

Sihuan Pharmaceutical Holdings Group Ltd.
四環醫藥控股集團有限公司



年度報告 2012
ANNUAL REPORT 2012

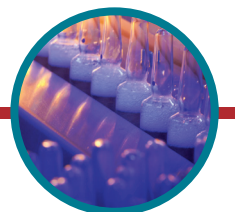


四環医药
SihuanPharm

(incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

Stock Code 股份代號：0460





公司簡介

Corporate Profile

四環醫藥控股集團有限公司(「四環醫藥」)成立於二零零一年，過去十年不斷快速持續發展，鞏固在中國醫藥行業持續的領先地位，為擁有領先營銷、生產、研究與開發能力的製藥公司，自二零零七年成為中國處方藥市場最大的心腦血管製藥公司。

二零一一年，四環醫藥已邁進第十一年。我們通過收購新產品進一步豐富產品組合、突顯了銷售及市場推廣能力，以及成功物色、收購及整合高潛力資產的能力，再一次取得驕人業績，除了進一步拓展在心腦血管處方藥市場的份額之外，以收益計更位列中國第八大製藥企業。我們目前銷售產品涵蓋中國五大醫療領域：心臟血管系統、新陳代謝、腫瘤、抗感染及中樞神經系統。

Founded in 2001, Sihuan Pharmaceutical Holdings Group Ltd. (“Sihuan Pharmaceutical”) achieved fast growth in the past 10 years and made significant progress on solidifying our position in the Chinese pharmaceutical industry as a consistent leader. Further we have strong capabilities in sales and marketing, production and research and development (“R&D”). Sihuan Pharmaceutical has been the largest cardio-cerebral vascular (“CCV”) franchise in China’s prescription since 2007.

Sihuan Pharmaceutical marked our eleventh year in operation in 2011. We continue to post impressive performance through actively pursuing mergers and acquisitions (“M&A”) in order to drive diversification and growth, as evidenced by the successful identification, acquisition, and integration of high potential assets. We further expanded our market share in the cardio-cerebral vascular prescription drug market and have also grown into the eighth biggest pharmaceutical company in the country’s prescription drugs market terms of revenue by hospital purchase price. We currently sells a series of products encompassing the top five medical therapeutic areas in China: cardiovascular system, anti-infective, metabolism, oncology and central nervous system (“CNS”).



目錄 Contents

2	公司資料 Corporate Information	82	獨立核數師報告 Independent Auditor's Report
4	發展里程 Milestones	84	合併資產負債表 Consolidated Balance Sheet
7	財務摘要 Financial Summary	86	資產負債表 Balance Sheet
8	主席報告 Chairman's Statement	88	合併全面收益表 Consolidated Statement of Comprehensive Income
11	管理層討論及分析 Management Discussion and Analysis	90	合併權益變動表 Consolidated Statement of Changes in Equity
37	董事及高級管理層履歷 Biographical Details of Directors and Senior Management	92	合併現金流量表 Consolidated Statement of Cash Flows
47	企業管治報告 Corporate Governance Report	94	財務報表附註 Notes to the Financial Statements
64	董事會報告 Report of Directors		

公司資料

Corporate Information

董事會

執行董事

車馮升醫生 (主席)
郭維城醫生 (副主席)
孟憲慧先生

非執行董事

張炯龍醫生
孫弘先生
黃翊先生

獨立非執行董事

辛定華先生
白慧良先生
徐康森先生

聯席公司秘書

蔡耀忠先生
馬秀絹小姐

授權代表

蔡耀忠先生
馬秀絹小姐

審核委員會

辛定華先生 (主席)
白慧良先生
徐康森先生
張炯龍醫生

薪酬委員會

白慧良先生 (主席)
車馮升醫生
辛定華先生
徐康森先生

提名委員會

徐康森先生 (主席)
郭維城醫生
辛定華先生
白慧良先生

BOARD OF DIRECTORS

Executive Directors

Dr. Che Fengsheng (Chairman)
Dr. Guo Weicheng (Deputy Chairman)
Mr. Meng Xianhui

Non-Executive Directors

Dr. Zhang Jionglong
Mr. Homer Sun
Mr. Eddy Huang

Independent Non-Executive Directors

Mr. Patrick Sun
Mr. Bai Huiliang
Mr. Xu Kangsen

JOINT COMPANY SECRETARIES

Mr. Choi Yiau Chong
Ms. Ma Sau Kuen Gloria

AUTHORISED REPRESENTATIVES

Mr. Choi Yiau Chong
Ms. Ma Sau Kuen Gloria

AUDIT COMMITTEE

Mr. Patrick Sun (Chairman)
Mr. Bai Huiliang
Mr. Xu Kangsen
Dr. Zhang Jionglong

REMUNERATION COMMITTEE

Mr. Bai Huiliang (Chairman)
Dr. Che Fengsheng
Mr. Patrick Sun
Mr. Xu Kangsen

NOMINATION COMMITTEE

Mr. Xu Kangsen (Chairman)
Dr. Guo Weicheng
Mr. Patrick Sun
Mr. Bai Huiliang

獨立核數師

羅兵咸永道會計師事務所
香港中環太子大廈22樓

INDEPENDENT AUDITOR

PricewaterhouseCoopers
22/F., Prince's Building
Central
Hong Kong

註冊辦事處

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

REGISTERED OFFICE

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

總部

中國北京市朝陽區八里莊西里
住邦2000商務中心2號樓21層
郵編：10025

HEADQUARTERS

21/F, Building 2, Zhubang 2000 Business Centre
West Balizhuang, Chaoyang District
Beijing 10025, P.R.C.

香港主要營業地點

香港灣仔港灣道1號
會展廣場辦公大樓4905室

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 4905, Office Tower, Convention Plaza
1 Harbour Road
Wanchai, Hong Kong

主要股份登記處

Codan Services Company Limited
Clarendon House, PO Box HM
1022 Hamilton HM DX
Bermuda

PRINCIPAL SHARE REGISTRAR

Codan Services Company Limited
Clarendon House, PO Box HM
1022 Hamilton HM DX
Bermuda

香港證券登記處

香港中央證券登記有限公司
香港灣仔皇后大道東183號
合和中心17樓1712-1716室

HONG KONG SHARE REGISTRAR

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

網址

www.sihuanpharm.com

WEBSITE

www.sihuanpharm.com

股份代號

0460

STOCK CODE

0460

發展里程

Milestones

2001年

- 創辦海南四環醫藥有限公司(「海南四環」)。

2002年

- 開發差別化銷售及分銷模式。

2003年

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

2004年

- 在中國就用於生產克林澳及安捷利的合成工藝取得為期20年的專利保護。

2005年

- 海南四環被評為「高新技術企業」。

2006年

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

2007年

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

2001

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

2002

- Developed a differentiated sales and distribution model.

2003

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

2004

- Received a 20-year patent protection in the PRC for the synthesis process in the PRC used in the production of Kelinao and Anjieli.

2005

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

2006

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

2007

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

2008年

- 收購山東軒竹醫藥科技有限公司(「山東軒竹」)的60%股權，提高本集團研發創新藥物的能力。
- GM1 推出市場。
- 在中國就生產克林澳及安捷利的非溶劑馬來酸桂哌齊特晶體的發明及生產方法取得為期20年的專利保護。
- 北京四環被評為「高新技術企業」，而海南四環再次成功獲評「高新技術企業」，兩家公司均有權享有三年的15%優惠稅率。

2009年

- 清通推出市場。
- 於MSPEA III Cayman投資及本公司私有化後，撤銷在新加坡證券交易所的上市地位。

2010年

- 於香港聯交所上市。
- 位列二零一零年福布斯中國潛力企業榜第四位及醫藥公司第一位。
- 完成廊坊高博京邦製藥有限公司(「廊坊高博京邦」，前稱「廊坊四環高博製藥有限公司」)的原料藥生產基地的建設。
- 取得益脈寧為期30年的獨家分銷權。

2008

- Acquired 60% interest in Xuanzhu Pharma Co., Ltd. (“Xuanzhu Pharma”, “KBP BioSciences”, or known as “KBP BioSciences Co., Ltd.”) to enhance the Group’s research and development capabilities of innovative drugs.
- GM1 was launched.
- Received a 20-year patent protection in the PRC for the invention and production method of non-solvated cinepazide maleate crystal for producing Kelinao and Anjieli.
- Beijing Sihuan was granted the “High and New Technology Enterprise” status while Hainan Sihuan successfully had its “High and New Technology Enterprise” status renewed. Both companies are entitled to a preferential tax rate of 15% for three years as a result of the status.

2009

- Qingtong was launched.
- MSPEA III Cayman invested and subsequently privatised the Company, which then was delisted from the SGX-ST.

2010

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

發展里程

Milestones

2011年

- 收購吉林四環製藥有限公司(「吉林四環」, 前稱多菲製藥(中國)有限公司), 該公司擁有三個獨家藥品及多個藥物配方, 主要治療心腦血管疾病。
- 收購長春翔通藥業有限公司(「長春翔通」) 80% 權益, 該公司擁有 GM1 注射液及原料藥生產設施。
- 收購吉林四長製藥有限公司(「吉林四長」), 該公司擁有四種具有龐大市場潛力的治療心腦血管中藥。於二零一一年下半年, 本集團以溢價向中國中藥市場龍頭山東步長製藥有限公司(「山東步長」) 出售吉林四長 19% 權益。本集團與吉林四長將繼續共同開發更多治療心腦血管疾病的中藥產品。
- 歐迪美、源之久、也多佳推出市場。
- 吉林四環被評為「高新技術企業」。

2012年

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

2011

- Acquired Jilin Sihuan Pharmaceutical Co., Ltd. (“Jilin Sihuan”, formerly known as Dupromise Pharmaceutical (China) Co., Ltd.) which owns three exclusive drug products and various exclusive drug formulations mainly focused on CCV diseases.
- Acquired 80% interest in Changchun Xiangtong Pharmaceutical Co., Ltd. (“Changchun Xiangtong”), which owns the GM1 injection and API manufacturing facility.
- Acquired Jilin Sichang Pharmaceutical Co., Ltd. (“Jilin Sichang”, formerly known as Vinise Pharmaceutical Ltd.) which owns four TCM CCV products with vast market potential. Later in 2011 the Group sold at a premium of 19% equity interest in Jilin Sichang to Shandong Buchang Pharmaceutical Co., Ltd. (“Shandong Bucheng”), a leader in China’s TCM market.
- Oudimei, Yuanzhijiu, Yeduojia were launched.
- Jilin Sihuan was granted the “High and New Technology Enterprise” status.

2012

- Langfang Gaobo Jingband were granted the “High and New Technology Enterprise” status.
- Obtained production approval for exclusive first-to-market generic drug Roxatidine Acetate Hydrochloride for Injection and generic drug Nalmefene Hydrochloride Injection
- Danshen Chuanxiongqin Injection was launched.
- Acquired remaining 40% equity interest in Xuanzhu Pharma which then became a wholly-owned subsidiary of the Group.
- Established cooperation with NeuroVive Pharmaceutical AB, a leading international mitochondrial pharmaceutical development company based and listed in Sweden, to develop, promote and sell 2 innovative products, CicloMulsion® and NeuroSTAT®

財務摘要

Financial Summary

二零一二年財務摘要

- 二零一二年本集團收益由人民幣2,242.1百萬元增加35.7%至人民幣3,042.5百萬元。
- 二零一二年本公司擁有人應佔溢利增加9.8%至人民幣904.4百萬元。
- 每股基本盈利較二零一一年增加約9.9%至約人民幣17.48分。
- 董事會建議派發末期股息每股人民幣5.8分，惟須經股東於本公司將於二零一三年五月三十一日舉行的股東週年大會上批准。

2012 FINANCIAL HIGHLIGHTS

- Revenue of the Group increased by 35.7% to RMB3,042.5 million in 2012 from RMB2,242.1 million.
- Profit attributable to owners of the Company increased by 9.8% to RMB904.4 million in 2012.
- Basic earnings per share increased by approximately 9.9% over 2011 to approximately RMB17.48 cents.
- A final dividend of RMB5.8 cents per share was recommended by the Board and are subject to the approval of the shareholders at the annual general meeting of the Company to be held on 31 May 2013.

人民幣千元	RMB'000	2008	2009	2010	2011	2012
經營業績	Operating results					
收益	Revenue	510,048	708,907	1,036,881	2,242,063	3,042,531
毛利	Gross profit	376,497	516,992	744,743	1,714,464	2,289,415
經營溢利	Operating profit	276,172	373,025	613,313	990,348	1,047,755
除所得稅前溢利	Profit before income tax	287,069	381,026	635,083	1,044,856	1,165,541
本公司權益擁有人應佔年度溢利及年度全面收入總額	Profit and total comprehensive income for the year attributable to equity owners of the Company	237,059	326,316	522,065	824,048	904,402
利潤率	Profitability					
毛利率	Gross margin	73.8%	72.9%	71.8%	76.5%	75.2%
純利率	Net profit margin	46.5%	46.0%	50.3%	36.8%	29.7%
每股盈利	Earning per share					
基本及攤薄(人民幣分)	Basic and diluted (RMB cents)	6.32	8.70	13.03	15.90	17.48
資產狀況	Asset status					
總資產	Total assets	862,051	1,173,442	6,902,452	8,854,098	9,459,444
本公司權益擁有人應佔權益	Equity attributable to equity owners of the Company	701,216	907,503	6,656,931	6,945,534	7,084,328
總負債	Total liabilities	146,191	249,255	242,923	1,860,155	2,272,189
現金及現金等價物	Cash and cash equivalents	331,178	612,859	5,851,379	3,153,154	1,543,907
速動比率(倍)	Quick ratio (times)	3	3	26	3	2
流動比率(倍)	Current ratio (times)	4	4	26	3	2
存貨週轉期(日)	Inventory turnover ratio (days)	84	77	59	38	35
貿易應收賬款週轉(日)	Trade receivables turnover ratio (days)	2	2	2	24	25
貿易應付賬款週轉(日)	Trade payables turnover ratio (days)	18	16	27	20	16

主席報告

Chairman's Statement

四環醫藥自創辦以來，通過不懈努力，在心腦血管處方藥市場建立了領先地位。本集團自二零一零年十月上市起至二零一二年底止兩年期間，通過併購和內部研發成功實現了產品多元化的戰略目標，顯著提升了本集團實力，並為未來發展奠定穩固基礎。

二零一二年不僅是本集團成立以來最具挑戰性的一年，亦是業務發展的轉捩點。雖然面對外部政策環境及市場競爭的壓力，四環醫藥於二零一二年仍保持增長勢頭並進一步鞏固其於心腦血管處方藥市場的領先地位，同時更完成對新收購企業的全面整合，對此我們甚感欣慰。更重要的是，本集團憑藉多元化產品組合令收入來源更為均衡，徹底改變了依賴個別產品的局面，這對公司發展極具戰略意義。

二零一二年，本集團錄得收益人民幣3,042.5百萬元，按年增長35.7%，而本公司擁有人應佔溢利則達人民幣904.4百萬元，按年增長9.8%。於回顧年度，9種主要產品的銷售額升幅均逾50%。來自新潛力產品（本集團於二零一零年上市後推出的產品）的銷售貢獻佔總銷售收益的50%以上，使收入來源更為均衡。根據艾美仕市場研究公司的（「艾美仕」）數據，按醫院採購價計，本集團心腦血管藥物的市場份額增至8.1%，繼續穩固保持領先地位。按醫院採購價計，本集團於二零一二年亦成為中國處方藥市場第八大醫藥公司。

本集團在研發方面亦取得令人鼓舞的成果。多個主要研發項目於年內實現重大突破。獨家首仿新藥注射用鹽酸羅沙替丁醋酸酯及鹽酸納美芬注射液獲得生產批文；1.1類創新藥百納培南和鹽酸依格列汀分別於二零一三年一月和二月獲得臨床試驗批件。迄今，四環醫藥已有四個1類創新藥成功獲得臨床批件，顯示了本集團強大的研發能力。四環醫藥於二零一二年亦完成對山東軒竹的重組，其於重組後成為本集團全資附屬公司，山東軒竹將可完全按照四環醫藥的發展策略，集中資源開發心腦血管、新陳代謝及腫瘤等重大治療領域的創新藥物。

Since its founding, Sihuan Pharmaceutical has established its leading position in the CCV prescription drug market with its unremitting efforts in business development. During the two-year period from its listing in October 2010 to the end of 2012, the Group successfully implemented its strategy of product diversification through mergers and acquisitions and in-house R&D. This has significantly enhanced the capabilities of the Group and has laid a solid foundation for its future development.

The year 2012 was not only the most challenging year for the Group since its establishment, but was also a turning point in its business development. Amid pressure from the external policy environment and market competition, we are pleased that Sihuan Pharmaceutical sustained its growth momentum in 2012, further strengthened its leading position in the CCV prescription drug market and also completed the consolidation of its newly acquired operations. More importantly, in a development of vital strategic importance to the Group, it has completely ended its reliance on individual products and has achieved a more balanced revenue stream from its diversified product portfolio.

In 2012, the Group recorded revenue of RMB3,042.5 million, representing an increase of 35.7% year-on-year, while profit attributable to owners of the Company amounted to RMB904.4 million, representing an increase of 9.8% year-on-year. During the year under review, sales of 9 major products grew over 50%. The sales contribution from its promising products (product launched after its listing in 2010) exceeds 50% of its sales revenue, establishing more balanced revenue stream. According to IMS Heath Incorporated ("IMS"), the Group continued its well-established lead in its market share of CCV drugs in terms of hospital purchase, which increased to 8.1%. The Group has also become the eighth largest pharmaceutical Group in terms of hospital purchase in the Chinese prescription drug market in 2012.

Encouraging achievements were also seen in research and development of the Group. Several major research and development projects achieved important breakthroughs during the year. Roxatidine Acetate Hydrochloride for Injection, an exclusive and a first-to-market generic drug, and Nalmefene Hydrochloride Injection received approval for production; Benapenem and Imigliptin Dihydrochloride, two Category 1.1 innovative drugs, obtained approval for clinical trials in January and February 2013 respectively. To date, a total of four Category 1 innovative drugs of Sihuan Pharmaceutical have received clinical approval, demonstrating the strong research and development capabilities of the Group. Sihuan Pharmaceutical also completed the restructuring of Xuanzhu Pharma in 2012, which became a wholly-owned subsidiary of the Group after restructuring. Xuanzhu Pharma will focus its resources in full accordance with Sihuan Pharmaceutical's development strategy and will focus on developing innovative drugs in major therapeutic areas such as CCV, metabolism and oncology.

主席報告

Chairman's Statement

本集團在國際合作方面亦實現突破。二零一二年十一月，四環醫藥與國際著名線粒體醫藥開發公司 NeuroVive Pharmaceutical AB 訂立合作協議，旨在於中國開發兩種創新心腦血管產品，即 CicloMulsion® 及 NeuroSTAT®。這對本集團而言實為一項重大舉措，其將豐富本集團的在研產品線。

廊坊已通過梯瓦製藥工業有限公司 (Teva Pharmaceutical Industries Ltd.) 以及印度、加拿大和西班牙等國家的其他 15 家知名跨國醫藥公司的現場質量審核。本集團已開始與部分上述公司合作，這為本集團在國際合作方面開拓了另一渠道。

此外，本集團於生產及質量管理方面取得佳績。本集團已提升多個主要產品的質量標準，並在該些產品的成本管理取得改善。本集團生產系統的整體技術水平顯著提升，其中廊坊高博京邦獲評為「高新技術企業」。同時，新廠房的建造和現有設施的升級進展順利，正按預定計劃進行。

本集團亦已完成整合吉林四環的銷售網絡，將其跟本集團的營銷網絡全面合併。儘管該項整合對本集團的整體銷售表現構成短暫影響，但本集團加強了對營銷網絡的管控力，並提升了四環醫藥的營銷能力，從而加快旗下產品的市場開發。

然而，本集團某些產品於二零一二年的表現未如理想。克林澳及安捷利銷量在多項因素影響下錄得下降，如各省醫保報銷的解除較預期緩慢、營銷策略調整、醫保費用總量控制等。隨著我們向分銷商提供更多學術推廣支持，增加在三、四線城市的滲透，加上更多地區解除醫保限制，上述因素的影響逐漸減退，銷售將穩步回升。

The Group also achieved a breakthrough in international cooperation. In November 2012, Sihuan Pharmaceutical entered into a collaboration agreement with NeuroVive Pharmaceutical AB, a leading international mitochondrial pharmaceutical development company, to develop in China two innovative CCV products, CicloMulsion® and NeuroSTAT®. This is a significant move for the Group as it will enrich its product pipeline.

Lanfang Gaobo Jingband has passed an on-site quality audit by Teva Pharmaceutical Industries Ltd., as well as 15 other well-known multinational pharmaceutical companies from India, Canada, Spain and etc. The Group commenced cooperation with some of these companies, which opened up other channels for the Group in international cooperation.

In addition, the Group achieved remarkable results in production and quality management. The Group raised the quality standards of several key products and also enhanced cost management of all major products. The overall technology level of the Group's production system was significantly enhanced, with Langfang Gaobo Jingband obtaining "High and New Technology Enterprise" status. Meanwhile, the construction of new plants and the upgrading of existing facilities progressed smoothly and according to schedule.

The Group has also completed the consolidation of the sales network of Jilin Sihuan, which is now fully integrated into the Group's sales and marketing network. Although the consolidation has temporarily affected the Group's overall sales performance, the Group has reinforced its management and control over its sales and marketing network and enhanced the sales and marketing capabilities of Sihuan Pharmaceutical, thereby accelerating the market development of its products.

Some of the Group's operations, however, reported unsatisfactory performance in 2012. Sales volume of Kelinao and Anjeli dropped due to various factors such as the slower-than-expected lifting of reimbursement restriction at provincial level, an adjustment in marketing strategies, and the control of total medical insurance budgets at hospital level. With our increasing support for our distributors in terms of academic promotion, further penetration into 3rd and 4th tier cities, and as restrictions on medical insurance are relieved in more regions, we believe that the impact brought by the factors listed above will be reduced and that our sales will recover gradually as a result.

主席報告

Chairman's Statement

總體而言，四環醫藥在日益激烈的競爭環境下成功整合其內部業務，保持增長勢頭並顯著改善業務營運。

我們對未來充滿信心。儘管政策調整將為醫藥行業的經營環境帶來挑戰，但隨着國內醫保覆蓋範圍擴大、醫保人均補助標準上升、城市化加劇及人口老齡化等多項有利因素，醫藥產品的需求將保持強勁增長。因此，我們相信醫藥行業於二零一三年及整個「十二•五發展規劃」期間將保持增長勢頭。

另外，中國政府已將生物醫藥業列為未來發展的戰略性產業之一，並已頒佈新政策加強支持行業創新。四環醫藥為專著於專利藥物並擁有傑出研發、生產和營銷能力的創新性醫藥公司，未來發展必將獲益。

憑藉其銷售和營銷能力、更優化及高質素的產品組合、資深專業的管理團隊以及恪盡職守的員工，四環醫藥對未來發展及二零一三年經營環境充滿信心。本人堅信四環醫藥未來將邁向發展新里程。

車馮升醫生

主席兼行政總裁

二零一三年三月二十三日

All in all, amid the challenging environment, Sihuan Pharmaceutical sustained its growth momentum and significantly improved its operations with the successful consolidation of its internal operations.

We are fully confident in our future. Although the regulatory changes will pose challenges to the operating environment in the pharmaceutical industry, the demand for pharmaceutical products will sustain robust growth as demand will be driven by various favorable factors such as wider medical insurance coverage across the country, the rise in per capita funding standards for medical insurance, the acceleration in urbanization and the ageing of China's population. Therefore, we believe the pharmaceutical industry will maintain its upward trajectory in 2013 and throughout the period of "12th Five-Year Development Plan".

Furthermore, the Chinese government has identified the bio-pharmaceutical industry as one of its strategic focuses for future development, and has stepped up support for innovation in the industry with newly announced policies. Sihuan Pharmaceutical, an innovative pharmaceutical company focused on proprietary drugs with outstanding R&D, production and sales and marketing capabilities, is poised to benefit from this development.

Leveraging its sales and marketing capabilities, optimized and high quality product mix, experienced and professional management team, as well as its dedicated staff, Sihuan Pharmaceutical is confident in its future development and the operating environment in 2013. I firmly believe that Sihuan Pharmaceutical will welcome a new era of development in the future.

Dr. Che Fengsheng

Chairman and Chief Executive Officer

23 March 2013

管理層討論及分析

Management Discussion and Analysis

(I) 業務回顧

於二零一二年，國內城市化加速、人口老化及醫保覆蓋擴大，推動中國醫藥行業持續增長。此外，中國政府把生物醫藥行業列為國家戰略發展及新興產業之一，加大了對行業的支持，促進了行業的創新及健康發展。然而，中國醫藥行業仍然面對監管壓力，包括藥物價格調整、醫藥分家、藥物零加成及醫院醫保費用總額控制等若干政策，於二零一二年持續帶來影響。

儘管面對重重挑戰，四環醫藥於二零一二年進一步鞏固了在心腦血管處方藥市場的領導地位，並取得理想成績。根據艾美仕的數據，按醫院採購額計，四環醫藥在心腦血管處方藥市場的份額於二零一二年年底為8.1%（按含中藥處方藥的新統計分法），較第二位高出3.2%。按醫院採購額計，本集團於二零一二年為中國處方藥市場的第八大醫藥公司。

本集團的收益增長35.7%至人民幣3,042.5百萬元，而本公司擁有人應佔溢利則增長9.8%至人民幣904.4百萬元。本集團的營運表現的提升得益於產品組合進一步多元化，來自新潛力產品的銷售貢獻已超過整體銷售額的一半。此外，本集團在研發方面取得突破，令產品線更為豐富，有效推動長遠增長。本集團更於年內與國際企業達成合作，邁出了發展的重要一步。此外，本集團完成了對上市後收購的公司分銷網絡的全面整合，以進一步加強其銷售及市場推廣能力。

(I) BUSINESS REVIEW

Throughout 2012, China's pharmaceutical industry continued to grow on the back of the accelerated pace of urbanization level, aging population and expanded medical insurance coverage in the country. Moreover, the Chinese government has increased its support to the bio-pharmaceutical industry, positioning as a national strategic and emerging industry, to promote the innovation and healthy development of the industry. However, China's pharmaceutical industry continues to face regulatory pressures such as price adjustments for drugs, the separation of the dispensing and prescription of drugs, the zero mark-up policy and control of medical insurance spending at hospitals etc. The impact of such policies continued to linger throughout 2012.

In the face of challenges, Sihuan Pharmaceutical built on its leading position in the cardio-cerebral vascular ("CCV") prescription drug market and posted satisfactory results in 2012. According to IMS, the market share of the Sihuan Pharmaceutical's CCV drugs in terms of hospital purchase was 8.1% (IMS new statistics include traditional Chinese medicine ("TCM") prescription drugs) at the end 2012, 3.2% ahead of the second-largest player in the Chinese CCV prescription drug market. The Group also became the eighth largest pharmaceutical company in terms of hospital purchase in the Chinese prescription drug market in 2012.

The Group's revenue increased by 35.7% to RMB3,042.5 million. Net profit attributable to owners of the Company also grew by 9.8% to RMB904.4 million. The Group's operational performance was boosted by a further diversified product portfolio as the sales contribution from its promising products exceed half of its sales revenue. Further, the Group has achieved breakthroughs in its R&D which have enriched its product pipeline and drive its long-term growth. The Group has also taken a major step forward in collaboration with international companies during the year. Nonetheless, the Group has completed integration of distribution network of companies acquired after its listing to further strengthen its sales and marketing capability.

管理層討論及分析

Management Discussion and Analysis

心腦血管產品

於二零一二年，心腦血管產品的銷售額增加 38.8% 至人民幣 2,803.9 百萬元，主要受惠於進一步多元化的產品組合令收益來源擴大。心腦血管產品業務佔總收益的 92.2%，仍為本集團年內的最大收益來源。

主要心腦血管產品的銷售額：

產品 Product	截至十二月三十一日止年度 For the year ended 31 December	
	二零一一年 2011 (人民幣千元) (RMB'000)	二零一二年 2012 (人民幣千元) (RMB'000)
歐迪美 (腦苷注射液) Oudimei (Cerebroside-kinin injection)	654,859	696,067
克林澳 (馬來酸桂哌齊特 注射液) (80 毫克) Kelinao (Cinepazide maleate injection) (80 mg)	529,430	649,636
安捷利 (馬來酸桂哌齊特 注射液) (320 毫克) Anjieli (Cinepazidemaleate injection) (320 mg)	202,187	123,360

CCV products

In 2012, sales of CCV products grew 38.8% to RMB2,803.9 million, mainly driven by the broadened revenue base. The CCV business, which accounted for 92.2% of total revenue, remained the Group's largest revenue contributor during the year.

Sales of key CCV products:

二零一一年 估心腦血管 產品銷售額 的比例 2011	二零一二年 估心腦血管 產品銷售額 的比例 2012	產品特性
Contribution to Sales of CCV Products	Contribution to Sales of CCV Products	Product characteristics
32.4%	24.8%	能夠促進心、腦組織的新陳代謝，參與腦組織神經元的再生過程，改善腦代謝功能；臨床上用於治療心肌和腦部疾病引起的功能障礙。 For promoting metabolism of the heart, brain tissues, and neurons of the brain tissue regeneration process, improving cerebral metabolic functions; clinically used for the treatment of dysfunction caused by cardiac and brain diseases.
26.2%	23.2%	改善缺血組織供血和保護缺血組織。廣泛應用於心腦血管及外周血管疾病。 For improving ischemic tissue blood supply and protecting ischemic tissue. Widely used in the treatment of cardiovascular and cerebrovascular and peripheral vascular diseases.
10.0%	4.4%	

管理層討論及分析

Management Discussion and Analysis

產品 Product	截至十二月三十一日止年度 For the year ended 31 December		二零一一年 估心腦血管 產品銷售額 的比例 2011 Contribution to Sales of CCV Products	二零一二年 估心腦血管 產品銷售額 的比例 2012 Contribution to Sales of CCV Products	產品特性 Product characteristics
	二零一一年 2011 (人民幣千元) (RMB'000)	二零一二年 2012 (人民幣千元) (RMB'000)			
	源之久(曲克蘆丁腦 蛋白水解物注射液) Yuanzhijiu (Troxerutin and cerebroprptein hydrolysate injection)	83,236	361,213	4.1%	
GM1 (單唾液酸四己糖 神經節苷脂鈉 注射液) GM1 (Monosialotetra exosylganglioside sodium injection)	143,627	217,098	7.1%	7.7%	神經組織細胞的保護和修復劑；用於顛腦損傷、 腦血管意外、其他中樞神經系統損傷、帕金森氏 症。 For neural tissue cells protection and repairing agents; for treatment of traumatic brain injuries, cerebral vascular accidents and Parkinson's disease.
谷紅注射液(乙醯穀 醯胺及紅花提取 物複方制劑) Guhong injection (Compound of aceglutamide and safflower extract)	93,870	205,475	4.6%	7.3%	用於治療腦血管疾病如腦供血不足、腦栓塞及腦 出血恢復期；肝病、神經外科手術等引起的意識 功能低下；智力減退、記憶力障礙等。 For the treatment of cerebrovascular problems such as cerebral insufficiency, cerebral embolism and cerebral hemorrhage recovery period; dysfunction caused by the awareness of liver disease, neurological surgery; mental deterioration, and memory impairment.

管理層討論及分析

Management Discussion and Analysis

產品 Product	截至十二月三十一日止年度 For the year ended 31 December		二零一一年 估心腦血管 產品銷售額 的比例 2011	二零一二年 估心腦血管 產品銷售額 的比例 2012	產品特性 Product characteristics
	二零一一年 2011 (人民幣千元) (RMB'000)	二零一二年 2012 (人民幣千元) (RMB'000)	Contribution to Sales of CCV Products	Contribution to Sales of CCV Products	
	益脈寧(前列地爾脂 微球注射劑) Yimaining (Alprostadil lipid emulsion injection)	62,410	125,902	3.1%	
川青 (注射用鹽酸川芎嗪) Chuanqing (Ligustrazine hydrochloride for injection)	82,709	93,010	4.1%	3.3%	<p>廣泛用於缺血性心腦血管疾病，冠心病、腦栓塞、脈管炎、血管性癱瘓等。</p> <p>Widely used to treat ischemic cerebrovascular disease, coronary heart disease, cerebral embolism, vasculitis and vascular dementia.</p>
曲奧(腦蛋白水解物) Qu'ao (Cerebroprotein hydrolysate)	68,227	92,485	3.4%	3.3%	<p>具有促進神經細胞代謝與分化、促進腦內蛋白質合成等作用。廣泛用於腦血管疾病引起的腦神經細胞功能障礙、顛腦損傷、老年性癡呆等。</p> <p>For promoting neural cell metabolism and differentiation and synthesis of brain protein. Widely used to treat brain cell dysfunction caused by cerebrovascular disease, traumatic brain injuries and Alzheimer's disease.</p>

管理層討論及分析

Management Discussion and Analysis

產品 Product	截至十二月三十一日止年度 For the year ended 31 December		二零一一年 估心腦血管 產品銷售額 的比例 2011	二零一二年 估心腦血管 產品銷售額 的比例 2012	產品特性 Product characteristics
	二零一一年 2011 (人民幣千元) (RMB'000)	二零一二年 2012 (人民幣千元) (RMB'000)	Contribution to Sales of CCV Products	Contribution to Sales of CCV Products	
	也多佳(複方三維B(II) 注射液) Yeduojia (Compound trivitamin B for injection (II))	25,493	73,531	1.3%	
丹參川芎嗪 注射液(丹參川 芎嗪鹽酸注射液) Danshen Chuanxiongqin injection (Salviae miltiorrhizae and ligustrazine hydrochloride injection)	8,341	73,121	0.4%	2.6%	抗血小板聚集，血管舒張和改善微循環，可用於治療閉塞性心腦血管疾病，如腦功能障礙、腦血栓形成、腦梗塞；及缺血性心血管病，如心絞痛、心肌梗塞等。 Featuring anti-platelet aggregation, vasodilation and improving microcirculation, it can be used to treat occlusive cerebrovascular diseases such as brain dysfunction, cerebral thrombosis, cerebral infarction; and ischemic cardiovascular diseases such as angina pectoris, myocardial infarction, etc.
清通(依達拉奉注射液) Qingtong (Edaravone injection)	45,713	67,019	2.3%	2.4%	氧自由基清除劑，廣泛用於治療心腦血管疾病、糖尿病周圍血管病變。 An oxygen free radical scavenger widely used to treat cardiovascular and cerebrovascular diseases, as well as peripheral vascular disease (PDA) for people with diabetes.

管理層討論及分析

Management Discussion and Analysis

本集團的新潛力產品取得大幅增長，印證了本集團在產品多元化方面的不懈努力。本集團在年內加強學術推廣，令來自該等產品的銷售貢獻已超過整體銷售額的一半。源之久、益脈寧、也多佳、谷紅及丹參川芎嗪鹽酸注射液的銷售分別大幅增長334.0%、101.7%、188.4%、118.9%及776.6%至人民幣361.2百萬元、人民幣125.9百萬元、人民幣73.5百萬元、人民幣205.5百萬元及人民幣73.1百萬元。本集團於上半年完成了對歐迪美分銷網絡的全面整合，提高了本集團的營運效率和銷售及營銷能力。因此，雖然多個省份招標延遲，但歐迪美於二零一二年下半年銷售額回升，全年更錄得整體增長。

隨著本集團加強市場滲透，尤其是低端市場，本集團的成熟產品銷售額錄得穩定增長。本年度GM1、曲奧、清通及川青的銷售額分別增長51.2%、35.6%、46.6%及12.5%至人民幣217.1百萬元、人民幣92.5百萬元、人民幣67.0百萬元及人民幣93.0百萬元。

年內，克林澳及安捷利的銷量較去年錄得下降，此乃由於多種原因多致，包括各省醫保報銷限制的解除較預期緩慢，醫院醫保費用總額控制，以及公司銷售策略調整等。克林澳的銷售額於二零一二年錄得增長，主要由於本集團調整營銷策略，即由本集團負責分銷商的市場推廣活動費用，本集團亦因此相應提升了售價以反映增加的成本。於二零一三年，本集團計劃將向分銷商提供更多學術推廣支持，並致力在更多省份解除醫保報銷限制，同時在最近解除醫保限制的省份加強市場推廣力度。隨著我們的努力，二零一三年克林澳及安捷利的銷售將逐步改善。

The Group's continuous efforts in product diversification were evident in the impressive growth of its promising products. With strengthened academic promotion, sales contribution from them exceeded half of the Group's total sales revenue. Sales of Yuanzhijiu, Yimaining, Yeduojia, Guhong injection and Danshen Chuanxiongqin injection grew significantly by 334.0%, 101.7%, 188.4%, 118.9% and 776.6% to RMB 361.2 million, RMB 125.9 million, RMB 73.5 million, RMB 205.5 million and RMB 73.1 million respectively. As for Oudimei, the Group completed the integration of its distribution network in the first half of the year, which enhanced the Group's operational efficiency and its sales and marketing capabilities. Sales of Oudimei improved in the second half of 2012, despite a delay in provincial tendering, and recorded an overall growth for the year.

The Group's established products recorded steady sales growth on the back of deepened market penetration especially into low-end markets. Sales of GM1, Qu'Ao, Qingtong and Chuanqing for the year grew by 51.2%, 35.6%, 46.6% and 12.5% to RMB217.1 million, RMB 92.5 million, RMB67.0 million and RMB93.0 million respectively.

During the year, sales volume of Kelinao and Anjieli saw a decline compared to the previous year due to multiple reasons, including the slower-than-expected lifting of reimbursement restrictions at the provincial level, stricter control of total medical insurance spending of hospitals and an adjustment of the Group's marketing strategy etc. The increase in sales revenue of Kelinao recorded in 2012 was mainly attributable to the increase in selling price as a result of the adjustment of the Group's marketing strategy, whereby the Group is responsible for the marketing expenses for the distributors, and had increased selling price accordingly to reflect the increase in costs. In 2013, the Group plans to provide more support to distributors on academic promotion as well as achieving further penetration into third to fourth tier cities. In addition, the Group will strive to lift reimbursement restriction in more provinces and step up marketing promotions in provinces where such restrictions were recently removed. With these efforts, sales of Kelinao and Anjieli are expected to improve gradually in 2013.

管理層討論及分析

Management Discussion and Analysis

非心腦血管產品

主要非心腦血管產品的銷售額：

Non-cardio-cerebral vascular products (“Non-CCV products”)

Sales of key Non-CCV products:

產品 Product	截至十二月三十一日止年度 For the year ended 31 December		二零一一年 2011 (人民幣千元) (RMB'000)	二零一二年 2012 (人民幣千元) (RMB'000)	二零一一年 估非心腦血管 產品銷售額 的比例 2011 Contribution to Sales of Non-CCV Products	二零一二年 估非心腦血管 產品銷售額 的比例 2012 Contribution to Sales of Non-CCV Products	產品特性 Product characteristics
	二零一一年 2011 (人民幣千元) (RMB'000)	二零一二年 2012 (人民幣千元) (RMB'000)					
中樞神經系統 藥物 Central nervous system drug	仁澳(奧卡西平) Ren' Ao (Oxcarbazepine)	8,149	13,675	3.7%	5.7%	新一代抗癲癇藥。廣譜高效，安全性高，替代卡馬西平。 New generation of antiepileptic drug with a broad spectrum that is highly effective and safe. It can be used as an alternative to carbamazepine.	
新陳代謝藥物 Metabolism drug	洛安命(氨基酸 注射液) Luoanming (Amino acid injection)	35,351	58,205	16.0%	24.4%	用於低蛋白血症、蛋白攝入不足或吸收不良、蛋白質合成障礙。 Used for hypoalbuminemia, inadequate protein intake or malabsorption, and protein synthesis obstacles.	
呼吸系統藥物 Respiratory system drug	必澳(鹽酸氨溴索) Bi' Ao (Ambroxol hydrochloride)	40,955	52,753	18.5%	22.1%	臨床一線祛痰、化痰藥物。用於急性、慢性呼吸道疾病的祛痰治療，亦是手術後避免肺部感染的常規用藥。 Clinical first-line expectorant phlegm drugs.	
	卓澳(鹽酸氨溴索) Zhuo' Ao (Ambroxol hydrochloride)	9,115	14,436	4.1%	6.1%	用於急慢性呼吸系統疾病的祛痰治療，亦是手術後避免肺部感染的常規用藥。 Used for the expectorant treatment of acute chronic respiratory diseases. It is also a regular medication taken to prevent lung infections after surgery.	
抗感染藥物 Anti-infective drug	頗佳(磺苄西林鈉) Poja (Sulbenicillin sodium)	36,197	35,542	16.4%	14.9%	廣譜青黴素類抗生素。具有抗菌譜廣、抗菌活性強、耐藥性低、安全性高及耐受性好等特點。 Broad-spectrum penicillin with a broad antagonistic spectrum, strong antibacterial activity, low-levels of drug resistance, and which is safe and well-tolerated.	

管理層討論及分析

Management Discussion and Analysis

年內本集團加大力度推廣非心腦血管類別的主要產品。其中樞神經系統產品仁澳(主要用於治療癲癇)的銷售額增加67.8%至人民幣13.7百萬元。呼吸系統藥物卓澳及必澳分別增長58.4%及28.8%，銷售額合共約為人民幣67.2百萬元。洛安命(新陳代謝藥物)的銷售額增加64.6%至人民幣58.2百萬元。雖然抗感染藥物臨床使用受嚴格限制，頗佳的銷售額於二零一二年下半年回升，全年僅下降1.8%至人民幣35.5百萬元。

銷售及市場推廣

面對全國醫保覆蓋範圍擴大，本集團實行雙管齊下的市場推廣策略，同時加大對新潛力產品及成熟產品的市場推廣，令9個主要產品於二零一二年的銷售額較去年大幅增長逾50%，成效顯著。本集團亦完成了對上市後所收購公司的分銷網絡的整合，從而大幅提升營運效率。此外，本集團一直以學術推廣傲視同儕，在年內加強學術推廣，進一步提升競爭優勢。

i. 加大新潛力產品的學術推廣力度

學術推廣乃新產品市場開發的關鍵，故本集團組織更多學術推廣會議及其他活動，與醫生及醫藥專家建立更緊密的關係，深化彼等對本集團新潛力產品認識。年內，本集團組織了15場全國性醫療會議、36場省級醫療會議及逾3,100場醫院科室研討會。此外，本集團為分銷商及內部營銷人員舉行逾千次培訓環節，以提升他們對新潛力產品的了解；在擁有醫藥專業資格的產品經理支援下，分銷商更為有效地加強醫生及專家對該等產品的了解，從而提升臨床應用率。

During the year, the Group stepped up efforts to promote its key non-CCV products. Sales of its central nervous system product, Ren' Ao, which is used primarily in the treatment of epilepsy, increased 67.8% to RMB13.7 million. The Group's respiratory system drugs, including Zhuo' Ao and Bi' Ao, grew by 58.4% and 28.8% respectively, accounting for combined sales of approximately RMB67.2 million. Sales of Luoanning, a metabolism drug, increased by 64.6% to RMB58.2 million. Sales of Pojia rebounded in the second half of 2012 and fell just 1.8% to RMB35.5 million due to stricter restrictions on the clinical use of anti-infective drugs.

Sales and Marketing

Leveraging the expansion in national medical insurance coverage, the Group implemented a two-pronged marketing strategy by stepping up its marketing efforts for both its promising products and established products. The results were evident in the strong growth of over 50% in the sales of 9 major products in 2012, compared to the previous year. The Group has also completed integration of the distribution network of companies acquired after its listing, which significantly improved its operational efficiency. In addition, the Group reinforced its competitiveness by strengthening its academic promotion, which has always stand the Group out in the industry.

i. Strengthening academic promotion for promising products

Academic promotion is the key to market development of newly launched products. The Group organized more academic promotion conferences and other activities to build closer ties with physicians and medical specialists, and to deepen their understanding of the clinical advantages of the Group's promising products. During the year, the Group organized 15 national medical conferences, 36 provincial medical conferences and over 3,100 departmental seminars at hospitals. The Group had over 1,000 training sessions for distributors and internal sales and marketing staff to improve their knowledge of the promising products and, with support of our medically trained product managers, to more effectively educate physicians and specialists on those products so as to encourage clinical use.

管理層討論及分析 Management Discussion and Analysis

ii. 透過臨床試驗提高主要產品的認可度

本集團與重點醫院合作對主要產品進行臨床研究，藉此提升醫生對產品的認可度和了解，同時與參與該等研究的重點醫院及專家建立緊密的關係。該等研究包括：

- 腦苷肌肽對保護視網膜細胞的研究
- 腦苷肌肽對治療腦梗塞的臨床試驗
- 馬來酸桂哌齊特對抗腦缺血損傷機制研究
- 馬來酸桂哌齊特對腺苷增效研究
- 對馬來酸桂哌齊特安全性真實世界研究
- 曲克蘆丁腦蛋白水解物注射液對腦卒中及顱腦損傷的臨床研究

iii. 擴大成熟產品於低端市場的覆蓋

本集團擴大了成熟產品於低端市場的覆蓋，重點加強於二級、一級醫院，以及社區診所的市場開發，同時增加與擁有該等市場網絡的分銷商合作，成功把握全國醫療保險覆蓋範圍擴大所帶來的需求增長。

iv. 完成了對營銷系統的整合

截至二零一二年底，本集團透過完成對吉林四環製藥有限公司（「吉林四環」）的分銷網絡的整合，提升了本集團的營運效率及營銷能力。

ii. Boosting recognition of key products through clinical trials

The Group started clinical studies on its key products in partnership with major hospitals in order to enhance physicians' recognition and knowledge of the products and to build closer ties with major hospitals and specialists participating in those studies. These studies include:

- a study of Cattle Encephalon Glycoside and Igotin on retinal cellular protection
- a study of Cattle Encephalon Glycoside and Igotin on treatment of cerebral infarction
- the mechanisms study of Cinepazide maleate on anti-cerebral ischemia injury
- a study of Cinepazide Maleate on Adenosine synergy
- a Real World Study of the safety of Cinepazide maleate
- a clinical study of Troxerutin and Cerebrprotein Hydrolysate Injection on treatment of stroke and craniocerebral injuries

iii. Expanding coverage in low-end markets for established products

The Group increased the penetration of its established products in low-end markets, such as Class II and Class I hospitals and community clinics to tap the rising demand attributable to broader national medical insurance coverage, through cooperation with distributors with sales network in those markets.

iv. Completed integration of sales and marketing system

By the end of 2012, the Group completed the integration of the distribution network of Jilin Sihuan Pharmaceutical Co., Ltd (“Jilin Sihuan”). This enhanced the Group's operational efficiency as well as its sales and marketing capabilities.

管理層討論及分析

Management Discussion and Analysis

v. 擴充營銷隊伍

本集團於年內擴充其營銷隊伍，增聘逾100名銷售人員。截至二零一二年年底，本集團經營逾60間銷售辦事處，營銷隊伍擁有約600名員工。

研發

本集團繼續加大研發力度，並於年內在多個項目取得突破。

i. 研發項目進展取得突破：

- 獨家首仿新藥注射用鹽酸羅沙替丁醋酸酯獲得國家食品藥品監督管理局(「藥監局」)的生產批文，並將享有四年行政保護期。該產品為新一代H2受體阻斷劑，主要應用於胃腸道潰瘍及出血以及麻醉前用藥。
- 3.1類仿製藥鹽酸納美芬注射液獲得國家藥監局的生產批文。該產品是繼納洛酮及納曲酮之後的新一代阿片受體阻斷劑，將逐漸取代納洛酮，並已列入國家醫保藥品乙類目錄。
- 其他主要在研的3.1類仿製藥項目包括：左乙拉西坦注射液及拉克醯胺(均為抗癲癇藥物)；及阿瑞吡坦(用於預防臨床抑鬱症及手術後和化療引致的噁心及嘔吐)。其他數個創新藥物項目的研發亦如期推進。
- 截至二零一二年年底，本集團已就五個研發項目申請了國家獎項，以展示其創新能力，並已獲授32項專利權。

v. Expanding sales and marketing team

The Group expanded its sales and marketing team by recruiting more than 100 sales staff during the year. At the end of 2012, the Group operated more than 60 sales offices with a sales team of about 600.

Research and Development (“R&D”)

The Group continued to commit considerable effort in R&D and achieved several breakthroughs during the year.

i. Breakthrough of R&D projects:

- Roxatidine Acetate Hydrochloride for Injection (注射用鹽酸羅沙替丁醋酸酯), a first-to-market exclusive generic drug, received approval for production from the State Food and Drug Administration (“SFDA”) and will enjoy four years of administrative protection. It is a new generation H2 receptor antagonist mainly used for gastrointestinal ulcers and bleeding and pre-anesthesia application.
- Nalmefene Hydrochloride Injection (鹽酸納美芬注射液), a Category 3.1 generic drug, received approval for production from the SFDA. It is a new generation opioid receptor inhibitor following Naloxone and Naltrexone. It is on its way to becoming a substitute for Naloxone, and has been included in Part B of the National Medicine Catalogue.
- R&D projects of other Category 3.1 generic drugs in the pipeline include: Levetiracetam injection (左乙拉西坦注射液) and Lacosamide (拉克醯胺), both of which are anti-epilepsy drugs; and Aprepitant (阿瑞吡坦), which is used to prevent clinical depression as well as post-operative and chemotherapy-induced nausea and vomiting. R&D projects of several innovative drugs are also progressing as planned.
- By the end of 2012, the Group had applied for national drug awards for five of its R&D projects to showcase its success in innovation, and had been granted 32 new patent rights.

管理層討論及分析

Management Discussion and Analysis

ii. 重組創新藥物研發團隊

為提高研發效率及整合資源，本集團對山東軒竹醫藥科技有限公司（「山東軒竹」）進行重組及收購其40%股權。山東軒竹繼而成為本集團的全資附屬公司，令山東軒竹未來完全按照本集團整體的發展戰略研發創新藥物，並著重開發心腦血管、新陳代謝及腫瘤等主要治療領域藥物。

國際合作

二零一二年十一月，四環醫藥與位於瑞典、並於瑞典交易所上市的全球領先的線粒體技術醫藥開發公司NeuroVive Pharmaceutical AB（「NeuroVive」）訂立合作協議，共同開發兩個創新藥品CicloMulsion®（用於治療心臟再灌注損傷）及NeuroSTAT®（用於治療顛腦損傷），該兩個產品已分別進入了III期和II期臨床試驗階段。該項與國際知名醫藥開發公司達成的重要合作協議結合了四環醫藥在產品開發、市場推廣及分銷網絡方面的競爭優勢，與NeuroVive在先進藥品開發技術方面的優勢，標誌著本集團重大業務發展突破。該項合作將為本集團帶來高技術水平的產品，並豐富其產品組合，拓展未來收入來源。

廊坊高博京邦與韓國公司DBLS Ltd. 進行合作，並已向韓國食品與藥物管理局提交DMF (Drug Master File) 文件。此外，廊坊高博京邦廠房的生產及質量管理系統已分別通過由梯瓦製藥工業有限公司 (Teva Pharmaceutical Industries Ltd.) 以及印度、加拿大和西班牙等另外15家知名跨國醫藥企業現場審核，本集團正積極探討與該等優質企業的合作機會。

ii. Restructuring of innovative drug R&D team

To enhance the efficiency in R&D and to consolidate its resources, the Group carried out the restructuring of Xuanzhu Pharma Co., Ltd. (“Xuanzhu Pharma”, or known as “KBP BioSciences Co., Ltd.”) and acquired 40% of its equity interest. Xuanzhu Pharma then became a wholly-owned subsidiary of the Group and continued to undertake research and development in innovative drugs under the Group’s overall development strategy, with a focus on major therapeutic areas such as CCV, metabolism and oncology.

International Collaboration

In November 2012, Sihuan Pharmaceutical entered into a collaboration agreement with NeuroVive Pharmaceutical AB (“NeuroVive”), a leading international mitochondrial pharmaceutical development company based and listed in Sweden. This was to develop two innovative products, CicloMulsion® (used for the treatment of heart reperfusion injuries) and NeuroSTAT® (used for the treatment of traumatic brain injuries), which have commenced Phase III and Phase II of clinical trials respectively. This important collaborative agreement with a renowned international pharmaceutical development company marks a breakthrough for the Group’s business development. The collaboration will combine Sihuan Pharmaceutical’s competitive advantages in product development, marketing promotion and distribution network with NeuroVive’s advanced drug development technology. This will enrich the Group’s product portfolio with products of high technological level and widen its revenue stream.

Langfang Gaobo Jingband established cooperation with Korean company DBLS Ltd. and has completed the filing of Drug Master File (“DMF”) to Korean Food and Drug Administration (“KFDA”). In addition, the production and quality management system of Langfang Gaobo Jingband’s plant has passed individual on-site audits carried out by Teva Pharmaceutical Industries Ltd. and 15 other well-known multi-national pharmaceutical enterprises from India, Canada and Spain. Having passed these audits, the Group is exploring collaborative opportunities with these distinguished companies.

管理層討論及分析

Management Discussion and Analysis

生產及質量管理

年內，本集團繼續改善其生產系統的質量控制，並為若干主要產品的國家質量標準進行升級，並改善成本效益。憑藉提升技術水平，本集團又一負責生產的附屬公司被評為「高新技術企業」。

- 本集團已就提升歐迪美、源之久及也多佳的國家質量標準提交申請，有關國家質量標準正由國家藥典委員會審核。此外，本集團亦完成丹參川芎嗪注射液的藥物安全性評價及國家質量標準提升申報，其新國家質量標準已開始執行。
- 於二零一二年，廊坊高博京邦被評為「高新技術企業」，將享15%的稅率優惠。
- 儘管中國人工及原材料成本上漲，本集團透過規模經濟效益及成本效率的改善，成功降低多個產品的成本。
- 為符合新訂良好生產規範（「GMP」）的標準，本集團已全面推進北京、吉林和遼寧生產基地的升級建設改造。升級進展良好，預期於二零一三年底前完成。

Production and Quality Management

During the year, the Group continued to improve quality control at its production system. The Group enhanced the national quality standards and cost efficiency of several of its key products. Another of its subsidiaries responsible for production was granted “High and New Technology Enterprise” status as a result of a promoted level of technology.

- The Group has filed the application to upgrade the national quality standards of Oudimei, Yuanzhijiu and Yeduojia, which is governed by the Chinese Pharmacopoeia Commission. The Group has also completed the drug safety review and national quality standard upgrade of Danshen Chuanxiongqin injection. The new national quality Standard of this product is already being implemented.
- Langfang Gaobo Jingband was granted “High and New Technology Enterprise” status in 2012, which will entitle them to a preferential tax rate of 15%.
- Despite higher labour and raw material costs across the country, the Group managed to lower the production costs of numerous products, due to economies of scale and improved cost efficiency.
- In compliance with the new Good Manufacturing Practice (“GMP”) standard, the Group has commenced upgrades of its production base in Beijing, Jilin and Liaoning. The upgrades are progressing well and are estimated to be completed by the end of 2013.

管理層討論及分析

Management Discussion and Analysis

(II) 未來展望

(i) 行業前景

於二零一三年，隨著全國醫療保險覆蓋範圍擴大、醫療保險人均補貼標準提高，以及醫療最高賠付比率增加，加上國內城市化加速及人口老化等，將進一步推動中國醫藥市場於二零一三年持續增長。

中國政府於「十二·五」規劃中將生物製藥產業列為國家戰略性新興產業之一，對醫藥行業的創新及進步的大力支持，對於在研發、生產、營銷方面擁有雄厚實力、以及專注創新及專利藥品的公司，將獲得更好的發展機遇。

然而，多項醫療改革措施，包括醫藥分家、醫院的醫保費用總量控制、醫療保險賠付模式的改變等，將繼續對醫藥企業的營銷模式以及產品策略帶來挑戰。上述挑戰加上新GMP標準的實施，將加快行業整合。

(II) FUTURE PROSPECTS

(i) Industry Outlook

In 2013, the development of the Chinese pharmaceutical market will continue to be driven by the expanding national medical insurance coverage, the rising per capita subsidy standard for medical insurance and the increasing maximum reimbursements ratio for medical treatment, not to mention the accelerated pace of urbanization and the aging population in the country.

The Chinese government has designated the bio-pharmaceutical industry as one of the country's strategic emerging industries in its "12th Five-Year Development Plan", demonstrating its support for innovation and the enhancement of the pharmaceutical industry. This will in turn benefit companies with strong capabilities in R&D, production and sales and marketing with focus on innovative and proprietary drugs.

However, various medical reform measures, including the separation of dispensing and prescribing drugs, control of total medical insurance spending at the individual hospital level, and change of payment of medical insurance, will continue to challenge the sales and marketing models and product strategies of pharmaceutical companies. These challenges, along with the new GMP standard, are intensifying industry consolidation.

管理層討論及分析

Management Discussion and Analysis

(ii) 增長策略

本集團擁有市場領先地位，對營運環境的適應能力強，令本集團有信心於未來化挑戰為機遇。於二零一三年，本集團將繼續加強其營銷能力，增加研發方面的投入，使產品組合進一步多元化。本集團清晰且重點的增長策略如下：

1) 雙管齊下的營銷策略

本集團將繼續採取雙管齊下的營銷策略，加大成熟產品及新潛力產品的推廣力度。

- 國家醫保覆蓋範圍擴大刺激需求，本集團將繼續深化成熟產品於一、二線城市的滲透，同時加強開拓三、四線城市。
- 對於處快速增長期的新潛力產品，本集團將強化學術推廣，以提高品牌知名度及提升後續臨床應用率，藉此維持高於市場水平的增長率。本集團將致力於更多省份中標以開發新市場。

(ii) Growth Strategies

With its leading position in the market and strong ability to adapt to the evolving operating environment, the Group is confident of turning challenges into opportunities in the years to come. In 2013, the Group will continue to strengthen its capabilities in sales and marketing, invest substantially in R&D and diversify its product portfolio. The Group's clear and focused growth strategies are outlined below:

1) Two pronged sales and marketing strategy

The Group will continue its two-pronged strategy of promoting its established and promising products.

- On the back of rising demand from wider medical insurance coverage in the country, the Group will deepen penetration of its established products in first- and second-tier cities while developing third- and fourth-tier cities.
- For its fast-growing promising products, the Group will speed up market expansion by enhancing academic promotion, to raise brand awareness and boost subsequent clinical use to maintain an above-market growth rate. The Group will strive to secure tenders for the development of new markets.

管理層討論及分析 Management Discussion and Analysis

2) 透過研發及產品合作促進產品多元化

本集團將繼續透過集中於重大治療領域的獨家及專利產品研發、收購以及產品合作以豐富產品組合。

研發方面，本集團將透過加大激勵及優化項目管理(尤其是主要項目)，以增加研發投資回報及縮短產品開發週期，並加強整體研發實力。本集團在開發創新藥物的努力漸見成果，於二零一三年初，再有兩個自主開發的I類創新藥取得臨床試驗批准，至今I類創新藥數目已達四個：

- 二零一三年一月，1.1類創新藥百納培南獲藥監局頒發臨床試驗批准。該產品I期臨床試驗定於二零一三年啓動，已在中國及美國獲取專利。該產品為碳青黴烯類藥物，為一種β-內醯胺類抗生素，主要用於治療耐藥性感染及院內複雜性感染。

2) Diversification of product portfolio through R&D and product collaborations

The Group will continue to enrich its product portfolio through R&D, acquisitions and product collaboration with focus on exclusive and proprietary products in major therapeutic areas.

As for R&D, the Group will optimize return on its investment in R&D through higher incentives and improvements in project management, especially in key projects, to shorten the time-to-market cycle and strengthen its overall R&D capabilities. The Group's continuous dedication to developing innovative drug development is starting to bear fruit. In the beginning of 2013, it received. Approval for Clinical Studies for two more in-house developed Category I innovative drugs, making it four in total to date:

- In January 2013, Benapenem (百納培南), a Category 1.1 innovative drug, received the Approval for Clinical Studies from the SFDA. Phase I of clinical studies are set to begin in 2013. The product has been patented in China and the United States. The product is a carbapenem drug, being a class of broad spectrum β-lactam antibiotics which are widely used to treat multiple drug resistance in hospitals.

管理層討論及分析

Management Discussion and Analysis

- 二零一三年二月，1.1類創新藥鹽酸依格列汀獲藥監局頒發臨床試驗批准。I期臨床研究定於二零一三年啓動。該產品為DPP-4抑制劑類的口服降糖藥，為一個結構全新的II型糖尿病治療藥物。

與此同時，本集團將繼續物色新的產品合作及併購機遇，重點開拓與國際醫藥公司之間的合作，並在合作方式上保持靈活性。

(iii) 展望

二零一二年是本集團創立以來最具挑戰性的一年。有鑒於此，本集團透過重整內部管理系統，完成了對營銷系統的整合，成功保持增長勢頭。此外，本集團令收入來源更趨平衡，產品組合更多元化，增強了研發實力及營銷能力，為本集團未來的可持續發展奠下堅實基礎。憑藉領先的市場地位及行之有效的營銷策略，加上研發創新的實力，本集團有信心把握醫藥行業發展所帶來的機遇，未來取得可持續的理想增長。

- In February 2013, Imigliptin Dihydrochloride (鹽酸依格列汀), a Category 1.1 innovative drug, received the Approval for Clinical Studies from the SFDA. Phase I of clinical studies are set to begin in 2013. The product is DPP-4 inhibitor class of oral hypoglycemic agents, a drug with a brand new structure for treating type II diabetes.

Meanwhile, the Group will continue to explore opportunities for product collaboration and M&A, especially with international pharmaceutical companies, and will exercise flexibility in collaborations.

(iii) Outlook

The year 2012 has been the most challenging year thus far for the Group. In view of this, the Group sustained its growth momentum by revamping its internal management system and with the integration of its sales and marketing systems. As a result, the Group has successfully established a more balanced and diversified product portfolio and strengthened its R&D and sales and marketing capabilities, paving the way for the Group's sustainable growth in the coming years. With its leading market position, proven sales and marketing strategy and innovation capability, the Group is confident that it is poised to grasp opportunities rising from developing pharmaceutical industry, and will continue to deliver satisfactory performance in the future.

管理層討論及分析

Management Discussion and Analysis

(III) 財務回顧

營業額

於二零一二年，本集團繼續增強心腦血管藥物業務，同時提高其他治療領域的產品銷量。收益總額由二零一一年的人民幣2,242.1百萬元增加35.7%至二零一二年的人民幣3,042.5百萬元。收益增加乃主要由於我們的心腦血管藥物銷售額增加所致。

心腦血管藥物於二零一二年的銷售收益約為人民幣2,803.9百萬元，較二零一一年增長約38.8%，約佔本集團營業額的92.2%。增加的主要原因是由於本集團實施雙管齊下的銷售及市場推廣策略以提高其成熟產品及新潛力產品的銷售，導致進一步多元化的產品組合擴大收益基礎所致。

由於抗感染藥物的臨床使用受到更嚴格控制，抗感染藥物的收益由二零一一年的人民幣86.8百萬元下降約31.2%至二零一二年的人民幣59.7百萬元，約佔本集團收益總額的2.0%。有鑑於此，本集團致力加大其推廣其他藥物(如中樞神經系統、呼吸系統及新陳代謝藥物)的力度。其他藥物的收益增加約24.6%至人民幣156.2百萬元，約佔本集團收益總額的5.1%。

(III) FINANCIAL REVIEW

Turnover

In 2012, the Group continued to strengthen its CCV drug business while promoting sales of its products of other therapeutic areas. Total revenue increased by 35.7% from RMB2,242.1 million in 2011 to RMB3,042.5 million in 2012. The increase in revenue was mainly attributable to growth in sales of CCV drugs.

Revenue from sales of CCV drugs in 2012 amounted to approximately RMB2,803.9 million, representing approximately 38.8% of growth over 2011 and accounted for approximately 92.2% of the Group's turnover. The increase was primarily due to the broadened revenue base from a further diversified product portfolio, as a result of the Group's two-pronged sales and marketing strategy to boost both its established and promising products.

As a result of stricter control on their clinical use, revenue derived from anti-infective drugs decreased by approximately 31.2% from RMB86.8 million in 2011 to RMB59.7 million in 2012, accounted for approximately 2.0% of the Group's total revenue. In view of that, the Group stepped up its efforts in the promotion of other drugs, such as central nervous system, respiratory and metabolism drugs. Revenue from sales of other drugs grew by approximately 24.6% to RMB156.2 million, accounted for approximately 5.1% of the Group's total revenue.

管理層討論及分析

Management Discussion and Analysis

銷售成本

本集團期內銷售成本約為人民幣753.1百萬元。約佔收益總額的24.8%。

毛利

我們的毛利由二零一一年的人民幣1,714.5百萬元增加33.5%至二零一二年的人民幣2,289.4百萬元。整體毛利率由二零一一年76.5%略微下降至二零一二年的75.2%，主要原因是二零一二年低利潤率產品的銷售強勁。

其他收益淨額

其他收益淨額由二零一一年的人民幣108.5百萬元增加至二零一二年的人民幣271.4百萬元。此乃主要由於本集團收取的政府補助增加所致。

分銷成本

二零一二年的分銷成本較二零一一年增加107.8%至人民幣1,312.3百萬元。此增加乃由於將本集團產品的市場推廣策略轉換為符合一般行業慣例(即反映第三方服務提供商的市場推廣成本)。

行政開支

行政開支由二零一一年的人民幣201.1百萬元增加2.8%至二零一二年的人民幣206.6百萬元。增加乃主要由於本集團經營發展壯大(尤其是建設方面)，有關的行政開支增加。

Cost of sales

Cost of sales of the Group during the year amounted to approximately RMB753.1 million, accounted for approximately 24.8% of total revenue.

Gross profit

Our gross profit increased by 33.5% from RMB1,714.5 million in 2011 to RMB2,289.4 million in 2012. Overall gross profit margin slightly declined to 75.2% in 2012 from 76.5% in 2011, which was mainly due to the stronger sales of lower margin products in 2012.

Other gains - net

Other net gains increased from RMB108.5 million in 2011 to RMB271.4 million in 2012. This was mainly due to an increase in government grants received by the Group.

Distribution costs

Distribution costs increased 107.8% over 2011 to RMB1,312.3 million in 2012. The increase resulted from a change in the Group's marketing strategy for its products in line with common industry practices which is reflective of marketing costs from third party service providers.

Administrative expenses

Administrative expenses increased by 2.8% from RMB201.1 million in 2011 to RMB206.6 million in 2012. The increase was mainly due to an increase in administrative expenses related to the operational expansion of the Group, especially in the area of construction.

管理層討論及分析

Management Discussion and Analysis

財務收入淨額

財務收入淨額由二零一一年的人民幣54.5百萬元增至二零一二年的人民幣124.1百萬元。主要是由於本集團所收取的利息收入增加所致。

除所得稅前溢利

由於上述因素，本集團的除所得稅前溢利由二零一一年的人民幣1,044.9百萬元增加11.6%至二零一二年的人民幣1,165.5百萬元。

所得稅開支

我們的所得稅開支由二零一一年的人民幣244.8百萬元略微減少人民幣0.8百萬元至二零一二年的人民幣244.0百萬元。

年內溢利

由於上述因素，本集團的純利由二零一一年的人民幣800.0百萬元增加15.2%至二零一二年的人民幣921.5百萬元。

非控股權益

二零一一年非控股權益虧損為人民幣24.0百萬元，而二零一二年則錄得盈利人民幣17.1百萬元，主要由於期內非全資附屬公司賺取的溢利所致。

本公司擁有人應佔溢利

我們擁有人應佔溢利或純利由二零一一年的人民幣824.0百萬元增加9.8%至二零一二年的人民幣904.4百萬元。

Net finance income

Net finance income increased from RMB54.5 million in 2011 to RMB124.1 million in 2012. The increase was mainly due to increase in interest income received by the Group.

Profit before income tax

Based on the above factors, the Group's profit before income tax increased by 11.6% from RMB1,044.9 million in 2011 to RMB1,165.5 million in 2012.

Income tax expenses

Our income tax expenses slightly decreased by RMB0.8 million from RMB244.8 million in 2011 to RMB244.0 million in 2012.

Profit for the year

Based on the above factors, the Group's net profit increased by 15.2% from RMB800.0 million in 2011 to RMB921.5 million in 2012.

Non-controlling interests

Losses of non-controlling interests in 2011 amounted to RMB24.0 million, while it recorded an earning of RMB17.1 million in 2012, which was mainly due to the profit earned from non-wholly owned subsidiaries during the year.

Profit attributable to owners of the Company

Profit or net profit attributable to our owners increased by 9.8% from RMB824.0 million in 2011 to RMB904.4 million in 2012.

管理層討論及分析

Management Discussion and Analysis

流動資金及財務資源

於二零一二年十二月三十一日，本集團現金及現金等價物為人民幣1,543.9百萬元(二零一一年十二月三十一日：人民幣3,153.2百萬元)；三個月以上的定期存款為人民幣898.6百萬元(二零一一年十二月三十一日：零)；可供出售的金融性資產為人民幣717.9百萬元(二零一一年十二月三十一日：人民幣780.1百萬元)。

本集團一般將多餘現金存入計息銀行賬戶及活期賬戶。本集團可能將額外的現金用作短期投資，以獲取較豐厚的回報。因此，本集團成員公司與若干中國國有銀行機構及中國以外聲譽顯著的國際金融機構訂立協議，將額外的現金進行投資。於年內，根據有關協議，本集團成員公司投資本金總額為人民幣716.9百萬元。本集團按該等協議進行的投資為短期投資，主要為向若干國有銀行及中國以外聲譽顯著的國際金融機構購買的財務計劃產品。對於上述財務計劃產品，發行該等財務計劃產品的銀行可酌情決定將本集團資金投資國債、貼現的銀行承兌匯票及商業承兌匯票以及銀行存款等財務工具。投資本金人民幣716.9百萬元加上約人民幣1.0百萬元利息合共約人民幣717.9百萬元於本集團截至二零一二年十二月三十一日綜合資產負債表確認為可供出售金融資產。於本公告日期，已出售／償還投資本金總額為人民幣708.0百萬元。

Liquidity and financial resources

As at 31 December 2012, the Group's cash and cash equivalents amounted to RMB1,543.9 million (31 December 2011: RMB3,153.2 million); and fixed deposits with maturities of more than 3 months was RMB898.6 million (31 December 2011: Nil); saleable financial assets amounted to RMB717.9 million (31 December 2011: RMB780.1 million).

The Group generally deposits our excess cash in interest-bearing bank accounts and current accounts. The Group may also invest our excess cash in short terms investments in order to obtain a better return from our excess cash. In this connection, members of the Group entered into agreements with certain PRC state-owned banking institutions and reputable international financial institutions outside of PRC for the investment of its excess cash. During the year, members of the Group have, pursuant to such agreements, invested a total principal amount of RMB716.9 million. The investments made by the Group under the agreements were short-term investments, mainly the financial planning products purchased from certain PRC State-owned banks and reputable international financial institutions outside of PRC. For the said financial planning products, the banks, as the issuers of the financial planning products, have the discretion to invest the funds from the Group in instruments such as government bonds, discounted bank acceptance bills and commercial acceptance bills and bank deposits. The principal amount of the investments of RMB716.9 million together with the interest received of approximately RMB1.0 million, resulting in a total amount of approximately RMB717.9 million were recognized as available-for-sale financial assets in the consolidated balance sheet of the Group as at 31 December 2012. As at the date of this announcement, investments with a total principal amount of RMB708.0 million have already been disposed of/repaid.

管理層討論及分析 Management Discussion and Analysis

除下文所披露者外，本集團並無其他負債及銀行貸款，因此，其負債比率(債務淨額對本集團擁有人應佔權益加債務淨額)為9.8%。

本集團於二零一二年十二月三十一日有足夠現金。董事認為，本集團並無任何重大資金風險。

Save as disclosed below, the Group did not have other liabilities and bank loans, as a result of which, its gearing ratio (net debt to equity attributable to owners of the Group plus net debt) is 9.8%.

The Group has sufficient cash as at 31 December 2012. The Directors are of the opinion that the Group does not have significant capital risk.

		於十二月三十一日 As at 31 December	
		二零一二年 2012	二零一一年 2011
		人民幣千元 RMB'000	人民幣千元 RMB'000
現金及現金等價物	Cash and cash equivalents	1,543,907	3,153,154
減：借款	Less: Borrowings	(773,114)	(5,880)
		770,793	3,147,274

貿易及其他應收賬款

本集團的貿易應收賬款包括其分銷商應支付其產品的信貸銷售款。本集團的其他應收賬款包括預付供應商款項、按金及其他應收賬款。於二零一二年十二月三十一日本集團擁有的貿易及其他應收賬款為人民幣923.3百萬元，比二零一一年十二月三十一日貿易及其他應收賬款金額人民幣718.8百萬元增加了人民幣204.5百萬元，主要因銷售增加而使信貸銷售款增加，同時銷售的增加也使其他應收賬款增加。

Trade and other receivables

The Group's trade receivables consist of the credit sales of its products to be paid by its distributors. The Group's other receivables consist of prepayments to suppliers, deposits and other receivables. The Group's trade and other receivables increased by RMB204.5 million from RMB718.8 million as at 31 December 2011 to RMB923.3 million as at 31 December 2012. The increase in trade and other receivables was mainly due to the increases in credit sales and other receivables, along with the increase in sales.

管理層討論及分析

Management Discussion and Analysis

存貨

於二零一二年十二月三十一日，存貨金額為人民幣91.5百萬元(二零一一年十二月三十一日存貨金額為人民幣57.7百萬元)。二零一二年製成品存貨周轉期為18.4日(二零一一年十二月三十一日：17.9日)。於二零一二年我們並無存貨減值。

物業、廠房及設備

我們的物業、廠房及設備包括樓宇、生產及電子設備、辦公室設備、汽車及在建工程。於二零一二年十二月三十一日，物業、廠房及設備的賬面淨值為人民幣924.1百萬元較去年增加了人民幣504.8百萬元，上升約120.4%。主要是現有及新建的生產廠進行擴建或建設以及購置設備。

無形資產

本集團的無形資產主要包括商譽、客戶關係、遞延開發成本及進行中產品開發。本集團的商譽因收購附屬公司而提升。遞延開發成本及進行中產品開發主要指向外部研究機構收購若干藥品研發項目與其自主開發的研發項目。於二零一二年十二月三十一日，無形資產淨值為人民幣3,735.0百萬元(二零一一年十二月三十一日：人民幣3,080.1百萬元)。

Inventory

Our inventory as at 31 December 2012 amounted to RMB91.5 million (31 December 2011: RMB57.7 million). In 2012, the inventory turnover days of our finished products was 18.4 days (31 December 2011: 17.9 days). We had no inventory impairments in 2012.

Property, plant and equipment

Our property, plant and equipment consist of buildings, production and electronic equipment, office equipment, motor vehicles and construction in progress. As at 31 December 2012, the net book value of our property, plant and equipment amounted to RMB924.1 million, representing an increase of RMB504.8 million, or approximately 120.4%, as compared with the previous year. The increase was mainly attributable to the expanding or construction of existing and new production facilities, and the purchase of equipment.

Intangible assets

The Group's intangible assets mainly consist of goodwill, customer relationships, deferred development costs and product development in progress. The Group's goodwill arose from the acquisitions of our subsidiaries. The deferred development costs and product development in progress mainly represent the acquisitions of certain pharmaceutical R&D projects from external research institutions and its in-house developed R&D projects. As at 31 December 2012, net intangible assets amounted to RMB3,735.0 million (31 December 2011: RMB3,080.1 million).

管理層討論及分析

Management Discussion and Analysis

貿易及其他應付賬款

本集團的貿易及其他應付賬款主要包括貿易應付賬款、來自客戶的墊款、其他應付賬款、應計開支及應付董事款項。於二零一二年十二月三十一日，貿易及其他應付賬款金額為人民幣867.4百萬元，比二零一一年十二月三十一日貿易及其他應付賬款金額減少了人民幣672.9百萬元，主要是由於在二零一一年就收購附屬公司支付收購餘款。

或然負債及擔保

於二零一二年十二月三十一日，本集團概無任何重大或然債務或擔保。

資產負債表外安排及承擔

於二零一二年十二月三十一日，除所披露的或然負債外，本集團並無訂立任何資產負債表外安排或承擔以為任何第三方的付款責任提供擔保。本集團並無在為我們提供融資或流動資金、或引致市場風險或提供信貸支持、或從事向本集團提供租賃或對沖或研發服務的任何非綜合實體擁有任何可變權益。

資本承擔

截至二零一二年十二月三十一日，本集團的資本承擔總額為人民幣495.8百萬元，主要預留作購買物業、廠房及設備以及無形資產。

Trade and other payables

The Group's trade and other payables primarily consist of trade payables, advances from customers, other payables, accrued expenses and amounts due to Directors. As at 31 December 2012, trade and other payables amounted to RMB867.4 million, representing a decrease of RMB672.9 million as compared with 31 December 2011. The decrease was mainly due to the payment of remaining balance made for the acquisitions of subsidiaries in 2011.

Contingent liabilities and guarantees

As at 31 December 2012, the Group had no material contingent liabilities or guarantees.

Off-balance sheet arrangements and commitments

As at 31 December 2012, apart from the contingent liabilities disclosed, the Group has not entered into any off-balance sheet arrangements or commitments to provide guarantees for any payment liabilities of any third parties. The Group did not have any variable interests in any unconsolidated entities that provide financing or liquidity, create market risk or offer credit support to the Group or that engage in the provision of leasing, hedging or research and development services to us.

Capital commitment

As of 31 December 2012, the Group had a total capital commitment of RMB495.8 million, mainly set aside to acquire property, plant and equipment and intangible assets.

管理層討論及分析

Management Discussion and Analysis

信貸風險

信貸風險指交易對手方違反其合約責任而導致我們財務損失的風險。我們並無重大信貸風險集中情況。信貸風險主要來自現金及現金等價物、貿易及其他應收賬款以及可出售金融資產。現金及現金等價物、短期銀行存款、貿易及其他應收賬款以及可出售金融資產的賬面值乃我們所面臨有關我們的金融資產的最大信貸風險。

就現金及現金等價物而言，我們透過將銀行存款存放在並無重大信貸風險的中國大型國家控制銀行來管理中國的現金信貸風險。我們透過將銀行存款存放在高信貸質量的金融機構來管理中國以外的現金信貸風險。

就貿易及其他應收賬款而言，我們已制定政策確保在與客戶訂立相關銷售訂單協議後收取若干現金墊款。我們通過考慮交易對手方的財務狀況、信貸歷史及其他因素評估其信貸質量。我們亦進行若干監控程序以確保採取適當跟進行動收回逾期債務。我們定期進行賬齡分析，評估信貸風險及根據歷史數據及現金收回歷史估計面臨類似信貸風險的貿易應收賬款組別的可收回性。

就可供出售金融資產而言，本集團投資於中國有銀行機構及中國境外信譽良好的國際金融機構為期 6 個月回報率未確定的短期投資產品。

本集團亦進行若干監控程序以確保採取適當跟進行動收回逾期債務。本集團定期進行賬齡分析，評估信貸風險及根據歷史數據及現金收回歷史估計面臨類似信貸風險的貿易應收賬款組別的可收回性。

並無其他金融資產面臨重大信貸風險。

Credit risk

Credit risk refers to the risk of a counterparty defaulting on its contractual obligations resulting in a financial loss for us. We have no significant concentrations of credit risk. Credit risk arises mainly from cash and cash equivalents, trade and other receivables and available-for-sale financial assets. The carrying amounts of cash and cash equivalents, short-term bank deposits, trade and other receivables and available-for-sale financial assets represent our maximum exposure to credit risk in relation to our financial assets.

With respect to cash and cash equivalents, we manage the credit risk of cash in the PRC by placing our bank deposits in large PRC state-owned banks without significant credit risks. We manage the credit risk of cash outside the PRC by placing our bank deposits in financial institutions that have high credit quality.

With respect to trade and other receivables, we have policies in place to ensure certain cash advances are paid by customers upon the agreement of the related sales orders. We assess the credit quality of the counterparties by taking into account their financial positions, credit histories and other factors. We also undertake certain monitoring procedures to ensure that proper follow-up action is taken to recover overdue debts. We regularly perform ageing analysis, assess credit risks and estimate the recoverability of groups of trade receivables bearing similar credit risks based on historical data and cash collection history.

With respect to available-for-sale financial assets, the Group invests in short-term investments placed in certain PRC state-owned banking institutions and reputable international financial institutions outside of PRC with maturity within 6 months and non-determinable return rate.

The Group also undertakes certain monitoring procedures to ensure that proper follow-up action is taken to recover overdue debts. The Group regularly performs ageing analysis, assesses credit risks and estimates the recoverability of groups of trade receivables bearing similar credit risks based on historical data and cash collection history.

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

管理層討論及分析

Management Discussion and Analysis

外匯風險

本公司及其附屬公司的功能貨幣為人民幣。本集團所有收益均來自中國業務。本集團的金融工具以人民幣為單位。本集團並無重大的貨幣風險，原因是本集團並無大量以外幣為單位的現金及現金等價物。然而，以由人民幣兌換的外幣派付股息須遵守中國政府頒佈外匯規則及條例。於二零一二年十二月三十一日，本集團未償還借款約人民幣657.0百萬元及人民幣47.1百萬元的等額以港元及美元為單位，其中的外匯風險已因多年來人民幣兌港元穩步升值而被抵銷。

截至二零一二年十二月三十一日止年度，本集團並無購買任何外匯、利率衍生產品或相關對沖工具。

庫務政策

本集團以自有資源為其日常經營業務提供所需資金。

資本開支

我們的資本開支主要包括購買物業、廠房及設備、土地使用權及無形資產。於二零一二年，我們的資本開支為人民幣820.2百萬，其中物業、廠房及設備的開支為人民幣529.2百萬元，購買及自研無形資產增加人民幣185.4百萬元，土地使用權的開支為人民幣105.5百萬元。

重大收購及出售

於二零一二年，本集團以約人民幣77.2百萬元的代價收購了山東軒竹的其餘40%股權。我們亦以約美金7.5百萬元的代價收購Orion TC Holdings Limited的30%股權。上述收購的代價經公平原則磋商後按一般商業條款釐定。

Foreign exchange risk

The functional currency of the Company and its subsidiaries is Renminbi ("RMB"). All of the revenues of the Group are derived from operations in the PRC. The Group is not subject to material currency risk as the Group has no major cash and cash equivalents denominated in foreign currency. Nevertheless, dividend payment of foreign currency converted from RMB is subject to foreign exchange rules and regulations promulgated by the PRC government. As at 31 December 2012, the equivalent of approximately RMB657.0 million and RMB47.1 million of the Group's outstanding borrowings were denominated in Hong Kong Dollar and US Dollar, of which the foreign exchange risk has been set off with steadily appreciation of RMB against Hong Kong Dollar over years.

For the year ended 31 December 2012, the Group did not purchase any foreign exchange, interest rate derivative products or relevant hedging tools.

Treasury Policies

The Group finances its ordinary operations with internally generated resources.

Capital expenditure

Our capital expenditure primarily consists of the purchase of property, plant and equipment, land use rights and intangible assets. In 2012, our capital expenditures amounted to RMB820.2 million, of which RMB529.2 million was spent on property, plant and equipment, RMB185.4 million was spent on purchasing and self-developed intangible assets and the remaining RMB105.5 million was spent on land use rights.

Material acquisition and disposal

During the year of 2012, the Group acquired the remaining 40% equity interest of Xuanzhu Pharma at the consideration of approximately RMB77.2 million and also acquired 30% equity interest in Orion TC Holdings Limited at a consideration of approximately US\$7.5 million. The considerations of the acquisitions above were determined after arm's length negotiation and are on normal commercial terms.

管理層討論及分析

Management Discussion and Analysis

資產抵押

於二零一二年十二月三十一日，我們概無抵押資產。

人力資源及僱員薪金

人力資源是本集團在競爭中得以成功的不可或缺資產。本集團為全體僱員提供具競爭力的薪酬待遇。本集團定期檢討自身人力資源及薪酬政策，以鼓勵僱員致力提升本公司價值及促進本公司的長期增長。

於二零一二年十二月三十一日，本集團僱用員工2,149人，本集團截至二零一二年十二月三十一日止年度的薪金總額及相關成本約為人民幣122.7百萬元(二零一一年：人民幣95.6百萬元)。

Pledge of assets

As at 31 December 2012, none of our assets was pledged.

Human Resources and Remuneration of Employees

Human resource is an indispensable asset to the success of the Group in a competitive environment. The Group provides competitive remuneration package to all employees. The Group reviews its own human resources and remuneration policy regularly, to encourage them to work towards enhancing the value of our Company and promoting the long-term growth of our Company.

As at 31 December 2012, the Group had 2,149 employees. For the year ended 31 December 2012, total salary and related costs of the Group were RMB122.7 million (2011: RMB95.6 million).

董事及高級管理層履歷

Biographical Details of Directors and Senior Management

執行董事

車馮升醫生，51歲，為主席兼行政總裁，於二零零六年五月十八日獲委任為董事會成員。彼為本集團的共同創辦人，車醫生負責本集團的整體管理、策略規劃及業務發展，自其於二零零一年成立起幫助本集團發展及拓展業務。在本集團成立之前，車醫生擁有逾8年醫生／神經科醫生執業經驗，並在藥品的銷售及行銷以及醫藥公司管理方面擁有17年經驗，於二零一三年一月當選吉林省第十二屆人大代表。一九九一年至一九九三年，車醫生擔任廣州市第一軍醫大學珠江醫院的神經內科主治醫師及講師。車醫生由一九九零年至一九九一年及由一九八四年至一九八七年分別於中國西安市第四軍醫大學附屬西京醫院任神經內科醫生及助理講師。車醫生為若干委員會及協會的副主席，包括中國政策科學培訓中心、中國藥物經濟學雜誌社及海南省企業家協會。車醫生亦為海南省企業家協會食品藥業工作委員會的副主任及中國企業改革發展研究院指定研究員。於二零零六年，彼獲海南省商業聯合會、海南省工業經濟聯合會及海南省工商業十大領軍人物十大新銳人物評委會授予「首屆海南省工商業十大新銳人物」稱號。於二零零九年，車醫生獲委任為海南省中小企業家協會主席。於一九八四年及一九九零年，車醫生分別於中國西安第四軍醫大學獲得航空醫學學士學位及神經醫學碩士學位。於一九九九年，彼亦獲中歐國際工商管理學院工商管理碩士學位。

EXECUTIVE DIRECTORS

Dr. Che Fengsheng, aged 51, is our Chairman and CEO and was appointed to the Board on 18 May 2006. He is a co-founder of the Group. Dr. Che is responsible for the overall management, strategic planning and business development of the Group and is instrumental to the Group's growth and business expansion since its establishment in 2001. Prior to the Group's establishment, Dr. Che had more than eight years of experience as a medical doctor/neurologist and 17 years of experience in the sales and marketing of pharmaceutical products and the management of pharmaceutical companies. Dr. Che was appointed as a representative of the 12th Provincial People's Congress of Jilin Province in January 2013. From 1991 to 1993, Dr. Che held the position of chief neurologist and lecturer at the First Military Medical University, Zhu Jiang Hospital, Guangzhou City, PRC. From 1990 to 1991 and 1984 to 1987 respectively, Dr. Che was a neurologist and an assistant lecturer at Xijing Hospital Affiliated with the Fourth Military Medical University in Xi'an City, PRC. Dr. Che is the vice-chairman of several committees and associations, including the China Political Science Training Centre, the China Medical Economics Magazine Board and the Hainan Entrepreneurs Association. Dr. Che is also a deputy supervisor of the Hainan Food and Drug Working Committee in the Hainan Entrepreneurs Association as well as a specially appointed research member of the China Enterprise Reform and Development Research Institute. In 2006, he was named one of the Top 10 New and Enterprising Businessmen in Hainan Province by the Hainan Province Commerce Association, the Hainan Industry & Economics Association and the Evaluation Committee of Top 10 Leading Businessmen and Top 10 New and Enterprising Businessmen in Industry and Commerce in Hainan. Dr. Che was appointed President of the Hainan Small and Medium Enterprises Association in 2009. Dr. Che received his Bachelor of Medicine (Aviation) and Master of Medicine (Neurology) from the Fourth Military Medical University, Xi'an City, PRC, in 1984 and 1990 respectively. He also received an Executive Master of Business Administration from China Europe International Business School in 1999.

董事及高級管理層履歷

Biographical Details of Directors and Senior Management

郭維城醫生，49歲，為副主席，於二零零六年五月十八日獲委任為董事會成員。彼為本集團的共同創辦人。郭醫生負責本集團的整體營運及我們的研發活動，專注於策略規劃，特別是合併與收購及產品合作方面。於二零零七年我們收購深圳四環後，彼亦負責其整體營運。自我們於二零零一年成立以來，郭醫生幫助本集團發展及擴展業務。在我們成立之前，郭醫生擔任外科醫生擁有逾四年經驗，並在藥品銷售及行銷方面擁有逾20年經驗。一九九二年至一九九三年，郭醫生在廣州軍區177醫院擔任外科主任。一九八六年至一九八九年，郭醫生在中國西安市第四軍醫大學任外科醫生及助理講師。於一九八六年及一九九二年，郭醫生分別於中國西安市第四軍醫大學獲醫學學士學位及外科醫學碩士學位。

孟憲慧先生，49歲，為執行董事及副總經理，於二零零六年五月十八日獲委任為董事會成員。彼於二零零二年加入本集團，負責公共及政府關係以及本集團在若干區域的銷售及行銷網路的運作。加入本集團之前，孟先生在藥品行業的藥品行銷、銷售及分銷方面擁有逾7年經驗。一九八七年至一九九七年，孟先生為吉林省物資局的部門主管，負責生產資料的計劃分配工作。孟先生於一九九三年獲吉林省政府授予經濟師稱號。孟先生於一九八七年獲華中工學院(現稱為華中理工大學)管理工程學的學位證書。二零零四年至二零零五年，彼在北京大學攻讀一年工商管理研究生課程。

Dr. Guo Weicheng, aged 49, is our deputy chairman and was appointed to our Board on 18 May 2006. He is a co-founder of our Group. Dr. Guo is responsible for the overall operations of our Group and our research and development activities, with a focus on strategic planning, particularly in relation to mergers and acquisitions and product collaborations. He has also become responsible for Shenzhen Sihuan's overall operations after it was acquired in 2007. Dr. Guo is instrumental to our Group's growth and business expansion since our establishment in 2001. Prior to our establishment, Dr. Guo had more than four years of experience as a general surgeon and more than 20 years of experience in the sales and marketing of pharmaceutical products. From 1992 to 1993, Dr. Guo held the position of chief surgeon in Guangzhou Military 177 Hospital. Dr. Guo was a surgeon and assistant lecturer at the Fourth Military Medical University, Tang Du Hospital, Xi'an City, PRC from 1986 to 1989. Dr. Guo received his Bachelor of Medicine and Master of Medicine (General Surgery) from the Fourth Military Medical University, PRC in 1986 and 1992, respectively.

Mr. Meng Xianhui, aged 49, is our executive Director and deputy general manager and was appointed to our Board on 18 May 2006. He joined our Group in 2002 and is responsible for public and governmental relationships as well as operations of the sales and marketing network of our Group in certain regions. Prior to joining our Group, Mr. Meng had more than seven years of experience in the pharmaceutical industry in the areas of marketing, sales and distribution of pharmaceutical products. Between 1987 and 1997, Mr. Meng was the departmental head of Jilin Materials Bureau where he was responsible for planning the allocation and distribution of production materials. Mr. Meng was conferred the title of Economist by the Jilin Provincial Government in 1993. Mr. Meng received a Graduate Certificate in Management Engineering from Huazhong Engineering College (now known as Huazhong University of Science and Technology) in 1987. He undertook a one-year Postgraduate Business Administration course in Peking University from 2004 to 2005.

董事及高級管理層履歷

Biographical Details of Directors and Senior Management

非執行董事

張炯龍醫生，51歲，為非執行董事，於二零零六年五月十八日獲委任為董事會成員。彼於二零零五年加入本集團及擁有逾九年任醫生經驗。一九八三年至一九九二年，張醫生在中國深圳市最大醫院之一深圳市人民醫院擔任醫生。張醫生於一九八三年獲汕頭醫學專科學院（現稱為汕頭大學醫學院）醫療研究生證書。（註：證書是五年制本科畢業）

孫弘先生，42歲，為非執行董事，於二零一一年八月十八日獲委任為董事會成員。孫弘先生現任摩根士丹利亞洲私募基金的首席投資官並率領摩根士丹利亞洲私募基金在中國的投資。孫先生還任摩根士丹利亞洲有限公司的董事總經理和摩根士丹利亞洲有限公司的中國管理委員會之委員，此管理委員會乃由摩根士丹利在中國的業務管理高層組成。他現為山東山水水泥集團（股份代號：691），中國地板控股（股份代號：2083），中國鑫達塑膠有限公司（NASDAQ上市公司，股份代號：CXDC）及永業國際（NASDAQ上市公司，股份代號：YONG）的非執行董事。孫先生自二零零零年起任職摩根士丹利亞洲有限公司，而在加入摩根士丹利亞洲私募基金前在摩根士丹利亞洲有限公司投資銀行部從事了六年大中華地區各類兼併收購工作。一九九六年至二零零零年，他為盛信美國律師事務所駐紐約及香港專攻並購的公司律師。孫先生於一九九三年自密歇根大學以優異成績取得化學工程理學學士學位，並於一九九六年自密歇根大學法學院以優等成績取得法學博士學位。彼於二零零九年十二月十三日至二零一一年六月三日期間出任非執行董事。

NON-EXECUTIVE DIRECTORS

Dr. Zhang Jionglong, aged 51, is our non-executive Director and was appointed to our Board on 18 May 2006. He joined our Group in 2005 and has more than nine years of experience as a medical doctor. From 1983 to 1992, Dr. Zhang worked as a medical doctor in Shenzhen City People's Hospital, one of the largest hospitals in Shenzhen City, PRC. Dr. Zhang received a Graduate Certificate in Medical Treatment from Shantou Medical College, PRC (now known as Shantou University Medical College) in 1983.

Mr. Homer Sun, aged 42, is our non-executive Director and was appointed to our Board on 18 August 2011. Mr. Homer Sun is currently the Chief Investment Officer of Morgan Stanley Private Equity Asia and leads the China investments for Morgan Stanley Private Equity Asia. Mr. Sun is also a Managing Director of Morgan Stanley Asia Limited and a member of the China Management Committee which is comprised of Morgan Stanley Asia Limited's most senior business leaders within China. He is currently the Non-Executive Director of Shanshui Cement Group (stock code: 691), China Flooring Holding (stock code: 2083), China XD Plastics (a company listed on the NASDAQ stock exchange, ticker: CXDC) and Yongye International (a company listed on the NASDAQ stock exchange, ticker: YONG). Mr. Sun joined Morgan Stanley Asia Limited in 2000 and worked for six years on various mergers and acquisitions in Greater China in the Investment Banking Division prior to joining Morgan Stanley Private Equity Asia Limited. From 1996 to 2000, he was a corporate attorney with Simpson Thacher & Bartlett in New York and Hong Kong, specializing in mergers and acquisitions. Mr. Sun received a B.S.E. in Chemical Engineering, magna cum laude, from the University of Michigan in 1993 and a J.D., cum laude, from the University of Michigan Law School in 1996. He acted as a non-executive Director for the period from 13 December 2009 to 3 June 2011.

董事及高級管理層履歷

Biographical Details of Directors and Senior Management

黃翊先生，38歲，為非執行董事，於二零一一年八月十八日獲委任為董事會成員。彼現為黑石集團的高級董事總經理，專注於大中華投資，在此之前，彼為摩根士丹利亞洲有限公司的董事總經理及Morgan Stanley Private Equity Asia高層成員，專注於中國投資。黃翊先生自二零零三年任職摩根士丹利亞洲有限公司，於加入Morgan Stanley Private Equity Asia之前就摩根士丹利亞洲有限公司的投資銀行部的科技、傳媒及通訊領域的各類交易從事諮詢工作。於加入摩根士丹利亞洲有限公司前，黃先生任職於紐約的摩根士丹利投資銀行部以及於紐約的美林Financial Institutions Investment Banking Group工作。黃先生於二零一二年辭任CIMIC Industrial Group Ltd. 及其附屬公司上海斯米克建築陶瓷股份有限公司(深圳上市公司，股份代號：002162)的董事。黃先生於二零一二年五月二十四日辭任中國地板控股有限公司(股份代號：2083)董事職務。黃先生於一九九七年取得耶魯大學經濟及東亞研究文學學士學位及於二零零二年取得哈佛大學商學院工商管理碩士學位。彼於二零一一年八月五日至二零一一年六月三日期間出任非執行董事。

Mr. Eddy Huang, aged 38, is our non-executive Director and was appointed to our Board on 18 August 2011. Mr. Huang is currently a Senior Managing Director at The Blackstone Group where he is focused on Greater China Investment. Previously, he was a managing director of Morgan Stanley Asia Limited and a senior member of Morgan Stanley Private Equity Asia focusing on China investments. Mr. Eddy Huang has been with Morgan Stanley Asia Limited since 2003 and advised on a broad range of technology, media and communications transactions for the Investment Banking Division of Morgan Stanley Asia Limited prior to joining Morgan Stanley Private Equity Asia. Prior to joining Morgan Stanley Asia Limited, Mr. Huang was previously with the Investment Banking Division of Morgan Stanley in New York and the Financial Institutions Investment Banking Group of Merrill Lynch in New York. Mr. Huang was previously a director of CIMIC Industrial Group Ltd. and its subsidiary, Shanghai CIMIC Tiles Co., Ltd., which is a Shenzhen-listed company (Stock Code: 002162) until 2012. Mr. Huang was a director of China Flooring Holding Company Limited (Stock Code: 2083) until 24 May 2012. Mr. Huang received a Bachelor of Arts in Economics and East Asian Studies from Yale University in 1997 and a Master of Business Administration from Harvard Business School in 2002. He acted as a non-executive Director for the period from 5 August 2011 to 3 June 2011.

董事及高級管理層履歷

Biographical Details of Directors and Senior Management

獨立非執行董事

辛定華先生，54歲，為獨立非執行董事，於二零一零年十月七日獲委任加入董事會。辛先生現任Solomon Systech International Limited(股份代號：2878)的獨立非執行董事及非執行主席，自二零零七年九月起擔任中國中鐵股份有限公司(股份代號：390)的獨立非執行董事，自二零零八年十月起擔任利邦控股有限公司(股份代號：891)的獨立非執行董事，自二零一零年三月起擔任中國泰凌醫藥集團有限公司(股份代號：1011)的獨立非執行董事，(該等公司均於聯交所上市)。辛先生現任中國北車股份有限公司(股份代號：SH601299)獨立非執行董事(該公司於上海證券交易所上市)。彼現為香港上市公司商會有限公司副主席，並曾於二零零二年十二月至二零零四年九月任其名譽行政總裁。彼於一九九五年至一九九七年及一九九九年至二零零一年分別擔任證券及期貨交易所轄下收購及合併委員會及收購上訴委員會委員，於一九九六年至二零零二年擔任上市委員會副召集人／主席，於一九九五年至二零零零年擔任聯交所理事會理事。彼曾於二零零零年至二零零二年任摩根大通香港地區高級主管兼投資銀行部主管。彼亦於二零一一年十二月至二零一二年十二月擔任人和商業控股有限公司(股份代號：1387)獨立非執行董事，於二零零六年八月至二零零九年十月擔任匯盈控股有限公司(股份代號：821)執行董事及行政總裁，於二零零四年九月至二零零六年五月擔任匯富金融控股有限公司(股份代號：188)執行董事(該等公司均於聯交所上市)，於一九九六年至二零零零年擔任怡富控股有限公司集團執行董事兼投資銀行業務聯席主管。彼曾擔任領匯管理有限公司、人和商業控股有限公司(股份代號：1387)(二零一一年十二月至二零一二年十二月)和光大保德信基金管理有限公司獨立非執行董事。辛先生於一九八一年畢業於美國賓夕法尼亞大學沃頓商學院，獲頒經濟理學學士學位。辛先生為英國特許會計師公會及香港會計師公會資深會員。

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Patrick Sun (辛定華), aged 54, is an independent non-executive Director of our Company and was appointed to our Board on 7 October 2010. Mr. Sun is currently an independent non-executive director and non-executive chairman of Solomon Systech (International) Limited (Stock Code: 2878), and has been an independent non-executive director of China Railway Group Limited (Stock Code: 390) from September 2007, an independent non-executive director of Trinity Limited (Stock Code: 891) from October 2008, and an independent non-executive director of China NT Pharma Group Company Limited (Stock Code: 1011) from March 2010 (all of which are listed on the Stock Exchange). Mr. Sun is currently an independent non-executive director of China CNR Corporation Limited (Stock Code: SH601299), which is listed on the Shanghai Stock Exchange). He is currently a vice chairman of the Chamber of Hong Kong Listed Companies and was formerly its Honorary Chief Executive Officer from December 2002 to September 2004. He was a member of the Takeovers & Mergers Panel and the Takeovers Appeal Committee of the Securities and Futures Exchange from 1995 to 1997 and from 1999 to 2001, Deputy Convenor/Chairman of the Listing Committee from 1996 to 2002 and a member of the Council of the Stock Exchange from 1995 to 2000. He was previously the Senior Country Officer and Head of Investment Banking for Hong Kong of JPMorgan Chase from 2000 to 2002. He also previously served as an independent non-executive director of Renhe Commercial Holdings Company Limited (Stock Code: 1387) from December 2011 to December 2012, an executive director and chief executive officer of Value Convergence Holdings Limited (Stock Code: 821) from August 2006 to October 2009, executive director of SW Kingsway Capital Holdings Limited (Stock Code: 188) from September 2004 and May 2006 (all of which are listed on the Stock Exchange), group executive director and co-head of Investment Banking of Jardine Fleming Holdings Limited from 1996 to 2000. He was formerly an independent non-executive director of Link Management Limited, Renhe Commercial Holdings Company Limited (Stock Code: 1387) from December 2011 to December 2012, and Everbright Pramerica Fund Management Co., Ltd.. Mr. Sun graduated from the Wharton School of the University of Pennsylvania, United States with a Bachelor of Science degree in Economics in 1981. Mr. Sun is a fellow of the Chartered Association of Certified Accountants, United Kingdom, and a fellow of the Hong Kong Institute of Certified Public Accountants.

董事及高級管理層履歷

Biographical Details of Directors and Senior Management

白慧良先生，70歲，為獨立非執行董事，於二零一零年十月七日獲委任加入董事會。彼於醫藥產品管理及藥品監管行業積逾三十年經驗，熟悉醫藥行業的發展，曾參與起草及制定藥品監管法律及法規之規則。白先生現為中國非處方藥物協會會長及中國醫藥企業管理協會副會長。白先生於一九六八年從北京工業大學取得有機合成畢業證書。一九七零年至一九九八年，白先生曾於瀋陽東北製藥總廠十二車間任技術員及廠部秘書，於國家醫藥管理總局生產調度局及人事司任技術幹部處副處長、處長、副司長、政法司副司長，以及中國新興醫藥科技發展總公司任總工程師。白先生於一九九八年在國家食品藥品監督管理局任藥品安全監管司司長，主要負責全國藥品研究，生產及特殊藥品的監管。二零零五年三月退休。自二零一零年三月，白先生擔任上海醫藥集團股份有限公司（聯交所上市，股份代號：2607）甘肅獨一味生物製藥股份有限公司（深圳證券交易所上市，股份代號：002219）獨立非執行董事，二零一一年十二月擔任山東新華製藥股份有限公司（聯交所上市，股份代號：719）獨立非執行董事。

Mr. Bai Huiliang, aged 70, is our independent non-executive Director and was appointed to our Board on 7 October 2010. He has more than 30 years of experience in the industry of managing pharmaceutical products and drugs supervision and is familiar with the development of the pharmaceutical industry and was involved in the drafting and formulating the rules of drugs regulatory laws and regulations. Mr. Bai is currently the president of China OTC Association and the vice president of the enterprise management branch under the Chinese Medical Association. Mr. Bai received a Graduate Certificate in Organic Synthesis from Beijing University of Technology in 1968. Between 1970 and 1998, Mr. Bai held the positions of technician and secretary in Factory No. 12 of Shenyang Northeast Pharmaceutical Main Factory Workshop, personnel director in State Pharmaceutical Administration and Production Association, deputy director in the Technical Department, board officer, deputy director of personnel and deputy director and director of Politics and Law departments of the State Pharmaceutical Administration and chief engineer in China Xinxing Medical and Pharmaceutical Technology Development Corporation. He served as the director of drug safety supervision division of State Food and Drug Administration, where he was primarily responsible for national pharmaceutical research and production and supervision of special drugs from 1998 until his retirement in March 2005. Since March 2010, Mr. Bai has acted as independent director of Shanghai Pharmaceuticals Holdings Co., Ltd. (listed on the Stock Exchange, Stock Code: 2607) and Gansu Duyiwei Biological Pharmaceutical Co., Ltd. (listed on the Shenzhen Stock Exchange, Stock Code: 002219) respectively. Since December 2011, Mr. Bai has also acted as an independent non-executive director of Shangdong Xinhua Pharmaceutical Company Limited (listed on the Stock Exchange, Stock Code: 719).

董事及高級管理層履歷

Biographical Details of Directors and Senior Management

徐康森先生，71歲，為獨立非執行董事，於二零一零年十月七日獲委任加入董事會。彼於醫藥及生物製品及生化藥物分析研究行業積逾40年經驗。徐先生於一九六五年從復旦大學取得生物化學研究生證書。一九六五年至二零零五年，徐先生曾於衛生部藥品生物製品檢定所任生物及醫藥製品助理研究員及研究員，以及醫藥製品基因工程部門主任。二零零五年至二零零七年，徐先生為中國藥品生物製品標準化研究中心研究員及副主任。於二零零八年一月退休前，彼曾於中國藥品生物製品標準化研究中心任副主任及研究員。

高級管理層

賈中新女士，53歲，為本公司首席營運官，並於二零一二年十一月擔任山東軒竹董事長。賈女士於二零零七年加入本集團，為一名執業藥劑師及高級工程師。賈女士於一九八二年取得北京大學醫學院(原稱北京醫科大學北京醫學院)藥學學士及於二零零四年取得澳大利亞南澳州立大學工商管理碩士學位。彼曾在多家公司擔任多個管理職位。於二零零六年一月至二零零七年十一月期間，賈女士主管中國寶安集團股份有限公司的生物醫學部門，亦為深圳大佛藥業有限公司的主席。在此之前，於二零零二年十一月至二零零五年十二月，彼為武漢馬應龍藥業集團股份有限公司的行政總裁及武漢馬應龍大藥房連鎖有限公司的主席。

Mr. Xu Kangsen, aged 71, is our independent non-executive Director and was appointed to our Board on 7 October 2010. He has more than 40 years of experience in the industry of analysing and researching of the pharmaceutical and biological products and biochemical drugs. Mr. Xu received a Graduate Certificate in Biological Chemistry from Fudan University in 1965. Between 1965 and 2005, Mr. Xu worked as assistant researcher and researcher specialising in biological and pharmaceutical products and director of genetic engineering of pharmaceutical products branch at Ministry of Health, Pharmaceutical and Biological Products. From 2005 to 2007, Mr. Xu worked as researcher and deputy director of the Research Centre of State of Standardising Pharmaceutical and Biological Products. Before Mr. Xu's retirement in January 2008, he served as deputy director and researcher at the Research Centre of State of Standardising Pharmaceutical and Biological Products.

SENIOR MANAGEMENT

Ms. Jia Zhongxin, aged 53, is our chief operating officer and the Chairman at Xuanzhu Pharma starting from November 2012. Ms. Jia joined our Group in 2007 and is a practising pharmacist and senior engineer. Ms. Jia received a Bachelor in Pharmacy in 1982 from the Medical Department of Peking University (formerly known as Beijing Medicine College, Beijing Medical University) and a Master in Business Administration from the University of South Australia in 2004. She had held various managerial positions in many companies. Between January 2006 and November 2007, Ms. Jia headed the biomedical department of China Baoan Group Co., Ltd. and was also chairman of Shenzhen Daphne Pharmaceutical Co., Ltd. Prior to that, she was the chief executive officer of Wuhan Ma Ying Long Pharmaceutical Co., Ltd. and chairman of Wuhan Ma Ying Long Chained Pharmacies Co., Ltd. from November 2002 to December 2005.

董事及高級管理層履歷

Biographical Details of Directors and Senior Management

蔡耀忠先生，39歲，為本公司財務總監兼聯席公司秘書。蔡先生於二零零六年加入本集團，負責監察及管理本集團的會計及財務部。在加入本集團之前，蔡先生在一家在馬來西亞證券交易所(前稱吉隆坡證券交易所)主機板上市的公司以及在德勤獲得其財務及會計經驗。蔡先生於一九九七年取得新西蘭Nelson Polytechnic (現稱Nelson Marlborough Institute of Technology)的工商(會計)學士學位。彼為英國特許管理會計師公會成員，亦為新加坡會計師協會成員。

林國潭先生，44歲，現為集團副總裁，2013年1月21日任職。林先生於二零零五年加入本集團主要負責完善和維護內部業務溝通管道，協助董事長推動年度經營計畫。彼於一九九三年在醫藥行業開始其職業生涯，並於二零零五年加入本集團擔任行銷主管，其後獲晉升為海南四環的總經理。彼於一九九三年取得洛陽科技學院英語學士學位，並於二零零二年取得同濟大學工商管理碩士學位。

霍彩霞博士，43歲，現為研發管理中心主任及北京澳合藥物研究院有限公司(北京澳合藥物研究院)總經理。霍博士於二零零四年加入本集團，負責藥品的註冊及協助監察本集團研發部。由二零零二年至二零零四年期間，彼為中國科學院化學研究所助理研究員。霍博士分別於一九九三年、一九九八年及二零零二年取得內蒙古醫學院的藥劑學理學學士學位、內蒙古醫學院的藥物化學理學碩士及北京大學的藥物化學理學博士學位。

Mr. Choi Yiau Chong, aged 39, is our chief financial officer and one of the joint company secretaries. Mr. Choi joined our Group in 2006 and is responsible for overseeing and managing the accounting and finance functions of our Group. Prior to joining our Group, Mr. Choi gained his finance and accounting experience at a company listed on the main board of Bursa Malaysia (formerly known as Kuala Lumpur Stock Exchange) and at Deloitte and Touche. Mr. Choi received a Bachelor of Commerce (Accounting) from Nelson Polytechnic (now known as Nelson Marlborough Institute of Technology), New Zealand in 1997. He is a member of the Chartered Institute of Management Accountants (UK) and also a member of the Institute of Certified Public Accountants of Singapore.

Mr. Lin Guotan, aged 44, is our Vice President starting from 21 January 2013. Mr. Lin joined our Group in 2005 and is in charge of improving and maintaining internal business communications, and assist the chairman to drive annual business plans. He started his career in the pharmaceutical industry in 1993 and joined our Group in 2005 as marketing director then promoted as general manager of Hainan Sihuan. He received a Bachelor of English from Luoyang Institute of Technology in 1993 and a Master of Business Administration from Tongji University in 2002.

Dr. Huo Caixia, aged 43, is the director of our R&D management center and general manager of Beijing Ao He Research Institute Co. Ltd. ("Beijing Ao He Research"). Dr. Huo joined our Group in 2004 and is responsible for the registrations of pharmaceutical products and assists in overseeing the research and development functions of our Group. Between 2002 and 2004, she was an assistant researcher at the Chemistry Research Institution of the Chinese Academy of Sciences. Dr. Huo received a Bachelor of Science (Pharmacy) from Inner Mongolia Medical College in 1993, a Master of Science (Pharmaceutical Chemistry) from Inner Mongolia Medical College in 1998 and a Doctor of Science (Pharmaceutical Chemistry) from Peking University in 2002.

董事及高級管理層履歷

Biographical Details of Directors and Senior Management

高建華博士，56歲，為廊坊高博京邦製藥有限公司主席，於二零零九年加入本集團。高博士在藥物研究(尤其是活性藥物成分及化工中間體)方面擁有豐富經驗。高博士於一九八二年獲上海醫科大學(現稱復旦大學)理科(藥劑學)學士學位，並於一九八五年獲軍事醫學科學院醫學碩士學位。高博士於一九八八年從中國軍事醫學科學院及於一九九四年從美國北卡羅來納州立大學取得藥劑學博士學位。一九八八年至一九九零年，高博士於中國軍事醫學科學院六所任藥物研究員。一九九零年至一九九八年，高博士於北京四環(前稱軍科院六所四環製藥廠)任副廠長，後升任研究員。同年，高博士成立北京高博醫藥化學技術開發有限公司並擔任主席。

吳永謙博士，50歲，為山東軒竹總經理，於2011年加入集團。吳博士的新藥研發工作涉及多個治療領域，具有10年以上從事新藥研發和管理工作的經驗。吳博士於一九八五年獲得南京大學有機化學專業學士學位，後留學美國，於一九九三年獲美國韋恩州立大學藥物化學博士學位，並於一九九五年在美國布蘭迪斯大學完成博士後的研究。一九九六年至二零零五年，吳博士在美國吉爾福德製藥公司擔任高級科學家及專案主任從事新藥研發工作。二零零五年至二零一零年底，吳博士於美國勃林格殷格翰製藥公司從事專案管理及新藥研發工作，擔任首席科學家及專案負責人。

Dr. Gao Jianhua, aged 56, is our chairman at Langfang Gaobo Jingband Pharmaceutical Co., Ltd. and joined our Group in 2009. Dr. Gao has extensive experience in drug research, particularly pharmaceutical API and intermediates in chemical process. Dr. Gao received a Bachelor of Science (Pharmacy) from Shanghai First Medical College (now known as Fudan University) in 1982 and a Master of Medicine from the Academy of Military Medical Sciences in 1985. Dr. Gao received his PhD in Pharmacy from the Chinese Military Academy of Medical Sciences in the PRC in 1988 and the University of North Carolina in the United States in 1994. From 1988 to 1990, Dr. Gao served as researcher in pharmacy in Chinese Military Academy of Medical Sciences. From 1990 to 1998, Dr. Gao was the deputy director and then was promoted to researcher at Beijing Sihuan (formerly known as Chinese Military Academy of Medical Sciences Sihuan Pharmaceutical Factory). In the same year, Dr. Gao founded and acted as the Chairman of Beijing Gao Bo Pharmaceutical Chemical Technical Development Co., Ltd..

Dr. Wu Yongqian, aged 50, is the General Manager at Xuanzhu Pharma. He joined our Group in 2011. He has more than 10 years of experience in innovation drug R&D and management. Before he studied abroad in the U.S.A., Dr. Wu received his B.S. Degree of Chemistry from Nanjing University in 1985. He also received a Ph.D. in Medicinal Chemistry from Wayne State University in 1993 and accomplished his postdoctoral program in Brandeis University in 1995. Between 1996 and 2005, he was a senior scientist and project director at Guilford Pharmaceuticals, engaging in innovation drug R&D. From 2005 to the end of 2010, he was the chief scientist officer (“CSO”) and project director of Boehringer Ingelheim, and responsible for project management and innovation drug R&D.

董事及高級管理層履歷

Biographical Details of Directors and Senior Management

聯席公司秘書

蔡耀忠先生，為我們的財務總監兼聯席公司秘書。蔡先生的履歷請參閱本節「高級管理層」。

馬秀絹小姐，54歲，為我們的聯席公司秘書。馬小姐目前為一家在香港提供企業秘書及會計服務為主的公司凱譽香港有限公司(KCS Hong Kong Limited)的董事兼公司註冊及合規部主管。馬小姐在公司秘書專業擁有逾30年的工作經驗，包括曾任於香港聯合交易所有限公司上市公司的公司秘書職務，為客戶在不同司法權區(例如香港、開曼群島及英屬處女群島等地)設立公司。馬小姐亦在公司重組及法律合規事宜方面擁有豐富知識及經驗。馬小姐持有蘇格蘭University of Strathclyde頒發的工商管理碩士學位，並為香港特許秘書公會和英國特許秘書及管理人員公會的資深會員。

JOINT COMPANY SECRETARIES

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

Ms. Ma Sau Kuen Gloria, aged 54, is our joint company secretary. Ms. Ma is a director and head of registration and compliance services of KCS Hong Kong Limited, a corporate secretarial and accounting services provider in Hong Kong. Ms. Ma has over 30 years of experience in corporate secretarial work that includes acting as company secretary for companies listed on The Stock Exchange of Hong Kong Limited, setting up companies in different jurisdictions such as Hong Kong, Cayman Islands and British Virgin Islands. She also has extensive knowledge and experience in corporate restructuring and legal compliance issues. Ms. Ma holds a master degree in Business Administration from the University of Strathclyde, Scotland, and is a Fellow member of the Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators in the United Kingdom.

企業管治報告

Corporate Governance Report

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

企業管治守則

本公司已於截至二零一二年十二月三十一日止年度遵守香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四所載的企業管治常規守則（二零一二年一月一日至二零一二年三月三十一日）及企業管治守則（二零一二年四月一日至二零一二年十二月三十一日）（「企業管治守則」）項下的所有適用守則條文，惟偏離企業管治守則的守則條文第A.2.1條則除外。根據守則條文第A.2.1條，主席及行政總裁（「行政總裁」）的角色應有區分，並不應由一人同時兼任。現時，由於主席及行政總裁的角色並無區分，本公司並無遵守該守則條文。

董事會

董事會由三名執行董事、三名非執行董事及三名獨立非執行董事組成。除馮升醫生為本公司主席兼行政總裁外，董事會成員之間並無任何財務、業務、家族或其他重要關係。董事會成員之履歷載於第37至46頁之「董事及高級管理層履歷」。

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

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

CORPORATE GOVERNANCE CODE

The Company has throughout the year ended 31 December 2012, complied with all applicable code provisions under the Code on Corporate Governance Practices (from 1 January 2012 to 31 March 2012) and Corporate Governance Code (from 1 April 2012 to 31 December 2012) (the "Corporate Governance Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), save and except for the deviation from the code provision A.2.1 of the Corporate Governance Code. Under the code provision A.2.1, the roles of Chairman and chief executive officer ("CEO") should be separate and should not be performed by the same individual. Currently, the Company does not comply with such code provision as the roles of the Chairman and CEO have not been separated.

BOARD OF DIRECTORS

The Board comprises three executive Directors, three non-executive Directors and three independent non-executive Directors. Save for Dr. Che Fengsheng who is the Chairman and chief executive officer of the Company, there is no financial, business, family or other material relationship among the members of the Board. The biographical information of the members of the Board are set out on pages 37 to 46 in the section headed "Biographical Details of Directors and Senior Management".

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

企業管治報告

Corporate Governance Report

董事會於截至二零一二年十二月三十一日止年度(「報告期間」)召開四次例會及兩次臨時會議。有關會議前至少14日，向全體董事寄發載有董事會會議議程的會議通知。獨立非執行董事若未能出席董事會會議，本公司亦積極尋求他們的意見。董事會及董事會委員會的會議記錄由各會議經正式委任的秘書保存，全體董事將會及時獲提供董事會文件及相關數據，使董事會可就提呈會議的事項作出知情決定。此外，董事會全體成員已定時審閱有關集團的業務文件及資料。

全體董事均可獲聯席公司秘書提供意見及服務。本公司聯席公司秘書為蔡耀忠先生(兼任本公司的財務總監)及馬秀絹女士。馬女士為凱譽香港有限公司的董事兼註冊及合規服務主管，該公司在香港提供公司秘書及會計服務。馬女士在本公司的主要公司聯絡人為蔡耀忠先生。

蔡先生及馬女士已各自遵照上市規則第3.29條於截至二零一二年十二月三十一日止年度進行不少於15小時的相關專業培訓。

於報告期間，各董事出席董事會會議的出席率如下：

The Board convened four regular meetings and two extraordinary meetings during the year ended 31 December 2012 (the "Reporting Period"). All Directors were sent a meeting notice, at least 14 days prior to such meeting, with the board meeting agenda. The views of independent non-executive Directors were actively solicited by the Company even if they were unable to attend the meetings of the Board. Minutes of the Board and the Board committees are kept by duly appointed secretaries of the respective meetings. All Directors are provided with Board papers and related statistics on a timely manner, which enable the Board to make informed decisions on matters proposed. In addition, all Board members have regularly reviewed the business documents and information related to the Group.

All Directors are entitled to access to the advice and services of the joint company secretaries. The joint company secretaries of the Company are Mr. Choi Yiau Chong, who is also the Chief Financial Officer of the Company, and Ms. Ma Sau Kuen, Gloria. Ms. Ma is a director and head of registration and compliance services of KCS Hong Kong Limited (凱譽香港有限公司), a corporate secretarial and accounting services provider in Hong Kong. The primary corporate contact person of Ms. Ma at the Company is Mr. Choi Yiau Chong.

In compliance with Rule 3.29 of the Listing Rules, each of Mr. Choi and Ms. Ma, have undertaken no less than 15 hours of relevant professional training during the year ended 31 December 2012.

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

	已出席／舉行 之董事會會議次數 Number of Board meetings attended/held
執行董事	
車馮升醫生(主席兼行政總裁)	6/6
郭維城醫生(副主席)	6/6
孟憲慧先生(副總經理)	6/6
非執行董事	
張炯龍醫生	5/6
孫弘先生	5/6
黃翊先生	6/6
獨立非執行董事	
辛定華先生	6/6
白慧良先生	6/6
徐康森先生	6/6

企業管治報告

Corporate Governance Report

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

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

主席及行政總裁

企業管治守則的守則條文第 A.2.1 條指明主席與行政總裁的角色應有區分，並不應由一人同時兼任。但本公司現時並未符合此要求。根據本集團目前發展實際情形，董事會認為，主席兼行政總裁車馮升醫生作為本公司主要創辦人之一，具備豐富醫藥行業知識及獨特策略觀點，合資格領導本公司及制定有效策略，及時應對市場轉變及新挑戰。彼繼續出任兩個職位對本公司的穩健發展有利。車馮升醫生現身兼本集團主席及行政總裁兩職，其職責已清楚界定並以書面列載，並獲董事會通過。董事會將不時檢討有關架構，當情況合適時，會考慮作出適當的調整。

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

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

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The code provision A.2.1 of the Corporate Governance Code stipulates that the roles of Chairman and CEO should be separated and should not be performed by the same individual, but the Company does not meet this requirement currently. Given the Group's current development under the circumstance, the Board considers that Dr. Che Fengsheng, the Chairman and CEO as one of the main founders of the Company and possessing extensive medical and pharmaceutical industry knowledge together with unique strategic perspective is suitably qualified to lead the Company and formulate effective strategies to react promptly to market changes and new challenges. His continual service in both roles would be beneficial to the stable and healthy development of the Company. Dr. Che Fengsheng held the roles of both the Chairman and CEO of the Group, and his responsibilities are clearly set out in writing and approved by the Board. The Board will review the structure from time to time and will consider the appropriate adjustments when the circumstance is suitable.

企業管治報告

Corporate Governance Report

非執行董事及獨立非執行董事

董事會現已委任三名非執行董事及三名獨立非執行董事。三名獨立非執行董事中，其中一名具備上市規則第3.10條所列的適當專業資格，或會計或相關的財務管理專長。三分之一董事會成員為獨立非執行董事。獨立非執行董事辛定華先生、白慧良先生及徐康森先生及非執行董事張炯龍醫生均於二零一二年十月二十七日與本公司續訂自二零一二年十月二十八日起為期一年的委任函。非執行董事孫弘先生及黃翊先生與本公司訂立自二零一二年八月十八日起為期一年的委任函。非執行董事及獨立非執行董事須根據本公司細則輪值告退或重選連任。各獨立非執行董事已根據上市規則第3.13條規定向公司提交年度獨立性確認書。本公司認為，所有獨立非執行董事均屬獨立人士，並符合上市規則第3.13條所載的獨立性指引。

委任、重選及撤換董事

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

NON-EXECUTIVE DIRECTORS AND INDEPENDENT NON-EXECUTIVE DIRECTORS

The Board currently has appointed three non-executive Directors and three independent non-executive Directors. One of the three independent non-executive Directors holds appropriate professional qualifications, or accounting or related financial management expertise set out in Rule 3.10 of the Listing Rules. One-third of the members of the Board are independent non-executive Directors, Mr. Patrick Sun, Mr. Bai Huiliang and Mr. Xu Kangsen, being the independent non-executive Directors and a non-executive Director, Dr. Zhang Jionglong have renewed their letters of appointment with the Company on 27 October 2012 for a term of one year commencing from 28 October 2012. Mr. Homer Sun and Mr. Eddy Huang, being the non-executive Directors, have entered into letters of appointment with the Company for a term of one year commencing from 18 August 2012. The non-executive Directors and independent non-executive Directors are subject to retirement by rotation or re-election in accordance with the Company's bye-laws. Each independent non-executive Director has submitted to the Company an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company considers that all independent non-executive Directors are independent and meet the independence guidelines set out in Rule 3.13 of the Listing Rules.

APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS

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

企業管治報告

Corporate Governance Report

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

郭維城醫生、張炯龍醫生及白慧良先生於二零一二年六月一日舉行之本公司股東周年大會退任及重選為董事。郭維城醫生獲重選為執行董事；張炯龍醫生獲重選為非執行董事；及白慧良先生獲重選為獨立非執行董事。

本公司可透過普通決議案於董事任期屆滿前罷免有關董事(但不得損害有關董事可能就因違反其與本公司訂立的任何合約引致的損失而提出的任何索償)，惟任何就罷免董事而召開有關大會的通告應載有擬提呈該決議案的意向聲明，並於大會舉行十四(14)日前送交有關董事，而該董事有權於該會議上就有關其罷免的動議發言。

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

董事培訓

本公司鼓勵董事參與持續的專業發展，以發展及更新彼等的知識及技能。於二零一二年，本公司舉辦兩次內部講座，涉及醫藥行業的話題及上市規則及證券及期貨條例項下新的內幕資料披露規定。全體董事均有出席上述講座。

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

Dr. Guo Weicheng, Dr. Zhang Jionglong and Mr. Bai Huiliang were retired and re-elected as Directors at the annual general meeting of the Company held on 1 June 2012. Dr. Guo Weicheng was re-elected as an executive Director, Dr. Zhang Jionglong was re-elected as a non-executive Director, and Mr. Bai Huiliang was re-elected as an independent non-executive Director.

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

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

DIRECTORS' TRAINING

The Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. During the year of 2012, there were two in-house seminars conducted covering the topics of pharmaceutical industry and new inside information disclosure requirements under the Listing Rules and the Securities and Futures Ordinance. All Directors attended the seminars.

企業管治報告

Corporate Governance Report

審核委員會

本公司已依照上市規則附錄十四所載企業管治守則規定設立審核委員會（「審核委員會」）。審核委員會的主要職責為協助董事會就本集團財務申報程序、內部控制及風險管理系統是否有效提供獨立意見，監察審計過程及履行董事會指派的其他職務及職責。審核委員會包括一名非執行董事（張炯龍醫生）及三名獨立非執行董事（辛定華先生、白慧良先生及徐康森先生），並由持有會計專業資格的辛定華先生擔任主席。

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

此外，審核委員會已審閱、討論及批准截至二零一二年十二月三十一日止年度的年度業績及截至二零一二年六月三十日止期間的中期業績。於本報告日期，審核委員會亦審閱二零一二年的核數師酬金及向董事會推薦續聘羅兵咸永道會計師事務所為二零一三年之本公司核數師，惟須待股東於應屆股東周年大會上批准。

AUDIT COMMITTEE

The Company has established the audit committee (the “Audit Committee”) in accordance with the requirements of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules. The primary duties of the Audit Committee are to assist the Board to provide an independent view on the effectiveness of the financial reporting procedures, internal control and risk management system of the Group, to oversee the audit process and to perform other duties and responsibilities as by the Board. The Audit Committee consists of one non-executive Director (Dr. Zhang Jionglong) and three independent non-executive Directors (Mr. Patrick Sun, Mr. Bai Huiliang and Mr. Xu Kangsen), and is chaired by Mr. Patrick Sun who has a professional qualification in accountancy.

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

In addition, the Audit Committee had reviewed, discussed and approved the annual results for the year ended 31 December 2012 and the interim results for the period ended 30 June 2012. As at the date of this report, the Audit Committee also reviewed the auditor’s remuneration for 2012 and recommended the Board to re-appoint PricewaterhouseCoopers as the Company’s auditor for the year 2013, which is subject to the approval of shareholders at the forthcoming annual general meeting.

企業管治報告

Corporate Governance Report

委員會成員於報告期間的會議出席記錄如下：

The attendance record of the committee members at the meetings during the Reporting Period was as follows:

董事姓名	Name of Directors	出席／舉行之 會議次數 Attendance/No. of Meetings held
辛定華先生(主席)	Mr. Patrick Sun (Chairman)	3/3
張炯龍醫生	Dr. Zhang Jionglong	3/3
白慧良先生	Mr. Bai Huiliang	3/3
徐康森先生	Mr. Xu Kangsen	3/3

董事酬金詳情載列於附註 28 的綜合財務報表。此外，根據守則條文第 B.1.5 條，截至二零一二年十二月三十一日止年度，高級管理人員年度酬金分級載列如下：

Details of the Directors' remuneration are set out in note 28 to the consolidated financial statements. In addition, pursuant to the Code Provision B.1.5, the annual remuneration of members of the senior management by band for the year ended 31 December 2012 is set out below:

酬金分級(港元)	Remuneration band (HKD)	人數 Number of individual
零 - 1,000,000 港元	Nil - HKD1,000,000	4
1,000,001 港元 - 1,500,000 港元	HK\$1,000,001 - HK\$1,500,000	2

提名委員會

本公司根據企業管治守則規定成立提名委員會，並訂明書面職權範圍。提名委員會的主要職責包括(其中包括)審閱董事會架構、規模及組成；評估獨立非執行董事的獨立性；以及就委任董事有關事宜向董事會作出推薦建議。提名委員會由執行董事郭維城醫生及三名獨立非執行董事辛定華先生、白慧良先生及徐康森先生組成，郭維城醫生自二零一零年十月八日至二零一二年三月十九日期間擔任提名委員會主席，徐康森先生獲委任為提名委員會主席，自二零一二年三月十九日起生效。提名委員會的職權範圍與企業管治守則有關部分條文一致。

NOMINATION COMMITTEE

The Company established a nomination committee with written terms of reference in compliance with the Corporate Governance Code. The primary duties of the nomination committee include, among others, reviewing the structure, size and composition of the Board, assessing the independence of the independent non-executive Directors and making recommendation to the Board on matters relating to the appointment of Directors. The nomination committee consists of one executive Director (Dr. Guo Weicheng) and three independent non-executive Directors (Mr. Patrick Sun, Mr. Bai Huiliang and Mr. Xu Kangsen). Dr. Guo Weicheng acted as the Chairman of the nomination committee for the period from 8 October 2010 to 19 March 2012 and Mr. Xu Kangsen has been appointed as the chairman of the nomination committee with effect from 19 March 2012. The terms of reference of the nomination committee are consistent with the provisions set out in the relevant sections of the Corporate Governance Code.

企業管治報告

Corporate Governance Report

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

於報告期間，委員會成員出席會議記錄如下：

During the Reporting Period, two meetings were held by the nomination committee and had reviewed the structure, size and composition of the Board, considered the re-appointment of the retired Directors and assessed the independence of the independent non-executive Directors. The nomination committee, taking into consideration a candidate's skills, experience and knowledge, the requirements applicable to the Company and the structure and composition of the Board, identifies, reviews and nominates with diligence and care candidates suitably qualified as board members of the Company before making recommendations to the Board for their final appointment

The attendance record of the committee members at the meetings during the Reporting Period was as follows:

董事姓名	Name of Directors	出席／舉行之 會議次數 Attendance/No. of Meetings held
徐康森先生(主席)	Mr. Xu Kangsen (Chairman)	2/2
郭維城醫生	Dr. Guo Weicheng	2/2
白慧良先生	Mr. Bai Huiliang	2/2
辛定華先生	Mr. Patrick Sun	2/2

薪酬委員會

本公司根據企業管治守則成立薪酬委員會，並訂明書面職權範圍。薪酬委員會的主要職責為(其中包括)就本集團董事及高級管理層所有薪酬政策與架構向董事會提供建議及檢討及審批管理層的薪酬建議。董事薪酬參考彼等職責及經驗與當前市況釐定。薪酬委員會由一名執行董事(車馮升醫生)及三名獨立非執行董事(辛定華先生、白慧良先生及徐康森先生)組成，車馮升醫生於二零一零年十月八日至二零一二年三月十九日期間擔任薪酬委員會主席，白慧良先生獲委任為薪酬委員會主席，自二零一二年三月十九日起生效。薪酬委員會的職權範圍與企業管治守則有關部分所載條文一致。

於報告期間，薪酬委員會舉行兩次會議，會上討論及建議董事會考慮有關二零一二年本公司執行董事及高級管理層薪酬的決議案及二零一三年執行董事及高級管理層的薪酬政策。

REMUNERATION COMMITTEE

The Company established a remuneration committee with written terms of reference in compliance with the Corporate Governance Code. The primary duties of the remuneration committee are, amongst other things, to make recommendation to the Board on the Group's policy and structure for all remuneration of the Directors and senior management and to review and approve the management's remuneration proposals. The remuneration of the Directors is determined with reference to their duties, responsibilities and experience, and to prevailing market conditions. The remuneration committee consists of an executive Director (Dr. Che Fengsheng) and three independent non-executive Directors, (Mr. Patrick Sun, Mr. Bai Huiliang and Mr. Xu Kangsen). Dr. Che Fengsheng acted as the chairman of the remuneration committee for the period from 8 October 2010 to 19 March 2012. Mr. Bai Huiliang has been appointed as the chairman of the remuneration committee with effect from 19 March 2012. The terms of reference of the remuneration committee are consistent with the provisions set out in the relevant sections of the Corporate Governance Code.

During the Reporting Period, two meetings were held by the remuneration committee, during which the resolutions regarding the remuneration of executive Directors and senior management of the Company in 2012 and the remuneration policy for the executive Directors and senior management for 2013 were discussed and recommended to the Board for consideration.

企業管治報告

Corporate Governance Report

於報告期間，委員會成員出席會議記錄如下：

The attendance record of the committee members at the meetings during the Reporting Period was as follows:

董事姓名	Name of Directors	出席／舉行之 會議次數 Attendance/No. of Meetings held
白慧良先生(主席)	Mr. Bai Huiliang (Chairman)	2/2
車馮升醫生	Dr. Che Fengsheng	2/2
徐康森先生	Mr. Xu Kangsen	2/2
辛定華先生	Mr. Patrick Sun	2/2

董事酬金詳情載列於附註28的綜合財務報表。此外，根據守則條文第B.1.5條，截至二零一二年十二月三十一日止年度，高級管理人員年度酬金分級載列如下：

Details of the Directors' remuneration are set out in note 28 to the consolidated financial statements. In addition, pursuant to the Code Provision B.1.5, the annual remuneration of members of the senior management by band for the year ended 31 December 2012 is set out below:

酬金分級(港元)	Remuneration band (HKD)	人數 Number of individual
零 - 1,000,000 港元	Nil - HKD1,000,000	1
1,000,001 港元 - 1,500,000 港元	HKD1,000,001 - HKD1,500,000	5

董事及有關僱員的證券交易標準守則

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY THE DIRECTORS AND RELEVANT EMPLOYEES

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

董事就合併財務報表承擔的責任

董事確認彼等的責任為編製真實公平反映本集團於截至二零一二年十二月三十一日止財政年度財務狀況的財務報表。有關本公司外聘核數師的申報責任聲明載於本年報第82至83頁。

DIRECTORS' RESPONSIBILITY ON THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors confirmed that it is their responsibility to prepare the financial statements which give a true and fair view of the state of affairs of the Group for the financial year ended 31 December 2012. A statement on reporting responsibility with respect to the external auditor of the Company is set out on pages 82 to 83 of this Annual Report.

企業管治報告

Corporate Governance Report

內部監控

董事會負責確保本集團維持健全有效的內部監控制度。本公司及其附屬公司已採納內部監控程序及政策，以保障資產，確保妥善保存會計記錄及作出可靠的財務報告，並確保遵守有關法例及規定。本公司的內部審核團隊定期檢討本集團財務及運作、向審核委員會報告檢討結果及監管方面的漏洞(如有)。審核委員會審批年度工作計劃，內部審核團隊則監察基於審核委員會建議所協議的跟進行動。此外，審核委員會協助董事會每年檢討本集團內部監控系統是否有效，且已檢討截至二零一二年十二月三十一日止年度本集團內部監控系統是否有效，當中包括公司會計及財務報告部的資源充足性、員工資質及經驗、培訓計劃及預算。

與股東及投資者之溝通

本集團的投資者關係於二零一二年取得顯著改善。本集團多次參與機構投資者會議，並通過多元化渠道定期與眾多投資者溝通。本集團亦於本公司及聯交所網站刊登年度及中期報告、業績報告、其他公告及通函，藉以達致最高標準及財務透明。

年內，本公司於二零一二年六月一日舉行股東周年大會(「二零一二年股東周年大會」)。董事會、審核委員會、提名委員會及薪酬委員會主席、董事會成員及外部核數師均出席了上述會議回答股東的提問。

INTERNAL CONTROL

The Board has the responsibility to ensure that a sound and effective internal control system is maintained within the Group. The Company and its subsidiaries have adopted internal control procedures and policies to safeguard the assets, to ensure proper maintenance of accounting records and to carry out a reliable financial reporting, and to guarantee compliance with the relevant laws and regulations. The Company has an Internal Audit team which conducts regular financial and operational reviews on the Group and reports its findings and control weaknesses, if any, to the Audit Committee. The annual work plan is reviewed and endorsed by the Audit Committee. The Internal Audit team monitors follow-up actions agreed upon in response to its recommendations. In addition, the Board conducts annually, with the assistance of the Audit Committee, a review of the effectiveness of the internal control system of the Group and had reviewed the effectiveness of the internal control system of the Group for the year ended 31 December 2012 including the adequacy, of resources, qualifications and experience of staff of the Company's accounting and financial reporting functions, and their training programmes and budget.

COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

The Group had made remarkable improvements in investor relationship in 2012. The Group has participated in a number of institutional investor conferences and regularly communicated with many investors through various means. The Group also set to provide highest standard and financial transparency through the publication of annual and interim reports, results announcements, other announcements and circulars made through the Company's and Stock Exchange's websites.

During the year, the Company held an annual general meeting on 1 June 2012 (the "2012 AGM") and the chairmen of the Board, the audit committee, the nomination committee and the remuneration committee, members of the Board and the external auditors were present at the 2012 AGM to answer shareholder's questions.

企業管治報告

Corporate Governance Report

董事出席股東大會的記錄載列如下：

The attendance record of the Directors at the general meeting is set out below:

		出席會議次數／ 舉行會議次數 Meeting attendance/ held
執行董事	Executive Directors	
車馮升醫生(主席兼行政總裁)	Dr. Che Fengsheng (Chairman and CEO)	1/1
郭維城醫生(副主席)	Dr. Guo Weicheng (Deputy Chairman)	1/1
孟憲慧先生(副總經理)	Mr. Meng Xianhui (Deputy General Manager)	1/1
非執行董事	Non-executive Directors	
張炯龍醫生	Dr. Zhang Jionglong	1/1
孫弘先生	Mr. Homer Sun	1/1
黃翊先生	Mr. Eddy Huang	1/1
獨立非執行董事	Independent Non-executive Directors	
辛定華先生	Mr. Patrick Sun	1/1
白慧良先生	Mr. Bai Huiliang	1/1
徐康森先生	Mr. Xu Kangsen	1/1

自二零一二年一月一日至本年報日期，本公司的組織章程大綱及細則並無變更。

During the period from 1 January 2012 to the date of this Annual Report, there has not been any change in the Company's memorandum of association and by-laws.

企業管治報告

Corporate Governance Report

股東權利

下列程序受本公司細則(「細則」)、百慕達一九八一年公司法(「公司法」)及適用之法例與法規所規限。股東若對下列程序有疑問，或欲向董事會詢問，可向本公司公司秘書(「公司秘書」)提出書面請求，地址為香港灣仔港灣道1號會展廣場辦公大樓4905室。

A. 本公司股東(「股東」)於股東大會提呈建議(建議指定人士參選本公司董事(「董事」)除外)的程序

- (1) 根據細則第56及57條，本公司股東周年大會(「股東周年大會」)須每年舉行一次，並可於必要時舉行股東特別大會。
- (2) 根據公司法第79節，(i)持有有權於股東大會上投票之全體股東總投票權不少於二十分之一的股東；或(ii)不少於一百名股東，可向本公司提呈於股東周年大會上動議決議案的書面要求，或就於特定股東大會提呈之任何決議案所述事項或處理的事務作出不超過1,000字的書面陳述。
- (3) 書面請求／陳述須由相關股東簽署，並於股東周年大會舉行前六周(倘要求獲提供決議案通知)或股東大會舉行前一周(倘為任何其他要求)呈遞至本公司註冊辦事處(地址為Clarendon House, Church Street, Hamilton, Bermuda HM11)及本公司總辦事處(地址為香港灣仔港灣道1號會展廣場辦公大樓4905室)，致公司秘書。

SHAREHOLDERS' RIGHTS

The following procedures are subject to the bye-laws of the Company (the "Bye-laws"), the Bermuda Companies Act 1981 (the "Act") and applicable legislation and regulation. Shareholders who have enquires about the following procedures or have enquires to put to the Board may write to the company secretary of the Company (the "Company Secretary") at Room 4905, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong.

A. Procedures for shareholders of the Company (the "Shareholders") to make proposals at general meeting other than a proposal of a person for election as a director of the Company (a "Director")

- (1) Pursuant to Bye-laws 56 and 57, the Company holds an annual general meeting ("AGM") every year, and may hold a general meeting known as a special general meeting whenever necessary.
- (2) Pursuant to section 79 of the Act, Shareholder(s) of the Company holding (i) not less than one-twentieth of the total voting rights of all Shareholders having the right to vote at the general meeting; or (ii) not less than 100 Shareholders, can submit a written request stating the resolution intended to be moved at the AGM or a statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at a particular general meeting.
- (3) The written request/statements must be signed by the Shareholder(s) concerned and deposited at the Company's registered office at Clarendon House, Church Street, Hamilton, Bermuda HM11 and its principal office at Room 4905, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong, for the attention of the Company Secretary, not less than six weeks before the AGM in the case of a requisition requiring notice of a resolution and not less than one week before the general meeting in the case of any other requisition.

企業管治報告

Corporate Governance Report

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

B. 股東建議指定人士參選董事的程序

- (1) 倘正式合資格出席因處理委任／選舉董事而召開的股東大會並於會上投票的股東欲建議指定人士(股東本身除外)於該大會上參選董事，則可將書面通知呈遞至本公司註冊辦事處(地址為ClarendonHouse, Church Street, Hamilton, Bermuda HM11)及本公司總辦事處(地址為香港灣仔港灣道1號會展廣場辦公大樓4905室)，致公司秘書。
- (2) 為使本公司告知全體股東有關建議，書面通知須列明獲建議參選董事人士的全名及香港聯合交易所有限公司證券上市規則第13.51(2)條規定的該名人士履歷詳情，並須由相關股東及該名人士簽署，表明其有意參選。

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

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

- (1) If a Shareholder, who is duly qualified to attend and vote at the general meeting convened to deal with appointment/election of Director(s), wishes to propose a person (other than the Shareholder himself/herself) for election as a Director at that meeting, he/she can deposit a written notice at the Company's registered office at Clarendon House, Church Street, Hamilton, Bermuda HM11 and its principal office at Room 4905, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong, for the attention of the Company Secretary.
- (2) In order for the Company to inform all Shareholders of that proposal, the written notice must state the full name of the person proposed for election as a director, his/her biographical details as required by rule 13.51(2) of the Rules Governing the Listing of the Securities on The Stock Exchange of Hong Kong Limited, and be signed by the Shareholder concerned and that person indicating his/her willingness to be elected.

企業管治報告

Corporate Governance Report

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

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

C. 股東召開股東特別大會(「股東特別大會」)的程序⁽¹⁾

(1) 於遞呈要求當日持有少於附有本公司股東大會投票權之本公司繳足股本十分之一的股東，可隨時向本公司註冊辦事處(地址為 Clarendon House, Church Street, Hamilton, Bermuda HM11)及主要辦事處(地址為香港灣仔港灣道1號會展廣場辦公大樓4905室)發出書面要求，致董事會或公司秘書，要求董事會召開股東特別大會，處理有關要求所指明任何事項的相關議程，而有關大會須於遞呈上述要求後兩(2)個月內舉行。

(2) 書面要求須列明股東大會的目的，經相關股東簽署，並可由多份相同格式的文件組成，惟每份文件須經一名或多名該等股東簽署。

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

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

C. Procedures for Shareholders to convene special general meeting (“SGM”) ⁽¹⁾

(1) Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition sent to the Company’s registered office at Clarendon House, Church Street, Hamilton, Bermuda HM11 and its principal office at Room 4905, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong, for the attention of the Board or the Company Secretary, to require a SGM to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition.

(2) The written requisition must state the purposes of the general meeting, signed by the Shareholder(s) concerned and may consist of several documents in like form, each signed by one or more of those Shareholders.

¹ 該等程序主要基於細則第58條及公司法第74條。

¹ These procedures are generally based on Bye-law 58 and section 74 of the Act.

企業管治報告

Corporate Governance Report

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

企業管治報告

Corporate Governance Report

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

D. 股東向董事會作出查詢的程序

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

四環醫藥控股集團有限公司
香港灣仔
港灣道1號
會展廣場辦公大樓4905室
電話：(852) 3628 3720
傳真：(852) 3101 0362
電郵：ir@sihuanpharm.com

股東亦可在本公司股東大會上向董事會作出查詢。

企業管治職能

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

- (a) 發展及檢討本公司的企業管治政策及常規，並向董事會提出建議；
- (b) 檢討及監察本公司董事及高級管理層的培訓及持續專業發展；
- (c) 檢討及監察本公司的政策及常規在法律及監管規定方面的合規情況；
- (d) 發展、檢討及監察適用於本公司僱員及董事的行為守則及企業管治事宜合規指引(如有)；及

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

D. Procedures for Directing Shareholders' Enquiries to the Board

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

Sihuan Pharmaceutical Holdings Group Limited
Room 4905, Office Tower,
Convention Plaza, 1 Harbour Rd.,
Wanchai, Hong Kong
Telephone: (852) 3628 3720
Fax: (852) 3101 0362
Email: ir@sihuanpharm.com

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

CORPORATE GOVERNANCE FUNCTIONS

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

- (a) to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;
- (b) to review and monitor the training and continuous professional development of directors and senior management of the Company;
- (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (d) to develop, review and monitor the code of conduct and compliance manual to corporate governance matters (if any) applicable to employees and directors of the Company; and

企業管治報告

Corporate Governance Report

- (e) 檢討本公司對香港聯合交易所有限公司證券上市規則的企業管治守則及企業管治報告中的其他相關規則及披露規定的合規情況。

於報告期間，董事會已批准及修訂審核委員會、提名委員會及薪酬委員會的職權範圍、股東溝通政策及股東查詢程序。

核數師酬金

截至二零一二年十二月三十一日止年度，本集團核數師向本集團提供核數及非核數服務。二零一二年核數及非核數服務費用分別為人民幣3.35百萬元及人民幣0.45百萬元。已付／應付外部核數師的非審核服務費與就會計及稅務事宜提供意見有關。

遵守不競爭承諾

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

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

獨立非執行董事亦已審閱契諾人遵守不競爭承諾契據的情況。

- (e) to review the Company's compliance with the Corporate Governance Code of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and other related rules and disclosure in the Corporate Governance Report.

During the Reporting Period, the Board approved the revised terms of reference of the Audit Committee, the Nomination Committee and the Remuneration Committee, the shareholder communication policy, and shareholder enquiry procedures.

AUDITOR'S REMUNERATION

For the year ended 31 December 2012, the auditor of the Group provided audit and non-audit services for the Group. The service fees for audit and non-audit services in 2012 amounted to RMB3.35 million and RMB0.45 million respectively. The non-audit service fees paid/payable to the external auditors were for advices on accounting and taxation matters.

COMPLIANCE OF THE NON-COMPETITION UNDERTAKING

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

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

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

董事會報告

Report of Directors

董事會欣然提呈截至二零一二年十二月三十一日止年度董事會報告及經審核合併財務報表。

主要業務

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

分類資料

截至二零一二年十二月三十一日止年度，本集團之營業額、收益及分類資料之分析載列於財務報表附註 5。

業績及分派

本集團截至二零一二年十二月三十一日止年度之業績載列於本年報第 88 頁之合併綜合收益表。

於二零一二年支付每股普通股人民幣 3.1 分的中期股息，合共人民幣 160,426,000 元。

董事會建議向於二零一三年六月十三日（即記錄日期）名列本公司股東名冊的股東派付每股普通股人民幣 5.8 分的末期股息，惟須待股東於二零一三年五月三十一日即將舉行的股東周年大會（「股東周年大會」）審議及批准後方可作實。

財務摘要

本集團過往五個財政年度之業績以及資產與負債之摘要載列於本年報第 7 頁。

物業、廠房及設備

於本年度內，本集團之物業、廠房及設備之變動詳情載列於財務報表附註 6。

股本

於本年度內，本公司之股本變動詳情連同其原因載列於財務報表附註 20。

The Board is pleased to present the Directors' report together with the audited consolidated financial statements for the year ended 31 December 2012.

PRINCIPAL ACTIVITIES

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

SEGMENT INFORMATION

An analysis of the Group's turnover, income and segment information for the year ended 31 December 2012 is set out in Note 5 to the Financial Statements.

RESULTS AND DISTRIBUTIONS

The Group's results for the year ended 31 December 2012 are set out in the Consolidated Statement of Comprehensive Income on page 88 of this Annual Report.

An interim dividend of RMB3.1 cents per ordinary share, totaling RMB 160,426,000, was paid during 2012.

The Board proposed to distribute a final dividend of RMB5.8 cents per ordinary share to all Shareholders whose names appear on the register of members of the Company on 13 June 2013, being the record date. Such proposal is subject to the consideration and approval of shareholders at the forthcoming annual general meeting to be held on 31 May 2013 (the "AGM").

FINANCIAL HIGHLIGHTS

A summary of the Group's results and assets and liabilities for the last five financial years is set out on page 7 of this Annual Report.

PROPERTY, PLANT AND EQUIPMENT

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

SHARE CAPITAL

Details of movements in the share capital of the Company during the year together with the reasons for such movements are set out in Note 20 to the Financial Statements.

借款

於二零一二年十二月三十一日，本公司有借款總額約人民幣773.1百萬元，包括向附屬公司非控股股東借款人民幣59.0百萬元、銀行借款人民幣704.1百萬元及第三方借款人民幣10.0百萬元。

股份及儲備

有關本公司於本年度的股份及儲備變動情況已詳述於合併權益變動表以及財務報表附註20及21。於結算日，本公司可供分派予股東的儲備為人民幣1,400,702,000元(二零一一年：人民幣1,173,679,000元)。本公司於年內並無發行任何股份。

購股權計劃

本公司並無施行任何購股權計劃。

僱員股份獎勵計劃

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

BORROWINGS

As at 31 December 2012, the Company had total borrowings of approximately RMB773.1 million, including borrowings of RMB59.0 million from subsidiaries' non-controlling shareholders, bank borrowings of RMB704.1 million and borrowings of RMB10.0 million from third parties.

SHARES AND RESERVES

Details of movements in the shares and reserves of the Company during the year are set out in the Consolidated Statement of Changes in Equity and also in Notes 20 and 21 to the Financial Statements. As at the balance sheet date, the Company's reserves available for distribution to shareholders amounted to RMB1,400,702,000 (2011: RMB1,173,679,000). The Company had not issued any shares during the year.

SHARE OPTION SCHEME

The Company has not implemented any share option scheme.

EMPLOYEE SHARE AWARD SCHEME

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

董事會報告

Report of Directors

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

於二零一二年三月二十日，本集團24名僱員獲授獎勵，有權按每股3.19港元的行使價購買合共14,150,000股本公司股份。此前，自僱員股份獎勵計劃採納起並無根據該計劃授出獎勵。待達成若干歸屬條件及達到若干業績目標(如有)後，該獎勵可於授予獎勵之日起五年期間行使。於二零一二年十二月十四日，經本公司薪酬委員會同意，本公司通知12名獎勵承授人，允許涉及合共3,133,334股購股權股份之獎勵提前歸屬，因此，有關獎勵可於二零一二年十二月十四日(而非二零一三年三月二十日)起行使。

截至二零一二年十二月三十一日，合共13名僱員已行使獎勵，涉及3,133,334股本公司股份。

優先購買權

本公司的章程細則或百慕達(即本公司註冊成立的司法權區)法律並無有關優先購買權的條文，規定本公司須向現有股東按比例發售新股份。

買賣或贖回本公司上市股份

截至二零一二年十二月三十一日止年度，本公司及其附屬公司概無買賣或贖回任何本公司上市股份。

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

On 20 March 2012, 24 employees of the Group were granted Awards entitling them to acquire an aggregate of 14,150,000 shares of the Company from the Trustee Co at an exercise price of HK\$3.19 per share. Before then, no awards have been granted under the Employee Share Award Scheme since its adoption. Subject to certain vesting conditions and the satisfaction of certain performance targets (if any), such Awards shall be exercisable over a period of five years commencing from the date on which the Awards are granted. On 14 December 2012, the Company, with the approval of the remuneration committee of the Company, has notified 12 of the grantees of the Awards the permission of the early vesting of Awards involving a total of 3,133,334 Option Shares so that these Awards can be exercised with effect from 14 December 2012 instead of 20 March 2013.

As of 31 December 2012, a total of 13 employees have exercised their Awards involving 3,133,334 shares of the Company.

PRE-EMPTIVE RIGHTS

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

PURCHASE, SALE OR REDEMPTION OF LISTED SHARES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares during the year ended 31 December 2012.

主要客戶及供貨商

於二零一二年，本集團最大單一客戶及五個最大客戶所佔集團本年度的總銷售額比例為2.2%及7.6%。

於二零一二年，本集團最大單一供貨商及五個最大供貨商所佔集團本年度的總採購額比例分別為32.6%及66.8%。

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

關連交易

上市規則界定的關連交易

於二零一二年一月一日，海南四環與山東軒竹醫藥就研發Anaprazole及Imiglipitin訂立兩份合作研發協議（「合作研發協議」），每份由二零一二年一月一日起為期三年。

海南四環與山東軒竹醫藥將共同合作，目標是為Anaprazole及Imiglipitin取得新藥註冊及製造許可證。作為合作研發協議訂約方，海南四環已同意（其中包括）：(i) 承擔山東軒竹醫藥就研發Anaprazole及Imiglipitin產生的研發成本；及(ii) 承擔與將藥品推向市場相關的所有其他原材料及製造成本。山東軒竹醫藥已同意（其中包括）：(i) 提供申請製造許可證所需的技術數據；(ii) 提供藥品開發及生產的技術知識及配方；及(iii) 為藥品的發明及生產方式申請相關專利及行政保護。根據合作研發協議，海南四環毋須向山東軒竹醫藥支付任何費用。

根據合作研發協議，截至二零一二年十二月三十一日止財政年度海南四環將就研發Anaprazole及Imiglipitin投資的金額將為人民幣46百萬元，年內該上限未被超過。

MAJOR CUSTOMERS AND SUPPLIERS

In 2012, the aggregate sales attributable to the Group's largest customer and five largest customers were 2.2% and 7.6% respectively of the Group's sales for the year.

In 2012, the aggregate purchases attributable to the Group's largest supplier and five largest suppliers were 32.6% and 66.8% respectively of the Group's purchases for the year.

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

CONNECTED TRANSACTIONS

Connected transactions defined under the Listing Rules

On 1 January 2012, Hainan Sihuan and KBP BioSciences entered into two collaborative research and development agreements (the "Collaborative R&D Agreements") for the research and development of Anaprazole and Imiglipitin, each for a term of three years commencing on 1 January 2012.

Hainan Sihuan and KBP BioSciences will work together with an aim to achieving new drug certifications and manufacturing permits for Anaprazole and Imiglipitin. As a party to the Collaborative R&D Agreements, Hainan Sihuan has agreed to, amongst other things, (i) bear the research and development costs incurred by KBP BioSciences in relation to the research and development of Anaprazole and Imiglipitin and (ii) bear all other raw material and manufacturing costs associated with bringing the drugs to market. KBP BioSciences has agreed to, amongst other things, (i) provide technical data of the drugs required for manufacturing permit applications, (ii) provide technical know-how and formulae for the drugs development and production and (iii) apply for relevant patents and administrative protection for the invention and production methods for the drugs. No fees will be payable by Hainan Sihuan to KBP BioSciences under the Collaborative R&D Agreements.

Pursuant to the Collaborative R&D Agreements, the amount to be invested by Hainan Sihuan for the research and development of Anaprazole and Imiglipitin for the financial year ended 31 December 2012 will be RMB46 million and such cap has not been exceeded during the year.

董事會報告

Report of Directors

海南四環為本公司的全資附屬公司，山東軒竹為海南四環的非全資附屬公司。黃先生為本公司控股股東之一（因此為本公司關連人士），並為山東軒竹董事兼行政總裁。由於黃先生及其妻子蔡軍女士分別持有山東軒竹的17%及23%權益，故根據香港聯合交易所有限公司證券上市規則（「上市規則」）第14A章，山東軒竹於截至合作研發協議日期亦為本公司的關連人士。由於山東軒竹醫藥為本公司的關連人士，合作研發協議下的交易構成本公司的持續關連交易，並須遵守上市規則第14A章的申報、公告及年度審核規定。由於交易按上市規則計算的相關百分比率均低於5%，故毋須獲獨立股東批准。

於二零一二年十月二十六日，海南四環與黃先生及蔡女士就收購彼等分別於山東軒竹醫藥的17%及23%股權訂立一份買賣協議。於上述收購完成後，山東軒竹醫藥成為本公司的全資附屬公司，而合作研發協議項下擬進行的交易（「持續關連交易」）不再為本公司的持續關連交易。

本公司獨立非執行董事認為，合作研發協議下的交易（「持續關連交易」）乃由本集團：

- (i) 於日常及一般業務中訂立；
- (ii) 按正常商業條款訂立；及
- (iii) 按照規管該等交易的相關協議訂立，條款屬公平合理並符合本公司股東的整體利益。

根據上市規則第14A.38條，董事會委任本公司核數師就本集團持續關連交易履行若干協定程序。本公司核數師已向董事會報告該等程序的事實調查結果。董事會已收到本公司核數師函件，函件稱持續關連交易：

- (i) 已獲本公司董事會批准；
- (ii) 乃按照規管持續關連交易的相關協議訂立；及

As at the date of the Collaborative R&D Agreements, Hainan Sihuan is a wholly-owned subsidiary of the Company and Xuanzhu Pharma was a non wholly-owned subsidiary of Hainan Sihuan. Mr. Huang was a member of the controlling shareholder group of the Company and a director and the chief executive officer of Xuanzhu Pharma and, hence, a connected person of the Company. As Mr. Huang and his wife, Ms. Cai Jun, respectively held a 17% and 23% interest in Xuanzhu Pharma, Xuanzhu Pharma was, as at the date of the Collaborative R&D Agreements, a connected person of the Company under Chapter 14A of the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and therefore, the transactions under the Collaborative R&D Agreements constituted continuing connected transactions of the Company and were subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules. As the relevant percentage ratios of the transactions, calculated in accordance with the Listing Rules, are all less than 5%, no independent shareholders’ approval was required.

On 26 October 2012, Hainan Sihuan entered into a sale and purchase agreement with Mr. Huang and Ms. Cai for the acquisition of their respective 17% and 23% equity interest in KBP BioSciences. Upon completion of the said acquisition, KBP BioSciences has become a wholly-owned subsidiary of the Company and the transactions contemplated under the Collaborative R&D Agreements (the “Continuing Connected Transactions”) have ceased to be continuing connected transactions of the Company.

In the opinion of the independent non-executive directors of the Company, the transactions under the Collaborative R&D Agreements (the “Continuing Connected Transactions”) were entered into by the Group:

- (i) in the ordinary and usual course of its business;
- (ii) on normal commercial terms; and
- (iii) in accordance with the relevant agreements governing such transactions and on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

Pursuant to Rule 14A.38 of the Listing Rules, the board of directors engaged the auditors of the Company to perform certain agreed upon procedures in respect of the continuing connected transactions of the Group. The auditors of the Company have reported the factual findings on these procedures to the board of directors. The board of directors has received a letter from the auditors of the Company stating that the Continuing Connected Transactions:

- (i) have received the approval of the Company’s board of directors;
- (ii) have been entered into in accordance with the relevant agreements governing the Continuing Connected Transactions; and

(iii) 未超過上述截至二零一二年十二月三十一日止財政年度的上限。

就持續關連交易而言，本公司已不時遵守上市規則項下的披露規定。

會計準則項下界定的關聯方交易

本集團截至二零一二年十二月三十一日止年度的關聯方交易詳情載於財務報表附註38。按董事與本公司的服務合約向董事支付應計績效花紅及薪酬根據上市規則第14A.31(6)條屬於獲豁免關連交易，而支付高級管理層的薪酬並不構成上市規則第14A章項下的關連交易。根據僱員股份獎勵計劃向本集團經甄選管理層人員及僱員(不包括董事)給予獎勵並不涉及本公司發行新股，亦不構成上市規則第十四A章項下的關連交易。本集團向廊坊高博京邦的非控股股東(即北京高博醫藥化學技術開發有限公司)、王復平先生及熊傳輝先生借款構成上市規則第十四A章項下的關連交易，並獲豁免遵守上市規則第14A.65(4)條項下申報、公告及獨立股東批准的規定(即關連人士按正常商業條款(或對上市發行人更佳的條款)為上市發行人的利益提供財務支援，其中並無就財務支援抵押上市發行人的資產)。

全球發售所得款項用途

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

(iii) have not exceeded the cap set out above for the financial year ended 31 December 2012.

In respect of the Continuing Connected Transactions, the Company has complied with the disclosure requirements under the Listing Rule from time to time.

Related-Party Transactions defined under the Accounting Standards

Details of the related-party transactions of the Group during the year ended 31 December 2012 are set out in Note 38 to the Financial Statements. Payments of accrued performance bonus and emoluments to directors pursuant to their directors' service contracts with the Company were exempt connected transactions under Rules 14A.31(6) of the Listing Rules while payments of senior management's emoluments do not constitute connected transactions under Chapter 14A of the Listing Rules. The grant of awards under the Employee Share Award Scheme to selected management personnel and employees of the Group (excluding Directors) does not involve the issue of new shares by the Company and does not constitute a connected transaction under Chapter 14A of the Listing Rules. The borrowings from non-controlling shareholders of Langfang Gaobo Jingband, namely Beijing Gao Bo Medicinal Chemistry Technology Co., Ltd., Mr. Wang Fuping and Mr. Xiong Chuanhui, to the Group constituted a connected transactions under Chapter 14A of the Listing Rules and was exempt from the reporting, announcement and independent shareholders' approval requirements under Rule 14A.65(4) of the Listing Rules (namely financial assistance provided by connected person for the benefit of a listed issuer on normal commercial terms (or better to the listed issuer) where no security over the assets of the listed issuer is granted in respect of the financial assistance).

USE OF PROCEEDS FROM THE GLOBAL OFFERING

In October 2010, the Company allotted 1,437,500,000 ordinary shares at a price of HK\$4.60 through international placing and public offer. Save as disclosed below, the net proceeds raised from such international placing and public offer, being approximately HK\$6,365.7 million (equivalent to approximately RMB5,407.6 million), are used in accordance with the purposes disclosed in the prospectus of the Company dated 15 October 2010.

董事會報告

Report of Directors

於二零一二年十二月三十一日，本公司全球發售所籌集約人民幣4,276.50百萬元按下列用途及概約金額動用：

- 約人民幣208.9百萬元用於我們的產品研發；
- 約人民幣52.3百萬元用於我們現有產品的開發；
- 約人民幣74.5百萬元用於收購產品；
- 約人民幣240.3百萬元用於為我們位於北京及廊坊的兩個新生產設施建設提供資金；
- 約人民幣300.3百萬元用於為我們位於吉林省及遼寧省的生產設施建設提供資金；
- 約人民幣3,351.8百萬元用於併購；及
- 約人民幣48.4百萬元用於加強銷售及分銷活動。

於二零一二年十二月三十一日，本公司國際配售及公開發售所籌集資金約人民幣1,131.10百萬元尚未動用，有關金額已存入本公司特別銀行戶口。

As at 31 December 2012, approximately RMB4,276.50 million raised from the global offering of the Company was used for the purposes and approximately in the amounts set out below:

- approximately RMB208.9 million was used for our product development and research;
- approximately RMB52.3 million was used for the development of our existing products;
- approximately RMB74.5 million was used for acquisition of products;
- approximately RMB240.3 million was used for funding the construction of our two new production facilities located in Beijing and Langfang;
- approximately RMB300.3 million was used for funding the construction of production facilities in Jilin province and Liaoning province;
- approximately RMB3,351.8 million was used for mergers and acquisitions; and
- approximately RMB48.4 million was used for enhancement of our sales and distribution efforts.

Approximately RMB1,131.10 million raised from the international placing and public offer of the Company remained unused as at 31 December 2012, which is deposited in the special bank account of the Company.

董事會報告

Report of Directors

董事

於截至二零一二年十二月三十一日止年度及直至本報告日期，本公司之董事如下：

執行董事

車馮升醫生(主席兼行政總裁)
郭維城醫生(副主席)
孟憲慧先生(副總經理)

非執行董事

張炯龍醫生
孫弘先生
黃翊先生

獨立非執行董事

辛定華先生
白慧良先生
徐康森先生

董事及高級管理層的履歷載於本年報「董事及高級管理層履歷」一節。

孟憲慧先生、辛定華先生及徐康森先生須輪流退任，全部均符合資格並願意於股東周年大會上膺選連任。

DIRECTORS

The Directors of the Company during the year ended 31 December 2012 and up to the date of this report were as follows:

Executive Directors

Dr. Che Fengsheng (Chairman and CEO)
Dr. Guo Weicheng (Deputy Chairman)
Mr. Meng Xianhui (Deputy General Manager)

Non-executive Directors

Dr. Zhang Jionglong
Mr. Homer Sun
Mr. Eddy Huang

Independent non-executive Directors

Mr. Patrick Sun
Mr. Bai Huiliang
Mr. Xu Kangsen

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

Mr. Meng Xianhui, Mr. Patrick Sun and Mr. Xu Kangsen shall retire by rotation and being eligible, have offered themselves for re-election at the AGM.

董事會報告

Report of Directors

董事之服務合約

執行董事車馮升醫生、郭維城醫生及孟憲慧先生已各自於二零一零年十月八日與本公司訂立服務合約，由二零一零年十月二十八日（即本公司股份首次於香港聯合交易所有限公司（「聯交所」）買賣之日）起計為期三年，可於屆滿前由一方向另一方發出至少三個月書面通知予以終止。根據該等服務合約，車醫生、郭醫生及孟先生各自將分別收取月薪人民幣100,000元、人民幣50,000元及人民幣25,000元（包括任何董事袍金）（年薪須由董事會及薪酬委員會每年檢討）及董事會及薪酬委員會計及相關執行董事的表現後可能酌情釐定的酌情花紅。

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

非執行董事張炯龍醫生已於二零一二年十月二十七日與本公司續訂委任函，由二零一二年十月二十八日起計為期一年，而非執行董事孫弘先生及黃翊先生已於二零一二年八月十八日與本公司訂立委任函，自二零一二年八月十八日起任期一年。非執行董事將不會自本公司收取任何薪酬。

獨立非執行董事辛定華先生、白慧良先生及徐康森先生已各自於二零一二年十月二十七日與本公司續訂委任函，由二零一二年十月二十八日起計為期一年。辛定華先生、白慧良先生及徐康森先生的年度袍金分別為300,000港元、人民幣240,000元及人民幣240,000元。

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

DIRECTORS' SERVICE CONTRACTS

Each of Dr. Che Fengsheng, Dr. Guo Weicheng and Mr. Meng Xianhui, being the executive Directors, entered into a service contract with the Company on 8 October 2010 for a term of three years commencing from 28 October 2010, the date on which the shares of the Company first commenced trading on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), subject to termination before expiry by either party giving not less than three months' notice in writing to the other. Under these service contracts, each of Dr. Che, Dr. Guo and Mr. Meng will receive a monthly salary (including any director's fees) of RMB100,000, RMB50,000 and RMB25,000, respectively (such annual salary is subject to annual review by the Board and the remuneration committee) and a discretionary bonus as may be decided by the Board and the remuneration committee at their discretion, having regard to the performance of the relevant executive Director.

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

Dr. Zhang Jionglong, being the non-executive Director, renewed his letter of appointment with the Company on 27 October 2012, for a term of one year commencing from 28 October 2012 and both Mr. Homer Sun and Mr. Eddy Huang, being the non-executive Directors, entered into letters of appointment with the Company on 18 August 2012 for a term of one year commencing from 18 August 2012. The non-executive Directors will not receive any remuneration from the Company.

Mr. Patrick Sun, Mr. Bai Huiliang and Mr. Xu Kangsen, being the independent non-executive Directors renewed their respective letters of appointment with the Company on 27 October 2012 for a term of one year commencing from 28 October 2012. The annual fee for Mr. Patrick Sun, Mr. Bai Huiliang and Mr. Xu Kangsen are HK\$300,000, RMB240,000 and RMB240,000 respectively.

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

管理合約

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

MANAGEMENT CONTRACTS

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

董事之競爭業務權益及合約

於二零一二年內，概無董事或彼等各自之連絡人士(定義見上市規則)被視為於與本集團業務競爭或極可能競爭(直接或間接)之業務中擁有權益。再者，除上文「關連交易」一節所披露者外，在年終或本年度內任何時間，本公司並無訂立任何對本集團業務重大且本公司董事於其中直接或間接擁有重大權益的合約。

DIRECTORS' INTERESTS IN COMPETING BUSINESS AND CONTRACTS

During 2012, no Directors or their respective associates (as defined in the Listing Rules) are considered to have an interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group. Furthermore, save as disclosed in the paragraph headed "Connected Transactions" above, no contracts of significance in relation to the Group's business in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

董事會報告

Report of Directors

董事及主要行政人員於股份、相關股份及債券中之權益及淡倉

於二零一二年十二月三十一日，本公司各董事及主要行政人員於本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債券中擁有本公司須記錄在根據證券及期貨條例第352條規定須存置之登記冊，及根據上市發行人董事進行證券交易之標準守則（「標準守則」）知會本公司及聯交所之權益及淡倉如下：

(i) 董事於股份中的權益

董事姓名
Name of Director

車馮升醫生
Dr. Che Fengsheng

郭維城醫生
Dr. Guo Weicheng

權益性質／身份
Nature of Interest/Capacity

受控法團權益（附註1）
2,969,131,019股（好倉）
Interest in a controlled corporation (Note 1)
2,969,131,019 Shares (L)

信託財產授予人（附註2）
27,083,334股（好倉）
7,483,334股（淡倉）
Settlor of a trust (Note 2)
27,083,334 shares (L)
7,483,334 Shares (S)

配偶權益
400,000股（好倉）
Interest of spouse
400,000 Shares (L)

其他權益（附註3）
314,497,000股（好倉）
Other interest (Note 3)
314,497,000 Shares (L)

實益擁有人
39,028,000股（好倉）
Beneficial Owner
39,028,000 Shares (L)

信託財產授予人
119,659,000股（好倉）
Settlor of a trust
119,659,000 Shares (L)

其他權益（附註4）
3,152,424,353股（好倉）
Other interest (Note 4)
3,152,424,353 Shares (L)

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

As at 31 December 2012, the Directors and chief executive of the Company had the following interests and short positions in the shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code"):

(i) Directors' interests in Shares

股份總數 Total Number of Shares	股權概約 百分比 Approximate percentage of Shareholding
3,311,111,353 (好倉)	63.98% (好倉)
3,311,111,353 (L)	63.98% (L)
7,483,334股 (淡倉)	
7,483,334 (S)	
	0.14% (淡倉)
	0.14% (S)
3,311,111,353 (好倉)	63.98% (好倉)
3,311,111,353 (L)	63.98% (L)

董事會報告

Report of Directors

董事姓名 Name of Director	權益性質/身份 Nature of Interest/Capacity	股份總數 Total Number of Shares	股權概約 百分比 Approximate percentage of Shareholding
孟憲慧先生 Mr. Meng Xianhui	受控法團權益(附註5) Interest in a controlled corporation (Note 5)	3,311,111,353 (好倉) 3,311,111,353 (L)	63.98% (好倉) 63.98% (L)
	56,590,000 股(好倉) 56,590,000 Shares (L)		
張炯龍醫生 Dr. Zhang Jionglong	其他權益(附註6) 3,254,521,353 股(好倉) Other interest (Note 6) 3,254,521,353 Shares (L)		
	受控法團權益(附註7) Interest in a controlled corporation (Note 7)	3,311,111,353 (好倉) 3,311,111,353 (L)	63.98% (好倉) 63.98% (L)
	99,220,000 股(好倉) 99,220,000 Shares (L)		
	其他權益(附註8) 3,211,891,353 股(好倉) Other interest (Note 8) 3,211,891,353 Shares (L)		

附註：

Notes:

- (1) 車馮升醫生為 Plenty Gold Enterprises Limited (「Plenty Gold」) 已發行股本 51% 以及 Network Victory Limited 全部已發行股本的實益擁有人。因此，車馮升醫生被視為於 Plenty Gold 及 Network Victory Limited 分別持有的本公司 2,747,297,019 股及 221,834,000 股股份中擁有權益。
- (1) Dr. Che Fengsheng is the beneficial owner of 51% of the issued share capital of Plenty Gold Enterprises Limited ("Plenty Gold") as well as the entire issued share capital of Network Victory Limited. As such, Dr. Che Fengsheng is deemed to be interested in the 2,747,297,019 shares and 221,834,000 shares held by Plenty Gold and Network Victory Limited in the Company, respectively.
- (2) 由於車馮升醫生為信託(Sihuan Management (PTC) Limited (「受託人公司」)) 為其受託人的財產授予人之一，故被視為於受託人公司持有的 27,083,334 股股份(好倉)中擁有權益及於 7,483,334 股股份中持有淡倉。
- (2) Since Dr. Che Fengsheng is one of the settlors of the trust for which Sihuan Management (PTC) Limited ("Trustee Co") is a trustee, Dr. Che Fengsheng is deemed to have the interest in 27,083,334 (L) shares and the short position in 7,483,334 (S) shares held by Trustee Co.
- (3) 根據證券及期貨條例第 317 及 318 節，車馮升醫生被視為分別由郭維城醫生、孟憲慧先生及張炯龍醫生擁有權益或被視為擁有權益的 158,687,000 股、56,590,000 股及 99,220,000 股股份中擁有權益。
- (3) Under sections 317 and 318 of the SFO, Dr. Che Fengsheng is deemed to be interested in the 158,687,000 shares, 56,590,000 shares and 99,220,000 shares which Dr. Guo Weicheng, Mr. Meng Xianhui and Dr. Zhang Jionglong are interested in or are deemed to be interested in, respectively.
- (4) 根據證券及期貨條例第 317 及 318 節，郭維城醫生被視為分別由車馮升醫生、孟憲慧先生及張炯龍醫生擁有權益或被視為擁有權益的 2,996,614,353 股、56,590,000 股及 99,220,000 股股份中擁有權益。
- (4) Under sections 317 and 318 of the SFO, Dr. Guo Weicheng is deemed to be interested in the 2,996,614,353 shares, 56,590,000 shares and 99,220,000 shares which Dr. Che Fengsheng, Mr. Meng Xianhui and Dr. Zhang Jionglong are interested in or are deemed to be interested in, respectively.

董事會報告

Report of Directors

- (5) 孟憲慧先生為 Smart Top Overseas Limited 全部已發行股本的實益擁有人，故被視為於 Smart Top Overseas Limited 持有的 56,590,000 股股份中擁有權益。
- (6) 根據證券及期貨條例第 317 及 318 節，孟憲慧先生被視為於分別由車馮升醫生、郭維城醫生及張炯龍醫生擁有權益或被視為擁有權益的 2,996,614,353 股、158,687,000 股及 99,220,000 股股份中擁有權益。
- (7) 張炯龍醫生為 Keen Mate Limited 全部已發行股本的實益擁有人，故被視為於 Keen Mate Limited 持有的 99,220,000 股股份中擁有權益。
- (8) 根據證券及期貨條例第 317 及 318 節，張炯龍醫生被視為於分別由車馮升醫生、郭維城醫生及孟憲慧先生擁有權益或被視為擁有權益的 2,996,614,353 股、158,687,000 股及 56,590,000 股股份中擁有權益。
- (9) 字母「L」代表董事於該等股份的好倉，而字母「S」則代表董事於該等股份的淡倉。
- (5) Mr. Meng Xianhui is the beneficial owner of the entire issued share capital of Smart Top Overseas Limited and is deemed to be interested in the 56,590,000 shares held by Smart Top Overseas Limited.
- (6) Under sections 317 and 318 of the SFO, Mr. Meng Xianhui is deemed to be interested in the 2,996,614,353 shares, 158,687,000 shares and 99,220,000 shares which Dr. Che Fengsheng, Dr. Guo Weicheng and Dr. Zhang Jionglong are interested in or are deemed to be interested in, respectively.
- (8) Dr. Zhang Jionglong is the beneficial owner of the entire issued share capital of Keen Mate Limited and is deemed to be interested in the 99,220,000 shares held by Keen Mate Limited.
- (7) Under sections 317 and 318 of the SFO, Dr. Zhang Jionglong is deemed to be interested in the 2,996,614,353 shares, 158,687,000 shares and 56,590,000 shares which Dr. Che Fengsheng, Dr. Guo Weicheng and Mr. Meng Xianhui are interested in or are deemed to be interested in, respectively.
- (9) The Letter “L” denotes the Director’s long position in such shares and the letter “S” denotes the Director’s short position in such shares.

董事會報告

Report of Directors

(ii) 董事於相聯法團股份中的權益

相聯法團名稱	董事姓名
Name of Associated Corporation	Name of Director
Plenty Gold	車馮升醫生
	Dr. Che Fengsheng
Plenty Gold	郭維城醫生
	Dr. Guo Weicheng
Plenty Gold	孟憲慧先生
	Mr. Meng Xianhui
Plenty Gold	張炯龍醫生
	Dr. Zhang Jionglong

除上文所披露者外，各董事、主要行政人員或彼等之聯繫人概無於本公司或其任何相聯法團(定義見證券及期貨條例第 XV 部)之股份、相關股份及債券中擁有根據證券及期貨條例第 XV 部第 7 及 8 分部須知會本公司及聯交所之權益或淡倉(包括根據證券及期貨條例之有關條文被視為或被當作擁有之權益或淡倉)，或須記錄在根據證券及期貨條例第 352 條須存置之登記冊之權益或淡倉，或根據標準守則須知會本公司及聯交所之權益或淡倉。

董事購買股份或債券之權利

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

(ii) Directors' interest in the shares of associated corporations

權益性質/身份	股份數目	股權概約百分比
Nature of Interest/Capacity	Number of Shares	Approximate percentage of Shareholding
實益權益	4,131,668	55.09%
Beneficial interest		
實益權益	1,892,542	25.23%
Beneficial interest		
實益權益	848,241	11.31%
Beneficial interest		
實益權益	627,549	8.37%
Beneficial interest		

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

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

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

董事會報告

Report of Directors

主要股東於股份、相關股份及債券中之權益及淡倉

於二零一二年十二月三十一日，本公司遵照證券及期貨條例第336條須存置之登記冊記錄，以下股東(不包括本公司之董事或主要行政人員)於本公司已發行股本、相關股份或債券中擁有5%或以上權益(包括淡倉)：

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

As at 31 December 2012, the following shareholders, other than the Directors or chief executive of the Company, which were recorded in the register required to be kept by the Company under Section 336 of the SFO, had interests of 5% or more (including short positions) in the issued share capital, underlying shares or debentures of the Company:

股東名稱 Name of Shareholder	權益性質/身份 Nature of Interest/Capacity	股份總數 Total Number of Shares	股權概約百分比 Approximate percentage of Shareholding
Plenty Gold (附註1) Plenty Gold (Note 1)	實益擁有人 2,747,297,019 股 (好倉) Beneficial owner 2,747,297,019 Shares (L)	2,774,380,353 (好倉) (附註3) 2,774,380,353 (L) (Note 3)	53.61%
	信託財產授予人 27,083,334 股 (好倉) Settlor of a trust 27,083,334 Shares (L)	7,483,334 (淡倉) (附註3) 7,483,334 (S) (Note 3)	0.14 %
MSPEA Pharma Holdings B.V. (附註2) MSPEA Pharma Holdings B.V. (Note 2)	實益擁有人 Beneficial owner	375,000,000 (好倉) (附註3) 375,000,000 (L) (Note 3)	7.25%
Morgan Stanley Private Equity Asia III Holdings (Cayman) Ltd. (附註2) Morgan Stanley Private Equity Asia III Holdings (Cayman) Ltd. (Note 2)	受控法團權益 Interest in a controlled corporation	375,000,000 (好倉) (附註3) 375,000,000 (L) (Note 3)	7.25%
Morgan Stanley Private Equity Asia III, Inc (附註2) Morgan Stanley Private Equity Asia III, Inc (Note 2)	受控法團權益 Interest in a controlled corporation	375,000,000 (好倉) (附註3) 375,000,000 (L) (Note 3)	7.25%
Morgan Stanley Private Equity Asia III, L.L.C. (附註2) Morgan Stanley Private Equity Asia III, L.L.C. (Note 2)	受控法團權益 Interest in a controlled corporation	375,000,000 (好倉) (附註3) 375,000,000 (L) (Note 3)	7.25%
Morgan Stanley Private Equity Asia III, L.P (附註2) Morgan Stanley Private Equity Asia III, L.P. (Note 2)	受控法團權益 Interest in a controlled corporation	375,000,000 (好倉) (附註3) 375,000,000 (L) (Note 3)	7.25%
MSPEA III Holdings Cooperatief U.A. (附註2) MSPEA III Holdings Cooperatief U.A. (Note 2)	受控法團權益 Interest in a controlled corporation	375,000,000 (好倉) (附註3) 375,000,000 (L) (Note 3)	7.25%

董事會報告

Report of Directors

附註：

- (1) Plenty Gold直接持有本公司2,747,297,019股股份。其亦為持有本公司27,083,334股股份(好倉)及7,483,334股股份(淡倉)權益的受託人公司的唯一股東。因此，Plenty Gold被視為於受託人公司持有的27,083,334股股份(好倉)及7,483,334股股份(淡倉)中擁有權益。
- (2) MSPEA Pharma Holdings B.V. (「MSPEA Pharma BV」) 為根據荷蘭法例成立的私人有限公司，由MSPEA III Holdings Cooperatief U.A. (「MSPEA III Coop」) 全資擁有。MSPEA III Coop為根據荷蘭法律成立的聯合體，由Morgan Stanley Private Equity Asia III Holdings (Cayman) Limited (「MSPEA III Cayman」) 全資擁有。MSPEA III Cayman為於開曼群島註冊成立的獲豁免有限公司，由Morgan Stanley Private Equity Asia III, L.P. (「MSPEA III」) (由摩根士丹利私募公司管理的基金) 控制。MSPEA III的普通合夥人為Morgan Stanley Private Equity Asia III, L.L.C. (「MSPEA III GP」)，而MSPEA III GP的管理成員為Morgan Stanley Private Equity Asia III, Inc. (「MSPEA III Inc.」) (於美國證券交易委員會註冊的投資顧問)。MSPEA III Coop、MSPEA III Cayman、MSPEA III、MSPEA III GP及MSPEA III Inc. 各自被視為於MSPEA Pharma BV持有的股份中擁有權益。
- (3) 字母「L」代表股東於該等股份的好倉，而字母「S」則代表股東於該等股份的淡倉。

除上文所披露者外，於二零一二年十二月三十一日，本公司遵照證券及期貨條例第336條須存置之登記冊記錄，概無任何其他人士於本公司股份或相關股份中擁有根據證券及期貨條例第336條記錄之權益或淡倉。

Notes:

- (1) Plenty Gold directly holds 2,747,297,019 shares in the Company. It is also the sole shareholder of Trustee Co which has interest in 27,083,334 (L) shares and short position in 7,483,334 (S) shares in the Company. Accordingly, Plenty Gold is deemed to be have interest in the 27,083,334 (L) shares and short position in the 7,483,334 (S) shares held by Trustee Co.
- (2) MSPEA Pharma Holdings B.V. ("MSPEA Pharma BV") is a private limited liability company established under Dutch law which is wholly-owned by MSPEA III Holdings Cooperatief U.A. ("MSPEA III Coop"). MSPEA III Coop is a cooperative company established under Dutch law and is wholly-owned by Morgan Stanley Private Equity Asia III Holdings (Cayman) Limited ("MSPEA III Cayman"). MSPEA III Cayman is an exempted company incorporated in the Cayman Islands with limited liability and is controlled by Morgan Stanley Private Equity Asia III, L.P. ("MSPEA III"), a fund managed by the private equity arm of Morgan Stanley. The general partner of MSPEA III is Morgan Stanley Private Equity Asia III, L.L.C. ("MSPEA III GP"), the managing member of which is Morgan Stanley Private Equity Asia III, Inc. ("MSPEA III Inc.") an investment advisor registered with the U.S. Securities and Exchange Commission. Each of MSPEA III Coop, MSPEA III Cayman, MSPEA III, MSPEA III GP and MSPEA III Inc. is deemed to be interested in the shares held by MSPEA Pharma BV.
- (3) The letter "L" denotes the shareholder's long position in such shares and the letter "S" denotes the shareholder's short position in such shares.

Save as disclosed above, according to the records in the register required to be kept by the Company under section 336 of the SFO, no other parties had an interest or a short position in the shares or underlying shares of the Company recorded under section 336 of the SFO as at 31 December 2012.

董事會報告

Report of Directors

企業管治

本公司致力維持高水平之企業管治常規。有關本公司所採納之企業管治常規資料刊載於本年報第47至63頁之企業管治報告內。

公眾持股量

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

核數師

於本公司股東周年大會上將提呈決議案，繼續委聘羅兵咸永道會計師事務所為本公司之核數師。

暫停辦理股東登記以確定出席股東周年大會的資格

股東周年大會將於二零一三年五月三十一日舉行。本公司將於二零一三年五月二十七日至二零一三年五月三十一日(包括首尾兩日)暫停辦理股東登記。為確定有權出席股東周年大會及於會上投票股東的身份，所有過戶文件連同相關股票，必須於二零一三年五月二十四日下午四時三十分前交回本公司在香港的股份過戶登記分處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716室。

CORPORATE GOVERNANCE

The Company is dedicated to maintaining a high standard of corporate governance practices. Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 47 to 63 of this Annual Report.

PUBLIC FLOAT

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

AUDITOR

A resolution will be proposed at the AGM to re-appoint PricewaterhouseCoopers as the auditor of the Company.

CLOSURE OF REGISTER OF MEMBERS FOR AGM

The AGM will be held on 31 May 2013. The register of members of the Company will be closed from 27 May 2013 to 31 May 2013 (both dates inclusive). In order to determine the identity of the shareholders who are entitled to attend and vote at the AGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 pm on 24 May 2013.

暫停辦理股東登記以確定收取末期股息的資格

本公司將於二零一三年六月六日至二零一三年六月十三日(包括首尾兩日)暫停辦理股東登記。為符合資格收取末期股息及第二次特別股息，所有過戶文件連同相關股票，必須於二零一三年六月五日下午四時三十分前交往本公司在香港的股份過戶登記分處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716室。末期股息須待股東在股東周年大會批准方可作實，將於二零一三年六月二十一日派發予二零一三年六月十三日名列本公司股東名冊的股東。

CLOSURE OF THE REGISTER OF MEMBERS FOR THE ENTITLEMENT OF FINAL DIVIDEND

The register of members of the Company will be closed from 6 June 2013 to 13 June 2013 (both dates inclusive). In order to qualify for the final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 pm on 5 June 2013. The final dividend is subject to the approval of shareholders at the AGM, will be payable on 21 June 2013 to shareholders on the register of members of the Company on 13 June 2013.

承董事會命
董事會主席
車馮升

二零一三年三月二十三日

By Order of the Board
Che Fengsheng
Chairman of the Board

23 March 2013

獨立核數師報告

Independent Auditor's Report



獨立核數師報告

致四環醫藥控股集團有限公司股東
(於百慕達註冊成立的有限公司)

我們已審計載於第84至204頁四環醫藥控股集團有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的合併財務報表，此合併財務報表包括於二零一二年十二月三十一日的合併及公司資產負債表，及截至該日止年度的合併綜合收益表、合併權益變動表和合併現金流量表，以及主要會計政策概要及其他解釋資料。

董事就合併財務報表的責任

貴公司董事須負責根據國際財務報告準則及香港《公司條例》的披露規定編製合併財務報表，以令合併財務報表作出真實而公平的反映，及落實其認為編製合併財務報表所必要的內部控制，以使合併財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

核數師的責任

我們的責任是根據我們的審計對合併財務報表發表意見。我們已根據國際審計準則進行審計。該等準則要求我們遵守道德規範，並規劃及執行審計，以合理確定合併財務報表是否不存在重大錯誤陳述。

羅兵咸永道

Independent Auditor's Report

To the shareholders of Sihuan Pharmaceutical Holdings Group Ltd.
(Incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Sihuan Pharmaceutical Holdings Group Ltd. (the "Company") and its subsidiaries (together, the "Group") set out on pages 84 to 204, which comprise the consolidated and company balance sheets as at 31 December 2012, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards 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.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

PricewaterhouseCoopers, 22/F Prince's Building, Central, Hong Kong
T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com

獨立核數師報告

Independent Auditor's Report

審計涉及執程序以獲取有關合併財務報表中所載金額及披露資料的審計憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致合併財務報表存在重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編製合併財務報表以作出真實而公平地反映相關的內部控制，以設計適當的審計程序，但目的並非對公司的內部控制的有效發表意見。審計亦包括評價董事所採用的會計政策的適合性及所作出的會計估計的合理性，以及評價合併財務報表的整體列報方式。

我們相信，我們所獲得的審計憑證能充足和適當地為我們的審計意見提供基礎。

意見

我們認為，該等合併財務報表已根據國際財務報告準則真實而公平地反映貴公司及貴集團於二零一二年十二月三十一日的事務狀況，及貴集團截至該日止年度利潤及現金流量，並已按照香港《公司條例》的披露規定妥為編製。

其他事項

本報告(包括意見)乃按照百慕達《一九八一年公司法》第90條僅向整體股東報告，除此以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責或承擔任何責任。

羅兵咸永道會計師事務所
執業會計師

香港，二零一三年三月二十五日

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2012, and of the Group's profit and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

OTHER MATTERS

This report, including the opinion, has been prepared for and only for you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 25 March 2013

合併資產負債表

Consolidated Balance Sheet

		於十二月三十一日	
		As at 31 December	
		二零一二年	二零一一年
		2012	2011
		人民幣千元	人民幣千元
		RMB'000	RMB'000
資產	Assets		
非流動資產	Non-current assets		
物業、廠房及設備	Property, plant and equipment	6 924,052	419,258
投資物業	Investment properties	7 30,894	6,834
無形資產	Intangible assets	8 3,735,030	3,080,147
土地使用權	Land use rights	9 165,637	88,912
貿易及其他應收賬款	Trade and other receivables	17 154,192	—
於聯營公司的投資	Investment in associate	12 40,962	—
持有至到期金融資產	Held-to-maturity financial assets	13 —	17,917
遞延所得稅資產	Deferred income tax assets	24 265,176	69,483
其他非流動資產	Other non-current assets	15 122,521	97,668
		5,438,464	3,780,219
流動資產	Current assets		
存貨	Inventories	16 91,472	57,653
貿易及其他應收賬款	Trade and other receivables	17 769,120	718,795
可供出售金融資產	Available-for-sale financial assets	14 717,921	780,135
持有至到期金融資產	Held-to-maturity financial assets	13 —	18,318
初步為期超過 三個月定期存款	Term deposits with initial term of over three months	19 898,560	—
現金及現金等價物	Cash and cash equivalents	18 1,543,907	3,153,154
		4,020,980	4,728,055
持作出售之待處置組資產	Assets of disposal group classified as held for sale	37 —	345,824
		4,020,980	5,073,879
總資產	Total assets		
		9,459,444	8,854,098
權益及負債	Equity and liabilities		
本公司擁有人 應佔權益	Equity attributable to owners of the Company		
股本	Share capital	20 44,419	44,419
股份溢價	Share premium	20 5,573,951	5,573,951
其他儲備	Other reserves	21 65,256	153,485
保留盈利	Retained earnings		
— 擬派末期與特別股息	— Proposed final and special dividends	33 300,151	501,978
— 其他	— Others		
		7,084,328	6,945,534
非控股權益	Non-controlling interests		
		102,927	48,409
總權益	Total equity		
		7,187,255	6,993,943

合併資產負債表

Consolidated Balance Sheet

		於十二月三十一日	
		As at 31 December	
		二零一二年	二零一一年
		2012	2011
		人民幣千元	人民幣千元
		RMB'000	RMB'000
附註			
Note			
	負債		
	Liabilities		
	非流動負債		
	Non-current liabilities		
	遞延所得稅負債	24	113,133
	Deferred income tax liabilities		
	其他非流動負債	22	—
	Other non-current liabilities		
	借貸	25	5,880
	Borrowings		
		421,819	119,013
	流動負債		
	Current liabilities		
	貿易及其他應付賬款	23	1,540,292
	Trade and other payables		
	借貸	25	—
	Borrowings		
	即期所得稅負債		109,039
	Current income tax liabilities		
		1,850,370	1,649,331
	持作出售之		
	待處置組負債		
	Liabilities of disposal group classified		
	as held for sale		
		37	91,811
		1,850,370	1,741,142
	總負債		
	Total liabilities		
		2,272,189	1,860,155
	權益及負債總額		
	Total equity and liabilities		
		9,459,444	8,854,098
	流動資產淨值		
	Net current assets		
		2,170,610	3,332,737
	總資產減流動負債		
	Total assets less current liabilities		
		7,609,074	7,112,956

第94至204頁的附註為此等合併財務報表的組成部分。

The notes on pages 94 to 204 are an integral part of these consolidated financial statements.

第84至204頁的財務報表已於二零一三年三月二十五日經董事會批准及由以下人士代表簽署。

The financial statements on pages 84 to 204 were approved by the Board of Directors on 25 March 2013 and were signed on its behalf.

車馮升
Che Fongseng
董事
Director

郭維城
Guo Weicheng
董事
Director

資產負債表

Balance Sheet

		於十二月三十一日	
		As at 31 December	
		二零一二年	二零一一年
		2012	2011
		人民幣千元	人民幣千元
		RMB'000	RMB'000
附註			
Note			
資產	ASSETS		
非流動資產	Non-current assets		
物業、廠房及設備	Property, plant and equipment	10	14
於附屬公司的投資	Investments in subsidiaries	11 208,617	208,617
持有至到期金融資產	Held-to-maturity financial assets	13 —	17,917
		208,627	226,548
流動資產	Current assets		
持有至到期金融資產	Held-to-maturity financial assets	13 —	18,318
貿易及其他應收賬款	Trade and other receivables	17 5,634,311	3,042,762
初步為期超過 三個月定期存款	Term deposits with initial term of over three months	19 710,000	—
現金及現金等價物	Cash and cash equivalents	18 19,527	2,856,393
		6,363,838	5,917,473
總資產	Total assets	6,572,465	6,144,021
權益	EQUITY		
股本	Share capital	20 44,419	44,419
股份溢價	Share premium	20 5,573,951	5,573,951
其他儲備	Other reserve	21 7,678	—
保留盈利	Retain earnings		
— 擬派末期與特別股息	— Proposed final and special dividends	33 300,151	501,978
— 其他	— Others	139,789	751
總權益	Total equity	6,065,988	6,121,099

資產負債表

Balance Sheet

於十二月三十一日
As at 31 December

		附註 Note	二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
負債	LIABILITIES			
流動負債	Current liabilities			
貿易及其他應付賬款	Trade and other payables	23	11,631	22,922
借貸	Borrowings	25	494,846	—
總負債	Total liabilities		506,477	22,922
權益及負債總額	Total equity and liabilities		6,572,465	6,144,021
流動資產淨值	Net current assets		5,857,361	5,894,551
總資產減流動負債	Total assets less current liabilities		6,065,988	6,121,099

第94至204頁的附註為此等財務報表的組成部分。

The notes on pages 94 to 204 are an integral part of these financial statements.

第84至204頁的財務報表已於二零一三年三月二十五日經董事會批准及由以下人士代表簽署。

The financial statements on pages 84 to 204 were approved by the Board of Directors on 25 March 2013 and were signed on its behalf.

車馮升
Che Fongseng
董事
Director

郭維城
Guo Weicheng
董事
Director

合併全面收益表

Consolidated Statement of Comprehensive Income

		截至十二月三十一日止年度 Year ended 31 December		
		附註 Note	二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
收益	Revenue	26	3,042,531	2,242,063
銷售成本	Cost of sales	27	(753,116)	(527,599)
毛利	Gross profit		2,289,415	1,714,464
其他收入	Other income	26	5,825	—
其他收益－淨額	Other gains – net	26	271,406	108,542
分銷成本	Distribution costs	27	(1,312,251)	(631,568)
行政開支	Administrative expenses	27	(206,640)	(201,090)
經營溢利	Operating profit		1,047,755	990,348
財務收入	Finance income	30	126,838	56,367
財務成本	Finance costs	30	(2,705)	(1,859)
財務收入－淨額	Finance income – net		124,133	54,508
應佔一家聯營公司虧損	Share of loss of an associate	12	(6,347)	—
除所得稅前溢利	Profit before income tax		1,165,541	1,044,856
所得稅開支	Income tax expense	31	(243,999)	(244,823)
年度溢利	Profit for the year		921,542	800,033
以下人士應佔溢利：	Profit attributable to:			
本公司擁有人	Owners of the Company		904,402	824,048
非控股權益	Non-controlling interests		17,140	(24,015)
			921,542	800,033

合併全面收益表

Consolidated Statement of Comprehensive Income

		截至十二月三十一日止年度 Year ended 31 December	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
	附註 Note		
年內本公司擁有人 應佔每股盈利	Earnings per share attributable to owners of the Company during the year		
每股基本及攤薄盈利(人民幣分)	Basic and diluted earnings per share (RMB cents) 32	17.48	15.90
其他全面收入：	Other comprehensive income:		
出售可供出售金融資產	Disposal of available-for-sale financial assets 14	(1,635)	—
可供出售金融資產 價值變動	Change in value of available-for-sale financial assets 14	1,021	1,635
年度全面收入總額	Total comprehensive income for the year	920,928	801,668
以下人士應佔全面收入總額：	Total comprehensive income attributable to:		
本公司權益擁有人	Owners of the Company	903,788	825,683
非控股權益	Non-controlling interests	17,140	(24,015)
		920,928	801,668
股息	Dividends 33	460,577	227,701

第94至204頁的附註為此等合併財務報表的組成部分。

The notes on pages 94 to 204 are an integral part of these consolidated financial statements.

合併權益變動表

Consolidated Statement of Changes in Equity

		本公司擁有人應佔						非控股權益	總權益		
		Attributable to owners of the Company									
		附註	股本	股份溢價	其他儲備	保留盈利	總計			Non-	總權益
		Note	Share capital	Share premium	Other reserves	Retained earnings	Total			controlling interests	Total equity
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000			
於二零一一年一月一日結餘	Balance as at 1 January 2011		44,526	5,608,947	111,876	891,582	6,656,931	2,598	6,659,529		
全面收入	Comprehensive income										
年度溢利	Profit for the year		—	—	—	824,048	824,048	(24,015)	800,033		
其他全面收入	Other comprehensive income										
可供出售金融資產的價值變動	Change in value of available-for-sale financial assets	14	—	—	1,635	—	1,635	—	1,635		
其他全面收入總額，扣除稅項	Total other comprehensive income, net of tax		—	—	1,635	—	1,635	—	1,635		
全面收入總額	Total comprehensive income		—	—	1,635	824,048	825,683	(24,015)	801,668		
直接於權益確認的本公司擁有人注資與所獲分派總額	Total contribution by and distributions to owners of the Company recognised directly in equity										
非控股權益注資	Contribution from non-controlling interest		—	—	—	—	—	300	300		
購回及註銷股份	Repurchase and cancellation of shares	20	(107)	(34,996)	—	—	(35,103)	—	(35,103)		
股息	Dividends	33	—	—	—	(501,977)	(501,977)	—	(501,977)		
轉撥至中國法定儲備金	Transfer to PRC statutory reserve fund	21	—	—	40,974	(40,974)	—	—	—		
本公司擁有人注資與所獲分派總額	Total contributions by and distributions to owners of the Company		(107)	(34,996)	40,974	(542,951)	(537,080)	300	(536,780)		
業務合併產生的非控股權益	Non-controlling interests arising on business combination		—	—	—	—	—	20,866	20,866		
部分出售一家附屬公司產生的非控股權益	Non-controlling interests arising on partial disposal of a subsidiary		—	—	—	—	—	48,660	48,660		
出售一家附屬公司	Disposal of a subsidiary		—	—	(1,000)	1,000	—	—	—		
與擁有人的交易總額	Total transaction with owners		(107)	(34,996)	39,974	(541,951)	(537,080)	69,826	(467,254)		
於二零一一年十二月三十一日結餘	Balance as at 31 December 2011		44,419	5,573,951	153,485	1,173,679	6,945,534	48,409	6,993,943		

合併權益變動表

Consolidated Statement of Changes in Equity

		附註 Note	本公司擁有人應佔 Attributable to owners of the Company					非控股權益 Non-controlling interests	總權益 Total equity
			股本 Share capital	股份溢價 Share premium	其他儲備 Other reserves	保留盈利 Retained earnings	總計 Total		
			人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000		
全面收入	Comprehensive income								
年度溢利	Profit for the year		—	—	904,402	904,402	17,140	921,542	
其他全面收入	Other comprehensive income								
出售可供出售金融資產	Disposal of available-for-sale financial assets	14	—	—	(1,635)	(1,635)	—	(1,635)	
可供出售金融資產價值變動	Change in value of available-for-sale financial assets	14	—	—	1,021	1,021	—	1,021	
其他全面收入總額，扣除稅項	Total other comprehensive income, net of tax		—	—	(614)	(614)	—	(614)	
全面收入總額	Total comprehensive income		—	—	(614)	904,402	17,140	920,928	
直接於權益確認的本公司擁有人注資與所獲分派總額	Total contribution by and distributions to owners of the Company recognised directly in equity								
僱員購股權計劃：	Employees share option scheme:								
一僱員服務價值	— value of employee service	29	—	—	7,678	7,678	—	7,678	
股息	Dividends	33	—	—	(662,404)	(662,404)	—	(662,404)	
轉撥至中國法定儲備金	Transfer to PRC statutory reserve fund	21	—	—	15,475	(15,475)	—	—	
本公司擁有人注資與所獲分派總額	Total contributions by and distributions to owners of the Company		—	—	23,153	(677,879)	—	(654,726)	
一家新成立附屬公司產生的非控股權益	Non-controlling interests arising on a newly established subsidiary		—	—	—	—	4,310	4,310	
不改變控制權的附屬公司所有權益變更	Changes in ownership interests in a subsidiary without change of control	36	—	—	(110,268)	(110,268)	33,068	(77,200)	
註銷一家附屬公司	Deregistration of a subsidiary		—	—	(500)	500	—	—	
與擁有人的交易總額	Total transaction with owners		—	—	(87,615)	(677,379)	37,378	(727,616)	
於二零一二年十二月三十一日結餘	Balance as at 31 December 2012		44,419	5,573,951	65,256	1,400,702	7,084,328	102,927	7,187,255

第94至204頁的附註為此等財務報表的組成部分。

The notes on pages 94 to 204 are an integral part of these financial statements.

合併現金流量表

Consolidated Statement of Cash Flows

		截至十二月三十一日止年度	
		Year ended 31 December	
		二零一二年	二零一一年
		2012	2011
		人民幣千元	人民幣千元
		RMB'000	RMB'000
附註			
Note			
	經營活動現金流量		
	Cash flows from operating activities		
	營運產生的現金	34	1,283,628
	Cash generated from operations		927,960
	已付所得稅		(237,564)
	Income tax paid		(215,026)
	經營活動產生的現金淨額		1,046,064
	Net cash generated from operating activities		712,934
	投資活動現金流量		
	Cash flows from investing activities		
	收購附屬公司，扣除所收購現金	23	(1,180,000)
	Acquisition of subsidiaries, net of cash acquired		(1,874,247)
	收購一家聯營公司	12	(47,309)
	Acquisition of an associate		—
	收購一家附屬公司的額外權益	36	(77,200)
	Acquisition of addition interest of a subsidiary		—
	部分出售一家附屬公司所得款項		—
	Proceeds from partial disposal of a subsidiary		100,000
	出售物業、廠房及設備所得款項		—
	Proceeds from disposal of property, plant and equipment	34(a)	4,098
	出售無形資產所得款項	34(b)	22,787
	Proceeds from disposal of intangible assets		—
	增加初步為期超過三個月的定期存款	19	(898,560)
	Increase of term deposits with initial term of over three months		—
	購買可供出售金融資產	14	(716,900)
	Purchase of available-for-sale financial assets		(778,500)
	出售持有至到期金融資產所得款項		—
	Proceeds from disposal of held-to-maturity financial assets		36,393
	購買物業、廠房及設備		(529,229)
	Purchase of property, plant and equipment		(114,526)
	購買無形資產		(185,420)
	Purchase of intangible assets		(97,467)
	購買土地使用權	9	(80,655)
	Acquisition of land use rights		(49,245)
	購買土地使用權預付款項	15	(24,853)
	Prepayment for acquisition of land use rights		(97,668)
	出售可供出售金融資產所得款項		—
	Proceeds from disposal of available-for-sale financial assets		788,919
	出售一家附屬公司，扣除所出售現金		—
	Disposal of a subsidiary, net of cash disposed of		(4,887)
	已收利息		123,838
	Interest received		53,828
	投資活動所用現金淨額		(2,764,091)
	Net cash used in investing activities		(2,862,712)

合併現金流量表

Consolidated Statement of Cash Flows

		截至十二月三十一日止年度	
		Year ended 31 December	
		二零一二年	二零一一年
		2012	2011
		人民幣千元	人民幣千元
		RMB'000	RMB'000
	附註 Note		
融資活動現金流量	Cash flows from financing activities		
購回及註銷股份	Repurchase and cancellation of shares	20	—
借還償付款項	Repayment of borrowings		(17,079)
借還所得款項	Proceeds from borrowings	25	767,234
成立一家新附屬公司產生的 非控股權益	Non-controlling interests arising on establishing a new subsidiary		4,310
已付股息	Dividends paid	33	(662,404)
已付利息	Interest paid		(360)
融資活動產生/(所用)的現金淨額	Net cash generated from/(used in) financing activities		108,780
			(548,447)
現金及現金等價物減少淨額	Net decrease in cash and cash equivalents		(1,609,247)
年初現金及現金等價物	Cash and cash equivalents at beginning of year		3,153,154
			5,851,379
年末現金及現金等價物	Cash and cash equivalents at end of year	18	1,543,907
			3,153,154

第94至204頁的附註為此等財務報表的組成部分。

The notes on pages 94 to 204 are an integral part of these financial statements.

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year end 31 December 2012

1. 一般資料

四環醫藥控股集團有限公司(「本公司」)根據百慕達公司法於百慕達註冊成立為獲豁免公司。

本公司為投資控股公司。本公司及其附屬公司(統稱「本集團」)的主要業務包括於中華人民共和國(「中國」)製造及銷售醫藥產品。

本公司的最終控股公司為Plenty Gold Enterprises Limited(「Plenty Gold」)，該公司根據英屬處女群島法律於二零零四年三月十日註冊成立為有限責任公司。

本公司註冊辦事處地址為Clarendon House, 2 Church Street, P.O. Box HM 1022, Hamilton HM DX, Bermuda。本集團主要營業地點地址為中國北京朝陽區八里莊西里住邦2000二號樓27樓(郵編：10025)。

本公司於二零一零年十月二十八日的股份主要在香港聯合交易所有限公司上市。

除另有說明外，此等合併財務報表以人民幣(「人民幣」)千元為呈列單位。此等財務報表已於二零一三年三月二十五日經董事會批准刊發。

1. GENERAL INFORMATION

Sihuan Pharmaceutical Holdings Group Ltd. (the “Company”) is incorporated in Bermuda under the Bermuda Companies Act as an exempted company.

The Company is an investment holding company. The principal activities of the Company and its subsidiaries (together, the “Group”) are research and development, manufacturing and sale of pharmaceutical products in the People’s Republic of China (the “PRC”).

The ultimate holding company of the Company is Plenty Gold Enterprises Limited (“Plenty Gold”), a limited liability company incorporated under the laws of the British Virgin Islands on 10 March 2004.

The address of the Company’s registered office is Clarendon House, 2 Church Street, P.O. Box HM 1022, Hamilton HM DX, Bermuda. The address of the principal place of business of the Group is 27 Floor, Building 2, Zhubang 2000, West Balizhuang, Chaoyang District, Beijing 10025, PRC.

The Company has its primary listing on The Stock Exchange of Hong Kong Limited on 28 October 2010.

These consolidated financial statements are presented in units of Renminbi (“RMB”) thousand Yuan, unless otherwise stated. These financial statements have been approved for issue by the Board of Directors on 25 March 2013.

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year end 31 December 2012

2. 主要會計政策概要

編製財務資料採用的主要會計政策載於下文。除另有說明外，該等政策在呈報的所有年度內貫徹應用。

2.1 編製基準

本公司的合併財務報表乃根據國際財務報告準則（「國際財務報告準則」）編製。合併財務報表乃按照歷史成本常規編製，經重估可供出售金融資產（按公平值計算）而修訂。

編製符合國際財務報告準則的財務報表須使用若干重要的會計估計，亦須管理層在應用本集團的會計政策過程中行使其判斷。涉及較高程度判斷或複雜性的範疇或涉及合併財務報表重大估計及判斷的範疇於附註4披露。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”). The consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of available-for-sale financial assets, which are carried at fair value.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where estimates and judgements are significant to the consolidated financial statements are disclosed in Note 4.

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year end 31 December 2012

2. 主要會計政策概要(續)

2.1 編製基準(續)

- (i) 本集團採納的新訂及經修訂準則。

以下新訂及經修訂準則及詮釋強制於二零一二年一月一日開始的財政年度首次採納，但與本集團的合併財務報表無關或對本集團的合併財務報表並無影響。

- 國際會計準則第12號(修訂本)「所得稅」
- 國際財務報告準則第7號(修訂本)「披露—金融資產的轉讓」
- 國際財務報告準則第1號(修訂本)「嚴重惡性通貨膨脹及為首次採納者刪除固定日期」

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

- (i) New and amended standards adopted by the Group.

The following new and amended standards and interpretations are mandatory for the first time for the financial year beginning 1 January 2012, are either not currently relevant or have no impact on the Group's consolidated financial statements.

- IAS 12 (Amendment) 'Income taxes'
- IFRS 7 (Amendment) 'Disclosures – Transfer of financial assets'
- IFRS 1 (Amendment) 'Severe hyperinflation and removal of fixed dates for first-time adopters'

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year end 31 December 2012

2. 主要會計政策概要(續)

2.1 編製基準(續)

- (ii) 本集團尚未採納的新訂及經修訂準則。

以下新訂及經修訂準則已獲頒佈但尚未於二零一二年一月一日開始的財政年度生效且本集團並無提早採納。

- 國際會計準則第1號(修訂本)「財務報表呈列」(與其他全面收入有關)於二零一二年七月一日或之後開始的年度期間生效
- 國際財務報告準則第1號(修訂本)「首次採納」(與政府貸款有關)於二零一三年一月一日或之後開始的年度期間生效
- 國際財務報告準則第10號、國際財務報告準則第11號及國際財務報告準則第12號的修訂(與過渡性指引有關)於二零一三年一月一日或之後開始的年度期間生效

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

- (ii) New and amended standards not yet adopted by the Group.

The following new and amended standards have been issued but are not effective for the financial year beginning 1 January 2012 and have not been early adopted by the Group.

- IAS1 (Amendment) 'Financial statement presentation' regarding other comprehensive income is effective for annual periods beginning on or after 1 July 2012
- IFRS1 (Amendment) 'First time adoption', on government loans is effective for annual periods beginning on or after 1 January 2013
- Amendment to IFRS10, 11, 12 on transition guidance is effective for annual periods beginning on or after 1 January 2013

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year end 31 December 2012

2. 主要會計政策概要(續)

2.1 編製基準(續)

(ii) (續)

- 二零一一年年度改進於二零一三年一月一日或之後開始的年度期間追溯應用，包括國際財務報告準則第1號「首次採納」、國際會計準則第1號「財務報表呈列」、國際會計準則第16號「物業、廠房及設備」、國際會計準則第32號「金融工具呈列」及國際會計準則第34號「中期財務報告」
- 國際財務報告準則第10號(修訂本)「合併財務報表」於二零一三年一月一日或之後開始的年度期間生效
- 國際會計準則第27號(經修訂)「獨立財務報表」於二零一三年一月一日或之後開始的年度期間生效
- 國際財務報告準則第11號(修訂本)「合營安排」於二零一三年一月一日或之後開始的年度期間生效

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(ii) (Continued)

- Annual improvements 2011 apply retrospectively for annual periods beginning on or after 1 January 2013, including IFRS 1 'First time adoption', IAS 1 'Financial statement presentation', IAS 16 'Property, plant and equipment', IAS 32 'Financial instruments presentation' and IAS 34 'Interim financial reporting'
- IFRS 10 (Amendment) 'Consolidated financial statements' is effective for annual periods beginning on or after 1 January 2013
- IAS 27 (Revised) 'Separate financial statements' is effective for annual periods beginning on or after 1 January 2013
- IFRS 11 (Amendment) 'Joint arrangements' is effective for annual periods beginning on or after 1 January 2013

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year end 31 December 2012

2. 主要會計政策概要(續)

2.1 編製基準(續)

(ii) (續)

- 國際財務報告準則第28號(經修訂)「聯營公司及合營企業」於二零一三年一月一日或之後開始的年度期間生效
- 國際財務報告準則第12號(修訂本)「其他實體權益披露」於二零一三年一月一日或之後開始的年度期間生效
- 國際財務報告準則第13號(修訂本)「公平值計量」於二零一三年一月一日或之後開始的年度期間生效
- 國際財務報告準則第19號(修訂本)「僱員福利」於二零一三年一月一日或之後開始的年度期間生效
- 國際財務報告詮釋委員會詮釋第20號(修訂本)「地表採礦生產階段的剝採成本」於二零一三年一月一日或之後開始的年度期間生效
- 國際會計準則第32號(修訂本)「金融工具：呈列」(與資產與負債抵銷有關)於二零一四年一月一日或之後開始的年度期間生效

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(ii) (Continued)

- IFRS 28 (Revised) 'Associates and joint ventures' is effective for annual periods beginning on or after 1 January 2013
- IFRS 12 (Amendment) 'Disclosure of interests in other entities' is effective for annual periods beginning on or after 1 January 2013
- IFRS 13 (Amendment) 'Fair value measurements' is effective for annual periods beginning on or after 1 January 2013
- IFRS 19 (Amendment) 'Employee benefits' is effective for annual periods beginning on or after 1 January 2013
- IFRIC 20 (Amendment) 'Stripping costs in the production phase of a surface mine' is effective for annual periods beginning on or after 1 January 2013
- IAS 32 (Amendment) 'Financial instruments: Presentation' on asset and liability offsetting is effective for annual periods beginning on or after 1 January 2014

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year end 31 December 2012

2. 主要會計政策概要(續)

2.1 編製基準(續)

(ii) (續)

- 國際財務報告準則第9號「金融工具」於二零一五年一月一日或之後開始的年度期間生效
- 國際財務報告準則第7號及國際財務報告準則第9號(修訂本)「強制生效日期及交易披露」於二零一五年一月一日或之後開始的年度期間生效

管理層預測經修訂準則的採納將不會對本集團的合併財務報表造成重大影響。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(ii) (Continued)

- IFRS 9 'Financial Instruments' is effective for annual periods beginning on or after 1 January 2015
- IFRS 7 and IFRS 9 (Amendment) 'Mandatory effective date and transition disclosures' is effective for annual periods beginning on or after 1 January 2015

Management does not anticipate that the application of the revised standards will result in a material impact on the Group's consolidated financial statements.

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year end 31 December 2012

2. 主要會計政策概要(續)

2.2 附屬公司

2.2.1 合併

附屬公司指本集團有權管控其財務及經營政策的所有實體(包括特殊目的實體)，一般附帶超過半數投票權的股權。在評定本集團是否控制另一實體時，目前可行使或可轉換的潛在投票權的存在及影響均予考慮。本集團亦評估擁有不超過50%的投票權但由於實際控制可監管財務及經營政策之控制權的存在。

附屬公司在控制權轉移至本集團之日全面合併入賬。附屬公司在控制權終止之日起終止合併入賬。

公司間交易、結餘及集團公司間交易之收支予以對銷。於資產確認之公司間交易之溢利及虧損亦予以對銷。附屬公司會計政策已按需要作出改變，以確保與本集團採用的政策一致。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Subsidiaries

2.2.1 Consolidation

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The Group also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de facto control.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances, income and expenses on transactions between Group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year end 31 December 2012

2. 主要會計政策概要(續)

2.2 附屬公司(續)

2.2.1 合併(續)

(a) 業務合併

本集團應用購買法入賬業務合併。就收購附屬公司而轉讓的代價為本集團轉讓資產、欠付被收購方前擁有人之負債及發行的股權的公平值。所轉讓的代價包括或然代價安排產生的任何資產或負債的公平值。在業務合併中所收購可識別的資產以及所承擔的負債及或然負債，初步以其於收購日期的公平值計量。本集團基於個別收購基準按公平值或按非控股權益應佔被收購方可識別資產淨值的確認金額比例，計量被收購方的非控股權益。

購買相關成本於產生時支銷。

倘業務合併分階段進行，收購方先前持有的被收購方股權按收購日期之公平值透過損益重新計量。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Subsidiaries (Continued)

2.2.1 Consolidation (Continued)

(a) Business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度
For the year end 31 December 2012

2. 主要會計政策概要(續)

2.2 附屬公司(續)

2.2.1 合併(續)

(a) 業務合併(續)

本集團轉讓的或然代價於收購日期按公平值確認。視為資產或負債之或然代價公平值之日後變動根據國際會計準則第39號於損益確認或確認為其他全面收入變動。分類為權益之或然代價不會重新計量，且日後結算於權益入賬。

商譽初步計量為所轉讓代價與非控股權益公平值的總和超過所收購可識別資產淨值及所承擔負債的差額。倘有關代價低於附屬公司資產淨值的公平值，則該差額於損益確認。

(b) 不改變控制權之附屬公司所有權權益變更

不會導致喪失控制權之與非控股權益交易入賬為權益交易(即與擁有人(以擁有人身分)進行的交易。所支付的任何代價公平值與相關應佔所收購附屬公司淨資產賬面值的差額於權益列賬。向非控股權益出售所得的損益亦於權益列賬。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Subsidiaries (Continued)

2.2.1 Consolidation (Continued)

(a) Business combinations (Continued)

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year end 31 December 2012

2. 主要會計政策概要(續)

2.2 附屬公司(續)

2.2.1 合併(續)

(c) 出售附屬公司

倘本集團喪失控制權，於實體的保留權益按喪失控制權之日之公平值重新計量，而賬面值變更於損益確認。公平值為初始賬面值，以便日後入賬為聯營公司、合營企業或金融資產之保留權益。此外，有關該實體先前於其他全面收入確認的金額按猶如本集團直接出售有關資產或負債而入賬，即先前於其他全面收入確認之金額重分類至損益。

2.2.2 獨立財務報表

於附屬公司的投資按成本減減值入賬。成本亦包括直接應佔投資成本。附屬公司業績由本公司基於股息及應收賬款入賬。

倘宣派股息期間股息超過附屬公司全面收入總額，或被投資方淨資產(包括商譽)之獨立財務報表之投資賬面值超過合併財務報表之賬面值，則須於自於附屬公司的投資收取股息時對有關投資進行減值測試。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Subsidiaries (Continued)

2.2.1 Consolidation (Continued)

(c) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2.2.2 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost also includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year end 31 December 2012

2. 主要會計政策概要(續)

2.3 聯營公司

聯營公司是指本集團通常擁有其20%至50%投票權的持股量而對其有重大影響但沒有控制權的全部實體。於聯營公司的投資以權益會計法入賬。根據權益法，投資初步按成本確認並增加或減少賬面值以確認投資者於收購日期之後應佔被投資者的損益。本集團於聯營公司的投資包括收購時所識別的商譽。

倘於聯營公司的所有權權益出現減少但仍維持重大影響，則僅將之前已於其他全面收入確認的適當部分金額於適當時重新分類至損益。

本集團應佔收購後損益於收益表確認，而其應佔收購後其他全面收入變動於其他全面收入確認，並相應調整投資賬面值。倘本集團應佔聯營公司的虧損等於或超出其於該聯營公司的權益(包括任何其他無抵押應收賬款)，本集團不會進一步確認任何虧損，惟本集團已引致法律或推定責任或已代表該聯營公司支付款項則另作別論。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year end 31 December 2012

2. 主要會計政策概要(續)

2.3 聯營公司(續)

本集團於各報告日期釐定是否有客觀證據表明於聯營公司的投資已出現減值。倘出現減值，本集團會根據聯營公司的可收回金額與其賬面值的差額計算減值金額並於收益表「應佔一家聯營公司溢利／(虧損)」中確認。

本集團與其聯營公司之間的上游及下游交易產生的溢利及虧損，只會限於非相關投資者佔聯營公司權益範圍內於本集團的財務報表中確認。除非該項交易有證據顯示所轉讓資產已減值，否則未實現虧損予以對銷。聯營公司的會計政策已在有需要時作出改動，以確保與本集團所採用者一致。

於聯營公司的投資所產生的攤薄盈虧於收益表確認。

2.4 分部報告

經營分部按照與向主要經營決策者提供的內部報告貫徹一致的方式報告。主要經營決策者負責分配資源及評估經營分部的表現，已被認定為作出戰略決策的董事會。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Associates (Continued)

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/(loss) of an associate' in the income statement.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dilution gains and losses arising in investments in associates are recognised in the income statement.

2.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors that makes strategic decisions.

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year end 31 December 2012

2. 主要會計政策概要(續)

2.5 外幣交易

(a) 功能及呈列貨幣

本集團各實體的財務資料所包括項目乃以該實體營運所在主要經濟環境的貨幣(「功能貨幣」)計算。財務資料乃以本公司的功能貨幣及本集團的呈列貨幣人民幣(「人民幣」)呈列。

(b) 交易及結餘

外幣交易乃按交易日或重新計量項目的估值日期的適用匯率換算為功能貨幣。該等交易結算以及以外幣計值的貨幣資產及負債按期末匯率換算產生的匯兌損益，於收益表確認。

有關借貸以及現金及現金等價物的匯兌損益乃於合併綜合收益表內的「財務(成本)/收入－淨額」中呈列。所有其他匯兌損益乃於全面收益表內的「其他收益－淨額」中呈列。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Renminbi ("RMB"), which is the Company's functional and the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated statement of comprehensive income within 'finance (costs)/income – net'. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains – net'.

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year end 31 December 2012

2. 主要會計政策概要(續)

2.5 外幣交易(續)

(b) 交易及結餘(續)

以外幣計值分類為可供出售之貨幣證券之公平值變動分析為證券攤銷成本變動及證券賬面值之其他變動產生之換算差額。有關攤銷成本變動之換算差額於損益確認，而賬面值之其他變動於其他全面收入確認。

非貨幣金融資產及負債(如按公平值計入損益之權益)之換算差額於損益確認為公平值損益。非貨幣金融資產(如分類為可供出售權益)之換算差額計入其他全面收入。

(c) 集團公司

所有功能貨幣與呈列貨幣不同之集團實體(均無惡性通脹經濟之貨幣)之業績及財務狀況換算為以下呈列貨幣：

- (i) 各資產負債表所呈列資產及負債按有關結算日之收市價換算；
- (ii) 各收益表之收入及開支按平均匯率換算，除非有關平均並非交易日期一般比率之累計影響之合理近似值，而在此情況下，收入及開支按交易日期之比率換算；及

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Foreign currency translation (Continued)

(b) Transactions and balances (Continued)

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in other comprehensive income.

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度
For the year end 31 December 2012

2. 主要會計政策概要(續)

2.5 外幣交易(續)

(c) 集團公司(續)

- (iii) 得出的所有匯兌差額於其他全面收入確認。

收購境外實體產生之商譽及公平值調整視為境外實體之資產及負債，按收市價換算，所產生的匯兌差額於其他全面收入確認。

2.6 物業、廠房及設備

物業、廠房及設備按歷史成本減折舊列賬。歷史成本包括收購該等項目直接產生的開支。成本亦可包括自權益中轉撥外幣購買物業、廠房及設備的合資格現金流量對沖之收益／虧損。

其後成本僅於有關該項目的未來經濟利益很可能流入本集團，而該項目的成本能可靠計量時，方計入資產賬面值或確認為一項獨立資產(倘適用)。被取替部分的賬面值已被解除確認。所有其他維修及保養在產生的財政期間內於全面收益表支銷。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Foreign currency translation (Continued)

(c) Group companies (Continued)

- (iii) all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

2.6 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. 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 charged to statement of comprehensive income during the financial period in which they are incurred.

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year end 31 December 2012

2. 主要會計政策概要(續)

2.6 物業、廠房及設備(續)

物業、廠房及設備折舊乃採用直線法按以下估計可使用年期將其成本分配至其剩餘價值計算：

	估計可使用年期
樓宇	10至35年
生產及電子設備	3至10年
辦公室設備	3至10年
汽車	4至10年

在建工程指建造中的物業及廠房，並按成本列賬。成本包括建造成本及其他直接成本。在建工程並不計提折舊，直至有關工程完成及用作商業生產為止。

資產的剩餘價值及可使用年期於各報告期末進行檢討，並在適當時作出調整。

倘資產的賬面值高於其估計可收回金額，其賬面值即時撇減至可收回金額(附註2.10)。

出售損益透過比較所得款項與賬面值釐定，並計入全面收益表內的「其他收益－淨額」。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.6 Property, plant and equipment (Continued)

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

	Estimated useful lives
Buildings	10 - 35 years
Production and electronic equipment	3 - 10 years
Office equipment	3 - 10 years
Motor vehicles	4 - 10 years

Construction in progress represents properties and plant under construction and is stated at cost. This includes cost of construction and other direct costs. Construction in progress is not depreciated until the relevant assets are completed and put into operational use.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.10).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other gains - net' in the statement of comprehensive income.

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度
For the year end 31 December 2012

2. 主要會計政策概要(續)

2.7 投資物業

投資物業(包括辦公樓宇)乃持作長期租金收入及/或資本增值,且並非本集團所佔用的物業。

投資物業初步按成本確認,其後按成本減累計折舊及累計減值虧損入賬。折舊乃按直線法於20年的估計可使用年內分攤折舊金額計算。於各結算日檢討及適當調整投資物業之剩餘價值及可使用年期。修訂之影響於變動時計入收益表。

2.8 無形資產

(a) 商譽

商譽於收購附屬公司、聯營公司及合營企業時產生,指所轉讓代價超過本集團所持被收購方可識別資產、負債及或然負債淨值之公平淨值及被收購方非控股權益之公平值權益的差額。

對於減值測試,業務合併收購的商譽會分配至預期可從業務合併中獲益的各現金產生單位(「現金產生單位」)或現金產生單位組。商譽所屬各單位或單位組代表實體就內部管理而監管商譽之最低水準。於經營分部監管商譽。

商譽每年進行減值測試,或於有事件或情況變動顯示可能出現減值時作更頻繁之減值測試。商譽之賬面值乃與可收回金額(使用價值與公平值減銷售成本之較高者)比較。減值即時確認為開支,其後不得撥回。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.7 Investment properties

Investment properties, comprising office buildings, are held for long-term rental yields and/or for capital appreciation, and that is not occupied by the Group.

Investment properties are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated using a straight-line method to allocate the depreciable amounts over the estimated useful lives of 20 years. The residual values and useful lives of investment properties are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are included in the income statement when the changes arise.

2.8 Intangible assets

(a) Goodwill

Goodwill arises on the acquisition of subsidiaries, associates and joint ventures and represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year end 31 December 2012

2. 主要會計政策概要(續)

2.8 無形資產(續)

(b) 研究及開發

- (i) 為獲取新科技或技術知識及認識而進行研究活動的開支會於產生期間內確認。倘產品或工序在技術及商業上為可行，而本集團擁有充足資源並有意完成有關開發，及倘成本能可靠計量，則開發活動(與設計及測試新產品或改良產品有關)的開支將於「進行中產品開發」分類項下撥充資本。於某一產品開始投入商業生產後，開發活動的開支會轉入「遞延開發成本」，並按直線法於其預期可獲利期間攤銷。研究及開發成本包括研究及開發活動直接產生的費用或可按合理基準分配至該等活動的成本。
- (ii) 本集團所獲遞延開發成本乃按成本減累計攤銷及減值虧損於資產負債表內列賬。價值使用模式乃供本集團管理層用作減值評估。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Intangible assets (Continued)

(b) Research and development

- (i) Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised as an expense in the period in which it is incurred. Expenditure on development activities (relating to the design and testing of new or improved products) is capitalised under the category of “product development in progress” if the product or process is technically and commercially feasible, the Group has sufficient resources and the intention to complete the development, and the cost can be reliably measured. Upon the commencement of the commercial production of a product, the expenditure on development activities is transferred to “deferred development costs” and amortised on a straight-line basis over the period of its expected benefit. Research and development costs comprise costs that are directly attributable to research and development activities or that can be allocated on a reasonable basis to such activities.
- (ii) Deferred development costs that are acquired by the Group are stated in the balance sheet at cost less accumulated amortisation and impairment losses. The value in use model is used for the impairment assessment by the management of the Group.

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year end 31 December 2012

2. 主要會計政策概要(續)

2.8 無形資產(續)

(b) 研究及開發(續)

(iii) 購買或完成開發活動後產生的其後開支乃於產生時確認為支出，除非此項開支可能將致使資產產生超出其原先評估表現水平的未來經濟利益，且此項開支能可靠地計算及計入資產，則作別論。倘符合該等條件，其後開支會計入無形資產的成本。

(iv) 遞延開發成本乃按5至15年的估計可使用年期以直線法於全面收益表內支銷。

(c) 商標

分開收購的商標按歷史成本列賬。於業務合併收購的商標於收購日期按公平值確認。商標具有有限可使用年期，按成本減累計攤銷入賬。攤銷乃按直線法於5至10年的估計可使用年期內分攤商標成本計算。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Intangible assets (Continued)

(b) Research and development (Continued)

(iii) Subsequent expenditure on development activities after its purchase or its completion is recognised as an expense when it is incurred unless it is probable that this expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standard of performance and this expenditure can be measured and attributed to the asset reliably. If these conditions are met, the subsequent expenditure is added to the cost of the intangible asset.

(iv) Amortisation of deferred development costs is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of 5 to 15 years.

(c) Trademarks

Separately acquired trademarks are shown at historical cost. Trademarks acquired in a business combination are recognised at fair value at the acquisition date. Trademarks have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademarks over their estimated useful lives of 5 to 10 years.

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year end 31 December 2012

2. 主要會計政策概要(續)

2.8 無形資產(續)

(d) 電腦系統

所收購電腦軟件許可證基於收購及使用特定軟件產生的成本撥充資本。有關成本於3至5年的估計可使用年內攤銷。

(e) 合約客戶關係

合約客戶關係具有確定使用年期，乃按成本減累計攤銷列賬。攤銷採用直線法於合約客戶關係的5年預計年期攤銷。

無形資產(商譽除外)的攤銷期間及攤銷方法至少於各結算日作出檢討。任何修訂的影響乃於產生變動時於全面收益表內確認。

2.9 土地使用權

土地使用權指為獲得長期使用土地的權利而預先支付的款項，按成本列賬，並按直線法按餘下租期於全面收益表內支銷(扣除任何減值虧損)。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Intangible assets (Continued)

(d) Computer systems

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 3 to 5 years.

(e) Contractual customer relationships

The contractual customer relationships have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected life of 5 years.

The amortisation period and amortisation method of intangible assets other than goodwill are reviewed at least at each balance sheet date. The effects of any revision are recognised in the statement of comprehensive income when the changes arise.

2.9 Land use rights

Land use rights are up-front payments to acquire long-term interests in the usage of land. It is stated at cost and charged to the statement of comprehensive income over the remaining period of the lease on a straight-line basis, net of any impairment losses.

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year end 31 December 2012

2. 主要會計政策概要(續)

2.10 非金融資產減值

並無確定使用年期的資產(如商譽)乃毋須攤銷,但會每年就減值進行測試。有關資產於有事件出現或情況改變顯示賬面值可能無法收回時進行減值檢討。減值虧損按資產的賬面值超出其可收回金額的差額確認。可收回金額以資產的公平值扣除銷售成本及使用價值兩者之間較高者為準。於評估減值時,資產按可分開識別現金流量(現金產生單位)的最低層次組合。已減值的非金融資產(商譽除外)在各報告日期均就減值是否可以撥回進行檢討。

2.11 持作出售之待處置組

倘待處置組賬面值可透過銷售交易收回大部分,且有關交易視為極可能時,則待處置組分類為持作出售資產,按賬面值及公平值減銷售成本之較低者列賬。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.10 Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and the value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.11 Disposal group held-for-sale

Disposal groups are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year end 31 December 2012

2. 主要會計政策概要(續)

2.12 金融資產

2.12.1 分類

本集團將其金融資產分為以下類別：按公平值計入損益、貸款及應收賬款、持有至到期金融資產及可供出售金融資產。有關分類乃按購入金融資產時的目的而歸類。管理層於初步確認時釐定金融資產的類別。

(a) 按公平值計入損益之金融資產

按公平值計入損益之金融資產為持作買賣金融資產。倘金融資產主要就短期銷售而收購，則分類至該類別。衍生工具亦分類為持作買賣，除非指定做對沖工具。倘預期於12個月內結算，則該類資產分類為流動資產，否則分類為非流動資產。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Financial assets

2.12.1 Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity financial assets and available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度
For the year end 31 December 2012

2. 主要會計政策概要(續)

2.12 金融資產(續)

2.12.1 分類(續)

(b) 貸款及應收賬款

貸款及應收賬款指有固定或可釐定付款金額及並無在活躍市場報價的非衍生金融資產。該等項目均列入流動資產，惟到期日由報告期末起計超過12個月者除外。有關項目會分類為非流動資產。本集團的貸款及應收賬款包括資產負債表內的「貿易及其他應收賬款」及「現金及現金等價物」(附註2.15及2.16)。

(c) 持有至到期金融資產

持有至到期金融資產指本集團管理層有明確意向及能力持有至到期日的有固定或可釐定付款金額及有固定年期的非衍生金融資產。倘若本集團出售持有至到期金融資產(惟不屬重大數額除外)，則整個類別將被影響並須重新分類為可供出售用途。持有至到期金融資產列入非流動資產，惟到期日由報告期末起計不滿12個月者除外，該等項目會分類為流動資產。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Financial assets (Continued)

2.12.1 Classification (Continued)

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the balance sheet (Notes 2.15 and 2.16).

(c) Held-to-maturity financial assets

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. If the Group were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available for sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the end of the reporting period, which are classified as current assets.

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year end 31 December 2012

2. 主要會計政策概要(續)

2.12 金融資產(續)

2.12.1 分類(續)

(d) 可供出售金融資產

可供出售金融資產為並非指定為此類別或分類為其他類別之非衍生工具。該等資產計入非流動資產，除非投資到期或管理層擬於報告期末起計12個月內出售有關資產。

2.12.2 確認及計量

一般金融資產買賣於交易日期(本集團承諾購買或銷售資產之日期)確認。投資初步按公平值加並非按公平值計入損益之所有金融資產之交易成本確認。按公平值計入損益之金融資產初步按公平值確認，交易成本於收益表支銷。當自投資收取現金流量的權利已經到期或轉讓，而本集團已將擁有權的絕大部分風險及回報轉讓時，則終止確認金融資產。可供出售金融資產其後按公平值列賬。持有至到期金融資產、貸款及應收賬款其後使用實際利息法按攤銷成本列賬。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Financial assets (Continued)

2.12.1 Classification (Continued)

(d) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

2.12.2 Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets are subsequently carried at fair value. Held-to-maturity financial assets, loans and receivables are subsequently carried at amortised cost using the effective interest method.

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度
For the year end 31 December 2012

2. 主要會計政策概要(續)

2.13 金融資產減值

倘分類為可供出售證券已售出或減值，則於權益確認之累計公平值調整於收益表列賬為「來自投資證券的收益及虧損」。

可供出售證券之利息按實際利息法於收益表確認為其他收入。可供出售股本工具之股息於本集團有權收取有關付款時於收益表確認為其他收入。

(a) 按攤銷成本列賬之資產

本集團於各報告期末評估是否存在客觀證據證明某項金融資產或某一組金融資產出現減值情況。僅在有客觀證據證明於資產初步確認後發生一宗或多宗事件導致減值出現的情況下(「虧損事件」)，且該宗或該等虧損事件會對該項金融資產或該組金融資產能夠可靠估計的未來現金流量構成影響時，則有關金融資產才算出現減值及產生減值虧損。

減值證據可包括債務人或一組債務人出現重大財政困難，拖欠償還債務或逾期交付利息或本金，債務人可能破產或進行其他財務重組，及有明確的資料顯示估計未來現金流量出現重大跌幅(如拖欠或拖欠相關經濟狀況改變)。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.13 Impairment of financial assets

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as 'gains and losses from investment securities'.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the income statement as part of other income. Dividends on available-for-sale equity instruments are recognised in the income statement as part of other income when the Group's right to receive payments is established.

(a) Assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year end 31 December 2012

2. 主要會計政策概要(續)

2.13 金融資產減值(續)

(a) 按攤銷成本列賬之資產(續)

對於貸款及應收賬款，虧損的金額乃以資產賬面值與按金融資產的原實際利率貼現估計未來現金流量(不包括尚未產生的日後信貸虧損)所得的現值兩者間的差額計量。資產的賬面值減少，而虧損的金額則於合併收益表內確認。倘貸款或持有至到期投資按浮動利率計息，則計量任何減值虧損的貼現率為根據合約釐定的即期實際利率。在實際應用中，本集團可按某工具可觀察得到的市場價格為公平值的基礎計量減值。

倘在後續期間，減值虧損的金額減少，而有關減少可客觀聯繫至於減值獲確認後發生的事件(如債務人的信貸評級有所改善)，則先前確認的減值虧損撥回在合併收益表內確認。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.13 Impairment of financial assets (Continued)

(a) Assets carried at amortised cost (Continued)

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度
For the year end 31 December 2012

2. 主要會計政策概要(續)

2.13 金融資產減值(續)

(b) 分類為可供出售資產

本集團於各報告期末評估有否客觀證據顯示一項金融資產或一組金融資產已減值。本集團對債務證券採用上文(a)段所述標準。倘股本投資分類為可供出售，則證券之公平值重大或長期下跌至低於其成本亦為資產減值之證據。倘可供出售金融資產出現任何該等證據，則累計虧損(計量為收購成本與當前公平值減有關金融資產先前於損益確認之減值虧損之差額)自權益移除，並於損益確認。於合併收益表確認之股本工具減值虧損不得透過合併收益表撥回。倘於後續期間，分類為可供出售債務工具之公平值增加，且有關增加可客觀聯繫至減值虧損於損益確認後發生的事件，則減值虧損透過合併收益表撥回。

2.14 存貨

存貨按成本值及可變現淨值兩者中的較低者入賬。成本按加權平均法釐定。製成品及在製品成本包括研發成本、原材料、直接人工費用、其他直接成本及相關的間接生產費用(按正常運營能力計)。其不包括借貸成本。可變現淨值為日常業務過程中的估計售價減適用可變銷售開支。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.13 Impairment of financial assets (Continued)

(b) Assets classified as available for sale

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. For debt securities, the Group uses the criteria referred to in (a) above. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. Impairment losses recognised in the consolidated income statement on equity instruments are not reversed through the consolidated income statement. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the consolidated income statement.

2.14 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises research and development costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year end 31 December 2012

2. 主要會計政策概要(續)

2.15 貿易及其他應收賬款

貿易應收賬款為在日常業務過程中就商品銷售而應收客戶的賬款。倘預期將於一年或以內(或仍在正常經營週期中,則可延長)收回貿易及其他應收賬款,則該等賬款將會分類為流動資產;否則,該等賬款呈列為非流動資產。

貿易及其他應收賬款初步以公平值確認,其後利用實際利息法按攤銷成本扣除減值撥備計量。

2.16 現金及現金等價物

現金及現金等價物包括手頭現金、銀行通知存款、其他原定到期日為三個月或以內的短期高流動投資。

2.17 股本

普通股分類列為權益。與發行新股或購股權直接有關的增量成本,列入權益作為所得款項(扣除稅項)扣減。

2.18 貿易應付賬款

貿易應付賬款為在日常業務過程中向供應商購買商品或服務而付款的義務。如應付賬款的支付日期在一年或以內(如仍在正常經營週期中,則可延長),則該等賬款將會分類為流動負債;否則,該等賬款呈列為非流動負債。

貿易應付賬款初步以公平值確認,其後利用實際利息法按攤銷成本計量。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.15 Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.16 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

2.17 Share capital

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

2.18 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year end 31 December 2012

2. 主要會計政策概要(續)

2.19 借貸及借貸成本

借貸初步按公平值(扣除所產生交易成本)確認,其後按攤銷成本列賬,與所得款項(扣除交易成本)之間的差額於借貸期按實際利息法在收益表確認。

借貸分類為流動負債,除非本集團可於報告期末後至少12個月無條件延遲結算有關負債。

借貸成本於其產生期間於損益確認。

2.20 即期及遞延所得稅

期內稅項支出包括即期及遞延稅項。稅項於全面收益表或直接於權益中確認。

(a) 即期所得稅

即期所得稅開支按本公司的附屬公司及聯營公司經營及產生應課稅收入所在國家於結算日已頒佈或實質頒佈的稅法計算。管理層就適用稅務規例有待詮釋的情況定期評估報稅表的狀況,並在適用情況下根據預期須向稅務機關支付的稅款作出撥備。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.19 Borrowings and borrowing cost

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.20 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income or directly in equity.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company's subsidiaries and associate operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year end 31 December 2012

2. 主要會計政策概要(續)

2.20 即期及遞延所得稅(續)

(b) 遞延所得稅

內部基準差異

遞延所得稅採用負債法就資產及負債的稅基與其在合併財務報表的眼面值產生的暫時性差異確認。然而，倘遞延所得稅來自交易(不包括業務合併)資產或負債的初步確認，而在交易發生時不影響會計損益或應課稅損益，則不予入賬。遞延所得稅採用在結算日前已頒佈或實質頒佈，並在有關的遞延所得稅資產實現或遞延所得稅負債結算時預期將會適用的稅率(及法例)而釐定。

遞延所得稅資產乃僅就有可能將未來應課稅溢利與可使用的暫時差異抵銷而確認。

外部基準差異

遞延所得稅就於附屬公司及聯營公司的投資所產生的暫時差額作出撥備，惟就遞延所得稅負債而言，倘若本集團可以控制暫時差額的撥回時間，而暫時差額在可預見將來不大可能撥回者，則除外。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.20 Current and deferred income tax (Continued)

(b) Deferred income tax

Inside basis differences

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit and loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Outside basis differences

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associate, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not be reversed in the foreseeable future.

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year end 31 December 2012

2. 主要會計政策概要(續)

2.20 即期及遞延所得稅(續)

(c) 抵銷

倘有合法執行權利以即期稅項資產抵銷即期稅項負債，以及當遞延所得稅資產和負債涉及由同一稅務機關就應課稅實體或有意以淨額基準結算結餘的不同應課稅實體徵收所得稅，則遞延所得稅資產與負債互相抵銷。

2.21 僱員福利

(a) 退休金責任

本集團已根據有關規定參與由當地社會保險局管理的退休保險及醫療保險計劃。本集團每月須就上述保險計劃按僱員每月工資向當地社會保險局作出供款。除上述界定供款外，本集團並無其他責任。本集團於該計劃項下的供款於全面收益表內支銷。

(b) 僱員假期

僱員於成為僱員時即享有年假。已就僱員截至結算日提供的服務作出年假估計負債撥備。

僱員的病假及產假僅於僱員開始休假時確認。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.20 Current and deferred income tax (Continued)

(c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.21 Employee benefits

(a) Pension obligations

The Group participates in the retirement insurance and medical insurance scheme organised by the local social security bureau pursuant to the relevant provisions. The Group is required to make monthly contribution in respect of the above insurance scheme to the local social security bureau based on the monthly salaries of its employees. The Group has no further liabilities other than the above defined contribution. The Group's contributions under the scheme are charged to the statement of comprehensive income.

(b) Employee leaves entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year end 31 December 2012

2. 主要會計政策概要(續)

2.22 以股份為基礎的付款

(a) 以股權結算的股份支付交易

本集團實行若干以股權結算以股份為基礎的補償計劃，根據計劃，作為本集團權益工具(購股權)的代價，實體收取僱員服務。透過授出購股權而交換所得的僱員服務的公平值確認為支銷。將予支銷的總金額乃參考所授購股權的公平值而釐定：

- 包括任何市場表現狀況(如實體的股價)；
- 不包括服務及非市場表現歸屬條件(如盈利能力、銷售增長目標及於特定期間留任實體僱員)的任何影響；及
- 包括非歸屬條件(如要求僱員儲蓄)的任何影響。

非市場歸屬條件包括在預期歸屬購股權數目的假設。支銷的總金額於歸屬期間確認，歸屬期間為達成所有特定歸屬條件的期間。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.22 Share-based payments

(a) Equity-settled share based payment transaction

The Group operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save).

Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year end 31 December 2012

2. 主要會計政策概要(續)

2.22 以股份為基礎的付款(續)

(a) 以股權結算的股份支付交易(續)

此外，於若干情況下，僱員可於授予日期之前提供服務，因此，本集團會就確認服務開始期間與授予日期之間的支銷而估計授予日期的公平值。

於各報告期末，本集團會根據非市場表現及服務條件對將予歸屬的購股權數目進行修訂。本集團會於收益表確認修訂原來估計(如有)的影響，並相應調整權益。

(b) 集團實體間的股份支付交易

本公司向其附屬公司僱員授予來自股本工具的購股權被視為注資。僱員所提供服務公平值經參考授予日期公平值後計量，於歸屬期確認為對附屬公司的投資增幅，並相應於母公司賬目中入賬至權益。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.22 Share-based payments (Continued)

(a) Equity-settled share based payment transaction (Continued)

In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-marketing performance and service conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

(b) Share-based payment transaction among group entities

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the parent entity accounts.

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year end 31 December 2012

2. 主要會計政策概要(續)

2.23 政府補助

於合理確定會收到政府補助且本集團滿足所有附屬條件時，政府補助以其公平值確認。

與成本相關的政府補助予以遞延，並於與其擬定補償的成本配對補助的所需期間內於全面收益表確認。

2.24 收益確認

收益按已收或應收代價的公平值計量，指供應貨品的應收賬款，扣除折扣、退貨及增值稅後列值。當收益的數額能夠可靠計量、未來經濟利益很有可能流入有關實體，而本集團每項活動均符合下文所述具體條件時，本集團會確認收益。本集團會根據其退貨往績並考慮客戶類別、交易種類及每項安排的特點作出估計。

(a) 貨品銷售

本集團於批發市場製造及銷售一系列藥品。當集團實體交付產品予批發商，而批發商對出售產品的渠道及價格有充分酌情權，且並無不能償付的責任可影響批發商接納該等產品時，貨品銷售會予以確認。在產品運至特定地點、陳舊過時及虧損風險已轉移予批發商、批發商已按銷售合約規定接納產品、接納規定已失效、或本集團有客觀證據顯示接納的所有標準均已達致時，方會確認交付。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.23 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the statement of comprehensive income over the period necessary to match them with the costs that they are intended to compensate.

2.24 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts returns and value added taxes. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below. The Group bases its estimates of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(a) Sales of goods

The Group manufactures and sells a range of pharmaceutical products in the wholesale market. Sales of goods are recognised when a group entity has delivered products to the wholesaler, the wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery does not occur until the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year end 31 December 2012

2. 主要會計政策概要(續)

2.24 收益確認(續)

(b) 提供服務

本集團向第三方提供分包製造之加工服務及包裝服務。服務收入在服務提供後確認。

(c) 租金收入

投資物業之租金收入按直線基準於租期在收益表確認。

(d) 利息收入

利息收入採用實際利率法確認入賬。倘貸款及應收賬款出現減值，本集團會將賬面值減至其可收回金額，即按有關工具的原實際利率貼現的估計未來現金流量，並持續解除貼現作為利息收入入賬。減值貸款及應收賬款的利息收入乃採用原實際利率確認。

2.25 經營租賃

凡資產擁有權的絕大部分風險及回報由出租人保留的租賃均分類為經營租賃。根據經營租賃作出的付款(扣除出租人給予的任何優惠)在租期內以直線法自全面收益表中支銷。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.24 Revenue recognition (Continued)

(b) Rendering of services

The Group provides processing service for subcontracting manufacturing and packaging services to third parties. Service income is recognised when the service is rendered.

(c) Rental income

Rental income from investment property is recognised in the income statement on a straight-line basis over the term of the lease.

(d) Interest income

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables are recognised using the original effective interest rate.

2.25 Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year end 31 December 2012

2. 主要會計政策概要(續)

2.26 股息分派

向本公司股東分派的股息在股息獲批准期間於本集團及本公司財務報表內確認為負債。末期股息由本公司股東批准，中期股息則由本公司董事批准。

3. 財務風險管理

3.1 財務風險因素

本集團的業務活動承受多種財務風險：市場風險(包括貨幣風險、價格風險、現金流量利率風險及公平值利率風險)、信貸風險及流動性風險。本集團整體風險管理政策專注於金融市場的不可預測性，並尋求盡量減低對本集團財務表現的潛在不利影響。

(a) 市場風險

(i) 外匯風險

本公司及其附屬公司的功能貨幣為人民幣。本集團的所有收入均源自於中國的業務。本集團的金融工具主要以人民幣計值。人民幣轉換為外幣受中國政府頒佈的外匯管制規則及法規監管。本集團以外幣計值的主要資產及負債為以美元、港元及新加坡元計值的若干現金及現金等價物(附註18)、借貸(附註25)、其他應收賬款及其他應付賬款。董事認為，本集團並無面臨重大外幣風險。

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.26 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors where appropriate.

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, price risk, cash flow interest rate risk and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Market risk

(i) Foreign exchange risk

The functional currency of the Company and its subsidiaries is Renminbi ("RMB"). All of the revenues of the Group are derived from operations in the PRC. The financial instruments of the Group are mainly denominated in RMB. The conversion of RMB into foreign currencies is subject to the rules and regulations of foreign exchange control promulgated by the PRC government. The main foreign currency denominated assets and liabilities of the Group were certain cash and cash equivalents (Note 18), borrowings (Note 25), other receivables and other payables which were denominated in United States Dollars ("USD"), Hong Kong Dollars ("HKD") and Singapore Dollars ("SGD"). In the opinion of the directors, the Group does not have significant exposure to foreign exchange risk.

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度
For the year end 31 December 2012

3. 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(i) 外匯風險(續)

本集團現時並無外幣對沖政策。

於二零一二年十二月三十一日，倘若人民幣兌美元貶值／升值3% (二零一一年：10%)，而所有其他因素維持不變，則截至二零一二年十二月三十一日止年度的除稅後溢利將減少／增加約人民幣1,154,000元 (二零一一年：增加／減少人民幣19,998,000元)，主要由於換算以美元為單位的現金及現金等價物、其他應收賬款及其他應付賬款的匯兌虧損／收益所致。

於二零一二年十二月三十一日，倘若人民幣兌港元貶值／升值3% (二零一一年：10%)，而所有其他因素維持不變，則截至二零一二年十二月三十一日止年度的除稅後溢利將減少／增加約人民幣19,250,000元 (二零一一年：增加／減少人民幣279,000元)，主要由於換算以港元為單位的現金及現金等價物、其他應收賬款及其他應付賬款的匯兌虧損／收益所致。

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(i) Foreign exchange risk (Continued)

The Group currently does not have a foreign currency hedge policy.

As at 31 December 2012, if the currency had weakened/strengthened by 3% (2011: 10%) against USD with all other variables held constant, post-tax profit for the year ended 31 December 2012 would have been approximately RMB1,154,000 lower/higher (2011: RMB19,998,000 higher/lower), mainly as a result of foreign exchange losses/gains on translation of USD-denominated cash and cash equivalents, other receivables and other payables.

As at 31 December 2012, if the currency had weakened/strengthened by 3% (2011: 10%) against HKD with all other variables held constant, post-tax profit for the year ended 31 December 2012 would have been approximately RMB19,250,000 lower/higher (2011: RMB279,000 higher/lower), mainly as a result of foreign exchange losses/gains on translation of HKD-denominated cash and cash equivalents, other receivables and other payables.

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year end 31 December 2012

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) 市場風險 (續)

(i) 外匯風險 (續)

於二零一二年十二月三十一日，倘若人民幣兌新加坡元貶值／升值3% (二零一一年：10%)，而所有其他因素維持不變，則截至二零一二年十二月三十一日止年度的除稅後溢利將增加／減少約人民幣16,000元 (二零一一年：人民幣86,000元)，主要由於換算以新加坡元為單位的現金及現金等價物、其他應收賬款及其他應付賬款的匯兌虧損／收益所致。

(ii) 價格風險

本集團並無面臨任何重大股本市場風險，亦無面臨任何商品價格風險。

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(i) Foreign exchange risk (Continued)

As at 31 December 2012, if the currency had weakened/strengthened by 3% (2011: 10%) against SGD with all other variables held constant, post-tax profit for the year ended 31 December 2012 would have been approximately RMB16,000 (2011: RMB86,000) higher/lower, mainly as a result of foreign exchange losses/gains on translation of SGD-denominated cash and cash equivalents and other receivables.

(ii) Price risk

The Group is not exposed to any significant equity market risk, nor exposed to any commodity price risk.

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year end 31 December 2012

3. 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(iii) 現金流量及公平值利率風險

本集團的計息資產主要包括可供出售金融資產、現金及現金等價物，以及初步為期超過三個月的定期存款，有關詳情已於附註14、18及19內披露。

本集團長期借貸利率風險詳情載於附註25。本集團所有按浮動利率發行的借貸面臨現金流量利率風險。

於二零一二年十二月三十一日，倘借貸利率提高／降低50個基點，而所有變量保持不變，則年度除稅後溢利將減少／增加人民幣3,607,000元(二零一一年：無)，主要是由於浮息借貸的利息開支增加／減少。

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(iii) Cash flow and fair value interest rate risk

The interest-bearing assets of the Group mainly include the available-for-sale financial assets, cash and cash equivalents and term deposits with initial term of over three months, details of which have been disclosed in Note 14, 18 and 19.

The Group's interest rate risk arises from long-term borrowings, details of which have been disclosed in Note 25. All the borrowings issued at variable rates expose the Group to cash flow interest rate risk.

At 31 December 2012, if interest rate on borrowings has been 50 basis points higher/lower, with all over variables held Constant, post-tax profit for the year would have been RMB3,607,000 (2011: nil) lower/higher, mainly as a result of higher/lower interest expenses on floating rate borrowing.

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year end 31 December 2012

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 信貸風險

信貸風險乃由現金及現金等價物、貿易應收賬款、可供出售金融資產以及其他應收賬款所產生。

所有現金等價物及銀行存款均存放於中國國有金融機構及中國境外的優質國際金融機構。該等金融機構近期並無有關現金等價物及銀行存款的拖欠記錄。

就貿易應收賬款而言，本集團並無重大的信貸風險集中情況，並訂有政策確保在與客戶訂立相關銷售訂單協議時已收取若干現金墊款。就授出信貸期的貿易應收賬款而言，本集團通過考慮交易對手方的財務狀況、信貸歷史及其他因素評估其信貸質素。本集團亦進行若干監控程序以確保採取適當跟進行動收回逾期債務。本集團定期進行賬齡分析，評估信貸風險及根據歷史數據及現金收回歷史估計面臨類似信貸風險的貿易應收賬款組別的可收回性。

可供出售金融資產為存放於中國國有金融機構及中國境外的優質國際金融機構的短期投資。該等機構近期並無拖欠紀錄，故董事認為與該投資相關的信貸風險甚低。

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk

Credit risk arises from cash and cash equivalents, trade receivables, available-for-sale financial assets and other receivables.

All the cash equivalents and bank deposits are placed with state-owned financial institutions in the PRC and high-quality international financial institutions outside the PRC. There was no recent history of default of cash equivalents and bank deposits in relation to these financial institutions.

In relation to trade receivables, the Group has no significant concentrations of credit risk and has policies in place to ensure that certain cash advance has been received upon the agreement of the related sales orders with customers. For those with credit period granted, the credit quality of the counterparties is assessed by taking into account their financial position, credit history and other factors. It also undertakes certain monitoring procedures to ensure that proper follow-up action is taken to recover overdue debts. The Group regularly performs ageing analysis, assesses credit risks and estimates the recoverability of groups of trade receivables bearing similar credit risk based on historical data and cash collection history.

Available-for-sale financial assets are short-term investments placed with state-owned financial institutions in the PRC and high-quality international financial institutions outside the PRC. There was no recent history of default and the directors are of the opinion that the credit risk related to the investment is low.

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year end 31 December 2012

3. 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

就其他應收賬款而言，債務人的信貸質素乃透過考慮其財務狀況、與本集團的關係、信貸歷史及其他因素而作出評估。管理層亦定期檢討該等其他應收賬款的可收回性，並跟進有關糾紛或逾期款項(如有)。董事認為，對手方拖欠款項的可能性甚微。

並無其他金融資產面臨重大信貸風險。

(c) 流動性風險

審慎的流動資金管理指維持足夠現金。本集團維持足夠的現金結餘，以為其日常的資金需求提供靈活性。

於二零一二年十二月三十一日，本集團擁有流動資產淨額人民幣2,170,610,000元，包括現金及現金等價物人民幣1,543,907,000元及初步為期超過三個月的定期存款人民幣898,560,000元。董事認為，本集團維持充裕的流動資金儲備。

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

In relation to other receivables, the credit quality of the debtors is assessed by taking into account their financial position, relationship with the Group, credit history and other factors. Management will also regularly review the recoverability of these other receivables and follow up the disputes or amounts overdue, if any. The directors are of the opinion that the default by counterparties is low.

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

(c) Liquidity risk

Prudent liquidity management implies maintaining sufficient cash. The Group maintains sufficient cash balances to provide flexibility in meeting its day to day funding requirements.

The Group had net current assets of RMB2,170,610,000 which included cash and cash equivalents of RMB1,543,907,000 and term deposits with initial term of over three months of RMB898,560,000 as at 31 December 2012. The directors are of the opinion that the Group maintains an adequate liquidity reserve.

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year end 31 December 2012

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(c) 流動性風險 (續)

下表為根據結算日至合約到期日的餘下期間，以相關到期組別劃分按總額結算的本集團及本公司金融負債分析。表內所披露的金額為已訂約的未貼現現金流量。由於貼現影響並不重大，故於12個月內到期的結餘相當於其賬面結餘。

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

The table below analyses the Group's and the Company's financial liabilities that will be settled on a gross basis into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

		Less than 1 year 1年內 RMB'000 人民幣千元	Between 1 and 2 years 1至2年內 RMB'000 人民幣千元	Between 2 and 5 years 2至5年內 RMB'000 人民幣千元
集團	Group			
於二零一二年 十二月三十一日	At 31 December 2012			
貿易及其他應付賬款	Trade and other payables	727,829	—	—
借貸	Borrowings	774,400	375	5,916
於二零一一年 十二月三十一日	At 31 December 2011			
貿易及其他應付賬款	Trade and other payables	1,378,591	—	—
借貸	Borrowings	367	406	6,723
公司	Company			
於二零一二年 十二月三十一日	At 31 December 2012			
貿易及其他應付賬款	Trade and other payables	11,631	—	—
借貸	Borrowings	498,358	—	—
於二零一一年 十二月三十一日	At 31 December 2011			
貿易及其他應付賬款	Trade and other payables	22,922	—	—

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度
For the year end 31 December 2012

3. 財務風險管理(續)

3.2 資本風險管理

本集團管理資本的主要目標為保障本集團的持續營運能力，以為權益擁有人提供回報，並為其他股東帶來利益，同時維持最佳資本結構以減低資金成本。

本集團於二零一二年及二零一一年十二月三十一日擁有充足的現金。董事認為本集團並無重大資本風險。

3. FINANCIAL RISK MANAGEMENT (Continued)

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group has sufficient cash and cash equivalents as at 31 December 2012 and 2011. The directors are of the opinion that the Group does not have significant capital risk.

		As at 31 December 於十二月三十一日	
		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
現金及現金等價物(附註18)	Cash and cash equivalents (Note 18)	1,543,907	3,153,154
減：借貸(附註25)	Less: Borrowings (Note 25)	(773,114)	(5,880)
		770,793	3,147,274

3.3 公平值估計

下表載列以估值法按公平值入賬之金融工具之分析。不同等級界定如下：

- 相同資產或負債於活躍市場之未經調整報價(第一級)。
- 資產或負債之可直接(即價格)或間接(即按價格計算者)觀察參數(不包括第一級所述報價)(第二級)。
- 資產或負債之並非基於可觀察市場數據(即不可觀察參數)之參數(第三級)。

3.3 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year end 31 December 2012

3. 財務風險管理(續)

3.3 公平值估計(續)

下表呈列本集團二零一二年十二月三十一日按公平值計量之資產及負債。

		Level 2 第二級	
		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
可供出售金融資產(附註14)	Available-for-sale financial assets (Note 14)	717,921	780,135

並非於活躍市場買賣的金融工具的公平值採用估值技術釐定。有關估值技術可盡量利用可獲得的可觀察市場數據，並盡量降低倚賴實體具體估計。倘工具之公平值所須所有重大參數可觀察，則有關工具計入第二級。

評估金融工具之具體估值技術包括：

- 相同工具所報市價及交易商報價。
- 利率掉期之公平值基於可觀察收益曲線計算為估計未來現金流量之現值。
- 遠期外匯合約之公平值於結算日按遠期匯率釐定，所得價值貼現至現值。
- 其他技術(如貼現現金流量分析)乃用於釐定餘下金融工具之公平值。

3. FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2012.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度
For the year end 31 December 2012

4. 重要會計估計及判斷

本集團對未來作出估計及假設。所得的會計估計如其定義，很少與相關實際結果相同。很大機會導致下個財政年度的資產及負債的賬面值作出重大調整的估計及假設討論如下。

本集團不斷評估估計、假設及判斷，並會考慮過往經驗以及其他因素，包括對在有關情況下視為對未來事件的合理預期。

(a) 遞延開發成本減值及進行中產品開發

本集團管理層就資本化開發成本釐定每種醫藥專利或許可的估計未來現金流量。該估計乃基於醫藥業的預計產品生命週期作出。

其可能因針對行業週期出現的醫藥創新及競爭對手的行動而發生重大變動。於未來現金流量低於預期及少於相關開發成本金額時，管理層會就資本化開發成本確認減值虧損。

倘於二零一二年及二零一一年十二月三十一日的估計未來現金流量較管理層的估計低於10%，本集團將不會就開發成本確認減值虧損(二零一一年：無)。

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Impairment of deferred development costs and product development in progress

The Group's management determines the estimated future cash flows of each pharmaceutical patent or licence in capitalisation of development costs. These estimates are based on projected product lifecycles experienced in the pharmaceutical industry.

It could change significantly as a result of medicine innovations and competitor actions in response to industry cycles. Management will recognise impairment loss on the capitalised development costs when future cash flows are less than expectation and fall below the amount of related development costs.

If the estimated future cash flows had been 10% lower than management's estimates as at 31 December 2012 and 2011, the Group would have recognised no impairment loss on the development costs (2011: nil).

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year end 31 December 2012

4. 重要會計估計及判斷(續)

(b) 商譽減值測試

商譽每年及當有跡象顯示商譽可能出現減值時根據附註2.8所述的會計政策進行減值測試。現金產生單位的可收回金額已根據使用價值計算方法釐定。

於二零一二年十二月三十一日，商譽的賬面值為人民幣2,707,435,000元(二零一一年：人民幣2,608,845,000元)。用於計算可收回金額的估計詳情於附註8披露。

倘於二零一二年及二零一一年十二月三十一日的估計未來現金流量較管理層的估計低於10%，本集團將不會就商譽確認減值虧損(二零一一年：無)。

倘貼現率於二零一二年及二零一一年十二月三十一日減低2%，本集團將不會於商譽中確認減值虧損(二零一一年：無)。

(c) 物業、廠房及設備的可使用年期及剩餘價值

物業、廠房及設備的可使用年期及剩餘價值由管理層參考既定行業慣例、有關資產耐用性的技術評估、本集團過往發生的維修及保養開支的幅度及走勢進行估計。該估計可能會由於技術發展及競爭對手因嚴峻的行業週期採取行動而發生重大變動。倘可使用年期及剩餘價值較之前的估計為短，則管理層會增加折舊費用，或將技術過時或已報廢的非策略資產撤銷或撤減。

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(b) Goodwill impairment test

Goodwill is tested for impairment annually and whenever there is indication that the goodwill may be impaired in accordance with the accounting policy stated in Note 2.8. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations.

The carrying amounts of goodwill as at 31 December 2012 were RMB2,707,435,000 (2011: RMB2,608,845,000). Details of the estimates used to calculate the recoverable amounts are disclosed in Note 8.

If the estimated future cash flows had been 10% lower than management's estimates as at 31 December 2012 and 2011, the Group would have recognized no impairment loss on the goodwill (2011: nil).

If the discount rate had decreased 2% as at 31 December 2012 and 2011, the Group would have recognized no impairment loss on the goodwill (2011: nil).

(c) Useful lives and residual value of property, plant and equipment

The estimate of useful lives and residual value of property, plant and equipment was made by the management with reference to the established industry practices, technical assessments made on the durability of the assets, as well as the historical magnitude and trend of repair and maintenance expenses incurred by the Group. It could change significantly as a result of technical innovations and competitor actions in responses to severe industry cycles. Management will increase the depreciation charge where useful lives and residual value are less than those previously estimated or it will write off or write down technically obsolete or non-strategic assets that have been abandoned.

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度
For the year end 31 December 2012

4. 重要會計估計及判斷(續)

(d) 遞延稅項

有關若干暫時性差額及稅項虧損的遞延稅項資產，會於管理層認為將來可能有應課稅溢利以抵銷暫時性差額或可使用稅務虧損時予以確認。其實際應用結果可能不同。有關遞延稅項的詳情載於附註 24。

(e) 因收購而產生的商譽

誠如附註 39 所述，於截至二零一一年十二月三十一日止年度，本集團於中國收購若干醫藥業務。人民幣 2,695,305,000 元的商譽已於收購時獲確認，並指代價超過本集團於收購可識別資產淨值的公平淨值權益的差額。釐定醫藥專利的無形資產公平值需要重要估計及判斷。

本集團委聘獨立估值師對被收購方的醫藥專利的無形資產公平值進行評估。公平值乃透過參考醫藥業的毛利率、純利率、收益增長率及市場參與者的其他統計數據後根據每種醫藥專利的估計未來現金流量而釐定。

釐定市場參與者現金流量需要重要估計及判斷。倘運用不同的現金流量，醫藥專利的無形資產價值或會大幅增加／減少，導致已確認商譽減少／增加。於後續期間無形資產的攤銷開支將會相應增加／減少。

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(d) Deferred taxation

Deferred tax assets relating to certain temporary differences and tax losses are recognized when management considers to be probable that future taxable profit will be available against which the temporary differences or tax losses can be utilized. The outcome of their actual utilization may be different. Details of the deferred taxation are disclosed in Note 24.

(e) Goodwill arose on the acquisition

As mentioned in Note 39, the Group acquired certain pharmaceutical businesses in the PRC during the year ended 31 December 2011. Goodwill of RMB2,695,305,000 was recognised on the acquisition and represented the excess of the consideration over the Group's interest in net fair value of the identifiable net assets of acquire. The determination of the fair value of the intangible assets for the pharmaceutical patents required significant estimates and judgement.

The Group engaged independent valuer for assessment of the fair value of the intangible assets of the pharmaceutical patent of the acquiree. The fair value was determined based on the estimated future cash flows of each pharmaceutical patent by making reference with the gross profit margin, net profit margin, revenue growth rate and other statistics of market participants in the pharmaceutical industry.

The determination of market participant cash flows required significant estimates and judgement. If different cash flows were used, the value of the intangible assets of the pharmaceutical patent could have increased/decrease significantly resulting decrease/increase in goodwill recognised. The amortisation expense of the intangible assets in the subsequent period would increase/decrease accordingly.

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year end 31 December 2012

5. 分部資料

主要經營決策者已被認定為本公司董事會。董事會審閱本集團的內部報告，以評估績效及分配資源。管理層基於該等報告釐定經營分部。

董事會從產品角度考慮業務。本集團僅經營一項業務分部，即在中國製造及銷售藥品。截至二零一二年十二月三十一日止年度，本集團概無客戶所帶來的收益佔本集團收益10%或以上(二零一一年：無)。

6. 物業、廠房及設備—本集團

5. SEGMENT INFORMATION

The chief operating decision-maker has been identified as the board of directors of the Company. The board of directors review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The board of directors considers the business from product perspective. The Group is engaged in only one business segment, the research and development, manufacturing and sale of pharmaceutical products in the PRC. During the year ended 31 December 2012, none of the customers of the Group from whom the revenue amounted to 10% or more of the Group's revenue (2011: None).

6. PROPERTY, PLANT AND EQUIPMENT – THE GROUP

		樓宇 Buildings RMB'000 人民幣千元	生產及 電子設備 Production and electronic equipment RMB'000 人民幣千元	辦公設備 Office equipment RMB'000 人民幣千元	汽車 Motor vehicles RMB'000 人民幣千元	在建工程 Construction in progress RMB'000 人民幣千元	總計 Total RMB'000 人民幣千元
於二零一一年一月一日	At 1 January 2011						
成本	Cost	165,681	52,252	7,847	13,551	77,377	316,708
累計折舊	Accumulated depreciation	(39,330)	(16,197)	(3,301)	(4,727)	—	(63,555)
賬面淨值	Net book amount	126,351	36,055	4,546	8,824	77,377	253,153
截至二零一一年十二月三十一日止年度	Year ended 31 December 2011						
年初賬面淨值	Opening net book amount	126,351	36,055	4,546	8,824	77,377	253,153
轉撥至投資物業(附註7)	Transfer to investment properties (Note 7)	(3,438)	—	—	—	—	(3,438)
收購附屬公司(附註39)	Acquisition of subsidiaries (Note 39)	95,072	33,248	587	1,024	—	129,931
添置	Additions	67,201	25,955	2,508	5,521	13,341	114,526
重新分類	Reclassification	18,825	6,895	—	—	(25,720)	—
出售	Disposals	—	(460)	—	—	—	(460)
出售一家附屬公司	Disposal of a subsidiary	—	—	(87)	(104)	—	(191)
轉撥至持作出售之待處置組(附註37)	Transfer to disposal group classified as held for sale (Note 37)	(24,091)	(16,165)	(248)	(953)	—	(41,457)
折舊開支	Depreciation charge	(14,658)	(13,646)	(1,665)	(2,837)	—	(32,806)
年末賬面淨值	Closing net book amount	265,262	71,882	5,641	11,475	64,998	419,258
於二零一一年十二月三十一日	At 31 December 2011						
成本	Cost	337,415	131,653	11,174	19,432	64,998	564,672
累計折舊	Accumulated depreciation	(72,153)	(59,771)	(5,533)	(7,957)	—	(145,414)
賬面淨值	Net book amount	265,262	71,882	5,641	11,475	64,998	419,258

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year end 31 December 2012

6. 物業、廠房及設備 – 本集團 (續)

6. PROPERTY, PLANT AND EQUIPMENT – THE GROUP (Continued)

		樓宇 Buildings RMB'000 人民幣千元	生產及 電子設備 Production and electronic equipment RMB'000 人民幣千元	辦公設備 Office equipment RMB'000 人民幣千元	汽車 Motor vehicles RMB'000 人民幣千元	在建工程 Construction in progress RMB'000 人民幣千元	總計 Total RMB'000 人民幣千元
截至二零一二年 十二月三十一日止年度	Year ended 31 December 2012						
年初賬面淨值	Opening net book amount	265,262	71,882	5,641	11,475	64,998	419,258
轉撥至投資物業(附註7)	Transfer to investment properties (Note 7)	(24,869)	—	—	—	—	(24,869)
添置	Additions	17,566	22,268	2,537	1,239	488,483	532,093
重新分類	Reclassification	51,920	1,246	—	—	(53,166)	—
出售	Disposals	—	(3,647)	(79)	(372)	—	(4,098)
轉撥自持作出售之待處置組	Transfer from disposal group classified as held for sale	24,091	16,165	248	953	—	41,457
折舊開支	Depreciation charge	(19,407)	(15,454)	(2,039)	(2,889)	—	(39,789)
年末賬面淨值	Closing net book amount	314,563	92,460	6,308	10,406	500,315	924,052
於二零一二年十二月三十一日	At 31 December 2012						
成本	Cost	413,493	180,674	14,243	20,120	500,315	1,128,845
累計折舊	Accumulated depreciation	(98,930)	(88,214)	(7,935)	(9,714)	—	(204,793)
賬面淨值	Net book amount	314,563	92,460	6,308	10,406	500,315	924,052

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year end 31 December 2012

6. 物業、廠房及設備 – 本集團 (續)

本集團的折舊開支包括在下列合併綜合收益表類別內：

銷售成本	Cost of sales
分銷成本	Distribution costs
行政開支	Administrative expenses

截至二零一二年十二月三十一日，賬面淨值約人民幣71,905,000元(二零一一年：人民幣94,046,000元)的樓宇及汽車並無產權證。本集團董事認為，本集團合法及有效佔用或使用該等物業。

6. PROPERTY, PLANT AND EQUIPMENT – THE GROUP (Continued)

Depreciation expense of the Group was included in the following categories in the consolidated statement of comprehensive income:

截至十二月三十一日止年度
Year ended 31 December

二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
-----------------------------------	-----------------------------------

11,221	9,566
69	178
28,499	23,062
39,789	32,806

As at 31 December 2012, buildings and motor vehicles with net book values of approximately RMB71,905,000 (2011: RMB94,046,000) have no property title certificates. The directors of the Group are of the opinion that the Group is lawfully and validly entitled to occupy or use these properties.

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度
For the year end 31 December 2012

7. 投資物業 – 本集團

7. INVESTMENT PROPERTIES – THE GROUP

		二零一二年 2012 人民幣千元 RMB'000 樓宇 Buildings	二零一一年 2011 人民幣千元 RMB'000 樓宇 Buildings
按成本	At Cost		
於一月一日	At 1 January		
年初賬面淨值	Opening net book amount	6,834	—
收購附屬公司(附註39)	Acquisition of subsidiaries (Note 39)	—	3,826
轉撥自物業、廠房及設備(附註6)	Transfer from property, plant and equipment (Note 6)	24,869	3,438
折舊	Depreciation	(809)	(430)
於十二月三十一日	At 31 December	30,894	6,834
於十二月三十一日	At 31 December		
成本	Cost	38,138	9,122
累計折舊	Accumulated depreciation	(7,244)	(2,288)
賬面淨值	Net book amount	30,894	6,834

本集團根據經營租賃為賺取租金收入持有的物業權益按成本模式計量，並入賬為投資物業。投資物業位於中國。

本集團至少每年取得海口海平資產評估事務所及長春中鵬資產評估有限責任公司有關其物業投資的獨立估值。於各報告期末，董事經考慮最近期獨立估值後更新彼等有關各物業公平值之評估。董事於合理公平值估計範圍內決定物業價值。

The Group's property interest held under operating leases for the purpose of earning rentals is measured using the cost model and accounted for as investment property. The investment property is located in the PRC.

The Group obtains independent valuations from Haikou Haiping Assets Appraisal Firm and Changchun Zhongpeng Assets Appraisal Ltd. for its investment properties at least annually. At the end of each reporting period, the directors update their assessment of the fair value of each property, taking into account the most recent independent valuations. The directors determine the properties' value within a range of reasonable fair value estimates.

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year end 31 December 2012

7. 投資物業 – 本集團 (續)

本集團截至二零一二年十二月三十一日之投資物業之公平值約人民幣58,096,000元(二零一一年：人民幣9,445,000元)乃由本集團董事參考獨立合資格專業估值師進行的估值決定。

(a) 於損益確認的投資物業金額

租金收入	Rental income

(b) 租賃安排

若干投資物業根據長期經營租賃租予租戶，租金按月收取。投資物業租賃應收最低租金如下。

投資物業之不可撤銷經營租賃之最低租金於財務報表確認為以下應收賬款：

1年內	Within 1 year
1至2年內	1 year to 2 years
2至3年內	2 years to 3 years

7. INVESTMENT PROPERTIES – THE GROUP (Continued)

The fair value of the Group's investment property of approximately RMB58,096,000 as at 31 December 2012 (2011: RMB9,445,000) has been determined by the directors of the Group with reference to the valuation performed by independent qualified professional valuers.

(a) Amounts recognised in profit and loss for investment properties

截至十二月三十一日止年度
Year ended 31 December

二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
2,371	555

(b) Leasing arrangements

Some of the investment properties are leased to tenants under long-term operating leases with rentals payable monthly. Minimum lease payments receivable on leases of investment properties are as follows.

Minimum lease payments under non-cancellable operating leases of investment properties not recognised in the financial statements are receivable as follows:

於十二月三十一日
As at 31 December

二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
3,841	519
3,841	—
2,281	—
9,963	519

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year end 31 December 2012

7. 投資物業 – 本集團 (續)

(b) 租賃安排 (續)

本集團在投資物業的權益按其賬面淨值分析如下：

7. INVESTMENT PROPERTIES – THE GROUP (Continued)

(b) Leasing arrangements (Continued)

The Group's interests in investment properties at their net book values are analysed as follows:

		於十二月三十一日 As at 31 December	
		二零一二年 2012	二零一一年 2011
		人民幣千元 RMB'000	人民幣千元 RMB'000
在中國持有：	In PRC, held on:		
租期為50年以內的租約	Leases within 50 years	30,894	6,834

8. 無形資產 – 本集團

8. INTANGIBLE ASSETS – THE GROUP

		遞延開發 成本 客戶關係		進行中 產品開發	其他	總計	
		商譽	Customer relationship	development in progress	Others	Total	
		Goodwill	development costs	development in progress	Others	Total	
		人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	
於二零一一年一月一日	At 1 January 2011						
成本	Cost	51,050	28,000	89,094	166,706	2,893	337,743
累計攤銷	Accumulated amortisation	—	(18,200)	(58,341)	—	(1,166)	(77,707)
減值	Impairment	(35,117)	—	(1,063)	(70,387)	—	(106,567)
賬面淨值	Net book amount	15,933	9,800	29,690	96,319	1,727	153,469

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year end 31 December 2012

8. 無形資產 – 本集團 (續)

8. INTANGIBLE ASSETS – THE GROUP (Continued)

				遞延開發 成本	進行中 產品開發		
		商譽	客戶關係	Deferred	Product	其他	總計
		Goodwill	relationship	development	development	Others	Total
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
截至二零一一年							
十二月三十一日止年度	Year ended 31 December 2011						
年初賬面淨值	Opening net book amount	15,933	9,800	29,690	96,319	1,727	153,469
收購附屬公司(附註39)	Acquisition of subsidiaries (Note 39)	2,695,305	26,941	546,140	—	19,225	3,287,611
添置	Additions	—	—	74,492	22,919	56	97,467
出售一家附屬公司	Disposal of a subsidiary	(1,860)	—	—	—	—	(1,860)
部分出售一家附屬公司	Partial disposal of a subsidiary	(98,590)	—	—	—	—	(98,590)
轉撥	Transfer	—	—	5,000	(5,000)	—	—
撤銷	Written off	—	—	—	(4,551)	—	(4,551)
轉撥至持作出售之待處置組 (附註37)	Transfer to disposal group classified as held for sale (Note 37)	—	—	(291,857)	—	—	(291,857)
減值開支	Impairment charge	(1,943)	—	—	(39)	—	(1,982)
攤銷開支	Amortisation charge	—	(9,170)	(47,600)	—	(2,790)	(59,560)
年末賬面淨值	Closing net book amount	2,608,845	27,571	315,865	109,648	18,218	3,080,147
於二零一一年十二月三十一日	At 31 December 2011						
成本	Cost	2,645,905	54,941	425,815	178,804	22,173	3,327,638
累計攤銷	Accumulated amortisation	—	(27,370)	(108,887)	—	(3,955)	(140,212)
減值	Impairment	(37,060)	—	(1,063)	(69,156)	—	(107,279)
賬面淨值	Net book amount	2,608,845	27,571	315,865	109,648	18,218	3,080,147

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year end 31 December 2012

8. 無形資產 – 本集團 (續)

8. INTANGIBLE ASSETS – THE GROUP (Continued)

			遞延開發 成本	進行中 產品開發			
		客戶關係	Deferred	Product	其他	總計	
		Customer	development	development	Others	Total	
		relationship	costs	in progress			
		商譽	商譽	商譽	商譽	商譽	
		Goodwill	Goodwill	Goodwill	Goodwill	Goodwill	
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
截至二零一二年							
十二月三十一日止年度	Year ended 31 December 2012						
年初賬面淨值	Opening net book amount	2,608,845	27,571	315,865	109,648	18,218	3,080,147
添置	Additions	—	351,990	—	18,212	218	370,420
轉撥	Transfer	—	—	100	(100)	—	—
出售	Disposal	—	—	—	(5,745)	(37)	(5,782)
對二零一一年部分出售一家附屬 公司所作調整	Adjustment on partial disposal of a subsidiary in 2011	98,590	—	—	—	—	98,590
轉撥自持作出售 之待處置組	Transfer from disposal group classified as held for sale	—	—	291,857	—	—	291,857
減值開支(附註27)	Impairment charge (Note 27)	—	—	—	(12,502)	—	(12,502)
攤銷開支	Amortisation charge	—	(46,095)	(38,575)	—	(3,030)	(87,700)
年末賬面淨值	Closing net book amount	2,707,435	333,466	569,247	109,513	15,369	3,735,030
於二零一二年十二月三十一日	At 31 December 2012						
成本	Cost	2,744,495	406,931	727,837	191,171	22,354	4,092,788
累計攤銷	Accumulated amortisation	—	(73,465)	(157,527)	—	(6,985)	(237,977)
減值	Impairment	(37,060)	—	(1,063)	(81,658)	—	(119,781)
賬面淨值	Net book amount	2,707,435	333,466	569,247	109,513	15,369	3,735,030

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year end 31 December 2012

8. 無形資產 – 本集團 (續)

- (a) 其他無形資產主要包括商標及軟件。
- (b) 本集團的攤銷開支包括在下列合併綜合收益表類別內：

銷售成本	Cost of sales
行政開支	Administrative expenses

8. INTANGIBLE ASSETS – THE GROUP (Continued)

- (a) Other intangible assets mainly comprise trademark and software.
- (b) Amortisation charge of the Group was included in the following categories in the consolidated statement of comprehensive income:

截至十二月三十一日止年度
Year ended 31 December

二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
83,875	47,600
3,825	11,960
87,700	59,560

- (c) 商譽分配至本集團的現金產生單位 (「現金產生單位」)。商譽概要如下：

- (c) Goodwill is allocated to the Group's cash-generating units ("CGUs"). A summary of the goodwill is as follows:

於十二月三十一日
As at 31 December

二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
294	294
11,836	11,836
2,126,800	2,126,800
480,499	381,909
57,136	57,136
30,870	30,870
2,707,435	2,608,845

北京四環製藥有限公司 (「北京四環」)	Beijing Sihuan Pharmaceutical Co., Ltd. ("Beijing Sihuan")
深圳四環醫藥有限公司 (「深圳四環」)	Shenzhen Sihuan Pharmaceutical Co., Ltd. ("Shenzhen Sihuan")
吉林四環製藥有限公司 (「吉林四環」)	Jilin Sihuan Pharmaceutical Co., Ltd. ("Jilin Sihuan")
吉林四長製藥有限公司 (「吉林四長」)(附註 37)	Jilin Sichang Pharmaceutical Co., Ltd. ("Jilin Sichang") (Note 37)
長春翔通藥業有限公司 (「長春翔通」)	Changchun Xiangtong Pharmaceutical Co., Ltd. ("Changchun Xiangtong")
本溪恆康製藥有限公司 (「本溪恆康」)	Benxi Hengkang Pharmaceutical Co., Ltd. ("Benxi Hengkang")

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year end 31 December 2012

8. 無形資產 – 本集團 (續)

現金產生單位的可收回款額按使用價值計算法釐定。該等計算法乃基於管理層所批准涵蓋五年期的財政預算案採用現金流量預測計算。五年期以後的現金流量則採用下述估計增長率進行推斷。增長率並無超出現金產生單位營運所屬醫藥業務的長期平均增長率。

使用價值計算法採用的主要假設如下：

於二零一二年十二月三十一日 As at 31 December 2012

收益增長率	Revenue growth rate	3%	3%	3%	1%	3%	1%
毛利率	Gross profit margin	15%	28%	94%	65%	88%	82%
貼現率	Discount rate	15%	15%	14%	12%	15%	15%

於二零一一年十二月三十一日 As at 31 December 2011

收益增長率	Revenue growth rate	3%	3%	3%	2%	3%	1%
毛利率	Gross profit margin	15%	25%	97%	65%	60%	80%
貼現率	Discount rate	15%	15%	14%	12%	15%	15%

有關假設乃用於分析經營分部內各現金產生單位。

管理層按照過往表現及其對市況發展的預期釐定預算毛利率。所採用的收益平均增長率與行業報告所載預測一致。所採用的貼現率為稅後，並反映相關附屬公司的特定風險。

8. INTANGIBLE ASSETS – THE GROUP (Continued)

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by the management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the pharmaceutical business in which the CGU operates.

The key assumptions used for value-in-use calculations were as follows:

深圳四環	北京四環	吉林四環	長春翔通	吉林四長	本溪恆康
Shenzhen	Beijing	Jilin	Changchun	Jilin	Benxi
Sihuan	Sihuan	Sihuan	Xiangtong	Sichang	Hengkang
3%	3%	3%	1%	3%	1%
15%	28%	94%	65%	88%	82%
15%	15%	14%	12%	15%	15%

These assumptions have been used for the analysis of each CGU within the operating segment.

Management determined budgeted gross profit margins based on past performance and their expectations of market development. The revenue average growth rates used are consistent with the forecasts included in industry reports. The discount rates used are post tax and reflect specific risks relating to the relevant subsidiaries.

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year end 31 December 2012

9. 土地使用權 – 本集團

9. LAND USE RIGHTS – THE GROUP

人民幣千元
RMB'000

於二零一一年一月一日	At 1 January 2011	
成本	Cost	22,320
累計攤銷	Accumulated amortisation	(4,606)
賬面淨值	Net book amount	17,714
截至二零一一年十二月三十一日止年度	Year ended 31 December 2011	
年初賬面淨值	Opening net book amount	17,714
添置	Additions	49,245
收購附屬公司(附註39)	Acquisition of subsidiaries (Note 39)	24,469
攤銷開支	Amortisation charge	(2,516)
年末賬面淨值	Closing net book amount	88,912
於二零一一年十二月三十一日	At 31 December 2011	
成本	Cost	97,651
累計攤銷	Accumulated amortisation	(8,739)
賬面淨值	Net book amount	88,912
截至二零一二年十二月三十一日止年度	Year ended 31 December 2012	
年初賬面淨值	Opening net book amount	88,912
添置	Additions	80,655
攤銷開支	Amortisation charge	(3,930)
年末賬面淨值	Closing net book amount	165,637
於二零一二年十二月三十一日	At 31 December 2012	
成本	Cost	178,306
累計攤銷	Accumulated amortisation	(12,669)
賬面淨值	Net book amount	165,637

土地使用權指中國境內租期為50年的土地使用權。

截至二零一二年十二月三十一日，賬面淨值約人民幣21,829,000元(二零一一年：人民幣15,666,000元)之土地使用權並無產權證。本集團董事認為，本集團合法及有效佔用或使用該等土地。

The land use rights represent land use rights in the PRC with a lease period of 50 years.

As at 31 December 2012, land use rights with net book values of approximately RMB21,829,000 (2011: RMB15,666,000), have no property title certificates. The directors of the Group are of the opinion that the Group is lawfully and validly entitled to occupy or use these land.

10. 金融工具分類 – 本集團及本公司

(a) 本集團

10. FINANCIAL INSTRUMENT BY CATEGORY – THE GROUP AND THE COMPANY

(a) Group

		貸款及 應收賬款 Loans and receivables 人民幣千元 RMB'000	可供出售 Available- for-sale 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
二零一二年				
十二月三十一日	31 December 2012			
資產負債表所列資產	Assets as per balance sheet			
可供出售金融資產	Available-for-sale financial assets	—	717,921	717,921
貿易及其他應收賬款 (不包括預付款項)	Trade and other receivables excluding prepayments	853,886	—	853,886
初步為期超過三個月 的定期存款	Term deposits with initial term of over three months	898,560	—	898,560
現金及現金等價物	Cash and cash equivalents	1,543,907	—	1,543,907
總計	Total	3,296,353	717,921	4,014,274
				按攤銷成本 計算的其他 金融負債 Other financial liabilities at amortised cost 人民幣千元 RMB'000
資產負債表 所列負債	Liabilities as per balance sheet			
借貸	Borrowings			773,114
貿易及其他應付賬款 (不包括非金融負債)	Trade and other payables excluding non-financial liabilities			727,829
總計	Total			1,500,943

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year end 31 December 2012

10. 金融工具分類 – 本集團及本公司 (續)

(a) 本集團 (續)

		貸款及 應收賬款	可供出售	持有至到期	總計
		Loans and receivables	Available- for-sale	Held-to- maturity	Total
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
		RMB'000	RMB'000	RMB'000	RMB'000
二零一一年					
十二月三十一日		31 December 2011			
資產負債表所列資產		Assets as per balance sheet			
可供出售金融資產	Available-for-sale financial assets	—	780,135	—	780,135
持有至到期金融資產	Held-to-maturity financial assets			36,235	36,235
貿易及其他應收賬款 (不包括預付款項)	Trade and other receivables excluding prepayments	645,101	—	—	645,101
現金及現金等價物	Cash and cash equivalents	3,153,154	—	—	3,153,154
總計	Total	3,798,255	780,135	36,235	4,614,625

按攤銷成本
計算的其他
金融負債
Other
financial
liabilities at
amortised cost
人民幣千元
RMB'000

資產負債表 所列負債		Liabilities as per balance sheet		
借貸	Borrowings			5,880
貿易及其他應付賬款 (不包括金融負債)	Trade and other payables excluding non-financial liabilities			1,326,345
總計	Total			1,332,225

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year end 31 December 2012

10. 金融工具分類 – 本集團及本公司 (續)

(b) 本公司

10. FINANCIAL INSTRUMENT BY CATEGORY – THE GROUP AND THE COMPANY (Continued)

(b) Company

		貸款及應收賬款	
		Loans and receivables	
		二零一二年	二零一一年
		2012	2011
		人民幣千元	人民幣千元
		RMB'000	RMB'000
資產負債表所列資產	Assets as per balance sheet		
貿易及其他應收賬款 (不包括預付款項)	Trade and other receivables excluding prepayments	5,634,311	3,042,762
持有至到期金融資產	Held-to-maturity financial assets	—	36,235
初步為期超過三個月的定期存款	Term deposits with initial term of over three months	710,000	—
現金及現金等價物	Cash and cash equivalents	19,527	2,856,393
總計	Total	6,363,838	5,935,390
		按攤銷成本計算的金融負債	
		Financial liabilities	
		at amortised cost	
		二零一二年	二零一一年
		2012	2011
		人民幣千元	人民幣千元
		RMB'000	RMB'000
資產負債表所列負債	Liabilities as per balance sheet		
借貸	Borrowings	494,846	—
貿易及其他應付賬款 (不包括非金融負債)	Trade and other payables excluding non-financial liabilities	11,631	22,922
總計	Total	506,477	22,922

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year end 31 December 2012

11. 於附屬公司的投資—本公司

11. INVESTMENTS IN SUBSIDIARIES – THE COMPANY

於十二月三十一日

As at 31 December

	二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
非上市股份(按成本)	208,617	208,617

本公司於二零一二年十二月三十一日的主要附屬公司詳情載列如下，其中全部為有限責任公司。

The following is a list of the principal subsidiaries at 31 December 2012, all of which are limited liability companies.

公司名稱 Name	主要活動及營業地點 Principal activities and place of operation	註冊成立地點及法定地位 Place of incorporation and kind of legal entity	已發行/註冊資本 Issued/ registered capital	所持權益(%) Interest held (%)
直接持有 Directly held				
耀忠國際(香港)有限公司(「耀忠」) Sun Moral International (HK) Ltd. ("Sun Moral")	於香港投資控股 Investment holding in Hong Kong	香港 Hong Kong	10,000港元 HK\$10,000	100
間接持有 Indirectly held				
海南四環醫藥有限公司(「海南四環」) Hainan Sihuan Pharmaceutical Co., Ltd. ("Hainan Sihuan")	於中國營銷醫藥產品 Marketing of pharmaceutical products in PRC	中國，有限責任公司 PRC, limited liability company	人民幣200,000,000元 RMB200,000,000	100
北京四環 Beijing Sihuan	於中國製造醫藥產品 Manufacturing of pharmaceutical products in PRC	中國，有限責任公司 PRC, limited liability company	人民幣50,000,000元 RMB50,000,000	100
海南四環醫藥信息有限公司 (「海南四環信息」) Hainan Sihuan Pharmaceutical Information Co., Ltd. ("Hainan Sihuan Information")	於中國提供信息支持服務 Provision of information support services in PRC	中國，有限責任公司 PRC, limited liability company	人民幣1,000,000元 RMB1,000,000	100
海南四環心腦血管藥物研究院 (「海南四環心腦血管藥物研究」) Hainan Sihuan Cardiocerebral Vascular Drugs Research Institute Co., Ltd. ("Hainan Sihuan CVD Research")	於中國提供研發服務 Provision of research and development services in PRC	中國，有限責任公司 PRC, limited liability company	人民幣6,000,000元 RMB6,000,000	100

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year end 31 December 2012

11. 於附屬公司的投資 – 本公司

(續)

11. INVESTMENTS IN SUBSIDIARIES – THE COMPANY

(Continued)

公司名稱 Name	主要活動及營業地點 Principal activities and place of operation	註冊成立地點及法定地位 Place of incorporation and kind of legal entity	已發行／註冊資本 Issued/ registered capital	所持權益(%) Interest held (%)
深圳四環 Shenzhen Sihuan	於中國營銷醫藥產品 Marketing of pharmaceutical products in PRC	中國，有限責任公司 PRC, limited liability company	人民幣3,000,000元 RMB3,000,000	100
山東軒竹醫藥科技有限公司(「山東軒竹」) Xuanzhu Pharma Co., Ltd. ("KBP BioSciences")	於中國研發醫藥產品 Research and development of pharmaceutical products in PRC	中國，有限責任公司 PRC, limited liability company	人民幣50,000,000元 RMB50,000,000	100
廊坊高博京邦製藥有限公司 (「廊坊高博京邦」) Langfang Gaobo Jingband Pharmaceutical Co., Ltd. ("Langfang Gaobo Jingband")	於中國製造醫藥物料 Manufacturing of pharmaceutical materials in PRC	中國，有限責任公司 PRC, limited liability company	人民幣30,000,000元 RMB30,000,000	51
北京地澳林醫藥有限公司(「北京地澳林」) Beijing Di Ao Lin Pharmaceutical Technical Co., Ltd. ("Beijing Di Ao Lin")	於中國進行產品註冊申請 Registration and application of products in PRC	中國，有限責任公司 PRC, limited liability company	人民幣3,000,000元 RMB3,000,000	100
北京澳合藥物研究院有限公司 (「北京澳合藥物研究」) Beijing Ao He Research Institute Co., Ltd. ("Beijing Ao He Research")	於中國提供研發服務 Provision of research and development services in PRC	中國，有限責任公司 PRC, limited liability company	人民幣3,600,000元 RMB3,600,000	100
北京高端偉業醫藥科技有限公司 (「高端偉業」) Beijing Gao Duan Wei Ye Pharmaceutical Technical Co., Ltd. ("Gao Duan Wei Ye")	於中國與其他研究公司合作 Cooperation with other research companies in PRC	中國，有限責任公司 PRC, limited liability company	人民幣5,000,000元 RMB5,000,000	60
多菲控股有限公司(「多菲」) Dupromise Holdings Limited ("Dupromise")	於中國投資控股 Investment holding in PRC	英屬處女群島 BVI	1美元 USD1	100
吉林四環 Jilin Sihuan	於中國製造醫藥產品 Manufacturing of pharmaceutical products in PRC	中國，有限責任公司 PRC, limited liability company	人民幣50,000,000元 RMB50,000,000	100
長春翔通 Changchun Xiangtong	於中國製造醫藥產品 Manufacturing of pharmaceutical products in PRC	中國 PRC	人民幣16,880,000元 RMB16,880,000	80

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year end 31 December 2012

11. 於附屬公司的投資－本公司

(續)

11. INVESTMENTS IN SUBSIDIARIES – THE COMPANY

(Continued)

公司名稱 Name	主要活動及營業地點 Principal activities and place of operation	註冊成立地點及法定地位 Place of incorporation and kind of legal entity	已發行／註冊資本 Issued/ registered capital	所持權益(%) Interest held (%)
通化四環醫藥有限公司(「通化四環」) Tonghua Sihuan Pharmaceutical Co., Ltd. (“Tonghua Sihuan”)	於中國製造醫藥產品 Marketing of pharmaceutical products in PRC	中國，有限責任公司 PRC, limited liability company	人民幣12,000,000元 RMB12,000,000	100
西馬巴斯特投資有限公司(「西馬巴斯特」) Smart Baskets Investment Limited (“Smart Baskets”)	於中國投資控股 Investment holding in PRC	英屬處女群島 BVI	1美元 USD1	100
吉林四長 Jilin Sichang	於中國製造醫藥產品 Manufacturing of pharmaceutical products in PRC	中國，有限責任公司 PRC, limited liability company	人民幣28,800,000元 RMB28,800,000	81
海南李茲曼製藥有限公司(「海南李茲曼」) Hainan Litzman Pharmaceutical Co., Ltd. (“Hainan Litzman”)	於中國進行製造醫藥產品的項目籌備 Project preparation for manufacturing of pharmaceutical products in PRC	中國，有限責任公司 PRC, limited liability company	人民幣19,500,000元 RMB19,500,000	100
梅河口本草農副產品加工有限公司 (「梅河口本草」) Meihekou Herbal Primary Product Processing Co., Ltd. (“Meihekou Herbal”)	於中國進行製造醫藥產品的項目籌備 Project preparation for manufacturing of pharmaceutical products in PRC	中國，有限責任公司 PRC, limited liability company	人民幣200,000元 RMB200,000	100
本溪恆康 Benxi Hengkang	於中國製造醫藥產品 Manufacturing of pharmaceutical products in PRC	中國，有限責任公司 PRC, limited liability company	人民幣21,500,000元 RMB21,500,000	100
吉林振澳科技有限公司* (「吉林振澳」) Jilin Zhen'ao Technology Co., Ltd. (“Jilin Zhen'ao”)	於中國進行農副產品深加工 Further processing of agricultural and sideline products in PRC	中國，有限責任公司 PRC, limited liability company	人民幣22,989,180元 RMB22,989,180	100
吉林四環來福卡電子醫療科技有限公司* (「吉林四環來福卡」) Jilin Sihuan Laifuka Electronic Medical Technology Co., Ltd. (“Jilin Sihuan Laifuka”)	於中國出售醫藥用品 Sale of medical supplies in PRC	中國，有限責任公司 PRC, limited liability company	人民幣3,000,000元 RMB3,000,000	100

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year end 31 December 2012

11. 於附屬公司的投資 – 本公司

(續)

公司名稱 Name	主要活動及營業地點 Principal activities and place of operation	註冊成立地點及法定地位 Place of incorporation and kind of legal entity	已發行/註冊資本 Issued/ registered capital	所持權益(%) Interest held (%)
北京四環來福卡電子醫療器械有限公司* (「北京四環來福卡」) Beijing Sihuan Laifuka Electronic Medical Equipment Co., Ltd. (“Beijing Sihuan Laifuka”)	於中國出售醫療器械 Sale of medical appliance in PRC	中國，有限責任公司 PRC, limited liability company	人民幣3,000,000元 RMB3,000,000	100 100
通化天實製藥有限公司*(「通化天實」) Tonghua Tianshi Pharmaceutical Co., Ltd. (“Tonghua Tianshi”)	於中國建立醫療項目 Construction of medical project in PRC	中國，有限責任公司 PRC, limited liability company	人民幣10,000,000元 RMB10,000,000	81 81
北京四環海斯康電子醫療技術有限公司* (「北京四環海斯康」) Beijing Sihuan Haisikang Electronic Medical Technology Co., Ltd. (“Beijing Sihuan Haisikang”)	於中國推廣技術 Promotion of technology in PRC	中國，有限責任公司 PRC, limited liability company	人民幣10,000,000元 RMB10,000,000	56.9 56.9
北京四環高博藥物研究院有限公司* (「北京高博研究所」) Beijing Sihuan Gaobo Institute Of Drug Research Co., Ltd. (“Beijing Gaobo Institute”)	於中國提供研發服務 Provision of research and development services in PRC	中國，有限責任公司 PRC, limited liability company	人民幣500,000元 RMB500,000	51 51
龍井通達農副產品加工有限公司* (「龍井通達」) Longjing Tongda Agricultural And Sideline Products Processing Co., Ltd (“Longjing Tongda”)	於中國進行農副產品深加工 Further processing of agricultural and sideline products in PRC	中國，有限責任公司 PRC, limited liability company	人民幣5,000,000元 RMB5,000,000	100 100

* 該等附屬公司乃於截至二零一二年十二月三十一日止年度註冊成立。

財務報表所述若干公司的名稱乃管理層對其中文名稱的英文譯本，因為該等公司並無註冊或提供英文名稱。

集團業務投資按成本(即已付代價的公平值)入賬。

11. INVESTMENTS IN SUBSIDIARIES – THE COMPANY

(Continued)

* These subsidiaries were incorporated during the year ended 31 December 2012.

The names of certain companies referred to in the financial statements represent management's translation of their Chinese names into English as no English names have been registered or are available for them.

Investments in group undertakings are recorded at cost, which is the fair value of the consideration paid.

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year end 31 December 2012

12. 於聯營公司的投資 – 本集團

12. INVESTMENTS IN ASSOCIATE – THE GROUP

		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
於一月一日	At 1 January	—	—
收購	Acquisition	47,309	—
應佔虧損	Share of loss	(6,347)	—
於十二月三十一日	At 31 December	40,962	—

於二零一二年，本集團收購 Orion TC Holdings Limited (「Orion」) 及其全資附屬公司山東亨利醫藥科技有限責任公司 (「山東亨利」)，主要於中國從事醫藥產品研發) 30% 的權益。

In 2012, the Group acquired 30% interest of Orion TC Holdings Limited (“Orion”) and its wholly owned subsidiary, Shandong Hengli Pharmaceutical Technical Co. Ltd. (“Shandong Hengli”), which mainly engage in research and development of pharmaceutical products in PRC.

本集團應佔該聯營公司業績以及其總計資產 (包括商譽) 及負債如下：

The Group's share of the results of the associate, and its aggregated assets (including goodwill) and liabilities, are as follows:

公司名稱	註冊成立國家	資產	負債	收益	虧損	所持權益%
Name	Country of incorporation	Assets	Liabilities	Revenues	Loss	% interest held
		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	
31 December 2012	二零一二年十二月三十一日					
Orion	英屬處女群島					
Orion	BVI	51,820	(10,858)	64	(6,347)	30%

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year end 31 December 2012

13. 持有至到期金融資產 – 本集團及本公司

13. HELD-TO-MATURITY FINANCIAL ASSETS – THE GROUP AND THE COMPANY

		於十二月三十一日 As at 31 December	
		二零一二年 2012	二零一一年 2011
		人民幣千元 RMB'000	人民幣千元 RMB'000
非上市金融債券：	Unlisted financial bonds:		
– 固定利率為 2.70% 且於二零一三年十一月十一日到期的債券	– Bonds with fixed interest of 2.70% and maturity date of 11 November 2013	—	17,917
– 固定利率為 1.95% 且於二零一二年十二月二日到期的債券	– Bonds with fixed interest of 1.95% and maturity date of 2 December 2012	—	18,318
		—	36,235

持有至到期金融資產均以人民幣計值。

Held-to-maturity financial assets are all denominated in RMB.

持有至到期金融資產的變動概述如下：

The movement in held-to-maturity financial assets is summarised as follows:

		於十二月三十一日 As at 31 December	
		二零一二年 2012	二零一一年 2011
		人民幣千元 RMB'000	人民幣千元 RMB'000
於一月一日	At 1 January	36,235	36,252
出售	Disposals	(36,235)	—
按票面利率收取的利息	Interest received per coupon interest rate	(158)	(839)
透過實際利率攤銷(附註 26)	Amortized by effective interest rate (Note 26)	158	822
於十二月三十一日	At 31 December	—	36,235
減：非即期部分	Less: non-current portion	—	(17,917)
即期部分	Current portion	—	18,318

年內，本集團並無重分類按攤銷成本而非公平值計量之金融資產(二零一一年：無)。

The Group has not reclassified any financial assets measured at amortised cost rather than fair value during the year (2011: nil).

於二零一二年，本集團在金融債券到期前提早將其贖回。

In 2012, the Group early redeemed the financial bonds before their maturity date.

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year end 31 December 2012

14. 可供出售金融資產－本集團

14. AVAILABLE-FOR-SALE FINANCIAL ASSETS – THE GROUP

		於十二月三十一日 As at 31 December	
		二零一二年 2012	二零一一年 2011
		人民幣千元 RMB'000	人民幣千元 RMB'000
於一月一日	At 1 January	780,135	—
添置	Additions	716,900	778,500
出售	Disposals	(780,135)	—
來自可供出售金融資產 公平值變動的收益淨額	Net gain from change in fair value of available-for-sale financial assets	1,021	1,635
於十二月三十一日	At 31 December	717,921	780,135

可供出售金融資產包括以下：

Available-for-sale financial assets include the following:

		於十二月三十一日 As at 31 December	
		二零一二年 2012	二零一一年 2011
		人民幣千元 RMB'000	人民幣千元 RMB'000
短期投資	Short-term investments	717,921	780,135

該款項指為期六個月而回報率未能確定的若干中國國有銀行機構及中國境外聲譽顯著的國際金融機構短期投資。該等投資均以人民幣計值。

該等投資之公平值乃基於平均估計回報率3.69% (二零一一年：6.59%) 計算。

於報告日期的最大信貸風險為該等資產之賬面值。

既無逾期亦無減值的可供出售金融資產的信貸質素可參考外部信貸評級(若有)或對手方有關拖欠情況率的歷史資料作出評估。該等金融資產既無逾期亦無減值。

The amount represents short-term investments placed in certain PRC state-owned banking institutions and reputable international financial institutions outside of PRC with maturity within 6 months and non-determinable return rate. These investments are all denominated in RMB.

The fair values of these investments are based on average estimated return rate of 3.69% (2011: 6.59%).

The maximum exposure to credit risk at the reporting date is the carrying value of these investments.

The credit quality of available-for-sale financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates. None of these financial assets is either past due or impaired.

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度
For the year end 31 December 2012

15. 其他非流動資產 – 本集團

15. OTHER NON-CURRENT ASSETS – THE GROUP

		於十二月三十一日 As at 31 December	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
其他非流動資產	Other non-current assets	122,521	97,668

有關款項指收購土地使用權之預付款項。

The amount represents prepayment for acquisition of land use rights.

16. 存貨 – 本集團

16. INVENTORIES – THE GROUP

		於十二月三十一日 As at 31 December	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
原材料	Raw materials	24,030	15,712
在製品	Work in progress	18,973	13,465
製成品	Finished goods	48,469	28,476
		91,472	57,653

存貨成本確認為開支而計入「銷售成本」的金額為人民幣586,690,000元(二零一一年：人民幣417,943,000元)。

The cost of inventories recognised as expense and included in “cost of sales” amounted to RMB586,690,000 (2011: RMB417,943,000).

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year end 31 December 2012

17. 貿易及其他應收賬款

17. TRADE AND OTHER RECEIVABLES

		本集團		本公司	
		Group		Company	
		於十二月三十一日		於十二月三十一日	
		As at 31 December		As at 31 December	
		二零一二年	二零一一年	二零一二年	二零一一年
		2012	2011	2012	2011
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
		RMB'000	RMB'000	RMB'000	RMB'000
貿易應收賬款－第三方	Trade receivables – third parties	599,582	387,893	—	—
部分出售一家附屬公司	Amount receivable from partial				
應收賬款(a)	disposal of a subsidiary (a)	154,192	142,250	—	—
預付供應商款項	Prepayments to suppliers	69,426	73,694	—	—
應付增值稅	Value added tax payable	20,409	—	—	—
應收附屬公司款項(b)	Amounts due from subsidiaries (b)	—	—	4,002,343	1,985,400
應收附屬公司股息	Dividend receivable from subsidiaries	—	—	1,625,411	1,054,411
其他應收賬款	Other receivables	79,703	114,958	6,557	2,951
		923,312	718,795	5,634,311	3,042,762
減：非即期部分：	Less: non-current portion:				
部分出售一家附屬公司	Amount receivable from partial				
應收賬款(a)	disposal of a subsidiary (a)	154,192	—	—	—
即期部分	Current Portion	769,120	718,795	5,634,311	3,042,762

(a) 部分出售一家附屬公司應收賬款指附註37提及有關部分出售之尚未收取的代價，其預期將於二零一二年十二月三十一日償還且實際利率為7.22%(二零一一年十二月三十一日：7.22%)。

(b) 應收本公司附屬公司的款項乃免息、無抵押、須應要求償還及完全履行。

貿易及其他應收賬款的非即期部分的公平值為人民幣137,000元，該金額根據現金流量以借款利率6.15%折現計算。於報告日期的最大信貸風險為上述各類別應收賬款之公平值。本集團並無持有任何抵押品作為擔保。

未逾期亦並無減值的貿易及其他應收賬款經參考對手方有關拖欠情況、聲譽、流動資金及其他財務資料的歷史資料進行評估。

(a) Amount receivable from partial disposal of a subsidiary represents the consideration not yet received relevant to the partial disposal mentioned in Note 37, which is expected to be settled and bear effective interest rate of 7.22% as at 31 December 2012 (31 December 2011: 7.22%).

(b) The amounts due from subsidiaries of the Company are interest-free, unsecured, repayable on demand and fully performing.

The fair values of non-current portion of trade and other receivables are RMB137,000 based on cash flows discounted using a rate based on the borrowing rate of 6.15%. The maximum exposure to the credit risk at the reporting date is the fair value of each class of receivables mentioned above. The Group does not hold any collateral as security.

Trade and other receivables that are neither past due nor impaired are assessed by making reference to historical information about default rates, reputation, liquidity and other financial information of the counterparties.

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year end 31 December 2012

17. 貿易及其他應收賬款 (續)

貿易及其他應收賬款之賬面值以下列貨幣計值：

		本集團		本公司	
		Group		Company	
		於十二月三十一日		於十二月三十一日	
		As at 31 December		As at 31 December	
		二零一二年	二零一一年	二零一二年	二零一一年
		2012	2011	2012	2011
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
		RMB'000	RMB'000	RMB'000	RMB'000
人民幣	RMB	921,929	714,793	5,634,311	3,042,762
港元	HKD	—	4,002	—	—
美元	USD	1,383	—	—	—
		923,312	718,795	5,634,311	3,042,762

17. TRADE AND OTHER RECEIVABLES (Continued)

The carrying amounts of trade and other receivables are denominated in the following currencies:

本集團授予客戶的信貸期介乎一個月至一年。賬齡少於一年的貿易應收賬款不視為減值。貿易應收賬款的賬齡分析如下：

The Group's credit terms granted to customers range from one month to one year. Trade receivables that are aged less than one year are not considered impaired. The ageing analysis of trade receivables is as follows:

		於十二月三十一日	
		As at 31 December	
		二零一二年	二零一一年
		2012	2011
		人民幣千元	人民幣千元
		RMB'000	RMB'000
3個月以內	Within 3 months	563,994	339,096
3至6個月	3 to 6 months	32,607	9,293
6個月至1年	6 months to 1 year	2,666	39,248
1年以上	More than 1 year	315	256
		599,582	387,893

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year end 31 December 2012

17. 貿易及其他應收賬款(續)

於二零一二年十二月三十一日，貿易應收賬款人民幣6,559,000元(二零一一年：人民幣38,734,000元)已逾期但未減值。該等款項與多名獨立批發商有關，而彼等並無重大財政困難，且基於過往經驗，該等逾期款項可收回。該等貿易應收賬款的賬齡分析如下：

		於十二月三十一日 As at 31 December	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
3至6個月	3 to 6 months	3,739	30
6個月至1年	6 months to 1 year	2,505	38,448
1年以上	More than 1 year	315	256
		6,559	38,734

未逾期亦並無減值的貿易應收賬款之信貸質素可參考對手方有關拖欠情況的歷史資料進行評估：

		於十二月三十一日 As at 31 December	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
第一組	Group 1	592,862	348,359
第二組	Group 2	161	800
		593,023	349,159

- 第一組－過往並無拖欠之客戶(6個月以下)。
- 第二組－過往並無拖欠之客戶(6個月以上)。

於二零一二年及二零一一年十二月三十一日，無貿易應收賬款已減值，並無作出撥備。貿易應收賬款均按時償付。

17. TRADE AND OTHER RECEIVABLES (Continued)

As at 31 December 2012, trade receivables of RMB6,559,000 (2011: RMB38,734,000) were past due but not impaired. These relate to a number of independent wholesalers for whom there is no significant financial difficulty and based on past experience, the overdue amount can be recovered. The ageing analysis of these trade receivables is as follows:

The credit quality of trade receivables that are neither past due nor impaired can be assessed by reference to historical information about counterparty default rates:

		於十二月三十一日 As at 31 December	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
第一組	Group 1	592,862	348,359
第二組	Group 2	161	800
		593,023	349,159

- Group 1 – customers (less than 6 months) with no defaults in the past.
- Group 2 – customers (more than 6 months) with no defaults in the past.

As at 31 December 2012 and 2011, no trade receivables were impaired and no provision was made. The trade receivables are fully performing.

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year end 31 December 2012

18. 現金及現金等價物

18. CASH AND CASH EQUIVALENTS

		本集團		本公司	
		Group		Company	
		於十二月三十一日		於十二月三十一日	
		As at 31 December		As at 31 December	
		二零一二年	二零一一年	二零一二年	二零一一年
		2012	2011	2012	2011
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
		RMB'000	RMB'000	RMB'000	RMB'000
庫存現金	Cash on hand	266	686	43	—
銀行存款(a)	Bank deposits (a)	1,543,641	3,152,468	19,484	2,856,393
		1,543,907	3,153,154	19,527	2,856,393

(a) 於二零一二年十二月三十一日，計入銀行存款之定期存款人民幣130,000,000元(二零一一年：人民幣1,439,000,000元)為存置於若干中國有銀行機構及香港地區聲譽顯著的國際金融機構之具固定回報率之流動投資，到期日為50日(二零一一年：46日)。於二零一二年十二月三十一日，該等定期存款的實際年利率為3.27%(二零一一年：2.04%)。

於二零一二年十二月三十一日，其他銀行存款的實際年利率為1.72%(二零一一年：1.59%)。

(a) As at 31 December 2012, deposits of RMB130,000,000 (2011: RMB1,439,000,000) included in bank deposits are liquid investments with fixed return rate placed in certain PRC state-owned banking institutions and reputable international financial institutions in Hong Kong which have a maturity within 50 days (2011: 46 days). The effective annual interest rate of these term deposits as at 31 December 2012 was 3.27% (2011: 2.04%).

The effective annual interest rate of other bank deposit as at 31 December 2012 was 1.72% (2011: 1.59%).

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year end 31 December 2012

18. 現金及現金等價物(續)

現金及現金等價物以下列貨幣計值：

人民幣	RMB
港元	HKD
新加坡元	SGD
美元	USD

18. CASH AND CASH EQUIVALENTS (Continued)

Cash and cash equivalents are denominated in the following currencies:

		本集團 Group		本公司 Company	
		於十二月三十一日 As at 31 December		於十二月三十一日 As at 31 December	
		二零一二年 2012	二零一一年 2011	二零一二年 2012	二零一一年 2011
		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	RMB	1,541,446	2,952,242	18,934	2,655,484
港元	HKD	1,851	48	44	46
新加坡元	SGD	524	864	524	863
美元	USD	86	200,000	25	200,000
		1,543,907	3,153,154	19,527	2,856,393

既無逾期亦無減值的現金及現金等價物的信貸質素可參考外部信貸評級(若有)或對手方有關拖欠情況的歷史資料作出評估。

The credit quality of cash and cash equivalents that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year end 31 December 2012

19. 初步為期超過三個月的定期存款 – 本集團及本公司

19. TERM DEPOSITS WITH INITIAL TERM OF OVER THREE MONTHS – THE GROUP AND THE COMPANY

	本集團		本公司	
	Group		Company	
	於十二月三十一日		於十二月三十一日	
	As at 31 December		As at 31 December	
	二零一二年	二零一一年	二零一二年	二零一一年
	2012	2011	2012	2011
	人民幣千元	人民幣千元	人民幣千元	人民幣千元
	RMB'000	RMB'000	RMB'000	RMB'000
初步為期超過三個月的定期存款				
Term deposits with initial term of over 3 months	898,560	—	710,000	—

於二零一二年十二月三十一日，定期存款的實際年利率為2.95%（二零一一年：無）及以人民幣計值。

本集團董事認為，初步為期超過三個月的定期存款的賬面值與其於二零一二年十二月三十一日的公平值相若。

The effective annual interest rate of the term deposits as at 31 December 2012 was 2.95% (2011: nil) and denominated in RMB.

The directors of the Group considered that the carrying value of the term deposits with initial term of over three months approximated their fair value as at 31 December 2012.

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year end 31 December 2012

20. 股本及股份溢價—本集團及本公司

20. SHARE CAPITAL AND SHARE PREMIUM – THE GROUP AND THE COMPANY

		已發行 及繳足普通 法定 股數量 普通股數量	Number of Number of authorised ordinary shares	Number of issued and fully paid ordinary shares	股本 Share capital	股份溢價 Share premium	總計 Total
		千股 '000	千股 '000	千股 '000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000
於二零一一年一月一日 (每股面值0.01港元)	As at 1 January 2011 (HK\$0.01 per share)	10,000,000	5,187,500	44,526	5,608,947	5,653,473	
購回及註銷股份(a)	Repurchase and cancellation of shares (a)	—	(12,476)	(107)	(34,996)	(35,103)	
於二零一一年 十二月三十一日 (每股面值0.01港元)	As at 31 December 2011 (HK\$0.01 per share)	10,000,000	5,175,024	44,419	5,573,951	5,618,370	
於二零一二年一月一日及 十二月三十一日 (每股面值0.01港元)	As at 1 January and 31 December 2012 (HK\$0.01 per share)	10,000,000	5,175,024	44,419	5,573,951	5,618,370	

(a) 二零一一年七月，本公司以每股3.22港元至3.45港元的價格合共購回12,476,000股普通股，總代價為42,290,000港元(約人民幣35,103,000元)，包括相關交易費用151,000港元(約人民幣125,000元)。該等普通股的面值與上述代價的差額共人民幣34,996,000元自本公司股份溢價賬扣除。購回的股份於二零一一年七月註銷。

(a) In July 2011, the Company repurchased its ordinary shares totalling 12,476,000 shares at a range of HK\$3.22 to HK\$3.45 per share, with an aggregate consideration of HK\$42,290,000 (approximately RMB35,103,000), including the relevant transaction expense of HK\$151,000 (approximately RMB125,000). The difference between the par value of the ordinary shares and the aforesaid consideration, totally RMB34,996,000, is deducted against the share premium account of the Company. The repurchased shares were cancelled in July 2011 accordingly.

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year end 31 December 2012

21. 其他儲備及保留盈利－本集團及本公司

本集團

21. OTHER RESERVES AND RETAINED EARNINGS – THE GROUP AND THE COMPANY

Group

		其他儲備			保留盈利	
		Other reserve			Retained earnings	
		可供出售 中國法定 儲備金	可供出售 金融資產 Available- for-sale financial assets	資本儲備 Capital reserve	總計 Total	人民幣千元 RMB'000
		PRC statutory reserve fund	PRC statutory reserve fund	Capital reserve	Total	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
		(附註(a)) (Note (a))				
於二零一一年一月一日	At 1 January 2011	111,876	—	—	111,876	891,582
年度溢利	Profit for the year	—	—	—	—	824,048
出售一家附屬公司	Disposal of a subsidiary	(1,000)	—	—	(1,000)	1,000
中期與特別股息(附註33)	Interim and special dividends (Note 33)	—	—	—	—	(501,977)
可供出售金融資產之 公平值變動	Change in fair value of available-for-sale financial assets	—	1,635	—	1,635	—
轉撥至中國法定儲備金	Transfer to PRC statutory reserve fund	40,974	—	—	40,974	(40,974)
於二零一一年十二月三十一日 及二零一二年一月一日	At 31 December 2011 and 1 January 2012	151,850	1,635	—	153,485	1,173,679
年度溢利	Profit for the year	—	—	—	—	904,402
中期與特別股息(附註33)	Interim and special dividends (Note 33)	—	—	—	—	(662,404)
不改變控制權之附屬公司 所有權權益變更(附註36)	Change in ownership interests in a subsidiary without change of control (Note 36)	—	—	(110,268)	(110,268)	—
僱員購股權計劃 — 僱員服務價值(附註29)	Employee share option scheme — value of employee service (Note 29)	—	—	7,678	7,678	—
註銷一家附屬公司(附註a)	Deregistration of a subsidiary (Note a)	(500)	—	—	(500)	500
出售可供出售金融資產	Disposal of available-for-sale financial assets	—	(1,635)	—	(1,635)	—
可供出售金融資產之 公平值變動(附註14)	Change in fair value of available-for-sale financial assets (Note 14)	—	1,021	—	1,021	—
轉撥至中國法定儲備金	Transfer to PRC statutory reserve fund	15,475	—	—	15,475	(15,475)
於二零一二年十二月三十一日	At 31 December 2012	166,825	1,021	(102,590)	65,256	1,400,702

(a) 於二零一二年十二月，本集團註銷海南四環醫藥科技有限公司。

(a) In December 2012, the Group derecognised Hainan Sihuan Technology Pharmaceutical Co., Ltd.

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year end 31 December 2012

21. 其他儲備及保留盈利—本集團及本公司(續)

本公司

21. OTHER RESERVES AND RETAINED EARNINGS – THE GROUP AND THE COMPANY (Continued)

Company

		其他儲備 Other reserve 人民幣千元 RMB'000	保留盈利 Retained earnings 人民幣千元 RMB'000
於二零一一年一月一日	At 1 January 2011	—	(17,067)
年度溢利	Profit for the year	—	1,021,773
股息(附註 33)	Dividends (Note 33)	—	(501,977)
於二零一一年十二月三十一日及 二零一二年一月一日	At 31 December 2011 and 1 January 2012	—	502,729
年度溢利	Profit for the year	—	599,615
股息(附註 33)	Dividends (Note 33)	—	(662,404)
僱員購股權計劃— 僱員服務價值(附註 29)	Employee share option scheme - value of employee service (Note 29)	7,678	—
於二零一二年十二月三十一日	At 31 December 2012	7,678	439,940

本公司於中國的附屬公司須遵循中國法例及規例以及其各自的組織章程細則。該等附屬公司須將其各財政年度的純利的至少10%分配至儲備金，直至該基金餘額達到其各自註冊資本的50%。該儲備金僅可於取得股東大會批准或類似授權後用於抵銷累計虧損或用於增資。該儲備金不可用於向股東分派(清盤時例外)。

The Company's subsidiaries in the PRC are required to follow the laws and regulations of the PRC and their respective articles of association. These subsidiaries are required to allocate at least 10% of their net profits for each financial year to the reserve fund until the balance of such fund has reached 50% of their respective registered capital. The reserve fund can only be used, upon approval by the shareholders' meeting or similar authorities, to offset accumulated losses or increase capital. The reserves fund is not available for distribution to shareholders except in the case of liquidation.

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year end 31 December 2012

22. 其他非流動負債 – 本集團

22. OTHER NON – CURRENT LIABILITIES - THE GROUP

		本集團 Group	
		於十二月三十一日 As at 31 December	
		二零一二年 2012	二零一一年 2011
		人民幣千元 RMB'000	人民幣千元 RMB'000
部分出售一家附屬公司 之遞延收益(附註37)	Deferred gain on partial disposal of a subsidiary/(Note 37)	193,590	—
出售分銷權之遞延收益(a)	Deferred revenue for sales of distribution right (a)	13,817	—
		207,407	—

(a) 其指出售若干醫藥產品的分銷權為期5年予第三方已收的現金墊款。該收益按直線基準於收益表確認。

(a) It represents the cash advance received for sales distribution rights of certain pharmaceutical products to third parties for 5 years. The revenue is recognised in the income statement based on straight line basis.

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year ended 31 December 2012

23. 貿易及其他應付賬款

23. TRADE AND OTHER PAYABLES

		本集團		本公司	
		Group		Company	
		於十二月三十一日		於十二月三十一日	
		As at 31 December		As at 31 December	
		二零一二年	二零一一年	二零一二年	二零一一年
		2012	2011	2012	2011
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
		RMB'000	RMB'000	RMB'000	RMB'000
貿易應付賬款	Trade payables	36,207	29,223	—	—
應計營銷服務費	Accrued marketing service fee	329,923	—	—	—
購買客戶關係 應付賬款	Payable of purchase of customer relationship	185,000	—	—	—
部分出售一家附屬公司之 遞延收益	Deferred gain on partial disposal of a subsidiary	—	95,000	—	—
來自客戶的墊款	Advances from customers	88,668	66,701	—	—
應付按金	Deposit payables	73,434	26,340	—	—
政府就拆卸現有物業 所作賠償墊款	Advance of compensation from government demolition of existing premise	30,000	—	—	—
收購附屬公司的 應付賬款(a)	Amount payables due to the acquisition of subsidiaries (a)	20,000	1,200,000	—	—
應付增值稅	Value added tax payables	16,071	30,253	—	—
應計董事績效花紅	Accrued performance bonus to directors	4,800	21,993	4,800	21,993
其他應付賬款	Other payables	83,265	70,782	6,831	929
		867,368	1,540,292	11,631	22,922

貿易及其他應付賬款的公平值與其賬面值相若。

The fair values of trade and other payables approximate their carrying amounts.

(a) 其指就於二零一一年收購Smart Baskets及其附屬公司而未付的應付代價。二零一一年業務合併的詳情請參閱附註39(a)。

(a) It represents the outstanding consideration payable in respect of the acquisition of Smart Baskets and its subsidiaries in 2011. Details of 2011 business combination refer to Note 39(a).

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度
For the year ended 31 December 2012

23. 貿易及其他應付賬款 (續)

貿易應付賬款的賬齡分析如下：

		於十二月三十一日 As at 31 December	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
6個月內	Within 6 months	30,078	25,574
6個月至1年	6 months to 1 year	711	1,252
1年以上	More than 1 year	5,418	2,397
		36,207	29,223

購買存貨的應付賬款尚未支付，預期於12個月內支付。

貿易及其他應付賬款的賬面值以下列貨幣計值：

Amount payables due to the purchase of inventory not yet paid and were expected to be paid within 12 months.

The carrying amounts of trade and other payables are denominated in the following currencies:

		本集團 Group 於十二月三十一日 As at 31 December		本公司 Company 於十二月三十一日 As at 31 December	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000	二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
人民幣	RMB	860,471	1,539,621	5,162	22,491
港元	HKD	6,496	641	6,469	401
美元	USD	401	24	—	24
新加坡元	SGD	—	6	—	6
		867,368	1,540,292	11,631	22,922

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year ended 31 December 2012

24. 遞延所得稅 – 本集團

遞延所得稅資產及遞延所得稅負債分析如下：

24. DEFERRED INCOME TAX – GROUP

The analysis of deferred income tax assets and deferred income tax liabilities is as follows:

		於十二月三十一日 As at 31 December	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
遞延所得稅資產	Deferred income tax assets		
– 將在一年內收回	– to be recovered within 1 year	241,498	69,483
– 將在一年後結算	– to be settled after 1 year	23,678	—
		265,176	69,483
遞延所得稅負債	Deferred income tax liabilities		
– 將在一年內結算	– to be settled within 1 year	(99,109)	(68,925)
– 將在一年後結算	– to be settled after 1 year	(109,423)	(44,208)
		(208,532)	(113,133)
遞延所得稅資產/(負債) – 淨額	Deferred income tax assets/(liabilities) – net	56,644	(43,650)

遞延所得稅賬戶變動總額如下：

The gross movements on the deferred income tax accounts are as follows:

		截至十二月三十一日止年度 Year ended 31 December	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
於一月一日	At 1 January	(43,650)	31,494
收購附屬公司(附註39)	Acquisition of subsidiaries (Note 39)	—	(134,784)
於全面收益表貸記/(支銷)(附註31)	Credited/(Charged) to statement of comprehensive income (Note 31)	175,987	(16,053)
轉撥自/(至)持作出售之待處置組(附註37)	Transfer from/(to) disposal group classified as held for sale (Note 37)	(75,693)	75,693
於十二月三十一日	At 31 December	56,644	(43,650)

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度
For the year ended 31 December 2012

24. 遞延所得稅 – 本集團 (續)

本年度內遞延所得稅資產及負債變動如下(未考慮同一稅務司法權區內的餘額抵銷)：

遞延所得稅資產

		部分出售 一家附屬 公司的 遞延收益 Deferred gain on partial disposal of a subsidiary 人民幣千元 RMB'000	集團內 公司間 銷售的 未變現溢利 Unrealised profit of intra-group sales 人民幣千元 RMB'000	應計 營銷服務費 Marketing service fee accrued 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
於二零一一年一月一日	At 1 January 2011	—	41,020	—	41,020
貸記收益表	Credited to income statement	23,678	4,785	—	28,463
於二零一一年 十二月三十一日	At 31 December 2011	23,678	45,805	—	69,483
於二零一二年一月一日	At 1 January 2012	23,678	45,805	—	69,483
貸記收益表	Credited to income statement	—	135,311	60,382	195,693
於二零一二年 十二月三十一日	At 31 December 2012	23,678	181,116	60,382	265,176

若可通過未來應納稅溢利變現相關稅項優惠，則就稅項虧損結轉確認遞延所得稅資產。由於董事尚未確定是否可獲得未來應納稅溢利，故本集團於二零一二年十二月三十一日並無確認與稅項虧損人民幣63,143,000元(二零一一年：人民幣147,067,000元)有關的遞延所得稅資產約人民幣15,786,000元(二零一一年：人民幣36,767,000元)。該等虧損可以結轉以抵銷未來應課稅收入。虧損人民幣53,674,000元及人民幣9,469,000元將分別於二零一六年及二零一七年到期。

24. DEFERRED INCOME TAX – GROUP (Continued)

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred income tax assets

		部分出售 一家附屬 公司的 遞延收益 Deferred gain on partial disposal of a subsidiary 人民幣千元 RMB'000	集團內 公司間 銷售的 未變現溢利 Unrealised profit of intra-group sales 人民幣千元 RMB'000	應計 營銷服務費 Marketing service fee accrued 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
於二零一一年一月一日	At 1 January 2011	—	41,020	—	41,020
貸記收益表	Credited to income statement	23,678	4,785	—	28,463
於二零一一年 十二月三十一日	At 31 December 2011	23,678	45,805	—	69,483
於二零一二年一月一日	At 1 January 2012	23,678	45,805	—	69,483
貸記收益表	Credited to income statement	—	135,311	60,382	195,693
於二零一二年 十二月三十一日	At 31 December 2012	23,678	181,116	60,382	265,176

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefits through the future taxable profits is probable. Due to the fact that the directors are not certain on whether future taxable profit would be available, the Group did not recognise deferred income tax assets of approximately RMB15,786,000 (2011: RMB36,767,000) in respect of tax losses amounting to RMB63,143,000 (2011: RMB147,067,000) as at 31 December 2012 that can be carried forward to offset against future taxable income. Losses amounting to RMB53,674,000 and RMB9,469,000 will expire in 2016 and 2017 respectively.

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year ended 31 December 2012

24. 遞延所得稅 – 本集團 (續)

遞延所得稅負債

		收購產生的 公平值收益 Fair value gain arising from acquisitions 人民幣千元 RMB'000	中國附屬 公司未匯出 收益的 預扣稅 Withholding tax of the unremitted earnings of a PRC subsidiary 人民幣千元 RMB'000 (附註) (Note)	總計 Total 人民幣千元 RMB'000
於二零一一年一月一日	At 1 January 2011	7,496	2,030	9,526
收購附屬公司(附註39)	Acquisition of subsidiaries (Note 39)	134,784	—	134,784
轉撥至持作出售之 待處置組(附註37)	Transfer to disposal group classified as held for sale (Note 37)	(75,693)	—	(75,693)
於收益表(貸記)/支銷	(Credited)/charged to income statement	(10,084)	54,600	44,516
於二零一一年 十二月三十一日	At 31 December 2011	56,503	56,630	113,133
於二零一二年一月一日	At 1 January 2012	56,503	56,630	113,133
轉撥自持作出售之 待處置組	Transfer from disposal group classified as held for sale	75,693	—	75,693
於收益表(貸記)/支銷	(Credited)/charged to income statement	(12,294)	32,000	19,706
於二零一二年 十二月三十一日	At 31 December 2012	119,902	88,630	208,532

根據於二零零七年十二月六日頒佈的新企業所得稅法實施細則(「實施條例」)，於二零零八年一月一日起對在中國成立的公司向其海外投資者宣派的股息，徵收10%的預扣稅。倘外國投資者於香港註冊成立且符合中國與香港訂立的雙重徵稅安排之條件或規定，則有關預扣稅率將自10%減至5%。截至二零一二年十二月三十一日止年度，海南四環宣派予耀忠之股息的預扣稅率為5%(二零一一年：5%)。

Pursuant to Detailed Implementation Regulations (“DIR”) for implementation of the new Corporate Income Tax Law issued on 6 December 2007, a 10% withholding tax is levied on the dividends declared by the companies established in the PRC to their foreign investors starting from 1 January 2008. If a foreign investor is incorporated in Hong Kong and meets the conditions or requirements under the double taxation arrangement entered into between the PRC and Hong Kong, the relevant withholding tax rate will be reduced to 5% from 10%. The withholding tax rate levied on the dividends declared by Hainan Sihuan to Sun Moral is 5% for the year ended 31 December 2012 (2011: 5%).

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year ended 31 December 2012

24. 遞延所得稅 – 本集團 (續)

遞延所得稅負債 (續)

於二零一二年十二月三十一日，本集團就預計中國附屬公司在可預見未來匯出的盈利確認的相關遞延稅項負債為人民幣88,630,000元(二零一一年：人民幣56,630,000元)。基於管理層對中國以外的資金要求的估計而預計的由中國附屬公司保留且在可預見將來不會匯出中國的溢利約人民幣940,472,000元(二零一一年：人民幣630,401,000元)，並無計提預扣稅。

25. 借貸 – 本集團及本公司

24. DEFERRED INCOME TAX – GROUP (Continued)

Deferred income tax liabilities (Continued)

As at 31 December 2012, the Group recognised relevant deferred tax liabilities of RMB88,630,000 (2011: RMB56,630,000), on the earnings anticipated to be remitted by a PRC subsidiary in the foreseeable future. No withholding tax has been provided for the earnings of approximately RMB940,472,000 (2011: RMB630,401,000) which are expected to be retained by the PRC subsidiaries and not to be remitted out of the PRC in the foreseeable future based on management's estimated requirement for funding outside the PRC.

25. BORROWINGS – GROUP AND COMPANY

		本集團 Group		本公司 Company	
		於十二月三十一日 As at 31 December		於十二月三十一日 As at 31 December	
		二零一二年 2012	二零一一年 2011	二零一二年 2012	二零一一年 2011
		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
非即期	Non-current				
– 其他貸款 (a)	– Other loans (a)	5,880	5,880	—	—
即期	Current				
– 銀行借貸 (b)	– bank borrowings (b)	704,148	—	494,846	—
– 其他貸款 (a)	– Other loans (a)	63,086	—	—	—
		773,114	5,880	494,846	—

(a) 該等款項主要包括來自廊坊高博京邦及吉林四長非控股權益的借貸，於二零一二年十二月三十一日的實際利率為6.91%(二零一一年十二月三十一日：6.53%)。

(b) 於二零一二年十二月三十一日的銀行借貸人民幣209,301,000元(二零一一年：無)由本公司無抵押擔保。於二零一二年十二月三十一日的銀行借貸人民幣494,847,000元(二零一一年：無)為無抵押借貸。

(a) These amounts mainly comprised the borrowings from Langfang Gaobo Jingband's and Jilin Sichang's non-controlling interest, which bear effective interest rate of 6.91% as at 31 December 2012 (31 December 2011: 6.53%).

(b) Bank borrowings of RMB209,301,000 as at 31 December 2012 (2011: nil) were guaranteed by the Company without pledge. Bank borrowings of RMB494,847,000 as at 31 December 2012 (2011: nil) were unsecured borrowings.

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year ended 31 December 2012

25. 借貸－本集團 (續)

於二零一二年十二月三十一日，本集團借貸應按以下償還：

		本集團 Group 於十二月三十一日 As at 31 December				本公司 Company 於十二月三十一日 As at 31 December	
		銀行借貸 Bank borrowings		其他貸款 Others loans		銀行借貸 Bank borrowings	
		二零一二年 2012	二零一一年 2011	二零一二年 2012	二零一一年 2011	二零一二年 2012	二零一一年 2011
		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
1年內	Within 1 year	704,148	—	63,086	—	494,846	—
1至2年內	Between 1 and 2 years	—	—	—	—	—	—
2至5年內	Between 2 and 5 years	—	—	5,880	5,880	—	—
		704,148	—	68,966	5,880	494,846	—

25. BORROWINGS – GROUP AND COMPANY (Continued)

At 31 December 2012, the Group's borrowings were repayable as follows:

		本集團 Group 於十二月三十一日 As at 31 December				本公司 Company 於十二月三十一日 As at 31 December	
		銀行借貸 Bank borrowings		其他貸款 Others loans		銀行借貸 Bank borrowings	
		二零一二年 2012	二零一一年 2011	二零一二年 2012	二零一一年 2011	二零一二年 2012	二零一一年 2011
		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
須於5年內悉數償還	Wholly repayable within 5 years	704,148	—	68,966	5,880	494,846	—

借貸的平均年利率為2.08% (二零一一年：6.9%)。

The borrowings bear an average interest rate of 2.08% (2011: 6.9%) annually.

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度
For the year ended 31 December 2012

25. 借貸－本集團及本公司 (續)

報告期末，本集團借貸的利率變動及合約重新定價日期所承擔的風險如下：

6個月或以下

6 months or less

於十二月三十一日

As at 31 December

二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
-----------------------------------	-----------------------------------

773,114	5,880
---------	-------

由於貼現影響並不重大，借貸之公平值與其賬面值相若。

本集團借貸的賬面值以下列貨幣計值：

The fair value of the borrowings approximated their carrying amount, as the impact of discounting is not significant.

The carrying amounts of the Group's borrowings are denominated in the following currencies:

		本集團 Group		本公司 Company	
		於十二月三十一日 As at 31 December		於十二月三十一日 As at 31 December	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000	二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
港元	HKD	657,016	—	494,846	—
人民幣	RMB	68,966	5,880	—	—
美元	USD	47,132	—	—	—
		773,114	5,880	494,846	—

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year ended 31 December 2012

26. 收益、其他收入及其他收益 – 淨額

26. REVENUE, OTHER INCOME AND OTHER GAINS – NET

		截至十二月三十一日止年度 Year ended 31 December	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
收益：	Revenue:		
藥品銷售	Sales of pharmaceutical products	3,042,531	2,242,063
其他收入	Other income		
出售分銷權	Sale of distribution right	3,454	—
租金收入	Rental income	2,371	—
		5,825	—
其他收益 – 淨額：	Other gains – net:		
政府補助	Government grants	260,472	115,960
出售無形資產收益	Gain on disposal of intangible assets	14,590	—
出售可供出售金融資產之收益	Gain on disposal of available-for-sale financial assets	10,419	—
加工費收入	Processing fee income	2,742	1,374
出售一家附屬公司虧損	Loss on disposal of a subsidiary	—	(1,829)
其他	Others	(16,817)	(6,963)
		271,406	108,542

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度
For the year ended 31 December 2012

27. 按性質劃分的費用

27. EXPENSES BY NATURE

		截至十二月三十一日止年度 Year ended 31 December	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
研發成本	Research and development costs		
研究費用	Research expenses	15,379	34,371
遞延開發成本攤銷(附註8)	Amortisation of deferred development costs (Note 8)	38,575	47,600
		53,954	81,971
市場推廣開支(a)	Marketing expenses (a)	1,209,945	557,126
原料成本	Raw materials used	561,675	406,070
僱員福利開支(附註28)	Employee benefit expenses (Note 28)	122,679	95,578
無形資產攤銷 (不包括遞延開發成本攤銷) (附註8)	Amortisation of intangible assets excluding the amortisation of deferred development costs (Note 8)	49,125	11,960
辦公開支	Office expenses	44,817	31,359
物業、廠房及設備折舊(附註6)	Depreciation of property, plant and equipment (Note 6)	39,789	32,806
製成品及在製品存貨變化	Changes in inventories of finished goods and work in progress	25,501	11,873
差旅開支	Travelling expenses	22,307	20,288
運輸開支	Transportation expenses	17,278	15,399
專業服務開支	Professional services expense	13,384	25,872
無形資產攤銷(附註8)	Impairment of intangible assets (Note 8)	12,502	—
業務招待開支	Entertainment expenses	5,343	4,317
土地使用權攤銷(附註9)	Amortisation of land use rights (Note 9)	3,930	2,516
經營租賃付款	Operating lease payments	3,410	3,805
核數師酬金	Auditors' remuneration	3,350	3,270
投資物業折舊(附註7)	Depreciation of investment properties (Note 7)	809	430
其他	Others	82,209	55,617
銷售成本、分銷成本及行政開支總額	Total cost of sales, distribution costs and administrative expenses	2,272,007	1,360,257

(a) 該金額主要涉及學術推廣及臨床試驗。

(a) This amount mainly consists of academic promotion and clinical trials.

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year ended 31 December 2012

28. 僱員福利開支(包括董事及高級管理層酬金)

28. EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS)

		截至十二月三十一日止年度 Year ended 31 December	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
工資及薪金	Wages and salaries	90,020	84,931
社會保險計劃供款	Contribution to social insurance scheme	15,947	7,320
員工福利	Staff welfare	9,034	3,327
於收益表支銷的以股份為 基礎的補償開支(附註29)	Share-based compensation expenses charged to income statement (Note 29)	7,678	—
		122,679	95,578

(a) 本集團的中國附屬公司僱員須參與由當地市政府管理運作的定額供款退休計劃。本集團的中國附屬公司向該計劃供款以撥款予僱員退休福利，該供款根據當地市政府公布的平均僱員薪金的若干百分比計算。

(a) Employees in the Group's PRC subsidiaries are required to participate in a defined contribution retirement scheme administrated and operated by the local municipal government. The Group's PRC subsidiaries contribute funds, which are calculated at certain percentage of the average employee salary as announced by local municipal government, to the scheme to fund the retirement benefits of the employees.

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度
For the year ended 31 December 2012

28. 僱員福利開支(包括董事及高級管理層酬金)(續)

(b) 董事及主要行政人員酬金

截至二零一二年十二月三十一日止年度各董事及主要行政人員的薪酬如下：

28. EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS) (Continued)

(b) Directors' and chief executive's emoluments

The remuneration of every director and the chief executive for the year ended 31 December 2012 is set out below:

董事姓名	Name	績效花紅			總計
		袍金	薪金	Performance	
		Fees	Salary	bonuses	Total
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
		RMB'000	RMB'000	RMB'000	RMB'000
董事	Director				
執行董事：	Executive directors:				
車馮升醫生(附註i)	Dr. Che Fengsheng (Note i)	—	1,200	2,400	3,600
郭維城醫生	Dr. Guo Weicheng	—	600	1,440	2,040
孟憲慧先生	Mr. Meng Xianhui	—	300	960	1,260
非執行董事：	Non-executive directors:				
張炯龍醫生	Dr. Zhang Jionglong	—	—	—	—
孫弘先生	Mr. Homer Sun	—	—	—	—
黃翊先生	Mr. Eddy Huang	—	—	—	—
獨立非執行董事：	Independent non-executive directors:				
辛定華先生	Mr. Patrick Sun	244	—	—	244
白慧良先生	Mr. Bai Huiliang	240	—	—	240
徐康森先生	Mr. Xu Kangsen	240	—	—	240
		724	2,100	4,800	7,624

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year ended 31 December 2012

28. 僱員福利開支(包括董事及高級管理層酬金) (續)

(b) 董事及主要行政人員酬金 (續)

截至二零一一年十二月三十一日止年度各董事及主要行政人員的薪酬如下：

28. EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS) (Continued)

(b) Directors' and chief executive's emoluments (Continued)

The remuneration of every director and the chief executive for the year ended 31 December 2011 is set out below:

董事姓名	Name	袍金 Fees	薪金 Salary	績效花紅	總計 Total
				Performance bonuses	
		人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000
董事	Director				
執行董事：	Executive directors:				
車馮升醫生(附註i)	Dr. Che Fengsheng (Note i)	—	1,200	10,996	12,196
郭維城醫生	Dr. Guo Weicheng	—	600	6,598	7,198
孟憲慧先生	Mr. Meng Xianhui	—	300	4,399	4,699
非執行董事：	Non-executive directors:				
張炯龍醫生	Dr. Zhang Jionglong	—	—	—	—
孫弘先生	Mr. Homer Sun	—	—	—	—
黃翊先生	Mr. Eddy Huang	—	—	—	—
獨立非執行董事：	Independent non-executive directors:				
辛定華先生	Mr. Patrick Sun	249	—	—	244
白慧良先生	Mr. Bai Huiliang	240	—	—	240
徐康森先生	Mr. Xu Kangsen	240	—	—	240
		729	2,100	21,993	24,822

(i) 車馮升醫生亦為本集團主要行政人員。

(i) Dr. Che Fengsheng is also the chief executive of the Group.

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year ended 31 December 2012

28. 僱員福利開支(包括董事及高級管理層酬金)(續)

(c) 五名最高薪人士

本集團本年度最高薪酬的五名人士包括3名董事(二零一一年:3名),其酬金已反映在上文呈列的分析內。於年內,已付或應付其餘2名人士的酬金如下:

基本薪金、房屋補貼、
其他補貼及實物利益

Basic salaries, housing allowances,
other allowances and benefits in kind

截至十二月三十一日止年度
Year ended 31 December

二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
-----------------------------------	-----------------------------------

2,561	1,830
-------	-------

其酬金介乎以下範圍:

The emoluments fell within the following bands:

截至十二月三十一日止年度
Year ended 31 December

二零一二年 2012	二零一一年 2011
---------------	---------------

酬金範圍

Emolument bands

零至1,000,000港元

Nil - HKD1,000,000

—	—
---	---

1,000,001港元至1,500,000港元

HK\$1,000,001 - HK\$1,500,000

2	2
---	---

2	2
---	---

截至二零一二年及二零一一年十二月三十一日止年度,本集團並無向董事或最高薪酬人士就吸引其加入或補償其離職而支付款項,亦概無董事或最高薪酬人士放棄收取任何有關酬金。

For the years ended 31 December 2012 and 2011, no payments had been made by the Group to the directors or the highest paid individuals in respect of inducement to join or compensation for loss of office, and no directors or the highest paid individuals waived any of the emoluments.

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year ended 31 December 2012

28. 僱員福利開支(包括董事及高級管理層酬金)(續)

(d) 主要管理層薪酬

薪金及其他短期僱員福利

28. EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS) (Continued)

(d) Key management compensation

	二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
薪金及其他短期僱員福利	6,666	2,980

29. 以股份為基礎的付款

(i) 購股權計劃

本公司股東採納僱員購股權計劃(「計劃」)以發行合共不超過於二零一零年十月二十五日已發行股份總數的30%，即計劃項下的33,750,000股股份(受計劃的條款及上市規則相關條文的規限)。計劃旨在獎勵已經或將對本集團作出貢獻的參與人士並鼓勵參與人士致力於提升本公司及其股份的價值，以符合本公司及其股東的整體利益。

一家在英屬處女群島成立的私人信託公司(「信託公司」)以及本公司若干股東(即Plenty Gold、車馮升醫生及郭維城醫生)已於本公司於二零一零年十月二十八日在香港聯合交易所有限公司首次上市前將本公司41,320,100股股份(「預留股份」)轉讓予信託公司。信託公司乃由Plenty Gold全資擁有，並由本公司若干股東控制。預留股份旨在作為管理層獎勵計劃的信託資產。

本公司根據適用於以股權結算的股份支付交易的規定，計量其僱員提供的服務，而相關的增幅則在權益確認為主要股東的注資。本公司將不會根據計劃發行新股份，且概不會因計劃而對每股盈利的計算造成攤薄影響。

29. SHARE-BASED PAYMENT

(i) Share option schemes

The shareholders of the Company adopts an employee share option scheme (the "Scheme") for the issuance of in aggregate no more than 30% of the aggregate of shares in issue on 25 October 2010, representing 33,750,000 shares (subject to the terms of the Scheme and the relevant provisions under the Listing Rules) under the Scheme. The purpose of the Scheme is to reward participants who have contributed or will contribute to the Group and to encourage participants to work towards enhancing the value of the Company and its shares for the benefit of the Company and its shareholders as a whole.

A private trust company established in the British Virgin Islands ("Trustee Co") and certain shareholders of the Company, namely Plenty Gold, Dr. Che Fengsheng and Dr. Guo Weicheng transferred 41,320,100 shares of the Company ("Reserve Shares") to Trustee Co prior to the Company's primary listing on the Stock Exchange of Hong Kong Limited on 28 October 2010. Trustee Co was fully owned by Plenty Gold and controlled by certain shareholders of the Company. The Reserve Shares are intended to be the trust assets for a management incentive scheme.

The Company measures the services received from its employees in accordance with the requirements applicable to equity-settled share-based payment transactions, with a corresponding increase recognised in equity as a contribution from the major shareholders. No new share will be issued by the Company under the Scheme and there is no dilution impact to earning per share calculation as a result of the Scheme.

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度
For the year ended 31 December 2012

29. 以股份為基礎的付款 (續)

(ii) 購股權變動

於二零一二年三月二十日，14,150,000份購股權已根據計劃按行使價每股3.19港元向本集團若干僱員授出。購股權將按以下日程表歸屬：

歸屬日期
Vesting date

二零一二年三月二十日	20 March 2012
二零一二年十二月十四日	14 December 2012
二零一三年三月二十日	20 March 2013
二零一四年三月二十日	20 March 2014
二零一五年三月二十日	20 March 2015

29. SHARE-BASED PAYMENT (Continued)

(ii) Share option movement

On 20 March 2012, 14,150,000 share options were granted to certain employees of the Group at an exercise price of HK\$3.19 per share under the Scheme. The share options will be vested in accordance with the following schedule:

購股權歸屬的數目

Number of
options vested
千份

In thousands
經審核

Audited

二零一二年三月二十日	20 March 2012	3,533
二零一二年十二月十四日	14 December 2012	3,133
二零一三年三月二十日	20 March 2013	1,584
二零一四年三月二十日	20 March 2014	4,717
二零一五年三月二十日	20 March 2015	1,183
		14,150

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year ended 31 December 2012

29. 以股份為基礎的付款 (續)

(ii) 購股權變動 (續)

尚未行使的購股權數目變動及其有關的加權平均行使價如下：

		二零一二年		二零一一年	
		2012		2011	
		每股平均 行使價港元	購股權 (千份)	每股平均 行使價港元	購股權 (千份)
		Average exercise price in HK\$ per share	Options (in thousands)	Average exercise price in HK\$ per share	Options (in thousands)
僱員	Employees				
於一月一日	At 1 January	—	—	—	—
授出	Granted	3.19	14,150	—	—
行使	Exercised	3.19	(6,666)	—	—
於十二月三十一日	At 31 December	3.19	7,484	—	—

7,484千份尚未行使的購股權中，概無任何購股權可予行使。於行使時的相關加權平均股價為每股3.28港元。

於年末尚未行使的購股權的到期日期及行使價如下：

到期日期	Expiry date	每份購股權 行使價港元	Exercise price in HK\$ per share option	購股權(千份)	
				Options (thousands)	
				二零一二年	二零一一年
				2012	2011
二零一七年					
三月二十一日	21 March 2017	3.19		7,484	—

29. SHARE-BASED PAYMENT (Continued)

(ii) Share option movement (Continued)

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

		二零一二年		二零一一年	
		2012		2011	
		每股平均 行使價港元	購股權 (千份)	每股平均 行使價港元	購股權 (千份)
		Average exercise price in HK\$ per share	Options (in thousands)	Average exercise price in HK\$ per share	Options (in thousands)
僱員	Employees				
於一月一日	At 1 January	—	—	—	—
授出	Granted	3.19	14,150	—	—
行使	Exercised	3.19	(6,666)	—	—
於十二月三十一日	At 31 December	3.19	7,484	—	—

Out of the 7,484 thousand outstanding options, none option was exercisable. The related weighted average share price at the time of exercise was HK\$3.28 per share.

Share options outstanding at the end of the year have the following expiry date and exercise prices:

到期日期	Expiry date	每份購股權 行使價港元	Exercise price in HK\$ per share option	購股權(千份)	
				Options (thousands)	
				二零一二年	二零一一年
				2012	2011
二零一七年					
三月二十一日	21 March 2017	3.19		7,484	—

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year ended 31 December 2012

29. 以股份為基礎的付款 (續)

(ii) 購股權的公平值

本公司董事已使用二項式模式釐定將於歸屬期內支銷的已授出購股權的公平值。董事在應用二項式模式時要求對如無風險利率、股息率及預期波幅等參數作出重要判斷，該等參數的概要如下。

於授出日期的收市價
無風險利率
股息率
預期波幅 (a)

(a) 按照預期股價回報的標準偏差計算的預期波幅，乃根據本公司股份平均每日買賣價格的波幅釐定。

年內，就向僱員授出的購股權而於收益表內確認總開支人民幣7,678,000元，並於權益內確認相應增幅為主要股東的注資。

29. SHARE-BASED PAYMENT (Continued)

(iii) Fair value of share options

The directors of the Company have used the Binomial Model to determine the fair value of the options granted, which is to be expensed over the vesting period. Significant judgment on parameters, such as risk free rate, dividend yield and expected volatility, is required to be made by the directors in applying the Binomial Model, which are summarised as below.

Closing price at the grant date
Risk free rate
Dividend yield
Expected volatility (a)

(a) The expected volatility, measured as the standard deviation of expected share price returns, is determined based on the average daily trading price volatility of the shares of the Company.

During the year, total expense amounting to RMB7,678,000 was recognised in the income statement for share options granted to employees with a corresponding increase recognised in equity as a contribution from major shareholder.

截至二零一二年
十二月三十一日
止年度
Year ended
31 December
2012

HK\$3.13 港元
0.74%
1.14%
48.99%

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year ended 31 December 2012

30. 財務收入及成本

30. FINANCE INCOME AND COSTS

		截至十二月三十一日止年度 Year ended 31 December	
		二零一二年 2012	二零一一年 2011
		人民幣千元 RMB'000	人民幣千元 RMB'000
匯兌收益／(虧損)	Exchange gain/(loss)	4,618	(1,110)
銀行收費	Bank charges	(340)	(175)
利息開支	Interest expense	(6,983)	(574)
財務成本	Finance costs	(2,705)	(1,859)
利息收入	Interest income	126,838	56,367
財務收入	Finance income	126,838	56,367
財務收入淨額	Net finance income	124,133	54,508

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度
For the year ended 31 December 2012

31. 所得稅開支

(a) 百慕達利得稅

本集團於二零一二年於該等司法權區毋須繳納任何稅項(二零一一年：無)。

(b) 香港利得稅

由於本集團於二零一二年並無在香港產生應課稅溢利，故並無計提香港利得稅撥備(二零一一年：無)。

(c) 中國企業所得稅

中國企業所得稅乃按現時組成本集團的各公司於中國產生的應課稅收入計提撥備，並經就中國企業所得稅而言無需課稅或不可扣減項目作出調整。

自二零零八年一月一日起，本集團的中國附屬公司已按全國人民代表大會於二零零七年三月十六日通過的《中華人民共和國企業所得稅法》(「新企業所得稅法」)釐定及繳納企業所得稅。根據新企業所得稅法及相關細則，適用於本集團在「海南經濟特區」及「深圳經濟特區」成立的公司的新企業所得稅稅率將由二零零八年至二零一二年五年期間逐步調至25%。截至二零一二年十二月三十一日止年度的適用稅率為25%(二零一一年：24%)，而該等在其他地區成立的公司須按25%的稅率繳納所得稅。

海南四環、北京四環及吉林四環自二零一一年至二零一四年符合高新技術企業資格，有權享受進一步稅率扣減。因此，海南四環、北京四環及吉林四環於二零一二年按15%的稅率計提企業所得稅。

31. INCOME TAX EXPENSE

(a) Bermuda profits tax

The Group has not been subject to any taxation in these jurisdictions during 2012 (2011: nil).

(b) Hong Kong profits tax

No Hong Kong profits tax has been provided as the Group had no assessable profit arising in Hong Kong during 2012 (2011: nil).

(c) PRC CIT

PRC CIT is provided on the assessable income of the companies now comprising the Group derived from the PRC, adjusted for those items, which are not assessable or deductible for the PRC CIT purposes.

With effect from 1 January 2008, the PRC subsidiaries of the Group have determined and paid the corporate income tax in accordance with the Corporate Income Tax Law of the PRC ("new CIT Law"), as approved by the National People's Congress on 16 March 2007. According to the new CIT Law and the relevant regulations, the new corporate income tax rate applicable to the companies of the Group established in the "Hainan Special Economic Zone" and "Shenzhen Special Economic Zone" will be gradually changed to 25% over a five-year period from 2008 to 2012 and the applicable tax rate for the year ended 31 December 2012 is 25% (2011: 24%), while those established in other areas are subject to income tax rate at 25%.

Hainan Sihuan, Beijing Sihuan and Jilin Sihuan were qualified as high-tech enterprises from 2011 to 2014 and are entitled to a further reduction in tax rate. Accordingly, Hainan Sihuan's, Beijing Sihuan's and Jilin Sihuan's corporate income tax for 2012 were provided at the rate of 15%.

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year ended 31 December 2012

31. 所得稅開支 (續)

(c) 中國企業所得稅 (續)

即期稅項	Current tax
遞延稅項 (附註 24)	Deferred tax (Note 24)
所得稅開支	Income tax expense

本集團除稅前溢利的稅項與採用適用於合併實體溢利的加權平均稅率計算的理論數額不同，載列如下：

31. INCOME TAX EXPENSE (Continued)

(c) PRC CIT (Continued)

截至十二月三十一日止年度
Year ended 31 December

二零一二年 2012	二零一一年 2011
人民幣千元 RMB'000	人民幣千元 RMB'000

419,986	228,770
(175,987)	16,053
243,999	244,823

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

截至十二月三十一日止年度
Year ended 31 December

二零一二年 2012	二零一一年 2011
人民幣千元 RMB'000	人民幣千元 RMB'000

除稅前溢利	Profit before tax	1,165,541	1,044,856
按中國法定稅率 25% (二零一一年：25%) 計算的稅項	Tax calculated at the PRC statutory tax rate of 25% (2011:25%)	291,385	260,416
下列項目的稅務影響：	Tax effects of:		
— 預計附屬公司將匯出 盈利的預扣稅 (附註 24)	– Withholding tax on the earnings expected to be remitted by subsidiaries (Note 24)	32,000	54,600
— 毋須繳稅的收入	– Income not subjected to tax	(5,609)	—
— 動用之前未確認的稅項損失	– Utilisation of previously unrecognised tax losses	(24,708)	—
— 稅項減免及豁免的影響	– Effect of tax reduction and exemption	(56,123)	(94,238)
— 不可扣稅開支	– Expenses not deductible for tax purposes	4,687	4,083
— 未確認遞延所得稅 資產的稅項損失	– Tax losses for which no deferred income tax asset was recognised	2,367	19,962
所得稅開支	Income tax expense	243,999	244,823

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度
For the year ended 31 December 2012

32. 每股盈利

(a) 基本

每股基本盈利按本公司擁有人應佔溢利除以年內已發行普通股(包括本公司於二零一一年七月購回的普通股(附註20(a)))加權平均股數計算。

32. EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issuance during the year including the ordinary shares repurchased by the Company in July 2011 (Note 20(a)).

		截至十二月三十一日止年度 Year ended 31 December	
		二零一二年 2012	二零一一年 2011
本公司擁有人應佔溢利 (人民幣千元)	Profit attributable to owners of the Company (RMB'000)	904,402	824,048
計算每股基本盈利所用已發行 普通股加權平均股數(千股)	Weighted average number of ordinary shares in issue for basic earnings per share ('000)	5,175,024	5,181,797
每股基本盈利(每股人民幣分)	Basic earnings per share (RMB cents per share)	17.48	15.90

(b) 攤薄

於二零一二年及二零一一年因本公司並無發行潛在攤薄普通股，故於該等年度內並無攤薄每股盈利。每股攤薄盈利相等於每股基本盈利。

(b) Diluted

There is no dilution to earnings per share during 2012 and 2011 because there were no potential dilutive ordinary shares issued by the Company during these years. The diluted earnings per share equal the basic earnings per share.

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year ended 31 December 2012

33. 股息

於二零一二年及二零一一年派付的股息分別為人民幣662,404,000元及人民幣501,977,000元。於二零一三年五月三十一日的股東週年大會將建議派付截至二零一二年十二月三十一日止年度的末期股息人民幣300,151,000元，惟並無於以下合併財務報表反映。

33. DIVIDENDS

The dividends paid in 2012 and 2011 were RMB662,404,000 and RMB501,977,000 respectively. Final dividend in respect of the year ended 31 December 2012 of RMB300,151,000 is to be proposed at the annual general meeting on 31 May 2013. These consolidated financial statements do not reflect this dividend payable.

		截至十二月三十一日止年度 Year ended 31 December	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
二零一一年派付末期股息 每股普通股人民幣2.5分	Final dividend paid of RMB2.5 cents per ordinary share for 2011	129,376	—
二零一一年第二次派付特別股息 每股普通股人民幣7.2分	Second special dividend paid of RMB7.2 cents per ordinary share for 2011	372,602	—
派付中期股息每股普通股人民幣3.1分 (二零一一年：人民幣1.9分)	Interim dividend paid of RMB3.1 (2011: RMB1.9) cents per ordinary share	160,426	98,325
派付特別股息每股普通股人民幣0分 (二零一一年：人民幣7.8分)	Special dividend paid of RMB nil (2011: RMB7.8) cents per ordinary share	—	403,652
		662,404	501,977
擬派末期股息每股普通股人民幣5.8分 (二零一一年：人民幣2.5分)	Proposed final dividend of RMB5.8 (2011: RMB2.5) cents per ordinary share	300,151	129,376
擬派第二次特別股息 每股普通股人民幣0分 (二零一一年：人民幣7.2分)	Second proposed special dividend of RMB nil (2011: RMB7.2) cents per ordinary share	—	372,602
		300,151	501,978

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度
For the year ended 31 December 2012

34. 經營產生的現金

34. CASH GENERATED FROM OPERATIONS

		截至十二月三十一日止年度 Year ended 31 December	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
除所得稅前溢利	Profit before income tax	1,165,541	1,044,856
經以下項目調整：	Adjustments for:		
– 物業、廠房及設備折舊(附註27)	– Depreciation of property, plant and equipment (Note 27)	39,789	32,806
– 投資物業折舊(附註27)	– Depreciation of investment property (Note 27)	809	430
– 無形資產攤銷(附註27)	– Amortisation of intangible assets (Note 27)	87,700	59,560
– 無形資產減值(附註27)	– Impairment of intangible assets (Note 27)	12,502	1,982
– 撇銷無形資產	– Write-off of intangible assets	—	4,551
– 土地使用權攤銷(附註27)	– Amortisation of land use rights (Note 27)	3,930	2,516
– 應佔一家聯營公司虧損(附註12)	– Share of loss of an associate (Note 12)	6,347	—
– 出售物業、廠房及設備的虧損(a)	– Loss on disposal of property, plant and equipment (a)	—	460
– 出售一家附屬公司的虧損	– Loss on disposal of a subsidiary	—	1,829
– 出售無形資產收益(b)	– Gain on disposal of intangible assets (b)	(17,005)	—
– 出售可供出售金融資產的收益	– Gain on disposal of available-for-sale financial assets	(10,419)	—
– 出售持有至到期金融資產的收益	– Gain on disposal of held-to-maturity financial assets	(158)	(822)
– 以股份為基礎的補償開支	– Share-based compensation expenses	7,678	—
– 利息開支(附註30)	– Interest expense (Note 30)	6,983	574
– 利息收入(附註30)	– Interest income (Note 30)	(126,838)	(56,367)
營運資金變動前營運現金流量	Operating cash flow before working capital changes	1,176,859	1,092,375
營運資產及負債變動：	Changes in operating assets and liabilities:		
– 存貨	– Inventories	(33,819)	(1,202)
– 貿易及其他應收賬款	– Trade and other receivables	(192,772)	(203,503)
– 貿易及其他應付賬款	– Trade and other payables	333,360	40,290
經營活動產生的現金	Cash generated from operating activities	1,283,628	927,960

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year ended 31 December 2012

34. 經營產生的現金 (續)

- (a) 於合併現金流量表中，出售物業、廠房及設備的所得款項包括：

		截至十二月三十一日止年度 Year ended 31 December	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
賬面淨值(附註6)	Net book amount (Note 6)	4,098	460
出售物業、廠房及設備的虧損	Loss on disposal of property, plant and equipment	—	(460)
出售物業、廠房及設備的所得款項	Proceeds from disposal of property, plant and equipment	4,098	—

- (b) 於合併現金流量表中，出售無形資產的所得款項包括：

		截至十二月三十一日止年度 Year ended 31 December	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
賬面淨值(附註8)	Net book amount (Note 8)	5,782	—
出售無形資產收益	Gain on disposal of intangible assets	17,005	—
出售無形資產的所得款項	Proceeds from disposal of intangible assets	22,787	—

34. CASH GENERATED FROM OPERATIONS (Continued)

- (a) In the consolidated statement of cash flows, proceeds from disposal of property, plant and equipment comprise:

- (b) In the consolidated statement of cash flows, proceeds from disposal of intangible assets comprise:

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度
For the year ended 31 December 2012

35. 承擔

本集團

(a) 資本承擔

於報告期末已訂約但尚未產生的資本開支如下：

		於十二月三十一日 As at 31 December	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
物業、廠房及設備	Property, plant and equipment	476,810	13,785
無形資產－開發中產品	Intangible assets – product development in progress	19,003	21,118
		495,813	34,903

(b) 經營租賃承擔

本集團根據不可撤銷經營租賃協議租賃若干辦公室物業。租賃期限為一至五年，且大多數租賃協議可按市價於租賃期限屆滿時續約。

根據不可撤銷經營租賃應付的未來最低租金總額如下：

		於十二月三十一日 As at 31 December	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
一年以內	No later than 1 year	780	1,413
一年以上兩年以內	Later than 1 year and no later than 2 years	860	821
兩年以上	Later than 2 years	2,100	2,960
		3,740	5,194

本公司

本公司並無任何重大資本承擔或經營租賃承擔。

35. COMMITMENTS

Group

(a) Capital commitments

Capital expenditure contracted for at the end of the reporting period but not yet incurred is as follows:

		於十二月三十一日 As at 31 December	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
物業、廠房及設備	Property, plant and equipment	476,810	13,785
無形資產－開發中產品	Intangible assets – product development in progress	19,003	21,118
		495,813	34,903

(b) Operating lease commitments

The Group leases various office premises under non-cancellable operating lease agreements. The lease terms are between 1 and 5 years and the majority of lease agreements are renewable at the end of the lease period at market rate.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

		於十二月三十一日 As at 31 December	
		二零一二年 2012 人民幣千元 RMB'000	二零一一年 2011 人民幣千元 RMB'000
一年以內	No later than 1 year	780	1,413
一年以上兩年以內	Later than 1 year and no later than 2 years	860	821
兩年以上	Later than 2 years	2,100	2,960
		3,740	5,194

Company

The Company does not have any material capital commitments or operating lease commitments.

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year ended 31 December 2012

36. 與非控股權益交易

不改變控制權的附屬公司額外權益收購

於二零一二年八月，本集團收購山東軒竹額外40%的股權，購買代價為人民幣77,200,000元。山東軒竹於該交易之後成為本集團的全資附屬公司，本集團於非控股權益中確認減少而在本公司擁有人應佔權益中確認增加。年內於山東軒竹的所有權權益變更對本公司擁有人應佔權益的影響概述如下：

36. TRANSACTION WITH NON-CONTROLLING INTERESTS

Acquisition of additional interest in a subsidiary without change of control

In August 2012, the Group acquired an additional 40% equity interest of KBP BioSciences for a purchase consideration of RMB77,200,000. As a result of this transaction, KBP BioSciences became a wholly owned subsidiary of the Group and the Group recognised a decrease in non-controlling interests and an increase in equity attributable to owners of the company. The effect of changes in the ownership interest of KBP BioSciences on the equity attributable to owners of the Company during the year is summarised as follows:

		二零一二年 十二月三十一日 31 December 2012 人民幣千元 RMB'000
所收購非控股權益賬面值	Carrying amount of non-controlling interests acquired	(33,068)
已付非控股權益代價	Consideration paid to non-controlling interests	(77,200)
於權益中確認的超出已付代價部分	Excess of consideration paid recognised within equity	(110,268)

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year ended 31 December 2012

37. 持作出售之待處置組

於二零一一年七月，本集團與獨立第三方山東步長製藥有限公司（「山東步長」）訂立協議（「協議」）。根據協議，山東步長將以現金代價人民幣637,500,000元有條件收購吉林四長50%的股權。股權轉讓將分兩部分完成，分別相當於吉林四長股權的19%（「第一次處置」）及31%（「第二次處置」）。完成50%的股份轉讓後，吉林四長將由本集團及山東步長共同控制。於二零一一年十一月，吉林四長19%股權已按現金代價人民幣242,250,000元轉讓，其中人民幣100,000,000元已於二零一二年十二月三十一日收取。

於二零一一年十二月三十一日，本集團擁有吉林四長81%股權，而本集團董事估計第二次處置將在12個月內完成。有關第一次處置的初始會計計量乃屬臨時性質，部分出售的收益確認為遞延收益，計入「貿易及其他應付賬款」。有關吉林四長之資產及負債呈列為持作出售。

本集團與山東步長彼此同意將第二次處置延長至二零一四年十二月三十一日與山東步長成功在中國首次公開發售之後的第60個營業日之間的較早日期。本集團董事認為第二次處置不會在財務報表日期之後的12個月內完成。因此，於二零一二年十二月三十一日，遞延收益重新分類為非流動負債，而吉林四長的資產及負債不再呈列為持作出售。

37. DISPOSAL GROUP HELD-FOR-SALE

In July 2011, the Group entered into an agreement with an independent third party, Shandong Buchang Pharmaceutical Co., Ltd. (“Shandong Buchang”) (the “Agreement”). Pursuant to the Agreement, Shandong Buchang will conditionally purchase 50% equity interest in Jilin Sichang for a cash consideration of RMB637,500,000. The transfer of equity interest will be completed by 2 steps, which represent 19% (“First Disposal”) and 31% (“Second Disposal”) equity interest of Jilin Sichang respectively. After completion of the 50% share transfer, Jilin Sichang will be jointly controlled by the Group and Shandong Buchang. In November 2011, 19% of equity interest of Jilin Sichang had been transferred at a cash consideration of RMB242,250,000, of which an amount of RMB100,000,000 have been received as of 31 December 2012.

As at 31 December 2011, the Group owned 81% equity interest in Jilin Sichang and directors of the Group estimated the Second Disposal will be completed within 12 months. The initial accounting for the First Disposal was provisional and the gain on the partial disposal is recorded as deferred gain and included in “trade and other payables”. The assets and liabilities related to Jilin Sichang have been presented as held for sale.

The Group and Shandong Buchang mutually agreed to extend the Second Disposal to an earlier day between 31 December 2014 and the 60th Business Day after Shandong Buchang consummate the initial public offering in the PRC. The directors of the Group are of the opinion that the Second Disposal will not be completed within 12 months at the date of the financial statement. Accordingly, the deferred gain was reclassified as non-current liability and the assets and liabilities of Jilin Sichang were no longer presented as held for sale at 31 December 2012.

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year ended 31 December 2012

37. 持作出售之待處置組(續)

(a) 持作出售之待處置組資產

		於十二月三十一日	
		As at 31 December	
		二零一二年	二零一一年
		2012	2011
		人民幣千元	人民幣千元
		RMB'000	RMB'000
物業、廠房及設備	Property, plant and equipment	—	41,457
無形資產	Intangible assets	—	291,857
存貨	Inventories	—	3,765
其他資產	Other assets	—	8,745
總計	Total	—	345,824

(b) 持作出售之待處置組負債

		於十二月三十一日	
		As at 31 December	
		二零一二年	二零一一年
		2012	2011
		人民幣千元	人民幣千元
		RMB'000	RMB'000
貿易及其他應付賬款	Trade and other payables	—	16,118
遞延所得稅負債	Deferred income tax liabilities	—	75,693
總計	Total	—	91,811

38. 關聯方交易

除附註23(應計董事績效花紅)、附註25(借貸)、附註28(董事及高級管理層酬金)及附註29(以股份為基礎的付款)所披露資料外,於截至二零一二年十二月三十一日及二零一一年十二月三十一日止年度,本集團並無其他重大關聯方交易。

37. DISPOSAL GROUP HELD-FOR-SALE (Continued)

(a) Assets of disposal group classified as held for sale

(b) Liabilities of disposal group classified as held for sale

38. RELATED-PARTY TRANSACTIONS

Except for the information as disclosed in Note 23 (accrued performance bonus to directors), Note 25 (borrowings), Note 28 (directors' and senior management's emoluments) and Note 29 (Share-based payment), the Group had no other material transactions with related parties for the year ended 31 December 2012 and 31 December 2011.

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year ended 31 December 2012

39. 業務合併

截至二零一一年十二月三十一日止年度，本集團於中國收購若干醫藥業務。所收購業務詳情概要如下：

39. BUSINESS COMBINATION

For the year ended 31 December 2011, the Group acquired certain pharmaceutical businesses in the PRC. The detail information of the businesses acquired are summarised as follows:

所收購可識別資產及 所承擔負債之確認金額	Recognised amounts of identifiable assets acquired and liabilities assumed	多菲及	長春翔通	西馬巴斯特	及其附屬公司	總計
		其附屬公司	本溪恆康	及其附屬公司	及其附屬公司	
		(a)	(b)	(c)	(c)	
		Dupromise	Changchun	Benxi	Smart Baskets	
		and its	Xiangtong	Hengkang	and its	
		subsidiary			subsidiaries	
		(a)	(b)	(c)	(d)	Total
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
現金及現金等價物	Cash and cash equivalents	27,327	12,912	65	1,049	41,353
物業、廠房及設備(附註6)	Property, plant and equipments (Note 6)	25,491	15,289	28,630	60,521	129,931
土地使用權(附註9)	Land use rights (Note 9)	—	6,184	3,473	14,812	24,469
投資物業(附註7)	Investment properties (Note 7)	3,826	—	—	—	3,826
商標(計入無形資產) (附註8)	Trademarks (included in intangible assets) (Note 8)	—	19,225	—	—	19,225
遞延開發成本(計入 無形資產)(附註8)	Deferred development costs (included in intangible assets) (Note 8)	212,555	31,664	—	301,921	546,140
合約客戶關係(計入 無形資產)(附註8)	Contractual customer relationship (included in intangible assets) (Note 8)	—	26,941	—	—	26,941
存貨	Inventories	5,245	2,475	3,253	518	11,491
貿易及其他應收賬款	Trade and other receivables	30,392	17,263	59,964	7,992	115,611
短期貸款	Short term loans	—	—	(17,079)	—	(17,079)
貿易及其他應付賬款	Trade and other payables	(584)	(7,465)	(72,977)	(8,738)	(89,764)
遞延稅項負債(附註24)	Deferred tax liabilities (Note 24)	(31,052)	(20,158)	—	(83,574)	(134,784)
可識別淨資產總額	Total identifiable net assets	273,200	104,330	5,329	294,501	677,360
非控股權益	Non-controlling interest	—	(20,866)	—	—	(20,866)
商譽(附註8)	Goodwill (Note 8)	2,126,800	57,136	30,870	480,499	2,695,305
總代價	Total consideration	2,400,000	140,600	36,199	775,000	3,351,799
二零一一年十二月三十一日 應付代價(附註23)	Consideration payable as at 31 December 2011 (Note 23)	1,140,000	10,000	—	50,000	1,200,000
二零一二年已付代價	Consideration paid in 2012	(1,140,000)	(10,000)	—	(30,000)	(1,180,000)
二零一二年十二月三十一日 應付代價(附註23)	Consideration payable as at 31 December 2012 (Note 23)	—	—	—	20,000	20,000

財務報表附註

Notes to the Financial Statements

截至二零一二年十二月三十一日止年度

For the year ended 31 December 2012

39. 業務合併 (續)

(a) 收購多菲及其附屬公司

於二零一一年一月一日，本集團以總現金代價人民幣2,400,000,000元收購多菲及其附屬公司吉林四環(前稱多菲製藥(中國)有限公司)的全部股本。

(b) 收購長春翔通

於二零一一年一月三十一日，本集團以總現金代價人民幣140,600,000元收購長春翔通的80%股本，並取得長春翔通的控制權。

(c) 收購本溪恆康(前稱本溪雷龍藥業有限公司)

於二零一一年三月三十一日，本集團以總現金代價人民幣36,199,000元收購本溪恆康的全部股本。

(d) 收購西馬巴斯特及其附屬公司

於二零一一年七月一日，本集團以總現金代價人民幣775,000,000元收購西馬巴斯特及其附屬公司(包括吉林四長(前稱萬生聯合製藥有限公司)及海南李茲曼)的全部股本。

39. BUSINESS COMBINATION (Continued)

(a) Acquisition of Dupromise and its subsidiary

On 1 January 2011, the Group acquired 100% of the share capital of Dupromise and its subsidiary, Jilin Sihuan (formerly known as Dupromise Pharmaceutical (China) Co., Ltd.) for a total cash consideration of RMB2,400,000,000.

(b) Acquisition of Changchun Xiangtong

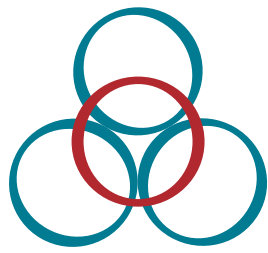
On 31 January 2011, The Group acquired 80% of the share capital of Changchun Xiangtong for a total cash consideration of RMB140,600,000 and obtained control of Changchun Xiangtong.

(c) Acquisition of Benxi Hengkang (formerly known as Benxi Leilong Pharmaceutical Co., Ltd.)

On 31 March 2011, the Group acquired 100% of the share capital of Benxi Hengkang for a total cash consideration of RMB36,199,000.

(d) Acquisition of Smart Baskets and its subsidiaries

On 1 July 2011, the Group acquired 100% of the share capital of Smart baskets and its subsidiaries, including Jilin Sichang (formerly known as Vinise Pharmaceutical Ltd.) and Hainan Litzman for a total cash consideration of RMB775,000,000.



四环医药

SihuanPharm

www.sihuanpharm.com