痛，
故痛也可見青色。

A bluish complexion signifies obstruction of the channels and stagnation of Qi (氣) and blood. Coldness produces contraction and stagnation; when cold is abundant and stays in the blood vessels, Qi (氣) and blood stagnate and the colour appears blue-green. When there is lack of free flow there is pain, so the blue-green colour can also be seen when the Qi (氣) and blood of the channels is not flowing smoothly.

赤

Red

熱證有虛實之別。實熱證，滿面通紅；
虛熱證，僅兩顴嫩紅。
此外，若在病情危重之時，面紅如妝者，多為戴陽證。

There are excess and deficiency syndromes of heat. In excess heat, the entire face is red, while in deficiency heat the cheeks are rosy. Additionally, in critical cases of illness when the face appears as if dabbed by rouge, many cases are ascribed to true cold and false heat (manifesting in an "upcast yang" red complexion).

黃

Yellow

黃色是脾虛濕蘊表現。
因脾主運化，若脾失健運，水濕不化；
或脾虛失運，則見黃色。

A yellowish complexion is a sign of spleen deficiency and dampness. The spleen governs the movement and transformation of fluids. If the spleen's movement and transformation is impaired, water accumulates and fails to be transformed, and a yellow complexion can be seen.

白

White

白色為氣血虛弱不能榮養機體的表現。陽氣不足，
血脈空虛，均可呈現白色。

When Qi (氣) and blood are deficient, the body cannot be properly nourished and a pale complexion will be seen. Lack of Yang Qi (氣) and depletion of blood in the vessels both manifest in a pale complexion.

黑

Black

黑為陰寒水盛之色。
由於腎陽虛衰，水飲不化，
氣化不行，陰寒內盛，血失溫養，
經脈拘急，氣血不暢，故面色黛黑。

Black is the colour of yin-cold and exuberant water. When kidney yang is deficient, water and fluids cannot transform. An abundance of yin-cold in the interior causes the blood to lack warmth and nourishment, leading to spasms in the channels and inhibited movement of Qi (氣) and blood; thus, the face appears dark.

〔五色主病〕

(Manifestations of Diseases by Five Colours)

肝青

gān qīng

〔主寒證、氣滯、血瘀證。〕

面色淡青或青黑者，多屬陰寒內盛、疼痛劇烈，可見於寒盛所致的驟起脘腹疼痛患者，如寒滯胃腸等證。

{Implies cold syndromes, Qi (氣) stagnation and blood stasis.}

A pale bluish or bluish-black complexion is often ascribed to yin-cold in the interior. Cold can lead to intense pain, such as in patterns of cold stagnation with pain in the stomach and abdomen.

調理食材

Conditioning Ingredients

靈芝
Ganoderma Lucidum

菊花
Chrysanthemum

五色主病
(Manifestations of Diseases by Five Colours)

心赤

xīn chì

主熱證，戴陽證。

氣血得熱則行，熱盛而血脈充盈，血色上榮，故面色赤紅。熱證有虛實之別。實熱證，滿面通紅；虛熱證，僅兩顴嫩紅。此外，若在病情危重之時，面紅如妝者，多為戴陽證，是精氣衰竭，陰不斂陽，虛陽上越所致。

{Implies heat syndromes and syndromes of true cold disease with false heat manifestation (or 'upcast yang syndromes').}

Qi (氣) and blood move with warmth; when heat is exuberant the blood in the vessels is full. The blood rises and the face appears red. There are deficiency and excess patterns of heat. In excess heat, the entire face is red, while in deficiency patterns only the cheeks are rosy. Additionally, in critical cases of illness when the face appears as if dabbed by rouge, it is often ascribed to a pattern of "upcast yang". It indicates that the essence and Qi (氣) are depleted and yin cannot constrain yang, so deficient yang rises to the surface.

調理食材 Conditioning Ingredients

堅果
Nut

玉米
Corn

〔五色主病〕

(Manifestations of Diseases by Five Colours)

脾

pí

黃

huáng

調理食材

Conditioning Ingredients

淮山
Yam

紅棗
Red Date

主濕證、虛證。

黃色是脾虛濕蘊表現。因脾主運化，若脾失健運，水濕不化；或脾虛失運，水谷精微不得化生氣血，致使肌膚失於充養，則見黃色。

{Implies syndromes of dampness and deficiency.}

A yellow complexion is a manifestation of spleen deficiency and dampness. The spleen governs movement and transformation of fluids; if impaired, then water and dampness are not transformed. If the spleen is deficient and loses its ability to transform, then the essence of food and water fails to transform into Qi (氣) and blood. The skin is deprived of nourishment so the complexion is yellow.

五色主病
(Manifestations of Diseases by Five Colours)

肺 白
fèi bái

{Implies deficiency and cold syndromes.}

White is the colour of the lungs, and is principally associated with deficiency and cold patterns. It is a sign of depletion of Qi (氣) and blood, and is associated with diseases of the lung. When yang Qi (氣) is deficient, the movement of Qi (氣) and blood is inhibited. A white facial complexion can also result from loss of blood or cold congealing the blood vessels.

主虛證、寒證。

為肺色，主虛證、寒證，為氣血虧損征像，以肺病為主。陽氣虛衰，氣血運行不暢；或耗氣失血，氣血不充；或寒凝血滯，脈收引，都可導致面色白。

調理食材
Conditioning Ingredients

沙参
Adenophora Stricta

百合
Lily

五色主病
(Manifestations of Diseases by Five Colours)

腎 黑

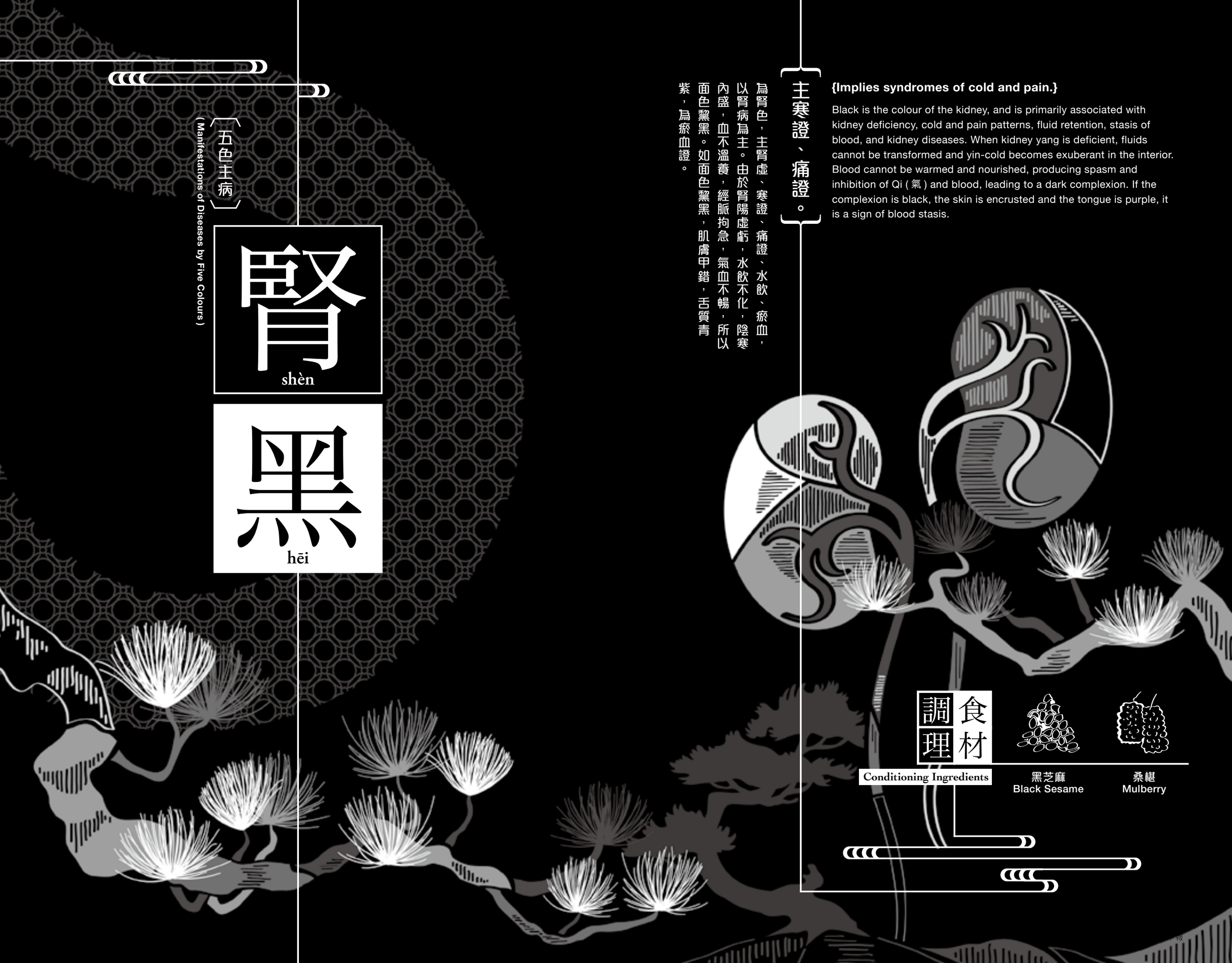
shèn hēi

主寒證、痛證。

為腎色，主腎虛、寒證、痛證、水飲、瘀血，以腎病為主。由於腎陽虛虧，水飲不化，陰寒內盛，血不溫養，經脈拘急，氣血不暢，所以面色黧黑。如面色黧黑，肌膚甲錯，舌質青紫，為瘀血證。

{Implies syndromes of cold and pain.}

Black is the colour of the kidney, and is primarily associated with kidney deficiency, cold and pain patterns, fluid retention, stasis of blood, and kidney diseases. When kidney yang is deficient, fluids cannot be transformed and yin-cold becomes exuberant in the interior. Blood cannot be warmed and nourished, producing spasm and inhibition of Qi (氣) and blood, leading to a dark complexion. If the complexion is black, the skin is encrusted and the tongue is purple, it is a sign of blood stasis.



食材調理

Conditioning Ingredients

黑芝麻
Black Sesame

桑椹
Mulberry

Corporate Profile
公司簡介

Founded in 1669 (Eighth year on the throne of Emperor Kangxi, Qing Dynasty), Beijing Tong Ren Tang was the only one serving the royal families with Chinese medicine for 188 years over the reign of eight emperors since 1723. Beijing Tong Ren Tang was renowned in the Chinese medicine industry nationally. Inheriting the Tong Ren Tang's corporate motto of "Complexity and quality are not to be forfeited by costs" over 348 years, we are self-disciplined to offer products and services with quality. We are cautious in our manufacturing process and look for excellence, our products are famous and hereditary with its unique formulas, superior raw materials, superb technical skills and distinguished efficacy.

"From commitment since its establishment to being the sole Chinese medicine provider to royal families; from recession to recovery, and to the invasion of the enemies; and from the rebirth as the People's Republic of China to forge reform and be innovative. Tong Ren Tang, an enduring national brand that overcame vicissitude, is the symbol of quality and credibility."

Quote from "Tong Ren Tang: Inheritance and Development" by Bian Dong Zi

北京同仁堂是全國中藥行業著名的老字號。創建於1669年(清朝康熙八年)，自1723年開始供奉御藥，歷經八代皇帝188年。在348年的風雨歷程中，歷代同仁堂人始終恪守「炮製雖繁必不敢省人工，品味雖貴必不敢減物力」的古訓，樹立「修合無人見，存心有天知」的自律意識，造就了製藥過程中兢兢小心、精益求精的嚴細精神，其產品以「配方獨特、選料上乘、工藝精湛、療效顯著」而享譽海內外，並得以世代弘揚。

從創立之初的千古承諾，到「供奉御藥」的吉凶莫測；
從再造中興的艱難曲折，到強虜入侵的國恨家仇；
從解放以後的「鳳凰涅槃」，到銳意改革的創新之路。
同仁堂，一個飽經滄桑的民族品牌歷久彌堅，成為質量與信譽的象徵。

節選　邊東子《同仁堂：傳承與發展》

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Tong Ren Tang at a Glance in 2017
2017年同仁堂一覽

March 三月

- Opened a Chinese medical clinic in San Francisco, the United States

  於美國三藩市開設中醫診療中心
- Opened one retail outlet each in Singapore and Melbourne, Australia

  在新加坡及澳大利亞墨爾本各增設一家零售終端

May 五月

- Attended the 3rd Maritime Silk Road International Forum on Traditional Chinese Medicine

  參加於迪拜舉行的第三屆海上絲綢之路中醫藥國際論壇

June 六月

- Participated in the "Health Expo" held in the Hong Kong Convention and Exhibition Centre

  參加於香港灣仔會議展覽中心舉辦的《健康博覽》
- Held "Capital State-owned Enterprises Open Day" at Tai Po Production Base and at the flagship store in Hong Kong

  於大埔生產基地及香港旗艦店舉行「首都國企開放日」

August 八月

- Opened one retail outlet in Hong Kong

  在香港增設一家零售終端

September 九月

- Participated in "16+1" 2nd China-Central & Eastern European Countries Capital City Mayors Forum 2017 in Podgorica (the Capital City of Montenegro)

  參加於黑山首都波德戈里察舉行的「16+1」第二屆中國 — 中東歐國家首都市長論壇2017
- Attended the event "Days of Beijing" in Belgrade held in Serbia

  出席於塞爾維亞首都貝爾格勒舉行的「北京日」活動
- Carried out large-scale free Chinese medical consultation activities in Montenegro, Serbia, the Czech Republic and Poland

  在黑山、塞爾維亞、捷克和波蘭進行大規模的中醫義診活動
- Opened one retail outlet in Hong Kong

  在香港增設一家零售終端

October 十月

- Held the "Tong Ren's Stroke Awareness 2017" Carnival at Hollywood Plaza in Hong Kong

  在香港荷里活廣場舉辦「同仁關愛防中風2017」嘉年華

November 十一月

- Opened one retail outlet in Vancouver, Canada

  於加拿大溫哥華增設一家零售終端

December 十二月

- Opened a Chinese medical clinic in Switzerland

  於瑞士開設一家中醫診療中心
- Opened one retail outlet in Toronto, Canada

  於加拿大多倫多增設一家零售終端

全球擴張

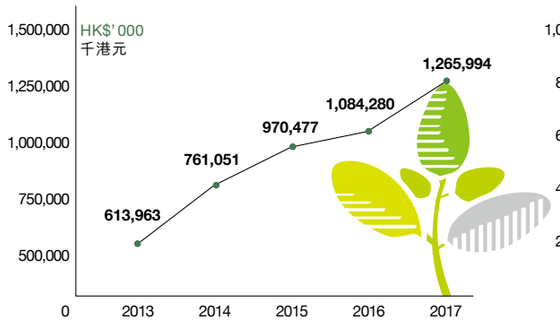
Global Expansion

Financial Highlights

財務摘要

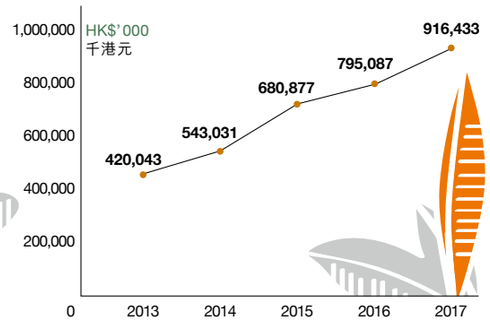
Revenue
收入

16.8%



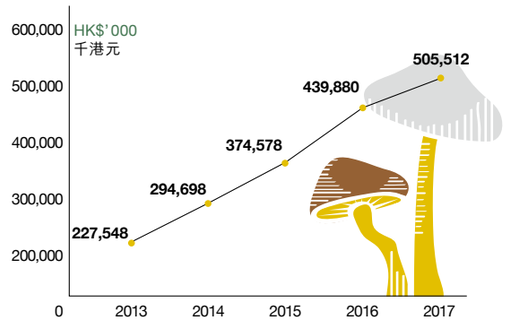
Gross Profit
毛利

15.3%



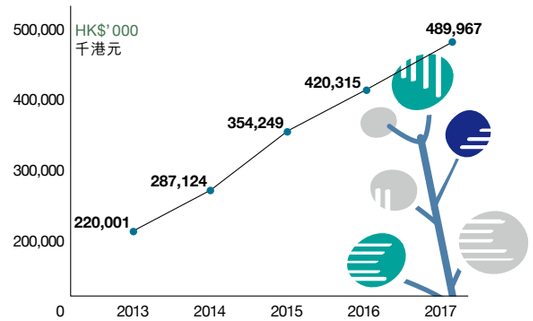
Profit for the Year
年度利潤

14.9%



Profit Attributable to Owners of the Company
本公司擁有人應佔利潤

16.6%



The following is a summary of the published results and assets and liabilities of the Group for the past five financial years.

以下為本集團過往五個財政年度的已公佈業績以及資產與負債摘要。

Financial Summary 財務摘要

For the year ended 31 December 截至12月31日止年度

	2017 HK$'000 2017年 千港元	2016 HK$'000 2016年 千港元	2015 HK$'000 2015年 千港元	2014 HK$'000 2014年 千港元	2013 HK$'000 2013年 千港元
Revenue 收入	1,265,994	1,084,280	970,477	761,051	613,963
Gross profit 毛利	916,433	795,087	680,877	543,031	420,043
Profit for the year 年度利潤	505,512	439,880	374,578	294,698	227,548
Profit attributable to owners of the Company 本公司擁有人應佔利潤	489,967	420,315	354,249	287,124	220,001

	2017 HK$'000 2017年 千港元	2016 HK$'000 2016年 千港元	2015 HK$'000 2015年 千港元	2014 HK$'000 2014年 千港元	2013 HK$'000 2013年 千港元
Total assets 總資產	2,760,655	2,354,822	2,026,985	1,632,541	1,410,115
Total liabilities 總負債	152,478	127,585	118,070	95,680	100,396
Net assets 資產淨值	2,608,177	2,227,237	1,908,915	1,536,861	1,309,719
Financial Metrics 財務指標					
Gross profit margin 毛利率	72.4%	73.3%	70.2%	71.4%	68.4%
Net profit margin 純利率	39.9%	40.6%	38.6%	38.7%	37.1%
Current ratio 流動比率	16.0	15.9	14.7	14.5	12.1
Return on equity 股本回報率	19.4%	19.8%	19.6%	19.2%	17.4%
Return on assets 資產回報率	18.3%	18.7%	18.5%	18.1%	16.1%
Earnings per share (HK$) 每股盈利(港元)	0.59	0.50	0.42	0.35	0.29
Dividend per share (HK$) 每股股息(港元)	0.19	0.16	0.13	0.10	0.08

"TCM is a time-honored practice that can be traced back to the prehistoric era, when Shen Nong (Divine Farmer) researched on hundreds of plants and the Yellow Emperor composed the Inner and Outer Canons of Medicine.
In the turmoil of the Ming Dynasty, practitioners perfected the diagnostic technique; during the Great Qing, the Taoist priest Huang Shang pursued medical development.
In the past five thousand years, TCM has been safeguarding the health of Chinese people as it evolves over time.
Since the 16th century, the exchange between Western and Chinese medicine has become more frequent.
Many TCM literatures were introduced to foreign countries, where they gained increasing popularity due to their efficacy.
Today, TCM finds a wide range of applications, including treatment with artemisinin, acupuncture, cure of diseases and medical assistance.
Having demonstrated its miraculous effectiveness in health preservation and illness prevention, TCM will diversify the world's medical industry and facilitate research on life science."

"從三皇五帝，神農辨百草為用；
至黃帝辨內外，成中醫之外術內道；
大明劫裏見條辨，滿清垂受黃裳豫。
五千年來，中醫藥不僅是中國健康的保護者，
更體現著時世之新、時代之勢。
十六世紀以來，中西交匯，
諸多古代中醫藥文獻漂洋過海傳至海外，
以奇效挽危重、以神術除痼疾，漸所興盛。
時至今日，中醫藥之化用益盛繁。
從青蒿素到針灸，從疾病防治到援助醫療，
神奇的中醫藥已經讓全世界看到了
中國傳統醫學在濟世養生和應對疾病方面的作用，
積極推動中醫藥的發展對豐富世界醫學事業、
推進生命科學研究具有積極意義。"

As a practice with over 5,000 years of history in China, Chinese medicine has been spread to 183 countries and regions. After the inscription of Chinese acupuncture on the United Nations Educational, Scientific and Cultural Organization ("UNESCO") "Representative List of Intangible Cultural Heritage of Humanity", the establishment of the Traditional Chinese Medicine Technical Committee and international standards of Chinese medicine, as well as the incorporation of Chinese traditional medicine as represented by Chinese medicine into the World Health Organization ("WHO") International Classification of Disease Codes for the first time, Chinese medicine has become an integral part of the international medical system and is instrumental in enhancing health and providing alternative solutions for health preservation and happy lives.

Combination of favourable factors marked the new era

In 2017, TCM sector saw unprecedented opportunities. Not only did it achieve rapid growth in China, it also gained further recognition and acceptance in the world. Moreover, as population aging accelerated, the "Big Health" industry was well-positioned for robust development. These favorable factors contributed to the development of Chinese medicine as an emerging industry. The much-anticipated implementation of the "Law on Traditional Chinese Medicine" showed the state's support for bringing the sector to a new strategic height. In the 19th National Congress of the Communist Party of China, the "Healthy China" strategy, the "Outline of 'Healthy China 2030'" and the "Development Plan for Chinese Medicine under the 'Belt and Road Initiative'" were proposed, which is expected to create a promising prospects for Chinese medicine enterprises and lay a solid foundation for businesses to "go global". Since it is now a national strategy to promote TCM, the industry enters a new golden age.

中醫藥學在我國有着五千多年的歷史傳承，目前，中醫藥已傳播到全世界183個國家和地區。隨着中醫針灸列入聯合國教科文組織「人類非物質文化遺產代表作名錄」、中醫藥技術委員會成立以及中醫藥國際標準的設立、以中醫藥為代表的中國傳統醫學首次納入世界衛生組織國際疾病分類代碼，中醫藥作為國際醫學體系的重要組成部分，正在為促進人類健康發揮積極作用；中醫藥也正在為世界提供可行的健康方案、樂活範式新選擇。

三期共振　嶄新時代

2017年，中醫藥發展迎來天時、地利、人和的歷史性機遇。本年度不僅是中醫藥在我國的飛速發展期，也是中醫藥被世界進一步接受及普及的強化推進期；更是隨著世界人口老齡化加速，大健康產業亦隨之迎來茁壯成長的發展期。三期共振，中醫藥逐漸成為一支正在崛起的新興力量。醞釀多年的《中醫藥法》的正式實施，充分表明國家對中醫藥的扶持及執行的決心，中醫藥的戰略地位得到進一步提升。十九大報告提出實施「健康中國」戰略，《「健康中國2030」規劃綱要》、《中醫藥「一帶一路」發展規劃》等部署，為中醫藥發展繪就光輝前景，鋪建「走出去」的康莊大道，將中醫藥的發展上升為國家戰略，中醫藥正式進入全面發展新時代。

MEI QUN 梅群
Chairman 主席

Originated in China and spreading throughout the world

Building on thousands of years of experience, TCM reflects the profound philosophy and wisdom of the Chinese in health preservation which has been passed through generations. The practice is closely related to the well-being for all amidst the common pursuit of health. Thus, Chinese medicine is not only a treasure of ancient Chinese science, but also the key to open the treasure of Chinese civilization and the nation's pride.

The launch of the "Belt and Road Initiative" across the world has created opportunities for TCM. At the same time as the state encourages joint development for mutual interests, Chinese medicine enterprises strive to foster exchange and cooperation between Eastern and Western medical communities, and promote people's health along the "Belt and Road". As the overseas development platform for Tong Ren Tang, the Group maintains a solid foundation in Hong Kong and aims for the global market, undertaking the mission of introducing TCM culture to the world. We are endeavored to pass the knowledge and craftsmanship of medicine preparation to the next generation, drive the modernization of TCM and explore its application. By taking a culture-first approach in introducing medicine through treatments, we aim to expedite the internationalization of TCM.

Following our expansion into the United States last year, the Group newly set up retail outlets in South Africa and Switzerland during the Year. By which, we have established business presence on five major continents and the Group's business coverage outside the PRC has extended to 80 retail outlets across 21 countries and regions, achieving the global development strategies, which is to "Anchor in Hong Kong and Asia and march to overseas". Tong Ren Tang expands its footprints to Kazakhstan and provided free medical consultation services for the locals. We also organized similar events in Podgorica (the capital city of Montenegro), Serbia, Czech Republic and Poland for a large number of participates. To support the "Belt and Road Initiative", we co-organized the 3rd Maritime Silk Road International Forum on Traditional Chinese Medicine and the 1st "One Belt and One Road" (Dubai) Chinese Women's Elite Forum in Dubai. In addition, we held the "Tong Ren Tang's Stroke Awareness 2017" Carnival to raise awareness of stroke prevention. In promoting Chinese medicine overseas, we invited experts to offer free medical consultation services and give lectures on the traditional concepts of life nourishment, so that foreigners could understand more about the distinctive TCM culture.

Focusing on Chinese medicine and putting culture first

Great emphasis is put on the "Union of Man and Nature", "Yin-Yang and the five elements" in the TCM culture. This reflects the Chinese philosophy of adapting to nature and maintaining balance. Chinese medicine practitioners also follow the principles of "treatment based on individual body constitution, seasons and local environment", as well as "evidence-based diagnosis and treatment", which embody the flexible mindset of Chinese people. The traditions of "practicing medicine to save lives" and "benevolence in medical practice" manifest Chinese's humanism, which values lives and the great virtue of kindliness to bear all things.

源自中國　聯通世界

經過幾千年的積累沉澱，中醫藥凝聚了中華民族深邃的哲學智慧，醞釀發酵出傳承古今的健康養生理念。在全民同享健康，世界共逐健康的大趨勢下，中醫藥發展與全人類的健康福祉緊緊相連。如今，中醫藥不僅是中國古代科學的瑰寶，也是打開中華文明寶庫的鑰匙，更是一張中國走向世界的靚麗「國家名片」。

隨著「一帶一路」倡議在全球落地開花，傳統的中醫藥也迎來了繁榮發展的新機遇，在推動共建共用的背景下，中醫藥肩負著東西方中醫藥文化傳承和交融的重要使命，正沿著「一帶一路」播撒健康的種子。本集團作為同仁堂的海外發展平台，立足香港，佈局全球，承載著將中醫藥文化於海外發揚光大的使命，傳承著前人的製藥方法與工匠精神，不斷深化中醫藥現代化及擴大中醫藥服務領域，採用以醫帶藥、文化先行的傳播模式，加快推進中醫藥的國際化進程。

本期內，繼去年我們正式登陸美國，今年我們於南非和瑞士新設零售終端，完成了全球五大洲佈局，令本集團業務覆蓋中國境外21個國家及地區，零售終端達80個，實現「立足香港，站穩亞洲，面向主流」的全球發展戰略；同時，同仁堂中醫藥走進哈薩克斯坦，為當地民眾提供義診服務，亦在黑山首都波德戈里察、塞爾維亞、捷克和波蘭開展大規模的中醫義診活動。我們還於迪拜協辦第三屆海上絲綢之路中醫藥國際論壇及首屆「一帶一路」（迪拜）婦女精英論壇，積極回應「一帶一路」倡議。通過舉辦「同仁關愛防中風2017」嘉年華活動，宣傳並普及中風預防知識；更通過中醫專家義診講座、傳統養生大師授課的方式，傳播中醫藥文化，讓海外朋友對獨具中國特色的中醫藥文化有進一步深刻的接觸與瞭解。

醫藥為體　文化先行

中醫藥學強調「天人合一」、「陰陽五行」，體現了中華文化道法自然、和合致中的哲學智慧；提倡「三因制宜」、「辨證論治」，體現了中華民族因時而變、立象盡意的特有思維方式；宣導「懸壺濟世」、「仁心仁術」，體現了中華民族生命至重、厚德載物的人文精神。

For centuries, Tong Ren Tang has been committed to the ancient motto of healing the world and raising awareness towards the theory and culture of TCM. In recent years, the Group has rolled out active and innovative measures designed to dissolve the barrier between Chinese and Western culture. By integrating traditional and modern practices and adopting the culture-first approach, Chinese medicine will be spread all around the world.

Pursuing the initial goal against adversity

Benevolence is our core value. Our Chinese name "Tong Ren" means living in harmony with others, having a generous heart and treating everyone as equal. It is also the teaching of our predecessors to "uphold conscience for Heaven and Earth, and promote well-being for the people". Started as a folk practitioner, we developed into a designated medicine supplier serving the royal families for 188 years. In the changing times, the only thing that has not changed is our commitment to "Nurturing kindness and virtue, Preserving tranquility and wellness". Severely tested for more than three centuries, we adhere to our prestige culture and stay true to our initial goal, thus becoming a timeless national brand that is popular in Chinese and overseas markets. We keep on developing Chinese medicine products for the modern society based on the hundreds-year-old formula. The unique healthcare concept and culture will distinguish TCM in the growing international medicine market.

Facing a constantly changing world, the Group remains dedicated and diligent, strikes a balance between tradition and innovation, carries on developing new product lines, accelerates product registration and expansion to the international market, actively establishes overseas retail outlets, and passes on the legacies of TCM in the global arena.

Acknowledgements

The future is full of opportunities and challenges, and a long road lies ahead for us to introduce TCM to the world. As a time-honored Chinese medicine brand with centuries of history, Tong Ren Tang has earned global acclaim through generations. The "Belt and Road Initiative" marks the historic moment when TCM undergoes internationalization. At the same time, Tong Ren Tang supports its overseas promotion and tells lively and powerful stories.

Our smart, innovative and loyal employees are our most valuable assets in the challenging time of globalization and internet technology. On behalf of the Board, I would like to express our sincere gratitude and deep appreciation to all employees both at home and abroad for their dedication and loyalty, and to our shareholders, customers, business partners and the local governments for their trust and support.

Mei Qun
Chairman

Hong Kong, 12 March 2018

數百年來，同仁堂一直秉承濟世為懷的古訓，竭力推廣中醫理論和中醫藥文化。近年來，集團更是不斷積極進取、突破創新，大力打破中西方文化壁壘，將傳統文化和現代文明進行對接，以文化先行帶動中醫藥在各地生根發芽。

不忘初心　砥礪前行

仁乃同仁堂立堂之本，「同仁」寓意著和同與人，寬廣無私，一視同仁。此亦是往聖所謂「為天地立心、為生民立命」之要。從走街串巷的鈴醫，到由皇室欽定供奉禦藥188年，「同修仁德，濟世養生」的文化內涵，一直深深根植於同仁堂的事業根基。經過3個多世紀的鍛造，歷經滄桑風雨，同仁堂仍然恪守古訓、秉持初心，歷久彌新，如今已經鑄就成了馳名中外的民族品牌。基於百年流傳下的古方，不斷研製開發適用於當代人體質的中藥產品，在不斷發展的全球醫藥市場中，中醫藥以其養生理念和文化背景成為市場中的一枝獨秀。

面對瞬息萬變的世界格局，本集團始終以踏實勤懇的工匠精神，堅持繼承與創新的辯證統一、繼續致力拓展新產品線、加速產品在全球市場的註冊和準入步伐、積極推進海外零售終端建設、使中醫藥文化在全球薪火相傳，歷久彌新，生生不息。

致謝

未來的世界形勢機遇與挑戰並存，中醫藥的海外傳播也是任重而道遠。同仁堂作為中國中藥行業百年老字號，其名聲享譽海內外，正是同仁堂人世世代代的精神傳承，將「同仁堂」打造成為享譽中外的金字招牌。借「一帶一路」倡議的東風，中醫藥國際化站在新的歷史節點上，同仁堂人也在不斷助力中醫藥傳播，演繹一個個生動而充滿力量的故事。

處身充滿競爭及挑戰的全球化、互聯網化時代，具智慧創新及勤奮忠誠的員工，是本集團最寶貴的資產。我謹代表董事會對海內外全體員工的奉獻、忠誠以及股東、客戶、業務合作夥伴和地方政府的信任和支持表示最衷心的感謝。

梅群
主席

香港，2018年3月12日

"United to serve with dedication, we heal the country with benevolence. Time passed as we witnessed rise and fall, weathered downturns and recuperated. With unique medicine, our skilled practitioners treat and diagnose patients. We stay committed to nurturing kindness, while fostering the love for the motherland. Through centuries of sincere services, we share TCM with the world."

"同氣同聲盡心福民濟世，仁心仁術竭力醫國醫人，
斗轉星移見證興衰牌匾，飽經風雨透露歷史滄桑，
丸散膏丹展現獨家特色，望聞問切名醫確保安康，
同修仁德始終貫徹如一，濟世養生傳遞家國情懷，
百年真情誠迎四海賓客，中華醫藥遍地傳承弘揚。"

Business Review

Overview

Hidden in the prosperous business district of Beijing, the two meticulously designed and renovated classical courtyard houses are the home of Tong Ren Tang. In contrast with the hustle and bustle of the city, these houses are an oasis of tranquillity and calmness, filled with the smell of herbs that seems lasting forever. This echoes Tong Ren Tang's commitment to TCM: no matter how the world changes, we hold on to our legacy and stand out through thick and thin.

Centuries have passed since our inception and we are met with the golden opportunity for internationalization of TCM at the moment. As one of the first few time-honoured Chinese brands that tapped into the overseas market, Tong Ren Tang adheres to the overseas growth strategy of "progressive advancement, solid foundation, introduction of medicine through treatment, integration of treatment and medicine, cultural marketing, brand establishment, stringent management and efficiency assurance", while speeding up the expansion of major markets in Europe and America. We embrace the development concept of "Big Health" and keep our development strategy in line with the current trend as we explore new business model. We strive to become a modern, international and professional TCM group that covers the entire industrial chain, pushing towards our goal of "wherever there is a need for health, wherever there is Tong Ren Tang." In pursuit of our dream, the Group, which has hundreds of years of history, lives by the motto of "benevolence" and composes the melody that brings comfort and healing.

Looking back to 2017, the global economy maintained moderate recovery as trade and investment picked up. Following the rebound in international crude oil price, the US economy gained strong momentum, the Eurozone saw improvement and the emerging economies recorded relatively rapid growth, which laid a solid foundation for economic recovery around the world. Nonetheless, developed economies in the West and emerging economies, as well as the rise in US interest rates and trade protectionism continued to impose pressure of restructuring and transformation on the global economy. Given the slow economic recovery and uncertain prospects, we followed the "Belt and Road Initiative". Through well-planned operation and management, overseas market exploration, strategic investment and business development, merger and acquisition, formed the medical treatment, healthcare, scientific research, education, culture and industry into a new collaborative development for Chinese medicine group. During the Year, we launched new retail outlets in Hong Kong, Singapore, Australia, Canada, the US, Switzerland and South Africa. As a result, the Group's business coverage outside the PRC has extended to 21 countries and regions with an increase in number of retail outlets from 67 in 2016 to 80 in 2017.

Despite the challenges of macroeconomic uncertainty, the Group maintained steady growth in revenue and profit, and strived to deliver stable and sustainable return to shareholders. For the Year, the Group's revenue increased by 16.8% to HK$1,266.0 million (2016: HK$1,084.3 million), net profit increased by 14.9% to HK$505.5 million (2016: HK$439.9 million), profit attributable to owners of the Company increased by 16.6% to HK$490.0 million (2016: HK$420.3 million) and earnings per share increased to 59 HK cents (2016: 50 HK cents). The Board recommends the payment of a final dividend of 19 HK cents per share (2016: 16 HK cents).

業務回顧

概覽

在北京一處繁華商業區深處，屹立著兩座格局規整、修繕一新的老式四合院，這裡是同仁堂的老家，院外車水馬龍，小院卻鬧中取靜、光影綽綽、藥草留香，於喧囂中安然自若，昭靜影，似沉璧，在寒來暑往中堅守中醫藥精髓，於歷史洪流中巍然屹立。

百年榮光，欣逢盛世，當前中醫藥國際化迎來天時、地利、人和的大好時機。作為先拔頭籌「走出去」的中華老字號，同仁堂始終秉承「循序漸進、穩打穩紮、以醫帶藥、醫藥結合、文化行銷、鑄造品牌、嚴格管理、保證效益」的海外發展原則，繼續加快步伐擴展歐美主流市場，以「大健康」為發展理念，與時俱進轉變方式，孜孜不倦探索新型業務模式，竭盡全力打造覆蓋全產業鏈的現代化、國際化、專業化的中醫藥集團，實現「有健康需求的地方就有同仁堂」。在夢想的舞台上，百年老店同仁堂宛如一首撫人濟世的老歌，繼續以「仁德」二字，譜寫著自己的現代篇章。

縱觀2017年，世界經濟繼續保持溫和復蘇態勢，國際貿易和投資環境繼續回暖。隨著國際原油價格反彈，美國經濟復蘇態勢強勁，歐元區經濟繼續改善，新興市場經濟體總體增長較快，為世界經濟進一步復蘇奠定基礎。但從西方發達經濟體到新興經濟體，從美元加息和貿易保護主義，全球經濟仍面臨調整及轉型壓力。面臨著緩慢復蘇但仍具不確定性前景的經濟形勢，我們在國家「一帶一路」倡議指引下，透過統籌運作與管理，拓寬海外市場，策略部署投資和業務，通過收購兼併等多種形式，形成集醫療、保健、科研、教育、文化及產業「六位一體」協調發展的中醫藥集團新格局。本年內，我們於香港、新加坡、澳洲、加拿大、美國、瑞士及南非新設零售終端，業務已覆蓋中國境外21個國家及地區，旗下零售終端由2016年67家增至2017年80家。

在當前宏觀經濟出現難以預測變數的充滿挑戰大環境下，本集團收入及利潤一直保持穩定增長，致力為股東賺取持續及穩定的回報。本年，本集團收入實現1,266.0百萬港元（2016年：1,084.3百萬港元），增長16.8%；淨利潤實現505.5百萬港元（2016年：439.9百萬港元），增長14.9%；本公司擁有人應佔利潤達490.0百萬港元（2016年：420.3百萬港元），增長16.6%；每股盈利上升至59港仙（2016年：50港仙）。董事會建議派付末期股息每股19港仙（2016年：16港仙）。

“Quality is the priority to pursue excellence; kindness and integrity are our commitments throughout centuries”

Hong Kong Market

During the Year, due to visitor arrivals and the change in consumption of visitors, the retail sector of Hong Kong continued to be weak in general. The Group's revenue from Hong Kong market managed to record a steady growth of 6.6%, achieving a revenue of HK$636.3 million (2016: HK$597.1 million) with the same-store sales growth of 22.1%, which was driven by the consistent market demand for the products of the Group and the strengthening brand promotion. In the Year, we opened two new retail outlets in Shatin and Tuen Mun, for the purpose of rationalising the retail network in Hong Kong. This brought the number of our retail outlets in Hong Kong to 26. We also further promoted products under Tong Ren Tang brand through diverse measures to increase our market share and consolidate the leading position of Tong Ren Tang brand in the Chinese medicine market in Hong Kong.

Non-Hong Kong Markets

Active exploration of the overseas market remains to be our first priority in business development. Under the global development of “Anchor in Hong Kong and Asia and march to overseas”, the Group tapped into new markets abroad, while consolidating existing international market. During the Year, we launched a total of 11 new retail outlets in Singapore, Australia, Canada, the US, Switzerland and South Africa, hence the number of our overseas retail outlets increased to 54. In the meantime, the revenue from overseas markets amounted to HK$306.8 million (2016: HK$252.5 million), representing an increase of 21.5% with same-store sales growth of 10.1%.

Due to the rising awareness of the “Big Health” concept, the high-quality Owned Products of the Group gained increasing recognition and the overseas demand for Tong Ren Tang products remained strong, the revenue from the PRC market recorded a significant growth of 37.6% to HK$322.9 million (2016: HK$234.7 million) during the Year.

Retail Network
零售網絡

6 Australia 澳大利亞	26 Hong Kong 香港	5 Singapore 新加坡	1 The Netherlands 荷蘭
1 Brunei 汶萊	4 Macao 澳門	5 South Africa 南非	2 UAE 阿聯酋
1 Cambodia 柬埔寨	3 Malaysia 馬來西亞	1 Sweden 瑞典	1 UK 英國
8 Canada 加拿大	7 New Zealand 新西蘭	1 Switzerland 瑞士	4 US 美國
1 Czech Republic 捷克	2 Poland 波蘭	1 Thailand 泰國	

As a Chinese traditional intangible cultural heritage, TCM is a blessing to China and is now spreading over the world. Due to the efficacy in treating illnesses and health maintenance, TCM garnered wide recognition and attention in the global arena, with 183 countries and regions putting it into practice. Meanwhile, acupuncture is recognised as a form of treatment in 103 member states of the WHO. TCM is now reaching more people in different countries. Capitalising on the popularity of TCM, during the Year, Tong Ren Tang established 5 retail outlets in South Africa and arranged free medical consultation, medical checks and healthcare seminars, so that local citizens could experience the wonder of TCM. These initiatives marked the milestone of TCM entering Africa. In the meantime, we set up one retail outlet in Switzerland, where we offered free medical consultation services with renowned medical practitioners. Based on our experience in cultivating overseas market, we preached the idea of “saving lives at a critical moment” in Europe, and made great contribution to advancing the health of the global community through identification, exploration and research on common local illnesses and diseases.

In spite of the fact that the “Belt and Road Initiative” has brought historic opportunities for the international cooperation and exchange in the Chinese medicine community, the industry still faces difficulties and challenges in “going global”. The differences in culture and theoretical system, the lack of common international standards and regulations, coupled with the various legal obstacles and trade barriers, have slowed down the spreading of TCM. Since early 1993, Tong Ren Tang has been supporting the country's “Going Out” strategy. It has used Hong Kong as a gateway and comprehensively developed the market for over 20 years. During which, it set up retail outlets, built production base, enhanced brand recognition, promoted TCM culture, explored the whole value chain and undertook the glorious mission of sharing TCM with the world, enabling everyone to experience the wonder of TCM. As we promote Chinese medicine through treatment and put emphasis on the culture, it is expected that Tong Ren Tang brand in overseas will flourish and garner global recognition.

Production, Research and Development

The Group has been adhering to the quality management philosophy of “vital quality, striving for excellence and advocating kindness and virtue”. We follow the old teachings on quality, namely the “Two must not-dos”, and stay committed to our strengths in terms of “unique formulas, superior materials, superb technique, and distinguished efficacy”. Having effectively integrating traditional experience and skills with modern management and technology, we “build on the legacy but not limited by it, and seek innovation based on traditions”. We also foster the self-disciplined culture as we believe that “crafting without supervision, intentions are known by the heavens”. It is our mission to offer “Healthy Life Global Choice” by manufacturing excellent medicine for the public, so that “wherever there is a need for health, wherever there is Tong Ren Tang”.

“以質為命，至優至精，仁德誠信，百年如一”

香港市場

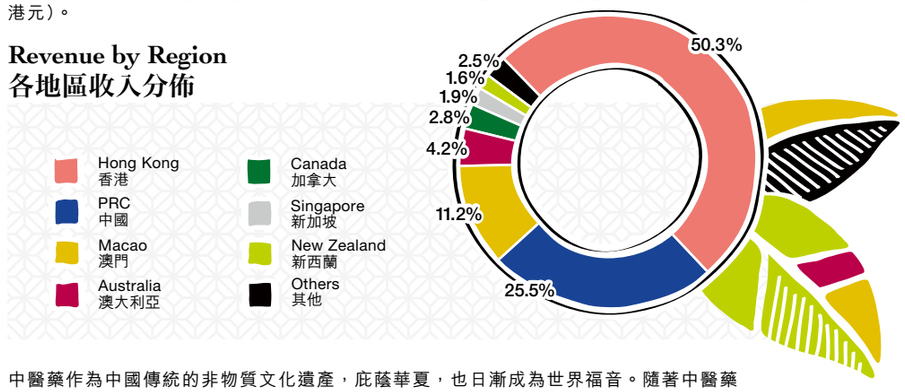
本年受訪港旅客人次及旅客消費轉型的影響，香港的零售業整體繼續疲弱，本集團香港市場收入仍保持穩定增長6.6%，實現收入達636.3百萬港元（2016年：597.1百萬港元），同店銷售增長達22.1%，此乃受益於市場對本集團產品的持續需求及品牌宣傳的繼續深化。今年，我們亦於沙田及屯門新開設了兩家零售終端，合理化佈局香港地區的零售終端，令香港零售終端增至26家。以多元化的方式進一步推廣同仁堂品牌產品，提升市場佔有率，鞏固了同仁堂品牌在香港中醫藥市場的領軍地位。

非香港市場

積極開拓海外市場是本集團的首要發展目標，在不斷鞏固現有海外市場的基礎上，本集團仍努力開拓新的海外市場，實現「立足香港，站穩亞洲，面向主流」的全球發展佈局。本年內，我們在新加坡、澳大利亞、加拿大、美國、瑞士及南非共新開設11家零售終端，海外零售終端增至54個。本年，來自海外市場的收入為306.8百萬港元（2016年：252.5百萬港元），增長21.5%，同店銷售增長達10.1%。

隨著大健康的理念日漸普及，本集團優質的自有產品認知度不斷提高及海外對同仁堂產品的需求持續增長。本年中國市場收入錄得大幅增長37.6%，達322.9百萬港元（2016年：234.7百萬港元）。

Revenue by Region
各地區收入分佈



中醫藥作為中國傳統的非物質文化遺產，庇蔭華夏，也日漸成為世界福音。隨著中醫藥在治療疑難雜症和健康養生方面顯示出的奇特效果，中醫藥越來越受到國際社會的廣泛認可和關注，如今中醫藥已經傳播到183個國家和地區，103個世界衛生組織成員國認可使用針灸，中醫藥正在惠及更多國家的人民。借著這股「中醫熱」的東風，同仁堂順勢而上，於本年在南非開設5家零售終端，積極舉辦義診、巡診和健康講座，讓南非民眾親身體驗神奇的中醫藥，開啟中醫藥走入非洲的重要里程碑。同時，我們亦在瑞士開設零售終端，舉辦名醫義診等活動，以過去在海外市場的經驗積累，將「救急症於即時，挽垂危於頃刻」的理念推崇到歐洲，透過因地制宜的發現、挖掘和研究當地多發病症及疑難雜症，為世界人民的健康作出更大貢獻。

雖然「一帶一路」倡議為中醫藥國際合作與交流迎來了嶄新的歷史機遇，但中醫藥真正走出去還面臨諸多困難與挑戰：文化背景和理論體系的差異、缺乏統一的相關國際標準及規範及諸多法律障礙和貿易壁壘，都延緩了中醫藥的傳播步伐。自1993年初響應國家「走出去」政策，同仁堂以香港為橋頭堡，孜孜不倦深耕20多年，開辦門店、建設基地、推廣品牌、傳播文化、佈局全產業鏈，懷著將中醫藥文化推廣到全世界的光榮使命，讓全世界共享中醫藥救人治病的福澤。透過以醫帶藥、文化先行的傳播方式，邁向海外的同仁堂將藥香四海，譽滿全球。

生產及研發

本集團一直秉承「以質為命、至優至精，崇尚仁德誠信」的品質管理理念，恪守兩個「必不敢」古訓，堅持「配方獨特、選料上乘、工藝精湛、療效顯著」的製藥特色，將傳統經驗、技藝和現代管理、技術進行有效結合，努力實現「尊古不泥古，創新不失宗」，不斷推進「修合無人見，存心有天知」的自律文化建設，以「創造健康，全球共享」為理想，精心炮製良藥，造福廣大民眾，實現「有健康需求的地方就有同仁堂」。

Our Tai Po Production Base adopts a stringent quality control system. It has obtained the GMP (Good Manufacturing Practice) for Proprietary Chinese Medicine certification, and also obtained certification on several international standards, such as the ISO22000:2005 food safety management systems and the HACCP (Hazard Analysis and Critical Control Points). We spare no efforts to provide trustworthy and high-quality products and services to consumers.

During the Year, the Group conducted the trial production and marketing of a new product, the deer antler collagen capsules in Hong Kong. Positioned to expand overseas business, the Group continued to complete the product registration procedures in markets abroad. In 2017, it not only completed the registration of the ultra-fine pearl powder in Macao and Singapore, but also applied for relevant registration of the product series in Australia, Macao and Poland. Apart from the remarkable efforts in research and promotion of new products, we continued to enhance basic research and development. We also conducted research on the safety and mechanism of Angong Niuhuang Wan, Ganoderma Lucidum Spores Powder Capsules and other key products in collaboration with renowned education and research institutes in China and overseas. This provided technical assurance and theoretical support for boosting the brand awareness and recognition of our key products in the international markets and reducing potential market risks. Besides, we capitalised on the latest technology achievements and advanced industry experience resulting from our research and development works, and explored new channels for our products to enter the US and European markets.

Brand Promotion

Our motto is “To help people by practicing medicine and the virtue of a great physician”. Nowadays, Tong Ren Tang upholds the essence of TCM and targets to enhance people’s health and living standard. We adhere to the principle of honest operation, care for the country and its people, and practise medicine with benevolence. Being a trusted brand, we improve well-being for all, contribute to society and provide strong support to the “Big Health” industry, so that Beijing Tong Ren Tang becomes a respectable brand around the world.

During the Year, the Group introduced the first moving showroom named “Classics of Royal Medicine — Chinese Medicine Artefact Mobile Museum”, so as to raise our profile in the Hong Kong market. Travelling to different parts of Hong Kong, the colourfully decorated moving museum showcased the history and heritage of Beijing Tong Ren Tang and provided free medical consultation services from time to time. It offered medical checks to the elderly and people in need, through which, it contributed to the community and introduced TCM to the folks. Furthermore, we commenced the quarterly exhibition project on various topics of TCM at the 3D tram stations outside our flagship store in Central, as well as on trams, publicity cars and airport buses to promote TCM and the culture of Tong Ren Tang. To actively support the “Belt and Road Initiative”, the Group co-organised the “1st International Chinese Medicine Cultural Festival”. During which, it interpreted TCM and culture through artworks in a wide range of activities, and held roadshows in America, Canada and Australia for the purpose of sharing TCM with the world. Using new elements and

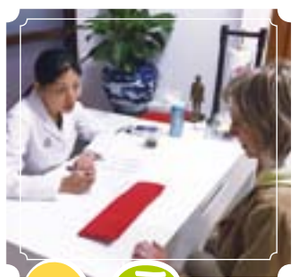
我們大埔生產基地擁有高水準品質管理體系，持有香港中成藥GMP（生產質量管制規範）認證，更擁有國際標準ISO22000：2005食品安全管理體系及HACCP（危害分析中藥管制點）認證，不遺餘力地為消費者提供值得信賴的高品質放心產品及服務。

本年內，本集團成功進行鹿茸膠原膠囊新產品的試生產及香港上市推廣工作。為了落實本集團海外業務拓展的專業定位，繼續不遺餘力地推動適應海外市場需要的多區域註冊工作，本集團於2017年完成了極細珍珠粉澳門及新加坡的註冊工作，並於澳洲、澳門及波蘭進行系列產品註冊提交。在大力研究和推廣新產品的同時，本集團也繼續加強開展基礎科研工作，一直與海內外著名院校及研究機構合作，針對安宮牛黃丸、靈芝孢子粉膠囊等公司重點品種啟動安全性、作用機理等方面的研究工作，在提升公司重點品種的海外認知與認可度、降低潛在的市場風險等方面，提供了技術保障和理論支援。同時也通過科研採納學術前沿成果及行業先進經驗，為本集團產品成功進入歐美等市場開拓新的管道。

品牌宣傳與推廣

在「懸壺濟世，大醫精誠」的古訓照耀下，今天的同仁堂，始終如一地秉承中醫藥之精髓本要，以提高人類健康水準和生命品質為已任，以誠信的經營之道，以愛國愛人之心，仁藥仁術之本，取信於民、造福人類、服務社會，為大健康產業助力助威，使北京同仁堂這塊金字招牌在海內外熠熠生輝。

本年，為了著重加強香港市場宣傳力度，本集團首創「禦藥經典 — 中醫藥文物流動博物館」流動宣傳車，以鮮豔奪目的剪紙車身，配合北京同仁堂的歷史文物，遊走港九新界，更於不定期的日子裡舉辦義診活動，走入各區為長者及有需要的人士進行義診，惠澤社群，並繼續肩負弘揚中醫藥文化的使命。除此以外，我們還通過中環旗艦店外的3D電車站、叮叮車、流動宣傳車及機場巴士分季度展示與中醫藥相關的不同主題，展現中醫藥和同仁堂的文化蘊味。為積極響應「一帶一路」倡議，本集團合辦了第一屆國際中醫藥文化節，通過不同形式的活動，以藝術的手法詮釋中醫藥與文化，活動更是延伸至美、加、澳等地做巡迴路演，旨在推動中醫藥文化至國際，以新元素和新鮮感吸引世界各地民眾的眼球，帶領更多的民眾與神秘的中醫藥做近距離接觸。我們通過冠名贊助《復興新生系列 • 世說本草》欄目，以生動有趣的方式為觀眾講解中醫



fresh concepts to appeal to the global community, we brought people into close contact with the mysterious TCM. We were also the title sponsor of the "Reviving Tradition-Chinese Herbs" program, which adopted a lively and interesting approach to educate the audience on TCM and showcase our profound legacy. To celebrate the "Capital State-owned Enterprises Open Day" and the HKSAR's 20th Anniversary, the Group opened its facilities in Beijing and Hong Kong to the public during the Year. We organised the Open Day at our Tai Po Production Base and the flagship store in Hong Kong, for the public to learn more about the history of TCM, the artifacts and ancient tools for Chinese medicine preparation, the traditional technique in Chinese medicine manufacture and healthcare knowledge. We invited professors of the University of Hong Kong as well to lecture on stork prevention and treatment, provided free medical consultation services and conducted sessions on Ba Duan Jin exercise for health preservation, which allowed participants to witness the efficacy of TCM. In the meantime, we participated in the "Health Expo" held at the Hong Kong Convention and Exhibition Centre in Wanchai for the first time. Under the theme of "Cerebrovascular Healthcare — Steps to Prevention, Emergency and Nursing", we raised public awareness of cerebrovascular health through briefing sessions on our products, healthcare lectures, free medical consultation and workshops. Moreover, we sponsored the fundraising activity named "Celebration of 20th Anniversary of the Return of Sovereignty of Hong Kong: The Crested Ibises performance by Shanghai Dance Theatre", of which the proceeds would be used to subsidise students of the Hong Kong Baptist University who pursued overseas study, internships and exposure in relation to the "Belt and Road Initiative". On the World Stroke Day, which is observed on October 29, we held the "Tong Ren's Stroke Awareness 2017" Carnival, taking a step forward from the Guinness World Records broken by us last year, when a thousand citizens practiced Ba Duan Jin exercise for stroke prevention. The carnival aimed at raising public awareness of stroke and encouraging a healthy lifestyle. We invited political figures, renowned experts of Western and Chinese medicine and famous international stars in Hong Kong to share knowledge of stroke prevention and appealed to the participants to care about themselves and their families, thereby promoting the well-being of all and achieving "Big Health".

We scaled up our overseas brand promotion this Year. In May 2017, we co-organized and actively participated in the 3rd Maritime Silk Road International Forum on Traditional Chinese Medicine in Dubai. We sent 26 experts in various fields of TCM to demonstrate traditional technique and provided free medical consultation to patients who sought our services due to our reputation. To support the convening of the Belt and Road Forum for International Cooperation in Beijing in May 2017, the "Time Together across the Strait" program team of Beijing TV visited Tong Ren Tang in Vietnam and Brunei, covering our operations in the local communities. Focusing on our efforts in promoting TCM and Chinese culture on foreign soil, the program told the story of how our practitioners treated patients, prescribed medicine and served the locals, so as to enhance their physical well-being. In view of the 2nd China-Central & Eastern European Countries Capital City Mayors Forum, we took advantage of the establishment of Chinese Medicine Development Centre by Beijing Tong Ren Tang and the Montenegro-China Chinese Medicine Hospital, and introduced TCM to Central and Eastern European countries and the Belt and Road region. The Group held large scale free Chinese medical consultation activities in Montenegro, Serbia, the Czech Republic and Poland, which allowed local citizens to experience authentic Chinese medical treatment. Being the first event with such scale and professional level held in the country, it was well accepted by the local community. The Group focused on business development in Central and Eastern Europe and actively tapped into the global market. Through a series of Chinese medicine campaigns held by the Montenegro-China Chinese Medicine Hospital, we aimed to share TCM culture, lifestyle and health preservation knowledge. As our Dubai store reached its 6th anniversary in October 2017, the Group extended its local impact by holding the "2017 World Expo-Introducing the Treasure of Chinese Medicine to Dubai cum Conference on the Development and Inheritance of Chinese Medicine Skills and Experience", where it invited renowned Chinese medicine practitioners to offer free medical consultation services in Dubai.

藥，揭開中醫藥的博大精深及奧秘。本年恰逢「首都國企開放日」及慶祝香港回歸20周年，本集團率先實現京港兩地聯動向市民開放。我們大埔生產基地及香港旗艦店舉行開放日，讓市民大眾深入瞭解中醫藥的發展歷程、參觀古代製藥文物及工具、學習傳統中藥炮製過程及養生常識，更邀請香港大學教授於現場進行中風防治的健康講座、安排中醫師現場義診及八段錦等養生項目，讓參與者深入體驗中醫藥的神奇療效。同時我們亦首次參加了於香港灣仔會議展覽中心舉辦的《健康博覽》，以「關注腦血管 — 預防、應急、調養每一步」為題，通過產品介紹、健康講座、義診服務及工作坊活動，向大眾推廣腦血管健康及防治工作。此外，我們還贊助支持「香港回歸二十周年慶祝活動：上海歌舞團《朱鸝》表演籌款活動」，將有關活動籌款所得捐助香港浸會大學資助學生到國外考察、實習和體驗「一帶一路」的外交之旅。每年的10月29日是「世界中風關注日」，繼去年成功挑戰千人集體八段錦防中風健康操的健力士世界紀錄後，本集團今年繼續發起及主辦「同仁關愛防中風2017」嘉年華，呼籲大眾關注中風，實踐健康生活習慣。活動當天我們邀請了香港政界人士、知名中西醫學界專家及香港的國際知名藝人，共同推廣防治中風的知識，呼籲大眾關心自己和家人，為全民健康牟福祉，共同實現大健康。

我們本年繼續加強海外品牌宣傳的步伐，今年5月，我們作為第三屆海上絲綢之路 — 中醫藥國際論壇的協辦單位，積極參與了在迪拜舉行的第三屆海上絲綢之路中醫藥國際論壇，攜26位來自中國中醫藥界各個領域的專家進行了中醫傳統技藝的展示，並為慕名前來的患者進行義診。5月恰逢「一帶一路」國際合作高峰論壇在北京舉行，北京電視台「天涯共此時」欄目組分別對柬埔寨及汶萊同仁堂進行採訪拍攝，主要對同仁堂品牌在當地的發展歷程進行了報導，記錄同仁堂是如何在海外宣傳中醫藥文化和中華文化，展示同仁堂的醫師如何為當地民眾看病開藥，服務當地民眾，為當地人民送健康。為配合第二屆中國 — 中東歐國家首都市長論壇，借北京同仁堂與黑山中國中醫院合作開設中醫藥發展中心之契機，進一步在中東歐國家和「一帶一路」沿線國家推廣中醫藥文化，本集團在黑山、塞爾維亞、捷克及波蘭當地進行大規模的中醫義診活動，為當地民眾提供正宗的中醫藥服務。此等規模及專業的中醫義診活動在黑山當地尚屬首次，受到當地民眾的熱烈歡迎，本集團將中東歐地區作為發展重點，積極拓展海外業務，依託黑山中國中醫院舉辦中醫藥系列活動，旨在更好展示中醫藥文化、推廣中醫藥健康生活方式和養生理念。10月，時值迪拜店慶6周年之際，本集團於「中醫藥瑰寶國際宣展2017走進迪拜暨中醫藥學術經驗傳承發展大會」上攜來自國內的中醫名家於迪拜舉辦義診活動，進一步提升了同仁堂在當地的影響力。

During the Year, our efforts in developing overseas markets gained wide recognition. Out of hundreds of well-known corporations, we were selected by a professional and credible panel, the editorial board of the Capital Magazine and the public to be the recipient of the "Capital Outstanding Enterprise Awards — Outstanding Chinese Medicine Group" awarded by Capital magazine in Hong Kong at the 17th "Capital Outstanding Enterprise Awards". This is an acknowledgement of our leading position in the TCM industry as well as our reputation among the general public and professional institutes. Besides, the Group was awarded the "China Quality Enterprise — Top Brand of Traditional Chinese Medicine" by the Chinese Medicine Industry Association, which was a significant accolade that recognised our role in the industry as a famous PRC brand and our achievement in promoting TCM around the world.

Human Resources Management

High mountains are formed with grains of soil, and deep oceans start from the smallest streams. People of Tong Ren Tang uphold their belief through generations and strives to develop into a trustworthy brand of "Chinese medicine" for the benefit of the global community.

At 31 December 2017, we have a total of 809 employees (2016: 705 employees).

The staff costs of the Group for the Year were HK$175.8 million (2016: HK$155.6 million), representing an increase of 13.0% from last year, which was primarily due to the increase in number of salespersons, Chinese medicine practitioners, therapists, production staff and administrative staffs to cater for the needs of our continuous business expansion. To ensure that the Group is able to attract and retain talents, remuneration policies are reviewed on a regular basis. In addition, discretionary bonus is offered to employees with outstanding performance with reference to the Group's results and individual performance.

本年，我們於海外市場的深根細作也獲得了高度肯定。在香港資本雜誌主辦的第十七屆《資本傑出企業成就獎》中，經專業及極具公信力的評審團、《資本雜誌》編委會及公眾嚴格評審後，本集團從數百家知名企業中脫穎而出，榮獲「資本傑出企業成就獎 — 傑出中醫藥集團」獎項。本集團榮獲此獎項表明社會各界和專業機構對我們在中醫藥行業的行業領先地位的首肯和認可。此外，本集團還榮獲香港中藥業協會「中國優質中藥企業弘揚中藥獎」，這殊榮對本集團極具意義，肯定了北京同仁堂這個中國著名金字招牌在業界擔任了重要角色，推進海內外中醫藥的發展。

人力資源管理

泰山不讓土壤，故能成其大；河海不擇細流，故能成其深。正是同仁堂人世世代代的薪火傳承，推動北京同仁堂傾心打造的誠信「中國藥」，走遍世界，普惠全球。

於2017年12月31日，我們共有809名僱員（2016年：705名僱員）。

本年內本集團員工成本為175.8百萬港元（2016年：155.6百萬港元），較去年增幅13.0%，主要是由於本年業務持續擴張，不斷增聘前線銷售人員、中醫師、理療師、生產員工及行政管理人員等以滿足業務發展需求。為確保能夠吸引及挽留優秀員工，本集團定期檢討薪酬政策。此外，本集團參考業績及個人表現，為表現優異的僱員提供酌情獎勵。

Financial Review

Revenue

The Group's revenue for the Year reached HK$1,266.0 million (2016: HK$1,084.3 million), representing an increase of 16.8% from last year. The increase was mainly driven by the continuous demand for our Owned Products and the sales growth in the existing sales network and expansion of sales network.

Gross Profit

The Group's gross profit increased by 15.3% to HK$916.4 million (2016: HK$795.1 million). The gross profit margin decreased from 73.3% to 72.4%, which was due to slight change in product mix from last year.

Distribution and Selling Expenses

The Group's distribution and selling expenses increased by 19.5% to HK$193.5 million (2016: HK$161.9 million). The increase was mainly attributable to (i) the increase of rental expenses and sales staff costs as the number of retail outlets increased during the Year, and (ii) the increase of advertising and promotion expenses as advertising and promotion activities increased this Year. Distribution and selling expenses as a percentage to revenue increased slightly from 14.9% last year to 15.3% this Year.

General and Administrative Expenses

The Group's general and administrative expenses increased by 16.1% to HK$127.3 million (2016: HK$109.6 million). As the Group's business continuous expanded, the number of subsidiaries and administrative and management personnel increased, which resulted in raising staff costs, rental expenses, depreciation of fixed assets, as well as other related administrative expenses. General and administrative expenses as a percentage to revenue maintained at 10.1%.

Finance Income, net

The Group's net finance income increased by HK$5.4 million to HK$13.3 million (2016: HK$7.9 million), which was mainly attributable to the increase in finance income as the average short-term bank deposit increased from last year.

Income Tax Expense

The Group's income tax expense increased by 14.2% to HK$105.5 million (2016: HK$92.4 million). The increase was mainly due to an increase in taxable income for the Year. The weighted average applicable tax rate for the Year has slightly increased from 16.9% last year to 17.5%, which was caused by the change in proportion of contribution of taxable profit.

Profit for the Year, Profit Attributable to Owners of the Company, Basic Earnings Per Share and Dividend

The Group's profit for the Year increased by 14.9% to HK$505.5 million (2016: HK$439.9 million) with a net profit margin of 39.9% (2016: 40.6%). Profit attributable to owners of the Company amounted to HK$490.0 million (2016: HK$420.3 million), representing an increase of 16.6% from last year. For the Year, the basic earnings per share were 59 HK cents (2016: 50 HK cents). The Directors recommend the payment of a final dividend of 19 HK cents per share for the Year (2016: 16 HK cents).

Financial Resources and Liquidity

During the Year, the Group funded its liquidity by the resources generated internally. Based on the Group's steady cash inflow from operations, coupled with sufficient cash and bank balances, the Group has adequate liquidity and financial resources to meet the daily operations and working capital requirements as well as to fund its expansion plans.

財務回顧

收入

本年，本集團的收入達到1,266.0百萬港元（2016年：1,084.3百萬港元），較去年增長16.8%。增長主要是由於自有產品的需求持續增長、現有銷售網絡銷售收入增加及銷售網絡擴展所致。

毛利

本集團的毛利達916.4百萬港元（2016年：795.1百萬港元），增幅為15.3%。毛利率由去年73.3%下降至72.4%，其下跌是由於產品組合與去年有輕微改變所致。

分銷及銷售開支

本集團的分銷及銷售開支達193.5百萬港元（2016年：161.9百萬港元），較去年增長19.5%。增長主要是由於(i)本年零售終端增加，致使租金及銷售人員人工成本上升，及(ii)本年的廣告及宣傳活動增多，令廣告及宣傳費用上升。分銷及銷售開支佔收入百分比由去年的14.9%稍上升至本年的15.3%。

一般及行政開支

本集團的一般及行政開支為127.3百萬港元（2016年：109.6百萬港元），較去年增長16.1%。由於本集團業務持續擴張，子公司及行政管理人員數目增加，令人工成本、租金、固定資產折舊及相關的行政費用相應增加。一般及行政開支佔收入百分比保持在10.1%。

淨財務收益

本集團之淨財務收益增加5.4百萬港元至13.3百萬港元（2016年：7.9百萬港元），主要由於平均短期銀行存款比去年增加令財務收益增多。

所得稅開支

本集團所得稅開支增加14.2%至105.5百萬港元（2016年：92.4百萬港元）。增加主要是由於本年應課稅收入增加。由於應課稅利潤貢獻比例的變化，本年的加權平均適用稅率從去年的16.9%略增加至17.5%。

年度利潤、本公司擁有人應佔利潤、每股基本盈利及股息

本集團的年度利潤增加14.9%至505.5百萬港元（2016年：439.9百萬港元），純利率為39.9%（2016年：40.6%）。本公司擁有人應佔利潤為490.0百萬港元（2016年：420.3百萬港元），較去年同期增加16.6%。本年每股基本盈利為59港仙（2016年：50港仙）。董事建議派付本年度末期股息為每股19港仙（2016年：16港仙）。

財務資源及流動資金

本年，本集團以內部資源撥付流動資金。由於本集團業務有穩定現金流入，加上充足現金及銀行結餘，本集團有充裕流動資金及財務資源，可滿足日常營運與營運資金需求及支持擴展計劃。

The Group continued to maintain a strong financial position with cash and bank balances of HK$1,897.8 million (2016: HK$1,583.6 million). Most of the Group's cash and bank balances were denominated in Hong Kong dollar, Renminbi, Macao pataca and Singapore dollar, and were deposited in reputable financial institutions with maturity dates falling within one year. The table below sets out the information regarding cash and bank balances, working capital, total equity, current ratio and gearing ratio as at 31 December 2016 and 2017 and net cash generated from operating activities for the years ended 31 December 2016 and 2017:

本集團繼續保持穩健財務狀況，現金及銀行結餘累積達1,897.8百萬港元（2016年：1,583.6百萬港元）。現金及銀行結餘主要為港元、人民幣、澳門元及新加坡元，並主要存放於信譽良好的金融機構且於一年內到期。下表載列於2016年及2017年12月31日的現金及銀行結餘、營運資金、權益總額、流動比率及負債比率與截至2016年及2017年12月31日止年度的經營活動產生的現金淨額的資料：

	As at 31 December 於12月31日	
	2017 **HK$'000 千港元**	2016 HK$'000 千港元
Cash and bank balances 現金及銀行結餘	**1,897,781**	1,583,601
Working Capital[1] 營運資金[1]	**2,207,433**	1,833,755
Total Equity 權益總額	**2,608,177**	2,227,237
Current Ratio[2] 流動比率[2]	**16.0**	15.9
Gearing Ratio[3] 負債比率[3]	**0.02%**	0.02%

	For the year ended 31 December 截至12月31日止年度	
	2017 **HK$'000 千港元**	2016 HK$'000 千港元
Net cash generated from operating activities 經營活動產生的現金淨額	**469,144**	467,721

(1) Being net current assets
(2) Being current assets divided by current liabilities
(3) Being borrowings divided by total equity

(1) 即流動資產淨值
(2) 即流動資產除以流動負債
(3) 即借貸除以權益總額

Capital Expenditure

During the Year, the Group's capital expenditure incurred amounted to HK$34.3 million (2016: HK$38.8 million), which was primarily used for purchase of production equipment, the establishment of new retail outlets and purchase of a property for retail purpose.

資本開支

本年，本集團的資本開支為34.3百萬港元（2016年：38.8百萬港元），主要用於購置生產設備、設立新的零售終端及購買一所物業作零售用途。

Major Investment, Acquisitions and Disposals

During the Year, the Group did not have any major investment, acquisitions and disposals.

重大投資、收購及出售

本年，本集團並無任何重大投資、收購及出售。

Capital Commitment

Details of the Group's capital commitments as at 31 December 2016 and 2017 are set out in note 27 to the consolidated financial statements.

資本承擔

有關本集團於2016年及2017年12月31日的資本承擔詳情載於合併財務報表附註27。

Charges over Assets of the Group

At 31 December 2017, the Group's net property value of HK$12.3 million (2016: HK$11.6 million) has been pledged as securities for long-term bank borrowing. Such bank borrowing in Australian dollars bears interest at 1.5% plus the bank bill rate in Australia per annum and is wholly repayable in 2020.

抵押本集團資產

於2017年12月31日，本集團之物業淨值為12.3百萬港元（2016年：11.6百萬港元）作為長期銀行貸款之抵押品。此澳元銀行貸款按澳大利亞銀行票據利率加1.5%按年計息並於2020年全額償還。

Contingent Liabilities

At 31 December 2017, the Group did not have any significant contingent liabilities.

或然負債

於2017年12月31日，本集團並無任何重大或然負債。

Foreign Currency Risk

The Group's main business operations are conducted in Hong Kong and other overseas countries/regions. The transactions, monetary assets and liabilities of the Group are mainly denominated in Hong Kong dollar, Renminbi, Macao pataca and Singapore dollar. During the Year, there was no material impact to the Group arising from the fluctuation in the exchange rates of these currencies.

The Group did not engage in any derivatives activities and did not commit to any financial instruments to hedge its foreign exchange exposure during the Year.

外幣風險

本集團主要在香港及其他海外國家／地區經營業務。本集團的交易、貨幣資產及負債主要以港元、人民幣、澳門元及新加坡元計值。本年，該等貨幣的匯率波動並無對本集團產生重大影響。

本集團本年並無進行任何衍生投資活動，亦無使用任何財務工具對沖外匯風險。

Owned Products
自有產品

Star Products
王牌產品

安宮牛黃丸
Angong Niuhuang Wan

Function: The pathogenic heat intervening the interior, accumulation of phlegm, sustained high fever lockjaw, convulsions and coma.

功效：清熱解毒，鎮驚開竅。用於溫邪入裏引起的痰壅、高熱不退、牙關緊閉、驚風抽搐、神昏譫語。

Major Ingredients: Calculus Bovis, Moschus, Margarita, Cinnabaris, Realgar, Rhizoma Coptidis, Radix Scutellariae, Fructus Gardeniae, Radix Curcumae, Borneolum Syntheticum.

主要成份：牛黃、麝香、珍珠、朱砂、雄黃、黃連、黃芩、梔子、郁金、冰片

破壁靈芝孢子粉膠囊
Sporoderm-broken Ganoderma Lucidum Spores Powder Capsules

Function: To enhance immunity. For the elderly and the frail or the people with low immune function, and for patients after surgery or medication.

功效：增強免疫力。用於年老體虛、體弱多病等各類免疫功能低下人士，以及手術或其他治療後的患者，增強體質，改善症狀。

Major Ingredients: Ganoderma lucidum spores

主要成份：靈芝孢子

Ganoderma Lucidum
靈芝類

Lingzhi Collagen Capsule
靈芝健活膠囊

Lingzhi Collagen Capsule consists of premium quality spores powder of Ganoderma lucidum, Ganoderma lucidum extract by advanced technology and Marine Collagen Peptides and is easily absorbed and taken.

靈芝健活膠囊以優質的破壁靈芝孢子粉，配以用現代技術提取的靈芝提取物及海洋膠原蛋白肽，具有易被人體吸收及服用方便的優點。

Camphorata
樟芝類

Ginseng-Antrodia Camphorata Capsule & Schisandra-Abtrodia Camphorata Capsule
洋參樟芝膠囊及
五味樟芝膠囊

Antrodia camphorata plays an important role in protecting liver and improving metabolism, reducing the rate of acute liver injury caused by alcohol, as well as regulating immune function.

樟芝具備調節免疫機能、保護肝臟、解酒、抗氧化、維護心血管健康及調節血糖作用。

Ginseng
高麗參類

Korean Red Ginseng Red Ginseng Granule Tea
高麗紅參及
紅參破碎顆粒茶

Sourcing from Geumsan in Korea, the origination of Ginseng, our Ginseng products are being processed, steamed, moisturised, pressurised and packed in the traditional metal case. The processing technic we applied ensures the stimulants are being well-preserved.

人參產品源自韓國人參之鄉錦山，結合我們加工工藝，經過挑選、蒸制、加濕、壓制，最終用傳統的鐵罐進行包裝，完整保存多種有益人體的生理活性成分。

Rhodioa
紅景天類

Rhodiola Rosea Capsule Blueberry & Rhodiola Rosea Capsule
紅景天膠囊及
藍莓紅景天膠囊

Rhodiolae grows in high and cold areas. It helps enhance immunity, anti-hypoxic, anti-fatigue and enhance memory.

紅景天一般生長在高寒地帶，具有增強免疫、抗缺氧、抗疲勞、抗輻射及延緩機體衰老等作用。

Omega-3
歐米茄3

Astaxanthin- Sacha Inchi Oil Capsule
蝦青素－星星果油膠囊

The product is composed of Sacha Inchi Oil, which is rich in Omega-3 (Ω-3) and α-linolenic acid (ALA), and Haemittococcus pluvialis extract with abundant Astaxanthin. It is manufactured by a modern technology and suitable for people who care about skin and cardiovascular health.

本品選用富含Omega-3及α-亞麻酸的星星果油為原料，配以富含蝦青素的紅藻萃取物，採用現代工藝精製而成，適用於關注皮膚及心血管健康人士的日常保健之用。

Xanthophyll- Sacha Inchi Oil Capsule
葉黃素 －
星星果油膠囊

The product is composed of Sacha Inchi Oil, which is rich in Omega-3 (Ω-3) and α- linolenic acid (ALA), and Calendula officinalis extract with abundant Xanthophyll. It is manufactured by a modern technology and suitable for people who care about cardiovascular and eye health.

本品選用富含Omega-3及α-亞麻酸的星星果油為原料，配以富含葉黃素的金盞花提取物，採用現代工藝精製而成，適用於關注心腦及眼部健康人士的日常保健之用。

Prebiotics
益生元

Reviving Prebiotics
芪聚益生

This product contains high-quality fructo-oligosaccharide as major ingredient, formulated with Astragalus extract, Scrophulariaceae extract and Angelica Sinensis Extract, and is manufactured by a modern technology. Suitable for people that suffered with both Qi deficiency and poor blood circulation and people suffered with poor intestine activity.

本品選用優質低聚果糖為原料，配以黃芪提取物，玄參提取物和當歸提取物，採用現代工藝精製而成。適用於氣血兩虛體質且腸道功能較弱人群的日常保健。

Cranberry Collagen Prebiotics
元聚益生

This product contains high-quality fructo-oligosaccharide as major ingredient, formulated with cranberry power and marine collagen peptides and is manufactured by a modern technology.

本品選用優質低聚果糖為原料，配以蔓越莓果粉，海洋膠原蛋白肽，採用現代工藝精製而成。

Others
其他類

Cervus Elaphus Linnaeus Collagen Capsule
鹿茸膠原膠囊

Ultra Fine Pearl Powder
珍珠粉

Marine Collagen Peptide
海洋膠原蛋白肽

Semen Cassiae Tea
決明子茶

Fagopyrum Esculentum Tea
蕎麥茶

Major Awards
重大獎項

1 The Most Influential Brand in Asia 2017
2017年亞洲區最具影響力品牌大獎

- Most Trustworthy Brand
  最值得信賴品牌

2 World Branding Award
世界品牌大獎

- Brand of The Year 2017-2018 (Global Tier)
  國際品牌大獎2017-2018（全球等級）

3 17th Capital Outstanding Enterprise Award
第十七屆資本傑出企業成就獎

- Outstanding Chinese Medicine Group
  傑出中醫藥集團

4 Chinese Medicine Industry Association Award
中藥業協會獎項

- China Quality Enterprise — Top Brand of Traditional Chinese Medicine 2017
  2017中國優質中藥企業弘揚中藥獎

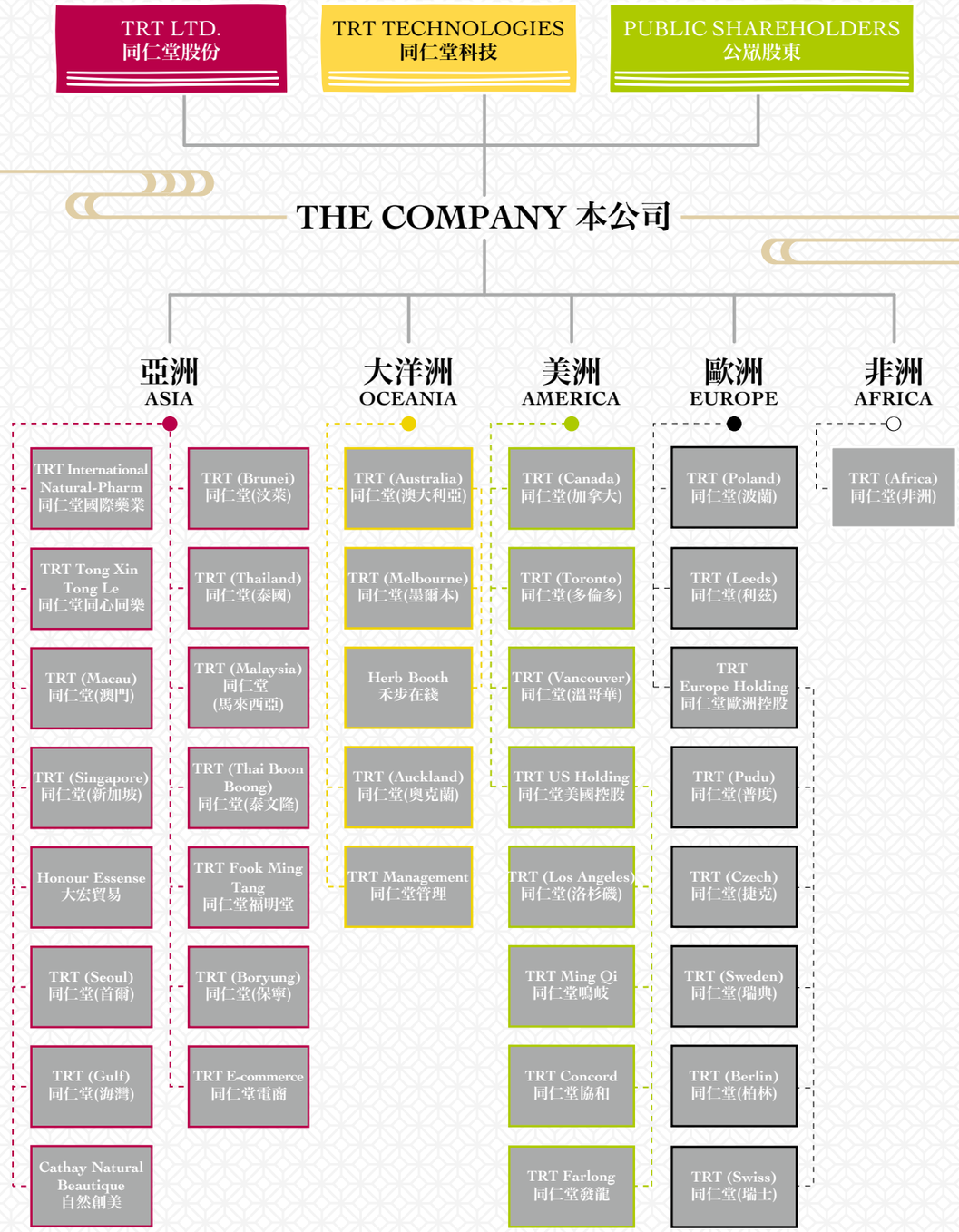
5 Nobel Laureates Series
諾貝爾獎學人系列

- Asian Chinese Leader
  亞洲華人領袖獎

6 ARC Award 2017
2017設計獎項

- Design award for Annual Report 2016
  2016年年設計獎項

Organisation Chart
組織架構圖



This chart is produced based on the information as at 31 December 2017.
本圖表按截至2017年12月31日的資料編製。

Overview

This is the 2017 ESG Report published by the Company, which focuses mainly on disclosing relevant information on the Group's performance in social and environmental sustainability during the Year.

Reporting Standard

The ESG Report was prepared in accordance with Appendix 20 "Environmental, Social and Governance Reporting Guide" (the "Guide") to the GEM Listing Rules of the Exchange.

The ESG Report is in compliance with four principles of materiality, quantitative, balance and consistency as required by the Exchange. In preparation of the ESG Report, the Company has identified and ranked the most significant ESG topics to the Group through communication with its stakeholders, so as to define the reporting scope of the ESG Report, collect relevant information, prepare the ESG Report based on the information collected and examine the data contained herein.

Reporting Scope

Unless otherwise specified, the policy documents, statements and data in the ESG Report cover the Group.

概覽

此乃本公司發佈的2017年環境、社會及管治報告，重點披露本集團本年於社會及環境等可持續發展方面表現的相關資訊。

報告準則

本環境、社會及管治報告根據聯交所GEM上市規則附錄20之《環境、社會及管治報告指引》(「《指引》」)進行編制。

本環境、社會及管治報告遵循聯交所重要性、量化、平衡及一致性四大原則，在籌備本環境、社會及管治報告期間，已透過與持份者溝通，識別及排列對本集團最重要的環境、社會及管治議題，從而決定本環境、社會及管治報告的報告範圍，收集相關資料，並根據資料編制環境、社會及管治報告內容及檢閱環境、社會及管治報告中的數據。

報告範圍

除非另有説明，本環境、社會及管治報告中的政策文件、聲明、數據等，覆蓋本集團。

As the overseas development platform of Tong Ren Tang, the Group is endeavored to our corporate motto "Nurturing kindness and virtue, Preserving tranquility and wellness" since its inception. It adheres to the principle of the "Two must not-dos" in terms of product responsibility, which is incorporated and implemented in product research and development, production and management. In pursuit of economic, social and environmental sustainability, not only does it offer high-quality products and healthcare services to the world, but also actively fulfils corporate social responsibility and establishes a harmonious relationship with stakeholders.

2017 was an important year for the implementation of the "Thirteen Five-year Plan" and the promotion of the supply-side structural reform as well as the improvement of corporate quality. In view of the increasing downward macroeconomic pressure and the accelerating pace of China's "Belt and Road Initiative", we took a people-oriented humanistic approach and fulfilled social responsibility with enthusiasm. With the goal to benefit the world, we adopted strict quality control and stayed committed to our prestige culture in establishing the quality control system that covers the entire product lifecycle from the start to the end, thereby providing high-quality and safe products to the consumers. We strived to contribute to society and participated in voluntary services to spread love and care. Leveraging our own strengths, we also aimed to bring changes and integrate innovation resources to build the research and development platform for the comprehensive science-based innovation system. Under our people-oriented management model, we supported the personal growth of employees by offering them diverse training courses and a broad platform for development. Besides, we took initiatives to identify stakeholders, in order to build and maintain a good relationship with them through multiple communication channels. As a result, we were able to understand their needs and concerns in a timely manner, allowing us to create value for them.

Quality is the priority to pursue excellence

Tong Ren Tang combines traditional methodology and modern technology from the selection of raw materials to the manufacturing technique. To ensure the premium quality of our products, we pursue excellence in ingredient selection. Our production line has obtained the GMP (Good Manufacturing Practice) certification for Proprietary Chinese Medicine, while our stores meet the GSP (Good Supply Practice) standard for pharmaceutical products. The Group has strict screening and quality control procedures in place for the supply of raw materials, which provide sound technical support to the quality assurance of our products. Based on the belief that "crafting without supervision, intentions are known by the heavens", we maintain a self-disciplined attitude and push forward our mission to "Preserving tranquility and wellness". We have enhanced the quality of our products, services, operation and assets on an on-going basis, which can be summed up as the "four quality control aspects". Meanwhile, we live by the motto of "Complexity and quality are not to be forfeited by costs", so as to provide "ethical, safe and reassuring medicines" with "unique formulas, superior materials, superb technique and distinguished efficacy". Through this, we establish a modern, international and professional Chinese medicine group that covers the entire industry chain for the goal of "wherever there is a need for health, wherever there is Tong Ren Tang."

Green production to reduce energy consumption and emission

Environmental sustainability is the foundation of our long-term development. We have obtained the GMP certificate (a set of international production and management standards for Chinese medicine) from the Hong Kong Department of Health for all production lines at our Tai Po Production Base. We have also promoted green production practices and implemented various initiatives to save energy consumption, mitigate pollution and protect the environment at the plants. By adopting full cycle management, we aim at reducing the emission of pollutants and potential environmental impacts, as well as proposing relevant preventive measures and treatment. We have strengthened environmental monitoring in the production stage to ensure the implementation of environmental protection measures and minimize the impact of our operation on the surrounding environment. By strictly following the environmental management system and regulations of the Company in all aspects of production, we make sure the effectiveness of pollution treatment and environmental protection initiatives.

Give back to society and care for employees

We attach great importance to fulfilling corporate social responsibility and actively participate in public welfare undertakings. We strive to "promote culture through medicine" and share traditional Chinese culture with the world. Apart from business expansion, we also take part in social responsibility and give practical support to the community. For example, we arranged a number of free healthcare seminars and free medical consultations for the public, provided subsidies to students of Chinese medicine at universities, as well as sponsored and organized various exhibitions to educate people on Chinese medicine. In line with the "Belt and Road Initiative", we also promoted supreme Chinese medicine products, services and culture around the world, realizing the dream of "Healthy life, Global choice." In addition, we organised a series of well-planned and excellent staff training program, which was designed to support and provide opportunities for all employees to unleash their potentials, so as to boost their confidence at work and strengthen team cooperation. These measures encourage our employees to align their personal aspirations with our long-term development, enabling us to nurture generations of talents.

We believe that the idea of sustainability is deeply rooted in all corporations. In 2018, the Group will continue to strive for excellence in all aspects of sustainable development, thereby making long-term contribution to its business and society.

Mei Qun
Chairman

本集團作為同仁堂海外發展的平台，自創立以來，一直以「同修仁德、濟世養生」的企業精神，始終堅持兩個「必不敢」古訓，並將其融入產品研發、生產、管理，付諸實踐，為社會提供高品質的產品，為世人提供高水準的健康服務，積極履行企業社會責任，與持份者構建和諧關係，共同致力於經濟、社會與環境的可持續發展。

2017年是實施「十三五」規劃的重要一年，是供給側結構性改革的深化之年，也是企業素質提升之年。面對宏觀經濟下行壓力加大，國家一帶一路步伐不斷加快，我們秉承以人為本的人文思想，積極承擔社會責任，傳承濟世情懷，嚴格把控產品品質，恪守古訓，建立從源頭到終端的全生命週期品質管理體系，為消費者提供優質安全的產品。我們熱力回饋社會，堅持志願服務，向社會播撒真情和關愛，銳意開拓進取，立足自身優勢，整合創新資源，搭建研發平台，建立完善的科學創新體系，以人為本，大力促進員工發展，為員工提供多元化培訓課程和廣闊發展平台，全面促進員工成長。我們還積極主動識別持份者，通過多管道的溝通與各持份者建立並保持良好關係，及時瞭解他們的要求與關切，為持份者創造價值。

以質為命　至優至精

從選料的源頭，到炮製的工藝，同仁堂遵循古法，引入現代科技，精益求精，在選料上力求盡善盡美，確保產出的產品品質上乘。本集團的生產線已獲得了香港中成藥GMP(生產質量管制規範)認證；本集團所屬藥店均已達到GSP(藥品經營品質管制規範)標準；本集團對藥材的供應進行嚴格的篩選及品質把控，為確保同仁堂藥品的品質提供了堅實的技術保障。我們始終堅持「修合無人見，存心有天知」的自律精神，以「濟世養生」為使命，不斷強化產品品質、服務品質、經營品質、資產品質的「四個品質管制」，恪守「品味雖貴必不敢減物力，炮製雖繁必不敢省人工」兩個古訓，為消費者製造「配方獨特、選料上乘、工藝精湛、療效顯著」的「良心藥、安全藥、放心藥」，打造覆蓋全產業鏈的現代化、國際化、專業化中醫藥集團，實現「有健康需求的地方就有同仁堂」。

綠色生產　節能減排

環境可持續發展是我們長遠發展的基石。我們大埔生產基地的各條生產線均通過了香港衛生署GMP認證，宣導綠色生產理念，打造節能、降耗、減污、綠色的廠房，進行全週期管理，降低污染物排放及潛在的環境影響，提出相應防範和治理措施。生產階段加強環境監控工作，保證各項環境保護措施得到具體落實，將生產活動對周邊環境的影響降到最低；生產的各個環節嚴格執行公司各項環境管理制度和規定，確保相關污染治理和環境保護措施得到落實並有效運行。

回饋社會　關愛員工

我們注重踐行社會責任，熱心公益事業，「以醫載文」，傳播中國傳統文化。在不斷拓展業務同時，不忘實踐企業社會責任，以實際行動關愛社會民眾，舉辦多場免費公眾健康講座，安排義診，為多家大學中醫藥專業學生提供獎學金、贊助和主辦各類中醫藥教育展覽活動等。配合「一帶一路」的發展，將優秀的中醫藥產品、服務和文化傳遞到世界各地，真正做到「創造健康，全球共享」。同時，我們還為員工舉辦一系列精心策劃和優質的培訓計劃，致力鼓勵並給予全體員工契機以發揮其潛能，以增添員工的工作信心，加強團隊合作，引導員工積極將個人追求融入到企業長遠發展之中，培育一代又一代同仁堂人。

我們深信可持續發展是所有企業的「基因」，2018年，本集團將繼續於各可持續發展範疇，精益求精，為本集團業務與社會作出長遠貢獻。

梅群
主席

The Group recognises the importance of environmental and social issues to its sustainability. In this regard, it adopts active risk management and sets up the ESG management structure which encompasses functional departments at all levels. Employees are able to play different roles within their authority in the sustainable development of the Group. It allows consistent implementation of ESG policy within the organization as well as effective system implementation, daily monitoring, data collection and information disclosure to ensure the sustainable development of the Group and the performance of the obligations by the stakeholders.

本集團意識到環境、社會相關事宜對自身的可持續發展尤關重要。本集團積極管理有關風險，並搭建環境、社會及管治的管理架構，以及包含不同層級及職能部門之中，就其職責為本集團可持續發展擔任不同角色。這使本集團的環境、社會及管治策略能貫徹於本集團上下，並通過有效執行制度、日常監控、數據收集、資訊披露等多個環節，以保證自身的可持續發展和對各持份者的責任履行。

Environmental, Social and Governance Mechanism
環境、社會及管治機制

Function 職能	Responsible Department 負責單位	Job duties 具體職責
Audit 審核	Management 管理人員	• Discuss major ESG issues and future development 討論環境、社會及管治重大事務和未來發展
		• Identify relevant ESG risks 識別環境、社會及管治相關風險
		• Formulate ESG strategies and goals 制定環境、社會及管治策略及目標
		• Effectiveness review 檢討工作效果
		• Evaluate the overall effectiveness of the work mechanism 對整體工作機制效果進行評估
		• Review the truthfulness of information in the ESG report and its effectiveness 審閱環境、社會及管治報告資訊的真實性和有效性
Statistics 統計	ESG team formed by person-in-charge of various functional departments 各職能部門負責人組成的環境、社會及管治工作小組團隊	• Establish departmental requirements for ESG data collection and submission 制定各部門環境、社會及管治資訊收集與報送的相關要求
		• Organize training on ESG information management 組織開展環境、社會及管治資訊管理培訓
		• Distribute ESG information to functional departments and subsidiaries 分派環境、社會及管治資訊披露到各職能部門及下屬公司
		• Supervise the collection and submission of ESG information by functional departments and subsidiaries 監督各職能部門及下屬公司及開展環境、社會及管治資訊收集與報送工作
		• Collate ESG information from functional departments and subsidiaries 匯總各職能部門及下屬公司的環境、社會及管治資訊
		• Keep records on ESG information 建立環境、社會及管治資訊檔案
		• Prepare the ESG report and submit it to the audit and review personnel 編寫環境、社會及管治報告並將報告提交至審核管理人員
		• Present the ESG information of the audit and review personnel 滙報審核管理人員環境、社會及管治資訊情況
Record 記錄	Person-in-charge of various functional departments as well as subsidiaries 各職能部門及下屬公司的負責人	• Attend the ESG information management training organized by the ESG team 參與環境、社會及管治小組舉辦的環境、社會及管治資訊管理培訓
		• Arrange for recording, accounting and submission of assigned ESG information in accordance with the requirements of the Company 按公司要求對分配的環境、社會及管治資訊進行記錄、統計和報送
		• Keep departmental records for ESG information 建立部門的環境、社會及管治資訊檔案
		• Raise issues about the recording, accounting and submission of ESG information 提交環境、社會及管治記錄、統計與報送過程中遇到的問題
		• Make recommendations to ESG team of the audit and review personnel to continuously enhance the collection and submission of ESG information 建議至統計層的各環境、社會及管治工作小組成員，以持續提升環境、社會及管治資訊收集和報送品質

Communication with Stakeholders
持份者溝通

Stakeholder Group 持份者組別	Communication Channel 溝通方式	Concern and Expectation 關注與期望	Response/Action 回應／行動
Investor 投資者	• Questionnaire 問卷調查 • Regular release of financial report and data 定期財務報告及數據發佈 • Shareholders' meeting 股東大會 • Investor relations communication 投資者關係溝通	• Corporate governance 企業管治 • Risk control 風險控制 • Information openness and transparency 信息公開透明 • Sustainable profit growth 持續營利增長 • Protection of shareholders' interests 保障股東權益	• Continuous improvement of corporate governance and risk management 持續提升公司企業管治及風險管理 • Timely information disclosure 及時作出資訊披露 • Establishment of feedback platforms, such as telephone hotlines, mail and website 開設電話、郵件及網站等意見反饋平台 • Effective internal control and audit 有效內部控制及審計
Consumer 消費者	• Customer service hotline 客戶服務熱線 • Product labelling 商品標籤 • Mail 郵件 • Social media communication 社交媒體溝通	• Product safety 產品安全 • Product quality 產品質量 • Product information disclosure 產品資訊披露 • Consumers' rights and privacy protection 消費者權益及隱私保護 • Handling of opinions and complaints 意見及投訴處理	• Product safety testing and guarantee 產品安全測試及保證 • Disclosure of product information 披露產品資訊 • Establishment of customer service communication channels 設立客戶服務溝通管道 • Setting up of a sound information exchange mechanism 建立完善的的資訊交流機制 • Develop a comprehensive mechanism for handling customers' complaints 建立完善的客戶投訴處理機制
Employees 員工	• Questionnaire 問卷調查 • Suggestion box for employees 員工信箱 • Opinion survey 意見調查 • Staff training 員工培訓 • Staff activities 員工活動 • Group interview 小組訪談	• Job opportunities 就業機會 • Salary and benefits protection 薪酬及福利保障 • Fair promotion and development opportunities 公平晉升和發展機會 • Establishment of workplace culture emphasise on health and safety 工作環境安全及健康之企業文化構建	• Timely and full payment of wages 及時足額發放薪酬 • Formulation of a competitive salary system 制定有競爭力的薪酬體系 • Establishment of a sound benefits mechanism with flexibility 建立完善的福利機制及彈性處理 • Setting up of transparent promotion mechanism and channel 建立透明的晉升機制和管道 • Development of a long-term and effective career development platform 搭建長遠有效的職業發展平台 • Improvement of working environment and workplace safety assurance 改善工作環境及安全保證 • Consultation of employees' opinions 徵求員工意見 • Regular staff activities 定期開展員工活動
Government and regulators 政府及監管機構	• Regular communication 定期溝通 • Compliance record 合規紀錄 • Policy documents 政策文件 • Response to consultation 回應諮詢	• Lawful operation of legitimate business 合法經營 • Local economies support 支持地區經濟 • Promoting employment 促進就業	• Continuous product innovation and research & development 持續產品創新及研發 • Ensuring the business operation be legitimate 確保公司合規運營 • Active participation of government projects and close cooperation 積極參加政府項目及緊密合作
Suppliers and partners 供應商及合作夥伴	• Questionnaire 問卷調查 • Regular communication 定期溝通 • Assessment and evaluation 審核與評估 • Information sharing 資訊共享	• Fair competition 公平競爭 • Integrity and fulfilment of obligations 誠信履約	• Establishment of a standardized and transparent procurement and management procedures for suppliers 建立規範及透明的供應商採購及管理流程 • Regular assessment and quality record for a responsible supply chain 實施定期評估及質量存檔，打造負責任供應鏈
Trade associations 行業協會	• Regular exchange 定期交流 • Participation in the affairs of trade associations 參與行業協會事務	• Compliance with industry standards 遵守行業規範 • Promoting the growth of industry 促進行業發展 • Research and development of products and technology 研發新產品和技術	• Selecting top companies in the industry and making recommendation on industry standards 參與行業評優，對行業規範提出建議 • Participation of trade association activities 參與行業組織活動 • Sharing of advanced production experience and opinions 先進生產經驗及意見共享
Community 社區	• Fostering community culture 社區文化建設 • Support to underprivileged groups 扶助弱勢群體 • Community services 社區服務	• Promotion of community development 支持社區發展 • Respecting community culture 尊重社區文化 • Ecological environment protection 保護生態環境	• Active engagement in charity and donation 積極開展慈善捐贈活動 • Participation in community and charity events 投身社會公益活動 • Great efforts in community services 積極參加社區服務

Materiality Assessment

In preparation of the ESG Report, we have appointed an independent consultant to conduct materiality assessment on the ESG issues of the Group, which allows us to understand stakeholders' views in terms of their concerned area, their opinions on the Group's ESG efforts for the past year and their expectations on the ESG Report. Based on the above process, we determined the disclosure framework and content for the ESG Report and respond to the stakeholders' opinions and expectation.

重要性評估

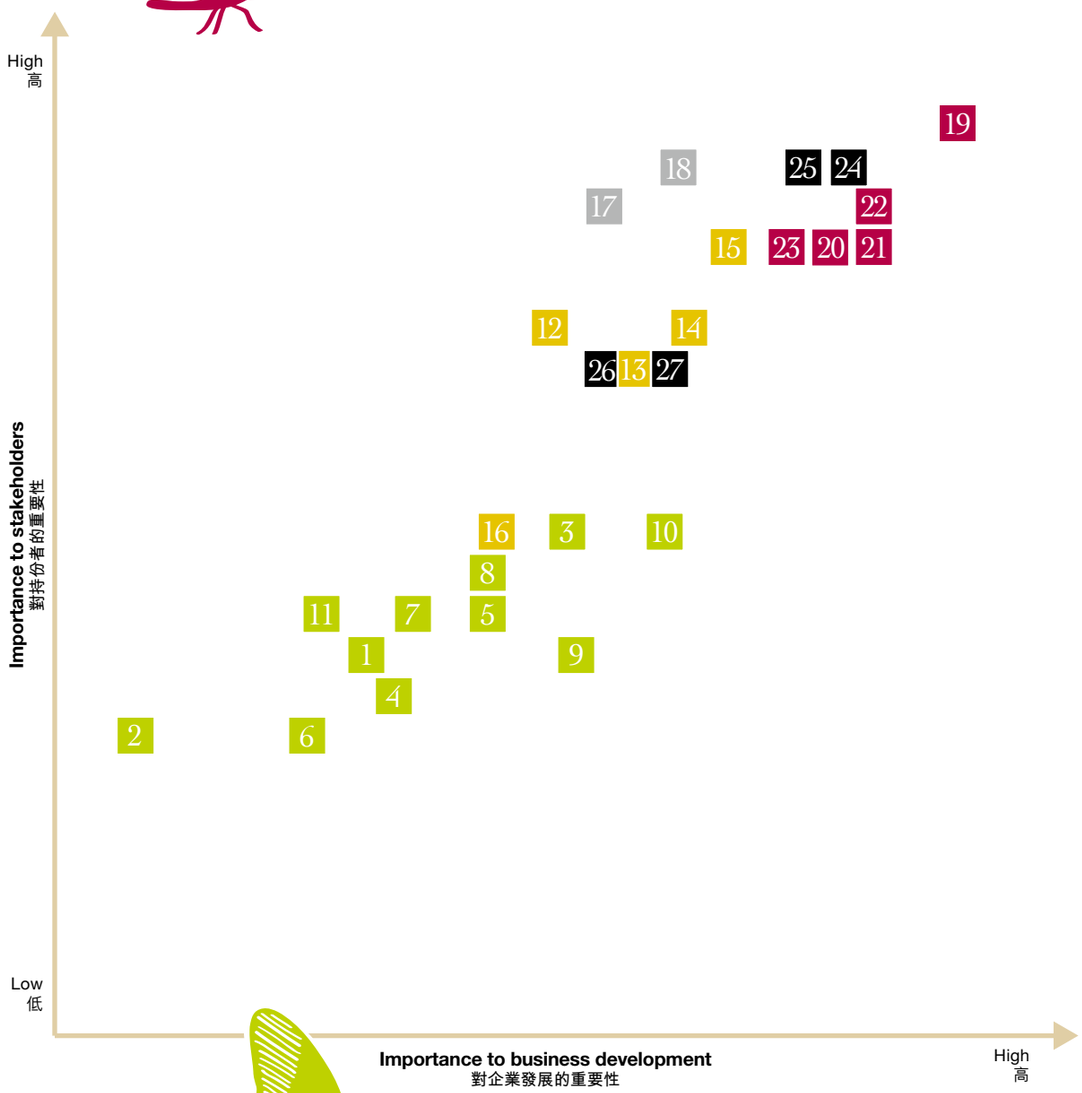
在環境、社會及管治報告籌備期間，我們特意委託獨立顧問對本集團在環境、社會及管治相關的議題進行重要性評估，以瞭解各持份者所關注的議題、他們對本集團在過去一年就環境、社會及管治工作的評價，以及對環境、社會及管治報告的期望，從而訂立本環境、社會及管治報告披露框架及內容，回應持份者的意見及期望。

There are mainly four stages of the materiality assessment. Firstly, we identified the stakeholders relevant to the business of the Group and a series of ESG issues. Secondly, we carried out the stakeholder communication program to gain insights into the ESG issues that concern them. Thirdly, we analysed and prioritised such issues, and lastly, submitted to the management for confirmation. Relevant procedures are shown below:

重大性評估主要分四個階段進行，先識別與本集團業務相關的持份者和一系列環境、社會及管治議題，然後進行持份者溝通計劃，瞭解他們對環境、社會及管治所重視的議題，從而分析及排序重要性議題，最後交由管理層確認。相關流程如下：

Identification of stakeholders **持份者識別**	Based on the ESG report preparation standards set out in the Guide, the nature of our business and other factors, we identified groups of significant stakeholders and formulated stakeholder engagement program specifically designed for each group. 基於《指引》環境、社會及管治報告編製標準及公司業務性質因素，識別出各重要的持份者組別，並對各組別制定針對性的持份者參與計劃。
Communication with stakeholders **持份者溝通**	We collected stakeholders' opinions through questionnaires and interviews to identify their top ESG priorities and expectations. 通過問卷和訪談收集各持份者的意見，瞭解他們對本集團在環境、社會及管治上優先關注的議題和期望。
Screening and assessment of material issues **篩選及評估重大性議題**	We analysed and ranked the ESG issues according to the research results, and then screened out significant issues using the materiality matrix. 根據持份者調研結果對各環境、社會及管治議題進行分析及排序，並得出重要性矩陣，從而篩選出重要的議題。
Management confirmation **管理層確認**	The results of the analysis was submitted to the management for final confirmation, and the material issues identified from the results became the important basis for formulating the reporting framework and ESG strategy. 把分析結果遞交公司管理層進行最終確認，並以分析結果得出的重要議題作為制定報告框架及環境、社會及管治策略的重要指標。

Materiality analysis for ESG report
環境、社會、管治報告重要性分析



Environment and use of resources **環境與資源使用**		
1	Effect of climate change on risk of operation and income 氣候變化對運營、收入的風險影響	
2	Emission of greenhouse gas and emission reduction 溫室氣體排放及減排處理	
3	Compliance with relevant environment protection regulations 遵守相關環境保護法規	Moderate
4	Research and development and application of environmental protection technologies 環境保護技術研發及採用	
5	Production and treatment of hazardous and non-hazardous waste 有害廢棄物及無害廢棄物產生及處理	
6	Energy consumption and energy saving performance 能源消耗及節能表現	
7	Sewage discharge and carbon reduction 污水排放及減排處理	
8	Recycling and reuse of material 物料回收或重用	
9	Use of water resources and water saving performance 水資源使用及節水表現	
10	Use of raw materials and materials 原材料和物料的使用方式	Moderate
11	Significant impact of business activities on environment and natural resources 商務活動對環境及天然資源的重大影響	Moderate
Employment **員工僱用**		
12	Staff diversity and fair opportunity 員工背景多元化及平等機會	Moderate
13	Compliance with regulations protecting labour rights 遵守相關勞工權益保障法規	Moderate
Staff safety and health **員工安全與健康**		
14	Safeguarding employees' occupational safety and health 保障員工職業安全健康	Moderate
15	Employee remuneration, development and training 員工待遇、發展與培訓	High
Labour standards **員工勞工標準**		
16	Prevention of child labour and forced labour 防止使用童工及強迫勞動	Moderate
Supply chain management **供應鏈管理**		
17	Assessment on supplier's environmental, social and labour rights performance 供應商環境、社會、勞工權益表現評估	Moderate
18	Supplier engagement and appraisal 供應商聘用及審核方法	High
Product responsibility **產品責任**		
19	Safeguarding customers' health and safety 保障客戶健康及安全	High
20	Handling and responding to customers' complaints 處理客戶的投訴及應對方法	High
21	Protection of intellectual property 保障知識產權	High
22	Quality inspection process and product recall procedure 品質檢定過程及產品回收程式	High
23	Protection of customers' privacy and personal information 保護客戶的隱私及個人資訊	High
Anti-corruption **反貪腐**		
24	Compliance with anti-corruption regulations 遵守相關反腐法規	High
25	Internal and external anti-corruption performance 公司內部及外部的反腐倡廉表現	High
Community **社區**		
26	Effect of daily operations on surrounding communities 日常業務對周邊社區產生的影響	Moderate
27	Contribution to community 社區貢獻	Moderate

High — Issues with high materiality 高度重要性議題
Moderate — Issues with moderate materiality 中度重要性議題

Awards

In recognition of our achievements in the medical industry, the Company was awarded the "World Branding Awards 2017-2018 (Global)" by the World Branding Forum in the United Kingdom for three consecutive years, which demonstrated the wide recognition of our brand in the global community.

During the Year, the Company was also honoured the "2017 Outstanding Chinese Medicine Enterprise Chinese Medicine Promotion Award" by the Hong Kong Chinese Medicine Industry Association, the "Asia's Influential Brands: Traditional Chinese Medicine-Most Trustworthy Brand" by Influential Brands in Singapore and the "17th Capital Outstanding Enterprise Awards-Outstanding Chinese Medicine Group" by Capital Magazine and South China Financial Holdings Limited.

In 2017, the Group received the "Caring Company" from the Hong Kong Council of Social Service for the fourth consecutive year. The award demonstrated our active undertaking of social corporate responsibility, care for community, employees and environment, and our outstanding contribution to the sustainable development of Hong Kong.

獎項

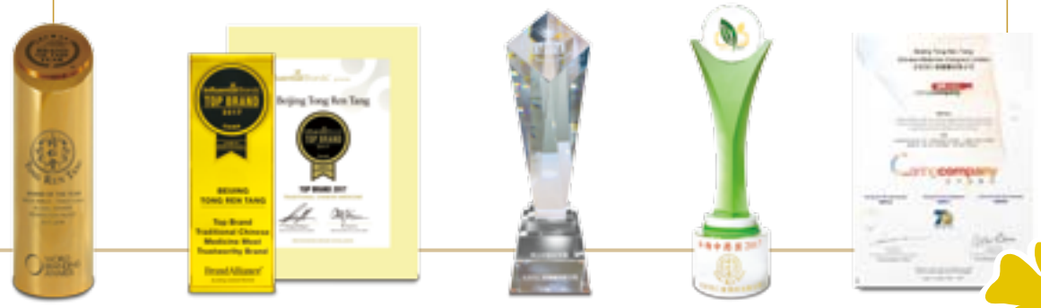
本公司已連續第三年榮獲由英國世界品牌大獎協會頒發的「國際品牌大獎2017–2018（全球等級）」彰顯了同仁堂國藥在醫藥業的成就，代表著品牌得到世界各地的喜愛。

同時，本公司於本年度亦榮獲香港中藥業協會頒發的「2017中國優質中藥企業弘揚中藥獎」、新加坡Influential Brands頒發的「亞洲區最具影響力品牌：中醫藥類 — 最值得信賴品牌」及資本雜誌與南華金融控股有限公司頒發的「第十七屆資本傑出企業成就獎 — 傑出中醫藥集團」。

2017年，本集團更再次榮獲香港社會服務聯會頒發的「商界展關懷」獎項，這是我們連續第四年獲得此殊榮。此獎項充分肯定我們積極承擔企業社會責任，關懷我們的社區、員工及環境，為香港可持續發展作出突出貢獻。

the Group won the World Branding Awards for three consecutive years
本集團連續第三年榮獲世界品牌大獎

Our tradition of contributing to the community and treating society with kindness earned us good public praise
回饋社會、善待社會的傳統贏得良好口碑



Anti-Corruption and Sound Governance

The Group is in strict compliance with national laws and regulations, as well as relevant systems and rules of the Group, which require its employees not to commit misconduct such as offering or accepting bribes or acts of corruption. The Group has implemented effective anti-corruption initiatives, established sound internal audit regulations and internal control systems, and enhanced internal supervision, risk control and anti-corruption management.

We place great emphasis on our responsibility in anti-corruption, for the purpose of maintaining a fair and efficient business and working environment. The Group has included a set of staff codes of practices set out in the internal audit manual, which forbid employees from taking or accepting any form of benefits from any persons, companies or organizations conducting business with the Group. We have set up an internal audit department for all matters relating to the establishment of our internal audit and internal control system. It also supervises our business activities to reduce operating risks. The Group has a zero tolerance policy towards any forms of corruption. During the Year, the control and prevention effectiveness of the Group in areas of risk control and anti-corruption was greatly enhanced by such rules and systems, with no material deficiency identified. There is no corruption litigation against the Group as well.

倡廉善治

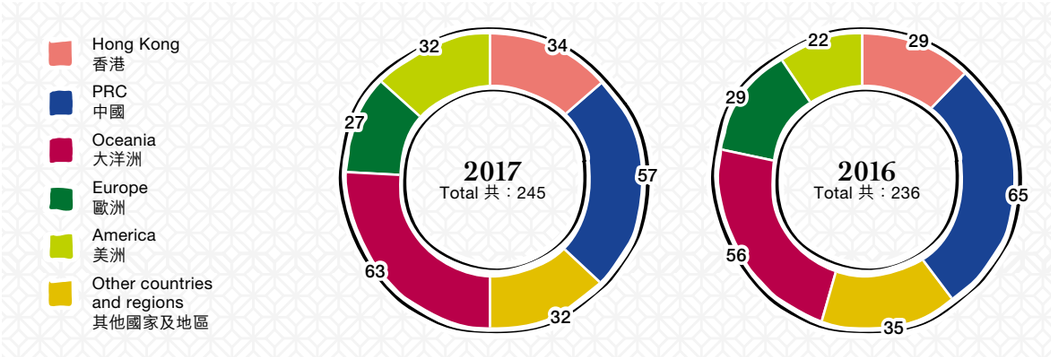
本集團嚴格遵照國家法律法規及本集團有關制度規定，要求員工在任何情況下均不得存在行賄、受賄及貪污等失當行為。本集團有效開展廉潔建設工作，建立健全的內部審計規章制度及內部控制體系，以強化內部監督、風險控制及反腐敗管理。

為維持一個公平及高效率的營商及工作環境，我們高度重視在反貪污方面的責任。本集團於內部審計手冊內已制定相關員工守則，禁止僱員向與本集團有業務來往之人士、公司或機構要求，收取或接受任何形式之利益。本集團設有內部審計部門，全面負責本集團的內部審計及內部控制體系建設工作，對本集團的各項經營活動進行監督，從而降低經營風險。本集團是不會容忍任何形式的貪污行為。本年，該等制度及體系對本集團風險控制及反腐敗管理方面起到了較好的控制與防範作用，沒有發現重大缺陷，而本集團亦沒有發生貪污腐敗相關訴訟。

Tong Ren Tang adheres to the principle of "complexity and quality are not to be forfeited by costs" and stays committed to the strict product manufacturing control procedures from procurement of raw materials, production to quality inspection since its foundation. At the same time, we welcome customers' feedback and strive to offer diverse, safe and effective Chinese medicine through product research and development.

同仁堂從創立至今秉承著「炮製雖繁必不敢省人工，品味雖貴必不敢減物力」的古訓，嚴謹把控原料採購、生產及質量檢測的全過程。同時，我們樂意聆聽客戶的意見，並透過產品研發為客戶提供多元化、安全及高成效的中藥產品。

Suppliers
供應商



Supply Chain Management

We strictly adopt the approach of "Purchase on demand, Select the best quality". We have formulated clear procurement system, supplier management rules and material management procedures to ensure the quality and traceability of the raw material and the compliance with relevant supplier management regulations.

We have stringent requirements for suppliers and carefully inspect the quality of raw materials. The quality of our Chinese medicine products depends on the raw materials and auxiliary materials used in the manufacturing process. Before engaging new suppliers, we request them to provide statutory proof, and will assess their supply capacity, product quality, qualification and reputation etc. Small-scale trial production is carried out for new supplier and we will arrange on-site quality inspection to check their warehouses conditions, quality control, production environment, production technology and scale. This is to ensure the quality of raw materials matches the Group's production standards.

供應鏈管理

我們嚴格執行「按需購進、擇優選購、品質第一」的原則，透過制定清晰的採購制度、供應商管理規程及物料管理程序，確保供應物料的質量及可追溯性，並符合供應商管理相關法規。

我們對供應商有嚴格的要求，嚴謹地檢視原材料的質量。製藥的原材料及輔料對我們中藥產品的品質尤其重要。在選擇供應商前，我們除了要求物料供應商提供法定要求的證明文件外，還會審視供應商的供應能力、產品品質標準、企業的資質及信譽等。我們會對初次合作的供應商進行小批量生產測試，並安排現場質量審查，檢視倉庫儲存情況、質量控制、生產環境、生產技術及規模等，以確保原材料的品質能達到本集團製藥的品質要求。

In addition, we perform regular assessment and keep records of the quality test reports from existing suppliers. We carry out supplier evaluation every two years to check if their products are in compliance with the laws and the Group's requirements. We also keep records of qualified test report on regular basis to ensure the quality of raw materials. Furthermore, we trace back to the growing environment of the ingredients. GLSPC is made of ganoderma lucidum spore powder as ingredients. Thus, the Group assigns a dedicated team to regularly visit the growing environment of Ganoderma Lucidum, the collection and processing environment and its surroundings, with the aim of upholding high quality standards starting at the source of raw materials.

Upon confirming the suppliers and purchase orders, we monitor the quality of raw materials on an ongoing basis. We have established material management procedures for clear inspection. Before entering the manufacturing plants, all materials are subject to preliminary inspection, which concerns if the satisfactory inspection report is obtained, and if the sources and specification are available on the labels of each batch of materials. We also take samples for further testing. Qualified materials are then sorted and stored according to the material storage management procedures and substandard materials are handed over to the quality and production department for follow-up actions. In the course of inspection, materials are classified with colour labels to prevent non-compliant materials entering the manufacturing process.

During the Year, the Group had a total of 245 suppliers (2016: 236) for raw materials, auxiliary materials, packaging materials and commodities. Our suppliers are spread over Hong Kong, the PRC, Oceania, Europe, America and other countries and regions, which provide a stable supply for our materials.

另外，我們會對已確認的供應商進行定期評估及質量存檔。我們每兩年會對供應商進行一次評估工作，檢視供應商產品是否符合法定及本集團要求，並定期存檔相關的質量證明文件，確保原材料的品質。我們還會追溯到中藥原料的種植環境。破壁靈芝孢子粉膠囊是以破壁赤靈芝孢子粉末為原料，故此，本集團專業團隊會定期親身考察赤靈芝的種植環境、孢子粉採集、處理環境及周邊環境，從產品原材料起作嚴謹的把關。

在確認了供應商及訂單之後，我們會持續對原材料質量進行監控。我們制定了物料管理規程，為物料檢定界定了明確的程序。所有物料進廠前均需接受初步檢查，確保每批物料有檢驗合格報告書，以及有清晰標明來源及規格等，並抽取樣本以待檢驗。合格的物料會根據物料儲存管理規程作分類存放，而不合格的物料則會交由質量及生產部門作後續處理。在檢驗的過程中，物料會用顏色標籤作辨識，以避免不合格的物料進入生產程序。

本年，本集團共有245家供應商（2016年：236家）負責提供原材料、輔料、包裝物料及商品。供應商分散在香港、中國、大洋洲、歐洲、美洲及其他國家及地區，以提供穩定供應。

Product Quality and Safety

With our meticulous monitoring over the entire production process and the establishment of the quality assurance system based on the Good Manufacturing Practice (GMP) of Proprietary Chinese Medicine, we make sure that the quality of our products meet the Pharmacopoeia of the PRC and relevant food safety standards. The Group has obtained the GMP certification, and also the international standard of ISO22000:2005 food safety management systems, and Hazard Analysis and Critical Control Points (HACCP) certification for our Tai Po Production Base. Together with our modern manufacturing equipment, our production line has reached world-class level. To ensure product safety, we not only conduct an internal comprehensive quality assurance standard inspection in accordance with relevant product standards on each batch of Chinese patent medicines and healthcare products, but also send the sample to independent third parties recognised by the government to test whether the products comply with the standards set in the registration regulation of proprietary Chinese medicines, the Food Adulteration (Metallic Contamination) Regulations and the Pesticide Residues in Food Regulation imposed by the Centre for Food Safety and other food safety regulations in Hong Kong. In case of adverse event due to any qualified products, we will carry out investigation based on the adverse event monitoring and reporting procedures, and report on such incident according to laws and regulations.

Capitalizing on the modern production facilities and employees' exquisite handiwork, our Tai Po Production Base is manufacturing every Chinese medicine with heart. With new automated production machinery and our comprehensive monitoring by professionals, product quality and effectiveness are guaranteed by a combination of mechanical and manual manufacturing process. We inject Ganoderma Lucidum Spore powder into the capsules mechanically and use precision instrument to ensure the weight of each capsule meets the standard. In parallel with automated production, Tai Po Production Base maintains certain manual manufacturing procedures of Angong Niuhuang Wan. Thus, we rely on the dedication of our professional team to produce each pill.

Automated warehouses
自動化立體倉庫

Certificates for manufacturer
製造商證明書

產品品質及安全

我們一絲不苟地監控整個產品生產過程，並根據香港生產質量管制規範(GMP)制定品質保證系統，確保產品質量滿足中國藥典及相關食品安全標準。本集團的大埔生產基地持有GMP認證，更擁有國際標準ISO22000：2005食品安全管理體系及危害分析中藥管制點(HACCP)認證，配備現代化生產設備，整體生產程序已達到國際水準。我們將每個批次生產的中成藥及保健品根據相關的產品標準做全面內部質量標準檢測，同時亦外送政府認可的獨立第三方作檢驗，檢驗產品是否符合中成藥註冊法規、香港政府食物安全中心《食物攙雜(金屬雜質含量)規例》、《食物內除害劑殘餘規例》及香港食物安全條例的標準，確保產品的安全性。如客戶對任何合格產品有不良反應，我們會按照不良反應監測、報告管理規程進行調查，並遵照法規匯報。

大埔生產基地利用現代化的生產及人手的精湛工藝用心生產每一件中醫藥產品。大埔生產基地設有自動化生產機器，加上專業人員的全面監控以及機械與手工技藝相結合的製造過程，確保產品質量穩定及其效用。我們使用機器將破壁靈芝孢子粉注入膠囊，並用精準的儀器確保每粒膠囊的重量合符規格。在自動化生產的同時，大埔生產基地仍然需要保留著手工製作安宮牛黃丸的部份工序。因此有賴我們的專業團隊，用心製作每一粒安宮牛黃丸。

Manufacturing Standard 生產標準

- Good Manufacturing Practice for Proprietary Chinese Medicines 中成藥GMP
- ISO22000:2005 Food Safety Management System ISO22000:2005食品安全管理體系

Product Standard 產品標準

- Pharmacopoeia of the PRC 中國藥典標準
- Registration Regulation of Proprietary Chinese Medicines of Hong Kong 香港中成藥註冊標準

Production Environment 生產環境

- General Production Area Standards 一般生產區標準
- Grade D Cleanroom Standards D級潔淨生產區標準

We do not only emphasise on precision in and details of manufacturing process, but also impose strict requirements on the production and storage environment. The cleanroom in Tai Po Production Base is installed with separated paths for operators and materials to pass through, which prevent microorganism, particles and other pollutants from entering the production process. The cleanroom of Tai Po Production Base has met the Grade D cleanroom standards. Besides, we offer specific work clothes to operators and make sure their personal hygiene is up to standard. Meanwhile, we monitor the temperature, the humidity and the air pressure in different districts of the production area, clean equipment and measuring instruments on a regular basis; attach labels on materials and semi-finished products, which are sorted and stored by categories to prevent the growth of micro-organisms and cross contamination. The product warehouses must always be kept clean, in order, contamination-free and pollution-free. Hazardous and non-hazardous materials are stored separately as well. The warehouse is equipped for normal temperature storage, cool storage and cold storage, which meet the storage condition of different materials.

According to the quality standard and experimental requirements, the Group performs inspection, data processing and review of all materials and environment at laboratories with different functions in Tai Po Production Base. With reference to the Pharmacopoeia of the PRC and the Standard Operation Procedures for Drug Inspection of the PRC, we formulated the inspection management procedure for laboratory works, so as to ensure that the qualification of inspectors, inspection methodology and inspection equipment are up to standard.

除了重視工序的精準及細節外，我們對生產及存放環境同樣有嚴格的要求。大埔生產基地設有潔淨區域，分別設有讓操作人員及物料通過的氣閘，減少微生物、微粒等污染產品進入生產程序的機會。現時大埔生產基地的潔淨區已達D級潔淨生產區標準。我們更為操作人員提供指定的工作服裝，並確保操作人員的個人衛生符合要求。同時，我們監控生產現場的溫度、濕度及不同區域的空氣壓力；定期清潔設備及計量器具；物料及半製成品均有清楚的標籤，並按規定分類擺放，以避免微生物滋生及交叉污染的機會。產品的倉庫亦必須經常保持衛生清潔、有序、無污染物及污源，有毒及無毒的物質亦會分開存放。倉庫分為常溫儲存庫、陰涼儲存庫、冷庫等以滿足不同的物料儲存。

大埔生產基地根據質量標準及實驗要求，分別設有不同功能的實驗室，對所有物料及環境進行檢驗、數據處理與複檢。我們依據《中國藥典》及《中國藥品檢驗標準操作規範》制定了實驗室檢驗管理規程，確保檢驗人員資格、檢驗方法、檢驗儀器等符合要求。

Product Research and Development

Our research and development department has put into great efforts in the development of owned products, thereby enriching Tong Ren Tang's product portfolio and enhancing product diversity. During the Year, the Group filed applications in Hong Kong and other overseas countries and regions for the product registration. We also filed a total of 8 patent applications, in which 3 patents on design of Angong Niuhuang Wan, which is our key product, were accepted. Meanwhile, it also made huge investment in fundamental research and development with renowned Hong Kong, PRC and overseas professional research universities and institutions on quality, efficacy and other in-depth study of renowned products including Angong Niuhuang Wan, Tongren Niuhuang Qingxin Wan, GLSPC and etc. to maximize product advantages and to enhance product recognition in overseas markets.

Responsible Sales

The Group is in compliance with regulations relating to products and services. It endeavors to manufacture and sell products for customers' physical wellbeing. All Chinese medicine products sold by us are manufactured in accordance to the Chinese Medicine Ordinance and registered with the Chinese Medicine Council of Hong Kong. For over 300 years, we have manufactured Chinese medicine based on our own recipe and we do not tolerate any false representation of efficacy and ingredients. All description and promotion materials on our products are designed in the manner as required by the Undesirable Medical Advertisements Ordinance and the "Trade Descriptions Ordinance", hence, customers can have access to suitable Chinese medicine products.

We take customers' feedback seriously. The Group has developed the product return procedure for products returned due to any reasons. Upon receiving notice for return of goods, our professional inspection team will take samples of the returned goods and identify sellable products from unqualified ones. Sellable products that are returned due to delivery error, wrong order, operational reasons and damaged packaging will be sold in the market after passing the quality test. On the other hand, substandard products with quality issues will be gathered and destroyed. The technology and quality control department and the production department will review all returned products and formulate specific measures to prevent recurrence of similar events. During the Year, none of the products of the Group were returned due to safety and health reasons.

Aiming to offer quality products and services, the Group handles all customer complaints prudently. Our after-sales consultation and complaint handling procedure is in place, which stipulates the basic requirements for handling customer complaints and ensures there are detailed records, follow-ups and replies for all cases. Where there are issues relating to product quality, durability, reliability, safety, effectiveness or defects in design or functionality, customers can make suggestions to us through phone call, email, letter or make a visit to our stores in person. Our professional staff will listen and handle each comment and feedback diligently, and make detailed records of such incidents. The technology and quality control department will promptly identify the causes of the complaints, recall or replace the defective products. All complaints handling processes are recorded for annual evaluation and feedback, so that our products and services are continuously enhanced. During the Year, the Group received 3 product complaints. Following our investigation, it was confirmed that there was no issue with our product, and we had made timely reply to the customers and taken appropriate actions.

In the meanwhile, we keep customers' privacy strictly confidential. Our staff are not allowed to disclose customers' information, purchase records and medical records to external parties. We have also included the disciplinary actions for violations in the staff manual and forbid employees to disclose customers' personal information without the written consent of the Company. Unauthorized copying, retention and taking away of confidential information is subject to disciplinary actions.

產品研究及開發

本集團設有研發部門大力開發自有品種，豐富「同仁堂」品牌的種類及提升產品多元化。本年內，本集團於香港及其他海外國家和地區提交了一系列產品的註冊申請和備案，同時共提交8項專利申請，其中針對重點品種安宮牛黃丸的3項外觀專利已獲得批准。與此同時，本集團大力投放資源於基礎科研工作，一直聯合香港及海內外科研院所及知名研究機構，大力發展安宮牛黃丸、同仁牛黃清心丸、破壁靈芝孢子粉膠囊等知名產品的合作科研項目，針對品質、功效等深入研究，最大程度地發掘產品優勢並提升海外市場認知度。

良心及負責任銷售

本集團遵守產品與服務相關法規，用心為客戶的健康製作及銷售每一件產品。我們所有出售的中醫藥產品皆有遵照《中醫藥條例》製造，並經香港中醫藥管理委員會註冊。我們以秘方製藥超過300年歷史，不容許任何關於藥物成效、成分標籤的虛假陳述。所有關於產品的説明及宣傳也遵從了不良廣告(醫藥)條例及《商品説明條例》，讓客戶能獲得合適的中醫藥產品。

我們認真對待及處理客戶對我們產品的評價，並制定了產品退貨管理規程以便處理因任何原因而需退回的產品。在收到退貨通知後，退回的產品會由我們專業的檢驗團隊進行取樣檢驗，分辨可繼續出售的產品及不合格的產品。可繼續出售的產品例如因發貨、訂貨錯誤、經營原因、包裝破損等而退貨的產品會在品質檢定合格後繼續出售。而因質量問題而不合格的產品會統一銷毀處理。技術品質部及生產調度部會對所有退回的產品進行檢討並定出相關具體措施避免相同事件發生。本年內，本集團沒有產品因安全與健康理由而須回收的產品。

本集團致力為客戶提供優質的產品及服務，用心處理每一個客戶的投訴。我們制定了產品售後諮詢及投訴處理管理規程，規定了員工處理客戶投訴的基本要求，確保每一個投訴有詳細的記錄、跟進及回覆。客戶如有任何關於產品質量、耐久性、可靠性、安全性、有效性或設計上性能上的缺陷，可以透過電話、電郵、書面或親身到門市提出意見。我們的專業處理人員會在收到投訴後盡心理解及處理每一個意見反饋，並詳細記錄投訴事件。技術質量部會立即查明投訴的原因、回收及更換有問題的產品。所有投訴的處理過程會被記錄，用作年度分析及反饋，以持續優化我們的產品及服務。本年內，本集團接獲3宗有關產品投訴，但經本公司查核後，證實產品並沒問題，並即時回覆客人及作妥善處理。

與此同時，我們嚴格保障客戶個人私隱，禁止員工向外洩露顧客資訊、購買產品記錄及病歷等。我們在員工手冊制定了紀律處分範圍，禁止任何員工未經公司書面同意而向外界資訊，包括客戶個人私隱資料。任何員工未經公司同意而私自將保密文件覆印、保存或帶離公司將會受到紀律處分。

The "culture of people-orientedness and the goal of mutual benefits for employees and the Company" are deeply rooted in Tong Ren Tang. Since the start of business, the Group aims at "nurturing kindness and virtue" within and outside the organization. As a result, the management and employees have fostered friendship and created a benevolent atmosphere to work harmoniously together.

Our people are the foundation of our success. Thus, the Group emphasises the importance of talent sustainability and is endeavored to becoming an outstanding employer with an excellent team. For the purposes of attracting and retaining high caliber people, the Group formulated a set of sound human resources policy to safeguard employees' rights. In addition to complying with regulations that protect labour rights, the Group set up the "Manual for Staff at the Company's Headquarter", the "Manual for Store Staff at the Company" and the "Code of Practice in the Manual of Management and System of the Company", which stipulate the rights and obligations of employees, with the aim of creating a safe, friendly, fair and secured workplace.

「以人為本・人業共興」的人本文化深植在同仁堂之中。由創業伊始，同仁堂無論對內對外均以「仁德」為根本，管理層與員工相處融洽，表現出上下和諧的「仁善」氛圍。

員工是公司賴以成功的基石。故此，本集團非常重視人才的可持續發展，並致力建立一流的團隊及成為優秀僱主。為吸引及保留優秀人才，本集團制定完善的人力資源政策保障員工的利益。除了遵守相關勞工權益保障法規，亦設有《國藥公司本部員工手冊》、《國藥公司藥店員工手冊》及《公司管理制度手冊之員工守則》，列明員工享有的權利及應負的責任，為員工締造安全、友善、平等及保障工作環境。

2016/2017 Community Chest Hong Kong & Kowloon Walk For Millions (Hong Kong)
2016/2017年度港島、九龍區百萬行(香港)
Hong Kong 香港

Team building and outward bound activities
拓展活動
New Zealand 新西蘭

Visit People's Liberation Army Hong Kong Garrison
參觀解放軍駐港部隊
Hong Kong 香港

Human Capital

Labour Standard

We remunerate our employees according to the minimum wages requirements as stipulated in local laws and regulations, and carry out recruitment and employment procedures in strict compliance with the "Employment Ordinance" and the "Minimum Wage Ordinance". The Group does not commit the offence of employing child labour or forced labour. In preventing child labour, we require job applicants to produce identification documents for verification. In the event of non-compliance, the Company will report to the relevant government department in accordance with the laws and extend its full co-operation to the investigations so as to help the victims. Apart from that, the Company will also impose disciplinary actions against relevant personnel, or terminate the employment in serious cases. The Group will handle relevant matters based on the internal rules such as the "Scope and Procedure of Disciplinary Actions" and "Procedure for Termination of Employment".

In order to recruit suitable candidates, the Group has established the qualification and selection requirements for different job positions, which state the duties, required skills, knowledge, experience and qualification of each position.

The Group adopts general recruitment, internal recruitment and employee referral as its recruitment channels. It will only consider applicants who pass relevant interview or written test, as well as the verification of their academic qualification and vocational skills for the job position. It adheres to the principle of "distribution based on contribution" and practices equal pay for equal work. Employees are not paid differently due to their gender, age, race or religion.

人才資本

勞工準則

本集團旗下員工均符合當地相關法律及規例所規定的最低工資要求，招聘及使用標準均嚴格遵照《僱傭條例》、《最低工資條例》等相關法例執行，並無違法僱用童工或強制勞工。為確保公司不會聘僱用童工，本集團規定應聘人士必須出示身份證明文件進行核實。如發現有關違規情況，公司會依照相關法律向相關政府部門報告，並全力配合調查，盡力協助受害員工。同時，公司會對相關違規員工作不同程度的紀律處分，情況嚴重者或被解僱，並根據本集團《紀律處分範圍及流程》、《離職流程》等內部守則處理相關事宜。

為招聘合適員工，本集團為不同崗位訂立了相應的任職資格及甄選準則，列明各崗位承擔的責任，應具備的技能、知識、經驗和素質等。

本集團的招聘渠道包括社會招聘、內部招聘及員工推薦等。每位應徵者通過相應的面試或筆試，以及相關崗位對學歷及專業技能等方面的驗證後，方獲考慮聘用。本集團依循「按勞分配」原則，實行同工同酬，員工不因性別、年齡、種族、宗教等差別而有不同薪資待遇。

Employee Care and Retention

We regard our people as valuable assets. Therefore, we take various staff care initiatives to retain talents. Our "Human Resources Policy" safeguards all aspects of labour rights, including working hours and annual leaves.

Furthermore, the Company regularly reviews the remuneration and benefit policy, with the aim of establishing a sound and international remuneration structure. This position-focused and goal-oriented structure is determined based on employees' competency and work performance, with reference to market rate, individual ability, qualification and experience. Annual performance-based bonus is issued as well to motivate employees, in the hope of boosting efficiency with salary rise. At the same time, our welfare system combines local statutory staff benefits with voluntary ones and offers more paid holidays as required by laws. We also provide traditional Chinese medicine physician consultation services free of charge and employee medical insurance to take care of employees' health and cater to their diverse needs.

僱員關懷及挽留措施

我們視員工為公司的寶貴資產，已制定不同措施關懷及挽留員工。本公司的「人力資源政策」保障員工各方面的勞工利益，如工作時間，假期制度等。

另外，本公司定期檢討薪酬及福利政策，為員工建立完善的國際化薪酬架構。架構以崗位價值為核心，目標為導向，員工履職能力和工作業績為依據，參照市場的薪酬水準，員工能力、資歷和經驗而釐定，亦會按年內個人表現發放獎金，以鼓勵員工積極工作，力求薪酬與工作效率同步提升。同時，公司結合當地法定福利和自主福利，給予多於法定的有薪假日，並免費提供中醫諮詢服務及購買員工醫療保險，照顧員工的健康，滿足員工多元化的需求。

In view of the severe damages caused by Typhoon Hato, which hit Macao on 25 August 2017, we have delivered disaster relief materials, including water, rations and first aid materials to Tong Ren Tang Macao. Our Macao employees have worked ceaselessly to resume our business and have demonstrated strong cohesion and commitment to the Company.

本年，颱風「天鴿」於2017年8月25日重創澳門，我們發起運送物資救災的行動，捐贈物資包括水、乾糧、急救用品等赴同仁堂(澳門)，同仁堂(澳門)全體員工都為公司能夠儘快恢復正常經營夜以繼日的工作，體現了同仁堂(澳門)大家庭的凝聚力和奉獻精神。

"We organised a wide range of sports and cultural activities with "healthy life, happy work" as the theme to enrich employees' life in their spare time, which have improved staff relationship and boosted team cohesion."

「我們以「健康生活，快樂工作」為主題，組織和開展了豐富多彩的文體活動，豐富員工的業餘文化生活，增進員工感情，增強團隊的凝聚力。」

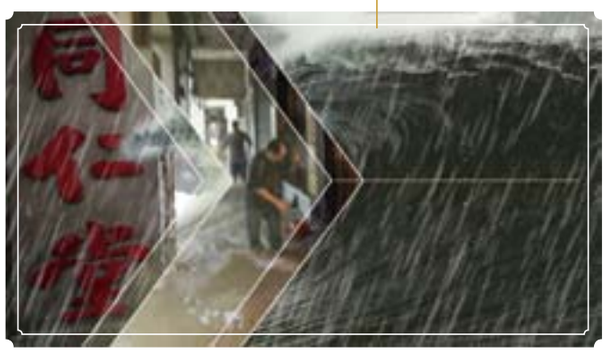
Badminton competition
羽毛球健身賽
Czech Republic 捷克

Day trip to Batam
巴淡島一日遊
Singapore 新加坡

National day Celebration to promote workplace cohesion
慶祝國慶，促進員工之間的凝聚力

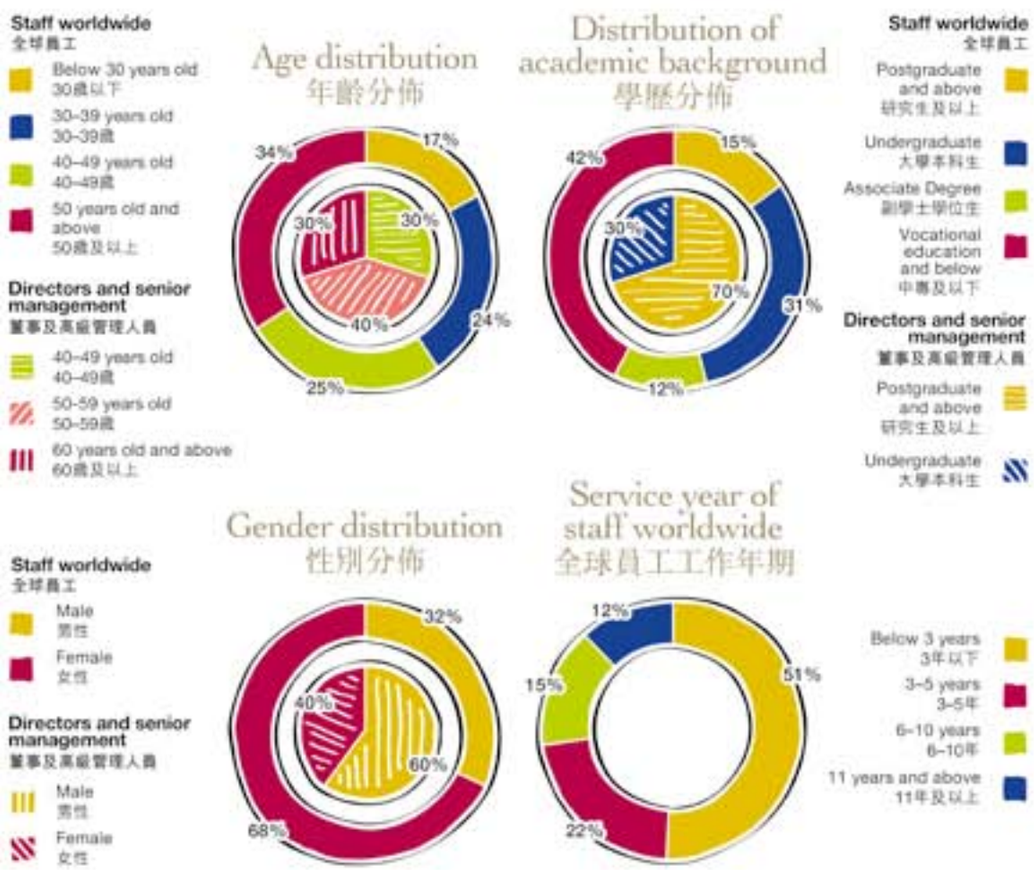
Prosperity and good fortune in Spring Festival
吉祥如意春節好
Malaysia 馬來西亞

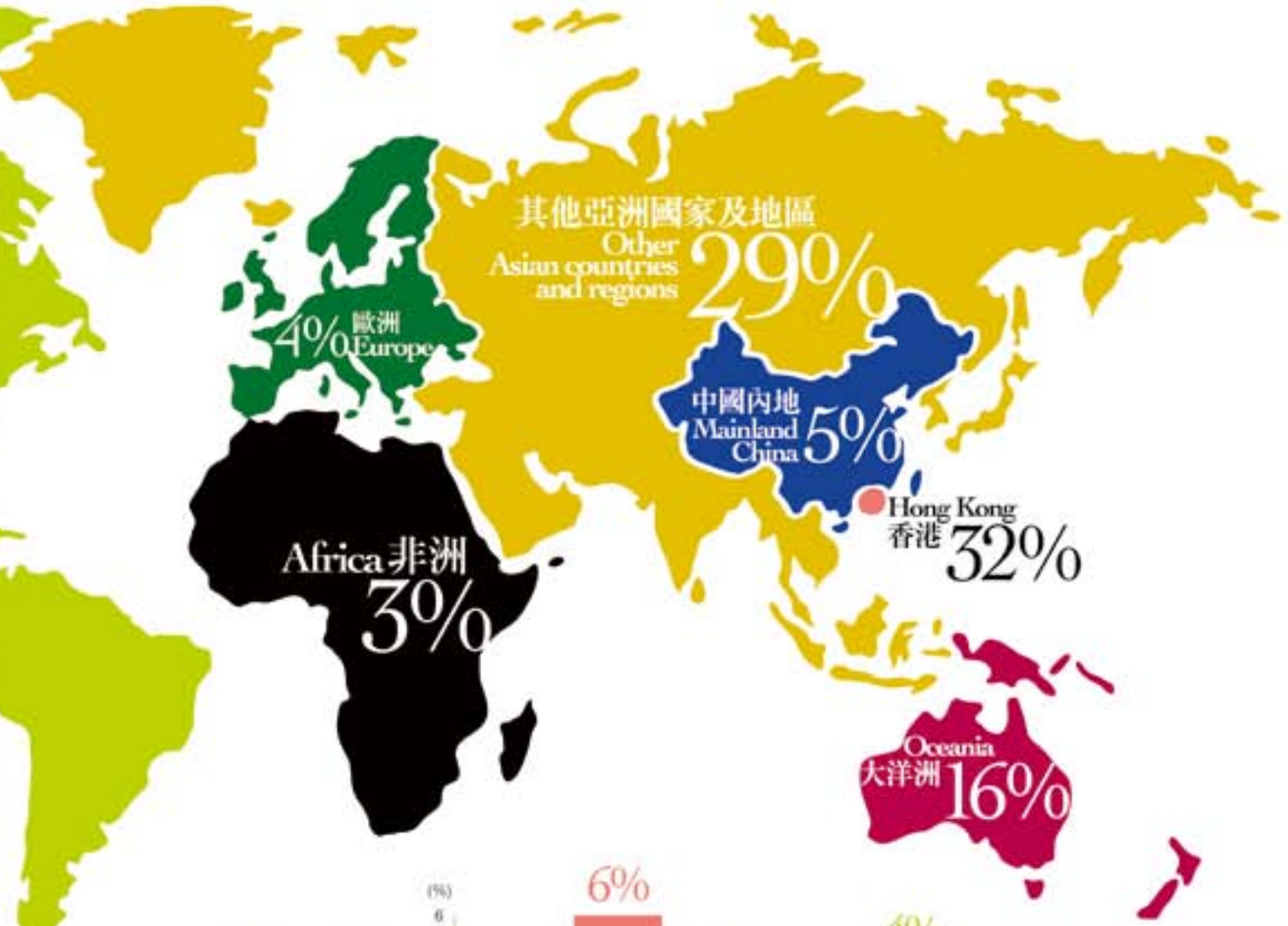
Organised staffs to attend the lion dance performance of Hin Hua High School and showcased traditional Chinese festival culture through the activity of "Sending Warm Greetings"
組織員工觀看興華中學醒獅團隊的表演及通過現場互動活動「福星送吉祥」讓員工體驗傳統的中國吉祥文化

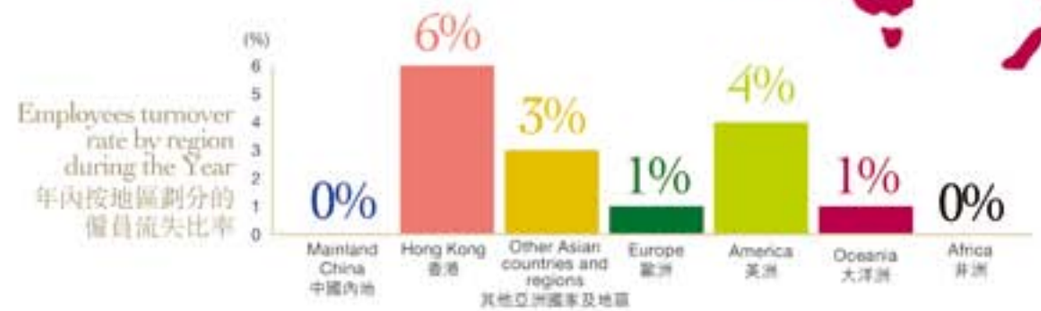


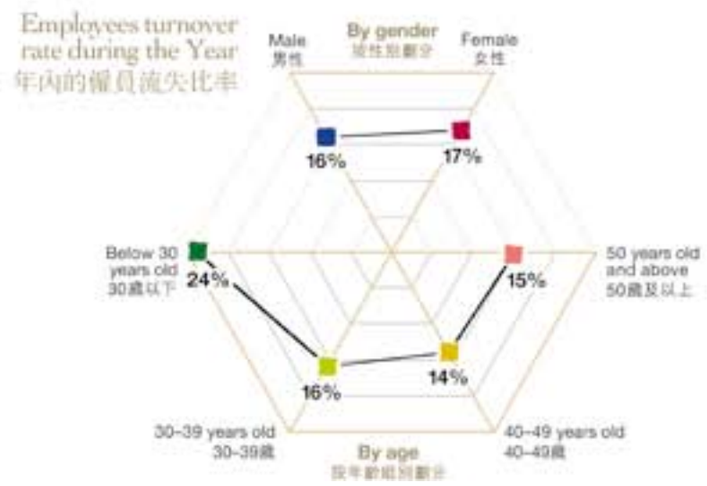
Tong Ren Tang Macao fought "Hato" together
澳門同仁堂齊心協力戰「天鴿」
Macao 澳門

GLOBAL DISTRIBUTION OF STAFF
全球員工分佈









Health and Safety

The Group places great emphasis on employees' health and safety. It is dedicated to create a safe, clean and accident-free workplace while maintaining strict compliance with and actively implementing the "Occupational Safety and Health Ordinance" of Hong Kong. In addition, the Group is required to submit the Annual Training Proposal to the Department of Health, setting out details of its monthly training and the corresponding categories. Such training is complemented with questions and the completion of training is subject to passing of the test. The Group also maintains individual employees training attendance records and other relevant records. As a result, our staff is able to work in a safe and healthy environment which protects them against injury. In the meantime, the Company organizes annual medical check-up for employees to ascertain their physical conditions and identify any potential health problems as soon as possible. This allows them to take actions in time, thereby reducing the risks of serious illnesses.

Workplace safety measures

Our people's safety is our main concern. Hence, we have established a set of measures and guidelines for workplace safety. Our employees are required to strictly follow and observe the safe operating procedures, with the aim of minimising injury and occupational diseases.

健康及安全

本集團非常關注所有員工的健康和安全，致力為員工創造安全、衛生及零意外的工作環境，並嚴格遵守及積極實施香港《職業安全及健康條例》。另外，本集團每年亦要向衛生署呈交全年培訓計劃書，計劃書內容會包括按月之培訓內容並針對分類，所有培訓亦有相應試題配合，合格後才算完成培訓。並同時會為每位員工開立一個獨立檔案，以記錄每位員工所參與過的培訓及相關紀錄等，從而確保員工在安全及健康的環境下工作，防止受傷情況發生。同時，公司每年均組織員工接受身體檢查讓員工瞭解自己的身體狀況，致使及早發現身體疾病，並及時作出跟進，亦可減低日後患上嚴重疾病的機會。

工作場所安全措施

本集團非常關注員工安全，已於工作場所設立安全措施及指引，並要求所有員工嚴格遵守及熟記崗位安全操作規程，以減少受傷及罹患職業性疾病的機會。

Training on safe use of machinery and equipment at store
門店機器設備安全使用培訓
Malaysia 馬來西亞

STCM software training
STCM 軟件培訓
Australia 澳大利亞

Training on stability and security at store
門店穩定及安全保衛工作的培訓
Malaysia 馬來西亞

Seminar on the fire safety education bus at Tai Po Production Base
大埔生產基地消防巴士培訓講座
Hong Kong 香港

Employees' safety awareness

To raise employees' awareness, the Company holds occupational safety and health seminars from time to time. It also conducts staff appraisal to ensure they have enough safety knowledge, thereby guaranteeing their safety.

Evacuation drill

We invited officers of the Fire Services Department of Hong Kong to Tai Po Production Base, where they conducted evacuation drill and fire safety talk. Through promotional videos, employees learnt how to keep calm in case of fire and the proper use of fire protection equipment such as fire extinguishers, fire blankets and the way to break glasses of fire alarm call point. Our staff participated in the evacuation drill on the training day as well.

員工安全意識

公司不定期舉辦關於職業健康與安全之講座，以提高員工對職業健康與安全意識，亦會對員工進行相關考核，確保員工已具備足夠的安全知識才工作，以更有效地保障員工安全。

疏散演練

我們邀請香港消防處的消防官親自到大埔生產基地進行消防防火演習及防火講座。透過宣傳短片教授員工如何冷靜面對火警發生，示範如何正確使用滅火筒、滅火毯及打破警鐘玻璃等消防設備的使用，並於培訓當天也進行了火警逃生演習。

Medical and accident insurance

Seeing employees' physical and mental wellbeing as its priorities, the Group not only offers basic medical and accident insurance to all qualified staff, but also encourages them to maintain work-life balance and stay healthy by meeting their career, family and social needs.

醫療和意外保險

本集團非常關注員工的身心健康，除了提供基本醫療和意外保險給所有符合條件的員工，也鼓勵員工在工作、家庭與社交生活等各方面的需求得到滿足，以達至作息平衡，保持良好體魄。

Directors and Senior Management Training
董事及高級管理人員培訓
Hong Kong 香港

Training on quality control
品質工作培訓
Hong Kong 香港

Understanding Tong Ren Tang's culture through store visits
參觀瞭解同仁堂文化
Hong Kong 香港

Tong Ren Tang's culture training
同仁堂文化培訓
New Zealand 新西蘭

Development and Training

Development and training policy

The Group places great importance to employees' career development and planning. Believing in "business growth driven by talent", we offer a broad range of training program targeting different job positions, which enhance specific job knowledge and skills. For our directors and senior management, we provide tailor-made professional training for them to sharpen management and planning skills. Based on employees' opinions, we regularly update the training program and set suitable development approach for them to pursue continuous improvement. These initiatives intensify their sense of belonging and mission, which contributes to a harmonious working atmosphere.

We aim to strengthen employees' commitment to the Company, including the culture, value and belief of Tong Ren Tang. Our staff receives training on various topics from time to time, where they experience and practice the essence of our corporate culture. These initiatives target to establish a code of conduct by promoting the corporate spirit of "Nurturing kindness and virtue, Preserving tranquility and wellness", the "Two Must not-dos" and the unique Tong Ren Tang culture among staff.

發展及培訓

發展及培訓政策

本集團非常重視員工事業發展及職業規劃。秉承著「人才促進發展」的理念，我們按照不同工作崗位的需要，給予不同種類的培訓，提升員工的工作知識和專業技能。對本公司董事及高級管理人員，我們更提供度身訂做的專業培訓，使他們可提升管理及策劃等技能。我們亦會根據員工意見定期更新培訓內容，為員工制定適宜的發展方針，力求不斷進步，從而提高員工對企業的歸屬感和使命感，營造和諧融洽的工作氛圍。

同時，我們也著重員工對公司的認同，包括同仁堂企業文化、價值和理念。全體員工會不定期就相關課題進行培訓，深刻感悟到同仁堂企業文化的精髓並付諸實行，令他們更瞭解「同修仁德、濟世養生」的企業精神、兩個「必不敢」古訓及同仁堂特色文化，以培養良好的行為規範。

Training Topics

Management and administrative staff

In order to raise awareness towards contract risk management, we organised legal training on contract management for department managers. Adopting the case study approach, the course took into consideration our actual conditions and analysed the legal risks and elements of litigation, as well as common issues in the execution and performance of contract, thereby enhancing contract risk identification and resolution.

各項培訓內容

管理及行政人員

為增強合同風險管理意識，我們舉辦了合同管理法務培訓予各部門管理人員，培訓內容通過案例進行講解，並結合公司實際情況，分析各企業法律風險和訴訟要素，以及合同簽訂履行中容易出現的問題，從而提高各業務人員對合同風險辨識及解決能力。

Production staff

Specific production staff plays a crucial role in quality assurance. To make sure they have sufficient knowledge about factory safety, on-site management and cleaning, we organised regular trainings on safety production, environmental hygiene, and also quality assurance, and special trainings for 4 designated positions for new recruits, including training on safety management, traffic safety management, fire safety management and security management. Our staff will fully understand the use of firefighting equipment and safety matters that require their attention after completing the training on fire safety knowledge, which covers introduction to fire escape stairs and emergency exits within plants, existing firefighting equipment and steps in using such equipment. By showing real photos of post-cleaning sites to employees, the training on on-site management and cleaning educates them on the cleaning requirements of GMP, including daily cleaning and batch cleaning.

生產人員

全職專責生產員工是公司產品質量保證的重要一員。為確保他們對廠房安全、現場管理及清潔的認識，公司定期組織對員工的安全生產、環境衛生及質量保證的培訓，特別對每位新員工進行4個指定職位需求的培訓，包括安全管理、交通安全管理、防火安全管理及治安保衛安全管理。廠房消防知識培訓讓員工充分瞭解消防設備的使用方法和需要注意的安全事項，內容包括介紹廠房的逃生樓梯、逃生出口及廠房現有的消防設備用途及使用方法。現場管理及清潔培訓則通過實例圖片讓員工們知道清場後的現場環境效果，讓員工們瞭解GMP中的清場要求，包括日清場及批清場等。

Training for frontline salespersons and new recruits

To enhance salespersons' service level and efficiency of frontline staff and new recruits, we offer product knowledge training to deepen their understanding of our products.

前線銷售及新入職員工培訓

為了提升前線銷售人員及新入職員工的業務水準和工作效率，我們提供了公司產品知識培訓，從而增強他們對產品功效的認識。

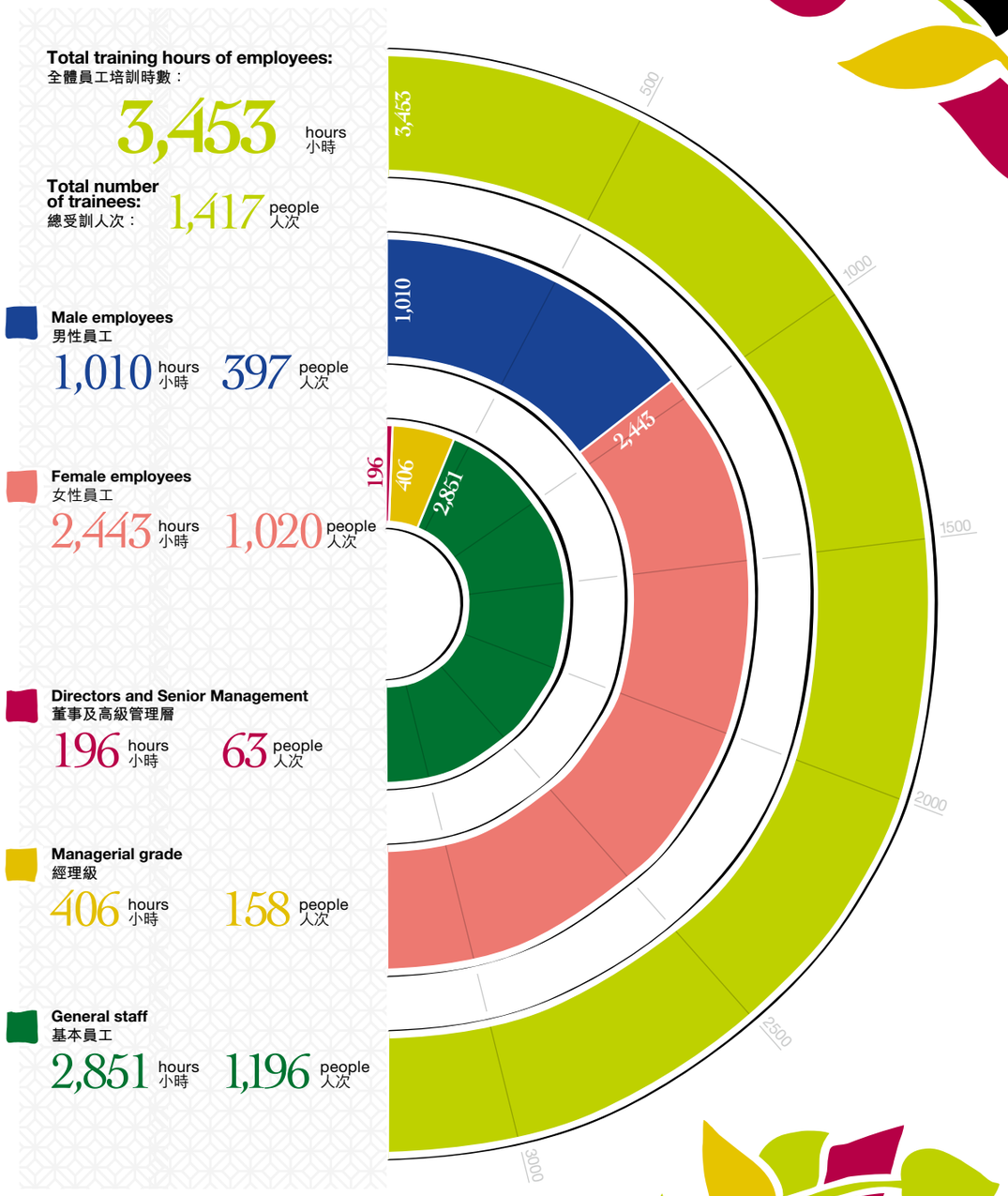
Health training for all employees

We see employees as one of our most valuable assets. The Group organized the "Prevention is Better than Cure-Practical knowledge of prevention and cure of cancer" seminar for all staff, so that they can recognise the health needs of themselves and their families in time, and address such issues promptly.

全體員工健康培訓

我們深明員工乃公司重要資產之一，為使全體員工提早察覺自己及身邊人的健康需要及處理問題所引發的危機，我們為全體員工舉辦了預防勝於治療 — 癌症防治實用知識健康講座。

Average training hours of employees
員工平均受訓時數



The Group strictly complies with the self-discipline to conserve the environment. We recognise that social development and the natural environment are interdependent. Environmental pollution and overexploitation will damage the ecosystem and ultimately affect our health and wellbeing. This contradicts the mission of the Company, which is to heal the sick and serve those in need. Apart from pursuing excellence in Chinese medicine research and development, we are committed to protecting the environment. While our Tai Po Production Base and offices are in compliance with environmental laws and regulations, we take a step further to improve our environmental performance through resources conservation and emission management.

Energy and emissions

The Group's daily operation mainly involves office-based business activities, sales at retail stores and production at factories. As electricity comprises the majority of our energy consumption, the resulting indirect emission becomes the primary source of the Group's greenhouse gas emission. Therefore, the Group reduces carbon emission by energy saving. In the course of operation, we aim to achieve efficient use of resources, so that the Group can minimize the impact on the environment by adjusting the amount of resources for development.

Water Resource Management

As we fully understand that water is a scarce natural resources, we are prudent in the use of water resources. Our employees are required to use water in a reasonable manner and closely monitor water consumption in production plants and offices. We are also conducting feasibility study on recycling of reclaimed water to make full use of water resources. Besides eliminating wastage, we attach great importance to drinking water safety by performing regular tests.

本集團對「修合無人見，存心有天知」加以實踐。我們理解人類發展與自然環境互相依存，環境污染及過度開採資源能破壞生態，最終將影響人類的健康及福祉，有違公司懸壺濟世的宗旨。除了在研製中藥產品方面精益求精外，我們也勇於承擔對環境保護的責任。大埔生產基地及辦公室已符合有關環境的法律法規，並進一步以節約資源、管理排放兩大原則來提昇業務營運的環境表現。

能源及排放

本集團日常營運主要涵蓋辦公室業務、零售店銷售及廠房生產，需要耗用的能源以電能為主，耗電造成的間接排放也是本集團溫室氣體排放的主要來源。故此，本集團也以節約能源的方式減少碳排放。我們務求營運期間的資源用得其所，讓本集團能合理使用用於發展的資源，也把對環境的影響減至最低。

水資源管理

我們深明食水是地球上緊絀的天然資源，對使用水資源也謹慎而行。我們要求員工秉持合理用水的原則，密切監察廠房、辦公室的用水量。我們也研究循環用水的可行性，讓水資源得以物盡其用。杜絕水資源浪費以外，我們也重視食水安全，定期抽檢以策安全。

Energy and emissions
能源及排放

Production Base
生產基地

Air conditioning system
空調系統

We set the air conditioning to 25.5°C, install timer, and also shift between day and night modes to suit different production needs. This not only helps maintain the room temperature at a comfortable level, but also prevents energy wastage when the temperature is set too low.

把廠房內的空調系統維持在室溫25.5°C，更設立時間掣，因應廠房的生產習慣採用日間及夜間模式，以維持舒適的室溫，也避免溫度調校過低而造成浪費。

Lighting system at plants
廠房照明系統

We have adopted energy-saving lamps with higher energy efficiency. Moreover, we adjust lightings based on sunlight conditions and maximize the use of natural light by installing timers along the corridor, in the surroundings and in the concourse of the plants, which are set at day or night modes. Lightings in other functional rooms or production zone are only turned on when in use.

廠房內選用能效更高的節能燈具。另外，我們因應日照調整亮燈習慣，儘量採用自然光，在廠房的走廊、周邊及大堂設立時間掣，並以日間及夜間模式控制。而其他功能性房間或生產區域則在有人使用時才開啟照明。

Offices
辦公室

Lighting system at offices
辦公室照明系統

We encourage staff to use electronic appliance only when needed and turn on lights for necessary lamination level. We also ask them to turn off power after working hours or during long holidays to save energy. Lightings in other functional rooms or storage rooms are only turned on when in use.

我們鼓勵員工僅在有需要的情況下開啟電器，電燈能確保足夠照明即可，亦鼓勵員工於長假期／辦公以外時間關掉電源以配合節約能源。而其他功能性房間或儲物房則在有人使用時才開啟照明。

Retail outlets
零售終端

Advertising signs
亮燈招牌

Taking into account the actual needs, we install timers for advertising signs so that they are only turned on for a designated period at night.

考慮現場環境需要，為招牌燈飾設立時間掣，只在晚間指定時間內亮燈。

Water Resource Management
水資源管理

Production Base
生產基地

Quality inspection
質量驗證

The quality of drinking water has a direct impact on product safety. We have appointed a trustworthy independent third party to perform test on drinking water on a monthly basis. This allows us to gain customers' trust by making sure that water used in production is free from germs and other pollutants.

食水質量能直接影響產品安全。我們每月安排可信賴的獨立第三方抽取生產用水檢驗，保證生產用水不含細菌等污染物，讓顧客安心服用我們的產品。

Water recycling
循環用水

The used water in the kitchen of our production sites is recycled after integrated treatment. We aim to increase the reuse rate while meeting the quality standard of water.

廠房廚房的已用水會經過綜合處理後循環再用，在品質合符標準的情況下提高用水的覆用率。

We utilize as much recycled water as possible at offices to achieve multiple uses of water.

辦公室亦儘量使用循環水，達至一水多用。

Consumption monitoring and control
用量監控

The Group monitors water consumption based on the consumption records and implements monthly meter-reading regularly. Where there are irregularities in water consumption record, we will carry out repair and replacement to ensure normal operation of water meters. We maintain water consumption at a reasonable level based on changes in production and review production volume and water consumption at the end of each month, so that we can rectify any cases of misuse.

耗水紀錄是本集團監控用水量的依據。本集團定期每月進行一次抄錶工作，當發現水錶紀錄出現異常便隨即維修或更換，確保水錶正常運作。我們亦按照生產變化情況合理地安排用水，並在月尾回顧當月生產量與用水量，如有濫用情況可及時糾正。

Routine inspection
恒常檢查

Wastage of water resources can be prevented by proper functioning water equipment and pipes. We require all water valves to be closed timely to prevent leakage. We also promptly repair leaks to minimize wastage.

用水設備及管道正常運作能避免水資源浪費。我們要求各用水閥門及時關好，防止跑、冒、滴、漏等浪費水資源的現象，發生有關情形時便立即進行維修。

Sewage treatment
污水處理

For the purpose of minimizing the impact on the surrounding environments, sewage generated in plants is discharged to specified locations via government pipes according to relevant regulations, and it is collected, sampled and tested by government authorities on a regular basis.

為了減低生產過程對周邊環境的影響，廠房生產的污水已遵從有關規定，按照政府鋪設的管道排放至固定地點，供政府相關機構定時收集及抽樣檢驗。

We conduct sewage tests at our plants every five years and discharge wastewater after obtaining compliance certificates.

每5年為廠房進行污水抽檢，在獲發合格證的情況下排放污水。

Waste Management

The waste generated in the daily operation of the Group mainly includes unwanted packaging materials, domestic wastes, small amount of chemicals and medical wastes. In terms of waste treatment, the Group strives to reduce waste at source, minimize the burden on landfills due to waste generated in business operation, and take appropriate treatment according to the nature of wastes. Packaging materials, chemicals and other hazardous wastes are primarily generated in the manufacturing process, while small amount of medical waste is generated from the Chinese clinical services at retail stores. We pay particular attention to the potential impact of any hazardous waste to the public. Thus, we maintain strict compliance with relevant government regulations, including the "Codes of Practice for the Management of Clinical Waste" in proper disposal of waste.

廢棄物管理

本集團日常主要產生的廢棄物包括剩餘的包裝材料、一般生活垃圾、少量化學品及醫療廢物等。本集團在處理廢棄物時奉行源頭減廢原則，儘量減少業務營運所帶來的棄置物，減低堆填區負擔，並按棄置物的性質採用適當的處理方式。包裝材料及化學品等有害廢棄物主要在生產途中產生，零售店的中醫診療服務則帶來少量醫療廢棄物。我們尤其關注任何有害廢棄物對公眾帶來的潛在影響，因此嚴格遵從政府有關規定，包括《醫療廢物管理工作守則》，妥善處置有關廢棄物。

Waste generated from the production process and packaging wastes
生產垃圾及包裝品廢物

In order to promote recycling and proper handling of all types of wastes, we forbid inappropriate disposal. Employees are required to separate wastes based on the conditions like whether they can be recycled or contain harmful substances. They will also contact the cleaning department and recyclers for subsequent treatment.

為提高回收量，並適當處理各項類型的棄置物，廠房禁止任意丟棄的行為，員工需要按可否回收、是否有害等條件進行垃圾分類，其後接洽清潔部門及回收機構進行後續處理工序。

Chemicals and other hazardous waste
化學品及其他有害廢棄物

Improper disposal of hazardous waste can be detrimental to the safety of staff and the public, hence the Group takes the issue seriously. We assign the laboratory management to handle the hazardous waste, while properly monitor and record all procedures from storage, collection, transportation to disposal.

不慎處理有害廢棄物能危害員工及公眾安全。本集團認真看待有關風險，由實驗室管理人員管理有害廢棄物，並妥善監督及記錄其儲存、收集運輸以至棄置各個環節。

Inflammables are stored in designated space with good ventilation, smoke exhaust and fire safety systems in compliance with the safety standards.

易燃品被存放於指定的專屬空間，存放空間已設置良好的抽風、抽氣及安全防火設施，符合法定安全標準。

We have engaged qualified recyclers for hazardous wastes for disposal and designated discharge.

我們已聘用合資格回收單位棄置有害廢棄物，實行定點排放。

General waste
一般生活垃圾

Kitchen waste is transported from factory canteens to designated bins by the person-in-charge, and sent out of the factory in a timely manner to keep the environment clean.

廠房食堂廚餘由指定人員集中運送至專屬垃圾桶，並及時對外運送，保持環境衛生。

To avoid causing impact on the surroundings, the Group engages external qualified firms to regularly collect sewage and waste oil being discharged from the kitchen to the grease traps.

本集團會另外聘合資格機構定期到廠房收集從廚房排放至吸油池的污水及油，避免影響周邊環境。

Medical waste
醫療廢物

The medical waste generated by the Group belongs to Group 1 — Used or Contaminated Sharps and mainly includes acupuncture needles used in Chinese medical consultation. We have made application to the Environmental Protection Department. Our staff is required to recap used needles and put all medical waste in properly placed disposal bin. We also engage licensed medical waste collector for recycling.

本集團產生的醫療廢物屬第一組別「經使用或受污染利器」，主要指經營中醫診症時針灸所用的針。我們已向環保署相關申請，亦要求員工套好尖銳的針頭，使用妥善安放的醫療廢桶收集所有醫療廢品，並聘用持牌的醫療廢物收集商回收。

Other Resources Management

The Group consumes energy and water resources, as well as other materials in the course of operation. Adhering to the principle of "utilisation", we minimize wastage of paper and batteries, and carry out waste sorting as much as possible, so that we make best use of resources.

其他資源管理

在能源和水資源以外，本集團營運亦需要運使用其他物資。我們一概秉持「物盡其用」的原則，對於紙張、電池等資源也絕不浪費，並儘可能進行分類回收，讓所有資源發揮最大功用。

Paper 紙張	The Group requires staff to print double sided, which reduces paper consumption by half as compared to printing on single sided. 本集團要求員工使用雙面印刷，比單面印刷減少一半用紙量。
	Employees are encouraged to use e-version in replacement of printed version, and take advantage of email for internal communication instead of paper documents unless necessary. 本集團鼓勵員工以電子版本代替印刷文件，如非必要會以電郵方式代替發放紙張文件作內部溝通。
	The Group selects more environmental-friendly materials and purchases recycled paper for daily use. In addition, we print our annual reports on eco-friendly paper. 本集團選用更環保的物料，採購再造紙供日常使用，亦以環保紙印刷年報。
Other resources 其他資源	The Group collects used ink tanks at offices, which will be centralised and delivered to suppliers. 本集團辦公室習慣收集使用完的墨水匣，集合後退回予供應商。
	The Group practices separation and recovery of old batteries to prevent air pollution caused by e-wastes. 本集團分類回收舊電池，減少電子廢物引致的空氣污染。

Environmental Performance Data
環境表現數據表

Emissions 排放

General waste 一般生活垃圾
About 約 65,340 litres 公升

Greenhouse gas emissions 溫室氣體排放
14,662 tonnes (CO_2 equivalent) 公噸（二氧化碳當量）

Greenhouse gas emission intensity 溫室氣體排放強度
11.58 tonnes (CO_2 equivalent/revenue) (HK$'million) 公噸（二氧化碳當量／營業額）（百萬港元）

Resources consumption 資源使用

Gasoline 汽油
105,197 liters 升

Diesel 柴油
820 liters 升

Liquefied petroleum gas 液化石油氣
120 m^3 立方米

Power consumption 耗電量
3,707,627 kWh 千瓦時

Power consumption intensity 耗電強度
2,928.63 kWh/revenue (HK$'million) 千瓦時／營業額（百萬港元）

Natural gas 天然氣
178,748 m^3 立方米

Water consumption 耗水量
16,116 m^3 立方米

Water consumption intensity 耗水強度
12.73 m^3/revenue (HK$'million) 立方米／營業額（百萬港元）

Consumption of packaging materials 包裝材料耗量

Paper 紙張
47,889 kg 公斤

Tin Cans 鐵罐
144,098 kg 公斤

Plastic 塑膠
79,638 kg 公斤

Note: Energy, fuel and natural gas raw data, is collected and converted to carbon equivalents (CO_2e), and multiplied by publicly available and/or supplier based greenhouse gas emission factor.
備註：收集的能源，燃料和天然氣的原始數據轉換為二氧化碳當量(CO_2e)，是乘以公開可用和／或基於供應商的溫室氣體排放因子。

WELL TREAT OUR SOCIETY

"Preserving tranquility and wellness" is the mission of Tong Ren Tang. Not only do we offer quality Chinese medical care and dispensation services, we also undertake to fulfil social responsibility by actively participating in community events in the hope of creating long-term value for society. Under the motto of "Be Kind to the Society", the Group extends its benevolence to all over the world and pushes towards the dream of "Healthy Life Global Choice". In 2017, we placed great emphasis on caring for public health, supporting the grassroots and the underprivileged, promoting medical culture, and promoting medical education. We spent 872 hours in community activities. About 366 persons benefited from our free medical consultations in Hong Kong during the Year.

善待社會

同仁堂一直肩負著「濟世養生」的使命，一邊為社會提供高品質的中醫藥醫療和配藥服務，一邊努力踐行社會責任，積極參與各項公益活動，務求為社會創造長遠價值。本集團以善待社會為宗旨，慈善足跡遍佈世界各地，為「創造健康、全球共享」的夢想砥礪前行。2017年，我們致力關愛公眾健康、扶植貧困基層、弘揚醫學文化、推動醫學教育。員工參與社區活動時數約872小時，全年受惠義診人數於香港達366人。

Our community contributions
本集團的社區貢獻

Caring for Public Health

Tong Ren Tang aims at improving and enhancing human health and living quality. During the Year, the Group promoted health preservation in Chinese medicine, healthcare knowledge and health awareness through education seminars, carnivals and free medical consultation services.

Stroke prevention is our most concerned topic. In April, May and September 2017, the Group organised stroke prevention open seminars for over 2,024 public members for the Year, which shared health information, raised public awareness on stroke and introduced measures to prevent and treat stroke with Chinese medicine. In October 2017, the Group held the "Tong Ren's Stroke Awareness 2017" Carnival, with the aim of educating the public on stroke prevention.

In promoting the importance of cerebrovascular healthcare, we joined the "Health Expo" organised by the Hong Kong Convention and Exhibition Centre at Wanchai for the first time. We organized briefing sessions, game booths and workshops under the theme of "Cerebrovascular Healthcare — Steps to Prevention, Emergency and Nursing". Meanwhile, we invited experienced registered Chinese medicine practitioner to provide disease information, on-site body checks and health consultation.

關愛公眾健康

同仁堂以改善和提高人類健康水準和生命質量為使命。本年內，本集團透過舉辦健康教育講座、嘉年華及免費義診等活動推廣中藥養生、普及健康知識及提高健康意識。

防治中風乃我們最為關注的議題。本集團分別於2017年4月、5月及9月舉辦預防中風公眾健康教育講座，全年為超過2,024名公眾人士提供健康資訊，提升公眾對中風的關注，瞭解中醫藥如何幫助防治中風問題。2017年10月，本集團舉辦「同仁關愛防中風2017」嘉年華向公眾傳達防治中風的訊息。

為向大眾推廣腦血管健康的重要性，我們首次參加了於香港灣仔會議展覽中心舉辦的《健康博覽》，並以「關注腦血管 — 預防、應急、調養每一步」為主題，舉辦了相關題目的講座、遊戲及工作坊活動。同時，我們也安排了資深註冊中醫師為市民提供疾病資訊、現場檢查及健康諮詢。

"Tong Ren's Stroke Awareness 2017" Carnival was fully housed with health-conscious attendees
「同仁關愛防中風2017」嘉年華吸引了大批關注健康的朋友參加

Promoting information on cerebrovascular healthcare, stroke care, prevention and treatment at Health Expo
在《健康博覽》向大眾推廣腦血管健康、關注中風及作好防治的資訊

Giving back to society by providing free medical consultation services to Hong Kong citizens for seven consecutive days
為香港市民提供一連七天免費義診，回饋社會

To promote health concepts, we held chinese medicine health seminars and free medical consultation activities for employees at renowned enterprises and organizations.

With the aim of contributing to society, the Group organised seminars and offered free Chinese medical consultation to promote health knowledge and treatment approach in Hong Kong and overseas. During the Year, we arranged a mobile truck which travelled around Hong Kong and offered free medical consultation. In July 2017, we provided free medical consultation at all outlets in Hong Kong for seven consecutive days.

為推廣健康養生概念，我們走進多間知名企業及組織，舉辦中醫養生健康講座及義診活動，為員工提供服務。

為回饋社會，本集團於香港及海外各地不定期安排講座及提供義診服務，傳授健康知識、展示治療手法。本年，我們特設流動車穿梭香港各區為市民提供義診，我們更於2017年7月一連七天於香港舉行全線義診活動。

TCTCM mobile truck offering free medical consultation services at Aberdeen, Wanchai, Hang Hau and Shatin
同仁堂國藥流動車分別在香港仔、灣仔、坑口及沙田為市民提供義診服務

Our employees supported the "2016/2017 Hong Kong Island & Kowloon Walk (Hong Kong)" and "Christmas Greetings for the Chest 2017" activities
本集團員工參與「2016/2017年度港島、九龍區百萬行（香港）」步行籌款活動及「聖誕寄語為公益2017」活動

Supporting the Grassroots and the Poor

"Benevolence" is deeply rooted in Tong Ren Tang's culture. Thus, we actively participate in charity, provide assistance to people in distress and perform acts of kindness. During the Year, the Group did good deeds by taking part in poverty alleviation campaigns organised by various groups and organizations.

Our people stay committed to charity for many years. This year, we joined the "2016/2017 Hong Kong Island & Kowloon Walk" and "Christmas Greetings for the Chest 2017" activities organised by the Community Chest. Funds raised will be used to help families in need maintain and strengthen family bonding and establish mutual support. Fund raised will also be applied to support social welfare agencies in providing "Services for the Mentally Ill and Ex-mentally Ill", which will help the needy overcome obstacles and integrate into the community, and share our greetings and well-wishes to them.

扶植貧困基層

同仁堂以「仁」為本，積極發展慈善事業，扶貧濟困、奉獻愛心。年內，本集團參與了由不同機構及組織舉辦的扶貧活動，普施善舉。

本集團旗下員工連續多年身體力行地參與公益活動。本年，我們參加了由香港公益金主辦的「2016/2017年度港島、九龍區百萬行」步行籌款活動及「聖誕寄語為公益2017」活動。活動之善款將分別用於資助有需要的家庭，鼓勵家庭成員間建立互愛互勉的緊密關係，維繫及鞏固家庭個體，以及資助提供「精神病患者及康復者服務」的社會福利機構，幫助精神病患者及康復者建立自信，克服心理障礙，重投社會，為他們帶來無限溫暖。

Our employees supporting the Flag Day and helping people from different backgrounds
本集團員工參與社區的賣旗籌款活動，幫助不同背景的人

Furthermore, the Group supported the Flag Day organised by the South Kwai Chung Service Centre of Hong Kong. The donation will be used to establish community support network that is dedicated to serve the grassroots from different backgrounds and to build a harmonious community.

We encourage the employment and self-sustaining of underprivileged people by participating in the job fair organised by the Hong Kong College of Technology, where we offered job opportunities to the grassroots.

另外，本集團亦派出志願者參加由香港南葵涌社會服務處舉辦的賣旗活動。籌得的善款將用於組織社區支援網絡，致力服務不同背景的基層市民，締造一個健康和諧的社區。

為了協助基層市民就業，鼓勵他們自力更生，本集團參與了由香港專業進修學校舉辦的招聘會，並提供了一系列的就業機會予基層市民。

Introducing Chinese medicine culture to the world during the "1st International Chinese Medicine Cultural Festival"
第一屆「國際中醫藥文化節」於世界各地推廣中醫藥文化

Promoting TCM Culture

We endeavour to promote TCM culture. It is our hope to preach the wisdom of Chinese medicine so that more people will be benefited. During the Year, the Group held a series of events, such as culture festival and visits to our Tai Po Production Base to showcase the profoundness of our traditional medicine.

From May to October 2017, the Group and International Chinese Medicine Cultural Festival Limited joined hands to organise the "1st International Chinese Medicine Cultural Festival". Designed to export Chinese medicine culture, the festival was held in Toronto, Canada; Los Angeles, USA; and Sydney, Australia, and comprised a series of activities including art exhibitions, cultural experience museum, seminars and talks, mobile Chinese medicine cabinet and healthcare concerts, which adopted different forms, perspectives and senses to highlight the beauty of Chinese medicine.

弘揚中醫學文化

我們積極弘揚中醫藥文化，希望把優秀的中醫藥文化傳播到更多百姓心中，造福人群。年內，本集團透過舉辦文化節、開放大埔生產基地予公眾參觀等多樣形式向公眾展示中醫藥文化博大精深之處。

2017年5月至10月期間，本集團與國際中醫藥文化節有限公司合辦了第一屆「國際中醫藥文化節」，活動遍佈海外，包括加拿大多倫多、美國洛杉機、澳洲悉尼等地，務求於中國大陸以外地區推廣中醫藥文化。是次活動包括舉辦藝術展、文化體驗館、講座交流、流動百子櫃及養生音樂會，以多元形式、角度和感觀展現中醫藥文化魅力。

Through demonstrating the traditional techniques of handmade pill preparation and the weighing process, as well as the Baduanjin exercise, we showcased the wonder of Chinese medicine
我們藉傳統手工搓丸和稱藥、八段錦示範及體驗等活動讓參加者感受中醫藥文化的多彩魅力

To support the "Capital State-owned Enterprises Open Day", Tong Ren Tang opened its facilities to the public of Beijing and Hong Kong, for the purpose of promoting the TCM culture. Over 100 citizens visited our Tai Po Production Base and the flagship store in Central, where they learnt more about the equipment and advanced technology during visits to the laboratories, manufacturing workshops, warehouses and other core production areas.

為響應「首都國企開放日」，同仁堂率先實現京港兩地聯動向市民開放，一起傳播中華傳統中醫藥文化。本集團開放了大埔生產基地與中環旗艦店，接待了過百名市民，讓他們參觀實驗室、製藥間、倉庫及其他生產核心領地，深入瞭解本集團生產基地的設備和先進技術。

Stepping Up Medical Education

The Group is endeavored to promote Chinese medicine education and development. During the Year, the Group encouraged academic discussions by making donations to Chinese medicine schools, sponsoring medical conferences and special lectures.

The Group supported the School of Chinese Medicine of Hong Kong Baptist University in various aspects. We have sponsored scholarships to its outstanding students as a motivation to explore the field, so that they will give back to society and help patients with their medical skills. In addition, we sent a wide range of corporate souvenirs and healthy drinks to the "Love & Painless" Pain Relief Program, which was an orthopedics and massage therapy program that allowed Chinese medicine students practiced what they had to have learnt and contributed to society. During the program, students conducted medical checks and specialty checks on the elderly, and performed diagnosis based on the radiological images brought by the patients under the supervision of Chinese medicine practitioners. Students also developed treatment approach, practiced acupuncture and osteopathy, and formulated daily healthcare regime, with the aims of accelerating joint recovery of patients and helping them stay healthy. Furthermore, we supported the Chinese medicine seminar organised by Hong Kong Baptist University, which explained important matters in the use of proprietary Chinese medicines and treatment of joint pain to Chinese medicine practitioners and consumers.

The Group also encourages lifelong learning of healthcare professionals. It organised various public health education seminars which were attended by as many as 2,024 participants for the Year. Moreover, we particularly sponsored the "Frontiers of Integrative Medicine — Clinical Challenges and Future Directions" Conference held by Hong Kong Association for Integration of Chinese-Western Medicine, which focused on the difficulties and solutions in integrating Chinese and Western medicine. We also supported the "Chinese and Western Perspective in the Homology of Food and Medicine — Prevention of Stroke" healthcare seminar organized by the Association of Hong Kong Nursing Staff, where Hong Kong registered Chinese medicine practitioners and registered nutritionists explained the healthcare concept of medicinal diet.

推動醫學教育

本集團致力推動中醫藥教育，支援醫學發展。年內，本集團透過捐助中醫藥學院、贊助醫學會議及專題講座鼓勵學術討論。

本集團從多方面支持香港浸會大學中醫藥學院。本集團藉獎學金的形式支持香港浸會大學中醫藥學院的優秀學生，鼓勵學生積極探索中醫藥學，將來以精湛的醫術回饋社會、幫助病人。另一方面，我們贊助了一系列企業禮品及多款養生飲料給骨傷推拿服務教學「愛・無痛」痛症紓緩計劃，此計劃旨在推動就讀中醫課程之學生，學以致用，把課堂知識貢獻社會。服務過程中，中醫師帶領中醫學生，為長者進行相關中醫診療檢查、專科檢查或結合長者自行攜帶之影像學檢查，作出診斷，並為長者擬定治療方案，採用針灸、正骨手法為長者治療，再為長者擬定日常調理及保健方案，促進骨關節功能恢復及保持健康。此外，我們全力支持浸會大學舉辦中醫藥專題講座，向中醫師及消費者講解中成藥在使用上的重要事項及如何處理骨關節痛症。

本集團更支持醫護持續學習，分別舉辦多種公眾健康教育講座，全年參與講座人數高達2,024人。此外，我們還特別贊助了由「香港中西醫結合醫學會」舉辦的《結合醫學前沿 — 臨床挑戰與路向》會議及由香港護士協會舉辦的「藥食同源中西論 — 預防中風」養生健康講座，前者針對在推行中西醫協作過程所遇到的困難和尋找出路的方向，後者由香港註冊中醫師及註冊營養師講解藥食同源的健康理念。

During the Year, the Group also hosted receptions at Tai Po Production Base for students of School of Pharmaceutical Sciences and School of Medicine, Sun Yat-Sen University (Shenzhen), School of Health Care Administration, Taipei Medical University and Salesian English School, who participated in visits, learning and interactive activities. Apart from being the production and research and development base of Tong Ren Tang, Tai Po Production Base also has a small exhibition gallery. Introduction by curators and site visits helped students understand more about the Chinese medicine production process of the Group, as well as the development of Chinese medicine and Tong Ren Tang culture.

年內，本集團亦接待了中山大學藥學院及醫學院（深圳）、台北醫學大學醫管所及慈幼英文學校的學生到大埔生產基地進行參觀學習與互動。大埔生產基地除了是同仁堂的生產研發基地外，更設有小型博物館。通過講解人員的講解與現場參觀，學生們更能瞭解本集團中藥產品的製作過程及中醫藥與同仁堂歷史文化的發展近況。

Indicator 指標		Reference section or note 參考章節或註釋	Page 頁數
A. Environment ***A. 環境***			
Aspect A1: Emissions 層面A1：排放物			
General Disclosure 一般披露		Caring for our environment 善待環境	64–69
KPI A1.1 關鍵績效指標A1.1	The types of emissions and respective emissions data. 排放物種類及相關排放數據	The business of the Group did not cause any significant emission of air pollutants. 本集團的業務並沒有重大的空氣污染排放	–
KPI A1.2 關鍵績效指標A1.2	Greenhouse gas emissions in total and intensity. 溫室氣體總排放量及密度	* Environmental performance data 環境表現數據表	69
KPI A1.3 關鍵績效指標A1.3	Total hazardous waste produced and intensity. 所產生有害廢棄物總量及密度	Energy and emissions 能源及排放	64
KPI A1.4 關鍵績效指標A1.4	Total non-hazardous waste produced and intensity. 所產生無害廢棄物總量及密度	Energy and emissions 能源及排放	64
KPI A1.5 關鍵績效指標A1.5	Description of measures to mitigate emissions and results achieved. 描述減低排放量的措施及所得成果	Energy and emissions 能源及排放	64
KPI A1.6 關鍵績效指標A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved. 描述處理有害及無害廢棄物的方法、減低產生量的措施及所得成果	Waste management 廢棄物管理	66–67
Aspect A2: Use of Resources 層面A2：資源使用			
General Disclosure 一般披露		Caring for our environment 善待環境	64–69
KPI A2.1 關鍵績效指標A2.1	Direct and/or indirect energy consumption by type in total and intensity. 按類型劃分的直接及／或間接能源總耗量及密度	* Environmental performance data 環境表現數據表	69
KPI A2.2 關鍵績效指標A2.2	Water consumption in total and intensity. 總耗水量及密度	* Environmental performance data 環境表現數據表	69
KPI A2.3 關鍵績效指標A2.3	Description of energy use efficiency initiatives and results achieved. 描述能源使用效益計劃及所得成果	Energy and emissions 能源及排放	64
KPI A2.4 關鍵績效指標A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved. 描述求取適用水源上可有任何問題，以及提升用水效益計劃及所得成果	Water resources management 水資源管理	65
KPI A2.5 關鍵績效指標A2.5	Total packaging material used for finished products with reference to per unit produced. 製成品所用包裝材料的總量及每生產單位佔量	Environmental performance data 環境表現數據表	69

* Data from regions in Asia, Europe, America, Oceania and Africa are included. Data in some regions are currently partially available for reporting. We seek to continuously improve our data collection process in the future.
已包含亞洲、歐洲、美洲、大洋洲及非洲各地的數據，其中部份地區數據尚未完整，我們未來會持續完善有關地區的數據收集。

Indicator 指標		Reference section or note 參考章節或註釋	Page 頁數
Aspect A3: The Environment and Natural Resources 層面A3：環境及天然資源			
General Disclosure 一般披露		The business operation of the Group did not have any significant impact on the surrounding ecological environment 本集團的業務營運未有對周遭生態環境造成重大影響	–
KPI A3.1 關鍵績效指標A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. 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。	The business operation of the Group did not have any significant impacts on the surrounding ecological environment 本集團的業務營運未有對周遭生態環境造成重大影響	–
B. Social ***B. 社會***			
Employment and Labour Practices 僱傭及勞工常規			
Aspect B1: Employment 層面B1：僱傭			
General Disclosure 一般披露		Caring for our employees 善待員工	52–63
KPI B1.1 關鍵績效指標B1.1	Total workforce by gender, employment type, age group and geographical region. 按性別、僱傭類型、年齡組別及地區劃分的僱員總數	Human capital 人才資本	56–57
KPI B1.2 關鍵績效指標B1.2	Employee turnover rate by gender, age group and geographical region. 按性別、年齡組別及地區劃分的僱員流失比率	Human capital 人才資本	56–57
Aspect B2: Health and Safety 層面B2：健康與安全			
General Disclosure 一般披露		Health and safety 健康及安全	58–59
KPI B2.1 關鍵績效指標B2.1	Number and rate of work-related fatalities. 因工作關係而死亡的人數及比率	Health and safety 健康及安全	59
KPI B2.2 關鍵績效指標B2.2	Lost days due to work injury. 因工傷損失工作日數	Health and safety 健康及安全	59
KPI B2.3 關鍵績效指標B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored. 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	Health and safety 健康及安全	58–59
Aspect B3: Development and Training 層面B3：發展及培訓			
General Disclosure 一般披露		Development and training 發展及培訓	60–63

Indicator 指標		Reference section or note 參考章節或註釋	Page 頁數
Aspect B4: Labour Standards 層面B4：勞工準則			
General Disclosure 一般披露		Human capital 人才資本	53–55
KPI B4.1 關鍵績效指標B4.1	Description of measures to review employment practices to avoid child and forced labour. 描述檢討招聘慣例的措施以避免童工及強制勞工	Human capital 人才資本	53
KPI B4.2 關鍵績效指標B4.2	Description of steps taken to eliminate such practices when discovered. 描述在發現違規情況時消除有關情況所採取的步驟	Human capital 人才資本	53
Operating Practices 營運慣例			
Aspect B5: Supply Chain Management 層面B5：供應鏈管理			
General Disclosure 一般披露		Supply chain management 供應鏈管理	46–47
KPI B5.1 關鍵績效指標B5.1	Number of suppliers by geographical region. 按地區劃分的供應商數目	Supply chain management 供應鏈管理	46–47
KPI B5.2 關鍵績效指標B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored 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	Supply chain management 供應鏈管理	46–47
Aspect B6: Product Responsibility 層面B6：產品責任			
General Disclosure 一般披露		Quality products 優質產品	46–51
KPI B6.1 關鍵績效指標B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons. 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	Responsible sales 良心及負責任銷售	50–51
KPI B6.2 關鍵績效指標B6.2	Number of products and service related complaints received and how they are dealt with. 接獲關於產品及服務的投訴數目以及應對方法	Responsible sales 良心及負責任銷售	50–51
KPI B6.3 關鍵績效指標B6.3	Description of practices relating to observing and protecting intellectual property rights. 描述與維護及保障知識產權有關的慣例	Product research and development 產品研究及開發	50–51
KPI B6.4 關鍵績效指標B6.4	Description of quality assurance process and recall procedures. 描述質量檢定過程及產品回收程式	Product quality and safety, responsible sales 產品品質及安全，良心及負責任銷售	48–51
KPI B6.5 關鍵績效指標B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored. 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	Responsible sales 良心及負責任銷售	50–51

Indicator 指標		Reference section or note 參考章節或註釋	Page 頁數
Aspect B7: Anti-corruption 層面B7：反貪污			
General Disclosure 一般披露		Anti-corruption 倡廉善治	45
KPI B7.1 關鍵績效指標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. 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	Anti-corruption 倡廉善治	45
KPI B7.2 關鍵績效指標B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored. 描述防範措施及舉報程式，以及相關執行及監察方法	Anti-corruption 倡廉善治	45
Community 社區			
Aspect B8: Community Investment 層面B8：社區投資			
General Disclosure 一般披露		Caring for our society 善待社會	70–77
KPI B8.1 關鍵績效指標B8.1	Focus areas of contribution. 專注貢獻範疇	Caring for our society 善待社會	70–77
KPI B8.2 關鍵績效指標B8.2	Resources contributed to the focus area. 在專注範疇所動用資源	Caring for our society 善待社會	70–77

Multi-channel Investor Communication Strategy

We believe that expanding our diversified channels of effective communication will help us to streamline our communication with individuals, institutional shareholders and public investors (collectively named as "Investors"), facilitate, open and transparent exchange of information. Investors' understanding and understanding of the Company's corporate mission and vision, development strategy, industry competition and operational and financial performance will enable investors to make investment decisions in informed circumstances. The Company is responsible for fair, accurate and timely disclosure of company information to ensure a high degree of transparency, enhance the Group's attention, stabilize our relationship with investors, and strengthen the mutual trust of each other.

In 2017, the Group continued to maintain a positive and effective communication with investors who are concerned about the business development of the Company in a positive and responsive manner. The Group is committed to providing investors with convenient communication channels and endeavored to ensure that all published data are true and accurate and clearly and balanced. The Group also collects feedback from investors and analysts and reflects the views to the management and the board of directors. Maintain healthy and two-way communication to ensure that investors can fully understand the Group's long-term development, strategy, industry competition and financial and operational performance.

Investor Relations Activities

The Group strictly follows the principle of fair disclosure to ensure fair communication with investors and the media and does not selectively disclose significant non-public information to any person. We are very supportive of investor relations activities. To facilitate the two-way communication with investors, the Group has adopted different local and overseas non-transaction road shows, investor meetings, annual general meetings, corporate meetings, conference calls and e-mail consultation. Pipeline, with shareholders, analysts and potential investors for close and frequent exchanges.

During the Year, our management participated in a number of investment summit organized by the world's leading investment banks in Hong Kong, Beijing and Singapore and also organized one-on-one and group investor meetings, teleconferences and non-deal roadshows in Hong Kong, Shenzhen and Shanghai, attending almost 100 one-on-one and group meetings and meeting with over 250 investors.

The Group has made use of a number of channels to interact with investors and keep them abreast of the Group's latest developments.

Non-deal roadshows and investment forums

We hold a non-deal roadshow at least twice a year after the announcement of the results announcement so that investors can obtain first-hand information on the latest release to the management. The Group also actively participates in several investment conferences organized by investment banks of which the management of the Group directly talks with investors to share the results, business strategies and etc.

Major investor conferences that we participated in 2017 are set out below:

Month 月份	Event 事項	Location 地點
January 一月	Morgan Stanley Healthcare/Utilities, Energy & Chemical Corporate Day 摩根士丹利醫療保健／公用、電力及化學藥品企業日	Hong Kong 香港
June 六月	Morgan Stanley Third Annual China Summit 摩根士丹利第三屆年度中國峰會	Hong Kong 香港
November 十一月	Jefferies 7th Annual Greater China Summit 富瑞第七屆年度大中華區峰會	Hong Kong 香港
November 十一月	Morgan Stanley 16th Annual Asia Pacific Summit 摩根士丹利第十六屆亞太區峰會	Singapore 新加坡

Ongoing communication with the investment community

The Group actively arranged various investor relation activities, including telephone conferences with analysts and investor meetings and etc., in order to keep investors abreast of the Group's latest updates and business operations. Such activities not only maintain close contact with investors so that investors can get more in-depth and meticulous understanding of the Company's situation and we can also collect valuable advice from investor's on the Group's business strategy.

多管道的投資者溝通策略

我們相信拓展多元化的有效溝通管道，有助於深化我們與個人、機構股東及公眾投資者（於此投資者關係報告統稱「投資者」）進行暢通、便捷、公開和透明的資訊交流，更能加深投資者對本集團之企業使命及願景、發展策略、業內競爭情況以至營運及財務表現方面之認識及瞭解，從而讓投資者能在知情之情況下作出投資決定。本集團以公平、準確及適時披露公司資料為首任，以確保維持高透明度，提升本集團的關注度，穩固我們與投資者的關係，以及堅固雙方對彼此的信任。

2017年，本集團繼續秉承透明、可信與及時的原則，積極回應，時刻保持與關注公司業務發展的投資者的持續有效溝通。本集團致力為投資者提供便捷的溝通管道，並盡力確保所公佈的全部數據均為真實無誤並清晰平衡地呈列，客觀披露數據。本集團亦收集投資者及分析員的反饋意見，並將該等意見反映給管理層及董事會。保持健康及雙向的溝通，確保投資者能全面並及時地瞭解本集團的長期發展狀況、策略、行業競爭狀況以至財務及營運表現。

投資者關係活動

本集團嚴格遵循公平披露原則，確保以公平的方式與投資者及傳媒溝通，且不會選擇性地向任何人士透露重大非公開資料。我們對投資者關係活動十分支持，為促進與投資者之間的雙向溝通，本集團通過本地及國內外的非交易路演、投資者會議、股東週年大會、公司會面、電話會議及電郵諮詢等不同的管道，與股東、分析師及潛在投資者作緊密及頻繁的交流。

本年，本公司管理層在香港、北京及新加坡參加多個由世界著名投資銀行舉辦之投資者峰會，亦組織了單對單和小組投資者會議、電話會議，以及遍及香港、深圳及上海的非交易路演，出席近100次一對一及小組會議，與逾250名投資者會面。

本集團透過多種管道與投資者互動交流，令投資者得悉本集團最新的發展動向。

非交易路演及投資者研討會

我們至少每年兩次於發佈業績公告後舉行非交易路演，以便投資者向管理層取得有關最新發佈業績的第一手資料。本集團還積極參加由投資銀行組織的投資者峰會。本集團管理層於會上會見投資者及分析員，與他們分享本集團財務業績、業務策略等的最新資料。

我們於2017年曾參與下列大型投資者峰會：

持續與投資界溝通

本集團主動地安排各種投資者溝通活動，包括分析師電話會議、投資者會議等，及時向投資者介紹和分析最新動向和經營情況。此類活動，既可與投資者維持緊密聯繫，讓投資者更加深入細緻的瞭解公司情況，亦可收集投資者對本集團業務策略的寶貴意見。

Timely response to investors, analysts and media

Our investor relation representative provides detailed and accurate information in a timely manner in response to various forms of enquiries from Shareholders, investors, analysts and the media via email, fax or telephone.

Factory visit

Factory visit are one of the best ways for our investors to understand our business operations. Upon receiving requests of investors from time to time or at the annual general meeting, the Group will arrange the relevant itinerary and reception as soon as possible, facilitating investors taking full advantage of this opportunity to understand the Group's products, historical development, shop display and sales management and other first-hand information.

We held non-deal roadshows at least semi-annually following the release of our results announcements to answer questions regarding the performance and business development of the Group. The Company website contains an investor relations section to reach out to the investment community and public with the latest information on the Company. We also promote proactive communication through direct contact with our investor relations team via email at ir@tongrentangcm.com.

Annual General Meeting

The AGM is a platform for face-to-face communication with Shareholders. Our Board members, senior management, lawyer and external auditor will attend and answer questions on the performance of the Group raised by the Shareholders.

The 2017 AGM was held at 3 Dai King Street, Tai Po Industrial Estate, New Territories, Hong Kong on 8 May 2017, for approval of, among others, the re-election of retiring Directors and the general mandates to issue and purchase shares. Particulars of the major items considered at the 2017 AGM are set out in the circular dated 31 March 2017. All proposed resolutions were passed by way of poll voting at the 2017 AGM.

The 2018 AGM will be held at 3 Dai King Street, Tai Po Industrial Estate, New Territories, Hong Kong on Monday, 7 May 2018 at 10:30 a.m..

Share Performance 股價表現

	2017	2016	2015	2014	2013
Closing price as at 31 December (HK$ per share) 於12月31日的收市價(每股港元)	**10.62**	10.48	9.88	10.78	10.18
Highest price during the year (HK$ per share) 年度最高價(每股港元)	**12.00**	12.20	14.82	12.50	14.90
Lowest price during the year (HK$ per share) 年度最低價(每股港元)	**9.98**	7.55	7.71	9.09	4.70
Average daily trading volume (thousand share) 每日平均成交量(千股)	**469**	424	883	1,120	4,200

Dividend History 股息資料

Year 年度	Dividend per share 每股股息 HK$ 港元	Dividend yield[1] 股息率[1]	Payout ratio 派息比率
2013	0.08	0.8%	30.2%
2014	0.10	0.9%	29.2%
2015	0.13	1.3%	30.7%
2016	0.16	1.5%	31.9%
2017	**0.19**	**1.8%**	32.5%

[1] Dividend yield is calculated based on the closing share price of the Company as at 31 December of the respective years.
[1] 股息率是根據當年12月31日的本公司收市股價計算。

及時回應投資者、分析員及傳媒的查詢

投資者關係負責人透過電郵、傳真或電話方式，及時回應股東、投資者、分析員及傳媒的各種查詢，並提供有關本公司準確詳盡的資料。

工廠參觀

親身參觀工廠是投資者瞭解我們業務營運情況的最佳方法之一。本集團在每年股東大會或不時收到投資者參觀工廠的要求後，會有專人儘快安排相關行程與接待，幫助投資者充分利用這機會，瞭解本集團的產品、歷史發展、店舖陳列、銷售管理等第一手資料。

除了以上系統性的溝通活動外，本公司網站的投資者關係主頁也在不斷更新，有助本公司向投資者及公眾人士提供本公司最新消息與及時的業務數據。另外，為了方便利益相關者獲取集團資訊，本公司亦通過投資者關係電子郵箱ir@tongrentangcm.com與投資者進行直接聯絡，促進有效溝通。

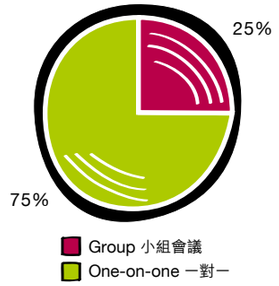
股東週年大會

股東週年大會是一個親身與股東交流的平台，我們的董事會成員、高級管理人員、公司律師及外聘核數師均會出席，可以就股東提出有關本集團表現的問題作出回應。

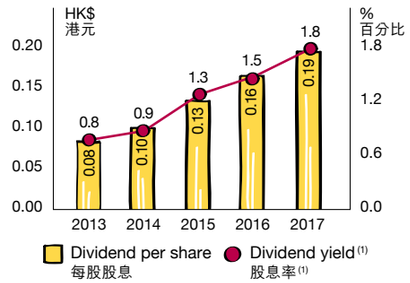
2017年股東週年大會於2017年5月8日假座香港新界大埔工業邨大景街3號舉行。2017年股東週年大會上通過之事項，其中包括重選退任董事以及發行及購回股份之一般授權等事宜。2017年股東週年大會上經考慮之主要事項詳情載於日期為2017年3月31日之通函內。所有於2017年股東週年大會上提呈之決議案，均以書面投票方式獲得通過。

2018年股東週年大會將於2018年5月7日(星期一)早上10時30分假座香港新界大埔工業邨大景街3號舉行。

Meetings with Investors 與投資者會議



Dividend Per Share and Dividend Yield[1]



[1] Dividend yield is calculated based on the closing share price of the Company as at 31 December of the respective years.
[1] 股息率是根據當年12月31日的本公司收市股價計算。

Non-executive Director

Mei Qun, aged 61, is the chairman of the Company and is a deputy chief pharmacist with a postgraduate qualification. Mr. Mei was formerly the general manager of Tong Ren Tang Holdings, the chairman of Tong Ren Tang Ltd., the chairman of Tong Ren Tang Technologies and the chairman of Beijing Tong Ren Tang Pharmaceutical Co., Ltd.. Mr. Mei is currently the chairman of Tong Ren Tang Holdings, the chairman of Beijing Tong Ren Tang Health Pharmaceutical Co., Ltd., the chairman of Beijing Tong Ren Tang Chinese Medicine (Hong Kong) Group Company Limited, the chairman of Beijing Tong Ren Tang International Co., Ltd.. Mr. Mei is the vice president of Chinese Society of Traditional Chinese Medicine and the president of Beijing Pharmaceutical Profession Association. Mr. Mei was also the member of the Education Technology Culture Health and Sports Committee of Beijing's 14th National People's Congress.

Executive Directors

Ding Yong Ling, aged 54, is an executive Director and the chief executive officer of the Company and is mainly responsible for our day-to-day operation and management. Ms. Ding has been appointed as a managing director of the Company since September 2004. Ms. Ding joined Beijing Tong Ren Tang Group in 1984 and was formerly the head of the foreign trade division of Tong Ren Tang Holdings, manager of the import and export branches and the executive director and the deputy general manager of Tong Ren Tang Technologies and the director of Beijing Tong Ren Tang International Co., Ltd., and also is currently the director and the deputy general manager of Tong Ren Tang Holdings. Ms. Ding graduated from the Party School of the Central Committee of the Communist Party of China in August 1997 with a bachelor's degree in major of economic management, and she further completed a course for research student under employment in international business administration at Business School of the University of International Business and Economics in April 2002.

Zhang Huan Ping, aged 57, is an executive Director and a deputy general manager of the Company and is mainly responsible for production. Mr. Zhang joined the Company as a deputy general manager in May 2008 and was appointed as a Director on 1 February 2011. Mr. Zhang joined Beijing Tong Ren Tang Group in May 1979 and formerly served as the deputy manager of Tong Zhou Medicine Factory and Medicine Wine Factory of Tong Ren Tang Ltd., and an executive director of Tong Ren Tang Technologies. Mr. Zhang graduated in major of economic management from the Correspondence Institute of Party School of the Central Committee of the Communist Party of China in December 2000. He is a pharmacist-in-charge conferred by Beijing Intermediate Professional Technical Titles Evaluation Committee in November 2002.

Lin Man, aged 42, is an executive Director, the chief financial officer and the company secretary of the Company and is mainly responsible for finance management. Ms. Lin joined the Company in 2004 and was appointed as the company secretary in 2005 and the chief financial officer in 2008. Ms. Lin was appointed as a Director on 1 February 2011. Ms. Lin is a member of the Hong Kong Institute of Certified Public Accountants. Ms. Lin obtained a bachelor's degree in arts in Polish from Beijing Foreign Studies University in July 1999 and a bachelor's degree in accounting and finance from the University of Lancaster in July 2004.

非執行董事

梅群，61歲，本公司董事會主席，研究生學歷，副主任藥師。歷任同仁堂集團公司總經理，同仁堂股份董事長、同仁堂科技董事長及北京同仁堂製藥有限公司董事長。梅先生現任同仁堂集團公司董事長，北京同仁堂健康藥業股份有限公司董事長、北京同仁堂國藥(香港)集團有限公司董事長、北京同仁堂國際有限公司董事長。梅先生還兼任中國中藥協會副會長、北京醫藥行業協會會長及北京市第十四屆全國人民代表大會教育科技文化衛生體育委員會委員。

執行董事

丁永玲，54歲，本公司執行董事兼首席執行官，主要負責本公司的日常營運及管理。丁女士自2004年9月獲委任為本公司董事總經理。丁女士於1984年加入北京同仁堂集團，歷任同仁堂集團公司外經外貿處處長、進出口分公司經理、同仁堂科技執行董事兼副總經理、北京同仁堂國際有限公司董事總經理及現任同仁堂集團公司董事及副總經理。丁女士於1997年8月畢業於中共中央黨校經濟管理專業並獲得大學學歷，其後於2002年4月完成對外經濟貿易大學國際商學院國際企業管理專業在職研究生課程。

張煥平，57歲，本公司執行董事兼副總經理，主要負責生產事宜。張先生於2008年5月加入本公司擔任副總經理，於2011年2月1日獲委任為本公司董事。張先生於1979年5月加入北京同仁堂集團。歷任同仁堂股份通州製藥廠副廠長及藥酒廠副廠長，以及同仁堂科技執行董事。張先生於2000年12月畢業於中共中央黨校函授學院，主修經濟管理。於2002年11月獲北京市中級技術職稱評定委員會授予主管中藥師。

林曼，42歲，本公司執行董事兼財務總監及公司秘書，主要負責財務管理。林女士於2004年加入本公司，於2005年獲委任為公司秘書，於2008年獲委任為財務總監，於2011年2月1日獲委任為董事。林女士為香港會計師公會會員。林女士於1999年7月獲北京外國語大學授予波蘭語文學學士學位，於2004年7月獲蘭卡斯特大學授予會計與財務學士學位。

Independent Non-executive Directors

Tsang Yok Sing, Jasper, G.B.M., G.B.S., J.P., aged 70, has been appointed as an independent non-executive Director of the Company on 12 September 2017. Mr. Tsang is Honorary Professor of the Faculty of Social Science of The Chinese University of Hong Kong and the Convenor of Hong Kong Vision Research Programme. Mr. Tsang held a number of posts in public service, including the President of the Fourth and the Fifth Legislative Council of the HKSAR from 2008 to 2016. Prior to his election as President of the Legislative Council of the HKSAR, Mr. Tsang served as a member of the Legislative Council elected from the Kowloon West constituency from 1998 to 2008 and a member of the Executive Council of the HKSAR from 2002 to 2008. From 1992 to 2003, he served as Chairman of the Democratic Alliance for the Betterment of Hong Kong. Mr. Tsang was actively involved in the establishment of the HKSAR. He served as a member of the Preparatory Committee established by the Standing Committee of the Chinese National People's Congress in 1996 and a member of the Provisional Legislative Council of the HKSAR from 1997 to 1998. Mr. Tsang was a member of the National Committee of the Chinese People's Political Consultative Conference from 1993 to 2013, a non-executive director of the Hong Kong Securities and Futures Commission from 2001 to 2007, a member of the Executive Committee of the Commission on Strategic Development from 2005 to 2008, a board member of the Airport Authority Hong Kong from 2005 to 2008, a member of the Independent Commission Against Corruption Complaints Committee from 2003 to 2008 and a member of the Disaster Relief Fund Advisory Committee from 2002 to 2008. Mr. Tsang also served as a member of the Council of The Open University of Hong Kong from 1996 to 2005 and a member of the Standing Committee on Language Education and Research from 1996 to 2000. Mr. Tsang obtained a Bachelor of Arts degree at The University of Hong Kong in 1968, Certificate in Education in 1981 and Master of Education degree in 1983. Mr. Tsang was appointed as a Justice of the Peace (J.P.) in 1998 and was awarded the Gold Bauhinia Star (G.B.S.) in 2002 and the Grand Bauhinia Medal (G.M.B.) in 2015.

Zhao Zhong Zhen, aged 60, has been appointed as an independent non-executive Director of the Company on 15 April 2013. Mr. Zhao is currently a professor and an associate dean of the School of Chinese Medicine of Hong Kong Baptist University. Mr. Zhao has been an associate professor of Hong Kong Baptist University since April 1999. Mr. Zhao is currently a member of the Chinese Pharmacopoeia Commission and a member of Chinese Medicine Development Committee. From 1985 to 1987, Mr. Zhao was a research assistant of China Academy of Chinese Medical Sciences. From 1987 to 1988 and 1991 to 1992, Mr. Zhao was a visiting scholar of Tokyo University of Pharmacy and Life Science. Mr. Zhao was a research director of a laboratory for Chinese medicines in Japan during the period from October 1992 to April 1999. From July 2009 to January 2010, Mr. Zhao was a visiting scholar of Osher Research Centre of Harvard Medical School. Mr. Zhao obtained a bachelor's degree and a master's degree, both in Chinese medicine, from Beijing University of Chinese Medicine in March 1982, and from China Academy of Chinese Medical Sciences in December 1985, respectively. Mr. Zhao obtained his doctorate degree in pharmacy in Tokyo University of Pharmacy and Life Science in March 1992.

Chan Ngai Chi, aged 46, was appointed as an independent non-executive Director of the Company on 15 April 2013. Prior to joining the Company, Mr. Chan had more than 20 years of financial management, compliance and auditing experience. Mr. Chan worked in the audit division of PricewaterhouseCoopers Hong Kong and various listed companies in Hong Kong and the U.S.. Mr. Chan worked in Tong Ren Tang Technologies as the financial controller and company secretary from 2004 to 2007. Mr. Chan worked as the principal financial officer of Gushan Environmental Energy Company Limited, which was a company listed on the New York Stock Exchange since December 2007 and privatized in October 2012. Mr. Chan is currently the principal financial officer of China Metal Resources Utilization Limited (Stock code: 1636). Mr. Chan is a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. Mr. Chan graduated from the Hong Kong University of Science and Technology with a bachelor's degree in business administration in accounting in 1994 and also obtained a master's degree in Science from the Chinese University of Hong Kong in 2003.

獨立非執行董事

曾鈺成，大紫荊勳章、金紫荊星章、太平紳士，70歲，於2017年9月12日獲委任為本公司獨立非執行董事。曾先生現為香港中文大學社會科學院榮譽教授，香港願景計劃召集人。曾先生曾擔任多項公職，包括自2008年至2016年擔任香港特別行政區第四屆至第五屆立法會主席。在當選香港特別行政區立法會主席之前，曾先生於1998年至2008年期間擔任代表九龍西選區的立法會議員並於2002年至2008年擔任香港特別行政區行政會議成員。自1992年至2003年，曾先生曾任民主建港聯盟主席。曾先生積極參與成立香港特別行政區的工作，曾出任全國人民代表大會常務委員會於1996年成立的香港特別行政區籌備委員會委員，並在1997年至1998年擔任香港特別行政區臨時立法會議員。曾先生分別於1993年至2013年擔任中國人民政治協商會議全國委員會委員，2001年至2007年擔任香港證券及期貨事務監察委員會非執行董事，2005年至2008年擔任策略發展委員會行政委員會委員，2005年至2008年擔任香港機場管理局成員，2003年至2008年擔任廉政公署投訴委員會委員，以及於2002年至2008年擔任賑災基金諮詢委員會委員。曾先生亦曾於1996年至2005年擔任香港公開大學校董，以及於1996年至2000年擔任語文教育及研究常務委員會委員。曾先生分別於1968年獲得香港大學文學士學位，於1981年獲得香港大學教育文憑，及於1983年獲得香港大學教育碩士學位。曾先生於1998年獲委任為太平紳士(J.P.)、於2002年獲頒授金紫荊星章(G.B.S.)及於2015年獲頒授大紫荊勳章(G.B.M.)。

趙中振，60歲，於2013年4月15日獲委任為本公司獨立非執行董事。趙先生現任香港浸會大學中醫藥學院講座教授及副院長，自1999年4月起擔任香港浸會大學副教授。目前，趙先生是國家藥典委員會委員與香港中醫藥發展委員會委員。1985年至1987年，趙先生為中國中醫科學院的研究助理。於1987年至1988年及1991年至1992年，趙先生為東京藥科大學的訪問學者。趙先生曾於1992年10月至1999年4月在日本的中藥實驗室擔任主任研究員。於2009年7月至2010年1月，趙先生為哈佛大學醫學院Osher研究中心的訪問學者。趙先生於1982年3月獲北京中醫藥大學授予中醫學學士學位，於1985年12月獲中國中醫科學院授予中藥學碩士學位，於1992年3月獲東京藥科大學授予藥學博士學位。

陳毅馳，46歲，於2013年4月15日獲委任為本公司獨立非執行董事。加入本公司前，陳先生累積逾20年財務管理、合規及核數經驗。陳先生曾任職於香港羅兵咸永道會計師事務所核數部，多家香港及美國上市公司，於2004年至2007年擔任同仁堂科技財務總監兼公司秘書。陳先生曾擔任古杉環境能源有限公司(於2007年12月在紐約證券交易所上市且於2012年10月私有化的公司)的首席財務官。陳先生現任中國金屬資源利用有限公司(股份代號：1636)首席財務執行官。陳先生為香港會計師公會及英國特許公認會計師公會的資深會員。陳先生於1994年畢業於香港科技大學並獲授工商管理會計學士學位，於2003年獲香港中文大學授予理學碩士學位。

Senior Management

Hua Ji Hong, aged 43, is a deputy general manager of the Company, and is mainly responsible for the brand management, marketing, information management as well as sales and business management in traditional markets of the Company. Ms. Hua joined Beijing Tong Ren Tang Group in 2000. Ms. Hua obtained a bachelor's degree and a master's degree, both in Chinese medicine, from Beijing University of Chinese Medicine in June 1997 and July 2000, respectively.

Anyang Ma, J.P., aged 56, is a deputy general manager of the Company, and is mainly responsible for the project investment. By holding a master's degree of Herbal Medicine from the University of Sydney and a doctorate degree in Clinical Discipline of Chinese and Western Integrative Medicine from the Fujian University of Traditional Chinese Medicine, Mr. Ma is the founder and the managing director of Beijing Tong Ren Tang (Australia) Pty Ltd.. During the past of more than 30 years in his career, Mr. Ma has accumulated extensive experiences in various TCM sectors including chinese herbal medicine processing and manufacturing, import and export, wholesale and retail, research and development, quality assurance, clinics and management. Mr. Ma has been appointed as the committee member of Australian Mirror Committee (HE031) of the Chinese medicine standardization committee under the International Standard Organization (ISO/TC249). Mr. Ma is also the current president of Chinese Medicine Industry Council of Australia (CMIC).

Li Xia, aged 51, is the chief engineer of the Company, and joined the Company in 2008. Ms. Li has been in Beijing Tong Ren Tang Group since 1990 and is mainly responsible for research and development of Chinese medicines and healthcare products. Ms. Li obtained a bachelor's degree in Chinese medicine from Beijing University of Chinese Medicine in July 1989.

高級管理人員

花季紅，43歲，本公司副總經理，主要負責本公司的品牌管理、市場推廣、資訊管理以及傳統市場的銷售及業務管理。花女士於2000年加入北京同仁堂集團。花女士於1997年6月及2000年7月先後獲北京中醫藥大學授予中醫學學士及碩士學位。

馬安陽太平紳士，56歲，本公司副總經理，主要負責本公司的項目投資。馬先生亦為北京同仁堂(澳大利亞)有限公司創始人及董事總經理，擁有悉尼大學植物藥碩士及福建中醫藥大學中西醫結合臨床醫學博士學位。30多年來，馬先生一直從事中醫藥相關領域，並累積了廣泛經驗，包括中藥生產加工、進出口貿易、批發與零售、研發質控和門診管理等。馬先生現兼任為國際標準組織(ISO/TC249)中醫藥標準化技術委員會澳洲專家委員會(HE031)理事，同時也是現任澳大利亞中藥行業聯合會會長。

李霞，51歲，本公司總工程師，於2008年加入本公司。李女士於1990年加入北京同仁堂集團，主要負責研究與開發中藥及保健品。李女士於1989年7月獲北京中醫藥大學授予中醫學學士學位。

The Directors are pleased to present the report and the audited consolidated financial statements of the Group for the year ended 31 December 2017.

Principal Activities

The principal activities of the Company are manufacturing, retail and wholesale of Chinese medicine and healthcare products and provision of Chinese medical consultation and treatments. The principal activities and other particulars of the Company's subsidiaries are set out in note 29 to the consolidated financial statements.

Results and Dividends

The results of the Group for the year ended 31 December 2017 are set out in the consolidated income statement on pages 146 to 147 of this annual report.

The Board has proposed a final dividend of 19 HK cents (2016: 16 HK cents) per ordinary share for the year ended 31 December 2017. Such final dividend will be proposed for approval by shareholders at the AGM to be held on Monday, 7 May 2018 and if approved, will be payable on or around Thursday, 31 May 2018 to shareholders whose names appear on the Register of Members of the Company on Tuesday, 15 May 2018. Details of the dividend for the year ended 31 December 2017 are set out in note 13 to the consolidated financial statements.

Closure of Register of Members

The register of members of the Company will be closed during the following periods:

(i) from Monday, 30 April 2018 to Monday, 7 May 2018 (both days inclusive), for the purpose of ascertaining shareholders' entitlement to attend and vote at the AGM. In order to be eligible to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Friday, 27 April 2018; and

(ii) from Friday, 11 May 2018 to Tuesday, 15 May 2018 (both days inclusive), for the purpose of ascertaining shareholders' entitlement the proposed final dividend. In order to qualify for the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at the address as set out in sub-paragraph (i) above for registration no later than 4:30 p.m. on Thursday, 10 May 2018.

During the periods mentioned in sub-paragraphs (i) and (ii) above, no transfers of shares will be registered.

Segment Information

Details of the segment information of the Group are set out in note 5 to the consolidated financial statements.

Property, Plant and Equipment

Details of movements in the property, plant and equipment of the Group are set out in note 15 to the consolidated financial statements.

Bank Borrowing

As at 31 December 2017, the Group had bank borrowings of HK$0.6 million (2016: HK$0.6 million), details of which are set out in note 24 to the consolidated financial statements.

Share Capital

Details of movements in the Company's share capital during the year ended 31 December 2017 are set out in note 22 to the consolidated financial statements.

董事欣然呈列本集團截至2017年12月31日止年度的報告及經審核合併財務報表。

主要業務

本公司主要從事中藥產品和保健品的生產、零售及批發業務，並提供中醫診療服務。本公司附屬公司之主要業務及其他詳情載於合併財務報表附註29。

業績及股息

本集團截至2017年12月31日止年度之業績載於本年報第146至147頁之合併收益表。

董事會建議就截至2017年12月31日止年度派付末期股息每股普通股19港仙(2016年：16港仙)。建議之末期股息將於2018年5月7日(星期一)舉行的股東週年大會上提呈股東批准，倘獲批准，將於約2018年5月31日(星期四)派發予2018年5月15日(星期二)登記在本公司股東名冊的股東。截至2017年12月31日止年度之股息詳情載於合併財務報表附註13。

暫停辦理股份過戶登記手續

本公司將於下列時段暫停辦理股份過戶登記手續：

(i) 由2018年4月30日(星期一)至2018年5月7日(星期一)(包括首尾兩天)，暫停辦理股份過戶登記手續，以確定股東可出席股東週年大會並於會上投票的權利。為確保合資格出席股東週年大會及於會上投票的權利，所有過戶文件連同有關股票，必須於2018年4月27日(星期五)下午4時30分前，送交本公司香港證券登記處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712–1716號舖；及

(ii) 由2018年5月11日(星期五)至2018年5月15日(星期二)(包括首尾兩天)，暫停辦理股份過戶登記手續，以確定股東享有建議末期股息的資格。凡欲獲派末期股息，所有過戶文件連同有關股票，必須於2018年5月10日(星期四)下午4時30分前，送交本公司香港證券登記處香港中央證券登記有限公司(其地址列於上文分段(i))。

於上文分段(i)及(ii)所述期間內將不會辦理股份過戶登記手續。

分部資料

本集團分部資料的詳情載於合併財務報表附註5。

物業、廠房及設備

本集團物業、廠房及設備之變動詳情載於合併財務報表附註15。

銀行借貸

於2017年12月31日，本集團之銀行借貸為0.6百萬港元(2016年：0.6百萬港元)，詳情載於合併財務報表附註24。

股本

本公司於截至2017年12月31日止年度內的股本變動詳情載於合併財務報表附註22。

Reserves

Details of movements in the reserves of the Company and the Group during the year ended 31 December 2017 are set out in note 31 to the consolidated financial statements and in the consolidated statement of changes in equity on pages 152 to 153 of the annual report respectively.

Distributable Reserves

As at 31 December 2017, the reserves of the Company available for distribution amounted to HK$1,582.9 million (2016: HK$1,220.4 million).

Donations

Cash charitable donations made by the Group during the year ended 31 December 2017 amounted to HK$0.1 million (2016: HK$1.1 million).

Five Years Financial Summary

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on pages 6 to 7 of the annual report.

Major Customers and Suppliers

During the year ended 31 December 2017, revenue received/receivable from the top five customers in aggregate and the single largest customer accounted for approximately 49.4% (2016: 53.6%) and 19.0% (2016: 21.0%) of the Group's revenue, respectively.

During the year ended 31 December 2017, purchases paid/payable to the top five suppliers in aggregate and the largest supplier constituted approximately 72.9% (2016: 63.0%) and 42.6% (2016: 37.3%) of the Group's total purchases, respectively.

For the years ended 31 December 2017 and 2016, among the Group's top five customers include a subsidiary of our ultimate holding company and a subsidiary of our intermediate holding company. In addition, the Group's top five suppliers include our immediate holding company, our intermediate holding company and their associates.

Save as disclosed above, none of the Directors, their associates or any shareholder of the Company (which to the knowledge of the Directors owns more than 5% of the number of issued shares of the Company) had any interest in any of the top five customers and suppliers.

Relationships with Employees, Customers and Suppliers

The Group values the contributions of employees. The Group provides competitive remuneration package to attract and motivate the employees. The Group regularly reviews the remuneration package of employees and makes necessary adjustments to conform to the market standard. Details are set out below under the section "Emolument Policy" and note 2(t) to the consolidated financial statements.

To maintain its core competitiveness, the Group aims at delivering constantly high standards of quality in the Chinese medicine products and service to its customers. The Group also understands that it is important to maintain good relationship with its customers and suppliers to fulfil its long-term goals and carefully select (including and taking into account their financial position, credit history and other factors) our suppliers to ensure that our commitment to customers of quality and ethics. Majority of the Group's trade receivables are due within 90 days from the date of billings, and it normally grants credit periods ranging from 30 days to 90 days for wholesales to distributors. Details are set out in note 20 to the consolidated financial statements. During the year ended 31 December 2017, there was no material and significant dispute between the Group and its customers and/or suppliers.

儲備

本公司及本集團截至2017年12月31日止年度的儲備變動詳情分別載於合併財務報表附註31及本年報第152至153頁之合併權益變動表。

可供分派儲備

於2017年12月31日，本公司的可供分派儲備為1,582.9百萬港元（2016年：1,220.4百萬港元）。

捐贈

截至2017年12月31日止年度，本集團慈善現金捐贈為0.1百萬港元（2016年：1.1百萬港元）。

五年財務摘要

本集團於過去五個財政年度之業績、資產及負債概要載於本年報第6至7頁。

主要客戶及供應商

截至2017年12月31日止年度，來自五大客戶合共及單一最大客戶的已收／應收收益分別佔本集團收入約49.4%（2016年：53.6%）及19.0%（2016年：21.0%）。

截至2017年12月31日止年度，已付／應付五大供應商合共及最大供應商採購額分別佔本集團總採購額約72.9%（2016年：63.0%）及42.6%（2016年：37.3%）。

截至2017年及2016年12月31日止年度，本集團的五大客戶中包括了我們的最終控股公司旗下的一家附屬公司及我們的中間控股公司旗下的一家附屬公司。此外，本集團的五大供應商中包括了我們的直接控股公司、中間控股公司及其聯繫人。

除上文所披露外，本公司董事、彼等的聯繫人或任何股東（就董事所知持有本公司5%以上股本）概無擁有五大客戶及五大供應商的任何權益。

與僱員、客戶及供應商關係

本集團重視僱員貢獻。本集團提供有競爭力的薪酬待遇以吸引和激勵僱員。本集團定期檢討員工的薪酬待遇，並進行必要的調整，以符合市場標準。詳情載於下文「酬金政策」一節及合併財務報表附註2(t)。

為保持其品牌核心競爭力，本集團致力於為客戶持續提供高質量的中藥產品和服務。本集團亦了解與客戶和供應商保持良好關係對實現其長期目標的重要性，並審慎挑選我們的供應商（包括考慮其財務狀況、信貸歷史及其他因素）以盡力確保我們對客戶質量及道德的承諾。本集團大部份貿易應收款項於開具發票之日起90天內到期，批發予分銷商（包括同系附屬公司、合營企業及聯營公司）授出的信貸期則為30至90天，詳情載於合併財務報表附註20。截至2017年12月31日止年度，本集團與客戶及／或供應商之間沒有重要和重大爭議。

Directors

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

Non-executive Director

Mei Qun *(Chairman)*

Executive Directors

Ding Yong Ling *(Chief Executive Officer)*
Zhang Huan Ping *(Deputy General Manager)*
Lin Man *(Chief Financial Officer and Company Secretary)*

Independent Non-executive Directors

Tsang Yok Sing, Jasper *(appointed on 12 September 2017)*
Leung, Oi Sie Elsie *(resigned on 12 September 2017)*
Zhao Zhong Zhen
Chan Ngai Chi

In accordance with Articles 81(B) and 97 of the Articles of Association, Mr. Tsang Yok Sing, Jasper, who was appointed as an independent non-executive Director of the Company with effect from 12 September 2017, shall hold office only until the conclusion of AGM and shall then be eligible for re-election at the AGM. Accordingly, four directors, namely, Ms. Ding Yong Ling, Ms. Lin Man, Mr. Tsang Yok Sing, Jasper and Mr. Zhao Zhong Zhen shall retire from office by rotation respectively at the forthcoming AGM and, all being eligible, have offered themselves for re-election as Directors at the forthcoming AGM.

Ms. Leung, Oi Sie Elsie resigned as the independent non-executive Director due to other business commitment and personal endeavours with effect on 12 September 2017.

The Company has received, from each of the Independent Non-executive Directors, a confirmation of his/her independence pursuant to Rule 5.09 of the GEM Listing Rules. The Company considers that all the Independent Non-executive Directors are independent.

A full list of the names of the directors of the Group's subsidiaries can be found in the Company's website (www.tongrentangcm.com) under "Investor Relations".

Directors' Service Agreements

The non-executive Director, Mr. Mei Qun entered into a service contract with the Company for a fixed term of three years commencing from 7 May 2017 and all the executive Directors, Ms. Ding Yong Ling, Mr. Zhang Huan Ping and Ms. Lin Man have entered into service contracts with the Company for a fixed term of three years commencing from 15 April 2016.

Each of Mr. Tsang Yok Sing, Jasper, Mr. Zhao Zhong Zhen and Mr. Chan Ngai Chi, being all our independent non-executive Directors, has entered into a letter of appointment with the Company for a fixed term of three years commencing from 12 September 2017, 15 April 2016 and 15 April 2016, respectively, unless terminated by either party giving at least two months' notice in writing.

None of the Directors has entered or proposed to enter into any service contracts with the Company which is not determinable by the Company within one year without payment of compensation other than statutory compensation.

Biographical details of Directors and senior management

Brief biographical details of Directors and senior management of the Group are set out on pages 86 to 91 of the annual report.

董事

於年內及截至本報告日期止之董事如下：

非執行董事

梅群*(主席)*

執行董事

丁永玲*(首席執行官)*
張煥平*(副總經理)*
林曼*(財務總監兼公司秘書)*

獨立非執行董事

曾鈺成*(於2017年9月12日獲委任)*
梁愛詩*(於2017年9月12日辭任)*
趙中振
陳毅馳

根據本公司之章程第81(B)條及第97條，董事曾鈺成先生(獲委任為本公司獨立非執行董事並於2017年9月12日生效)將任職直至本公司下屆股東週年大會，及倘符合資格，將於應屆股東週年大會上膺選連任。故此，四位董事丁永玲女士、林曼女士、曾鈺成先生及趙中振先生將於應屆股東週年大會輪值退任，而彼等符合資格，並願意於應屆股東週年大會上膺選連任董事。

梁愛詩女士則因公、私務繁忙，已辭任獨立非執行董事職務，自2017年9月12日起生效。

本公司已獲每位獨立非執行董事根據GEM上市規則第5.09條規定確認其獨立性。本公司認為所有獨立非執行董事均為獨立人士。

本集團下屬子公司之董事完整名單可以從公司網站(www.tongrentangcm.com)中「投資者關係」查詢。

董事服務協議

非執行董事梅群先生與本公司訂立服務合約，自2017年5月7日起為期3年。全體執行董事丁永玲女士、張煥平先生及林曼女士與本公司訂立服務合約，自2016年4月15日起為期3年。

獨立非執行董事曾鈺成先生、趙中振先生及陳毅馳先生各自與本公司訂立委任書，分別自2017年9月12日、2016年4月15日及2016年4月15日起為期3年，惟任何一方發出至少兩個月的書面通知終止則除外。

董事概無與本公司訂立或擬訂立於1年內終止而須支付補償(法定補償除外)的任何服務合約。

董事及高級管理人員履歷

董事及本集團高級管理人員履歷詳情載於本年報第86至91頁。

Emolument Policy

The remuneration of the employees of the Group is determined with reference to market terms and the performance, qualifications and experience of the individual employee. The remunerations of the Directors are determined with reference to the economic situation, the market condition, the responsibilities and duties assumed by each Director as well as their individual performance. Details of the fee and emolument of the Directors are set out in note 8 to the consolidated financial statements.

Retirement Schemes

The Group operates various retirement schemes. Particulars of these retirement schemes are set out in note 2(t) to the consolidated financial statements.

Directors' and Chief Executive's Interests in Shares

As at 31 December 2017, the interest and short positions in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) of Directors and chief executives of the Company which would have to be notified to the Company pursuant to Division 7 and Division 8 of Part XV of the SFO (including interests which they are taken or deemed to have under such provisions of the SFO) and required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were required, pursuant to Rule 5.48 to Rule 5.67 of the GEM Listing Rules, to be notified to the Company and the Exchange, were as follows:

Long position in shares

	Types of interests 權益性質	Capacity 身份	Number of shares 股份數目	Approximate percentage of issued share capital 佔已發行股本的概約百分比
The Company 本公司				
Ding Yong Ling 丁永玲	Personal 個人	Beneficial owner 實益擁有人	250,000	0.029%
Lin Man 林曼	Personal 個人	Beneficial owner 實益擁有人	220,000	0.026%
Tong Ren Tang Technologies 同仁堂科技				
Mei Qun 梅群	Personal 個人	Beneficial owner 實益擁有人	3,000,000 (1)	0.234%
Tong Ren Tang Ltd. 同仁堂股份				
Mei Qun 梅群	Personal 個人	Beneficial owner 實益擁有人	93,242 (2)	0.007%

Notes:

(1) These shares represent 0.46% of domestic shares of Tong Ren Tang Technologies.

(2) All represent A shares of Tong Ren Tang Ltd..

Save as disclosed above, none of the Directors and chief executives of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Exchange pursuant to the standards of dealing by Directors as referred to in Rule 5.48 to Rule 5.67 of the GEM Listing Rules.

Rights to Acquire Shares or Debentures

Other than as disclosed under the section "Directors' and chief executives' interests in the shares" above, at no time during the year ended 31 December 2017 was the Company, any of its subsidiaries, or any of its fellow subsidiaries, a party to any arrangement to enable the Directors or chief executives of the Company or their respective associates (as defined in the GEM Listing Rules) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

酬金政策

本集團僱員之薪酬乃經參考市場條款及僱員個人表現、資歷及經驗後釐定。董事之薪酬乃經參照經濟形勢、市場情況、各位董事的職責和個人表現後釐定。董事袍金及酬金詳情載於合併財務報表附註8。

退休計劃

本集團實行多項退休計劃。這些退休計劃詳情載於合併財務報表附註2(t)。

董事及主要行政人員於股份中的權益

於2017年12月31日，董事及本公司主要行政人員於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)的股份及相關股份中，擁有根據證券及期貨條例第XV部第7分部及第8分部須知會本公司的權益(包括根據證券及期貨條例有關規定彼等當作或視作擁有的權益)及根據證券及期貨條例第352條須予備存的登記冊所記錄或根據GEM上市規則第5.48條至第5.67條之規定須知會本公司及聯交所的權益及淡倉如下：

股份好倉

附註：

(1) 該等股份佔同仁堂科技內資股的0.46%。

(2) 全部為同仁堂股份的A股。

除上文所披露外，概無董事及本公司主要行政人員於本公司及其相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份及債權證中，擁有根據證券及期貨條例第352條須予備存的登記冊所記錄或根據GEM上市規則第5.48條至第5.67條所述的董事交易準則須知會本公司及聯交所的任何權益及淡倉。

收購股份或債權證的權利

除上文「董事及主要行政人員於股份中的權益」一節所披露外，本公司、其任何附屬公司或其任何同系附屬公司於截至2017年12月31日止年度內任何時間，概無訂有任何安排，賦予本公司董事或主要行政人員或彼等各自的聯繫人士(定義見GEM上市規則)任何權利可認購本公司或任何相聯法團(定義見證券及期貨條例)的證券或透過收購本公司或任何其他法人團體的股份或債權證的方式取得利益。

Directors' Interests in Competing Businesses

None of the Directors or their respective associates has any competing interests which need to be disclosed pursuant to Rule 11.04 of the GEM Listing Rules.

Interests in Competing Businesses

To ensure that the business classification between the Company and the Controlling Shareholders are properly documented and established, each of the Controlling Shareholders entered into a deed of non-competition (the "Deed of Non-competition") in favour of the Company on 18 April 2013, details of which are set out in the Prospectus, mainly to the effect that at any time until their collective beneficial interest in the equity interest in the Company is less than 30%, each of them shall not, and shall procure their respective subsidiaries (except through its interests in the Group) not to, without prior written consent of the Company, directly or indirectly:

(i) engage in the research, development, manufacture and sales of any products containing ganoderma lucidum or ganoderma lucidum spores as raw materials in the Non-PRC Markets;

(ii) engage in the research, development, manufacture and sale of any products with "Tong Ren Tang" brands in Non-PRC Markets, except for the manufacture of the Chinese medicine products for the two independent third parties in Japan; for the avoidance of doubt and without prejudice to the generality of the Deed of Non-competition, except for the current excluded business in Japan, engage in arrangement with any other parties in the Non-PRC Markets similar to the excluded business in Japan;

(iii) carry out any sales or registration (new or renewal) for Angong Niuhuang Wan in the Non-PRC Markets;

(iv) engage in the distribution of any Chinese medicine products in Non-PRC Markets, except for certain existing arrangements as disclosed in the Prospectus; and

(v) carry out any new overseas registration of "Tong Ren Tang" branded products ((i) to (v) are collectively known as "Restricted Business").

In addition, under the Deed of Non-competition, each of the Controlling Shareholders has also undertaken that if each of them and/or any of its associates is offered or becomes aware of any project or new business opportunity (the "New Business Opportunity") that relates to the Restricted Business, whether directly or indirectly, it shall (i) promptly and in any event not later than seven (7) days notify the Company in writing of such opportunity and provide such information as is reasonably required by the Company in order to enable the Company to come to an informed assessment of such opportunity; and (ii) use its best endeavours to procure that such opportunity is offered to the Company on terms no less favourable than the terms on which such opportunity is offered to it and/or its associates.

The Directors (including the independent non-executive Directors) will review the New Business Opportunity and decide whether to invest in the New Business Opportunity within thirty (30) business days of receipt of notice from Controlling Shareholders.

Tong Ren Tang Holdings has also granted the Company rights of first refusal to acquire its interest in Beijing Tong Ren Tang Hong Kong Medicine Management Limited, Beijing Tong Ren Tang (UK) Limited and Beijing Tong Ren Tang Tai Fong Co., Ltd. on terms which are not less favorable than the terms it wishes to sell to other parties.

In this connection, the Group adopted the following corporate governance measures to manage any potential conflicts of interest arising from any future potential competing business and to safeguard the interests of the shareholders of the Company:

(i) the independent non-executive Directors shall review, at least on an annual basis, the compliance with and enforcement of the terms of the Deed of Non-competition by the Controlling Shareholders; and

(ii) the Company will disclose the review by the independent non-executive Directors with basis on the compliance with and enforcement of the terms of the Deed of Non-competition in its annual report.

董事所持競爭業務權益

董事或彼等各自的聯繫人概無擁有根據GEM上市規則第11.04條須予披露的任何競爭業務權益。

競爭業務權益

為界定本公司及控股股東各自的業務分野，各控股股東與本公司於2013年4月18日訂立不競爭契據(「不競爭契據」)，其詳情刊載於本公司招股章程，除非彼等共同實際擁有本公司權益少於30%，否則於任何時間均不會、並促使彼等各自的附屬公司不會在未經本公司事先書面同意的情況下，直接或間接(借助本集團權益而進行除外)：

(i) 於非中國市場從事研發、製造及銷售以靈芝或靈芝孢子為原材料的產品；

(ii) 於非中國市場研發、製造及銷售任何「同仁堂」品牌的產品，惟為日本兩名獨立第三方製造的中藥產品除外。僅此説明，在不影響不競爭契據一般性原則下，除目前於日本的除外業務外，不會與非中國市場任何其他各方訂立與日本除外業務類似的安排；

(iii) 於非中國市場銷售或註冊(新註冊或續期)安宮牛黃丸；

(iv) 於非中國市場從事任何中藥產品的分銷，惟本公司招股章程所披露的若干現有安排除外；及

(v) 進行任何「同仁堂」品牌產品的新海外註冊(第(i)至(v)項統稱為「受限制業務」)。

此外，根據不競爭契據，各控股股東亦承諾，倘彼等各自及／或其任何聯繫人士直接或間接獲要約進行或得悉任何與受限制業務相關的項目或新業務機會(「新業務機會」)，其必須(i)立即且無論如何不得遲於七(7)天向本公司發出有關該等機會的通知書，並向本公司提供其合理要求的資料，以使本公司可在知情情況下對該等機會作出評估；及(ii)盡力促使該等機會按不遜於其及／或其聯繫人獲提供的條款提供予本公司。

董事(包括獨立非執行董事)會審閱新業務機會，並於接獲控股股東通知後三十(30)個營業日內決定是否投資新業務機會。

同仁堂集團公司亦向本公司授予優先認購權，本公司可按不遜於同仁堂集團公司願意向其他人士出售的條款收購其所持北京同仁堂香港藥業管理有限公司、北京同仁堂(英國)有限公司及北京同仁堂太豐股份有限公司的權益。

有見及此，本集團採取下列企業管治措施以應付任何日後潛在競爭業務產生的任何潛在利益衝突及保障本公司股東利益：

(i) 獨立非執行董事須至少每年審閱控股股東有否遵守及執行不競爭契據的條款；及

(ii) 本公司將於年報披露獨立非執行董事基於遵守及執行不競爭契據之條款進行的審閱。

In monitoring the competing business of the Parent Group, an executive committee (the "Competition Executive Committee") comprising two disinterested Directors, namely Mr. Zhang Huan Ping and Ms. Lin Man, has been established with the following major responsibilities:

(a) conduct quarterly inspection of the distribution channels of the Parent Group, including retail stores and wholesale customers, to check whether any products containing ganoderma lucidum or ganoderma lucidum spores as raw materials (other than GLSPC) is sold in Non-PRC Markets; and

(b) conduct quarterly communications with representatives of the Parent Group to confirm whether their research and development portfolio has any products which contain ganoderma lucidum or ganoderma lucidum spores as raw materials.

A supervisory committee (the "Competition Supervisory Committee"), comprising three independent non-executive Directors, namely, Mr. Tsang Yok Sing, Jasper, Mr. Zhao Zhong Zhen and Mr. Chan Ngai Chi, has been established, and Mr. Tsang Yok Sing, Jasper has been appointed as the chairman of Competition Supervisory Committee of the Company with effect from 27 October 2017, with the following major responsibilities:

(a) meet quarterly and review the quarterly inspection record and daily communication records by the Competition Executive Committee (if applicable); and

(b) report findings during its review of the records provided by the Competition Executive Committee to the Board which will be published in the Company's annual report.

To the best knowledge of the Competition Executive Committee, they are not aware of the distribution channels of the Parent Group selling any products containing ganoderma lucidum or ganoderma lucidum spores as raw materials (other than GLSPC) in Non-PRC Markets for the year ended 31 December 2017.

為監察母集團的競爭業務，由兩名無權益董事（即張煥平先生及林曼女士）組成之執行委員會（「競爭執行委員會」）已成立，其主要職責如下：

(a) 對母集團分銷管道（包括零售店舖及批發客戶）進行季度檢查，以檢查是否有以靈芝或靈芝孢子為原材料的產品（破壁靈芝孢子粉膠囊除外）於非中國市場銷售；及

(b) 每季與母集團代表溝通，確認彼等的研發產品組合中是否有以靈芝或靈芝孢子為原材料的產品。

由三名獨立非執行董事（即曾鈺成先生、趙中振先生及陳毅馳先生）組成之監察委員會（「競爭監察委員會」）已成立，並於2017年10月27日委任曾鈺成先生為競爭監察委員會主席，其主要職責如下：

(a) 每季開會並審閱競爭執行委員會的季度檢查記錄及每日通訊記錄（如適用）；及

(b) 向董事會報告競爭執行委員會所提供記錄的審閱結果（將刊載於本公司年報）。

就競爭執行委員會所知悉，截至2017年12月31日止年度，母集團並無於非中國市場設立分銷渠道銷售任何以靈芝或靈芝孢子為原材料的產品（破壁靈芝孢子粉膠囊除外）。

Substantial Shareholders

At 31 December 2017, the interest of the persons, other than Directors or chief executive of the Company, in the shares and underlying shares of the Company which were notified to the Company and the Exchange pursuant to Division 2 and Division 3 of Part XV of the SFO and entered in the register maintained by the Company pursuant to Section 336 of the SFO, or otherwise notified to the Company were as follows:

Long position in shares

Name of shareholder 股東名稱	Capacity 身份	Number of shares 股份數目	Approximate percentage of issued share capital 佔已發行股本的概約百分比
Tong Ren Tang Technologies 同仁堂科技	Beneficial owner 實益擁有人	318,540,000	38.05%
Tong Ren Tang Ltd. 同仁堂股份 (1)	Beneficial owner 實益擁有人	281,460,000	33.62%
	Interest of a controlled corporation 受控制公司的權益	318,540,000	38.05%
Tong Ren Tang Holdings 同仁堂集團公司 (2)	Interest of a controlled corporation 受控制公司的權益	600,000,000	71.67%
Greenwoods Asset Management Holdings Limited (3)	Interest of a controlled corporation 受控制公司的權益	45,936,000	5.49%
Greenwoods Asset Management Limited (3)	Interest of a controlled corporation 受控制公司的權益	45,936,000	5.49%
Jiang Jinzhi 蔣錦志 (3)	Interest of a controlled corporation 受控制公司的權益	45,936,000	5.49%
Unique Element Corp. (3)	Interest of a controlled corporation 受控制公司的權益	45,936,000	5.49%

Notes:

(1) Tong Ren Tang Ltd. directly holds 46.85% of the issued share capital of Tong Ren Tang Technologies. Accordingly, Tong Ren Tang Ltd. is deemed to be interested in 318,540,000 shares of the Company held by Tong Ren Tang Technologies.

(2) Tong Ren Tang Holdings directly holds 52.45% of the issued share capital of Tong Ren Tang Ltd. which in turn directly holds 46.85% of the issued share capital of Tong Ren Tang Technologies. Tong Ren Tang Holdings also directly holds 0.74% of the issued share capital of Tong Ren Tang Technologies. Accordingly, Tong Ren Tang Holdings is deemed to be interested in 318,540,000 shares of the Company and 281,460,000 shares of the Company held by Tong Ren Tang Technologies and Tong Ren Tang Ltd., respectively.

(3) According to the disclosure forms filed by Greenwoods Asset Management Holdings Limited, Greenwoods Asset Management Limited, Jiang Jinzhi and Unique Element Corp. on 8 December 2016, the following interests in shares of the Company were held by Greenwoods Asset Management Holdings Limited, Greenwoods Asset Management Limited, Jiang Jinzhi and Unique Element Corp.:

Name of controlled corporation 受控法團的名稱	Name of controlling shareholder 控權股東的姓名或名稱	Percentage of control 控制百分率 (%)	Direct interest (Yes/No) 直接權益 （是／否）		Number of shares 股份數目
Unique Element Corp.	Jiang Jinzhi 蔣錦志	100	No 否	Long position 好倉	45,936,000
Greenwoods Asset Management Holdings Limited	Unique Element Corp.	81	No 否	Long position 好倉	45,936,000
Greenwoods Asset Management Limited	Greenwoods Asset Management Holdings Limited	100	No 否	Long position 好倉	45,936,000
Golden China Master Fund	Jiang Jinzhi 蔣錦志	100	Yes 是	Long position 好倉	7,685,000
Greenwoods Asset Management Limited	Greenwoods Asset Management Holdings Limited	100	No 否	Long position 好倉	14,004,000
Greenwoods China Alpha Master Fund	Greenwoods Asset Management Limited	100	Yes 是	Long position 好倉	19,545,000
Golden China Plus Master Fund	Jiang Jinzhi 蔣錦志	100	Yes 是	Long position 好倉	1,700,000
Greenwoods China Healthcare Master Fund	Greenwoods Asset Management Limited	100	Yes 是	Long position 好倉	3,002,000

Save as disclosed above, the Company had not been notified by any persons (other than Directors or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall under the provisions of Division 2 and Division 3 of Part XV of the SFO to be disclosed to the Company, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

主要股東

於2017年12月31日，在本公司股份及相關股份中擁有根據證券及期貨條例第XV部第2分部及第3分部已知會本公司及聯交所及登記於本公司所根據證券及期貨條例第336條備存登記冊的權益或知會本公司的權益的人士（董事或本公司主要行政人員除外）如下：

股份好倉

附註：

(1) 同仁堂股份直接持有同仁堂科技已發行股本的46.85%。因此，同仁堂股份視為擁有同仁堂科技所持本公司318,540,000股股份的權益。

(2) 同仁堂集團公司直接持有同仁堂股份已發行股本的52.45%，而同仁堂股份則直接持有同仁堂科技已發行股本的46.85%。同仁堂集團公司亦直接持有同仁堂科技已發行股本的0.74%。故此，同仁堂集團公司視為擁有同仁堂科技及同仁堂股份分別所持本公司318,540,000股股份及本公司281,460,000股股份的權益。

(3) 根據Greenwoods Asset Management Holdings Limited、Greenwoods Asset Management Limited、蔣錦志及Unique Element Corp.於2016年12月8日遞交的披露權益表格，由Greenwoods Asset Management Holdings Limited、Greenwoods Asset Management Limited、蔣錦志及Unique Element Corp.持有本公司權益如下：

除上文所披露外，本公司並無獲悉任何人士（董事或本公司主要行政人員除外）知會擁有根據證券及期貨條例第XV部第2分部及第3分部條文須向本公司披露或根據證券及期貨條例第336條本公司須予備存的登記冊所記錄的本公司股份或相關股份權益或淡倉。

Related Party Transactions

Details of related party transactions of the Group during the year ended 31 December 2017 are set out in note 28 to the consolidated financial statements, certain of these transactions (as set out below) also constitute connected transactions/continuing connected transactions under Chapter 20 of the GEM Listing Rules. The Company confirmed that it has complied with the disclosure requirements in accordance with Chapter 20 of the GEM Listing Rules.

Continuing Connected Transactions

The Group has entered into a number of connected transactions/continuing connected transactions with the connected persons (as defined in the GEM Listing Rules) of the Company. The Directors confirmed that the Company has complied with the disclosure requirements in accordance with Chapter 20 of the GEM Listing Rules. Details of the non-exempted continuing connected transactions of the Group during the year ended 31 December 2017 are as follows:

(1) PRC Distribution Framework Agreement

On 14 December 2016, the Company and Tong Ren Tang Holdings entered into a PRC distribution framework agreement (the "PRC Distribution Framework Agreement") that Tong Ren Tang Group (collectively refer to Tong Ren Tang Holdings, its subsidiaries, its jointly controlled entities and its associates, other than Tong Ren Tang Technologies and its subsidiaries) was act as a non-exclusive distributor of the Group and would purchase the Owned Products (as defined in the announcement of the Company dated 14 December 2016) from the Group and then distribute the same to retailer or end users in the PRC for a period from 1 January 2017 to 31 December 2019.

Tong Ren Tang Holdings is the ultimate controlling shareholder of the Company and is therefore a connected person of the Company under the GEM Listing Rules. The annual caps for the transactions contemplated under the PRC Distribution Framework Agreement for the year ended 31 December 2017 and the years ending 31 December 2018 and 2019 are HK$200,000,000 (exclusive of value-added tax in the PRC), HK$230,000,000 (exclusive of value-added tax in the PRC) and HK$270,000,000 (exclusive of value-added tax in the PRC), respectively.

As one or more of the applicable percentage ratios (other than the profits ratio) of the annual caps exceed 5% and the annual caps is more than HK$10,000,000, the PRC distribution framework agreement and the transactions contemplated thereunder are subject to reporting, announcement and annual review requirements as well as the requirement of independent shareholders' approval under the GEM Listing Rules.

The PRC distribution framework agreement was approved by the independent shareholders of the Company in the extraordinary general meeting held on 6 January 2017.

(2) Procurement of Angong Niuhuang Wan Powder from Tong Ren Tang Ltd.

On 8 August 2016, the Company and Tong Ren Tang Ltd. entered into a supplement agreement to the Angong Niuhuang Wan Powder master purchase agreement dated 28 October 2015 (the "Angong Niuhuang Wan Powder Master Purchase Agreement") whereby the Company would purchase Angong Niuhuang Wan Powder, being the raw materials for production of Angong Niuhuang Wan, from Tong Ren Tang Ltd. for the period from 1 January 2016 to 31 December 2018.

Tong Ren Tang Ltd. is our controlling shareholder of the Company and hence a connected person of the Company for the purpose of the GEM Listing Rules. The annual caps for the transactions contemplated under the Angong Niuhuang Wan Powder Master Purchase Agreement for the years ended 31 December 2016 and 2017 and the year ending 31 December 2018 are HK$17,400,000, HK$23,200,000 and HK$26,500,000, respectively.

As one or more of the applicable percentage ratios (other than the profits ratio) of the annual caps exceed 0.1% but less than 5% on an annual basis, the transactions contemplated under the Angong Niuhuang Wan Powder Master Purchase Agreement are subject to reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirements under the GEM Listing Rules.

關聯方交易

本集團截至2017年12月31日止年度的關聯方交易詳情載於合併財務報表附註28，其中若干交易(下文所列者)亦為GEM上市規則第20章規定的關連交易／持續關連交易。本公司確認一直遵守GEM上市規則第20章的披露規定。

持續關連交易

本集團與本公司關連人士(定義見GEM上市規則)訂立多項關連交易／持續關連交易。董事確認本公司已遵守GEM上市規則第20章的相關條款。截至2017年12月31日止年度，本集團非豁免持續關連交易的詳情如下：

(1) 中國分銷框架協議

於2016年12月14日，本公司與同仁堂集團公司訂立中國分銷框架協議(「中國分銷框架協議」)，同仁堂集團(指同仁堂集團公司、其附屬公司、其共同控制實體及其聯繫人(同仁堂科技及其附屬公司除外))於2017年1月1日至2019年12月31日作為本集團非獨家分銷商，向本集團購買自有產品(於本公司2016年12月14日之公告所定義)，然後分銷予中國的零售商或終端用戶。

同仁堂集團公司乃本公司的最終控股股東，故根據GEM上市規則屬本公司的關連人士。截至2017年、2018年及2019年12月31日止年度，中國分銷框架協議所涉交易的年度上限分別為200,000,000港元(不含中國增值稅)、230,000,000港元(不含中國增值稅)及270,000,000港元(不含中國增值稅)。

由於年度上限的一項或多項適用百分比率(溢利比率除外)均超過5%且年度上限超過10,000,000港元，因此中國分銷框架協議及所涉交易均須遵守GEM上市規則的申報、公告、年度審核及獨立股東批准規定。

此中國分銷框架協議已於2017年1月6日舉行的股東特別大會上獲本公司獨立股東批准。

(2) 自同仁堂股份採購安宮牛黃丸粉

於2016年8月8日，本公司與同仁堂股份對於2015年10月28日安宮牛黃丸粉總採購協議(「安宮牛黃丸粉總採購協議」)訂立補充協議，以從同仁堂股份購買生產安宮牛黃丸的原材料安宮牛黃丸粉，期限為2016年1月1日至2018年12月31日。

同仁堂股份乃本公司的控股股東，故此屬GEM上市規則所指本公司的關連人士。截至2016年、2017年及2018年12月31日止年度根據補充協議進行之交易的相關年度上限分別為17,400,000港元、23,200,000港元及26,500,000港元。

由於年度上限的一項或多項適用百分比率(溢利比率除外)超過0.1%但低於5%，因此現有安宮牛黃丸粉總採購協議及所涉交易均須遵守GEM上市規則。

(3) Exclusive Distributorship Framework Agreements with Tong Ren Tang Technologies and Tong Ren Tang Ltd.

On 28 October 2014, the Company entered into the exclusive distributorship framework agreement (the "Exclusive Distributorship Framework Agreement") with each of Tong Ren Tang Technologies and Tong Ren Tang Ltd. whereby TRT International Natural-Pharm, a wholly-owned subsidiary of the Company, was appointed by each of Tong Ren Tang Technologies Group (refer to Tong Ren Tang Technologies, its subsidiaries and its associates (other than the Group)) and Tong Ren Tang Ltd. Group (refer to Tong Ren Tang Ltd., its subsidiaries and its associates (other than Tong Ren Tang Technologies Group and the Group)) as the sole distributor of Tong Ren Tang branded products in Non-PRC Markets for the period from 1 January 2015 to 31 December 2017. TRT International Natural-Pharm would purchase Tong Ren Tang branded products from Tong Ren Tang Technologies Group and Tong Ren Tang Ltd. Group and distribute them to the Non-PRC Markets.

Tong Ren Tang Technologies and Tong Ren Tang Ltd. are both the controlling shareholders of the Company and hence are connected persons of the Company for the purpose of the GEM Listing Rules. The annual caps in respect of the transactions under the Exclusive Distributorship Framework Agreements for the years ended 31 December 2015, 2016 and 2017 are HK$90,300,000, HK$106,400,000 and HK$125,200,000, respectively.

As the Exclusive Distributorship Framework Agreements expired on 31 December 2017, on 8 November 2017, the Company entered into new exclusive distributorship framework agreement with each of Tong Ren Tang Technologies and Tong Ren Tang Ltd. (the "new Exclusive Distributorship Framework Agreements") for renewal of the continuing connected transactions thereunder the for the period from 1 January 2018 to 31 December 2020. The annual caps in respect of the transactions under the new Exclusive Distributorship Framework Agreements for the years ending 31 December 2018, 2019 and 2020 are HK$146,000,000, HK$191,000,000 and HK$248,000,000.

As one or more of the applicable percentage ratios (other than the profits ratio) of the annual caps exceed 5% and the annual caps is more than HK$10,000,000, the new Exclusive Distributorship Framework agreements and the transactions contemplated thereunder are subject to reporting, announcement and annual review requirements as well as the requirement of independent shareholders' approval under the GEM Listing Rules.

The new Exclusive Distributorship Framework Agreements were approved by the independent shareholders of the Company in the extraordinary general meeting held on 1 December 2017.

(4) Master Lease Framework Agreement with Tong Ren Tang Holdings

On 25 January 2017, the Company and Tong Ren Tang Holdings entered into a master lease framework agreement (the "Master Lease Framework Agreement"), pursuant to which, Tong Ren Tang Holdings has agreed to lease and procure other members of the Parent Group to lease certain premises to the Group for its productions and operations so that any member of the Group may continue, amend or renew the Existing Leases with any member of the Parent Group from time to time and as necessary for the future business needs of the Group for a period from 1 January 2017 to 31 December 2019.

Tong Ren Tang Holdings is the ultimate controlling shareholder of the Company and is therefore a connected person of the Company under the GEM Listing Rules. The annual caps for the transactions contemplated under the Master Lease Framework Agreement for the year ended 31 December 2017 and years ending 31 December 2018 and 2019 are HK$6,200,000, HK$6,900,000 and HK$7,000,000, respectively.

As one or more of the applicable percentage ratios (other than the profits ratio and equity capital ratio) of the annual caps exceed 0.1% but less than 5% on an annual basis, the transactions contemplated under the Master Lease Framework Agreement are subject to reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirements under the GEM Listing Rules.

(3) 與同仁堂科技及同仁堂股份訂立獨家經銷框架協議

2014年10月28日，本公司與同仁堂科技及同仁堂股份分別訂立獨家經銷框架協議(「獨家經銷框架協議」)，同仁堂科技集團(指同仁堂科技、其附屬公司及其聯繫人(不包括本集團))及同仁堂股份集團(指同仁堂股份、其附屬公司及其聯繫人(不包括同仁堂科技集團及本集團))均委任本公司全資附屬公司同仁堂國際藥業於2015年1月1日至2017年12月31日為非中國市場同仁堂品牌產品的獨家經銷商。同仁堂國際藥業從同仁堂科技集團及同仁堂股份集團購買同仁堂品牌產品並分銷至非中國市場。

同仁堂科技及同仁堂股份均為本公司控股股東，因此屬GEM上市規則所指本公司的關連人士。截至2015年、2016年及2017年12月31日止年度根據獨家經銷框架協議進行之交易的相關年度上限分別為90,300,000港元、106,400,000港元及125,200,000港元。

由於獨家經銷框架協議已於2017年12月31日屆滿，本公司於2017年11月8日與同仁堂科技及同仁堂股份訂立新獨家經銷框架協議，以繼續持續關連交易，期限為2018年1月1日至2020年12月31日。截至2018年、2019年及2020年12月31日止年度根據新中國分銷框架協議項下之交易的年度上限分別為146,000,000港元、191,000,000港元及248,000,000港元。

由於年度上限的一項或多項適用百分比率(溢利比率除外)均超過5%且年度上限高於10,000,000港元，因此新獨家經銷框架協議及所涉交易均須遵守GEM上市規則的申報、公告、年度審核及獨立股東批准規定。

新獨家經銷框架協議已於2017年12月1日舉行的股東特別大會上獲本公司獨立股東批准。

(4) 與同仁堂集團公司訂立租賃框架總協議

於2017年1月25日，本公司與同仁堂集團公司訂立租賃框架總協議(「租賃框架總協議」)。據此，同仁堂集團公司已同意租賃並促使母集團的其他成員公司租賃若干物業予本集團作生產及營運之用，故此，自2017年1月1日起至2019年12月31日止期間，本集團的任何成員公司均可不時延續、修訂或重續與母集團的任何成員公司的現有租約，惟受限於年度上限。

同仁堂集團公司乃本公司的最終控股股東，故根據GEM上市規則屬本公司的關連人士。截至2017年、2018年及2019年12月31日止年度，租賃框架總協議所涉交易的年度上限分別為6,200,000港元、6,900,000港元及7,000,000港元。

由於年度上限的一項或多項適用百分比率(溢利比率及股權資本比率除外)超過0.1%但低於5%，因此租賃框架總協議及所涉交易均須遵守GEM上市規則的申報、公告、年度審核及獨立股東批准規定。

Details of the above continuing connected transactions are further summarised as follows:

上述持續關連交易詳情進一步概述如下：

	Name of connected party 關連方名稱	Nature of transaction 交易性質	Transaction amount for the year ended 31 December 2017 截至2017年12月31日止年度交易額 HK$'000 千港元	Annual cap for the year ended 31 December 2017 截至2017年12月31日止年度之年度上限 HK$'000 千港元
(1)	Tong Ren Tang Group 同仁堂集團	Sales of the Owned Products 銷售自有產品	197,304	200,000
(2)	Tong Ren Tang Ltd. 同仁堂股份	Purchase of Angong Niuhuang Wan Powder 購買安宮牛黃丸粉	15,892	23,200
(3)	Tong Ren Tang Technologies Group and Tong Ren Tang Ltd. Group 同仁堂科技集團及同仁堂股份集團	Purchase of Tong Ren Tang branded products for distribution 購買用於分銷的同仁堂品牌產品	119,572	125,200
(4)	Tong Ren Tang Holdings 同仁堂集團公司	Lease of premises 物業租賃	4,584	6,200

The price and the terms of the above transactions have been determined in accordance with the pricing policies and guideline set out in the relevant announcements.

上述交易的價格與條款已根據相關公告所載定價政策與指引釐定。

Confirmation of independent non-executive Directors:

獨立非執行董事確認：

The independent non-executive Directors have reviewed the above continuing connected transactions and confirmed that these continuing connected transactions have been entered into by the Group:

獨立非執行董事已審閱上述持續關連交易，並確認該等持續關連交易乃本集團：

(1) in the ordinary and usual course of business of the Group;

(1) 於本集團日常及一般業務過程中訂立；

(2) on normal commercial terms or better; and

(2) 按一般商業條款或更佳條款訂立；及

(3) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

(3) 按條款公平合理並符合本公司股東整體利益的有關協議進行。

PricewaterhouseCoopers, the Company's auditor, was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The Company's auditor has issued their unqualified letter containing their findings and conclusions in respect of the continuing connected transactions disclosed above by the Group on pages 106 to 111 of this annual report in accordance with Rule 20.54 of the GEM Listing Rules. A copy of the auditor's letter has been provided by the Company to the Exchange.

本公司核數師羅兵咸永道會計師事務所獲委任根據香港會計師公會頒佈的香港核證聘用準則第3000號「歷史財務資料審核或審閱以外之核證工作」，並參照實務説明第740號「關於香港上市規則所述持續關連交易的核數師函件」就本集團的持續關連交易作出報告。本公司核數師已根據GEM上市規則第20.54條發出函件，對載於本年報第106至111頁所披露本集團持續關連交易的相關結果及結論無保留意見。本公司已向聯交所呈交核數師函件。

Contracts of Significance

Saved as disclosed above, there is no contract of significance between the Company or any of its subsidiaries, and the Controlling Shareholders or any of its subsidiaries. There is no contract of significance for the provision of services to the Company or any of its subsidiaries by the Controlling Shareholders or any of its subsidiaries.

重大合約

除上文所披露外，本公司或其任何附屬公司概無與控股股東或其任何附屬公司訂立重大合約。控股股東或其任何附屬公司概無向本公司或其任何附屬公司提供服務而訂立重大合約。

Directors' Interests in Transaction, Arrangement or Contracts of Significance

Details of Directors' interests in contracts of significance in relation to the Group's business are set out in the section headed "Continuing Connected Transactions" in this annual report.

Other than as disclosed above, there was no transaction, arrangement or contract of significance to which the Company or its subsidiaries, or its holding companies or any of its fellow subsidiaries was a party, and in which a Director or a entity connected with the Director was materially interested, whether directly or indirectly, subsisting during or at the end of the year ended 31 December 2017.

董事所擁有交易、安排或重大合約的權益

董事所擁有與本集團業務相關的重大合約權益詳情載於本年報「持續關連交易」一節。

除上文所披露外，截至2017年12月31日止年度期間或於截至該日，本公司或其附屬公司或控股公司或任何同系附屬公司概無訂立任何董事或其關聯實體直接或間接於其中擁有重大權益的交易、安排或重大合約。

Purchase, Sale or Redemption of the Listed Securities of the Company

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

Indemnity of Directors

The Company has arranged for appropriate insurance cover for Directors' and officers' liabilities in respect of legal actions against its Directors and senior management arising out of corporate activities. A permitted indemnity provision (as defined in section 469 of the Hong Kong Companies Ordinance) for the benefit of the Directors is currently in force and was in force throughout this year.

Environmental Policies and Performance

The Group considers the importance of environmental affairs and believes business development and environment affairs are highly related. This year, the Group implemented certain environmental protection measures to save energy and reduce the consumption of resources. These policies were supported by our staff and were implemented effectively. For more comprehensive information, please refer to the ESG Report on pages 32 to 81 of this annual report.

Compliance with Laws and Regulations

As a listed company engages business in Hong Kong, the Group is subject to various laws and regulations including Companies Ordinance (Chapter 622), Business Registration Ordinance (Chapter 310), Inland Revenue Ordinance (Chapter 112) and Employment Ordinance (Chapter 57). Our Group has put in place internal controls to ensure compliance of the same. In addition, as the Group also engages business in certain jurisdictions, compliance procedures are in place to ensure adherence to applicable laws, rules and regulations in particular, those have significant impact on the Group. Any changes in the applicable laws, rules and regulations are brought to the attention of relevant employees and relevant operation units in the Company and subsidiaries from time to time.

Sufficiency of Public Float

As at the latest practicable date prior to the issue of this report, based on information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient public float of more than 25% of the Company's issued shares as required under the GEM Listing Rules.

Corporate Governance

The Company is committed to achieving and maintaining high standards of corporate governance which it believes is crucial to the development of the Group and safeguard the interests of the shareholders of the Company. Information on the Company's corporate governance principles and practices is set out In the Corporate Governance Report on pages 114 to 137 of this annual report.

Auditor

PricewaterhouseCoopers will retire, and being eligible, offer themselves for re-appointment at the forthcoming annual general meeting. A resolution for their re-appointment as auditor of the Company will be proposed at the forthcoming AGM. The Company has not changed its auditor in any of the preceding three years.

On behalf of the Board
Mei Qun
Chairman

Hong Kong, 12 March 2018

購買、出售或贖回本公司上市證券

截至2017年12月31日止年度，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

董事彌償

本公司已為董事及高級人員購買適當保險，保障彼等因履行職務而可能承擔之法律訴訟責任。惠及董事的獲准許的彌償條文（根據公司條例第469節）均於現時及貫穿本年生效。

環境政策及表現

本集團重視環境保護，認為企業業務發展與環境事務高度相關。於本年，本集團制定了一定的環境保護措施，努力節約能源及減少耗用資源。此等政策獲得我們員工支持並有效實施。有關更全面的資料，請參閱本年報第32至81頁環境、社會及管治報告。

遵守法律及法規

作為一家在香港經營的上市公司，本集團受多項法律及法規規管，包括公司條例（第622章）、商業登記條例（第310章）、稅務條例（第112章）及僱傭條例（第57章）。本集團已制定內部控制，以確保符合規定。此外，本集團亦在某些司法權區從事經營，已制定合規程序以確保遵守適用的法律、條例及規則，特別是對本集團有顯著影響的法律、條例及規則。相關僱員及公司和子公司經營單位不時檢視適用的法律、條例及規則的任何更改。

足夠公眾持股量

在發出本報告之前盡可能最近的日期，根據本公司所獲得的公開資料及就董事所知的情況下，本公司根據GEM上市規則所規定一直保持足夠公眾持股量佔本公司已發行股份25%以上。

企業管治

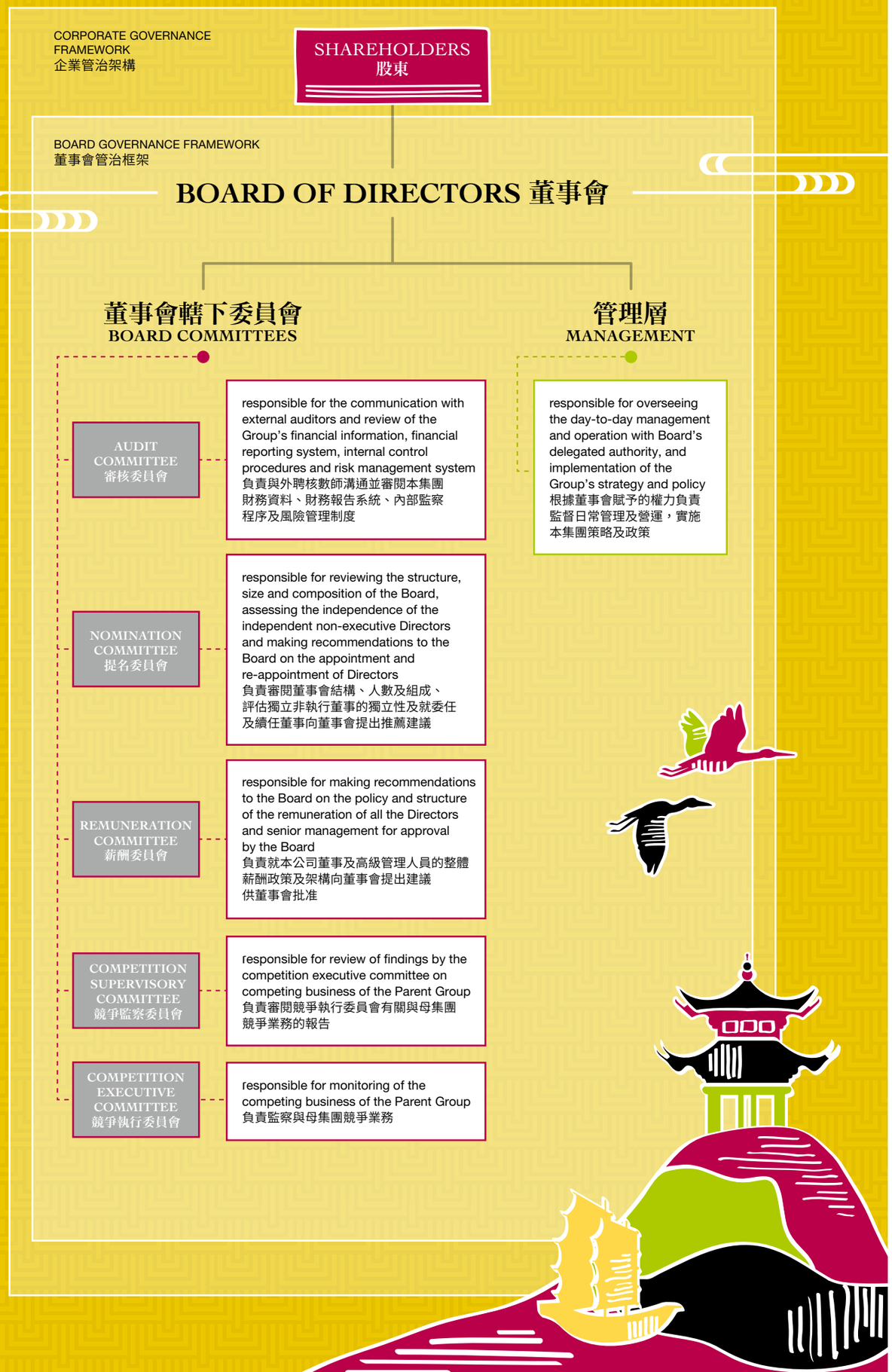
本公司致力達致及維持高水平企業管治，並相信此舉對本集團發展及保障本公司股東之利益十分重要。有關本公司所採納之企業管治常規及守則資料載列於本年報第114至137頁企業管治報告。

核數師

羅兵咸永道會計師事務所即將退任，惟符合資格於應屆股東週年大會重選連任。本公司將於應屆股東週年大會提呈續聘羅兵咸永道會計師事務所為本公司核數師的決議案。本公司過往3年並無更換核數師。

代表董事會
梅群
主席

香港，2018年3月12日



Corporate Governance Practices

The Board as a whole and the management of the Company are committed to the maintenance of good corporate governance practices and procedures. The Group firmly believes that strict corporate governance can enhance the Group's credibility and transparency, thus strengthening the confidence of the shareholders and investors in the Group.

For the year ended 31 December 2017, the Group had complied with all applicable provisions of the Corporate Governance Code as set out in Appendix 15 of the GEM Listing Rules on the Exchange. The Group is committed to the principles of good corporate governance as set out in the Code.

Compliance with the Required Standard of Dealings in Securities Transactions by Directors of Listed Issuers

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in Rule 5.48 to Rule 5.67 of the GEM Listing Rules. Having made specific enquiries of all the Directors, all the Directors confirmed that they had complied with the required standard of dealings and the code of conduct regarding securities transactions by Directors adopted by the Company.

企業管治常規

董事會全體董事及本公司管理層致力維持良好的企業管治常規與程序。本集團堅信，嚴格的企業管治有利於加強本集團的信譽及透明度，從而提升股東及投資者對本集團的信心。

截至2017年12月31日止年度，本集團一直遵守聯交所GEM上市規則附錄15所載企業管治守則的所有適用條文。本集團一直堅守守則所載的良好企業管治原則。

遵守上市發行人之董事買賣證券交易必守標準的情況

本公司已採納與GEM上市規則第5.48條至第5.67條所規定的交易必守標準相若的董事進行證券交易的行為守則。經特定查詢後，全體董事確認已遵守了交易必守標準及本公司採納的關於董事進行證券交易的行為守則。

Directors

Board composition

The Board consists of 7 Directors, comprising 1 non-executive Director, 3 executive Directors and 3 independent non-executive Directors. Details of the composition of the Board and the Directors' biographical information are set out on pages 86 to 91 of the annual report, respectively. One-third of the Board are independent non-executive Directors of which more than one have appropriate professional qualifications, or accounting or related financial management expertise. The structure, size, composition and diversity of the Board are reviewed from time to time to ensure that it has a balance of expertise, skills and experience appropriate for the requirements of the business of the Company. The independence of the independent non-executive Directors is assessed according to the relevant rules and requirements under the GEM Listing Rules.

The composition of the Board, by category and position of Directors including the names of the Chairman, the executive Directors, the non-executive Directors and the independent non-executive Directors, is disclosed in all corporate communications by the Company. The Company maintains on the Company's website and on the website of the Exchange, (i) an updated list of its Directors identifying their respective roles and functions together with their biographical information and whether they are independent non-executive Directors; and (ii) the terms of reference of the Board committees to enable the shareholders to understand the roles played by those independent non-executive Directors who serve on the relevant Board committees.

Board and Committee Meetings

Regular Board meetings are usually scheduled towards the end of the immediately preceding year to give all Directors adequate time to plan their schedules to attend the meetings. At least 14 days formal notice would be given before each regular meeting. Board meeting documents including supporting analysis and related background information are normally sent to the Directors at least 3 days before regular Board meetings.

The Board meets regularly each year and held meetings in March, April, August and October during the year ended 31 December 2017. In consultation with members of the Board, the company secretary of the Company assists the Chairman in preparing the meeting agenda, where applicable, matters proposed by other Directors are included in the agenda. The senior management members are invited to join Board meetings if necessary, to enhance the Board and management communication. During the year ended 31 December 2017, the Directors actively participated in meetings and a summary of the Directors' attendance records in 2017 are as follows:

董事

董事會組成

董事會由7名董事組成，包括1名非執行董事、3名執行董事及3名獨立非執行董事。董事會組成及各董事履歷詳情分別載於本年報第86至91頁。董事會三分之一的成員為獨立非執行董事，不止1名成員具備相關專業資格、會計或相關財務管理專業知識。本公司不時檢討董事會的架構、人數、組成及多元化，確保維持本公司業務所需專業知識、技能及經驗的平衡。本公司根據GEM上市規則的相關規則與規定評估獨立非執行董事的獨立性。

本公司已於所有公司通訊按董事類別及職務（包括主席、執行董事、非執行董事及獨立非執行董事的姓名）披露董事會的組成。本公司分別在本公司網站及聯交所網站存置(i)一份最新董事名單，列明董事角色、職能與履歷並註明是否獨立非執行董事；及(ii)董事委員會書面職權範圍，以便股東了解獨立非執行董事於相關董事委員會擔任的職務。

董事會及委員會會議

董事會定期會議的召開時間通常於前一年度結束前安排，以便全體董事有充足時間規劃出席。各定期會議召開前應發出至少14天正式通知。董事會文件（包括分析證明及相關背景資料）通常於董事會定期會議召開前至少3天發出。

董事會每年定期召開會議，而本年內分別於3月、4月、8月及10月召開會議。與董事會成員協商後，本公司公司秘書協助主席制訂會議議程，其他董事提議的事項亦列入議程（如適用）。如有需要會邀請高級管理人員參加董事會會議以加強董事會與管理層的交流。截至2017年12月31日止年度，各董事積極參加會議，彼等於2017年出席會議的紀錄概述如下：

Members of the Board 董事會成員	Attendance/Number of Meetings 出席次數／會議次數 Board 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會	Annual/ Extraordinary General Meeting 股東週年／特別大會
Non-executive Director 非執行董事					
Mei Qun 梅群	4/4	4/4	–	–	1/3
Executive Directors 執行董事					
Ding Yong Ling 丁永玲	4/4	–	1/1	1/1	3/3
Zhang Huan Ping 張煥平	4/4	4/4	–	–	3/3
Lin Man 林曼	4/4	4/4	1/1	1/1	3/3
Independent Non-executive Directors 獨立非執行董事					
Leung, Oi Sie Elsie 梁愛詩 (resigned on 12 September 2017 於2017年9月12日辭任)	3/3	3/3	–	1/1	2/2
Tsang Yok Sing, Jasper 曾鈺成 (appointed on 12 September 2017 於2017年9月12日獲委任)	1/1	1/1	–	–	1/1
Zhao Zhong Zhen 趙中振	4/4	4/4	1/1	–	3/3
Chan Ngai Chi 陳毅馳	4/4	4/4	1/1	1/1	1/3

The Company Secretary prepares written resolutions or minutes and keeps records of substantive matters discussed and decisions resolved at all Board and Board committee meetings. These meetings minutes/resolutions:

- contain sufficient detail the matters considered by the Board/Board committees and decisions reached;
- are sent to the Directors for their comments;
- are sent to all Directors/Board committee members within a reasonable time (generally within 14 days) after such meeting; and
- are available for inspection by Directors/Board committee members.

公司秘書撰寫書面決議案或會議紀錄並記錄所有董事會會議及董事委員會會議討論的實質問題及議決的事項，該等會議紀錄／決議：

- 包括董事會／董事委員會所審議事項詳情及所作決定；
- 送交各董事以作評論；
- 於相關會議後合理時間內（一般為14日內）送交全體董事／董事委員會成員；及
- 可供各董事／董事委員會成員查閱。

Important matters are dealt with by a physical Board meeting rather than written resolutions only. If a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter will be dealt with in accordance with applicable rules and regulations and, if appropriate, an independent Board committee will be set up to deal with the matter. Directors must declare his/her interest in the matters to be passed in the resolution, if applicable.

The Company has arranged for appropriate liability insurance to indemnify its Directors for their liabilities arising out of corporate activities undertaken for the Company. During the year ended 31 December 2017, no claim was made against the Directors.

Chairman and Chief Executive

Our Chairman, Mr. Mei Qun, acts as a non-executive Director in the Company and leads the Board in terms of formulating policies. The Chairman of the Board determines the board strategic direction of the Group in consultation with the Board and is responsible for the high-level oversight of the management. With the support of the executive Directors and the Company Secretary, the Chairman ensures that all Directors are properly briefed on all key and appropriate issues in a timely manner. The Chairman promotes a culture of openness and encourages Directors with different views to voice their opinion and be fully engaged in the Board's affairs so as to contribute to the Board's functions, and he may meet and/or communicate with the independent non-executive Directors without the presence of the executive Directors.

While our chief executive officer, Ms. Ding Yong Ling, is responsible for business strategic planning and day-to-day management and operation of the Group. The Board believes this segregation of duties helps to supervise and balance the power and authority of the Board and enhances the independence and accountability of the Board.

Appointment, Re-election and Removal

The procedures for appointing and re-electing directors are set out in the Articles of Association. The appointment of a new director must be approved by the Board. The Nomination Committee is responsible for making recommendations to the Board on the selection of individuals nominated for directorship taking into account factors such as appropriate professional knowledge, industry experience, personal ethics, integrity, personal skills, gender, age, cultural and educational background.

Pursuant to Article 97 of the Articles of Association, at each annual general meeting one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation and shall be eligible for re-election. The Directors to retire by rotation will be those Directors who have been Directors longest in office since their last re-election or appointment.

By virtue of Articles 81(B) and 97 of the Articles of Association, Mr. Tsang Yok Sing, Jasper, who was appointed as an independent non-executive Director with effect from 12 September 2017, shall hold office only until the conclusion of AGM and shall then be eligible for re-election at the AGM. Accordingly, four directors, namely, Ms. Ding Yong Ling, Ms. Lin Man, Mr. Tsang Yok Sing, Jasper and Mr. Zhao Zhong Zhen will retire at the forthcoming AGM, and being eligible, would offer themselves for re-election at the AGM.

The Company has entered into service agreements with non-executive Director and each executive Director, and appointment letters with independent non-executive Directors. The tenure of all Directors is 3 years.

Roles and Responsibilities of the Board

The Board is accountable to the shareholders for sustainable development of the Group. The Board is responsible for formulating the overall strategies as well as monitoring and evaluating the operation and financial performance of the Group. The Board reserved for its decision or consideration matters covering overall Group strategy, major acquisitions and disposals, annual, interim and quarterly results, recommendations on Directors' appointment or reappointment, approval of major capital transactions and other significant operational and financial matters. All the Directors carry out their duties in good faith and in compliance with applicable laws and regulations and pursue excellence in the interests of the shareholders at all times.

Our non-executive Director together with our independent non-executive Directors offer diverse industry expertise, serve the important function of advising the management on strategies and ensuring that the Board fulfils high standards of financial and other mandatory reporting requirements as well as providing adequate checks and balances for safeguarding the interests of the shareholders and the Company as a whole.

The non-executive Directors not only exercise their independent judgment and advise on the future business direction and strategic plans of the Company, they also review the financial information and operational performance of the Company on a regular basis.

重要事項應舉行親身出席董事會會議處理，而非只傳閱董事會書面決議。倘董事對董事會將審議且董事會認為重大之事項存在利益衝突，則有關事項根據相關規則與法規處理，如有需要，則設立獨立董事委員會處理。董事須聲明其於決議案將通過事項的權益(如適用)。

本公司已安排適當的責任保險，用以彌償董事為本公司業務活動所承擔的責任。截至2017年12月31日止年度，董事概無遭受任何索償。

董事會主席及最高行政人員

董事會主席梅群先生擔任本公司非執行董事，領導董事會制定決策。董事會主席與董事會磋商後釐定本集團董事會策略方向，負責高層次督導管理層。在執行董事與公司秘書的協助下，主席確保全體董事及時妥善地了解所有重要及相關問題。主席提倡開明文化，鼓勵持有不同見解的董事提出意見及全面參與董事會事務，進而對董事會的職能作出貢獻。主席亦可於無執行董事出席的情況下會見及／或與獨立非執行董事溝通。

首席執行官丁永玲女士則負責本集團業務策略規劃及日常管理與營運。董事會認為職責獨立有利於監督及平衡董事會權力和權限，亦可增強董事會的獨立性和問責性。

委任、重選及罷免

本公司章程載有委任及重選董事的程序。委任新董事必須經董事會批准。提名委員會負責考慮適當專業知識、行業經驗、個人道德、誠信、個人技能、性別、年齡、文化和教育背景等因素，就挑選提名董事的個別人士向董事會提出推薦意見。

根據章程第97條，每屆股東週年大會須有三分之一的董事(如人數並非3或3的倍數則為最接近但不少於三分之一的人數)退任，惟彼等可重選連任。須退任的董事為自上次重選或委任以來任期最長的董事。

根據章程第81(B)條及第97條，董事曾鈺成先生(獲委任為本公司獨立非執行董事並於2017年9月12日生效)將任職直至本公司下屆股東週年大會，及倘符合資格，將於應屆股東週年大會上膺選連任。故此，四位董事丁永玲女士、林曼女士、曾鈺成先生及趙中振先生將於應屆股東週年大會退任並合資格於股東週年大會重選連任。

本公司已與非執行董事及各執行董事訂立服務協議，亦與獨立非執行董事訂立委任函，任期均為3年。

董事會角色及職責

董事會對股東負責，維持本集團可持續發展。董事會負責制定整體策略及監督和評估本集團之營運及財務表現。須經董事會決定或考慮的事務包括本集團整體策略、主要收購及出售、年度、中期及季度業績、董事任命或續聘推薦、批准主要資本交易與其他重大經營及財務事宜。全體董事均盡忠職守，並遵守適用的法律及法規，一直致力為股東爭取最大利益。

本公司非執行董事及獨立非執行董事具備多元化的行業專業知識，主要負責就發展策略向管理層提出意見，確保董事會嚴格遵守財務與其他法定報告要求，以及提供充分監督與制衡以保障股東及本公司的整體利益。

非執行董事不僅就本公司之未來業務方向及策略規劃提供獨立判斷及意見，亦定期審閱本公司的財務資料及營運表現。

Every executive Director has hands-on knowledge and expertise in the areas and operation in which he/she is charged with. Appropriate attention to the affairs of the Company is measured in terms of time as well as the quality of such attention and the ability of the Directors to contribute with reference to his/her area of knowledge and expertise, and his/her global perspective. There is satisfactory attendance at Board meetings during the year ended 31 December 2017.

The Directors have disclosed to the Company at the time of their appointment and from time to time thereafter the number and nature of offices held in public companies or organisations and other significant commitments, identifying the public companies or organisations involved.

Continuous Professional Development of the Directors

All Directors receive comprehensive information on appointment, so as to ensure understanding of the business and operations of the Group and Directors' responsibilities and obligations under the GEM Listing Rules and relevant regulatory requirements.

The Company also updates the Directors on the latest developments and changes of the GEM Listing Rules and the applicable legal and regulatory requirements in the discharge of their duties.

During the year ended 31 December 2017, all the Directors actively participated in continuous professional development, by attending external training or seminars, attending in-house training and/or reading materials on the various topics covering regulations, corporate governance, finance and business, to develop and refresh their knowledge and skills, which ensure that their contribution to the Board remains informed and relevant. The Directors have provided records of training to the Company.

Independence of the independent non-executive Directors

During the year ended 31 December 2017, the Company has complied with Rule 5.05(1), Rule 5.05(2) and Rule 5.05A of the GEM Listing Rules relating to the appointment of at least 3 independent non-executive directors representing more than one-third of the Board and the non-executive directors possess professional qualification and experience in the three areas of financial accounting, social science and Chinese medicine industry, respectively. All independent non-executive Directors also meet the guidelines for assessment of their independence pursuant to Rule 5.09 of the GEM Listing Rules. Each of the independent non-executive Directors makes an annual confirmation of independence pursuant to the requirements of the GEM Listing Rules. The Company is of that view that all the independent non-executive Directors meet the independence guidelines set out in the relevant requirements of the GEM Listing Rules and are independent in accordance with the terms of the guidelines.

Supply of and access to information

Board/Board committee meeting documents with adequate and reliable information are circulated not less than three days before the regular Board/Board committee meetings to enable the Directors/Board committee members in making informed decisions on matters to be raised at the Board/Board committee meetings.

All Directors have full and timely access to all relevant information as well as the advice and services of the Company Secretary and senior management of the Company, with a view to ensuring compliance with the Board procedures and all applicable laws and regulations.

The Company Secretary acts as the bridge between the Directors and business units of the Group to ensure that queries raised and clarification sought by the Directors are dealt with and that further supporting information is provided, as appropriate.

Directors have been advised that the Company Secretary can arrange independent professional advice at the expense of the Company should such advice be considered necessary by any Director or any Board committee.

Delegation to Management

Executive Directors are in charge of different businesses and functional divisions in accordance with their respective areas of expertise.

For matters or transactions of a material nature, the same will be referred to the Board for approval. For matters or transactions of a magnitude requiring disclosure under the GEM Listing Rules or other applicable rules or regulations appropriate disclosure will be made and where necessary, circular will be prepared and shareholders' approval will be obtained in accordance with the requirements of the applicable rules and regulations. Specially, the Board has had in place Guidelines for Investments stating the authority approval limits and procedures.

各執行董事均具備所負責業務範疇及運作方面的實際知識及相關專長。董事對本公司業務的關注程度，按所投入的時間、服務的質素、本身知識及專長作出貢獻之能力和環球視野衡量。截至2017年12月31日止年度，董事會會議出席率良好。

董事於獲委任時及其後不時向本公司披露所擔任上市公司或組織之職位的數目及性質和其他重大職務，指明涉及的上市公司或組織。

董事的持續專業發展

所有董事獲委任時均獲得全面資料，確保了解本集團業務營運及GEM上市規則和相關監管規定的董事責任與義務。

本公司亦向董事提供GEM上市規則及彼等履行職責所適用的法律及監管規定的最新發展及更新。

截至2017年12月31日止年度，全體董事積極參與持續專業發展，參加外界培訓或研討會，參加內部培訓及／或閱讀有關規管、企業管治、財務及業務等各類議題的資料，發展並更新其知識及技能，以確保其繼續在具備全面資訊及切合所需的情況下對董事會作出貢獻。董事已向本公司提供培訓紀錄。

獨立非執行董事的獨立性

截至2017年12月31日止年度，本公司已遵照GEM上市規則第5.05(1)條、第5.05(2)條及第5.05A條的規定，委任至少3名獨立非執行董事且佔董事會至少三分之一，有關獨立非執行董事均具備財務會計、社會科學與中藥行業三方面的專業資格和經驗。所有獨立非執行董事亦符合GEM上市規則第5.09條評估獨立非執行董事獨立性的指引。各獨立非執行董事根據GEM上市規則的規定每年就獨立性發出確認，本公司認為所有獨立非執行董事均符合GEM上市規則所載相關獨立性指引之規定，均屬獨立。

提供及查閱資料

董事會／董事委員會定期會議召開前不少於3天開始傳閱包含充足可靠信息的董事會／董事委員會文件，以便董事／董事委員會成員就董事會／董事委員會會議擬議事宜作出知情決定。

全體董事均可全面及時取得所有相關資料，亦可獲得公司秘書及高級管理人員提供的意見和協助，確保遵守董事會程序及所有適用法律和法規。

公司秘書擔當董事與本集團各部門之間的橋樑，確保董事提出的查詢及疑問得以處理，並提供進一步證明文件（如適用）。

董事獲悉，倘董事或董事委員會認為有必要徵求獨立建議，公司秘書可安排獲取獨立專業意見，費用由本公司承擔。

委派管理層

執行董事根據各自專長負責不同業務及職能部門的事務。

一切重大事項或交易均交由董事會審批。根據GEM上市規則或其他適用的規則或規例而須披露之重要事項或交易，均會作出適當披露，並於必要時根據適用規則及規例要求，刊發通函及取得股東批准。董事會制定專門的投資指引列明審批權限及程序。

The Board led by the Chairman, is responsible for the Group's future development directions; overall strategies and policies; evaluation of the performance of the Group and the management and approval of matters that are of a material or substantial nature. Under the leadership of the chief executive officer, management is responsible for the day-to-day operations of the Group.

Corporate Governance Duties

The Board has delegated the responsibility of performing the corporate governance duties to the Audit Committee, and is responsible for performing the corporate governance duties according to the Code Provision D.3.1, which includes:

(1) developing and reviewing the policies and practices on corporate governance of the Group;

(2) reviewing and monitoring the training and continuous professional development of Directors and senior management;

(3) reviewing and monitoring the Group's policies and practices on compliance with legal and regulatory requirements;

(4) developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to Directors and employees; and

(5) reviewing the Company's compliance with the Code and disclosure in the corporate governance report of the Company.

Board Committees

The Board established an Audit Committee, a Remuneration Committee and a Nomination Committee on 28 March 2013 with written terms of reference which are available for viewing on the websites of the Company and the Exchange. Board committees report to the Board of their decisions and recommendations at the Board meetings.

Audit Committee

The Board established the Audit Committee with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules and the Code. As at 31 December 2017, the Audit Committee has 3 members (all of them are the independent non-executive Directors) comprising Mr. Chan Ngai Chi (Chairman), Mr. Tsang Yok Sing, Jasper (appointed on 12 September 2017) and Mr. Zhao Zhong Zhen. Ms. Leung, Oi Sie Elsie resigned as the member of the Audit Committee on 12 September 2017.

The primary duties of the Audit Committee are mainly to communicate with external auditor; to review the remuneration, terms of engagement, independence and objectivity of the external auditor; to review the accounting policy, financial position, the financial reporting system, internal control procedures and risk management system of the Company and making recommendations thereof.

Minutes drafted by the Company Secretary are circulated to members of the Audit Committee within a reasonable time after each meeting. Audit Committee meetings were held in March, April, August and October of 2017.

The following is a summary of the work of the Audit Committee during 2017:

1. Review the financial reports for 2016 annual results, 2017 first quarterly results, 2017 interim results and 2017 third quarterly results;

2. Review the findings and recommendations of the internal audit department on the work of various departments and related companies;

3. Review the effectiveness of the internal control and risk management systems;

4. Review the external auditor's audit findings;

5. Review the auditor's remuneration;

6. Review the control mechanisms for the risks of different business units and advising on action plans for improvement of the situations;

7. Perform the corporate governance functions and review the corporate governance policies and practices; and

8. Review the connected transactions with the Parent Group.

董事會由主席領導，負責制定本集團未來發展方向、整體策略與政策，評估本集團及管理層表現及審批重要或重大事項。在首席執行官的領導下，管理層負責本集團日常營運。

企業管治職責

董事會已委派審核委員會履行企業管治職責的責任，負責根據守則條文第D.3.1條執行企業管治職責，包括：

(1) 制訂及審閱本集團的企業管治政策及常規；

(2) 審閱及監督董事和高級管理人員的培訓及持續專業發展；

(3) 審閱及監督本集團有關遵守法律及監管要求的政策和常規；

(4) 制訂、審閱及監察董事和僱員適用的行為守則及合規手冊（如有）；及

(5) 審閱本公司遵守守則的情況及本公司企業管治報告內所披露的資料。

董事會轄下委員會

董事會於2013年3月28日設立審核委員會、薪酬委員會和提名委員會，並訂立相關書面職權範圍，可於本公司和聯交所網站查閱。董事委員會於董事會會議向董事會報告其決定及建議。

審核委員會

董事會根據GEM上市規則第5.28條至第5.33條和守則設立審核委員會，並訂立書面職權範圍。於2017年12月31日，審核委員會由3名成員組成，包括陳毅馳先生（主席）、曾鈺成先生（委任於2017年9月12日）及趙中振先生，均為獨立非執行董事。梁愛詩女士則於2017年9月12日辭任審核委員會成員。

審核委員會主要負責與外聘核數師溝通，檢討其薪酬、聘用條款與外聘核數師是否獨立客觀，審閱本公司的會計政策、財務狀況、財務報告系統、內部控制程序及風險管理系統並提出相關建議。

會議紀錄由公司秘書草擬，於每次會議後一段合理時間內發送給各審核委員會成員閱覽。審核委員會於2017年3月、4月、8月及10月召開會議。

審核委員會於2017年的工作概述如下：

1. 審閱2016年年度業績、2017年第一季度業績、2017年中期業績及2017年第三季度業績之財務報告；

2. 審閱內審部提交有關各部門及相關公司工作的審核結果及建議；

3. 檢討內部監控及風險管理系統的成效；

4. 審閱外聘核數師的審計結果；

5. 審閱核數師酬金；

6. 審閱不同業務部門之風險監控機制，並就改善有關狀況之行動計劃提出意見；

7. 履行企業管治職責及審閱企業管治政策與常規；及

8. 審閱與母集團的關連交易。

On 5 March 2018, the Audit Committee met to review the Group's 2017 consolidated financial statements, including the accounting principles and practices adopted by the Group, in conjunction with the Company's external auditor. After review and discussions with the management, internal auditor and external auditor, the Audit Committee endorsed the accounting treatment adopted by the Company, and the Audit Committee had to the best of its ability assured itself that the disclosure of the financial information in the Annual Report 2017 complied with the applicable accounting standards and the GEM Listing Rules.

The Group's annual report for the year ended 31 December 2017 has been reviewed by the Audit Committee. The Audit Committee therefore resolved to recommend for the Board's approval the consolidated financial statements for the year ended 31 December 2017. The Audit Committee also recommended to the Board the re-appointment of PricewaterhouseCoopers as the Company's external auditor for 2018 and that the related resolution shall be put forth for shareholders' consideration and approval at the 2018 annual general meeting.

No member of the Audit Committee is a former partner of the existing auditing firm of the Company during the one year after he/she ceased to be a partner of the auditing firm.

Remuneration Committee

The Company established the Remuneration Committee with written terms of reference in compliance with Rule 5.34 to Rule 5.35 of the GEM Listing Rules and the Code. The Remuneration Committee has 3 members comprising Mr. Zhao Zhong Zhen (Chairman and independent non-executive Director), Mr. Chan Ngai Chi (independent non-executive Director) and Ms. Ding Yong Ling (executive Director).

The primary duties of the Remuneration Committee are mainly to make recommendations to the Board and review the terms of the remuneration package of each Director and member of senior management of the Company and making recommendations to the Board regarding any adjustment thereof in accordance with the Group's corporate goals and objectives; and to review and evaluate the performance of individual Directors. No Director shall participate in any discussion about his or her own remuneration.

The Remuneration Committee did consult the Chairman and/or the executive Director about proposals relating to the remuneration packages and other human resources issues of the Directors and senior management of the Company, including but not limited to, succession plan and key personnel movements as well as policies for recruiting and retaining qualified personnel. The human resources department provides administrative support and implements the approved remuneration packages and other human resources related decisions approved by the Remuneration Committee.

The remuneration of the Directors was determined with reference to their respective experiences, responsibilities with the Group and general market conditions. During the year ended 31 December 2017, the Remuneration Committee had held a meeting to review the remuneration package of the Directors and senior management of the Company.

Details of the remuneration payable to the Directors are set out in note 8 to the consolidated financial statements.

Nomination Committee

The Company established the Nomination Committee with written terms of reference in compliance with the Code Provision A.5.1 and Provision A.5.2 as set out in the Code. The Nomination Committee has 3 members comprising Mr. Tsang Yok Sing, Jasper (Chairman and independent non-executive Director, appointed on 12 September 2017), Mr. Chan Ngai Chi (independent non-executive Director) and Ms. Ding Yong Ling (executive Director). Ms. Leung, Oi Sie Elsie resigned as the member of the Nomination Committee on 12 September 2017. During the year ended 31 December 2017, the Nomination Committee had held meeting to review the structure of the Board.

For the nomination by the Board of Mr. Chan Ngai Chi to stand for re-election as an Independent non-executive Director at the annual general meeting in 2017, explanatory statements were included in the circular accompanying the relevant notice of meeting to set out reasons why the Board considers him to be independent.

The primary duties of the Nomination Committee are mainly to review the structure, size and composition (including the skills, knowledge, experience and diversity of perspectives) of the Board at least annually and to make recommendations on any proposed changes to the Board to complement the Company's corporate strategy; to identify individuals suitably qualified to become the Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships of the Company and to assess the independence of independent non-executive Directors. In reviewing and recommending the appointment of new directors, the Nomination Committee would seek to identify the competencies required to enable the Board to fulfill its responsibilities. The resume or document of the nominee or candidate will be given to the Nomination Committee for consideration.

於2018年3月5日，審核委員會舉行會議，聯同本公司外聘核數師審閱本集團2017年度的合併財務報表，包括本集團採納的會計原則及實務準則。審閱並與管理層、內審部及外聘核數師討論後，審核委員會贊同本公司所採納的會計處理方式，並已盡力確保2017年年報披露的財務資料符合適用的會計準則及GEM上市規則之規定。

審核委員會已審閱本集團截至2017年12月31日止年度之年報。因此，審核委員會決議建議董事會批准通過截至2017年12月31日止年度的合併財務報表。審核委員會亦向董事會建議，續聘羅兵咸永道會計師事務所為本公司2018年度的外聘核數師，並建議將有關決議案於2018年度股東週年大會上提交予股東考慮及通過。

本公司現任核數公司概無任何前任合夥人於離任核數公司合夥人日期起計1年內，擔任本公司審核委員會成員。

薪酬委員會

本公司根據GEM上市規則第5.34條至第5.35條和守則設立薪酬委員會，並訂立書面職權範圍。薪酬委員會由3名成員組成，包括趙中振先生(主席兼獨立非執行董事)、陳毅馳先生(獨立非執行董事)及丁永玲女士(執行董事)。

薪酬委員會主要負責審閱各董事及本公司高級管理人員的薪酬待遇條款並向董事會提出建議，根據本集團的企業目標向董事會提出有關調整薪酬待遇條款的建議，以及審閱和評估個別董事的表現。董事不得參與討論本身的薪酬。

薪酬委員會就有關董事及本公司高級管理人員的薪酬待遇及其他人力資源事宜(包括但不限於連任計劃、主要人員變動及招募與留任合資格人員的政策)的議案諮詢主席及／或執行董事。人力資源部提供行政支持並實施經批准薪酬待遇及薪酬委員會批准的其他人力資源相關決定。

董事薪酬參考彼等各自的經驗、於本集團承擔的職責及整體市況釐定。截至2017年12月31日止年度，薪酬委員會已舉行一次會議審閱董事及本公司高級管理人員的薪酬待遇。

有關應付董事薪酬詳情載於合併財務報表附註8。

提名委員會

本公司根據守則所載守則條文第A.5.1條和第A.5.2條設立提名委員會，並訂立書面職權範圍。提名委員會由3名成員組成，包括曾鈺成先生(主席兼獨立非執行董事，委任於2017年9月12日)、陳毅馳先生(獨立非執行董事)及丁永玲女士(執行董事)。梁愛詩女士則於2017年9月12日辭任提名委員會成員。截至2017年12月31日止年度，提名委員會已召開會議審閱董事會的架構。

董事會提名陳毅馳先生在2017年的股東週年大會上重選連任獨立非執行董事一事的說明已包括在附有相關會議通知的通函內，列出董事會認為彼屬於獨立人士的原因。

提名委員會主要負責至少每年審閱1次董事會的架構、人數和組成(包括技能、知識、經驗及多元化的觀點)，並就任何為配合本公司的公司策略而擬對董事會作出的變動提出建議，亦負責物色具備合適資格可擔任董事的人士，並挑選有關人士出任本公司董事或就此向董事會提供意見，以及評估獨立非執行董事的獨立性。審核及建議委任新董事時，提名委員會會鑑定相關人士是否具備履行董事會職責所需能力。候選人的簡歷或文件會報送提名委員會審議。

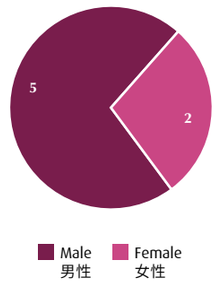
The Board adopted a board diversity policy setting out the approach to diversity of members of the Board and the Nomination Committee shall review such policy periodically. The Company recognises and embraces the benefits of diversity of Board members. It endeavours to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business. All Board appointments will continue to be made on a merit basis with due regard for the benefits of diversity of the Board members.

董事會依循董事會成員多元化政策，使董事會有來自不同背景的成員，提名委員會須定期審閱該政策。本公司亦十分認同且重視董事會成員多元化的益處，因此會盡力確保董事會成員具備本公司業務所需的各方面技能、經驗及觀點多樣性。董事會將繼續沿才授職，充分發揮董事會成員多元化的益處。

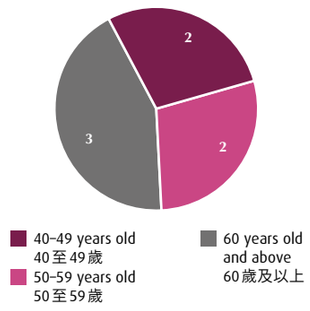
Board Diversity

Selection and appointment of new directors will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, qualifications, skills, knowledge, business and related experience, commitment, ability to contribute to the Board process and such qualities and attributes that may be required by the Board. The ultimate decision will be made upon the merits and contribution that the selected candidates will bring to the Board.

By Gender
按性別劃分



By Age Group
按年齡組別劃分



董事會多元化

提名委員會將基於多元化的考慮因素選任新董事，包括但不限於性別、年齡、文化及教育背景、資質、技能、知識、業務及相關經驗、承擔、向董事會作出貢獻的能力與董事會可能要求的相關資格及能力，並將根據相關候選人可為董事會帶來的價值及貢獻作出最後決定。

Accountability and Audit

Directors are provided with a review of the Group's major business activities and key financial information on a quarterly basis and the management provide all members of the Board with monthly updates of the Company's performance.

The Board has included the separate statement containing a discussion and analysis of the Group's sustainable development strategy in the section headed "Management Discussion and Analysis" of this annual report.

問責及審核

管理層按季向董事報告本集團主要業務活動及重要財務資料的審查結果，並每月向全體董事會成員報告本公司業績。

董事會已在本年報「管理層討論及分析」一節載入討論及分析本集團可持續發展策略的獨立陳述。

Directors' Responsibility for the Consolidated Financial Statements

The Board, supported by the finance department, is responsible for the preparation of the financial statements of the Company and the Group. The Board has prepared the financial statements in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants. Appropriate accounting policies have also been used and applied consistently. The Directors were not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern.

The statement by the auditors of the Company and the Group about their reporting responsibilities is set out in the Independent Auditor's Report on pages 138 to 145 of this annual report.

董事對合併財務報表的責任

財務部協助董事會編製本公司及本集團的財務報表。董事會已根據香港會計師公會頒佈之香港財務報告準則編製財務報表，亦已貫徹應用相應的會計政策。就董事所知，並無任何重大不確定事件或狀況引致本集團持續營運能力可能受重大質疑。

本公司及本集團核數師就其申報責任發出的聲明載於本年報第138至145頁的獨立核數師報告。

Directors' Interests in Shares

Details of Directors' interests in the shares of the Company are set out in the section headed "Directors' Report" on pages 98 to 99 of this annual report.

董事所持股份權益

董事所持本公司股份權益詳情載於本年報第98至99頁的「董事會報告」一節。

Company Secretary

Ms. Lin Man is an executive Director, the chief financial officer and the company secretary of the Company, as well as a full-time employee of the Group, discharged the functions of Company Secretary of the Company with her professional skill and extensive experience. To update her skills and knowledge, Ms. Lin had complied with the relevant professional training requirements under Rule 5.15 of the GEM Listing Rules during the year ended 31 December 2017. The appointment and removal of the Company Secretary is subject to Board approval in accordance with the Articles of Association. The Company Secretary reports to the Board and also to the Chief Executive Officer on day-to-day duties and responsibilities. Company Secretary is responsible for supporting and advising the Board on governance matters. All Directors have access to the advice and service of the Company Secretary to ensure that board procedures, all applicable rules and regulations are followed.

公司秘書

林曼女士為本公司執行董事兼財務總監及公司秘書，亦為本集團全職僱員，並具備專業資格及豐富經驗以履行本公司公司秘書職務。截至2017年12月31日止年度，林女士已遵守GEM上市規則第5.15條的相關專業培訓要求，以更新其技能及知識。根據章程相關規定，公司秘書的任免須經董事會批准。公司秘書向董事會匯報，並向首席執行官匯報日常職責及責任。公司秘書負責就管治事宜向董事會提供支持及意見。所有董事均可獲得公司秘書之意見和服務，以確保董事會程序及所有適用規則和規例均獲得遵守。

Auditor's Remuneration

The remuneration paid/payable to the Company's external auditor, PricewaterhouseCoopers in respect of the services rendered for the year ended 31 December 2017 is set out as follows:

核數師薪酬

截至2017年12月31日止年度已付／應付本公司的外聘核數師羅兵咸永道會計師事務所提供服務的酬金載列如下：

Serviced rendered to the Company 為本公司所提供服務	Amount 金額 HK$'000 千港元
Audit services 核數服務	3,377
Non-audit services 非核數服務	155
Total 總計	3,532

Fee paid to other auditors were approximately HK$473,000.

Non-audit services include tax consultancy services.

已付其他核數師的費用為約473,000港元。

非核數服務為稅務諮詢服務。

Internal Control and Risk Management

Internal Control and Risk Management System

The Group has set up a risk management regulation and internal control procedure to establish a clear structure and procedures for risk management with a systematic and rigorous approach. The Group's risk management and internal control systems is aligned with the internal control framework of international body consisting of the five elements, namely, the control environment, risk assessment, control activities, information and communication, and monitoring. The Group's risk governance structure is based on the "3 lines of defense" model comprised of day-to-day operational management and control, risk and compliance oversight, and independent assurance.

The Board is responsible for overseeing the Group's risk management and internal control systems and reviewing its effectiveness. The management is responsible for implementing and maintaining a robust risk management and internal control systems to protect the Group's assets and interests of stakeholders. The Board annually reviews the adequacy of resources, staff qualifications and experience, and training programs of the Group's accounting, internal auditing and financial reporting, and also considers the adequacy of staffs and if they are of sufficient competence to carry out their roles and responsibilities

Identification, Evaluation and Management of the Significant Risks Procedure

The Board is responsible for determining the Group's risk profile within the acceptable tolerance levels for significant risks, overseeing the Group's risk management framework, reviewing the Group's significant existing and potential risks and their respective mitigation strategies and ensuring risk management effectiveness. The Company has set up a risk management committee, which is composed of the management of the Company. The risk management committee holds regular meetings to review the management of these risks and effectiveness of mitigation strategies and controls and constantly monitor the changes in risks.

Risk assessment is the identification and analysis of existing and emerging risks which identifies, filters and prioritizes the significant risks faced by the Group by the likelihood and impact of the risks to identify significant risks. The Group has adopted a top-down approach to review and assess if risks are comprehensively identified and prioritised, and properly addressed by the management to accomplish the Group's objectives.

This Year, there was no significant change on the ten major risks identified by the Group. The relevant functional departments and operation units performed daily monitoring on the identified risks pursuant to the established risk management procedures, and submitted a "Risk Control Report", which summarised the overall status of the risks and risk management activities, to the risk management team. The risk management team prepared "Risk Management Report" in accordance with the monitoring status of the ten major risks and the internal audit department reported the risk management status to the audit committee.

風險管理及內部監控

風險管理及內部監控系統

本集團已設立風險管理制度及內部監控程序，採納系統性及嚴格的方法，為風險管理及內部監控系統建立清晰的架構及程式。本集團之風險管理及內部監控系統符合國際組織之內部監控框架，由五項元素（即監控環境、風險評估、監控活動、資訊與溝通及監督）組成。本集團之風險管理及內部監控架構以「三道防線」模式為基礎，包括日常營運管理及監控、風險及合規監察以及獨立保證。

董事會負責持續監督本集團的風險管理及內部監控系統，以及檢討其有效性，而管理層則負責執行本集團的風險管理制度及內部監控程序，以保障本集團資產及持份者權益。董事會每年審閱本集團的財務、運作及合規情況，同時就本集團在會計、內部審核及財務彙報職能方面的資源、員工資歷、經驗及培訓計畫是否足夠作年度檢討，並認為員工數目足夠及足以勝任其職務及履行職責。

辨認、評估及管理重大風險的程式

董事會負責釐定本集團可接受風險程度內的風險因素、監察本集團的風險管理框架、審閱本集團的主要現有與潛在風險以及相關緩解策略，並確保風險管理的有效性。本集團已設立風險管理小組，由本集團管理層組成，並定期舉行會議，審閱風險的管理以及緩解策略與控制的成效，並不斷監察風險的變動。

本集團按照風險發生的可能性及影響篩選集團面對的主要風險，並對這些風險加以整理及排序以識別重大風險。本集團利用自上而下的方式評估及檢討管理層於實現本集團的目標時是否已全面識別風險、為風險劃分級別及予以妥善處理。

本年，本集團已識別的十大風險並無重大變化。相關職能部門和業務單位按照既定的風險管理流程對已識別的風險進行日常監控，向風險管理小組提交風險監控報告，概述風險總體情況及風險管理活動。風險管理小組根據十大風險監控情況形成風險管理報告，通過內部審核部門向審核委員會彙報風險管理情況。

The Group's risk management approach is a structured mechanism and a continuous process of identifying, evaluating, prioritizing, managing and monitoring of the risks that the Group faces. The significant process of the Group's risk management is illustrated below:

本集團之企業風險管理方針具有結構分明之機制，持續辨認、評估、安排優先處理次序、管理及監察本集團所面對之風險。本集團企業風險管理之主要程式列示如下：

1 Risk Identification 風險識別

- Identify potential risks of key processes at least annually
  最少每年識別主要範疇之潛在風險

2 Risk Assessment 風險評估

- Evaluate and prioritise the risks at least annually
  最少每年對風險作出評估及安排優先處理次序

3 Risk Response 風險應對

- Formulate risk mitigation plan for the significant risks identified
  就所辨識之重大風險制訂風險減緩計劃

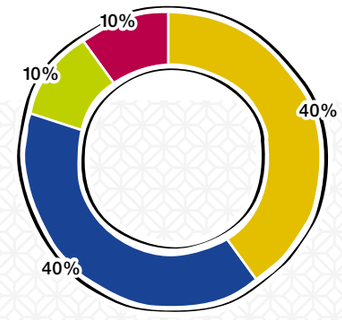
4 Risk Monitoring 風險監控

- Implement and review of the identified risks regularly in order to confirm the risk handling strategy can be operated effectively
  實施及定期監測識別出的風險以確保風險應對策略可以有效的運行

5 Risk Reporting 風險匯報

- To summarize the results of risk assessment, set up the action plan and to report to the management
  總結風險評估分析的結果，制定行動計劃並向集團管理層匯報

Distribution of the Top 10 Identified Risks
十大已識別風險分佈



- Business and strategic risk 商業風險及戰略風險
- Operation risk 運營風險
- Financial and reporting risk 財務及報告風險
- Compliance and regulatory risk 合規及監管風險

According to the risk assessment conducted in 2017, top risks affecting the Group and relevant controls are set out as below:

根據2017年的風險評估，影響本集團的最主要風險及相應的應對措施列示如下：

Top Risks of the Group 本集團主要風險	Impact 影響	Control Measure(s) 控制措施
Investment Strategic Risk 投資決策風險	The Group may not precisely forecast the market condition during investment. The project may fail to meet the future market demand and the investment cost may not be recovered, resulting in the project may fail and the profit of the Group may be affected. 本集團在從事投資業務時進行的市場預測可能不準確，項目投入未能與未來市場的需求相匹配，或投資成本與收益不匹配，造成項目後期運作失敗，影響本集團的盈利。	• The Group should prepare feasibility study in various aspects, and the investment must be approved by management or the Board 在投資項目時，本集團會作多方面進行可行性分析，並由管理層或董事會審批 • Review of the results of investment project is conducted regularly. Follow up work and adjustment are performed from time to time 定期進行投資項目業績檢討，並作出適時的跟進和調整
Raw Material Procurement, Safety and Relevant Regulations Risk 原材料採購、安全及法規相關風險	Some of the raw materials used in pharmaceutical section are plant and animal, of which some of them are rare chinese medicine or endangered species and are governed by relevant laws and regulations. If the laws or regulations relating to the usage of raw materials are changed, or the suppliers cannot provide the materials on time, or there is a change in the price or the quality of raw materials, the product research and development, manufacture, operation and reputation of the Group will be affected. 本集團製藥部份原材料是動植物材料，其中更是稀有中藥或瀕危品種，受相關法律法規監管。若法律法規修改原材料使用條件，供應商無法及時提供材料，或原材料的價格、質量發生變化，本集團的產品研發、生產營運及聲譽均會受到影響。	• Strictly monitor relevant regulations and assess their impacts on the manufacture and operations 嚴密監察相關法規及評估相關法規對生產營運的影響 • The Group performs quality control inspection on materials from the suppliers to ensure that their quality can meet the Group's requirement 本集團會定時進行供貨商材料質量檢查，確保其質量達到本集團的要求 • Strictly follow the requirement of "GMP" to ensure the quality of each batch of raw materials 嚴格按GMP的規定，確認每批原料符合質量要求
Change of Worldwide Economy and Commercial Environment Risk 全球經濟及商業環境變化風險	The Group's business covers Hong Kong, the PRC and other overseas areas. If there are changes in economies, social environment, politics, laws and regulations of the relevant areas, the Group's business, operating results and financial condition may be affected. 本集團的業務覆蓋香港、中國及其他海外地區，若相關區域的經濟、社會環境、政治、法律法規等出現變動，可能影響本集團的業務、經營業績及財務狀況。	• The Group assesses the changes of economy and business environment of the relevant areas and their impacts on the Group's business 本集團透過探討有關區域的經濟和營商環境的轉變，以檢討其轉變對本集團業務的影響

Evaluation on the effectiveness of the risk management and internal control system

Through the Audit Committee, the Board has conducted review of the effectiveness of the Group's risk management and internal control systems, covering the changes in the nature and extent of significant risks, the ability to respond to changes in its business and the external environment of the Group, the effectiveness on the measures of significant risks, the scope and quality of management's ongoing monitoring of risks and of the internal control systems, the duties of internal audit department and its effectiveness, etc.

Based on the results of the above review, for the year ended 31 December 2017, the Board thinks the risk management and internal monitor systems are still effective. Such systems of the Group are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

Internal Control

The Company has set up an independent internal audit department which regularly report directly to the Audit Committee. The internal audit department is responsible for reviewing all aspects of the Group's activities, risk management, corporate governance processes and constantly supervising the work flow and risk assessment of each department of the Group, and to independently assess the effectiveness of the internal control systems and risk management process in order to seek continuous improvement.

Being an integral part of the risk management to provide assurance on the effectiveness of the Group's risk management process and system of internal control, the internal audit department regularly carries out assessment on the risk management progress and risk responses submitted by risk owners. When developing the annual audit plan, the internal audit department identifies, prioritises and formulates the audit works by a continuous risk assessment of the Group's business activities with significant risks. The Audit Committee reviews and approves the annual audit plan and approve all subsequent major changes during the quarterly meeting. In the individual audit project, the internal audit department will further assess the key areas of financial, operational, compliance and fraud risk to evaluate the control effectiveness and the mitigation measures adopted by management.

The internal audit department reports significant risks, material changes and the associated mitigating actions and highlights to the Audit Committee quarterly to enhance the accountability and quality of the risk management process. The internal audit department will communicate with management in details on all findings and recommendations on internal control deficiencies identified from each audit work. Management will establish remedial plans to improve those internal control deficiencies within a reasonable time period. The internal audit department will report significant deficiencies of individual engagement to the Audit Committee. During the Year, the Audit Committee held 4 meetings with the internal audit department. The Audit Committee reviewed and discussed the works done and planning reports submitted by the internal audit department and reported the results of review and discussion to the Board.

Disclosure of Inside Information

The Group acknowledges its responsibilities under the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong and the GEM Listing Rules that inside information should be announced to the public as soon as reasonably practicable.

The procedures and internal controls for the handling and dissemination of inside information are as follows:

- The Board shall take reasonable precautions for preserving the confidentiality of Inside Information and the relevant announcement (if applicable) before publication;
- Before the relevant information is fully disclosed to the public, the Group should ensure that all Inside Information must be treated strictly confidential; and
- Disclosure must be made in a manner that provides the public with an equal, timely and effective access to the inside information disclosed, such as through the electronic publication system operated by the Exchange.

檢討風險管理及內部監控系統有效性的程式

董事會透過審核委員會就本集團風險管理及內部監控系統成效的調查結果和意見進行審議，檢討本集團風險管理及內部監控系統的有效性，審議涵蓋了：重大風險的性質及嚴重程度的轉變、本集團應付業務轉變及外在環境轉變的能力、重大風險應對措施的有效性；管理層持續監察風險及內部監控系統的工作範疇及素質；內部審核部門的工作及有效程度等。

根據上述檢討結果，於截至2017年12月31日止年度，董事會認為本集團的風險管理及內部監控系統已然奏效，本集團的風險管理及內部監控系統旨在管理而非消除未能達成業務目標的風險，而且只能就不會有重大的失實陳述或損失作出合理而非絕對的保證。

內部審核

本集團設有獨立的內部審核部門，定期直接向審核委員會彙報。內部審核部門負責審閱本集團的業務活動、風險管理及企業管治過程等各方面的資料，持續監察本集團的工作流程及風險評估，獨立評核風險管理及內部監控系統的成效，以致力推動持續的改善。

內部審核部門乃本集團風險管理及內部監控系統不可或缺的一部分，對風險管理流程及內部監控系統的有效性作出分析及獨立評估，定期評估風險負責人提交的風險應對措施。內部審核部門對本集團中有重大風險的業務活動，進行持續的風險評估，從而制定年度審核計畫。審核委員會審閱及批准年度審核計畫，並在季度會議內審批其後的一切重大變動。在個別審核專案中，內部審核部門會進一步評估財務、運作、合規及欺詐風險等重點範疇，從而評核監控成效及管理層所採取的緩解措施。

內部審核部門每季向審核委員會報告重大風險及其重要變動、相關緩解行動之摘要，以提升風險管理程式的問責性及質素。各審核專案所得出有關內部監控不足的調查結果及建議，內部審核部門均與管理層詳細討論，並由管理層制訂改善計畫，務求於合理時間內改善內部監控的不足。如遇個別審核專案的重大不足，內部審核部門會向審核委員會彙報。本年，審核委員會與內部審核部門共舉行4次會議。審核委員會審閱及討論內部審核部門的工作及所提交的計畫報告，並向董事會報告審閱及討論結果。

披露內幕消息

本集團知悉其根據香港法例第571章證券及期貨條例及GEM上市規則所應履行的責任，內幕消息必須在合理切實可行的範圍內向公眾作出公佈。

處理及發佈內幕消息的程序及內部監控措施如下：

- 董事會將採取合理措施將內幕消息及有關公佈（如適用）保密，直至公開刊發為止；
- 本集團在向公眾全面披露有關消息前，所有內幕消息均須絕對保密；及
- 披露的方式，須使公眾能平等、適時及有效地取得所披露的內幕消息，如於聯交所之電子登載系統刊登。

Effective Communications with Shareholders

The Board aims to present a clear, balanced and understandable assessment of the Group's performance and position in all shareholder communications. The Board is aware of and updated with the requirements under the applicable rules and regulations about timely disclosure of inside information or matters regarding the Company and will authorise the publication of such announcements as and when the occasion arises.

The Board adopted a Shareholder's Communication Policy on 8 May 2013 which provides that the Board should endeavour to maintain an ongoing dialogue with the shareholders and in particular, use annual general meetings or other general meetings to communicate with the shareholders and encourage their participation. Such policy is being reviewed from time to time to ensure its effectiveness. During the year ended 31 December 2017, the Company establishes different communication channels with shareholders and investors, including:

(i) printed copies of corporate communications (including but not limited to financial reports, notices of meetings, circulars and proxy forms) required under the GEM Listing Rules;

(ii) the annual general meeting and other shareholders meetings provide a forum for shareholders to raise comments and exchange views with the Board;

(iii) update and key information on the Group is available on the website (www.tongrentangcm.com) of the Company;

(iv) the Company's website (www.tongrentangcm.com) offers a communication channel between the Company and its shareholders and stakeholders;

(v) briefing meetings with analysts are arranged from time to time to update on the performance of the Group;

(vi) the Executive Directors and senior management of the Company hold regular briefings and attend investor forums with institutional investors and financial analysts in the PRC, Hong Kong and overseas countries from time to time;

(vii) the Company's Registrar deals with shareholders for share registration and related matters; and

(viii) the investor relations department of the Company handles enquires from shareholders and investors generally.

In 2017, the Board members, the Company's senior management, external auditor and legal advisor attended the annual general meeting, and were available to answer questions. The Company's notice to shareholders for the 2017 annual general meeting of the Company was sent at least 20 clear business days before the meeting.

Voting by Poll

At the annual general meeting held in 2017, the Chairman of the meeting (i) explained the detailed procedures for conducting a poll, and answered questions from shareholders; (ii) exercised his power under the Company's Articles of Association to put each resolution set out in the notice to be voted by way of a poll.

Representatives of the Share Registrar of the Company were appointed as scrutineers to monitor and count the poll votes cast at the annual general meeting held in 2017. Poll results were then posted on the websites of the Company and the Exchange.

Shareholders' Rights

Procedures for convening an extraordinary general meeting

The general meetings of the Company provide an opportunity for communication between the shareholders and the Board. An annual general meeting of the Company shall be held in each year and at the place as may be determined by the Board. Any general meeting other than an annual general meeting shall be referred to as an EGM.

Subject to applicable laws and regulations, including the GEM Listing Rules and the Company's Articles of Association, an EGM can be convened to consider proposals in accordance with the following provisions:

The Board may, whenever it thinks fit, convene an EGM, and EGM shall also be convened on such requisition, or in default may be convened by such requisitionist(s), holding at least 5% of the total voting rights of all the members having a right to vote at general meetings. If at any time there are not sufficient Directors capable of acting to form a quorum, any Director or any 2 shareholders who are entitled to attend and vote at a general meeting may convene an EGM in the same manner as nearly as possible as that in which a meeting may be convened by the Directors.

與股東有效溝通

董事會致力於全體股東交流會上簡明綜合評估本集團的表現和情況。董事會知悉及了解適時披露本公司內幕消息或事宜相關規則及規例的最新規定，並於相關情況出現時授權刊發相關公告。

董事會於2013年5月8日採納股東溝通政策，規定董事會應盡量與股東保持溝通，特別是利用股東週年大會或其他股東大會與股東溝通，鼓勵股東參與。本公司不時檢討該政策，以確保有效。截至2017年12月31日止年度，本公司設有多種溝通渠道與股東及投資者交流，包括：

(i) 依照GEM上市規則的要求刊發企業通訊印刷本（包括但不限於財務報告、會議通告、通函及代表委任表格）；

(ii) 召開股東週年大會及其他股東會議，提供論壇供股東提出意見與董事會交流；

(iii) 於本公司網站（www.tongrentangcm.com）發佈本集團最新及重要信息；

(iv) 於本公司網站（www.tongrentangcm.com）開闢溝通渠道供本公司與股東和持份者溝通；

(v) 不時召開分析師簡報會公佈本集團表現；

(vi) 執行董事及本公司高級管理人員在中國、香港及海外國家與機構投資者及財經分析員不時舉行定期簡報及出席投資者論壇；

(vii) 設立登記處處理股東的股份登記及相關事宜；及

(viii) 設立投資者關係部統一處理股東與投資者的詢問。

2017年，董事會成員、本公司高級管理人員、外聘核數師及法律顧問出席股東週年大會並回答問題。本公司2017年股東週年大會通告是提前至少20個完整營業日寄予股東。

以投票方式表決

於2017年召開的股東週年大會，會議主席(i)闡述了表決的詳細程序，並回答股東提問；(ii)行使本公司章程賦予之權力要求以投票方式表決通知所載各項決議案。

本公司香港股份過戶登記處代表獲委任為於2017年召開的股東週年大會的監票員，負責監察投票及點算票數。投票表決結果其後於本公司及聯交所網站登載。

股東權利

召開股東特別大會之程序

本公司股東大會提供機會讓股東與董事會溝通交流。本公司須每年召開1次股東週年大會，地點由董事會決定。任何並非股東週年大會的股東大會均為股東特別大會。

在符合相關法律及法規（包括GEM上市規則及公司章程）的情況下，股東特別大會可按下述規定召開以審閱議案：

董事會可於其認為適合時召開股東特別大會，另外亦須應要求召開股東特別大會，如董事會未能應要求召開股東特別大會，則由持有有權於股東大會表決的所有股東之總表決權最少5%的人士召開。倘於任何時間董事人數不足法定人數，則任何1名董事或有權出席股東大會並於會上投票之2名股東可按盡量近似由董事召開大會之方式召開股東特別大會。

The requirements and procedures as set out in section 566 to section 569 of the Companies Ordinance are summarised as follows:

- The requisition must state the general nature of the business to be dealt with at the meeting, and may include the text of a resolution that may properly be moved and is intended to be moved at the meeting, and must be signed by the requisitionists and deposited at the registered office of the Company which is presently situated at Room 1405–1409, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong, and may consist of several documents in like form, each signed by one or more requisitionists.

- If the Directors do not within 21 days from the date of the deposit of the requisition proceed duly to convene a meeting for a day not more than 28 days after the date on which the notice convening the meeting is given, 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 3 months from the said date.

- Any reasonable expenses incurred by the requisitionists by reason of the failure of the Directors duly to convene a meeting shall be repaid to the requisitionists by the Company.

In addition, shareholders are requested to follow section 615 of the Companies Ordinance for including a resolution at an annual general meeting. The requirements and procedures are set out below:

(i) Any number of shareholders representing not less than 25% of the total voting rights of all shareholders having at the date of the requisition a right to vote at the annual general meeting to which the requisition relates, or not less than 50 shareholders who have a right to vote on the resolution at the annual general meeting to which the requests relate, may submit a requisition in writing to put forward a resolution which may properly be moved and is intended to be moved at an annual general meeting.

(ii) The Company shall not be bound by the Companies Ordinance to give notice of the proposed resolution to shareholders of the Company entitled to receive notice of an annual general meeting unless a request (a) is sent to the Company in hard copy form or in electronic form; (b) the resolution of which notice is to be given is identified; (c) is authenticated by the person or persons making it; and (d) is received by the Company not later than (i) 6 weeks before the annual general meeting to which the requests relate; or (ii) if later, the time at which notice is given of that meeting.

Procedures for sending enquiries to the Board

The Company welcomes shareholders' views and concerns relating to the Group's management and corporate governance. The Company's website (www.tongrentangcm.com) provides email address (for enquiry purpose only), postal address, fax number and telephone number by which Shareholders may at any time send their enquiries to the Board. Shareholders may also put forward their enquiries to the Board at the general meetings of the Company.

Articles of Association

During the year ended 31 December 2017, there is no change to the Articles of Association of the Company.

公司條例第566條至第569條的要求及程序概述如下：

- 請求書必須列明大會所處理事項的一般性質，包括擬於大會動議之可恰當動議的決議案文本，經請求人士簽署後，遞交至本公司的註冊辦事處，現址為香港灣仔港灣道1號會展廣場辦公大樓1405–1409室。請求書可由經1名或多名請求人士簽署之1式多份文件組成。

- 倘董事並未於請求遞交日期起計21日內正式召開大會（大會日期須為發出召開會議通告日期後28日內），則所有請求人士或個別持有所有請求人士總投票權一半以上的請求人士可自行召開大會，惟任何以此方式召開的大會舉行日期不可遲於上述日期起計3個月屆滿當日。

- 請求人士因董事未應前述要求舉行會議而自行召集並舉行會議所涉及的合理費用，由本公司承擔。

此外，股東於本公司股東週年大會上提呈決議案須遵照公司條例第615條的規定。相關要求及程序載列如下：

(i) 在遞交請求書當日，持有不少於有權在與請求相關的股東週年大會上表決的總表決權25%的相關數目股東，或不少於50名有權在與請求相關的股東週年大會上就決議案表決的股東，可遞交一份書面請求，列明擬於股東週年大會上動議之可恰當動議的決議案。

(ii) 除非(a)以硬拷貝形式或電子形式向本公司發出請求書；(b)確認所發出通知當中的決議案；(c)經提出請求的人士簽名證實；及(d)本公司必須於(i)與請求相關之股東週年大會前6個星期；或(ii)大會通知發出的較後時間收到請求書，否則本公司毋須根據公司條例向有權接收股東週年大會通告的本公司股東發出任何建議決議案的通知。

向董事會提出查詢之程序

本公司歡迎股東提出有關本集團管理及企業管治的意見及關注事項。本公司的網站(www.tongrentangcm.com)提供了電郵地址（僅供查詢用途）、郵寄地址、傳真號碼及電話號碼，股東可隨時用以向董事會提出查詢。股東亦可於本公司股東大會上向董事會直接提問。

章程

截至2017年12月31日止年度，本公司之章程並無任何變更。

pwc

羅兵咸永道

To the Members of Beijing Tong Ren Tang Chinese Medicine Company Limited
(incorporated in Hong Kong with limited liability)

Opinion

What we have audited

The consolidated financial statements of Beijing Tong Ren Tang Chinese Medicine Company Limited (the "Company") and its subsidiaries (the "Group") set out on pages 146 to 247, which comprise:

- the consolidated balance sheet as at 31 December 2017;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Our opinion

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

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

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致北京同仁堂國藥有限公司成員
(於香港註冊成立的有限公司)

意見

我們已審計的內容

北京同仁堂國藥有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)列載於第146至247頁的合併財務報表，包括：

- 於2017年12月31日的合併資產負債表；
- 截至該日止年度的合併收益表；
- 截至該日止年度的合併綜合收益表；
- 截至該日止年度的合併權益變動表；
- 截至該日止年度的合併現金流量表；及
- 合併財務報表附註，包括主要會計政策概要。

我們的意見

我們認為，該等合併財務報表已根據香港會計師公會頒布的《香港財務報告準則》真實而中肯地反映了 貴集團於2017年12月31日的合併財務狀況及其截至該日止年度的合併財務表現及合併現金流量，並已遵照香港《公司條例》妥為擬備。

意見的基礎

我們已根據香港會計師公會頒布的《香港審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計合併財務報表承擔的責任」部分中作進一步闡述。

我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

獨立性

根據香港會計師公會頒布的《專業會計師道德守則》(以下簡稱「守則」)，我們獨立於 貴集團，並已履行守則中的其他專業道德責任。

羅兵咸永道會計師事務所，香港中環太子大廈廿二樓
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Key Audit Matter

Key audit matters are those matters that, in our professional judgment, 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.

Key audit matter identified in our audit is impairment of goodwill.

Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment of goodwill Refer to note 4 (Critical accounting estimates and judgments) and note 16 to the consolidated financial statements. As at 31 December 2017, the Group had a goodwill of HK$49,419,000 and it was significant to the consolidated financial statements. Management prepared the value-in-use calculation based on cash flow forecast of the cash-generating unit that included this goodwill to determine whether there was any impairment. We focused on this area due to the size of the goodwill balance and the significant judgments and assumptions the management used in preparation of value-in-use calculation. Management has concluded that there is no impairment of goodwill.	We evaluated management's impairment assessment including cash flow forecast, and the process by which they were drawn up, and tested the underlying calculations. Specific work we performed over the impairment assessment included: • comparing management's short-term forecasted sales and profit margins with historical performance; • comparing the management's key assumptions for discount rate and long-term growth rate in the forecast with industry data; and • obtaining management's sensitivity analysis over the key assumptions of the cash flow forecast to analyse the potential impact of a range of possible outcomes. We found management's assessments that there was no impairment of goodwill is supportable by the evidence we gathered and consistent with our expectation.

Other Information

The directors of the Company are responsible for the other information. The other information comprises all of 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.

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期合併財務報表的審計最為重要的事項。這些事項是在我們審計整體合併財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。

我們在審計中識別的關鍵審計事項概述為商譽減值。

關鍵審計事項	我們的審計如何處理關鍵審計事項
商譽減值 請參閱合併財務報表附註4（重大會計估計及判斷）及附註16。 商譽為　貴集團本年度合併財務報表的重大項目。截至2017年12月31日，其餘額為49,419,000港元。 管理層根據此商譽所屬之現金產出單元的現金流預測來準備其使用價值模型，以確認是否存在減值需要。我們集中於此事項皆因其重大餘額及使用價值模型涉及重大的管理層判斷和假設。 管理層的結論是，商譽沒有減值的需要。	我們檢視了管理層的減值評估，包括現金流量預測及其制定流程，並且測試了相關計算。 我們對減值評估執行了如下的具體工作： • 將管理層對短期銷售預測及利潤率與歷史業績作比較； • 將該等預測中管理層對折現率及長期增長率的關鍵假設與行業數據進行比較；及 • 取得了管理層對現金流預測的敏感性分析，以分析有可能的潛在影響。 我們發現，根據我們所得的憑證，管理層就商譽並不需要減值的評估，與我們的預期一致。

其他信息

貴公司董事須對其他信息負責。其他信息包括年報內的所有信息，但不包括合併財務報表及我們的核數師報告。

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

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

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

Responsibilities of Directors and the Audit Committee 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 HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The Audit Committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with Section 405 of the Hong Kong Companies Ordinance and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

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

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

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

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

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

董事及審核委員會就合併財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒布的《香港財務報告準則》及香港《公司條例》擬備真實而中肯的合併財務報表，並對其認為為使合併財務報表的擬備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。

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

審核委員會須負責監督　貴集團的財務報告過程。

核數師就審計合併財務報表承擔的責任

我們的目標，是對合併財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅按照香港《公司條例》第405條向　閣下（作為整體）報告我們的意見，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響合併財務報表使用者依賴合併財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

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

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

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

- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。

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

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

- 就　貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對合併財務報表發表意見。我們負責　貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Ng Hiu Tung.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 12 March 2018

除其他事項外，我們與審核委員會溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

我們還向審核委員會提交聲明，説明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，相關的防範措施。

從與審核委員會溝通的事項中，我們確定哪些事項對本期合併財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，如果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，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計項目合夥人是吳曉彤。

羅兵咸永道會計師事務所
執業會計師

香港，2018年3月12日

Consolidated Income Statement

For the year ended 31 December 2017 截至2017年12月31日止年度

合併收益表

For the year ended 31 December 2017 截至2017年12月31日止年度

	Note 附註	2017 HK$'000 千港元	2016 HK$'000 千港元
Revenue 收入	5	**1,265,994**	1,084,280
Cost of sales 銷售成本	6	**(349,561)**	(289,193)
Gross profit 毛利		**916,433**	795,087
Distribution and selling expenses 分銷及銷售開支	6	**(193,517)**	(161,901)
General and administrative expenses 一般及行政開支	6	**(127,293)**	(109,611)
Other net gains 其他利得 一 淨額		**2,061**	3,924
Operating profit 經營利潤		**597,684**	527,499
Finance income 財務收益	9	**13,356**	7,913
Finance costs 財務支出	9	**(32)**	(43)
Finance income, net 淨財務收益		**13,324**	7,870
Share of losses of investments accounted for using the equity method 應佔按權益法入賬之投資虧損	10	**(42)**	(1,809)
Impairment loss on an investment accounted for using the equity method 按權益法入賬之投資之減值計提	10	**–**	(1,290)
Profit before income tax 除所得稅前利潤		**610,966**	532,270
Income tax expense 所得稅開支	11	**(105,454)**	(92,390)
Profit for the year 年度利潤		**505,512**	439,880
Profit attributable to: 以下人士應佔利潤：			
Owners of the Company 本公司擁有人		**489,967**	420,315
Non-controlling interests 非控股權益		**15,545**	19,565
		505,512	439,880
Earnings per share attributable to owners of the Company for the year (expressed in HK$ per share) 年內本公司擁有人應佔每股盈利(以每股港元列示)			
Basic and diluted earnings per share 每股基本及攤薄盈利	12	**0.59**	0.50

The notes on pages 156 to 247 are an integral part of these consolidated financial statements.

第156至247頁的附註為該等合併財務報表的組成部分。

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2017 截至2017年12月31日止年度

合併綜合收益表

For the year ended 31 December 2017 截至2017年12月31日止年度

	Note 附註	2017 HK$'000 千港元	2016 HK$'000 千港元
Profit for the year 年度利潤		**505,512**	439,880
Other comprehensive income/(losses): 其他綜合收益／(虧損)：			
Item that may be reclassified to profit or loss 其後可能重新分類至損益的項目			
Change in fair value of available-for-sale financial asset 可供出售金融資產公允價值變動	17	**2,005**	(475)
Currency translation differences 貨幣兑換差額		**16,519**	(4,721)
Other comprehensive income/(losses) for the year 年度其他綜合收益／(虧損)		**18,524**	(5,196)
Total comprehensive income for the year 年度綜合收益總額		**524,036**	434,684
Attributable to: 以下人士應佔：			
Owners of the Company 本公司擁有人		**504,287**	415,656
Non-controlling interests 非控股權益		**19,749**	19,028
Total comprehensive income for the year 年度綜合收益總額		**524,036**	434,684

The notes on pages 156 to 247 are an integral part of these consolidated financial statements.

第156至247頁的附註為該等合併財務報表的組成部分。

Consolidated Balance Sheet

As at 31 December 2017 於2017年12月31日

合併資產負債表

As at 31 December 2017 於2017年12月31日

	Note 附註	2017 HK$'000 千港元	2016 HK$'000 千港元
Assets 資產			
Non-current assets 非流動資產			
Leasehold land 租賃土地	14	**16,008**	16,551
Property, plant and equipment 物業、廠房及設備	15	**263,555**	256,012
Intangible assets 無形資產	16	**79,001**	81,279
Investments accounted for using the equity method 按權益法入賬之投資	10	**20,766**	19,810
Available-for-sale financial asset 可供出售金融資產	17	**15,318**	13,313
Deposits paid for purchase of property, plant and equipment 購買物業、廠房及設備的已付按金		**1,988**	1,221
Deferred income tax assets 遞延所得稅資產	18	**9,132**	9,990
		405,768	398,176
Current assets 流動資產			
Inventories 存貨	19	**235,536**	178,539
Trade receivables and other current assets 貿易應收款項及其他流動資產	20	**221,570**	194,506
Short-term bank deposits 短期銀行存款	21	**1,147,338**	786,044
Cash and cash equivalents 現金及現金等價物	21	**750,443**	797,557
		2,354,887	1,956,646
Total assets 總資產		**2,760,655**	2,354,822
Equity and liabilities 權益及負債			
Equity attributable to owners of the Company 本公司擁有人應佔權益			
Share capital 股本	22	**938,789**	938,789
Reserves 儲備	23		
– Other reserves 其他儲備		**(11,047)**	(26,301)
– Retained earnings 未分配利潤		**1,565,150**	1,210,053
		2,492,892	2,122,541
Non-controlling interests 非控股權益		**115,285**	104,696
Total equity 權益總額		**2,608,177**	2,227,237
Liabilities 負債			
Non-current liabilities 非流動負債			
Borrowing 借貸	24	**605**	556
Deferred income tax liabilities 遞延所得稅負債	18	**4,419**	4,138
		5,024	4,694
Current liabilities 流動負債			
Trade and other payables 貿易及其他應付款項	25	**114,486**	88,372
Current income tax liabilities 當期所得稅負債		**32,968**	34,519
		147,454	122,891
Total liabilities 總負債		**152,478**	127,585
Total equity and liabilities 權益及負債總額		**2,760,655**	2,354,822

The notes on pages 156 to 247 are an integral part of these consolidated financial statements.

第156至247頁的附註為該等合併財務報表的組成部分。

The consolidated financial statements on pages 146 to 247 were approved by the Board of Directors on 12 March 2018 and were signed on its behalf.

第146至247頁的合併財務報表於2018年3月12日獲董事會批准，並由以下代表簽署。

Ding Yong Ling
Director

Lin Man
Director

丁永玲
董事

林曼
董事

Consolidated Statement of Changes In Equity

For the year ended 31 December 2017 截至2017年12月31日止年度

合併權益變動表

For the year ended 31 December 2017 截至2017年12月31日止年度

	Attributable to owners of the Company 本公司擁有人應佔								
	Share capital 股本	Merger reserve 合併儲備	Other reserves 其他儲備	Statutory reserve 法定儲備	Exchange reserve 匯兌儲備	Retained earnings 保留收益	Total 總額	Non-controlling interests 非控股權益	Total equity 權益總額
	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元
At 1 January 2016 於2016年1月1日	938,789	(13,124)	830	4,130	(14,643)	899,726	1,815,708	93,207	1,908,915
Comprehensive income 綜合收益									
Profit for the year 年度利潤	–	–	–	–	–	420,315	420,315	19,565	439,880
Other comprehensive loss 其他綜合虧損									
Change in fair value of available-for-sale financial asset 可供出售金融資產公允價值變動	–	–	(475)	–	–	–	(475)	–	(475)
Currency translation differences 貨幣兑換差額									
– Group 本集團	–	–	–	–	(4,012)	–	(4,012)	(537)	(4,549)
– Joint ventures 合營企業	–	–	–	–	(172)	–	(172)	–	(172)
Total comprehensive income 綜合收益總額	–	–	(475)	–	(4,184)	420,315	415,656	19,028	434,684
Transactions with owners in their capacity as owners 與權益所有者以其所有者的身份進行的交易									
Transfer of retained earnings to statutory reserve 轉撥保留收益至法定儲備	–	–	–	1,165	–	(1,165)	–	–	–
Dividends relating to 2015 2015年相關股息	–	–	–	–	–	(108,823)	(108,823)	(19,239)	(128,062)
Capital injections into subsidiaries 向附屬公司注資	–	–	–	–	–	–	–	11,700	11,700
Total transactions with owners in their capacity as owners 與權益所有者以其所有者的身份進行的交易的總額	–	–	–	1,165	–	(109,988)	(108,823)	(7,539)	(116,362)
At 31 December 2016 於2016年12月31日	938,789	(13,124)	355	5,295	(18,827)	1,210,053	2,122,541	104,696	2,227,237
At 1 January 2017 於2017年1月1日	**938,789**	**(13,124)**	**355**	**5,295**	**(18,827)**	**1,210,053**	**2,122,541**	**104,696**	**2,227,237**
Comprehensive income 綜合收益									
Profit for the year 年度利潤	–	–	–	–	–	489,967	489,967	15,545	505,512
Other comprehensive income 其他綜合收益									
Change in fair value of available-for-sale financial asset 可供出售金融資產公允價值變動	–	–	2,005	–	–	–	2,005	–	2,005
Currency translation differences 貨幣兑換差額									
– Group 本集團	–	–	–	–	11,317	–	11,317	4,204	15,521
– Joint ventures 合營企業	–	–	–	–	998	–	998	–	998
Total comprehensive income 綜合收益總額	–	–	2,005	–	12,315	489,967	504,287	19,749	524,036
Transactions with owners in their capacity as owners 與權益所有者以其所有者的身份進行的交易									
Transfer of retained earnings to statutory reserve 轉撥保留收益至法定儲備	–	–	–	934	–	(934)	–	–	–
Dividends relating to 2016 2016年相關股息	–	–	–	–	–	(133,936)	(133,936)	(24,665)	(158,601)
Capital injections into subsidiaries 向附屬公司注資	–	–	–	–	–	–	–	15,505	15,505
Total transactions with owners in their capacity as owners 與權益所有者以其所有者的身份進行的交易的總額	–	–	–	934	–	(134,870)	(133,936)	(9,160)	(143,096)
At 31 December 2017 於2017年12月31日	938,789	(13,124)	2,360	6,229	(6,512)	1,565,150	2,492,892	115,285	2,608,177

The notes on pages 156 to 247 are an integral part of these consolidated financial statements.

第156至247頁的附註為該等合併財務報表的組成部分。

Consolidated Statement of Cash Flows

For the year ended 31 December 2017 截至2017年12月31日止年度

合併現金流量表

For the year ended 31 December 2017 截至2017年12月31日止年度

	Note 附註	2017 HK$'000 千港元	2016 HK$'000 千港元
Cash flows from operating activities 經營活動所產生的現金流量			
Cash generated from operations 經營所產生的現金	26(a)	**575,085**	563,642
Interest paid 已付利息		**(32)**	(43)
Income tax paid 已付所得稅		**(105,909)**	(95,878)
Net cash generated from operating activities 經營活動所產生的現金淨額		**469,144**	467,721
Cash flows from investing activities 投資活動所產生的現金流量			
Interest received 已收利息		**13,356**	7,913
Dividends received 已收股息		**135**	–
Increase in short-term bank deposits with original maturities exceeding three months 原期限為三個月以上之短期銀行存款增加		**(361,294)**	(265,638)
Proceeds from sale of property, plant and equipment 出售物業、廠房及設備所得款	26(b)	**63**	–
Purchase of property, plant and equipment 購買物業、廠房及設備		**(30,917)**	(13,915)
Purchase of intangible assets 購買無形資產	16	**–**	(21,660)
Purchase of available-for-sale financial asset 購買可供出售金融資產	17	**–**	(13,788)
Deposit paid for purchase of property, plant and equipment 購買物業、廠房及設備的已付按金		**(3,168)**	(2,689)
Net cash used in investing activities 投資活動所用現金淨額		**(381,825)**	(309,777)
Cash flows from financing activities 融資活動所產生的現金流量			
Capital injections by non-controlling interests 非控股權益注資		**15,505**	11,700
Dividends paid to the Company's shareholders 已付本公司股東的股息		**(133,936)**	(108,823)
Dividends paid to non-controlling interests 已付非控股權益的股息		**(23,444)**	(19,239)
Net cash used in financing activities 融資活動所用現金淨額		**(141,875)**	(116,362)
Net (decrease)/increase in cash and cash equivalents 現金及現金等價物(減少)／增加淨額		**(54,556)**	41,582
Cash and cash equivalents at beginning of year 年初之現金及現金等價物		**797,557**	759,860
Exchange gain/(losses) on cash and cash equivalents 現金及現金等價物匯兑收益／(損失)		**7,442**	(3,885)
Cash and cash equivalents at end of year 年終之現金及現金等價物		**750,443**	797,557

The notes on pages 156 to 247 are an integral part of these consolidated financial statements.

第156至247頁的附註為該等合併財務報表的組成部分。

1 General information

Beijing Tong Ren Tang Chinese Medicine Company Limited (the "Company") and its subsidiaries (together the "Group") are engaged in manufacturing, retail and wholesale of Chinese medicine products and healthcare products and provision of Chinese medical consultation and treatments. The immediate holding company of the Company is Tong Ren Tang Technologies Co. Ltd. ("Tong Ren Tang Technologies") which is a joint stock limited company established in the People's Republic of China (the "PRC") and is listed on the Main Board of The Stock Exchange of Hong Kong Limited. The intermediate holding company of the Company is Beijing Tong Ren Tang Company Limited ("Tong Ren Tang Ltd.") which is a joint stock limited company incorporated in the PRC and is listed on the Shanghai Stock Exchange. The ultimate holding company of the Company is China Beijing Tong Ren Tang Group Co., Ltd. ("Tong Ren Tang Holdings") which is a company incorporated in the PRC.

The Company is a limited liability company incorporated in Hong Kong. The address of its registered office is Room 1405–1409, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong.

The Company is listed on the GEM of The Stock Exchange of Hong Kong Limited.

These consolidated financial statements are presented in Hong Kong dollars (HK$), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 12 March 2018.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRS") and requirements of the Hong Kong Companies ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial asset, which is carried at fair value.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

(i) Adoption of amendments to standards

The Group has adopted the following amendments to standards which are relevant to the Group's operations and are mandatory for the financial year beginning on or after 1 January 2017:

HKAS 7 (Amendment)	Disclosure Initiative
HKAS 12 (Amendment)	Recognition of Deferred Tax Assets for Unrealised Losses
HKFRS 12 (Amendment)	Disclosure of Interests in Other Entities

The adoption of the above amendments to standards did not have any significant financial impact on these consolidated financial statements.

1 一般資料

北京同仁堂國藥有限公司(「本公司」)及其附屬公司(統稱「本集團」)從事中藥產品和保健品的生產、零售及批發並提供中醫診療。本公司直接控股公司北京同仁堂科技發展股份有限公司(「同仁堂科技」)為於中華人民共和國(「中國」)成立的股份有限公司，於香港聯合交易所有限公司主板上市。本公司中間控股公司北京同仁堂股份有限公司(「同仁堂股份」)為於中國成立的股份有限公司，於上海證券交易所上市。本公司最終控股公司中國北京同仁堂(集團)有限責任公司(「同仁堂集團公司」)為於中國註冊成立的公司。

本公司為在香港註冊成立的有限公司，註冊辦事處地址為香港灣仔港灣道1號會展廣場辦公大樓1405–1409室。

本公司的股份在香港聯合交易所有限公司GEM上市。

除另有註明外，該等合併財務報表以港元(「港元」)列賬。該等合併財務報表已於2018年3月12日獲董事會批准刊發。

2 主要會計政策概要

編製該等合併財務報告所採用的主要會計政策如下。除另有註明外，該等政策貫徹應用於呈列的所有年度。

(a) 編製基準

合併財務報表已按香港財務報告準則(「香港財務報告準則」)及香港《公司條例》(第622章)編製。合併財務報表根據歷史成本法編製，並已就按公允價值計量的可供出售金融資產的重估作出修訂。

編製符合香港財務報告準則的財務報表需採用若干關鍵會計估計。此亦需管理人員在應用本集團的會計政策時行使判斷。涉及高度判斷或複雜性的範疇，或涉及對合併財務報表屬重大假設及估計的範疇已於附註4披露。

(i) 採納準則之修訂

本集團所採納與本集團業務相關且於2017年1月1日或之後開始之財政年度須強制採用的準則之修訂如下：

香港會計準則第7號(修訂本)	披露計劃
香港會計準則第12號(修訂本)	確認未實現損失的遞延稅項資產
香港財務報告準則第12號(修訂本)	其他實體權益的披露

採納上述準則之修訂對該等合併財務報表並無任何重大財務影響。

2 Summary of significant accounting policies (Continued)

(a) Basis of preparation (Continued)

(ii) New standards, interpretations and amendments to standards which are not yet effective

The following are new standards, interpretations and amendments to standards that have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2018 or later periods, but have not been early adopted by the Group.

HKAS 28 (Amendment)	Investments in Associates and Joint Ventures[1]
HKAS 40 (Amendment)	Transfers of Investment Property[1]
HKFRS 1 (Amendment)	First-time Adoption of Hong Kong Financial Reporting Standards[1]
HKFRS 2 (Amendment)	Classification and Measurement of Share based Payment Transactions[1]
HKFRS 4 (Amendment)	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts[1]
HKFRS 9	Financial Instruments[1]
HKFRS 9 (Amendment)	Prepayment Features with Negative compensation[2]
HKFRS 10 and HKAS 28 (Amendment)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
HKFRS 15	Revenue from Contracts with Customers[1]
HKFRS 15 (Amendment)	Clarifications to HKFRS 15[1]
HKFRS 16	Leases[2]
HKFRS 17	Insurance Contracts[3]
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration[1]
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments[2]

(1) Effective for the accounting period beginning on 1 January 2018
(2) Effective for the accounting period beginning on 1 January 2019
(3) Effective for the accounting period beginning on 1 January 2021
(4) Effective date to be determined

The Group will apply the above new standards, interpretations and amendments to standards when they become effective. The Group has commenced an assessment of the expected impact of the HKFRS 9, HKFRS 15 and HKFRS 16 as set out below. Except for HKFRS 16, none of the rest of the new standards, interpretations and amendments to standards is expected to have a significant effect on the consolidated financial statements of the Group.

HKFRS 9

HKFRS 9 "Financial instrument" addresses the classification, measurement and recognition of financial assets and liabilities. It replaces the guidance in HKAS 39 that relates to the classification and measurement of financial instruments.

HKFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The new impairment model requires the recognition of impairment provisions based on expected credit losses rather than only incurred credit losses as is the case under HKAS 39.

It is not practicable to provide a reasonable estimate of the effect until the Group performs a detailed review. Other than the adoption of an expected credit losses impairment model and disclosure changes, adoption of HKFRS 9 is currently not expected to have a material impact on the consolidated financial statements of the Group.

2 主要會計政策概要(續)

(a) 編製基準(續)

(ii) 尚未生效的新訂準則、新解釋及準則之修訂

下列新訂準則、新解釋及準則之修訂與本集團於2018年1月1日或之後開始的會計期或較後期間強制實行，惟本集團並無提早採納。

香港會計準則第28號(修訂本)	聯營公司及合營企業的投資[1]
香港會計準則第40號(修訂本)	投資物業轉讓[1]
香港財務報告準則第1號(修訂本)	首次採用國際財務報道準則[1]
香港財務報告準則第2號(修訂本)	股份支付交易的分類和計量[1]
香港財務報告準則第4號(修訂本)	應用香港財務報告準則第9號金融工具與香港財務報告準則第4號保險合約[1]
香港財務報告準則第9號	金融工具[1]
香港財務報告準則第9號(修訂本)	具有負補償的預付款項特性[2]
香港財務報告準則第10號及香港會計準則第28號(修訂本)	投資者及其聯營或合營企業的資產出售或投入[4]
香港財務報告準則第15號	客戶合約收益[1]
香港財務報告準則第15號(修訂本)	澄清香港財務報告準則第15號[1]
香港財務報告準則第16號	租賃[2]
香港財務報告準則第17號	保險合約[3]
香港財務報告準則解釋第22號	外幣交易及預收對價[1]
香港財務報告準則解釋第23號	所得稅處理的不確定性[2]

(1) 於2018年1月1日開始的會計期間生效
(2) 於2019年1月1日開始的會計期間生效
(3) 於2021年1月1日開始的會計期間生效
(4) 生效日期待定

當上述新訂準則及現有準則之修訂生效時，本集團將應用此等準則及準則之修訂。本集團現正對香港財務報告準則第9號，第15號及第16號之預期影響作出評估。除香港財務報告準則第16號以外，沒有其他新準則、詮釋及準則之修訂預期會對本集團的合併財務報表有重大影響。

香港財務報告準則第9號

香港財務報告準則第9號「金融工具」適用於金融資產和金融負債的分類、計量和確認。而香港財務報告準則第9號則用以取代香港會計準則第39號內有關金融工具的分類和計量的指引。

香港財務報告準則第9號保留但簡化了混合計量模型，並為金融資產制定三種主要計量類別：攤餘成本、以公允價值計量且其變動計入其他綜合收益及以公允價值計量且其變動計入損益。分類的基準是按主體的業務模式以及金融資產的合約現金流量特徵而釐定。新減值模型要求必須按預期信用損失確認減值準備，而非根據香港會計準則第39號僅按已發生的信用損失確認減值準備。

在本集團未進行詳盡評估前，合理估計相關影響尚不可行。除了採納預期信用損失減值模型和披露變更外，目前對香港財務報告準則第9號的採納預期不會對本集團的合併財務報表產生重大影響。

2 Summary of significant accounting policies (Continued)

(a) Basis of preparation (Continued)

(ii) New standards, interpretations and amendments to standards which are not yet effective (Continued)

HKFRS 15

HKFRS 15 "Revenue from contracts with customers" replaces the previous revenue standards HKAS 18 "Revenue" and HKAS 11 "Construction Contracts" and the related interpretations on revenue recognition. Under HKFRS 15, an entity normally recognises revenue when a performance obligation is satisfied. Impact on the revenue recognition may arise when multiple performance obligations are identified. The Group's assessment of the potential impact of the application of HKFRS 15 is that it would not result in any significant impact on the Group's financial position and the timing of revenue recognition.

HKFRS 16

HKFRS 16 "Leases" addresses the definition of a lease, recognition and measurement of leases and establishes principles for reporting useful information to users of financial statements about the leasing activities of both lessees and lessors.

The Group is a lessee of various properties which are currently classified as operating leases. The current accounting policy of such leases and the Group's future operating lease commitments are set out in Note 2(w) and Note 27(b) to the consolidated financial statements, respectively.

HKFRS 16 provides new provisions for the accounting treatment of leases and will no longer allow lessees to recognise certain leases outside the consolidated balance sheet in the future. Instead, when the Group is the lessee, almost all leases must be recognised in the form of an asset (for the right-of-use) and a financial liability (for the payment obligation). The new standard will therefore result in an increase in assets and financial liabilities in the consolidated balance sheet to the Group upon initial adoption. As for the financial impact in the consolidated income statement, rental expenses will be replaced with straight-line depreciation expense on the right-of-use asset and interest expenses on the lease liability. The combination of the straight-line depreciation of the right-of-use asset and the effective interest rate method applied to the lease liability will result in a higher total charge to the consolidated income statement in the initial years of the lease, and a lower total charge during the latter part of the lease term.

This new standard is not expected to be applied until the financial year beginning on or after 1 January 2019.

2 主要會計政策概要(續)

(a) 編製基準(續)

(ii) 尚未生效的新訂準則、新解釋及準則之修訂(續)

香港財務報告準則第15號

香港財務報告準則第15號「客戶合約收益」將取代以前的準則：香港會計準則第18號「收入」和香港會計準則第11號「建造合同」以及相關的收入確認解釋。根據香港財務報告準則第15號，主體通常在履行履約義務時確認收入。當出現多項履約義務時，會對收入確認產生影響。本集團對採納香港財務報告準則第15號的潛在影響進行了評估，不會對本集團的財務狀況及收入確認時間產生任何重大影響。

香港財務報告準則第16號

香港財務報告準則第16號「租賃」提供了租賃的定義及其確認和計量要求，並確立了就出租人和承租人的租賃活動向財務報表使用者報告有用信息的原則。

本集團是一系列物業的承租人，而該等物業被劃分為經營租賃。針對此等租賃的會計政策及本集團的未來經營租賃承擔分別載列於合併財務報表附註2(w)及27(b)中。

香港財務報告準則第16號提供有關租賃會計處理的新規定，且在將來不再允許承租人在合併資產負債表外確認某些租賃。相反，當本集團作為承租人時，幾乎所有的租賃都須確認為一項資產(該租賃專案的使用權)及一項金融負債(該租賃項目的付款義務)。初次採納的新準則會因而導致合併資產負債表中資產和金融負債的增加。就新準則對合併收益表所產生的財務影響而言，租賃費用將被使用權資產的直線折舊費用和租賃負債的利息費用所取代。使用權資產採用直線法進行折舊以及租賃負債採用實際利率法核算，將共同導致在租賃起初的數年裡計入合併收益表的總金額會較高，而計入租賃後期的費用則較低。

預計2019年1月1日或之後開始的財政年度方會採納此新準則。

2 Summary of significant accounting policies (Continued)

(b) Subsidiaries

(i) 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.

Business combinations

Except for business combination under common control, 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.

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 HKFRS.

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.

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 the consolidated income statement.

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.

Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in a loss of control are accounted for as equity transactions — that is, as transactions with the owners of the subsidiary 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.

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 the 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 ventures 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.

2 主要會計政策概要(續)

(b) 附屬公司

(i) 合併

附屬公司為本集團對其有控制權的實體(包括結構實體)。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，並能透過其在該實體的權力影響該等回報，則本集團對該實體具有控制權。附屬公司自控制權轉至本集團當日起合併計算，並自該控制權終止當日起不再合併計算。

業務合併

除共同控制下的業務合併外，收購法用作本集團業務合併的入賬方法。就收購附屬公司所轉讓的代價為所轉讓資產、被收購方前擁有者產生的負債及本集團所發行股權的公允價值。所轉讓的代價包括或有代價安排產生的任何資產或負債的公允價值。業務合併中所收購可識別資產與所承擔負債及或有負債，初步以彼等於收購日期的公允價值計量。

本集團按逐項收購基準確認被收購方的任何非控股權益。屬現時所有權權益且賦予持有人權利於清盤時按比例享有實體資產淨值的被收購方非控股權益按公允價值或現時所有權權益按比例應佔被收購方可識別資產淨值的確認金額計量。除非香港財務報告準則要求採用其他計量基準，否則其他所有非控股權益部份均按收購日期的公允價值計量。

收購相關成本在產生時支銷。

倘業務合併分階段進行，則收購方先前所持被收購方股權於收購日期的賬面值按收購日期的公允價值重新計量，重新計量所產生的任何收益或虧損於損益確認。

商譽按所轉撥代價、被收購方非控股權益金額及被收購方先前股權於收購日的公允價值超出所收購可識別資產淨值公允價值的部分計量。倘所轉讓代價、已確認非控股權益及計量的先前所持權益總額低於議價購買所收購附屬公司資產淨值之公允價值，則差額直接於合併收益表確認。

集團內交易、結餘及集團及公司間交易所得未變現收益予以對銷。未變現虧損亦予以對銷。必要時，附屬公司之呈報數額已予以調整，以與本集團會計政策保持一致。

不導致控制權變動之附屬公司所有權權益變動

不導致失去控制權之非控股權益交易入賬列作權益交易 — 即以彼等為擁有人之身份與附屬公司擁有人進行交易。任何已付代價的公允價值與應佔所收購附屬公司資產淨值賬面值相關部分的差額於權益列賬。向非控股權益出售的收益或虧損亦於權益列賬。

出售附屬公司

倘本集團不再有控制權，則其於該實體之任何保留權益按失去控制權當日之公允價值重新計量，而賬面值變動則於損益確認。對於其後入賬列作聯營公司、合營企業或金融資產的保留權益，公允價值指初始賬面值。此外，先前於其他綜合收益確認與該實體有關的任何金額按猶如本集團已直接出售相關資產或負債的方式入賬。這可能意味著先前於其他綜合收益確認的金額重分類至損益。

2 Summary of significant accounting policies (Continued)

(b) Subsidiaries (Continued)

(ii) Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes directly 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 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.

(c) Associates

An associate is an entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investments in associates include goodwill identified on acquisition. Upon the acquisition of the ownership interest in an associate, any difference between the cost of the associate and the group's share of the net fair value of the associate's identifiable assets and liabilities is accounted for as goodwill.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to ''share of profit/loss of investments accounted for using equity method", in the income statement.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Gain or losses on dilution of equity interest in associates are recognised in the income statement.

In the balance sheet of the Company, its investments in associates are stated at cost less provision for any impairment losses. Income from associates is recognised by the Company on the basis of dividends received and receivable.

In the balance sheet of the Company, impairment testing of the investments in associates is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the associates 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 主要會計政策概要(續)

(b) 附屬公司(續)

(ii) 獨立財務報表

於附屬公司的投資以成本扣除減值入賬。成本包括投資的直接應佔成本。本公司將來自附屬公司的業績按已收及應收股息入賬。

倘投資附屬公司收取之股息超過附屬公司於股息宣派期之綜合收益總額或獨立財務報表之投資賬面值超過合併財務報表被投資公司資產淨值(包括商譽)之賬面值，則須對該等投資進行減值測試。

(c) 聯營公司

聯營公司指本集團對其有重大影響力但並無控制權的實體，一般附帶擁有其20%至50%投票權的股權。於聯營公司的投資採用權益會計法列賬。根據權益法，投資初始以成本確認，於收購日期後，賬面值增加或減少，確認投資者應佔被投資方利潤或虧損。本集團於聯營公司的投資包括收購時識別的商譽。收購聯營公司的所有權權益後，聯營公司的成本與本集團應佔聯營公司可識別資產及負債的公允價值淨額的任何差額入賬列作商譽。

倘於聯營公司的所有權權益減少但仍保留重大影響力，則僅須將過往按比例於其他綜合收益確認金額的部份，於適當情況下重新劃分至損益入賬。

本集團應佔收購後的利潤或虧損於收益表確認，而應佔收購後的其他綜合收益變動在其他綜合收益確認，並相應調整投資的賬面值。本集團應佔聯營公司虧損等於或超過所持聯營公司權益(包括任何其他無抵押應收款項)時，本集團不再確認虧損，除非本集團因此產生法定或推定責任或代聯營公司支付款項。

本集團於各報告日釐定有否客觀證據顯示於聯營公司的投資出現減值。倘證實為減值，則本集團會計算出減值金額(於聯營公司可收回金額與其賬面值之差額)並於收益表的「應佔按權益法入賬之投資利潤／虧損」確認該金額。

本集團及其聯營公司間之上下游交易所產生利潤及虧損於本集團財務報表確認，惟僅以非關連投資方於聯營公司的權益為限。除非有證據顯示交易中所轉讓的資產出現減值，否則未變現虧損亦應予以對銷。聯營公司會計政策已於必要時變更，以確保與本集團採納的政策一致。

於聯營公司股權的攤薄收益或虧損於收益表確認。

在本公司的資產負債表中，於聯營公司的投資按成本減任何減值虧損撥備列賬。本公司按已收及應收股息確認來自聯營公司的收益。

在本公司的資產負債表中，如投資聯營企業收取之股息超過宣派股息期內聯營公司的綜合收益總額，或獨立財務報表的投資賬面值超過合併財務報表被投資公司資產淨值(包括商譽)的賬面值，則必須對聯營公司投資作減值測試。

2 Summary of significant accounting policies (Continued)

(d) Joint arrangements

The Group has applied HKFRS 11 to all joint arrangements. Under HKFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. The Group's investments in joint ventures include goodwill identified on acquisition. Upon the acquisition of the ownership interest in a joint venture, any difference between the cost of the joint venture and the Group's share of the net fair value of the joint venture's identifiable assets and liabilities is accounted for as goodwill. When the Group's share of losses in joint ventures equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interests in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the balance sheet of the Company, its investments in joint ventures are stated at cost less provision for any impairment losses. Income from joint ventures is recognised by the Company on the basis of dividends received and receivable.

In the balance sheet of the Company, impairment testing of the investments in joint ventures is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the joint ventures 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.

(e) 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 Company's board of executive directors and non-executive directors that makes strategic decisions.

(f) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of 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 Hong Kong dollars ("HK$"), which is the Company's functional and the Group's presentation currency.

(ii) 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 income statement.

2 主要會計政策概要(續)

(d) 合營安排

本集團已對所有合營安排應用香港財務報告準則第11號。根據香港財務報告準則第11號，於合營安排的投資視乎各投資方的合約權利及責任分類為合營業務或合營企業。本集團已評估合營安排的性質，將其釐定為合營企業。合營企業按權益法入賬。

根據權益會計法，於合營企業之權益初步按成本確認，隨後調整以確認本集團應佔收購後利潤或虧損及其他綜合收益之變動。本集團於合營企業的投資包括收購時產生的商譽。收購合營企業的所有權權益時，合營企業的成本與本集團應佔合營企業可識別資產及負債的公允價值淨額的任何差額入賬列作商譽。倘本集團應佔合營企業之虧損等於或超過所持合營企業之權益(包括實際屬於本集團於合營企業投資淨額之任何長期權益)，本集團不再確認虧損，除非本集團產生責任或代合營企業付款，則作別論。

本集團與其合營企業交易之未變現收益會對銷，以本集團所持合營企業之權益為限。除非有證據顯示交易中所轉讓資產出現減值，否則未變現虧損亦會對銷。合營企業的會計政策如有需要已改變以符合集團採納的政策。

在本公司的資產負債表中，於合營企業的投資按成本減任何減值虧損撥備列賬。本公司按已收及應收股息確認來自合營企業的收益。

在本公司的資產負債表中，如投資合營企業收取之股息超過宣派股息期內合營企業的綜合收益總額，或獨立財務報表的投資賬面值超過合併財務報表被投資公司資產淨值(包括商譽)的賬面值，則必須對合營企業投資作減值測試。

(e) 分部報告

營運分部的呈報方式與向主要經營決策者提供的內部報告一致。主要經營決策者負責分配資源及評估營運分部表現，已確定為作出策略決定的本公司執行董事及非執行董事。

(f) 外幣換算

(i) 功能及呈報貨幣

本集團旗下各實體之財務報表所列項目均採用有關實體營業所在主要經濟環境之貨幣(「功能貨幣」)為計算單位。合併財務報表以港元(「港元」)列賬。港元乃本公司之功能貨幣及本集團之呈報貨幣。

(ii) 交易及結餘

外幣交易按交易當日或項目重新計量估值當日通行之匯率換算為功能貨幣。該等交易結算和以外幣計值的貨幣資產及負債按年結匯率換算產生之外幣匯兑損益，於收益表確認。

2 Summary of significant accounting policies (Continued)

(f) Foreign currency translation (Continued)

(iii) 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:

— assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

— income and expenses for each income statement 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 rate on the dates of the transactions); and

— 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.

(iv) Disposal of foreign operation

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the currency translation differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

(g) Property, plant and equipment

Land and buildings comprise mainly a factory, offices and retail shops. Leasehold land classified as finance lease and all other property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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 the income statement during the financial period in which they are incurred.

Freehold land is not depreciated. Leasehold land classified as finance lease commences amortisation from the time when the land interest becomes available for its intended use. Amortisation on leasehold land classified as finance lease and depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

— Leasehold land held under finance lease	Over the lease term of 34 to 47 years
— Buildings	33 to 50 years
— Leasehold improvement	Shorter of remaining lease term or useful life
— Plant and machinery	3 to 12 years
— Motor vehicles	5 to 8 years
— Furniture and equipment	2.5 to 12 years

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(i)).

2 主要會計政策概要(續)

(f) 外幣換算(續)

(iii) 集團公司

所有集團實體(並無惡性通貨膨脹經濟的貨幣)的業績及財務狀況的功能貨幣如有別於呈報貨幣，均按以下方式換算為呈報貨幣：

– 於各資產負債表呈列的資產及負債按有關資產負債表結算日的收市匯率換算；

– 各收益表的收支按平均匯率換算(除非該平均匯率並非在有關交易當日通行的匯率累積影響的合理估計內，在該情況下，收支按有關交易當日的匯率換算)；及

– 所有因此而產生的貨幣兌換差額於其他綜合收益確認。

因收購海外實體而產生的商譽及公允價值調整，均視作有關海外實體的資產與負債，並按收市匯率換算。所產生的貨幣兌換差額在其他綜合收益確認。

(iv) 出售海外業務

對於出售海外業務(即出售本集團一項海外業務的全部權益、或涉及失去對一間附屬公司(包括一項海外業務)之控制權的出售、涉及失去對一間合營企業(包括一項海外業務)之共同控制權的出售、或涉及失去對一間聯營公司(包括一項海外業務)之重大影響力的出售)，本公司擁有人就該業務於權益累計的所有貨幣兌換差額均重新分類至損益。

(g) 物業、廠房及設備

土地及樓宇主要為廠房、辦公室及零售商舖。分類為融資租賃的租賃土地與所有其他物業、廠房及設備按歷史成本減折舊列賬。歷史成本包括收購該等項目直接引致的開支。

其後成本僅在與該項目有關的未來經濟利益可能流入本集團而且該項目成本能可靠計量時，方會計入資產賬面值或確認為獨立資產(如適用)。已更換零件的賬面值會終止入賬。所有其他維修及保養支出在其發生的財政期內於收益表支銷。

永久業權土地並無計提折舊。分類為融資租賃的租賃土地由土地權益可供用作擬定用途時開始攤銷。分類為融資租賃的租賃土地攤銷及其他資產的折舊以直線法計算，以於估計可使用年期將其成本分配至剩餘價值，有關估計可使用年期如下：

— 根據融資租賃持有的租賃土地	介乎34至47年的租期內
— 樓宇	33至50年
— 租賃物業裝修	剩餘租期或可使用年期的較短者
— 廠房及機器	3至12年
— 汽車	5至8年
— 傢俱及設備	2.5至12年

資產的剩餘價值及可使用年期均在各報告期末檢討及調整(如適用)。

倘資產的賬面值高於其估計可收回金額，其賬面值將即時撇減至可收回金額(附註2(i))。

2 Summary of significant accounting policies (Continued)

(h) Intangible assets

(i) Goodwill

Goodwill arises on the acquisition of subsidiaries represents 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 identified net assets acquired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

(ii) Customer relationships

Customer relationships acquired in a business combination are recognised at fair value at the acquisition date. The customer relationships have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected life of the customer relationships of ten years.

(iii) Other intangible assets

Within the Group there are two types of other intangible assets: management contract and exclusive supply contract. These intangible assets acquired have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over their expected useful lives within 20 years.

(i) Impairment of non-financial assets

Assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortisation and are tested annually for impairment. Assets that are subject to 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 of disposal 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.

(j) Financial assets

(i) Classification

The Group classifies its financial assets as loans and receivables and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its investments at initial recognition depending on the purpose for which the investments are acquired.

(a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in active market. They are included in current assets, except for the amounts that are settled or expected to be settled more than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise "trade receivables and other current assets", "short-term bank deposits" and "cash and cash equivalents" in the consolidated balance sheet (Notes 2(m) and 2(n)).

2 主要會計政策概要(續)

(h) 無形資產

(i) 商譽

商譽產生自收購子公司，並相當於所轉讓對價，被收購方的非控制性權益金額以及享有的被收購方過往的權益在收購日的公允價值超過本集團獲得的被收購方的可辨認淨資產公允價值的數額。

就減值測試而言，在業務合併中購入的商譽會分配至每個現金產出單元或現金產出單元組(預期可從合併中獲取協同利益)。商譽被分配的每個單元或單元組指在主體內商譽被監控作內部管理用途的最底層次。商譽在經營分部層次進行監控。

對商譽的減值檢討每年進行，或如事件或情況轉變顯示可能存在減值，則更頻密地檢討。包含商譽的現金產出單元的賬面值與可收回數額(使用價值與公允價值減處置成本較高者)比較。任何減值須即時確認及不得在之後期間撥回。

(ii) 客戶合同關係

在業務合併中購入的客戶合同關係按購買日的公允價值列賬。客戶合同關係有限定的可使用年期，並按成本減累計攤銷列賬。攤銷是按客戶關係的十年預計可使用年期利用直線法分攤計算。

(iii) 其他無形資產

本集團的其他無形資產中，管理合同及獨家供貨合同均有限定的可使用年期，並按成本減累計攤銷列賬。攤銷是按20年以內之預計可使用年期利用直線法分攤計算。

(i) 非金融資產的減值

無確定使用年期的資產或尚未可供使用的無形資產毋須作攤銷，並每年進行減值測試。當有事件出現或情況改變顯示賬面值可能無法收回時，則須檢討須攤銷的資產有否減值。倘資產的賬面值高於其可收回金額，則按差額確認減值虧損。可收回金額以資產的公允價值扣除銷售成本或使用價值兩者之較高者為準。評估減值時，資產按可分開識別現金流量的最低層次組合(現金產出單元)分組。除商譽外，已減值的非金融資產均在每個報告日檢討減值是否可以撥回。

(j) 金融資產

(i) 分類

本集團將金融資產分為貸款及應收款項、及可供出售金融資產。管理層在初步確認時視乎購入投資目的而釐定其投資的分類。

(a) 貸款及應收款項

貸款及應收款項為並無活躍市場報價但付款金額固定或可確定的非衍生金融資產。此等款項計入流動資產，但已經或預期於報告期末起計12個月後結算者則分類為非流動資產。本集團貸款及應收款項包括合併資產負債表中的「貿易應收款項及其他流動資產」，「短期銀行存款」及「現金及現金等價物」(附註2(m)及附註2(n))。

2 Summary of significant accounting policies (Continued)

(j) Financial assets (Continued)

(i) Classification (Continued)

(b) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

(ii) Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade-date — the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership.

Loans and receivables are subsequently carried at amortised cost using the effective interest method. Available-for-sale financial assets are subsequently carried at fair value.

Changes in the fair value of available-for-sale financial assets are recognised in other comprehensive income. When the available-for-sale financial assets are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the consolidated income statement as gains or losses from financial assets.

Dividends on available-for-sale equity instruments are recognised in the consolidated income statement as part of other income when the Group's right to receive payments is established.

(iii) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

(k) Impairment of financial assets

(i) Assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

2 主要會計政策概要(續)

(j) 金融資產(續)

(i) 分類(續)

(b) 可供出售金融資產

可供出售金融資產為非衍生工具，被指定為此類別或並無列為任何其他類別。除非管理層有意在報告期末日後12個月內出售該項投資，否則此等資產列在非流動資產內。

(ii) 確認及計量

以常規方式購入及出售金融資產投資；乃在交易日確認，交易日指本集團承諾購入或出售該資產之日。對於並非按公平值透過損益列賬的所有金融資產，投資初步按公平值加交易成本確認。按公平值透過損益列賬金融資產初步按公平值確認，而交易成本則於綜合收益表支銷。當從投資收取現金流量的權利經已到期或經已轉讓，而本集團已將擁有權的大部份風險和回報轉讓時，即終止確認該金融資產。

貸款及應收賬以及持至到期日投資利用實際利率法按攤銷成本列賬。可供出售金融資產其後按公平值列賬。

可供出售金融資產的公平值變動在其他全面收益中確認。當可供出售金融資產被售出或減值時，於權益累計公平值調整則列入綜合收益表作為金融資產的盈虧。

可供出售金融資產的股利利益在收取款項的權利確定時確認在合併收益表的其他利得。

(iii) 抵銷金融工具

當有法定可執行權利抵銷金融資產與金融負債的已確認金額，且有意以淨額基準結算或同時變現資產及結清負債，則可將金融資產與金融負債互相抵銷，並在資產負債表呈報淨額。法定可執行權利不得視乎未來事件而定且於日常業務過程中及公司或交易對手違約、無力償債或破產時須可執行。

(k) 金融資產減值

(i) 以攤銷成本列賬的資產

本集團於各報告期末評估有否客觀證據顯示金融資產或一組金融資產出現減值。僅於資產首次確認後發生一宗或多宗事件導致出現減值(「虧損事件」)的客觀證據，而該宗(或該等)虧損事件對金融資產或該組金融資產的估計未來現金流量有可合理估計的影響，該金融資產或該組金融資產則已減值及產生減值虧損。

減值的證據可能包括以下指標：債務人或一組債務人正處於重大財政困難，違約或拖欠利息或本金付款，彼等可能會進入破產程序或進行其他財務重組，以及當有可觀察數據顯示，估計未來現金流量有可計量的減少，例如欠款變動或與違約相關的經濟狀況。

若在其後期間，減值虧損的金額減少，而該減少是可客觀地與確認減值後發生的事件有關連(例如債務人信貸評級改善)，則之前確認的減值虧損的撥回於合併收益表確認。

2 Summary of significant accounting policies (Continued)

(k) Impairment of financial assets (Continued)

(ii) Assets classified as available-for-sale

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.

For equity investments, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists the cumulative loss — measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss — is reclassified from equity and recognised in profit or loss. Impairment losses recognised in the consolidated income statement on equity instruments are not reversed through the consolidated income statement.

(l) 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 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.

(m) Trade receivables and other current assets

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Other current assets include prepayment, deposits and other receivables. If collection of trade receivables and other current assets is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables and other current assets, excluding prepayments, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

(n) 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 (if any).

(o) Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(p) Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2 主要會計政策概要(續)

(k) 金融資產減值(續)

(ii) 可供出售資產

本集團在每個報告期末評估是否有客觀證據證明某一金融資產或某一金融資產組已經減值。

至於權益投資，證券公允價值的大幅度或長期跌至低於其成本值，亦是證券已經減值的證據。若存在此等證據，累計虧損 — 按購買成本與當時公允價值的差額，減該金融資產之前在損益確認的任何減值虧損計算 — 自權益中重分類並在損益中記賬。在合併收益表中就權益工具確認的減值虧損，不得透過合併收益表轉回。

(l) 存貨

存貨按成本與可變現淨值兩者之較低者入賬。成本按加權平均法釐定。製成品及在製品成本包括原材料、直接勞工、其他直接成本及相關生產費用(以正常產能計算)，而不包括借貸成本。可變現淨值按日常業務過程中的估計售價減適用浮動銷售開支計算。

(m) 貿易應收款項及其他流動資產

貿易應收款項為日常業務過程中就已出售商品或所履行服務應收客戶的款項。其他流動資產包括預付款項、按金及其他應收款項。倘預期於一年或以內(倘時間較長，則於業務的正常運營週期內)追收貿易應收款項及其他流動資產，則該等款項分類為流動資產，否則呈列為非流動資產。

貿易應收款項及其他流動資產，預付款項除外，初步以公允價值確認，其後按攤銷成本以實際利率法計量，並扣除減值撥備。

(n) 現金及現金等價物

合併現金流量表中，現金及現金等價物包括庫存現金、銀行活期存款、其他原期限為三個月或以內之短期高流動性投資。

(o) 股本

普通股分類為權益。

直接歸屬於發行新股份的新增成本於權益列賬為所得款項的扣減(已扣除稅項)。

(p) 貿易及其他應付款項

貿易應付款項為在日常業務過程中就自供應商購入貨品或服務的付款責任。倘預期貿易及其他應付款項於一年或以內(倘時間較長，則於業務的正常營運週期內)到期，則該等款項分類為流動負債，否則呈列為非流動負債。

貿易及其他應付款項初步以公允價值確認，其後按攤銷成本以實際利率法計量。

2 Summary of significant accounting policies (Continued)

(q) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

(r) Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(s) Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, 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.

(i) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date 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.

(ii) 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, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, 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 balance sheet date 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.

2 主要會計政策概要(續)

(q) 借款

一般及特定借款按公允價值並扣除產生的交易費用為初始確認。借款其後按攤銷成本列賬；所得款(扣除交易成本)與贖回價值的任何差額利用實際利率法於借款期間內在合併收益表確認。

設立融資額度時支付的費用倘部份或全部融資將會很可能提取，該費用確認為貸款的交易費用。在此情況下，費用遞延至貸款提取為止。如沒有證據證明部份或全部融資額度將會很可能被提取，則該費用資本化作為流動資金服務的預付款，並按有關的融資額度期間攤銷。

除非本集團可無條件將負債的結算遞延至結算日後最少12個月，否則借款分類為流動負債。

(r) 借款成本

直接歸屬于收購、興建或生產合資格資產(指必須經一段長時間處理以作其預定用途或銷售的資產)的借款成本，加入該等資產的成本內，直至資產大致上備妥供其預定用途或銷售為止。

就特定借款，因有待合資格資產的支出而臨時投資賺取的投資收入，應自合資格資本化的借款成本中扣除。

所有其他借款成本在產生期內的損益中確認。

(s) 即期及遞延所得稅

期內稅項支出包括即期及遞延所得稅。稅項於收益表確認，惟與在其他綜合收益或直接於權益確認的項目有關者除外。於此情況下，稅項亦分別於其他綜合收益或直接於權益確認。

(i) 即期所得稅

即期所得稅支出根據本公司附屬公司及聯營公司營運及產生應課稅收益的國家於結算日已頒佈或實質頒佈的稅務法律計算。管理人員就相關稅務法規詮釋所規限的情況定期評估報稅表狀況，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。

(ii) 遞延所得稅

內部基礎差額

遞延所得稅以負債法就資產及負債的稅基與合併財務報表所示賬面值的暫時差額確認。然而，若遞延所得稅負債來自商譽之初步確認，則不予確認，倘遞延所得稅從於交易(業務合併除外)時初次確認資產或負債產生而於交易時不影響會計或應課稅損益，則不會入賬。遞延所得稅按於結算日已頒佈或實質頒佈的稅率(及稅法)釐定，並預期應用於實現相關遞延所得稅資產或償還遞延所得稅負債。

在可能有未來應課稅利潤的情況下，而暫時差額可用以抵銷，方會確認遞延所得稅資產。

2 Summary of significant accounting policies (Continued)

(s) Current and deferred income tax (Continued)

(ii) Deferred income tax (Continued)

Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, 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 reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for 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, associates and joint arrangements 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.

(iii) 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 taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(t) Employee benefits

The Group operates various post-employment schemes which are defined contribution plans and are generally funded through payments to insurance companies or trustee-administered funds. The Group has adopted a provident fund scheme for its employees in Hong Kong as required under the Mandatory Provident Fund Schemes Ordinance, and has also participated in employee pension schemes organised and governed by the relevant local authorities for its employees in the PRC and overseas countries/regions.

(i) Pension obligations

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

(ii) Bonus plans

The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(u) Provisions

Provisions are recognised when the Group has a present legal or constructive 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.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2 主要會計政策概要(續)

(s) 即期及遞延所得稅(續)

(ii) 遞延所得稅(續)

外部基礎差額

遞延所得稅負債就附屬公司、聯營公司及合營安排投資產生的應課稅暫時差額計提撥備，惟本集團可控制暫時差額的轉回時間，而暫時差額在可預見將來可能不會轉回的遞延所得稅負債除外。一般而言，本集團無法控制聯營公司暫時差額的轉回。僅當訂有協議讓本集團於可預見未來可控制暫時差額的轉回，則不會就聯營公司未分配利潤引致的應課説暫時差額確認遞延所得稅負債。

遞延所得稅資產就附屬公司、聯營公司及合營安排投資產生的可扣稅暫時差額確認，惟以日後可能轉回暫時差額且有足夠應課稅利潤用以抵銷暫時差額為限。

(iii) 抵銷

當有法定可執行權利將即期稅項資產與即期稅項負債抵銷，且遞延所得稅資產和負債涉及由同一稅務機關對應課稅實體或不同應課稅實體但有意向以淨額基準結算所得稅結餘時，則可將遞延所得稅資產與負債互相抵銷。

(t) 僱員福利

本集團公司實施多項退休後計劃，該等計劃為定額供款計劃，一般透過向保險公司或受託人管理基金付款而獲得資金。本集團已根據強制性公積金計劃條例為香港僱員訂立強積金計劃，及亦為中國及海外國家／地區的僱員參與當地相關部門組織及規管的僱員退休金計劃。

(i) 退休金責任

定額供款計劃為本集團向獨立實體支付固定供款的退休金計劃。倘基金並無持有足夠資產以於本期間及過往期間就僱員服務向全體僱員支付福利，則本集團並無作出進一步供款的法定或推定責任。

(ii) 獎金計劃

本集團於合約規定或因過往慣例產生推定責任時確認撥備。

(u) 撥備

倘本集團因過往事件而須承擔現有法定或推定責任，資源很可能流出以履行有關責任，而相關金額能可靠估計，則會確認撥備。未來的營運虧損則不會確認撥備。

倘出現多項類似責任，經考慮整體責任類別釐定是否須支出資金以解除責任。即使同類責任內任何一個項目支出資金的可能不大，仍會確認撥備。

撥備按照預期須償付有關責任的開支以稅前利率貼現的現值計量，該利率反映當時市場對貨幣時間價值和有關責任特定風險的評估。隨時間流逝而增加的撥備確認為利息開支。

2 Summary of significant accounting policies (Continued)

(v) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied and services rendered, stated net of discounts, returns, rebates and value added taxes and after eliminating sales within the Group.

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 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 the type of customer, the type of transaction and the specifics of each arrangement.

(i) Sales of goods

The Group sells healthcare products and Chinese medicine to wholesalers and individual customers. Sales of goods are recognised when a group entity has delivered products to the wholesaler or customer.

For wholesales, 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 location, 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, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied. Sales are recorded based on the price specified in the sales contracts.

For retail sales, the Group operates a chain of retail outlets for selling products. Sales of goods are recognised when a Group entity sells a product to the customer. Retail sales are usually in cash or by credit card.

(ii) Service income

The Group provides Chinese medical consultation and treatments in retail outlets. Service income is recognised in the accounting period in which the service is provided to the customer and it is settled in cash or by credit card.

(iii) Royalty fee income

Royalty fee income is based on pre-determined rates on the total turnover of overseas entities for them to use the "Tong Ren Tang" brand name. Royalty fee is recognised in the income statement on an accrual basis upon sales recognised by the overseas entities.

(iv) Interest income

Interest income is recognised using the effective interest method.

(v) Dividend income

Dividend income is recognised when the right to receive payment is established.

(w) 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 consolidated income statement on a straight-line basis over the period of the lease.

(x) 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.

2 主要會計政策概要(續)

(v) 收入確認

收入根據已收或應收代價之公允價值計量，指提供貨品及服務的應收款項，扣除折扣、退貨、回佣及增值稅以及對銷本集團內部銷售後列賬。

當收入金額能可靠計量、未來經濟利益會流入有關實體，而本集團各項活動均符合下述指定條件時，本集團便確認該等收入。本集團根據往績並考慮客戶類別、交易種類及每項安排的特點估計退貨。

(i) 銷售貨品

本集團銷售保健品及中藥予批發商及個別客戶。銷售貨品於集團實體向批發商或客戶交付產品時確認。

批發方面，批發商對出售產品的渠道及價格有充分酌情權，且並無未履行的責任可影響批發商接受產品。在產品到達指定地點、陳舊過時及虧損風險已轉嫁批發商，而批發商已根據銷售合約接受產品、接納規定已失效或本集團有客觀證據顯示符合接納的所有標準時，方會確認交付。銷售按銷售合約指定的價格入賬。

零售方面，本集團透過連鎖零售商舖銷售產品。銷售貨品於集團實體向客戶銷售產品時確認。零售通常以現金或信用卡結付。

(ii) 服務收益

本集團於其零售商舖提供中醫診療。服務收益於向客戶提供服務的會計期間確認，以現金或信用卡結付。

(iii) 品牌使用費收益

品牌使用費收益乃就海外實體使用「同仁堂」品牌名稱根據總營業額按預定費率收取。品牌使用費於海外實體確認銷售時按應計基準於收益表確認。

(iv) 利息收益

利息收益採用實際利率法確認。

(v) 股利收益

股利收益在收取款項的權利確定時確認。

(w) 租賃

出租人保留所有權大部分風險及回報的租賃歸類為經營租賃。根據經營租賃作出的付款(扣除自出租人收取的任何獎勵金)於租期內以直線法在合併收益表支銷。

(x) 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(如適用)批准的期間於本集團及本公司財務報表確認為負債。

3 Financial risk management

(a) Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and cash flow 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. Risk management is carried out by management of each individual entity within the Group.

(i) Market risk

(1) Foreign exchange risk

Each individual group entity has its own functional currency. Foreign exchange risk to each individual group entity arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the group entity's functional currency.

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Renminbi. The Group currently does not have a foreign currency hedging policy. The Group manages its foreign currencies risk by closely monitoring the movement of the foreign currency rates.

At 31 December 2017, if Renminbi had strengthened/weakened by 5% against Hong Kong dollar, with all other variables held constant, the profit before income tax for the year ended 31 December 2017 would have been HK$5,616,000 (2016: HK$3,012,000) higher/lower, mainly as a result of foreign exchange gains/losses on translation of Hong Kong dollar-denominated trade payables held by a PRC subsidiary whose functional currency is Renminbi. Whereas, the exposure arising from the other foreign currencies is not significant to the Group.

(2) Cash flow interest rate risk

Other than short-term bank deposits and bank balances, the Group does not have significant interest-bearing assets or liabilities. The Group's exposure to interest rate risk associated with the effects of fluctuations in the prevailing levels of the market interest rates on its cash flows are not deemed to be substantial in the view of the Directors based on the nature of the assets and liabilities.

At 31 December 2017, if the interest rates on bank deposits had been 50 basis-points higher/lower with all other variables held constant, profit before income tax for the year would have been HK$9,478,000 (2016: HK$7,907,000) higher/lower, respectively, mainly as a result of higher/lower interest income on bank deposits.

(ii) Credit risk

Credit risk arises from bank deposits and trade receivables (including trade receivables from fellow subsidiaries, joint ventures and an associate) and other current assets.

All the bank deposits are placed with banks with good credit ratings to mitigate the risk. For trade receivables (including trade receivables from group companies) and other current assets, the Group assesses the credit quality of the counter parties by taking into account their financial position, credit history and other factors. Management also regularly reviews the recoverability of these receivables and follows up on the disputes or amounts overdue, if any. The management is of the opinion that the risk of default by counterparties is low. The Group does not hold any collateral as security.

Majority of the Group's trade receivables are due within 90 days from the date of billings. As at 31 December 2017, 74.3% of the Group's trade receivables were due within 90 days (2016: 89.6%). The maximum exposure to credit risk is represented by the carrying amount of trade receivables in the consolidated balance sheet.

(iii) Liquidity risk

The Group's policy is to maintain sufficient cash and cash equivalents to meet its working capital requirements. The Group has steady cash inflow from operations and has adequate financial resources to fund its operations and future expansions. As at 31 December 2017, the Group's financial liabilities were mainly trade and other payables amounting to HK$114,486,000 (2016: HK$88,372,000), which were due within 12 months and equal their carrying balance as the impact of discounting is not significant.

3 財務風險管理

(a) 財務風險因素

本集團業務面對多項財務風險：市場風險（包括貨幣風險及現金流利率風險）、信貸風險及流動資金風險。本集團的整體風險管理方案專注於金融市場的不可預測性，致力減低對本集團財務表現的潛在不利影響。風險管理由本集團內各個別實體的管理人員進行。

(i) 市場風險

(1) 外匯風險

各個別集團實體擁有自身的功能貨幣。各個別集團實體的外匯風險來自以非集團實體功能貨幣的貨幣計值的未來商業交易或已確認資產或負債。

本集團經營國際業務，故面對不同貨幣產生的外匯風險，主要涉及人民幣。本集團現時並無任何外幣對沖政策。本集團通過嚴密監控外幣匯率波動控制外匯風險。

2017年12月31日，倘人民幣兑港元升值／貶值5%，而所有其他變量保持不變，則截至2017年12月31日止年度的除所得稅前利潤增加／減少5,616,000港元（2016年：3,012,000港元），主要是由於換算中國附屬公司（其功能貨幣為人民幣）所持港元計值的貿易應付款項的外匯收益／損失所致。管理層認為其他外幣產生的風險對本集團並不重大。

(2) 現金流利率風險

除短期銀行存款及銀行結餘外，本集團並無重大計息資產或負債。基於資產及負債的性質，董事認為本集團因現金流的當前市場利率波動而須承擔的利率風險並不重大。

於2017年12月31日，倘銀行存款利率上升／下降50個基點，而所有其他變量保持不變，則主要由於銀行存款利息收益增加／減少，年度除所得稅前利潤將增加／減少9,478,000港元（2016年：7,907,000港元）。

(ii) 信貸風險

信貸風險來自銀行存款、貿易應收款項（包括來自同系附屬公司，合營企業和聯營公司的貿易應收款項）及其他流動資產。

所有銀行存款均存放於具有良好信貸評級的銀行以減低風險。對於貿易應收款項（包括來自集團公司的貿易應收款項）及其他流動資產，本集團考慮對手方的財務狀況、信貸歷史及其他因素評估其信貸質素。管理人員亦定期審查該等應收款項可否收回，並跟進有關糾紛或逾期款項（如有）。管理人員認為，對手方拖欠款項的風險較低。本集團並無持有任何抵押品作為擔保。

本集團大部分貿易應收款項於開具發票之日起90天內到期。於2017年12月31日，本集團74.3%（2016年：89.6%）的貿易應收款項於90天內到期。所面對最大信貸風險為合併資產負債表所示貿易應收款項之賬面值。

(iii) 流動資金風險

本集團的政策是維持充裕的現金及現金等價物以滿足其營運資金需求。本集團有穩定的經營業務現金流入及充足財務資源，可為其業務及未來擴張提供資金。於2017年12月31日，本集團的金融負債主要為114,486,000港元（2016年：88,372,000港元）於12個月內到期的貿易及其他應付款項，由於貼現影響不重大，故負債金額相等於其賬面結餘。

3 Financial risk management (Continued)

(b) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Total capital is calculated as 'equity' as shown in the balance sheet. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

(c) Fair value estimation

The Group's available-for-sale financial asset is carried at fair value as at 31 December 2017 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).
- There were no transfers between any levels during the year.

The Group's available-for-sale financial asset is included in level 1.

Details on the fair value measurement for available-for-sale financial asset are set out in Note 17 to the consolidated financial statements.

The rest of the Group's financial assets are classified as loans and receivables and are measured at amortised cost. The carrying amounts of the Group's financial assets, including short-term bank deposits, cash and cash equivalents and trade receivables and other current assets, approximate their fair values due to their short maturities.

The carrying amounts of the Group's financial liabilities, including trade and other payables and borrowing are measured at amortised cost.

4 Critical accounting estimates and judgments

Estimates and judgments 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) Goodwill

The Group tests annually whether goodwill has suffered any impairment according to their recoverable amounts determined by the cash-generating units based on value in use calculations. These calculations require the use of estimates which are subject to change of economic environment in future. Details are set out in Note 16.

(b) Other intangible assets

The Group tests whether the other intangible assets have suffered any impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable in accordance with the accounting policy stated in Note 2(h). The recoverable amount of the other intangible assets has been determined as its value in use.

3 財務風險管理(續)

(b) 資本管理

本集團管理資本旨在保障本集團有能力按持續經營基準繼續營運，為股東帶來回報，同時令其他權益持有人獲益，並維持優化的資本結構以減少資金成本。

資本總額為資產負債表所示「權益」。為維持或調整資本架構，本集團或會調整向股東派付的股息金額、向股東退還資本、發行新股份或出售資產以減少債務。

(c) 公允價值估計

本集團于2017年12月31日的可供出售金融資產按照估值技術中所運用到的輸入的層級歸類為如下三層：

- 相同資產或負債在活躍市場的報價(未經調整)(第1層)。
- 除了第1層所包括的報價外，該資產和負債的可觀察的其他輸入，可為直接(即例如價格)或間接(即源自價格)(第2層)。
- 資產和負債並非依據可觀察市場數據的輸入(即非可觀察輸入)(第3層)。
- 年內各層級之間並無轉發。

本集團的可供出售金融資產歸類為第1層。

可供出售金融資產的公允價值詳情載列於附註17。

本集團的金融資產分類為貸款及應收款項，按攤銷成本計量。因短期內屆滿，本集團金融資產(包括短期銀行存款、現金及現金等價物以及貿易應收款項與其他流動資產)賬面值與其公允價值相若。

本集團金融負債(包括貿易及其他應付款項及借款)的賬面值按攤銷成本計量。

4 重大會計估計及判斷

估計及判斷根據過往經驗及其他因素(包括在當時情況下對未來事件相信為合理的預測)持續評估。

本集團對未來作出估計及假設，而所得會計估計將難免偏離相關實際結果。該等估計及假設存在相當風險，足以導致須於下一個財政年度對資產及負債的賬面值作出如下重大調整。

(a) 商譽

本集團每年根據現金產生單元的使用價值確定可收回金額，測試商譽是否蒙受任何減值。這些計算中需使用的估計或會受將來經濟環境而改變。詳情載於附註16。

(b) 其他無形資產

根據附註2(h)的會計政策，本集團將按發生的事件或情況變化，對其他無形資產進行減值測試以確定可收回金額。其他無形資產的可收回金額以資產的使用價值來釐定。

5 Segment information

The chief operating decision maker has been identified as the executive directors and non-executive director of the Company (the "Executive Directors" and the "Non-executive Director"). The Executive Directors and Non-executive Director review the Group's internal reporting in order to assess performance and allocate resources and have determined the operating segments based on these reports.

The Executive Directors and Non-executive Director consider the Group's business from a geographic perspective and have determined that the Group has three reportable operating segments.

The geographical location of revenue is analysed based on location where goods are sold and services are provided. The details are set out as follows:

(i) Hong Kong — sale of Chinese medicine products and healthcare products and provision of Chinese medical consultation and treatments through retail outlets as well as wholesale of Chinese medicine products and healthcare products in Hong Kong. In addition, it includes the royalty fee income received from overseas entities for using "Tong Ren Tang" brand name.

(ii) PRC — wholesale of healthcare products in the PRC and the sole distribution of Tong Ren Tang branded products of Tong Ren Tang Technologies and Tong Ren Tang Ltd. to customers outside the PRC.

(iii) Overseas — retail and wholesale of Chinese medicine products and healthcare products and provision of Chinese medical consultation and treatments in other overseas countries, including Macao.

Unallocated items comprise mainly corporate expenses.

Sales between segments are carried in accordance with terms agreed by the parties involved.

The Executive Directors and Non-executive Director assess the performance of the operating segments based on revenue and segment results of each segment. Management has determined the operating segments based on the location of the entities and the information reviewed by the Group's chief operating decision maker for the purposes of allocating resources and assessing performance.

Segment assets include leasehold land, property, plant and equipment, intangible assets, investments accounted for using equity method, available-for-sale financial asset, deferred tax assets, deposits paid for purchase of property, plant and equipment, inventories, trade receivables and other current assets, short-term bank deposits and cash and cash equivalents. Segment liabilities include borrowing, trade and other payables, current and deferred income tax liabilities.

5 分部資料

主要經營決策者已被確認為本公司的執行董事及非執行董事(「執行董事」及「非執行董事」)。執行董事及非執行董事審閱本集團內部報告以評估表現並分配資源，同時根據該等報告釐定營運分部。

執行董事及非執行董事從地理角度考慮本集團的業務並釐定本集團有3個呈報營運分部。

收入來源地區按銷售貨品及提供服務所在地分析。相關詳情如下：

(i) 香港 — 在香港透過零售店鋪銷售中藥產品及保健品並提供中醫診療服務，以及批發中藥產品及保健品。此外，該分部包括來自使用「同仁堂」品牌名稱的海外實體的品牌使用費收益。

(ii) 中國 — 於中國批發保健品及向中國以外的客戶獨家分銷同仁堂科技及同仁堂股份的同仁堂品牌產品。

(iii) 海外 — 於其他海外國家(包括澳門)零售及批發中藥產品及保健品以及提供中醫診療服務。

未分配項目主要包括企業開支。

分部間銷售根據相關方協定之條款進行。

執行董事及非執行董事根據各個營運分部的收入及分部業績評估分部表現。管理層根據實體的位置及本集團主要經營決策者為分配資源及評估表現所審閱的資料釐定營運分部。

分部資產包括租賃土地、物業、廠房及設備、無形資產、按權益法入賬之投資、可供出售金融資產、遞延所得稅資產、購置物業、廠房及設備的已付按金、存貨、貿易應收款項及其他流動資產、短期銀行存款於現金及現金等價物，分部負債包括借貸、貿易及其他應付款項、當期及遞延所得稅負債。

5 Segment information (Continued)

(a) Analysis of consolidated income statements

5 分部資料(續)

(a) 合併收益表分析

	Hong Kong 香港	PRC 中國	Overseas 海外	Total 合計
	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元
Year ended 31 December 2017 截至2017年12月31日止年度				
Segment revenue 分部收入	936,461	425,532	307,607	1,669,600
Inter-segment revenue 分部間收入	(300,204)	(102,654)	(748)	(403,606)
Revenue from external customers 來自外部客戶之收入	636,257	322,878	306,859	1,265,994
Contribution to segment results 分部業績之貢獻	577,880	27,866	24,935	630,681
Depreciation and amortisation 折舊及攤銷	(15,082)	(644)	(8,969)	(24,695)
Amortisation of intangible assets 無形資產攤銷	(1,300)	–	(1,146)	(2,446)
Impairment loss on property, plant and equipment 物業、廠房及設備之減值計提	(5,509)	–	(1,177)	(6,686)
Impairment loss on inventories 存貨之減值計提	–	–	(523)	(523)
Write-off of inventories 存貨撇減	(950)	–	(534)	(1,484)
Segment results 分部業績	555,039	27,222	12,586	594,847
Inter-segment elimination 分部間對銷				2,837
Operating profit 經營利潤				597,684
Finance income 財務收益	13,025	225	106	13,356
Finance cost 財務支出	–	–	(32)	(32)
Share of losses of investments accounted for using the equity method 應佔按權益法入賬之投資虧損				(42)
Profit before income tax 除所得稅前利潤				610,966
Income tax expense 所得稅開支	(94,350)	(7,163)	(3,941)	(105,454)
Profit for the year 年度利潤				505,512

	Hong Kong 香港	PRC 中國	Overseas 海外	Total 合計
	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元
Year ended 31 December 2016 截至2016年12月31日止年度				
Segment revenue 分部收入	826,109	316,892	252,842	1,395,843
Inter-segment revenue 分部間收入	(229,022)	(82,187)	(354)	(311,563)
Revenue from external customers 來自外部客戶之收入	597,087	234,705	252,488	1,084,280
Contribution to segment results 分部業績之貢獻	530,060	15,918	24,646	570,624
Depreciation and amortisation 折舊及攤銷	(15,183)	(605)	(6,670)	(22,458)
Amortisation of intangible assets 無形資產攤銷	(1,300)	–	(417)	(1,717)
Write-off of inventories 存貨撇減	(730)	(17)	(115)	(862)
Segment results 分部業績	512,847	15,296	17,444	545,587
Inter-segment elimination 分部間對銷				(18,088)
Operating profit 經營利潤				527,499
Finance income 財務收益	7,494	180	239	7,913
Finance cost 財務支出	(12)	–	(31)	(43)
Share of losses of investments accounted for using the equity method 應佔按權益法入賬之投資虧損				(1,809)
Impairment loss on an investment accounted for using the equity method 按權益法入賬之投資之減值計提				(1,290)
Profit before income tax 除所得稅前利潤				532,270
Income tax expense 所得稅開支	(85,648)	(2,502)	(4,240)	(92,390)
Profit for the year 年度利潤				439,880

5 Segment information (Continued)

(b) Analysis of consolidated balance sheets

	Hong Kong 香港	PRC 中國	Overseas 海外	Total 合計
	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元
At 31 December 2017 於2017年12月31日				
Segment assets and liabilities 分部資產及負債				
Total assets 總資產	**2,260,150**	**203,558**	**296,947**	**2,760,655**
Investments accounted for using the equity method 按權益法入賬之投資	**12,900**	**–**	**7,866**	**20,766**
Additions to non-current assets [1] 非流動資產之增加[1]	**8,083**	**122**	**26,068**	**34,273**
Total liabilities 總負債	**(86,864)**	**(33,576)**	**(32,038)**	**(152,478)**
At 31 December 2016 於2016年12月31日				
Segment assets and liabilities 分部資產及負債				
Total assets 總資產	1,976,634	122,994	255,194	2,354,822
Investments accounted for using the equity method 按權益法入賬之投資	11,467	–	8,343	19,810
Additions to non-current assets [1] 非流動資產之增加[1]	4,430	263	34,150	38,843
Total liabilities 總負債	(73,863)	(28,653)	(25,069)	(127,585)

[1] In this analysis, additions to non-current assets exclude investments accounted for using the equity method, available-for-sale financial asset and deferred tax assets.

5 分部資料(續)

(b) 合併資產負債表的分析

[1] 本分析中，非流動資產之增加不包括按權益法入賬之投資、可供出售金融資產和遞延所得稅資產。

(c) Revenue

The analysis of revenue by category is as follows:

	2017	2016
	HK$'000 千港元	HK$'000 千港元
Sales of products 銷售產品	**1,217,907**	1,044,886
Service income 服務收入	**47,548**	38,519
Royalty fee income 品牌使用費收益	**539**	875
	1,265,994	1,084,280

(c) 收入

按類別劃分的收入分析如下：

(d) Information about major customers

For the year ended 31 December 2017, revenue from three (2016: three) customers each accounted for more than ten percent of the Group's total revenue. These revenues are attributable to the Hong Kong segment and the PRC segment. The revenues from these customers are summarised below:

	2017	2016
	HK$'000 千港元	HK$'000 千港元
Revenue from: 來自以下人士的收入：		
– Customer A 客戶A	**239,930**	227,517
– Entities under the control of the ultimate holding company [1] (Note 28(a)) 最終控股公司所控制的實體[1]（附註28(a)）	**197,304**	151,780
– Customer B 客戶B	**138,479**	142,603
	575,713	521,900

[1] It represents a group of entities under common control considered as a single customer.

There are no customers of other segments individually accounted for ten percent or more of the Group's total revenue for the year ended 31 December 2017 (2016: nil).

(d) 有關主要客戶的資料

截至2017年12月31日止年度，來自三名(2016年：三名)客戶的收入各佔本集團總收入百分之十以上。該等收入來自香港分部及中國分部。來自該等客戶的收入概述如下：

[1] 指受共同控制的一組實體，視為單一客戶。

截至2017年12月31日止年度，其他分部概無客戶(2016年：無)個別佔本集團總收入的百分之十或以上。

5 Segment information (Continued)

(e) Information about geographical areas

The Company is domiciled in Hong Kong. An analysis of revenue from external customers and non-current assets of the Group by geographical area is set out below:

(i) Revenue[1]

	2017	2016
	HK$'000 千港元	HK$'000 千港元
Hong Kong 香港	636,257	597,087
PRC 中國	322,878	234,705
Macao 澳門	142,300	110,190
Australia 澳大利亞	53,173	45,353
Canada 加拿大	35,943	33,320
Singapore 新加坡	23,969	23,945
New Zealand 新西蘭	19,627	17,023
Other countries 其他國家	31,847	22,657
	1,265,994	1,084,280

(ii) Non-current assets[2]

	2017	2016
	HK$'000 千港元	HK$'000 千港元
Hong Kong 香港	250,048	263,883
PRC 中國	1,600	2,000
Macao 澳門	8,802	9,500
Australia 澳大利亞	40,803	36,296
Canada 加拿大	8,722	4,828
Singapore 新加坡	666	759
New Zealand 新西蘭	5,644	5,555
United States 美國	24,201	24,868
Switzerland 瑞士	12,351	–
Other countries 其他國家	7,715	7,374
	360,552	355,063

(1) The geographical location of revenue is analysed based on the location where goods are sold and services are provided.

(2) The geographical location of non-current assets is analysed based on where the assets are located or held. In this analysis, the total of non-current assets excludes investments accounted for using the equity method, available-for-sale financial asset and deferred tax assets.

5 分部資料(續)

(e) 有關地區的資料

本公司於香港營運。本集團按地區劃分的來自外界客戶之收入及非流動資產的分析如下：

(i) 收入[1]

(ii) 非流動資產[2]

(1) 收入來源地區按銷售貨品及提供服務所在地分析。

(2) 非流動資產按地區分析是根據該資產的所在地或持有地釐定。本分析中，非流動資產總額不包括按權益法入賬之投資、可供出售金融資產和遞延所得稅資產。

6 Expenses by nature

6 按性質分類的開支

	2017	2016
	HK$'000 千港元	HK$'000 千港元
Cost of inventories sold (Note 19) 出售存貨成本（附註19）	278,329	226,757
Employee benefit expenses (Note 7) 僱員福利開支（附註7）	175,818	155,636
Operating leases payments 經營租賃付款	75,321	61,890
Amortisation of prepaid operating lease payments (Note 14) 預付經營租賃款項攤銷（附註14）	543	543
Amortisation of intangible assets (Note 16) 無形資產攤銷（附註16）	2,446	1,717
Depreciation of property, plant and equipment (Note 15) 物業、廠房及設備折舊（附註15）	24,152	21,915
Impairment loss on property, plant and equipment (Note 15) 物業、廠房及設備之減值計提（附註15）	6,686	–
Losses on disposals of property, plant and equipment (Note 26) 出售物業、廠房、設備之虧損（附註26）	110	35
Impairment loss on inventories (Note 19) 存貨之減值計提（附註19）	523	–
Write-off of inventories (Note 19) 存貨撇減（附註19）	1,484	862
Auditors' remuneration 核數師酬金		
– Audit services 核數服務	3,850	2,924
– Non-audit services 非核數服務	155	790
Research and development 研發	9,581	4,273
Net exchange (gain)/loss 匯兑（收益）／虧損淨額	(286)	76
Promotion and advertising expenses 宣傳及廣告開支	22,540	15,943
Legal and professional expenses 法律及專業開支	6,671	6,758

7 Employee benefit expenses, including directors' emoluments

7 僱員福利開支，包括董事酬金

	2017	2016
	HK$'000 千港元	HK$'000 千港元
Salaries, wages and bonuses 薪金、工資及花紅	154,366	137,082
Pension costs — defined contribution plans 退休金成本-定額供款計畫	10,280	8,999
Other benefits 其他福利	11,172	9,555
	175,818	155,636

(a) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include two (2016: two) directors whose emoluments are reflected in the analysis presented in Note 8(a). The emoluments paid or payable to the remaining three (2016: three) individuals during the year are as follows:

(a) 五名最高薪人士

本集團年內的五名最高薪人士包括兩位(2016年：兩位)董事，其酬金於附註8(a)分析中反映。年內已付或應付餘下三位(2016年：三位)人士的酬金如下：

	2017	2016
	HK$'000 千港元	HK$'000 千港元
Basic salaries and other benefits 基本薪金及其他福利	1,208	1,559
Bonuses 花紅	2,874	2,519
Pension costs — defined contribution plans 退休金成本-定額供款計畫	106	36
	4,188	4,114

The emoluments fell within the following bands:

酬金介乎以下範圍：

	Number of individuals 人數	
	2017	2016
Emolument bands 酬金範圍		
HK$港元1,000,001 — HK$港元1,500,000	3	3

(b) Senior management's emoluments

The emoluments paid or payable to senior management for the year ended 31 December 2017 fell within the following bands:

(b) 高級管理人員酬金

截至2017年12月31日止年度已付或應付高級管理人員的酬金介乎以下範圍：

	Number of individuals 人數	
	2017	2016
Emolument bands 酬金範圍		
HK$港元1,000,001 — HK$港元1,500,000	3	3

(c) For the year ended 31 December 2017, no emoluments (2016: nil) were paid by the Group to any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office, and no arrangement under which any of the highest paid individuals waived or agreed to waive any of the emoluments.

(c) 截至2017年12月31日止年度，本集團並無向五名最高薪人士支付任何酬金(2016年：無)，作為吸引其加入或加入本集團時的獎勵或離職補償，亦無最高薪人士放棄或同意放棄任何酬金的安排。

8 Benefits and interests of directors (disclosures required by section 383 of the Hong Kong Companies Ordinance (Cap. 622), Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap. 622G) and HK Listing Rules)

(a) Directors' emoluments

The remuneration of every director for the years ended 31 December 2017 and 2016 are set out below:

8 董事的利益和權益(由香港《公司條例》(第622章)第383條及公司(披露董事利益資料)規例》(第622G章)規定的披露及上市規則規定的披露)

(a) 董事酬金

截至2017年及2016年12月31日止年度的本公司各董事薪酬如下：

Year ended 31 December 2017 截至2017年12月31日止年度	Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking 作為董事(不管是本公司或其子公司企業)提供服務而支付或應收的酬金				
	Fees 袍金	Salary 薪金	Discretionary bonuses 酌情花紅	Employer's contribution to a retirement benefit scheme 僱主之退休金計畫供款	Total 合計
	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元
Non-executive Director 非執行董事					
Mr. Mei Qun 梅群先生	–	–	–	–	–
Executive Directors 執行董事					
Ms. Ding Yong Ling [1] 丁永玲女士 [1]	–	–	–	–	–
Mr. Zhang Huan Ping 張煥平先生	–	715	928	18	1,661
Ms. Lin Man 林曼女士	–	715	928	18	1,661
Independent Non-executive Directors 獨立非執行董事					
Mr. Tsang Yok Sing, Jasper 曾鈺成先生 [2]	80	–	–	–	80
Ms. Leung, Oi Sie Elsie 梁愛詩女士 [3]	180	–	–	–	180
Mr. Zhao Zhong Zhen 趙中振先生	240	–	–	–	240
Mr. Chan Ngai Chi 陳毅馳先生	240	–	–	–	240
	740	1,430	1,856	36	4,062

8 Benefits and interests of directors (disclosures required by section 383 of the Hong Kong Companies Ordinance (Cap. 622), Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap. 622G) and HK Listing Rules) (Continued)

(a) Directors' emoluments (Continued)

Year ended 31 December 2016 截至2016年12月31日止年度	Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking 作為董事(不管是本公司或其子公司企業)提供服務而支付或應收的酬金				
	Fees 袍金	Salary 薪金	Discretionary bonuses 酌情花紅	Employer's contribution to a retirement benefit scheme 僱主之退休金計畫供款	Total 合計
	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元
Non-executive Director 非執行董事					
Mr. Mei Qun 梅群先生	–	–	–	–	–
Executive Directors 執行董事					
Ms. Ding Yong Ling [1] 丁永玲女士[1]	–	400[4]	–	6	406
Mr. Zhang Huan Ping 張煥平先生	–	715	1,011	18	1,744
Ms. Lin Man 林曼女士	–	715	1,011	18	1,744
Independent Non-executive Directors 獨立非執行董事					
Ms. Leung, Oi Sie Elsie 梁愛詩女士	240	–	–	–	240
Mr. Zhao Zhong Zhen 趙中振先生	240	–	–	–	240
Mr. Chan Ngai Chi 陳毅馳先生	240	–	–	–	240
	720	1,830	2,022	42	4,614

(1) Ms. Ding Yong Ling is also the Chief Executive of the Company.

(2) Mr. Tsang Yok Sing, Jasper was appointed as the independent non-executive director of the Company on 12 September 2017.

(3) Ms. Leung, Oi Sie Elsie was resigned from the independent non-executive director of the Company on 12 September 2017.

(4) Ms. Ding Yong Ling returned salary of HK$272,000 for the year ended 31 December 2016 to the Company in 2016.

Except for the disclosure for directors' emolument made in foot note (4) above, no other directors of the Company waived or returned any emoluments and no emoluments were paid by the Group to any of the directors of the Company as an inducement to join or upon joining the Group or as a compensation for loss of office as a director.

8 董事的利益和權益(由香港《公司條例》(第622章)第383條及公司(披露董事利益資料)規例》(第622G章)規定的披露及上市規則規定的披露)(續)

(a) 董事酬金(續)

(1) 丁永玲女士亦為本公司最高行政人員。

(2) 曾鈺成先生於2017年9月12日委任為本公司獨立非執行董事。

(3) 梁愛詩女士於2017年9月12日辭任本公司獨立非執行董事。

(4) 丁永玲女士於2016年退還截至2016年12月31日止年度的薪金272,000港元予本公司。

除了以上披露於附註(4)的董事酬金外，本公司並無董事放棄任何酬金。本集團亦無董事放棄任何酬金，作為吸引加入集團之獎勵或在加入時獎勵或作為離職補償。

8 Benefits and interests of directors (disclosures required by section 383 of the Hong Kong Companies Ordinance (Cap. 622), Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap. 622G) and HK Listing Rules) (Continued)

(b) Directors' retirement benefits

No retirement benefits were paid to or receivable by any directors in respect of their other services in connection with the management of the affairs of the Company or its subsidiary undertaking during the year ended 31 December 2017 (2016: Nil).

(c) Directors' termination benefits

No payment was made to any directors as compensation for the early termination of the appointment during the year ended 31 December 2017 (2016: Nil).

(d) Consideration provided to third parties for making available directors' services

No payment was made to the former employer of any directors for making available the services of them as a director of the Company during the year ended 31 December 2017 (2016: Nil).

(e) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

There are no loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors during the year ended 31 December 2017 (2016: Nil).

(f) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 December 2017 (2016: Nil).

8 董事的利益和權益(由香港《公司條例》(第622章)第383條及公司(披露董事利益資料)規例》(第622G章)規定的披露及上市規則規定的披露)(續)

(b) 董事退休福利

本年度內並無已付或應付董事退休福利，作為其提供本公司或其附屬單位事務管理相關其他服務之酬勞(2016年：無)。

(c) 董事辭退福利

本年度內並無向董事支付任何酬金，作為其提前辭任的離職補償(2016年：無)。

(d) 聘任第三方人員為董事應支付的代價

本年度內並無因聘任第三方人員為本公司董事而應支付給該等人員前任僱主的代價(2016年：無)。

(e) 董事、董事控制企業、董事關聯實體之貸款、準貸款以及其他交易相關信息

本年度內並無董事、董事控制企業、董事關聯實體之貸款、準貸款以及其他交易相關信息(2016年：無)。

(f) 董事在本集團訂立的交易、安排或合同中的重大權益

本年度內或年結時，本集團概無簽訂任何涉及本集團之業務而本公司之董事直接或間接在其中擁有重大權益之重要交易、安排或合同(2016年：無)。

9 Finance income, net

9 財收務淨益

	2017	2016
	HK$'000 千港元	HK$'000 千港元
Finance income 財務收益	13,356	7,913
Finance costs 財務支出	(32)	(43)
Finance income, net 淨財務收益	13,324	7,870

10 Investments accounted for using the equity method

(a) The amounts recognised in the consolidated balance sheet are as follows:

	2017	2016
	HK$'000 千港元	HK$'000 千港元
At 31 December 於12月31日		
Joint ventures 合營企業	20,766	19,810

(b) The amounts recognised in the consolidated income statement are as follows:

	2017	2016
	HK$'000 千港元	HK$'000 千港元
For the year ended 31 December 截至12月31日止年度		
Joint ventures 合營企業	(42)	(3,099)

(c) Interests in joint ventures

The Group has interests in a number of individually immaterial joint ventures. The following table analyses, in aggregate, the movement of the carrying amount of the Group's interests in these joint ventures, and its share of results, other comprehensive income and commitments of these joint ventures.

	2017	2016
	HK$'000 千港元	HK$'000 千港元
At 1 January 於1月1日	19,810	23,081
Share of losses for the year 應佔年度虧損	(42)	(1,809)
Share of other comprehensive income/(losses) 應佔其他綜合收益／(虧損)		
– Currency translation differences 貨幣兌換差額	998	(172)
Impairment loss 減值計提	–	(1,290)
At 31 December 於12月31日	20,766	19,810
The Group's share of joint ventures' commitments 本集團應佔合營企業承擔	5,657	5,424

Notes:

(a) The joint ventures are private companies and there are no quoted market prices available for their shares.

(b) There are no contingent liabilities relating to the Group's interests in joint ventures.

(c) Details of the joint ventures are set out in Note 29.

(d) Interests in associates

The Group has interests in a number of individually immaterial associates.

	2017	2016
	HK$'000 千港元	HK$'000 千港元
At 1 January and 31 December 於1月1日及12月31日	–	–

Notes:

(a) The associates are private companies and there are no quoted market prices available for their shares.

(b) There are no contingent liabilities relating to the Group's interests in associates.

(c) At 31 December 2017 and 2016, the Group's investment in one of the associates which is still under the process of being wound up, was fully impaired.

(d) In 2017, the Group has not recognised its share of loss of one of its associates as its share of accumulated losses has exceeded its investment cost.

10 按權益法入賬之投資

(a) 於合併資產負債表確認的金額如下：

(b) 於合併收益表確認的數額如下：

(c) 於合營企業之權益

本集團擁有若干個別不重大的合營企業的權益。下表分析本集團合共所持該等合營企業的權益賬面值變動和應佔該等合營企業的業績、其他綜合收益及承擔。

附註：

(a) 合營企業為私人公司，其股份並無市場報價。

(b) 並無有關本集團所持合營企業權益的或有負債。

(c) 合營企業詳情載於附註29。

(d) 於聯營公司之權益

本集團擁有若干個別不重大的聯營公司的權益。

附註：

(a) 聯營公司為私人公司，其股份並無市場報價。

(b) 並無有關本集團所持聯營公司權益的或有負債。

(c) 於2017年及2016年12月31日，本集團其中一間聯營公司的投資已悉數減值，此聯營公司尚在清盤中。

(d) 因本集團應佔一間聯營公司的虧損超過本集團於該聯營公司之投資成本，故於2017年並無確認其應佔的虧損。

11 Income tax expense

Hong Kong profits tax has been provided for at the rate of 16.5% (2016: 16.5%) on the estimated assessable profit for the year. PRC corporate income tax has been provided at the rate of 25% (2016: 25%) on the estimated assessable profits for the year of the subsidiaries operating in the PRC. Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

11 所得稅支出

就年內估計應課稅利潤按16.5%（2016年：16.5%）的稅率計提香港利得稅。就中國營運附屬公司年內估計應課稅利潤按25%（2016年：25%）的稅率計提中國企業所得稅。海外利潤的稅項基於年內估計應課稅利潤按本集團經營所在國家的現行稅率計算。

	2017	2016
	HK$'000 千港元	HK$'000 千港元
Current income tax 當期所得稅		
– Current year 本年度	**105,249**	95,400
– Over provision in prior years 往年多計撥備	**(988)**	(745)
	104,261	94,655
Deferred income tax (Note 18) 遞延所得稅（附註18）	**1,193**	(2,265)
Income tax expense 所得稅支出	**105,454**	92,390

The income tax on the Group's profit before income tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

本集團除稅前利潤的所得稅與採用適用於合併入賬實體利潤的加權平均稅率計算的理論金額差異如下：

	2017	2016
	HK$'000 千港元	HK$'000 千港元
Profit before income tax 除所得稅前利潤	**610,966**	532,270
Tax calculated at domestic tax rates applicable to profits in the respective countries 按個別國家利潤相關的國內稅率計算之稅項	**101,464**	90,035
Tax effects of: 以下的稅務影響		
– Income not subject to tax 免稅收益	**(3,857)**	(4,097)
– Expenses not deductible for tax purposes 不可扣稅開支	**2,125**	2,404
– Tax losses for which no deferred income tax asset was recognised 未確認遞延所得稅資產的稅項虧損	**4,478**	3,018
– Withholding income tax on royalty fee from overseas entities 自海外實體品牌使用費代扣所得稅	**284**	247
– Over provision in prior years 往年多計撥備	**(988)**	(745)
– Others 其他	**1,948**	1,528
Income tax expense 所得稅	**105,454**	92,390

12 Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary share in issue during the year.

12 每股盈利

每股基本盈利乃按本公司擁有人應佔利潤除以年內已發行普通股的加權平均數計算。

	2017	2016
	HK$'000 千港元	HK$'000 千港元
Profit attributable to owners of the Company 本公司擁有人應佔利潤	**489,967**	420,315
Weighted average number of ordinary shares in issue (thousands) 已發行普通股加權平均數（千股）	**837,100**	837,100
Earnings per share (HK$) 每股盈利（港元）	**0.59**	0.50

For the years ended 31 December 2017 and 2016, diluted earnings per share is the same as basic earnings per share as there were no potential dilutive shares.

截至2017年及2016年12月31日止年度，無具潛在攤薄效應之股份。

13 Dividends

The dividends paid in 2017 and 2016 were HK$133,936,000 (HK$0.16 per share) and HK$108,823,000 (HK$0.13 per share) respectively. Dividend in respect of the year ended 31 December 2017 of HK$0.19 per share, amounting to a total dividend of HK$159,049,000, is to be proposed at the annual general meeting on 7 May 2018. These financial statements do not reflect this dividend payable.

13 股息

2017年及2016年的已付股息分別為133,936,000港元（每股0.16港元）及108,823,000港元（每股0.13港元）。截至2017年12月31日止年度的股息每股0.19港元（股息總額為159,049,000港元）將於本公司在2018年5月7日舉行的股東週年大會上提呈。該等財務報表並無反映該應付股息。

	2017	2016
	HK$'000 千港元	HK$'000 千港元
Interim dividend paid of HK$Nil (2016: HK$Nil) per ordinary share 已付每股普通股中期股息零港元（2016年：零港元）	**–**	–
Proposed final dividend of HK$0.19 (2016: HK$0.16) per ordinary share 建議每股普通股末期股息0.19港元（2016年：0.16港元）	**159,049**	133,936
	159,049	133,936

14 Leasehold land

The Group's interest in leasehold land represents prepaid operating lease payments and its net book value is analysed as follows:

14 租賃土地

本集團租賃土地的權益指預付經營租賃款項，其賬面淨值分析如下：

	2017	2016
	HK$'000 千港元	HK$'000 千港元
In Hong Kong, held on: 於香港所持：		
Lease of between 10 and 50 years 租期為10至50年	**16,008**	16,551
At 1 January 於1月1日	**16,551**	17,094
Amortisation of prepaid operating lease payments (Note 6) 預付經營租賃款項攤銷（附註6）	**(543)**	(543)
At 31 December 於12月31日	**16,008**	16,551

15 Property, plant and equipment 15 物業、廠房及設備

	Freehold land and leasehold land held under finance lease 永久業權土地及根據融資租賃持有的租賃土地	Buildings 樓宇	Leasehold improvement 租賃物業裝修	Plant and machinery 廠房及機器	Furniture and equipment 傢俱及設備	Motor vehicles 汽車	Total 合計
	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元
Year ended 31 December 2016 截至2016年12月31日止年度							
Opening net book amount 期初帳面淨值	100,516	102,313	31,848	13,540	13,211	1,002	262,430
Additions 增加	–	–	9,446	54	6,280	516	16,296
Disposals (Note 26(b)) 出售(附註26(b))	–	–	(16)	–	(19)	–	(35)
Depreciation charge (Note 6) 折舊支出(附註6)	(2,127)	(2,779)	(9,671)	(3,594)	(3,258)	(486)	(21,915)
Currency translation differences 貨幣兌換差額	(66)	(212)	(93)	–	(391)	(2)	(764)
Closing net book amount 期末帳面淨值	98,323	99,322	31,514	10,000	15,823	1,030	256,012
At 31 December 2016 於2016年12月31日							
Cost 成本	107,227	121,385	70,270	49,835	28,363	3,477	380,557
Accumulated depreciation and impairment 累計折舊及減值	(8,904)	(22,063)	(38,756)	(39,835)	(12,540)	(2,447)	(124,545)
Net book amount 帳面淨值	98,323	99,322	31,514	10,000	15,823	1,030	256,012
Year ended 31 December 2017 截至2017年12月31日止年度							
Opening net book amount 期初帳面淨值	**98,323**	**99,322**	**31,514**	**10,000**	**15,823**	**1,030**	**256,012**
Additions 增加	**6,802**	**5,550**	**13,114**	**3,472**	**4,339**	**229**	**33,506**
Disposals (Note 26(b)) 出售(附註26(b))	**–**	**–**	**(1)**	**–**	**(120)**	**(52)**	**(173)**
Depreciation charge (Note 6) 折舊支出(附註6)	**(2,127)**	**(2,796)**	**(11,350)**	**(3,029)**	**(4,451)**	**(399)**	**(24,152)**
Impairment loss 減值計提	**–**	**–**	**(5,963)**	**–**	**(723)**	**–**	**(6,686)**
Currency translation differences 貨幣兌換差額	**651**	**2,174**	**1,177**	**–**	**1,023**	**23**	**5,048**
Closing net book amount 期末帳面淨值	**103,649**	**104,250**	**28,491**	**10,443**	**15,891**	**831**	**263,555**
At 31 December 2017 於2017年12月31日							
Cost 成本	**114,680**	**129,176**	**83,264**	**53,056**	**33,790**	**3,097**	**417,063**
Accumulated depreciation and impairment 累計折舊及減值	**(11,031)**	**(24,926)**	**(54,773)**	**(42,613)**	**(17,899)**	**(2,266)**	**(153,508)**
Net book amount 帳面淨值	**103,649**	**104,250**	**28,491**	**10,443**	**15,891**	**831**	**263,555**

The net book value of the interests in freehold land and leasehold land classified as finance lease are analysed as follows:

分類為永久業權土地及根據融資租賃持有的租賃土地權益的賬面淨值分析如下：

	2017	2016
	HK$'000 千港元	HK$'000 千港元
In Hong Kong, held on: 於香港所持：		
Leases of between 10 and 50 years 租期為10至50年	**87,469**	89,596
Outside Hong Kong, held on: 於香港境外所持：		
Freehold 永久業權	**16,180**	8,727

As at 31 December 2017, bank borrowing is secured by a freehold land and building amounted to HK$12,343,000 (2016: HK$11,585,000) (Note 24).

於2017年12月31日，銀行借款以賬面值12,343,000港元(2016年：11,585,000港元)的永久業權土地及樓宇作為抵押(附註24)。

Depreciation expenses were charged to the consolidated income statements as follows:

自合併收益表支銷的折舊開支如下：

	2017	2016
	HK$'000 千港元	HK$'000 千港元
Cost of sales 銷售成本	**6,122**	6,671
Distribution and selling expenses 分銷及銷售開支	**11,356**	9,731
General and administrative expenses 一般及行政開支	**6,674**	5,513
	24,152	21,915

Impairment loss on property, plant and equipment amounted to HK$6,686,000 (2016: nil) was charged to general and administrative expenses in the consolidated income statements by which the carrying amounts of the assets exceed their recoverable amounts.

按資產的賬面值超出其可收回金額的差額，自合併收益表的一般及行政開支支銷的減值計提為6,686,000港元(2016年：無)。

16 Intangible assets

The net book value of the Group's intangible assets is analysed as follows:

	Goodwill 商譽	Other intangible assets 其他無形資產	Total 總額
	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元
At 1 January 2016 於2016年1月1日	49,419	11,917	61,336
Additions 增加	–	21,660	21,660
Amortisation (Note 6) 攤銷（附註6）	–	(1,717)	(1,717)
At 31 December 2016 and 1 January 2017 於2016年12月31日及2017年1月1日	49,419	31,860	81,279
Amortisation (Note 6) 攤銷（附註6）	–	(2,446)	(2,446)
Currency translation difference 貨幣兌換差額	–	168	168
At 31 December 2017 於2017年12月31日	49,419	29,582	79,001

Note:

Other intangible assets represent customer relationships, a management contract and an exclusive supply contract.

Impairment test for goodwill

Goodwill is monitored by management at the operating segment level. For the purpose of impairment testing, the goodwill arising on acquisition is allocated to the Group's cash generating units ("CGU") within the Hong Kong segment.

The recoverable amount of the CGU is determined by management based on value-in-use calculation. The key assumptions adopted in the value-in-use calculation are based on management's best estimates and past experience.

The value-in-use calculation is based on a five-year financial budget approved by management. Cash flows beyond the five-year period are extrapolated using the estimated growth rate of 3%. A pre-tax discount rate of 16% (2016: 16%) is used which reflects the specific risks relating to the relevant operating segment.

The Group recognised a goodwill of HK$49,419,000 in 2015 as a result of the acquisition of the equity interest in Honour Essence Trading Limited, which is principally engaged in the distribution of Chinese medicine products in Hong Kong. The goodwill has been allocated for impairment testing to Honour Essence Trading Limited's cash-generating unit within the Hong Kong segment.

An increase in the pre-tax discount rate to 22% or a decrease in forecast sales growth rate to 1% and terminal growth rate to 1%, all changes taken in isolation, would remove the remaining headroom.

16 無形資產

本集團的無形資產的賬面淨值分析如下：

附註：

其他無形資產分別為客戶關係、管理合同及獨家供貨合同。

商譽減值測試

管理層在經營分部層面監測商譽。為了減值測試的目的，商譽已分配至本集團之香港地區內的已辨識的現金產生單位。

現金產生單位的可收回金額是管理層根據使用價值計算法而釐定。用於計算使用價值的關鍵假設是基於管理層的最佳估計和過去的經驗而釐定。

使用價值計算是基於管理層通過的五年財政預算。五年期以後之財政預算乃使用3%的估計增長率推算。所用之稅前貼現率為16%（2016：16%），亦反映有關分部之特定風險。

本集團於2015年收購大宏貿易有限公司（其主要業務為於香港從事分銷中藥產品）時確認其商譽為49,419,000港元。商譽被分配至香港分部大宏貿易有限公司的現金產出單元中進行減值測試。

稅前貼現率上升至22%或預期銷售增長率下跌至1%及最終增長率至1%（全部視為獨立變動）將消除此剩餘空間。

17 Available-for-sale financial asset

	2017	2016
	HK$'000 千港元	HK$'000 千港元
At 1 January 於1月1日	13,313	–
Addition 增加	–	13,788
Gain/(loss) transfer to equity (Note 23) 利得／（虧損）轉撥至權益（附註23）	2,005	(475)
At 31 December 於12月31日	15,318	13,313

The available-for-sale financial asset represents a Hong Kong listed equity security which is denominated in Hong Kong dollars. The fair value is within level 1 of the fair value hierarchy.

17 可供出售金融資產

可供出售金融資產為以港元結算的香港上市公司證券，其公允價值為公允值層級的第一層。

18 Deferred income tax

The analysis of deferred income tax assets and liabilities is as follows:

18 遞延所得稅

遞延所得稅資產及負債的分析如下：

	2017	2016
	HK$'000 千港元	HK$'000 千港元
Deferred income tax assets 遞延所得稅資產		
– to be recovered after more than 12 months 將於12個月後收回	–	–
– to be recovered within 12 months 將於12個月內收回	9,132	9,990
	9,132	9,990
Deferred income tax liabilities 遞延所得稅負債		
– to be settled after more than 12 months 將於超過12個月後結算	(3,106)	(2,627)
– to be settled within 12 months 將於12個月內結算	(1,313)	(1,511)
	(4,419)	(4,138)
Deferred income tax assets, net 遞延所得稅資產淨額	4,713	5,852

The net movement in the deferred income tax account is as follows:

遞延所得稅賬目淨變動如下：

	2017	2016
	HK$'000 千港元	HK$'000 千港元
At 1 January 於1月1日	5,852	3,729
(Charged)/credited to the consolidated income statement (Note 11)（扣自）／計入合併收益表（附註11）	(1,193)	2,265
Currency translation differences 貨幣兌換差額	54	(142)
At 31 December 於12月31日	4,713	5,852

The gross movements in deferred income tax assets and liabilities, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

在不考慮同一稅務司法權區內結餘抵銷的情況下，遞延所得稅資產及負債總變動如下：

	Accelerated accounting depreciation 加速會計折舊	Unrealised profit 未變現利潤	Provision 撥備	Total 總計
	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元
Deferred income tax assets 遞延所得稅資產				
At 1 January 2016 於2016年1月1日	284	5,327	2,909	8,520
Credited/(charged) to the consolidated income statement 計入／（扣自）合併收益表	(237)	3,049	(1,202)	1,610
Currency translation differences 貨幣兌換差額	(6)	–	(134)	(140)
At 31 December 2016 於2016年12月31日	41	8,376	1,573	9,990
At 1 January 2017 於2017年1月1日	41	8,376	1,573	9,990
(Charged)/credited to the consolidated income statement（扣自）／計入合併收益表	11	695	(1,626)	(920)
Currency translation differences 貨幣兌換差額	4	5	53	62
At 31 December 2017 於2017年12月31日	56	9,076	–	9,132

18 Deferred income tax (Continued)

18 遞延所得稅(續)

	Accelerated tax depreciation 加速稅項折舊	Other 其他	Total 總額
	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元
Deferred income tax liabilities 遞延所得稅負債			
At 1 January 2016 於2016年1月1日	(3,969)	(822)	(4,791)
Credited to the consolidated income statement 計入合併收益表	378	277	655
Currency translation differences 貨幣兌換差額	(2)	–	(2)
At 31 December 2016 於2016年12月31日	(3,593)	(545)	(4,138)
At 1 January 2017 於2017年1月1日	**(3,593)**	**(545)**	**(4,138)**
(Credited)/charged to the consolidated income statement (計入)/扣自合併收益表	**(382)**	**109**	**(273)**
Currency translation differences 貨幣兌換差額	**(8)**	**–**	**(8)**
At 31 December 2017 於2017年12月31日	**(3,983)**	**(436)**	**(4,419)**

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group did not recognise deferred income tax assets of approximately HK$11,463,000 (2016: HK$6,333,000) in respect of tax losses amounting to approximately HK$61,348,000 (2016: HK$33,845,000) at 31 December 2017 that can be carried forward against future taxable income. These tax losses have no expiry dates except for the tax losses of HK$24,255,000 (2016: HK$18,858,000) which will expire between 2018 and 2037 (2016: expire between 2017 and 2036).

倘可通過未來應課稅利潤變現相關稅項優惠，則就稅項虧損結轉確認遞延所得稅資產。本集團並沒就可結轉以抵銷未來應課稅收益的虧損61,348,000港元(2016年：33,845,000港元)確認遞延所得稅資產約11,463,000港元(2016年：6,333,000港元)。除稅項虧損24,255,000港元(2016年：18,858,000港元)惟於2018至2037年間到期(2016年：2017至2036年間到期)，該等稅項虧損並無屆滿日期。

The Group did not recognise the deferred income tax liabilities of HK$3,521,000 (2016: HK$2,713,000) in respect of the withholding tax that would be payable on the unremitted earnings of certain subsidiaries amounting to HK$66,228,000 (2016: HK$46,271,000) at 31 December 2017, as the Group can control the dividend policies of these subsidiaries and these unremitted earnings will not be distributed in the foreseeable future.

於2017年12月31日，本集團並無就若干附屬公司未結匯之盈利66,228,000港元(2016年：46,271,000港元)計提應付之代扣稅項之遞延所得稅負債3,521,000港元(2016年：2,713,000港元)，此乃由於集團能夠控制這些附屬公司的股息政策，並且這些未結匯的利潤不會在可預見的未來分配。

19 Inventories

19 存貨

	2017	2016
	HK$'000 千港元	HK$'000 千港元
Raw materials 原材料	**115,833**	65,474
Work in progress 在製品	**8,050**	5,107
Finished goods and trading merchandise 製成品及貿易商品	**111,653**	107,958
	235,536	178,539

The cost of inventories recognised as expense and included in "cost of sales" amounted to HK$278,329,000 (2016: HK$226,757,000) and the impairment loss on inventories and write-off of inventories included in the "general and administrative expenses" and "distribution and selling expenses" amounted to HK$523,000 (2016: Nil) and HK$1,484,000 (2016: HK$862,000) for the year ended 31 December 2017, respectively.

截至2017年12月31日止年度，確認為開支並計入「銷售成本」的存貨成本為278,329,000港元(2016年：226,757,000港元)，計入「一般及行政開支」及「分銷及銷售開支」的存貨減值計提及存貨撇銷分別為523,000港元(2016年：無)及1,484,000港元(2016年：862,000港元)。

20 Trade receivables and other current assets

20 貿易應收款項及其他流動資產

	2017	2016
	HK$'000 千港元	HK$'000 千港元
Trade receivables 貿易應收款項		
– fellow subsidiaries 同系附屬公司	50,110	45,797
– joint ventures 合營企業	2,558	162
– associate 聯營公司	1,877	–
– third parties 第三方	116,222	98,618
Trade receivables 貿易應收款項	170,767	144,577
Prepayments and other receivables 預付款項及其他應收款項	26,080	29,863
Deposits 按金	23,609	18,952
Amount due from a joint venture (Note b) 應收合營企業款項(附註b)	1,114	1,114
	221,570	194,506

Notes:

(a) The fair values of trade receivables and other currents assets approximate their carrying amounts.

(b) The amount is repayable on demand, unsecured in nature and bears no interest.

(c) Retail sales at the Group's stores are usually made in cash or by debit or credit cards. For wholesales to distributors (including fellow subsidiaries, joint ventures and an associate), the Group normally grants credit periods ranging from 30 to 90 days.

At 31 December 2017 and 2016, the aging analysis of trade receivables based on invoice date (including amounts due from related parties of trading in nature) is as follows:

附註：

(a) 貿易應收款項及其他流動資產的公允價值與其賬面值相若。

(b) 該款項須於要求時償還、無抵押及免息。

(c) 本集團零售業務通常以現金、借記卡或信用卡進行。而就批發予分銷商(包括同系附屬公司、合營企業及聯營公司)而言，本集團通常授出的信貸期為30至90日。

於2017年及2016年12月31日，根據發票日期的貿易應收款項(包括應收關連方的貿易款項)的賬齡分析如下：

	2017	2016
	HK$'000 千港元	HK$'000 千港元
Up to 3 months 3個月或以內	126,921	129,603
3 to 6 months 3至6個月	31,275	12,193
6 months to 1 year 6個月至1年	6,905	382
Over 1 year 1年以上	5,666	2,399
	170,767	144,577

(d) At 31 December 2017, the Group's trade receivables of HK$36,274,000 (2016: HK$36,360,000) were past due but not impaired. These trade receivables relate to a number of customers, including fellow subsidiaries and joint ventures, for whom there is no recent history of default.

The aging analysis of these trade receivables is as follows:

(d) 於2017年12月31日，本集團的貿易應收款項36,274,000港元(2016年：36,360,000港元)已逾期但未減值。該等貿易應收款項與多位客戶(包括同系附屬公司及合營企業)有關，彼等近期並無無力償還的記錄。

該等貿易應收款項的賬齡分析如下：

	2017	2016
	HK$'000 千港元	HK$'000 千港元
Past due less than 3 months 逾期少於3個月	27,937	22,823
Past due within 3 to 6 months 逾期3至6個月	1,983	10,818
Past due over 6 months 逾期6個月以上	6,354	2,719
	36,274	36,360

20 Trade receivables and other current assets (Continued)

Notes: *(Continued)*

(e) At 31 December 2017, no trade receivables of the Group were impaired (2016: nil).

(f) The carrying amounts of the Group's trade receivables and other current assets are denominated in the following currencies:

	2017	2016
	HK$'000 千港元	HK$'000 千港元
Hong Kong dollar 港元	**123,162**	112,409
Renminbi 人民幣	**53,970**	52,405
United States dollar 美元	**27,718**	7,767
Australian dollar 澳元	**4,961**	2,618
South Korea won 韓元	**3,752**	8,809
Canadian dollar 加元	**1,520**	2,762
Euro 歐元	**1,119**	3,037
Other currencies 其他貨幣	**5,368**	4,699
	221,570	194,506

(g) At 31 December 2017, the Group does not hold any collateral as security (2016: nil).

20 貿易應收款項及其他流動資產(續)

附註：*(續)*

(e) 於2017年12月31日，本集團並無貿易應收款項已減值(2016年：無)。

(f) 本集團的貿易應收款項及其他流動資產的賬面值以下列貨幣計值：

(g) 本集團並無持有任何抵押品作為擔保(2016年：無)。

21 Cash and bank balances

	2017	2016
	HK$'000 千港元	HK$'000 千港元
Cash and cash equivalents 現金及現金等價物		
— Cash at bank and on hand 銀行及庫存現金	**749,562**	740,325
— Short-term bank deposits with original maturities within three months 原期限為三個月或以上之短期銀行存款	**881**	57,232
	750,443	797,557
Short-term bank deposits with original maturities exceeding three months 原期限為三個月以上之短期銀行存款	**1,147,338**	786,044
Total 總計	**1,897,781**	1,583,601

At 31 December 2017, the Group has no bank overdraft (2016: nil).

21 現金及銀行結餘

於2017年12月31日，本集團並無銀行透支(2016年：無)。

21 Cash and bank balances (Continued)

At 31 December 2017, the Group's cash and cash equivalents and short-term bank deposits included balances of HK$49,994,000 (2016: HK$30,348,000), which were deposits with banks in the PRC. The remittance of such balances out of the PRC is subject to the rules and regulations of foreign exchange control promulgated by the PRC government.

The carrying amounts of the Group's cash and cash equivalents and short-term bank deposits are denominated in the following currencies:

21 現金及銀行結餘(續)

於2017年12月31日，本集團的現金及現金等價物以及短期銀行存款包括49,994,000港元(2016年：30,348,000港元)，該等款項屬在中國開設之銀行的存款。將該等結餘匯出中國須受中國政府頒佈的外匯管制規則及法規監管。

本集團的現金及現金等價物以及短期銀行存款的賬面值以下列貨幣計值：

	2017	2016
	HK$'000 千港元	HK$'000 千港元
Hong Kong dollar 港元	**1,719,517**	1,454,549
Renminbi 人民幣	**50,837**	31,498
Macao pataca 澳門元	**23,289**	22,842
Singapore dollar 新加坡元	**22,666**	19,520
United States dollar 美元	**19,018**	12,486
South African Rand 南非蘭特	**14,680**	–
Canadian dollar 加元	**14,128**	16,507
Australian dollar 澳元	**12,388**	10,477
New Zealand dollar 新西蘭元	**6,340**	5,136
Other currencies 其他貨幣	**14,918**	10,586
	1,897,781	1,583,601

22 Share capital

22 股本

	Number of shares 股份數目	Share capital 股本
		HK$'000 千港元
Ordinary shares issued and fully paid 已發行及繳足普通股		
At 31 December 2016 and 2017 於2016年及2017年12月31日	837,100,000	938,789

23 Reserves

23 儲備

	Merger reserve (Note a) 合併儲備（附註a）	Other reserves 其他儲備	Statutory reserve (Note b) 法定儲備（附註b）	Exchange reserve 匯兌儲備	Retained earnings 保留收益	Total 總計
	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元	HK$'000 千港元
At 1 January 2016 於2016年1月1日	(13,124)	830	4,130	(14,643)	899,726	876,919
Comprehensive income 綜合收益						
Profit for the year 年度利潤	–	–	–	–	420,315	420,315
Other comprehensive losses 其他綜合虧損						
Change in fair value of available-for-sale financial asset 可供出售金融資產公允價值變動	–	(475)	–	–	–	(475)
Currency translation differences 貨幣兌換差額						
— Group 本集團	–	–	–	(4,012)	–	(4,012)
— Joint ventures 合營企業	–	–	–	(172)	–	(172)
Total comprehensive income 綜合收益總額	–	(475)	–	(4,184)	420,315	415,656
Transactions with owners in their capacity as owners 與權益所有者以其所有者的身份進行的交易的總額						
Transfer of retained earnings to statutory reserve 轉撥保留收益至法定儲蓄	–	–	1,165	–	(1,165)	–
Dividends relating to 2015 (Note 13) 2015年相關股息（附註13）	–	–	–	–	(108,823)	(108,823)
Total transactions with owners in their capacity as owners 與權益所有者以其所有者的身份進行的交易的總額	–	–	1,165	–	(109,988)	(108,823)
At 31 December 2016 於2016年12月31日	(13,124)	355	5,295	(18,827)	1,210,053	1,183,752
At 1 January 2017 於2017年1月1日	**(13,124)**	**355**	**5,295**	**(18,827)**	**1,210,053**	**1,183,752**
Comprehensive income 綜合收益						
Profit for the year 年度利潤	–	–	–	–	489,967	489,967
Other comprehensive income 其他綜合收益						
Change in fair value of available-for-sale financial asset 可供出售金融資產公允價值變動	–	2,005	–	–	–	2,005
Currency translation differences 貨幣兌換差額						
— Group 本集團	–	–	–	11,317	–	11,317
— Joint ventures 合營企業	–	–	–	998	–	998
Total comprehensive income 綜合收益總額	–	2,005	–	12,315	489,967	504,287
Transactions with owners in their capacity as owners 與權益所有者以其所有者的身份進行的交易的總額						
Transfer of retained earnings to statutory reserve 轉撥保留收益至法定儲蓄	–	–	934	–	(934)	–
Dividends relating to 2016 (Note 13) 2016年相關股息（附註13）	–	–	–	–	(133,936)	(133,936)
Total transactions with owners in their capacity as owners 與權益所有者以其所有者的身份進行的交易的總額	–	–	934	–	(134,870)	(133,936)
At 31 December 2017 於2017年12月31日	(13,124)	2,360	6,229	(6,512)	1,565,150	1,554,103

Notes:

(a) Merger reserve of the Group represents the difference between the net book value of the entities that had been acquired and the investment consideration paid by the Company to effect a reorganisation that took place in 2010.

(b) The PRC laws and regulations require companies registered in the PRC to provide for certain statutory reserves, which are to be appropriated from the net profit (after offsetting accumulated losses from prior years) as reported in their respective statutory financial statements, before profit distributions to equity holders. All statutory reserves are created for specific purposes. PRC company is required to appropriate 10% of statutory net profits to statutory reserves, upon distribution of its post-tax profits of the current year. A company may discontinue the contribution when the aggregate sum of the statutory reserve is more than 50% of its registered capital. The statutory reserves shall only be used to make up losses of the companies, to expand the companies' production operations, or to increase the capital of the companies. In addition, a company may make further contribution to the statutory reserve using its post-tax profits in accordance with resolutions of the board of directors.

附註：

(a) 本集團的合併儲備指已收購實體的賬面淨值與本公司為於2010年進行重組所支付的投資代價的差額。

(b) 中國法律及法規規定，在中國註冊的公司向股權持有人分派利潤前，須從各自法定財務報表所呈報的淨利潤（抵銷以往年度的累計虧損後）中，分配款項以提撥若干法定儲備。所有法定儲備均為特定用途而設立。中國公司於分派當年度的除稅後利潤時，須向法定儲備分配法定淨利潤的10%。當公司法定儲備的總和超過其註冊資本的50%時，公司可停止分配。法定儲備只可用作彌補公司的虧損、擴大公司的生產營運或增加公司的資本。此外，按照董事會決議案，公司可使用其除稅後利潤向法定儲備作出進一步供款。

24 Borrowing

24 借貸

	2017	2016
	HK$'000 千港元	HK$'000 千港元
Secured bank borrowing 有抵押銀行貸款	605	556

Notes:

(a) The bank borrowing is secured by the land and building of the Group amounted to HK$12,343,000 (2016: HK$11,585,000) (Note 15).

(b) The bank borrowing bears interest at 1.5% plus the bank bill rate in Australia per annum and is wholly repayable in 2020. The Group has HK$7,956,000 (2016: HK$7,300,000) undrawn borrowing facility with floating rate expiring beyond one year.

(c) The bank borrowing is denominated in Australian dollar and its carrying amount approximates its fair values.

附註：

(a) 銀行借款由本集團為12,343,000港元的土地及樓宇做抵押(2016年：11,585,000港幣)(附註15)。

(b) 銀行借款按澳大利亞的銀行票據利率加1.5%按年計算，並且銀行借款應於2020年全部償還。本集團有7,956,000港元(2016年：7,300,000港元)未動用的浮動利率借貸額度到期時間超過一年。

(c) 銀行借款以澳元計值，且其賬面值與公允價值相若。

25 Trade and other payables

25 貿易及其他應付款項

	2017	2016
	HK$'000 千港元	HK$'000 千港元
Trade payables 貿易應付款項		
– intermediate holding company 中間控股公司	16,270	15,793
– immediate holding company 直接控股公司	5,688	2,962
– third parties 第三方	30,721	17,489
Trade payables (Note a) 貿易應付款項(附註 a)	52,679	36,244
Accruals and other payables 應計費用及其他應付款項	61,807	52,128
	114,486	88,372

Notes:

(a) At 31 December 2017 and 2016, the aging analysis of the trade payables (including amounts due to the related parties of trading in nature) based on invoice date is as follows:

	2017	2016
	HK$'000 千港元	HK$'000 千港元
Up to 3 months 3個月或以內	51,086	34,260
3 to 6 months 3至6個月	587	1,604
6 months to 1 year 6個月至1年	981	217
1 to 2 years 1至2年	25	163
	52,679	36,244

(b) The carrying amounts of the Group's trade and other payables are denominated in the following currencies:

	2017	2016
	HK$'000 千港元	HK$'000 千港元
Hong Kong dollar 港元	51,244	40,566
Renminbi 人民幣	37,206	27,871
South African rand 南非蘭特	5,065	–
Canadian dollar 加元	4,830	3,508
Australian dollar 澳元	4,380	3,497
Singapore dollar 新加坡元	3,799	2,140
South Korean won 韓元	1,069	1,686
Other currencies 其他貨幣	6,893	9,104
	114,486	88,372

附註：

(a) 於2017年及2016年12月31日，根據發票日期的貿易應付款項(包括應付關連方的貿易款項)的賬齡分析如下：

(b) 本集團貿易及其他應付款項的賬面值以下列貨幣計值：

26 Notes to consolidated statement of cash flows

26 合併現金流量表附註

(a) Cash generated from operations

(a) 經營所產生之現金

	2017	2016
	HK$'000 千港元	HK$'000 千港元
Profit before income tax 除所得稅前利潤	**610,966**	532,270
Adjustments for: 就以下項目調整：		
– Amortisation of prepaid operating lease payments (Note 6) 預付經營租賃款項攤銷（附註6）	**543**	543
– Depreciation of property, plant and equipment (Note 6) 物業、廠房及設備折舊（附註6）	**24,152**	21,915
– Impairment loss on property, plant and equipment (Note 6) 物業、廠房及設備之減值計提（附註6）	**6,686**	–
– Amortisation of intangible assets (Note 6) 無形資產攤銷（附註6）	**2,446**	1,717
– Impairment loss on inventories (Note 6) 存貨之減值計提（附註6）	**523**	–
– Write-off of inventories (Note 6) 存貨撤銷（附註6）	**1,484**	862
– Losses on disposals of property, plant and equipment (Note 6) 出售物業、廠房及設備之虧損（附註6）	**110**	35
– Dividend income 股利收益	**(135)**	–
– Finance income, net (Note 9) 淨財務收益（附註9）	**(13,324)**	(7,870)
– Share of loss of investments accounted for using the equity method (Note 10) 應佔按權益法入賬之投資虧損（附註10）	**42**	1,809
– Impairment loss on an investment accounted for using the equity method (Note 10) 按權益法入賬之投資減值計提（附註10）	**–**	1,290
	633,493	552,571
Changes in working capital: 營運資金變動：		
– Inventories 存貨	**(54,532)**	(22,256)
– Trade receivables and other current assets 貿易應收款項及其他流動資產	**(19,486)**	13,590
– Trade and other payables 貿易及其他應付款項	**15,610**	19,737
Cash generated from operations 經營所產生之現金	**575,085**	563,642

(b) In the consolidated statement of cash flows, proceeds from disposal of property, plant and equipment comprise:

(b) 合併現金流量表中，出售物業、廠房及設備所得款項包括：

	2017	2016
	HK$'000 千港元	HK$'000 千港元
Net book amount (Note 15) 賬面淨值（附註15）	**173**	35
Losses on disposals of property, plant and equipment (Note 6) 出售物業、廠房及設備之虧損（附註6）	**(110)**	(35)
Proceeds from disposal of property, plant and equipment 出售物業、廠房及設備所得款項	**63**	–

26 Notes to consolidated statement of cash flows (Continued)

(c) Reconciliation of cash flows from financing activities

This section sets out an analysis of cash flows of financial liabilities from financing activities and its movement for each of the year presented.

26 合併現金流量表附註(續)

(c) 融資活動所產生的現金流量調節

本節載列每個期間內所列示的融資活動所產生的現金流量的分析和變動。

	2017	2016
	HK$'000 千港元	HK$'000 千港元
Bank borrowing — variable interest rates 借款—浮動利率	(605)	(556)

	Bank borrowing due over 1 year 超過一年後到期銀行貸款
	HK$'000 千港元
Liability from financing activity as at 1 January 2016 於二零一六年一月一日融資活動的負債	(561)
Foreign exchange adjustments 匯兌調整	5
Liability from financing activity as at 31 December 2016 於二零一六年十二月三十一日融資活動的負債	**(556)**
Foreign exchange adjustments 匯兌調整	**(49)**
Liability from financing activity as at 31 December 2017 於二零一七年十二月三十一日融資活動的負債	**(605)**

27 Commitments

(a) Capital commitments

27 承擔

(a) 資本承擔

	2017	2016
	HK$'000 千港元	HK$'000 千港元
Contracted but not provided for 已訂約但未撥備		
— property, plant and equipment 物業、廠房及設備	3,281	2,761

(b) Operating lease commitments

The Group leases various retail outlets, warehouses and staff quarters under non-cancellable operating lease agreements. The lease terms are between 1 and 10 years and certain lease agreements are renewable at the end of the lease period at market rate.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

(b) 經營租賃承擔

本集團根據不可撤銷經營租約租用多個零售店鋪、倉庫及員工宿舍。租期介乎1至10年，若干租約可於租期結束時按市場租金續約。

根據不可撤銷經營租賃的未來最低租賃付款總額如下：

	2017	2016
	HK$'000 千港元	HK$'000 千港元
No later than 1 year 1年內	65,193	52,591
Later than 1 year and no later than 5 years 1年以上及5年以內	78,212	75,730
Later than 5 years 5年以上	9,623	8,433
	153,028	136,754

28 Significant related party transactions

At 31 December 2017, two subsidiaries of Tong Ren Tang Holdings, namely Tong Ren Tang Technologies and Tong Ren Tang Ltd. directly owned 38.05% and 33.62% of shareholding in the Company respectively. Tong Ren Tang Ltd. is also the controlling shareholder of Tong Ren Tang Technologies. Tong Ren Tang Ltd. effectively owns 71.67% equity interest in the Company. The remaining 28.33% of the shares are widely held.

The Board of Directors of the Company regards Tong Ren Tang Technologies as the immediate holding company, Tong Ren Tang Ltd. as the intermediate holding company and Tong Ren Tang Holdings as the ultimate holding company, all of which are companies incorporated in the PRC.

In addition to those disclosed in other sections of these consolidated financial statements, the following transactions were carried out with related parties:

(a) Sales and purchases of products

	Note 附註	2017 HK$'000 千港元	2016 HK$'000 千港元
Sales of products to 銷售產品予			
Joint ventures 合營企業	(i)	**7,752**	3,973
Fellow subsidiaries 同系附屬公司	(i)	**197,304**	151,780
An associate 聯營公司	(i)	**1,894**	–
		206,950	155,753
Purchases of products from 自以下公司購買產品			
Immediate holding company 直接控股公司	(i)	**48,815**	27,103
Intermediate holding company 中間控股公司	(i)	**85,636**	58,797
Fellow subsidiaries 同系附屬公司	(i)	**1,013**	2,012
		135,464	87,912

(b) Royalty fee income

	Note 附註	2017 HK$'000 千港元	2016 HK$'000 千港元
Royalty fee income from joint ventures 來自合營企業之品牌使用費收益	(ii)	**437**	875

28 重大關聯方交易

於2017年12月31日，同仁堂集團公司的兩間附屬公司同仁堂科技及同仁堂股份有限公司分別直接持有本公司38.05%及33.62%權益。同仁堂股份有限公司亦為同仁堂科技的控股股東。同仁堂股份有限公司實際持有本公司71.67%股權。餘下28.33%的股份被廣泛持有。

本公司董事會視同仁堂科技為直接控股公司、同仁堂股份有限公司為中間控股公司及同仁堂集團公司為最終控股公司，該等公司均於中國註冊成立。

除該等合併財務報表其他章節所披露者外，下列交易乃與關連方進行：

(a) 銷售及購買產品

(b) 品牌使用費收益

28 Significant related party transactions (Continued)

(c) Rental expenses

	Note 附註	2017 HK$'000 千港元	2016 HK$'000 千港元
Rental expense to: 向以下公司支付之租金開支			
Ultimate holding company 最終控股公司	(i)	**184**	104
Fellow subsidiaries 同系附屬公司	(i)	**4,400**	2,210
		4,584	2,314

(d) Key management compensation

Key management includes directors (executive and non-executive) and senior management. The emoluments paid or payable to key management for employee services is as follows:

	2017 HK$'000 千港元	2016 HK$'000 千港元
Salaries and other short-term employee benefits 薪金和其他短期僱員福利	**7,911**	8,082
Pension costs — defined contribution plans 退休金成本 — 定額供款計劃	**178**	169
	8,089	8,251

Notes:

(i) These transactions were conducted in the normal course of business at prices and terms mutually agreed between the parties involved.

(ii) The royalty fee is charged annually by the Company at predetermined rates ranging from 1% to 3% on turnover of its joint ventures in accordance with the royalty agreements. Pursuant to these agreements, these joint ventures are allowed to trade under "Tong Ren Tang" brand name.

28 重大關聯方交易（續）

(c) 租金開支

(d) 主要管理人員薪酬

主要管理人員包括執行及非執行董事和高級管理人員。就僱員服務向主要管理人員支付或應付的酬金如下：

附註：

(i) 該等交易於一般業務過程中按雙方協定的價格及條款進行。

(ii) 品牌使用費乃本公司根據品牌使用權協議以事先釐定介乎該等合營企業營業額的1%至3%按年收取。根據該等協議，該等合營企業獲准以「同仁堂」品牌名稱交易。

29 Principal subsidiaries and joint ventures

29 主要附屬公司和合營企業

The following is a list of principal subsidiaries and joint ventures at 31 December 2017 and 2016:

下文載列於2017年及2016年12月31日的主要附屬公司和合營企業：

Name 名稱	Place of incorporation and kind of legal entity 註冊成立的地點及法人實體類型	Principal activities and place of operation 主要業務及經營地點	Particulars of issued share capital 已發行股本詳情	Effective equity interest held 所持實際權益 2017	2016
(a) Subsidiaries 附屬公司					
(i) Directly held by the Company 本公司直接持有					
Beijing Tong Ren Tang International Natural-Pharm Co., Ltd. 北京同仁堂國際藥業有限公司[1]	PRC, limited liability company 中國，有限公司	Sale and distribution of Chinese medicine and healthcare products 銷售及分銷中藥產品與保健品 Beijing, PRC 中國，北京	HK$10,000,000 10,000,000港元	**100%**	100%
Beijing Tong Ren Tang Australia Pty. Ltd. 北京同仁堂(澳大利亞)有限公司	Australia, limited liability company 澳大利亞，有限公司	Wholesale and retail of Chinese medicine and healthcare products and provision of Chinese medical consultation and treatments 批發及零售中藥產品與保健品以及提供中醫診療服務 Sydney, Australia 澳大利亞，悉尼	AUD1,000,000 1,000,000澳元	**75%**	75%
Beijing Tong Ren Tang Science Arts (Singapore) Co Pte. Ltd. 北京同仁堂新加坡(科藝)私人有限公司	Singapore, limited liability company 新加坡，有限公司	Wholesale and retail of Chinese medicine and healthcare products and provision of Chinese medical consultation and treatments 批發及零售中藥產品與保健品以及提供中醫診療服務 Singapore 新加坡	SGD857,000 857,000新加坡元	**51%**	51%
Beijing Tong Ren Tang (Toronto) Inc. 北京同仁堂(多倫多)有限公司	Canada, limited liability company 加拿大，有限公司	Retail of Chinese medicine and healthcare products and provision of Chinese medical consultation and treatments 零售中藥產品與保健品以及提供中醫診療服務 Toronto, Canada 加拿大，多倫多	CAD497,300 497,300加拿大元	**51%**	51%
Beijing Tong Ren Tang Canada Co. Ltd. 北京同仁堂(加拿大)有限公司	Canada, limited liability company 加拿大，有限公司	Retail of Chinese medicine and healthcare products and provision of Chinese medical consultation and treatments 零售中藥產品與保健品及提供中醫診療服務 Vancouver, Canada 加拿大，溫哥華	CAD1,000,000 1,000,000加拿大元	**51%**	51%
Beijing Tong Ren Tang Gulf FZ-LLC 北京同仁堂海灣有限公司	United Arab Emirates, limited liability company 阿拉伯聯合酋長國，有限公司	Retail of Chinese medicine and healthcare products and provision of Chinese medical consultation and treatments 零售中藥產品與保健品及提供中醫診療服務 Dubai, United Arab Emirates 阿拉伯聯合酋長國，迪拜	AED1,920,000 1,920,000阿聯酋迪拉姆	**51%**	51%

29 Principal subsidiaries and joint ventures (Continued)

29 主要附屬公司和合營企業(續)

Name 名稱	Place of incorporation and kind of legal entity 註冊成立的地點及法人實體類型	Principal activities and place of operation 主要業務及經營地點	Particulars of issued share capital 已發行股本詳情	Effective equity interest held 所持實際權益 2017	2016
(a) Subsidiaries *(Continued)* 附屬公司*(續)*					
(i) Directly held by the Company *(Continued)* 本公司直接持有*(續)*					
Beijing Tong Ren Tang (Macau) Company Limited 北京同仁堂(澳門)有限公司	Macao, limited liability company 澳門，有限公司	Wholesale and retail of Chinese medicine and healthcare products and provision of Chinese medical consultation and treatments 批發及零售中藥產品與保健品及提供中醫診療服務 Macao, PRC 中國，澳門	MOP1,000,000 1,000,000澳門元	**51%**	51%
Beijing Tong Ren Tang Poland sp.zo.o. 北京同仁堂(波蘭)有限公司	Poland, limited liability company 波蘭，有限公司	Retail of Chinese healthcare products and provision of Chinese healthcare treatments 零售保健品及提供中醫診療服務 Warsaw, Poland 波蘭，華沙	Zloty130,000 130,000茲羅提	**100%**	100%
Beijing Tong Ren Tang (Seoul) Company Limited 北京同仁堂(首爾)株式會社	South Korea, limited liability company 韓國，有限公司	Wholesale of Chinese medicine and healthcare products 批發中藥產品與保健品 Seoul, Korea 韓國，首爾	WON1,052,000,000 1,052,000,000韓元	**51%**	51%
Beijing Tong Ren Tang (Auckland) Company Limited 北京同仁堂(奧克蘭)有限公司	New Zealand, limited liability company 新西蘭，有限公司	Retail of Chinese medicine and healthcare products and provision of Chinese medical consultation and treatments 零售中藥產品與保健品及提供中醫診療服務 Auckland, New Zealand 新西蘭，奧克蘭	NZD2,000,000 2,000,000新西蘭元	**51%**	51%
Beijing Tong Ren Tang Tong Xin Tong Le Company Limited 北京同仁堂同心同樂有限公司	Hong Kong, limited liability company 香港，有限公司	Retail of Chinese medicine and healthcare products and provision of Chinese medical consultation and healthcare treatments 零售中藥產品與保健品及提供中醫診療與中醫養生保健服務 Hong Kong, PRC 中國，香港	HK$10,000 10,000港元	**100%**	100%
Honour Essence Trading Limited 大宏貿易有限公司	Hong Kong, limited liability company 香港，有限公司	Wholesale of Chinese medicine and healthcare products 批發中藥產品與保健品 Hong Kong, PRC 中國，香港	HK$2,000 2,000港元	**51%**	51%
Beijing Tong Ren Tang Vancouver Healthcare Center Co., Ltd 北京同仁堂溫哥華養生中心有限公司	Canada, limited liability company 加拿大，有限公司	Retail of Chinese medicine and healthcare products and provision of Chinese medical consultation and healthcare treatments 零售中藥產品與保健品及提供中醫診療與中醫養生保健服務 Vancouver, Canada 加拿大，溫哥華	CAD750,000 750,000加元	**51%**	51%
Beijing Tong Ren Tang Africa (Pty) Ltd 北京同仁堂非洲有限公司	South Africa, limited liability company 南非，有限公司	Retail of Chinese medicine and healthcare products and provision of Chinese medical consultation and treatments 零售中藥產品與保健品及提供中醫診療服務 Johannesburg, South Africa 南非，約翰內斯堡	ZAR24,000,000 24,000,000南非蘭特	**51%**	–

29 Principal subsidiaries and joint ventures (Continued) 29 主要附屬公司和合營企業(續)

Name 名稱	Place of incorporation and kind of legal entity 註冊成立的地點及法人實體類型	Principal activities and place of operation 主要業務及經營地點	Particulars of issued share capital 已發行股本詳情	Effective equity interest held 所持實際權益 2017	2016
(a) Subsidiaries *(Continued)* 附屬公司*(續)*					
(ii) Indirectly held by the Company 本公司間接持有					
Beijing Tong Ren Tang Melbourne Pty Limited 北京同仁堂(墨爾本)有限公司	Australia, limited liability company 澳大利亞，有限公司	Retail of Chinese medicine and healthcare products and provision of Chinese medical consultation and treatments 零售中藥產品與保健品及提供中醫診療服務 Melbourne, Australia 澳大利亞，墨爾本	AUD100,000 100,000澳元	**38%**	38%
Beijing Tong Ren Tang Pudu Health Centre B.V. 北京同仁堂普度健康中心有限公司	The Netherlands, limited liability company 荷蘭，有限公司	Retail of healthcare products and provision of Chinese medical consultation treatment 零售保健品及提供中醫診療服務 Den Haag, the Netherlands 荷蘭，海牙	Euro650,000 650,000歐元	**45%**	45%
Beijing Tong Ren Tang Czech Republic SE 北京同仁堂(捷克)有限公司	The Czech Republic, limited liability company 捷克，有限公司	Retail of healthcare products and provision of Chinese medical consultation and treatment 零售保健品及提供中醫診療服務 Prague, Czech Republic 捷克，布拉格	CZK3,296,400 3,296,400捷克克朗	**45%**	45%
Beijing Tong Ren Tang Sweden AB 北京同仁堂(瑞典)有限公司	Sweden, limited liability company 瑞典，有限公司	Retail of healthcare products and provision of Chinese medical consultation and treatment 零售保健品及提供中醫診療服務 Stockholm ,Sweden 瑞典，斯德哥爾摩	SEK50,000 50,000瑞典克朗	**45%**	45%
Beijing Tong Ren Tang Swiss SA 北京同仁堂瑞士股份有限公司	Switzerland, limited liability company 瑞士，有限公司	Retail of Chinese medicine and healthcare products and provision of Chinese medical consultation and treatments 零售中藥產品與保健品以及提供中醫診療服務 Geneva, Switzerland 瑞士，日內瓦	CHF500,000 500,000瑞士法郎	**45%**	–
Beijing Tong Ren Tang Ming Qi Group, LLC 北京同仁堂鳴岐有限公司	United States, limited liability company 美國，有限公司	Wholesale and retail of Chinese medicine and healthcare products 批發及零售中藥產品與保健品 New York, United States 美國，紐約	US$200,000 200,000 美元	**60%**	60%
Beijing Tong Ren Tang Concord New York LLC 北京同仁堂協和紐約有限公司	United States, limited liability company 美國，有限公司	Wholesale and retail of Chinese medicine and healthcare products and provision of Chinese medical consultation and treatments 批發及零售中藥產品與保健品以及提供中醫診療服務 New York, United States 美國，紐約	US$800,000 800,000 美元	**51%**	51%

29 Principal subsidiaries and joint ventures (Continued)

29 主要附屬公司和合營企業(續)

Name 名稱	Place of incorporation and kind of legal entity 註冊成立的地點及法人實體類型	Principal activities and place of operation 主要業務及經營地點	Particulars of issued share capital 已發行股本詳情	Effective equity interest held 所持實際權益 2017	2016
(a) Subsidiaries *(Continued)* 附屬公司*(續)*					
(ii) Indirectly held by the Company *(Continued)* 本公司間接持有*(續)*					
Beijing Tong Ren Tang Los Angeles Healthcare Center LLC 北京同仁堂洛杉磯醫療中心有限公司	United States, limited liability company 美國，有限公司	Retail of healthcare products and provision of Chinese medical consultation and treatments 零售保健品及提供中醫診療服務 Los Angeles , United States 美國，洛杉磯	US$600,000 600,000美元	**51%**	51%
Beijing Tong Ren Tang Farlong Healthcare Center LLC 北京同仁堂發龍有限公司	United States, limited liability company 美國，有限公司	Retail of healthcare products and provision of Chinese medical consultation and treatments 零售保健品及提供中醫診療服務 San Francisco, United States 美國，三藩市	US$800,000 800,000美元	**51%**	–
(b) Joint ventures 合營企業					
(i) Directly held by the Company 本公司直接持有					
Peking Tongrentang (M) SDN. BHD 北京同仁堂(馬來西亞)有限公司(2)	Malaysia, limited liability company 馬來西亞，有限公司	Retail of Chinese medicine and healthcare products and provision of Chinese medical consultation and treatments 零售中藥產品與保健品以及提供中醫診療服務 Kuala Lumpur, Malaysia 馬來西亞，吉隆坡	MYR1,900,000 1,900,000馬幣	**60%**	60%
Beijing Tong Ren Tang (Thailand) Co., Ltd. 北京同仁堂(泰國)有限公司(2)	Thailand, limited liability company 泰國，有限公司	Wholesale and retail of Chinese medicine and healthcare products and provision of Chinese medical consultation and treatments 批發及零售中藥產品與保健品以及提供中醫診療服務 Bangkok, Thailand 泰國，曼谷	THB38,000,000 38,000,000泰銖	**49%**	49%
Union Health International Limited 耀康國際有限公司	Hong Kong, limited liability company 香港，有限公司	Retail of Chinese medicine and healthcare products and provision of Chinese medical consultation and treatments 零售中藥產品與保健品以及提供中醫診療服務 Hong Kong, PRC 中國，香港	HK$10,000 10,000港元	**50%**	50%

(1) The English names of the group companies incorporated in the PRC represent the best effort by the management of the Group in translating from their Chinese names as they do not have official English names.

(2) Although the Company owns more or less than 50% of the equity interests in these entities, the directors of the Company consider that these entities are joint ventures of the Company because their strategic operating, investing and financing activities are jointly controlled by the Company and the joint venture partners in accordance with the joint venture agreements rather than under the unilateral control or significant influence of the Company.

(3) The non-controlling interests of all non-wholly owned subsidiaries are individually not material to the Group.

(1) 於中國註冊成立的集團公司無正式英文名稱，其英文名稱是本集團管理層根據中文名稱翻譯而成。

(2) 儘管本公司持有該等實體多於或少於50%股權，惟由於根據合營協議，該等實體的策略經營、投資及融資活動均由本公司及合營夥伴共同控制，而非由本公司單方面控制或發揮重大影響，故本公司董事認為該等實體乃本公司合營企業。

(3) 所有的非全資附屬公司之非控股權益個別而言對集團沒有重大影響。

30 Balance sheet of the Company 30 公司資產負債表

	Note 附註	2017 HK$'000 千港元	2016 HK$'000 千港元
Assets 資產			
Non-current assets 非流動資產			
Leasehold land 租賃土地		**16,008**	16,551
Property, plant and equipment 物業、廠房及設備		**173,215**	177,410
Investment property 投資物業		**12,351**	–
Investments in subsidiaries 於附屬公司之投資		**282,590**	265,531
Investments in joint ventures 於合營企業之投資		**26,942**	26,942
Investments in associates 於聯營公司之投資		**3,930**	3,930
Available-for-sale financial asset 可供出售金融資產		**15,318**	13,313
Deposits paid for purchase of property, plant and equipment 購買物業、廠房及設備的已付按金		**1,988**	1,221
		532,342	504,898
Current assets 流動資產			
Inventories 存貨		**127,164**	120,283
Trade receivables and other current assets 貿易應收款項及其他流動資產		**244,196**	187,600
Short-term bank deposits 短期銀行存款		**1,128,982**	769,528
Cash and cash equivalents 現金及現金等價物		**571,777**	644,713
		2,072,119	1,722,124
Total assets 資產總額		**2,604,461**	2,227,022
Equity and liabilities 權益及負債			
Equity attributable to owners of the Company 本公司擁有人應佔權益			
Share capital 股本		**938,789**	938,789
Reserves 儲備			
– Available-for-sale financial asset reserve 可供出售金融資產儲備		**1,530**	(475)
– Retained earnings 保留收益	31	**1,582,872**	1,220,410
Total equity 權益總額		**2,523,191**	2,158,724
Liabilities 負債			
Non-current liability 非流動負債			
Deferred income tax liabilities 遞延所得稅負債		**3,844**	3,306
Current liabilities 流動負債			
Trade and other payables 貿易及其他應付款項		**47,654**	35,413
Current income tax liabilities 當期所得稅負債		**29,772**	29,579
		77,426	64,992
Total liabilities 負債總額		**81,270**	68,298
Total equity and liabilities 權益及負債總額		**2,604,461**	2,227,022

The balance sheet of the Company was approved by the Board of Directors on 12 March 2018 and was signed on its behalf.

公司的資產負債表於2018年3月12日獲董事會批准，並由以下代表簽署。

Ding Yong Ling
Director

Lin Man
Director

丁永玲
董事

林曼
董事

31 Reserves of the Company 31 公司儲備

	Retained earnings 保留收益	Available-for-sale financial asset reserve 可供出售金融資產儲備
	HK$'000 千港元	HK$'000 千港元
At 1 January 2016 於2016年1月1日	900,472	–
Profit for the year 年度利潤	428,761	–
Dividends relating to 2015 (Note 13) 2015年相關股息(附註13)	(108,823)	–
Change in fair value of available-for-sale financial asset 可供出售金融資產公允價值變動	–	(475)
At 31 December 2016 於2016年12月31日	1,220,410	(475)
At 1 January 2017 於2017年1月1日	**1,220,410**	**(475)**
Profit for the year 年度利潤	**496,398**	**–**
Dividends relating to 2016 (Note 13) 2016年相關股息(附註13)	**(133,936)**	**–**
Change in fair value of available-for-sale financial asset 可供出售金融資產公允價值變動	**–**	**2,005**
At 31 December 2017 於2017年12月31日	**1,582,872**	**1,530**

Information for Investors

Investor Calendar

27 April 2017	2017 first quarterly results announcement
8 August 2017	2017 interim results announcement
27 October 2017	2017 third quarterly results announcement
12 March 2018	2017 annual results announcement
7 May 2018	Annual General Meeting
30 April to 7 May 2018 (Both days inclusive)	Closure of Register of Members (for determination of shareholders who are entitled to attend and vote at annual general meeting)
11 May to 15 May 2018 (Both days inclusive)	Closure of Register of Members (for determination of shareholders who qualify for the final dividend)
15 May 2018	Record Date (for determination of shareholders who qualify for the final dividend)
On or before 31 May 2018	Payment of final dividend

Share Information

Company Name	Beijing Tong Ren Tang Chinese Medicine Company Limited
Listing	GEM of The Stock Exchange of Hong Kong Limited
Stock Code	8138
Listing Date	7 May 2013
Board Lot Size	1,000 shares
Issued Share Capital as at 31 December 2017	837,100,000 shares

Investor Relations Department

Room 1405–1409, Convention Plaza, Office Tower
1 Harbour Road, Wanchai, Hong Kong
Tel: (852) 2881 7989
Fax: (852) 2881 0839
Email: ir@tongrentangcm.com
Website: www.tongrentangcm.com

Shareholders Service and Enquiries

For enquiries about your shareholding including change of name or address, transfer of shares, loss of share certificates or dividend cheques, registrations and requests for annual/interim/quarterly report copies, please contact the Company's share registrar and transfer office:

Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17th Floor, Hopewell Centre
183 Queen's Road East, Wanchai, Hong Kong
Tel: (852) 2862 8555
Fax: (852) 2865 0990/2529 6087
Email: hkinfo@computershare.com.hk
Website: www.computershare.com

投資者資料

投資者日曆

2017年4月27日	2017年第一季度業績公告
2017年8月8日	2017年中期業績公告
2017年10月27日	2017年第三季度業績公告
2018年3月12日	2017年年度業績公告
2018年5月7日	股東週年大會
2018年4月30日至5月7日（包括首尾兩日）	暫停辦理股份過戶登記手續（確定有權出席股東週年大會並於會上投票之股東）
2018年5月11日至5月15日（包括首尾兩日）	暫停辦理股份過戶登記手續（確定合資格收取末期股息的股東）
2018年5月15日	記錄日期（確定合資格收取末期股息的股東）
2018年5月31日或之前	派付末期股息

股份資料

公司名稱	北京同仁堂國藥有限公司
上市	香港聯合交易所有限公司GEM
股份代號	8138
上市日期	2013年5月7日
每手買賣單位	1,000股股份
截至**2017年12月31日**之已發行股本	837,100,000股

投資者關係部

香港灣仔港灣道1號
會展廣場辦公大樓1405–1409室
電話：(852) 2881 7989
傳真：(852) 2881 0839
電郵：ir@tongrentangcm.com
網址：www.tongrentangcm.com

股東服務及查詢

有關　閣下股權（包括姓名或地址變更、股份轉讓、遺失股票或股息支票和登記及索取年度／中期／季度報告）的查詢，請聯繫本公司股份登記及過戶處：

香港中央證券登記有限公司
香港灣仔皇后大道東183號
合和中心17樓1712–1716號舖
電話：(852) 2862 8555
傳真：(852) 2865 0990/2529 6087
電郵：hkinfo@computershare.com.hk
網址：www.computershare.com

Corporate Information

Directors

Non-executive Director
Mei Qun *(Chairman)*

Executive Directors
Ding Yong Ling
Zhang Huan Ping
Lin Man

Independent Non-executive Directors
Tsang Yok Sing, Jasper
Zhao Zhong Zhen
Chan Ngai Chi

Audit Committee

Chan Ngai Chi *(Chairman)*
Tsang Yok Sing, Jasper
Zhao Zhong Zhen

Nomination Committee

Tsang Yok Sing, Jasper *(Chairman)*
Chan Ngai Chi
Ding Yong Ling

Remuneration Committee

Zhao Zhong Zhen *(Chairman)*
Chan Ngai Chi
Ding Yong Ling

Company Secretary

Lin Man

Compliance Officer

Ding Yong Ling

Authorised Representatives

Ding Yong Ling
Lin Man

Stock Code

8138

Hong Kong Share Registrar

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

Company's Website

www.tongrentangcm.com

Registered Address

Room 1405–1409, Office Tower
Convention Plaza, 1 Harbour Road
Wanchai
Hong Kong

Legal Adviser

DLA Piper Hong Kong
17th Floor, Edinburgh Tower
The Landmark, 15 Queen's Road Central
Hong Kong

Auditor

PricewaterhouseCoopers
Certified Public Accountants
22nd Floor, Prince's Building
Central
Hong Kong

公司資料

董事

非執行董事
梅群*(主席)*

執行董事
丁永玲
張煥平
林曼

獨立非執行董事
曾鈺成
趙中振
陳毅馳

審核委員會

陳毅馳*(主席)*
曾鈺成
趙中振

提名委員會

曾鈺成*(主席)*
陳毅馳
丁永玲

薪酬委員會

趙中振*(主席)*
陳毅馳
丁永玲

公司秘書

林曼

監察主任

丁永玲

授權代表

丁永玲
林曼

股份代碼

8138

香港證券登記處

香港中央證券登記有限公司
香港灣仔
皇后大道東183號
合和中心17樓
1712–1716號舖

公司網站

www.tongrentangcm.com

註冊地址

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灣仔
港灣道1號會展廣場
辦公室大樓1405–1409室

法律顧問

歐華律師事務所
香港
皇后大道中15號置地廣場
公爵大廈17樓

核數師

羅兵咸永道會計師事務所
執業會計師
香港
中環
太子大廈22樓

AGM	Annual general meeting of the Company	股東週年大會	本公司股東週年大會
Articles of Association	Articles of Association of the Company	章程	本公司組織章程細則
Audit Committee	An audit committee of the Company, consists of Chan Ngai Chi, Tsang Yok Sing, Jasper and Zhao Zhong Zhen, and is chaired by Chan Ngai Chi	審核委員會	本公司之審核委員會，成員包括陳毅馳、曾鈺成及趙中振，由陳毅馳擔任主席
Beijing Tong Ren Tang Group	Tong Ren Tang Holdings, its subsidiaries, its jointly controlled entities and its associates (including the Group)	北京同仁堂集團	同仁堂集團公司、其附屬公司、其共同控制實體及其聯繫人（包括本集團）
Board	The board of directors of the Company	董事會	本公司之董事會
CG Code	Corporate Governance Code, Appendix 15 of the GEM Listing Rules	管治守則	GEM上市規則附錄15所載之企業管治守則
Code Provision(s)	Code Provisions in the CG Code	守則條文	管治守則中之守則條文
Company	Beijing Tong Ren Tang Chinese Medicine Company Limited, a limited company incorporated in Hong Kong, the securities of which are listed on the GEM board of the Exchange	本公司	北京同仁堂國藥有限公司，一家於香港註冊成立之有限公司，其證券於聯交所GEM上市
Company Secretary	Company Secretary of the Company	公司秘書	本公司之公司秘書
Competition Executive Committee	A competition executive committee of the Company, consists of Zhang Huan Ping and Lin Man	競爭執行委員會	本公司之競爭執行委員會，成員包括張煥平及林曼
Competition Supervisory Committee	A competition supervisory committee of the Company, consists of Tsang Yok Sing, Jasper, Zhao Zhong Zhen and Chan Ngai Chi, and is chaired by Tsang Yok Sing, Jasper	競爭監察委員會	本公司之競爭監察委員會，成員包括曾鈺成、趙中振及陳毅馳，由曾鈺成擔任主席
Controlling Shareholders	Tong Ren Tang Ltd., Tong Ren Tang Technologies and Tong Ren Tang Holdings	控股股東	同仁堂股份、同仁堂科技及同仁堂集團公司
Director(s)	Director(s) of the Company, including all executive directors, non-executive director and independent non-executive directors	董事	本公司之董事，包括所有執行董事、非執行董事及獨立非執行董事
EGM(s)	Extraordinary general meeting(s) of the Company	股東特別大會	本公司股東特別大會
ESG	Environmental, Social and Governance	環境、社會及管治	環境、社會及管治
ESG Report	Environmental, Social and Governance Report	環境、社會及管治報告	環境、社會及管治報告
Exchange	The Stock Exchange of Hong Kong Limited	聯交所	香港聯合交易所有限公司
GEM	GEM operated by the Exchange	GEM	由聯交所營運的GEM
GEM Listing Rules	Rules Governing the Listing of Securities on the GEM	GEM上市規則	GEM證券上市規則
GLSPC	Sporoderm-broken Ganoderma Lucidum Spores Powder Capsules manufactured by the Company	破壁靈芝孢子粉膠囊	本公司所製造的破壁靈芝孢子粉膠囊
Group, we or us	The Company and its subsidiaries	本集團或我們	本公司及其附屬公司
Hong Kong or HKSAR	The Hong Kong Special Administrative Region of the PRC	香港	中國香港特別行政區
HK$	Hong Kong dollar(s), the lawful currency of Hong Kong	港元	香港法定貨幣港元
INED(s)	Independent Non-executive Director(s) of the Company	獨立非執行董事	本公司獨立非執行董事
Listing	The Company was listed on GEM of the Exchange on 7 May 2013	上市	本公司於2013年5月7日於聯交所GEM上市

Macao	The Macao Special Administrative Region of the PRC	澳門	中國澳門特別行政區
Nomination Committee	A nomination committee of the Company, consists of Tsang Yok Sing, Jasper, Chan Ngai Chi and Ding Yong Ling, and is chaired by Tsang Yok Sing, Jasper	提名委員會	本公司之提名委員會，成員包括曾鈺成、陳毅馳及丁永玲，由曾鈺成擔任主席
Non-PRC market	Markets outside of the PRC	非中國市場	中國以外的市場
Owned Product(s)	The product(s) manufactured by the Group	自有產品	本集團製造的產品
Parent Group	Tong Ren Tang Holdings, its subsidiaries, its jointly controlled entities and its associates (other than the Group)	母集團	同仁堂集團公司、其附屬公司、其共同控制實體、及其聯繫人（本集團除外）
PRC	The People's Republic of China and for the purpose of this annual report, excluding Hong Kong, Macao and Taiwan	中國	中華人民共和國，就本年報而言，不包括香港、澳門及台灣
Prospectus	Prospectus of the Company dated 25 April 2013	招股書	本公司之招股書，日期為2013年4月25日
Remuneration Committee	A remuneration committee of the Company, consists of Zhao Zhong Zhen, Chan Ngai Chi and Ding Yong Ling, and is chaired by Zhao Zhong Zhen	薪酬委員會	本公司之薪酬委員會，成員包括趙中振、陳毅馳及丁永玲，由趙中振擔任主席
SFO	Securities and Futures Ordinance, Chapter 571	證券及期貨條例	證券及期貨條例（第571章）
Share(s)	Share(s) of the Company	股份	本公司之股份
Shareholder(s)	Shareholder(s) of the Company	股東	本公司之股東
Tai Po Production Base	The research and development and production base of the Company located at Tai Po Industrial Estate, Hong Kong	大埔生產基地	本公司位於香港大埔工業村的生產研發基地
TCM	Traditional Chinese medicine	中醫藥	中國傳統中醫藥
Tong Ren Tang	Beijing Tong Ren Tang	同仁堂	北京同仁堂
Tong Ren Tang Holdings or TRT Holdings	China Beijing Tong Ren Tang Group Co., Ltd., a state-owned enterprise established in the PRC on 17 August 1992 and is the ultimate controlling shareholder of the Company	同仁堂集團公司	中國北京同仁堂（集團）有限責任公司，於1992年8月17日在中國成立的國有企業，為本公司的最終控股股東
TRT International Natural-Pharm	Beijing Tong Ren Tang International Natural-Pharm Co., Ltd., a wholly-owned subsidiary of the Company	同仁堂國際藥業	北京同仁堂國際藥業有限公司，為本公司全資附屬公司
Tong Ren Tang Ltd. or TRT Ltd.	Beijing Tong Ren Tang Company Limited, a joint stock limited company established in the PRC on 18 June 1997, the shares of which have been listed on the Shanghai Stock Exchange since 1997, and is the intermediate holding company of the Company	同仁堂股份	北京同仁堂股份有限公司，於1997年6月18日在中國成立的股份有限公司，其股份自1997年起於上海證券交易所上市，為本公司的中間控股公司
Tong Ren Tang Technologies or TRT Technologies	Tong Ren Tang Technologies Co. Ltd., a joint stock limited company established in the PRC on 22 March 2000, the H shares of which have been listed on GEM since 2000 and have been transferred to the Main Board since July 2010, and is the immediate holding company of the Company	同仁堂科技	北京同仁堂科技發展股份有限公司，於2000年3月22日在中國成立的股份有限公司，其H股自2000年起在GEM上市，並於2010年7月轉往主板，為本公司的直接控股公司
UAE	The United Arab Emirates	阿聯酋	阿拉伯聯合酋長國
UK	The United Kingdom	英國	英國
US or United States	The United States of America	美國	美國
Year	Fiscal year from 1 January 2017 to 31 December 2017	本年	由2017年1月1日至2017年12月31日之年度

Where the English and the Chinese texts conflict, the English text prevails.
中英文版本內容如有歧異，概以英文版本作準。

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