



CHINA HEALTH GROUP INC. 中國醫療集團有限公司

(Carrying on business in Hong Kong as “萬全醫療集團”)
(以「萬全醫療集團」名稱在香港經營業務)
(Formerly known as “Venturepharm Laboratories Limited”)
(前稱「萬全科技藥業有限公司」)
(Incorporated in the Cayman Islands with limited liability)
(于開曼群島注册成立之有限公司)
(Stock Code: 8225) (股份代號: 8225)

Annual Report 2016 年報



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由於在創業板上市公司之新興性質所然,在創業板買賣之證券可能會較於聯交所主機板買賣之證券承受較大之市場波動風險,同時無法保證在創業板買賣之證券會有高流通量之市場.

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本報告乃遵照聯交所創業板證券上市規則（「創業板上市規則」）之規定而提供有關中國醫療集團有限公司（「本公司」）及其附屬公司（統稱「本集團」）之資料.中國醫療集團有限公司各董事（「董事」）對此共同及個別地承擔全部責任.董事在作出一切合理查詢後確認,就彼等所知及深信: (1) 本報告所載資料在各重大方面均為準確及完整,且並無誤導成份; (2) 本報告並無遺漏其他事項致使本報告所載任何內容有所誤導; 及(3) 所有在本報告內表達之意見乃經過審慎周詳考慮後始行作出,並以公平合理之基準及假設為依據.

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BOARD OF DIRECTORS

EXECUTIVE DIRECTORS:

Mr. William Xia GUO
Dr. Maria Xue Mei SONG

NON-EXECUTIVE DIRECTORS:

Mr. Michael SU (appointed on the 18 May 2016)
Dr. Nathan Xin ZHANG (Resigned on 18 May 2016)

INDEPENDENT NON-EXECUTIVE DIRECTORS:

Dr. Shou Yuan WU
Mr. Mark Gavin Lotter
Dr. Bin Hui NI

AUDIT COMMITTEE MEMBERS

Dr. Shou Yuan WU
Mr. Mark Gavin Lotter
Dr. Bin Hui NI

REMUNERATION COMMITTEE

Mr. Mark Gavin Lotter
Mr. William Xia GUO
Dr. Shou Yuan WU
Dr. Bin Hui NI

NOMINATION COMMITTEE

Dr. Bin Hui NI
Mr. William Xia GUO
Dr. Shou Yuan WU
Mr. Mark Gavin Lotter

COMPLIANCE OFFICER

Dr. Maria Xue Mei SONG

AUTHORISED REPRESENTATIVES

Mr. William Xia GUO
Mr. Leung Kwok Fai Ben Rich

COMPANY SECRETARY

Mr. Leung Kwok Fai Ben Rich

董事會

執行董事:

William Xia Guo 先生
宋雪梅博士

非執行董事:

蘇毅先生(於2016年5月18日委任)
張欣博士(於2016年5月18日辭職)

獨立非執行董事:

吳壽元博士
Mark Gavin Lotter先生
倪彬暉博士

審核委員會

吳壽元博士
Mark Gavin Lotter先生
倪彬暉博士

薪酬委員會

Mark Gavin Lotter先生
William Xia Guo先生
吳壽元博士
倪彬暉博士

提名委員會

倪彬暉博士
William Xia Guo先生
吳壽元博士
Mark Gavin Lotter先生

監察主任

宋雪梅博士

授權代表

William Xia Guo先生
梁國輝先生

公司秘書

梁國輝先生

REGISTERED OFFICE

Scotia Centre
4th Floor, P.O. Box 2804
George Town, Grand Cayman
Cayman Islands

HEAD OFFICE IN CHINA

Haitong Commercial Center
No.11, North West 3rd Ring Road,
Haidian District,
Beijing, China, 100089

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit B, 19/F, Times Media Centre,
133 Wanchai Road, Wanchai,
Hong Kong

PRINCIPAL BANKERS

Deutsche Bank
Agricultural Bank of China, Beijing Branch

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Royal Bank of Canada Trust Company (Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road, George Town
Grand Cayman KY1-1110
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

AUDITORS

KLC Kennic Lui & Co. Ltd.

GEM STOCK CODE

8225

COMPANY WEBSITE

<http://www.chgi.net>

註冊辦事處

Scotia Centre
4th Floor, P.O. Box 2804
George Town, Grand Cayman
Cayman Islands

中國總辦事處

北京
海澱區西三環北路11號
海通商務中心
郵編: 100089

香港主要營業地點

香港
灣仔灣仔道133號
星航資訊中心19樓B座

主要往來銀行

德意志銀行
中國農業銀行, 北京分行

股份過戶登記總處

Royal Bank of Canada Trust Company (Cayman) Limited
4th Floor, Royal Bank House
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Grand Cayman KY1-1110
Cayman Islands

香港股份過戶登記分處

卓佳標準有限公司
香港皇后大道東 183 號
合和中心 22 樓

核數師

呂禮恒會計師事務所有限公司

創業板股份代號

8225

公司網址

<http://www.chgi.net>

DEAR SHAREHOLDERS:

The Group now stands at the forefront of the most exciting and dynamic shift in the history of health industry. With the help of challenge and opportunity provided by Chinese clinic revolution, the Group is focusing on building itself into a group corporation providing comprehensive terminal medical service under international architecture, from hospital clinical research and product promotion service, hospital management service, mobile telemedicine service, special expertise therapy service to rehabilitation and medical tours service.

With the changing landscape of commercial way of pharma power house in China, the Group commits to replace traditional Contract Service Organisation (“CSO”) sales model in China to Contract Research Organisation (“CRO”) and CSO combination model. The Group combines strategic thinking with the ability to capture and analyze complex clinical data to effectively demonstrate real-world outcomes. Our reach extends to field based teams who connect with payers on a local level to help communicate the product value story. The Group offers Medical science liaisons, medical marketing programs bridge the gap between the clinical and commercial phases of product development, providing expertise across a broad range of pre- and post-launch opportunities.

All of CRO-registered clinical trial and PMS or outcome research help to create the “actives” with KOLs and all key hospitals and build up Site Management Organisation (“SMO”) in all key hospital. We will leverage all of the research “actives”+“SMO” into commercial medical marketing. All those will replace traditions sales in China and meet all those compliance challenges in China .

WE ARE BUILDING THE FOLLOWING:

With regarding of Hospital management service: Our Group has tried to operate mobile Internet health care and drug delivery service like ‘Chinese best doctor’, ‘My doctor 999’, and currently is preparing for providing satellite mobile medical service.

With Special mental illness therapy service: We have already begun to build Centure Nervous System (“CNS”) doctors groups and expect our CNS BOAO 喜恩博奧 hospital project is also in progress as well.

With respect to financial operating area, the Group has already been on the healthy track of profit -making.

In a word, our Group has completed transition from the type of pharmaceutical technology to new health care model under the new creative internet architecture. We will grasp the opportunity of the Chinese health care reform and take advantage of a dozen years’ experience to create physical and spiritual welfare for the patients, staff and shareholders.

By order of the Board

William Xia Guo
Chairman

尊敬的股東:

本集團現在正處於健康產業歷史上最激動人心，創新劇變的前沿，在中國醫療改革帶來的挑戰和機遇的推動下，在國際化的架構下，本集團正聚焦將自身建設成為提供全方位的終端醫學服務的綜合供應商，從醫院的臨床研究到產品的推廣服務，到醫院管理服務，遠端醫療，特殊專家治療服務，康復和醫療旅遊服務等。

隨著醫藥行業商業模式的不斷改變，本集團用Contract Service Organisation (“CSO”) 和 Contract Research Organisation (“CRO”) 相結合的模式替代了傳統的CSO行銷模式。本集團把戰略性的思考和獲取分析複雜的臨床資料的能力相結合，從而能高效的揭示真實世界的結果。本集團的服務以治療領域為基礎，將服務內容的購買人與產品價值故事緊密聯繫起來。本集團負責提供醫學聯絡官，醫學市場專案服務，從而架起了在產品開發中臨床與行銷之間的橋樑，在從上市前到上市後的整個過程中，提供綜合的解決方案。

所有的註冊臨床試驗和上市後臨床試驗或結果檢驗試驗都是由意見領袖們 (“KOLs”) 和大型醫院的一系列活動構成，在這些活動中，同時就建立了現場管理組織 (“SMO”) 。本集團會研發中的“活動”和SMO整合起來，應用於商業化的醫療市場，以這種方式替代了傳統銷售，而且也只有這種方式才符合規性的要求。

我們正在構建:

醫院管理服務，集團已經在開始提供移動的健康管理和藥品配送服務，比如“中國好醫生”，“我的醫生999”，並且正在準備提供衛星移動醫療服務。

關於特殊精神疾病治療服務：我們已經開始建立Centure Nervous System (“CNS”) 醫隊，喜恩博奧醫院項目也正在进行中。

財務方面，公司已經步入盈利的健康軌道中。

總之，本集團已經徹底完成了由製藥研發模式到互聯網架構下的全新的醫療康復服務模式的轉型，本集團會抓住中國醫療改革的機遇，運用近二十年的經驗，為我們的患者，員工以及股東們創造物質和精神的財富。

受董事會委派

William Xia Guo
主席
二零一七年三月二十四日

		Year ended 31 December	
		截至十二月三十一日止年度	
		2016	2015
		二零一六年	二零一五年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Results	業績		
Revenue	收益	20,241	20,497
Profit/(Loss) for the year	年內溢利 (虧損)	2,127	(3,487)
Assets and Liabilities	資產及負債		
Total Assets	總資產	12,845	18,951
Total Liabilities	總負債	38,011	58,619
Deficit of Shareholders' funds	資本虧絀	(25,166)	(39,668)

1. The Group recorded consolidated turnover of RMB20,241,000 for the year ended 31 December 2016 ("this Year"), which represents approximately 1.25% decrease from RMB20,497,000 in year 2015.
 2. The Group recorded profit before taxation of RMB2,085,000 this Year, as compared with loss before taxation of RMB3,376,000 in year 2015.
 3. The Group recorded operating profit of RMB2,885,000 this Year, before deducting financial expense of RMB800,000, as compared with operating profit of RMB172,000, (before deducting financial expenses of RMB817,000 on loss on revaluation of derivative financial liabilities of RMB2,731,000). Operating profit increased by 1577%.
 4. Basic earnings per share is 0.23 cents in 2016, while basic loss per share was 0.37 cents in 2015.
1. 截至二零一六年十二月三十一日止年度(“本年度”)本集團錄得營業收入約為人民幣20,241,000元,較二零一五同期之營業收入約為人民幣20,497,000元下降約1.25%。
 2. 本年度本集團錄得除稅前利潤約為人民幣2,085,000元,而二零一五同期除稅前虧損約為人民幣3,376,000元。
 3. 本年度扣除財務費用約人民幣800,000元,本集團實際錄得經營利潤約為人民幣2,885,000元,而二零一五同期經營利潤約為人民幣172,000元(扣除財務費用人民幣817,000元和衍生金融負債重估虧損人民幣2,731,000元之前),同比上升1577%。
 4. 2016年度每股盈利為0.23仙,與2015年每股虧損為0.37仙。

RESULTS

The Group recorded profit before taxation of RMB2,085,000 this Year, as compared with loss before taxation of RMB3,376,000 in the corresponding period last year. Profit this year was primarily attributed to no fair value loss on revaluation of derivative financial liabilities arising from the unlisted convertible notes issued on 24 December 2014. While loss in last year was primarily attributed to the fair value loss of RMB2,731,000 on convertible notes. After deducting the factor from the fair value loss of Convertible Notes, the Group still recorded loss of RMB 645,000 from operations in the corresponding period last year.

The Group recorded operating profit of RMB2,085,000 for this Year, without considering the financial expense of RMB800,000, as compared with operating profit of RMB172,000 in year 2015. The Group recorded cash outflow from operation activities of RMB6,893,000 for this Year, as compared with net cash generated from operation activities of RMB 3,390, 000 in year 2015.

The Group recorded revenue of RMB20,241,000 for this Year, which represents approximately 1.25% drop from RMB20,497,000 in the corresponding period last year. The 2016 consolidated turnover included approximately RMB 12,279,000 derived from the contracted clinical research services (VPS), amounted to 60.66% of the total revenue; approximately RMB5,473,000 from the post marketing research and academic promotion services, amounted to 27.04% of the total revenue and approximately RMB2,489,000 from other medical services, amounted to 12.3% of the total revenue. The almost same in revenue for two years was mainly due to (a) the terminal of clinical medicine of research-type extension based on the clinical research i.e. the post marketing research and academic promotion services, which is one of the four growth-driving platforms was widely recognized by the markets. The revenue in post marketing research and academic promotion services increased by RMB52,000 this Year. (b) The Group recorded an increase revenue in clinical research services (VPS) of approximately RMB4,000 for this Year. (c) Revenue in other medical services decreased by RMB313,000 to RMB2,489,000 compared to that in 2015.

Total consolidated general and administrative expenses were approximately RMB14,219,000 representing an increase of approximately RMB164,000 compared with approximately RMB14,055,000 of the corresponding period last year. The increase was primarily due to the employees' wages rising and decrease in provision of litigation claims .

財務回顧

本年度本集團錄得除稅前利潤約人民幣2,085,000元，而去年同期除稅前虧損約人民幣3,376,000元。本年度本集團盈利主要乃由於2014年發行之非上市可換股債券因全部轉換成股票，沒有因之估值產生的衍生金融負債之公允值虧損，而於去年同期虧損主要由於可換股債券之估值產生的衍生金融負債之公允值虧損約人民幣2,731,000元，扣除此項虧損本集團去年運營仍錄得除稅前虧損約人民幣645,000元。

扣除財務費用約人民幣800,000元，本年度集團實際錄得經營利潤約為人民幣2,885,000元，而去年同期為經營利潤約人民幣172,000元。截至二零一六年十二月三十一日止年度，本集團錄得經營性現金淨流出約人民幣6,893,000元，而二零一五年同期經營性現金淨流入約人民幣3,390,000元。

本年度本集團營業收入約人民幣20,241,000元，較去年同期之營業收入約人民幣20,497,000元下降約1.25%。其中合約臨床研究服務約人民幣12,279,000元，占總收入之比例為60.66%；上市後臨床研究及學術推廣服務約人民幣5,473,000元，占總收入之比例為27.04%；其他醫藥服務收入人民幣2,489,000元，占總收入之比例為12.30%。其收入與去年基本一樣。(a) 本集團積極打造的四大成長驅動平臺之一：臨床科研為依託的終端驗床醫學研究式推廣即上市後臨床研究及學術推廣服務得到市場的廣泛認可。並於本年度產生服務收入約人民幣52,000元的增長；(b) 本年度本集團傳統業務VPS業務也錄得約人民幣4,000元的增長 (c) 其他醫藥服務收入比去年減少人民幣313, 000元。

本年度本集團之管理及行政費用為約人民幣14,219,000元，較去年同期約人民幣14,055,000元增加約人民幣164,000元，主要為本集團之人工成本增加及法律訴訟賠償減少所致。

CONVERTIBLE NOTES

On 24 December 2014, the Company issued unlisted convertible notes with a face value of US\$1,000,000 and a maturity date of 24 December 2016. The notes are unsecured, bear no interest and have a term of 2 years. The noteholder has right to convert the notes into ordinary shares at any time up to maturity at a conversion price of HK\$0.1.

On 31 December 2016, Winsland Agents Limited exercised its rights to convert all the Convertible Notes into 77,500,000 of the Company's ordinary shares, representing approximately 8.47% of the issued share capital of the Company immediately before the Conversion and approximately 7.81% of the issued share capital of the Company immediately after the Conversion.

Share capital increased by RMB6,974,000 and capital reserve increased by RMB3,977,000 after the conversion, and convertible notes were removed from current liability for this Year while the fair values of convertible notes in debt and derivative financial instrument part are listed as current liability RMB5,779,000 and RMB4,447,000 respectively in 2015.

As at 31 December 2016, the loss on revaluation of financial derivative liability in the consolidated statement of profit or loss and other comprehensive income for this year is nil. (2015: RMB2,731,000).

LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO

As at 31 December 2016, the Group's current liabilities exceeded its current assets and its total liabilities exceeded its total assets by approximately RMB28,937,000 (2015: net current liabilities of approximately RMB44,471,000) and approximately RMB25,166,000 (2015: net liabilities of approximately RMB39,668,000) respectively.

As at 31 December 2016, the gearing ratio (calculated on the basis of total bank borrowing divided by total assets at the end of the year) of the Group was 0.12 (2015: 0.08). The increase was due to the decrease of total assets this Year.

Meanwhile, considering the working capital and long term fund demand for future development, the Group will consider to raise further funds through bank loans, issuance of new shares, convertible notes, and issuance of new debts, etc.

可換股票據

於2014年12月24日，本公司發行本金額1,000,000美元之非上市可換股債券。可換股債券為無抵押、免息及年期為兩年。持有人可選擇於到期時或之前以兌換價每股0.10港元將可換股債券兌換為本公司普通股。

於二零一六年十二月三十一日，Winsland Agents Limited將全部可轉換債券轉換成77,500,000股本公司的普通股。此次轉換的股本約占本公司現有發行股本的8.47%，或約占本可轉換債券轉換成股本後的總股本的7.81%。

在可轉換債券轉換成普通股後，可轉換債券從流動負債分別轉入到股本人民幣6,974,000元和資本儲備人民幣3,977,000元。而二零一五年可換股債券的公允價值的債務部分和衍生金融工具部分金額在流動負債項目分別為人民幣5,779,000元和人民幣4,447,000元。

截至二零一六年十二月三十一日止年度綜合損益及其他全面收益表中「衍生金融負債虧損」項目為零（二零一五年：約為人民幣2,731,000元）。

流動資金、財務資源及負債比率

於二零一六年十二月三十一日，本集團流動負債超過其流動資產約人民幣28,937,000元（2015年：淨流動負債為人民幣44,471,000元）；總負債超過總資產人民幣25,166,000元（2015年：淨負債為人民幣約39,668,000元）。

於二零一六年十二月三十一日，本集團杠杆比率（按集團的總銀行借款除以本集團年末的總資產計算）為0.12（2015: 0.08）。其增加是由於本年度資產的減少造成。

同時，考慮到未來業務發展之需要，本集團未來可能從發行新股、發行新債、債轉股等多方面籌集資金，進一步增強資金儲備。

CAPITAL COMMITMENTS

As at 31 December 2016, the Group did not have any significant capital commitments.

FOREIGN EXCHANGE EXPOSURE

During the year, the Group's transactions were substantially denominated in Renminbi ("RMB"). As such, the foreign currency risk facing the Group is limited. Currently, the Group has not adopted any financial instrument for hedging purposes.

BUSINESS REVIEW

Aiming at long-term development, the Group keeps pursuing its business strategy of transforming from a leading technology transfer supplier to a health care service group under the internet architecture.

The Group has managed to establish a new drug technology development and value-added services business model for whole value chains such as preclinical studies, Contracted Clinical Research Services (VPS), regulatory affair (RA) services and post marketing research and academic promotion services (PMS), and devoted to build four growth-driving platforms, such as the medical management platform under the internet architecture, the terminal of clinical medicine of research-type extension based on the clinical research, rehabilitation therapy industry platforms and special features of hospital industry platforms.

The Group continued its investment in the enhancement of marketing capability and the expansion of market network, and introduced a new drug technology development and value-added services business model for whole value chains in the domestic market under the brand of Venturepharm, while striving to establish and expand overseas markets under the brand of VPS-CRO. During this Year, the Group not only focused on business expansion, but also paid more attention to the enhancement of brand value and the improvement of professional capability, aiming at becoming a comprehensive and reliable technology and service provider with the most prestigious brand and leading technologies.

POST MARKETING RESEARCH AND ACADEMIC PROMOTION SERVICES (PMS)

This Year is a milestone year for company strategic transition. The Group made best use of its VPSCRO's 15 years of efforts and strong relationship with leaders and experts through 400 clinical bases for the marketing and clinical research of new drugs to list and clinical research, brought revenue of RMB 5,473,000 for the second time.

資本承擔

於二零一六年十二月三十一日，本集團並無任何重大資本承擔。

外匯風險

於回顧期內，本集團之交易絕大部分以人民幣計值。因此，本集團面臨的匯率風險不大。目前本集團並無採用任何金融工具作對沖用途。

業務回顧

本集團基於長期發展考慮，繼續推進從領先的技術轉讓供應商轉變為一家互聯網架構下的醫療服務集團。

本集團已經建立了臨床前研究、合約臨床研究服務、藥政服務、上市後臨床研究及學術推廣服務等全價值鏈的新藥技術開發與增值服務業務模式，並致力打造四大成長驅動平臺：互聯網架構下的醫院管理平臺、臨床科研為依託的終端臨床醫學研究式推廣、康復醫療產業平臺與專科特色醫院產業平臺。

本集團不斷在增強市場推廣能力及拓展市場網路方面做出投資，以萬全品牌在本土市場推出全價值鏈的新藥技術開發與增值服務業務模式。同時以VPS-CRO品牌全力構建和拓展海外服務市場。於回顧期內，本集團非僅僅注重業務數量增長，同時更注重積累服務的品牌價值以及專業能力提升，力求發展成為品牌最優、品質可靠、技術領先的全面的技術和服務供應商。

上市後臨床研究及學術推廣服務 (PMS)

2016年是公司戰略轉型里程碑的一年。本集團利用下屬的VPSCRO的15年耕耘及與400家臨床基地建立的牢固領袖專家關係，為新藥品上市和臨床提供大量上市後研究及學術推廣服務，此服務得到市場廣泛認可，並於本年度再次為本集團帶來約人民幣5,473,000元的收入。

CONTRACTED CLINICAL RESEARCH SERVICE (VPS)

Taken clinical study as the prime focus, the Group has established the most integrated service in the country, which provides a series of services ranging from phase I clinical and bioequivalence studies, phase II-III clinical studies, and phase IV post-marketing clinical study, to data management and medical statistics, and medical administration related service. Meanwhile, the Group makes a great efforts to improve the professional capability involving the above mentioned services and has preliminarily established 13 professional research institutions including Venturepharm-CBI phase I clinical research center, VPS-mart phase IV clinical research and academic promotion center, SAS-Venturepharm data management and medical statistics center, VP-Porsche RA service center, OHH-VP Pacific-Asia clinical research institution for oncology, TangXi-VP Pacific-Asia clinical research institution for Diabetes, CNSVP Psychoneurologic and pain management Pacific-Asia clinical research institution, CV-VP Cardiovascular Pacific-Asia clinical research center, AIDS and hepatitis Pacific-Asia clinical research institution, DermNova Pacific-Asia clinical research institution for dermatosis and gynecologic disease and TCM-VP clinical research center for natural drug and traditional Chinese medicine, etc.

In the meantime, the Group has built a nation-wide network with bases in Beijing, Shanghai and Guangzhou and offices in over 30 provincial capital cities for clinical monitoring and academic promotion, covering over 80% hospitals which have been authorized to conduct clinical research. The Group has the capacity of operating more than 60 phase I and BE projects each year and conducting 50 phase II-III clinical projects simultaneously. Meanwhile, the Group is able to carry out 4 phase IV clinical trials with large sample size (2,000 subjects) at the same period.

PROSPECTS

The Group will continuously push forward the strategic transition from a leading technology transference supplier to a health care service group under the internet architecture. The Group will also continuously strengthen the terminal of clinical medicine of research-type extension based on the clinical research, at the same time push forward the construction of medical management platform under the internet architecture, rehabilitation therapy industry platforms, and special features of hospital industry platform with steady steps.

The Board will also review and assess of potential project or investment according to reliable principles, in order to improve the group business performance and return to shareholders.

合約臨床研究服務(VPS)

本集團已經建立起國內最完整的以臨床研究為主體內容的服務業務，包括I期臨床及生物等效性研究，II-III期臨床研究，IV期暨上市後臨床研究，資料管理及醫學統計，藥政事務服務等一系列服務；同時着力打造以上業務所涉及的專業能力，初步建立起萬全CBI一期臨床研究中心、萬全瑪特(VPSmart)四期臨床研究及學術推廣中心、SAS-萬全資料管理及醫學統計中心、保時萬全(VP-Porsche RA)藥政事務中心、安克萬全(OHH-VP)癌症亞太臨床研究院、唐喜萬全亞太臨床研究院、喜恩萬全(CNSVP)精神神經亞太臨床研究院、喜恩萬全疼痛醫學(CNSVP-Pain management)研究院、怡妙萬全(Vacc-VP)亞太臨床研究院、卡地萬全心血管(CV-VP)亞太臨床研究中心、甘艾(滋病及肝炎)亞太臨床研究院、德美萬全(DermNova)皮膚及婦科亞太臨床研究院、萬全堂(TCM-VP)天然藥與中藥臨床研究中心等13個專業研究機構。

同時，集團在全國建立了以北京、上海、廣州為基地，附帶30多個省會城市辦事處的全國性臨床監察和學術推廣網路；覆蓋到80%以上可以有資格進行臨床研究的醫院，目前每年可以達到I期及生物等效項目60個以上的操作能力，II-III期專案可以同時開展50個；大樣本量(2000例)的IV期臨床可以同時開展4個。

展望

本集團將繼續推進從領先的技術轉讓供應商轉變為一家互聯網架構下的醫療服務集團的戰略轉型。本集團將繼續強化臨床科研為依託的終端臨床醫學研究式推廣，同時穩步推進互聯網架構下的醫院管理平臺、康復醫療產業平臺與專科特色醫院產業平臺的建設。

董事會也將按穩建的原則審核評估可能進行的項目或投資，務求提升本集團業務表現及本公司股東回報。

SIGNIFICANT INVESTMENT

During this Year, there was no significant investment.

HUMAN RESOURCES

The Group's remuneration policy is basically determined by the performance of individual employees. In addition to salaries and bonuses. The Group also provided various other benefits to its employees. Employee benefits included medical and pension contributions and share options schemes.

The Group monitored closely the remuneration and fringe benefits of the employees and rewarded employees in accordance with the Group's business performance. In addition, training and development opportunities for the employees were also provided by the Group.

DIVIDEND

The Directors do not recommend the payment of any dividend for the year ended 31 December 2016 (2015: Nil).

REVIEW OF FINANCIAL STATEMENTS

The Company has established an audit committee (the "Audit Committee") with written terms of reference in compliance with the GEM Listing Rules 5.28 to 5.33. The primary duties of the audit committee are (a) to review the Group's annual reports, interim reports and quarterly reports (b) to discuss and review with the auditor of the Company on the scope and findings of the audit; and (c) to supervise the financial reporting process, risk management and internal control systems of the Group, and provide advice and comments to the Board.

The audit committee has three members comprising the three Independent Non-executive Directors, Dr. Shou Yuan Wu, Mr. Mark Gavin Lotter and Dr. Binhui NI. The chairman of the audit committee is Dr. Shou Yuan WU who possesses extensive experience in finance and accounting.

The audit committee has reviewed and approved the consolidated financial statements for this Year, including the accounting principles and new and revised accounting standards adopted by the Group, and discussed matters relating to auditing, internal controls and financial reporting.

重大投資

於本年度內，本集團並無重大投資。

人力資源

本集團僱員之薪酬及獎金政策基本上按僱員之個人表現厘定。本集團為僱員提供多種福利包括醫療及退休供款，以及購股權計畫。

本集團密切關注僱員的薪酬與福利水準，並根據本集團之經營業績獎勵僱員。此外，本集團亦為僱員提供培訓及發展機會。

股息

董事不建議就截至二零一六年十二月三十一日止年度派發任何股息（二零一五年：無）。

財務報表之審閱

本公司已成立審核委員會，並遵照創業板上市規則第5.28至5.33條書面訂明其職權範圍。審核委員會之主要職責為 (a) 審閱本集團之年度、半年及季度報告 (b) 與本公司核數師商討及檢討核數之範疇及結果；及 (c) 監督本集團之財務申報程式、風險管理及內部監控系統，並向董事會提供意見及建議。

審核委員會現由三名獨立非執行董事吳壽元博士、Mark Gavin Lotter 先生和倪彬暉博士組成。吳壽元博士為審核委員會主席，其擁有豐富的財務及會計經驗。

審核委員會已審閱和批准本集團本年度之綜合財務報表，包括本公司所採納的新訂及經修訂準則，並已討論有關審計、內部監控及財務彙報事宜。

EXECUTIVE DIRECTORS

Mr. William Xia GUO, aged 52, is the Chairman, executive Director of the Group. Mr. Guo is responsible for strategic planning and development, overall management of the Group. Mr. Guo obtained with a Master degree in science from University of Toronto in March 1997. Mr. Guo has also completed various approved courses for the degree of Master of Business Administration in Heriot-Watt University and the Judge institute EMBA in University of Cambridge. Before establishing the Group in December 1998, Mr. Guo had worked for two pharmaceutical companies in Canada, namely Ortho-McNeil Inc. under Johnson & Johnson and Novopharm Limited under Teva Pharmaceutical Industries Ltd as research scientist and process development manager, respectively.

Mr. Guo used to be the director and CEO of Common Wealth Technology Inc listed on NSDAQ and vice president of All-China Federation of Industry and Commerce Medical Pharmaceutical Chamber, he also got National model worker title and The National May 1 Labour Medal, and was prized as '2005 Excellent creative enterpriser' in 2005 by BCCC(got the scholarship for EMBA study in University of Cambridge)

Dr. Maria Xue Mei SONG, aged 49, is an executive Director. Dr. Song is responsible for Clinical Research. Dr. Song graduated from China Concord Medical University with a Doctorate degree in clinical medicine in July 1995. She is also a Registered Pharmacist in the PRC. Prior to joining the Group in February 2000, Ms. Song had served as general manager of Beijing Tiancifu Biopharmaceutical Co. Ltd.

NON-EXECUTIVE DIRECTOR

Mr. Michael SU, aged 45, has been appointed as a non-executive Director since 18 May 2016. Mr. Su formerly worked for Fila China Limited, Shanghai Pharmceutic Group Limited, Venturepharm Pharmaceuticals (Hainan)Limited, China Health Group Inc. ,etc. and engaged as finance director and similar positons .He held bachelor degree of Hydrolic Engineering from Tsinghua University and Master degree of Business Management from Shanghai Jiaotong University . He has near 20 years of experience in financial management and more than 10 years of experience in pharmaceutic industry.

執行董事

William Xia Guo先生，52歲，本集團主席、執行董事。Guo先生負責本集團之策略規劃及發展、整體管理。Guo先生畢業于多倫多大學藥學院研究生院獲碩士學位，博士（肄業），亦在Heriot-Watt University完成工商管理碩士學位和英國劍橋大學Judge institute EMBA 之多個認可課程。於一九九八年十二月成立本集團之前，Guo先生曾于美國強生公司旗下之Ortho-McNeil Inc.及Teva Pharmaceutical Industries Ltd 旗下Novopharm Limited分別擔任研究科學家及工序開發經理。

Guo先生還曾經擔任過美國NSDAQ上市公司Common Wealth Technology INC 公司的董事長和CEO。Guo先生擔任中華全國工商聯醫藥副會長並獲得中國國務院授予全國勞動模範稱號，全國五一勞動獎章。2005年被英國商會（BCCC）授予“2005優秀創新企業家”（並資助劍橋大學EMBA學習）

宋雪梅博士，49歲，執行董事。宋博士負責本集團之臨床研究服務。宋博士畢業于中國協和醫科大學，於一九九五年七月獲頒臨床醫藥博士學位。彼亦為中國註冊藥劑師。於二零零零年二月加盟本集團之前，宋女士曾于北京天賜福生物醫藥有限公司擔任總經理。

非執行董事

蘇毅先生，45歲，於二零一六年五月十八日獲委任為非執行董事。獲清華大學水利水電工程建築學士、上海交通大學管理工程碩士學位元。曾就職於菲樂（中國）有限公司、上海醫藥（集團）有限公司、萬特製藥（海南）有限公司、中國醫療集團有限公司等企業，擔任財務總監等職務，於財務管理領域有近20年之經驗並於醫藥行業有超過10年之相關經驗。

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Shou Yuan Wu, aged 44, has been appointed as an independent non-executive Director and the chairman of the audit committee since 26 December 2011. Dr. Wu is the director of Wisdom Management Consulting CO., Limited, and is the director of ASIA CERAMICS HOLDINGS PLC which is a listing company in British AIM, etc. Dr. Wu graduated from Ministry of Finance with a doctor's degree, from Capital University Of Economic And Business with a master's degree, and is a senior member of British ACCA, he is one of the leading accountant elite of Ministry of Finance (Certified Public Accounting Series), he has over twenty years experience of accounting and finance.

Dr. Bing Hui NI, aged 58, has been appointed as the independent non-executive Director and the chairman of nomination committee, as well as one of the members of audit committee and remuneration committee since 31 March 2015. Dr Bing Hui NI acts as Vice President in Sanofi, and head of external Science & Partnering-Asia Pacific. Dr. Ni holds a PhD in molecular pharmacology from University of Toronto under fellowship and post-doctoral fellowship in Clinical Pharmacology from National Institute of Health. Dr. Ni has over 40 publications in journals including Science, PNAS and served as adjunct professors in several universities in USA and Singapore. Dr. Ni has over 20 years of healthcare industry experience in the US and Asia/China. He served in senior scientific and managerial positions for several top Fortune 500 companies, including Eli Lilly (being Action Group Chair, US), S'BIO (being Vice President/ head of Biology, Singapore,) and Covance China (being General Manager, China)

Mr. Mark Gavin Lotter, aged 54, has been appointed as the independent non-executive Director and the chairman of remuneration committee, as well as one of the members of audit committee and nomination committee since 17 February 2015. Mr. Mark Gavin Lotter holds a Bachelor of Science in Pharmacy, and Master in Business Leadership of University of South Africa degrees and has over twenty five years of work experience largely in the pharmaceutical industry. He started his career in South Africa and where he has held senior management positions which included Chief Executive Officer of Astra Pharmaceuticals (South Africa) and Chief Executive Officer of Aspen Healthcare (South Africa). He has more than 10 years' experience in China where he held a number of senior positions including Vice President of Commercial Operations of AstraZeneca China, Founder and Chief Executive Officer of Nova Med Pharmaceuticals and Chief Executive Officer SciClone - China Operations.

獨立非執行董事

吳壽元博士，44歲，於二零一一年十二月二十六日獲委任為獨立非執行董事及審核委員會主席。吳博士現任北京融智睿思管理諮詢有限公司董事、英國AIM上市公司亞洲陶瓷控股有限公司董事等。吳博士為財政部財科所會計學博士，首都經貿大學金融專業碩士，英國ACCA資深會員，財政部會計領軍人才（註冊會計師系列），擁有超過二十年的會計及財務經驗。

倪彬暉博士，58歲，於二零一五年三月三十一日獲委任為獨立非執行董事及提名委員會主席、審核委員會成員、薪酬委員會成員。倪博士現任賽諾菲亞太外部科學與合作副總裁。倪博士在多倫多大學以全額獎學金獲得分子藥理學博士學位，並在美國國立衛生研究院獲得全額訪問學者獎金並進行臨床藥理學的博士后研究工作。倪博士已在科學及美國科學院院報等40多本國際著名刊物中發表文章並在美國及新加坡諸所擔任大學兼職教授。倪博士在美國及亞洲地區擁有20年以上的醫藥研發經驗。他曾在眾多世界500強企業任職高級科研與管理職位，包括禮來（美國，行動組主席），S' BIO（新加坡，副總裁/生物部門負責人），科文斯中國（總經理，中國）。

Mark Gavin Lotter先生，54歲，於二零一五年二月十七日獲委任為獨立非執行董事及薪酬委員會主席、審核委員會成員、提名委員會成員，藥劑學學士，南非大學企業領導碩士，主要在製藥行業擁有25年以上工作經驗。於南非開始職業生涯，任高級管理層職位，包括：AstraPharmaceuticals (South Africa)公司首席執行官、Aspen Healthcare (South Africa)公司的首席執行官。在中國有10年以上工作經驗，任職高級職務，包括AstraZeneca（中國）公司的商業運營副總裁，NovaMed Pharmaceuticals 公司的創始人與首席執行官，及SciClone公司中國運營的首席執行官。

The Directors of the Company present their annual report and the audited consolidated financial statements of the Group for the year ended 31 December 2016.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of the Company's subsidiaries are set out in note 13 to the consolidated financial statements.

RESULTS AND DIVIDEND

The results of the Group for the year ended 31 December 2016 are set out in the consolidated statement of profit or loss and other comprehensive income on page 47 of the annual report.

The Directors do not recommend the payment of any dividend for the year ended 31 December 2016.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year are set out in note 11 to the consolidated financial statements.

SHARE CAPITAL

Details of movements of the share capital of the Company are set out in note 25 to the consolidated financial statements.

RESERVE

Movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity.

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 107.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SHARES OF THE COMPANY

The Company and its subsidiaries did not purchase, sell or redeem any of the Company's listed shares during this Year. The Company and its subsidiaries also did not redeem, purchase or cancel any of their redeemable securities.

本公司董事謹此呈報本集團截至二零一六年十二月三十一日止年度之年度報告及經審核綜合財務報表。

主要業務

本公司為一間投資控股公司。本公司之附屬公司之主要業務載於財務報表附注13。

業績及分配

本集團截至二零一六年十二月三十一日止年度之業績載於本年報第47頁綜合損益及其他全面收益表。

董事不建議就截至二零一六年十二月三十一日止年度派發任何股息。

物業、廠房及設備

本集團物業、廠房及設備於本年度之變動詳情載於綜合財務報表附注11。

股本

本公司股本於本年度之變動詳情載於綜合財務報表附注25。

儲備

本集團儲備於年內之變動詳情載於綜合權益變動表。

五年財務概要

本集團於過去五個財政年度之業績及資產與負債概要載於第107頁。

購買、出售或贖回本公司的上市股份

本公司或其附屬公司於本年度並無購買、出售或贖回本公司的任何上市股份。本公司或其附屬公司亦無贖回、購回或註銷其可贖回證券。

DIRECTORS

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

EXECUTIVE DIRECTORS:

William Xia GUO	3 years from his re-appointment on 30 December 2014
Maria Xuemei SONG	3 years from her re-appointment on 30 December 2014

NON-EXECUTIVE DIRECTORS:

Michael SU	3 years from his appointment on 18 May 2016
Nathan Xin ZHANG	Resignad on 18 May 2016

INDEPENDENT NON-EXECUTIVE DIRECTORS:

Shou Yuan WU	3 years from his re-appointment on 30 December 2014
Mark Gavin Lotter	3 years from his appointment on 17 February 2015
Bin Hui NI	3 years from his appointment on 31 March 2015

董事

年內及截至本報告日期止本公司之在任董事為:

執行董事:

William Xia Guo	於二零一四年十二月三十日再次獲委任，為期三年
宋雪梅	於二零一四年十二月三十日再次獲委任，為期三年

非執行董事:

蘇毅	於二零一六年五月十八日獲委任，為期三年
張欣	於二零一六年五月十八日辭任

獨立非執行董事:

吳壽元	於二零一四年十二月三十日再次獲委任，為期三年
Mark Gavin Lotter	於二零一五年二月十七日獲委任，為期三年
倪彬暉	於二零一五年三月三十一獲委任，為期三年

DIRECTORS' AND CHIEF EXECUTIVE'S INTEREST IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2016, the interests and short positions of the Company's Directors and chief executives in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"), which are required (a) to notify the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have taken under such provision of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

董事及主要行政人員於股份、相關股份及債券之權益

於二零一六年十二月三十一日，本公司之董事及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（「證券及期貨條例」）第XV部）之股份、相關股份或債券中，擁有 (a) 根據證券及期貨條例第XV部第7及第8分部知會本公司及香港聯合交易所有限公司（「聯交所」）之權益及淡倉（包括彼等根據證券及期貨條例該等條文被當作或視為擁有之權益或淡倉）；或 (b) 根據證券及期貨條例第352條，須列入該條所述登記冊之權益及淡倉；或 (c) 根據創業板上市規則第5.46至5.67條所述之權益及淡倉如下：

Long positions in shares and underlying shares of the Company

於本公司股份及相關股份之好倉

Name	Type of interests	Capacity	Number of shares in which interested (other than under equity derivatives)	Number of shares in which interested under physically settled equity derivatives (Note 4)	Total number of shares	Approximate percentage of interest (%)
姓名	權益類別	身份	持有權益之股份數目 (股本衍生工具除外)	根據實物結算股本衍生工具持有權益之股份數目 (Note 4)	股份總數	權益概約百分比 (%)
William Xia GUO William Xia Guo	Personal 個人	Beneficial owner 實益擁有人	82,415,941	10,974,000	93,389,941	9.41
William Xia GUO William Xia Guo	Corporate 公司	Interests of a controlled Corporation (Note 1) 受控制法團權益(附注1)	336,128,873	-	336,128,873	33.86
William Xia GUO William Xia Guo	Corporate 公司	Interests of a controlled Corporation (Note 2) 受控制法團權益(附注2)	149,432,583	-	149,432,583	15.05
William Xia GUO William Xia Guo	Corporate 公司	Interests of a controlled Corporation (Note 3) 受控制法團權益(附注3)	91,915,181	-	91,915,181	9.26
Maria Xuemei SONG 宋雪梅	Personal 個人	Beneficial owner 實益擁有人	636,500	1,636,000	2,272,500	0.23
Mr. Michael SU 蘇毅	Personal 個人	Beneficial owner 實益擁有人	-	220,000	220,000	0.02
Shou Yuan Wu 吳壽元	Personal 個人	Beneficial owner 實益擁有人	-	100,000	100,000	0.01
Mark Gavin Lotter Mark Gavin Lotter	Personal 個人	Beneficial owner 實益擁有人	-	100,000	100,000	0.01
Bin Hui NI 倪彬暉	Personal 個人	Beneficial owner 實益擁有人	-	100,000	100,000	0.01

Note 1: Winsland Agents Limited is 100% directly held by Mr. William Xia GUO.

附注1: 受控制法團Winsland Agents Limited 由William Xia Guo先生直接持有100%股權

Note 2: The controlled corporation, Venturepharm Holdings Inc., is 47.63 % directly held by Mr. William Xia GUO and 49.00 % held by Mr. William Xia GUO through Winsland Agents Limited, his wholly and beneficially owned company incorporated in British Virgin Islands.

附注2: 受控制法團Venturepharm Holdings Inc.由William Xia Guo先生直接持有47.63%股權，以及由William Xia Guo先生透過Winsland Agents Limited（于英屬處女群島註冊成立，由Guo先生全資實益擁有）持有49.00%股權。

Note 3: The controlled corporation, Bright Excel Assets Limited, is 100 % beneficially owned by Venturepharm Holdings Inc.

附注3: 受控制法團Bright Excel Assets Limited全部股權由Venturepharm Holdings Inc.實益擁有。

Note 4: Various interests of the Directors pursuant to physically settled equity derivatives are through share options granted.

附注4: 董事于實物結算股本衍生工具項下之各項權益為透過根據股權計畫授出之購股權持有。

SUBSTANTIAL SHAREHOLDERS

The register of substantial shareholders required to be kept under section 336 of Part XV of the SFO shows that as at 31 December 2016, the Company had been notified of the following substantial shareholders' interests and short positions, being 5% or more of the Company's issued share capital.

主要股東

根據證券及期貨條例第XV部第336條之規定所存置之主要股東登記冊顯示，於二零一六年十二月三十一日，本公司獲知會下列主要股東之權益及淡倉，即占本公司已發行股本5%或以上權益。

Name 名稱	Capacity 身份	Number of shares 股份數目	Approximate percentage of interests 權益概約百分比
Winsland Agents Limited (Note 1)	Beneficial owner	336, 128, 873	33.86
Venturepharm Holdings Inc. (Note 2)	Beneficial owner	149, 432, 583	15.05
Venturepharm Holdings Inc. (Note 3)	Interests of controlled corporation	91, 915, 181	9.26
Bright Excel Assets Limited (Note 3)	Beneficial owner	91, 915, 181	9.26
William Xia GUO (Notes 1, 2, 3, 4)	Beneficial owner and interests of Controlled corporations	670, 866, 578	67.58
Winsland Agents Limited (附注1)	實益擁有人	336, 128, 873	33.86
Venturepharm Holdings Inc. (附注2)	實益擁有人	149, 432, 583	15.05
Venturepharm Holdings Inc. (附注3)	受控制法團權益	91, 915, 181	9.26
Bright Excel Assets Limited (附注3)	實益擁有人	91, 915, 181	9.26
William Xia Guo (附注1、2、3及4)	實益擁有人及受控制法團權益	670, 866, 578	67.58

Long positions in shares and underlying shares of the Company

於本公司股份及相關股份之好倉

Note 1: Winsland Agents Limited is 100% directly held by Mr. William Xia GUO. The shares include 77,500,000 shares granted under the 2014 Convertible Notes. Noteholder has converted all Convertible Notes to ordinary share of 77,500,000 shares on 31 December 2016. There will be no Convertible Notes of the Company held by the Noteholder after the Conversion.

附注1: Winsland Agents Limited 由William Xia Guo先生直接持有100%股權。股權包括根據2014可轉換債券所涉及的77,500,000股。於2016年12月31日，Winsland Agents Limited將全部可轉換債券轉換成77,500,000股本公司的普通股。可轉換債券的持有人將不再擁有本公司的可轉換債券。

Note 2: Venturepharm Holdings Inc. is 47.63% directly held by Mr. William Xia GUO and 49% held by Mr. William Xia GUO through Winsland Agents Limited, his wholly and beneficially owned company incorporated in the British Virgin Islands.

附注2: Venturepharm Holdings Inc.分別由William Xia Guo先生直接持有47.63%股權，以及由William Xia Guo先生透過 Winsland Agent Limited (于英屬處女群島註冊成立，由郭先生全資實益擁有)持有49%股權。

Note 3: The controlled corporation, Bright Excel Assets Limited, is 100% beneficially owned by Venturepharm Holdings Inc.

附注3: 受控制法團Bright Excel Assets Limited全部股權由 Venturepharm Holdings Inc.實益擁有。

Note 4: Apart from shares held through Venturepharm Holdings Inc., and Winsland Agents Limited, the interests of 10,974,000 shares which are granted to him under the Share Option Scheme are beneficially owned by Mr. William Xia GUO.

附注4: 除透過Venturepharm Holdings Inc.和Winsland Agents Limited持有之股份外，William Xia Guo先生實益擁有10,974,000股股份權益，是根據購股權計畫授予彼之購股權所涉及10,974,000股股份。

Save as disclosed above, as at 31 December 2016, there was no other person who was recorded in the register of the Company as having interests or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO or which were required, pursuant to section 336 of Part XV of the SFO, to be entered in the register referred to therein.

除上文所披露者外，於二零一六年十二月三十一日，按本公司登記冊記錄，概無任何其他人士于本公司之股份或相關股份中持有根據證券及期貨條例第XV部第2及第3分部須向本公司披露之權益或淡倉，或根據證券及期貨條例第XV部第336條列入該條所述登記冊之權益或淡倉。

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed in note 29 to the consolidated financial statements, no other contracts of significance to which the Company or any of its subsidiaries 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.

SHARE OPTION SCHEME

As disclosed in note 28 to the consolidated financial statements, the Company adopted a share option scheme. It awards the relevant eligible participants for their contribution in the Group's operation.

董事于重大合約之權益

除附注29所列的交易外，於年結日或年內任何時間，概無存在本公司或其任何附屬公司為其中訂約方及本公司董事于當中直接或間接擁有重大權益之重大合約。

購股權計畫

為向對本集團營運成功作出貢獻的合資格參與者作出獎勵及獎賞，本公司營辦了購股權計畫（“購股權計畫”）。有關購股權計畫的進一步詳情於財務報表附注 28 披露。

Name or category of participant 參與者名稱或類別	At 1 January 2016 於二零一六年一月一日	Grant in the Year	Exercised in the Year 於本年度行使數	Expired in the Year 於本年度作廢數	Reclassified in the year	At 31 December 2016 於二零一六年十二月三十一日	Exercise price per share(HK\$) 購股權行使價(HK\$)	Date of grant of share options 授出購股權日期	Exercise period of share options 購股權行使期
William Xia Guo	324,000	-	-	324,000	-	-	0.36	10-08-06	10-08-07至09-08-16
	966,000	-	-	-	-	966,000	0.625	10-05-07	10-05-08至09-05-17
	858,000	-	-	-	-	858,000	0.435	07-04-09	07-04-10至06-04-19
	9,150,000	-	-	-	-	9,150,000	0.45	30-06-15	30-06-16至29-09-25
Other directors 其他董事	360,000	-	-	360,000	-	-	0.36	10-08-06	10-08-07至09-08-16
	488,000	-	-	-	(72,000)	416,000	0.625	10-05-07	10-05-08至09-05-17
	818,400	-	-	-	(98,400)	720,000	0.435	07-04-09	07-04-10至06-04-19
	900,000	-	-	-	120,000	1,020,000	0.45	30-06-15	30-06-16至29-09-25
Employees and consultants 雇員及顧問	244,800	-	-	244,800	-	-	0.36	10-08-06	10-08-07至09-08-16
	496,100	-	-	-	72,000	568,100	0.625	10-05-07	10-05-08至09-05-17
	2,654,400	-	-	412,000	98,400	2,340,800	0.435	07-04-09	07-04-10至06-04-19
	10,620,000	-	-	3,370,000	(120,000)	7,130,000	0.45	30-06-15	30-06-16至29-09-25
Total 合計	27,879,700	-	-	4,710,800	-	23,168,900			

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at 31 December 2016, none of the Directors or the substantial shareholders of the Company and their respective associates (as defined in the GEM Listing Rules) had any interest in a business that competes or may compete with the business of the Group.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares during the year ended 31 December 2016.

CORPORATE GOVERNANCE REPORT

Corporate governance report of the Company is set out on pages 19 to 29 of the annual report.

ENVIRONMENTAL, SOCIAL AND CORPORATE RESPONSIBILITY

Environmental, social and governance report 2016 of the Company is set out on pages 30 to 40 of the annual report.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of its Directors as at the date of this report, the Company has maintained the prescribed public float under the GEM Listing Rules.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each Independent Non-executive Directors an annual confirmation for independence pursuant to Rule 5.09 of the GEM Listing Rules. The Independent Non-executive Directors have confirmed that they are independent.

MAJOR SUPPLIERS AND CUSTOMERS

During the year, the five largest customers of the Group accounted for approximately 47.36% of the Group's sales. The largest customer accounted for approximately 19.7% of the sales of the Group.

During the year, the five largest suppliers of the Group accounted for approximately 68.51% of the Group's cost of service. The largest suppliers accounted for approximately 49.18% of the cost of the service of the Group.

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

董事於競爭業務之權益

於二零一六年十二月三十一日，本公司之董事或管理層股東及彼等各自之連絡人士（定義見創業板上市規則）概無於任何與本集團業務構成或可能構成競爭的業務中擁有權益。

購買、出售或贖回本公司股份

截至二零一六年十二月三十一日止年內，本公司或其任何附屬公司概無購買、出售或贖回任何本公司上市股份。

企業管治報告

本公司之企業管治報告載於本年報第19至第29頁。

環境、社會及企業責任

本公司之環境、社會及管治報告2016載於本年報第30至第40頁。

足夠公眾持股量

根據本公司所得的公開資料，據董事所知，於本報告日期，本公司之公眾持股量仍符合創業板上市規則所載最低公眾持股量的指定水準。

獨立非執行董事之獨立性

本公司已根據創業板上市規則第5.09條收到各獨立非執行董事獨立性之年度確認。各獨立非執行董事已確認屬獨立人士。

主要供應商及客戶

年內，本集團五大客戶占本集團銷售額約47.36%。最大客戶占本集團銷售額約19.7%。

年內，本集團五大供應商占本集團服務成本約68.51%。最大供應商占本集團服務成本約49.18%。

就董事所知，擁有本公司已發行股本逾5%之董事、其連絡人士或任何股東概無於本集團五大客戶中擁有任何權益。

EMPLOYEE AND REMUNERATION POLICY

During the Year, staff cost, including Directors' remuneration is approximately RMB9,827,000 (2015: approximately RMB8,676,000). The Group remunerates its employees based on their performance, and the prevailing market price. Other employee benefits include mandatory provident fund, insurance and medical coverage, training programs and share option scheme.

The Company adopted the Share Option Schemes where share options to subscribe for shares of the Company have been granted to the eligible participants of the Group. 23,168,900 (2015:27,879,700) share options have been owned by the eligible participants under the Scheme for the year ended 31 December 2016.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Articles of Association or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

AUDITORS

The consolidated financial statements have been audited by KLC Kennic Lui & Co., Ltd ("KLC"). A resolution will be submitted to the annual general meeting of the Company to re-appoint KLC as auditors of the Company.

Following the resignation of UHY Vocation HK CPA Limited as auditor of the Company on 10 December 2015, KLC was appointed as the auditor of the Company to fill the vacancy. There were no other change in auditor of the Company during the preceding three years.

On behalf of the Board

Chairman
William Xia GUO

Beijing, the PRC, 24 March 2017

僱員及薪酬政策

截至二零一六年十二月三十一日止年度，本集團員工成本（包括董事酬金）約人民幣9,827,000元（二零一五同期為：人民幣8,676,000元）。本集團根據僱員之表現、工作經驗及現行市價厘定薪酬。其他員工福利包括強積金、保險及醫療保險、培訓專案及購股權計畫。

本公司已採納購股權計畫，據此已向本集團合資格參與者授出可認購本公司股份之購股權。於本年度末，本集團合資格參與者擁有23,168,900 (2015:27,879,700)股期權。

優先購股權

本公司之公司組織章程細則或開曼群島法例並無優先購股權之條文，故本公司毋須按比例向現有股東提呈新股份。

核數師

綜合財務報表經呂禮恒會計師事務所有限公司審核。有關續聘呂禮恒會計師事務所有限公司擔任本公司核數師之決議案將於應屆股東週年大會上提呈。

天道香港會計師事務所有限公司(天道香港)於二零一五年十二月十日辭任後，呂禮恒會計師事務所有限公司獲委任為本公司核數師，以填補因天道香港辭任而產生之空缺。公司前三年核數師無其他變更。

代表董事會

主席
William Xia Guo

中國北京，二零一七年三月二十四日

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company's corporate governance practices are based on the principles and the code provisions as set out in the Code on Corporate Governance Practices (the "Code") as set out in Appendix 15 to the GEM Listing Rules. The principles adopted by the Company emphasize a quality board, transparency and accountability to shareholders. In the opinion of the Board, the Company has complied with the Code for the year ended 31 December 2016, with the exception for the following deviations: Under code provision A.2.1, the responsibilities between chairman and chief executive officer should be divided. However currently, the Company does not have Chief Executive Officer. The day-to-day management of the Company's business is handled by the executive directors, who take the responsibility to run the Group's business and to implement the Group's strategy so as to achieve the overall commercial objectives of the Company.

Under code provision A.4.1, non-executive Directors should be appointed for specific term. There is no specific term of appointment of the non-executive Directors; however, they are subject to retirement by rotation in accordance with the Articles and the Code. Accordingly, the Company considers that sufficient measures have been taken to deal with the requirement in respect of the appointment terms of non-executive Directors as required under the code provision.

Under the code provision A.6.7 of the CG Code, independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. In addition, under the code provision E.1.2 of the CG Code, the chairman of the board should attend the annual general meeting and he should also invite the chairmen of the audit, remuneration, nomination and any other committees (as appropriate) to attend. The annual general meeting of the Company (the "AGM") held on 30 June 2016, Mr. William Xia Guo (chairman of the Board), did not attend the said AGM to answer questions of the shareholders of the Company due to other prior business engagements. However, Mr. William Xia Guo has appointed the other attended Director Ms. Maria Xuemei Song as their representative at the said meetings to answer questions of the shareholders of the Company.

RULE 5.05(1) OF THE GEM LISTING RULES

Rule 5.05(1) of the GEM Listing Rules requires the board of directors of a listed issuer must include at least three independent non-executive Directors.

遵守企業管治常規守則

本公司之企業管治常規乃基於創業板上市規則附錄十五之企業管治常規守則所載原則及守則條文（「守則」）。本公司所採納之原則著重高素質之董事會及對股東之透明度與問責性。董事會認為：截至二零一六年十二月三十一日止年度，本公司一直遵守守則，惟以下背離除外：根據守則條文第A2.1條，主席及行政總裁的職責應予分開。然而，本公司尚未委任任何行政總裁。現時，本公司業務之日常管理由執行董事執行，彼等負責經營本集團業務及推行本集團策略，以達致本公司整體商業目標。

根據守則條文第A4.1條，非執行董事按特定任期委任。本公司非執行董事並無特定委任年期；然而根據細則及守則，彼等均須輪值退任。因此本公司認為已採取足夠措施，處理守則條文項下有關非執行董事之委任年期之規定。

根據守則條文第6.7條，獨立非執行董事及其他非執行董事應出席股東大會及對股東的意見有公正的瞭解。此外，根據守則條文第E1.2條，董事會主席應出席股東周年大會，且彼亦邀請審核、薪酬、提名及任何其他委員會之主席（如合適）出席股東周年大會。於回顧期內，本公司於二零一六年六月三十日舉行股東周年大會，William Xia Guo（董事會主席）由於其他會前業務事宜並無出席上述股東周年大會以回答本公司股東之提問，然而，其已委任出席董事宋雪梅於上述會議作為其代表以回答本公司股東之提問。

創業板上市規則第5.05(1)條

創業板上市規則第5.05(1)條規定，上市發行人的董事會必須包括至少三名獨立非執行董事。

After the appointment of Mr. Mark Gavin Lotter on 17 February 2015 and Dr Binhui NI on 31 March 2015 as the independent non-executive Director, the Company has fulfilled the requirement on the number of independent non-executive directors of the Company as required under Rule 5.05(1) of the GEM Listing Rules.

RULE 5.28 OF THE GEM LISTING RULES

Rule 5.28 of the GEM Listing Rules requires every listed issuer must establish an audit committee comprising non-executive directors only. The audit committee must comprise a minimum of 3 members.

After the appointment of Mr. Mark Gavin Lotter on 17 February 2015 and Dr. Binhui NI on 30 March 2015 as the member of the audit committee, the Company has fulfilled the requirement on the number of members of the audit committee as required under Rule 5.28 of the GEM Listing Rules.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company had adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company also had made specific enquiry of all Directors and the Directors confirmed that they have complied with the required standard of dealings and its code of conduct regarding securities transactions by Directors during this Year.

在Mark Gavin Lotter先生於二零一五年二月十七日及倪彬暉博士於二零一五年三月三十一日獲委任為本公司獨立非執行董事後，本公司已符合創業板上市規則第 5.05 (1) 條項下有關本公司獨立非執行董事人數之規定。

創業板上市規則第5.28條

創業板上市規則第5.28條規定，每個上市發行人須成立一個僅由非執行董事組成之審核委員會。審核委員會須最少由三名成員組成。

在Mark Gavin Lotter先生於二零一五年二月十七日及倪彬暉博士於二零一五年三月三十一日獲委任為本公司審核委員會成員後，本公司已符合創業板上市規則第5.28條項下有關審核委員會成員人數之規定。

有關董事進行證券交易之行為守則

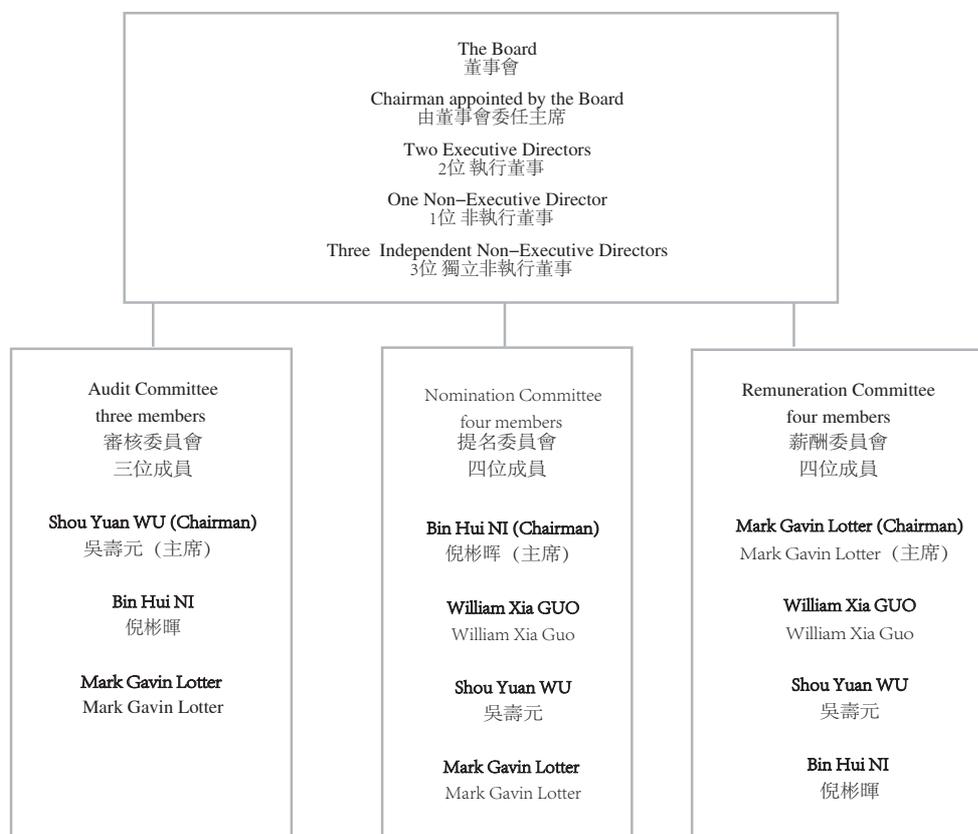
本公司已採納有關董事進行證券交易之行為守則，其條款與創業板上市規則第5.48條至第5.67條所載之交易必守標準同樣嚴格。經向全體董事作出具體查詢而根據本公司所知彼等於回顧期內一直遵守行為守則所載規定準則。

BOARD OF DIRECTORS

董事會

The overall governance structure of the Company is set out below:

本公司整體管治結構如下：



Note:

The Board members during this Year and up to the date of this annual report are:

Executive Directors:

William Xia GUO (re-appointed on 30 December 2014)
Maria Xuemei SONG (re-appointed on 30 December 2014)

Non-executive Director:

Mr. Michael SU (appointed on the 18 May 2016)
Dr. Nathan Xin ZHANG (Resigned on 18 May 2016)

Independent Non-executive Director:

Shou Yuan Wu (re-appointed on 30 December 2014)
Mark Gavin Lotter (appointed on 17 February 2015)
Bin Hui NI (appointed on 31 March 2015)

附注:

年內及截至本報告日期董事會成員為：

執行董事:

William Xia Guo (於二零一四年十二月三十日再次獲委任)
宋雪梅 (於二零一四年十二月三十日再次獲委任)

非執行董事:

蘇毅 (於二零一六年五月十八日獲委任)
張欣 (於二零一六年五月十八日辭任)

獨立非執行董事:

吳壽元 (於二零一四年十二月三十日再次獲委任)
Mark Gavin Lotter (於二零一五年二月十七日獲委任)
倪彬暉 (於二零一五年三月三十一日獲委任)

Biographical details of each Director is set out in the section headed "Profile of directors and senior management" on pages 10 to 11 of this annual report.

There are no relationships (including financial, business, family or other material or relevant relationships) among members of the Board.

The Board of Directors ("Board") of the Company is collectively responsible for the oversight of the management of the business and affairs of the Group with the objective of enhancing shareholders value.

The Board, led by the Chairman, is responsible for the approval and monitoring of the Group's overall strategies and policies; approval of annual budgets and business plans; evaluating the performance of the Group; and oversight of management. One of the important roles of the Chairman is to provide leadership to the Board to ensure that the Board acts in the best interests of the Group. All Directors have been consulted about any matters proposed for inclusion in the agenda. With the support of Executive Directors and the Company Secretary, the Chairman seeks to ensure that all Directors are properly briefed on issues arising at Board meetings and receives adequate and reliable information in a timely manner.

Regular Board meetings of the year are scheduled in advance to give all Directors an opportunity to attend. Four regular Board meetings at approximately quarterly intervals have been scheduled for 2016. The Directors can attend meetings in persons or through other means of electronic communication in accordance with the Company's Articles of Association. Board papers are circulated not less than seven days before the Board meetings to enable the Directors to make informed decisions on matters to be raised at the Board meetings.

The Company Secretary shall attend all regular Board meetings to advise on corporate governance, statutory compliance, accounting and financial matters when necessary. Directors shall have full access to information of the Group and are able to obtain independent professional advice whenever deemed necessary by the Directors. The Company Secretary assists the Chairman in establishing the meeting agenda, and each Director may request inclusion of items in the agenda. Minutes of the board meetings are kept by the Company Secretary and are open for inspection by Directors.

各董事之履歷詳情載於本年報第 10 至 11 頁之「董事及高級管理層之簡歷」一節。

董事成員之間概無關係（包括財務、業務、家族或其他重大或相關關係）。

本公司董事會（「董事會」）共同負責監督本集團業務及事務之管理，以提升股東價值為目的。

董事會由主席領導，負責審批及監管本集團整體策略及政策；批准年度預算與業務計畫；評估本集團表現；及監督管理層。主席其中一項重要職務為領導董事會，以確保董事會以本集團最佳利益行事。任何建議載入議程之事項均會徵詢全體董事意見。憑藉執行董事及公司秘書之支持，主席致力確保全體董事及時獲妥為知會於董事會會議提出之事項，並獲取足夠及可靠資料。

本公司會就每年定期董事會會議事先編列時間表，以便全體董事有機會出席。於二零一六年，曾於各季度間安排舉行四次定期董事會會議。根據本公司之公司組織章程細則，董事可親身或透過電子通訊方式出席會議。

董事會文件會於董事會會議舉行最少七天前傳閱，以確保董事能就將於董事會會議提出之事項作出知情決定。公司秘書須出席所有定期董事會會議，並於需要時就企業管治、法定規例、會計及財務事項提供意見。董事應可獲取本集團所有資料，並能於董事認為需要時取得獨立專業意見。公司秘書協助主席編制會議議程，而各董事可要求於議程載入專案。董事會會議記錄由公司秘書存管，並可供董事查閱。

During the twelve months ended 31 December 2016, the Board held six meetings. The attendance records of the aforementioned six Board meetings are set out below:

截至二零一六年十二月三十一日止十二個月，董事會曾舉行六次會議。上述六次董事會會議之出席記錄載列如下：

		Attendance of individual directors at board meetings during the year 年內個別董事之董事會會議出席率	
		Attendance no. 出席次數	Attendance rate 出席率
Executive Director	執行董事		
William Xia GUO	William Xia Guo	5/6	83.33%
Maria Xuemei SONG	宋雪梅	6/6	100%
Non-executive Directors	非執行董事		
Mr. Michael SU (appointed on the 18 May 2016)	蘇毅 (於2016年5月18日獲委任)	4/4	100%
Independent Non-executive Directors	獨立非執行董事		
Shou Yuan WU	吳壽元		
Mark Gavin Lotter	Mark Gavin Lotter	6/6	100%
		5/6	83.33%
Bin Hui NI	倪彬暉	6/6	100%

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

In accordance with the guidelines for assessing independence set out in Rule 5.09 of the GEM Listing Rules, the Company has received, from each of the independent non-executive Directors, an annual confirmation of his independence pursuant to Rule 5.09 of the GEM Listing Rules. The Company, based on such confirmations, considers all of the independent non-executive Directors are independent.

獨立非執行董事之獨立性

按照創業板上市規則第 5.09 條所載評核獨立性之指引，本公司已接獲各獨立非執行董事根據創業板上市規則第 5.09 條就其獨立性發出之年度確認書。本公司根據該等確認書認為，全體獨立非執行董事均為獨立人士。

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Chairman of the Board is responsible for the leadership and effective running of the Board, and ensures that all keys and appropriate issues are discussed by the Board in a timely and constructive manner. Currently, the Company does not have Chief Executive Officer.

主席及行政總裁

董事會主席負責領導董事會及使其有效運作，以確保董事會及時且具建設性地討論所有重要及適當事項。然而，本公司尚未委任任何行政總裁。

The day-to-day management of the Company's business is handled by the executive directors, who take the responsibility to run the Group's business and to implement the Group's strategy so as to achieve the overall commercial objectives of the Company.

現時，本公司業務之日常管理由執行董事執行，彼等負責經營本集團業務及推行本集團策略，以達致本公司整體商業目標。

DIRECTORS' TRAINING

According to the code provision A.6.5 of the Code, all directors should participate in continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant.

All Directors have participated in continuous professional development during this Year. The Company has also continuously updated Directors on the latest developments regarding the GEM Listing Rules and other applicable regulatory requirements, to ensure compliance and enhance their awareness of good corporate governance practices.

During this Year, the Directors participated in the continuous professional developments in relation to regulatory update, the duties and responsibility of the Directors and the business of the Group in the following manners:

董事之培訓

根據守則條文第A.6.5條，全體董事均須參加持續專業發展，發展及更新知識及技能，以確保其在具備全面資訊及切合所需的情況下對董事會作出貢獻。

所有董事均有參加持續專業發展。本公司亦不斷向董事提供創業板上市規則及其他適用監管規定最新發展之資料，確保彼等遵守及更清楚瞭解良好企業管治常規。

於本回顧期，董事按下列方式參與有關規管更新、董事職務及職責及本集團業務之持續專業發展：

		Attended Seminar or Briefing/ Read Material 出席研討會或董事簡會 / 閱讀材料
Directors		
Executive Directors	執行董事	
William Xia Guo	William Xia Guo	✓
Maria Xuemei Song	宋雪梅	✓
Non-executive Director	非執行董事	
Mr. Michael SU (appointed on the 18 May 2016)	蘇毅 (於2016年5月18日獲委任)	✓
Independent non-executive directors	獨立非執行董事	
Shou Yuan Wu	吳壽元	✓
Mark Gavin Lotter	Mark Gavin Lotter	✓
Binhui NI	倪彬暉	✓

BOARD COMMITTEES

The Board has established three committees, namely audit committee, nomination committee and remuneration committee, to oversee particular aspects of the Company's affairs.

AUDIT COMMITTEE

The Company has established an audit committee (the "Audit Committee") with written terms of reference in compliance with the GEM Listing Rules 5.28 to 5.33. The primary duties of the audit committee are (a) to review the Group's annual reports, interim reports and quarterly reports (b) to discuss and review with the auditor of the Company on the scope and findings of the audit; and (c) to supervise the financial reporting process, risk management and internal control systems of the Group and provide advice and comments to the Board.

董事委員會

董事會已成立三個委員會即審核委員會、提名委員會及薪酬委員會以監督本公司事務之特定範疇。

審核委員會

本公司已成立審核委員會，並遵照創業板上市第 5.28 至 5.33 條規則書面訂明其職權範圍。審核委員會之主要職責為 (a) 審閱本集團之年度、半年及季度報告 (b) 與本公司核數師商討及檢討核數之範疇及結果；及 (c) 監督本集團之財務申報程式、風險管理及內部監控系統，並向董事會提供意見及建議。

The audit committee has three members comprising the three Independent Non-executive Directors, Dr. Shou Yuan Wu, Mr. Mark Gavin Lotter and Dr. Binhui NI. The chairman of the audit committee is Dr. Shou Yuan WU who possesses extensive experience in finance and accounting. The Audit Committee has reviewed the audited annual results of the Group for the year ended 31 December 2016.

During the Year, the audit committee held four meetings. The attendance records of the aforementioned audit committee meetings are set out below:

審核委員會現由三名獨立非執行董事吳壽元博士、Mark Gavin Lotter 先生和倪彬暉博士組成。吳壽元博士為審核委員會主席，其擁有豐富的財務及會計經驗。審核委員會已審閱本集團本年度之綜合財務報表。

於回顧年度內，審核委員會曾舉行四次會議，審核委員會成員出席審核委員會會議之詳情如下：

		Attendance of member at audit committee meetings during the year	
		Attendance no.	Attendance rate
		出席次數	出席率
Members	成員		
Shou Yuan WU	吳壽元	4/4	100%
Mark Gavin Lotter	Mark Gavin Lotter	3/4	75%
Binhui NI	倪彬暉	4/4	100%

NOMINATION COMMITTEE

The Company has established a nomination committee (the "NC") with written terms of reference in compliance with the GEM Listing Rules. The primary duties of the NC are to review the structure, size and composition (including but not limited to the gender, skills, knowledge and experience) of the Board and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy. The NC is chaired by an independent non-executive Director. The NC comprises a majority of independent non-executive Directors. During the year, the members of the NC are as follows:

Executive Director

William Xia Guo

Independent non-executive directors

Shou Yuan Wu

Mark Gavin Lotter

Binhui NI

During the Year, the NC held two meetings. The attendance records of the aforementioned nomination committee meetings are set out below:

提名委員會

本公司已成立提名委員會，並遵照創業板上市規則書面訂明其職權範圍，以檢討董事會之架構、規模及組成（包括但不限於性別、技能、知識及經驗）及就任何擬作變動向董事會提出建議以配合本公司之公司策略。提名委員會主席由一名獨立非執行董事擔任。提名委員會主要由獨立非執行董事組成。年內，提名委員會之成員如下：

執行董事

William Xia Guo

獨立非執行董事

吳壽元

Mark Gavin Lotter

倪彬暉

於回顧年度內，提名委員會舉行了兩次會議。提名委員會成員出席提名委員會會議之詳情如下：

		Attendance no.	Attendance rate
		出席次數	出席率
Members	成員		
Shou Yuan WU	吳壽元	2/2	100%
William Xia Guo	William Xia Guo	2/2	100%
Mark Gavin Lotter	Mark Gavin Lotter	1/2	50%
Binhui NI	倪彬暉	2/2	100%

BOARD DIVERSITY POLICY

The Company has adopted a board diversity policy (the “Policy”) setting out the approach to achieve and maintain diversity on the Board in order to enhance the effectiveness of the Board and delegated certain duties under the Policy to the NC. The NC and the Board had also reviewed on 10 May 2016 the structure of the Board and is of the opinion the Board consisted of members with different gender, age, cultural and educational background, ethnicity, professional experience, skills and knowledge, which met the requirements under the terms of the Board Diversity Policy.

REMUNERATION COMMITTEE

The Company has established a remuneration committee (the “RC”) according to the relevant provisions of the GEM Listing Rules with written terms of reference. Its primary duties are (a) to make recommendation to the Board on the Company’s policy and structure for all remuneration of Directors and senior management; (b) to review and approve the management’s remuneration proposals with reference to the Board’s corporate goals and objectives; and (c) to determine the remuneration packages on individual executive Directors and senior management.

The RC is formed by an executive director and three independent non-executive directors. During this Year, the members of the RC are as follows:

Executive Director

William Xia Guo

Independent non-executive directors

Shou Yuan Wu
Mark Gavin Lotter
Binhui NI

During this Year, meetings were held by the RC to discuss and review the remuneration policies of the Company, to review and make recommendations with respect to the remuneration of Board members for approval by the Board and to made recommendations with respect to the remuneration of the newly appointed Directors during the year for approval by the Board. The RC has adopted the operation model where it performs an advisory role to the Board, with the Board retaining the final authority to approve the remuneration packages of individual executive Directors and senior management.

董事會成員多元化政策

本公司已採納董事會成員多元化政策，當中列載為實現及維持董事會成員多元化以提升董事會之效能而採取之方針，並將政策項下的若干職責委託給提名委員會。提名委員會及董事會亦於二零一六年五月十日檢討董事會之架構，並認為董事會由不同性別、年齡、文化及教育背景、專業經驗、技能及知識之成員組成，已符合董事會多元化政策條文之規定。

薪酬委員會

本公司已成立薪酬委員會，並遵照創業板上市規則書面訂明其職權範圍。其主要職責為 (a) 就本公司全體董事及高級管理人員之薪酬政策及架構向董事提供建議；(b) 因應董事會所訂企業方針及目標而檢討及批准管理層的薪酬建議；及 (c) 厘定個別執行董事及高級管理人員的薪酬待遇。

薪酬委員會由一名執行董事及三名獨立非執行董事組成，年內，薪酬委員會之成員如下：

執行董事

William Xia Guo

獨立非執行董事

吳壽元
Mark Gavin Lotter
倪彬暉

於回顧期內，薪酬委員會舉行一次會議並討論及檢討本公司之薪酬政策、審閱及建議有關董事會成員之薪酬以供董事會批准以及建議有關年內新任董事之薪酬以供董事會批准。薪酬委員會已採納其作為董事會之諮詢角色之運作模式，而董事會保留批准個別執行董事及高級管理層之薪酬待遇之最終權力。

Attendance of member at remuneration committee meeting during the year as set out below:

薪酬委員會成員出席薪酬委員會會議之詳情如下：

Members	成員	Attendance no. 出席次數	Attendance rate 出席率
Shou Yuan WU	吳壽元	1/1	100%
William Xia Guo	William Xia Guo	1/1	100%
Mark Gavin Lotter	Mark Gavin Lotter	0	0
Binhui NI	倪彬暉	1/1	100%

DIRECTORS' ACKNOWLEDGEMENT OF THEIR RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for the preparation of the financial statements of the Group and ensure that the financial statements are prepared in accordance with statutory requirements and applicable accounting standards. The Directors also ensure the timely publication of the financial statements of the Group.

The Directors confirm that, to the best of their knowledge, information and belief, having made all reasonable enquiries, they are not aware of any matters uncertainly relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

INTERNAL CONTROL AND RISK MANAGEMENT

The Board is responsible for ensuring that the Group has a sound and effective risk management and internal control system. The Group is committed to the identification, monitoring and management of risks associated with its business activities and has implemented a practical and effective control system which includes a defined management structure with limits of authority, a sound cash management system and periodic review of the Group's operation and performance by the Audit Committee and the Board. During the year, the Company engaged an external independent consultant to conduct a review on the internal control system of the Group. The risk management and internal control system is reviewed on an ongoing basis by the Board to ensure it is effective. The Board is satisfied that, based on information furnished to it and on its own observations, the present risk management and internal controls system of the Group are satisfactory. The Board is of the view that the system of risk management and internal control adopted for this Year is sound and effective. The Group does not have an internal audit function and the Board is of the view that there is currently no need for the Group to have this function.

AUDITOR'S REMUNERATION

The responsibility statement of external auditor of the Company, KLC about their reporting responsibilities on the financial statements of the Group is set out in the Independent Auditor's Report on pages 41 to 46. During the year, auditor's remuneration for audit services was RMB395,000. Save as disclosed above, there was no other non-audit services assignment undertaken by the external auditor during the Year.

董事有關編制財務報表之責任

董事知悉其負責編制本集團之財務報表，並確保有關財務報表乃根據法定規定及適用會計準則編制。董事亦確保本集團財務報表獲適時公佈。

董事確認，經作出一切合理查詢後，就彼等所知、所獲資料及所信，自彼等並不知悉任何可能會對本公司持續經營能力造成更大疑慮之事件或情況之不確定因素。

內部監控及風險管理

董事會負責確保本集團的風險管理及內部監控系統是健全及有效。本集團致力於識別、監控及管理與其業務有關之風險，並已實施一項實際可行和行之有效之監控系統，包括清晰界定許可權之管理結構、良好之現金管理系統，以及由審核委員會及董事會定期對本集團之營運及業績進行檢討。本年度，本集團聘請了獨立顧問審視了本集團的內部監控系統。風險管理及內部監控系統乃由董事會持續進行檢討是否有效。董事會根據向其獲提供之資料及本身之觀察，對本集團現有之風險管理及內部監控感到滿意。董事會認為於回顧期內採納之內部監控系統屬健全及有效。本集團並無內部核數功能，董事會認為本集團目前並不需要增設此項功能。

核數師酬金

本公司外聘核數師呂禮恒會事師事務所有限公司就本集團財務報表之申報責任作出之責任聲明載於第 41 至 46 頁的獨立核數師報告。年內，核數師就審核服務所取之酬金為人民幣 395,000 元。除此之外，年內外聘核數師並無提供其他服務。

COMPANY SECRETARY

The company secretary of the Company is responsible for distributing detailed documents to the Directors prior to the Board meetings to ensure that the Directors are able to make informed decisions regarding the matters discussed in the meetings. And all Directors have access to the advice and services of the Company Secretary with a view to ensuring that the Board procedures, and all applicable rules and regulations, are followed.

During this Year, the Company Secretary is Mr. Leung Kwok Fai Ben Rich and a written confirmation had been received by the Company from Mr. Leung Kwok Fai Ben Rich to confirm he took not less than 15 hours of relevant professional training during this Year.

SHAREHOLDERS' RIGHTS

The general meetings of the Company provide an opportunity for communications 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.

SHAREHOLDERS TO CONVENE AN EXTRAORDINARY GENERAL MEETING

Shareholders may convene an extraordinary general meeting of the Company according to the provisions as set out in the Articles and the Companies Law of the Cayman Islands. A Special General Meeting ("SGM") can be convened by a written request signed by shareholders of the Company, stating the objective of the meeting and deposited at the Company's head office at Unit B, 19/F, Times Media Centre, 133 Wanchai Road, Wanchai, Hong Kong.

PROCEDURES FOR PUTTING FORWARD PROPOSALS BY SHAREHOLDERS AT SHAREHOLDERS' MEETING

The procedures for shareholders to put forward proposals at an AGM or SGM include a written notice of those proposals being submitted by shareholders, addressed to the Company Secretary at the Company's head office at Unit B, 19/F, Times Media Centre, 133 Wanchai Road, Wanchai, Hong Kong. The detailed procedures vary according to whether the proposal constitutes an ordinary resolution or a special resolution, or whether the proposal relates to the election of a person other than a Director of the Company as a director. The procedures for shareholders to convene and put forward proposals at an AGM or SGM (including election of a person other than a Director of the Company as a director) are available on the Company's website or on request to the Company Secretary.

公司秘書

本公司之公司秘書負責於董事會會議召開前向董事分派詳情資料之檔，以確保董事能夠就會議上所討論之事宜作出知情決定。全體董事有權獲取公司秘書意見及服務，旨在確保董事會程式及所有適用法律及法規獲得遵守。

於回顧期內公司秘書為梁國輝先生，而本公司已接獲梁先生發出之書面確認書，當中確認其於本回顧年度內已參加不少於15個小時之相關專業培訓。

股東權利

本公司股東大會提供股東與董事溝通平臺。本公司每年均於董事會決定之地點舉行股東周年大會。

股東召開股東特別大會

股東可根據細則及開曼群島公司法所載之條文召開本公司之股東特別大會。股東透過簽署書面請求召開股東特別大會，書面請求須述明大會目的，及送達至本公司香港主要營業地點（地址為香港灣仔灣仔道133號星航資訊中心19樓B室）。

於股東大會上提呈議案之程序

股東於股東周年大會或股東特別大會上提呈議案的程序包括將股東提出該等議案的書面通知以公司秘書為收件人送至本公司香港主要營業地點（地址為香港灣仔灣仔道133號星航資訊中心19樓B室）。詳細程序因應議案是否構成普通決議案或特別決議案，或議案是否涉及選舉本公司董事以外人選為董事而異。股東召開股東周年大會或股東特別大會並於會上提出議案的程序（包括選舉本公司董事以外人選為董事）可於本公司網站查詢或向公司秘書索取。

PROCEDURES FOR DIRECTING SHAREHOLDERS' ENQUIRIES TO THE BOARD

Shareholders may at any time send their enquires and concerns to the Board in writing through the Company Secretary at the Company's head office at Unit B, 19/F, Times Media Centre, 133 Wanchai Road, Wanchai, Hong Kong or send email to ir@venturepharm.net.

Shareholders may also make enquiries with the Board at the AGM or SGM.

INVESTOR RELATIONS AND COMMUNICATION WITH SHAREHOLDERS

The Company uses a number of formal communications channels to account to shareholders and investors for the performance of the Company. These include (i) the publication of quarterly, interim and annual reports; (ii) the AGM or SGM providing a forum for shareholders of the Company to raise comments and exchanging views with the Board; (iii) key information of the Group available on the website of the Company; (iv) the Company's share registrars in Hong Kong serving the shareholders in respect of all share registration matters; and (v) corporate information and the Bye-laws of the Company are made available on the Company's website.

A Shareholder's Communication Policy was adopted by the Board aiming at providing the shareholders and potential investors with ready and timely access to balanced and understandable information of the Company.

The Company aims to provide its shareholders and investors with high standards of disclosure and financial transparency. The Board is committed to providing clear, detailed, timely manner and on a regular basis information of the Group to shareholders through the publication of quarterly, interim and annual reports and/or dispatching circular, notices, and other announcements.

The Company keeps on promoting investor relations and enhancing communication with the existing shareholders and potential investors. It welcomes suggestions from investors, stakeholders and the public.

Enquiries to the Board or the Company may be sent by post to the Company's head office at Unit B, 19/F, Times Media Centre, 133 Wanchai Road, Wanchai, Hong Kong.

股東向董事會查詢之指引程序

股東可隨時以書面形式將其查詢及關注事項送至本公司香港主要營業地點（地址為香港灣仔灣仔道133號星航資訊中心19樓B室）或以電郵方式寄至ir@venturepharm.net，以透過公司秘書遞交董事會。

股東亦可於股東周年大會或股東特別大會上向董事會作出查詢。

投資者關係及與股東之溝通

本公司採用多個正式通訊管道，以向股東及投資者反映本公司之表現。該等管道包括 (i) 刊發季度、中期及年度報告；(ii) 舉行股東周年大會或股東特別大會，為本公司股東提供提出評論及與董事會交流意見之平臺；(iii) 於本公司網站發佈本集團之關鍵資料；(iv) 本公司於香港之股份過戶登記處就所有股份登記事宜服務股東；及 (v) 本公司之公司資料及公司細則載於本公司網站可供流覽。

董事會採納股東溝通政策，旨在令股東及潛在投資者可迅速及時取得本公司之均衡及容易理解之資料。

本公司旨在向其股東及投資者提供高水準資料披露及財政透明度。董事會承諾，透過刊發季度、中期及年度報告及／或寄發通函、通知及其他公佈，及時及定期向股東提供有關本集團之清晰詳盡資料。

本公司不斷改善投資者關係及加強與現有股東及潛在投資者之溝通。本公司歡迎投資者、持份者及公眾人士提出建議。

向董事會或本公司作出之查詢可以郵寄方式送達本公司香港主要營業地點（地址為香港灣仔灣仔道133號星航資訊中心19樓B室）。

Report Summary

Reporting Period

This is the first annual Environmental, Social and Governance Report (“ESG Report”) of China Health Group Inc. and its major subsidiaries (the “Group”), which covers the period from 1 January 2016 to 31 December 2016.

REPORT COMPILATION BASIS

The report was prepared with reference to the ESG Reporting Guide, as set out in Appendix 20 to the GEM Listing Rules of The Stock Exchange of Hong Kong Limited (the “HKEx”).

REPORTING SCOPE

The report mainly focused on the key operation of the Group in the Mainland China, including Contracted Clinical Research Services (VPS) and Post Marketing Research and Academic Promotion Services (PMS) and other medical services. The data are mainly from two major subsidiaries 北京萬全陽光醫學技術有限公司 and 海南盛科生命科學研究院有限公司.

報告概況

報告期

本報告是中國醫療集團有限公司及其主要的附屬公司（“本集團”）的首份年度環境、社會及管治報告，本報告涵蓋本集團由二零一六年一月一日至二零一六年十二月三十一日期間的環境、社會及管治方面的表現。

報告編制基礎

本報告參考香港聯合交易所有限公司（「聯交所」）《創業板上市規則》附錄二十《環境、社會及管治報告指引》的原則編制。

報告範圍

本報告內容主要集中於本集團在中國內地的業務，包括合約臨床研究服務（VPS）、上市後臨床研究及學術推廣服務（PMS）和其他醫療服務。本報告涉及的主要國內子公司有北京萬全陽光醫學技術有限公司和海南盛科生命科學研究院有限公司。

1. STAKEHOLDERS IDENTIFICATION AND COMMUNICATION

1. 權益相關者識別與溝通

We believe that listening to the opinions of the stakeholders is conducive to an objective and comprehensive evaluation of our ESG performance. During the reporting period, the Group has engaged with its stakeholders on a continuous basis via various communication channel with the aims to align its business strategies with the market and its stakeholders' expectations and concerns, and balance the interests of the Group and its stakeholders, which will leads us to create further common value.

我們相信，認真聽取各權益相關者的意見有助於客觀和全面地評估本集團在環境、社會和管治方面的表現。在本報告年度中，本集團通過不同方式與各權益相關者進行持續性溝通，旨在讓本集團的業務發展戰略可以更符合市場和權益相關者的期望和要求，進而平衡本集團與權益相關者的利益，從而有助於我們創造更多的共同價值。

1.1 STAKEHOLDERS IDENTIFICATION

1.1 識別權益相關者

Based on the communications frequencies and experience with relevant stakeholders, the Group has indentified seven different groups of major stakeholders, which are government/regulatory authorities, shareholders/investors, employees, clients, suppliers (hospitals)/business partners, industrial associations and community/public.

根據與權益相關者的溝通頻率和經驗，本集團識別出的7類關鍵的權益相關者，主要包括政府/監管機構、股東/投資者、雇員、客戶、供應商(醫院)/商業合作夥伴、行業組織和社區/公眾。



1.2 COMMUNICATION WITH STAKEHOLDERS

1.2 與權益相關者溝通

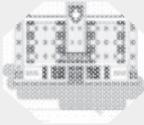
The Group maintained communication with the stakeholders for a range of matters through various communication channels as set out in the table below:-

在日常運營中，本集團與權益相關者通過各種溝通管道，就不同事項進行溝通，具體如下：

權益相關者 Stakeholder Groups	溝通渠道 Communication Channels	期望與訴求 Major Expectations and Concerns
政府/監管機構 Government/ Regulatory Authorities 	<ul style="list-style-type: none"> • 諮詢稿 Consultation paper • 提交文件 Documents submission • 查詢/檢查 Enquiry/Checking • 會議 Meeting • 合規報告 Compliance report • 參與會議/研討會 Participation in conference/seminar 	<ul style="list-style-type: none"> • 合規監管 Legal and regulatory compliance • 依時納稅 Tax payment in timely manner • 政策制定導向征詢 Consultation in Public Policy Formulation
股東 / 投資者 Shareholders/ Investors 	<ul style="list-style-type: none"> • 股東周年大會及通告 Annual general meeting and notices • 年報、財務報表和公告 Annual reports, financial statements and announcements • 集團網站 Corporate website • 微信平台 Wechat platform • APP 業務平台 Business application platform 	<ul style="list-style-type: none"> • 財務表現 Financial performance • 業務可持續發展 Business sustainability • 披露和透明度 Disclosure and transparency
員工 Employees 	<ul style="list-style-type: none"> • 大會及其他會議 Meetings and other meetings • 培訓課程 Training courses • 绩效考核 Performance appraisals • 員工聚會 Employee gatherings • 勞動合同 Labor contracts 	<ul style="list-style-type: none"> • 業務可持續發展性(工作安全性) Business sustainability (job security) • 協助員工自我增值 Strive for self-improvement • 培養企業文化 Cultivate corporate culture • 僱傭關係/員工權利及權益 Labor relations/labor rights and interests • 平等及多元化的就業機會 Equal career opportunities and diversity • 薪酬和福利 Salaries and benefits

1.2 COMMUNICATION WITH STAKEHOLDERS (CONT'D)

1.2 與權益相關者溝通 (續)

权益相关者 Stakeholder Groups	沟通渠道 Communication Channels	期望与诉求 Major Expectations and Concerns
客户 Clients 	<ul style="list-style-type: none"> • 微信平台 Wechat Platform • 电邮和电话联系 Email and phone contacts • 日常运营互动 Daily operations/interactions • 集团网站 Corporate website 	<ul style="list-style-type: none"> • 持续发展 Business development • 经验、技术和人才 Experience, technology and competent professionals • 公平合理价格 Fair and reasonable pricing • 服务质量 Service quality
供应商(医院)/合作 伙伴 Suppliers (hospitals) /Business Partners 	<ul style="list-style-type: none"> • 日常交流 Daily communication • 电邮和电话 Emails and phones • 研讨会和会议 Seminars and Conferences • 供应商评估 Suppliers evaluations • 实地考察 On-site visits 	<ul style="list-style-type: none"> • 互利互赢 Win-win co-operation • 人员稳定 Personnel stability • 长期业务关系 Long-term business relationship • 公平合理价格 Fair and reasonable pricing • 创新性和可行性 Creativity and feasibility
行业组织 Industrial Associations 	<ul style="list-style-type: none"> • 研讨会 Seminars • 年度会议 Annual meeting • 行业论坛 Industry forums • 博览会 Exhibitions 	<ul style="list-style-type: none"> • 行业发展 Industrial development • 业务可持续发展 Business sustainability • 增加就业 Increase employment
社区/公众 Community/Public 	<ul style="list-style-type: none"> • 公益活动 Sponsorship of public welfare activities • 网络媒体(微信平台) Webmedia(wechat platform) • 研讨会 Seminars • 公众咨询 Community consultation • 社会培训院 Social training 	<ul style="list-style-type: none"> • 社区参与 Community participation • 社会融合 Social integration • 就业机会 Career opportunities

2. ANALYSIS OF MATERIALITY AND RELEVANCY

The HKEx Guide encourages an issuer to identify and disclose ESG information that is material and relevant to an issuer's business. Through our materiality assessment, the management has decided that out of the 11 ESG Aspects suggested by the Guide, the following 9 ESG Aspects are material and relevant to the Group. The management policies and performance relating to which are set out in the corresponding sections herein.

2. 重要性及相關性分析

聯交所指引鼓勵報告發行人根據各議題的重要性及對業務的相關性，識別並彙報相關的環境、社會及管治的主要範疇、層面、一般披露及關鍵績效指標。本集團管理層通過重要性分析，歸納出指引內11項相關層面中，以下9項是本集團在環境、社會及管治方面的重點及相關的事項。我們在本報告的隨後章節對該等事項的管理政策和表現作出相關的披露。

ESG 範疇

ESG Subject Areas

ESG 層面

ESG Aspects

環境

Environmental

A1 排放物 Emissions

A2 資源使用 Use of Resources

僱傭及勞工常規

Employment and Labor Practices

B1 僱傭 Employment

B2 健康與安全 Health and Safety

B3 發展及培訓 Development and Training

B4 勞工準則 Labor Standards

營運慣例

Operating Practices

B6 產品責任 Product Responsibility

B7 反貪污 Anti-corruption

社區

Social

B8 社區投資 Community Investment

3. ENVIRONMENT

3.1 EMISSIONS

The Group is committed to operating in compliance with applicable environmental laws and regulations in all material respects and protecting the environment by minimising the negative impact of the Group's existing business activities on the environment.

The Group continuously performs the separate collection method on the daily domestic garbage to ensure reuse of the recyclable waste, for example: plastic bags, plastic lunch boxes, paper and so on. The Group chooses cups or glasses instead of paper cups for the guests to minimise waste and be more environmental-friendly.

The Green House Gas ("GHG") emission from the Group is mainly generated from its purchased electricity consumed by the daily operation. To reduce the amount of carbon emission, the Group has implemented several practical measures on saving energy as further described in the next section "Use of Resources".

Note: The Group's GHG emissions were classified into 3 scopes. The relevant activities were as below:

- Scope 1 – GHG Emissions refer to direct emissions from the fuel used by a private car owned by the Group for business purposes;
- Scope 2 – Emissions refer to energy indirect emissions. It is resulted from electricity purchased from energy supply companies used in our business operations; and
- Scope 3 – Emissions refer to other indirect emissions (optional for reporting purposes). It is from the usage of office paper.

3. 环境

3.1 排放物境

本集團致力於營運時，在所有重大方面遵守適用環境法律及法規，並透過減少本集團現有業務活動對環境的負面影響而保護環境。

本集團持續以分類收集法處理每日日常垃圾，確保能重用可循環再用廢物。例如，膠袋、膠飯盒及紙張等。本集團為客人提供玻璃杯而非紙杯，以減少廢物及更為環保。

本集團溫室氣體（「溫室氣體」）排放主要產自日常營運所需而消耗的外購電力。本集團為減少碳排放，已實施多項節能實用措施，進一步詳情載於下一章節「資源使用」。

我們將溫室氣體排放劃分為 3 個範疇，每個範疇內的有關活動列舉如下：

- 範疇1 – 公司用於商業用途的私家車輛所消耗的燃料；
- 範疇2 – 我們所購買的用於業務經營的電力；
- 範疇3 – 用紙量。

3.2 USE OF RESOURCES

The Group's operation is mainly office-based and we were committed to minimizing the impact of our businesses on the environment by adopting eco-friendly measures in the office. In terms of energy saving measures, there were a number of good practices as follows.

- * Conference calls instead of face-to-face meetings were arranged where possible.
- * Staff is reminded to switch off lights and air-conditioning in the meeting room when it was not in use.
- * The room temperature was maintained at 25 degrees Celsius in the summer and 18 degrees Celsius in the winter in order to save energy.
- * We have provided water supply equipment in the office for employees and visitors and we were encouraged to use reusable cups to reduce the use of plastic bottles.
- * We were encouraged to use emails and online signature system for document review, signing and communication where possible, in order to reduce copying and the use of papers.

4. EMPLOYMENT AND LABOR PRACTICES

The Group viewed each and every employee as the most valuable resources and wealth, respected and protected their legitimate rights and interests, paid close attentions to their health and safety, valued talent training, strived to build a tailor-made career paths and rapid development platform, and committed to achieve the common growth.

3.2 資源使用

本集團以辦公室運作為主。因此，本集團致力通過辦公室內的環保措施，儘量減少對環境的影響。在節約能源方面，本集團實施了以下良好措施：

- * 儘量安排電話會議代替面談。
- * 會議室閒置時，雇員會關掉房中的空調和燈。
- * 辦公室於夏天的室內溫度保持在攝氏25度，冬天的室溫則保持在攝氏18度以節省能源。
- * 辦公室設有飲水設備，以供雇員和訪客需要時使用，也鼓勵他們使用可重複使用的杯具，減少使用瓶裝水。
- * 鼓勵盡可能使用電子郵件與線上審核系統進行檔審閱、簽發與溝通，減少影印和辦公用紙。

4. 僱傭環境及勞工常規

本集團將每一位雇員視為最寶貴的資源和財富，尊重和維護每一位雇員的合法權益，關注雇員的健康和安全，重視人才培養，努力為雇員構建特製的職業生涯規劃和快速發展平臺，致力於實現雇員與企業的共同發展。

4.1 EQUAL CAREER OPPORTUNITIES AND DIVERSITY

The Group valued equality and diversity in our workforce, we have introduced various talents through campus recruitment, social recruitment (including website recruitment and internal referral), and they were recruited according to their ability and attitude, regardless of their gender, race and age.

4.2 ATTENTION TO EMPLOYEES' HEALTH AND SAFETY

Employees' health and safety are paramount to the Group. The Group has continued to organize a range of leisure, recreational and sporting programs to build and promote a healthy and work-life balance environment to the workforce. In 2016, the Group has provided various activities to our employees, including Birthday parties, Ledongli walk, Spring outing, New Year party and medical checkup for the employees.

4.3 TRAINING AND GROWTH PLATFORM

The Group valued training and development since its commencement, because it helped to increase efficiency, enhance employees commitment, improve team communication and boost employees morale, and thus foster the innovation and growth of the Group.

4.1 平等就業機會和多元化

本集團重視雇員的平等性和多元化，我們主要通過校園招聘和社會招聘（網站招聘和內部推薦）的方式引進不同人才，招聘雇員時主要是根據他們的能力和態度，而非基於性別、種族或年齡。

4.2 關心雇員的健康和安全

雇員的健康和安全對本集團來說至關重要。本集團陸續舉辦一系列的休閒、娛樂和康體活動，促進雇員的健康及工作和生活的平衡。本集團在本年度內為雇員舉辦了各種各樣的活動，包括：雇員生日會、樂動力步行活動、春遊活動、元旦聯歡晚會和雇員的體檢。

4.3 發展和培訓平臺

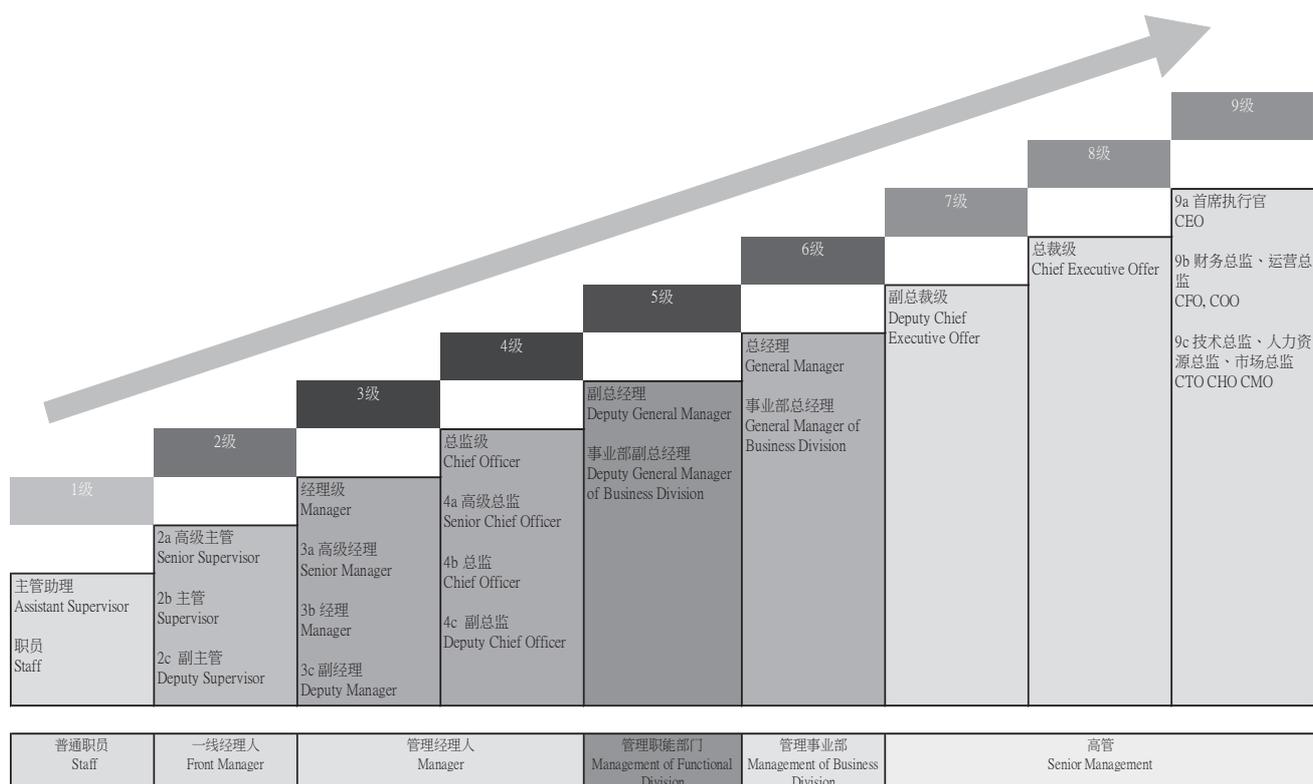
本集團自從成立至今一直重視人才的培養和職業發展，因為這有助於提高效率、增強雇員對企業的認同感、促進溝通和提高凝聚力，進而促進本集團的創新和發展。

4.3.1 CAREER DEVELOPMENT

The Group has established nine grading management system to ensure that the employees can choose their career path and develop job-related professional skills. The following diagram set out the career development paths:

4.3.1 職業發展

本集團建立了九級管理發展職級體系，確保僱員可以選擇其職業發展路徑和提升工作相關的專業技能，本集團設有的職業發展路徑如下：



4.3.2 TRAINING

Training was an important way to improve the overall quality and provide comprehensive development of the employees. The Group has established a multi-level training system. The Group endeavored to create internal and external training opportunities for our employees, so as to enhance their knowledge, job skills, capabilities and performance. In the reporting period, our training mainly including orientation training for new employees, training of professional skills, training of new general knowledge, job rotation and outdoor development activities.

4.3.2 僱員培訓

培訓是提高僱員整體素質及全面發展的重要途徑，本集團建立了多層次的僱員培訓體系，努力為僱員創造內部和外部培訓機會，以提升他們的知識技能、工作能力和表現。本年度主要的培訓包括新僱員入職培訓、專業技能培訓、通用知識培訓、輪崗培訓和戶外拓展活動訓練等等。

4.4 GUARANTEEING LEGITIMATE RIGHTS

The Group has strictly observed the provisions in the national labor laws and regulations, continued to optimize the labor management system, established a fair and legal employment environment, valued protection of legitimate rights and interests of women and the disabled, implements equal pay for equal work, avoided discrimination and unfair treatment, and stood firm against employment of child and forced labor. In 2016, the Group has not violated any of the relevant national labor laws and regulations and did not employ child and forced labor force.

The Group has established and optimized a welfare system in line with the enterprise development and employees' growth, built a remuneration management system and various incentive systems(including share option incentives), and continuously improved the remuneration scheme.

Furthermore, in accordance with the national regulations, it has contributed social insurance and provident fund for employees, provided various benefits such as subsidies on holidays and festivals, home leaves, meal allowance, and subsidies for mobile phone bill for employees, and also provided accommodation/housing subsidies for Non-Beijing Resident Graduates and commercial insurance and car loans for outstanding employees, etc. truly enabling employees to enjoy at work and in turn to improve the overall productivity.

5. OPERATING PRACTICES

5.1 SUPPLY CHAIN MANAGEMENT

The office-based operation of the Group was not considered to have significant environmental and social risks of supply chain.

5.2 PRODUCT RESPONSIBILITY

The Group has highly prioritized the business integrity and services standards to promote the long-term best interests to all of its shareholders and stakeholders. During the reporting period, the Group didn't receive any complaint in relation to violations of relevant laws and regulations. The Group will continue to fully comply with relevant governmental and regulatory laws, rules, codes and regulations.

5.3 ANTI-CORRUPTION

During the reporting period, there was no legal case relating to bribery, extortion, fraud and money laundering brought against the Group and its employees.

4.4 保障合法權益

本集團嚴格遵守國家勞動法律法規的規定，不斷完善勞工管理制度，建立公平合法的勞工環境，重視保護婦女和殘障人士的合法權益，同工同酬，避免歧視和不公平待遇，堅決反對僱傭童工和強制勞工。二零一六年，本集團並無違反相關國家勞動法律法規及不存在僱傭童工和強制勞工的情況。

本集團構建並完善同企業發展和雇員成長相適應的福利體系，建立良好的薪酬管理制度，多種激勵制度（包括股票期權激勵等），並不斷完善薪酬方案。

本集團除了按照國家規定為雇員繳納社會保險和公積金，還為雇員提供節假日補貼、探親假、膳食補貼、手機話費補貼等各種福利，還為非北京生源的畢業生提供住宿/住房補貼，為優秀人才提供專業商業保險及購車貸款等。真正讓雇員快樂工作，並因工作環境愉快而努力工作以提升生產力。

5. 營運慣例

5.1 供應鏈管理

本集團認為以辦公室為主的運作在管理供應鏈上不構成重大的環境及社會風險。

5.2 產品責任

本集團高度重視企業誠信和服務品質，以促進所有股東和權益相關者的長遠利益。在本報告期內本集團不存在違反相關法律法規的情況。本公司將繼續確保政府和監管機構的適用法律、法規、條例及準則得到遵守。

5.3 反貪污

在報告期內並無任何關於本集團或雇員賄賂、勒索、欺詐及洗黑錢的法律訴訟。

6. SOCIAL

6.1 PROMOTING SOCIAL WELLBEING

The Group adhered to the belief “taking from the society, giving back to the society”. It has actively engaged in a wide range of social welfare and charitable activities with its expertise and resources, and strived to achieve win-win outcomes with its stakeholders.

6.2 SUMMARY OF PROMOTING SOCIAL WELLBEING ACTIVITIES

In the reporting period, the major social welfare and charitable activities participated in by our staff are summarized as follows:

World No Tobacco Day

“Enjoying a Healthy Life” – Organised a range of anti-smoking campaigns and donations.

Global Day for ALS

“Love from Wanquan, Warm to ALS Patients” -organised a range of disease awareness campaigns and donations.

World Allergy Day

“Bye Bye Allergy”-organised a range of disease awareness campaigns, volunteer medical consultations and donations.

World Suicide Prevention Day

“Let Us Smile” -organised a range of disease awareness campaigns, mental health educations and go together with Wanquan activities.

World Alzheimer's Day

“Love Memory” -organised a range of volunteer medical consultations and disease awareness campaigns on caring for the elderly.

World Mental Health Day

“Mental Health and Social Harmony” -organised a range of disease awareness educations and go together with Wanquan activities.

World Aids Day

“No I, but love”-organised a range of disease awareness campaigns.

6. 社區

6.1 促進社會公益

本集團秉承“取之於社會，回饋於社會”的信念，運用本身的專長和資源，積極投身於各種社會公益和慈善活動，努力實現本集團與權益相關者的共用共贏。

6.2 組織的社會公益活動總結

本報告年度，本集團員工參與的主要社會公益的活動摘要如下：

世界無煙日

舉行以“悅享健康生活”為主題的戒煙宣傳和捐贈等活動

世界漸凍人日

舉行以“萬全大愛，溫暖漸凍人”為主題的疾病宣傳和捐贈等活動

世界過敏日

舉行以“拜拜過敏”為主題的疾病宣傳、義診和捐贈活動

世界預防自殺日

舉行以“讓我們一起微笑”為主題的疾病宣傳、心理健康教育和萬全一起走等活動

世界老年癡呆日

舉行以“讓愛記憶”為主題的關愛老人的義診和疾病教育等活動

世界精神衛生日

舉行以“心理健康社會和諧”為主題的疾病教育和萬全一起走等活動

世界愛滋病日

舉行以“不要I,要愛”為主題的疾病宣傳活動



Independent auditor's report
To the shareholders of China Health Group Inc
(incorporated in the Cayman Islands with limited liability)

獨立核數師報告
致中國醫療集團有限公司各股東
(於開曼群島成立的有限公司)

Opinion

We have audited the consolidated financial statements of China Health Group Inc (the "Company") and its subsidiaries (together, the "Group") set out on pages 47 to 107, which comprise the consolidated statement of financial position as at 31 December 2016, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for opinion

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

意見

本核數師(以下簡稱「我們」)已審核列載於第47至107頁中國醫療集團有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表,此綜合財務報表包括於二零一六年十二月三十一日的綜合財務狀況表、截至該日止年度之綜合損益及其他全面收益表、綜合權益變動表和綜合現金流量表,以及主要會計政策概要及其他附注解釋資料。

我們認為,該等綜合財務報表已根據《香港財務報告準則》真實而中肯地反映貴集團於二零一六年十二月三十一日的財務狀況及貴集團截至本年度止的年度財務表現及現金流量,並已遵照香港公司條例中有關披露資料之規定妥為擬備。

意見基準

我們根據香港會計師公會頒佈的香港審計準則進行審核。我們於該等準則項下的責任於本報告「核數師就審計綜合財務報表須承擔的責任」一節進一步闡述。根據香港會計師公會的「專業會計師道德守則」(「守則」),我們乃獨立於貴集團,且我們已根據守則履行我們其他的道德責任。我們相信,我們所獲得的審計憑證能充足和適當地為我們的審計意見提供基礎。

Material Uncertainty Related to Going Concern

Without qualifying our opinion, we draw attention to note 2(b)(ii) to the consolidated financial statements which indicates that the Group's current liabilities exceeded its current assets and total assets by approximately RMB28,937,000 and RMB25,166,000, respectively, as of 31 December 2016. These conditions, along with other matters as set forth in note 2 (b)(ii) to the consolidated financial statements, indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. Notwithstanding the above, the consolidated financial statements have been prepared on a going concern basis, the validity of which is dependent on the Group's ability to generate positive cashflows from new contracts and enforcing stringent cost measures.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were most significant 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.

Revenue recognition from services provided

We identified revenue recognition from services provided as a key audit matter as revenue recognised is quantitatively significant to the consolidated statement of profit or loss and other comprehensive income and material revenue transactions may occur close to the end of the reporting period.

Revenues from contracted clinical research services are recognised over the fixed terms of the contracts or, where appropriate, as the related costs are incurred. Milestone payments in connection with research and development or commercialisation agreements are recognised when they are earned in accordance with the applicable performance requirements and contractual terms.

Payments received that are related to future performance are deferred and recorded as revenues as they are earned over the specified future performance periods.

Revenue from post marketing research and academic promotion services is recognised when the relevant services are rendered and the respective amount of revenue can be measured reliably.

有關按持續經營基準呈列財務報表之重大不明朗因素

儘管我們並無發表保留意見，我們謹請閣下垂注綜合財務報表附注2 (b)(ii)，當中顯示 貴集團於二零一六年十二月三十一日的流動負債淨額約人民幣28,937,000元及總負債超於總資產值約人民幣25,166,000元。此財務狀況反應貴集團的持續經營存在重大不明朗因素。雖然如此，綜合財務報表已按持續經營基準編制，其是否有效取決於貴集團能否通過簽訂合同和實施嚴格的成本措施產生未來十二個月正現金流。

關鍵審計事項

根據我們的專業判斷，關鍵審計事項為我們審計本期綜合財務報表中最重要的事項。我們在審計整份綜合財務報表和就此形成意見時處理此等事項，而不會就此等事項單獨發表意見。

提供服務的收益確認

我們認為收益確認為關鍵審計事項，原因為確認之收入就綜合損益及其他全面收益表而言屬數量巨大，而臨近報告期末或會發生重大收入交易。

已訂合約的醫藥研發服務收入於合約固定期內或（倘適用）於有關成本產生時確認。有關研究及開發或商業協議的階段性付款，會根據適用的表現規定和合約條款於賺取時確認為收益。

有關未來表現的已收取款項，會予以遞延並在指定的未來表現期間列作收益。

上市後臨床研究及學術推廣服務收入於提供服務及該服務相應之收入能可靠地估算時確認。

Our audit procedures in respect of revenue recognition included the following:

- * Obtained a list of receipts in advance as at 31 December 2016 and a list of revenue recognised during the year ended 31 December 2016;
- * Reviewed the status of projects as of 31 December 2016 on a sample basis to ensure monies received had been properly recorded either as receipts in advance or revenue based on the status of the respective projects; and
- * Arranged audit confirmations on a sample basis to confirm the service income during the year and receipts in advance balance as of 31 December 2016.

Completeness and accuracy of provision for litigation claims

We identified the completeness and accuracy of the provision for litigation claims as a key audit matter because the Group has incurred certain commercial and labour disputes over the years and recognises the need of a substantial provision of amount for litigation claims.

Our audit procedures to check the completeness and accuracy of the provision for litigation claims included the following:

- * Obtained a detailed summary of legal cases within the Group and enquired with the legal department on the status of each case as of 31 December 2016;
- * Performed search on the websites of different local courts to ensure the detailed summary of legal cases covered all legal cases involved by the Group;
- * For legal cases with settlement statements issued by the respective courts, obtained the settlement statements and ensured proper provision had been made in accordance therewith; and
- * For open legal cases, obtained legal opinions on the possible penalty to be incurred from the Group's legal department and ensured adequate but not excessive provisions were made.

我們就有關提供服務而確認之收入之審計程序包括:

- * 獲取於二零一六年十二月三十一日之預收款明細及截至二零一六年十二月三十一日止年度的服務費收入明細;
- * 按樣本基準抽查項目於二零一六年十二月三十一日之情況,以確定預收款及服務費收入已按照項目完成程度入賬;及
- * 按樣本基準獲取審計詢證函,以確定於二零一六年十二月三十一日之預收款餘額及截至二零一六年十二月三十一日止年度的服務費收入金額。

預提法律訴訟賠償的完整性及準確性

我們認為預提法律訴訟賠償的完整性及準確性為關鍵審計事項,因為貴集團於以往幾年存在一定的商業及勞務糾紛並計提了重大金額的法律訴訟賠償。

我們就預提法律訴訟賠償之審計程序包括:

- * 獲取於二零一六年十二月三十一日之預提法律訴訟賠償金額明細,並瞭解每個法律糾紛於二零一六年十二月三十一日的實際情況;
- * 於相關地方法院的網站搜尋有關貴集團的法律糾紛,並確定貴集團的預提法律訴訟賠償金額明細包含所有現存的法律糾紛;
- * 對於法院已判決的法律糾紛,我們已獲取相關判決書,確定已預提賠償金額與法院判決一致;及
- * 對於未有法院判決的法律糾紛,我們已獲取貴集團法務部的法律意見,並已評估貴集團對該等法律糾紛的賠償是否適當預提。

Information other than the consolidated financial statements and auditor's report thereon

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

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusions 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 concluded that there are any material misstatements of this other information, we are required to report such facts. We have nothing to report in this regard.

Responsibilities of the directors and those charged with governance for the consolidated financial statements

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

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

Those charged with governance are 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. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

年報內的其他資料

董事須對其他資料承擔責任。其他資料包括貴公司年報中所包含的資料，但不包括綜合財務報表及我們就此發出的核數師報告。

我們對綜合財務報表作出的意見並未考慮其他資料。我們不對其他資料發表任何形式的核證結論。

就審計綜合財務報表而言，我們的責任是閱讀其他資料，從而考慮其他資料是否與綜合財務報表或我們在審計過程中獲悉的資料存在重大不符，或似乎存在重大錯誤陳述。

倘若我們基於我們已執行的工作認為此其他資料出現重大錯誤陳述，我們須報告該事實。我們就此並無報告事項。

董事及治理層就綜合財務報表須承擔的責任

貴公司的董事須負責根據香港會計師公會頒佈的《香港財務報告準則》及香港《公司條例》擬備真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的擬備存在由於欺詐或錯誤而導致之重大錯誤陳述所必需的內部控制負責。

在編製綜合財務報表時，董事須負責評估貴集團持續經營的能力，並披露與持續經營有關的事項（如適用）。除非董事有意將貴集團清盤，或停止營運，或除此之外並無其他實際可行的辦法，否則董事須採用以持續經營為基礎的會計法。董事亦須負責監督貴集團的財務報告流程。就此而言，審核委員會負責協助董事履行彼等的職責。

該等治理層負責監管貴集團財務報告過程。

核數師就審計綜合財務報表須承擔的責任

我們的目標是合理確定整體而言綜合財務報表是否不存在由於欺詐或錯誤而導致的重大錯誤陳述，並發出包含我們意見的核數師報告。本報告僅向整體成員報告，除此之外本報告別無其他用途。我們不會就本報告的內容向任何其他人士負責或承擔任何責任。

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 judgement and maintain professional scepticism throughout the audit. We also:

- * Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- * Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- * Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- * Conclude on the appropriateness of the directors' use of 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.

合理確定屬高層次的核證，但不能擔保根據《香港審計準則》進行的審核工作總能發現所有存在的重大錯誤陳述。重大錯誤陳述可源於欺詐或錯誤，倘個別或整體在合理預期情況下可影響使用者根據該等綜合財務報表作出的經濟決定時，被視為重大錯誤陳述。

我們根據《香港審計準則》進行審計的工作之一，是運用專業判斷，在整個審計過程中抱持職業懷疑態度。我們也：

- * 識別及評估綜合財務報表由於欺詐或錯誤而導致的重大錯誤陳述風險，因應該等風險設計及執行審核程式，獲得充足及適當的審計憑證為我們的意見提供基礎。由於欺詐可能涉及合謀串通、偽造、故意遺漏、誤導性陳述或凌駕內部控制，因此未能發現由此造成的重大錯誤陳述風險比未能發現由於錯誤而導致的重大錯誤陳述風險更高。
- * 瞭解與審計有關的內部控制，以設計恰當的審計程式，但並非旨在對貴集團的內部控制的有效性發表意見。
- * 評估所用會計政策是否恰當，以及董事所作出的會計估算和相關披露是否合理。
- * 總結董事採用以持續經營為基礎的會計法是否恰當，並根據已獲取的審計憑證，總結是否存有有可能對貴集團持續經營的能力構成重大疑問的事件或情況有關的重大不確定因素。倘若我們總結認為有重大不確定因素，我們須在核數師報告中提請注意綜合財務報表內的相關披露，或倘相關披露不足，則修訂我們的意見。我們的結論乃基於直至核數師報告日期所獲得的審計憑證。然而，未來事件或情況可能導致貴集團不再具有持續經營的能力。
- * 評估綜合財務報表（包括披露）的整體列報、架構及內容，以及綜合財務報表是否已公平反映及列報相關交易及事項。

- * Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

The engagement director on the audit resulting in this independent auditor's report is Tang Wai Yau.

KLC Kennic Lui & Co. Ltd.

Certified Public Accountants (Practising)
Tang Wai Yau
Practising Certificate No.: P05737
Hong Kong,
24 March 2017

- * 就貴集團內實體或業務活動的財務資料獲得充足適當的審計憑證，以就綜合財務報表發表意見。我們負責指導、監督和執行貴集團的審計工作。我們為我們的審計意見承擔全部責任。

我們就審計（其中包括）的計劃範圍和時間及在審計中識別的重重大審計發現（包括內部控制的重大缺失）與治理層進行溝通。

我們亦向治理層作出聲明，表示我們已遵守有關獨立性的道德要求，並就所有被合理認為可能影響我們獨立性的關係和其他事宜以及相關保障措施（如適用），與治理層進行溝通。

我們通過與治理層溝通，確定本期間綜合財務報表審計工作的最重要事項，因此有關事項為關鍵審核事項。除非法律或法規不容許公開披露此等事項或在極罕有的情況下，我們認為於核數師報告中傳達有關事項可合理預期的不良後果將超過有關傳達的公眾利益而不應如此行事，否則我們在核數師報告中描述此等事項。

此獨立核數師報告的審計項目專案總監為鄧維佑。

呂禮恒會計師事務所有限公司

執業會計師
鄧維佑
執業證書編號.: P05737
香港,
二零一七年三月二十四日

綜合損益及其他全面收益表
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME

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	Notes 附註	Year ended 31 December 2016	
		截至二零一六年十二月三十一日止年度	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Revenue 收入	4	20,241	20,497
Other income 其他收入	5	220	1,876
Cost of services 服務成本		(3,357)	(4,980)
Staff costs 員工成本	6(b)	(9,827)	(8,676)
Administrative expenses 行政費用		(4,392)	(5,379)
Impairment losses on work-in-progress 在產品減值	14	-	(3,166)
Finance costs 融資成本	6(a)	(800)	(817)
Loss on revaluation of derivative financial liabilities 衍生金融負債重估虧損	22	-	(2,731)
Profit/(loss) before taxation 除稅前溢利/(虧損)	6	2,085	(3,376)
Income tax 所得稅	7	42	(111)
Total comprehensive income/(loss) for the year 本年度全面溢利/(虧損)總額		2,127	(3,487)
Attributable to: 下列人士應占:			
Equity shareholders of the Company 本公司股權持有人		2,127	(3,353)
Non-controlling interests 非控股權益		-	(134)
Total comprehensive income/(loss) for the year 本年度全面溢利/(虧損)總額		2,127	(3,487)
Earnings/(loss) per share 每股溢利/(虧損)			
Basic 基本	10(a)	0.23 cents	(0.37 cents)
Diluted 攤薄	10(b)	0.23 cents	(0.37 cents)

The notes on pages 52 to 107 form part of these financial statements.
 第52至107頁之綜合財務報表附註乃本財務報表之一部份

		At 31 December 2016	
		於十二月三十一日	
		2016	2015
		二零一六年	二零一五年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
	Notes 附註		
Non-current assets			
Property, plant and equipment	11	3,771	4,803
New drug technologies	12	-	-
		<u>3,771</u>	<u>4,803</u>
Current assets			
Work-in-progress	14	2,086	2,673
Trade and bills receivable	15	551	3,368
Trade deposits paid	16	3,100	-
Prepayments and other receivables	17	1,584	1,332
Cash and cash equivalents	18(a)	1,753	6,775
		<u>9,074</u>	<u>14,148</u>
Current liabilities			
Trade payables, other payables and accrued charges	19	23,311	22,550
Receipts in advance	20	4,855	24,215
Loans from related companies	21	8,321	-
Convertible notes	22	-	5,779
Derivative financial liabilities	22	-	4,447
Bank borrowings	23	1,500	1,500
Income taxes payable	24	24	128
		<u>38,011</u>	<u>58,619</u>
Net current liabilities		<u>(28,937)</u>	<u>(44,471)</u>
Net liabilities		<u>(25,166)</u>	<u>(39,668)</u>

The notes on pages 52 to 107 form part of these financial statements.

第52至107頁之綜合財務報表附注乃本財務報表之一部份

綜合財務狀況表
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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		At 31 December 2016		
		於十二月三十一日		
		2016	2015	
		二零一六年	二零一五年	
		RMB'000	RMB'000	
		人民幣千元	人民幣千元	
	Notes 附註			
Capital and reserves				
Share capital	25	88,673		81,699
Reserves	25(c)	(113,839)		(121,367)
		(25,166)		(39,668)
Deficiency in assets attributable to equity shareholders of the Company				
Non-controlling interests		-		-
Deficit of shareholders' funds		(25,166)		(39,668)

The consolidated financial statements on pages 47 to 107 were approved and authorised for issue by the Board of Directors on 24 March 2017 and are signed on its behalf by:

第47頁至第107頁之綜合財務報表於二零一七年三月二十四日獲董事會批准並授權發佈並由以下董事代表簽署:

William Xia GUO

William Xia Guo

Director

董事

Maria Xuemei SONG

宋雪梅博士

Director

董事

The notes on pages 52 to 107 form part of these financial statements.

第52至107頁之綜合財務報表附注本財務報表之一部份

		Attributable to owners of the Company									
		本公司擁有人應占									
		Share capital 股本	Share-based payment reserve 股份基礎支付儲備	Special reserve 特別儲備	Capital reserve 資本儲備	Statutory reserve 法定公積	Statutory enterprise expansion fund 法定企業發展基金	Accumulated losses 累計虧損	Total 合計	Non-controlling interests 非控股權益	Total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Balance at 1 January 2015	二零一五年一月一日	81,699	4,285	6,039	2,254	3,821	6,986	(142,740)	(37,656)	134	(37,522)
Change in equity for 2015	二零一五年之權益變動										
Loss for the year	本年虧損	-	-	-	-	-	-	(3,353)	(3,353)	(134)	(3,487)
Total comprehensive loss	全面虧損總額	-	-	-	-	-	-	(3,353)	(3,353)	(134)	(3,487)
Equity settled share-based transactions	以股份為付款基礎之交易	-	1,341	-	-	-	-	-	1,341	-	1,341
Balance at 31 December 2015 and at 1 January 2016	二零一五年十二月三十一日及二零一六年一月一日	81,699	5,626	6,039	2,254	3,821	6,986	(146,093)	(39,668)	-	(39,668)
Change in equity for 2016	二零一六年之權益變動										
Profit for the year	本年溢利	-	-	-	-	-	-	2,127	2,127	-	2,127
Total comprehensive income	全面收益總額	-	-	-	-	-	-	2,127	2,127	-	2,127
Conversion of convertible notes	可換股票據轉換成股本	6,974	-	-	3,977	-	-	-	10,951	-	10,951
Equity settled share-based transactions	以股份為付款基礎之交易	-	1,424	-	-	-	-	-	1,424	-	1,424
Balance at 31 December 2016	二零一六年十二月三十一日	88,673	7,050	6,039	6,231	3,821	6,986	(143,966)	(25,166)	-	(25,166)

The notes on pages 52 to 107 form part of these financial statements.
第52至107頁之綜合財務報表附注乃本財務報表之一部份

綜合現金流量表
CONSOLIDATED STATEMENT OF CASH FLOWS

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		Year ended 31 December 2016		
		截至二零一六年十二月三十一日止年度		
		2016	2015	
		二零一六年	二零一五年	
		RMB'000	RMB'000	
		人民幣千元	人民幣千元	
	Notes 附註			
Operating activities				
Cash (used in)/generated from operations				
Interest paid	18(b)	(6,756)		3,529
Income taxes paid		(75)		(132)
		(62)		(7)
Net cash (used in)/generated from operating activities		(6,893)		3,390
Investing activities				
Interest received		9		7
Net cash generated from investing activities		9		7
Cash flows from financing activities				
Proceeds from bank borrowings		1,500		1,500
Repayment of bank borrowings		(1,500)		(2,000)
Loans from related companies		1,862		-
Net cash generated from/(used in) financing activities		1,862		(500)
Net(decrease)/ increase in cash and cash equivalents		(5,022)		2,897
Cash and cash equivalents at beginning of the year		6,775		3,878
Cash and cash equivalents at end of the year		1,753		6,775

The notes on pages 52 to 107 form part of these financial statements.

第52至107頁之綜合財務報表附註乃本財務報表之一部份

1. GENERAL

The Company was incorporated in the Cayman Islands on 21 May 2002 as an exempted company with limited liability under the Companies Law (2002 Revision) of the Cayman Islands. The address of its registered office is Scotia Centre, 4th Floor, PO Box 2804, George Town, Grand Cayman, Cayman Islands and its principal place of business is Building AII Venturepharma Center, No. 11 of West Third Ring North Road, Haidian District, Beijing, the People's Republic of China (the "PRC"), 100089. The Company has had its shares listed on The Growth Enterprise Market of the Stock Exchange of Hong Kong Limited since 10 July 2003.

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 13 to the consolidated financial statements.

The consolidated financial statements are presented in Renminbi ("RMB"), rounded to the nearest thousand. RMB is the functional currency of the Company and is also the functional currency for the Company's subsidiaries established in the PRC.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which is a collective term that includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosures required by the Rules Governing the Listing of Securities on The Growth Enterprise Market of The Stock Exchange of Hong Kong Limited. A summary of the significant accounting policies adopted by the Group is set out below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

1. 基本資料

中國醫療集團有限公司(「本公司」)為一間於二零零二年五月二十一日根據開曼群島公司法(二零零二年修訂版)在開曼群島註冊成立為獲豁免有限責任公司,其註冊辦事處地址為 Scotia Centre, 4th Floor, PO Box 2804, George Town, Grand Cayman, Cayman Islands, 而其主要營業地點為中國北京市海澱區西三環北路11號海通商務中心。郵編:100089。其股份在二零零三年七月十日於香港聯合交易所有限公司(「聯交所」)上市。

本公司之主要業務為投資控股,其附屬公司主要業務已呈列於綜合財務報表附注13。

除非另有說明,本綜合財務報表以本公司及其於中國成立的附屬公司的功能貨幣人民幣千元編制。

2. 主要會計政策

(a) 遵例聲明

本綜合財務報表是按照香港會計師公會頒佈的所有適用之《香港財務報告準則》(包括所有適用香港財務報告準則、香港會計準則及詮釋之統稱)、香港普遍採納的會計原則及香港公司條例之披露規定編制。本綜合財務報表亦符合適用於香港聯合交易所有限公司創業板證券上市規則(創業板「上市規則」)之披露規定。本集團採納之主要會計政策概述如下。

香港會計師公會已頒佈若干新訂及經修訂之《香港財務報告準則》,並於本集團之當前會計期間首次生效或可供提早採納。首次應用此等適用於本集團之新訂準則所引致於當前及過往會計期間之任何會計政策變動已於本財務報表內反映,有關資料載於附注2(c)。

(b) Basis of preparation of the financial statements

(i) Measurement basis, judgements, estimates and assumptions

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

The measurement basis used in the preparation of the consolidated financial statements is the historical cost basis except that derivative financial liabilities are stated at their fair values as explained in note 2(e) to the accounting policies.

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

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

Judgments made by management in the application of HKFRSs that have significant effects on the financial statements and major sources of estimation uncertainty are discussed in note 3.

(ii) Going Concern

As at 31 December 2016, the Group’s current liabilities exceeded its current assets and total assets by approximately RMB28,937,000 (2015: RMB44,471,000) and RMB25,166,000 (2015: RMB39,668,000), respectively. These conditions, along with other matters set forth in the consolidated financial statements, indicate the existence of a material uncertainty that may cast significant doubt about the Group’s ability to continue as a going concern.

(b) 財務報表之編制基準

(i) 計量基準，判斷，估計和相關假設

截至二零一六年十二月三十一日止年度之綜合財務報表包括本公司及其附屬公司（統稱「本集團」）。

除金融衍生工具以公允值為計量基準外(附注(e))，編制本綜合財務報表以歷史成本為計量基準。

管理層須在編制符合《香港財務報告準則》之綜合財務報表時作出會影響會計政策應用，以及資產、負債、收入及支出之報告金額之判斷、估計及假設。此等估計及相關假設是根據以往經驗和管理層因應當時情況認為合理之多項其他因素作出，其結果構成管理層在無法依循其他途徑即時得知資產與負債之賬面值時所作出判斷之基礎。實際結果可能有別於估計數額。

管理層會不斷審閱各項估計和相關假設。倘若會計估計之修訂只影響某一期間，則該修訂便會在估計修訂期間內確認，或如果修訂對當期和未來期間均有影響，則在作出修訂之期間和未來期間確認。

有關管理層在應用《香港財務報告準則》時所作出對綜合財務報表有重大影響之判斷，以及估計不確定因素之主要來源之討論內容，載於附注3。

(ii) 持續經營

於二零一六年十二月三十一日，本集團之流動負債淨額約人民幣28,937,000元（二零一五年：約人民幣44,471,000元）及流動負債超於總資產值約人民幣25,166,000元（二零一五年：約人民幣39,668,000元）。此財務狀況反應本集團的持續經營存在重大不明朗因素。

The directors believe that the Group will be able to meet its financial obligations in full as and when they fall due for the foreseeable future since the directors of the Company believe that the Group will generate positive cash flows in the next twelve months by receiving cash from new contracts and enforcing stringent cost measures. Accordingly, the financial statements have been prepared on a going concern basis. The financial statements do not include any adjustments relating to the carrying amounts and reclassification of assets and liabilities that might be necessary should the Group be unable to continue as a going concern.

(c) Changes in accounting policies

The HKICPA has issued a number of amendments to HKFRSs that are first effective for the current accounting period of the Group. None of these developments have had a material effect on how the Group's result and financial position for the current or prior periods have been prepared or presented.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(d) Subsidiaries and non-controlling interests

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

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

本公司董事認為，本集團將通過新簽訂的合同和實施嚴格的成本措施產生未來十二個月正現金流。本公司董事相信，經考慮上述因素後，本集團將有能力於可見將來在財務承擔到期時償還全數款項，因此，綜合財務報表乃基於持續經營基準編制。綜合財務報表沒有包括如果本集團不能持續經營而可能涉及的賬面值的任何調整及資產與負債的重分類。

(c) 会计政策之变动

香港會計師公會頒佈了幾項於本集團當前會計期間首次生效之《香港財務報告準則》修訂。採納該等修訂本對本集團的財務報表並無重大影響。

本集團於本年度並未應用已頒佈但尚未生效的新訂或經修改之《香港財務報告準則》。

(d) 附屬公司及非控股權益

附屬公司為本集團所控制之實體。當本集團從參與某實體之業務獲得或有權獲得可變回報，及有能力藉對實體行使其權力而影響該等回報，則本集團控制該實體。當評估本集團是否有權力時，只考慮具體權利（由本集團及其他人士持有）。

於附屬公司之投資由該控制權生效日期起至結束日期止期間於綜合財務報表綜合入賬。集團內公司之間之結餘、交易及現金流量，以及集團內公司之間之交易所產生之任何未變現溢利，均於編制綜合財務報表時全銷。如無減值證據，集團內公司之間之交易所產生之未變現虧損按未變現收益相同之方式撇銷。

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity holders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 2(i)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

非控股權益指非本公司直接或間接應占之附屬公司股權，而本集團並未與有關權益持有人協定任何附加條款，令本集團整體對該等權益產生符合負定義之合約義務。就各企業合併而言，本集團可選擇按公允值或非控股權益所占附屬公司之淨可識別資產之比例計量任何非控股權益。

非控股權益在綜合財務狀況表之權益部份內，與本公司股權持有人應占權益分開呈列。非控股權益所占本集團業績之權益在綜合損益表及綜合損益及其他全面收益表呈列，以顯示本年度之總溢利或虧損及全面收益總額於非控股權益與本公司股權持有人之間之分配。

本集團不導致喪失控制權之附屬公司權益變動乃以權益交易入賬，即只調整在綜合權益表內之控股及非控股權益金額以反映相關權益變動，但不調整商譽及確認盈虧。

當本集團喪失對附屬公司之控制權，將按出售該附屬公司之所有權益入賬，而所產生之盈虧於損益確認。任何於喪失控制權當日仍保留之該前附屬公司之權益乃按公允值確認，而此金額被視為初始確認金融資產之公允值，或（如適用）初始確認於聯營公司或合營企業之投資。

本公司之財務狀況表所示之於附屬公司之投資，是按成本值減去減值虧損（見附注2(i)）後列賬。

(e) Derivative financial instruments

Derivative financial instruments are recognised initially at fair value. At the end of each reporting period the fair value is remeasured. The gain or loss on remeasurement of fair value is recognised immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting or hedge the net investment in a foreign operation, in which case recognition of any resultant gain or loss depends on the nature of the item being hedged.

(f) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see note 2(i)).

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

Leasehold improvements	5 years
Machinery and equipment	5–10 years
Motor vehicles	5 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately.

Both the useful life of an asset and its residual value, if any, are reviewed annually.

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

(g) Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment losses (see note 2(i)).

(e) 衍生金融工具

除被指定為對沖工具的衍生金融工具外，其他衍生金融工具初始按公允值確認，於各結算日重新計量公允值。重新計量公允值產生之損益即時於損益確認。被指定為對沖工具的衍生金融工具之公平值變動隨之損益的確認方法是根據被對沖專案之性質而定。

(f) 物業、廠房及設備

物業、廠房及設備專案按成本值減去累計折舊及減值虧損（見附注2(i)）後於財務狀況表列賬。

折舊乃按物業、廠房及設備專案之成本減去其估計剩餘價值（如有），在其估計可使用年期採用直線法以下列方式撇銷計算：

租賃物業裝修	5年
傢俬、裝置及辦公室設備	5–10年
汽車	5年

倘一項物業、廠房及設備中之各部份有不同之可使用年期，該專案之成本將合理地分配至各部份，而各部份則獨立計提折舊。

資產之可使用年期及其剩餘價值（如有）將於每年檢討。

報廢或出售物業、廠房及設備專案所產生之盈虧為出售該項目所得款項淨額與該項目賬面值之差額，並於報廢或出售當日在損益內確認。

(g) 無形資產

本集團之無形資產按成本值減去累計攤銷（倘估計可使用年期有限）及減值虧損（附注2(i)）後列賬。

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

New drug technologies	10 years
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Both the period and method of amortisation are reviewed annually.

(h) Lease assets

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

(i) Classification of assets leased to the Group

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

(ii) Operating lease charges

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting period covered by the lease terms, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased assets.

具有有限可使用年期之無形資產攤銷於資產估計可使用年內以直線法於損益內扣除。下列具有有限可使用年期之無形資產自其可供使用當日起攤銷，其估計可使用年期如下：

新藥技術	10年
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攤銷之期間及方法均於每年檢討。

(h) 租賃資產

倘本集團厘定一項安排具有在協議期限內通過支付一筆或一系列款項，而獲得使用某一特定資產或多項資產之權利，則該安排（由一宗交易或一系列交易組成）為租賃或包括租賃。該厘定乃根據安排之內容評估而作出，而不論安排是否具備租賃之法律形式。

(i) 本集團承租之資產之分類

若本集團根據租賃持有資產，而有關租賃將擁有該資產之絕大部份風險及報酬轉予本集團，有關資產歸類為根據融資租賃持有之資產。並未將擁有資產之絕大部份風險及報酬轉予本集團之租賃，則歸類為經營租賃。

(ii) 經營租賃費用

倘若本集團乃以經營租賃使用資產，則根據租賃支付之款項於租賃期所涵蓋之會計期間內，以等額在損益內扣除，惟倘有其他基準能更清楚地反映租賃資產所產生之收益模式則除外。

(i) Impairment of assets

(i) *Impairment of trade and other receivables*

For trade and other receivables and other financial assets carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where these financial assets share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

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

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

(i) 資產減值

(i) 應收賬款及其他應收款的減值

就按成本或攤銷成本列賬之應收賬款及其他應收款而言，如折現之影響屬重大，則減值虧損按資產之賬面值與使用金融資產之原訂實際利率（即初始確認該等資產時計算之實際利率）而折現之估計未來現金流量之現值之間之差額計量。如該等金融資產具備類似之風險特徵，例如類似之逾期情況及並未個別被評估為減值，則有關之評估會共同進行。金融資產之未來現金流量會根據與該等資產具有類似信貸風險特徵資產之過往虧損情況共同評估減值。

倘減值虧損之金額於往後期間減少，而有關減少可客觀地與確認減值虧損後發生之事件有聯繫，則減值虧損於損益撥回。撥回減值虧損不應引致資產之賬面值高於假若過往年度並無確認減值虧損時原應厘定之金額。

減值虧損直接與相應資產撇銷，惟就列於應收賬款及其他應收款中應收賬款及應收票據所確認之減值虧損，其收回情況屬存疑而不渺茫者，則作別論。在此情況下，呆壞賬之減值虧損透過撥備賬記錄。本集團信納收回機會渺茫，被視為無法收回之金額會直接在應收賬款及應收票據中撇銷，而任何列入撥備賬與此債項有關之金額會被撥回。其後若收回之前已在撥備賬中扣除之金額，則會在撥備賬中撥回備賬內之其他變動及其後收回之前已直接撇銷之金額於損益內確認。

(ii) *Impairment of other assets*

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

- property, plant and equipment;
- work-in-progress; and
- investments in subsidiaries in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated.

Calculation of recoverable amounts

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

Recognition of impairment losses

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

(ii) **其他資產之減值**

本集團於每個彙報日檢討內部及外間資料來源，以確定下列資產有否出現減值跡象，或過往已確認之減值虧損不再存在或已減少（商譽除外）：

- 物業、廠房及設備；
- 新藥技術；
- 在產品；及
- 附屬公司之投資。

倘有任何減值跡象，則會估計該項資產之可收回金額。

計算可收回金額

資產之可收回金額為其公允值減去出售成本及使用價值兩者中之較高者。於評估使用價值時，會使用除稅前折現率將估計未來現金流量折現至其現值。該折現率反映市場當時所評估之貨幣時間價值和該資產之獨有風險。倘個別資產所產生之現金流入基本上不能獨立於其他資產所產生之現金流入，則就獨立產生現金流入之最小資產組合（即現金產生單位）厘定可收回金額。

確認減值虧損

資產或其所屬之現金產生單位之賬面值高於其可收回金額時，則會於損益確認減值虧損。就現金產生單位確認之減值虧損會首先分配予削減已分配至該現金產生單位（或一組單位）之任何商譽之賬面值，然後按比例削減該單位（或一組單位）內其他資產之賬面值，惟資產賬面值不可下調至低於其個別公允值減去成本（如能計量）或使用價值（如能厘定）。

Reversals of impairment losses

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

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

(iii) *Interim financial reporting and impairment recognition*

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

(j) **Work-in-progress**

Costs incurred on development projects with an intention of outright sale as technology transfer are recognised as work-in-progress when it is probable that the project will be a success considering its commercial and technological feasibility, and only if the cost can be measured reliably. Work-in-progress is recognised as cost of sales in accordance with the performance requirements and contractual terms as stated in the contracts.

Work-in-progress is stated at the lower of cost and net realisable value. The cost of work-in-progress comprises raw materials, direct labour, other direct cost and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

減值虧損撥回

就商譽以外之資產而言，倘用以厘定可收回金額之估計發生有利變動，則會將減值虧損撥回。商譽之減值虧損不可撥回。

所撥回之減值虧損僅限於倘若並無於過往年度確認減值虧損而可厘定之資產賬面值。所撥回之減值虧損在確認撥回之年度內計入損益。

(iii) 中期財務報告及減值

根據《香港聯合交易所有限公司創業板證券上市規則》，本集團須按照香港會計準則第34條，中期財務報告，編制財政年度首六個月的中期財務報告。本集團在中期末採用與年終相同的基準測試、確認及撥回減值虧損（見附注2(i)(i)及(ii)）。

(j) 在產品

計畫以技術轉讓完成銷售的開發項目產生的成本會確認為遞延開發成本，如預期該專案在商業上及技術可行性上均很可能成功並且相關成本能夠可靠計量。於訂立銷售合約時，已資本化的開發成本會撥入訂約在製品，並根據合約中所訂明的性能規定及合約條款，確認為銷售成本。

在產品按成本值及可變現淨值兩者中之較低者入賬。在產品的成本包括原材料、直接勞工、其他直接費用和相關的間接生產費用（依據正常經營能力）。這不包括借款費用。可變現淨值為在日常經營活動中的估計銷售價，減適用的變動銷售費用。

(k) Trade and other receivables

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

(l) Interest-bearing borrowings

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

(m) Trade and other payables

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

(n) Convertible notes which do not contain an equity component

At initial recognition, the derivative component of convertible notes is measured at fair value and presented as part of derivative financial instruments (see note 2(e)). Any excess of proceeds over the amount initially recognised as the derivative component is recognised as the liability component. Transaction costs that relate to the issue of convertible notes are allocated to the liability and derivative components in proportion to the allocation of proceeds. The portion of the transaction costs relating to the liability component is recognised initially as part of the liability. The portion relating to the derivative component is recognised immediately in profit or loss.

(k) 應收賬款及其他應收款

應收賬款及其他應收款之初值按公允值確認，其後則以實際利率法按攤銷成本減去呆壞賬減值撥備（見附注2(i)）後所得數額入賬，惟倘若應收款為借予關連人士且無任何固定償還年期之免息貸款，或折現影響輕微者則除外。在該等情況下，應收款會按成本值減去呆壞賬減值撥備後之所得數額入賬。

(l) 附息借貸

附息借貸之初值按公允值扣除應占交易成本後確認。首次確認後，附息借貸將按攤銷成本入賬，而最初確認金額與贖回值之間之任何差額則以實際利率法於借貸期內連同任何應付利息及費用於損益內確認。

(m) 應付賬款及其他應付款

應付賬款及其他應付款之初值按公允值確認，其後則按攤銷成本入賬，但如折現影響輕微，則按成本值入賬。

(n) 可換股票據

於初步確認時，可換股債券之衍生成分按公平值計量，呈列為衍生金融工具之一部分（見附注2(e)）。所得款項超出初步確認為衍生工具成分之金額之部分確認為負債成分。發行可換股債券之交易費用按分配所得款項之比例分配至負債及衍生工具。與負債成分有關之交易費用部分初步確認為部分負債，而與衍生工具有關之部分即時於損益表確認。

The derivative component is subsequently remeasured in accordance with note 2(e). The liability component is subsequently carried at amortised cost. The interest expense recognised in profit or loss on the liability component is calculated using the effective interest method.

If notes are converted, the carrying amounts of the derivative and liability components are transferred to share capital and capital reserve as consideration for the shares issued. If notes are redeemed, any difference between the amount paid and the carrying amounts of both components is recognised in profit or loss.

(o) **Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement.

(p) **Employee benefits**

(i) *Short term employee benefits and contributions to defined contribution retirement plans*

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

(ii) *Share-based payments*

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

衍生工具成分其後按照本集團有關衍生金融工具之會計政策重新計量（見附注2(e)）。負債成分其後按攤銷成本入賬。已於損益表確認有關負債成分之利息開支使用實際利息法計算得出。

倘債券獲轉換，衍生工具及負債成分之賬面值撥入股本及資本儲備，作為已發行股份之代價。倘債券獲贖回，已支付款項與兩個成分賬面值之任何差額於損益表確認。

(o) 現金及現金等值項目

現金及現金等值項目包括銀行結存及庫存現金、存於銀行及其他財務機構之活期存款及短期而高流動性之投資，此等投資可隨時兌換為已知金額之現金，且所須承受之價值波動風險不大，而兌換期乃購入日起計三個月內。就編制綜合現金流量表而言，由於銀行透支須於接獲通知時償還並構成本集團現金管理的一部分，故現金及現金等價值物應包括銀行透支。

(p) 雇員福利

(i) 短期雇員福利及向界定供款退休計畫之供款

薪酬、年終花紅、有薪年假、向界定供款退休計畫之供款及非金錢福利之成本均於雇員提供有關服務之年度累計。倘延遲付款或結算並構成重大影響，則有關金額按其現值入賬。

(ii) 以股份為基礎之付款

授予雇員之購股權之公允值乃確認為雇員成本，並相應增加權益項下之股份基礎補償儲備。公允值乃於授出日期使用二項式點陣模式計量，並計及授出購股權之條款及條件。若雇員須符合歸屬條件後方可無條件享有購股權，則購股權之估計公允值總額會在歸屬期間攤分，並計及購股權將會歸屬之可能性。

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

(iii) *Contribution to defined contribution retirement benefit plans*

The Group's entities in Mainland China participate in defined contribution retirement benefit plans organised by relevant government authorities for its employees in Mainland China and contribute to these plans based on certain percentage of the salaries of the employees on a monthly basis, up to a maximum fixed monetary amount, as stipulated by the relevant government authorities. The government authorities undertake to assume the retirement benefit obligations payable to all existing and future retired employees under these plans.

(q) **Income Taxes**

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

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

於歸屬期間，本公司會檢討預期將歸屬之購股權數目。於過往年度確認之任何累計公允值調整會在檢討年度從損益扣除／計入損益（除非原有雇員開支合資格確認為資產），並相應調整以股份為基礎之補償儲備。於歸屬日期，確認為開支之金額會作出調整，以反映所歸屬之購股權之實際數目（而以股份為基礎之補償儲備亦會作出相應調整），惟只因未能達到與本公司股份市價有關之歸屬條件而導致被沒收則除外。權益金額乃於以股份為基礎之補償儲備確認，直至購股權獲行使（此時有關金額計入於已發行股份之股本中確認之金額）或購股權屆滿（此時有關金額直接撥至保留溢利）為止。

(iii) 界定供款退休計畫之供款

本集團在中國內地的實體參與由有關政府當局為中國內地雇員組織的界定供款退休金福利計畫，並根據雇員薪酬若干百分比按月向該等計畫供款，最高指定限額由有關政府當局規定。根據該等計畫，政府當局承諾向所有現有及日後退休雇員承擔應付的退休金福利責任。

(q) 所得稅

年內所得稅包括本期稅項及遞延稅項資產和負債之變動。本期稅項及遞延稅項資產和負債之變動於損益中確認，惟與於其他全面收益或直接於權益確認之專案相關者除外，在此情況下，相關稅額分別於其他全面收益或直接於權益中確認。

本期稅項是按年內應課稅收入以彙報日已生效或實際上已生效之稅率計算之預期應付稅項，加過往年度應付稅項之任何調整。

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

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

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

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

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

遞延稅項資產及負債分別由可抵扣及應課稅暫時差異產生。暫時差異是指資產及負債按財務申報目的之賬面值與稅務基礎之間之差異。遞延稅項資產亦由未動用之稅務虧損及未動用之稅款抵免產生。

除了某些有限之例外情況，所有遞延稅項負債及所有遞延稅項資產（只限於很可能獲得能動用該資產來抵扣之未來應課稅溢利）均予確認。支持確認由可抵扣暫時差異所產生遞延稅項資產之未來應課稅溢利包括因撥回現有應課稅暫時差異而產生之數額；但該等撥回之差異必須與同一稅務機關及同一應課稅實體有關，並預期在可抵扣暫時差異預計撥回之同一期間或遞延稅項資產所產生稅務虧損可向後期或向前期結轉之期間內撥回。在決定現有應課稅暫時差異是否支持確認由未動用稅務虧損和抵免所產生之遞延稅項資產時，亦會採用同一準則，即差異是否與同一稅務機關及同一應課稅實體有關，並是否預期在能夠使用稅務虧損或抵免之同一期間內撥回。

不確認為遞延稅項資產和負債之暫時性差異是產生自以下有限之例外情況：不可扣稅之商譽；不影響會計或應課稅溢利之資產或負債之初始確認（如屬企業合併之一部份則除外）；以及投資附屬公司相關之暫時差異（如屬應課稅差異，只限於本集團可以控制撥回之時間，且差異不大可能在可預見之將來撥回；或如屬可抵扣差異，則只限於很可能在將來撥回之差異）。

已確認之遞延稅項金額是按照資產及負債賬面值之預期變現或清償方式，以彙報日已頒佈或實際上已頒佈之稅率計量。遞延稅項資產及負債均不進行折現計算。

於每個彙報日本集團會對遞延稅項資產之賬面值作出審閱，倘預期不再有足夠應課稅溢利以實現將動用之相關稅務利益，則有關資產賬面值將予以扣減。任何被扣減之數額在預期可取得足夠應課稅溢利時予以撥回。

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

In the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or

In the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:

- the same taxable entity; or

- different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(r) Provisions and contingent liabilities

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

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

現期稅項結餘及遞延稅項結餘以及其變動會分開呈列，而且不予抵銷。現期及遞延稅項資產只會在本集團有合法可強制執行權利以現期稅項資產抵銷現期稅項負債，並且符合以下附帶條件之情況下，才可以分別抵銷現期及遞延稅項負債：

-就現期稅項資產及負債而言，本集團計畫按淨額基準結算，或在變現資產之同時清償負債；或

-就遞延稅項資產及負債而言，該等資產及負債必須與同一稅務機關就以下其中一項徵收之所得稅有關：

-同一應課稅實體；或

-不同之應課稅實體。該等實體擬在預期有大額遞延稅項負債需要清償或遞延稅項資產可以收回之每個未來期間，按淨額基準變現現期稅項資產及清償現期稅項負債，或在變現資產之同時清償負債。

(r) 撥備及或然負債

倘若本集團須就已發生之事件承擔法律或推定責任，履行該責任而預期會導致經濟利益流出，並可作出可靠之估計，便會就該時間或金額不定之其他負債確認撥備。如果貨幣時間價值重大，則按預計履行責任所需開支之現值計提撥備。

倘若經濟利益外流之可能性較低，或是無法對有關金額作出可靠之估計，便會將該責任披露為或然負債，但假如經濟利益流出之可能性渺茫則除外。須視乎某宗或多宗未來事件是否發生才能確定存在與否之潛在責任，亦會披露為或然負債，但假如這類經濟利益之流出之可能性渺茫則除外。

(s) Revenue recognition

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

(i) Revenues from contracted clinical research services

Revenues from contracted clinical research services are recognised over the fixed terms of the contracts or, where appropriate, as the related costs are incurred. Milestone payments in connection with research and development or commercialisation agreements are recognised when they are earned in accordance with the applicable performance requirements and contractual terms.

Payments received that are related to future performance are deferred and recorded as revenues as they are earned over the specified future performance periods.

(ii) Other service income

Service income is recognised when the relevant services are rendered and the respective amount of revenue can be measured reliably.

(iii) Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in the statement of comprehensive income in the period in which they become receivable.

(iv) Interest income

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

(s) 收入確認

收入乃按已收或應收代價之公允值計量。收入只會於有關經濟利益有可能流入本集團並能可靠計算該收入及成本（如適用）之情況下，方會按下列基準於損益內確認：

(i) 已訂合約的醫藥研發服務

已訂合約的醫藥研發服務收入於合約固定期內或（倘適用）於有關成本產生時確認。有關研究及開發或商業協議的階段性付款，會根據適用的表現規定和合約條款於賺取時確認為收益。

有關未來表現的已收取款項，會予以遞延並在指定的未來表現期間列作收益。

(ii) 其他服務收入

服務收入於提供服務及該服務相應之收入能可靠地估算時確認。

(iii) 政府補助金

倘有合理保證本集團將遵從政府補助金所有附帶條件並收取政府補助金時被確認。

應收作補償已產生之開支或虧損或向本集團提供即時政府援助而無未來相關成本之政府補助金於應收期間於損益確認，即退款獲相關政府當局批准時。

(iv) 利息收入

金融資產利息收入乃按時間比例基準以未清償本金及適用息率累計。

(t) Translation of foreign currencies

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

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

The results of foreign operations are translated into Renminbi at the exchange rates approximating the foreign exchange rates ruling at the dates of transactions. Statement of financial position items are translated into Renminbi at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

(u) 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.

(v) Share capital

Ordinary shares are classified as equity.

(t) 外幣換算

年內之外幣交易按交易當日之匯率換算。以外幣計值之貨幣資產及負債按彙報日之匯率換算。匯兌盈虧於損益內確認。

按歷史成本法以外幣計值之非貨幣資產及負債，則按交易當日之匯率換算。

中國以外地區之附屬公司之業績以接近交易當日之匯率換算為人民幣，而財務狀況表專案（包括中國以外地區之附屬公司綜合入賬時所產生之商譽）則於彙報日按收市匯率換算為人民幣，由此而產生之匯兌差額於其他全面收益中確認，並於匯兌儲備之權益中獨立累計。

就出售中國以外地區之一間附屬公司而言，確認出售產生之損益時，與該中國以外地區之附屬公司有關之匯兌差額之累計金額會從權益重新分類至損益。

(u) 借貸成本

直接歸屬於收購、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。

(v) 股本

普通股被分類為權益。

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

直接歸屬於發行新股或期權的新增成本在權益中列為所得款的減少（扣除稅項）。

(w) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary, and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(w) 關連人士

(a) 倘有關人士出現下列情況，則該人士或該人士之近親家庭成員與本集團有關連：

- (i) 控制或共同控制本集團；
- (ii) 對本集團有重大影響；或
- (iii) 為本集團之主要管理人員之一。

(b) 倘符合下列任何條件，則一間實體與本集團有關連：

- (i) 該實體與本集團屬同一集團之成員公司（即各母公司、附屬公司及同系附屬公司彼此間有關連）。
- (ii) 一間實體為另一實體之聯營公司或合營企業（或另一實體為成員公司之集團旗下成員公司之聯營公司或合營企業）。
- (iii) 兩間實體均為同一協力廠商之合營企業。
- (iv) 一間實體為協力廠商實體之合營企業，而另一實體為該協力廠商實體之聯營公司。
- (v) 該實體乃為本集團或與本集團有關連之實體就僱員福利而設立之離職後福利計畫。
- (vi) 該實體受(a)所識別人士控制或共同控制。
- (vii) 於(a)(i)所識別人士對該實體有重大影響力或屬該實體（或該實體之母公司）主要管理人員之一。
- (viii) 實體或其附屬集團的任何成員公司向本集團或本集團的母公司提供主要管理人員服務。

個別人士之近親家庭成員乃指在處理與實體交易時可能對該人士施予影響或被該人士影響之親屬成員。

(x) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

The Group operates in a single segment and no segmental analysis is presented.

3. ACCOUNTING JUDGEMENTS AND ESTIMATES

(a) Critical accounting judgements in applying the Group's accounting policies

In the application of the Group's accounting policies, which are described in note 2, the directors of the Company are required to make judgments, estimates and assumption about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

(b) Sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(x) 分部報告

營運分部及財務報表所呈報之各分部專案金額，乃根據就分配資源予本集團各業務及地區分部及評估其表現而定期提供予本集團最高層管理人員之財務資料而識別。

就財務報告而言，個別重要營運分部不會綜合呈報，除非該等分部具有類似經濟特徵以及在產品及服務性質、生產程式性質、客戶類型或類別、分銷產品或提供服務所採用之方式及監管環境性質方面類似。倘個別而言並非屬重要之營運分部共同擁有上述大部份特徵，則可綜合呈報。

3. 會計判斷及估計

(a) 關鍵會計判斷及估計不明朗因素之主要來源

應用載列於附注2之本集團會計政策時，本公司董事須就未於其他來源明確顯示之資產及負債賬面值作出判斷、估計及假設。有關估計及相關假設乃根據過往經驗及其他視為相關之因素作出。實際情況可能有別於該等估計。

本公司董事持續地審閱有關估計及相關假設。倘對會計估計的修訂僅影響修訂估計的期間，則修訂於該期間確認；或倘有關修訂影響本期及未來期間，則於修訂期間及未來期間內確認。

(b) 估計不明朗因素之資源

以下為於報告期末有重大風險會導致下一個財政年度內資產及負債之賬面值須作重大調整之與未來有關之主要假設及估計不明朗因素之其他主要來源。

Useful lives of property, plant and equipment

The Group's management determines the estimated useful lives for its property, plant and equipment. These estimates are based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and function. They could change significantly as a result of technical innovations and competitor actions in response to severe industry cycles. Depreciation charges will be reassessed where useful lives are different from the previous estimations, or they will write-off or write-down obsolete assets that have been abandoned or sold.

Impairment of receivables

The Group's management determines the provisions for impairments of trade and other receivables. Such estimates are based on the collectability of trade and other receivables. Provisions for impairment are applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of doubtful debts requires the use of judgments and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying amount of receivables and doubtful debt expense in the period in which such estimate is changed.

Impairment of investments in subsidiaries

The Group follows the guidance of HKAS 36 to determine when investments in subsidiaries are impaired. This determination requires significant judgments. In making these judgments, the Group evaluates, among other factors, the duration and extent to which the fair values of investments are less than cost; and the financial health and near-term business outlook of an investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

Provision for legal claims

The Group reviews the status of all open legal claims at the end of the reporting period and ascertains the probability and amount of compensation payable for each legal claim to determine the provision for legal claims. However, the actual results of each legal claim may be different from the estimation and profit or loss could be affected by differences in this estimation.

廠房及設備專案之使用年期

本集團管理層估計物業、廠房及設備的使用期限和折舊費用，這種估計基於同類性質和功能的物業、廠房及設備的使用年期的歷史經驗。技術更新及本行業的競爭行為會導致估計的重大改變。當使用年期比先前估計年期縮短時，管理層將提高折舊費用，或在賬面減值或註銷已報廢或出售的技術落後資產或非戰略性資產。

應收款之減值虧損

本集團的管理層就應收貿易及其他應收款項的減值厘定準備金。此估計按客戶的信貸歷史及現有市場情況而定。管理層將於各資產負債表日重新評估有關減值準備。當有重大事項或情況變化顯示餘額或不能收回時計提減值撥備，對呆賬的識別需要運用判斷和估計，當預期與初始判斷相異時，這種差異將影響估計變化期間應收款項賬面值和呆賬費用。

附屬公司投資減值

本集團在厘定附屬公司及聯營公司是否已減值時，依循香港會計準則第36號的指引。此項厘定需要有重大判斷。在作出此項判斷時，本集團評估（包括其他因素）某項投資的公允價值低於其成本的持續時間和數額，以及被投資者的財政健全情況和短期業務前景，包括例如行業和範疇表現、技術變遷以及營運和融資現金流量等因素。

預提法律訴訟賠償

本集團在預提法律訴訟賠償時，考慮每件法律訴訟的勝算及需要作出賠償的機率，對每件法律訴訟預提法律訴訟賠償。然而，實際法律訴訟賠償金額與預算可能存在重大差異。

Net realisable value of work-in-progress

The Group's management determines the net realisable value of work-in-progress. The determination requires judgments of the accomplishment of certain stages of milestones during the process of new drugs development. Where the actual outcomes or expectations in future are different from the original estimates, such differences will impact the carrying value of work-in-progress and provisions for charges/write-backs in the period such estimates change.

Impairment of property, plant and equipment

Property, plant and equipment is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts are determined based on fair values less costs to sell calculations or market valuations. These calculations require the use of judgments and estimates.

Management judgments are required in the area of asset impairment particularly in assessing (i) whether an event has occurred that may indicate that the related asset may not be recoverable; (ii) whether the carrying value of an asset can be supported by the recoverable amount, being the higher of fair value less costs to sell or net present value of future cash flows which are estimated based upon the continued use of the asset in the business; and (iii) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions in the cash flow projections could affect the net present values used in the impairment tests and as a result affect the Group's financial position and results of operations.

Income taxes

The Group is principally subject to income taxes in the PRC. The determination of the provision for income taxes involves significant judgments as there are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amount that were initially recorded, such difference will impact the current income tax provision and deferred income tax assets and liabilities in the period in which such determination is made.

在產品可實現淨值

滯銷在產品按開發過程中許可之若干重要階段（例如臨床研究）之進度及成果撥備。管理層評估撥備金額時需要作出判斷及估計。倘實際結果或未來期望與原有估計有別，有關差額將影響估計專案變動期間之在產品賬面值及撥備(或支出撥回)。

物業、廠房及設備的估計

當有事件或情況轉變顯示可能無法收回賬面值時檢討物業、廠房及設備有否減值。可收回金額乃基於公平值減銷售成本或市場估值計算。此等計算須運用判斷及估計。

在資產減值領域，要求有管理層判斷，尤其是評估：(i)有否出現可能實際顯示有關資產價值可能無法回收；(ii)資產賬面值是否獲得可收回款項（即公平值減銷售成本或以業務持續使用資產為基礎估計的有關日後現金流量淨現值兩者中的較高者）的支持；及(iii)編制現金流量預測時使用的適當主要假設，包括有關現金流量預測是否以適用比率折現。倘管理層就評估減值所選假設（包括現金流量預測所用貼現率或增長率假設）有所變更，對減值檢測所用淨現值或有影響，從而或影響本集團的財務狀況及經營業績。

所得稅

本集團主要須在中國繳納所得稅。厘定所得稅撥備須作出重大判斷。眾多交易及計算的最終稅務厘定難以在日常業務過程中確定。倘有關事項最終的稅務結果與最初所入賬的金額不同，則該等差額會影響作出厘定期間的即期所得稅撥備以及遞延所得稅資產及負債。

Recognition of deferred income tax assets depends on management's expectation of future taxable profits that will be available against which the deferred income tax assets can be utilised. The outcome of their actual utilisation may be different.

與若干暫時差額或稅項虧損相關之遞延所得稅項資產於管理層認為未來應課稅溢利將很有可能可獲得而就此可使用暫時差額或稅項虧損時予以確認。該等實際抵銷之結果或有不同。

4. REVENUE AND SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group provides pharmaceutical development and product commercialisation services. These services are subject to similar business risks, and resources are allocated based on what is beneficial to the Group in enhancing the value as a whole rather than on any specific unit. The Group's chief operating decision-maker considers that the performance assessment of the Group should be based on the profit/(loss) before taxation of the Group as a whole. Therefore, management considers there to be only one operating segment under the requirements of HKFRS 8.

4. 收入及分部報告

經營分部按照向首席經營決策者提供的內部報告貫徹一致的方式報告。本集團的主要業務為醫藥研發及學術推廣服務。考慮到該等業務的業務風險相近，而本集團在資源配置時會考慮本集團的整體利益而不是個別單位，本集團的首席經營決策者認為本集團的整體除稅前利潤/(虧損)是評核本集團業績的指標。因此，管理層認為根據《香港財務報告準則》第八號，本集團只有單一的業務分部。

Breakdown of revenue from services is as follows:

收入分類明細如下:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Contracted clinical research services (VPS)	合約臨床研究服務收入	12,279	12,275
Post marketing research and academic promotion services (PMS)	上市後臨床研究及學術推廣服務	5,473	5,420
Other medical services	其他醫藥服務收入	2,489	2,802
		20,241	20,497

Other medical services included registration, application and testing services.

其他醫療服務收入包含註冊，申請和測試服務。

The Group primarily operates in the PRC and its revenues are all derived in the PRC for both years.

本集團於中國大陸營業，於兩個年度內其經營收入均來源於中國大陸。相關年度來自客戶之收益占本集團總銷售額10%以上之情況如下：

Revenues from customers of the corresponding years contributing over 10% of total sales of the Group are as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Customer A (1)	客戶A(1)	3,387	4,926

(1)The above customer received post marketing research and academic promotion services (PMS) .

(1)合約臨床研究服務收入

5. OTHER INCOME

5. 其他收入

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Compensation income	賠償收入	19	28
Government grants (note)	政府補助 (附注)	87	668
Interest income	利息收入	9	7
Overprovision of litigation claims in prior year	以前年度超額的法律賠償撥備	1	346
Overprovision of staff costs in prior year	以前年度超額的員工成本	4	332
Overprovision of other expenses in prior year	以前年度超額的其他費用	80	367
Reversal of impairment losses on other receivables	其他應收款減值損失撥回	—	89
Other	其他	20	39
		220	1,876

Note:

The above government grants during the years ended 31 December 2016 and 2015 represented unconditional cash awards granted by government authorities.

附注:

截至二零一六年十二月三十一日及二零一五年十二月三十一日止年度的政府補助為無條件的政府現金補助。

6. PROFIT/(LOSS) BEFORE TAXATION

6. 除稅前溢利/(虧損)

Profit/(loss) before taxation is arrived at after charging:

除稅前溢利/(虧損)已扣除/(計入)：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
(a) Finance costs	(a) 融資成本		
Interest on:	利息支出:		
Bank borrowings wholly repayable within one year	五年內可全部償還的銀行貸款利息	75	132
Convertible bonds	可轉換債券利息	725	685
Total interest expense on financial liabilities not at fair value through profit or loss	非按公允值計算並計入損益的金融負債的總利息支出	800	817
(b) Staff costs (including directors' emoluments)	(b) 員工成本(包括董事酬金)		
Salaries, bonuses and awards	薪金及工資	7,110	6,484
Contributions to defined contribution retirement plans	界定供款退休計畫之供款	1,187	851
Share-based payments	以股份為基礎之付款	1,424	1,341
Other benefits	其他福利	106	—
		9,827	8,676

		2016	2015
		二零一六年	二零一五年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
(c) Other items	(c) 其他項目		
Auditors' remuneration	核數師酬金	424	490
Litigation claims	賠償費用	296	1,722
Depreciation	折舊	1,032	1,207
Operating lease charges in respect of rented premises	租用物業的經營租賃費用	24	179

7. INCOME TAX

7. 綜合損益及其他全面收益表之所得稅

(a) Taxation in the consolidated statement of profit or loss and other comprehensive income represents:

(a) 綜合損益及其他全面收益表之稅項如下：

		2016	2015
		二零一六年	二零一五年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Current tax – PRC Enterprise Income Tax	現期稅項 - 中華人民共和國企業所得稅		
Provision for the year	年內撥備	-	111
Overprovision in prior year	以前年度超額撥備	(42)	-
		(42)	111

No provision for Hong Kong profits tax has been made as the Group had no assessable profits generated in Hong Kong for the year ended 31 December 2016 (2015: Nil).

因本集團於香港沒有應科稅利潤，本集團二零一六年及二零一五年並沒有香港利得稅撥備。

The provision for PRC Enterprise Income Tax has been calculated on the estimated assessable profits for the year according to the relevant laws and regulations. The applicable income tax rate ranges from 15% to 25% as at 31 December 2016 (2015: 15% to 25%).

本公司及其附屬公司的中華人民共和國企業所得稅年內撥備按《中華人民共和國企業所得稅法》（以下簡稱「所得稅法」）計算及繳納。本集團的二零一六年適用稅率變動為15%-25%（二零一五年：15%-25%）。

(b) Reconciliation between tax expense and accounting profit/(loss) at applicable tax rates:

(b) 稅項支出與會計溢利/(虧損)以適用稅率計算之對賬:

		2016	2015
		二零一六年	二零一五年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Profit/(loss) before taxation	除稅前溢利/(虧損)	2,085	(3,376)
Notional tax charge/(credit) on profit/(loss) before taxation calculated at the applicable tax rate of 25%	按有關稅項司法管轄區適用之利得稅稅率計算除稅前溢利/(虧損)之名義稅項	522	(844)
Tax effect of unused tax losses not recognised	未就遞延稅項確認之未使用稅務虧損之稅務影響	4,318	2,696
Tax effect of utilisation of tax losses not recognised	就使用先前未確認之稅務虧損之稅務影響	-	(1,290)
Tax effect of deferred tax not recognised	就使用先前未確認之遞延稅項之稅務影響	(4,840)	(451)
Overprovided in prior year	免稅期	(42)	-
		(42)	111

8. DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to Section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information About Benefits of Directors) Regulation are as follows:

8. 董事酬金

根據香港《公司條例》第383條及《公司（披露董事利益資料）規例》第2部披露之董事及行政總裁酬金如下：

	Directors' fees 董事袍金		Salaries, allowances and benefits in kind 薪金、津貼及實物福利		Contributions to defined contribution retirement plans 退休計劃供款		Share based payments 以股份為基礎之付款		Total 總計	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	二零一六年 RMB'000 人民幣千元	二零一五年 RMB'000 人民幣千元	二零一六年 RMB'000 人民幣千元	二零一五年 RMB'000 人民幣千元	二零一六年 RMB'000 人民幣千元	二零一五年 RMB'000 人民幣千元	二零一六年 RMB'000 人民幣千元	二零一五年 RMB'000 人民幣千元	二零一六年 RMB'000 人民幣千元	二零一五年 RMB'000 人民幣千元
Executive directors 執行董事										
Mr. William Xia GUO 郭夏	-	-	1,130	1,130	-	-	643	546	1,773	1,676
Dr. Maria Xue Mei SONG 宋雪梅	-	-	328	283	91	85	35	30	454	398
Non-executive directors 非執行董事										
Mr. Michael Su (Appointed on 18 May 2016) 蘇毅 (於2016年5月18日獲聘)	-	-	-	-	-	-	15	-	15	-
Dr. Nathan Xin ZHANG (Resigned on 18 May 2016) 張欣 (於2016年5月18日辭任)	-	-	-	-	-	-	-	6	-	6
Independent non-executive directors 獨立非執行董事										
Dr. Shou Yuan WU 吳壽元	50	50	-	-	-	-	7	6	57	56
Dr. Bing Hui NI (Appointed on 31 March 2015) 倪彬暉 (於2015年3月31日獲聘)	-	-	-	-	-	-	7	6	7	6
Mr. Mark Gavin Lotter (Appointed on 17 February 2015) Mr. Mark Gavin Lotter (於2015年2月17日獲聘)	-	-	-	-	-	-	7	6	7	6
Mr. Paul CONTOMICH-ALOS (Resigned on 21 January 2015) Mr. Paul CONTOMICH-ALOS (於2015年1月21日辭任)	-	-	-	-	-	-	-	-	-	-
	50	50	1,458	1,413	91	85	714	600	2,313	2,148

There were no arrangements under which a director waived or agreed to waive any emoluments in respect of the year ended 31 December 2016 (2015: Nil). During the years ended 31 December 2015 and 2016, no emoluments were paid by the Group to the directors of the Company as an inducement to join or upon joining the Group, or as compensation for loss of office.

在財政年度二零一六年十二月三十一日及二零一五年十二月三十一日內，並沒有任何董事放棄或同意將放棄酬金的安排。於財政年度二零一六年十二月三十一日及二零一五年十二月三十一日內，本集團沒有支付任何酬金予董事作為吸引該董事加入本集團的報酬或作為該董事失去職位的賠償。

9. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five (2015: five) individuals with the highest emoluments, two (2015: two) are directors whose emoluments are disclosed in note 8. The aggregate of the emoluments in respect of the remaining three (2015: three) individual are as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Salaries and allowances	薪金及其他酬金	582	418
Contributions to defined contribution retirement plan	退休計畫供款	73	68
Share based payments – Note 28	以股份為基礎之付款-附注28	24	15
		679	501

The emoluments of each of the individuals with the highest emoluments are within the band of RMB\$ nil to RMB\$1,000,000 in both years.

9. 最高酬金人士

在五名最高酬金人士中，兩名（二零一五年：兩名）為董事，彼等之酬金於附注8中披露。其餘三名（二零一五年：三名）最高酬金人士之酬金總額如下：

二零一六年及二零一五年最高酬金人士之酬金介乎人民幣0元至人民幣1,000,000元。

10. EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing the profit attributable to ordinary equity shareholders of the Company of RMB2,127,000 (2015: loss of RMB3,353,000 and the weighted average of 915,484,000 ordinary shares (2015: 915,272,000 shares) in issue during the year, calculated as follows:

1. Weighted average number of ordinary shares

10. 每股盈利/(虧損)

(a) 每股基本盈利/(虧損)

每股基本盈利/(虧損)乃根據本公司股權持有人應占盈利人民幣2,127,000元（二零一五年：虧損人民幣3,353,000元）及年內已發行普通股之加權平均股數915,484,000股普通股（二零一五年：915,272,000股普通股）計算，其計算如下：

1. 普通股之加權平均股數

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Issued ordinary shares at 1 January	於一月一日之已發行普通股	915,272	915,272
Effect of convertible notes converted	兌換可換股票據之影響	212	-
Issued ordinary shares at 31 December	於十二月三十一日之普通股之加權平均股數	915,484	915,272

(b) Diluted earnings / (loss) per share

No adjustment has been made to the basic earnings/(loss) per share amounts presented for the years ended 31 December 2016 and 2015 in respect of a dilution as the convertible notes and outstanding share options set out in note 22 and note 28, respectively, had an anti-dilutive effect on the basic earnings/(loss) per share amounts presented.

(b) 每股攤薄(虧損)/盈利

截至二零一六年十二月三十一日及二零一五年十二月三十一日止年度之每股攤薄虧損與每股基本虧損相同，因未行使之可轉換債券及股票期權有反攤薄影響。

11. PROPERTY, PLANT AND EQUIPMENT

11. 物業、廠房及設備

		Leasehold improvements 物業裝修費 RMB'000 人民幣千元	Machinery and equipment 機器及設備 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
Cost:	成本:				
At 1 January 2015,	於二零一五年一月一日,				
31 December 2015,	二零一五年十二月三十一日,				
1 January 2016 and	二零一六年一月一日及				
31 December 2016	二零一六年十二月三十一日,	5,672	18,926	645	25,243
Accumulated depreciation	累計折舊:				
At 1 January 2015	於二零一五年一月一日	5,637	13,213	383	19,233
Charge for the year	本年度攤銷及折舊	11	1,138	58	1,207
At 31 December 2015	於二零一五年十二月三十一日				
and 1 January 2016	及二零一六年一月一日	5,648	14,351	441	20,440
Charge for the year	本年度攤銷及折舊	7	966	59	1,032
At 31 December 2016	於二零一六年十二月三十一日	5,655	15,317	500	21,472
Net book value:	賬面淨值:				
At 31 December 2016	於二零一六年十二月三十一日	17	3,609	145	3,771
At 31 December 2015	於二零一五年十二月三十一日	24	4,575	204	4,803

12. NEW DRUG TECHNOLOGIES

12. 新藥技術

		Total 總計 RMB'000 人民幣'000
Cost:	成本:	
At 1 January 2015, 31 December 2015, 1 January 2016 and 31 December 2016	於二零一五年一月一日, 二零一五年十二月三十一日, 二零一六年一月一日及二零一六年十二月三十一日	16,681
Accumulated amortisation and impairment	累計攤銷及減值虧損:	
At 1 January 2015, 31 December 2015, 1 January 2016 and 31 December 2016	於二零一五年一月一日, 二零一五年十二月三十一日, 二零一六年一月一日及二零一六年十二月三十一日	16,681
Net book value:	帳面淨值:	
At 31 December 2016	於二零一六年十二月三十一日	-
At 31 December 2015	於二零一五年十二月三十一日	-

The new drug technologies included above have finite useful lives over which the assets are amortised. The amortisation period for development costs incurred on the Group's new drug technologies is five years.

上表所列之新藥技術具有有限使用年期, 並於該段期間內攤銷。本集團新藥技術所涉及開發成本之攤銷期間為五年。

No amortisation charges are included in administrative expenses in the consolidated statement of profit or loss during the year (2015: Nil).

二零一六年及二零一五年並沒有攤銷費用已計入綜合損益表「其他經營費用」內。

13. INVESTMENTS IN SUBSIDIARIES

13. 附屬公司

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

下表載有本集團附屬公司之詳情。除另有注明外, 本集團持有之股份類別均為普通股。

Name of subsidiary 附屬公司名稱	Place of incorporation and business 注册/成立及營業地點	Particulars of issued and paid up capital 已發行及繳足股本詳情	Proportion of ownership interest 擁有權權益比率			Principal Activities 主要業務
			Group's effective interest 本集團持有	Held by the company 本公司持有	Held by a subsidiary 附屬公司持有	
Venturepharm Laboratories (BVI) Limited ("VP(BVI)")	British Virgin Islands ("BVI") 英國處女群島("BVI")	US\$100 100美元	100%	100%	-	Investment holding 控股投資
Venovo Pharma US Inc ("VP(US)")	BVI BVI	US\$1 1美元	100%	100%	-	Investment holding 控股投資
VPSCRO Group Inc. ("VPSCRO")	BVI BVI	US\$1 1美元	100%	-	100%	Inactive 無經營
北京德眾萬全醫藥科技有限公司	Beijing, the PRC 中國北京	US\$200,000 200,000美元	100%	-	100%	Research and development of drugs, natural drugs and synthetic drugs; technological transfer of and services for the research and development of biodrugs, natural drugs and synthetic drugs; pharmacodynamic and clinical research of drugs 研究及開發藥品、天然藥品及合成藥品；研究及開發生物藥品、天然藥品及合成藥之技術轉讓及服務；藥品之藥效研究及臨床研究
北京萬全陽光醫學技術有限公司	Beijing, the PRC 中國北京	US\$200,000 200,000美元	100%	-	100%	Research and development of drugs, natural drugs and synthetic drugs; technological transfer of and services for the research and development of biodrugs, natural drugs and synthetic drugs; pharmacodynamic and clinical research of drugs 研究及開發藥品、天然藥品及合成藥品；研究及開發生物藥品、天然藥品及合成藥之技術轉讓及服務；藥品之藥效研究及臨床研究
北京萬全陽光醫藥科技有限公司	Beijing, the PRC 中國北京	US\$200,000 200,000美元	100%	-	100%	Research and development of drugs, natural drugs and synthetic drugs; technological transfer of and services for the research and development of biodrugs, natural drugs and synthetic drugs; pharmacodynamic and clinical research of drugs 研究及開發藥品、天然藥品及合成藥品；研究及開發生物藥品、天然藥品及合成藥之技術轉讓及服務；藥品之藥效研究及臨床研究
北京德眾萬全藥物技術開發有限公司	Beijing, the PRC 中國北京	US\$865,000 865,000美元	100%	-	100%	Research and development of new drug preparations, raw materials, supplementary materials and biodrugs technological transfer and services 研究及開發新藥製劑、原材料、輔助原材料（賦形劑及添加劑）及生物藥品；技術轉讓及服務
泰州萬全醫藥科技有限公司	Taizhou, the PRC 中國泰州	RMB1,000,000 人民幣1,000,000元	100%	-	100%	Research and development of drugs, natural drugs and synthetic drugs; technological transfer of and services for the research and development of biodrugs, natural drugs and synthetic drugs; pharmacodynamic and clinical research of drugs 研究及開發藥品、天然藥品及合成藥品；研究及開發生物藥品、天然藥品及合成藥之技術轉讓及服務；藥品之藥效研究及臨床研究
海南盛科生命科學研究院	Hainan, the PRC 中國海南	US\$360,000 360,000美元	100%	-	100%	Research and development of drugs, natural drugs and synthetic drugs; technological transfer of and services for the research and development of biodrugs, natural drugs and synthetic drugs; pharmacodynamic and clinical research of drugs 研究及開發藥品、天然藥品及合成藥品；研究及開發生物藥品、天然藥品及合成藥之技術轉讓及服務；藥品之藥效研究及臨床研究
漢中漢江萬全醫藥化工有限公司	Hanzhong, the PRC 中國漢中	US\$600,000 600,000美元	51%	-	51%	Manufacturing and sales of active pharmaceutical ingredients products 銷售及製造有效藥劑成分產品
西藏萬全醫學技術有限公司	Xizang, the PRC 中國西藏	RMB\$1,000,000 人民幣1,000,000元	100%	-	100%	Research and development of drugs, natural drugs and synthetic drugs; technological transfer of and services for the research and development of biodrugs, natural drugs and synthetic drugs; pharmacodynamic and clinical research of drugs 研究及開發藥品、天然藥品及合成藥品；研究及開發生物藥品、天然藥品及合成藥之技術轉讓及服務；藥品之藥效研究及臨床研究

The following table lists out the information relating to 漢中漢江萬全醫藥化工有限公司, the only subsidiary of the Group which has a material non-controlling interest (NCI). The summarized financial information presented below represents the amounts before any inter-company eliminations.

下表載列本集團唯一擁有重大非控股權益（「非控股權益」）之本集團附屬公司漢中漢江萬全醫藥化工有限公司有關之資料。下文呈列之財務資料概要指作出任何公司間撇銷前之金額。

		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
NCI percentage	非控股權益百分比	49%	49%
Current assets	流動資產	10	10
Non-current assets	非流動資產	5	5
Current liabilities	流動負債	(19)	(21)
Net liabilities	淨負債	(4)	(6)
Carrying amount of NCI	非控股權益之賬面值	-	-
Revenue	收入	2	-
Profit/(loss) for the year	本年度溢利/(虧損)	2	(274)
Total comprehensive income/(loss)	全面收益/(虧損)總額	2	(274)
Profit/(loss) allocated to NCI	分配至非控股權益之溢利/(虧損)	-	(134)
Cash flows used in operating activities	經營活動所得現金流量	-	(19)

14. WORK-IN-PROGRESS

14. 在產品

		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Cost	成本	95,621	96,208
Less: Provisions for impairments	減:在產品減值撥備	(93,535)	(93,535)
		2,086	2,673

The movements in the provisions for impairments of work-in-progress are as follows:

在產品撥備之變動如下:

		Contracted RMB' 000 已訂約 人民幣千元	Non-contracted RMB' 000 未訂約 人民幣千元	Total RMB' 000 合計 人民幣千元
At 1 January 2015	於二零一五年一月一日	49,140	41,229	90,369
Provision for impairment for 2015	本年度減值撥備	3,166	-	3,166
At 31 December 2015, 1 January 2016 and 31 December 2016	於二零一五年十二月三十一日, 二零一六年一月一日及 二零一六年十二月三十一日	52,306	41,229	93,535

The impairments for contracted work-in-progress were due to the total contract cost exceeding the total contract values while the impairments for non-contracted work-in-progress were due to the suspension of non-contracted Pharmaceutical Development Service (PDS) projects.

已訂約的在產品作減值撥備是由於總合約成本超出總合約金額，而未訂約在產品作減值撥備是由於本集團停止沒有訂立合同的藥物開發服務項目。

15. TRADE AND BILLS RECEIVABLE

15. 應收賬款及應收票據

		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Trade receivables	應收賬款	551	1,166
Bills receivable	應收票據	-	2,202
		551	3,368

(a) Ageing analysis

The Group grants credit periods normally ranging from 15 days to 30 days to its customers (2015: ranging from 15 days to 30 days). The bills receivable as at 31 December 2015 were non-interest bearing bank acceptance bills and are aged within 6 months. The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by management.

As of the end of the reporting period, the ageing analysis of trade receivables, based on the invoice dates and net of allowances for doubtful debts, is as follows:

(a) 賬齡分析

本集團向貿易客戶提供之信貸期一般為15日至30日(二零一五年: 15日至30日)。於二零一五年十二月三十一日之應收票據為不附息銀行承兌匯票並於二零一五年十二月三十一日後六個月內到期。本集團致力對應收賬款餘額保持嚴密監控並由管理層定期對逾期未清還之欠款進行監察。

於彙報日，應收賬款及應收票據(已包括於應收賬款及其他應收款內)按發票日期及扣除呆壞賬撥備之賬齡分析如下:

		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
1-30 days	1-30 日	518	1,166
61-90 days	61-90 日	33	-
		551	1,166

(b) Impairment of trade receivables

Impairment losses in respect of trade receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amounts are remote, in which case the impairment losses are written off against trade receivables directly (see note 2(i)(i)).

At 31 December 2016 and 2015, no balances in the trade receivables of the Group were individually determined to be impaired.

(b) 應收賬款及應收票據之減值

除非本集團信納收回該筆款項之可能性渺茫，否則應收賬款及應收票據之減值虧損使用撥備賬記錄。若可收回之可能性渺茫，有關減值虧損直接於應收賬款及應收票據中撇銷(見附注2(i)(i))。

於二零一六年十二月三十一日及二零一五年十二月三十一日應收賬款及應收票據沒有減值的需要。

(c) Trade receivables that are not impaired

(c) 並無減值之應收賬款及應收票據

		2016		2015	
		二零一六年	二零一五年	二零一六年	二零一五年
		RMB' 000	RMB' 000	人民幣千元	人民幣千元
Neither past due nor impaired	無逾期亦無減值	551	1,166		

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there were no recent histories of default.

無逾期亦無減值之應收款與多名獨立客戶有關，該等客戶與本集團間之信貸紀錄良好。

16. TRADE DEPOSITS PAID

16. 預付業務押金

Trade deposits paid represented guarantee deposits paid to customers in connection with service agreements signed for the provision of post marketing research and academic promotion services.

預付業務押金為預付客戶有關上市後臨床研究及學術推廣服務合同的保證金。

17. PREPAYMENTS AND OTHER RECEIVABLES

17. 預付款及其他應收款

		Notes 附注	2016		2015	
			二零一六年	二零一五年	二零一六年	二零一五年
			RMB' 000	RMB' 000	人民幣千元	人民幣千元
Prepayments	預付款		61	538		
Deposits	保證金		25	25		
Other receivables	其他應收款	(a)	1,410	769		
Amounts due from directors	董事往來	(b)	88	-		
At 31 December	預付款及其他應收款		1,584	1,332		

(a) Impairment of other receivables

(a) 其他應收款呆壞賬撥備

Impairment losses in respect of other receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amounts are remote, in which case the impairment losses are written off against trade receivables directly (see note 2(i)(i)).

除非本集團信納收回該筆款項之可能性渺茫，否則其他應收款呆壞賬撥備之減值虧損使用撥備賬記錄。若可收回之可能性渺茫，有關減值虧損直接於應收賬款及應收票據中撇銷（見附注2(i)(i)）。

At 31 December 2016 and 2015, no balance in the other receivables of the Group were individually determined to be impaired.

於二零一六年十二月三十一日及二零一五年十二月三十一日其他應收款沒有減值的需要。

(b) Amounts due from directors

(b) 董事往來

The amounts due from directors, disclosed pursuant to section 383(1)(d) to the Hong Kong Companies Ordinance, are as follows:

根據香港《公司條例》第383(1)(d)條之董事往來披露如下：

Name 董事姓名	At 31 December 2016	At 31 December 2015	At 1 January 2015	Maximum amount outstanding during the year 當年最高結欠	
	於二零一六年 十二月三十一日	於二零一五年 十二月三十一日	於二零一五年 一月一日	2016 二零一六年	2015 二零一五年
	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元
Dr. Maria Xue Mei Song 宋雪梅	60	-	-	73	-
Mr. Michael Su 蘇毅	28	-	-	30	-
	88	-	-		

The amounts due from directors are non-trade related, unsecured, interest-free and repayable on demand.

董事往來屬無抵押、免息及須於要求償還時償還。

18. CASH AND CASH EQUIVALENTS

(a) Cash and cash equivalents comprises:

18. 現金及現金等值項目

(a) 現金及現金等值項目包括:

		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Cash at bank and on hand	銀行結存及庫存現金	1,753	6,775

Cash at bank and on hand of the Group comprise bank balances that are interest-bearing at prevailing market rates.

本集團的銀行結餘及現金由銀行結餘組成。銀行結餘以市場利率計息。

(b) Reconciliation of profit/(loss) before taxation to cash generate from operations:

(b) 除稅前溢利/(虧損)與經營業務所得現金之對賬:

		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Profit/(loss) before taxation	除稅前溢利/(虧損)	2,085	(3,376)
Adjustments for:	調整:		
Depreciation	折舊	1,032	1,207
Interest expenses	利息支出	800	817
Interest income	利息收入	(9)	(7)
Impairment losses on work-in-progress	在產品減值虧損	-	3,166
Loss on revaluation of derivative financial liabilities	衍生金融負債重估虧損	-	2,731
Share-based payment expenses	以股份為基礎之付款	1,424	1,341
Exchange losses on derivative financial liabilities	衍生金融負債兌換虧損	-	343
Reversal of impairment losses on other receivables	其他應收款減值撥回	-	(89)
Operating cash flows before changes in working capital	營運資金變動前之經營業務所得現金:	5,332	6,133
Decrease/(increase) in work-in-progress	在產品減少/(增加)	587	(337)
Decrease/(increase) in trade and bills receivable	應收賬款減少/(增加)	2,817	(3,318)
Increase in trade deposits paid	預付業務押金增加	(3,100)	-
Increase in prepayments and other receivables	其他應收款增加	(252)	(743)
Increase in other payables and accruals	應付賬款及其他應付款增加	761	3,266
Decrease in receipts in advance	預收款減少	(12,901)	(1,472)
Cash (used in)/generated from operations	經營業務(所用)/所得現金	(6,756)	3,529

19. TRADE PAYABLES, OTHER PAYABLES AND ACCRUED CHARGES

19. 應付賬款、其他應付款及應計費用

		Notes 附注	2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Trade payables	應付賬款	(c)	108	-
Other payables	其他應付款		3,728	4,227
Accrued expenses	應計費用		3,455	2,550
Amounts due to related parties	應付關連方	(a)	2,987	2,987
Litigation claims payable	應付法律訴訟賠償	(b)	13,033	12,786
			23,311	22,550

(a) Amounts due to related parties are unsecured, non-interest bearing and without fixed repayment terms.

(a) 應付關連方屬無抵押、免息及沒有固定償還條款之借款。

(b) Several subsidiaries of the Company are defendants in various lawsuits and claims arising out of the normal course of the Group's business. The amount represents the outstanding claims payable to plaintiffs according to the respective court judgments.

(b) 本集團內的幾家附屬公司因業務經營而成被告。應付法律訴訟賠償為依據法院判決的應付原告法律訴訟賠償。

(c) Ageing analysis

(c) 賬齡分析

As of the end of the reporting period, the ageing analysis of trade payables, based on the invoice dates, is as follows:

於彙報日，應收賬款及應收票據（已包括於應收賬款及其他應收款內）按發票日期及扣除呆壞賬撥備之賬齡分析如下：

		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
1-30 days	1-30日	108	-
		108	-

All of the other payables are expected to be settled or recognised as income within one year or are repayable on demand.

所有其他應付款項計在一年內被確認為或按要求償還。

20. RECEIPTS IN ADVANCE

20. 預收款

		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Receipts in advance	預收款	4,855	24,215
At 1 January	於一月一日	24,215	25,687
Cash receipts for the year	本年收款	552	12,323
Reclassification to amounts due to related parties – Note 21	本年調賬至關連方借款-附注21	(6,459)	-
Revenue recognised for the year	本年確認收入	(13,453)	(13,795)
At 31 December	於十二月三十一日	4,855	24,215

Included in the receipts in advance is an amount of RMB300,000 (2015: RMB6,145,000) representing suspended projects which are pending mutual agreement between the Group and the customers on final settlement in respect of the deposits received.

於彙報日，預收款中包括人民幣300,000元(二零一五年：人民幣6,145,000元)的已暫停的項目預收款。該筆預收款的處理方法有待本集團與客戶協商後決定。

21. LOANS FROM RELATED COMPANIES

The loans from related companies are unsecured, non-interest bearing and specifically provided to finance the daily operations of the Group. The loans are repayable on 30 June 2018 but contain repayment on demand clauses and, therefore, are classified as current liabilities. The loans are not expected to be settled within one year.

21. 關連方借款

關連方借款屬無抵押、免息、需用於本集團日常營運支出及於二零一八年六月三十日償還。由於關連方借款附帶須於要求償還時償還之條款，因此，關連方借款歸類為流動負債。

22. CONVERTIBLE NOTES AND DERIVATIVE FINANCIAL LIABILITIES

On 24 December 2014, the Company issued unlisted convertible notes with a face value of US\$1,000,000 and a maturity date of 24 December 2016. The notes were unsecured and bear no interest. The noteholder had the right to convert the notes into ordinary shares at any time up to maturity at a conversion price of HK\$0.10 each, subject to anti-dilutive adjustments, or redeem them at 100% of the nominal value of the convertible notes upon maturity. The Company could, at any time prior to the maturity date, repay the outstanding principal of the notes.

22. 可換股債券及衍生金融負債

於二零一四年十二月二十四日，本公司發行本金額1,000,000美元之非上市可換股債券。可換股債券為無抵押、免息及年期為兩年。持有人可選擇於到期時或之前以兌換價每股0.10港元將可換股債券兌換為本公司普通股。本公司可能會在於到期前任何時間償還本金餘額。

The convertible notes contained two components, namely, the host liability component and a compound derivative component consisting of the conversion option and the redemption option. The convertible notes are denominated in USD, which is a currency other than the Company's functional currency. The conversion and redemption options in the convertible notes did not call for an exchange at a fixed number of the Company's own equity instruments for a fixed amount of cash, denominated in USD. Accordingly, the options were accounted for separately as a derivative liability, which is not closely related to the host debt component. The fair values of the debt component and the derivative component were determined at the date of issue. Subsequent to initial recognition, the debt component was carried at amortised cost while the derivative component was measured at fair value, with changes in fair value being recognised in profit or loss.

The effective interest rate of the liability component on initial recognition is 12.822% per annum.

The convertible notes were converted to 77,500,000 ordinary shares at HK\$0.10 each during the year ended 31 December 2016.

可換股債券包含兩個部份：主體負債部分和一個複合衍生部分包含轉換期權和贖回期權。可轉換債券由美元計價，其不是公司的職能貨幣。可轉換債券中的轉換和贖回期權並不是用公司固定數量的權益工具來換取固定數量的以美元計量的現金。相應的是，期權部分是單獨進行計量的一個衍生金融負債，跟主體債務部分是密切相關的。主體負債和衍生部分的公允價值是在可轉換債券的發行當天決定的。在初始計量之後，債務部分用攤銷方式進行計量，衍生部分用公允價值計量，公允價值變動計入損益。

負債部份於初始確認時之實際年利率為12.822厘。

可換股債券已於本年度以兌換價每股0.10港元兌換了77,500,000股本公司的普通股。

		人民幣' 000
Movement in the convertible notes	可換股債券變動	
– liability component:	- 負債	
At 1 January 2015	於二零一五年一月一日	4,844
Interest charged	利息費用	685
Exchange realignment	匯率調整	250
At 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日及二零一六年一月一日	5,779
Interest charged	利息費用	725
Conversion during the year	兌換可換股票據	(6,504)
At 31 December 2016	於二零一六年十二月三十一日	-
Movement in the convertible notes	可換股債券變動	
– derivative component:	- 衍生金融負債	
At 1 January 2015	於二零一五年一月一日	1,623
Fair value changes	公平值變	2,731
Exchange realignment	匯率調整	93
At 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日及二零一六年一月一日	4,447
Conversion during the year	兌換可換股票據	(4,447)
At 31 December 2016	於二零一六年十二月三十一日	-

The fair value of the derivative component of the convertible notes as at 31 December 2015 was calculated using the Binominal Lattice model with the major input used in the model as follow:

於二零一五年十二月三十一日可換股債券衍生工具成分之公平值乃使用二項模式計算，用於該模式之主要數據如下：

2015		2015	
Stock price	HK\$0.249	股價	港幣\$0.249
Expected volatility	127.66%	預期波幅	127.66%
Risk-free rate	US:0.644%	無風險率	US:0.644%

Any changes in the major input into the model would have resulted in changes in the fair value of the derivative component. The change in the fair value of the derivative component during the year ended 31 December 2015 resulted in a fair value loss of RMB 2,731,000 which was included in the “Loss on revaluation of derivative financial instruments” in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2015.

用於該模式之主要數據之任何變動，將導致衍生工具成分之公平值有所變動。衍生工具成分之公平值於截至二零一五年十二月三十一日止年度內之變動導致出現公平值虧損人民幣2,731,000元，該數額已計入截至二零一五年十二月三十一日止年度之綜合損益及其他全面收益表內「衍生金融工具之公平值變動」項下。

23. BANK BORROWINGS

23. 銀行貸款

		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Bank loan	銀行貸款	1,500	1,500

The loan as at 31 December 2016 was unsecured, interest bearing at the Loan Prime Rate of Beijing Bank plus 92 points and was guaranteed by a director of the Company, Dr. Song Xue Mei, Maria. The interest rate during the year was 5.22% per annum. The loan is repayable on 2 December 2017 but may be renewed upon maturity.

於二零一六年十二月三十一日的銀行貸款乃無抵押及以本公司其中一位董事，宋雪梅女士作個人擔保。其擔保最高額度為人民幣1,500,000元。無抵押銀行貸款以浮動年利率按北京銀行年利率上浮92點子計息。於二零一六年十二月三十一日止年度的年利率為5.22厘。銀行貸款須於二零一七年十二月二日償還，並可於到期日續貸。

The bank loan as at 31 December 2015 was unsecured, interest bearing at a variable rate based on the People's Bank of China rate and was guaranteed by a director of the Company, Dr. Song Xue Mei, Maria. The interest rate during the year was ranged from 5.22% to 7.2% per annum. The loan was repaid on 24 November 2016.

於二零一五年十二月三十一日的銀行貸款乃無抵押及以本公司其中一位董事，宋雪梅女士作個人擔保。其擔保最高額度為人民幣1,500,000元。無抵押銀行貸款以浮動年利率按人民銀行年利率計息。於二零一五年十二月三十一日止年度的年利率為5.22厘至7.2厘。銀行貸款須於二零一六年十一月二十四日償還，並可於到期日續貸。

24. INCOME TAXES PAYABLE

24. 應付現期稅項:

(a) Current taxation in the consolidated statement of financial position represents:

(a) 綜合財務狀況表應付現期稅項如下:

		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Provision for PRC Enterprise Income Tax	本年度中華人民共和國企業所得稅撥備	-	111
PRC Enterprise Income Tax paid	已繳付之中華人民共和國企業所得稅	-	(7)
		-	104
Balance of PRC enterprise Income Tax relating to prior year	以前年度中華人民共和國企業所得稅撥備	24	24
		24	128

(b) Deferred tax assets not recognised

In accordance with the accounting policy set out in note 2(q), the Group has not recognised deferred tax assets in respect of cumulative tax losses and deferred income of RMB22,942,000 (2015: RMB20,887,000) and RMB1,214,000 (2015: RMB6,054,000), respectively, as it is not assured future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. The tax losses do not expire under current tax legislation. The tax losses will expire within five years from the end of the respective reporting period.

(b) 未確認之遞延稅項資產

根據附注2(q)所載之會計政策，本集團並無確認有關於稅務虧損及預收款分別人民幣22,942,000元（二零一五年：人民幣20,887,000元）及人民幣1,214,000元（二零一五年：人民幣6,054,000元）之遞延稅項資產，原因在於有關稅項司法管轄區及實體不大可能產生未來應課稅溢利以抵銷可動用之有關虧損及其他暫時差異。未確認稅務虧損將可分別自虧損產生之年度起結轉最多五年。

25. SHARE CAPITAL

25. 股本

(a) Issued share capital

(a) 已發行股本

		2016 二零一六年	2016 二零一六年	2015 二零一五年	2015 二零一五年
		Number of shares' 000 股數' 000	RMB' 000 人民幣千元	Number of shares' 000 股數' 000	RMB' 000 人民幣千元
Ordinary shares, issued and fully paid:	已發行及已繳足				
At 1 January	普通股:	915,272	81,699	915,272	81,699
Issue of shares upon conversion of convertible notes (b)	於一月一日 兌換可換股票據	77,500	6,974	-	-
At 31 December	於二月三十一日	992,772	88,673	915,272	81,699

(b) Conversion of convertible notes

The convertible notes as referred to in note 22 above were converted to 77,500,000 ordinary shares at HK\$0.10 each during the year ended 31 December 2016.

(b) 兌換可換股票據

於附注22說明可換股債券已於本年度以兌換價每股0.10港元兌換了77,500,000股本公司的普通股。

(c) Nature and purpose of reserves

(i) Statutory reserve and statutory enterprise expansion fund

Pursuant to the PRC regulations and the Company's Articles of Association and board resolutions of the Company, the Company is required to transfer 10% of its net profit, as determined under PRC accounting regulations, to a statutory reserve until the fund aggregates 50% of the Company's registered capital. The transfers to this reserve must be made before distribution of dividends to shareholders. The statutory reserve shall only be used to make good previous year losses, to expand the Company production operations or to increase the capital of the Company. Upon approval by a resolution at a shareholder's general meeting, the Company may transform its statutory reserve into share capital and issue bonus shares to existing shareholders in proportion to their original shareholdings or to increase the nominal value of each share currently held by them, provided that the balance of the reserve fund after such issue is not less than 25% of the registered capital. Moreover, the subsidiaries of the Company established in the PRC are required to transfer 5% or 10% of their profit after taxation, as determined under the PRC accounting regulations, to the enterprise expansion fund.

(ii) Special reserve

The special reserve represents the differences between the nominal value of the shares of VP (BVI) (a holding company of the other members of the Group prior to the Group Reorganisation) and the nominal value of the Company's shares issued pursuant to the Group Reorganisation.

(iii) Capital reserve

The capital reserve represents the additional contributions made by the shareholders of the Company and the additional contributions made by the minority shareholder of the subsidiary of the Company prior to the listing of the Company's shares on The Growth Enterprise Market of The Stock Exchange of Hong Kong Limited. It also included the premium of the issued share capital of the Company.

(iv) Contributed surplus

The contributed surplus represents the difference between the net assets of the subsidiaries and the nominal amount of the Company's shares issued in exchange thereof pursuant to the Group Reorganisation.

(c) 儲備之性質及用途

(i) 法定公積及法定企業發展基金

根據中國的法規及本公司的公司章程，本公司須按中國會計制度計算所得溢利的10%轉撥入法定公積金，直至該儲備金的總額相等於本公司的註冊資本的50%為止。轉撥款項入此項儲備必須於分派股息予股東前作出。法定公積金只可用於抵消過往年度的虧損、擴大本公司的生產經營、或增加本公司的股本。若股東大會批准，本公司可將法定公積金轉為股本，並按現有股東的原有持股量發行紅股予該等股東，或增加該等股東現時持有的每股股份面值，惟於該發行後，該法定公積金的結餘不得少於註冊資本的25%。此外，本集團於中華人民共和國批准成立的附屬公司須將其除稅後純利之5%或10%撥入法定企業發展基金。董事可根據有關中國法例及法規所規定之範圍而酌情厘定百分比。

(ii) 特別儲備

特別儲備是指 VP(BVI) (本集團重組前本集團其他成員公司之控股公司) 股份面值及本公司根據本集團重組而發行之股份面值兩者間之差額。

(iii) 資本儲備

資本撥備是指本公司股東於本公司股份在聯交所上市前所作之額外注資，以及本公司附屬公司少數股東於年內所作額外注資。資本撥備亦包括本公司已發行股本的溢價。

(iv) 供款盈餘

本公司之供款盈餘是指附屬公司之資產淨值及本公司根據本集團重組發行以作交換之股份面值兩者間之差額。

The Company's reserves available for distribution to its shareholders comprise the capital reserve and contributed surplus. In accordance with the Company's Articles of Association, dividends shall be payable out of profits or other reserves, including the share premium account, of the Company. Under the Companies Law (2002 Revision) of the Cayman Islands, the Company must be able to pay its debts as they fall due in the ordinary course of business immediately following the distribution of any dividends.

26. OPERATING LEASES

At the end of the reporting period, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Within one year	一年內	47	17

Operating lease payments represent rentals payable by the Group in respect of machinery and land and buildings. The leases typically run for an initial period of one year, with an option to renew when all terms are renegotiated. Lease payments are usually increased every year to reflect market rentals. None of the leases includes any contingent rentals.

27. RETIREMENT BENEFIT SCHEMES

Pursuant to the relevant labour rules and regulations in the PRC, the Group's subsidiaries in the PRC participate in defined contribution retirement schemes (the "Schemes") organised by the relevant local authorities whereby the PRC subsidiaries are required to make contributions to the Schemes at rates which range from 0.3% to 20% (2015: 0.3% to 20%) of the eligible employees' salaries during the year. The relevant local government authorities are responsible for the entire pension obligations payable to retired employees.

28. EQUITY SETTLED SHARE-BASED TRANSACTIONS

The Company has a share option scheme which was adopted on 20 June 2003 whereby the directors of the Company are authorized, at their discretion, to invite employees of the Group, including directors of any company in the Group, to take up options at predetermined considerations to subscribe for shares of the Company.

本公司可供分派予股東之儲備包括股份溢價、資本儲備、實繳溢價及累計溢利。根據本公司組織章程，應付之股息須自本公司溢利或其他儲備中撥出(包括股份溢價賬)。此外，根據開曼群島之公司法(二零零二年修訂版)，本公司須在緊接派發股息之後，能夠支付日常業務中到期之借貸。

26. 租賃付款

於二零一六年十二月三十一日，根據不可解除之經營租賃在日後應付之最低租賃付款總額如下：

本集團租賃付款根據經營租賃租用的物業，機器及設備而產生。該等租賃初步為期一年，並且有權於屆滿後選擇續期，屆時所有條款均可重新商定。本集團的經營租賃並不包含或然租金。

27. 僱員退休福利

根據中國的相關勞工規則及法規，本集團於中國的附屬公司參與相關地方當局籌辦的界定供款退休計畫（「計畫」），據此，中國附屬公司於年內須按合資格僱員薪金的0.3%至20%（二零一五年：0.3%至20%）向計畫作出供款。相關地方當局承擔應付退休僱員的全部退休金責任。

28. 以股份為付款基礎之交易

本公司於二零零三年六月二十日採納一項購股權計畫；據此，本公司之董事獲授權酌情邀請本集團之僱員（包括本集團旗下任何公司之董事）接納購股權以認購本公司普通股。

(a) The terms and conditions of the grants given are as follows:

(a) 於彙報日之未屆滿及未行使購股權之條款及條件如下:

2016:

二零一六年:

Grant date 授權日期	Exercise price 行使價	Note 附注	At 1 January 2016 於二零一六 年一月一日	Granted during 2016 於本年度 授出	Exercised during the year 於本年度 行使	Lapsed during the year 於本年度 註銷	At 31 December 2016 於二零一六年 十二月三十一日
10 August 2006 10/8/2006	HK\$0.36 港幣36仙	(iii)	928,800	-	-	(928,800)	-
10 May 2007 10/5/2007	HK\$0.625 港幣62.5仙	(iv)	1,950,100	-	-	-	1,950,100
7 April 2009 7/4/2009	HK\$0.435 港幣43.5仙	(v)	4,330,800	-	-	(412,000)	3,918,800
30 June 2015 30/6/2015	HK\$0.45 港幣45仙	(vi)	20,670,000	-	-	(3,370,000)	17,300,000
			27,879,700	-	-	(4,710,800)	23,168,900

2015:

二零一五年:

Grant date 授權日期	Exercise price 行使價	Note 附注	At 1 January 2015 於二零一五年 一月一日	Granted during 2015 於本年度 授出	Exercised during the year 於本年度 行使	Lapsed during the year 於本年度 註銷	At 31 December 2015 於二零一五年 十二月三十一日
2 March 2005 2/3/2005	HK\$0.52 港幣52仙	(i)	706,400	-	-	(706,400)	-
14 December 2005 14/12/2005	HK\$0.45 港幣45仙	(ii)	72,000	-	-	(72,000)	-
10 August 2006 10/8/2006	HK\$0.36 港幣36仙	(iii)	1,018,800	-	-	(90,000)	928,800
10 May 2007 10/5/2007	HK\$0.625 港幣62.5仙	(iv)	2,058,100	-	-	(108,000)	1,950,100
7 April 2009 7/4/2009	HK\$0.435 港幣43.5仙	(v)	5,392,800	-	-	(1,062,000)	4,330,800
30 June 2015 30/6/2015	HK\$0.45 港幣45仙	(vi)	-	20,670,000	-	-	20,670,000
			9,248,100	20,670,000	-	(2,038,400)	27,879,700

Notes:

- (i) These options were exercisable within the period commencing from 2 March 2005 to 1 March 2015. The options were valid and effective until 1 March 2015.
- (ii) These options were exercisable within the period commencing from 14 December 2005 to 13 December 2015. The options were valid and effective until 13 December 2015.
- (iii) These options were exercisable within the period commencing from 10 August 2006 to 9 August 2016. The options were valid and effective until 9 August 2016.
- (iv) These options are exercisable within the period commencing from 10 May 2007 to 9 May 2017. The options are valid and effective until 9 May 2017.
- (v) These options are exercisable within the period commencing from 7 April 2009 to 6 April 2019. The options are valid and effective until 6 April 2019.
- (vi) These options are exercisable in three trench with the maximum percentage of options exercisable with the periods commencing from 30 June 2016 to 29 June 2017, 30 June 2017 to 29 June 2018 and on 30 June 2018 being 40%, 70% and 100%, respectively. The options are valid and effective until June 2026.

(b) The number and weighted average exercise prices of share options are as follows:

附注:

- (i) 該等購股權可於二零零五年三月二日至二零一五年三月一日期間認購本公司股份。該購股權將於二零一五年三月一日失效。
- (ii) 該等購股權可於二零零五年十二月十四日至二零一五年十二月十三日期間認購本公司股份。該購股權將於二零一五年十二月十三日失效。
- (iii) 該等購股權可於二零零六年八月十日至二零一六年八月九日期間認購本公司股份。該購股權將於二零一六年八月九日失效。
- (iv) 該等購股權可於二零零七年五月十日至二零一七年五月九日期間認購本公司股份。該購股權將於二零一七年五月九日失效。
- (v) 該等購股權可於二零零九年四月七日至二零一九年四月六日期間認購本公司股份。該購股權將於二零一九年四月六日失效。
- (vi) 該等購股權可分三期行使：即二零一六年六月三十日至二零一七年六月二十九日、二零一七年六月三十日至二零一八年六月二十九日及二零一八年六月三十日以後，分別以40%、70%及100%之可於行使購股權百分比上限認購本公司股份。該購股權將於二零二六年六月二十九日失效。

(b) 購股權之數目及加權平均行使價如下:

	2016 二零一六年		2015 二零一五年	
	Weighted average exercise price HK\$ 加權平均 行使價港幣	Number of options (‘000) 購股權之數目 (‘000千股)	Weighted average exercise price HK\$ 加權平均 行使價港幣	Number of options (‘000) 購股權之數目 (‘000千股)
Outstanding at the beginning of the year 於一月一日尚未行使	0.457	27,897,700	0.473	9,248,100
Lapsed during the year 於本年度註銷	0.431	(4,710,800)	0.472	(2,038,400)
Granted during the year 於本年度授出	-	-	0.45	20,670,000
Outstanding at the end of the year 於十二月三十一日尚未行使	0.462	23,168,900	0.457	27,879,700
Exercisable at the end of the year 於十二月三十一日可予行使	0.474	12,788,900	0.477	7,209,700

The options outstanding at 31 December 2016 had a weighted average remaining contractual life of 1.53 years (2015: 4.35 years).

於彙報日，購股權之加權平均剩餘合約年期為1.53年（二零一五年：4.35年）。

(c) Fair value of share options and assumptions

(c) 購股權之公允值及假設

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured based on a Binomial Lattice model. The contractual lives of the share options are used as an input and expectations of early exercise are incorporated into the Binomial Lattice model.

本集團以授出購股權來獲得之服務之公允值，乃參考已授出購股權之公允值計量。已授出購股權之估計公允值以二項式點陣模式計量。購股權之合約年期用作該模式之一項輸入參數。有關提早行使之預期已計入二項式點陣模式之內。

	2015		二零一五年
Fair value at measurement date	HK\$0.209 - HK\$0.2881	於計量日期之公允值	港幣20.9仙 - 港幣28.81仙
Share price	HK\$0.43	股價	港幣43仙
Exercise price	HK\$0.45	行使價	港幣45仙
Expected volatility (expressed as weighted average volatility used in the modeling under Binomial Lattice model)	89.29%	預期波幅	89.29%
Option life (expressed as weighted average life used in the modeling under Binomial Lattice model)	10 years	預期購股權之有效期	10年
Expected dividends	0%	預期股息	0%
Risk-free interest rate (based on Exchange Fund Notes)	1.788%	無風險利率	1.788%

The expected volatility is based on the historic volatility (calculated based on the weighted average remaining lives of the share options) and adjusted for any expected changes to historical dividends. Changes in the subjective input assumption could materially affect the fair value estimates.

預期波幅按歷史波幅厘定，並根據因公開資料導致未來波幅之任何預期變化予以調整。預期股息按歷史股息厘定。所採用主觀輸入假設之變動可對公允值之估計產生重大影響。

Share options were granted under service conditions which have not been taken into account in the grant date fair value measurement of the services received. There were no market conditions associated with the share option grants.

購股權是根據服務條件而授出。此項條件在計量所得服務之公允值（於授出日期）時不在考慮之列。授出購股權並無附有市場條件。

29. MATERIAL RELATED PARTIES TRANSACTIONS

29. 重大關連人士交易

(a) Key management personnel remuneration

(a) 關鍵管理人員之酬金

Remuneration for key management personnel of the Group wholly related to amounts paid to the Company's directors, as disclosed in note 8, is as follows:

本集團關鍵管理人員之酬金全屬於向本公司董事支付之款項並於附注8披露，如下：

		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Short term employee benefits	短期僱員福利	1,508	1,463
Contributions to defined contribution retirement plan	離職後福利	91	85
Share based payments	股本補償福利	714	600
		2,313	2,148

Total remuneration is included in "staff costs" (see note 6(b)).

總酬金已計入「員工成本」(見附注6(b))。

(b) Financing arrangements

(b) 財務安排

		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Loans from related companies	關連方借款		
萬特製藥(海南)有限公司	萬特製藥(海南)有限公司	4,961	-
江蘇萬德瑪藥業有限公司	江蘇萬德瑪藥業有限公司	3,360	-
		8,321	-
Other payables due to related companies:	其他應付		
海南萬德瑪藥業有限公司	應付海南萬德瑪藥業有限公司	383	383
北京萬全德眾醫藥生物技術有限公司	應付北京萬全德眾醫藥生物技術有限公司	873	873
北京萬全生物醫藥科技有限公司	應付北京萬全生物醫藥科技有限公司	598	598
海口盛科生命科學研究院有限公司	應付海口盛科生命科學研究院有限公司	1,133	1,133
		2,987	2,987

The loans from related companies are unsecured, non-interest bearing and were specifically provided to finance the daily operations of the Group. The loans are repayable on 30 June 2018 but contain repayment on demand clauses and, therefore are classified as current liabilities. The loans are not expected to be settled within one year.

關連方借款屬無抵押、免息、需用於本集團日常營運支出及於二零一八年六月三十日償還。由於關連方借款附帶須於要求償還時償還之條款，因此，關連方借款歸類為流動負債。

The outstanding balances with these related companies which are included in "Other payables and accruals" (note 19) are unsecured, non-interest bearing and have no fixed repayment terms.

應付關連公司屬無抵押、免息及沒有固定償還條款之借款。應付關連方包含在其他應付款及應計費用內。(附注19)。

(c) Receipts in advance

(c) 預收款

		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
萬特製藥(海南)有限公司	萬特製藥(海南)有限公司	-	3,830
江蘇萬德瑪藥業有限公司	江蘇萬德瑪藥業有限公司	-	2,629
		-	6,459

During the year ended 31 December 2015, the Group signed several pharmaceutical research and promotional contracts with the above related parties and received deposits amounting to RMB6,459,000. The contracts were terminated during the year and the receipts in advance brought forward from 2015 of RMB6,459,000 together with further deposit received of RMB1,862,000 were reclassified to loans from related parties since the related parties agreed to use the deposits paid to provide funding to finance the daily operations of the Group.

截至二零一五年十二月三十一日止年度，本集團與上述關連方簽署了多個藥物研究和推廣合同並收到定金人民幣6,459,000元。上述合同於本年度終止。根據與關連方的協定，關連方願以已付定金作為提供本集團日常運作之資金。因此，二零一五年已收到的定金人民幣6,459,000元及本年收到的定金人民幣1,862,000元調整到關連方借款。

The related companies are under the common control of Mr. Guo Xia, William, a director of the Company.

本公司其中一位董事—William Xia Guo先生為上述關連公司的控股股東。

(d) Other related parties transactions

(d) 其他關連人士交易

(i) The Group had the following significant business transactions with a related company during the year ended 31 December 2016:

(i) 本集團於本年度的重大關連人士交易如下:

			2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Name of related party 關連人士名稱	Nature of transactions 交易性質	(Notes) 附注		
萬全萬特製藥(廈門)有限公司 萬全萬特製藥(廈門)有限公司	Testing services 測試費	(i)	-	849

(i) The management of the Group is of the opinion that revenue from the services to the related company were made on normal commercial terms negotiated between the parties.

(i) 管理層認為本集團的關連人士交易條款是以雙方協定厘定的。

(ii) The unsecured bank loan to the Group of RMB1,500,000 was guaranteed by a director, Dr Maria Xue Mei Song, of the Company. The details of the guarantee are disclosed in note 23.

(ii) 本集團於本年度的無抵押銀行貸款乃以本公司其中一位董事，宋雪梅博士作個人擔保。其擔保最高額度為人民幣1,500,000元（二零一五年：人民幣1,500,000元）。

30. CONTINGENT LIABILITIES IN RESPECT OF LEGAL CLAIM

As of 31 December 2016, certain of the subsidiaries of the Group are defendants in proceedings relating to its customers. Based on respective legal advice and court judgements, management is of the opinion that the outcome of such proceedings will not be beyond the existing accruals made for such litigation claims as disclosed in note 19(b). Accordingly, there will be no significant impact to the financial status of the Group.

31. CAPITAL MANAGEMENT

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders. The Group's overall strategy remains unchanged from prior years.

The Group actively and regularly reviews and manages its capital structure to ensure it is effective and optimises shareholder returns, taking into consideration the future capital requirements of the Group prevailing and projected capital expenditure and projected investment opportunities.

In order to maintain or adjust the capital structure, the Group may consider the amount of dividends paid to shareholders, the return of capital to shareholders, the issue of new shares or selling assets to reduce debt.

The Group assesses the total equity/deficiency presented on the face of the consolidated statement of financial position for capital management purposes.

32. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate and currency risks arise in the normal course of the Group's business. The Group is also exposed to equity price risk arising from its own listed share price.

The Group's exposure to these risks and the financial risk management policies and practices used to manage these risks are described below.

(a) Credit risk

The Group's credit risk is primarily attributable to trade and other receivables and cash at bank. Management has a credit policy in place and the exposure to these credit risks are monitored on an ongoing basis.

30. 法律訴訟的或然負債

於彙報日，本集團內的幾家附屬公司因業務經營成為被告。本集團管理層考慮相關法律建議和法院判決，評估所引起的或有負債，認為該等法律訴訟賠償應不會超出附注19 (b) 列出的應付法律訴訟賠償，因此對本集團的財務狀況沒有重大影響。

31. 資本管理

本集團在管理資本時之首要目標為保障本集團能持續經營的能力，使其能繼續為股東提供回報及為其他利益相關人士提供利益。本集團在管理資本的策略於本年度維持不變。

本集團積極及定期對資本架構進行檢討及管理，以達到最有效益及最高的股東回報。本集團在檢討及管理過程中，會考慮未來的資本需求及預期的資本開支及投資機會。

為保持或調整資本結構，本集團可以調整付給股東的股利，向股東退回資本，發行新股或出售資產以減低負債。

本集團的資本管理參照其載於綜合財務狀況表的權益總額。

32. 財務風險管理及金融工具之公允值

本集團在一般業務過程中存在信貸、流動資金、利率及貨幣風險。本集團亦面對因其股價在市場上的波動而產生的股價風險。

本集團面對之有關風險及本集團所採用之財務風險管理政策與慣例載述如下。

(a) 信貸風險

本集團之信貸風險主要來自應收賬款及其他應收款與現金及現金等值項目。管理層備有信貸政策，而有關該信貸之風險持續受到監控。

In respect of trade and other receivables, the Group has policies in place to ensure credit is granted to customers with appropriate credit histories and good reputations through evaluations on customer past histories of making payments when due and have the ability to pay, and take into account information specific to the customers as well as pertaining to the economic environment in which they operate. Trade receivables are due within 30 days (2015: 30 days) from the date of billing. Normally, the Group does not obtain collateral from customers.

The Group's concentration of credit risk on trade receivables by geographical locations is mainly in the PRC which accounted for 94.0% (2015: 97.7%) of the total trade receivables balance at 31 December 2016. The group also has a concentration of credit risk on its two largest customers (2015: three largest customers) which represent 94.0% (2015: 97.7%) of the total trade receivables balance and of which the largest customer represents 75% (2015: 72.9%) of the total trade receivables balance. For both years, the two largest customers (2015: three largest customers), which are engaged in medical related businesses in the PRC, have good repayment histories and credit quality with reference to the track records of these customers under internal assessment by the Group.

The credit risk on cash at bank is limited because the counterparties are authorised financial institutions with sound credit ratings.

The maximum exposure to credit risk, without taking account of any collateral held, is represented by the carrying amount of each financial asset in the statement of financial position after deducting any impairment allowances.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade and other receivables are set out in notes 15 and 17.

(b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the parent company's board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements and compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

有關應收賬款及其他應收款項方面本集團均會對所有要求的客戶進行個別信貸評估。該等評估針對客戶過往償還到期款項的記錄及現時的還款能力，並會考慮客戶的相關資料及客戶經營業務的經濟環境。應收賬款由發單日期起計30日(二零一五年:30日)內到期。一般而言，本集團不會向客戶要求抵押品。

就地區而言，本集團之應收貿易賬款信貸風險主要集中在中國，於二零一六年十二月三十一日，佔應收賬款結餘總額之94.0% (二零一五年: 97.7%)。本集團之信貸風險亦集中在其中兩大客戶 (二零一五: 三大客戶)，佔應收貿易賬款結餘總額之94.0% (二零一五年: 97.7%)，其中最大客戶佔應收貿易賬款結餘總額之75% (二零一五年: 72.9%)。於該兩年，兩大客戶 (二零一五年: 三大客戶) 均於中國從事醫療相關業務，參照本集團對該等客戶往績記錄之內部評估，彼等具有良好之還款記錄及信貸質素。

本集團之銀行存款乃存放於有良好信貸評級之金融機構，管理層認為本集團面對之信貸風險為低。

信貸風險承受上限為各金融資產於綜合財務狀況表的賬面值。

有關本集團自應收賬款及其他應收款而產生之信貸風險之進一步量化披露載於附注15及17。

(b) 流動資金風險

本集團個別經營實體負責其日常運作之資金管理，包括存放短期現金存款及借入貸款以滿足預期現金需求，惟倘借貸超過若干預先授權之水準，則須獲母公司董事會批准。本集團之政策是定期監控流動資金需要及其遵守貸款契諾之情況，以確保本集團維持充足現金儲備及獲主要金融機構承諾提供足夠之信貸額，以應付短期及長期之流動資金需要。

The following tables detail the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities and derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group and the Company are required to pay:

下表呈列本集團於彙報日之金融負債之餘下合約期限，此乃根據合約未折現現金流量（包括按合約利率，或如屬浮息按彙報日通行之利率計算之利息）以及本集團須償還有關款項之最早日期作分析：

2016 二零一六年				
	Within 1 year or on demand RMB'000 一年內或按要求 人民幣千元	More than 1 year but less than 2 years RMB'000 一年後但兩年內 人民幣千元	Total contractual undiscounted cash flow RMB'000 合約未折現現金流出總計 人民幣千元	Carrying amount RMB'000 帳面值 人民幣千元
Non-derivative financial liabilities: 非衍生金融負債：				
Payables and accrued charges 其他應付款及應計費用	23,311	-	23,311	23,311
Loans from related parties 關連方借款	8,321	-	8,321	8,321
Bank borrowings 銀行貸款	1,570	-	1,570	1,500
	33,202	-	33,202	33,132
2015 二零一五年				
	Within 1 year or on demand RMB'000 一年內或按要求 人民幣千元	More than 1 year but less than 2 years RMB'000 一年後但兩年內 人民幣千元	Total contractual undiscounted cash flow RMB'000 合約未折現現金流出總計 人民幣千元	Carrying amount RMB'000 帳面值 人民幣千元
Non-derivative financial liabilities: 非衍生金融負債：				
Payables and accrued charges 其他應付款及應計費用	22,550	-	22,550	22,550
Convertible notes 可換股債券	6,520	-	6,520	5,779
Bank borrowings 銀行貸款	1,570	-	1,570	1,500
	30,640	-	30,640	29,829
Derivative financial liabilities: 衍生金融負債				
Derivative financial liabilities embedded in convertible notes 可換股債券 - 衍生金融負債	4,447	-	4,447	4,447

(c) Interest rate risk

The Group's interest rate risk arises primarily from bank deposits and bank borrowings. The bank deposits and borrowings bear interest at variable rates and expose the Group to cash flow interest rate risk and fair value interest rate risk, respectively. The Group's interest rate profile is monitored by management.

Sensitivity analysis

It is estimated that a general increase/decrease of 100 basis points in the interest rates of variable rate borrowings and bank savings prevailing at the reporting date, with all other variables held constant, would decrease/increase the Group's profit after tax and increase/decrease accumulated loss by approximately RMB71,000 for the year ended 31 December 2016 (2015: increase/decrease the Group's loss after tax and accumulated losses by approximately RMB53,000).

The sensitivity analysis above has been determined assuming that changes in interest rates occurred at the end of the reporting period and had been applied to the exposure to interest rate risk for financial instruments in existence at that date. The 100 basis point increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the next annual end of reporting period. The analysis is performed on the same basis for 2015.

(d) Equity price risk

The Group is exposed to equity price risk arising from changes in the Company's own share price to the extent that the Company's own equity instruments underlie the fair values of derivatives or other financial liabilities of the Group. As at 31 December 2015, the Group was exposed to this risk through the convertible notes issued by the Company as disclosed in note 22. The convertible notes were converted to ordinary shares as at 31 December 2016 and the Company is no longer exposed to equity price risk as the end of the reporting period.

At 31 December 2015, it is estimated that an increase/decrease of 10% in the relevant stock market index (for listed investments), the price/earnings ratios of comparable listed companies (for unquoted investments) or the Company's own share price (for the derivative component of convertible notes) as applicable, with all other variables held constant, would have increased/decreased the Group's loss after tax (and accumulated loss) and other components of consolidated equity by RMB690,000.

(c) 利率風險

本集團之利率風險主要來自銀行存款及附息借貸。本集團之銀行存款及附息借貸之利率均為浮動息率。因此，本集團面對利率現金流及利率公允價值風險本集團由管理層監控。

敏感性分析

估計利率普遍上升/下跌一百個基點，在所有其他可變動因素保持不變之情況下，本集團除稅後除稅後溢利將因此減少/增加及累計虧損增加/減少約人民幣71,000元（二零一五年：除稅後虧損及累計虧損將因此增加/減少人民幣53,000元）。

以上的敏感性分析乃根據金融工具於彙報期終的利率風險而作出。估計利率普遍上升/下跌的基點為管理層對未來一年利率變動的預測。截至二零一五年十二月三十一日止年度之分析乃按照相同基準進行。

(d) 股本價格風險

本集團面臨著股票價格風險，即由公司的股票價格的變動引起基於公司權益上的集團的衍生工具或其他金融負債的公允價值。在二零一五年十二月三十一日，本集團因發行可換股債券（見附注22）而面臨該等風險。該可換股債券已於二零一六年十二月三十一日兌換為本公司普通股，因此在本報告期末，本公司已不再面臨上述股票價格風險。

在二零一五年十二月三十一日，在其他變數保持不變的情況下，相關股市指數（上市投資）、類似的上市公司的價格/市盈率（未上市股份投資）或本公司股票價格（就特定可換股債券的衍生工具）上升/下跌10%，本集團的除稅後虧損（和累計虧損）和其他合併權益估計將增加/減少人民幣690,000元。

The sensitivity analysis indicates the instantaneous change in the Group's fair value reserve that would arise assuming that the changes in the respective quoted share prices occurred at the end of the reporting period and had been applied to re-measure those financial instruments held by the Group which expose the Group to equity price risk at the end of the reporting period. It is also assumed that the fair values of the Group's equity investments would change in accordance with the historical correlation with the relevant share price that none of the Group's available-for-sale financial assets would be considered impaired as a result of the short term fluctuations in the relevant share price, and that all other variables remain constant.

敏感性分析表明本集團的公允價值儲備將因本報告期末股票價格的變動而改變，就此重新計量本集團的金融工具也將使本集團於報告期末面臨股票價格風險。同時，在保持其他變數不變的情況下，公司的權益投資也受有關股票的歷史相關性影響，本集團的可供出售金融資產將不會因有關股票的短期波動考慮減值準備。

(e) Currency risk

The Group is exposed to currency risk primarily through bank accounts that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily Hong Kong Dollars ("HKD") and United States Dollars ("USD"). The Group currently does not hedge its foreign exchange exposures.

Exposure to currency risks

The following table details the Group's exposure at the end of the reporting period to currency risks arising from recognised assets or liabilities denominated in a currency other than the functional currency of the operations to which they relate.

(e) 貨幣風險

本集團面對之貨幣風險主要來自現金結餘，該等項目乃按外幣（即交易所涉業務之功能貨幣以外之貨幣）計值。產生有關風險之貨幣主要為港元（「港元」）及美元（「美元」）。本集團並沒有對貨幣風險進行對沖。

承受之貨幣風險

下表詳列本集團於彙報日並非以有關實體之功能貨幣之貨幣計值的已確認資產或負債而產生之重大貨幣風險。

	2016 二零一六年		2015 二零一五年	
	HKD'000 港元'000	USD'000 美元'000	HKD'000 港元'000	USD'000 美元'000
Cash at bank and on hand 現金及銀行存款	528	32	814	29

Sensitivity analysis

The following table indicates the approximate changes in the Group's profit/(loss) after tax and accumulated loss in response to reasonably possible changes in the foreign exchange rates to which the Group has significant exposures at the end of the reporting period. Other components of equity are not affected by changes in the foreign exchange rates.

敏感性分析

下表列示於彙報日本集團各實體面對重大風險之匯率出現變動可能導致本集團除稅後溢利及累計虧損之即時變動。權益的其他組成部分不受匯率變動影響。

	2016 二零一六年			2015 二零一五年		
	Change in foreign exchange rates 匯率變動	Effect on profit after tax RMB' 000 對除稅后 溢利之影響 人民幣千元	Effect on accumulated loss RMB'000 對累計虧損 之影響 人民幣千元	Change in foreign exchange rates 匯率變動	Effect on loss after tax and accumulated loss RMB'000 對除稅後虧損 及累計虧損之影響 人民幣千元	
HKD 港元	5%	24	(24)	5%	(40)	
USD 美元	5%	11	(11)	5%	(1)	

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on the profit after taxation and retained earnings of each entity of the Group measured in the respective functional currencies, translated into USD at the exchange rates ruling at the financial year end date for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risks at the financial year end date, including intercompany payables and receivables within the Group, which are denominated in a currency other than the functional currencies of the lender or the borrower. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency.

(f) Fair value measurement

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the input used in the valuation technique as follows:

上表呈述之分析結果顯示本集團各實體以各自功能貨幣計算之除稅後溢利及累計虧損，按彙報日通行之匯率換算為港幣以作呈報之總體即時影響。

敏感性分析乃假設匯率變動應用於重新計量本集團於彙報日持有之令本集團面對外匯風險之有關金融工具，包括本集團公司間以貸款人或借入人之功能貨幣以外之貨幣計值之應付款及應收款。分析不包括因換算中國以外地區附屬公司之財務報表為本集團之呈列貨幣而產生的差額。

(f) 公允值計量

公允值級別

下表詳列按公允價值計算的財務工具於彙報日按香港財務報告準則第13號，公允價值計量，界定三個價值量級別而披露的賬面值（按於計算該公允價值有重大相關的輸入資料）：

- Level 1 valuations: Fair value measured using only Level 1 input i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 input i.e. observable inputs which fail to meet Level 1, and not using significant unobservable input. Unobservable input are those for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable input.

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2016 and 2015.

- 第一級別：相同資產或負債在交投活躍市場之報價（未經調整）。
- 第二級別：除了級別一內之報價外，該資產或負債之其他輸入，可直接地（即例如價格）或間接地（即源自價格）被觀察。
- 第三級別：資產或負債之輸入並非依據可觀察之市場資料（即非可觀察輸入）。

下表列示本集團於二零一六年十二月三十一日及二零一五年十二月三十一日以公允價值計量的資產及負債：

		2016 二零一六年 Level 3 第三級別 RMB' 000 人民幣千元	2015 二零一五年 Level 3 第三級別 RMB' 000 人民幣千元
Derivative financial instruments:	衍生金融負債		
Derivative component embedded in convertible notes	可換股債券 - 衍生金融負債	-	4,447
		-	4,447

(g) Estimation of fair values

Derivative component embedded in convertible notes

The fair value of the derivative component embedded in convertible notes as at 31 December 2015 was valued by the directors with reference to a valuation report issued by RHL Appraised Ltd and is determined using the Binomial Lattice model and the significant unobservable input used in the fair value measurement is expected volatility. The fair value measurement is positively correlated to the expected volatility.

The movements during the period in the balance of these Level 3 fair value measurements are as follows:

(g) 公允值的評估

可換股債券

衍生工具成分於二零一五年十二月三十一日的公允價值由董事依據永利行評估顧問有限公司的評估報告並以二項式點陣模式計量。預期波幅為該模式之一項重大的輸入參數。公允值的計量與預期波幅有直接關係。

第三級別金融工具於截至二零一六年十二月三十一日止年度之變動如下：

		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Derivative component embedded in convertible notes	可換股債券 - 衍生金融負債		
At 1 January	於一月一日	4,447	1,623
Conversion of convertible notes	兌換可換股債券	(4,447)	-
Changes in fair value recognised in profit or loss during the year	本年公允價值變動	-	2,731
Exchange realignment	匯兌差額	-	93
At 31 December	於十二月三十一日	-	4,447

The fair values of the convertible notes are estimated as being the present values of future cash flows, discounted at interest rates based on the government yield curve as at the end of the reporting period plus an adequate constant credit spread, adjusted for the Group's own credit risk.

可換股債券的公允價值是按照未來的現金流淨現值來估計，債券的貼現率是基於本報告期末政府債券收益率加上適當的信用利差常數，調整為本集團的信用風險。

33. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

33. 公司層面的財務狀況表

		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Non-current assets	非流動資產		
Interests in subsidiaries	於附屬公司之權益	-	-
Current assets	流動資產		
Prepayments and other receivables	預付賬款及其他應收款	13,286	13,412
Cash and cash equivalents	現金及現金等值項目	659	841
		13,945	14,253
Current liabilities	流動負債		
Other payables and accruals	其他應付款及應計費用	9,217	8,449
Amounts due to subsidiaries	應付附屬公司款項	31,525	29,699
Convertible notes	可換股債券	-	5,779
Derivative financial liabilities	衍生金融負債	-	4,447
		40,742	48,374
Net current liabilities	淨流動負債	(26,797)	(34,121)
Net liabilities	淨負債	(26,797)	(34,121)
Capital and reserves	資本及儲備		
Share capital	資本	88,673	81,699
Reserves	儲備	(115,470)	(115,820)
Deficiency in assets	權益總額	(26,797)	(34,121)

The Company's statement of financial position was approved and authorized for issue by the Board of Directors on 24 March 2017 and are signed on its behalf by:

本公司之財務狀況表於二零一七年三月二十四日獲董事會批准並授權發，並由以下董事代表簽署：

William Xia GUO
William Xia Guo
Director
董事

Dr. Maria Xue Mei SONG
宋雪梅博士
Director
董事

34. ULTIMATE CONTROLLING PARTIES

34. 最終控股股東

As at 31 December 2016, the directors consider the ultimate controlling shareholder of the Company to be Mr. William Xia Guo.

董事認為，於二零一六年十二月三十一日，本集團最終控股股東為William Xia Guo先生。

35. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2016

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments and new standards which are not yet effective for the year ended 31 December 2016 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group:

Effective for accounting periods beginning on or after

Amendments to HKAS 7, Statement of Cash Flows: Disclosure initiative 1 January 2017

Amendments to HKAS 12, Income taxes: Recognition of deferred tax assets for unrealised losses 1 January 2017

HKFRS 15, Revenue from contracts with customers 1 January 2018

HKFRS 9, Financial instruments 1 January 2018

Amendments to HKFRS 2, Share-based payment: Classification and measurement of share-based payment transactions 1 January 2018

Amendments to HKFRS 4: Applying HKFRS 9 Financial instruments with HKFRS 4 Insurance contracts 1 January 2018

Amendments to HKFRS 10 and HKAS 28: Sale or contribution of assets between an Investment and its associate or joint venture Annual period beginning on or after a date to be determined

HKFRS 16, Leases 1 January 2019

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far the Group has identified some aspects of the new standards which may have a significant impact on the consolidated financial statements. Further details of the expected impacts are discussed below. As the Group has not completed its assessment, further impacts may be identified in due course and will be taken into consideration when determining whether to adopt any of these new requirements before their effective date and which transitional approach to take, where there are alternative approaches allowed under the new standards.

35. 已頒佈但尚未於截至二零一六年十二月三十一日止年度生效之修訂、新訂準則及詮釋可能構成之影響

截至本財務報表刊發之日，香港會計師公會已頒佈截至二零一六年十二月三十一日止年度尚未生效，亦無在本財務報表採用之數項修訂及新訂準則，當中包括下列可能與本集團相關之修訂及詮釋。

於下列日期或之後開始之會計期間生效

《香港會計準則》第7號的修訂本「披露計劃」 二零一七年一月一日

《香港會計準則》第12號的修訂本「就未變現虧損確認遞延稅項資產」 二零一七年一月一日

《香港財務報告準則》第15號「客戶合約收入」 二零一八年一月一日

《香港財務報告準則》第9號「金融工具」 二零一八年一月一日

《香港財務報告準則》第2號的修訂本「股份付款交易的分類及計量」 二零一八年一月一日

《香港財務報告準則》第4號的修訂本「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」 二零一八年一月一日

《香港財務報告準則》第10號及《香港會計準則》第28號之修訂「投資者與其聯營或合營公司間之資產出售或注資」 將予釐定之日期或其後開始之年度期間

《香港財務報告準則》第16號「租賃」 二零一九年一月一日

本集團正評估該等修訂及新訂準則於首次應用期間預期帶來的影響。迄今本集團已識別新訂準則的若干方面可能對綜合財務報表造成重大影響。有關預期影響的進一步詳情於下文論述。由於本集團尚未完成其評估，故本集團可於適當時候識別進一步影響，並將於決定於該等新規定生效日期前是否採納任何該等新規定及根據新訂準則有替代方法可用時採用何種過渡方法時考慮該等影響。

HKFRS 15, Revenue from contracts with customers

HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 “Revenue”, HKAS 11 “Construction Contracts” and the related interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when ‘control’ of goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

The directors of the Company anticipate that the application of HKFRS 15 in the future may have an impact on the amounts reported and disclosures made in the Group’s consolidated financial statements. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

36. COMPARATIVE FIGURES

Certain comparative figures, including figures in the consolidated statement of profit or loss and other comprehensive income have been re-presented so that it can better present the performance of the Group.

《香港財務報告準則》第15號「客戶合約收入」

《香港財務報告準則》第15號頒佈，其制定一項單一全面模式供實體用作將自客戶合約所產生的收益入賬。於《香港財務報告準則》第15號生效後，其將取代現時載於《香港會計準則》第18號「收益」、《香港會計準則》第11號「建築合約」及相關詮釋的收益確認指引。

《香港財務報告準則》第15號的核心原則為實體所確認描述向客戶轉讓承諾貨品或服務的收益金額，應為能反映該實體預期就交換該等貨品或服務有權獲得的代價。具體而言，該準則引入確認收入的五個步驟：

- 第一步：識別與客戶訂立的合約
- 第二步：識別合約中的履約責任
- 第三步：釐定交易價
- 第四步：將交易價分配至合約中的履約責任
- 第五步：於實體履行履約責任時（或就此）確認收益

根據《香港財務報告準則》第15號，實體於履行履約責任時（或就此）確認收益，即於特定履約責任相關的貨品或服務的「控制權」轉讓予客戶時。《香港財務報告準則》第15號已就特別情況的處理方法加入更明確的指引。此外，《香港財務報告準則》第15號要求更詳盡的披露。

本集團董事預期，應用《香港財務報告準則》第15號可能對本集團綜合財務報表的呈報金額及披露造成影響。然而，直至詳盡審閱完成之前就其影響提供合理估計並不切實可行。

36. 比較數字

為了更清楚體現集團經營表現，若干比較數字，包括綜合損益及其他全面收益表的數字已重新呈列。

RESULTS

業績

		Year ended 31 December 截至十二月三十一日止年度				
		2012 二零一二年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Turnover	營業額	28,688	14,931	5,956	20,497	20,241
(Loss)/profit before tax	除稅前 (虧損) /溢利	3,231	(30,966)	44,117	(3,376)	2,085
Income tax	稅項	(113)	(53)	(32)	(111)	42
(Loss)/profit after tax before non-controlling interests	除稅後但未計非控制權益前 (虧損) /溢利	3,118	(31,019)	44,085	(3,487)	2,127
Non-controlling interests	非控制權益	89	(9)	32	(134)	-
(Loss)/profit for the year after non-controlling interests	扣除非控制權益後之本年度 (虧損) /溢利	3,207	(31,028)	44,117	(3,353)	2,127

ASSETS AND LIABILITIES

資產及負債

		As at 31 December 於十二月三十一日止年度				
		2012 二零一二年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Total assets less current liabilities	總資產減流動負債	(2,312)	(124,625)	(31,055)	(39,668)	(25,166)
Non-current liabilities (Convertible notes payable)	非流動負債 (應付公司債券)	(91,875)	-	(6,476)	-	-
Non-controlling interests	非控制權益	(157)	(166)	(134)	-	-
Deficiency of assets	股東權益	(94,344)	(124,791)	(37,656)	(39,668)	(25,166)

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