



深圳市海王英特龍 生物技術股份有限公司

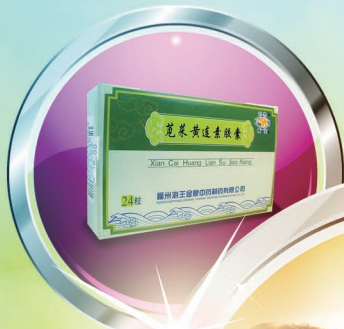
SHENZHEN NEPTUNUS INTERLONG
BIO-TECHNIQUE COMPANY LIMITED*

(a joint stock limited company incorporated
in the People's Republic of China)
(於中華人民共和國註冊成立之股份有限公司)

Stock Code 股份代號: 8329

* For identification purpose only 僅供識別之用

Annual Report 年報 | **2016**



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Corporate Information

公司資料

Directors

Executive Directors

Mr. Zhang Feng (*Chairman*)
Mr. Xu Yan He (*General Manager*)

Non-Executive Directors

Mr. Liu Zhan Jun
Ms. Yu Lin
Mr. Song Ting Jiu
Mr. Zhao Wen Liang

Independent Non-Executive Directors

Mr. Yick Wing Fat, Simon
Mr. Poon Ka Yeung
Mr. Zhang Jian Zhou

Supervisors

Mr. Xiong Chu Xiong
Mr. Wang Bin
Mr. Yu Jun (*resigned on 30 December 2016*)
Ms. Li Ting (*appointed on 30 December 2016*)

Members of Remuneration Committee

Mr. Poon Ka Yeung (*Chairman of the Remuneration Committee*)
Mr. Zhang Feng
Mr. Yick Wing Fat, Simon

Members of Audit Committee

Mr. Yick Wing Fat, Simon (*Chairman of the Audit Committee*)
Mr. Poon Ka Yeung
Ms. Yu Lin

Members of Nomination Committee

Mr. Zhang Feng (*Chairman of the Nomination Committee*)
Mr. Yick Wing Fat, Simon
Mr. Poon Ka Yeung
Mr. Zhang Jian Zhou

Joint Company Secretaries

Ms. Lee Mei Yi (*FCS, FCIS*)
Ms. Mu Ling Xia

董事

執行董事

張鋒先生 (*主席*)
徐燕和先生 (*總經理*)

非執行董事

劉占軍先生
于琳女士
宋廷久先生
趙文梁先生

獨立非執行董事

易永發先生
潘嘉陽先生
章劍舟先生

監事

熊楚熊先生
王彬先生
喻軍先生 (*於二零一六年十二月三十日辭任*)
李婷女士 (*於二零一六年十二月三十日獲委任*)

薪酬委員會委員

潘嘉陽先生 (*薪酬委員會主席*)
張鋒先生
易永發先生

審核委員會委員

易永發先生 (*審核委員會主席*)
潘嘉陽先生
于琳女士

提名委員會委員

張鋒先生 (*提名委員會主席*)
易永發先生
潘嘉陽先生
章劍舟先生

聯席公司秘書

李美儀女士 (*FCS, FCIS*)
慕凌霞女士

Compliance Officer

Mr. Zhang Feng

Authorised Representatives

Mr. Xu Yan He
Ms. Mu Ling Xia

Auditors

Grant Thornton Hong Kong Limited

Legal Adviser

Stephenson Harwood
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Principal Bank

China Construction Bank Shenzhen CBD Sub-branch

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Website

www.interlong.com

Stock Code

8329

監察主任

張鋒先生

授權代表

徐燕和先生
慕凌霞女士

核數師

致同(香港)會計師事務所有限公司

法律顧問

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香港金鐘金鐘道95號統一中心18樓

主要往來銀行

中國建設銀行深圳中心區支行

香港H股過戶及登記處

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香港主要營業地點

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網站

www.interlong.com

股份代號

8329

Chairman's Statement

主席報告

Dear shareholders

On behalf of the Board of Directors (the "Board") of Shenzhen Neptunus Interlong Bio-technique Company Limited (the "Company"), I am pleased to present the results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2016 (the "Year").

In 2016, the Chinese government continued advancing reform of the supply side, including introducing a series of measures to stabilize the growth, which helped the Chinese economy to maintain a continuous growth rate of 6.7% under the absence of driver for global economic growth. In 2016, under the influence of external factors such as the increase of consumers demand and widening of the medical insurance coverage, the size of the pharmaceutical market maintained a good growth momentum. As the continuous extension of pharmaceutical reform in China, the production and sales of Chinese pharmaceutical industry continued to maintain a growth at a slower pace. The reform of pharmaceutical and hygiene systems continued to extend and deepen, while new modes of pharmaceutical circulation were gradually developed. In 2016, the mainland China government tightened the control on the premiums of pharmaceutical insurance, implemented quality consistency evaluation for generic drugs, and introduced "Key Monitored Drug List" in each province, which posed significant challenge to pharmaceutical corporations in China and inflicted short-term pressure on the industry. Meanwhile, as certain provinces in mainland China progressively implemented "two invoice system" (兩票制) or "one invoice system" (一票制) in public hospitals in 2016, which have been promoted throughout the country in accordance with the related notice promulgated by the State Council, resulting in direct impact on the sale of pharmaceutical industry. It is expected that the distribution model of pharmaceutical industry will experience a rapid change and certain small pharmaceutical corporations will be washed out or merged during the consolidation period of the industry. In addition, as the costs of packaging, raw materials and salary have continued to grow, profits of the industry will be squeezed. Furthermore, in 2016 and the coming years, the industry was and will be full of challenges as well as opportunities. The Group has to constantly monitor and consider new developments of the industry and the guiding direction of national policies, so as to align with the policy guidance and industry development as well as enhancing its competitiveness.

致各位股東：

本人謹代表深圳市海王英特龍生物技術股份有限公司(「本公司」)董事會(「董事會」)欣然提呈本公司及其附屬公司(統稱「本集團」)截至二零一六年十二月三十一日止年度(「本年度」)之業績。

回顧二零一六年，中國政府繼續推進供給側改革，包括推出了一系列穩增長措施，使得中國經濟在全球經濟增長缺乏動力的情況下，依然保持百分之六點七的持續增長。二零一六年因居民需求提升、醫保覆蓋擴大等外部環境影響，醫藥市場規模繼續保持良好增長勢頭；在中國醫藥制度改革持續深化下，中國醫藥產業生產和銷售亦繼續保持增長，但增速有所放緩；醫藥衛生體制改革繼續向縱深發展，醫藥流通體系逐步拓展新型模式。二零一六年中國大陸加緊控制醫保保費、推行仿製藥一致性評估及各省市引入重點監控藥品目錄等，使得醫藥企業面臨嚴峻挑戰，整個業界因改革而經歷陣痛期。同時因二零一六年中國大陸相關省份陸續實施公立醫院「兩票制」或「一票制」，並將根據國務院有關通知要求推向全國，對醫藥行業銷售造成直接影響，預計醫藥行業經銷模式將發生快速變革，部分小型醫藥企業將在業界整合階段中被淘汰或合併。此外，由於包裝、原材料及工資成本持續增加，行業利潤受擠壓。因此，二零一六年度及之後幾個年度，醫藥產業充滿新機遇與挑戰，本集團則需不斷研究醫藥行業新的發展及國家政策的引導方向，順應政策引導和行業發展，繼續提升企業競爭力。

During the Year, the Group continuously strengthened and developed its business of various drugs including herbal medicine, generic drugs, transfusion and anti-tumor drugs, mitigating the impact of bidding delay and new national policies and seeking to recover the growth trend of the pharmaceutical production business. At the same time, also in accordance with industry development, the purchase and sales of medicines and healthcare food business continued to expand sales network and products and tried innovative marketing models to grow business rapidly. In order to facilitate the development of the Group's businesses which have advantages, some research and development businesses were discontinued during 2015 and the Year.

Looking forward into 2017, the change in industry structure resulting from Chinese economic structure adjustment and reform of the supply side will continue. Meanwhile, the Chinese government has been setting higher standards for environmental protection. Chinese economy is still at the new normal status, which has started to stabilize in a continuous down trend. Overall, the Chinese consumption market will maintain a stable growth, coupled with constantly deepening reform in Chinese pharmaceutical industry. The government keeps promoting the innovation and upgrading of pharmaceutical industry and initiatives to further promote the development of traditional Chinese medicine. The fierce competition in prescribed drugs and over the counter drugs market, which has already existed in pharmaceutical industry, will persist. With numerous mergers and acquisitions in pharmaceutical market, concentration of prescribed drugs market and over the counter drugs market increases. The pharmaceutical industry and pharmaceutical business will be held by large and strong corporations and brands. Brand and quality advantages enjoyed by those corporations will appear clearly. The war for large corporations and brands is coming.

In 2017, the Group will leverage on the opportunities and challenges in the pharmaceutical and healthcare industry brought by the national policies, as well as strive for eliminating the impact of unfavourable conditions, so as to ensure continuous growth of the current production and circulation business of pharmaceuticals products. In addition, based on the guiding direction of policies and the Group's own condition, it will focus on areas such as expanding circulation and the development of herbal medicines and anti-tumor drugs and continue to maintain strict requirements over drug quality to secure its advantages in the market competition. Furthermore, the Group will step up its efforts on marketing and promoting for key products already launched, and enhance the contribution to the turnover of the Group from the key products and strengthen the core competitiveness of the Group.

於本年度，本集團繼續鞏固和發展中藥、普藥、輸液及抗腫瘤藥物等多類藥品業務、降低招標推遲和國家新政策的影響，致力恢復藥品工業業務的增長態勢。同時藥品及保健食品的購銷業務也根據行業發展情況，繼續拓展銷售網絡和產品，嘗試創新營銷模式，迅速擴大業務規模。為保證集團優勢產業的發展，於二零一五年度和本年度逐步停止部分研發業務。

展望二零一七年，中國經濟結構調整和供給側結構性改革所帶來的產業結構變化將會持續，同時，國家對環保的要求也在不斷提高，中國經濟仍處於新常態階段，在持續探底中開始呈現企穩。總體上看，中國消費品市場將繼續保持平穩增長態勢，中國醫藥行業的改革將繼續深化；國家推動醫藥產業創新升級、促進中醫藥發展的措施仍將繼續；醫藥行業已形成的處方藥、非處方藥市場的競爭日益殘酷的趨勢還將延續。隨著醫藥市場並購重組情況的大量發生，處方藥市場、非處方藥市場的集中度將越來越高，醫藥工業和醫藥商業均將向實力雄厚的品牌企業集中，品牌企業的品牌優勢和品質優勢大大凸顯，大企業、大品牌集群作戰的時代已經到來。

於二零一七年度，本集團將致力於把握國家政策給醫藥健康產業帶來的機遇和挑戰，力爭消除不利因素的影響，確保現有藥品生產和流通業務的繼續增長。同時根據政策引導方向和本集團自身情況，重點發展中藥、腫瘤藥及醫藥流通拓展等方面，繼續保持對藥品質量方面的嚴格要求，確保在行業競爭中處於優勢。此外，再加大對已上市重點產品的推廣和促銷力度，迅速提升重點產品對本集團營業額的貢獻，增強本集團的核心競爭能力。

Chairman's Statement

主席報告

The Board believes that the business of the Group is developing well and is confident about the business prospects of the Group.

On behalf of the Company and the Board, I would like to express my heartfelt gratitude to all shareholders, business partners and staff for their continuing support and trust in the Group.

Zhang Feng
Chairman

董事會相信本集團的經營業務正朝著良好方面發展並對本集團的業務前景充滿信心。

本人謹此代表本公司及董事會向各股東、業務夥伴以及全體員工一直以來對本集團的支持和信賴表示衷心的感謝。

主席
張鋒

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW

During the Year, the Group was principally engaged in the research and development, production and sales of medicines, and the purchase and sales of medicines and healthcare food products.

Manufacturing and Selling of Medicines

During the Year, affected by certain matters, including the change of infusion designated distribution policy in Fujian Province, the progress of some drug tenders, and the enhancement of the clinical application management on antibacterial drugs, sales volume of some products of the Group was affected and the inventory of certain products such as large volume injections which was manufactured pursuant to infusion designated distribution policy, increased. Given such situation, the Group strove to win the tender and actively expanded the product sales network, and thereby restricted and reversed the decrease in sales volume of the relevant products.

Effect from the state's tighter sale channel on narcotic drugs on the sales volume of Compound Liquorice Tablets (複方甘草片) has been fading. After working hard to expand sales channel and adjusting marketing solution, the sales volume of Compound Liquorice Tablets product series has recovered and recorded a slight growth as compared with the corresponding period of last year. However, due to lower unit selling price, sales turnover and gross profit margin decreased as compared with the corresponding period of last year.

For State Class 3 anti-tumor new drug, Tegafur, Gimeracil and Oteracil Potassium Tablets (替吉奧片) (the "TGOP Tablets"), as the biddings in many provinces took place later than expected, there was no significant growth in the sales of TGOP Tablets for the Year. Although the Company is still promoting the TGOP Tablets, which has not recorded a large sales volume, it has been well recognized and accepted by related parties in the industry, and was awarded "2016 Fuzhou Technology Advancement Award (Second Prize)" by the People's Government of Fuzhou in early 2017. At present, TGOP Tablets have a large market capacity and a better growth trend. The Group will still devote to win the tender and increase the marketing promotion of the TGOP Tablets and strive to bring a positive impact to the Group's revenue and profitability as soon as possible.

After the implementation of the pharmaceutical circulation "one invoice system" (一票制) in Fujian Province, manufacturing enterprises can supply certain medicines directly to the terminal medical institutions, thereby increasing the sales volume and gross profit margin of relevant products as well as corresponding sales costs.

業務回顧

本集團於本年度主要從事藥品的研究與開發、生產及銷售，以及藥品及保健食品的購銷。

生產和銷售藥品

於本年度，受福建省輸液定點配送政策變化、部分藥品招標進度及加強抗菌藥物臨床應用管理等事項的影響，本集團部分產品銷量受到影響，原根據定點配送政策生產的大容量注射劑部分產品庫存增大。針對該情況，本集團在努力做好招標確標工作的同時，積極拓寬產品銷路，抑制和扭轉了相關產品銷量下降的情況。

複方甘草片受國家對麻醉類藥品銷售渠道緊縮的影響已減弱，經努力拓展銷路和調整營銷方案，複方甘草片系列產品於本年度的銷量已得以恢復，較去年同期略有增長。但由於銷售單價的下調，銷售額和毛利率較去年同期有所下降。

國家三類抗腫瘤新藥替吉奧片(「替吉奧片」)由於大部分省區的招標較預期有所延遲，因此於本年度的銷售尚無大幅增長。替吉奧片雖仍處於推廣期、銷售尚未上量，但自推出以來獲得業界有關各方的肯定與認可，並於二零一七年初獲福州市人民政府授予的「二零一六年度福州市科技進步獎」二等獎。目前替吉奧片市場容量大且有較好的增長趨勢，因此本集團將會做好有關投招標及市場推廣工作，力爭儘快為本集團的收入和盈利能力帶來積極影響。

因福建省實施藥品流通「一票制」後，生產企業可以直接將部分藥品銷售予終端醫療機構，部分產品的銷量和毛利率有所提升，銷售費用亦相應增加。

Management Discussion and Analysis

管理層討論及分析

Under the national policy in relation to quality consistency evaluation for generic drugs, the Group has actively selected appropriate variety and conducted quality consistency evaluation for the first batch of selected medicine during the Year.

The land use rights of two pieces of lands situated in Lianjiang County, Fuzhou, the PRC, were delivered to the Group in 2015, which was at the initial construction stage during the Year. Also, the Group has commenced some preliminary work such as adjusting some design proposals. Affected by several and mixed factors, the progress of construction project of Lianjiang production base was slowed down. The Group will actively communicate with the related parties to seek a better solution as soon as possible.

Purchase and Sales of Medicines and Healthcare Food Products

During the Year, the purchase and sales of medicines and healthcare food business continued to maintain its growth. According to the products and market characteristics, the sale focus of over the counter products which the Group distributed was on the large and medium-sized chain drugstores, while the sale strategy for the prescribed drugs was to cooperate with national professional sales promotion company.

Given the growing demand in domestic medicines retail market and healthcare food products market, as well as various factors, including the higher number and type of drugs distributed by the Group, a flexible sales policy, an optimized sales team, etc., the Group's sales through large and medium-sized chain drugstores achieved a satisfactory development, coupled with growing sales scale.

During the Year, the sale and market share of Ginkgo Leaves Products (銀杏葉產品), the major type of product distributed by the Group, recovered to normal standard, due to the fading of the influence for the pharmaceutical ingredients supply.

Affected by the gradual implementation of the pharmaceutical circulation "two invoice system" (兩票制) and "one invoice system" (一票制) in some provinces in the PRC, the sales volume of some prescribed drugs of the Group which were sold to the terminal medical institutions through collaborative parties decreased. Amid to such circumstances, the Group strives to seek new business model to mitigate the effect brought by the above relevant policies on the Group.

Currently, the state continues to implement medical reform and the sales model and channel of medicines are evolving. The Group will closely study, upgrade and supplement its distribution and business model according to the prevailing trend and new characteristics of state policies and industry development. Besides, the Group will actively look for new type of products for distribution and adjust the product mix structure so as to maintain its competitive advantage in pharmaceutical industry.

根據國家有關仿製藥一致性評價的政策，本集團已積極篩選品種，並於本年度啟動了首批篩選品種的藥品一致性評價。

位於中國福州市連江縣的兩宗土地二零一五年獲交付後，於本年度已進入初期建設階段，並進行了局部設計方案的調整等前期工作。受一些綜合因素的影響，連江生產基地建設項目進展較為緩慢。本集團將積極與有關方面溝通，爭取儘快尋找到較好的解決方案。

藥品保健食品購銷

於本年度，藥品及保健食品購銷業務繼續保持增長。根據產品和市場特點，本集團分銷的非處方產品銷售重點傾向於大中小型連鎖藥店，而處方類藥品的銷售策略則選擇與全國性專業銷售推廣公司保持合作。

因國內藥品零售市場及保健品市場的需求持續上升，以及因本集團代理分銷產品數量和類別的增加、採取靈活多樣的銷售政策、深入優化銷售隊伍等原因，本集團在大中小型連鎖藥店的銷售業務發展趨勢良好，銷售規模持續增長。

於本年度，本集團主要分銷品種—銀杏葉產品，受原料供應的影響逐漸減弱，銀杏葉產品的銷售和市場份額已逐步恢復正常。

受國內部分省區有關藥品流通「兩票制」和「一票制」政策開始逐步推行的影響，本集團通過合作單位銷售至終端醫療機構的部分處方類藥品銷量有所下降。針對該情況，本集團正努力尋找新的營銷模式，以減小上述相關政策對本集團的影響。

當前國家醫療改革正在持續推進，同時醫藥銷售模式和渠道也不斷更新，本集團將根據國家政策導向和行業發展趨勢及新特點，深入研究和不斷更新及補充分銷業務模式，積極拓展新代理品種和調整產品品種結構，以保持其在醫藥行業中的競爭優勢。

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Recombinant Proteins and Polypeptide Drugs Business

It is expected that more resources will be required for the recombinant proteins and polypeptide drugs business for recent years while it will be difficult for such businesses to contribute to the Group's profit in the coming years, hence, in order to concentrate resources on the development of profitable project, in January 2016, the Group disposed of the entire equity interest in Jiangsu Neptunus Bio-pharmaceutical Company Limited ("Jiangsu Neptunus") and discontinued this business.

The discontinuation of such business and the in-vitro diagnostic reagents business (discontinued in December 2015) has greatly reduced the research and development expenses, administrative costs and cost of capital of the Group. As a result, profit attributable to the owners of the Company during the Year has been notably increased.

Environment, Society and Governance

The Group has been giving emphasis and taking actions in the aspects of environment, society and governance, including: constantly improving production efficiency, conserved resources and enhanced employees' awareness of environmental protection. Regarding production, the output corresponding to unit carbon emission increases, the pollution and the emission of hazardous substance which are in violation of laws and regulations are banned. Regarding office management, office supplies and energy consumption are conserved. Also, the Group actively improved the working environment and committed to social responsibility.

During the Year, the Company engaged a professional third party institution to conduct the comprehensive communication (from various dimensions) with stakeholders by way of face-to-face communication, telephone interview, questionnaire survey and site visit. The relevant results are not only the important reference to which we review and promote the sustainable development agenda of the Group, but also provide a powerful basis for the material selection and preparation of our first environmental, social and governance report.

The first environmental, social and governance report prepared by the Company pursuant to Appendix 20 of the GEM Listing Rules will be published within three months following the release of the Company's annual report.

重組蛋白質和多肽藥物業務

因預計重組蛋白質和多肽藥物業務在近幾年仍需較大投入，且近幾年仍難為集團帶來盈利正面影響，為集中資源用於盈利項目，本集團已於二零一六年一月出售江蘇海王生物製藥有限公司（「江蘇海王」）的全部股權，並終止了該項業務。

該業務及體外診斷試劑業務（已於二零一五年十二月終止）的終止，大幅降低了本集團研發支出、行政開支和資金成本，使得本公司擁有人應佔溢利於本年度有大幅提升。

環境、社會及管治

本集團一直在環境、社會及管治方面予以重視及積極行動，包括：不斷提高生產效率、節約資源，及增強員工環境保護意識。在生產環節提高單位碳排放對應產出額，杜絕違反法律法規的污染及危險物排放；在辦公管理環節，節約辦公耗材及能耗使用；積極改善員工生產辦公環境；努力承擔社會責任等。

在本年度，本公司聘請第三方專業機構，以面對面溝通、電話訪談、問卷調查、實地走訪等多種形式，從各個維度與各利益相關方群體進行全面溝通。相關的結果既是我們審視及推進本集團的可持續發展議程的重要參考，也為我們首份環境、社會及管治報告的選材及籌備提供了有力的依據。

本公司按創業板上市規則附錄二十編製的首份環境、社會及管治報告將於本公司的年報刊發後的三個月內刊發。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW

The Group's revenue for the Year was approximately RMB759,111,000 (2015: RMB721,346,000), representing an increase of approximately 5.2% as compared with the corresponding period of last year. For the revenue, approximately RMB 430,856,000 which amounted to approximately 56.76% of the revenue was derived from manufacturing and selling of medicines, while approximately RMB328,066,000 which amounted to approximately 43.22% of the revenue was derived from the purchase and sales of medicines and healthcare food products. During the Year, due to the effect of certain events such as the progress of some drug tenders in Fujian Province and the enhancement of the clinical application management on antibacterial drugs, the revenue from manufacturing and selling of medicines decreased by approximately 5.6%. With the revenue of the purchase and sales of medicines and healthcare food business increased by approximately 23.9%, the total revenue of the Group has an overall increase.

During the Year, the Group's gross profit margin was approximately 51% (2015: 49%), representing a slight increase of approximately 2 percentage points as compared with the corresponding period of last year. The increase in gross profit margin was mainly due to the fact that (i) after the implementation of the pharmaceutical circulation "one invoice system" in Fujian Province, drug manufacturers can supply some medicines directly to the terminal medical institutions, thereby increasing the sales volume and unit prices of some products in the Group's pharmaceutical manufacturing segment (such as small volume injections and tablets); (ii) the revenue of pharmaceutical manufacturing segment amounted to a larger proportion of the Group's revenue; and (iii) affected by the change of tender policy in Fujian Province, the sales structure of the Group's pharmaceutical manufacturing segment has changed, there was a relative decline in sales volume of products with lower profit margin during the Year and there was a relative increase in sales volume of products with higher profit margin during the Year.

During the Year, the Group's gross profit was approximately RMB387,206,000 (2015: RMB352,760,000), representing an increase of approximately 9.8% as compared with the corresponding period of last year. The increase in gross profit was mainly due to (i) the increase in the Group's gross profit margin during the Year; and (ii) an overall increase in the Group's revenue, as a results of the increase in the sales scale of the purchase and sales of medicines and healthcare food business.

During the Year, the Group's selling and distribution expenses were approximately RMB225,786,000 (2015: RMB199,412,000), representing an increase of approximately 13.2% as compared with the corresponding period of last year. The increase in selling and distribution expenses was mainly due to the fact that (i) the pharmaceutical manufacturing segment was affected by the "one invoice system" (一票制) in Fujian Province, some products' sales model changed, and selling expenses increased accordingly; and (ii) the sales scale of the purchase and sales of medicines and healthcare food business increased.

財務回顧

本集團於本年度之收入約為人民幣759,111,000元(二零一五年：人民幣721,346,000元)，較去年同期上升約5.2%。於收入中，約人民幣430,856,000元來自於生產和銷售藥品，佔收入約56.76%；約人民幣328,066,000元來自於藥品及保健食品購銷，佔收入約43.22%。於本年度，受福建地區部分藥品招標進度及加強抗菌藥物臨床應用管理等事項的影響，生產銷售藥品的收入下降約5.6%，而藥品及保健食品購銷業務的收入上升約23.9%，因此本集團整體收入有所上升。

本集團於本年度之毛利率約為51% (二零一五年：49%)，較去年同期輕微上升約2個百分點。毛利率的上升主要是因為(i)福建省實行醫藥流通「一票制」後，藥品生產企業可以直接將部分藥品銷售予終端醫療機構，進而提高了本集團藥品生產製造分部中部分產品(如小容量注射劑和片劑)的銷量和單價；(ii)藥品生產製造分部的收入在本集團的收入中佔比較大；及(iii)受福建省招標政策變動的影響，本集團藥品生產製造分部的銷售結構有所變化，低毛利產品於本年度銷量相對下降，高毛利產品於本年度銷量相對上升。

本集團於本年度之毛利約為人民幣387,206,000元(二零一五年：人民幣352,760,000元)，較去年同期上升約9.8%。毛利的上升主要是因為(i)本集團的毛利率於本年度有輕微增加；及(ii)藥品及保健食品購銷業務的銷售規模增長，本集團整體收入有所增長。

本集團於本年度之銷售及分銷開支約為人民幣225,786,000元(二零一五年：人民幣199,412,000元)，較去年同期增加約13.2%。銷售及分銷開支增加主要由於(i)藥品生產製造分部因福建省「一票制」的影響，部分產品銷售模式發生變化，銷售費用亦相應增加；及(ii)藥品及保健食品購銷業務的銷售規模增長。

Management Discussion and Analysis

管理層討論及分析

During the Year, the Group's administrative expenses were approximately RMB 50,441,000 (2015: RMB58,630,000), representing a decrease of approximately 14% as compared with the corresponding period of last year. The decrease in administrative expenses was mainly due to the fact that (i) the Group disposed of Taizhou Neptunus Nano Bio-medical Technology Company Limited ("Taizhou Neptunus") at the end of 2015 and Jiangsu Neptunus in January 2016, both of which are research and development-focused companies, resulting a decrease in corresponding administrative expenses; and (ii) rental, depreciation and other tax decreased.

During the Year, the Group's other operating expenses amounted to approximately RMB29,200,000 (2015: RMB50,537,000), representing a significant decrease of approximately 42.2% as compared with the corresponding period of last year. The decrease in other operating expenses was mainly due to the fact that (i) as a result of the disposal of Taizhou Neptunus and Jiangsu Neptunus, related research and development expenses decreased; and (ii) write down of inventories decreased.

During the Year, the Group's finance costs amounted to approximately RMB3,886,000 (2015: RMB10,361,000), representing a significant decrease of approximately 62.5%. The decrease in finance costs mainly because that the Group has repaid part of the external borrowings, including shareholder's interest-bearing financial assistance and bank loans, during the Year.

Due to the above reasons, the Group's profit after tax increased from approximately RMB31,478,000 of the corresponding period of last year, to approximately RMB72,817,000 of the Year, representing an increase of approximately 131.3%. Profit attributable to the owners of the Company significantly increased from approximately RMB21,055,000 of the corresponding period of last year, to approximately RMB62,692,000 of the Year, representing an increase of approximately 197.8%.

LIQUIDITY AND FINANCIAL RESOURCES

The Group usually finances its operating and investing activities with its internal financial resources and bank loans. The Group's transactions are mainly denominated in Renminbi and the Group reviews its working capital and finance requirements on a regular basis.

本集團於本年度之行政開支約為人民幣50,441,000元(二零一五年：人民幣58,630,000元)，較去年同期下降約14%。行政開支下降主要(i)本集團於二零一五年末和二零一六年一月先後出售了研發型附屬公司泰州海王納米生物醫學科技有限公司(「泰州納米」)和江蘇海王，行政開支相應減少；及(ii)租金、折舊和其他稅金的減少。

本集團於本年度之其他經營開支約為人民幣29,200,000元(二零一五年：人民幣50,537,000元)，較去年同期大幅下降約42.2%。其他經營開支下降主要是由於(i)出售了泰州納米和江蘇海王，相關研發支出相應減少；及(ii)存貨撇減的減少。

本集團於本年度之財務成本約為人民幣3,886,000元(二零一五年：人民幣10,361,000元)，較去年同期大幅下降約62.5%。財務成本的下降主要由於本集團於本年度償還了部分外部借款(包括股東附息財務資助和銀行借款)。

由於上述原因，本集團稅後溢利由去年同期約人民幣31,478,000元，上升至本年度約人民幣72,817,000元，上升幅度約131.3%。本公司擁有人應佔溢利也由去年同期約人民幣21,055,000元，大幅上升至本年度約為人民幣62,692,000元，上升幅度約197.8%。

流動資金及財務資源

本集團一般以內部財務資源及銀行借貸作為其經營及投資活動之資金。本集團之買賣交易主要以人民幣列值，並定期檢討對流動資金及融資的需要。

Management Discussion and Analysis

管理層討論及分析

Banking Facilities

As at 31 December 2016, the Group's short-term bank borrowings amounted to RMB100,000,000. Details of banking facilities please refer to note 24 to the consolidated financial statements.

Shareholder's Entrusted Loan

The Company obtained a shareholder's entrusted loan of RMB9,000,000 from Shenzhen Neptunus Bio-engineering Co., Ltd. ("Neptunus Bio-engineering") through an entrusted arrangement with a bank. Neptunus Bio-engineering had undertaken to the Company that it would not demand repayment of the above-mentioned shareholder's entrusted loan unless and until: (1) the repayment of such shareholder's entrusted loan would not adversely affect the operations of the Company and/or its business objectives as set out in the prospectus published by the Company on 29 August 2005 (the "Prospectus"); (2) each of the independent non-executive Directors was of the opinion that the repayment of such shareholder's entrusted loan would not adversely affect the operations of the Company and/or the implementation of its business objectives as set out in the Prospectus, and the Company would make an announcement in respect of the decision of the independent non-executive Directors made under (2); and (3) the Company had a positive cash flow and had retained profits in the relevant financial year.

NET CURRENT ASSETS

As at 31 December 2016, the Group had net current assets of approximately RMB365,673,000. Current assets comprised cash and cash equivalents of approximately RMB325,195,000, inventories of approximately RMB136,749,000, fixed deposit of approximately RMB4,000,000, trade and other receivables of approximately RMB210,918,000. Current liabilities comprised trade and other payables of approximately RMB187,124,000, interest-bearing bank borrowings to be repaid within one year of approximately RMB100,000,000, current tax of approximately RMB14,664,000, entrusted loan of approximately RMB9,000,000 and deferred revenue of approximately RMB401,000. The net current assets increased approximately by RMB68,233,000 as compared with that of approximately RMB297,440,000 as at 31 December 2015. The increase in net current assets as compared to that on 31 December 2015 was mainly due to the fact that (i) as a result of the disposal of Jiangsu Neptunus, net current assets decreased by approximately RMB74,605,000; (ii) as the sales scale of the Group increased, cash and cash equivalents and fixed deposit aggregately increased by approximately RMB29,093,000; and (iii) trade and other payables decreased by approximately RMB121,512,000.

銀行融資

於二零一六年十二月三十一日，本集團之短期銀行借款為人民幣100,000,000元。有關銀行融資詳情請見綜合財務報表附註24。

股東委托借款

本公司透過與銀行訂立委托安排自深圳市海王生物工程股份有限公司（「海王生物」）取得股東委托借款人民幣9,000,000元。海王生物已向本公司承諾其將不會要求本公司償還上述股東委托借款，除非及直至：(1)償還該股東委托借款將不會對本公司之業務及／或本公司於二零零五年八月二十九日刊發之招股章程（「招股章程」）所載本公司之業務目標構成不利影響；(2)各獨立非執行董事認為償還該股東委托借款將不會對本公司之業務及／或實行招股章程所載本公司之業務目標構成不利影響，以及本公司將就獨立非執行董事根據(2)所作決定作出公告；及(3)本公司於有關財政年度錄得正數現金流量及保留盈利。

流動資產淨值

於二零一六年十二月三十一日，本集團流動資產淨值約為人民幣365,673,000元。流動資產包括現金及現金等價物約人民幣325,195,000元，存貨約人民幣136,749,000元，定期存款約人民幣4,000,000元，應收賬款及其他應收款項約人民幣210,918,000元。流動負債包括應付賬款及其他應付款項約人民幣187,124,000元，一年以內到期的附息銀行借款約人民幣100,000,000元，即期稅項約人民幣14,664,000元，委託借款約人民幣9,000,000元及遞延收益約人民幣401,000元。與二零一五年十二月三十一日的流動資產淨值約人民幣297,440,000元比較，增加了約人民幣68,233,000元。流動資產淨值較二零一五年十二月三十一日增加的原因主要為：(i)因出售江蘇海王而減少的流動資產淨值約人民幣74,605,000元；(ii)因本集團銷售規模增長，現金及現金等價物和定期存款合計增加約人民幣29,093,000元；及(iii)應付賬款及其他應付款項減少約人民幣121,512,000元。

PLEDGE OF ASSETS

As at 31 December 2016, banking facilities of the Group of RMB100,000,000 were secured by pledge of its buildings and prepaid lease payments and the pledged buildings and prepaid lease payments were stated at an aggregate value of approximately RMB103,633,000.

FOREIGN CURRENCY RISK

During the Year, the Group's operating revenue, major selling costs and capital expenditure were denominated in RMB. As at 31 December 2016, the Group's cash and cash equivalents were mainly denominated in RMB. As such, the foreign currency risk facing the Group is limited. Currently, the Group has not adopted any financial instrument for hedging purposes.

SEGMENT INFORMATION

Segment revenue and segment results by business and region of the Group for the Year are set out in note 6 to the consolidated financial statements.

CAPITAL COMMITMENTS

As at 31 December 2016, the Group has contracted commitments for future capital expenditure of approximately RMB1,652,000. The Board believes that such capital expenditure can be financed by the Group's bank deposits and bank borrowings.

CONTINGENT LIABILITY

As at 31 December 2016, the Group had no significant contingent liability.

MAJOR INVESTMENT PLANS

During the Year, other than the aforesaid construction of Lianjiang production base, the Group did not make any other major investments.

資產抵押

於二零一六年十二月三十一日，本集團銀行融資人民幣100,000,000元以其房屋及預付租賃款項作抵押，且已抵押房屋及預付租賃款項的賬面值合計約人民幣103,633,000元。

匯率風險

於本年度，本集團之經營收入、主要銷售成本及資本開支均以人民幣列值。於二零一六年十二月三十一日，本集團現金及現金等價物主要以人民幣列值，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。

分部資料

本集團於本年度以業務及地區分類之分部收入及分部業績載於綜合財務報表附註6。

資本承諾

於二零一六年十二月三十一日，本集團已訂約就未來資本開支作出承擔約人民幣1,652,000元。董事會相信此等資本開支可以從本集團銀行存款及銀行借款支付。

或然負債

於二零一六年十二月三十一日，本集團並無重大或然負債。

重大投資計劃

於本年度內，除前文所述連江生產基地建設外，本集團並無進行任何其他重大投資。

Management Discussion and Analysis

管理層討論及分析

HUMAN RESOURCES

As at 31 December 2016, the Group employed a total of 1,251 staff (2015: 1,426).

During the Year, the staff costs including directors' remuneration which amounted to approximately RMB73,967,000 (2015: approximately RMB93,051,000). The salaries and fringe benefits of the Group's employees remained competitive. The employees' incentives were reviewed and determined annually pursuant to the remuneration and bonus policies of the Group based on the performance of the employees. The Group also provided various other benefits to its employees.

Compared with 31 December 2015, the slight decrease in the number of employees of the Group for the Year was mainly due to the disposal of a subsidiary of the Group in the Year.

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.

人力資源

於二零一六年十二月三十一日，本集團僱用合共 1,251 名員工（二零一五年：1,426 名）。

本年度的僱員成本（包括董事酬金）約為人民幣 73,967,000 元（二零一五年：約人民幣 93,051,000 元）。本集團僱員之薪金及福利維持於具競爭力水平，而僱員之獎勵乃根據本集團之薪酬及獎金政策按僱員表現每年檢討及釐定。本集團為僱員提供多種福利。

相對於二零一五年十二月三十一日，本年度本集團僱員人數有輕微下降，主要由於本集團於本年度出售一間附屬公司所致。

本集團密切關注僱員的薪酬與福利水平，並根據本集團之業務表現獎勵僱員。此外，本集團亦為僱員提供培訓及發展機會。

Directors, Supervisors and Senior Management Profile

董事、監事及高級管理層履歷

Executive Directors

Mr. Zhang Feng (張鋒), aged 45, has been appointed as the chairman of the Board and the compliance officer of the Company since June 2011. He obtained a MBA degree from University of Technology, Sydney. Mr. Zhang studied in Göteborg University, Sweden. He is a member of the 11th session of All-China Youth Federation (中華全國青年聯合會) and the 11th session of Chinese People's Political Consultative Committee of Jilin Province, the deputy chairman of Jilin Youth Federation (吉林省青年聯合會), the deputy president and standing committee member of the 8th session of council of Guangdong Province Youth Entrepreneurs Association (廣東省青年企業家協會) and the deputy president of the 5th session of council of Shenzhen City Youth Entrepreneurs Association (深圳市青年企業家協會). Mr. Zhang was the general manager of Shenzhen Neptunus Pharmaceutical Co., Ltd. and Shenzhen Neptunus Tongai Pharmaceutical Manufacturing Company Ltd., the deputy general manager and the chief marketing officer of Neptunus Bio-engineering. He is currently the deputy chairman of the 7th session of the board of directors of Neptunus Bio-engineering, the controlling shareholder of the Company which directly and indirectly holds 73.51% of the entire issued share capital of the Company, a director of Shenzhen Neptunus Group Company Limited and Shenzhen Neptunus Jiankang Technology Development Co., Ltd. (深圳市海王健康科技發展有限公司), the legal representative of Shenzhen Neptunus Changjian Pharmaceutical Company Limited, the chairman of the board of directors and the legal representative of Fuzhou Neptunus Fuyao Pharmaceutical Company Limited and Fuzhou Neptunus Jinxiang Chinese Pharmaceutical Company Limited.

Mr. Xu Yan He (徐燕和), aged 60, has been appointed as an executive Director since June 2011. On 3 March 2016, he was appointed as the general manager and authorised representative of the Company. Mr. Xu graduated from Zhejiang Engineering College, the PRC, with a bachelor's degree in 1982, and has nearly 30 years of experience in pharmaceutical manufacturing industry in China. He is the standing deputy president of Fujian Pharmaceutical Profession Association (福建省醫藥行業協會), the deputy president of Fujian Pharmaceutical Association (福建省藥學會) and Fujian Medical Insurance Association (福建省醫療保險協會). Mr. Xu is the managing director of Fuzhou Neptunus Fuyao Pharmaceutical Company Limited and Fuzhou Neptunus Jinxiang Chinese Pharmaceutical Co., Ltd., legal representative of Fuzhou Fuyao Medical Co., Ltd., the chairman of the board of directors and the legal representative of Neptunus Fuyao Pharmaceutical (Lianjiang) Company Limited and Neptunus Jinxiang Chinese Pharmaceutical (Lianjiang) Company Limited, and the legal representative of Lianjiang County Neptunus Fuyao Food Trade Company Limited. Mr. Xu has received a number of recognition, including Outstanding Entrepreneur in Fujian and Outstanding Pharmacist in China.

執行董事

張鋒先生，45歲，自二零一一年六月起獲委任為董事會主席及本公司監察主任。張先生畢業於悉尼科技大學，獲工商管理(MBA)碩士學位，曾在瑞典歌德堡大學學習。主要社會職務：中華全國青年聯合會第十一屆委員、政協吉林省第十一屆委員會委員、吉林省青年聯合會副主席、廣東省青年企業家協會第八屆理事會副會長及常委、深圳市青年企業家協會第五屆理事會副會長。企業職務：歷任深圳海王藥業有限公司總經理、深圳海王董愛製藥有限公司總經理、海王生物副總經理兼品牌與營銷總監。現任海王生物(本公司控股股東，直接及間接持有本公司全部已發行股本的73.51%)第七屆董事局副主席、深圳海王集團股份有限公司董事、深圳市海王健康科技發展有限公司董事、深圳海王長健醫藥有限公司法人代表、福州海王福藥製藥有限公司董事長兼法人代表及福州海王金象中藥有限公司董事長兼法人代表。

徐燕和先生，60歲，自二零一一年六月起獲委任為執行董事，於二零一六年三月三日獲委任為本公司總經理和授權代表。徐先生一九八二年於中國浙江工學院本科畢業，在中國藥品製造行業有近三十年的豐富經驗。徐先生為福建省醫藥行業協會常務副會長、福建省藥學會副理事長及福建省醫療保險協會副會長。徐先生現任福州海王福藥製藥有限公司董事總經理、福州海王金象中藥製藥有限公司董事總經理、福州福藥醫藥有限公司法人代表、海王福藥製藥(連江)有限公司董事長兼法人代表、海王金象中藥製藥(連江)有限公司董事長兼法人代表及連江縣海王福藥食品貿易有限公司法人代表。徐先生曾獲福建省優秀企業家、中國優秀藥師等多項榮譽。

Directors, Supervisors and Senior Management Profile

董事、監事及高級管理層履歷

Non-executive Directors

Mr. Liu Zhan Jun (劉占軍), aged 59, has been appointed as a non-executive Director since June 2011. Mr. Liu graduated from Nankai University, the PRC in 1997, with a doctoral degree in Economics and a postdoctoral degree in Management. As a professor, he is a renowned expert in corporate management and development strategies. Mr. Liu was the assistant to the secretary and head of Research and Consulting Department of China Development Institute in Shenzhen, China (綜合開發研究院(中國•深圳)), and the independent director of Neptunus Bio-engineering. He led and participated in a number of national key research projects and corporate consulting programmes. Mr. Liu has extensive experience in corporate management and capital operation. He is currently a director of the 7th session of the board of directors and president of Neptunus Bio-engineering, a director of Shenzhen Neptunus Changjian Pharmaceutical Company Limited, Neptunus Fuyao Pharmaceutical (Lianjiang) Company Limited and Neptunus Jinxiang Chinese Pharmaceutical (Lianjiang) Company Limited.

Ms. Yu Lin (于琳), aged 60, has been appointed as a non-executive Director since February 2005. Ms. Yu was the director and vice-president of Neptunus Bio-engineering and was responsible for its new products research and development. Currently, she is the legal representative and the chairman of the board of directors of Shenzhen Neptunus Pharmaceutical Technology Research Company Limited (深圳海王醫藥科技研究院有限公司) and a director of Fuzhou Neptunus Fuyao Pharmaceutical Company Limited. Ms. Yu graduated from Sun Yat-Sen University of the PRC, and has more than 30 years of experience in biochemical and pharmaceutical industries in the PRC.

Mr. Song Ting Jiu (宋廷久), aged 61, has been appointed as a non-executive Director since January 2014. Mr. Song graduated from Northeast Dianli University in 1982. Mr. Song was engaged in the macroscopic and strategic research regarding energy and the State's economic development at the Energy Research Institute under Chinese Academy of Sciences and was granted the First Class Award of the State Scientific and Technological Progress Award during such period. Since 1985, he has been engaged in financial management and was appointed the positions of office supervisor, deputy head and head at the Branch and Sub-branch of the Bank of China in Shenzhen Municipality. Since 2002, he started taking tasks regarding enterprise management and was the deputy general manager at Guangdong Heng Feng Investment Company Limited (廣東恒豐投資有限公司), deputy general manager at Shenzhen Heng Feng Real Property Company (深圳恒豐房地產公司), managing deputy general manager at Heng Feng Hai Yue Hotel (恒豐海悅酒店), general manager of Jiangsu Neptunus Health Food Company Limited, vice-president of Neptunus Bio-engineering, and the deputy general manager of the Company.

非執行董事

劉占軍先生，59歲，自二零一一年六月起獲委任為非執行董事。劉先生一九九七年畢業於中國南開大學，經濟學博士、管理學博士後、教授，著名企業管理與發展戰略專家。曾任綜合開發研究院(中國•深圳)秘書長助理、研究諮詢部部長、海王生物獨立董事。曾主持和參與國家多項重點研究課題和企業諮詢工作，具有豐富的企業管理與資本運作經驗。現任海王生物第七屆董事局董事兼總裁、深圳海王長健醫藥有限公司董事、海王福藥製藥(連江)有限公司董事及海王金象中藥製藥(連江)有限公司董事。

于琳女士，60歲，自二零零五年二月起獲委任為非執行董事。于女士曾任海王生物董事及副總裁，主管其新產品研究與發展業務。現任深圳海王醫藥科技研究院有限公司法人代表兼董事長及福州海王福藥製藥有限公司董事。于女士畢業於中國中山大學，在中國生化及製藥行業擁有逾三十年的經驗。

宋廷久先生，61歲，自二零一四年一月起獲委任為非執行董事。宋先生一九八二年畢業於東北電力學院。宋先生曾在國家經委中國科學院能源研究所從事能源與國家經濟發展的宏觀戰略研究，期間曾獲得國家科技進步一等獎。一九八五年起從事金融管理方面工作，曾在中國銀行深圳市分行及下屬支行任辦公室主任、副行長、行長等職務。二零零二年開始從事企業管理工作，曾任廣東恒豐投資有限公司副總經理、深圳恒豐房地產公司副總經理、恒豐海悅酒店常務副總經理、江蘇海王健康食品有限公司總經理、海王生物副總裁及本公司副總經理。

Directors, Supervisors and Senior Management Profile 董事、監事及高級管理層履歷

Mr. Zhao Wen Liang (趙文梁), aged 41, was appointed as an executive Director on 3 March 2016. He was re-designated to non-executive Director on 6 June 2016. Mr. Zhao graduated from Harbin Normal University and has been engaged in the sales management of pharmaceutical products. He joined Neptunus Bio-engineering since 1998 and previously served as regional sales manager as well as other positions. Mr. Zhao joined the Group in January 2013 and was the general manager of Shenzhen Neptunus Changjian Pharmaceutical Company Limited. He is currently a director of Shenzhen Neptunus Changjian Pharmaceutical Company Limited, Fuzhou Neptunus Fuyao Pharmaceutical Company Limited and Fuzhou Neptunus Jinxiang Chinese Pharmaceutical Company Limited, and an executive director and legal representative of Shenzhen Quanyao Network Pharmaceutical Co., Ltd. (深圳市全藥網醫藥有限公司). He has over 10 years of experience in the marketing management of pharmaceutical products.

趙文梁先生，41歲，於二零一六年三月三日獲委任為執行董事。其後於二零一六年六月六日調任為非執行董事。趙先生畢業於哈爾濱師範大學，一直從事藥品銷售管理工作。自一九九八年加入海王生物，曾任區域銷售經理等職。趙先生於二零一三年一月加入本集團，曾任深圳海王長健醫藥有限公司總經理，現任深圳海王長健醫藥有限公司董事、福州海王金象中藥有限公司董事及深圳市全藥網醫藥有限公司執行董事及法人代表。趙先生在藥品營銷管理方面有著十多年的經驗。

Independent Non-executive Directors

Mr. Yick Wing Fat, Simon (易永發), aged 59, has been appointed as an independent non-executive Director since August 2005. Mr. Yick holds a bachelor's degree in business administration, majoring in accounting, from the Chinese University of Hong Kong. He is a fellow member of both the Hong Kong Institute of Certified Public Accountants and the Chartered Association of Certified Accountants in England. Mr. Yick has more than 30 years of experience in auditing, direct investment, investment banking and corporate advisory services. In addition, Mr. Yick is an independent non-executive director and chairman of the audit committee of Shanghai International Shanghai Growth Investment Limited and China Singyes Solar Technologies Holdings Limited (the shares of these two companies are listed on the Main Board of the Stock Exchange), and also an independent non-executive director, the convener of the nomination committee and a member of the strategy committee and audit committee of Chengdu Xinrong Environment Co., Ltd. (the shares of which are listed on the Shenzhen Stock Exchange).

獨立非執行董事

易永發先生，59歲，自二零零五年八月起獲委任為獨立非執行董事。易先生畢業於香港中文大學，主修會計，並取得工商管理學士學位，現為香港會計師公會和英國特許會計師公會資深會員。易先生從事審計、直接投資、投資銀行及企業顧問的工作已超過三十年。此外，易先生在滬光國際上海發展投資有限公司及中國興業太陽能技術控股有限公司(兩家股份均於聯交所主板上市之公司)擔任獨立非執行董事及審計委員會主席，也在成都市興蓉環境股份有限公司(一家股份於深圳證券交易所上市之公司)擔任獨立非執行董事，提名委員會召集人，戰略委員會及審計委員會委員。

Mr. Poon Ka Yeung (潘嘉陽), aged 50, has been appointed as an independent non-executive Director since August 2005. Mr. Poon obtained his bachelor's degree in mathematics with minor in economics and marketing from the Chinese University of Hong Kong in 1989 and was further admitted to the MBA degree by the University of Hull, United Kingdom, in 1996. Mr. Poon has been appointed as an Honorary Institute Fellow of the Asia-Pacific Institute of Business of the Chinese University of Hong Kong since April 2002. He has been teaching marketing-related subjects for the master's degree in science program, MBA program and Global Executive MBA program (OneMBA) of the Chinese University of Hong Kong. Since June 2008, he has been appointed as visiting Adjunct Associate Professor in the Department of Marketing of the Chinese University of Hong Kong. In addition, Mr. Poon has been appointed as an independent non-executive director of Great Eagle Holdings Limited (the shares of which are listed on the Main Board of the Stock Exchange) since March 2016.

潘嘉陽先生，50歲，自二零零五年八月起獲委任為獨立非執行董事。潘先生於一九八九年取得香港中文大學數學學士學位，副修經濟及市場推廣，並於一九九六年取得英國赫爾大學工商管理碩士(MBA)學位。潘先生自二零零二年四月起獲委任為香港中文大學亞太工商研究所名譽教研學人。潘先生一直為香港中文大學科學碩士課程、MBA課程及全球行政MBA課程(OneMBA)教授市場相關科目。自二零零八年六月起，潘先生獲委任為香港中文大學市場學系客座副教授。此外，自二零一六年三月起，潘先生在鷹君集團有限公司(一家股份於聯交所主板上市之公司)擔任獨立非執行董事。

Directors, Supervisors and Senior Management Profile

董事、監事及高級管理層履歷

Mr. Zhang Jian Zhou (章劍舟), aged 47, has been appointed as an independent non-executive Director since 21 January 2016. Mr. Zhang graduated from China Youth University of Political Studies with a B.A. degree in 1990, from Beijing Foreign Studies University with a LL.B degree in 1992, and from Boston University with a LL.M degree in 2002. He had been an assistant professor of International Trade Law at Guangdong University of Technology from 1992 to 1993. Mr. Zhang has been in private practice since 1993 when he was qualified to practice law in the PRC. He is now a partner of Beijing Anjie Law Firm and has extensive experience in the areas of finance, investment, real estate and dispute resolution.

Supervisors

Mr. Xiong Chu Xiong (熊楚熊), aged 61, has been appointed as a supervisor of the Company since June 2008. Mr. Xiong obtained a doctorate degree in accountancy from Xiamen University in 1992. Mr. Xiong was appointed as an independent director of Neptunus Bio-engineering up to August 2007. Mr. Xiong is currently an accounting professor of Shenzhen University. Mr. Xiong is also the independent director of Shahe Industrial Co., Ltd. (沙河實業股份有限公司) (stock code: 000014), China National Accord Medicines Corporation Ltd. (國藥集團一致藥業股份有限公司) (stock code: 000028), Shenzhen Wongtee International Enterprise Co., Ltd. (深圳市皇庭國際企業股份有限公司) (stock code: 000056) and Shenzhen Laibao Hi-Tech Co., Ltd. (深圳萊寶高科股份有限公司) (stock code: 002106). The Shares of these four companies are listed on the Shenzhen Stock Exchange.

Mr. Wang Bin (王彬), aged 57, has been appointed as a supervisor of the Company since June 2011. Mr. Wang graduated from Precision Instrument Department of Harbin Institute of Technology, the PRC, with a master's degree in 1986. He was a teacher in Precision Instrument Department of Harbin Institute of Technology, the deputy general manager of Shenzhen Jingshan Group Joint-stock Company Limited (深圳京山集團股份有限公司), the chief human resources officer of Shenzhen Neptunus Group Company Limited (between 1997 and 2000) and the deputy dean of Harbin Institute of Technology Shenzhen Graduate School.

Mr. Yu Jun (喻軍), aged 45, has been appointed as an employee representative supervisor of the Company since June 2002. Mr. Yu joined the Company in June 2000 and previously served as the manager of sales management department of the Company and the manager of IT Department of the Company. Mr. Yu resigned as the employee representative supervisor of the Company on 30 December 2016.

章劍舟先生，47歲，自二零一六年一月二十一日起獲委任為獨立非執行董事。章先生於一九九零年畢業於中國青年政治學院，一九九二年畢業於北京外國語大學，二零零二年畢業於美國波士頓大學，分別獲教育學學士、法學學士和法學碩士學位。一九九二年至一九九三年在廣東工業大學執教國際貿易法課程。章先生於一九九三年考取律師資格並開始執業。彼現為北京安杰律師事務所合夥人，在金融、投資、房地產及爭議解決領域具有豐富的執業經驗。

監事

熊楚熊先生，61歲，自二零零八年六月起獲委任為本公司監事。熊先生於一九九二年畢業於中國廈門大學，獲會計學博士學位。於二零零七年八月前，熊先生任海王生物獨立董事。熊先生現任深圳大學會計學教授，同時兼任於深圳證券交易所上市的沙河實業股份有限公司(股份代號：000014)、國藥集團一致藥業股份有限公司(股份代號：000028)、深圳市皇庭國際企業股份有限公司(股份代號：000056)以及深圳萊寶高科股份有限公司(股份代號：002106)的獨立董事。

王彬先生，57歲，自二零一一年六月起獲委任為本公司監事。王先生一九八六年畢業於中國哈爾濱工業大學精密儀器系，獲碩士學位。曾任哈爾濱工業大學精密儀器系教師、深圳京山集團股份有限公司副總經理、深圳海王集團股份有限公司人事行政總監(一九九七年至二零零零年)，哈爾濱工業大學深圳研究生院副院長。

喻軍先生，45歲，自二零零二年六月起獲委任為本公司職工代表監事。喻先生於二零零零年六月加入本公司，曾任職本公司銷售管理部經理和信息科技部經理。喻先生於二零一六年十二月三十日辭任本公司職工代表監事。

Directors, Supervisors and Senior Management Profile

董事、監事及高級管理層履歷

Ms. Li Ting (李婷), aged 35, has been appointed as an employee representative supervisor of the Company since 30 December 2016. Ms. Li obtained a bachelor's degree of science from Guangdong Pharmaceutical University in 2004 and a master degree of commerce (advanced) from the University of Queensland, Australia in 2008 with major in professional accounting. Ms. Li joined the Company in September 2009 and previously served as a general ledger accountant, accounting supervisor, assistant to Board secretary (financial controller) as well as other positions. Since February 2016, she has been serving as the director of the Board office of the Company. Ms. Li possesses China securities practice qualification and China intermediate accounting certification. She has rich experience in finance, accounting and listed company governance.

Senior Management

Ms. Lee Mei Yi (李美儀), aged 49, has been appointed as a joint company secretary of the Company since 1 December 2008. Ms. Lee is a director of Corporate Services Department of Tricor Services Limited and a fellow member of both the Institute of Chartered Secretaries and Administrators and the Hong Kong Institute of Chartered Secretaries. Ms. Lee has over 20 years of experience in the corporate secretarial area.

Ms. Mu Ling Xia (慕凌霞), aged 46, has been appointed as the joint company secretary, the Board secretary, the financial controller and the authorized representative of the Company since April 2016. Ms. Mu graduated from Xi'an Jiaotong University majoring in applied economics and obtained a master degree in economics. Ms. Mu is a qualified board secretary of listed companies as recognised by the Shenzhen Stock Exchange and a qualified professional accountant in China. She also has China securities practice qualification and is a joint member of the Hong Kong Institute of Chartered Secretaries. Ms. Mu previously served as the board secretary of Shenzhen Overglobe Development Company Limited (深圳市中僑發展股份有限公司), the director of the board office of Neptunus Bio-engineering, the securities affairs representative authorised by the board of directors of Neptunus Bio-engineering as well as other positions. Ms. Mu has been working on areas such as listed company securities, financing and management for nearly 20 years and she possesses rich working experience in listed company governance, capital operations, information disclosure, investor relations management, investment and financing.

李婷女士，35歲，自二零一六年十二月三十日起獲委任為本公司職工代表監事。李女士於二零零四年獲得廣東藥學院理學學士學位，並於二零零八年獲得澳大利亞昆士蘭大學商學碩士(高級)學位，主修專業會計學。李女士於二零零九年九月加入本公司，曾擔任總賬會計、會計主管、董事會秘書(財務負責人)助理等職務，自二零一六年二月起擔任本公司董事會辦公室主任。李女士已具有中國證券從業資格，中國中級會計師職稱，其於財務、會計及上市公司治理有豐富的經驗。

高級管理層

李美儀女士，49歲，自二零零八年十二月一日起獲委任為本公司聯席公司秘書。李女士為卓佳專業商務有限公司企業服務部董事，並為英國特許秘書及行政人員公會及香港特許秘書公會資深會員。李女士擁有逾二十年的公司秘書經驗。

慕凌霞女士，46歲，自二零一六年四月起獲委任為本公司聯席公司秘書、董事會秘書、財務負責人及授權代表。慕女士畢業於西安交通大學應用經濟學專業，獲授經濟學碩士學位。慕女士具備深圳證券交易所上市公司董事會秘書資格，中國大陸會計從業資格、中國證券從業資格等從業資質，並為香港特許秘書公會聯席成員。彼曾任深圳市中僑發展股份有限公司董事會秘書、海王生物董事局辦公室主任及海王生物董事局授權證券事務代表等職務。慕女士從事上市公司證券、財務及管理工作近二十年，擁有豐富的上市公司治理、資本運作、信息披露、投資者關係管理、財務及投融資工作經驗。

Report of the Directors

董事會報告

The Board is pleased to present the report of Directors and the consolidated financial statements of the Group for the year ended 31 December 2016.

Principal Activities

During the Year, the Group was principally engaged in the research and development, production and sales of medicines, the purchase and sales of medicines and healthcare food products.

Business Review

Details of business review during the Year are set out on pages 7 to 9 of this annual report.

Summary of Financial Information

A summary of the published consolidated results and assets and liabilities of the Group for the last two financial years ended 31 December 2016, and the published consolidated results and assets and liabilities of the Group for the Year is set out on pages 54 to 162.

Dividends

The Directors do not recommend the distribution of any dividends for the Year (2015: Nil).

Property, Plant and Equipment

Details of movements in the property, plant and equipment of the Group and the Company during the Year are set out in note 14 to the consolidated financial statements.

Share Capital

There has been no movement for the Company's share capital during the Year, details of which are set out in note 28 to the consolidated financial statements.

Reserves

Details of movements in the reserves of the Group and Company during the Year are set out in note 29 to the consolidated financial statements.

Distributable Reserves

At 31 December 2016, the Company had no distributable reserves, while its accumulated loss, calculated in accordance with the Company's articles of association and relevant rules and regulations, amounted to approximately RMB118,876,000.

董事會欣然提呈本集團截至二零一六年十二月三十一日止年度的董事會報告及綜合財務報表。

主要業務

本集團於本年度主要從事藥品的研究與開發、生產和銷售，藥品及保健食品購買及銷售。

業務回顧

業務回顧於本年度的詳情載本年報第7至9頁。

財務資料摘要

有關本集團截至二零一六年十二月三十一日止過去兩個財政年度的公布綜合業績及資產與負債，以及本集團於本年度的公布綜合業績及資產與負債的摘要，載於第54至162頁。

股息

董事並不建議就本年度派發任何股息（二零一五年：無）。

物業、廠房及設備

本集團及本公司的物業、廠房及設備於本年度的變動詳情，載於綜合財務報表附註14。

股本

本公司股本於本年度並無變動，其詳情載於綜合財務報表附註28。

儲備

本集團及本公司儲備於本年度的變動詳情，載於綜合財務報表附註29。

可供分派儲備

於二零一六年十二月三十一日，本公司並無可供分派儲備，而根據本公司的公司章程有關規定及規則計算，本公司的累計虧損約為人民幣118,876,000元。

Capitalized Interest

The Group has no capitalized interest during the Year.

Pre-emptive Rights

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

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 the Year. The Company and its subsidiaries also did not redeem, purchase or cancel any of their redeemable securities.

Major Customers and Suppliers

In the Year, sales to the Group's five largest customers accounted for approximately 18.9% of the total sales for the Year and sales to the largest customer included therein amounted to approximately 6% of the total sales for the Year. Purchases from the Group's five largest suppliers accounted for approximately 36.1% of the total purchases for the Year and purchases from the largest supplier included therein amounted to approximately 23.1% of the total purchases for the Year.

Save as disclosed in this report, none of the Directors, the supervisors of the Company or any of their associates or any shareholders (who, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Company's five largest customers and suppliers.

Directors and Supervisors

The Directors and supervisors of the Company during the Year and up to the date of this report, and their terms of employment were:

Executive Directors

Mr. Zhang Feng	3 years from his re-appointment on 25 June 2014
Mr. Xu Yan He	3 years from his re-appointment on 25 June 2014
Mr. Chai Xiang Dong	re-appointment on 25 June 2014, resigned on 3 March 2016

資本化利息

本集團於本年度並無資本化利息。

優先購買權

本公司的公司章程或中國法律概無訂明有關優先購買權的條文，規定本公司須按比例向現有股東發售新股份。

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、購回或注銷其可贖回證券。

主要客戶及供貨商

於本年度，本集團五大客戶的銷售額佔本年度總銷售約18.9%，其中最大客戶的銷售額佔本年度總銷售約6%。於本年度，本集團五大供貨商的採購額佔本年度總採購額約36.1%，其中最大的供貨商的採購額佔本年度總採購額約23.1%。

除本報告所披露者外，本公司的董事及監事或彼等任何聯繫人或任何股東（就董事所知擁有本公司已發行股本5%以上者），概無擁有本公司五大客戶及供貨商的任何實益權益。

董事及監事

本公司於本年度及到本報告日期為止，在任董事及監事及其任期如下：

執行董事

張鋒先生	於二零一四年六月二十五日再次獲委任，為期三年
徐燕和先生	於二零一四年六月二十五日再次獲委任，為期三年
柴向東先生	於二零一四年六月二十五日再次獲委任，於二零一六年三月三日辭任

Report of the Directors

董事會報告

Non-executive Directors

Mr. Liu Zhan Jun	3 years from his re-appointment on 25 June 2014
Ms. Yu Lin	3 years from her re-appointment on 25 June 2014
Mr. Song Ting Jiu	3 years from his re-appointment on 25 June 2014
Mr. Zhao Wen Liang (Note (a))	from his re-appointment on 29 June 2016 up to 24 June 2017

Independent non-executive Directors

Mr. Yick Wing Fat, Simon	3 years from his re-appointment on 25 June 2014
Mr. Poon Ka Yeung	3 years from his re-appointment on 25 June 2014
Mr. Zhang Jian Zhou (Note (b))	from his re-appointment on 29 June 2016 up to 24 June 2017
Mr. Yu Bo	re-appointment on 25 June 2014, resigned on 21 January 2016

Supervisors

Mr. Xiong Chu Xiong	3 years from his re-appointment on 25 June 2014
Mr. Wang Bin	3 years from his re-appointment on 25 June 2014
Ms. Li Ting	from her appointment on 30 December 2016 up to 24 June 2017
Mr. Yu Jun	re-appointment on 25 June 2014, resigned on 30 December 2016

Notes:

- (a) Mr. Zhao Wen Liang was appointed as an executive Director on 3 March 2016, and re-designated to non-executive Director on 6 June 2016.
- (b) Mr. Zhang Jian Zhou was appointed as an independent non-executive Director on 21 January 2016.

The Company confirms that as at the date of this report, it has received annual confirmations of independence from Mr. Yick Wing Fat, Simon, Mr. Poon Ka Yeung and Mr. Zhang Jian Zhou. The Company still considers the three independent non-executive Directors during the Year to be independent pursuant to Rule 5.09 of the GEM Listing Rules.

非執行董事

劉占軍先生	於二零一四年六月二十五日再次獲委任，為期三年
于琳女士	於二零一四年六月二十五日再次獲委任，為期三年
宋廷久先生	於二零一四年六月二十五日再次獲委任，為期三年
趙文梁先生 (附註(a))	於二零一六年六月二十九日再次獲委任，有效期至二零一七年六月二十四日

獨立非執行董事

易永發先生	於二零一四年六月二十五日再次獲委任，為期三年
潘嘉陽先生	於二零一四年六月二十五日再次獲委任，為期三年
章劍舟先生 (附註(b))	於二零一六年六月二十九日再次獲委任，有效期至二零一七年六月二十四日
于渤先生	於二零一四年六月二十五日再次獲委任，於二零一六年一月二十一日辭任

監事

熊楚熊先生	於二零一四年六月二十五日再次獲委任，為期三年
王彬先生	於二零一四年六月二十五日再次獲委任，為期三年
李婷女士	於二零一六年十二月三十日獲委任，有效期至二零一七年六月二十四日
喻軍先生	於二零一四年六月二十五日再次獲委任，於二零一六年十二月三十日辭任

附註：

- (a) 趙文梁先生於二零一六年三月三日獲委任為執行董事，於二零一六年六月六日獲調任為非執行董事。
- (b) 章劍舟先生於二零一六年一月二十一日獲委任為獨立非執行董事。

本公司確認截至本報告日期，其已收悉易永發先生、潘嘉陽先生以及章劍舟先生周年獨立性之確認書。本公司仍認為三名獨立非執行董事於本年度符合創業板上市規則第5.09條條文規定之獨立性。

Service Contracts of Directors and Supervisors

Each of the Directors and supervisors of the Company has entered into a service contract with the Company with a term up to 24 June 2017 and is subject to termination by either party giving not less than three months' prior written notice to the other.

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

Directors' and Supervisors' Remuneration

Directors' remuneration is subject to shareholders' approval at general meetings. Other emoluments are determined by the Remuneration Committee with reference to Directors' duties, responsibilities and performance and the results of the Company. Details of the remuneration of the Directors are set out in note 10 to the consolidated financial statements.

According to the service contracts entered into between the Company and its supervisors, (i) the Company shall pay Mr. Xiong Chu Xiong the remuneration of RMB30,000 per annum for his service as a supervisor; (ii) the Company shall pay Mr. Wang Bin the remuneration of RMB30,000 per annum for his service as a supervisor; and (iii) Ms. Li Ting, the employee representative supervisor, currently is not entitled to the remuneration for her service as a supervisor.

Five Highest Paid Employees

The five highest paid employees and their remuneration are set out in note 11 to the consolidated financial statements.

Directors' and Supervisors' Interests in Contracts

Save for the service contracts of the Directors and supervisors of the Company as disclosed above, there were no transactions, arrangements or contracts of significance to which the Company or its controlling shareholder was a party and in which a Director or supervisor of the Company had a material interest, either directly or indirectly, subsisting at the end of the Year or at any time during the Year.

Share Option Scheme, Convertible Securities and Warrants

Up to 31 December 2016, the Company and its subsidiaries have not adopted any share option scheme and have not granted any option, convertible securities, warrants or other similar rights.

董事及監事的服務合同

本公司各董事及監事已與本公司訂立服務合同，有效期至二零一七年六月二十四日止，並可由任何一方向對方發出不少於三個月的先書面通知終止。

本公司的董事或監事概無與本公司訂有本公司不可於一年內毋須支付賠償（法定賠償除外）而終止的服務合同。

董事及監事薪酬

董事袍金須於股東大會上取得股東批准。其他酬金由薪酬委員會參考董事的職務、職責、表現及本公司業績後釐定。董事薪酬的詳情載於綜合財務報表附註10。

根據本公司與監事訂立的服務合同，(i)本公司每年應向熊楚熊先生支付監事酬金人民幣3萬元整；(ii)本公司每年應向王彬先生支付監事酬金人民幣3萬元整；及(iii)職工代表監事李婷女士目前沒有收取監事酬金。

五名最高薪酬僱員

五名最高薪酬僱員及其薪酬，載於綜合財務報表附註11。

董事及監事的合同權益

除上文所披露的本公司董事及監事服務合同外，本公司或其控股股東並無訂有本公司的董事或監事直接或間接擁有重大權益，且於本年度結束時或本年度內任何時間仍然生效的任何重大交易、安排或合同。

購股權計劃、可轉換證券及認股權證

截至二零一六年十二月三十一日，本公司及其附屬公司未曾採納任何購股權計劃，亦無授出任何購股權、可轉換證券、認股權證或其他類似權利。

Report of the Directors

董事會報告

PERMITTED INDEMNITY PROVISION

At no time during the Year and up to the date of this report, there was or is, any permitted indemnity provision being in force for the benefit of any of the Directors of the Company or an associate company.

During the Year, a Directors, Supervisors and Senior Management Liability Insurance is in place to provide appropriate cover for the directors, supervisors and senior management of the Group. However, such insurance coverage shall not extend to any matter in respect of any fraud or dishonesty which may attach to such director, supervisor and senior management.

Interests and Short Positions of Directors, Supervisors and Chief Executives in the Listed Securities

As far as the Directors or supervisors of the Company are aware, as at 31 December 2016, the interests and short position of the Directors, supervisors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of part XV of the Securities and Futures Ordinance), which were required to be notified to the Company and the Stock Exchange pursuant to Part XV of the Securities and Futures Ordinance ("SFO") (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or were required, pursuant to section 352 of the SFO, to be and were recorded in the register to be kept by the Company, or were required, pursuant to Rule 5.46 to Rule 5.67 of the GEM Listing Rules to be notified to the Company and the Stock Exchange were as follows:

Long positions in the shares of the Company:

Director/supervisor 董事／監事	Capacity 身份	Type of interests 權益種類	Number of domestic shares held 持有 內資股數目	Approximate percentage of all the domestic shares 佔所有 內資股之 概約百分比	Approximate percentage of the Company's issued share capital 佔本公司已 發行股本之 概約百分比
Mr. Song Ting Jiu (Note (a)) 宋廷久先生 (附註(a))	Beneficial owner 實益擁有人	Personal 個人	1,521,500	0.12%	0.09%

Notes:

(a) Non-executive Director of the Company

獲准許的彌補條文

在本年度內及截至本報告日期，概不存在任何以本公司任何董事或關連公司為受益人的任何獲准許彌補條文。

於本年度本公司已設有董監事及高級管理人員責任保險，為本集團之董事、監事及高級管理人員提供適當的保障。然而有關保險責任範圍並不會涵蓋相關董事、監事及高級管理人員可能涉及之任何欺詐或不誠實事宜。

董事、監事及最高行政人員於上市證券中的權益及淡倉

就本公司董事或監事所知，截至二零一六年十二月三十一日，本公司董事、監事及最高行政人員於本公司及其相聯法團（定義見證券及期貨條例第十五部）之股份、相關股份及債權證中擁有須根據證券及期貨條例（「證券及期貨條例」）第十五部知會本公司及聯交所之權益及淡倉（包括根據證券及期貨條例之有關條文被當作或視為彼等擁有之權益或淡倉）；或須根據證券及期貨條例第352條須由本公司存備之登記冊將記錄及已記錄之權益或淡倉；或根據創業板上市規則第5.46條至5.67條之規定而須知會本公司及聯交所之權益及淡倉如下：

於本公司股份之好倉：

附註：

(a) 為本公司非執行董事

Long positions in shares of associated corporations of the Company:

於本公司相聯法團股份之好倉：

Director 董事	Capacity 身份	Type of interests 權益種類	Name of associated corporation 相聯 法團名稱	Number of shares in associated corporation 持有相聯法團 之股份數目	Approximate percentage of associated corporation's issued share capital 佔相聯法團 已發行股本之 概約百分比
Mr. Zhang Feng (Note (a)) 張鋒先生(附註(a))	Beneficial owner 實益擁有人	Personal 個人	Neptunus Bio-engineering 海王生物	1,331,093	0.05%
Mr. Liu Zhan Jun (Note (b)) 劉占軍先生(附註(b))	Beneficial owner 實益擁有人	Personal 個人	Neptunus Bio-engineering 海王生物	8,883,793	0.34%
Ms. Yu Lin (Note (c)) 于琳女士(附註(c))	Beneficial owner 實益擁有人	Personal 個人	Neptunus Bio-engineering 海王生物	2,724,660	0.10%
Mr. Song Ting Jiu (Note (d)) 宋廷久先生(附註(d))	Beneficial owner 實益擁有人	Personal 個人	Neptunus Bio-engineering 海王生物	2,525,000	0.10%
Mr. Zhao Wen Liang (Note (e)) 趙文梁先生(附註(e))	Beneficial owner 實益擁有人	Personal 個人	Neptunus Bio-engineering 海王生物	700,000	0.03%

Notes:

附註：

(a) Mr. Zhang Feng, deputy chairman of the board of directors of Neptunus Bio-engineering, was beneficially interested in approximately 0.05% of the entire issued share capital of Neptunus Bio-engineering, the Company's controlling shareholder, which in turn held directly and indirectly the beneficial interest in approximately 73.51% of the entire issued share capital of the Company, of which 70.38% was directly held and 3.13% was indirectly held through Shenzhen Neptunus Oriental Investment Company Limited ("Neptunus Oriental").

(a) 海王生物董事局副主席張鋒先生實益擁有本公司控股股東海王生物全部已發行股本約0.05%之權益，而海王生物直接及間接實益擁有本公司全部已發行股本約73.51%之權益，其中70.38%為直接持有，3.13%經深圳海王東方投資有限公司（「海王東方」）間接持有。

Report of the Directors

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- (b) Mr. Liu Zhan Jun, director and president of Neptunus Bio-engineering, was beneficially interested in approximately 0.34% of the entire issued capital of Neptunus Bio-engineering, the Company's controlling shareholder, which in turn held directly and indirectly the beneficial interest in approximately 73.51% of the entire issued share capital of the Company, of which 70.38% was directly held and 3.13% was indirectly held through Neptunus Oriental.
- (c) Ms. Yu Lin was beneficially interested in approximately 0.10% of the entire issued share capital of Neptunus Bio-engineering, the Company's controlling shareholder, which in turn held directly and indirectly the beneficial interest in approximately 73.51% of the entire issued share capital of the Company, of which 70.38% was directly held and 3.13% was indirectly held through Neptunus Oriental.
- (d) Mr. Song Ting Jiu was beneficially interested in approximately 0.10% of the entire issued share capital of Neptunus Bio-engineering, the Company's controlling shareholder, which in turn held directly and indirectly the beneficial interest in approximately 73.51% of the entire issued share capital of the Company, of which 70.38% was directly held and 3.13% was indirectly held through Neptunus Oriental.
- (e) Mr. Zhao Wen Liang was beneficially interested in approximately 0.03% of the entire issued share capital of Neptunus Bio-engineering, the Company's controlling shareholder, which in turn held directly and indirectly the beneficial interest in approximately 73.51% of the entire issued share capital of the Company, of which 70.38% was directly held and 3.13% was indirectly held through Neptunus Oriental.
- (b) 海王生物董事兼總裁劉占軍先生實益擁有本公司控股股東海王生物全部已發行股本約0.34%之權益，而海王生物直接及間接實益擁有本公司全部已發行股本約73.51%之權益，其中70.38%為直接持有，3.13%經海王東方間接持有。
- (c) 于琳女士實益擁有本公司控股股東海王生物全部已發行股本約0.10%之權益，而海王生物直接及間接實益擁有本公司全部已發行股本約73.51%之權益，其中70.38%為直接持有，3.13%經海王東方間接持有。
- (d) 宋廷久先生實益擁有本公司控股股東海王生物全部已發行股本約0.10%之權益，而海王生物直接及間接實益擁有本公司全部已發行股本約73.51%之權益，其中70.38%為直接持有，3.13%經海王東方間接持有。
- (e) 趙文梁先生實益擁有本公司控股股東海王生物全部已發行股本約0.03%之權益，而海王生物直接及間接實益擁有本公司全部已發行股本約73.51%之權益，其中70.38%為直接持有，3.13%經海王東方間接持有。

Save as disclosed above, as at 31 December 2016, none of the Directors, supervisors or chief executives of the Company nor their respective associates held any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Part XV of the SFO, or were required, pursuant to section 352 of the SFO, to be and were recorded in the register to be kept by the Company, or were required, pursuant to Rule 5.46 to Rule 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

除上文所披露者外，於二零一六年十二月三十一日，本公司董事、監事或最高行政人員或彼等各自之聯繫人概無於本公司或其任何相聯法團（定義見證券及期貨條例第十五部）之股份、相關股份或債權證中擁有須根據證券及期貨條例第十五部知會本公司及聯交所之權益及淡倉；或須根據證券及期貨條例第352條須由本公司備存之登記冊將記錄或已記錄之權益或淡倉；或根據創業板上市規則第5.46條至5.67條之規定而須知會本公司及聯交所之權益及淡倉。

Substantial Shareholders' Interests in Shares and Underlying Shares

So far as the Directors and supervisors of the Company are aware, as at 31 December 2016, the interests and/or short positions held by shareholders (not being a Director, a supervisor or a chief executive of the Company) in shares or underlying shares of the Company which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO or had otherwise notified to the Company were as follows:

Long positions in the shares of the Company:

主要股東於股份及相關股份的權益

據本公司董事及監事所知，於二零一六年十二月三十一日，股東（並非本公司董事、監事或最高行政人員）根據證券及期貨條例第336條須由本公司備存之登記冊所記錄的本公司股份或相關股份或以其他方式知會本公司的任何權益及／或淡倉如下：

於本公司股份之好倉：

Name of Substantial Shareholder 主要股東名稱	Capacity 身份	Number of domestic shares held 持有內資股股份數目	Approximate percentage of all the domestic shares 佔所有內資股的概約百分比	Approximate percentage of the Company's issued share capital 佔本公司已發行股本的概約百分比
Neptunus Bio-engineering (Note (a)) 海王生物(附註(a))	Beneficial owner 實益擁有人	1,181,000,000	94.33%	70.38%
	Interest in controlled corporation 受控制法團權益	52,464,500	4.19%	3.13%
Shenzhen Neptunus Group Company Limited ("Neptunus Group") (Note (b)) 深圳海王集團股份有限公司(「海王集團」)(附註(b))	Interest in controlled corporation 受控制法團權益	1,233,464,500	98.52%	73.51%
Shenzhen Yinhetong Investment Company Limited ("Yinhetong") (Note (c)) 深圳市銀河通投資有限公司(「銀河通」)(附註(c))	Interest in controlled corporation 受控制法團權益	1,233,464,500	98.52%	73.51%
Mr. Zhang Si Min (Note (d)) 張思民先生(附註(d))	Interest in controlled corporation 受控制法團權益	1,233,464,500	98.52%	73.51%
Ms. Wang Jin Song (Note (e)) 王勁松女士(附註(e))	Interest of spouse 配偶權益	1,233,464,500	98.52%	73.51%
Bank of Hangzhou Co., Ltd., Shenzhen Branch ("Bank of Hangzhou") (Note (f)) 杭州銀行股份有限公司 深圳分行(「杭州銀行」)(附註(f))	Security interest in shares 股份的保證權益	1,181,000,000	94.33%	70.38%

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Notes:

- (a) Neptunus Bio-engineering was deemed to be interested in the 52,464,500 domestic shares of the Company held by Neptunus Oriental as the entire issued share capital of Neptunus Oriental was beneficially owned by Neptunus Bio-engineering. Neptunus Bio-engineering was also directly interested in 1,181,000,000 domestic shares of the Company. Therefore, Neptunus Bio-engineering was directly and indirectly interested in 1,233,464,500 domestic shares of the Company.
- (b) Neptunus Group was deemed to be interested in the 1,233,464,500 domestic shares of the Company, which relate to the same parcel of shares referred to in note (a) above, held by Neptunus Bio-engineering as Neptunus Group was beneficially interested in approximately 45.93% of the entire issued share capital of Neptunus Bio-engineering.
- (c) Yinhetong was deemed to be interested in 1,233,464,500 domestic shares of the Company, which relate to the same parcel of shares referred to in note (a) above, held by Neptunus Bio-engineering as Yinhetong was beneficially interested in approximately 58.96% of the entire issued share capital of Neptunus Group, which in turn was beneficially interested in approximately 45.93% of the entire issued share capital of Neptunus Bio-engineering.
- (d) Mr. Zhang Si Min ("Mr. Zhang") was deemed to be interested in 1,233,464,500 domestic shares of the Company, which relate to the same parcel of shares referred to in note (a) above, held by Neptunus Bio-engineering as Mr. Zhang was beneficially interested in 70% of the entire issued share capital of Yinhetong, which in turn was beneficially interested in approximately 58.96% of the entire issued share capital of Neptunus Group, which in turn was beneficially interested in approximately 45.93% of the entire issued share capital of Neptunus Bio-engineering.
- (e) Ms. Wang Jin Song ("Ms. Wang") was deemed to be interested in 1,233,464,500 domestic shares of the Company, which relate to the same parcel of shares referred to in note (a) above, held by Neptunus Bio-engineering as Ms. Wang is the spouse of Mr. Zhang and was taken to be beneficially interested in any shares held by Mr. Zhang.
- (f) Bank of Hangzhou was deemed to be interested in 1,181,000,000 domestic shares of the Company held by Neptunus Bio-engineering, as such domestic shares have been pledged to Bank of Hangzhou.

Save as disclosed above, the Directors and supervisors of the Company are not aware of any other persons (except the Directors, supervisors or chief executives of the Company) who held any interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO as at 31 December 2016.

附註：

- (a) 由於海王生物實益擁有海王東方全部已發行股本100%的權益，而海王東方擁有本公司52,464,500股內資股份的權益，因此海王生物被視為擁有由海王東方持有的本公司52,464,500股內資股份的權益。同時海王生物直接持有本公司1,181,000,000股內資股份的權益，因此海王生物被視為直接及間接擁有本公司1,233,464,500股內資股份的權益。
- (b) 由於海王集團實益擁有海王生物全部已發行股本約45.93%的權益，因此海王集團被視為擁有由海王生物持有的本公司1,233,464,500股內資股份的權益，與上文附註(a)所述同一筆股份相關。
- (c) 由於銀河通實益擁有海王集團全部已發行股本約58.96%的權益，而海王集團實益擁有海王生物全部已發行股本約45.93%的權益，因此銀河通被視為擁有由海王生物持有的本公司1,233,464,500股內資股份的權益，與上文附註(a)所述同一筆股份相關。
- (d) 由於張思民先生(「張先生」)實益擁有銀河通全部已發行股本70%的權益，而銀河通實益擁有海王集團全部已發行股本約58.96%的權益，而海王集團實益擁有海王生物全部已發行股本約45.93%的權益，因此張先生被視為擁有由海王生物持有的本公司1,233,464,500股內資股份的權益，與上文附註(a)所述同一筆股份相關。
- (e) 由於王勁松女士(「王女士」)為張先生之配偶，所以被視為於由張先生所持有之任何股份中實益擁有權益，因此王女士被視為擁有由海王生物持有的本公司1,233,464,500股內資股份的權益，與上文附註(a)所述同一筆股份相關。
- (f) 由於海王生物將其持有本公司1,181,000,000股內資股份的權益質押予杭州銀行，因此杭州銀行被視為擁有該等內資股份的權益。

除上文所披露者外，截至二零一六年十二月三十一日，本公司董事或監事概不知悉有任何其他人士(本公司董事、監事或最高行政人員除外)於本公司之股份或相關股份中，擁有根據證券及期貨條例第336條須由本公司備存之登記冊所記錄之權益及淡倉。

Continuing Connected Transactions Continuing Connected Transactions Exempt from Independent Shareholders' Approval Requirements

The continuing connected transactions of the Group exempt from independent shareholders' approval requirements during the Year are set out below:

Nepstar Distribution Agreement

On 17 December 2014, the Company entered into a distribution agreement ("Nepstar Distribution Agreement") with Shenzhen Nepstar Pharmaceutical Company Limited ("Nepstar") (a company indirectly owned by Mr. Zhang Si Min, a brother of the chairman of the Company's Board, and therefore a connected person of the Company), pursuant to which the Group agreed to supply self-manufactured drugs to Nepstar and its subsidiaries. The annual caps of such transactions for the year 2015, 2016 and 2017 would not exceed RMB21,000,000, RMB24,000,000 and RMB26,000,000 respectively.

During the Year, the Group has supplied drugs of approximately RMB17,121,000 in total to Nepstar and its subsidiaries, which has not exceeded the annual cap of the above agreement.

Neptunus Jiankang Distribution Agreement

On 17 December 2014, the Company entered into a distribution agreement (the "Neptunus Jiankang Distribution Agreement") with Shenzhen Neptunus Jiankang Technology Development Company Limited (深圳市海王健康科技發展有限公司) ("Neptunus Jiankang"), a fellow subsidiary and a connected person of the Company, pursuant to which the Group agreed to purchase and distribute various food and healthcare food products manufactured by Neptunus Jiankang and its subsidiaries. The annual caps of such transactions for the year 2015, 2016 and 2017 would not exceed RMB6,000,000, RMB7,500,000 and RMB9,500,000 respectively.

During the Year, the Group purchased various food and healthcare food products in aggregate of approximately RMB6,667,000 from Neptunus Jiankang and its subsidiaries, which did not exceed the annual cap of the above agreement.

持續關連交易

獲豁免獨立股東批准規定的持續關連交易

本集團於本年度內獲豁免獨立股東批准規定的持續關連交易載列如下：

海王星辰代銷協議

於二零一四年十二月十七日，本公司與深圳市海王星辰醫藥有限公司（「海王星辰」）（由本公司董事會主席之胞兄張思民先生間接擁有，因此為本公司的關連人士）訂立一項代銷協議（「海王星辰代銷協議」），據此，本集團同意向海王星辰及其附屬公司供應自產藥品，並且二零一五年度、二零一六年度及二零一七年度交易上限分別不超過人民幣21,000,000元、人民幣24,000,000元及人民幣26,000,000元。

於本年度，本集團向海王星辰及其附屬公司供應藥品共約人民幣17,121,000元，該銷售金額並未超出於上述協議之年度上限。

海王健康代銷協議

於二零一四年十二月十七日，本公司與深圳市海王健康科技發展有限公司（「海王健康」）（本公司的同系附屬公司及關連人士）訂立一項代銷協議（「海王健康代銷協議」），據此，本集團同意購買及代銷海王健康及其附屬公司所生產的各類食品和保健食品，並且二零一五年度、二零一六年度及二零一七年度交易上限分別不超過人民幣6,000,000元、人民幣7,500,000元及人民幣9,500,000元。

於本年度，本集團向海王健康及其附屬公司採購各種食品和保健食品共約人民幣6,667,000元。該交易金額並無超出上述協議之年度上限。

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Hangzhou Neptunus Purchase and Sales Framework Agreement

On 29 July 2016, Neptunus Changjian entered into a purchase and sales framework agreement (the “Hangzhou Neptunus Purchase and Sales Framework Agreement”) with Hangzhou Neptunus Bio-engineering Co., Ltd. (杭州海王生物工程股份有限公司) (“Hangzhou Neptunus”), which is wholly-owned by Neptunus Group and therefore a fellow subsidiary and a connected person of the Company, pursuant to which Neptunus Changjian will purchase certain food and healthcare food products manufactured by Hangzhou Neptunus for distribution in the PRC. The annual caps of such transactions would not exceed RMB12,000,000, RMB14,000,000 and RMB16,000,000 for the period from 29 July 2016 to 31 December 2016 and for the year 2017 and 2018 respectively.

During the Year, Neptunus Changjian has purchased food and healthcare food products of approximately RMB6,517,000 from Hangzhou Neptunus, which did not exceed the annual cap of the above agreement.

Jiamusi Neptunus Purchase and Sales Framework Agreement

On 29 July 2016, Neptunus Changjian and Jiamusi Neptunus Pharmaceutical Company Limited (“Jiamusi Neptunus”), a fellow subsidiary and a connected person of the Company, entered into a purchase and sales framework agreement (the “Jiamusi Neptunus Purchase and Sales Framework Agreement”), pursuant to which Jiamusi Neptunus will purchase certain pharmaceutical products from Neptunus Changjian for the distribution within the Heilongjiang Province and the surrounding areas. The annual caps of such transactions for the period from 29 July 2016 to 31 December 2016 and for the year 2017 and 2018, would not exceed RMB5,000,000, RMB6,000,000 and RMB7,000,000 respectively.

During the Year, Jiamusi Neptunus has purchased pharmaceutical products of approximately RMB3,268,000 in total from Neptunus Changjian, which did not exceed the annual cap of the above agreement.

Having considered the above, the Directors (including non-executive Directors and independent non-executive Directors) are of the opinion that Neptunus Distribution Agreement, Neptunus Jiankang Distribution Agreement, Hangzhou Neptunus Purchase and Sales Framework Agreement and Jiamusi Neptunus Purchase and Sales Framework Agreement (1) were entered into in the ordinary and usual course of business of the Group; (2) are on normal commercial terms and on terms that are fair and reasonable and in the interests of the Company and its shareholders as a whole.

The auditor of the Company has issued a letter to the Board confirming that the above continuing connected transactions:

- (i) have received the approval of the Board;

杭州海王購銷框架協議

於二零一六年七月二十九日，海王長健與杭州海王生物工程股份有限公司(「杭州海王」)(為海王集團全資擁有，因此為本公司同系附屬公司及關連人士)訂立一份購銷框架協議(「杭州海王購銷框架協議」)，據此，海王長健將購買由杭州海王製造的若干食品及保健食品在中國進行分銷，並且從二零一六年七月二十九日起至二零一六年十二月三十一日止期間、二零一七年度及二零一八年度交易上限分別不超過人民幣12,000,000元、人民幣14,000,000元及人民幣16,000,000元。

於本年度，海王長健向杭州海王購買食品及保健食品共約人民幣6,517,000元，該銷售金額並無超出上述協議之年度上限。

佳木斯購銷框架協議

於二零一六年七月二十九日，海王長健與佳木斯海王醫藥有限公司(「佳木斯海王」)(本公司的同系附屬公司及關連人士)訂立一份購銷框架協議(「佳木斯海王購銷框架協議」)，據此，佳木斯海王將購買海王長健若干藥品以分銷至黑龍江省及周邊區域，並且從二零一六年七月二十九日起至二零一六年十二月三十一日止期間、二零一七年度及二零一八年度交易上限分別不超過人民幣5,000,000元、人民幣6,000,000元及人民幣7,000,000元。

於本年度，佳木斯海王向海王長健購買藥品共約人民幣3,268,000元，該銷售金額並無超出上述協議之年度上限。

經考慮上文所述，董事(包括非執行董事及獨立非執行董事)認為，海王星辰代銷協議、海王健康代銷協議、杭州海王購銷框架協議及佳木斯購銷框架協議(1)乃於本集團日常及一般業務過程中訂立；(2)乃按一般商業條款進行，且交易條款公平合理，符合本公司及其股東的整體利益。

本公司核數師已向董事會發出函件，確認上述持續關連交易：

- (i) 已獲得董事會批准；

- (ii) were, in all material respects, in accordance with the pricing policies of the Group if the transactions involve the provision of goods or services by the Group;
- (iii) have been entered into in accordance with the relevant agreements governing the transactions; and
- (iv) did not exceed the respective annual caps.

Continuing Connected Transaction Not Exempt from Independent Shareholders' Approval Requirements

The continuing connected transaction of the Group not exempt from independent shareholders' approval requirements within the Year are set out below:

Neptunus Pharmaceutical Distribution Agreement

On 10 December 2015, Neptunus Changjian entered into a distribution agreement (the "Neptunus Pharmaceutical Distribution Agreement") with Neptunus Pharmaceutical (a wholly-owned subsidiary of Neptunus Group and therefore a fellow subsidiary and a connected person of the Company), pursuant to which Neptunus Changjian will purchase various pharmaceutical products manufactured by Neptunus Pharmaceutical and distribute such products within the PRC for the period from 1 January 2016 to 31 December 2018. The Neptunus Pharmaceutical Distribution Agreement became effective on 4 March 2016, upon the approval by the independent shareholders at the extraordinary general meeting. On 11 October 2016, the same parties entered into a supplementary agreement (the "Supplementary Agreement"), pursuant to which, upon the approval of independent shareholders at the extraordinary general meeting held on 23 December 2016, the annual caps under the Neptunus Pharmaceutical Distribution Agreement for the period from 4 March 2016 to 31 December 2016 and for the year 2017 and 2018, were revised to RMB91,100,000, RMB114,000,000 and RMB143,500,000 respectively.

During the Year, Neptunus Changjian has purchased pharmaceutical products of approximately RMB79,499,000 from Neptunus Pharmaceutical, which did not exceed the annual cap of the above agreement.

Having considered the above, the Directors (including non-executive Directors and independent non-executive Directors) are of the opinion that Neptunus Pharmaceutical Distribution Agreement (as supplemented by the Supplementary Agreement) (1) was entered into in the ordinary and usual course of business of the Group; (2) are on normal commercial terms and on terms that are fair and reasonable and in the interests of the Company and its shareholders as a whole.

- (ii) 倘交易涉及由本集團提供貨品或服務，則於所有重大方面均遵守本集團的定價政策；
- (iii) 已根據規管交易的相關協議訂立；及
- (iv) 並無超逾各自年度上限。

不獲豁免獨立股東批准規定的持續關連交易

本集團於本年度內不獲豁免獨立股東批准規定的持續關連交易載列如下：

海王藥業代銷協議

於二零一五年十二月十日，海王長健與海王藥業（為海王集團全資附屬公司，因此為本公司的同系附屬公司及關連人士）訂立一份代銷協議（「海王藥業代銷協議」），據此，海王長健將購買由海王藥業製造的各類藥品，以於二零一六年一月一日至二零一八年十二月三十一日期間在中國進行分銷。海王藥業代銷協議於二零一六年三月四日在股東特別大會上獲獨立股東批准生效。於二零一六年十月十一日，相同訂約方訂立一份補充協議（「補充協議」），於二零一六年十二月二十三日股東特別大會上經獨立股東批准後，海王藥業代銷協議交易上限修訂為從二零一六年三月四日至二零一六年十二月三十一日期間、二零一七年度及二零一八年度分別為人民幣91,100,000元、114,000,000元及人民幣143,500,000元。

於本年度，海王長健向海王藥業購買藥品共約人民幣79,499,000元，該交易金額並無超出上述協議之年度上限。

經考慮上文所述，董事（包括非執行董事及獨立非執行董事）認為，海王藥業代銷協議（經補充協議補充）(1) 乃於本集團日常及一般業務過程中訂立；(2) 乃按一般商業條款進行，且交易條款公平合理，符合本公司及其股東的整體利益。

Report of the Directors 董事會報告

The auditor of the Company has issued a letter to the Board confirming that the above continuing connected transactions:

- (i) have received the approval of the Board;
- (ii) were, in all material respects, in accordance with the pricing policies of the Group if the transactions involve the provision of goods or services by the Group;
- (iii) have been entered into in accordance with the relevant agreements governing the transactions; and
- (iv) did not exceed the respective annual caps.

Management Contracts

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

Competing Interests

On 21 August 2005, Neptunus Bio-engineering, the controlling shareholder of the Company, entered into an agreement with the Company containing undertakings relating to non-competition and preferential rights of investments (the "Non-Competition Undertakings"), pursuant to which Neptunus Bio-engineering had undertaken to the Company and its associates (among others), that as long as the securities of the Company are listed on GEM:

1. it will not, and will procure its associates not to, whether within or outside the PRC, directly or indirectly (other than those indirectly held as a result of the equity interest in any listed company or its subsidiaries), participate in or operate any business in whatever form, or produce any products (the usage of which is the same as or similar to that of the products of the Company) which may constitute direct or indirect competition to the business operated by the Company from time to time; and
2. it will not, and will procure its associates not to, hold any interest, whether within or outside the PRC, in any company or organization (directly or indirectly, other than those indirectly held as a result of its equity interest in any listed company or its subsidiaries) when the business of such company or entity will (or may) compete directly or indirectly with the business of the Company.

本公司核數師已向董事會發出函件，確認上述持續關連交易：

- (i) 已獲得董事會批准；
- (ii) 倘交易涉及由本集團提供貨品或服務，則於所有重大方面均遵守本集團的定價政策；
- (iii) 已根據規管交易的相關協議訂立；及
- (iv) 並無超逾各自年度上限。

管理合同

於本年度，本公司並無訂立或存有任何有關本公司整體業務或任何主要部分業務的管理及行政合同。

競爭權益

於二零零五年八月二十一日，本公司控股股東海王生物與本公司簽訂包括有關不競爭承諾及優先投資權（「不競爭承諾」）的協議，據此，海王生物向本公司及其聯繫人承諾，（其中包括）只要本公司的證券在創業板上市：

1. 其將不會，並將促使其連繫人不會以任何形式直接或間接在中國境內或境外參與或經營與本公司不時經營的業務構成直接或間接競爭的任何業務或生產任何用途與本公司產品相同或類似的產品（惟因持有任何上市公司或其附屬公司之股權而只間接持有之業務則除外）；及
2. 其將不會，並將會促使其連繫人不會在中國境內或境外（直接或間接）參股任何業務將（或有可能）與本公司業務產生直接或間接競爭的該等公司或機構，惟因持有任何上市公司或其附屬公司股權而間接持有之業務則除外。

Pursuant to the Non-Competition Undertakings, at a time when the Non-Competition Undertakings are subsisting, whenever Neptunus Bio-engineering or any its associates enters into any negotiations, within or outside the PRC, in relation to any new investment projects which may compete with the existing and future business of the Company, the Company shall have a preferential rights of investments in such new investment projects.

Neptunus Bio-engineering has confirmed with the Company that it has complied with the Non-competing Undertakings during the Year.

Sufficiency of Public Float

Based on information that is publicly available to the Company and the knowledge of the Directors, at least 25% of the Company's total issued share capital was held by the public as at the date of this report.

Staff Retirement Scheme

Details of the staff retirement scheme of the Company are set out in notes 2.15 and 8 to the consolidated financial statements.

Auditor

The former auditor of the Company was Crowe Horwath (HK) CPA Limited ("Crowe Horwath (HK)"). Crowe Horwath (HK) resigned as the auditor of the Company with effective from 25 November 2016 and Grant Thornton Hong Kong Limited, Certified Public Accountants, was appointed as the Company's auditor to fill the casual vacancy with effective from 25 November 2016. The consolidated financial statements have been audited by Grant Thornton Hong Kong Limited, who will retire at the conclusion of the forthcoming annual general meeting of the Company and being eligible, offer themselves for re-appointment. A resolution for the re-appointment of Grant Thornton Hong Kong Limited as auditor of the Company is to be proposed at the forthcoming annual general meeting.

ON BEHALF OF THE BOARD

Shenzhen Neptunus Interlong Bio-technique Company Limited
Zhang Feng
Chairman

Shenzhen, the PRC
24 March 2017

根據不競爭承諾，於不競爭承諾的有效期內，如海王生物或其任何聯繫人在中國境內或境外，就可能與本公司的現有及未來業務構成競爭的任何新投資項目進行磋商，本公司將獲得優先投資該等新投資項目的權力。

海王生物已向本公司確認其於本年度已遵守不競爭承諾。

足夠的公眾持股量

根據可供本公司查閱的資料及就董事所知，於本報告日期，公眾人士持有本公司已發行股本最少達25%。

員工退休計劃

本公司的員工退休計劃詳情，載於綜合財務報表附註2.15及8。

核數師

本公司前任核數師為國富浩華(香港)會計師事務所有限公司(「國富浩華(香港)」)。國富浩華(香港)已辭任本公司的核數師，自二零一六年十一月二十五日起生效。執業會計師行致同(香港)會計師事務所有限公司已獲委聘為本公司的核數師以填補臨時空缺，自二零一六年十一月二十五日起生效。綜合財務報表已經由致同(香港)會計師事務所有限公司審核。致同(香港)會計師事務所有限公司將於即將舉行之本公司週年大會上任滿告退，並合資格提出膺選連任。於即將舉行之週年大會上將提呈決議案重新委聘致同(香港)會計師事務所有限公司為本公司之核數師。

代表董事會

深圳市海王英特龍生物技術股份有限公司
主席
張鋒

中國深圳市
二零一七年三月二十四日

Corporate Governance Report

企業管治報告

The Company strives to attain a high standard of corporate governance. The principles of corporate governance adopted by the Company emphasize a quality board, sound internal control transparency and accountability to all stakeholders.

(A) Corporate Governance Practices

The Corporate Governance Code was effective for accounting periods commencing on or after 1 January 2005. The Company put strong emphasis on the superiority, steadiness and rationality of corporate governance. The Board is of the view that the Company has complied with the requirements set out in Appendix 15 "Corporate Governance Code and Corporate Governance Report" of the GEM Listing Rules throughout the Year.

(B) Code of Conduct Regarding Securities Transactions by Directors

During the Year, the Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the "required standard of dealings" as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all the Directors, all the Directors have confirmed that they have complied with the "required standard of dealings" and the Company's internal code of conduct regarding securities transactions by the Directors during the Year.

(C) The Board

The Board is responsible for planning and overseeing the overall development and management of the Company with the objective of enhancing shareholders' value. The Board, led by the Chairman, is responsible for the approval and monitoring of the overall strategies and policies of the Company, approval of annual budgets and business plans, evaluation of the Company's performance and oversight of the management. As at 31 December 2016, the Board comprised nine Directors, including two executive Directors, four non-executive Directors and three independent non-executive Directors. The composition of the Board during the Year is set out as follows:

Executive Directors

Mr. Zhang Feng (*Chairman of the Board*)
Mr. Xu Yan He
Mr. Chai Xiang Dong (*resigned on 3 March 2016*)

Non-executive Directors

Mr. Liu Zhan Jun
Ms. Yu Lin
Mr. Song Ting Jiu
Mr. Zhao Wen Liang (*appointed on 3 March 2016 as an executive Director, re-designated to non-executive Director on 6 June 2016*)

本公司致力維持高水平的企業管治。本公司採納的企業管治原則，著重高質素的董事會、健全的內部監控兼具透明度，以及對全體參會問責。

(A) 企業管治常規

《企業管治守則》於二零零五年一月一日或其後開始的會計期間生效。本公司極力主張企業管治的凌駕性、穩健性及合理性。董事會認為，於本年度，本公司一直遵守創業板上市規則附錄十五「企業管治守則及企業管治報告」所載的規定。

(B) 董事進行證券交易的操守守則

於本年度內，本公司採納的一套條款不遜於創業板上市規則第5.48至5.67條所載的「交易必守標準」的董事進行證券交易的操守守則。經向全體董事作出具體查詢後，全體董事確認，彼等於本年度內，遵守「交易必守標準」或本公司自定義定的董事進行證券交易的操守守則的規定。

(C) 董事會

董事會負責策劃及監察本公司的整體發展及管理事務，並以提高股東價值為依歸。在主席的領導下，董事會負責審批及監控本公司的整體策略及政策、審批年度預算及業務計劃、評核本公司的表現及監察管理。於二零一六年十二月三十一日，董事會由九名董事組成，包括兩名執行董事、四名非執行董事及三名獨立非執行董事。於本年度，董事會之成員載列如下：。

執行董事

張鋒先生(*董事會主席*)
徐燕和先生
柴向東先生(*於二零一六年三月三日辭任*)

非執行董事

劉占軍先生
于琳女士
宋廷久先生
趙文梁先生(*於二零一六年三月三日獲委任為執行董事，於二零一六年六月六日獲調任為非執行董事*)

Independent Non-executive Directors

Mr. Yick Wing Fat, Simon
Mr. Poon Ka Yeung
Mr. Zhang Jian Zhou (*appointed on 21 January 2016*)

Mr. Yu Bo (*resigned on 21 January 2016*)

The Board delegates day-to-day operations of the Company to the executive Directors, while reserving certain key matters for its approval. The management is responsible for the day-to-day operations of the Company under the guidance of the General Manager.

During the Year, the Board performed the following corporate governance duties:

- (i) to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;
- (ii) to review and monitor the training and continuous professional development of Directors and senior management;
- (iii) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (iv) to develop, review and monitor the code of conduct applicable to employees and Directors; and
- (v) to review the Company's compliance with the Corporate Governance Code and disclosure in the Corporate Governance Report.

The participation of non-executive Directors in the Board brings independent judgement on issues relating to the Company's strategy, performance, conflicts of interest and management process to ensure that the interests of all shareholders of the Company have been duly considered. The biographies of the Directors are set out on pages 15 to 18, with details of diversity of skills, expertise, experience and qualifications concerning the Directors. The term of office of each non-executive Directors and independent non-executive Directors are set out on page 22 of this annual report.

The Company has arranged appropriate insurance cover in respect of legal action against the Directors.

The Board held twenty board meetings during the Year. The Directors did not authorize any alternate director to attend any board meetings during the Year.

獨立非執行董事

易永發先生
潘嘉陽先生
章劍舟先生 (*於二零一六年一月二十一日
獲委任*)
于渤先生 (*於二零一六年一月二十一日辭任*)

董事會委派執行董事處理本公司日常營運工作，惟保留審批若干重要事宜的權力。並在總經理的指引下，管理層負責本公司日常營運工作。

本年度，董事會履行下列企業管治職能：

- (i) 制定及檢討本公司的企業管治政策及常規，並向董事會提出建議；
- (ii) 檢討及監察董事及高級管理人員的培訓及持續專業發展；
- (iii) 檢討及監察本公司就遵守法律及監管要求的政策及常規；
- (iv) 制定、檢討及監察適用於僱員及董事的操守準則；及
- (v) 檢討本公司遵守《企業管治守則》的情況及在企業管治報告內的披露。

非執行董事參與董事會，目的在於就本公司的策略、表現、利益衝突及管理程序的事宜上，提供獨立判斷的意見，確保已適當考慮到本公司全體股東的利益。各董事履歷載於年報第15至18頁，當中載列各董事之多樣化技能、專業知識、經驗及資格。各非執行董事及獨立非執行董事之任期載於年報第22頁。

本公司已就董事可能會面對的法律行動做適當的投保安排。

董事會於本年度召開二十次會議。董事於本年度並無授權任何替任董事代為出席任何董事會會議。

(D) Committees

The Board strives to maintain an excellent corporate governance and has established committees with written terms of reference setting out the powers and duties of the committees.

1. Audit Committee

The Company had established the Audit Committee on 21 August 2005. The Audit Committee comprises one non-executive Director, namely Ms. Yu Lin and two independent non-executive Directors, namely Mr. Yick Wing Fat, Simon and Mr. Poon Ka Yeung. Mr. Yick Wing Fat, Simon is the chairman of the Audit Committee.

The primary duties of the Audit Committee are as follows:

- (i) to consider, and to make recommendations to the Board on the appointment, reappointment and removal of the external auditors, and to approve the remuneration and terms of engagement of the external auditors, and to resolve any issues of resignation or dismissal of that auditor;
- (ii) to review and monitor the external auditors' independence and objectivity and the effectiveness of the auditing process in accordance with applicable accounting standards;
- (iii) to discuss the nature and scope of the audit and reporting obligations with the external auditors before the auditing commences, and to ensure co-ordination where more than one audit firm are involved;
- (iv) to review and monitor the integrity of the quarterly, interim and annual financial statements, reports and accounts of the Company, and to review significant financial reporting judgments contained therein, before submission to the Board, focusing particularly on any changes in accounting policies and practices, major judgmental areas, significant adjustments resulting from the audit, etc;

(D) 附屬委員會

為致力於維持優良的企業管治，董事會成立附屬的委員會，並以書面訂明各委員會之間的具體職權範圍，並清楚說明各委員會之職權和職責：

1. 審核委員會

本公司已於二零零五年八月二十一日成立審核委員會，審核委員會由一名非執行董事（為于琳女士）及兩名獨立非執行董事（分別為易永發先生及潘嘉陽先生）組成。易永發先生為審核委員會主席。

審核委員會的主要職務如下：

- (i) 考慮委任、續聘及任免外聘核數師，並向董事會提供推薦建議，審批外聘核數師的薪酬及聘用條款，以及處理該核數師辭任及解聘的任何問題；
- (ii) 檢討及監控外聘核數師的獨立性、客觀性，及根據適用會計準則進行核數程序的有效性；
- (iii) 於核數工作開始時與外聘核數師討論核數性質及範圍及申報責任，以及確保涉及超過一家核數師行時能互相協調；
- (iv) 檢討及監控本公司的季度、中期及年度財務報表、報告及賬目的完整性，以及向董事會呈交該等文件前檢討當中所載對財務申報所作出的重大判斷，尤其注意會計政策及原則的任何變動、主要判斷範疇、審核後所作出的調整等；

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| <p>(v) to review the Company's financial control, internal control and risk management systems;</p> <p>(vi) to discuss with the management the system of internal control and to ensure the management has discharged its duties in maintaining an effective internal control system;</p> <p>(vii) to review the external auditors' letter to the management and answer any material queries raised by the auditors to management in respect of the accounting records, financial accounts or system of internal control;</p> <p>(viii) to ensure that the Board will provide a timely response to the issues raised in the external auditor's letter to the management;</p> <p>(ix) to report to the Board on the matters set out herein and, in particular, the matters required to be performed by the Audit Committee under the Corporate Governance Code;</p> <p>(x) to act as the key representative body overseeing the Company's relationship with the external auditors; and</p> <p>(xi) to discuss problems and reservations arising from the interim and final audits, and any matters the auditors may wish to discuss (in the absence of management where necessary).</p> | <p>(v) 檢討本公司的財務監控、內部監控及風險管理系統；</p> <p>(vi) 與管理層討論內部監控系統，以及確保管理層已就維持有效的內部監控系統履行其職務；</p> <p>(vii) 審閱外聘核數師致管理層的函件，處理核數師就會計記錄、財務賬目或內部監控系統而向管理層作出的任何重要提問；</p> <p>(viii) 確保董事會對外聘核數師致管理層函件所提出的查詢作出適時響應；</p> <p>(ix) 向董事會報告本報告所載的事宜，特別是審核委員會按《企業管治守則》須履行的事宜；</p> <p>(x) 擔當重要代表，監察本公司與外聘核數師的關係；及</p> <p>(xi) (如有需要，在管理層不在場的情況下)討論因進行中期及末期審核工作所招致的問題及保留事項，以及核數師可能擬於討論的任何事項。</p> |
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During the Year, Audit Committee has reviewed the quarterly, interim and annual financial statements of the Group, who was of the opinion that these statements complied with the applicable accounting standards, the GEM and legal requirements, and that adequate disclosures have been made. The Audit Committee held seven meetings during the Year (of which two meetings were held with the external auditors).

於本年度，審核委員會已審閱本集團之季度、中期及年度財務報表，其意見為該等報告已遵照適用之會計準則、創業板及法例之規定，且經已作出足夠之披露。於本年度內，審核委員會曾舉行七次會議(其中有兩次會議是與外聘核數師進行的)。

2. Nomination Committee

The Company established the Nomination Committee on 16 March 2012. Currently the Nomination Committee comprises one executive Director, Mr. Zhang Feng, and three independent non-executive Directors, namely Mr. Yick Wing Fat, Simon, Mr. Poon Ka Yeung and Mr. Zhang Jian Zhou. Mr. Zhang Feng is the Chairman of the Nomination Committee.

The major duties of the Nomination Committee are as follows:

- (i) to review the structure, size and composition (including the skills, knowledge and experience) of the Board and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy.
- (ii) to identify individuals suitably qualified to become members of the Board and select or make recommendations to the Board on the selection of, individuals nominated for directorships.
- (iii) to assess the independence of independent non-executive Directors.
- (iv) to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairman and the chief executive.

The Nomination Committee has adopted the Board Diversity Policy (the "Policy") which became effective on 1 September 2013. A summary of this Policy together with the measurable objectives set for implementing this Policy, and the progress towards achieving those objectives are outlined below.

The Company continuously seeks to enhance the effectiveness of its Board and to maintain the highest standards of corporate governance and recognizes and embraces the benefits of having a diverse Board, which can be achieved through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service.

The Nomination Committee has primary responsibility for identifying qualified candidates to become members of the Board and Board appointments will continue to be made on a merit basis, with candidates being considered against objective criteria, with due regard for the benefits of diversity on the Board. The Nomination Committee is also responsible for monitoring the implementation and reviewing the effectiveness of this Policy.

2. 提名委員會

本公司已於二零一二年三月十六日成立了提名委員會。提名委員會現由一名執行董事(張鋒先生)及三名獨立非執行董事(分別為易永發先生、潘嘉陽先生、章劍舟先生)組成。張鋒先生為提名委員會主席。

提名委員會的主要職責如下：

- (i) 檢討董事會的架構、人數及組成(包括技能、知識及經驗方面)，並就任何為配合本公司的公司策略而擬對董事會作出的變動提出建議。
- (ii) 物色具備合適資格可擔任董事的人士，並挑選提名有關人士出任董事或就此向董事會提供意見。
- (iii) 評核獨立非執行董事的獨立性。
- (iv) 就董事委任或重新委任以及董事(尤其是主席及行政總裁)繼任計劃向董事會提出建議。

提名委員會已採納於二零一三年九月一日生效之董事會成員多元化政策(「該政策」)。該政策之概要連同為執行該政策而制定之可計量目標及達標進度於下文披露。

本公司不斷致力提高其董事會之效能，並保持最高標準的企業管治及明白並深信建立一個多元化及具包容性的董事會裨益良多，可透過考慮多個因素達致，包括但不限於性別、年齡、文化及教育背景、種族、職業經驗、技能、知識及服務年資。

提名委員會主要負責確定合資格的應徵者成為董事會成員，委任董事會將繼續兼成以優質基礎及應徵者將亦被以目標準則考慮，以達致董事會多元化之效益。提名委員會亦負責監察制定該政策及檢討其有效性。

During the Year, Nomination Committee has reviewed the Board composition, the effectiveness of the Policy and make recommendations to the Board on the individuals nominated for directorships. During the Year, the Nomination Committee held four meetings.

3. Remuneration Committee

The Remuneration Committee was established on 21 August 2005, comprising one executive Director and two independent non-executive Directors, namely Mr. Zhang Feng, Mr. Yick Wing Fat, Simon and Mr. Poon Ka Yeung. Mr. Poon Ka Yeung is the chairman of the Remuneration Committee.

The major duties of the Remuneration Committee include:

- (i) pursuant to provision B.1.2(c)(ii) of the Corporate Governance Code, to make recommendations to the Board on the Company's policy and structure for all remuneration of the Directors and the senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration;
- (ii) to determine the specific remuneration packages of all executive Directors and the senior management of the Company and to make recommendations to the Board of the remuneration of the non-executive Directors; and
- (iii) to review and approve their performance-based remuneration by reference to corporate goals and objectives of the Company resolved by the Board from time to time.

The Remuneration Committee determined the remuneration of the Directors according to their expertise, knowledge and commitment to the Company with reference to the Company's profitability and the prevailing market conditions. The Remuneration Committee should consult the executive Director and the General Manager about its proposals relating to the remuneration of the Senior Management.

During the Year, the Remuneration Committee held two meetings to review the Group's policy and structure for the remuneration of the Directors and senior management, discuss the remuneration packages for the newly appointed independent non-executive director and senior management of the Company.

於本年度，提名委員會已檢討董事會成員之組成，該政策之有效性，並向董事會建議提名有關人士出任董事。本年度內提名委員會舉行了四次會議。

3. 薪酬委員會

薪酬委員會於二零零五年八月二十一日成立，由一名執行董事及兩名獨立非執行董事組成，分別為張鋒先生、易永發先生及潘嘉陽先生。潘嘉陽先生為薪酬委員會主席。

薪酬委員會主要職責包括：

- (i) 根據《企業管治守則》條文第 B.1.2(c)(ii)，就本公司所有董事及高級管理層薪酬政策及架構，以及就制訂正規而具透明度的有關薪酬政策程序，向董事會提供推薦建議；
- (ii) 釐定本公司所有執行董事及高級管理層的特定薪酬待遇，以及就非執行董事的薪酬向董事會提出推薦建議；及
- (iii) 參照董事會不時議決的本公司企業目標及意向，檢討及審批以表現為基準的薪酬。

薪酬委員會乃按董事的專業技能、知識及對本公司的貢獻，參照本公司的盈利能力及現行市況，釐定董事薪酬。有關高級管理層的薪酬建議，薪酬委員會應諮詢執行董事及總經理。

本年度內薪酬委員會舉行了兩次會議，檢討了本集團董事及高級管理人員薪酬政策及架構，討論了新任獨立非執行董事及本公司高級管理人員之薪酬。

(E) Record of number of Board and committee meetings and Directors' attendance

During the Year, the number of Board and committee meetings and Directors' attendance are set out below:

Directors 董事	Annual General Meeting 股東週年大會	Board 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會
Zhang Feng (Chairman of the Board) 張鋒(董事會主席)	1/1	20/20	N/A 不適用	2/2	4/4
Chai Xiang Dong (resigned on 3 March 2016) 柴向東(於二零一六年三月三日辭任)	0/1	4/20	N/A 不適用	N/A 不適用	N/A 不適用
Xu Yan He 徐燕和	1/1	20/20	N/A 不適用	N/A 不適用	N/A 不適用
Liu Zhan Jun 劉占軍	1/1	20/20	N/A 不適用	N/A 不適用	N/A 不適用
Yu Lin 于琳	1/1	20/20	7/7	N/A 不適用	N/A 不適用
Song Ting Jiu 宋廷久	1/1	20/20	N/A 不適用	N/A 不適用	N/A 不適用
Zhao Wen Liang (appointed as an executive Director on 3 March 2016, re-designated to non-executive Director on 6 June 2016) 趙文梁(於二零一六年三月三日獲委任為執行董事，於二零一六年六月六日獲調任為非執行董事)	1/1	16/20	N/A 不適用	N/A 不適用	N/A 不適用
Yick Wing Fat, Simon 易永發	1/1	20/20	7/7	2/2	4/4
Poon Ka Yeung 潘嘉陽	1/1	20/20	7/7	2/2	4/4
Yu Bo (resigned on 21 January 2016) 于渤(於二零一六年一月二十一日辭任)	0/1	2/20	N/A 不適用	N/A 不適用	1/4
Zhang Jian Zhou (appointed on 21 January 2016) 章劍舟(於二零一六年一月二十一日獲委任)	1/1	18/20	N/A 不適用	N/A 不適用	3/4

(E) 董事會及附屬委員會會議次數及各董事的出席記錄

於本年度內，董事會及附屬委員會會議次數及各董事之出席記錄如下：

(F) Continuous Professional Development for Directors

During the Year, all members of the Board had attended relevant professional development such as trainings or seminars according to their own professionals. The Company also gave advice to Directors from time to time in respect of training courses. On 7 November 2016, the Company arranged Stephenson Harwood to provide training in respect of "Director's Duties and Responsibilities" for all Directors and senior management of the Company. All Directors and senior management of the Company have attended such training.

(G) Chairman and General Manager

As the leader of the Board, the Chairman is responsible for the approval and supervision of the overall strategies and policies of the Company, approval of annual budgets and business plans, evaluation of the Company's performance and oversight of the management. Mr. Zhang Feng is the current Chairman of the Board. The General Manager (same role as the post of chief executive pursuant to the Corporate Governance Code) is responsible for the day-to-day operations of the Company. Mr. Xu Yan He is the current General Manager of the Company. The articles of the association of the Company has set out the role and powers of the Chairman and General Manager. The roles of the Chairman and General Manager are separate and are not be performed by the same individual.

(H) Directors' Responsibility for Accounts

The Directors have confirmed and acknowledged their responsibility for the preparation of the Company's financial statements is in compliance with the relative regulations and applicable accounting standards. The Board has also warranted that the Company's financial statements would be distributed in due course.

(I) Auditor's Remuneration

During the Year, approximately RMB1,341,000 (2015: RMB1,518,000) and approximately RMB319,000 (2015: RMB913,000) were charged to the Group's income statement for the external auditor's audit services and non-audit services respectively.

(F) 董事持續專業發展

本年度，董事會各董事已根據自身專業方向，參與相關的培訓、講座等持續專業發展；本公司亦不定期給予董事有關培訓的課程建議。於二零一六年十一月七日，本公司安排羅夏信律師事務所對本公司全體董事及高級管理人員進行有關“董事職責和責任”的培訓。本公司所有董事和高級管理人員均出席了該培訓。

(G) 主席及總經理

作為董事會的領導人，主席負責審批及監督本公司的整體策略及政策、審批年度預算及業務計劃，評核本公司的表現及監察管理。張鋒先生為現任董事會主席。總經理（根據《企業管治守則》相當於行政總裁職位的角色）負責本公司的日常營運工作。徐燕和先生為現任本公司總經理。本公司的公司章程已訂明主席及總經理的職能及權力。主席與總經理的職能應有區分，不應由同一名人士出任。

(H) 董事對賬目的責任

董事已確認，其對於本公司財務報表的呈列方式符合相關規例及適用會計準則有責任。董事會亦已保證，本公司將於適當時候派發財務報表。

(I) 核數師酬金

於本年度，自本集團收益表中扣除的外聘核數師審計服務金額約為人民幣1,341,000元（二零一五年：人民幣1,518,000元）以及非審計服務金額約為人民幣319,000元（二零一五年：人民幣913,000元）。

(J) Risk management and internal control

The Board is responsible for overseeing the internal control system and risk management of the Group and for reviewing its effectiveness. To facilitate the effectiveness and efficiency of business operations, to ensure the reliability of financial report, to safeguard the Group's assets and the interest of shareholders and to ensure compliance with relevant laws and regulations, the Company emphasizes the importance of a sound internal control system. The internal control system and risk management is designed to manage rather than to eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board regularly and at least annually reviews the effectiveness of the Group's internal control system and risk management through the Audit Committee, executive management, functional departments, external advisers and external auditors.

During the Year, the management of the Company has appointed an external consultant to conduct a review on the Group's internal control system and risk management system. Such external consultant has carried out the analysis and independent appraisal of the adequacy and the effectiveness of the internal control system and risk management of the Group and has submitted the results of the review and its recommendations and opinions for consideration to the Audit Committee and the Board. The review covers all material controls, including financial, operational and compliance and risk management functions. The Audit Committee and the Board have discussed the relevant results of the review and appropriate modifications will be made to the management system of the Group according to the findings and recommendations therein. Also during the Year, the Audit Committee and the Board has assessed whether the Group's resources in accounting and financial reporting functions are sufficient, whether the staff obtain sufficient qualification and experience and whether the trainings for staff and related budget are sufficient.

(J) 風險管理及內部監控

董事會負責監督本集團的內部監控系統及風險管理並檢討其有效性。本公司著重穩健的內部監控系統的重要性，藉以促進業務營運效率及效益、確保財務報告的可信性、保障本集團資產及股東利益，以及確保遵守有關法律及法規。內部監控系統及風險管理旨在管理而非消除未能達成業務目標之風險，且只能提供合理而非絕對防範重大錯誤陳述或損失之保證。

董事會透過審核委員會、執行管理人員、內部職能部門、外聘顧問及外聘核數師定期及至少每年一次檢討本集團內部監控系統及風險管理之成效。

於本年度內，本公司管理層已委任一名外聘顧問對本集團內控系統及風險管理系統進行覆核。該外聘顧問已對本集團的內部監控系統及風險管理的充足性及有效性進行了分析和獨立的評估，並已將覆核結果提交審核委員會及董事會，並向彼等提供推薦建議及意見以供考慮。有關覆核涉及所有重大監控方面，包括財務、營運、合規及風險管理。審核委員會及董事會已討論有關覆核結果，並將會就結果及推薦建議對本集團的管理系統作出適當修改。同時於本年度內，審核委員會及董事會已評核本集團在會計及財務匯報職能方面之資源、員工資歷及經驗是否足夠，以及員工所接受之培訓課程及有關預算是否充足等。

During the Year, the Audit Committee will review the effectiveness of internal control system with following procedures and report the result of the review to the Board:

1. discussing with executive management on areas of risks identified
2. reviewing the risks reported by external consultant of internal control
3. reviewing external audit plan
4. reviewing the matters reported by external auditor
5. reviewing the report produced by executive management and related functional departments to ensure appropriate controls are in place and any deficiencies or irregularities, if any, are rectified

Based on the information supplied, coupled with its own observations and with the assistance of the Audit Committee, the Board believes that, in respect of the nature and size of the Group's operations and business, the present internal control system and monitoring process (including sufficiency of the resources in accounting and financial reporting functions, staff's qualification and experience and trainings for staff and related budget) are effective and have complied with the requirements under the provisions of the code.

(K) Procedures for Handling and Dissemination of Inside Information

The Board has established the Inside Information Policy for the handling and dissemination of inside information. The Inside Information Policy has stipulated the principle and contents of inside information disclosure, the inside information's management, security measures, responsible persons and departments, reporting methods as well as the disclosure process, etc. The management of the Company must take all reasonable measures from time to time to ensure that proper safeguards exist to prevent a breach of a disclosure requirement in relation to the Company. Relevant inside information reporting persons must promptly notify the Board secretary of the Company of any matters that might constitute inside information and shall keep confidentiality of such information. And the Board secretary of the Company shall ask for instructions from the executive Directors as soon as reasonably practicable, who will then evaluate whether the information constitute inside information and if so, to disclose and take other appropriate prompt action accordingly. In the event that there is evidence of any material violation of the Inside Information Policy, the Company will investigate relevant personnel for their responsibilities and impose certain punishment, so as to avoid the recurrence of such violation.

於本年度內，審核委員會透過以下程序檢討內部監控系統之成效，並於其後向董事會報告檢討結果：

1. 與執行管理人員討論所識別之風險範圍
2. 審閱外聘內控審核機構報告之風險
3. 審閱外部審核計劃
4. 檢討外聘核數師報告之事項
5. 審閱執行管理人員及相關職能部門之報告，以確保有合適監控並糾正任何不足或不當之處(如有)

基於所提供的數據連同其本身的觀察，並在審核委員會的協助下，董事會認為：就本集團經營及業務的性質及規模而言，現行內部監控系統和監管程序(包括在會計及財務匯報職能方面之資源、員工資歷及經驗之足夠程度，以及員工所接受之培訓課程及有關預算之充足程度)有效，並符合守則條文之要求。

(K) 處理及發佈內幕消息的程序

董事會已制定有關處理及發佈內幕消息的內幕消息政策。內幕消息政策已訂明內幕消息披露的原則及內容，內幕消息的管理、保密措施、責任部門與責任人、匯報方式以及披露程序等。本公司管理層須不時採取一切合理措施，確保已有恰當程序，預防本公司違反有關披露規定。內幕消息相關報告責任人必須即時知會本公司董事會秘書任何可能構成內幕消息的事宜且對該等消息負有保密責任。而本公司董事會秘書將在合理切實可行情況下儘快請示執行董事，其將評估消息是否構成內幕消息，如果是則披露及迅速採取其他適當行動。如有證據顯示嚴重違反有關內幕消息政策，本公司將對相關人員將追究責任及進行處罰，以避免重蹈覆轍。

(L) Constitutional Documents

The constitutional documents of the Company have been published both on the GEM and the Company's website. At the annual general meeting convened on 13 May 2013, certain amendments to the articles of association of the Company (the "Proposed Amendments") were duly passed. On 25 June 2014, the relevant government authorities approved the Proposed Amendments with slight changes (the "Final Amendments"). Please refer to the announcement published by the Company on 25 June 2014 for the details of the Proposed Amendments and the Final Amendments. There has been no change in the constitutional documents of the Company during the Year.

(M) COMPANY SECRETARY

The company secretary supports the Chairman, the Board and Board committees by ensuring good information flow within the Board and that Board policy and procedures are followed. The company secretary reports to the Board and assists the Board in functioning effectively and efficiently. She also advises the Board on governance matters and facilitates the induction and professional development of Directors. All Directors of the Company may call upon the company secretary for advice and assistance at any time in respect to their duties and the effective operation of the Board and the Board committees.

Ms. Lee Mei Yi and Ms. Mu Ling Xia are the joint company secretaries of the Company, of which Ms. Lee is the external company secretary and Ms. Mu is a full time employee of the Company. Ms. Mu is also the financial controller of the Company who has day-to-day knowledge of the Company's affairs. Ms. Lee and Ms. Mu undertook not less than 20 hours of relevant professional training during the Year.

(L) 憲章文件

本公司的憲章文件已載於創業板及本公司的網站內。於二零一三年五月十三日舉行之股東周年大會上通過對本公司章程進行修訂(「建議修訂」)，於二零一四年六月二十五日，有關政府部門批准建議修訂及其輕微改動(「最終修訂」)。建議修訂及最終修訂詳情載於本公司於二零一四年六月二十五日刊發之公告。於本年度，本公司的憲章文件並無變動。

(M) 公司秘書

公司秘書支持主席、董事會及董事委員會，確保董事會內部信息流通無阻以及董事會政策及程序得到遵循。公司秘書向董事會報告，並協助董事會有效及具效率地運作。彼亦就管治事宜向董事會提供意見，並協助安排董事之入職及專業發展。本公司全體董事可隨時要求公司秘書提供有關其職責及致使董事會及董事委員會有效運作之意見及協助。

李美儀女士和慕凌霞女士為本公司之聯席公司秘書。其中，李女士為外聘公司秘書而慕女士為本公司之全職僱員。慕女士亦為本公司之財務負責人，對本公司事務有日常認識。李女士及慕女士於本年度內已接受不少於20小時之相關專業培訓。

(N) Shareholder's Rights

- (i) According to the articles of association of the Company, two or more shareholders holding more than 10% or more of the shares with voting rights can sign one or more written requests with the same format and contents, requesting the Board to convene an extraordinary general meeting, and stating the topics of the meeting. After receipt of the aforesaid written request, the Board shall hold the extraordinary general meeting as soon as possible. If the Board does not distribute the notice on holding the meeting within 30 days after receipt of the aforesaid written request, the shareholder(s) putting forward such requirement can convene the meeting on his/their own within four months after the Board receives such request.
- (ii) Shareholders of the Company can make enquires to the Board or the Company in relation to corporate governance or other matters. The Company will not normally deal with verbal or anonymous enquiries. Shareholders may send written enquiries to the Company, by email to mlx@interlong.com, or by fax to (86) 755 8639 1610 or by mail to 24th floor, Neptunus Yinhe Technology Mansion, 1 Keji Middle 3rd Road, Nanshan District, Shenzhen, Guangdong Province, the PRC.
- (iii) The Company encourages shareholders to attend and give advice in the general meeting, or appoints proxies to attend general meetings, and vote for them when they could not attend general meetings. Under appropriate circumstances, chairman of the Board, other members of the Board, Chairman of committees under the Board or representative appointed by them, and external auditors would attend general meeting of the Company, and they would answer for the shareholders. They will also consider or respond to the suggestions made by shareholders.

To put forward proposals at an annual general meeting or extraordinary general meeting, the shareholders should submit a written notice of those proposals with detailed contact information to the Company, by email to mlx@interlong.com, or by fax to (86) 755 8639 1610 or by mail to 24th floor, Neptunus Yinhe Technology Mansion, 1 Keji Middle 3rd Road, Nanshan District, Shenzhen, Guangdong Province, the PRC. The request will be verified with the Company's share registrar and upon their confirmation that the request is proper and in order, the company secretary will ask the Board to include the resolution in the agenda for the general meeting.

(N) 股東權利

- (i) 依據本公司章程，合計持有有表決權的股份百分之十以上(含百分之十)的兩個或者兩個以上的股東，可以簽署一份或者數份同樣格式內容的書面要求，提請董事會召集股東特別大會，並闡明會議的議題。如果董事會在收到前述書面要求後三十日內沒有發出召集會議的通告，提出該要求的股東可以在董事會收到該要求後四個月內自行召集會議，召集的程序應當盡可能與董事會召集股東會議的程序相同。
- (ii) 本公司股東可向董事會及本公司查詢關於企業管治或其他的事項；一般而言，本公司不會處理口頭或匿名的查詢。股東可透過以下方式將書面查詢送交本公司(發電郵至 mlx@interlong.com，或傳真至(86)755 8639 1610，或郵寄至中國廣東省深圳市南山區科技中三路1號海王銀河科技大廈24樓)。
- (iii) 本公司鼓勵股東參與股東大會，並提出建議，或在他們未能出席大會時委任代表出席及於會上代表他們投票。在適宜情況下，董事會主席，其他董事會成員、董事會轄下委員會的主席或其委任的代表，以及外聘核數師應出席本公司的股東大會並在會上回答股東提問，及對股東建議進行考慮或響應。

為於股東周年大會或股東特別大會上提出提案，股東須以書面提交該等提案，連同詳細聯絡資料，送交本公司(電郵至 mlx@interlong.com；或傳真至(86)755 8639 1610；或郵寄至中國廣東省深圳市南山區科技中三路1號海王銀河科技大廈24樓)。本公司會向本公司的股份過戶處核實該要求，於獲得股份過戶處確認該要求為恰當及適當後，公司秘書將要求董事會在股東大會的議程內加入有關決議案。

Report of the Supervisory Committee

監事會報告

To: All shareholders

The Supervisory Committee of the Company has exercised its powers seriously to safeguard the interests of the Company and shareholders, complied with the principle of good faith, discharged its duties conscientiously and undertaken tasks in a diligent and proactive manner in accordance with the Company Law of the PRC, the relevant Hong Kong laws, regulations and the articles of association of the Company (the "Articles of Association").

The Supervisory Committee of the Company has reviewed in detail and approved the audited financial statements and this report which will be presented at the annual general meeting. Supervisors of the Company have reviewed prudently the operation and development plans of the Company, and carried out strict and effective supervision as regards whether major decision-making and exact decisions by the management of the Company are in compliance with the laws and regulations of the PRC and the Articles of Association and safeguard the interests of shareholders. Supervisors believe that during the Year, the operating results of the Company were sufficient to reflect its position, and all expenses and costs incurred were reasonable. The profit sharing scheme was in the long-term interest of shareholders and the Company. The provision for statutory surplus reserve and public welfare fund made during the Year has complied with the applicable laws and regulations of the PRC and the Articles of Association.

During the Year, to the best knowledge of the Supervisory Committee, no Directors or other senior management of the Company were found to have abused his authority or have harmed the interests of shareholders and employees. To the best knowledge of the Supervisory Committee, no Directors or other senior management of the Company were found to have violated any applicable laws or regulations, the Articles of Association or the relevant regulations of China Securities Regulatory Commission. Supervisors believe that the Directors and other senior management of the Company have strictly observed their respective duties and acted prudently and exercised their powers in good faith in the best interest of the Company.

The Supervisory Committee of the Company is full of confidence in the future of the Company and would like to take this opportunity to express its gratitude to all shareholders, Directors and staff for their strong support to the Supervisory Committee.

By order of the Supervisory Committee
Xiong Chu Xiong
Chairman of Supervisory Committee

Shenzhen, the PRC
24 March 2017

致各位股東：

本公司的監事會遵照中國公司法、香港有關法律、法規及本公司的公司章程(「公司章程」)的規定，認真履行職權，維護本公司利益及股東權益，遵守誠信原則，克盡職守，勤勉主動地開展工作。

本公司監事會已經仔細審閱並批准經審核財務報表以及本報告，以供載年度股東大會上呈示。本公司監事已經對本公司的經營及發展計劃進行審慎審核，對本公司管理層的重大決策及具體決定是否符合中國法律法規以及公司章程是否維護股東權益等問題，進行了嚴格有效的監督。監事相信，於本年度內，本公司的經營業績足以反映其狀況，而所產生的一切開支及成本均為合理，利潤分配方案符合股東利益及本公司的長遠利益，本年度撥備的法定公積金及公益金已遵守適用的中國法律、法規及公司章程。

於本年度內，據監事會所知，本公司的董事或其他高級管理層概無遭發現濫用職權或侵害股東及僱員的利益。據監事會所知，本公司的董事或其他高級管理層概無違反任何適用的法律法規、公司章程或中國證券監督管理委員會的有關法規。監事認為，董事及本公司的其他高級管理層能夠嚴格遵守他們各自的職責，並能夠審慎行事，以及在符合本公司最佳利益的情況下，忠誠地行使他們的權力。

本公司監事會對本公司的未來充滿信心，並借此機會向全體股東、董事及職員對本監事會的大力支持，深表謝意。

承監事會命
監事會主席
熊楚熊

中國深圳市
二零一七年三月二十四日

Independent Auditor's Report

獨立核數師報告



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
SHENZHEN NEPTUNUS INTERLONG BIO-TECHNIQUE COMPANY LIMITED**
(incorporated in the People's Republic of China with limited liability)

致深圳市海王英特龍生物技術股份有限公司股東
的獨立核數師報告
(於中華人民共和國註冊成立之股份有限公司)

Report on the Audit of the Consolidated Financial Statements

就審計綜合財務報表作出的報告

Opinion

We have audited the consolidated financial statements of Shenzhen Neptunus Interlong Bio-technique Company Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 54 to 162, which comprise the consolidated statement of financial position as at 31 December 2016, and 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.

意見

本核數師(以下簡稱「我們」)已審計載於第54至162頁深圳市海王英特龍生物技術股份有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表,此綜合財務報表包括於二零一六年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表,以及綜合財務報表附註,包括主要會計政策概要。

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.

我們認為,該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的《香港財務報告準則》(「香港財務報告準則」)真實而公平地反映了貴集團於二零一六年十二月三十一日的綜合財務狀況及其截至該日止年度的綜合財務表現及其綜合現金流量,並已按照香港公司條例的披露規定妥為編製。

Basis for Opinion

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

意見的基礎

我們已根據香港會計師公會頒佈的《香港審計準則》(「香港審計準則」)進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。根據香港會計師公會頒佈的《專業會計師道德守則》(以下簡稱「守則」),我們獨立於貴集團,並已履行守則中的其他專業道德責任。我們相信,我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

Independent Auditor's Report

獨立核數師報告

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The Key Audit Matter	How the matter was addressed in our audit
Valuation of inventories <i>Refer to notes 4(a)(iii) and 19 to consolidated financial statements.</i>	
At the reporting date, the Group held inventories of approximately RMB137 million net of provisions of RMB1.8 million. In arriving at the net realisable value of inventories, estimation and management judgment, including use of historical aging statistics, projection of expected volume and price of future sale of inventories, were exercised.	We evaluated and tested the controls that management has established to oversee and keep track of inventory movements. Among other substantive procedures, we considered the accuracy of historical provisions against actual inventory write-offs.
We have identified valuation of inventories as a key matter to our audit considering the materiality of the balance and the calculations are inherently subject to significant judgement of management.	On a sample basis we selected inventory items and tested their net realisable value calculation. We compared subsequent sale prices and volumes against those projected in forecasts. We were satisfied that the inventory provision made at reporting date is justified and could result the carrying amount of inventories fairly stated.

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。該等事項是在我們審計整體綜合財務報表及出具意見時進行處理的，及我們不會對該等事項提供單獨的意見。

關鍵審計事項的性質	我們的審計如何處理該事項
存貨估值 <i>請參閱綜合財務報表附註4(a)(iii)及19。</i>	
於呈報期末，貴集團持有存貨約人民幣1.37億元，已扣除撥備人民幣180萬元。於釐定存貨的可變現淨值時，管理層須估計及作出重大判斷(包括使用過往賬齡統計數據、預測未來銷售的數量及售價)。	我們評估及測試由管理層建立用於監管及記錄存貨變動的監控。 於實質性程序中，我們已針對實際存貨撇銷考慮過往撥備估計的準確性。
考慮到結餘的重要性及計算本身涉及管理層的重大判斷，我們確定存貨估值為我們的審計關鍵事項之一。	我們以抽樣基準選擇存貨項目及測試其可變現淨值計算。 我們將期後售價及銷量與預測中的相關數額作比較。 我們信納呈報期末的存貨撥備是有理據的，從而導致存貨淨值能公允地反映。

The Key Audit Matter	How the matter was addressed in our audit	關鍵審計事項的性質	我們的審計如何處理該事項
<p>Intangible assets impairment assessment <i>Refer to notes 4(a)(iv) and 16 to consolidated financial statements.</i></p> <p>At the reporting date, the Group has intangible assets with indefinite life, totaling RMB 99.6 million including drug production and selling rights and trade name. These intangible assets were individually assessed at year end for impairment loss. The valuation process employed significant estimates and management judgement over the cash flow forecasts, discount rates, and benchmark growth rates of particular drug markets.</p> <p>We identified the impairment of intangible assets as a key audit matter due to the materiality of the balances and the use of estimates and judgement in assessing the recoverability of intangible assets.</p>	<p>We obtained valuation reports from the independent valuer employed by the Company and assessed its qualification and reputation.</p> <p>We reviewed the valuation methodology, questioned, among other applicable models, the valuation model selected and the assumptions made.</p> <p>We have reconciled input data to supporting evidence, such as approved budgets and considering the reasonableness of these budgets.</p> <p>We have compared prior year cash flow projections with actual occurrence to consider accuracy of management's prior projections and if the projections were overly optimistic.</p> <p>We were satisfied that the judgement exercised by management is rationalised.</p>	<p>無形資產減值測試 <i>請參閱綜合財務報表附註4(a)(iv)及16。</i></p> <p>於報告末，貴集團持有之無確定使用年期的無形資產總值為約人民幣99.6百萬元，包括藥物產銷權及業務名稱。該等無形資產於年末進行減值測試。評估過程中的現金流預測、折現率及特定藥物市場的標準增長率使用，涉及重要估計及管理層判斷。</p> <p>考慮到結餘的重要性及計算本身涉及管理層的重大判斷，我們確定無形資產估值為我們審計的關鍵事項之一。</p>	<p>我們已取得貴公司僱用的獨立估值師之估值報告並評估其資格及聲譽。</p> <p>我們已審閱估值方法，於其他適用模型中，就已選定的估值模型及作出之假設提出問題。</p> <p>我們對比輸入數據與支持憑證，例如管理層批准的最近財務預測及考慮該等預測的合理性。</p> <p>我們把上年度現金流量預測與本年度的實際現金流量進行比較，以考慮管理層過往預測的準確性以及這些預測的假設是否過於樂觀。</p> <p>我們信納管理層作出之判斷是合理的。</p>

Independent Auditor's Report

獨立核數師報告

Other information

The directors are responsible for the other information. The other information comprises all the information in the 2016 annual report of the Company, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

其他資料

董事須就其他資料承擔責任。其他資料包括 貴公司二零一六年年報內所有資料，但不包括綜合財務報表及我們的核數師報告。

我們對綜合財務報表的意見並不涵蓋其他資料，我們亦不對該等其他信息發表任何形式的鑒證結論。

結合我們對綜合財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他資料是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。就此而言，我們沒有任何報告。

董事及治理層就綜合財務報表須承擔的責任

董事須負責根據香港會計師公會頒佈的《香港財務報告準則》及香港《公司條例》的披露要求編製真實而公平的綜合財務報表，並對其認為為使綜合財務報表的編製不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

在編製綜合財務報表時，董事負責評估 貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非董事有意將 貴集團清盤或停止經營，或別無其他實際的替代方案。

治理層須負責監督 貴集團的綜合財務報告過程。

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional skepticism 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.

核數師就審計綜合財務報表須承擔的責任

我們的目標是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅向閣下（作為整體）按照議定之聘用條款報告，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期他們單獨或匯總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據《香港審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。

Independent Auditor's Report

獨立核數師報告

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對 貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致 貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就 貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責 貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

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

除其他事項外，我們與治理層溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

我們還向治理層提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，相關的防範措施。

Independent Auditor's Report 獨立核數師報告

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.

Report on Other Legal and Regulatory Requirements

The engagement partner on the audit resulting in this independent auditor's report is Chiu Wing Ning.

Grant Thornton Hong Kong Limited

Certified Public Accountants
Level 12
28 Hennessy Road
Wanchai
Hong Kong

24 March 2017

Chiu Wing Ning

Practising Certificate No.: P04920

從與治理層溝通的事項中，我們確定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

就其他法律及監管要求作出的報告

出具本獨立核數師報告的審計項目合夥人是趙永寧。

致同(香港)會計師事務所有限公司

執業會計師
香港灣仔
軒尼詩道28號
12樓

二零一七年三月二十四日

趙永寧

執業證書編號：P04920

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

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

		Note 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
REVENUE	收入	5, 6	759,111	721,346
COST OF SALES	銷售成本		(371,905)	(368,586)
GROSS PROFIT	毛利		387,206	352,760
OTHER REVENUE	其他收入	7	9,102	8,724
OTHER NET INCOME	其他收入淨額	7	3,674	3,730
Selling and distribution expenses	銷售及分銷開支		(225,786)	(199,412)
Administrative expenses	行政開支		(50,441)	(58,630)
Other operating expenses	其他經營開支		(29,200)	(50,537)
PROFIT FROM OPERATIONS	經營溢利		94,555	56,635
Finance costs	財務費用	8(a)	(3,886)	(10,361)
PROFIT BEFORE TAXATION	除稅前溢利	8	90,669	46,274
Income tax expense	所得稅開支	9(b)	(17,852)	(14,796)
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR	本年度溢利及 全面收益總額		72,817	31,478
Profit and total comprehensive income for the year attributable to:	以下各項應佔本年度溢利 及全面收益總額：			
Owners of the Company	本公司擁有人		62,692	21,055
Non-controlling interests	非控股權益		10,125	10,423
			72,817	31,478
Earnings per share for profit attributable to the owners of the Company during the year	用作計算本公司擁有人 應佔本年度溢利之 每股盈利			
Basic and diluted	基本及攤薄	13	3.74 cents 人民幣 3.74 分	1.25 cents 人民幣 1.25 分

The notes on page 61 to 162 are an integral part of these consolidated financial statements.

第61頁至第162頁的附註構成此等綜合財務報表的一部分。

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2016
於二零一六年十二月三十一日

		Note 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	14	140,111	133,742
Prepaid lease payments	預付租賃款項	15	99,578	101,931
Intangible assets	無形資產	16	115,158	119,469
Deposit for acquisition of property, plant and equipment	購置物業、廠房及設備的 按金	17	914	1,027
Available-for-sale investments	可供出售投資	18	–	300
Deferred tax assets	遞延稅項資產	25(b)	991	1,435
Value-added tax recoverable	可收回增值稅		–	783
			356,752	358,687
CURRENT ASSETS	流動資產			
Inventories	存貨	19	136,749	155,584
Trade and other receivables	應收賬款及其他應收款項	20	210,918	197,618
Pledged bank deposit	已抵押銀行存款	21	–	3,400
Fixed deposit	定期存款	22	4,000	17,608
Cash and cash equivalents	現金及現金等價物	22	325,195	282,494
			676,862	656,704
Assets of disposal group classified as held for sale	分類為持作出售的 出售組別之資產	30	–	97,775
			676,862	754,479
CURRENT LIABILITIES	流動負債			
Trade and other payables	應付賬款及其他應付款項	23	187,124	308,636
Interest-bearing bank borrowings	付息銀行借貸	24	100,000	100,000
Entrusted loans from the immediate parent company	直屬母公司委託貸款	26	9,000	9,000
Deferred revenue	遞延收益	27	401	539
Current taxation	即期稅項	25(a)	14,664	15,694
			311,189	433,869

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2016
於二零一六年十二月三十一日

		Note 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Liabilities of disposal group classified as held for sale	分類為持作出售 的出售組別之負債		–	23,170
			311,189	457,039
NET CURRENT ASSETS	流動資產淨值		365,673	297,440
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		722,425	656,127
NON-CURRENT LIABILITIES	非流動負債			
Deferred revenue	遞延收益	27	4,492	5,107
Deferred tax liabilities	遞延稅項負債	25(b)	18,394	19,098
			22,886	24,205
NET ASSETS	資產淨值		699,539	631,922
EQUITY	權益			
Equity attributable to owners of the Company	本公司擁有人 應佔權益			
Share capital	股本	28	167,800	167,800
Reserves	儲備	29	431,792	369,100
Total	總計		599,592	536,900
NON-CONTROLLING INTERESTS	非控股權益		99,947	95,022
TOTAL EQUITY	權益總額		699,539	631,922

Zhang Feng

張鋒

Director

董事

Xu Yan He

徐燕和

Director

董事

The notes on page 61 to 162 are an integral part of these consolidated financial statements.

第61頁至第162頁的附註構成此等綜合財務報表的一部分。

Consolidated Statement of Cash Flows

綜合現金流量表

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

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
OPERATING ACTIVITIES	經營活動		
Profit before taxation	除稅前溢利	90,669	46,274
Adjustments for:	調整：		
Depreciation	折舊	15,290	19,151
Amortisation of prepaid lease payments	預付租賃款項攤銷	2,353	1,570
Amortisation of intangible assets	無形資產攤銷	4,432	4,192
Impairment of trade receivables	應收賬款減值	311	196
Impairment of other receivables	其他應收款項減值	248	195
Reverse of impairment loss on trade receivables	應收賬款減值虧損撥回	(286)	(75)
Reverse of impairment loss on other receivables	其他應收款項減值虧損撥回	(74)	(370)
Reversal of overprovision of retirement benefits	退休福利的超額撥備撇銷	(1,000)	(1,021)
Write off of other payables	撇銷其他應付款項	-	(977)
Finance costs	財務費用	3,886	10,361
Interest income	利息收入	(2,594)	(5,135)
Subsidy income released from deferred revenue	轉撥自遞延收益的補貼收入	(753)	(1,220)
Written down of inventories	撇減存貨	4,764	7,618
Reversal of write down of inventory	存貨撇減撥回	(1,860)	(1,283)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備的虧損	221	192
Gain on disposal of a subsidiary	出售一間附屬公司的收益	(1,594)	-
Gain on disposal of available-for-sale investment	出售可供出售投資的收益	(50)	-
		113,963	79,668
CHANGES IN WORKING CAPITAL	營運資金變動		
Decrease/(increase) in inventories	存貨減少/(增加)	15,933	(21,499)
Increase in trade and other receivables	應收賬款及其他應收款項增加	(12,718)	(54,711)
(Decrease)/increase in trade and other payables	應付賬款及其他應付款項(減少)/增加	(15,183)	69,372
		(11,968)	(6,838)

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2016

截至二零一六年十二月三十一日止年度

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
CASH GENERATED FROM OPERATIONS	經營產生現金	101,995	72,830
Income tax paid – PRC	已繳所得稅—中國	(19,141)	(10,522)
CASH GENERATED FROM OPERATING ACTIVITIES	經營活動產生現金淨額	82,854	62,308
INVESTING ACTIVITIES	投資活動		
Deposit for acquisition of property, plant and equipment	購置物業、廠房及設備的按金	(914)	(510)
Payment for purchase of property, plant and equipment	購置物業、廠房及設備的付款	(23,524)	(19,268)
Payment for expenditure of intangible assets	無形資產開支的付款	(121)	(6,305)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備的所得款項	2,670	110
Interest received	已收利息	2,594	5,135
Government grants received	已收政府補助收入	–	684
Decrease/(Increase) in pledged deposits	已抵押存款減少/(增加)	3,400	(3,400)
Decrease/(Increase) in fixed deposits	定期存款減少/(增加)	13,608	(2,236)
Decrease in principal protected deposit	保本型存款減少	–	20,000
Proceeds from disposal of available-for-sale investments	出售可供出售投資所得款項	350	–
Net cash flow from/(for) disposal of subsidiary	出售一間附屬公司產生/(所用)現金流量淨額	41,152	(40)
Net cash from/(used in) investing activities	投資活動產生/(所用)現金淨額	39,215	(5,830)

Consolidated Statement of Cash Flows

綜合現金流量表

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

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
FINANCING ACTIVITIES	籌資活動		
Repayment of bank loans	償還銀行貸款	–	(5,000)
Repayment of financial assistance to a fellow subsidiary	償還同系附屬公司財務資助	(70,389)	–
Proceeds from financial assistance from a fellow subsidiary	同系附屬公司財務資助所得款項	–	11,500
Interest paid	已付利息	(3,886)	(10,361)
Dividend paid to non-controlling interests	派付非控股權益的股息	(5,200)	(5,600)
NET CASH USED IN FINANCING ACTIVITIES	籌資活動所用現金淨額	(79,475)	(9,461)
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物增加淨額	42,594	47,017
CASH AND CASH EQUIVALENTS AT 1 JANUARY	於一月一日的現金及現金等價物	282,601	235,584
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	於十二月三十一日的現金及現金等價物	325,195	282,601
ANALYSIS OF CASH AND CASH EQUIVALENTS AT 31 DECEMBER	於十二月三十一日的現金及現金等價物分析		
Bank balances and cash	銀行結餘及現金	325,195	282,494
Bank balances and cash included in assets of disposal group classified as held for sale	計入分類為持作出售組別的資產之銀行結餘及現金	–	107
		325,195	282,601

The notes on page 61 to 162 are an integral part of these consolidated financial statements.

第61頁至第162頁的附註構成此等綜合財務報表的一部分。

Consolidated Statement of Changes in Equity

綜合權益變動表

As at 31 December 2016
於二零一六年十二月三十一日

		Attributable to owners of the Company 本公司擁有人應佔							
		Share capital	Share premium	Statutory Reserve fund	Capital reserve	(Accumulated loss)/ Retained earnings (累計虧損)/ 保留盈利	Sub-total	Non-controlling interests	Total
		股本	股份溢價	法定公積金	資本儲備	保留盈利	小計	非控股權益	總權益
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		(Note 28)	(Note 29)	(Note 29)	(Note 29)	(Note 29)	(Note 29)	(Note 29)	(Note 29)
		(附註28)	(附註29)	(附註29)	(附註29)	(附註29)	(附註29)	(附註29)	(附註29)
At 1 January 2015	於二零一五年一月一日	167,800	554,844	30,244	(194,487)	(48,549)	509,852	90,199	600,051
Change in equity for 2015	二零一五年權益變動								
Profit and total comprehensive income for the year	本年度及全面收益總額	-	-	-	-	21,055	21,055	10,423	31,478
Dividend paid from subsidiary to non-controlling interests	派付非控股權益的附屬公司股息	-	-	-	-	-	-	(5,600)	(5,600)
Deemed contribution arising on the disposal of a subsidiary	出售一間附屬公司的視作出資	-	-	-	5,993	-	5,993	-	5,993
Transfer to other reserves	轉撥至其他儲備	-	-	8,237	-	(8,237)	-	-	-
At 31 December 2015	於二零一五年十二月三十一日	167,800	554,844	38,481	(188,494)	(35,731)	536,900	95,022	631,922
At 1 January 2016	於二零一六年一月一日	167,800	554,844	38,481	(188,494)	(35,731)	536,900	95,022	631,922
Change in equity for 2016	二零一六年權益變動								
Profit and total comprehensive income for the year	本年度及全面收益總額	-	-	-	-	62,692	62,692	10,125	72,817
Dividend paid from subsidiary to non-controlling interests	派付非控股權益的附屬公司股息	-	-	-	-	-	-	(5,200)	(5,200)
Transfer to other reserves	轉撥至其他儲備	-	-	5,268	-	(5,268)	-	-	-
At 31 December 2016	於二零一六年十二月三十一日	167,800	554,844	43,749	(188,494)	21,693	599,592	99,947	699,539

The notes on page 61 to 162 are an integral part of these consolidated financial statements.

第61頁至第162頁的附註構成此等綜合財務報表的一部分。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

1. General Information

Shenzhen Neptunus Interlong Bio-technique Company Limited (the "Company") is a limited liability company incorporated and domiciled in the People's Republic of China (the "PRC"). The address of its registered office is 1/F, Block 1, Research Building, Neptunus Technical Center, Langshan 2nd R.N. Nanshan District, Shenzhen, Guangdong Province, the PRC and, its principal place of business is PRC. The Company's shares are listed on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited.

The Group is controlled by Shenzhen Neptunus Bio-engineering Company Limited, a limited liability company incorporated and domiciled in the PRC and its shares are listed on the Shenzhen Stock Exchange. The ultimate parent company of the Group is Shenzhen Yinhetong Investment Company Limited, a company incorporated in the PRC.

The principal activities of the Company and its subsidiaries (the "Group") include the development, production and sale of medicines, the research and development of modern biological technology business, the purchase and sale of medicines, healthcare food products and the research and development of in vitro diagnostic reagents. The Group's operations are based in the PRC.

The consolidated financial statements for the year ended 31 December 2016 were approved for issue by the board of directors on 24 March 2017.

2. Significant Accounting Policies

2.1 Basis of preparation

These annual consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance.

1. 一般資料

深圳市海王英特龍生物技術股份有限公司為一家在中華人民共和國(「中國」)註冊成立的股份有限公司。其註冊辦事處位於中國廣東省深圳市南山區郎山二路北海王技術中心科研大樓1棟1樓及其主要營業地點為中國。本公司股份於香港聯合交易所有限公司創業板(「創業板」)上市。

本集團受控於深圳市海王生物工程股份有限公司，該公司為於中國註冊成立的股份有限公司及其股份於深圳證券交易所上市。本集團的最終母公司為深圳市銀河通投資有限公司，該公司於中國註冊成立。

本公司及其附屬公司(「本集團」)的主要業務包括開發、生產及銷售藥物、研究及開發現代生物科技業務、購買及銷售藥物、保健品及研究及開發體外診斷試劑。本集團的經營以中國為基礎。

截至二零一六年十二月三十一日止年度的綜合財務報表已由董事會於二零一七年三月二十四日批准刊發。

2. 主要會計政策

2.1 編製基準

本綜合財務報表乃根據香港會計師公會(「香港會計師公會」)頒佈的《香港財務報告準則》(「香港財務報告準則」)(包括所有適用的《香港財務報告準則》、《香港會計準則》(「香港會計準則」)及詮釋)、香港公認會計原則及香港《公司條例》之披露要求而編製。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. Significant Accounting Policies (Continued)

2.1 Basis of preparation (Continued)

These consolidated financial statements also comply with the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

These consolidated financial statements are presented in Renminbi (“RMB”) which is also the functional currency of the consolidated entities. All amounts are rounded to the nearest thousand except where otherwise indicated.

The significant accounting policies that have been used in the preparation of these consolidated financial statements are summarised below. These policies have been consistently applied to all the years presented unless otherwise stated. The adoption of new or amended HKFRSs and the impacts on the Group’s consolidated financial statements, if any, are disclosed in note 3.

The consolidated financial statements have been prepared on the historical cost basis. Non-current assets and disposal group held for sale are stated the lower of carrying amount and fair value less costs to sell. The measurement bases are fully described in the accounting policies below.

It should be noted that accounting estimates and assumptions are used in preparation of the consolidated financial statements. Although these estimates are based on management’s best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

2. 主要會計政策(續)

2.1 編製基準(續)

本綜合財務報表亦遵守適用的香港聯合交易所有限公司創業板上市規則之披露規定。

本綜合財務報表乃按人民幣(「人民幣」)呈列，人民幣亦為綜合入賬實體的功能貨幣。除另有指明外，所有金額均約整至最接近的千位。

編製本綜合財務報表時使用的主要會計政策概述如下。除另有所述者外，本政策於所有呈報年度貫徹一致應用。採納新訂及經修訂財務報告準則及對本集團綜合財務報表的影響(如有)於附註3披露。

綜合財務報表已按歷史成本基準編製。非流動資產及持作出售的出售組合按賬面值與公平值減出售成本之間的較低者呈列。計量基準於下文會計政策中悉數描述。

務請注意，編製綜合財務報表時已使用會計估計及假設。儘管該等估計以管理層所深知及對當前事件及行動的判斷為基礎，實際業績可能最終有別於該等估計。涉及高度判斷或複雜性的領域，或所使用的假設及估計對綜合財務報表很重要的領域於附註4披露。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. Significant Accounting Policies (Continued)

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31 December each year.

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group 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 over the entity, only substantive rights relating to the entity (held by the Group and others) are considered.

The Group includes the income and expenses of a subsidiary in the consolidated financial statements from the date it gains control until the date when the Group ceases to control the subsidiary.

Intra-group transactions, balances and unrealised gains and losses on transactions between group companies are eliminated in preparing the consolidated financial statements. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from the Group's perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Non-controlling interests represent the equity on 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 their proportionate share of the subsidiary's net identifiable assets.

2. 主要會計政策(續)

2.2 綜合基準

綜合財務報表包括本公司及其附屬公司直至每年十二月三十一日的財務報表。

附屬公司是指受本集團控制的實體。本集團因參與有關實體對可變回報承擔風險或享有權利，並能透過其在該實體的權力影響該等回報，即本集團對該實體具有控制權。當評估本集團是否具有該權力時，只會考慮由本集團或其他人士所持之實質權利。

本集團於綜合財務報表中包含一間附屬公司自本集團取得控制權之日期直至本集團不再控制該附屬公司之日期止之收益及開支。

集團間之交易、餘額及集團內公司間交易所產生之任何未變現溢利或虧損，均於編製綜合財務報表時全額撇銷。集團間資產出售的未變現虧損於綜合時撥回，相關資產亦就本集團而言進行減值測試。附屬公司的財務報表中所呈報金額已予調整以確保與本集團所採納的會計政策一致。

非控股權益指於附屬公司權益中並非由本公司直接或間接應佔的部分，而本集團並無就此與該等權益的持有人協定任何額外條款，致使本集團整體就該等權益承擔符合財務負債定義的合約責任。就各項業務合併而言，本集團可選擇按賬面值或非控股權益分佔附屬公司的可識別資產淨值來計量任何非控股權益。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. Significant Accounting Policies (Continued)

2.2 Basis of consolidation (Continued)

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from the equity attributable to the owners 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 owners of the Company.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of 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, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Where certain assets of the subsidiary are measured at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Company had directly disposed of the related assets (i.e., reclassified to profit or loss or transferred directly to retained earnings). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39 "Financial Instruments: Recognition and Measurement" or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

2. 主要會計政策(續)

2.2 綜合基準(續)

非控股權益於綜合財務狀況表的權益呈列，且獨立於本公司擁有人應佔權益。於本集團業績內的非控股權益在綜合損益表及綜合損益及其他全面收益表內以總溢利或虧損及本年度非控股權益及本公司擁有人之間的全面收益總額分配列報。

本集團於附屬公司的權益發生變動但未失去控制權，列作權益交易，並對綜合股權中持有的控制股東及非控股權益作出調整以反映相關權益的變動，但對商譽並無作出調整，亦無確認任何損益。

當本集團失去對附屬公司的控制權時，出售產生的損益計算為(i)所收到的代價和任何保留權益的公平值總額與(ii)附屬公司資產(包括商譽)和負債以及非控股權益的原賬面值之間的差額。如附屬公司某些資產乃按重估金額或公平值計量，而相關的累計收益或虧損已於其他全面收益表確認和於權益累計，此前於其他全面收益表確認及於權益累計的金額，應採用如同本公司已直接出售相關資產的方法入賬，即重新分類到損益或直接結轉到保留盈利。在前附屬公司中保留的投資在失去控制權之日的公平值於其後之會計處理中應視為按照香港會計準則第39號金融工具：確認和計量進行初始確認的公平值，或者作為在聯營公司或共同控制實體中的投資的初始確認成本(如適用)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. Significant Accounting Policies (Continued)

2.3 Business combination

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

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

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

2. 主要會計政策(續)

2.3 業務合併

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

所收購可識別資產及所承擔負債按其於收購日之公平值確認。

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

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. Significant Accounting Policies (Continued)

2.3 Business combination (Continued)

Where the consideration the Group transfers in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and considered as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments being made against goodwill or gain on bargain purchase. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period about facts and circumstances that existed as of the acquisition date. Measurement period does not exceed one year from the acquisition date. The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounting for within equity. Contingent consideration that is classified as a financial liability is remeasured at subsequent reporting dates at fair value with corresponding gain or loss being recognised in profit or loss.

Changes in the value of the previously held equity interest recognised in other comprehensive income and accumulated in equity before the acquisition date are reclassified to profit or loss when the Group obtains control over the acquiree.

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

2. 主要會計政策(續)

2.3 業務合併(續)

倘本集團於業務合併中轉讓之代價包括或然代價安排產生之資產或負債，則或然代價按其收購日期公平值計量並視為於業務合併中所轉讓代價之一部份。具備計量期間調整資格之或然代價之公平值變動乃作追溯調整，並對商譽或議價購買收益作出相應調整。計量期間調整乃於計量期間因取得有關於收購日期已存在事實及情況之額外資料所作出之調整。計量期間自收購日期起計不可超過一年。並不合資格作為計量期間調整之或然代價公平值變動之其後會計處理，取決於或然代價如何分類。分類為權益之或然代價並不會於其後報告日期重新計量，而其以後之結算乃於權益內列賬。分類為資產或負債之或然代價於其後報告日期重新計量，而相應收益或虧損乃於損益中確認。

於收購日期前在其他全面收益確認及在權益內累計之以往持有股本權益之價值變動，乃於本集團取得該被收購方控制權時重新分類至損益。

倘業務合併之初步會計處理於合併產生之呈報期末仍未完成，則本集團會就仍未完成會計處理之項目呈報暫定金額。該等暫定金額於計量期間(見上文)內作出調整，或確認額外資產或負債，以反映獲得有關於收購日期已存在事實及情況之新資料，而倘知悉該等資料，將會影響於當日確認之金額。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. Significant Accounting Policies (continued)

2.4 Non-current assets held for sale

A non-current asset (or disposal group) is classified as held for sale if it is highly probable that its carrying amount will be recovered through a sale transaction rather than through continuing use and the asset (or disposal group) is available for sale in its present condition. A disposal group is a group of assets to be disposed of together as a group in a single transaction, and liabilities directly associated with those assets that will be transferred in the transaction.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all the assets and liabilities of that subsidiary are classified as held for sale when the above criteria for classification as held for sale are met, regardless of whether the Group will retain a non-controlling interest in the subsidiary after the sale.

Immediately before classification as held for sale, the measurement of the non-current assets (and all individual assets and liabilities in a disposal group) is brought up-to-date in accordance with the accounting policies before the classification. Then, on initial classification as held for sale and until disposal, the non-current assets (except for certain assets as explained below), or disposal groups, are recognised at the lower of their carrying amount and fair value less costs to sell. The principal exceptions to this measurement policy so far as the consolidated financial statements of the Group and the Company are concerned are deferred tax assets, assets arising from employee benefits, financial assets (other than investments in subsidiaries, associates and joint ventures) and investment properties. These assets, even if held for sale, would continue to be measured in accordance with the policies set out elsewhere in note 2.

Impairment losses on initial classification as held for sale, and on subsequent remeasurement while held for sale, are recognised in profit or loss. As long as a non-current asset is classified as held for sale, or is included in a disposal group that is classified as held for sale, the non-current asset is not depreciated or amortised.

2. 主要會計政策(續)

2.4 持作出售非流動資產

倘一項非流動資產(或出售組別)之賬面值極可能透過出售交易(而非透過持續使用)收回,以及該資產(或出售組別)可在現況下出售,則分類為持作出售。出售組別為一組將於單一交易中一併出售之資產,以及與將於交易中轉讓之資產直接相關之負債。

當本集團致力執行涉及失去附屬公司之控制權之出售計劃,該附屬公司之所有資產及負債會於達致上述持作出售之分類標準時分類為持作出售,而不論本集團會否於出售後保留於該附屬公司之非控股權益。

緊接分類為持作出售前,非流動資產(及出售組別之所有個別資產及負債)會於分類前根據會計政策重新計量。其後,於初步分類為持作出售及直至出售前,非流動資產(下文闡述之若干資產除外)或出售組別會按賬面值與公平值減銷售成本兩者中之較低者確認。就本集團及本公司之綜合財務報表而言,毋須採用此計量政策之主要例外情況為遞延稅項資產、僱員福利所產生之資產、金融資產(於附屬公司、聯營公司及合營公司之投資除外)及投資物業。該等資產即使為持作出售,仍會繼續按附註2其他部分所載之政策計量。

於初步分類為持作出售及其後在持作出售期間重新計量之減值虧損於損益確認。只要非流動資產仍分類為持作出售或納入分類為持作出售之出售組別,非流動資產均不予折舊或攤銷。

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For the year ended 31 December 2016
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2. Significant Accounting Policies (continued)

2.5 Investments in equity securities

Available-for-sale equity securities that are traded in an active market are measured at fair value at the end of each reporting period. Changes in carrying value are recognised in other comprehensive income and accumulated separately in equity in the fair value reserve. When the investment is disposal of or is determined to be impaired, the cumulative gain or loss previously accumulated in fair value reserve is reclassified from equity to profit or loss.

Available-for-sale equity securities that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment losses (see note 2.10) at the end of the reporting period.

Investments are recognised/derecognised on the date the Group commits to purchase/sell the investments or they expire.

2.6 Property, plant and equipment

Property, plant and equipment, other than construction in progress, are stated at cost less any accumulated depreciation and any accumulated impairment losses (see note 2.10).

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value of 5% to 10% on cost, using the straight-line method over their estimated useful lives as follows:

- buildings situated on leasehold land are depreciated over the shorter of the unexpired term of lease and their estimated useful lives, being no more than 50 years after the date of completion;

2. 主要會計政策(續)

2.5 於股本證券投資

於活躍市場交易的可供出售股本證券於各呈報期末以賬面值計量。公平值變動於其他全面收益表確認，並且於公平值儲備中另行累計。當有關投資已出售或釐定為減值時，先前於公平值儲備中累計的累計收益或虧損會由權益重新分類至損益。

就並無活躍市場報價且公平值未能可靠計量的可供出售股本證券，及與之相聯且須以交付該無報價股本投資結算的衍生工具而言，乃於呈報期末按成本減任何已識別減值虧損(見附註2.10)計量。

該等投資乃於本集團承諾購買/出售該等投資或於其屆滿之日確認/終止確認。

2.6 物業、廠房及設備

物業、廠房及設備乃按成本減累計折舊及任何累計減值虧損(見附註2.10)列賬，在建工程除外。

折舊乃按物業、廠房及設備的成本減其估計剩餘價值(如有)的5至10%，在其估計使用年期，以直線法撇銷其成本：

- 位於租賃土地的樓宇乃按其尚未屆滿租期及其估計可使用年期的較短者(即於落成日期後不超過50年)，以直線法計提折舊；

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2. Significant Accounting Policies (continued)

2.6 Property, plant and equipment (continued)

- other items of property, plant and equipment are depreciated on a straight-line method over their estimated useful lives as follows:

Plant and machinery	5 to 10 years
Motor vehicles	5 to 10 years
Furniture, fixtures and equipment	5 to 10 years
Leasehold improvements	5 to 30 years or over the remaining term of the lease, if shorter

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.

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

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

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

2. 主要會計政策(續)

2.6 物業、廠房及設備(續)

- 其他物業、廠房及設備乃按其估計使用年期，以直線法計提折舊如下：

廠房及機器	5至10年
汽車	5至10年
傢俱、裝置及設備	5至10年
租賃物業裝修	5至30年或餘下租賃期限內(如為時較短)

倘物業、廠房及設備項目的各部分具有不同的可使用年期，則此項目的成本將按合理基準分配至各部分，而各部分個別計提折舊。資產及其剩餘價值(如有)的可使用年期均每年審閱。

歷史成本包括收購該項目直接應佔的開支。成本可包括從權益中轉撥的有關該物業、廠房及設備利用外幣購買的合資格現金流量對沖產生的任何收益/虧損。

其後成本只有在與該項目有關的未來經濟利益很有可能流入本集團，而該項目的成本能可靠計量時，才包括在資產的賬面值或確認為獨立資產(按適用)。所取代部分的賬面值終止確認。所有其他維修及保養在產生的財務期間於損益表確認。

若資產賬面值高於其估計可收回價值，將立即調減至可收回價值。

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2. Significant Accounting Policies (continued)

2.6 Property, plant and equipment (continued)

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

Construction in progress represents property, plant and machinery in the course of construction for production, supply or administration purposes are carried and at cost, less any recognised impairment loss. Cost includes the direct costs of construction, professional fee and, for qualifying assets, borrowing costs capitalised in accordance with the group's accounting policy. Capitalisation of these costs ceases and the construction in progress is transferred to the appropriate category of property, plant and equipment when substantially all of the activities necessary to prepare the assets for their intended use are completed. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

2.7 Intangible assets

Intangible assets acquired separately

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

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:

Technical know-how	10 years
Computer software	5 to 10 years
Trademarks	10 years

2. 主要會計政策(續)

2.6 物業、廠房及設備(續)

物業、廠房及設備的報廢或出售所產生的收益或虧損，釐定為出售所得款項淨額與項目賬面值之間的差額，並於報廢或出售當日於損益中確認。

在建工程指正在興建作生產、供應或行政用途的物業、廠房及機器，按成本扣除已確認減值虧損後列賬。成本包括建築工程的直接成本、專業費用，就合資格資產而言，根據本集團會計政策資本化之借貸成本。當所有為資產作其擬定用途的活動大致上完成時，該等成本則不會撥充資本，而在建工程亦會撥入物業、廠房及設備的相似類別。該等資產的折舊基準與其他資產相同，均於資產可投入運作時開始計提折舊。

2.7 無形資產

個別收購之無形資產

個別收購之有限可使用年期之無形資產乃按成本減累計攤銷及累計減值虧損入賬。攤銷乃按直線基準於其估計可使用年期確認。估計可使用年限及攤銷方法於各匯報期末進行審閱，而任何估計變動的影響則按前瞻基準入賬。獨立收購及無限可使用年限的無形資產乃按成本減累計減值虧損列賬。

以下有限可使用年期之無形資產自可供使用日期起進行攤銷，而估計可使用年期如下：

專有技術	10年
電腦軟件	5至10年
商標	10年

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2. Significant Accounting Policies (continued)

2.7 Intangible assets (continued)

Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

2. 主要會計政策(續)

2.7 無形資產(續)

內部形成無形資產 – 研究及開發成本

研究活動支出於產生期間確認為開支。

開發(或是內部工程開發階段)所產生之內部形成無形資產,僅在滿足以下條件時方予確認:

- 完成無形資產從而可以使用或銷售的技術可行性;
- 有意去完成該無形資產從而使之可以使用或銷售;
- 使用或銷售無形資產的能力;
- 將來無形資產怎樣產生經濟效益;
- 使用適當技術、財務和其他資源來完成其發展,並使用和銷售此無形資產;
- 及能夠準確衡量用於開發無形資產的支出。

初步確認內部形成無形資產之金額為無形資產首次符合上文所列的確認條件之日起產生之費用總和。倘並無內部形成無形資產可予確認,則開發費用會於產生期間於損益中確認。

於首次確認後,內部產生無形資產根據已個別收購無形資產的相同基準,按成本減累計攤銷及累計減值虧損後列賬。

於終止確認無形資產時所產生之收益及虧損以出售所得款項淨額與該資產賬面值之差額計量,並於該資產取消確認之期間於損益賬確認。

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2. Significant Accounting Policies (continued)

2.7 Intangible assets (continued)

Other intangible assets arising from business combinations

Anesthetic drug production and selling right, trade name, customer list and selling licenses acquired in a business combination are recognised at fair value at the acquisition date. The anesthetic drug production and selling right and trade name has indefinite useful life and carried at cost less impairment losses. The useful life of the anesthetic drug production and selling right and trade name are considered by the management of the Group as indefinite because the anesthetic drug production and selling right, and trade name is expected to contribute to the Group's net cash inflows indefinitely. The customer list and selling licenses has a finite useful life of 10 years and 5 years respectively and is carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the useful life.

2.8 Leased assets

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

Classification of assets leased to the Group

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

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

2. 主要會計政策(續)

2.7 無形資產(續)

業務合併產生的其他無形資產

於業務收購中取得的麻醉藥產銷權、業務名稱、客戶名單及銷售許可於收購日期按公平值確認。麻醉藥產銷權以及業務名稱無確定的使用年期，按成本減減值虧損列值。本集團管理層認為麻醉藥產銷權以及業務名稱的使用年期屬不明確，原因是麻醉藥產銷權以及業務名稱預期將為本集團無期限地注入淨現金流入。客戶名單及銷售許可的有限使用年期分別為10年及5年，按成本減累計攤銷列值。攤銷採用直線法於使用年期内計算。

2.8 租賃資產

倘本集團決定給予一項安排(包括一項交易或一連串交易)可在協議時間內使用指定資產或多項資產的權利，以換取付款或一連串付款，則該等安排為或包含一項租賃。該項決定乃根據對該安排的內容的評估而作出，無論該安排是否以租約的合法形式進行。

出租予本集團的資產分類

本集團根據租約持有的資產，而該租約將大部分風險及擁有權回報轉移至本集團，乃分類為融資租賃。並無將大部分風險及擁有權回報轉移至本集團的租約乃分類為經營租賃，惟以下除外：

- 根據經營租賃持作自用的土地，而於租賃開始時，其公平值無法與位於其上的樓宇的公平值分開計量，則作為根據融資租賃持有入賬，除非該樓宇亦根據一項經營租賃清楚持有。就以上目的而言，租約的開始日期乃本集團首次訂立租約或由前租用人接手的時間。

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2. Significant Accounting Policies (continued)

2.8 Leased assets (continued)

Assets acquired under finance leases

Where the Group acquires the use of assets under finance leases, the amounts representing the fair value of the leased asset, or, if lower, the present value of the minimum lease payments, of such assets are recognised as property, plant and equipment and the corresponding liabilities, net of finance charges, are recorded as obligations under finance leases. Depreciation is provided at rates which write off the cost of the assets over the term of the relevant lease or, where it is likely the Group will obtain ownership of the asset, the life of the asset, as set out in note 2.6. Impairment losses are accounted for in accordance with the accounting policy as set out in note 2.10. Finance charges implicit in the lease payments are charged to profit or loss over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

Operating lease charges

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

Leasehold land for own use

Interest in leasehold land that is accounted for as an operating lease is presented as “prepaid lease payments” in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis.

2. 主要會計政策(續)

2.8 租賃資產(續)

根據融資租賃獲得的資產

倘本集團根據融資租賃獲得資產的使用權，則相當於租賃資產公平值的金額，或(倘較低)，該等資產最低租金付款的現值，乃確認為物業、廠房及設備，而經扣除財務開支的相應負債乃記錄為根據融資租賃的責任。並於有關租約的年期计提折舊，以撇銷資產的成本，或倘本集團將會取得資產的擁有權，則為資產的可使用年期(如附註2.6所載)。減值虧損乃根據載於附註2.10的會計政策計提。租金付款中所隱含的財務費用乃於租約期間計入損益賬，以在各會計期間對剩餘責任產生概約均衡的定期開支。

經營租賃開支

當本集團根據經營租賃而擁有資產使用權，則根據租約的付款乃於租賃年期所涵蓋的會計期間以相同等份計入損益賬，除非有更可代表獲自租賃資產利益的方式的其他基準。所收取的租金獎勵乃於損益賬確認為累計租金付款淨額的整體部分。或然租金於發生的會計期間在損益中扣除。

租賃自用土地

於租賃土地的權益乃計入經營租賃並按「預付租賃款項」呈列於綜合財務狀況表及於租用年期按直線法攤銷。

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2. Significant Accounting Policies (continued)

2.9 Inventories

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

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

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

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

2.10 Impairment of assets

Impairment of investment in equity security and other receivables

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

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

2. 主要會計政策(續)

2.9 存貨

存貨乃按成本及可變現淨值的較低者列賬。

成本乃使用加權平均成本公式計算，並包括所有採購成本、折算成本及將存貨帶至其現時地點及狀況所發生的其他成本。

可變現淨值乃於日常業務過程中的估計售價減估計完成成本及估計進行銷售所需成本。

當存貨出售後，該等存貨的賬面值於相關收益確認期間確認為開支。存貨可變現淨值的任何撇減金額及存貨的所有虧損均於該撇減或虧損所發生的期間確認為開支。任何存貨撇減的任何撥回乃確認為存貨金額的減少並於該撥回發生的期間確認為開支。

2.10 資產減值

股本證券投資及其他應收款項減值

於股本證券投資及按成本或攤銷成本或分類為可供出售股本證券的其他流動及非流動應收款項於各呈報期結束時作出檢討，以決定是否有減值的客觀跡象。減值的客觀跡象包括本集團發覺到的有關以下的一項或以上虧損事件的可見數據：

- 債務人重大財務困難；
- 違反合約，如欠交或拖欠利息或本金付款；
- 債務人可能會進行清盤或其他財務重組；
- 技術、市場、經濟或法律環境發生對債務人有不利影響的重大變動；及
- 股本工具投資的公平值大幅或長期下跌至低於其成本值。

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2. Significant Accounting Policies (continued)

2.10 Impairment of assets (continued)

Impairment of investment in equity security and other receivables (Continued)

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

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

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

2. 主要會計政策(續)

2.10 資產減值(續)

股本證券投資及其他應收款項減值(續)

倘存在任何該等證據，任何減值虧損須按以下釐定及確認：

- 就按成本入賬的非上市股本證券而言，如果折算現值後的影響重大，減值虧損將按金融資產的賬面值及估計未來現金流量按相同金融資產的現時市場回報率折算後，以二者的差額計算。按成本列賬的股本證券的減值損失並不會被撥回。
- 就應收賬款及其他流動應收賬款及按經攤銷成本列賬的其他金融資產而言，減值虧損乃以資產賬面值及估計日後現金流量的現值之間的差額，並按該金融資產的原利率（即於該等資產首次確認時計算的實際利率）折現（倘折現的影響重大）而計量。倘金融資產具有類似風險特色（如類似的過往到期狀況），且並無被個別評估為減值，則此項評估乃共同作出。金融資產的日後現金流量乃根據與共同集團有類似特色的信貸風險資產的過往虧損經驗共同進行減值評估。

倘於其後期間，一項減值虧損的金額減少，而減少的原因客觀上與減值虧損確認後發生的事件相關連，則該項減值虧損透過損益賬撥回。減值虧損的撥回不可導致資產賬面值超過倘於前年度並無確認減值虧損情況下的賬面值。

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For the year ended 31 December 2016
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2. Significant Accounting Policies (continued)

2.10 Impairment of assets (continued)

Impairment of investment in equity security and other receivables (Continued)

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.

Impairment of other assets

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

- property, plant and equipment;
- prepaid lease payments;
- intangible assets; and
- interest in subsidiaries in the Company's statement of financial position.

2. 主要會計政策(續)

2.10 資產減值(續)

股本證券投資及其他應收款項減值(續)

減值虧損直接由相應資產中撇銷，惟就包括於應收賬款及其他應收款項的應收款項所確認的減值虧損則除外，其回收乃視為有可疑但並非不可能。在此情況下，呆賬的減值虧損乃使用一個撥備賬予以記錄。當本集團認為回收乃不可能，則被視為不可回收的金額直接由應收賬款中撇銷，而有關該債項在撥備賬中所持有的任何金額則予以撥回。若之前計入撥備賬款項在其後收回，則相關的撥備會被撥回。撥備賬的其他變動及先前已撇銷而其後收回的金額則於損益表中確認。

其他資產減值

資料的內部及外部來源於各呈報期結束時作出檢討，以發現以下資產可能減值的指標(商譽則除外)，或先前已確認的減值虧損已不存在或可能已減少：

- 物業、廠房及設備；
- 預付租賃款項；
- 無形資產；及
- 計入本公司財務狀況表之於附屬公司的投資。

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綜合財務報表附註

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2. Significant Accounting Policies (continued)

2.10 Impairment of assets (continued)

Impairment of other assets (continued)

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

– Calculation of recoverable amount

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

– Recognition of impairment losses

An impairment loss is recognised in profit or loss whenever 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 amount of an asset will not be reduced below its individual fair value less costs of disposal (if measurable), or value in use (if determinable).

– Reversals of impairment losses

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

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

2. 主要會計政策(續)

2.10 資產減值(續)

其他資產減值(續)

倘存在任何該等指標，則須估計資產的可回收金額。此外，就商譽、尚不可動用的無形資產及未確定使用年期的無形資產而言，可回收金額每年予以估計，是否或有任何減值的跡象。

– 可收回金額的計算

一項資產的可回收金額乃其公平值減出售成本與其使用價值的較高者。於評估使用價值時，估計日後現金流量乃使用反映現時市場對貨幣時間價值及該資產的特定風險的評估的除稅前貼現率。當資產無法獨立於其他資產而產生現金流入時，則可回收金額乃按可獨立產生現金流入的最小資產組別(即一個現金產生單位)釐定。

– 減值虧損的確認

倘資產或其所屬現金產生單位的賬面值超過其可回收金額，則減值虧損於損益賬中確認。現金產生單位所確認的減值虧損乃首先分配以減少任何分配予該現金產生單位(或一組單位)的商譽的賬面值，其後再按比例減少該單位(或一組單位)中其他資產的賬面值，惟資產的賬面值不可減至低於其個別公平值減出售成本(如可計量)或使用價值(如可予釐定)。

– 減值虧損的撥回

就除商譽外的資產而言，倘用以釐定可回收金額的估計發生有利變動，減值虧損予以撥回。商譽的減值虧損則不予撥回。

減值虧損的撥回只限於倘於先前年度並無確認減值虧損情況下的資產賬面值。減值虧損的撥回乃於撥回確認的年度計入損益賬。

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綜合財務報表附註

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2. Significant Accounting Policies (continued)

2.10 Impairment of assets (continued)

Interim financial reporting and impairment

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 first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see note 2.10).

Impairment losses recognised in an interim period in respect of goodwill and available-for-sale equity securities and unquoted equity securities carried at cost are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less allowance for impairment losses for doubtful debts, except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment losses for doubtful debts (see note 2.10).

2.11 Other non-derivative financial instruments

Other non-derivative financial instruments are measured at amortized cost using the effective interest method, less any impairment losses (see note 2.10).

2.12 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.

2. 主要會計政策(續)

2.10 資產減值(續)

中期財務報告及減值

根據香港聯合交易所有限公司證券上市規則，本集團須遵照香港會計準則第34號中期財務報告的規定，就財政年度的首六個月編製中期財務報告。於季度結束時，本集團使用與財政年度結束時(見附註2.10)所使用的相同減值測試、確認及撥回標準。

於中期就商譽及可供出售股本證券及按成本列賬之非上市股本證券確認之減值虧損於其後期間並不予以撥回。即使倘該項減值僅於該中期所屬的財政年度尾評估而應確認為並無虧損，或虧損額較少的情況下亦不予以撥回。

應收賬款及其他應收款項乃初步按公平值確認，其後使用實際利息分法按經攤銷成本減呆壞賬減值虧損撥備列賬，惟倘該等應收款項為給予關連人士的免息貸款而無任何固定還款期或其折現影響為微不足道者則除外。在此情況下，應收款項乃按成本減呆壞賬減值虧損撥備(見附註2.10)列賬。

2.11 其他非衍生金融工具

其他非衍生金融工具乃使用實際利率法按攤銷成本計量，扣除任何減值虧損(見附註2.10)。

2.12 附息借款

附息借款乃初步按公平值減交易應佔成本列賬。於初步確認後，附息借款按經攤銷成本列賬，並使用實際利息方法，在借款期間將初步已確認金額及可贖回價值之間的任何差額連同任何利息及應付費用於損益賬中確認。

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綜合財務報表附註

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2. Significant Accounting Policies (continued)

2.13 Trade and other payables

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

2.14 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 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 statement of cash flows.

2.15 Employee benefits

(i) Short-term employee benefits and contributions to central pension scheme

The Group participates in the central pension scheme (the "CPS") operated by the local government authority for all of its employees in "PRC". The Group is required to contribute a certain percentage of their covered payroll to the CPS to fund the benefits. The only obligation of the Group with respect to the CPS is to pay the ongoing required contributions under the CPS. Contributions under the CPS are recognised in profit or loss as they become payable in accordance with the rules of the CPS.

Salaries, annual bonuses, paid annual leave, contributions to central pension scheme 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) Termination benefits

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

2. 主要會計政策(續)

2.13 應付賬款及其他應付款項

應付款項及其他應付款項乃初步按公平值確認。應付賬款及其他應付款項隨後按經攤銷成本列賬，除非折現影響為微不足道，在該情況下則按成本列賬。

2.14 現金及現金等價物

現金及現金等價物包括銀行及手頭上現金、銀行及其他金融機構的活期存款，及隨時可轉換為一筆已知數金額現金而價值變動風險不大、且在購入後一般於三個月短期內到期的短期高流通性投資。就綜合現金流量表而言，亦包括須於接獲要求時償還並為組成本集團現金管理一部分的銀行透支，作為現金及現金等價物的一部分。

2.15 僱員福利

(i) 短期僱員福利及中央退休金計劃供款

本集團為其所有在中國的僱員參加由當地政府機構經營的中央退休金計劃（「退休金計劃」）。本集團須就僱員薪金總額的若干百分比向退休金計劃供款，為該福利提供資金。本集團就退休金計劃的唯一責任是根據該退休金計劃持續支付所規定的供款。根據退休金計劃的規則，於供款到期應付時，根據退休金計劃的供款會於損益賬中確認。

薪金、年終花紅、年度有薪假期、中央退休金計劃供款及非現金性福利的成本，均在本集團的僱員提供服務的年度內以應計基準支銷。若支出已遞延及有重大的影響，該數額則以折現值報值。

(ii) 終止福利

終止福利乃於下列兩者中之較早者確認：本集團不再能夠收回提供之該等福利時及確認涉及支付終止福利的重組成本時。

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綜合財務報表附註

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2. Significant Accounting Policies (continued)

2.16 Income tax

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

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

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

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

2. 主要會計政策(續)

2.16 所得稅

本年度的所得稅包括即期稅項及遞延稅項資產及負債的變動。即期稅項及遞延稅項資產及負債的變動均於損益賬中確認，惟倘若涉及於其他全面收入或直接於權益中確認的項目，則有關稅項金額於其他全面收入或直接於權益中確認。

即期稅項乃使用已定法例或於呈報期結束時以大部分訂出法例的稅率計算的本年度應課稅收入的預期應付稅項，以及就先前年度應付稅項的任何調整。

遞延稅項及負債分別由可扣稅及應課稅暫時性差額產生，該等差額為就財務申報目的之資產及負債賬面值與其稅基之間的差額。遞延稅項資產亦由未動用的稅項虧損及未動用的稅項減免所產生。

除若干有限的例外情況之外，倘日後應課稅溢利可能抵銷可動用的資產，則所有遞延稅項負債及所有遞延稅項資產予以確認。可支持確認由可扣稅暫時性差額所產生的遞延稅項的日後應課稅溢利包括將由現有應課稅暫時性差額撥回而產生者，惟該等差額須有關相同稅務機構及相同應課稅實體，並預期將於預期撥回可扣稅暫時性差額的相同期間或由遞延稅項資產所產生的稅項虧損可轉回或結轉的期間撥回。當釐定現有應課稅暫時性差額是否支持確認由未動用稅項虧損及稅項減免時亦採用相同標準，即倘為有關相同稅務機構及相同應課稅實體，並預期會於稅務虧損或稅務減免可動用期間(或多個期間)撥回，則會計及該等差額。

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2. Significant Accounting Policies (continued)

2.16 Income tax (continued)

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

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

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

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 deferred tax liabilities, and deferred tax assets against 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

2. 主要會計政策(續)

2.16 所得稅(續)

確認遞延稅項資產及負債的有限例外情況為由不可扣稅商譽所產生的暫時性差額、不影響會計或應課稅溢利的資產或負債的初步確認(惟須不構成業務合併的一部分)、以及有關於附屬公司投資的暫時性差額,惟就應課稅差額而言,本集團須控制撥回的時間,而可能在可預見未來不會撥回該等差額,或就可扣稅差額而言,除非日後可能予以撥回。

遞延稅項的賬面值於各呈報期結束時檢討,並調減至不再可能有足夠的應課稅溢利用作抵銷相關稅務利益。倘可能有足夠的應課稅溢利,則任何該等調減將予以撥回。

由支付股息所產生的額外所得稅於派付相關股息的責任確認時予以確認。

即期稅項結餘及遞延稅項結餘以及相關變動均彼此分開呈列及不得互相抵銷。倘本公司或本集團擁有可將即期稅項資產與即期遞延稅項負債相抵銷的合法執行的權利,並符合以下條件,則即期稅項資產可與即期稅項負債抵銷,而遞延稅項資產則可與遞延稅項負債相抵銷:

- 就即期稅項資產及負債而言,本公司或本集團擬按淨額基準結算,或同時變現資產及結算負債;或

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2. Significant Accounting Policies (continued)

2.16 Income tax (continued)

- 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.

2.17 Financial guarantees issued, provisions and contingent liabilities

Financial guarantees issued

Financial guarantees are contracts that require the issuer (that is, the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the "holder") for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Where the Group issues a financial guarantee, the fair value of the guarantee is initially recognised as deferred income within trade and other payables. The fair value of financial guarantees issued at the time of issuance is determined by reference to fees charged in an arm's length transaction for similar services, when such information is obtainable, or is otherwise estimated by reference to interest rate differentials, by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that lenders would have charged, had the guarantees not been available, where reliable estimates of such information can be made. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss on initial recognition of any deferred income.

2. 主要會計政策(續)

2.16 所得稅(續)

- 就遞延稅項資產及負債而言，倘為有關相同稅法機構對任何以下徵收的所得稅：
 - 相同應課稅實體；或
 - 不同應課稅實體(於各日後期間大部分遞延稅項負債或資產預期將予結算或收回)，擬按淨額基準變現即期稅務資產及及結算即期稅務負債或同時進行變現及結算。

2.17 已發出財務擔保、撥備及或然負債

已發出財務擔保

財務擔保乃要求發行人(即擔保人)就擔保受益人(「持有人」)因特定債務人未能根據債務工具的條款於到期時付款而蒙受的損失，而向持有人支付特定款項的合約。

當本集團發出財務擔保，該擔保的公平價值最初確認為應付賬款及其他應付款內的遞延收入。已發出財務擔保於發出時的公平值，在有關資料能夠獲得時參考公平交易中同類服務收取的費用而釐定；或者在能夠作出可靠估計的情況下通過參考有擔保貸款和無擔保貸款的利率差價而進行估值。倘在發行該擔保時收取或可收取代價，該代價則根據適用於該類資產的本集團政策而予確認。倘沒有有關尚未收取或應予收取之代價，則於最初確認任何遞延收入時，即時於損益內確認開支。

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2. Significant Accounting Policies (continued)

2.17 Financial guarantees issued, provisions and contingent liabilities (continued)

Financial guarantees issued (continued)

The amount of the guarantee initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued. In addition, provisions are recognised in accordance with note 2.17 if and when (i) it becomes probable that the holder of the guarantee will call upon the Group under the guarantee, and (ii) the amount of that claim on the Group is expected to exceed the amount currently carried in trade and other payables in respect of that guarantee, that is, the amount initially recognised, less accumulated amortisation.

Contingent liabilities assumed in business combinations

Contingent liabilities assumed in a business combination which are present obligations at the date of acquisition are initially recognised at fair value, provided the fair value can be reliably measured. After their initial recognition at fair value, such contingent liabilities are recognised at the higher of the amount initially recognised, less accumulated amortisation where appropriate, and the amount that would be determined in accordance with note 2.17. Contingent liabilities assumed in a business combination that cannot be reliably fair valued or were not present obligations at the date of acquisition are disclosed in accordance with note 2.17.

Other provisions and contingent liabilities

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

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of 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.

2. 主要會計政策(續)

2.17 已發出財務擔保、撥備及或然負債(續)

已發出財務擔保(續)

最初以遞延收入入賬的擔保金額按擔保條文於損益內攤銷，作為提供財務擔保之收入。此外，倘若(i)擔保合約持有人很可能要求本集團履行擔保合約；及(ii)向本集團索償的款項預期超過現時列於應付賬款及其他應付款項內的擔保金額(即最初確認的金額減累計攤銷)，則須按附註2.17方法計提撥備。

業務合併中假定的或然負債

業務合併中假定的或然負債乃屬於交易當日的現有責任，初步須按公平值確認(倘公平值可被可靠計量)。確認公平值後該或然負債乃按初步確認金額減累計攤銷(如適用)，以及可根據附註2.17決定的金額兩者中的較高者確認。業務合併中的假定或然負債未能可靠計量，或在交易當日而言並非現有責任，則於附註2.17內披露。

其他撥備及或然負債

當本集團或本公司擁有因過往事件而發生的法律或推定責任，而可能須動用經濟利益以清償該責任，且可作出可靠估計，則須對該無確定時間或金額的其他負債作撥備。倘有重大貨幣時間價值，則撥備為按預期清償責任所需開支的現值列賬。

倘可能毋須發生經濟利益的流出，或有關金額無法可靠估計，則該責任作為一項或然負債披露，除非發生經濟利益流出的可能性極低。可能發生的責任(其存在只可由一項或多項日後事件的發生或不發生來確定)亦作為或然負債披露，除非發生經濟利益流出的可能性極低。

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2. Significant Accounting Policies (continued)

2.18 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:

Sale of goods

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

Research and development service income

Revenue from the provision of services is recognised when the services are rendered.

Interest income

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

Government grant

Government grants and subsidies are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants and subsidies that compensate the Group for expenses incurred are recognised as revenue in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants and subsidies that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

2. 主要會計政策(續)

2.18 收益確認

收益按已收或應收代價的公平值計量。倘經濟利益可能會流向本集團而收益及成本(如適用)能可靠計量，則收益確認於損益賬如下：

貨品銷售

收益在貨品送達時(即客戶接收貨品及相關風險與報酬的所有權時)確認。收益不包括增值稅或其他銷售稅，並已扣除任何交易折扣。

研究及開發服務收入

提供服務所得的收入於服務提供時確認。

利息收入

利息收入於發生時使用實際利息方法確認。

政府補助

政府補助及資助於能夠合理確保將會收取補助並且本集團將遵守其附帶條件時，首先在財務狀況表中確認。用於補償本集團開支的補助及資助於開支發生的同一期間在損益內系統地確認為收益。用於補償本集團資產成本的補助及資助從資產賬面值中扣除，故而於資產的使用年期內透過減少折舊開支在損益賬內實際確認。

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2. Significant Accounting Policies (continued)

2.19 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 reporting period. Exchange gains and losses are recognised in profit or loss, except those arising from foreign currency borrowings used to hedge a net investment in a foreign operation which are recognised directly in other comprehensive income.

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

2.20 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of that asset. Other borrowing costs are expensed in profit or loss in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

2. 主要會計政策(續)

2.19 外幣換算

本年度的外幣交易均按交易日的現行匯率換算。以外幣計值的貨幣資產及負債均按呈報期結束時的現行匯率換算。匯率盈利及虧損均於損益賬中確認，惟用於對沖海外業務投資淨額的外幣借款則直接於其他全面收入中確認。

以外幣的過往成本計量的非貨幣資產及負債使用交易日的現行匯率換算。按公平值以外幣計值的非貨幣資產及負債則使用計量公平值當日的現行匯率計量。

2.20 借貸成本

除直接用作收購或需要相當長時間建造或生產才可投入擬定用途或銷售的資產的借貸成本予以資本化外。其他借貸成本均於發生期間計入損益。

借貸成本作為合資格資產部分成本於該資產的開支發生、借貸成本發生而將資產準備作其擬定用途或銷售所需活動正進行中時撥充資本。當將合資格資產準備作其擬定用途或銷售所需大部分活動被暫停或已完成時，則暫停或終止借貸成本撥充資本。

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2. Significant Accounting Policies (continued)

2.21 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.

2. 主要會計政策(續)

2.21 關連人士

- (a) 該名人士或該名人士家族近親，被視為與本集團有關連，倘該名人士：
- (i) 對本集團有控制或共同控制權；
 - (ii) 對本集團有重大影響力；或
 - (iii) 為本集團或本集團母公司重要管理層成員。
- (b) 倘下列條件適用，則該實體被視為與本集團有關連：
- (i) 該實體與本集團為同一集團的成員公司(指與其他成員公司有關的各母公司、附屬公司及同系附屬公司)。
 - (ii) 一個實體為聯營公司或另一實體為合資企業(為成員公司的另一實體為一個集團中一個成員公司的一間聯營公司或合資企業)。
 - (iii) 兩個實體均為同一第三方的合資企業。
 - (iv) 一個實體為一個第三方的一間合資企業，而另一實體為該第三方的一間聯營公司。
 - (v) 該實體為一項退休福利計劃，而該計劃乃作為本集團僱員或為本集團關連方的一個實體的僱員福利。

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2. Significant Accounting Policies (continued)

2.21 Related parties (continued)

- (b) An entity is related to the Group if any of the following conditions applies: (continued)
- (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 part, provides key management personnel services to the Group or the Group's parent.

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

2.22 Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's most senior executive management (that is, executive directors) 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.

2. 主要會計政策(續)

2.21 關連人士(續)

- (b) 倘下列條件適用，則該實體被視為與本集團有關連：(續)
- (vi) 該實體受(a)段所確認的人士控制或共同控制。
 - (vii) 於(a)(i)段所確認的人士對該實體有重大影響力或該人士為該實體(或該實體的母公司)的主要管理人員。
 - (viii) 實體，或實體所述集團的任何成員公司向本集團或本集團母公司提供主要管理人員服務。

一名人士的近親為預期可影響，或受該人士於該實體內的交易所影響的該等家族成員。

2.22 分類申報

綜合財務報表提到的經營分部及每個分部細項的數額均與定期提交予本集團最高執行管理層(即執行董事)以作資源分配及評估本集團多項業務的表現及地理位置之財務資料中確定。

就財務呈報而言，除非分部具備相似的經濟特徵及在產品及服務性質、生產工序性質、客戶類型或類別、用作分配產品或提供服務的方法及監管環境的性質方面相似，否則各個重大經營分部不會進行合算。個別非重大的經營分部，如果符合上述大部分標準，則可進行合算。

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2. Significant Accounting Policies (continued)

2.23 Government grants

Government grants and subsidies are recognised at their fair value where there is reasonable assurance that the grants and subsidies will be received and all attaching conditions will be complied with. When the grants and subsidies relate to an expense item, they are recognised as income or net off against directly related borrowing costs (see note 2.20), over the periods necessary to match the grants and subsidies on a systematic basis to the costs that they are intended to compensate. Where the grants and subsidies relate to an asset, they are presented as deferred revenue and are released to the income profit or loss over they are expected useful life of the relevant asset by equal annual instalments.

3. Application of New and Revised Hong Kong Financial Reporting Standards (“HKFRSs”)

In the current year, the Group has applied for the first time, all amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), which are relevant to and effective for the Group’s consolidated financial statements for the annual period beginning on 1 January 2016. The adoption of these new standards had no material impact on how the results and financial position for the current and prior periods have been prepared and presented. Accordingly, no prior period adjustment is required.

At the date of authorisation of these consolidated financial statements, certain new and amended IFRSs have been published but are not yet effective, and have not been adopted early by the Group. The Directors are in the process of making an assessment of the impact of these IFRSs on the consolidated financial statements.

2. 主要會計政策(續)

2.23 政府補助

政府補助及資助按公平值確認，惟須有合理保證將會收取該補助及資助及可符合所有附帶條件。倘補助及資助為有關一個開支項目，則該補助及資助在各期間確認為收益或於有關借貸成本(見附註2.20)直接扣除，以令補助及資助以有序基準與其擬撥作開支的成本一致。倘補助及資助為有關一項資產，則呈列為遞延收益，並於有關資產的預期可使用年期每年分期等額計入損益表。

3. 新訂及經修訂香港財務報告準則(「香港財務報告準則」)的應用

於本年度，本集團已首次應用香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則的修訂本，該等準則與本集團於二零一六年一月一日開始的年度期間之綜合財務報表相關並於相關期間開始生效。採納該等新訂準則對本期間及過往期間業績及財務狀況的編製及呈列無重大影響。因此，無須就過往期間作出調整。

於本綜合財務報告授權日期，本集團並無提早採納若干已頒佈但尚未生效的新訂及經修訂香港財務報告準則。董事正在評估該等香港財務報告準則對綜合財務報表的影響。

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綜合財務報表附註

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4. Accounting Estimates and Judgements

(a) Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimated 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.

i) Impairment of property, plant and equipment and prepaid lease payments and deposits for acquisition of land and property, plant and equipment

The recoverable amount of an asset is the higher of its fair value less cost to sell and its 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, which requires significant judgement relating to the level of revenue and the amount of operating costs. The Group uses all readily available information in determining an amount that is a reasonable approximation of the recoverable amount, including estimates based on reasonable and supportable assumptions and projections of revenue and operating costs. Changes in these estimates could have a significant impact on the carrying amounts of the assets and could result in additional impairment charge or reversal of impairment in future periods. The carrying amount of the property, plant and equipment and prepaid lease payments and deposit for acquisition of property, plant and equipments as at the end of the reporting period are approximately RMB140,111,000, RMB99,578,000 and RMB914,000 respectively.

4. 重要會計估計及判斷

(a) 估計的不確定因素的主要來源

以下為就呈報期結束時估計的不確定因素的未來及其他主要來源作出若干重要假設，有關假設可能帶有導致於未來財政年度對資產及負債賬面值作出重大調整的重大風險。

i) 物業、廠房及設備及預付租賃款項的減值以及購置土地、物業、廠房及設備按金

資產的可收回金額是其公平值減銷售成本和使用價值的較高者。在估計使用價值時，乃將預計未來現金流折現至其現時價值，使用的折扣率為可反映現時市場評估的貨幣時值及該資產特定之風險值之稅前折扣率，並需要對收入水準和經營成本作出重大判斷。本集團利用所有現有的資料對可收回金額作合理的估算，包括合理和可支持的假設以及收入和經營成本的推算。估計金額的變動可能對資產的賬面值產生重大的影響，並可能導致在未來期間計提額外的減值損失或沖回已計提的減值損失。於呈報期末，物業、廠房及設備、預付租賃款項賬面值、收購土地的按金及收購物業、廠房及設備的按金分別約為人民幣140,111,000元、人民幣99,578,000元及人民幣914,000元。

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綜合財務報表附註

For the year ended 31 December 2016
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4. Accounting Estimates and Judgements (continued)

(a) Key sources of estimation uncertainty (continued)

ii) *Impairment of receivables*

The Group estimates impairment losses for bad and doubtful debts resulting from the inability of customers and other debtors to make the required payments. The Group bases the estimates on the aging of the receivable balance, debtors' credit-worthiness, and historical write-off experience. If the financial condition of the customers and debtors were to deteriorate, actual impairment losses would be higher than estimated. The carrying amount as at the end of the reporting period is approximately RMB176,021,000.

iii) *Write-down of inventories*

The Group determines the write-down for obsolescence of inventories. Those estimates are made with reference to aged inventories analyses, projections of expected future saleability of the goods and management experience and judgement. Based on this review, a write-down of inventories will be made when the carrying amounts of inventories decline below their estimated net realisable value. Due to changes in market conditions, actual saleability of goods may be different from estimation and profit or loss could be affected by differences in the estimation.

4. 重要會計估計及判斷(續)

(a) 估計的不確定因素的主要來源(續)

ii) *應收款項減值*

本集團須估計由於客戶及其他欠債人未能繳付款項而發生之呆壞賬減值虧損。有關估計乃根據應收款項結餘的賬齡、欠債人的信譽及歷史對銷記錄計算。倘客戶或欠債人的財務狀況變壞，實際減值虧損可能高於估計。於呈報期末的賬面值約為人民幣176,021,000元。

iii) *撇減存貨*

本集團會釐定陳舊存貨的撇減。此等估計乃參考存貨賬齡分析、預期未來貨品的銷售情況及管理層的經驗及判斷而作出。根據此審閱，倘存貨的賬面值跌至低於其估計可變現淨值，則本集團會撇減存貨的價值。鑑於市況可能發生變動，實際貨品銷售的情況可能與估計有所不同，而此估計的差異可能影響損益。

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4. Accounting Estimates and Judgements (continued)

(a) Key sources of estimation uncertainty (continued)

iv) Impairment of intangible assets

The Group performs annual test on whether there has been impairment of intangible assets in accordance with the accounting policy stated in note 2.10. The recoverable amounts of cash-generating units are determined based on value in use calculations. These calculations require the use of estimates and assumptions made by management on the future operation of the business, pre-tax discount rate, and other assumptions underlying the value in use calculations. The carrying amount as at the end of reporting period is approximately RMB115,158,000.

v) Income taxes

Determining income tax provisions involves judgement on the future tax treatment of certain transactions. The Group carefully evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all changes in tax legislations. Deferred tax assets are recognised for tax losses not yet used and temporary deductible differences. As those deferred tax assets can only be recognised to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilized, management's assessment is constantly reviewed and additional deferred tax assets are recognised if it becomes probable that future taxable profits will allow the deferred tax asset to be recovered. The carrying amount of deferred tax assets and deferred tax liabilities as at the end of the reporting period are approximately RMB991,000 and RMB17,852,000 respectively.

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

In determining the carrying amounts of some assets and liabilities, the Group makes assumptions for the effects of uncertain future events on those assets and liabilities at the end of the reporting period. These estimates involve assumptions about such items as cash flows and discount rates used. The Group's estimates and assumptions are based on historical experience and expectations of future events and are reviewed periodically. In addition to assumptions and estimations of future events, judgements are also made during the process of applying the Group's accounting policies.

4. 重要會計估計及判斷(續)

(a) 估計的不確定因素的主要來源(續)

iv) 無形資產減值

根據載於附註2.10的會計政策，本集團每年對無形資產有否減值進行測試。可回收的現金產生單位金額按現使用價值計算法釐定。該計算法需要運用管理層對未來業務營運所作出的估計及假設、除稅前貼現率，以及與現使用價值計算法相關的各項其他假設。於呈報期末的賬面值約為人民幣115,158,000元。

v) 所得稅

釐定所得稅撥備涉及對若干交易的未來稅務處理作出的調整。本集團審慎評估交易的稅務影響並相應計提稅項撥備。本集團會就該等交易的稅務處理作定期評估，以計及稅務法例的所有變動。未用稅務虧損及可扣稅暫時差額均確認為遞延稅項資產。由於這些遞延稅項資產只限在足夠的應課稅溢利可用作抵銷未用稅務抵免時才會確認，管理層的評估不斷覆核，如果很可能出現應課稅溢利足以彌補遞延稅項資產，則會確認額外的遞延稅項資產。於呈報期末，遞延稅項資產及遞延稅項負債的賬面值分別約為人民幣991,000元及人民幣17,852,000元。

(b) 應用本集團會計政策的重要會計判斷

在釐定其他資產和負債的賬面金額時，本集團就不確定的未來事件對於呈報期結束日該等資產和負債的影響作出了假設。該等估計涉及有關所動用的現金流量或貼現率等項目的假設，本集團根據過去的經驗和對未來事件的預計作出估計和假設，並定期審閱。除對未來事件的假設和估計外，本集團採用會計政策時還有需要作出判斷。

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綜合財務報表附註

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5. Revenue

Revenue represents the invoiced value of goods sold net of value-added tax and after allowances for returns and trade discounts and invoiced value of research and development services provided net of value-added tax.

		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
Sales of medicines	藥品銷售額	430,856	456,429
Sales and distribution of medicines and healthcare products	銷售及分銷藥品及保健品	328,066	264,854
Research and development services income	研發服務收入	189	63
		759,111	721,346

Further details regarding the Group's principal activities are disclosed in note 36(b) to these financial statements.

5. 收入

收入指已售貨品的發票(扣除增值稅及退貨和貿易折扣撥備)及提供研發服務的發票(扣除增值稅)。

有關本集團的主要業務之進一步詳情披露於該等財務報表附註36(b)。

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綜合財務報表附註

For the year ended 31 December 2016
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6. Segment Reporting

The Group manages its businesses by divisions, which are organised by a mixture of both business lines (products and services) and geography. In a manner consistent with the way in which information is reported internally to the Group's executive directors for the purpose of resources allocation and performance assessment, the Group has presented the following three reportable segments. No operating segments have been aggregated to form the following reportable segments.

- (i) Manufacturing and selling of medicines
- (ii) Sales and distribution of medicines and healthcare products
- (iii) Provision of Research & Development services of modern biological technology.

Currently all the Group's activities above are carried out in the PRC. No reportable operating segment has been aggregated.

The first segment derives its revenue from the manufacture and sale of medicines.

The second segment derives its revenue from sales and distribution of medicines and healthcare products.

The third segment derives its revenue from the provision of Research & Development services.

6. 分部報告

本集團按分部管理其業務，分部按兩條業務線（產品及服務）配合地理位置而組織。該等資料向本集團的執行董事作內部報告以分配資源及作表現評估，本集團已呈列下列三個可申報分部。並無匯總任何經營分部以構成下列報告分部。

- (i) 生產和銷售藥品
- (ii) 銷售及分銷藥品及保健品
- (iii) 提供現代生物技術研發服務。

目前，上述所有本集團業務均在中國內地營運。並無合算任何可申報經營分部。

第一分部的收入來自生產及銷售藥品。

第二分部的收入來自銷售及分銷藥品及保健品。

第三分部的收入來自提供研發服務。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

6. Segment Reporting (Continued)

(a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's executive directors monitor the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets and current assets with the exception of available-for-sale investments, deferred tax assets, tax recoverable and other corporate assets. Segment liabilities include trade and other payables attributable to the activities of the individual segments and bank borrowings managed directly by the segments.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measure used for reporting segments profit is "adjusted EBITDA", that is "adjusted earnings before interest, taxes, depreciation and amortisation", where "interest" is regarded as including investment income and "depreciation and amortisation" is regarded as including impairment losses on non-current assets. To arrive at adjusted EBITDA, the Group's earnings are further adjusted for items not specifically attributed to individual segments, such as directors' emoluments and auditors' remuneration and other head office or corporate administration costs.

In addition to receiving segment information concerning adjusted EBITDA, the executive directors are provided with segment information concerning revenue (including inter-segment revenue), interest income and expense from cash balances and borrowings managed directly by the segments, depreciation, amortisation and impairment losses and additions to non-current segment assets used by the segments in their operations. Inter-segment revenue are priced with reference to prices charged to external parties for similar orders.

Information regarding the Group's reportable segments as provided to the Group's executive directors for the purposes of resources allocation and assessment of segment performance for the years ended 31 December 2016 and 2015 is set out below.

6. 分部報告(續)

(a) 分部業績、資產及負債

就評估分部表現及分部間分配資源而言，本集團的執行董事按以下基礎監控各可申報分部應佔的業績、資產及負債：

分部資產包括所有有形、無形資產及流動資產，但不包括可供出售投資、遞延稅項資產、可收回稅項及其他企業資產。分部負債包括個別分部業務應付貿易及其他應付款項以及該等分部直接管理的銀行貸款。

收入及開支乃經參考有關分部產生的銷售額及有關分部產生的開支或有關分部應佔資產的折舊或攤銷所產生的開支後分配至各可申報分部。

用於報告分部溢利的方法為「經調整 EBITDA」，即「扣除利息、稅項、折舊及攤銷前之經調整盈利」，其中「利息」包括投資收入，「折舊及攤銷」包括非流動資產之減值虧損。為達到經調整 EBITDA，本集團之盈利乃對並未指定屬於個別分部之項目作出進一步調整，如董事薪酬及核數師之酬金，其他總辦事處或公司行政開支。

收到有關經調整 EBITDA 之分部資料除外，執行董事獲提供有關收益的分部資料，包括由各分部直接管理的分部間收益，來自分部直接管理之現金結餘及借貸之利息收入及支出，分部於彼等營運中使用之非流動分部資產的折舊、攤銷及減值虧損以及添置。分部間收益乃經參考外部人士就類似訂單作出的價格而進行定價。

就截至二零一六年及二零一五年十二月三十一日止年度之資源分配及評估分部表現向本公司執行董事提供有關本集團報告分部之資料載於下文。

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For the year ended 31 December 2016
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6. Segment Reporting (Continued)

(a) Segment results, assets and liabilities (Continued)

6. 分部報告(續)

(a) 分部業績、資產及負債(續)

For the year ended 31 December 截至十二月三十一日止年度		Manufacturing and selling of medicines 生產和銷售藥品		Sales and distribution of medicines and healthcare products 銷售及分銷藥品及保健品		Research & Development services 研發服務		Total 總計	
		2016	2015	2016	2015	2016	2015	2016	2015
		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
Segment revenue	分部收入								
Revenue from external customers	外來客戶收入	430,856	456,429	328,066	264,854	189	63	759,111	721,346
Inter-segment revenue	分部間收入	28,929	16,323	-	323	-	-	28,929	16,646
Reportable segment revenue	可申報分部收入	459,785	472,752	328,066	265,177	189	63	788,040	737,992
Reportable segment profit/(loss) (adjusted EBITDA)	可申報分部溢利/(虧損) (經調整 EBITDA)	67,911	56,052	38,262	22,918	(913)	(4,733)	105,260	74,237
Interest income from bank deposits	銀行存款利息收入	2,403	4,986	156	148	35	1	2,594	5,135
Interest expenses	利息開支	(3,750)	(10,361)	-	-	(136)	-	(3,886)	(10,361)
Depreciation and amortisation	折舊及攤銷：								
- property, plant and equipment	- 物業、廠房及設備	(11,857)	(19,670)	(1,170)	(261)	(2,263)	(355)	(15,290)	(20,286)
- prepaid lease payment	- 預付租賃款項	(1,570)	(1,570)	-	-	-	-	(1,570)	(1,570)
- intangible assets	- 無形資產	(4,231)	(3,986)	(201)	(201)	-	(5)	(4,432)	(4,192)
Write down of inventories	撇減存貨	(2,179)	(1,061)	(2,585)	(6,557)	-	-	(4,764)	(7,618)
Reversal of write down of inventories	存貨撇減撥回	-	1,283	1,860	-	-	-	1,860	1,283
Impairment of	減值：								
- trade receivables	- 應收賬款	(73)	(2)	(238)	(194)	-	-	(311)	(196)
- other receivables	- 其他應收款項	(191)	(11)	(57)	(184)	-	-	(248)	(195)
Reverse of impairment loss on	減值虧損撥回								
- trade receivables	- 應收賬款	92	75	194	-	-	-	286	75
- other receivables	- 其他應收款項	67	148	7	222	-	-	74	370
Reversal of overprovision of retirement benefits	退休福利超額撥備撥回	-	-	1,000	1,021	-	-	1,000	1,021
Write off of other payables	撇銷其他應付款項	-	977	-	-	-	-	-	977
Income tax expense	所得稅開支	(7,137)	(7,561)	(9,834)	(7,235)	(881)	-	(17,852)	(14,796)
Reportable segment assets	可申報分部資產	864,361	1,094,248	161,322	142,465	169,100	-	1,194,783	1,236,713
Additions to non-current assets (other than financial instrument and deferred tax assets)	非流動資產添置 (不包括金融工具及遞延稅項資產)	22,978	45,027	269	202	5	4	23,252	45,233
Reportable segment liabilities	可申報分部負債	371,985	488,569	76,275	83,165	16,268	-	464,528	571,734

The Group's customer base is diversified and no customer with whom transactions have exceeded 10% of the Group's revenue.

本集團客戶群多元化，其中並無客戶與其訂立的交易超過本集團收入的10%。

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6. Segment Reporting (Continued)

(b) Reconciliations of reportable segment revenues, profit or loss, assets and liabilities

6. 分部報告(續)

(b) 可申報分部收入、損益、資產及負債的對賬

		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
Revenue	收入		
Reportable segment revenue	可申報分部收入	788,040	737,992
Elimination of inter-segment revenue	分部間收入抵銷	(28,929)	(16,646)
Consolidated Revenue	綜合收入	759,111	721,346
Profit	溢利		
Reportable segment profit	可申報分部溢利	105,260	74,237
Reverse/(Elimination) of inter-segment profit	分部間溢利撥回/(抵銷)	84	(614)
Reportable segment profit derived from the Group's external customers	來自本集團外來客戶的可申報分部溢利	105,344	73,623
Other revenue and other net income	其他收入及收入淨額	12,776	12,454
Depreciation and amortisation	折舊及攤銷	(21,292)	(26,048)
Finance costs	財務費用	(3,886)	(10,361)
Unallocated head office and corporate expense	未分配總部及企業開支	(2,273)	(3,394)
Consolidated profit before taxation	除稅前綜合溢利	90,669	46,274

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6. Segment Reporting (Continued)

(b) Reconciliations of reportable segment revenues, profit or loss, assets and liabilities (Continued)

6. 分部報告(續)

(b) 可申報分部收入、損益、資產及負債的對賬(續)

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Assets			
	資產		
Reportable segment assets	可申報分部資產	1,194,783	1,236,713
Elimination of inter-segment receivables	分部間應收款項抵銷	(162,160)	(125,282)
		1,032,623	1,111,431
Unallocated head office and corporate assets	未分配總部及企業資產	-	300
Deferred tax assets	遞延稅項資產	991	1,435
Consolidated total assets	綜合資產總值	1,033,614	1,113,166
Liabilities			
	負債		
Reportable segment liabilities	可申報分部負債	464,528	571,734
Elimination of inter-segment payables	分部間應付款項抵銷	(163,511)	(125,282)
		301,017	446,452
Tax payable	應付稅項	14,664	15,694
Deferred tax liabilities	遞延稅項負債	18,394	19,098
Consolidated total liabilities	綜合負債總額	334,075	481,244

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6. Segment Reporting (Continued)

(c) Revenue from major products and services

The following is an analysis of the Group's revenue from its major products and services:

		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
Medicines and healthcare products	藥品及保健品	758,922	721,283
Research & Development services	研發服務	189	63
		759,111	721,346

(d) Geographic Information

The Group's revenue and results from operations mainly derived from activities in the PRC. The principal assets of the Group were located in the PRC during the year. Accordingly, no analysis by geographical segment is provided.

6. 分部報告(續)

(c) 來自主要產品及服務的收入

以下為對本集團主要產品和服務的收入分析：

		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
Medicines and healthcare products	藥品及保健品	758,922	721,283
Research & Development services	研發服務	189	63
		759,111	721,346

(d) 地理資料

本集團的收入及經營業績主要來自中國的業務活動。年內，本集團的主要資產位於中國。因此，概無提供地理分部分析。

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For the year ended 31 December 2016
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7. Other Revenue and Other Net Income

7. 其他收入及其他收入淨額

		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
Other revenue	其他收入		
Interest income from bank deposits	銀行存款利息收入	2,594	5,135
Subsidy income	補助收入		
– released from deferred revenue	– 轉撥自遞延收益	753	1,220
– directly recognised in profit or loss	– 直接計入損益	3,266	1,200
Compensation from PRC government authority	中國政府機構的補償	–	877
Others	其他	845	292
Gain on disposal of available-for-sale investment	出售可供出售投資的收益	50	–
Gain on disposal of a subsidiary	出售一間附屬公司的收益	1,594	–
		9,102	8,724
Other net income	其他收入淨額		
Reverse of impairment loss on trade receivables	應收賬款減值虧損撥回	286	75
Reverse of impairment loss on other receivables	其他應收款項減值虧損撥回	74	370
Reversal overprovision of retirement benefit	退休福利超額撥備撥回	1,000	1,021
Write off of other payables	撇銷其他應付款項	–	977
Reversal of write down of inventories	存貨撇減撥回	1,860	1,283
Net foreign exchange gains	匯兌收益淨額	4	4
Others	其他	450	–
		3,674	3,730

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8. Profit before Taxation

Profit before taxation is arrived at after charging the following:

		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) 財務費用		
Interest on bank loans and other borrowings	銀行貸款及其他借貸的利息	3,622	6,116
Interest on financial assistance from the immediate parent company	直屬母公司財務資助的利息	264	4,245
Total interest expense on financial liabilities not at fair value through profit or loss	並非透過損益按公平值列賬金融負債的利息開支總額	3,886	10,361
(b) Staff costs (including directors' emoluments)*	(b) 員工成本(包括董事酬金)*		
Contributions to defined contribution retirement plans	定額供款退休計劃的供款	12,706	16,258
Salaries, wages and other benefits	薪金、工資及其他福利	61,261	75,659
		73,967	91,917

* During the year, total staff costs amounted to RMB73,967,000 (2015: RMB93,051,000) of which staff costs of RMB Nil (2015: RMB1,134,000) was capitalized as intangible assets and excluded from the consolidated statement of profit or loss.

8. 除稅前溢利

除稅前溢利乃經扣除以下各項：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
		3,622	6,116
		264	4,245
		3,886	10,361
		12,706	16,258
		61,261	75,659
		73,967	91,917

* 於本年度，員工成本總額為人民幣73,967,000元(二零一五年：人民幣93,051,000元)，其中金額為人民幣零元(二零一五年：人民幣1,134,000元)的員工成本已資本化為無形資產及不再計入綜合損益表。

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8. Profit before Taxation (Continued)

Profit before taxation is arrived at after charging the following:
(Continued)

8. 除稅前溢利(續)

除稅前溢利乃經扣除以下各項:(續)

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
(c) Other items	(c) 其他項目		
Amortisation	攤銷		
– prepaid lease payments	– 預付租賃款項		
– charged to consolidated statement of profit or loss	– 計入綜合損益表	1,570	1,570
– capitalised in construction-in-progress	– 於在建工程內資本化	783	326
		2,353	1,896
– intangible assets*	– 無形資產*	4,432	4,192
Depreciation	折舊		
– assets held for own use under leases	– 根據租賃持作自用的資產	3,725	6,593
– other assets	– 其他資產	11,565	12,558
Impairment of	減值		
– trade receivables*	– 應收賬款*	311	196
– other receivables*	– 其他應收款項*	248	195
Write down of inventories*	撇減存貨*	4,764	7,618
Loss on disposal of property, plant and equipment*	出售物業、廠房及設備的虧損*	221	192
Auditor's remuneration	核數師酬金	1,341	1,518
Auditor's non-audit services remuneration	核數師非審計酬金	319	913
Operating lease charges:	經營租賃開支:		
– Minimum lease payment	– 最低租賃付款	8,897	8,243
Cost of inventories	存貨成本	365,019	368,167
Research and development costs*	研發費用*	18,148	37,391

* These amounts are included in "Other operating expenses" presented on the consolidated statement of profit or loss.

* 此等金額計入綜合損益表的「其他經營開支」內。

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綜合財務報表附註

For the year ended 31 December 2016
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9. Income Tax expense

(a) Income tax in the consolidated statement of profit or loss represents:

	Note	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Current tax			
即期稅項			
PRC Enterprise Income Tax ("EIT") 中國企業所得稅(「企業所得稅」)		18,747	14,272
(Over)/Under provision for PRC 就過往年度中國企業所得稅的			
EIT in respect of prior years (超額撥備)/撥備不足		(635)	1,563
Deferred tax			
遞延稅項			
Origination and reversal of 暫時性差額的衍生及撥回	25(b)	(260)	(1,039)
temporary differences			
		17,852	14,796

Hong Kong Profits Tax has not been provided for as the Group had no assessable profits to Hong Kong Profits Tax for the year (2015: Nil).

As at 31 December 2016 and 2015, two subsidiaries of the Group established in the PRC are qualified as high technology enterprise. In accordance with the applicable Enterprise Income Tax Law of the PRC, these subsidiaries are subject to the PRC EIT at a preferential rate of 15%.

The Company and other PRC subsidiaries are subject to the PRC EIT at a rate of 25% (2015: 25%) for the year ended 31 December 2016.

9. 所得稅開支

(a) 於綜合損益表列出的所得稅指：

由於本集團並無須繳納香港利得稅的應課稅溢利，故並於本年度內無計提香港利得稅撥備(二零一五年：零)。

於二零一六年及二零一五年十二月三十一日，兩間於中國成立的本集團附屬公司合資格成為高新技術企業。根據適用中國企業所得稅法，該等附屬公司須按15%的優惠稅率繳納中國企業所得稅。

截至二零一六年十二月三十一日止年度，本公司及其他中國附屬公司須按25%(二零一五年：25%)的中國企業所得稅稅率納稅。

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For the year ended 31 December 2016
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9. Income Tax expense (Continued)

(b) Reconciliation between income tax expense and accounting profit at the applicable tax rates:

		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 before taxation	除稅前溢利	90,669	46,274
Notional tax on profit before taxation, calculated at the rates applicable to profits in the countries concerned	按照在相關國家的溢利適用稅率計算除稅前溢利的名義稅項	17,264	6,197
Tax effect of non-deductible expenses	不可扣稅開支的稅務影響	1,325	1,147
Tax effect of non-taxable income	非課稅收益的稅務影響	(2,195)	(2,859)
Tax effect of unused tax losses not recognised	未確認的未利用稅項虧損的稅務影響	1,212	8,748
(Over)/under provision in prior years	過往年度的(超額撥備)/撥備不足	(635)	1,563
Reversal of temporary different	轉回暫時性差額	881	-
Actual tax expenses	實際稅項支出	17,852	14,796

9. 所得稅開支(續)

(b) 稅項支出與按適用稅率計算的會計溢利的對賬：

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10. Directors' and Chief Executive's Emoluments

Directors' emoluments disclosed pursuant to section 383(1) Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, and the chief executive's emoluments (that is, general manger) are as follows:

10. 董事及高級行政人員酬金

根據香港公司條例第383(1)條及公司(披露董事利益資料)規例第2部披露的董事酬金及高級行政人員(即總經理)的薪酬如下:

		Salaries, allowances and benefits in kind	Retirement scheme contributions	2016 Total
	Directors' fees	薪金、津貼 及實物利益	退休計劃 供款	二零一六年 總計
	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Executive directors	執行董事			
Mr. Zhang Feng	張鋒先生	-	-	-
Mr. Xu Yan He	徐燕和先生	-	605	633
Mr. Chai Xiang Dong (Resigned on 3 March 2016)	柴向東先生(於二零一六年 三月三日辭任)	-	127	135
Non-executive directors	非執行董事			
Ms. Yu Lin	于琳女士	-	-	-
Mr. Liu Zhan Jun	劉占軍先生	-	-	-
Mr. Song Ting Jiu	宋廷久先生	-	-	-
Mr. Zhao Wen Liang (Appointed on 3 March 2016)	趙文梁先生(於二零一六年 三月三日獲委任)	-	137	148
Independent non-executive directors	獨立非執行董事			
Mr. Yick Wing Fat, Simon	易永發先生	212	-	212
Mr. Poon Ka Yeung	潘嘉陽先生	106	-	106
Mr. Yu Bo (Resigned on 21 January 2016)	于渤先生(於二零一六年 一月二十一日辭任)	14	-	14
Mr. Zhang Jian Zhou (Appointed on 21 January 2016)	章劍舟先生(於二零一六年 一月二十一日獲委任)	86	-	86
		418	47	1,334

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10. Directors' and Chief Executive's Emoluments (Continued)

10. 董事及高級行政人員酬金(續)

		Directors' fees	Salaries, allowances and benefits in kind	Retirement scheme contributions	2015 Total
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Executive directors	執行董事				
Mr. Chai Xiang Dong (Chief Executive Officer) (resigned on 3 March 2016)	柴向東先生 (行政總裁) (於二零一六年三月三日辭任)	-	641	39	680
Mr. Zhang Feng	張鋒先生	-	-	-	-
Mr. Xu Yan He	徐燕和先生	-	480	30	510
Non-executive directors	非執行董事				
Ms. Yu Lin	于琳女士	-	-	-	-
Mr. Liu Zhan Jun	劉占軍先生	-	-	-	-
Mr. Song Ting Jiu	宋廷久先生	-	-	-	-
Independent non-executive directors	獨立非執行董事				
Mr. Yick Wing Fat, Simon	易永發先生	212	-	-	212
Mr. Poon Ka Yeung	潘嘉陽先生	106	-	-	106
Mr. Yu Bo (resigned on 21 January 2016)	于渤先生(於二零一六年一月二十一日辭任)	100	-	-	100
		<u>418</u>	<u>1,121</u>	<u>69</u>	<u>1,608</u>

Mr. Chai Xiang Dong was the director and the general manager of the Company and was responsible for the Company's day to day management and overall activities. He has resigned as an executive Director, the general manager and authorised representative of the Company with effect from 3 March 2016. The remuneration of Mr. Chai for 2015 and 2016 is disclosed above.

柴向東先生為本公司董事及總經理，負責本公司日常管理及整體業務活動。彼已辭任本公司執行董事、總經理及授權代表，自二零一六年三月三日起生效。柴先生於二零一五年及二零一六年之薪酬於上文披露。

Mr. Xu Yan He is appointed general manager and authorised representative of the Company with effect from 3 March 2016.

徐燕和先生已獲委任為本公司總經理及授權代表，自二零一六年三月三日起生效。

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10. Directors' and Chief Executive's Emoluments (Continued)

Mr. Zhao Wen Liang was appointed as an executive Director on 3 March 2016. With effect from 6 June 2016, Mr. Zhao has been re-designated from an executive Director to a non-executive Director in order to devote more time to his other business engagements.

During both years, no remuneration were paid or payable by the Group to any of the directors or any of the 5 highest paid individuals set out in note 8 as an inducement to join or upon joining the Group or as compensation for loss of office. There was no arrangement under which a director waived or agreed to waive any remuneration during both years. No bonus was paid or payable to directors which are discretionary or are based on the Group's performance.

11. Individuals with Highest Emoluments

Of the five individuals with the highest emoluments, two (2015: two) are directors of the Company whose emoluments are included in the disclosures in note 10. The aggregate of the emoluments of the remaining three (2015: three) individuals are as follows:

Salaries and other emoluments	薪金及其他薪酬
Retirement scheme contributions	退休計劃供款

Their emoluments are all within the band of HK\$ Nil to HK\$1,000,000 (equivalent to approximately RMB837,780) for years ended 31 December 2016 and 2015.

10. 董事及高級行政人員酬金(續)

趙文梁先生於二零一六年三月三日已獲委任為執行董事。自二零一六年六月六日起，趙文梁先生已由執行董事調任為非執行董事，以便將更多時間投放於其他的商業事務。

於兩個年度，本集團並無向董事或附註8所述五名最高薪僱員支付酬金，作為加入本集團或加入本集團後的獎勵或作為離職補償。於兩個年度，並無董事放棄或同意放棄任何酬金的安排。概無酌情或根據本集團表現向董事已付或應付花紅。

11. 最高薪酬僱員

於五名最高薪酬僱員之中，兩名(二零一五年：兩名)為本公司董事，其薪酬詳情見附註10。其餘三名(二零一五年：三名)最高薪酬僱員的薪酬總和詳情如下：

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
1,594	1,282
102	91
1,696	1,373

截至二零一六年及二零一五年十二月三十一日止年度最高薪酬僱員的薪酬範圍介乎零港元至1,000,000港元(等約於人民幣837,780元)。

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12. Dividends

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

13. Earnings Per Share

Basic earnings per share

The calculation of basic earnings per share has been based on the profit attributable to owners of the Company of approximately RMB62,692,000 (2015: approximately RMB21,055,000) and the weighted average number of 1,678,000,000 ordinary shares (2015: 1,678,000,000 ordinary shares) in issue during the year.

Diluted earnings per share

Diluted earnings per share equals to basic earnings per share as there were no potential dilutive ordinary shares outstanding for both years presented.

12. 股息

董事並不建議派付截至二零一六年十二月三十一日止年度任何股息(二零一五年：無)。

13. 每股盈利

每股基本盈利

每股基本盈利已根據本公司擁有人應佔溢利約人民幣62,692,000元(二零一五年：約人民幣21,055,000元)，以及本年度內已發行普通股的加權平均數1,678,000,000股(二零一五年：1,678,000,000股普通股)計算。

每股攤薄盈利

由於兩個呈報年度並無流通在外潛在攤薄普通股，故此每股攤薄盈利等於每股基本盈利。

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14. Property, Plant and Equipment

14. 物業、廠房及設備

		Building	Leasehold improvements	Plant and machinery	Motor vehicles	Furniture, fixtures and equipment	Construction-in-progress	Total
		樓宇	租賃物業裝修	廠房及設備	汽車	傢俱、裝置及設備	在建工程	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Cost	按成本值							
At 1 January 2016	於二零一六年一月一日	80,803	2,129	103,843	2,495	12,342	21,160	222,772
Additions	添置	2,256	211	2,572	150	784	-	5,973
Construction expenditure capitalised	資本化建設開支	-	-	-	-	-	18,578	18,578
Disposals	出售	34	-	11,822	113	2,864	-	14,833
Transfer	轉撥	3,580	-	13,038	-	-	(16,618)	-
At 31 December 2016	於二零一六年十二月三十一日	86,605	2,340	107,631	2,532	10,262	23,120	232,490
Accumulated depreciation and impairment	累計折舊及減值							
At 1 January 2016	於二零一六年一月一日	(17,710)	(806)	(60,508)	(1,416)	(7,756)	(834)	(89,030)
Charge for the year *	本年度支出*	(4,187)	(1,158)	(8,103)	(409)	(1,433)	-	(15,290)
Eliminated on disposal of asset	出售資產時對銷	8	-	9,719	107	2,107	-	11,941
At 31 December 2016	於二零一六年十二月三十一日	(21,889)	(1,964)	(58,892)	(1,718)	(7,082)	(834)	(92,379)
Carrying amounts	賬面值							
At 31 December 2016	於二零一六年十二月三十一日	64,716	376	48,739	814	3,180	22,286	140,111

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14. Property, Plant and Equipment (Continued)

14. 物業、廠房及設備(續)

		Building	Leasehold improvements	Plant and machinery	Motor vehicles	Furniture, fixtures and equipment	Construction-in-progress	Total
		樓宇	租賃物業裝修	廠房及設備	汽車	傢俱、裝置及設備	在建工程	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Cost	按成本值							
At 1 January 2015	於二零一五年一月一日	81,971	26,097	124,136	3,143	22,148	5,593	263,088
Additions	添置	1,185	567	6,837	111	1,325	-	10,025
Construction expenditure capitalised	資本化建設開支	-	-	-	-	-	19,664	19,664
Disposals	出售	-	-	(772)	(493)	(203)	(288)	(1,756)
Derecognised on disposal of a subsidiary	取消確認出售一間附屬公司	-	(226)	-	-	(1,461)	-	(1,687)
Reclassified as held for sale	重新分類為持作出售	(2,353)	(24,309)	(26,358)	(266)	(9,467)	(3,809)	(66,562)
At 31 December 2015	於二零一五年十二月三十一日	80,803	2,129	103,843	2,495	12,342	21,160	222,772
Accumulated depreciation and impairment	累計折舊及減值							
At 1 January 2015	於二零一五年一月一日	(13,700)	(1,345)	(53,254)	(1,424)	(9,180)	(834)	(79,737)
Charge for the year *	本年度支出*	(4,211)	(1,337)	(13,373)	(713)	(3,937)	-	(23,571)
Eliminated on disposal of a subsidiary	出售一間附屬公司時對銷	-	146	-	-	363	-	509
Eliminated on disposals of assets	出售資產時對銷	-	-	515	468	183	-	1,166
Eliminated on reclassification	重新分類時對銷	201	1,730	5,604	253	4,815	-	12,603
At 31 December 2015	於二零一五年十二月三十一日	(17,710)	(806)	(60,508)	(1,416)	(7,756)	(834)	(89,030)
Carrying amounts	賬面值							
At 31 December 2015	於二零一五年十二月三十一日	63,093	1,323	43,335	1,079	4,586	20,326	133,742

* Included in the amount of RMB15,290,000 (2015: RMB23,571,000) depreciation of RMB15,290,000 (2015: RMB19,151,000) was charged to consolidated statement of profit or loss and depreciation of RMB Nil (2015: RMB4,420,000) was capitalized as intangible assets.

* At 31 December 2016 and 2015, certain of the Group's buildings with a total carrying amount of approximately RMB41,185,000 (2015: approximately RMB38,124,000) were pledged to secure the Group's bank loan of RMB100,000,000 (2015: RMB100,000,000) (Note 24).

* 金額為人民幣15,290,000元(二零一五年: 人民幣23,571,000元), 其中包括人民幣15,290,000元(二零一五年: 人民幣19,151,000元)之折舊已計入綜合損益表及人民幣零元(二零一五年: 人民幣4,420,000元)之折舊已資本化為無形資產。

* 於二零一六年及二零一五年十二月三十一日, 本集團若干總賬面值約為人民幣41,185,000元(二零一五年: 約人民幣38,124,000元)的樓宇已作為本集團銀行貸款人民幣100,000,000元(二零一五年: 人民幣100,000,000元)(附註24)的抵押品。

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15. Prepaid Lease Payments

15. 預付租賃款項

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Cost	按成本值		
At 1 January	於一月一日	110,238	72,000
Addition	添置	–	38,238
At 31 December	於十二月三十一日	110,238	110,238
Accumulated amortisation	累計攤銷		
At 1 January	於一月一日	(8,307)	(6,411)
Charge for the year	本年度支出	(1,570)	(1,570)
Capitalised in construction – in progress	於在建工程內資本化	(783)	(326)
At 31 December	於十二月三十一日	(10,660)	(8,307)
Carrying amounts	賬面值		
At 31 December	於十二月三十一日	99,578	101,931

The prepaid lease payments represent interest in land situated in the PRC which were amortised over the lease term on a straight-line basis.

At 31 December 2016 and 2015, Certain of the Group's prepaid lease payments with a total carrying amount of approximately RMB62,448,000 (2015: approximately RMB64,018,000) were pledged to secure the Group's bank loan of RMB100,000,000 (2015: RMB100,000,000) (Note 24).

該預付租賃款項指位於中國的租賃土地權益，該等預付租賃款項於租賃期間按直線法攤銷。

於二零一六年及二零一五年十二月三十一日，本集團若干總賬面值約人民幣62,448,000元(二零一五年：約人民幣64,018,000元)的預付租賃款項已作為本集團銀行貸款人民幣100,000,000元(二零一五年：人民幣100,000,000元)(附註24)的抵押品。

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16. Intangible Assets

16. 無形資產

		Computer software	Trademarks	Anesthetic Drug Production and selling rights	Trade name	Customer list	Technical know-how acquired	Internally Developed Technical know-how	Selling Licences	Total
		電腦軟件	商標	麻醉藥產銷權	業務名稱	客戶名單	已購技術知識	內部開發技術知識	銷售許可證	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Cost	成本									
At 1 January 2015	於二零一五年一月一日	393	75	53,143	46,483	39,502	6,000	15,044	1,007	161,647
Addition	添置	162	-	-	-	-	-	6,142	-	6,304
Reclassified as held for sale	重新分類為持作出售	-	-	-	-	-	(6,000)	(21,186)	-	(27,186)
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	555	75	53,143	46,483	39,502	-	-	1,007	140,765
Addition	添置	121	-	-	-	-	-	-	-	121
At 31 December 2016	於二零一六年十二月三十一日	676	75	53,143	46,483	39,502	-	-	1,007	140,886
Accumulated amortisation and impairment	累計攤銷及減值									
At 1 January 2015	於二零一五年一月一日	(360)	(75)	-	-	(16,270)	-	-	(404)	(17,109)
Charge for the year	本年度支出	(35)	-	-	-	(3,950)	-	(5)	(202)	(4,192)
Eliminated on reclassification as held for sale	重新分類為持作出售時對銷	-	-	-	-	-	-	5	-	5
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	(395)	(75)	-	-	(20,220)	-	-	(606)	(21,296)
Charge for the year	本年度支出	(281)	-	-	-	(3,950)	-	-	(201)	(4,432)
At 31 December 2016	於二零一六年十二月三十一日	(676)	(75)	-	-	(24,170)	-	-	(807)	(25,728)
Carrying amounts	賬面值									
At 31 December 2016	於二零一六年十二月三十一日	-	-	53,143	46,483	15,332	-	-	200	115,158
At 31 December 2015	於二零一五年十二月三十一日	160	-	53,143	46,483	19,282	-	-	401	119,469

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16. Intangible Assets (Continued)

(a) Intangible assets arising from business combination

The anesthetic drug production and selling right, trade name and customer list are intangible assets acquired on 30 November 2010 through the acquisition of Fuzhou Neptunus Fuyao Phamaterials Co., Ltd (“Neptunus Fuyao”).

Anesthetic drug production and selling right represents the fair value of the rights as at the acquisition date in respect of the production and selling specific anesthetic drug in the PRC.

The anesthetic drug production and selling right and trade name are considered by the management of the Group as having an indefinite useful life because it is expected to contribute to net cash inflows to the Group indefinitely. It is tested for impairment annually and whenever there is an indication that it may have been impaired.

Selling licences are intangible assets acquired on 4 January 2013 through the acquisition of the 100% equity interests in Shenzhen Neptunus Changjian Pharmaceutical Company Limited (“Neptunus Changjian”).

(b) Anesthetic drug production and selling right and trade name

The recoverable amounts, which were assessed by reference to a valuation carried out by Verity Appraisals Company Limited, an independent qualified professional valuer with appropriate qualification and experience in the valuation of similar assets in the relevant industry, of the anesthetic drug production and selling right and trade name based on the estimated value-in-use calculations were higher than their carrying amounts at 31 December 2016 and 31 December 2015. Accordingly, no provision for impairment loss for anesthetic drug production and selling right or tradenames is considered necessary.

16. 無形資產(續)

(a) 業務合併產生的無形資產

麻醉藥產銷權、業務名稱及客戶名單乃於二零一零年十一月三十日透過收購福州海王福藥製藥有限公司(「海王福藥」)所收購的無形資產。

於收購日期麻醉藥產銷權為特定麻醉藥的產銷權，有關款項指在中國生產及銷售麻醉藥的權利的公平值。

本集團管理層認為麻醉藥產銷權以及業務名稱的使用年期屬不明確，原因是麻醉藥產銷權以及業務名稱預期將為本集團無限期地注入淨現金流入。該項目每年進行減值測試，及測試其有否跡象顯示其可能遭減值。

銷售許可證乃於二零一三年一月四日透過收購深圳海王長健醫藥有限公司(「海王長健」)的全部股權所收購的無形資產。

(b) 於業務收購取得的麻醉藥產銷權及業務名稱

根據估計使用價值計算之麻醉藥產銷權以及業務名稱的可收回金額(乃參照獨立於本集團的獨立合資格專業估值師衛諦評值有限公司(其擁有對相關行業類似資產進行估值的資格及經驗)作出的估值後進行評估)高於彼等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的賬面值。因此，無須就麻醉藥產銷權以及業務名稱作出減值虧損撥備。

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16. Intangible Assets (Continued)

(b) Anesthetic drug production and selling right and trade name (Continued)

The recoverable amount of the anesthetic drug production and selling right is determined based on value in use calculations. These calculations use cash flow projections based on financial budget approved by the executive directors covering a four-year period. Cash flows beyond four-year period are extrapolated using an estimated weighted average growth rate of 3% (2015: 3%) which is consistent with the forecasts. The growth rates used do not exceed the long-term average growth rates for the medical industries. The cash flows are discounted using a discount rate of 21% (2015: 24%). The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

The recoverable amount of trade name is determined based on the fair value of trade name as measured using a royalty rate of 4.5% (2015: 4.5%) on sale and discount rate of 21% (2015: 24%). The annual sales was projected based on financial budgets approved by the executive directors covering a four-year period and has been extrapolated using an average 3% (2015: 3%) growth rate. The average 3% (2015: 3%) growth rate is based on the average 10-year consumer price index in the PRC and does not exceed the long-term average growth rates for the pharmaceutical industries.

The anesthetic drug production and selling right and trade name has an indefinite useful life which was assessed by the management at the end of the reporting period.

16. 無形資產(續)

(b) 於業務收購中取得的的麻醉藥產銷權及業務名稱(續)

麻醉藥產銷權以及業務名稱的可收回金額乃根據使用價值的計算方法而釐定。該等計算方法使用經執行董事批准之四年期財政預算為基準的現金流預測而計算。超過四年期之現金流量使用3%(二零一五年: 3%)的估計加權平均增長率(與預測相一致)進行預測。使用的增長率不得超過醫藥行業的長期平均增長率。現金流量的折現率為21%(二零一五年: 24%)。使用的貼現率為稅前貼現率, 並反映有關分部的特定風險。

業務名稱的可收回金額乃按銷售額的4.5%(二零一五年: 4.5%)特許權收費率及貼現率21%(二零一五年: 24%)計算之業務名稱公平值來釐定。年度銷售乃根據執行董事批准涵蓋四年期的財政預算進行預測, 並運用3%(二零一五年: 3%)平均增長率推算。該3%(二零一五年: 3%)平均增長率乃基於中國10年平均消費價格指數及並未超過醫藥行業長期平均增長率。

麻醉藥產銷權及業務名稱具有無限使用期限, 並由管理層於呈報期末進行評估。

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16. Intangible Assets (Continued)

(c) Customer list

The customer list has a finite useful life and is amortised on a straight-line basis over 10 years. The useful life of the customer list is determined with reference to the estimated future revenue from the customer list which is based on historical information. The management is of the view that the future economic benefits that can be derived from the customer list beyond the 10-year period are insignificant.

The fair value of the customer list at the date of business combination was measured using the excess earnings method under the income approach. This calculation is based on the present value of the incremental after-tax cash flows attributable to the customer list and a discount rate of 21%. The annual cash flow is calculated by reference to the latest applicable annual revenue from existing customers and has been extrapolated using an average 3% growth rate. The average 3% growth rate is based on the relevant industry growth and management forecasts and does not exceed the average long-term growth rate for the relevant industry. At the date of the business combination, the fair value of the customer list amounted to RMB39,502,000.

(d) Technical know-how acquired and internally developed technical know-how

Technical know-how acquired and internally developed technical know-how represented development cost of recombinant human thymosin $\alpha 1$, which has a finite useful life and is determined with reference to the estimated future revenue from the recombinant human thymosin $\alpha 1$. The amortisation will start when the Group obtains production license and generates revenue from the marketing of recombinant human thymosin $\alpha 1$. The management is of the view that the future economic benefits that can be derived from the technical know-how beyond the 10-year period are insignificant.

16. 無形資產(續)

(c) 客戶名單

客戶名單有限定可使用年限並以直線法於10年內攤銷。客戶名單的可使用年限乃參考根據歷史資料而得出來自客戶名單的估計未來收益而釐定。管理層認為，10年期間過後，源自客戶名單的未來經濟效益乃屬甚微。

於業務合併日期的客戶名單公平值乃以超額盈利法的收入計量。該計算乃以客戶名單應佔增量除稅後現金流量現值及21%折現率為基準。年度現金流量乃參考現有客戶的近期適用年度收益計算並使用3%平均增長率而推斷。3%平均增長率乃基於相關行業增長及管理層預測且並未超過相關行業之平均長期增長率。於業務合併日期的客戶名單公平值為人民幣39,502,000元。

(d) 已收購的專有技術及內部開發專有技術

已收購的專有技術及內部開發專有技術指重組人胸腺 $\alpha 1$ 的開發成本，具有確定的使用期限，且經參考重組人胸腺 $\alpha 1$ 的估計未來收入後釐定。於本集團獲得生產許可證及重組人胸腺 $\alpha 1$ 的營銷產生收入後開始攤銷。管理層認為，10年後來自專有技術的未來經濟效益是微小的。

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16. Intangible Assets (Continued)

(d) Technical know-how acquired and internally developed technical know-how (Continued)

The recoverable amount of technical know-how acquired and internally developed technical know-how is determined based on value in use calculations. This calculation use cash flow projections based on financial budget approved by the executive directors covering 10-year period. The cash flows were discounted using a discount rate of 17%.

In December 2015, the Group's management was committed to a preliminary negotiation with a third party regarding the disposal of 100% equity interest of Jiangsu Neptunus Bio-pharmaceutical Company Limited ("Jiangsu Neptunus"). The technical know-how acquired and internally developed technical know-how attributable to Jiangsu Neptunus is classified as a disposal group held for sale (Note 30). The sale subsequently was completed in January 2016.

(e) Selling licences

Selling licences have a finite useful life and is amortised on a straight-line basis over 5 years. The useful life of the selling licenses is determined with reference to the period of validity of the selling licences.

The fair value of the selling licences at the date of business combination was measured using a relief from royal approach under the income approach. The valuation was carried out by Ascent Partners, Valuation Service Limited an independent qualified professional valuer with appropriate qualification and experience in the valuation of similar assets in the relevant industry. The calculation was based on the royalty rate of 5.1% on sales and discount rate of 19.84%. The annual sales were projected based on financial budget approved by the executive directors covering a five-year period and has been extrapolated using an average 3.19% growth rate. The average 3.19% growth rate is based on the average 10-year consumer price index of the PRC and does not exceed the average long-term growth rate for the relevant industry. As at the date of the business combination, the fair value of the selling licenses were RMB1,007,000.

16. 無形資產(續)

(d) 已收購的專有技術及內部開發專有技術(續)

已收購的專有技術及內部開發專有技術的可收回金額使用收入法項下的超額盈利法計算。年度現金流乃基於執行董事批准之十年期財政預算的預測而計算。現金流量的現值以17%折現率為基準。

於二零一五年十二月，本集團管理層就出售江蘇海王生物製藥有限公司(「江蘇海王」)100%權益與第三方進行初步磋商。江蘇海王應佔以收購技術知識及內部開發的技術知識分類為持作出售的出售組別(附註30)。有關銷售隨後於二零一六年一月完成。

(e) 銷售許可證

銷售許可證有限定可使用年限並以直線法於5年內攤銷。銷售許可證的可使用年限乃參考銷售許可證的有效期而釐定。

於業務合併日期的銷售許可證公平值乃以收入法的免除版稅法計量。該估值乃由獨立合資格專業估值師艾升評值諮詢有限公司(其擁有對相關行業類似資產進行估值的資格及經驗)進行評估。該計算乃以出售時5.1%特許權收費率及19.84%折現率為基準。年度銷售乃基於執行董事批准之五年期財政預算的預測並使用3.19%平均增長率而推斷。3.19%平均增長率乃基於中國平均十年消費價格指數及管理層預測且並未超過相關行業之平均長期增長率。於業務合併日期的銷售許可證公平值為人民幣1,007,000元。

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17. Deposit for Acquisition of Property, Plant and Equipment

The deposit of approximately RMB914,000 (2015: approximately RMB1,027,000) mainly represents deposit to acquire property, plant and equipment for the production base in Fuzhou. During the year, additional deposit of RMB914,000 was paid and property, plant and equipment of approximately RMB1,027,000 was transferred and delivered to the Group and the relevant deposit were reclassified as property, plant and equipment.

18. Available-For-Sale Investments

17. 購置物業、廠房及設備的按金

該金額約人民幣914,000元按金(二零一五年：約人民幣1,027,000元)主要為位於福州的生產基地而購置物業、廠房及設備的按金。本年度內，已支付人民幣914,000元的額外按金及約人民幣1,027,000元的物業、廠房及設備已轉讓及交付本集團及相關按金被重新分類為物業、廠房及設備。

18. 可供出售投資

		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
Unlisted securities	非上市證券		
– Equity securities in the PRC, at cost	– 中國內地股本證券，按成本值	–	300

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19. Inventories

19. 存貨

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Raw materials	原材料	62,398	78,596
Work-in-progress	在製品	24,065	18,492
Finished goods	製成品	50,286	58,496
		136,749	155,584

The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

確認為開支並計入損益的存貨金額分析如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Carrying amount of inventories sold	已售存貨賬面金額	362,115	361,832
Write-down of inventories	撇減存貨	4,764	7,618
Reversal of write down of inventories	存貨撇減撥回	(1,860)	(1,283)
		365,019	368,167

Notes:

- (i) As at 31 December 2016, write-down of inventories was approximately RMB4,764,000 (2015: RMB7,618,000). During the year, obsolete inventories of approximately RMB4,764,000 (2015: RMB7,618,000) were identified and recognised in the consolidated statement of profit or loss.
- (ii) During the year, obsolete inventories written down previously were sold.

Therefore, a reversal of write down of inventories of RMB1,860,000 (2015: RMB1,283,000) was recognised in the consolidated statement of profit or loss.

附註：

- (i) 於二零一六年十二月三十一日，撇減存貨約人民幣4,764,000元(二零一五年：人民幣7,618,000元)。年內陳舊存貨約人民幣4,764,000元(二零一五年：人民幣7,618,000元)已於綜合損益表內識別及確認。
- (ii) 年內，先前撇減的陳舊存貨已售出。

因此，存貨撇減撥回約人民幣1,860,000元(二零一五年：人民幣1,283,000元)於綜合損益表中確認。

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綜合財務報表附註

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

20. Trade and Other Receivables

20. 應收賬款及其他應收款項

		Note 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Trade and bills receivables	應收賬款及應收票據		177,996	165,402
Less: allowance for doubtful debts	減：呆賬撥備		(1,975)	(2,453)
			176,021	162,949
Amounts due from fellow subsidiaries	應收同系附屬公司款項	(i), 34(d)	3,270	1,923
Amounts due from related companies	應收關連公司款項	(i), 34(d)	9,021	6,222
Amount due from the immediate parent company	應收直屬母公司款項	(i), 34(d)	–	9,646
Amount due from the intermediate parent company	應收中間母公司款項	(i), 34(d)	138	5,216
Other receivables	其他應收款項		5,093	6,008
Value-added tax recoverable	可收回增值稅		576	783
Loans and receivables	貸款及應收款項		194,122	192,747
Prepayment and deposits	預付款項及按金		16,796	5,654
Less: Non-current assets	減：非流動資產		210,918	198,401
Value-added tax recoverable	可收回增值稅		–	(783)
			210,918	197,618

All of the trade and other receivables classified as current assets are expected to be recovered within one year.

預期所有分類為流動資產的應收賬款及其他應收款項可於一年內收回。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

20. Trade and Other Receivables (Continued)

Notes:

- (i) The amounts are unsecured, interest-free and repayable within one year.
- (ii) Value-added tax recoverable is value-added tax paid by the Group eligible for offsetting value-added tax payable to arise on future revenue streams in accordance with relevant PRC tax laws.

(a) Aging analysis

The following is an aging analysis of trade and bills receivables, presented based on the invoice date, which approximates the respective revenue recognition dates:

		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 3 months	3個月內	142,804	134,856
More than 3 months but less than 12 months	超過3個月但少於12個月	28,059	25,443
Over 12 months	超過12個月	5,158	2,650
		176,021	162,949

Trade and bills receivables are due within 90 days from the date of billing. Further details on the Group's credit policy is set out in note 33(a).

20. 應收賬款及其他應收款項(續)

附註：

- (i) 應收款項為無抵押、免息以及須於一年內償還。
- (ii) 可收回增值稅是本集團已支付的增值稅並按中國相關稅法可與日後收入所產生的應付增值稅抵銷。

(a) 賬齡分析

以下為本集團之應收賬款及應收票據按發票日期呈列之賬齡分析(與各收入確認日期相若)：

應收賬款及應收票據一般在發票發出當日起計90日內到期支付。本集團信貸政策的進一步詳情載於附註33(a)。

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綜合財務報表附註

For the year ended 31 December 2016
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20. Trade and Other Receivables (Continued)

(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 amount is remote, in which case the impairment loss is written off against trade receivables directly.

Movements in the allowance for impairment loss

		Note	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
		附註		
At 1 January	於一月一日		2,453	2,353
Impairment loss recognised	已確認減值虧損	(i)	311	196
Recovery of impairment loss	收回減值虧損	(ii)	(286)	(75)
Uncollectible amount written off	無法收回款項撇銷	(iii)	(196)	(21)
At 31 December	於十二月三十一日		2,282	2,453

Notes:

- (i) As at 31 December 2016, trade receivables of the Group amounting to RMB311,000 (2015: RMB196,000) were individually determined to be impaired and allowance had been made. These individually impaired receivables were outstanding for over 1 year as at the end of the reporting period or were due from customers with financial difficulties.
- (ii) RMB286,000 (2015: RMB75,000) of the trade receivables previously impaired was recovered during the year. Therefore, the impairment loss was reversed.
- (iii) As at 31 December 2016, a bad debt of RMB196,000 (2015: RMB21,000) was written off against trade receivables directly as the Group assessed that the recovery of the amount is remote.
- (iv) The Group does not hold any collateral over these balances.

20. 應收賬款及其他應收款項(續)

(b) 應收賬款減值

應收賬款的減值虧損乃以撥備賬記錄，惟本集團確信收回該款項的可能性很低，在此情況下，直接從應收賬款撇銷減值虧損。

減值虧損撥備變動

	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
At 1 January	2,453	2,353
Impairment loss recognised	311	196
Recovery of impairment loss	(286)	(75)
Uncollectible amount written off	(196)	(21)
At 31 December	2,282	2,453

附註：

- (i) 於二零一六年十二月三十一日，本集團的應收賬款人民幣311,000元(二零一五年：人民幣196,000元)個別釐定減值，並計提撥備。該等個別減值應收賬款於呈報期末已逾期未付逾1年或屬具財務困難的客戶。
- (ii) 先前已減值的應收賬款人民幣286,000元於年內收回(二零一五年：人民幣75,000元)。因此，減值虧損已撥回。
- (iii) 於二零一六年十二月三十一日，由於本集團評估收回該款項的機會甚微，故壞賬人民幣196,000元(二零一五年：人民幣21,000元)直接與應收賬款撇銷。
- (iv) 本集團並無就該等結餘持有任何抵押品。

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綜合財務報表附註

For the year ended 31 December 2016
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20. Trade and Other Receivables (Continued)

(c) Trade receivables that are not impaired

The ageing analysis of trade receivables that are neither individually nor collectively considered to be impaired 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
Neither past due nor impaired	並無逾期或減值	142,804	150,915
Past due but not impaired	已逾期但無減值		
1 to 3 months past due	逾期1至3個月	28,059	6,647
Over 3 months past due	逾期超過3個月	5,158	5,387
		176,021	162,949

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

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

20. 應收賬款及其他應收款項(續)

(c) 並無減值的應收賬款

並無個別或集體視為減值的應收賬款及應收票據的賬齡分析如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Neither past due nor impaired	並無逾期或減值	142,804	150,915
Past due but not impaired	已逾期但無減值		
1 to 3 months past due	逾期1至3個月	28,059	6,647
Over 3 months past due	逾期超過3個月	5,158	5,387
		176,021	162,949

並無逾期或減值的應收款項與多名並無近期欠款記錄的客戶相關。

已逾期但無減值的應收款項與多名擁有良好記錄的本集團客戶相關。根據過往經驗，管理層相信，由於信貸水平無重大變動，而結餘仍被視為可悉數收回，故毋須就此等結餘作減值撥備。

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綜合財務報表附註

For the year ended 31 December 2016
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21. Pledged Bank Deposits

The pledged bank deposits are bank deposits pledged to a bank to secure credit facilities granted to the Group. The pledged bank deposits represent margin deposits to secure bills and other trade finance facilities granted to the Group from time to time and are therefore classified as current assets.

22. Cash and Cash Equivalents

21. 已抵押銀行存款

抵押銀行存款為就本集團獲授信貸融資抵押予銀行的銀行存款。已抵押的銀行存款指本集團不時就獲授票據及其他貿易融資作抵押的保證金，因而分類為流動資產。

22. 現金及現金等價物

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Cash at bank and on hand	銀行存款及現金	329,195	300,102
Less: Fixed deposit with maturity of 3 months or more	減：3個月或以上到期的定期存款	(4,000)	(17,608)
Cash and cash equivalents in the consolidated statement of financial position and the consolidated statement of cash flows	於綜合財務狀況表及綜合現金流量表的現金及現金等價物	325,195	282,494

In 2016, deposits with banks carry interest at market rates which range from 1.85% to 3.38%. (2015: 0.30% to 3.05%) per annum.

於二零一六年，銀行存款按市場年利率介乎1.85%至3.38%(二零一五年：0.30%至3.05%)計息。

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綜合財務報表附註

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

23. Trade and Other Payables

23. 應付賬款及其他應付款項

		Note 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Trade and bills payables	應付賬款及應付票據		67,198	95,671
Receipts in advance	預收款項		7,464	9,459
Other payables and accruals	其他應付款項及應計費用		70,538	83,319
Amount due to fellow subsidiaries	應付同系附屬公司款項	(i), 34(d)	5,921	2,687
Amount due to the immediate parent company	應付直屬母公司款項	(i), 34(d)	4,111	1,067
Amount due to related company	應付關連公司款項		31,892	41,933
Financial assistance from the immediate parent company	來自直屬母公司的財務資助	(ii), 34(d)	–	74,500
Financial liabilities measured at amortised cost	按攤銷成本計量的金融負債		187,124	308,636

All of the trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand. An ageing analysis of trade and bills payables at the end of the reporting period, presented based on the invoice date, is as follows:

所有應付賬款及其他應付款項預期於一年內支付或確認為收入或按要求償還。於呈報期末按發票日期計算的應付賬款及應付票據的賬齡分析如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Within 3 months	3個月內	37,878	52,031
4 to 6 months	4至6個月	14,224	23,911
7 to 12 months	7至12個月	6,630	16,550
Over 1 year	1年以上	8,466	3,179
		67,198	95,671

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綜合財務報表附註

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

23. Trade and Other Payables (Continued)

Notes:

- (i) As at 31 December 2016, the balances are unsecured, interest-free and repayable on demand.
- (ii) The amounts of financial assistance of RMB Nil (2015: RMB74,500,000) obtained from the immediate parent company, Shenzhen Neptunus Bio-engineering Co., Ltd. (“Neptunus Bio-engineering”). The amounts were unsecured, bearing interest at 5.52%-6.72% per annum in 2015, which is 20% above 1-year benchmark lending rate issued by the People’s Bank of China. The amounts were fully repaid during the year.

24. Interest-bearing Bank Borrowings

		Effective interest rate 實際利率	Maturity 到期日	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Short-term bank loan	短期銀行貸款				
– secured	– 有抵押	4.85% (2015: 5.6%-6%) 4.85% (二零一五年： 5.6%至6%)	within 1 year 一年內	100,000	100,000

23. 應付賬款及其他應付款項(續)

附註：

- (i) 於二零一六年十二月三十一日，該等結餘為無抵押、免息及須按要求償還。
- (ii) 金額為人民幣零元(二零一五年：人民幣74,500,000元)財務資助自直屬母公司深圳市海王生物工程股份有限公司(「海王生物」)獲得。財務資助為無抵押、於二零一五年息率為每年5.52%至6.72%，比中國人民銀行發行的一年期基準利率高出20%。該款項已於年內全數償還。

24. 付息銀行借貸

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截至二零一六年十二月三十一日止年度

24. Interest-bearing Bank Borrowings (Continued)

The interest-bearing bank borrowings are carried at amortised cost. All of the Group's borrowings are denominated in RMB.

For the year ended 31 December 2015

RMB30,000,000 facility for issue of bills and RMB100,000,000 loan facility were obtained from a bank on 18 May 2015 and 22 July 2015 respectively.

The loan facility was secured by pledge of buildings and prepaid lease payments of a subsidiary and carries common profitability and gear ratio covenants on that subsidiary. At 31 December 2015, the loan facility was fully utilised and loan of RMB100,000,000 was outstanding and the pledged buildings and prepaid lease payments were stated at an aggregate value of approximately RMB102,142,000.

The bill facility requires 100% bank deposit to be pledged on bill issue. At 31 December 2015, RMB3,400,000 bill facility was utilised and outstanding. The balance was included in trade and bills payables as disclosed in note 23 to these consolidated financial statements.

For the year ended 31 December 2016

On 4 August 2016, the above loan facility and bill facility were renewed and combined into one bank facility of RMB100,000,000. The renewed bank facility is shared by loan and issue of bill, secured by pledge of buildings and prepaid lease payments of a subsidiary, and carries common profitability and gear ratio covenants on that subsidiary. Issue of bill, in addition to the aforementioned pledge, requires at least 50% pledge of bank deposit. Bill payable, if it is issued, carries no interest.

At 31 December 2016, the bank facility was fully utilised and loan of RMB100,000,000 was outstanding and the pledged buildings and prepaid lease payments were stated at an aggregate value of approximately RMB103,633,000. No bills were issued.

24. 附息銀行借貸(續)

附息銀行借貸乃按攤銷成本列賬。本集團所有借貸均以人民幣計值。

截至二零一五年十二月三十一日止年度

票據融資人民幣30,000,000元及貸款融資人民幣100,000,000元分別於二零一五年五月十八日及二零一五年七月二十二日從銀行取得。

貸款融資以一家附屬公司的房屋及預付租賃款項作抵押並具有常見的盈利及負債比率條款作用於該附屬公司。於二零一五年十二月三十一日，貸款融資總額已全數動用及貸款人民幣100,000,000元尚未償還，而用於抵押房屋及預付租賃款項賬面值合計約為人民幣102,142,000元。

票據融資須於發行票據時以100%銀行存款作抵押。於二零一五年十二月三十一日，人民幣3,400,000元票據融資已使用並待付。該票據待付餘額在本綜合財務報表附註23應付賬款及其他應付款項內披露。

截至二零一六年十二月三十一日止年度

於二零一六年八月四日，上述貸款融資及票據融資已更新續期及合併成一項人民幣100,000,000元的銀行融資。已更新續期的銀行融資之融資額度由發行票據及貸款借款共享，以一家附屬公司的房屋及預付租賃款項作抵押並具有常見的盈利及負債比率條款作用於該附屬公司。除上述質押外，發行票據需要至少50%的銀行存款保證金。應付票據(如若發行)不付息。

於二零一六年十二月三十一日，銀行融資已全數動用及貸款人民幣100,000,000元尚未償還，用於抵押的房屋及預付租賃款項賬面值合計約為人民幣103,633,000元。並無發行票據。

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綜合財務報表附註

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

25. Income Tax in the Consolidated Statement of Financial Position

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

		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
PRC EIT	中國企業所得稅		
Provision for the year	本年度撥備	12,322	13,352
Balance of tax provisions relating to prior years	與先前年度有關的稅項撥備結餘	2,342	2,342
		14,664	15,694

(b) Deferred tax assets and liabilities recognised:
The components of deferred tax (assets)/liabilities recognised in the consolidated statement of financial position and the movements during the year as follows:

		Fair value change of non-current assets 非流動資產 的公平值變動 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2015 (Credited)/charged to profit or loss	於二零一五年一月一日 (計入)/扣除自損益賬	20,167	(1,465)	18,702
		(1,069)	30	(1,039)
At 31 December 2015 and 1 January 2016 (Credited)/charged to profit or loss	於二零一五年十二月三十一日 及二零一六年一月一日 (計入)/扣除自損益賬	19,098	(1,435)	17,663
		(704)	444	(260)
At 31 December 2016	於二零一六年十二月三十一日	18,394	(991)	17,403

25. 綜合財務狀況表內的所得稅

(a) 綜合財務狀況表內即期稅項指：

2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
12,322	13,352
2,342	2,342
14,664	15,694

(b) 已確認遞延稅項資產及負債：
已於綜合財務狀況表確認的遞延稅項(資產)/負債及本年度內變動如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016
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25. Income Tax in the Consolidated Statement of Financial Position (Continued)

(b) Deferred tax assets and liabilities recognised: (Continued)

	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
Net deferred tax assets recognised on the consolidated statement of financial position	(991)	(1,435)
Net deferred tax liabilities recognised on the consolidated statement of financial position	18,394	19,098
At 31 December 2016	17,403	17,663

(c) Deferred tax assets not recognised

At the end of the reporting period, the Group has unused tax losses of RMB14,850,000 (2015: RMB127,992,000) available for offset against future profits that may be carried forward for five years for PRC EIT purposes. No deferred tax asset has been recognised in respect of the tax losses due to the unpredictability of future profit streams.

25. 綜合財務狀況表內的所得稅 (續)

(b) 已確認遞延稅項資產及負債：(續)

	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Net deferred tax assets recognised on the consolidated statement of financial position	(991)	(1,435)
Net deferred tax liabilities recognised on the consolidated statement of financial position	18,394	19,098
At 31 December 2016	17,403	17,663

(c) 並未確認的遞延稅項資產

於呈報期末，本集團的未動用稅項虧損為人民幣14,850,000元(二零一五年：人民幣127,992,000元)，可用以抵銷未來溢利並可就中國企業所得稅結轉五年。因未能預見未來溢利流量，故並未就稅項虧損確認遞延稅項資產。

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26. Entrusted Loans from the Immediate Parent Company

On 5 April 2011, the immediate parent company further agreed to extent the repayment date of entrusted loan in the amount of RMB9,000,000 as Neptunus Bio-engineering had undertaken to the Company that it would not demand repayment of the above-mentioned shareholder's entrusted loan unless and until: (1) the repayment of such shareholder's entrusted loan would not adversely affect the operations of the Company and/or its business objectives as set out in the prospectus published by the Company on 29 August 2005 (the "Prospectus"), and (2) each of the independent non-executive directors was of the opinion that the repayment of such shareholder's entrusted loan would not adversely affect the operations of the Company and/or the implementation of its business objectives as set out in the Prospectus, and the Company would make an announcement in respect of the decision of the independent non-executive directors made under (2); and (3) the Company had a positive cash flow and had retained profits in the relevant financial year.

The carrying amount of the Group's entrusted loans from the immediate parent company approximates their fair value.

26. 直屬母公司委託貸款

於二零一一年四月五日，由於海王生物向本公司承諾其將不會要求償還上述股東委託貸款，直屬母公司同意進一步延長委託貸款人民幣9,000,000元的償還期，除非及直至：(1)償還該股東委託貸款將不會對載於本公司於二零零五年八月二十九日刊發的招股章程（「招股章程」）的本公司營運及／或其營運目標構成不利影響；及(2)各獨立非執行董事均認為償還該股東委託貸款將不會對載於招股章程的本公司營運及／或其營運目標的實行構成不利影響，本公司將就獨立非執行董事於第(2)項所作決定發出公告；及(3)本公司於相關財政年度錄得正現金流及保留溢利。

本集團的直屬母公司委託貸款的賬面值與其公平值相若。

27. Deferred Revenue

27. 遞延收益

		Subsidy A 補助A RMB'000 人民幣千元 (Note a) (附註a)	Subsidy B 補助B RMB'000 人民幣千元 (Note b) (附註b)	Subsidy C 補助C RMB'000 人民幣千元 (Note c) (附註c)	Subsidy D 補助D RMB'000 人民幣千元 (Note d) (附註d)	Subsidy E 補助E RMB'000 人民幣千元 (Note e) (附註e)	Subsidy F 補助F RMB'000 人民幣千元 (Note f) (附註f)	Subsidy G 補助G RMB'000 人民幣千元 (Note g) (附註g)	Subsidy H 補助H RMB'000 人民幣千元 (Note h) (附註h)	Other subsidy 其他補助 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2015	於二零一五年一月一日	500	391	167	511	40	3,609	5,384	4,964	964	16,530
Additions	添置	-	-	-	-	-	-	-	-	684	684
Reclassified as held for sale	重新分類為持作出售	-	-	-	-	-	-	(5,384)	(4,964)	-	(10,348)
Amortisation for the year	本年度攤銷	-	(146)	-	-	-	(401)	-	-	(673)	(1,220)
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	500	245	167	511	40	3,208	-	-	975	5,646
Amortisation for the year	本年度攤銷	-	(245)	-	-	-	(401)	-	-	(107)	(753)
At 31 December 2016	於二零一六年十二月三十一日	500	-	167	511	40	2,807	-	-	868	4,893

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27. Deferred Revenue (continued)

Notes:

- (a) In July 2003, a subsidy of RMB500,000 was jointly granted by the Shenzhen Bureau of Science and Technology and the Shenzhen Bureau of Finance for assisting the Company in performing research and development of interferon ointment. The subsidy is not required to be repaid to the Shenzhen Bureau of Science and Technology and the Shenzhen Bureau of Finance only if the project is subsequently approved and certified by Shenzhen Bureau of Science and Technology and Shenzhen Bureau of Finance upon its completion. Since the Company has not yet obtained the approval for the project, the subsidy was not recognised as income for 2016 and 2015.
- (b) In December 2004, a subsidy of RMB2,000,000 was jointly granted by the Shenzhen Bureau of Science, Technology and Information and the Shenzhen Development and Reform Bureau as a science and technology fund to subsidize the acquisition of certain plant and machinery. A further subsidy of RMB1,000,000 for the same purpose was granted in July 2005. These subsidies are not required to be repaid and the amount of approximately RMB245,000 (2015: RMB146,000) was recognised as income over the useful life of the related plant and machinery.
- (c) In December 2005, a subsidy of RMB400,000 was granted by the Shenzhen Bureau of Finance for financing the research and development of interferon vaginal effervescent tablet. The subsidy is not required only if the project is subsequently approved and certified by the Shenzhen Bureau of Science, Technology and Information upon its completion. The subsidy was not recognised as income for 2016 and 2015 as the project has not been completed.
- (d) In December 2009, a subsidy of RMB3,000,000 was granted by Shenzhen Bureau of Science, Technology and Information for financing a project to carry out the research and development of H1N1. The subsidy is not required to be repaid. In 2014, the amount of RMB287,000 was recognised as income to match with the research and development expense of H1N1 incurred. In 2016 and 2015, no amount was recognised as income as there was no related expense.
- (e) In April 2011, a subsidy of RMB400,000 was granted by Science, Industry, Trade and Information Technology Commission of Shenzhen Municipality for financing the research and development of 新型H1N1流感病毒疫苗. The subsidy is not required to be repaid. The subsidy of RMB360,000 was recognised as income to match with the research and development expenses incurred during the year 2011. The remaining amount of RMB40,000 will be recognised when the project is completed.

27. 遞延收益(續)

附註：

- (a) 於二零零三年七月，深圳市科學技術局與深圳市財政局共同授予人民幣500,000元的補助，為協助本公司研究與開發干擾素乳膏提供融資。只有在項目完成後，獲得深圳市科學技術局及深圳市財政局批准及驗證的情況下，此等補助方毋須償還予深圳市科學技術局及深圳市財政局。由於本公司尚未取得該項目的批文，故並未於二零一六年及二零一五年確認此項補助為收入。
- (b) 於二零零四年十二月，深圳市科學技術信息局與深圳市發展和改革局共同授予人民幣2,000,000元的補助，作為科學及技術基金，以補助收購若干廠房及機器。於二零零五年七月，本集團獲得額外補助人民幣1,000,000元，作為相同的用途。此等補助毋須償還，而約人民幣245,000元(二零一五年：人民幣146,000元)已按有關廠房及機器的可使用年限確認為收入。
- (c) 於二零零五年十二月，深圳市財政局授予人民幣400,000元的補助，作為研究與開發干擾素泡騰片的融資。只有在項目完成後，獲得深圳市科學技術信息局批准及驗證的情況下，此項資助方毋須償還。由於項目尚未完成，並無於二零一六年及二零一五年確認此項補助為收入。
- (d) 於二零零九年十二月，深圳市科技工質和信息化委員會授予人民幣3,000,000元的補助，作為進行研發H1N1的項目融資。該補助毋須償還。於二零一四年，人民幣287,000元的金額已獲確認為收入及以配合H1N1研發開支。於二零一六年及二零一五年，由於並無相關開支，故無款項確認為收入。
- (e) 於二零一一年四月，深圳市科技工質和信息化委員會授予人民幣400,000元作為補助以研發新型H1N1流感病毒疫苗。該補助無需償還。人民幣360,000元的補助已獲確認為收入以配合於二零一一年期間產生的研發開支。餘下金額人民幣40,000元將可在項目完成後予以確認。

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27. Deferred Revenue (continued)

Notes: (continued)

- (f) In October 2013, a subsidy of RMB4,010,000 was granted by Jinan Regional Finance Bureau of Fuzhou City for financing the property, plant and equipment in relation to new GMP enhancement of production base in Fuzhou. The subsidy is not required to be repaid. The amount is recognised to match with the useful life of property, plant and equipment for the new GMP enhancement. As at 31 December 2016, RMB401,000 (2015: RMB401,000) was recognised.
- (g) In November 2013, a subsidy of RMB8,089,000 was granted by the Administrative Committee of Taizhou Medical High-tech Industry Development Zone for financing the research and development of recombinant human thymosin α 1 for injection and for the industrialization of infrastructures. The subsidy is not required to be repaid. The remaining of RMB5,384,000 attributable to Jiangsu Neptunus, was classified as held for sale.
- (h) In July 2014, another subsidy of RMB5,000,000 was granted by the Science and Technology Department of Jiangsu Province for financing research and development of recombinant human thymosin α 1 for injection and for the industrialization of infrastructures. The subsidy is not required to be repaid. The amount of RMB36,000 was recognized as income to match with incurred research and development expenses in last year. The remaining of RMB4,964,000 attributable to Jiangsu Neptunus, was classified as held for sale.
- (i) During the year, the Group did not obtain any subsidies (2015: RMB684,000) from local government authorities for financing the research and development activities. These subsidies are not required to be repaid. The amount of RMB107,000 (2015: RMB673,000) was recognized as income to match with research and development expenses incurred during the year. A subsidy of RMB505,000, which attributable to Jiangsu Neptunus, was classified as held for sale.

The directors consider that, except for the subsidies mentioned in note 7 and note 27, there were no other forms of government assistance from which the Group has directly benefited.

27. 遞延收益(續)

附註：(續)

- (f) 於二零一三年十月，福州市晉安區財政局授予人民幣4,010,000元的補助，作為改善福州生產基地的新GMP改造相關的物業、廠房及設備的融資。該補助毋需償還。該金額確認為收入，以配合新GMP改造的物業、廠房及設備的使用期限。於二零一六年十二月三十一日，人民幣401,000元(二零一五年：人民幣401,000元)確認為收入。
- (g) 於二零一三年十一月，泰州醫藥高新技術產業開發區管理委員會授予人民幣8,089,000元的補助，作為注射用重組人胸腺肽 α 1研發和產業化基礎建設的融資。該補助無需償還。江蘇海王應佔剩餘人民幣5,384,000元已分類為持作出售。
- (h) 於二零一四年七月，另一筆由江蘇省科技廳授予人民幣5,000,000元的補助，作為注射用重組人胸腺肽 α 1研發和產業化基礎建設的融資。該補助無需償還。人民幣36,000元已獲確認為收入，以配合於去年內產生的研發開支。江蘇海王應佔剩餘人民幣4,964,000元已分類為持作出售。
- (i) 於本年度，本集團並未從多個當地政府部門取得任何補助(二零一五年：人民幣684,000元)，作為相關研發活動的融資活動。該等補助毋須償還。人民幣107,000元(二零一五年：人民幣673,000元)的金額已獲確認為收入以配合年內產生的研發開支。江蘇海王應佔補助人民幣505,000元已分類為持作出售。

董事認為，除附註7及附註27所述的補助外，本集團並無從其他形式的政府資助中直接得益。

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28. Share Capital

28. 股本

	Note	2016 Number of shares 二零一六年 股份數目 '000 千股	2015 Number of shares 二零一五年 股份數目 '000 千股	2016 RMB'000 人民幣千元	2015 RMB'000 人民幣千元
Registered, issued and fully paid:					
Domestic shares of RMB0.10 each	(i)	1,252,000	1,252,000	125,200	125,200
H shares of RMB0.10 each	(ii)	426,000	426,000	42,600	42,600
		1,678,000	1,678,000	167,800	167,800
Registered, issued and fully paid:					
At 1 January and at 31 December		1,678,000	1,678,000	167,800	167,800

The owners of domestic shares and H shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All domestic shares and H shares rank equally with regard to the Company's residual assets.

內資股及H股的擁有人有權收取不時宣派的股息，並有權於本公司會議上以每股投一票。所有內資股及H股對本公司餘下資產享有同等權利。

Notes:

- (i) The domestic shares are not currently listed on any stock exchange.
- (ii) The H shares have been issued and listed on the Growth Enterprises Market of The Stock Exchange of Hong Kong Limited since 5 September 2005.

附註：

- (i) 內資股現時並未於任何證券交易所上市。
- (ii) H股已自二零零五年九月五日起發行並於香港聯合交易所有限公司創業板上上市。

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29. Reserves

(a) Share premium

Share premium arose from the issue of shares at prices in excess of their par value less share issue expenses.

(b) Capital reserve

Capital reserve comprises (i) the difference between the total amount of fair value of shares issued to the immediate holding company and a fellow subsidiary of the company and the amount of the net assets value acquired during the acquisition of Neptunus Fuyao, (ii) the difference between the total amount of consideration paid to the immediate parent company and a fellow subsidiary of the Company and the amount of the net assets value acquired during the acquisition of Neptunus Changjian, and (iii) the difference between the total amount of consideration paid from immediate parent company and a subsidiary of the company and the amount of the net assets value disposed during disposal of Neptunus Nano.

(c) Statutory reserve fund

The Company is required to allocate at least 10% of its net profit according to its PRC audited financial statements to the statutory reserve fund until the balance of such reserve has reached 50% of the Company's issued share capital. Any further appropriation is optional. The statutory reserve fund shall only be used for making up losses or for capitalisation into share capital, provided that the remaining balance is not less than 20% of the issued share capital after such capitalisation.

(d) Distributability of reserves

At 31 December 2016, the Company had no distributable reserves, while its accumulated losses, calculated in accordance with the Company's Articles of Association and relevant rules and regulations, amounted to approximately RMB118,876,000 (2015: approximately RMB136,996,000).

29. 儲備

(a) 股份溢價

按價發行之股份產生的股份溢價超出其面值及減去股份發行費用。

(b) 資本儲備

資本儲備包括(i)向本公司直屬公司及一間同系附屬公司發行的股份的公平值總額與收購海王福藥時已收購資產淨值之間的差額；(ii)支付予本公司直屬母公司及一間同系附屬公司的代價總額與收購海王長健所收購資產淨值的金額之間的差額；及(iii)本公司直屬母公司及本公司一間附屬公司已付代價總額與出售海王納米時已出售資產淨值之間的款額。

(c) 法定公積金

本公司須至少將其根據中國經審核財務報表的純利10%分配至法定公積金，直至該儲備結餘達到本公司已發行股本的50%為止。本公司可選擇作出任何額外撥款。法定公積金只可用於彌補虧損，或資本化為股本，惟餘額須不少於進行有關資本化後的已發行股本20%。

(d) 儲備之可分派性

於二零一六年十二月三十一日，本公司並無可供分派儲備，而按本公司組織章程細則及有關規定及規則計算，其累計虧損為約人民幣118,876,000元(二零一五年：約人民幣136,996,000元)。

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29. Reserves (continued)

(e) Capital Management

The Group's 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, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group monitors its capital structure on the basis of an adjusted net debt-to-capital ratio. For this purpose, adjusted net debt is defined as total debt (which includes interest-bearing bank borrowings, entrusted loans from the immediate parent company and financial assistance from immediate parent company) plus unaccrued proposed dividends, less cash and cash equivalents. Adjusted capital comprises all components of equity less unaccrued proposed dividends plus adjusted net debt.

29. 儲備(續)

(e) 資本管理

本集團管理資本的目標為確保本集團持續經營的能力，從而能夠繼續為股東帶來回報及為其他利益相關者帶來利益，方法為因應風險水平對產品及服務定價及按合理成本獲得融資。

本集團積極及定期檢討及管理其資本結構，以維持較高股東回報(可透過較高借貸水平達致)與穩健資本狀況所帶來的優勢及保障間的平衡，並依據經濟狀況的變動對資本結構作出調整。

本集團按淨債務與經調整資本比率的基準監察其資本結構。就此而言，本集團將其淨債務界定為總債務(包括附息銀行借貸、直屬母公司委託貸款及直屬母公司的財務資助)加非累計擬分派股息減現金及現金等價物。經調整資本包括權益所有成份減非累計擬分派股息另加經調整負債淨額。

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29. Reserves (continued)

(e) Capital Management (continued)

During 2016, the Group's strategy, which was unchanged from 2015, was to maintain a gearing ratio within 30% to 70%. In order to maintain the ratio, the Group may adjust the amount of dividends paid to shareholders, issue new shares, return capital to shareholders, raise new debt financing or sell assets to reduce debt. The gearing ratio at 31 December 2016 and 2015 was as follows:

29. 儲備(續)

(e) 資本管理(續)

於二零一六年，本集團採取的策略與二零一五年相同，為維持資本負債比率於30%至70%之間。為維持資本負債比率，本集團可能會調整派付予股東的股息金額、發行新股份、向股東返還資本、作出新的債務融資或出售資產以減少負債。於二零一六年及二零一五年十二月三十一日的資本負債比率如下：

		Note 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Total borrowings	借貸總額			
Interest-bearing bank borrowings	付息銀行借貸	24	100,000	100,000
Entrusted loans from the immediate parent company	直屬母公司委託貸款	26	9,000	9,000
Financial assistance from the immediate parent company	直屬母公司財務資助	34(d)	—	74,500
			109,000	183,500
Less: cash and cash equivalents	減：現金及現金等價物	22	(325,195)	(282,494)
Adjusted net surplus	經調整盈餘淨額		(216,195)	(98,994)
Total equity	總權益		699,539	631,922
Gearing ratio	資本負債比率		N/A 不適用	N/A 不適用

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29. Reserves (continued)

(e) Capital Management (continued)

As at 31 December 2016 and 2015, the gearing ratio of the Group was nil. Except for a subsidiary of the Group which is subject to externally imposed capital requirements under lending arrangements in interest-bearing bank borrowing as disclosed in note 24, neither the Company nor its subsidiaries are subject to externally imposed capital requirements.

30. Assets and Liabilities of Disposal Group Classified as Held for Sale

In December 2015, the Group's management negotiated with a third party ("Purchaser") for the disposal of 100% equity interest of Jiangsu Neptunus. The assets and liabilities attributable to the Jiangsu Neptunus is classified as a disposal group held for sale. The sale was completed in January 2016.

On 19 January 2016, the Company and the Purchaser entered into the Equity Transfer Agreement pursuant to which the Company has conditionally agreed to sell and the Purchaser to purchase the entire equity interest in Jiangsu Neptunus. The directors of the Company expect that the fair value less costs to sell will be higher than that the aggregate carrying amount of the related assets and liabilities. Therefore, no impairment loss was recognised on reclassification of the assets and liabilities as held for sale nor as at 31 December 2015.

29. 儲備(續)

(e) 資本管理(續)

於二零一六年及二零一五年十二月三十一日，本集團的資本負債比率為零。除本集團的附屬公司於貸款安排下須受外來資本規定的限制外(誠如附註24所披露)，本公司或其附屬公司及共同控制實體並不受外來資本規定的限制。

30. 分類為持作出售的出售組別資產及負債

於二零一五年十二月，本集團管理層就出售江蘇海王100%權益與第三方(「買方」)磋商。江蘇海王應佔資產及負債分類為持作出售的出售組別。銷售已於二零一六年一月完成。

於二零一六年一月十九日，本公司及買方訂立股權轉讓協議，據此，本公司有條件同意出售及買方同意購買江蘇海王的全部股權。本公司董事預期，公平值減出售成本將高於相關資產及負債的賬面值。因此，於重新分類資產及負債為持作出售時候及於二零一五年十二月三十一日，並無確認減值虧損。

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30. Assets and Liabilities of Disposal Group Classified as Held for Sale (continued)

At 31 December 2015, the disposal group comprised the following assets and liabilities:

30. 分類為持作出售的出售組別資產及負債(續)

於二零一五年十二月三十一日，出售組別包括如下資產及負債：

		2015 二零一五年 RMB'000 人民幣千元
Property, plant and equipment (note 14)	物業、廠房及設備(附註14)	53,959
Intangible assets (note 16)	無形資產(附註16)	27,181
Deposit for acquisition of property, plant and equipment (note 17)	購置物業、廠房及設備之按金(附註17)	6,479
Value-added tax recoverable	可收回增值稅	7,573
Inventories	存貨	122
Trade and other receivables	應收賬款及其他應收款項	2,354
Cash and bank balances	現金及銀行結餘	107
Total Assets of the disposal group classified as held for sale	分類為持作出售的出售組別之資產	97,775
Trade and other payables	應付賬款及其他應付款項	2,822
Interest bearing bank borrowings (note 24)	付息銀行借貸(附註24)	10,000
Deferred revenue	遞延收益	10,348
Amounts due to group entities	應付集團實體之款項	18,617
Total Liabilities of disposal group classified as held for sale	分類為持作出售的出售組別之負債總額	41,787
Less: Amounts due to group entities	減：應付集團實體之款項	(18,617)
Liabilities of disposal group classified as held for sale	分類為持作出售的出售組別之負債	23,170
Net Asset of disposal group classified as held for sale	分類為持作出售的出售組別之資產淨值	74,605

Cumulative Income or expenses included in other comprehensive income

There are no cumulative income or expenses included in other comprehensive income relating to the disposal group.

累計收入或開支計入其他全面收益

並無有關出售組別的累計收入或開支計入其他全面收益中。

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30. Assets and Liabilities of Disposal Group Classified as Held for Sale (continued)

Gain on disposal of a subsidiary for the year ended 31 December 2016 was analysed as follows:

30. 分類為持作出售的出售組別資產及負債(續)

於截至二零一六年十二月三十一日止年度出售一間附屬公司之收益如下：

		RMB'000 人民幣千元
Net assets disposed of:	已出售資產淨額：	
Property, plant and equipment	物業、廠房及設備	53,592
Intangible assets	無形資產	27,726
Deposit for acquisition of property, plant, and equipment	購置物業、廠房及設備之按金	6,476
Inventories	存貨	120
Trade and other receivables	應收賬款及其他應收款項	9,978
Cash and cash equivalents	現金及現金等價物	16,648
Trade and other payables	應付賬款及其他應付款項	(1,588)
Interest bearing bank borrowings	付息銀行借貸	(10,000)
Deferred revenue	遞延收益	(10,346)
Amounts due to related companies	應付關連公司	(36,400)
		56,206
Less: Fair value of consideration	減：代價之公平值	(57,800)
Gain on disposal of a subsidiary	出售一間附屬公司的收益	(1,594)
Net cash inflow arising on disposal:	出售產生之現金流入淨額：	
Fair value of consideration	代價之公平值	57,800
Less: Cash and cash equivalents disposed of	減：所出售之現金及現金等價物	(16,648)
Net cash inflow	現金流入淨額	41,152

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31. Contingent Liability

At the end of the reporting period, the Group had no significant contingent liability.

32. Financial Instruments by Categories

The carrying amount of each of the categories of financial instruments at the end of the reporting period are as follows:

31. 或然負債

於呈報期末，本集團並無重大或然負債。

32. 按類別分金融工具

於呈報期末，各類金融工具的賬面值如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一四年 RMB'000 人民幣千元
Financial assets	金融資產		
Financial assets at fair value through profit or loss	透過損益按公平值計量的金融資產		
Held for trading	持作交易用途		
Available-for-sale investment	可供出售投資	–	300
Loans and receivables	貸款及應收款項		
Trade receivables and bills receivable	應收賬款及應收票據	176,021	162,949
Financial assets included in other receivables	計入其他應收款項的金融資產	17,498	29,042
Pledged deposits	已抵押存款	–	3,400
Fixed deposits	定期存款	4,000	17,608
Cash and cash equivalents	現金及現金等價物	325,195	282,494
		522,714	495,793
Financial liabilities	金融負債		
Financial liabilities measured at amortised cost	按攤銷成本計量的金融負債		
Trade and bills payable	應付賬款及應付票據	67,198	95,671
Financial liabilities included in other payables	計入其他應付款項的金融負債	66,926	115,584
Interest-bearing bank borrowings	附息銀行借貸	100,000	100,000
Interest-bearing financial assistance from immediate parent company	直屬母公司附息財務資助	–	74,500
Entrusted loans from immediate parent company	直屬母公司委託貸款	9,000	9,000
		243,124	394,755

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33. Financial Risk Management Objectives and Policies

The Group's major financial instruments include fixed deposit, cash and cash equivalents, interest-bearing bank borrowings, trade and other receivables and trade and other payables, entrusted loans from the immediate parent company and financial assistance from the immediate parent company. The Group have exposure to the credit risk, liquidity risk, currency risk and interest rate risk arising from financial instruments. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(a) Credit risk

- (i) Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.
- (ii) In respect of trade and other receivables, in order to minimise risk, the management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis. Credit evaluations of its customers' financial position and condition are performed on each and every major customer periodically. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. The Group does not require collateral in respect of its financial assets. Debts are usually due within 90 days from the date of billing.

33. 財務風險管理目標及政策

本集團的主要金融工具包括定期存款、現金及現金等價物、付息銀行借貸、應收賬款及其他應收款項、應付賬款及其他應付款項、直屬母公司委託貸款及直屬母公司財務資助。本集團承受着信貸風險、流動資金風險、貨幣風險及由金融工具引起的利率風險。減低該等風險的政策載列下文。管理層管理及監控該等風險，確保適時及有效採取適當的措施。

(a) 信貸風險

- (i) 信貸風險指合約的另一方違反承擔約定的義務而引致集團的財務虧損。本集團已採用只與可信賴的客戶及在取得足夠質押品(如適用)作為減低因違約造成的財務損失的情況下交易的策略。
- (ii) 就應收賬款及其他應收款項而言，為減低風險，管理層訂有信貸政策，並持續監控有關信貸風險。有關各個重要客戶的財務狀況及情況的信貸評估定期進行。該等評估集中於客戶過往於賬款到期時的還款記錄及目前的還款能力，並考慮客戶的特定資料以至其所營運的經濟環境。本集團並無就其金融資產要求抵押品。債項通常須於發票日期起90日內償還。

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33. Financial Risk Management Objectives and Policies (Continued)

(a) Credit risk (Continued)

- (iii) In respect of trade receivables, the Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The default risk of the industry and location in which customers operate also has an influence on credit risk. At the end of the reporting period, the Group had no significant concentrations of credit risk for which individual trade or other receivable's balance exceeds 10% of the total trade and other receivables.

Further quantitative analysis in respect of the Group's exposure to credit risk arising from trade and other receivables are set out in note 20.

- (iv) Deposits with financial institutions
The Group limits its exposure to credit risk by placing deposits with financial institutions that meet the established credit rating or other criteria. Given the counterparties' high credit ratings, management does not expect any counterparty to fail to meet its obligations.

(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 parent company's board approval. The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with lending covenants to ensure that it maintains sufficient amount of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term. The Group relies on bank borrowings as a significant source of liquid fund. As at 31 December 2016, the banking facility was fully utilised, details of which are disclosed in note 24.

33. 財務風險管理目標及政策(續)

(a) 信貸風險(續)

- (iii) 就應收賬款而言，本集團承擔的風險主要受各客戶的特點所影響。客戶經營的行業及業務所在國家的拖欠風險亦對信貸風險帶來影響。於呈報期結束時，本集團並無重大集中信貸風險，原因是並無個別應收賬款或其他應收款項的結餘超過應收賬款及其他應收款項總額的10%。

就因應收賬款及其他應收款項引起的本集團信貸風險而進行的進一步定量分析載於附註20。

- (iv) 於金融機構之存款
本集團存放現金於金融機構以減低信貸風險，該等金融機構已達到受到認同的信貸評級或其他標準。鑒於對手方獲得該等高信貸評級，管理層不預期任何交易方不能履行責任。

(b) 流動資金風險

本集團旗下個別營運實體負責其本身的現金管理事務，包括以現金盈餘進行短期投資，以及籌借貸款補足預計現金需求，惟於取得母公司董事會的批准。本集團採取的政策為定期監察現行及預計資金需求及遵守借款契諾，藉以確保其維持足夠的現金，以及向主要財務機構取得充裕的承諾信貸融資，以應付短期及長期流動資金需求。本集團依賴銀行借貸作為流動資金的主要來源。於二零一六年十二月三十一日，銀行融資已全數動用，詳情披露於附註24。

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33. Financial Risk Management Objectives and Policies (Continued)

(b) Liquidity risk (Continued)

The following liquidity and interest risk tables set out the weighted average effective interest rate and the remaining contractual maturities at the end of the reporting period of the Group's financial liabilities based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on current rates at the end of the reporting period) and the earliest date the Group can be required to pay:

		2016 二零一六年						2015 二零一五年									
		Weighted arrange effective interest rate 加權平均 實際利率 %	Within 1 year or less than 1 year 於一年內或 接獲要求時 RMB'000 人民幣千元	More than 1 year but less than 2 years 超過一年 但少於兩年 RMB'000 人民幣千元	More than 2 years but less than 5 years 超過兩年 但少於五年 RMB'000 人民幣千元	More than 5 years 超過五年 RMB'000 人民幣千元	Total contractual undiscount cash flow 合約 未折現現金 流量總額 RMB'000 人民幣千元	Carrying amount 賬面值 RMB'000 人民幣千元			Weighted arrange effective interest rate 加權平均 實際利率 %	Within 1 year or less than 1 year 於一年內或 接獲要求時 RMB'000 人民幣千元	More than 1 year but less than 2 years 超過一年 但少於兩年 RMB'000 人民幣千元	More than 2 years but less than 5 years 超過兩年 但少於五年 RMB'000 人民幣千元	More than 5 years 超過五年 RMB'000 人民幣千元	Total contractual undiscount cash flow 合約 未折現現金 流量總額 RMB'000 人民幣千元	Carrying amount 賬面值 RMB'000 人民幣千元
Interest-bearing bank borrowings	付息銀行借貸																
Variable rates	可變利率																
- Neptunus Fuyao	- 海王福藥	4.35%	101,891	-	-	-	101,891	100,000	4.85%	102,724	-	-	-	-	102,724	100,000	
Entrusted loans from immediate parent company *	直屬母公司委託貸款*	-	9,000	-	-	-	9,000	9,000	-	9,000	-	-	-	-	9,000	9,000	
Interest-bearing financial assistance from immediate parent company	來自直屬母公司的付息財務資助	-	-	-	-	-	-	-	5.52%	78,612	-	-	-	-	78,612	74,500	
Amount due to the immediate parent company	應付直屬母公司款項	-	4,111	-	-	-	4,111	4,111	-	1,067	-	-	-	-	1,067	1,067	
Amount due to fellow subsidiaries	應付同系附屬公司款項	-	5,921	-	-	-	5,921	5,921	-	44,620	-	-	-	-	44,620	44,620	
Trade and other payables	應付賬款及其他應付款項	-	124,093	-	-	-	124,093	124,093	-	165,568	-	-	-	-	165,568	165,568	
			245,016	-	-	-	245,016	243,125		401,591	-	-	-	-	401,591	394,755	

33. 財務風險管理目標及政策 (續)

(b) 流動資金風險 (續)

下列流動資金及利率風險表載列呈報期結束時本集團金融負債的加權平均實際利率及餘下合約到期日，有關金融負債乃根據合約未折現現金流量(包括利用合約利率計算的利息款項，如為浮動利率，則按呈報期末的當時利率)以及本集團及本公司須付款的最早日期：

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33. Financial Risk Management Objectives and Policies (Continued)

(c) Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to the Group's interest-bearing bank borrowings which are at variable interest rate.

At 31 December 2016, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would have decreased/increased the Group's profit after tax and accumulated losses by approximately RMB400,000 (2015: RMB1,635,000).

(d) Currency risk

Presently, there is no hedging policy with respect to the foreign exchange exposure. The Group's functional currency is Renminbi as substantially all the turnover and expenditure are in Renminbi. The Group's transactional foreign exchange exposure was insignificant.

No sensitivity analysis of currency risk was prepared as the impact was insignificant.

(e) Fair values

The fair values of fixed deposit, cash and cash equivalents, trade and other receivables, trade and other payables are not materially different from their carrying amounts because of the immediate or short-term maturity of these financial instruments. The carrying amounts of interest-bearing bank borrowings, entrusted loans and financial assistance from the immediate parent company approximate their fair values. The fair value is estimated as the present value of future cash flows, discounted at current market interest rates for similar financial instruments.

33. 財務風險管理目標及政策(續)

(c) 利率風險

本集團面對有關利率變動的市場風險，主要與本集團以浮息計息的附息銀行借貸有關。

於二零一六年十二月三十一日，倘利率基點增加／減少100基點，而所有其他變數維持不變，本集團的除稅後溢利及累計虧損將減少／增加約人民幣400,000元(二零一五年：人民幣1,635,000元)。

(d) 貨幣風險

目前，並無有關外匯風險的對沖政策。由於所有營業額及開支大部份以人民幣計值，故本集團的功能貨幣為人民幣。本集團的交易外匯風險甚微。

由於影響不大，故並無編製貨幣風險敏感度分析。

(e) 公平值

定期存款、現金及現金等價物、應收賬款及其他應收款項、應付賬款及其他應付款項的公平值與其賬面值相若，原因為該等金融工具即時或於短期內到期。附息銀行借款、直屬母公司委託貸款及財務資助的賬面值與其公平值相若。公平值以未來現金流的現值及相似金融工具現有市場息率貼現計算。

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34. Material Related Party Transactions

In addition to the transactions detailed elsewhere in these financial statements, the Group had the following transactions with related parties during the year.

- (a) During the year ended 31 December 2016, the Group entered into certain continuing connected transactions.
- (b) The Group had the following significant transactions with related parties during the year:

Related party transactions with the immediate parent company

Name related parties 關連方名稱	Relationship 關係	Nature or transactions 交易性質	Note 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Shenzhen Neptunus Bio-engineering Company Limited ("Neptunus Bio-Engineering") 深圳市海王生物工程股份有限公司 〔海王生物〕	Immediate parent company 直屬母公司	Interest for the interest-bearing financial assistance 附息財務資助應計利息	(i)	264	4,245
		Rental of office 租用辦公室	(ii)	-	130
		Disposal of a subsidiary 出售一間附屬公司	(iii)	-	1,000

Notes:

- (i) The interest arose from the interest-bearing financial assistance from the immediate parent company which was charged at 20% above 1-year benchmark leading rate issued by the People's Bank of China. Details are disclosed in note 23(ii).
- (ii) Neptunus Bio-engineering leased office premises to Neptunus Changjian, the rental of office premises was charged at pre-agreed rates with reference to market rates.
- (iii) The Group disposed 100% equity interest of Neptunus Nano to Neptunus Bio-engineering at a consideration of RMB1,000,000 on 31 December 2015.

34. 重大關連方交易

除本財務報表其他地方詳述之交易外，本集團於本年度內曾與關連方進行下列重大交易。

- (a) 於截至二零一六年十二月三十一日止年度，本集團訂立若干持續關連交易。
- (b) 本集團於本年度內曾與關連方進行下列重大交易：

與直屬母公司進行的關連方交易

附註：

- (i) 有關利息來自直屬母公司的附息財務資助，按照中國人民銀行發行的一年期基準貸款利率高出20%收取。詳情於附註23(ii)披露。
- (ii) 海王生物租賃辦公室物業予海王長健，辦公室物業的租金乃參考市場費率按事先協定的比率收取。
- (iii) 本集團於二零一五年十二月三十一日出售海王納米100%股權予海王生物，代價為人民幣1,000,000元。

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

34. Material Related Party Transactions (Continued)

- (b) The Group had the following significant transactions with related parties during the year: (Continued)

Related party transactions with the intermediate parent company

Name related parties 關連方名稱	Relationship 關係	Nature or transactions 交易性質	Note 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Shenzhen Neptunus Group Company Limited ("Neptunus Group") 深圳市海王集團股份有限公司 〔海王集團〕	Intermediate parent company 中間母公司	Rental of office 租用辦公室	(iv)	1,024	1,809
<p>(iv) Neptunus Group leased office premises to Neptunus Changjian, the rental of office premises was charged at pre-agreed rates with reference to market rates.</p>					

Related party transactions with fellow subsidiaries

Name related parties 關連方名稱	Relationship 關係	Nature or transactions 交易性質	Note 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Hangzhou Neptunus Bio-engineering Company Limited 杭州海王生物工程有限公司	Fellow subsidiary 同系附屬公司	Purchase of finished goods 購買製成品	(v)	6,517	3,779
Shandong Neptunus Yihe Pharmaceutical Company Limited 山東海王銀河醫藥有限公司	Fellow subsidiary 同系附屬公司	Sales of goods 銷售貨物	(v)	2,575	2,091
Shenzhen Neptunus Jiankang Technology Development Company Limited 深圳市海王健康科技發展有限公司	Fellow subsidiary 同系附屬公司	Purchase of finished goods 購買製成品	(v)	6,667	5,950
		Sales of goods 銷售貨物	(v)	2	-

34. 重大關連方交易 (續)

- (b) 本集團於本年度內曾與關連方進行下列重大交易：(續)

與中間母公司進行的關連方交易

- (iv) 海王集團向海王長健出租辦公室物業，辦公室物業租金乃根據市場價格按預先同意費用收取。

與同系附屬公司進行的關連方交易

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

34. Material Related Party Transactions (Continued)

(b) The Group had the following significant transactions with related parties during the year: (Continued)

Related party transactions with fellow subsidiaries (Continued)

Name related parties 關連方名稱	Relationship 關係	Nature or transactions 交易性質	Note 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Shenzhen Neptunus Yinhe Pharmaceutical Investment Company Limited 深圳海王銀河醫藥投資有限公司	Fellow subsidiary 同系附屬公司	Sales of goods 銷售貨物	(v)	7	11
Anhui Neptunus Yinhe Pharmaceutical Company Limited 安徽海王銀河醫藥有限公司	Fellow subsidiary 同系附屬公司	Sales of goods 銷售貨物	(v)	245	180
Jiamusi Neptunus Pharmaceutical Company Limited 佳木斯海王醫藥有限公司	Fellow subsidiary 同系附屬公司	Sales of goods 銷售貨物	(v)	3,268	2,389
Hubei Neptunus Pharmaceutical Company Limited 湖北海王醫藥有限公司	Fellow subsidiary 同系附屬公司	Sales of goods 銷售貨物	(v)	339	46
Henan Dongsen Pharmaceutical Company Limited 河南東森醫藥有限公司	Fellow subsidiary 同系附屬公司	Sales of goods 銷售貨物	(v)	35	334
Hubei Neptunus Deming Pharmaceutical Company Limited 湖北海王德明醫藥有限公司	Fellow subsidiary 同系附屬公司	Sales of goods 銷售貨物	(v)	274	24
Hubei Neptunus Pengtai Pharmaceutical Company Limited 湖北海王朋泰醫藥有限公司	Fellow subsidiary 同系附屬公司	Sales of goods 銷售貨物	(v)	33	16

34. 重大關連方交易 (續)

(b) 本集團於本年度內曾與關連方進行下列重大交易：(續)

與同系附屬公司進行的關連方交易 (續)

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綜合財務報表附註

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

34. Material Related Party Transactions (Continued)

(b) The Group had the following significant transactions with related parties during the year: (Continued)

Related party transactions with fellow subsidiaries (Continued)

Name related parties 關連方名稱	Relationship 關係	Nature or transactions 交易性質	Note 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Binzhou Neptunus Huanghe Pharmaceutical Company Limited 濱州海王黃河醫藥有限公司	Fellow Subsidiary 同系附屬公司	Sales of goods 銷售貨物	(v)	1	–
Guangxi Neptunus Yinhe Pharmaceutical Company Limited 廣西海王銀河醫藥有限公司	Fellow Subsidiary 同系附屬公司	Sales of goods 銷售貨物	(v)	28	–
Heilongjiang Province Neptunus Pharmaceutical Company Limited 黑龍江省海王醫藥有限公司	Fellow Subsidiary 同系附屬公司	Sales of goods 銷售貨物	(v)	31	–
Hubei Neptunus Enshi Pharmaceutical Company Limited 湖北海王恩施醫藥有限公司	Fellow Subsidiary 同系附屬公司	Sales of goods 銷售貨物	(v)	46	–
Jining Neptunus Huasen Pharmaceutical Company Limited 濟寧海王華森醫藥有限公司	Fellow Subsidiary 同系附屬公司	Sales of goods 銷售貨物	(v)	14	–
Nanning Neptunus Jiangkang Bio-technology Company Limited 南寧海王健康生物科技有限公司	Fellow Subsidiary 同系附屬公司	Sales of goods 銷售貨物	(v)	8	–

34. 重大關連方交易 (續)

(b) 本集團於本年度內曾與關連方進行下列重大交易：(續)

與同系附屬公司進行的關連方交易 (續)

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016
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34. Material Related Party Transactions (Continued)

- (b) The Group had the following significant transactions with related parties during the year: (Continued)

Related party transactions with fellow subsidiaries (Continued)

Name related parties 關連方名稱	Relationship 關係	Nature or transactions 交易性質	Note 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Puyang Neptunus Pharmaceutical Company Limited 濮陽海王醫藥有限公司	Fellow Subsidiary 同系附屬公司	Sales of goods 銷售貨物	(v)	30	–
Shanxi Neptunus Yinhe Medical Technology Company Limited 陝西海王銀河醫療科技有限公司	Fellow Subsidiary 同系附屬公司	Sales of goods 銷售貨物	(v)	12	–
Shenzhen Neptunus Medical Technology Research Institute Company Limited 深圳海王醫藥科技研究院有限公司	Fellow Subsidiary 同系附屬公司	Sales of goods 銷售貨物	(v)	2	–

Notes:

- (v) The purchases, sales and processing income received were transacted in the normal course of business on the same terms as those charged to and contracted with other third party suppliers and customers respectively.

34. 重大關連方交易 (續)

- (b) 本集團於本年度內曾與關連方進行下列重大交易：(續)

與同系附屬公司進行的關連方交易 (續)

附註：

- (v) 已收到的購買、銷售及處理收入乃於一般業務過程中，按與其他第三方供應商及客戶所訂立的收取及訂約相同的條款進行。

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綜合財務報表附註

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34. Material Related Party Transactions (Continued)

(b) The Group had the following significant transactions with related parties during the year: (Continued)

Related party transactions with related companies

Name related parties 關連方名稱	Relationship 關係	Nature or transactions 交易性質	Note 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Shenzhen Neptunus Pharmaceutical Company Limited ("Neptunus Pharmaceutical") 深圳海王藥業有限公司 ([海王藥業])	Fellow subsidiary 同系附屬公司	Purchase of raw materials 購買原材料	(v)	-	8,156
		Purchase of finished goods 購買製成品	(v)	79,511	53,795
		Sales of goods 銷售貨物	(v)	-	14
Shenzhen Hongyang Property Management Limited 深圳市宏陽物業管理有限公司	Related company 關連公司	Property Management fee 物業管理費	(v)	34	-
Shenzhen Nepstar Pharmaceutical Company Limited ("Nepstar Pharmaceutical") 深圳市海王星辰醫藥有限公司 ([星辰醫藥])	Related company 關連公司	Sales of goods 銷售貨物	(v)	17,018	13,641
		Marketing fee 營銷費用	(vi)	510	88
Fuzhou Nepstar Health Pharmacy Chain Company Limited 福州海王星辰健康藥房連鎖有限公司	Related company 關連公司	Sales of goods 銷售貨物	(v)	-	1
Hangzhou Nepstar Health Pharmacy Company Limited 杭州海王星辰健康藥房有限公司	Related company 關連公司	Sales of goods 銷售貨物	(v)	103	161
Ningbo Nepstar Health Pharmacy Company Limited 寧波海王星辰健康醫藥有限公司	Related company 關連公司	Sales of goods 銷售貨物	(v)	-	12
Shenzhen Hongyang Property Management Limited 深圳市宏陽物業管理有限公司	Related company 關連公司	Property Management fee 物業管理費	(v)	34	-

34. 重大關連方交易 (續)

(b) 本集團於本年度內曾與關連方進行下列重大交易：(續)

與關連公司進行的關連方交易

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

34. Material Related Party Transactions (Continued)

- (b) The Group had the following significant transactions with related parties during the year: (Continued)

Related party transactions with related companies (Continued)

Name related parties 關連方名稱	Relationship 關係	Nature or transactions 交易性質	Note 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Henan Neptunus Pharmaceutical Group Limited (previous known as "Henan Neptunus Yinhe Pharmaceutical Company Limited") 河南海王醫藥集團有限公司 (前稱河南海王銀河醫藥有限公司)	Fellow subsidiary 同系附屬公司	Sales of goods 銷售貨物	(v)	574	11
Jilin Neptunus Jiangkang Bio-technology Company Limited 吉林海王健康生物科技股份有限公司	Fellow Subsidiary 同系附屬公司	Sales of goods 銷售貨物	(v)	11	–

Notes:

- (vi) The marketing fees were based on pre-agreed rates with reference to the volume of purchase of goods from the Group.

34. 重大關連方交易 (續)

- (b) 本集團於本年度內曾與關連方進行下列重大交易：(續)

與關連公司進行的關連方交易 (續)

附註：

- (vi) 營銷費用乃經參考來自本集團的貨品採購量後，按先前協定的費率計算。

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綜合財務報表附註

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

34. Material Related Party Transactions (Continued)

(c) Financing arrangements

		Amounts due to related parties 應付關連方金額		Related interest expenses 相關利息開支	
		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	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
Entrusted loans from the immediate parent company	直屬母公司委託貸款	9,000	9,000	-	-
Interest-bearing financial assistance from the immediate parent company	直屬母公司付息財務資助	-	74,500	264	4,245

Details of the terms and conditions of the entrusted loans and interest-bearing financial assistance from the immediate parent company are disclosed in note 26 and 23(ii).

34. 重大關連方交易 (續)

(c) 融資安排

直屬母公司委託貸款及付息財務資助的條款及條件之詳情於附註26及23(ii)中披露。

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34. Material Related Party Transactions (Continued)

(d) Outstanding balances with related parties

34. 重大關連方交易 (續)

(d) 尚未清償的關連方結餘

		Amounts due from related parties as at 31 December 於十二月三十一日 應收關連方款項		Amounts due to related parties as at 31 December 於十二月三十一日 應付關連方款項	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	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
Entrusted loans from the immediate parent company	直屬母公司委託貸款	—	—	9,000	9,000
Amount due from/to the immediate parent company	應收/應付直屬母公司款項	—	9,646	4,111	1,067
Financial assistance from the immediate parent company	直屬母公司財務資助	—	—	—	74,500
Amount due from intermediate parent company	應收中間母公司款項	138	5,216	—	—
Amount due from/to fellow subsidiaries:	應收/應付同系附屬公司款項：				
Shenzhen Neptunus Jiankang Technology Development Company Limited	深圳市海王健康科技發展有限公司	—	—	2,829	2,086
Shandong Neptunus Yihe Pharmaceutical Company Limited	山東海王銀河醫藥有限公司	1,083	658	—	—
Henan Dongsen Pharmaceutical Company Limited	河南東森醫藥有限公司	359	187	—	—
Hangzhou Neptunus Bio-engineering Company Limited	杭州海王生物工程有限公司	—	—	2,983	601
Anhui Neptunus Yinhe Pharmaceutical Company Limited	安徽海王銀河醫藥有限公司	—	44	—	—
Hubei Neptunus Pharmaceutical Company Limited	湖北海王醫藥有限公司	—	4	—	—
Jiamusi Neptunus Pharmaceutical Company Limited	佳木斯海王醫藥有限公司	1,256	1,016	—	—

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For the year ended 31 December 2016
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34. Material Related Party Transactions (Continued)

(d) Outstanding balances with related parties (Continued)

34. 重大關連方交易 (續)

(d) 尚未清償的關連方結餘 (續)

	Amounts due from related parties as at 31 December 於十二月三十一日 應收關連方款項		Amounts due to related parties as at 31 December 於十二月三十一日 應付關連方款項	
	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	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
Amount due from/to fellow subsidiaries: 應收/應付同系附屬公司款項: (Continued) (續)				
Hubei Neptunus Deming Pharmaceutical Company Limited 湖北海王德明醫藥有限公司	6	6	-	-
Hubei Neptunus Pengtai Pharmaceutical Company Limited 湖北海王朋泰醫藥有限公司	11	8	-	-
Hubei Neptunus Pharmaceutical Company Limited 湖北海王醫藥有限公司	8	-	-	-
Shanxi Neptunus Yinhe Pharmaceutical investment Company Limited 深圳市海王銀河醫藥投資 有限公司	3	-	-	-
Heilongjiang Province Neptunus Pharmaceutical Company Limited 黑龍江省海王醫藥有限公司	30	-	-	-
Hubei Neptunus Enshi Pharmaceutical Company Limited 湖北海王恩施醫藥有限公司	5	-	-	-
Guangxi Neptunus Yinhe Pharmaceutical Company Limited 廣西海王銀河醫藥有限公司	16	-	-	-
Nanning Neptunus Jiangkang Bio-technology Company Limited 南寧海王健康生物科技 有限公司	5	-	-	-
Shenzhen Neptunus Medical Technology Research Institute Limited 深圳海王醫藥科技研究院 有限公司	1	-	-	-
Zaozhuang Yinhai Pharmaceutical Company Limited 棗莊銀海醫藥有限公司	487	-	-	-
Shenzhen Neptunus Jiankang Shiye Company Limited 深圳市海王健康實業有限公司	-	-	103	-
Binzhou Neptunus Huanghe Pharmaceutical Company Limited 濱州海王黃河醫藥有限公司	-	-	6	-
	3,270	1,923	5,921	2,687

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綜合財務報表附註

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截至二零一六年十二月三十一日止年度

34. Material Related Party Transactions (Continued)

(d) Outstanding balances with related parties (Continued)

34. 重大關連方交易 (續)

(d) 尚未清償的關連方結餘 (續)

		Amounts due from related parties as at 31 December 於十二月三十一日 應收關連方款項		Amounts due to related parties as at 31 December 於十二月三十一日 應付關連方款項	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	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
Amounts due from/to related companies:	應收/應付關連公司款項：				
Neptunus Pharmaceutical	海王藥業	-	-	31,815	41,933
Nepstar Pharmaceutical	星辰醫藥	8,979	6,198	-	-
Hangzhou Nepstar Health Pharmacy Company Limited	杭州海王星辰健康藥房有限公司	-	24	-	-
Jilin Neptunus Jiangkang Bio-technology Company Limited	吉林海王健康生物科技有限公司	-	-	13	-
Shenzhen Hongyang Property Management Limited	深圳市宏陽物業管理有限公司	42	-	-	-
Hunan Neptunis Pharmaceutical Group Company Limited	河南海王醫藥集團有限公司	-	-	64	-
		9,021	6,222	31,892	41,933
		12,429	23,007	50,924	129,187

Details of the terms and conditions of the entrusted loans and financial assistance from the immediate parent company are disclosed in note 26 and 23(ii). The balances with these related companies are unsecured, interest-free and repayable on demand.

直屬母公司委託借款及財務資助的條款及條件之詳情披露於附註26及23(ii)。與關連公司的結餘為無抵押、免息及須按要求償還。

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34. Material Related Party Transactions (Continued)

- (e) Key management personnel remuneration
Remuneration for key management personnel of the Group including amounts paid to the Company's directors as disclosed in note 10 and certain of the highest paid employees as disclosed in note 11, are as follows:

Short-term employee benefits	短期僱員福利
Post-employment benefits	退休福利

Total remuneration is included in "staff costs" (see note 8(b)).

- (f) The related party transactions in respect of (b) and (c) above constitute connected transactions or continuing connected transactions as defined in Chapter 20 of the GEM Listing Rules. The disclosures required under Chapter 20 of the GEM Listing Rules are provided in the Report of the Directors.

34. 重大關連方交易 (續)

- (e) 主要管理層人員酬金
本集團主要管理層人員酬金包括支付予本公司董事的金額(於附註10中披露)及支付予若干最高薪酬僱員的金額(於附註11中披露)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
	2,928	2,918
	102	90
	3,030	3,008

總酬金包括於「員工成本」(見附註8(b))內。

- (f) 有關上述(b)及(c)的關連方交易構成關連交易或創業板上市規則第20章所界定的持續關連交易。創業板上市規則第20章規定的披露載於董事會報告。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016
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35. Commitments

- (a) Capital commitments outstanding at 31 December 2016 authorised and not provided for in the financial statements were 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
Property, plant and equipment	物業、廠房及設備		
Contracted for, but not provided for:	已訂約但未撥備：		
Property, plant and equipment	物業、廠房及設備	352	27,696
Intangible assets	無形資產		
Contracted for, but not provided for:	已訂約但未撥備：		
Technical know-how, net of deposits	專有技術(扣除按金)	1,300	2,992
Acquisition of intangible asset	收購無形資產	-	7,000
		1,300	9,992
		1,652	37,688

- (b) At 31 December 2016, 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 1 year	於一年內	2,298	6,897
After 1 year but within 5 years	一年後但於五年內	536	2,526
		2,834	9,423

The Group as lessee leases office premises under operating leases arrangements. Leases for the office premises are negotiated for one to two years term. None of the leases includes contingent rental.

35. 承擔

- (a) 以下於二零一六年十二月三十一日未變現的資本承擔並未於財務報表作出撥備：

- (b) 於二零一六年十二月三十一日，根據不可撤回經營租約的未來最低租賃款總額如下：

本集團根據經營租賃安排租用若干辦公室。辦公室的租約年期經協商為一至兩年。該等租賃並不包含或然租金。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

36. Statement of Financial Position of the Company

Information about the statement of financial position of the Company at the end of the reporting period includes:

36. 本公司財務狀況表

有關本公司於呈報期末的財務狀況表的資料包括：

		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
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	4,532	9,147
Investments in subsidiaries (Note b)	附屬公司的投資(附註b)	456,520	514,320
Available-for-sale investments	可供出售投資	-	300
Deferred tax assets	遞延稅項資產	51	969
Value-added tax recoverable	可收回增值稅	579	783
		461,682	525,519
Current assets	流動資產		
Trade and other receivables	應收賬款及其他應收款項	153,451	118,344
Cash and cash equivalents	現金及現金等價物	10,538	830
		163,989	119,174
Current liabilities	流動負債		
Trade and other payables	應付賬款及其他應付款項	6,050	42,910
Entrusted loans from the immediate parent company	直屬母公司的委託貸款	9,000	9,000
Deferred revenue	遞延收益	-	30
Current taxation	即期稅項	2,342	2,342
		17,392	(54,282)

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016
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36. Statement of Financial Position of the Company (Continued)

Information about the statement of financial position of the Company at the end of the reporting period includes: (Continued)

36. 本公司財務狀況表(續)

有關本公司於呈報期末的財務狀況表的資料包括：(續)

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Net current assets	流動資產淨值	146,597	64,892
Total assets less current liabilities	總資產減流動負債	608,279	590,411
Non-current liabilities	非流動負債		
Deferred revenue	遞延收益	552	1,433
		552	(1,433)
Net assets	淨資產	607,727	588,978
Equity	權益		
Equity attributable to owners of the Company	本公司擁有人應佔權益		
Share capital	股本	167,800	167,800
Reserves (Note a)	儲備(附註a)	439,927	421,178
Total equity	總權益	607,727	588,978

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

36. Statement of Financial Position of the Company (Continued)

Note a:

Movements in equity of the Company for the year were:

36. 本公司財務狀況表(續)

附註 a:

本公司於本年度的權益變動如下:

		Share premium 股份溢價 RMB'000 人民幣千元	Statutory reserve fund 法定公積金 RMB'000 人民幣千元	Accumulated losses 累計虧損 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2015	於二零一五年一月一日	554,844	3,330	(111,984)	446,190
Loss for the year and total comprehensive income for the year	年內虧損及年內 全面收益總額	-	-	(25,012)	(25,012)
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	554,844	3,330	(136,996)	421,178
Loss for the year and total comprehensive income for the year	年內虧損及年內全面收益總額	-	-	18,120	18,120
At 31 December 2016	於二零一六年十二月三十一日	554,844	3,330	(118,876)	439,298

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

36. Statement of Financial Position of the Company (Continued)

Note b:

The following is a list of principal subsidiaries at 31 December 2016.

36. 本公司財務狀況表(續)

附註 b:

以下名單為於二零一六年十二月三十一日的主要附屬公司名單。

Name of subsidiary 公司名稱	Place of incorporation and operation 註冊成立及營業地點	Class of shares held 持有股份類別	Particulars of authorised/issued and paid up capital 法定/已發行及繳足股本詳情	Proportion of ownership interest 擁有權權益比例			Principal activity 主營業務
				Group's effective interest 本集團的實際權益	Held by the Company 本公司持有	Held by subsidiaries 附屬公司持有	
Ascendent Bio-Technology Company Limited 艾斯特生物科技有限公司	Hong Kong 香港	Ordinary 普通	HK\$1 1港元	100%	100%	-	Dormant 暫無營業
Fuzhou Neptunus Fuyao Pharmaceutical Company Limited ("Neptunus Fuyao")* 福州海王福藥製藥有限公司 (「海王福藥」)*	PRC 中國	Registered 註冊	RMB30,000,000 人民幣30,000,000元	80%	80%	-	Production and sales of medicine 生產及銷售藥物
Fuzhou Neptunus Jinxiang Chinese Pharmaceutical Co., Ltd ("Neptunus Jinxiang")* 福州海王金象中藥製藥有限公司 (「海王金象」)*	PRC 中國	Registered 註冊	RMB10,000,000 人民幣10,000,000元	76%	-	95%	Production and sales of medicine 生產及銷售藥物
Fuzhou Fuyao Medical Co., Ltd ("Fuzhou Fuyao")* 福州福藥醫藥有限公司 (「福州福藥」)*	PRC 中國	Registered 註冊	RMB30,000,000 人民幣30,000,000元	79.6%	-	100%	Production and sales of medicine 生產及銷售藥物
Neptunus Fuyao Pharmaceutical (Lianjiang) Co., Ltd ("Neptunus Fuyao Lianjiang")* (Note iii) 海王福藥製藥(連江)有限公司 (「海王福藥連江」)* (附註iii)	PRC 中國	Registered 註冊	RMB50,000,000 人民幣50,000,000元	79.8%	-	100%	Production of chemical medicine 生產化學藥物

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綜合財務報表附註

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

36. Statement of Financial Position of the Company (Continued)

Note b: (Continued)

The following is a list of principal subsidiaries at 31 December 2016. (Continued)

Name of subsidiary 公司名稱	Place of incorporation and operation 註冊成立及營業地點	Class of shares held 持有股份類別	Particulars of authorised/issued and paid up capital 法定/已發行及繳足股本詳情	Proportion of ownership interest 擁有權權益比例			Principal activity 主營業務
				Group's effective interest 本集團的實際權益	Held by the Company 本公司持有	Held by subsidiaries 附屬公司持有	
Neptunus Jinxiang Chinese Pharmaceutical (Lianjiang) Company Limited ("Neptunus Jinxiang Lianjiang")* (Note iv) 海王金象中藥製藥(連江)有限公司 (「海王金象連江」)*(附註iv)	PRC 中國	Registered 註冊	RMB31,000,000 人民幣31,000,000元	76.2%	-	100%	Production of chemical medicine 生產化學藥物
Lianjiang Neptunus Fuyao Foods Trading Co., Ltd. ("Lianjiang Neptunus Foods")* (Note v) 連江縣海王福藥食品貿易有限公司 (「連江海王食品」)*(附註v)	PRC 中國	Registered 註冊	RMB500,000 人民幣500,000元	79.8%	-	100%	Dormant 暫無營業
Shenzhen Neptunus Changjian Pharmaceutical Company Limited ("Neptunus Changjian")* (Note vi) 深圳海王長健製藥有限公司 (「海王長健」)*(附註vi)	PRC 中國	Registered 註冊	RMB10,000,000 人民幣10,000,000元	100%	100%	-	Sales and distribution of medicines and healthcare products 銷售及分銷藥品及保健品

* These companies are registered under the laws of the PRC as limited liability companies.

附註b：(續)

以下名單為於二零一六年十二月三十一日的主要附屬公司名單。(續)

* 該等公司根據中國法律登記為有限責任公司。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

36. Statement of Financial Position of the Company (Continued)

Note b: (Continued)

Notes:

- (i) On 21 March 2011, Neptunus Fuyao Lianjiang was newly formed with a registered capital of RMB50,000,000 of which RMB10,000,000 was paid up during the year 2011. On 17 April 2012, the remaining registered capital of RMB40,000,000 was paid up.

On 15 August 2011, the board of directors of the Company resolved to increase the registered capital of Neptunus Fuyao Lianjiang from RMB50,000,000 to RMB112,000,000 of which RMB106,400,000 and RMB5,600,000 will be contributed by Neptunus Fuyao and Neptunus Jinxiang, respectively. Up to the date of financial statements, the formalities for the increase of registered capital is still in progress.

- (ii) On 24 June 2011, Neptunus Jinxiang Lianjiang was formed with a registered capital of RMB50,000,000 of which RMB10,000,000 was paid up during the year ended 31 December 2011. Additional capital of RMB21,000,000 was paid up on 17 April 2012. The remaining registered capital of RMB18,050,000 and RMB950,000 will be contributed by Neptunus Jinxiang and Neptunus Fuyao respectively. Up to the date of financial statements, the formalities for the increase of registered capital is still in progress.
- (iii) On 30 May 2011, Lianjiang Neptunus Foods was formed with registered capital of RMB500,000.
- (iv) On 4 January 2013, the Company acquired 100% equity interest of Neptunus Changjian with a registered capital of RMB3,000,000. On 28 January 2013, the registered capital of Neptunus Changjian was increased to RMB10,000,000 of which additional capital of RMB7,000,000 was paid.
- (v) In December 2015, the Group's management was committed to a preliminary negotiation with a third party regarding the disposal of 100% equity interest of Jiangsu Neptunus. The assets and liabilities attributable to the Jiangsu Neptunus is presented as a disposal group held for sale (Note 30).

36. 本公司財務狀況表(續)

附註 b: (續)

附註:

- (i) 於二零一一年三月二十一日，海王福藥連江新成立，註冊資本為人民幣 50,000,000 元，其中於二零一一年人民幣 10,000,000 元已支付。於二零一二年四月十七日，餘下註冊資本人民幣 40,000,000 元已支付。

於二零一一年八月十五日，本公司董事會決議將海王福藥連江的註冊資本由人民幣 50,000,000 元增加至人民幣 112,000,000 元，其中人民幣 106,400,000 元及人民幣 5,600,000 元將分別由海王福藥及海王金象注資。截至財務報表日期，增加註冊資本的手續仍在辦理中。

- (ii) 於二零一一年六月二十四日，海王金象連江成立，註冊資本為人民幣 50,000,000 元，其中於截至二零一一年十二月三十一日止年度人民幣 10,000,000 元已支付。額外資本人民幣 21,000,000 元已於二零一二年四月十七日支付。餘下註冊資本人民幣 18,050,000 元及人民幣 950,000 元將分別由海王金象及海王福藥出資。截至財務報表日期，增加註冊資本的手續仍在辦理中。
- (iii) 於二零一一年五月三十日，連江海王食品成立，註冊資本為人民幣 500,000 元。
- (iv) 於二零一三年一月四日，本公司收購海王長健全部股權，註冊資本為人民幣 3,000,000 元。於二零一三年一月二十八日，海王長健的註冊資本增至人民幣 10,000,000 元，其中額外資本人民幣 7,000,000 元已付。
- (v) 於二零一五年十二月，本集團管理層就出售江蘇海王 100% 權益與第三方進行初步磋商。江蘇海王應佔資產及負債呈列為持作出售的出售組別(附註 30)。

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綜合財務報表附註

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

36. Statement of Financial Position of the Company (Continued)

Note b: (Continued)

Notes: (Continued)

The following table lists out the information relating to the Group's subsidiaries which has material non-controlling interest ("NCI"). The summarised financial information presented below represents the amounts before any inter-company elimination.

36. 本公司財務狀況表(續)

附註b：(續)

附註：(續)

下表列示有關有重大非控股權益(「非控股權益」)的本集團各附屬公司的資料。下文所示財務資料概要乃指任何公司間對銷前之金額。

		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	20%	20%
Current assets	流動資產	513,597	521,208
Non-current assets	非流動資產	352,066	346,408
Current liabilities	流動負債	(373,191)	(395,830)
Non-current liabilities	非流動負債	(22,018)	(22,671)
Net assets	資產淨值	470,454	449,115
Carrying amount of NCI	非控股權益的賬面值	94,091	89,823
Revenue	收入	459,242	472,746
Profit for the year	本年度溢利	47,340	48,455
Total comprehensive income	全面收益總額	47,340	48,455
Profit allocated to NCI	分配予非控股權益的溢利	9,468	9,691
Dividend paid to NCI	支付予非控股權益的股息	5,200	5,600
Cash flows from operating activities	經營活動所得現金流	62,165	62,243
Cash flows used in investing activities	投資活動所用現金流	(4,801)	(451)
Cash flows used in financing activities	融資活動所用現金流	(33,308)	(25,452)

Five Year Financial Summary

五年財務摘要

		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	2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
RESULTS	業績					
Revenue	收入	759,111	721,346	648,268	611,666	530,458
Cost of sales	銷售成本	(371,905)	(368,586)	(371,534)	(360,504)	(334,960)
Gross profit	毛利	387,206	352,760	276,734	251,162	195,498
Other revenue	其他收入	9,102	8,724	10,345	6,051	11,371
Other net income	其他收入淨額	3,674	3,730	77	1,196	625
Selling and distribution costs	銷售及分銷開支	(225,786)	(199,412)	(116,682)	(101,640)	(75,743)
Administrative expenses	行政開支	(50,441)	(58,630)	(53,152)	(59,039)	(48,253)
Other operating expenses	其他經營開支	(29,200)	(50,537)	(45,863)	(46,478)	(36,305)
Profit/(loss) from operations	經營溢利/(虧損)	94,555	56,635	71,459	51,252	47,193
Finance costs	財務費用	(3,886)	(10,361)	(11,078)	(7,684)	(6,590)
Profit/(loss) before taxation	除稅前溢利/(虧損)	90,669	46,274	60,381	43,568	40,603
Income Tax	所得稅	(17,852)	(14,796)	(15,934)	3,430	(4,525)
Profit/(loss) for the year	本年度溢利/(虧損)	(72,817)	31,478	44,447	46,998	36,078
Attributable to owners of the Company	本公司擁有人應佔	62,692	21,055	33,174	35,855	24,298
Non-controlling interests	非控股權益	10,125	10,423	11,273	11,143	11,780
		72,817	31,478	44,447	46,998	36,078
Assets and liabilities	資產與負債					
Total assets	總資產	1,033,614	1,113,166	1,011,664	914,109	870,736
Total liabilities	總負債	(334,075)	(481,244)	(411,613)	(353,505)	(352,382)
		699,539	631,922	600,051	560,604	518,354

Group Property

集團物業

PROPERTY IN PRC

Location 地址	Intended use 用途	Site area 土地面積 (sq.m) (平方米)	Gross floor area 建築面積 (sq.m) (平方米)	Group's interest 應佔權益 (%) 百分比
Kuiqi Village, Gushan Town, Jin'an District Fuzhou City Fujian Province The PRC	Industrial	166,109.5	58,434.74	80
中國福建省福州市 晉安區鼓山鎮魁岐村	工業	166,109.5	58,434.74	80



NEPTUNUS

海王