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武夷药业
Wuyi Pharmaceutical

Wuyi International Pharmaceutical Company Limited

武夷國際藥業有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號 : 1889

Annual Report **2014** 年報





Corporate Information	公司資料	2
Financial Highlights	財務摘要	4
Chairman's Statement	主席報告	5
Management Discussion and Analysis	管理層討論及分析	9
Corporate Governance Report	企業管治報告	23
Directors and Senior Management	董事及高級管理層	32
Directors' Report	董事會報告	34
Independent Auditor's Report	獨立核數師報告	45
Consolidated Statement of Profit or Loss and Other Comprehensive Income	綜合損益及其他全面收益表	47
Consolidated Statement of Financial Position	綜合財務狀況表	48
Statement of Financial Position	財務狀況表	49
Consolidated Statement of Changes in Equity	綜合權益變動表	50
Consolidated Statement of Cash Flows	綜合現金流量表	51
Notes to the Financial Statements	財務報表附註	52
Five-Year Financial Summary	五年財務概要	116



Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Lin Ou Wen (*Chairman*)
Mr. Lin Qing Ping
Mr. Xu Chao Hui

Non-executive Directors

Mr. Tang Bin
Mr. John Yang Wang

Independent Non-executive Directors

Mr. Liu Jun
Mr. Lam Yat Cheong
Mr. Du Jian

COMPANY SECRETARY

Mr. Kung Wai Chiu, Marco
FCPA (Practising), FCCA, FTIHK, ACIS, ACS and CTA (HK)

AUTHORIZED REPRESENTATIVES

Mr. Lin Ou Wen
Mr. Kung Wai Chiu, Marco
FCPA (Practising), FCCA, FTIHK, ACIS, ACS and CTA (HK)

AUDIT COMMITTEE

Mr. Lam Yat Cheong (*Chairman*)
Mr. Liu Jun
Mr. Du Jian

REMUNERATION COMMITTEE

Mr. Lam Yat Cheong (*Chairman*)
Mr. Lin Ou Wen
Mr. Liu Jun
Mr. Du Jian

NOMINATION COMMITTEE

Mr. Lin Ou Wen (*Chairman*)
Mr. Lin Qing Ping
Mr. Liu Jun
Mr. Lam Yat Cheong
Mr. Du Jian

AUDITOR

Crowe Horwath (HK) CPA Limited
Certified Public Accountants

董事會

執行董事

林歐文先生 (*主席*)
林慶平先生
許朝暉先生

非執行董事

唐彬先生
王陽先生

獨立非執行董事

劉軍先生
林日昌先生
杜建先生

公司秘書

孔維釗先生
FCPA (執業), FCCA, FTIHK, ACIS, ACS及CTA (香港)

法定代表

林歐文先生
孔維釗先生
FCPA (執業), FCCA, FTIHK, ACIS, ACS及CTA (香港)

審核委員會

林日昌先生 (*主席*)
劉軍先生
杜建先生

薪酬委員會

林日昌先生 (*主席*)
林歐文先生
劉軍先生
杜建先生

提名委員會

林歐文先生 (*主席*)
林慶平先生
劉軍先生
林日昌先生
杜建先生

核數師

國富浩華(香港)會計師事務所有限公司
執業會計師



SOLICITOR

Gallant Y. T. Ho & Co.

PRINCIPAL BANKER

Bank of Communications Co., Ltd.

REGISTERED OFFICE

Floor 4, Willow House
Cricket Square, P.O. Box 2804
Grand Cayman KY1-1112
Cayman Islands

PLACE OF BUSINESS

Room 2805, 28th Floor
Central Plaza
18 Harbour Road
Wanchai
Hong Kong

SHARE REGISTRARS AND TRANSFER OFFICES

Principal share registrar and transfer office

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

Hong Kong branch share registrar and transfer office

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

STOCK CODE

1889

WEBSITE

www.wuyi-pharma.com

律師

何耀棟律師事務所

主要往來銀行

交通銀行股份有限公司

註冊辦事處

Floor 4, Willow House
Cricket Square, P.O. Box 2804
Grand Cayman KY1-1112
Cayman Islands

主要營業地點

香港
灣仔
港灣道18號
中環廣場
28樓2805室

股份過戶登記處

股份過戶登記總處

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

股份過戶登記處香港分處

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

股份代號

1889

網址

www.wuyi-pharma.com

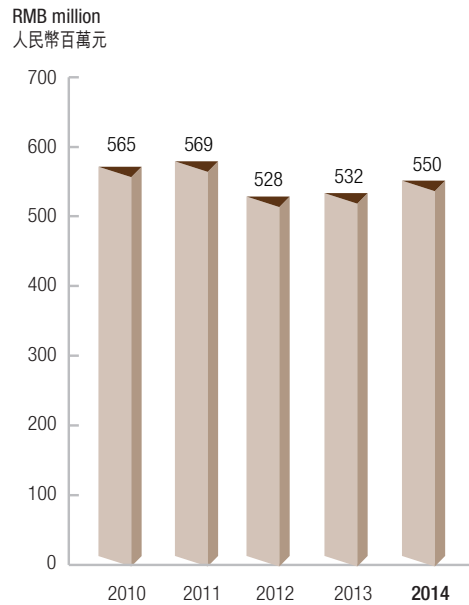


Financial Highlights

財務摘要

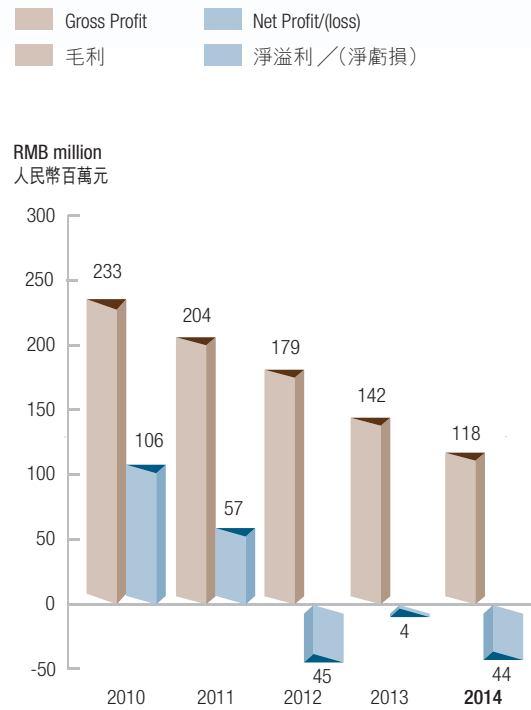
Turnover

營業額



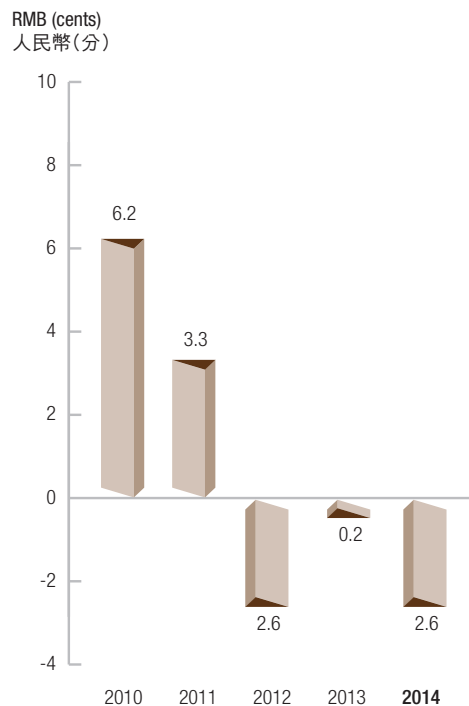
Gross Profit & Net Profit/(Loss)

毛利及淨溢利/(淨虧損)



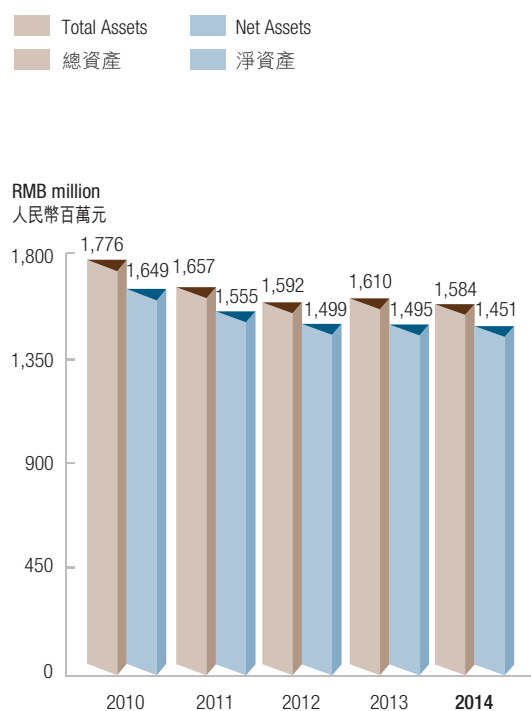
Earnings/(Loss) per share – Basic and diluted

每股盈利/(虧損) – 基本及攤薄



Total Assets & Net Assets

總資產及淨資產





To all Shareholders:

On behalf of the Board of Directors, I am pleased to present to the shareholders the annual results of Wuyi International Pharmaceutical Company Limited (“Wuyi Pharmaceutical” or the “Company”) and its subsidiaries (collectively, the “Group”) for the financial year ended 31 December 2014.

BUSINESS REVIEW

The progress of pharmaceutical industry was slow in 2014. The amendment of medical insurance directory continued but the approval progress was sluggish. The medical insurance fee also continued to be reduced. Given profound reform of separating pharmacy and medicine that involves the entire medical system and the pressure of reducing bidding price at the provincial level, the pharmaceutical industry will face high risks. In an environment full of challenges, the Group handled various changes flexibly. The Group satisfied the needs of policies and market, adjusting the positioning of products and the Group, seizing the opportunity of market gradually opened by the medical reform, promoting opportunities for primary medical protection and turning the mass market the Group faced into an advantage in sales and development.

Facing such challenges and pressure, the Group stayed with its strategy of “consolidating its existing business and market and strengthening the research and development of new drugs”, making solid improvements in quality and packaging. After considering market demands, the Group was proactive in meeting the demands of consumers in improving product packaging in the past year and developing product lines with low gross profit and high sales volume. Such products have high market demand and the newly improved packaging facilitated transportation. The market share was effectively maintained in the fierce competition. The sales of other products were also driven, demonstrating good advertising effect. This path

致各位股東：

本人謹代表董事會欣然向各位股東提呈武夷國際藥業有限公司(「武夷藥業」或「本公司」)及其附屬公司(統稱「本集團」)截至二零一四年十二月三十一日止財政年度的全年業績報告。

業務回顧

二零一四年醫藥行業進展仍然緩慢，醫保目錄持續修訂但審批進度停滯，而醫保費用亦持續收緊，涉及整個醫療機構體系的醫藥分家深層次改革，以及省級招標格價下行壓力等，醫藥行業將不得不立於風高浪急之地。集團在充滿挑戰的環境中，仍然以靈活的姿態，應對各種變化。集團配合政策及市場的需要，調整產品及自身定位，把握醫改逐漸開放市場，促進基層醫療保障的機遇，把集團所面對的大眾化市場轉變為銷售及發展的優勢。

面對這些挑戰和壓力，集團繼續貫徹「鞏固現有藥品業務和市場，繼續新藥研發工作」的方針，務實改良及推進品質及包裝。考慮市場需求因素後，集團於過去一年積極配合消費者需要改良產品包裝，並發展出低毛利高銷量產品路線。這些產品市場需求大，新改良的包裝更便利運輸，有效在競爭激烈的市場中保持了市場份額，更帶動了其他產品的銷售，顯示良好的廣告效應。此路線為集團收入帶來可觀的效



Chairman's Statement 主席報告

brought considerable benefits to the revenue of the Group. And, the costs is lower than that of developing brand new drugs, the gross profit was also thus driven.

For the year ended 31 December 2014, the Group maintained a stable profitability despite uncertainty in the medical reform policy, tightened regulation of Chinese medicine and keen market competition. The turnover was RMB 549,600,000, with certain improvement compared to 2013. The new plant located in Haixi Commercial Trading Development Zone, Jianyang City, Fujian Province, first obtained the new GMP certification in February 2014 and began production. The Group will continue to promote the optimization of drug quality and improve the quality of products taking advantage of the new plant.

During the year, as the operation of the new plant in Haixi Commercial Trading Development Zone, Jianyang City, Fujian Province commenced, the Group complied with related accounting standards and applied impairment loss to property, plant and equipment and land use rights. The Board considered that such impairment loss was only an accounting item and it neither involved cash expenditure nor was it non-recurring expenditure. It had no impact on the cash flow and production operation of the Group.

The Group continued its upgrading of production facilities and production capacity to keep up with time. GMP new plant will be beneficial to the long-term development of the Group, being a necessary long-term investment for maintaining its position in the industry. According to the requirements promulgated by China Food and Drug Administration on 31 December 2013, the production of sterile drugs in China must attain the new GMP requirements prior to 31 December 2013. The production of enterprises without sterile drug production certification under the New GMP on 1 January 2014 will be suspended. Under the implementation of the New GMP and the increasingly tightened control over the industry, enterprises failing to meet the standards will be driven out of the market. The GMP-certified new plant will benefit the Group in taking leading position among its counterparts. Currently, the production of New GMP plant has commenced and integration takes place gradually. The production capacity is expected to be increased soon, further strengthening the production and sales of GMP-certified drugs. The return of investment in the new plant will become apparent gradually.

During the year, the sales volume of the Group's products remained roughly stable. The sales volume of Chaihu Zhusheyeye remained stable since its launch in the second half of 2013. Its sales revenue increased significantly by 50% in 2014. The Group grasped this opportunity in sales and made additional production of this product.

Meanwhile, the Group valued the expansion and the long-term development of rural market. The distribution of drugs to rural market was carried out through Jointown Pharmaceutical Group. Benefiting from enhanced capacity of ordinary medicine at the new plant, the proportion of the sales of rural market of overall turnover increased by 24.2% compared to 2013. The Group will continue to explore the rural market which gave importance to medical insurance and raise the penetration rate of ordinary medicine in the rural areas.

益，而且成本開支相比開發全新藥物低，本年度毛利亦由此帶動。

截至二零一四年十二月三十一日止年度，面對醫改政策未明、中藥管制收緊，及市場競爭激烈等挑戰下，本集團盈利能力仍然保持穩定，營業額達人民幣549,600,000元，較二零一三年有一定程度的提升。集團位於福建省建陽市海西工貿開發區的新廠房，已於二零一四年二月初獲新版GMP認證證書並且開始投入生產。集團會持續推進藥品品質優化，利用新廠房的優勢，提升產品質量。

年內，由於福建省建陽市海西工貿開發區投產，本集團遵守相關會計準則，就相關物業、廠房、設備及土地使用權進行減值虧損。惟我們董事局認為此減值虧損僅屬會計賬目，並不涉及現金開支，亦屬非經常性開支，並不影響對本集團之現金流量及業務和生產營運。

集團持續積極提升生產設備及產能，保持與時並進。GMP新廠房將有利於集團長遠發展，是為保持自身行業地位必要的長遠投資。國家食品藥品監督管理總局於二零一三年十二月三十一日發佈規定，國內無菌藥品的生產必須在二零一三年十二月三十一日前達到新版GMP的要求。於二零一四年一月一日仍未通過新版GMP認證的無菌藥品生產企業將一律勒令停止生產。在新版GMP的實施，以及日漸收緊的行業管控下，無法達到標準的企業將被市場淘汰，而GMP認證新產房將有助於集團進佔同業間的領先地位。新版GMP廠房目前已順利投產並穩步磨合，預期可儘快提升產能，進一步加強GMP認證藥物的生產及銷售，相信新廠房的投資回報將逐漸顯現。

年內，集團旗下產品的銷量大致保持穩定。柴胡注射液於二零一三年下半年推出後銷量保持穩定，於二零一四年營業額大幅上升50%。集團已針對此產品進行追加生產，把握銷售良機。

同時，集團重視農村市場的開發及長遠發展，通過九洲通醫藥集團配送農村市場。年內受惠於新廠房普藥產能的提升，農村市場銷售佔整體營業額較二零一三年上升24.2%。集團未來將繼續挖掘注重醫保的農村市場，提升普藥在農村的滲透率。



In addition, the Group reduced advertising expenditure significantly to concentrate resources on more efficient areas. The Group will continue to reduce its advertising expenditure in 2015, with a focus on promotion through academic seminars. It will also continue to participate in new medicine promotion seminars and medicine fairs to boost the awareness of products and the brand of the Group.

Regarding research and development, the Group continued to conduct various research and development projects of new drugs steadily. The large-scale national clinical research for the research project on the new efficacy of Perilla oil capsule has completed and favourable results were achieved. The Group will continue to find research and development projects of new drugs on the basis of stringent expenditure control.

OUTLOOK

At the beginning of 2015, the National Medical and Healthcare Service System Planning Outlines, which was passed in the standing committee meeting of the State Council, specifically pointed out that it is necessary to expand the development potential of doctors in the rural areas and explore the implementation of a service model under which the doctors in rural areas will enter into contracts with the residents in the rural areas, illustrating the concerns of the Chinese government for rural and primary healthcare issues. The Outlines are beneficial in improving penetration and coverage of ordinary medicine in the rural areas.

The ageing population in China leads to an increasing demand for medical equipment and the pharmaceutical industry. Although the increased input in medical insurance by Chinese government brought more options for primary medical care, the gap between supply and demand of high quality ordinary medicine was not filled. The Chinese pharmaceutical industry is still in a developing stage, with obvious distance from the international level. The pharmaceutical industry in China still has enormous room of improvement and the Chinese pharmaceutical market will still have the greatest growth potential globally. The trend of the whole industry is generally favourable.

With the industrial integration promoted by the medical reform and new GMP and the policy tightening quality control, some substandard and poorly managed pharmaceutical enterprises will be phased out. The Group will continue to follow the trend and follow the national policy of safeguarding quality, providing safe and effective drugs for consumers.

Last but not least, I would like to express my heart-felt gratitude on behalf of the Board to Wuyi Pharmaceutical's management teams and all the staff for their continuous effort and contribution, working with the Group under a difficult economy and operating environment. The Group will continue to join forces as a unity to overcome the challenges and opportunities in the industry. I have to thank shareholders for their ongoing support to the Group. We will continue with our hard work, dedicate to enhance the profitability and create more satisfactory return for our shareholder.

Lin Ou Wen
Chairman

Hong Kong, 27 March 2015

此外，集團大幅削減廣告開支，以集中資源於效益較顯著的地方。集團於二零一五年將繼續減少廣告開支，集中採用學術專場推介會作為推廣，亦會繼續參與新藥推介會和藥交會等，提升集團的產品及品牌知名度。

研發方面，集團亦繼續穩步進行各項新藥研發項目。蘇子油軟膠囊新療效研究項目的全國性大規模臨床研究階段已結束，並取得良好成果。集團會在嚴格控制開支的基礎上，繼續物色合適的新藥研發項目。

前景展望

二零一五年年初，國務院常務會議中所通過的《全國醫療衛生體系規劃綱要》特別指出要拓寬鄉村醫生發展空間，探索實施鄉村醫生與農村居民簽約服務模式，體現中國政府關注農村及基層保健問題，此綱要更有助於本集團提升普藥於農村的滲透及覆蓋率。

中國人口老齡化，對醫療設備及醫藥行業需求日益增長，中國政府對醫保投入的增加雖然逐漸為基層醫療帶來更多選擇，但仍然難以填補高質素普藥的供應與需求之間的空隙。加上中國醫藥行業仍處於發展中水平，與國際水平差距甚遠，中國醫藥行業仍然有無可限量的前進空間，中國醫藥市場仍將是全球增長潛力最大的市場，整體行業趨勢向好。

醫改和新版GMP推進所帶來的行業整合，加上政策對品質管控收緊，一些不合規格、管理不善的藥企將被淘汰。集團將繼續順勢而為，配合國家政策嚴守品質，為消費者提供安全有效的藥品。

最後，本人謹代表董事會，衷心感謝武夷藥業的管理團隊及全體員工長久以來對集團的努力及貢獻，在艱難的經濟及行業環境中與集團一同奮鬥。此後，集團將會繼續團結一致、攜手並肩，面對行業的挑戰及機遇。同時更要感謝各位股東對本集團的支持。我們會繼續努力，致力提升盈利能力，務求為股東帶來更理想的回報。

主席
林歐文

香港，二零一五年三月二十七日





BUSINESS REVIEW

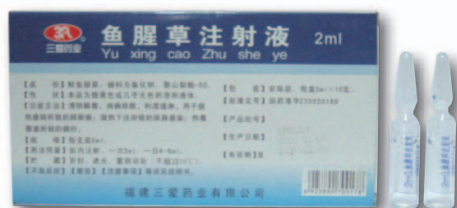
Looking back at 2014, the global economy continued the trend of slow recovery, and the trend of a diverse growth pace of different economies was stronger. The Chinese economy was stable with some progress on the whole, with positive changes in the economic structural adjustments and significant progress in the deepening of reform. In 2014, faced with a continuous ageing population, the Central Government of the PRC (“Central Government”) strengthened support for the pharmaceutical industry. Following the continuous deepening of medical reform, the reform of public hospitals speeded up, the national medical insurance system continued to update, and the national essential system and primary service network was further strengthened. However, due to the trend of a slowing economic growth of China, and the medical reform and tender mechanism increased the pressure upon the falling drug prices, and the market pressure in China on raw materials costs, packaging materials costs and labour costs continued to increase, there was a falling trend in the growth of the Chinese pharmaceutical industry.

Under the circumstances that the specific medical reform policies of the State Council of the PRC (“the State Council”) are not clear, the approval of new drugs is quite slow, and the tightening of control over the use of traditional Chinese medicine, the Group adheres to the principle of “consolidating the existing drug businesses and market, continuing to strengthen the research and development of new medicine”, and carried out improvement of the existing products and packaging, expansion of the market share in a pragmatic manner. During the year, the Group introduced six new western medicine products (including two new injectable products in glass bottle and four new packaged injectable products). There was a large quantity demanded in the market for such products, and the change from the traditional packaging also facilitated transportation. These types of products effectively boosted sales, and drove the sales of other products, showing good advertising effects.

業務回顧

回顧二零一四年，全球經濟延續緩慢復蘇態勢，各經濟體增速分化趨勢加劇。中國經濟運行整體穩中有進，經濟結構調整出現積極變化，深化改革取得重大進展。二零一四年，面對人口老化持續，中國中央政府（「中央」）加大對醫藥行業的支持，隨著醫藥改革繼續深化，公立醫院改革加快，全民醫保體系不斷更新，基本藥物制度和基層服務網路進一步鞏固。唯由於中國經濟增速趨緩，加上醫改及招標加快令藥價下行壓力增加，原材料成本、包裝材料成本及勞動力成本於中國市場之壓力持續上升，中國醫藥製造行業增速呈下行趨勢。

在中華人民共和國國務院（「國務院」）具體醫改政策未明確、新藥審批膠著、以及中藥使用管制收緊的情況下，本集團堅持「鞏固現有藥品業務和市場，繼續新藥研發工作」的方針，務實進行改良現有產品及包裝，擴大市場佔有率的工作。年內，本集團新引進六個西藥產品（其中包括兩款新玻璃瓶裝注射液產品和四款新包裝注射液產品），均為市場需求量大，及改變傳統包裝便於運輸，此類產品有效地提升了銷售，也帶動了其他產品的銷售，顯示良好地廣告效應。





Management Discussion and Analysis

管理層討論及分析

As disclosed in the profit warning announcement (“Profit Warning”) of the Company published on 30 January 2015, the management estimated an increase in depreciation expense and some relevant modification charges of the Group for the year of approximately RMB4,400,000 to RMB62,000,000 as a result of the commencement of production of a new factory of the Group in Haixi Commercial Trading Development Zone, Jianyang, Fujian province, China after a New Good Manufacturing Practise (“GMP”) certification was granted at the beginning of last year. However, the Board of Directors considered that depreciation expense was not cash expenditure, and would not affect the cash flow and business and production operation of the Group.

For year ended 31 December 2014, the Group has achieved turnover of approximately RMB549.6 million, representing an increase of approximately 3.3% from the same period of last year (2013: approximately RMB532.3 million). This was mainly attributable to the satisfactory sales of 6 new products during the year, which accounted for 10.8% of the overall sales volume. The overall gross profit was approximately RMB118.0 million, representing a decrease over last year of approximately 17.1% and the gross profit margin was approximately 21.5%, representing a decrease of approximately 5.3 percentage points from last year. The drop in gross profit was mainly due to the continuous rises in raw materials costs, packaging materials costs and labour costs, as well as the launching in operation of the new plant during the year, so that depreciation expenditure rose remarkably.

Impairment loss on property, plant and equipment

Impairment loss on property, plant and equipment for the year amounted to RMB44.8 million (2013: Impairment loss on property, plant and equipment amounted to approximately RMB10.4 million) and impairment loss on land use rights for the year amount to RMB 3.2 million (2013: Nil) are disclosed as separate items in the consolidated statement of profit or loss and other comprehensive income. During the year, impairment losses recognised was related to the production facilities in a factory of Fujian Sanai, a wholly-owned subsidiary of the Company located in Fujian Sanai in Haixi Commercial Trading Development Zone in Jianyang city, Fujian Province, as a result of management’s current expectation and the future economic benefits realised by such assets. For the purposes of impairment testing, property, plant and equipment and land use rights to the above production facilities have been allocated to one cash-generating unit (“CGU”).

The recoverable amounts of the CGU are determined by the directors and management of the Company based on value-in-use calculations with reference to professional valuations performed by APAC Assets Valuation and Consulting Limited, an independent firm of professionally qualified valuers. These calculations used cash flow projections based on the financial budgets approved by the management covering a five-year period. The cash flows beyond the five-year period are extrapolated using a steady growth rate of 2%, which is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the business in which the individual CGU operates.

正如本公司於二零一五年一月三十日之盈利警告公告(「盈利警告」)中披露，因為本集團位於中國福建省建陽市海西工貿開發區的新廠房已於去年初獲新版Good Manufacturing Practise(「GMP」)認證批文並且開始投入生產，管理層預計本年集團折舊支出及一些與改造相關費用將因此而上升近約人民幣4,400,000元至約人民幣62,000,000元。然而董事會認為折舊支出為非現金支出，並對本集團之現金流量及業務和生產營運並無影響。

截至二零一四年十二月三十一日止年度，集團實現營業額約人民幣549,600,000元，較去年上升約3.3%(二零一三年：約人民幣532,300,000元)，主要受惠於年內6種新產品銷售理想，佔整體銷售量10.8%。整體毛利約為人民幣118,000,000元，較去年下跌約17.1%，毛利率約為21.5%，較去年下跌約5.3個百分點。毛利下跌的主要原因在於原材料成本、包裝材料成本及勞動力成本持續上升，以及新廠房於本年度起投入生產，令折舊支出大幅上升。

物業、廠房及設備減值虧損

年內確認的物業、廠房及設備減值虧損費用約為人民幣44,800,000元(二零一三年：物業、廠房及設備減值虧損費用約人民幣10,400,000元)及土地使用權減值虧損費用約為人民幣3,200,000元(二零一三年：無)。並於綜合損益及其他全面收益表作出分開披露。於本年度，已確認減值虧損費用涉及本集團一所全資擁有附屬公司「福建三愛」位於福建省建陽市海西工貿開發區之生產設備。因此，雖根據相關會計準則營運管理層目前期望及該等資產體現的未來經濟利益進行審閱。就減值測試而言，上述生產設施的物業、廠房及設備及土地使用權已分配至一個現金產生單位。

現金產生單位之可收回金額由本公司董事基於使用價值計算方式並參考獨立專業合資格估值師亞太資產評估有限公司進行的專業估值所釐定。計算時使用經管理層批准之五年期的現金流量預測。五年期後現金流量使用固定增長率2%推斷。該增長率根據相關行業增長預測，且並無超出現金產生單位經營之業務平均長期增長率。



Nevertheless, the Board is of the opinion that the impairment losses in such fixed assets and land use rights were non-cash expenditure and therefore causes no impact on the Group's cash flow and business and production operation.

During the year under review, the Group recorded loss of approximately RMB44.0 million (2013: the loss amounted to approximately RMB3.6 million).

Development of Major Products

Perilla Oil Capsule

Perilla Oil Capsule is one of the key products of the Group, it is effective for hyperlipidemia and has no side effect of toxicity. For the year ended 31 December 2014, its turnover was approximately RMB43.6 million, accounting for approximately 7.9% of the Group's total turnover during the year (2013: approximately RMB43.7 million, accounting for 8.2% of the total turnover), with a stable sales amount. The Group is currently conducting studies on the new medical results of Perilla Oil Capsule, and the clinical study stage was ended. Since 2009 it has been listed in the medical insurance directory of Fujian Province, and gradually listed in the medical insurance directory of Shanxi, Inner Mongolia and Xinjiang. The Group will continue to seek to have Perilla Oil Capsule listed in the national medical insurance directory. Sales are expected to further increase after its listing in the national medical insurance directory.

Omeprazole Enteric-Coated Capsules

Omeprazole Enteric-Coated Capsules was introduced in 2011. It is a product with stable sales of the Group. It is mainly for inhibiting gastric acid secretion and helicobacter pylori reflux. Given its effectiveness, the product was welcomed by consumers. Its sales revenue for 2014 was RMB14.6 million, representing approximately 2.7% of the total sales revenue. The sales revenue and its percentage were basically the same compared with last year.

N(2)-L Alanyl-LGlutamine Injectable

N(2)-L Alanyl-LGlutamine Injectable is the Group's product with high sales turnover. Its sales revenue for 2014 was RMB50.4 million, representing approximately a drop of 16.1% compared with last year, accounting for approximately 9.2% of the total turnover of the Group (2013: approximately RMB60.1 million, accounting for 11.3% of the total turnover). The decrease in sales was mainly attributable to the state's strengthening of administration over the production and sales of medicine, and similar products of other factories were introduced in the market successively, so that the competition of this product in the market was getting more and more severe.

2ml Chaihu Zhusheyey

Chaihu Zhusheyey was introduced to the market in the second half of 2013. Its sales has remained stable. The performance of this product in terms of price was very good in 2014. Its sales revenue for the year was RMB9.9 million, representing a surge of 50.0% compared with 2013, accounting for approximately 1.8% of the total turnover (2013: approximately RMB6.6 million, accounting for 1.2% of the total turnover). The Group is currently raising the production output of this product to seize the opportunities to raise sales.

然而董事會認為該固定資產減值虧損及土地使用權減值虧損為非現金開支。並對本集團之現金流量及業務和生產營運並無影響。

於回顧年度，集團錄得虧損，虧損約為人民幣44,000,000元（二零一三年：虧損約人民幣3,600,000元）。

主要產品發展

蘇子油軟膠囊

蘇子油軟膠囊是本集團的重點產品，對高血脂方面有顯著療效且無毒副作用。截至二零一四年十二月三十一日止年度，營業額達到約人民幣43,600,000元，佔集團營業額約7.9%，銷售金額保持穩定。（二零一三年：約人民幣43,700,000元，佔整體營業額8.2%）。集團正進行蘇子油軟膠囊的新療效研究，並已結束臨床研究階段。二零零九年進入福建醫保目錄的蘇子油軟膠囊陸續進入了山西、內蒙、及新疆的醫保目錄。集團將繼續爭取蘇子油軟膠囊進入全國醫保目錄，期望進入全國醫保目錄後，帶動銷量的進一步提升。

奧美拉唑腸溶膠囊

奧美拉唑腸溶膠囊於二零一一年推出，是集團一款銷售穩定的產品，主要作用是抑制胃潰瘍及胃食管倒流。此產品由於療效良好，廣受消費者歡迎。二零一四年營業額為人民幣14,600,000元，佔整體營業額約2.7%，營業額及百分比與去年相若。

諾賽肽注射液

諾賽肽注射液是集團的高營業額產品。二零一四年營業額達到約人民幣50,400,000元，比去年下降約16.1%，佔集團總營業額約9.2%（二零一三年：約人民幣60,100,000元，佔整體營業額約11.3%）。銷售量調整的主因是國家加強對藥品生產銷售的管理力度，且其他廠家相若產品的陸續面世，導致該產品的市場競爭越趨激烈。

二毫升柴胡注射液

柴胡注射液自二零一三年下半年推出市場，銷量一直保持穩定，二零一四年價格表現非常好，全年營業額達到人民幣9,900,000元，比二零一三年大幅上升50.0%，佔整體營業額約1.8%。（二零一三年：約人民幣6,600,000元，佔整體營業額約1.2%）本集團現已儘快對此產品追加生產，把握機會提升銷售。



Management Discussion and Analysis 管理層討論及分析

Other Products

Another product of the Group-Xiangdan Injectable has excellent results for cardiovascular and cerebrovascular diseases. It won a considerable share in the rural market with the advantage of low price. During the year, turnover of 10-ml Xiangdan Injectable was approximately RMB20.1 million, accounting for approximately 3.7% of the overall turnover.

Erythromycin Enteric-coated Capsules is the product of the Group mainly used in the treatment of inflammation and various types of infection. During the year, turnover the product was approximately RMB10,500,000, accounting for approximately 1.9% of the overall turnover.

Newly Introduced Products

The Group made adjustments according to the market needs in the first half of the year and introduced six new products, which are Western prescription medicines under the strategy of lower profit margin but higher turnover. The new products are the source of growth in sales for the year, and they promoted a favourable advertising effect for the sales of other products. Sales revenue of these six products amounted to RMB59.4 million, representing approximately 10.8% of the total sales revenue. Although their relevant gross profit margins were lower than that of other products produced by the Group, it is believed that this type of product can effectively increase sales. The Group will continue this strategy of having lower profit margin but higher turnover, to maintain a steady growth of sales volume and continue their advertising effects to boost sales of other products.

Among the six new products, two of the products are glucose and sodium chloride injectable (glass bottle) and sodium chloride injectable (glass bottle) and the other four products with soft bag package are also newly added to address the market needs, including 10% glucose injectable (soft bag), 5% glucose injectable (soft bag), sodium chloride injectable (soft bag) and glucose and sodium chloride injectable (soft bag). Currently, the market competition of soft bag package is still limited. The Group expects to further add plastic bottle package for these products in 2015 to further meet the market needs further and increase the market share.

Development of new medicines

During 2014, the Group steadily promoted the R & D of new drugs, R & D expenditures were kept stable. The project to study the new medical treatment results of Perilla Oil Capsule on a national large scale clinical study stage ended and obtained good results. The test results of the R & D on the medical treatment results of anti-hepatitis Compound Drug Liver & Gall Bladder Tablets under the joint cooperation between Fujian Sanai and the Department of Medicine of Peking University were satisfactory. The Group will continue to seek suitable new medicine R & D projects, and strictly control R & D expenditure.

Sales agency for drugs

Fujian Sanai Pharmaceutical Trading Co., Limited was the agency of seven types of drugs mainly sold in the five provinces and cities of Fujian, Zhejiang, Jiangsu, Liaoning and Beijing during the year. Sales revenue for the year amounted to approximately RMB12.3 million, accounting for approximately 2.3% of the Group's total turnover.

其他產品

本集團另一產品香丹注射液用於心腦血管疾病的療效優秀，以價格相宜的優勢佔領農村市場份額。年內十毫升之產品錄得營業額約人民幣20,100,000元，整體營業額約3.7%。

本集團的產品紅黴素腸溶膠囊主要用於治療炎症及各類感染。年內營業額約人民幣10,500,000元，整體營業額約1.9%。

新推出產品

集團上半年根據市場需要作出調整，推出六個以薄利多銷策略經營的新產品，屬西藥處方藥品。新產品為本年度銷售的增幅動力，並有效地帶動其他產品廣告效應。六款新產品於二零一四年達成營業額約人民幣59,400,000元，佔整體營業額約10.8%。雖然相關毛利率較本集團生產的其他產品為低，但相信此類產品能有效的提升銷售。本集團將繼續此薄利多銷策略，維持銷量穩定增長，並持續帶動其他產品的廣告效應。

六款新產品之中有兩種產品分別為葡萄糖氯化鈉注射液(玻璃瓶裝)及氯化鈉注射液(玻璃瓶裝)，以及四種配合市場需要而新增軟袋包裝的產品，包括10%葡萄糖注射液(軟袋裝)、5%葡萄糖注射液(軟袋裝)、氯化鈉注射液(軟袋裝)及葡萄糖氯化鈉注射液(軟袋裝)。目前軟袋包裝在市場上競爭仍然有限。集團期望在二零一五年再為這些產品追加塑瓶包裝，進一步貼近市場需要，及擴大市場佔有率。

新藥研發

二零一四年間，本集團的新藥研發工作穩步推進，研發開支保持穩定。蘇子油軟膠囊新療效研究專案的全國性大規模臨床研究階段已結束，並取得良好結果。福建三愛與北京大學醫學部合作的抗肝炎新藥複方肝膽片的科研藥效試驗理想。公司會繼續尋找合適的新藥研發專案，並嚴格控制研發開支。

藥品代理銷售

福建省三愛醫藥貿易有限公司於期內代理了七種藥品，主要在福建、浙江、江蘇、遼寧和北京五個省市進行銷售。年內實現銷售收入約人民幣12,300,000元，佔本集團整體營業額約2.3%。



Sales Network and Marketing

The Group's sales network covers 21 key provinces, cities, autonomous regions and municipalities around the country, mainly covering the more affluent coastal cities and provinces of the eastern region and the northeastern region of China. The number of distributors for the Group amounted to 62 during the year, adding 2 more compared with 2013. During the year, sales from the market in rural areas amounted to approximately 12.6% of our total turnover, or RMB69.2 million, up 24.2% from 2013. It was mainly because the production output of ordinary medicines of the new plant zone increased, and the Group could better penetrate in the market in the rural markets with medical insurance. In the future, it will strive for exploring the market in the rural markets, raising the sales volume of ordinary medicines.

During the year, the Company placed advertising resources more selectively, and thus lowered advertising expenditure substantially, which decreased from RMB58.7 million for the entire year of 2013 to RMB34.6 million. For 2015, advertising expenditure will continue to reduce, so that the Group can invest its resources in other areas with more apparent benefits. Academic promotion seminars will become one of the main promotion methods of the Group, at the same time, it will continue to participate in new medicine promotion seminars and medicine fairs.

Disposal of Land and Property by Fuzhou Sanai

As disclosed in the announcement "Discloseable Transaction – Disposal of Land and Property" in 2 February 2015, Fuzhou Sanai, a wholly-owned subsidiary of the Company entered into the Agreement pursuant to which Fuzhou Sanai has agreed to sell, and Land Development Center for Fuzhou Economic and Technological Development Zone (福州經濟技術開發區土地發展中心) ("the Purchaser") has agreed to purchase the Land and Property, at a consideration of RMB76.0 million (equivalent to approximately HK\$92.7 million) (the "Disposal").

Since relevant authorities of the PRC need to adjust the layout of urban planning and industrial development (with a view to accelerating the development and utilization of land in Mawei District of Fuzhou City) in accordance with the "Interim Measures for the Implementation of Land Reserve*" (《福州市土地儲備實施暫行辦法》), "Non-State-Owned Enterprises in Fuzhou Warehouse Space Mining Land Use Rights Acquisition Approach*" (《福州市非國有的企業工礦倉儲用地土地使用權收購辦法》) and other relevant provisions, the Company proceed with the Disposal accordingly.

Upon Disposal, existing manufacturing facility (excluding the Property) will be relocated to the factory at Haixi Commercial Trading Development Zone which is owned by Fujian Sanai Pharmaceutical Co. Ltd. (福建三愛藥業有限公司), another wholly owned subsidiary of the Company, to continue manufacturing operation. The estimated net realized gain will increase the cash flow and liquidity of the Group for its future business development and investment when opportunities arise.

銷售網路與市場推廣

本集團的銷售網路遍佈全國的21個重點省、市、自治區及直轄市，主要覆蓋國內東部沿海富裕城市及東北部地區，目前藥物經銷商已有62個，比二零一三年增加2個。年內農村市場銷售佔集團總體營業額約12.6%，達人民幣69,200,000元，比二零一三年上升24.2%。主要受惠於新廠區普藥產能加大，更能滲透注重醫保的農村市場。未來亦會致力於挖掘農村市場，提升普藥銷量。

年內，公司更有選擇性地投放廣告資源，大大降低了廣告開支，廣告投放由二零一三年全年的人民幣58,700,000元減少至人民幣34,600,000元。二零一五年廣告開支會繼續減少，以致集團可把資源投放到其他效益更顯著的地方。學術專場推介會將會成為集團主要的推廣方式之一，同時亦會持續參與新藥推介會和藥交會。

福州三愛出售土地和物業

正如本公司於二零一五年二月二日之「須予披露福州交易—出售土地及物業」披露，本公司全資附屬公司福州三愛訂立協議，據此，福州三愛同意出售，而福州經濟技術開發區土地發展中心（「買方」）同意購買土地及物業，代價為人民幣76,000,000元（相等於約92,700,000港元）（「出售事項」）。

根據《福州市土地儲備實施暫行辦法》及《福州市非國有的企業工礦倉儲用地土地使用權收購辦法》以及其他相關條文，中國有關當局需要調整城市規劃及工業發展（認為須加快福州市馬尾區的土地開發及使用），本公司因此需要進行出售事項。

出售事項後，現有製造設施將遷往本公司另一間全資附屬公司福建三愛藥業有限公司所擁有位於海西工貿開發區的廠房，繼續進行製造業務。估計經變現收益淨值將增加本集團的現金流及流動資金，用作其日後業務發展及機會出現時進行投資。



Management Discussion and Analysis 管理層討論及分析

It is estimated that the Company will have an unaudited gain on Disposal of approximately RMB29.2 million, being the difference between the consideration for the Disposal and the carrying value of the Land and Property. It is estimated that an additional capital expenditure and expenses of approximately RMB20.0 million and a relocation cost of approximately RMB5.0 million might be incurred as a result of the Disposal. The net proceeds from the Disposal (after deducting all relevant fees and expenses) will be used for general working capital of the Company.

OUTLOOK AND FUTURE DEVELOPMENT

At the beginning of 2015, the State Council convened a standing committee meeting to push forward the deepening of the medical and healthcare system reform, deploy the strengthening of the establishment of rural doctor teams, better protect the physical health of residents in the rural areas, discuss and approve the National Medical and Healthcare Service System Planning Outlines (the "Outlines") and facilitate the optimization of resource allocation and service upgrade. The Outlines particularly point out that the development potential of doctors in the rural areas must be expanded. It will explore the implementation of a service model under which the doctors in the rural areas will enter into contracts with the residents in the rural areas, and charge fees as stipulated. The Ministry of Finance will grant subsidies based on the number of assignments done and approved and the appraisal results of the doctors in the rural areas by the county and village health institutions. The Group expected that the Outlines would help the Group to increase the sales volume of ordinary medicines and further promote our coverage in the market of the rural areas.

In the future, due to the impact of the ageing population, it is expected that the demand for medicine in China will continue to grow. However, at present the coverage of medical insurance is still limited, and for the time being the pharmaceutical industry in China cannot benefit from the rapid growth in demand. Yet, as the medical reform gradually deepens, one of the 2015 major tasks of the Health and Family Planning Commission is to continue to raise the government subsidy standards of the medical insurance coverage of residents in the urban areas and the new rural co-operative, while raising the reimbursement standard of individuals, narrow the gap between the reimbursement under the policy and the actual payment. It will implement the serious disease medical insurance for the residents in the urban areas in a comprehensive manner, and relieve the burden of medical fees for serious diseases of the general public in a substantive fashion. From a long term perspective, the development potential of the pharmaceutical industry is huge.

Based on the judgment on the development trend of the pharmaceutical industry, the Group will continue to implement a prudent development strategy, and match the expansion of the capacity of ordinary medicines of the new plant zone, grasp the opportunity of primary medical services such as new rural co-operative medical service ("new rural co-operative") and sustain the in-depth exploration of markets of rural areas and small communities in cities, and diversify the sales channels and promotion models. Our new GMP certificates strengthened our competitive advantages, and we will strengthen and enhance the existing products and markets under the new industrial landscape, and expand the base of income by seizing the opportunities.

本公司估計出售事項的未經審核收益約人民幣29,200,000元，即出售事項之代價與土地及物業賬面值之差額。估計因出售事項而可能產生之額外資本開支及費用約人民幣20,000,000元及重置費用約人民幣5,000,000元。出售事項的所得款項淨額（經扣除所有相關費用及開支）將用作本公司一般營運用途。

前景展望及未來發展

二零一五年年初，國務院召開常務會議，推進深化醫藥衛生體制改革，部署加強鄉村醫生隊伍建設、更好保障農村居民身體健康，討論通過《全國醫療衛生服務體系規劃綱要》（「該綱要」）、促進優化資源配置和服務升級。該綱要特別指出要拓寬鄉村醫生發展空間。探索實施鄉村醫生與農村居民簽約服務模式，並按規定收取費用。財政根據核定任務量和鄉鎮衛生院對鄉村醫生的考核結果等給予補助。本集團預計該綱要將有助於本集團提升普藥的銷量及進一步推進農村市場的覆蓋。

未來，受人口老齡化影響，中國醫藥需求預料將持續增長。但目前醫保覆蓋的範圍依然有限，中國醫藥行業暫難以受惠需求高速增長。然而醫改逐漸深化，國家衛計委二零一五工作重點之一，是繼續提高城鎮居民醫保和新農合政府補助標準，同步提高個人繳費水準，縮小政策報銷比和實際報銷比之間的差距。全面實施城鄉居民大病保險，切實減輕群眾大病醫療費用負擔。長遠而言，醫藥行業發展潛力巨大。

基於對醫藥行業發展審慎樂觀的判斷，集團將繼續推進穩健的發展策略，配合新廠區普藥產能的擴大，把握新型農村合作醫療（「新農合」）等基層醫療服務的發展機遇，繼續深入拓展農村及城市社區市場，多元化銷售管道及推廣模式。憑藉新版GMP認證證書奠定的競爭優勢，在新的行業格局下鞏固提升現有產品和市場，適時把握機遇擴拓收入基礎。



Smooth adaptation period of the new GMP plant

The Group's new factory in Fujian Haixi Industrial and Trading Development Zone (the "New Factory") begun production in February 2014, and smoothly entered the adaptation period. The Company expected that the New Factory can realize its full capacity as soon as possible, it will leverage on the advantages of the New Factory to promote the production and sales of drugs with GMP certificates, and reinforce its position in the industry.

Increasing the market penetration ratio in the rural areas

In the future, the Group will continue to promote ordinary medicines to the market in the rural areas where the spending ability is limited, such as township medical organizations and institutions. It will increase the market penetration ratio in the rural areas through the advantages of lower prices of ordinary medicines.

Faced with the challenges of government policies and the peripheral economies, the Group will examine the market demand at appropriate time in a pragmatic and stable pace, flexibly adjust the sales strategies, promote the existing products and seek suitable R & D projects of new drugs so as to seek a reasonable return for shareholders.

FINANCIAL REVIEW

1. Turnover

Despite the continuous monitoring of the Chinese medicines in all aspects by China Food and Drug Administration and its requirements to raise the quality standards of the related products, the Group adjusted the product portfolio according to the market demand, and during the year, the Group benefited from the addition of six new markets with high demand for Western medicines and the stability in sales price of products. The Group recorded an overall turnover of approximately RMB549.6 million (2013: approximately RMB532.3 million), representing a slight increase of approximately 3.3% over last year. Turnover of the second half year was approximately RMB316.7 million (turnover of the first half year was approximately RMB232.9 million), representing an increase of approximately 36.0%.

Turnover of 2014 was still dominated by Western medicines, we recorded a turnover of approximately RMB304.1 million in this section, accounting for approximately 55.3% of the overall turnover, turnover increased approximately 12.3% over last year (2013: approximately RMB270.7 million, representing approximately 50.9% of the overall turnover). Regarding the Chinese medicines, as mentioned above, there were continuous monitoring in all aspects and the requirements to raise the quality standards, turnover amounted to approximately RMB233.2 million, accounting for approximately 42.4% of the overall turnover, the turnover decreased approximately 6.3% (2013: approximately RMB249.0 million, accounting for approximately 46.8% of the overall turnover). The difference in proportion of the turnover of Western medicines and Modern Chinese medicines further enlarged. In addition, the pharmaceutical trading revenue recorded a turnover of approximately RMB12.3 million, representing approximately 2.3% of the overall turnover (2013: approximately RMB12.6 million, representing approximately 2.3% of the overall turnover), which is similar to last year's proportion.

新版 GMP 新廠房順利磨合

本集團於福建海西工貿區的新廠房(「新廠房」)已於二零一四年二月投產，並順利進入磨合期。公司預計新產房可儘快達致全面產能，將利用新廠房的優勢，推進 GMP 認證藥物的生產及銷售，鞏固行業地位。

擴大農村滲透率

未來集團會繼續將普藥推向支付能力有限的農村市場，如城鎮醫療機構及衛生所。以普藥價錢較低的優勢，擴大農村市場的佔有率。

面對政府政策及週邊經濟的挑戰，本集團將以務實穩健的步伐，適時審視市場需求，靈活調整銷售策略，推廣現有產品並尋找合適的新藥研究項目，務求為股東爭取合理回報。

財務回顧

1. 營業額

雖然受到國家食品藥品監督管理總局對中藥產品不斷推出各方面監管及提高相關產品品質標準之要求，然而本集團根據市場需求調整產品組合，於本年度，受惠於新增六個市場需求量的西藥產品及產品銷售價格保持穩定。本集團整體營業額錄得約人民幣 549,600,000 元(二零一三年：約人民幣 532,300,000 元)，較去年微升約 3.3%。而下半年的營業額約為人民幣 316,700,000 元(上半年約為人民幣 232,900,000 元)，較上半年的營業額上升約 36.0%。

二零一四年之營業額仍然由西藥產品帶動，本集團錄得營業額約人民幣 304,100,000 元，佔整體營業額約 55.3%，營業額較去年上升約 12.3%。(二零一三年：約人民幣 270,700,000 元，佔整體營業額約 50.9%)。中藥產品方面，正如以上提及不斷推出各方面監管及提高品質標準之要求，營業額錄得約約人民幣 233,200,000 元，佔整體營業額約 42.4%，營業額較去年下跌約 6.3%(二零一三年：約人民幣 249,000,000 元，佔整體營業額約 46.8%)。西藥產品與中藥產品營業額之相差比例進一步加大。另外，醫藥貿易業務，收入錄得營業額約人民幣 12,300,000 元，佔整體營業額約 2.3%(二零一三年：約人民幣 12,600,000 元，佔整體營業額約 2.3%)，百分比較去年相若。



Management Discussion and Analysis 管理層討論及分析

Although our key product, Perilla Oil Capsule, has obtained approval from authorities in Fujian, Shanxi, Inner Mongolia and Xinjiang for listing in the medical insurance directory, it is still in the monitoring period. In addition, as it is yet to be listed in the national medical insurance directory, its sales were affected to a certain extent. Sales for the year amounted to approximately RMB43.6 million, representing approximately 7.9% of the overall turnover, or a slight decrease of approximately 0.2% over last year (2013: approximately RMB43.7 million, representing approximately 8.2% of the overall turnover).

The highest sales volume during the year was again achieved by the Western medicine, N(2)-L Alanyl-LGluamine Injectable, with a turnover of approximately RMB50.4 million, representing approximately 9.2% of the overall turnover (2013: approximately RMB60.1 million, representing approximately 11.3% of the overall turnover). Sales of the five top selling medicines amounted to approximately RMB181.3 million, representing approximately 33.0% of the overall turnover (2013: approximately RMB195.2 million, representing approximately 36.7% of the overall turnover). The six new products introduced by the Group in the first half of the year including glucose and sodium chloride Injectable and sodium chloride injectable and other related products are all Western medicines, their turnover for the year was approximately RMB 59.4 million, representing approximately 10.8% of the overall turnover.

2. Gross Profit and Gross Profit Margin

Gross profit of the Group decreased approximately 17.1% over last year to approximately RMB118.0 million (2013: approximately RMB142.4 million). Gross profit margin decreased by approximately 5.3 percentage points over last year to approximately 21.5% (2013: approximately 26.8%). The three major reasons for the decrease of gross profit margin are as follows:

- (1) Cost of sales: the continuous rises in overall raw materials costs, packaging materials costs and labour costs due to market pressure in China, in particular, the packaging materials rose as compared with the same period last year to approximately RMB153.3 million, or an increase of approximately 28.4% (2013: approximately RMB119.4 million), and such cost pressure has significantly led to an increase in production costs;
- (2) Depreciation expenses in cost of sales: As described above and disclosed in the Profit Warning on 30 May 2014 and 30 January 2015 respectively, the new plant of the Group obtained new GMP certification early this year and was issued the GMP certificate for large and small volume injectable medicines. The new plant could officially produce medicines of relevant specification starting from the beginning of this year. The new plant and relevant production facilities acquired greatly increased the depreciation expenses in the cost of sales to approximately RMB62.0 million, representing approximately 14.4% of the overall cost of sales (2013: approximately RMB57.6 million, representing approximately 14.8% of the overall cost), and an increase of 7.6% over last year, where the overall proportion of sales costs were similar to those of last year; and

本集團旗下重點產品蘇子油軟膠囊雖然分別獲福建、山西、內蒙古及新疆政府批准進入醫保目錄及仍處於監測保護期內。然而，由於仍未獲批准進入國家醫保目錄，銷售情況受到一定影響。年內銷售約人民幣43,600,000元，佔整體營業額約7.9%，較去年略為微跌約0.2%（二零一三年：約人民幣43,700,000元，佔整體營業額約8.2%）。

於本年度本集團最高銷售額之產品仍然為西藥產品諾賽肽注射液，其營業額為約人民幣50,400,000元，佔整體營業額約9.2%（二零一三年：約人民幣60,100,000元，佔整體營業額約11.3%）。五大最高銷售產品之營業額約人民幣181,300,000元，佔整體營業額約33.0%（二零一三年：約人民幣195,200,000元，佔整體營業額約36.7%）。而集團於上半年新推出六個產品包括葡萄糖氯化鈉及氯化鈉注射液等有關產品，均屬西藥處方藥品，全年營業額錄得約人民幣59,400,000元，佔整體營業額約10.8%。

2. 毛利及毛利率

本集團毛利較去年下跌約17.1%至約人民幣118,000,000元（二零一三年：約人民幣142,400,000元），而毛利率較去年下跌約5.3個百分點，至約21.5%（二零一三年：約26.8%）。毛利率下跌之主要原因為以下三個方面：

- (1) 銷售成本方面：整體原材料成本、包裝物料成本及勞動力成本支出於中國市場持續上漲，特別是包裝物料較去年同期增加至約人民幣153,300,000元，上升約28.4%（二零一三年：約人民幣119,400,000元），成本壓力顯現令產品的生產成本增加；
- (2) 銷售成本內之折舊支出：正如上述及分別於二零一四年五月三十日及二零一五年一月三十日之盈利警告中披露，本集團新廠房已於去年初新GMP檢定並發出大、小容量注射劑容量注射劑藥品GMP證書，新廠房可進行向於去年初起正式可進行相關規格之藥品生產。新廠房及相關增加生產設備令銷售成本內折舊支出大幅上升至約人民幣62,000,000元，佔整體銷售成本約14.4%（二零一三年：約人民幣57,600,000元，佔整體成本約14.8%），較去年上升7.6%，整體銷售成本百分比較去年相若；及



(3) Turnover: As described above, with the impact on the pharmaceutical industry caused by pressure in cost brought by the strict supervision of the quality of medicines and the cost pressure due to environmental protection awareness, the business environment remained difficult. In order to maintain the purchasing power in the market and market share, the prices of the Group's products generally remained stable last year after the Group reduced slightly the prices of some medicines last year, however, the prices of most products basically remained stable. During the year, although the addition of six Western medicine products improved the turnover, the gross profit margins of the relevant products were lower than those of other products produced by the Group. Therefore, the overall gross profit margin level of medicines of the Group was affected.

The proportion of other costs of sales, including raw materials, packaging materials, energy and fuel costs, and direct labor cost remained essentially the same compared with the same period of last year, except that the related amounts increased following the increase in sales.

3. Loss during the year

Although unlike 2013 when the Group cut the prices of some products upon the request of the State Council, faced with intense business competition, the Group slightly lowered the prices of some medicines last year to maintain the market purchasing power and our market share in the market. Besides, the continuous rising prices in Mainland China resulted in increases in costs of raw materials, packaging materials, salary expenses, hence the profits of pharmaceutical enterprises were inevitably affected by this costs pressure. Further, the new plant in compliance with new GMP certification and the relevant production facilities acquired greatly increased depreciation expenses. During the year, the Group recorded a loss of approximately RMB44.0 million (2013: loss of approximately RMB3.6 million).

Although the Group recorded loss, distribution costs of the Group decreased approximately 24.9% to approximately RMB63.8 million (2013: approximately RMB84.9 million). It is mainly because during the year the relevant advertising and marketing expenses of our three wholly owned subsidiaries in the PRC totaled approximately RMB34.6 million (2013: approximately RMB58.7 million), representing a decrease of approximately 41.1% as compared with the same period last year. The main reasons for maintaining certain advertising and marketing expenses were to increase the brand and product awareness of "Sanai" and achieve a wide recognition of our products by the public and patients. Advertising also helped us to explore new rural market and promote products.

(3) 銷售方面：如上所述，面對藥品質量的嚴格監管及環保意識帶來的成本壓力對醫藥行業的影響，營商環境仍然困難。為維持市場購買力及市場佔有率，本集團於去年部份藥品價格略有下調後，但大部份之產品的價格基本上保持穩定。於年內因新增六個西藥產品雖令營業額有所改善，但有關產品毛利率較本集團生產其他產品較低。因此影響了集團的藥品整體毛利率水平。

其他銷售成本比例包括原材料、包裝物料、能源及燃料成本、直接勞動及其他較去年同期除因銷售上升而令相關銷售成本金額上升外，其所占銷售成本比例比較均沒有重大變化。

3. 年內虧損

雖然集團於去年未有像二零一三年按照國務院要求下調旗下部份產品的價格，但面對營商競爭激烈環境，本集團於去年對部份藥品價格略有下調已為維持市場購買力及市場佔有率。另外內地物價持續上漲令原材料、包裝材料、工資費用等成本的上升，成本壓力顯現令製藥企業的利潤不可避免的受到影響。加上符合新GMP檢定的新廠房及相關增加生產設備令折舊支出大幅上升，於本年度，本集團錄得虧損約人民幣44,000,000元（二零一三年：虧損約人民幣3,600,000元）。

本集團雖然錄得虧損，但本集團分銷成本卻下調約24.9%至約人民幣63,800,000元（二零一三年：約人民幣84,900,000元）。原因主要為於年內，本集團國內三所全資附屬公司相關廣告宣傳及推廣費用支出合共約人民幣34,600,000元，較去年同期下跌約41.1%（二零一三年：約人民幣58,700,000元）。維持一定程度之廣告宣傳及推廣費用之主要原因為貫徹本集團提高「三愛」品牌和產品知名度的市場策略，使我們的產品得到社會和患者的廣泛認可。通過廣告宣傳也有助於新農村市場開拓及產品推廣。



Management Discussion and Analysis

管理層討論及分析

Administrative and other expenses increased approximately 2.8% over last year to RMB48.3 million (2013: approximately RMB47.0 million), which were comparable with those of last year.

In addition, there were an impairment losses amounted to approximately totally RMB48.0 million in relation to Group's production facilities in one of the factories located in Fujian Sanai in Haixi Commercial Trading Development Zone in Jianyang city, Fujian Province., which was mainly attributable to non-cash accounting treatment on the impairment losses on these production facilities, and mainly to reflect the value in use of the assets. Therefore, such impairment losses will not affect the future either the performance of the Group's operations and sales; or affect the cash flow of the Group.

Finally, tax expenses of the Group were approximately RMB2.8 million in total (2013: approximately RMB5.6 million) and the effective tax rate was approximately (6.8%) (2013: the effective tax rate was approximately 273.5%). This amount included the need to withhold deferred income tax for the provision of undistributed profits for the three wholly-owned subsidiaries in the PRC of approximately RMB9.6 million (2013: approximately RMB400,000).

4. Liquidity, Financial Resources and Capital Structure

As at 31 December 2014, the Group had cash and cash equivalents of approximately RMB480.5 million (2013: approximately RMB512.4 million). As at 31 December 2014, The Group's secured bank loan which is secured by land use right, amounted to approximately RMB15.0 million (2013: RMB15.0 million). The loan was dominated in Reminbi, carried interest at fixed rate 6.9% (2013: 6.6%) per annum and is repayable within 1 year. The Group continued to maintain a stable financial position with low gearing and healthy cash flows. The Group generated a net cash inflow from operating activities of approximately RMB39.3 million (2013: approximately RMB53.7 million). During the year, the Group did not use any financial instruments for hedging purpose.

The Group reviewed the capital structure by using a gearing ratio. The gearing ratio representing the total debt, which includes trade and other payables and secured bank loan of the Group divided by total equity of the Group. The gearing ratio of the Group was approximately 7.7% as at 31 December 2014 (2013: approximately 6.9%).

行政及其他費用與去年比較上升約2.8%至人民幣48,300,000元(二零一三年:約人民幣47,000,000元),支出與去年相若。

另外,集團其中一間位於福建省建陽市海西工貿開發區之部份生產設備出現合共約人民幣48,000,000元的減值虧損,此減值虧損主要由於該等生產設備減值虧損的非現金會計處理方法,以及反映該資產之使用價值所致,因此有關減值虧損並不會影響未來集團的營運和銷售表現,及對集團的現金流亦無影響。

最後,本集團稅項支出共約人民幣2,800,000元(二零一三年:約人民幣5,600,000元),實際稅率約(6.8%)(二零一三年:實際稅率約為273.5%)。其中包括需要為國內三間全資附屬公司就未分配利潤撥備預提遞延所得稅,該遞延所得稅支出約人民幣9,600,000元(二零一三年:約人民幣400,000元)。

4. 流動資金、財政資源及資本結構

於二零一四年十二月三十一日,本集團之現金及現金等價物約人民幣480,500,000元(二零一三年:約人民幣512,400,000元)。於二零一四年十二月三十一日,本集團有抵押銀行貸款約人民幣15,000,000元(二零一三年:人民幣15,000,000元)由土地使用權抵押。該貸款均以人民幣、按固定年利率6.9%(二零一三年:6.6%)計息及須於一年內償還。本集團繼續維持穩健之財務狀況,同時保持低資產負債比率及穩健之現金流。本集團之經營活動產生現金流入淨額約人民幣39,300,000元(二零一三年:約人民幣53,700,000元)。於年內,本集團並無運用任何金融工具作對沖用途。

本集團運用資產負債比率檢討資本架構。資產負債比率指本集團之總負債(包括貿易應付款項及其他應付款項以及有擔保銀行貸款)除以本集團之總權益。本集團於二零一四年十二月三十一日之資產負債比率為約7.7%(二零一三年:約6.9%)。



5. Exposure to Fluctuation in Exchange Rates

For the year ended 31 December 2014, the Group conducted its business transactions principally in Renminbi. The Group has not experienced any material difficulties or negative impacts on its operations as a result of fluctuations in currency exchange rates. Although the Group has certain bank balances denominated in Hong Kong dollars, the Group adopts a prudent financial policy and most of its bank deposits are in Renminbi and Hong Kong dollars. As at 31 December 2014, the Group did not have any foreign exchange contracts, interest or currency swaps or other financial derivatives for hedging purpose. Therefore, the Group was not exposed to any material interest and exchange risks.

6. Significant Acquisitions and Disposal of Investments

For the year ended 31 December 2014, the Group did not have any material acquisition and disposal of investment.

7. The Number and Remuneration of Employees

For the year ended 31 December 2014, the Group employed approximately 445 employees (2013: 453 employees) with a staff cost of approximately RMB50.6 million (2013: approximately RMB50.4 million). The Group determines staff remuneration in accordance with prevailing market salary scales, individual qualifications and performance. Remuneration packages including performance bonuses and entitlements to share options are reviewed on regular basis.

8. Charge on Group Assets

As at 31 December 2014, the Group charges on Group assets of approximately RMB37.8 million (2013: RMB41.1 million) in favour of a secured bank loan of RMB15.0 million (2013: RMB15.0 million).

9. Contingent Liabilities

As at 31 December 2014, the Group did not have any contingent liabilities (2013: Nil).

10. Capital Expenditure

For the year ended 31 December 2014, capital expenditure of the Group for property, plant and equipment and for the construction and development of new factory at Jianyang City, Fujian Province for own use in our ordinary and usual course of business amounted to approximately RMB73.3 million (2013: approximately RMB275.0 million).

11. Capital Commitments

As at 31 December 2014, the Group's capital expenditure contracted for but not provided in the financial statements amounted to approximately RMB11.6 million (2013: approximately RMB8.1 million).

5. 匯率波動風險

於截至二零一四年十二月三十一日止年度，本集團之業務交易主要以人民幣進行。本集團從未因貨幣匯率波動而遭遇重大困難或承受負面影響。儘管本集團有若干港元銀行結餘，但本集團實行審慎的理財政策，大部分銀行存款為人民幣及港元。於二零一四年十二月三十一日，本集團沒有任何外匯期貨合約、外匯利息或外匯掉期或其他用作對沖的金融衍生工具。因此，本集團並無任何重大利率及匯兌風險。

6. 重要收購及出售投資

於截至二零一四年十二月三十一日止年度，本集團並無任何重要收購及出售投資。

7. 僱員數目及薪酬

於截至二零一四年十二月三十一日止年度，本集團聘用僱員約為445名（二零一三年：453名僱員），員工成本約為人民幣50,600,000元（二零一三年：約人民幣50,400,000元）。本集團按現行市場薪酬水平、個人資歷及表現釐定員工薪酬。薪酬待遇包括表現花紅及獲發購股權之權利，並作定期檢討。

8. 本集團資產抵押

於二零一四年十二月三十一日，本集團將約人民幣37,800,000元（二零一三年：人民幣41,100,000元）資產作為本集團有抵押銀行貸款人民幣15,000,000元（二零一三年：人民幣15,000,000元）之抵押。

9. 或然負債

於二零一四年十二月三十一日，本集團並無任何或然負債（二零一三年：無）。

10. 資本開支

於截至二零一四年十二月三十一日止年度，本集團物業、廠房及設備及用於日常及一般業務過程中就建設及開發位於福建省建陽市作自用的新工廠的資本開支約為人民幣73,300,000元（二零一三年：約為人民幣275,000,000元）。

11. 資本承擔

於二零一四年十二月三十一日，本集團有已訂約但尚未於財務報表中撥備的資本開支約人民幣11,600,000元（二零一三年：約人民幣8,100,000元）。



Management Discussion and Analysis

管理層討論及分析

12. Use of Proceeds

The net proceeds raised from the initial public offering after deducting relevant share issue expenses and the general working capital amounted to approximately RMB683.0 million.

For the year ended 31 December 2007, the Company applied approximately RMB230.0 million and approximately RMB114.7 million to the capital injection in our two major subsidiaries in the PRC Fujian Sanai and Fuzhou Sanai respectively in the PRC. The capital injected to these two subsidiaries is intended to be used in the construction and expansion of new plants and production lines in Fuzhou and Jianyang. An amount of approximately HK\$62.0 million had been used for repayment of an interest-free shareholder's loan for the acquisition of a 40% interest in Fuzhou Sanai from Mr. Lin Ou Wen.

For the year ended 31 December 2008, the Group spent approximately RMB37.0 million for promotion of our brand through advertisement in some major national TV channels in the PRC. In addition, approximately RMB113.1 million had been utilized in the construction and acquisition of manufacturing equipment in Jianyang factory.

For the year ended 31 December 2009, the Group spent approximately RMB60.7 million for promotion of our brand through advertisement in some major national TV channels in the PRC. In addition, approximately RMB41.4 million was utilized in the construction and acquisition of manufacturing equipment in Jianyang factory.

For the year ended 31 December 2010, the Group has continuously spent approximately RMB1.3 million for promotion of our brand through advertisement in some major national TV channels in the PRC. In addition, approximately RMB2.2 million has been utilized for research and development.

For the year ended 31 December 2011, the Group has spent approximately RMB3.5 million for research and development.

For the year ended 31 December 2012, the Group has continuously spent approximately RMB926,000 for research and development. In additions, as announced by the Company on 3 December 2012, the Board resolved to change the intended application of the remaining net proceeds of approximately RMB360.0 million, representing approximately 53.0% of the net proceeds from the global offering, the Board believed that such change will facilitate efficient allocation of financial resources of the Company and strengthen the future development of the Group and is fair and reasonable and in the interests of the Company and its shareholders as a whole.

12. 所得款項用途

首次公開發售所得款項淨額，扣除有關發行股份支出及一般營運資金後約為人民幣683,000,000元。

截至二零零七年十二月三十一日止年度，本公司分別向兩間主要國內附屬公司福建三愛及福州三愛注資約人民幣230,000,000元及約人民幣114,700,000元。注入該兩間附屬公司之資金擬用於興建及擴建福州及建陽之新廠房及生產線。約62,000,000港元已用作償還向林歐文先生收購福州三愛40%權益而授出之免息股東貸款。

截至二零零八年十二月三十一日止年度，本集團已支出約人民幣37,000,000元通過在中國若干主要國家電視頻道投放廣告以推廣品牌。此外，約人民幣113,100,000元已用於建設及收購建陽工廠的製造設備。

截至二零零九年十二月三十一日止年度，本集團支出約人民幣60,700,000元用於透過在中國某些主要國家電視頻道刊登廣告以推廣品牌。此外，約人民幣41,400,000元已用於建設及收購建陽工廠的製造設備。

截至二零一零年十二月三十一日止年度，本集團已持續支出約人民幣1,300,000元用於透過在中國某些主要國家電視頻道刊登廣告以推廣品牌。另外，約人民幣2,200,000元已用於研發工作。

截至二零一一年十二月三十一日止年度，本集團已持續支出約人民幣3,500,000元用於研發工作。

截至二零一二年十二月三十一日止年度，本集團已持續支出約人民幣926,000元用於研發工作。此外，誠如本公司於二零一二年十二月三日所公佈，董事會已議決變更全球發售所得淨款項餘額約人民幣360,000,000元（佔全球發售所得淨款項約53.0%）的擬定用途，董事會認為有關變更將促進本公司財務資源有效分配及強化本集團的未來發展，屬公平合理並符合本公司及其股東的整體利益。



Usage 用途	<i>RMB million</i> 人民幣百萬元	
	Before change 變更前	After change 變更後
1 Capital expenditure for construction of phase II a production line for Perilla Oil Capsule in Fuzhou factory 福州廠房建設蘇子油軟膠囊第二期生產線的資本開支	154.0	-
2 Acquisition of equipment for and construction a new 1,000-ton per year production line for extraction of highly concentrated α -Linolenic acid as raw material for production of Perilla Oil Capsule 採購相關設備及建設一條年產能1,000噸的新生產線，用以抽取高強 α -亞麻酸(蘇子油軟膠囊原料)	113.0	-
3 Research and development in new drugs development and to establish a research and development center in Fuzhou 新藥研發發展和於福州設立一所研發中心	79.7	-
4 Enhancement of information systems and commerce platform 加強資訊系統和電子商務平台	12.0	-
5 Capital expenditure for the new GMP certification manufacturing facilities located in new factory in Haixi Commercial Trading Development Zone 位於海西工貿開發區的新廠房之新版GMP生產設施檢定申請的資本開支		300.0
6 Advertising in TV commercial channels 電視商業頻道之廣告	-	58.7
Total 總計	358.7	358.7

For the year ended 31 December 2013, the Group has spent approximately RMB270.3 million as capital expenditure for the new GMP certification manufacturing facilities in the self using new factory in the ordinary and usual course of business. In addition, approximately RMB58.7 million had been spent for promotion of our brand through advertisement in some major national TV channels in the PRC.

For the year ended 31 December 2014, the Group has spent approximately RMB29.7 million as capital expenditure for the new GMP certification manufacturing facilities in the self using new factory in the ordinary and usual course of business.

As at 31 December 2014, all net proceeds have been fully utilized in accordance with the plan for the use of proceeds from the Placing which are set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus dated 22 January 2007 and Change in Use of Proceeds announcement dated 3 December 2012.

截至二零一三年十二月三十一日止年度，本集團於日常及一般業務過程中已支出約人民幣270,300,000元作為自用新工廠新版GMP認證生產設施的資本開支。此外，支出約人民幣58,700,000元通過在中國若干主要國家電視頻道投放廣告以推廣品牌。

截至二零一四年十二月三十一日止年度，本集團於日常及一般業務過程中已支出約人民幣29,700,000元作為自用新工廠新版GMP認證生產設施的資本開支。

於二零一四年十二月三十一日，根據日期為二零零七年一月二十二日之招股章程內「未來計劃及所得款項用途」一節及日期為二零一二年十二月三日之變更所得款項用途公告所載的配售事項所得款項使用計劃，所有所得款項淨額已全部動用。



Management Discussion and Analysis

管理層討論及分析

13. Events after the reporting period

On 2 February 2015 (after trading hours), Fuzhou Sanai Pharmaceutical Co. Ltd. (the “Fuzhou Sanai”) (福州三愛藥業有限公司) a company incorporated in the PRC and a wholly-owned subsidiary of the Company, entered into an agreement (the “Agreement”) with an independent third party, Land Development Center for Fuzhou Economic and Technological Development Zone* (福州經濟技術開發區土地發展中心) (the “Land Development Centre”), a PRC governmental authority in charge of, among other things, managing usage of land resources of Fuzhou Economic and Technological Development Zone, the PRC. Pursuant to the Agreement, Fuzhou Sanai has conditionally agreed to sell and Land Development Centre has conditionally agreed to purchase the land situated at No. 27 Huli Road, Kuaian Extension Region, Mawei District of Fuzhou City* (福州市馬尾區快安延伸區湖里路27號) with approximate site area of 32,887 square meters (approximately 49.33 mu) (the “Land”). Property with a total floor area of approximately 23,223.97 square meters for manufacturing of pharmaceutical products (the “Property”) was attached to the Land. The Land and the Property were sold at an aggregate consideration of RMB76,000,000 (the “Disposal”).

Further details of the Disposal were disclosed in the announcement of the Company dated 2 February 2015.

13. 報告期後事件

於二零一五年二月二日，福州三愛藥業有限公司(「福州三愛」)(於中國註冊成立的公司，為本公司的全資附屬公司)與福州經濟技術開發區土地發展中心(「土地發展中心」)(負責(其中包括)管理中國福州經濟技術開發區土地資源使用的中國政府部門，為獨立第三方)訂立協議(「協議」)。據此協議，福州三愛已有條件同意出售而土地發展中心已有條件同意購置土地(位於福州市馬尾區快安延伸區湖里路27號，佔地約32,887平方米(約49.33畝))(「土地」)。土地之上建有總建築面積約23,223.97平方米，用作製造醫藥產品的物業(「物業」)。該土地及物業乃按總代價人民幣76,000,000元出售(「出售」)。

有關出售的進一步詳情於本公司日期為二零一五年二月二日之公告內披露。



The Company is committed to achieve a high standard of corporate governance practice, such that the interests of our shareholders, customers, employees as well as the long term development of the Company can be safeguarded.

CORPORATE GOVERNANCE PRACTICES

The Company has complied with the provisions as set out in the Corporate Governance Code (“CG Code”) during the year ended 31 December 2014 as contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), ensuring that the Company is up to the requirements of being diligent, accountable and professional, except for deviation from provision A.2.1 of the CG Code in respect of the roles of chairman and chief executive officer of the Company as further elaborated below.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company adopts the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Listing Rules. In addition, the Company has made specific enquiries of all Directors and each Director had confirmed that during the year 31 December 2014, they have fully complied with the required standards.

BOARD OF DIRECTORS

The Board currently consists of eight members, with three Executive Directors, two Non-executive Directors and three Independent Non-executive Directors. All Directors have distinguished themselves in their field of expertise, and have exhibited high standards of personal and professional ethics and integrity. The biographical details of each Director are shown on pages 32 to 33 of this report.

Mr. Lin Ou Wen, the Chairman is the younger brother of Mr. Lin Qing Ping.

The Board is responsible for planning and overseeing the overall development and management of the Group with the objective of enhancing Shareholders’ value. The Board, led by the Chairman, is responsible for the approval and monitoring of the overall strategies and policies of the Group, approval of annual budgets and business plans, evaluation of the Company’s performance and oversight of the works of management.

The Board is accountable to the shareholders and report to them at general meetings. The day-to-day operations of the Group are delegated to the management, which is headed by the Chief Executive Officer.

本公司致力達至高度的企業管治常規，使股東、客戶、員工以及公司長遠發展的利益得以維護。

企業管治常規

於截至二零一四年十二月三十一日止年度，本公司已遵守香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四所載企業管治守則（「企業管治守則」）所載條文，確保本公司符合盡力、負責及專業之要求，惟本公司主席及行政總裁的角色偏離企業管治守則條文第A.2.1條（於下文進一步闡述）除外。

董事進行證券交易

本公司採納上市規則附錄十所載上市發行人董事進行證券交易的標準守則（「標準守則」）。此外，本公司已向所有董事作出具體查詢，且各董事均確認截至二零一四年十二月三十一日止年度彼等已全面遵守規定標準。

董事會

董事會現由八名成員組成，其中三名為執行董事、兩名為非執行董事以及三名為獨立非執行董事。全體董事均在其專業領域有突出表現，展現高尚的個人及專業道德和誠信。各董事的履歷詳情載於本報告第32至33頁。

主席林歐文先生是林慶平先生之胞弟。

董事會負責規劃及監察本集團整體發展及管理，以提升股東價值為目標。由主席領導之董事會負責審批及監管本集團的整體策略及政策、批准年度預算及業務計劃、評估本公司表現以及監督管理層之工作。

董事會對股東負責，並須於股東大會上向股東匯報工作。本集團的日常營運由管理層負責，行政總裁領導管理層執行工作。



Corporate Governance Report 企業管治報告

The Board meets regularly throughout the year to review the overall strategy and to monitor the operation as well as the financial performance of the Company. The Chairman focuses on the Company's strategy and is responsible for chairing and managing the efficient operation of the Board and ensuring that all key issues are considered by the Board in a timely manner. Notice of at least 14 days has been given to all Directors for all regular Board meetings and the Directors can include matters for discussion in the agenda whenever they consider appropriate and necessary. Agenda and accompanying Board papers in respect of regular Board meetings are dispatched in full to all Directors within a reasonable time before the meeting. Directors have to declare their direct or indirect interests, if any, in any proposals or transactions to be considered by the Board at board meetings and abstain from voting as appropriate. Draft minutes of all board meetings are circulated to Directors for comment within a reasonable time prior to confirmation. The Board meets at least 4 times a year, at approximately quarterly intervals, to review the financial performance, results of each period, material investments and other matters of the Company that require the resolution of the Board. Simultaneous conference call may be used to improve attendance when individual Director cannot attend the meeting in person. Opinions of the Independent Non-executive Directors are actively sought by the Company if they are unable to attend the meeting in person.

Minutes of board meetings are kept by the Company Secretary; all Directors have access to board papers and related materials, and are provided with adequate information in a timely manner; this enables the Board to make informed decision on matters placed before it.

In respect of the corporate governance functions, during the year under review, the Board formulated the terms of reference on the corporate governance duties and performed corporate governance duties in accordance with the terms of reference. To be specific, the Board mainly performed the following corporate governance duties during the Year under review:

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

董事會於整個年度定期開會以檢討本公司整體策略及監察經營以及財務表現。主席專注於公司策略並負責領導及管理董事會之有效運作，並確保所有重大問題已獲董事會適時考慮。所有定期董事會會議之通告最少在會議前14天內發給所有董事，而董事可將其認為適宜及需要的任何事項載入議程。定期董事會會議之議程及隨附之會議文件將於會議開始前之合理時間內悉數派發予所有董事。董事必須聲明彼等將於董事會會議上考慮之任何建議或交易之直接或間接權益(如有)，並於適合情況下放棄投票。所有定期董事會會議之會議記錄初稿將於確認前合理時間內發送予董事以供彼等提供意見。董事會每年至少舉行四次會議，約每季一次，以檢討本公司財務表現、每段期間之業績、重大投資以及需要董事會決議案之其他事宜。當個別董事未能親自出席會議，則可能會利用同步電話會議，以提高董事之出席率。倘獨立非執行董事未克親身出席會議，本公司仍會積極尋求彼等之意見。

公司秘書保存董事會會議記錄；所有董事均有權查閱董事會文件及相關材料，並會及時獲提供充分資料；此使董事會可就提呈之事項作出知情決定。

企業管治職能方面，董事會於回顧年度內就企業管治職責制訂了職權範圍，並按照職權範圍履行了企業管治職責。具體而言，董事會於回顧年度內主要履行了下列企業管治職責：

- 檢討本公司企業管治政策及常規，並提出建議；
- 檢討及監察董事及高級管理層的培訓及持續專業發展；
- 檢討及監察本公司在遵守法律及監管規定方面的政策及常規；
- 制定、檢討及監察董事及僱員適用的操守守則；
- 檢討本公司遵守《企業管治守則》的情況及在《企業管治報告》內的披露事項。



BOARD ATTENDANCE

In 2014, the Board had convened four Board meetings and one general meeting.

Attendance record of the Directors:

Directors 董事		Number of attendance of Board meetings 董事會會議 出席次數	Number of attendance of general meeting 股東大會 出席次數
Executive Directors 執行董事			
Mr. Lin Ou Wen (Chairman)	林歐文先生(主席)	4/4	1/1
Mr. Lin Qing Ping	林慶平先生	4/4	1/1
Mr. Xu Chao Hui	許朝暉先生	4/4	1/1
Non-executive Directors 非執行董事			
Mr. Tang Bin	唐彬先生	4/4	1/1
Mr. John Yang Wang	王陽先生	4/4	0/1
Independent Non-executive Directors 獨立非執行董事			
Mr. Lam Yat Cheong	林日昌先生	4/4	1/1
Mr. Liu Jun	劉軍先生	4/4	1/1
Mr. Du Jian	杜建先生	4/4	1/1

Under provision A.6.7 of the CG Code, independent non-executive directors and other non-executive directors should also attend general meeting. Due to other business engagements, Mr. John Yang Wang could not attend the annual general meeting of the Company held on 5 June 2014 (the "2014 AGM"). However, there were other executive directors, independent non-executive directors and non-executive director present at the 2014 AGM to enable the Board to develop a balance understanding of the views of shareholders of the Company and to answer questions raised at the 2014 AGM.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Under Paragraph A.2.1 of Appendix 14 to the Listing Rules, the roles of Chairman and Chief Executive Officer of an issuer should be separate and should not be performed by the same person. The Company does not at present separate the roles of Chairman and Chief Executive Officer. Mr. Lin Ou Wen is the Chairman and Chief Executive Officer of the Company responsible for overseeing the operations of the Group. The Board considers that vesting the roles of the Chairman and the Chief Executive Officer in the same person facilitates the execution of the Company's business strategies and maximizes the effectiveness of its operations. On the other hand, there are three independent non-executive Directors in the Board, all of them possess adequate independence and therefore the Board considers the Company has achieved balance of and provided sufficient protection to its interests and the interests of its shareholders. The Board shall review the structure from time to time and shall consider the appropriate adjustment should suitable circumstance arise.

董事會出席率

於二零一四年，董事會已舉行四次董事會會議及一次股東大會。

董事之出席記錄如下：

	Number of attendance of Board meetings 董事會會議 出席次數	Number of attendance of general meeting 股東大會 出席次數
Executive Directors 執行董事		
Mr. Lin Ou Wen (Chairman)	4/4	1/1
Mr. Lin Qing Ping	4/4	1/1
Mr. Xu Chao Hui	4/4	1/1
Non-executive Directors 非執行董事		
Mr. Tang Bin	4/4	1/1
Mr. John Yang Wang	4/4	0/1
Independent Non-executive Directors 獨立非執行董事		
Mr. Lam Yat Cheong	4/4	1/1
Mr. Liu Jun	4/4	1/1
Mr. Du Jian	4/4	1/1

根據企業管治守則第A.6.7項條文，獨立非執行董事及其他非執行董事亦應參加股東大會。因其他業務安排，王陽先生未能出席本公司於二零一四年六月五日舉行的股東週年大會（「二零一四年股東週年大會」）。不過，其他執行董事、獨立非執行董事以及非執行董事出席了二零一四年股東週年大會以使董事會對本公司股東的意見有公正的了解並回應於二零一四年股東週年大會上提出的問題。

主席及行政總裁

根據上市規則附錄14第A.2.1段，發行人之主席及行政總裁之角色應予區分而不應由一人同時兼任。本公司目前並無分離主席及行政總裁之角色。林歐文先生同時出任本公司之主席及行政總裁，負責監察本集團之經營。董事會認為由同一人出任主席及行政總裁，便於執行本公司之業務策略以及提升其經營之效力。此外，董事會有三名獨立非執行董事，彼等均擁有足夠的獨立性，故董事會認為本公司已就其權益以及其股東的權益取得平衡及提供足夠保障。董事會將不時檢討有關架構，並於適當情況下考慮作出適當調整。



NON-EXECUTIVE DIRECTORS

In full compliance with Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules, during the year ended 31 December 2014, the Company has appointed three Independent Non-executive Directors, at least one of whom has appropriate professional accounting qualifications. The Company has received from each Independent Non-executive Director an annual confirmation of his independence, and the Company considers such directors to be independent in accordance with each and every guideline set out under the Listing Rules.

All Non-executive Directors (including Independent Non-executive Directors) are appointed for a term of one year from 1 February except Mr. Du Jian, his appointment term is from 11 June. The appointment contract will be renewed every year and are subject to retirement by rotation and re-election by shareholders in accordance with the articles of association of the Company. The responsibilities of the Non-executive Directors include, without limitation: regular attendance at meetings of the Board and of board committees of which they are members; provision of independent opinions at meetings of the Board and other board committees; resolution of or taking the lead where there is potential conflict of interests; service on the Audit Committee, the Remuneration Committee and Nomination Committee; and scrutinizing and monitoring the performance of the Company.

BOARD DIVERSITY

The Board of Directors has adopted the Board Diversity Policy in August 2013 whereas such Policy states the method by which the board diversity can be reached.

The Company has known the fact that the board has become more and more diversified day by day has helped the Company achieve its strategic objective and has provided support for the Company's sustainable development.

By taking into consideration of various factors including the sex gender, age, culture and educational background, race, professional experience, knowledge and other qualifications, the Company must aim at the Board diversity. When the Company determines the best combination for the members of the Board, it will, from time to time, take into consideration of its own business mode and specific needs.

The Nomination Committee has designed measurable goals according to four major aspects (namely, the age, professional qualification, term of service and independence) for purposes of implementing the Board Diversity Policy. The relevant goals will be reviewed from time to time so as to ensure its appropriateness and its progress for achieving such goals. The Nomination Committee will review the Board Diversity Policy (if it is appropriate) to ensure that such Policy continues to be effective from time to time.

非執行董事

為全面遵守上市規則第3.10(1)、3.10(2)及3.10A條，截至二零一四年十二月三十一日止年度，本公司已委任三名獨立非執行董事，其中至少一名具有適當的專業會計資格。本公司已自各獨立非執行董事獲取有關彼等獨立性之年度確認，根據上市規則所載的每一項指引，本公司認為所有獨立非執行董事均為獨立人士。

所有非執行董事(包括獨立非執行董事)的委任期自二月一日起(惟杜建先生的委任期自六月十一日起)為期一年。委任合約每年重續，且非執行董事須根據本公司之公司章程細則輪席退任，並經股東重新選舉。非執行董事之責任包括(但不限於)：定期出席董事會及其出任成員的董事委員會會議；在董事會和其他董事委員會會議上提供獨立意見；在有潛在利益衝突時予以解決或起表率作用；出任審核委員會、薪酬委員會及提名委員會成員；及檢查及監察本公司表現。

董事會成員多元化

董事會於二零一三年八月採納《董事會成員多元化政策》，該政策載列達致董事會成員多元化的方法。

本公司知悉董事會層面日益多元化已為達成本公司策略目標及可持續發展提供支持。

本公司藉考慮多項因素，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識以及其他資格，務求達致董事會成員多元化。本公司在決定董事會最佳成員組合時亦將不時考慮其本身業務模式及具體需要。

提名委員會已按四個重點範疇(年齡、專業資格、服務任期及獨立性)設定可計量目標，以執行《董事會成員多元化政策》。有關目標將不時審閱以確保其合適及確定達成該等目標的進度。提名委員會將(視適用情況而定)審閱《董事會成員多元化政策》，確保相關政策不時持續有效。



DIRECTORS' INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT

On appointment to the Board, each Director receives a comprehensive induction package covering business operations, policy and procedures of the Company as well as the general, statutory and regulatory obligations of being a Director to ensure that he/she is sufficiently aware of his responsibilities under the Listing Rules and other relevant regulatory requirements.

The Directors are regularly briefed on the amendments to or updates on the relevant laws, rules and regulations. In addition, the Company has been encouraging the Directors and senior executives to enrol in a wide range of professional development courses and seminars relating to the Listing Rules, companies ordinance/act and corporate governance practices organised by professional bodies, independent auditors and/or chambers in Hong Kong so that they can continuously update and further improve their relevant knowledge and skills.

From time to time, Directors are provided with written training materials to develop and refresh their professional skills; the company secretary of the Company ("Company Secretary") also organises and arranges seminars on the latest development of applicable laws, rules and regulations for the Directors to assist them in discharging their duties. During the Year, the Company organised for the Directors and executives an in-house workshop on the Listing Rules conducted by a leading international solicitors' firm, and arranged for the Directors to attend seminars organised by other organisations and professional bodies, chamber(s) and/or the independent auditors of the Company.

According to the records maintained by the Company, the Directors received the following training with an emphasis on the roles, functions and duties of a director of a listed company in compliance with the new requirement of the CG Code on continuous professional development during the period from 1 January to 31 December 2014:

董事之入職及持續專業發展

各董事獲委任加入董事會時將收到全面之入職資料，範圍涵蓋本公司之業務營運、政策及程序以及作為董事之一般、法定及監管責任，以確保其足夠瞭解其於上市規則及其他相關監管規定下之責任。

董事定期獲知會相關法例、規則及規例之修訂或最新版本。此外，本公司一直鼓勵董事及高級行政人員報讀由香港專業團體、獨立核數師及／或商會舉辦的有關上市規則、公司條例／公司法及企業管治常規之廣泛專業發展課程及講座，使彼等可持續更新及進一步提高相關知識及技能。

董事將不時獲提供旨在發展及更新其專業技能之書面培訓材料；本公司之公司秘書（「公司秘書」）亦會為董事舉辦及安排有關適用法例、規則及規例最新發展之講座，以協助彼等履行其職責。年內，本公司為董事及行政人員籌辦由具領導地位之國際律師行主持有關上市規則之內部研討會，並安排董事參加由其他機構及專業團體、商會及／或本公司獨立核數師舉辦之講座。

根據本公司存置之記錄，為符合企業管治守則關於持續專業發展之新規定，董事於二零一四年一月一日至十二月三十一日止期間接受以下重點在於上市公司董事之角色、職能及職責之培訓：

Directors 董事		Corporate Governance/ Updates on Laws, Rules and regulations 企業管治／法例、規則 及規例之最新版本		Accounting/Financial/ Management or Other Professional Skills 會計／財務／管理 或其他專業技能	
		Read Materials 閱覽材料	Attend Seminars/ Briefings 出席講座／簡報會	Read Materials 閱覽材料	Attend Seminars/ Briefings 出席講座／簡報會
Executive Director	執行董事				
Lin Ou Wen	林歐文		√		
Lin Qing Ping	林慶平		√		
Xu Chao Hui	許朝暉		√	√	
Non-executive Directors	非執行董事				
Tang Bin	唐彬		√		
John Yang Wang	王陽		√	√	
Independent Non-executive Directors	獨立非執行董事				
Liu Jun	劉軍	√		√	
Lam Yat Cheong	林日昌	√		√	√
Du Jian	杜建	√		√	



Corporate Governance Report

企業管治報告

DIRECTORS' AND OFFICERS' LIABILITY

The Company has renewed Directors' and Officers' liabilities insurance for all the Directors and the senior management of the Company for the year 2014/2015. The insurance covers them against costs, charges, expenses and liabilities incurred arising out of the corporate activities.

BOARD COMMITTEES

The monitoring and assessment of certain governance matters are allocated to three committees which operate under defined terms of reference. The composition of the committees up to the date of this report is set out in the table below.

Directors 董事		Audit Committee 審核 委員會	Remuneration Committee 薪酬 委員會	Nomination Committee 提名 委員會
Executive Directors	執行董事			
Mr. Lin Ou Wen (Chairman)	林歐文先生 (主席)	–	Member 成員	Chairman 主席
Mr. Lin Qing Ping	林慶平先生	–	–	Member 成員
Mr. Xu Chao Hui	許朝暉先生			
Non-executive Directors	非執行董事			
Mr. Tang Bin	唐彬先生	–	–	–
Mr. John Yang Wang	王陽先生	–	–	–
Independent Non-executive Directors	獨立非執行董事			
Mr. Lam Yat Cheong	林日昌先生	Chairman 主席	Chairman 主席	Member 成員
Mr. Liu Jun	劉軍先生	Member 成員	Member 成員	Member 成員
Mr. Du Jian	杜建先生	Member 成員	Member 成員	Member 成員

AUDIT COMMITTEE

The Company has established an audit committee ("the AC") with written terms of reference. The AC comprises three Independent Non-executive Directors with their names shown above. Each member can bring to the committee his valuable experience in reviewing financial statements and evaluating significant control and financial issues of the Company who among themselves possess a wealth of management experience in the accounting profession or commercial sectors.

The principal duties of the AC include the review and supervision of the Company's financial reporting system, financial statements and internal control procedures. The AC also monitors the appointment of the Company's external independent auditor. The terms of reference of the AC are available for inspection on the Company's website at www.wuyi-pharma.com.

董事及高級職員責任

本公司已續保二零一四/二零一五年度本公司全體董事及高級管理層的董事及高級職員責任保險。有關保險為彼等承保企業活動所產生的成本、費用、開支及責任。

董事委員會

若干管治事宜之監察及評估工作已分配予三個董事委員會，彼等乃根據其界定之職權範圍運作。下表載列截至本報告日期董事委員會之組成。

審核委員會

本公司已成立審核委員會（「審核委員會」）並書面釐定其職權範圍。審核委員會由三名獨立非執行董事組成，其姓名並於上文呈列。每位成員貢獻其寶貴經驗，審核財務報表及評估本公司重大控制及財務事宜。彼等均於會計專業或商界擁有豐富的管理經驗。

審核委員會之主要責職包括審議及監察本公司之財務申報系統、財務報表及內部監控程序。審核委員會亦監督公司外聘獨立核數師的任用。審核委員會之職權範圍可於本公司網站 www.wuyi-pharma.com 查閱。



During the year 2014, two meetings (on 19 March 2014 and 26 August 2014) were held and Mr. Lam Yat Cheong (Chairman), Mr. Liu Jun and Mr. Du Jian, being all members of the AC were present. At the meetings, the consolidated financial statements of the Company for the financial year ended 31 December 2013 and for the period ended 30 June 2014 were reviewed, and with recommendation to the Board for approval. The annual result announcement and annual report for the year ended 31 December 2014 has also reviewed by the AC in the meeting on 23 March 2015.

REMUNERATION COMMITTEE

The Company has established a Remuneration Committee (“the RC”) with written terms of reference. The RC comprises three Independent Non-executive Directors and an Executive Director with their names shown above. The Board has delegated the authority to the RC to review and recommend to the Board the compensation scheme of the Company to the Directors as well as to the senior management staff.

The main function of the RC is to assist the Board to oversee the Company’s remuneration packages, bonus and other compensation payable to Directors and senior management and establish a transparent procedure for developing policy on such remuneration. The Board shall in consultation with the Chairman of the RC provide sufficient resources to the RC to enable it to discharge its duties.

The RC has conducted a meeting on 5 December 2014 with Mr. Lam Yat Cheong (Chairman), Mr. Lin Ou Wen, Mr. Liu Jun and Mr. Du Jian, being all members of the RC, present and has assisted the Board to review the remuneration of the Executive Directors and senior management and approved the remuneration packages of the Executive Directors for the year 2015. The terms of reference of the RC are available for inspection on the Company’s website at www.wuji-pharma.com.

The Company has adopted a share option scheme for the senior management and employees on 8 January 2007, which serves as incentives or rewards to attract, retain and motivate staff. Details of the share option scheme are set out in note 27 to the financial statements.

NOMINATION COMMITTEE

The Company has established a Nomination Committee (“the NC”) with written terms of reference. The NC comprises three Independent Non-executive Directors and two Executive Directors with their names shown above.

The main functions of the NC are to review the structure, size and composition of the Board, to identify individuals who are suitably qualified to become member of the Board, to assess the independence of the Independent Non-executive Directors. Having regard to the independence and quality of nominees, the NC shall make recommendations to the Board so as to ensure that all nominations are fair and transparent. The NC is also responsible for reviewing the succession planning for Directors, in particular the Chairman and the Chief Executive Officer and reviewing the objectives set for implementing and reviewing of the Board Diversity Policy as well as the composition and diversity of the Board. The Board shall provide sufficient resources to the NC to enable it to discharge its duties.

於二零一四年度，本公司於二零一四年三月十九日及二零一四年八月二十六日舉行了兩次會議，審核委員會之所有成員林日昌先生(主席)、劉軍先生及杜建先生均出席該會議，並於會議上審閱本公司截至二零一三年十二月三十一日止財政年度及二零一四年六月三十日止期間之綜合財務報表並向董事會推薦，以待其批准。本公司截至二零一四年十二月三十一日止年度之年度業績公佈和年度報告亦已於二零一五年三月二十三日在會議上獲審核委員會審閱。

薪酬委員會

本公司已成立薪酬委員會(「薪酬委員會」)並書面釐定其職權範圍。薪酬委員會由三名獨立非執行董事及一名執行董事組成，其姓名並於上文呈列。董事會授權薪酬委員會檢討本公司董事及高級管理員工的薪酬計劃及就此向董事會提出建議。

薪酬委員會主要職能為協助董事會監察本公司支付董事及高級管理層之薪酬組合、獎金及其他補償以及訂立一套具透明度的程序，以製定有關該等酬金之政策。董事會經諮詢薪酬委員會主席後須向薪酬委員會提供充足資源，以令其能夠履行其職責。

薪酬委員會已於二零一四年十二月五日召開會議，薪酬委員會全體成員林日昌先生(主席)、林歐文先生、劉軍先生及杜建先生均出席，並協助董事會檢討執行董事及高級管理層之薪酬以及批准執行董事二零一五年度之薪酬組合。薪酬委員會之職權範圍可於本公司網站 www.wuji-pharma.com 查閱。

本公司於二零零七年一月八日為高級管理層及僱員採納一項購股權計劃，作為鼓勵或獎勵以招攬、挽留及激勵員工。購股權計劃詳情載於財務報表附註27。

提名委員會

本公司已成立提名委員會(「提名委員會」)並書面釐定其職權範圍。提名委員會由三名獨立非執行董事及兩名執行董事組成，其姓名於上文呈列。

提名委員會之主要職能是審議董事會之架構、規模及組成、物色具適合資格之人士加入董事會以及評估獨立非執行董事之獨立性。至於提名人士之獨立性及質素，提名委員會須向董事會提出推薦建議，以確保所有任命均屬公平及具透明度。提名委員會亦負責審議有關董事特別是主席及行政總裁之繼任計劃、審議執行的目標及審議董事會成員多元化政策以及董事會的構成及多元化。董事會須向提名委員會提供充足資源，以令其能夠履行其職責。



Corporate Governance Report 企業管治報告

Pursuant to the Company's Articles of Association, one-third of the Directors for the time being (or, if their number is not a multiple of three, then the number nearest to but not less than one-third) shall retire from office by rotation at each annual general meeting of the Company provided that every director shall be subject to retirement at least once every three years. The retiring Directors are eligible to offer themselves for re-election.

On 5 December 2014, a NC meeting was held with Mr. Lin Ou Wen (Chairman), Mr. Lin Qing Ping, Mr. Lam Yat Cheong, Mr. Liu Jun and Mr. Du Jian being all members of the NC, present to perform appraisal of the Directors so as to recommend to Board for re-election in the forthcoming annual general meeting of the Company and review the independence of the Independent Non-executive Directors. During the Year the NC also formulated, adopted and monitored the implementation of the board diversity policy. The terms of reference of the NC are available for inspection on the Company's website at www.wuyi-pharma.com.

AUDITOR'S REMUNERATION

Crowe Horwath (HK) CPA Limited is the auditor of the Company and only provides audit service to the Group. The fee for the audit of the Group's financial statements for the year ended 31 December 2014 was HK\$800,000.

DIRECTORS' AND AUDITOR'S RESPONSIBILITIES FOR ACCOUNTS

The Board acknowledges their responsibility for presenting a balanced, clear and understandable assessment of annual and interim reports, price-sensitive announcements and other financial disclosures required under the Listing Rules and other regulatory requirements. The Board acknowledges their responsibilities for the preparation of the consolidated financial statements of the Company for the year ended 31 December 2014, which give a true and fair view of the state of affairs of the Company and of the results and cash flows for that period. In preparing these consolidated financial statements, the Board has selected suitable accounting policies and applied them consistently; made judgments and estimates that are prudent, fair and reasonable; and have prepared the consolidated financial statements on a going concern basis. The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group.

Crowe Horwath (HK) CPA Limited, the auditor of the Company, has presented their responsibilities in the independent auditor's report as set out on page 45.

INTERNAL CONTROLS

The Board places great importance on internal control and risk management and is responsible for establishing and maintaining adequate internal control over financial reporting for the Company and assessing the overall effectiveness of those internal controls.

The Company has an internal audit department which plays a major role in monitoring the internal governance of the Company. The major tasks of the internal audit department are reviewing the financial condition and management of the Company and conducting comprehensive audits of all subsidiaries of the Company on a regular basis. The company has taken many steps to enhance the internal control of the Company, such as having all departments internal control inspection and appraisal, strengthening the

根據本公司之公司章程細則，當時三分之一董事（或如人數並非三之倍數，則為最接近但不少於三分之一之人數）須於本公司之每屆股東週年大會上輪席告退，惟每名董事須最少每三年輪席告退一次。將輪席告退之董事符合資格膺選連任。

提名委員會於二零一四年十二月五日舉行會議，提名委員會全體成員林歐文先生（主席）、林慶平先生、林日昌先生、劉軍先生及杜建先生均有出席以進行董事評估，以便於本公司之應屆股東週年大會上就重選一事向董事會提出推薦建議，並審閱獨立非執行董事之獨立性。於年內，提名委員會亦制訂、採納及監控實施董事會成員多元化政策。提名委員會之職權範圍可於本公司網站www.wuyi-pharma.com查閱。

核數師酬金

國富浩華（香港）會計師事務所有限公司為本公司核數師，並僅為本集團提供審計服務。審核本集團截至二零一四年十二月三十一日止年度之財務報表之審核費用為800,000港元。

董事及核數師有關賬目之責任

董事會明白其須負責依照上市規則及其他法定規則的要求作出有關年報、中期報告、股價敏感資料公佈及其他財務披露的平衡、清晰及可以理解的評估。董事會明白其須負責編製本公司截至二零一四年十二月三十一日止年度之綜合財務報表，並真實公平地反映本公司於該期間之事務狀況以及業績與現金流量。於編製該等綜合財務報表時，董事會已選用合適之會計政策並貫徹應用該等會計政策；作出審慎、公正及合理之判斷及估計；及按持續經營基準編製綜合財務報表。董事須負責留存於任何時間均合理準確披露本集團財務狀況之適當會計記錄。

本公司核數師國富浩華（香港）會計師事務所有限公司已於第45頁之獨立核數師報告內載列其責任。

內部監控

董事會十分注重內部監控及風險管理，並負責就本公司之財務申報建立及維持充足的內部監控，以及評估該等內部監控整體之有效性。

本公司設有內部審核部門，在監察本公司內部管治方面發揮重要作用。內部審核部門之主要任務乃審閱本公司之財務狀況及管理，以及定期對本公司所有附屬公司進行全面審核。本公司已採取多項措施加強其內部監控，例如對所有部門進行內部監控調查及評估，加強檢查及監督審核部門對內部監控系統的執行情況，並



checks and supervision of implementation of the internal control systems by the audit department and according to some weakness found during examination of the internal control, further improving the internal control system and strengthening the implementation of all the internal control systems.

In August 2014 and March 2015, the Company's internal control system reports which were prepared by the Internal Control Department were reviewed and approved by the Board. The Board is satisfied with the effectiveness of the Company's internal control system, including financial, operational and compliance controls and risk management functions.

COMPANY SECRETARY

The company secretary, Mr. Kung Wai Chiu, Marco, undertook not less than 15 hours of professional training during the Year in accordance with Rule 3.29 of the Listing Rules.

COMMUNICATIONS WITH SHAREHOLDERS

The Company believes that shareholders' rights should be well respected and protected. The Company endeavours to maintain good communications with shareholders on its performance through interim reports, annual reports, general meetings and public disclosure on the Company's website (www.wuyi-pharma.com), so that they may make an informed assessment for their investments and exercise their rights as shareholders. The Company also encourages shareholders' participation through general meetings or other means.

SHAREHOLDERS RIGHT

Procedures to convene an extraordinary general meeting and putting forward proposals at general meeting

Pursuant to the articles of association of the Company, any one or more members 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 to the Board or the secretary of the Company, to require an extraordinary general meeting 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. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Any requisition to convene an extraordinary general meeting or proposal to be put forward at the general meeting can be addressed to the principal place of business in Hong Kong of the Company at Room 2805, 28th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong. The requisitionists must state in their request(s) the objects of the extraordinary general meeting to be convened, and such request must be signed by all the requisitionists. Upon receipt, the Company will verify the requisitionists' particulars and if the request is in order, the Company will convene the extraordinary general meeting in accordance with its articles of association.

CHANGE OF ARTICLES OF ASSOCIATION

During the year there is no significant change to the articles of association of the Company.

根據內部監控檢查過程中發現之不足之處，進一步改善內部監控系統及加強所有內部監控系統之執行情況。

於二零一四年八月及二零一五年三月，內部審核部門所編製之本公司內部監控制度報告已經董事會審批。董事會信納本公司內部監控制度之成效，包括財務、營運、合規監控及風險管理職能。

公司秘書

公司秘書孔維釗先生於年內已按照上市規則第3.29條進行不少於十五小時的專業培訓。

與股東溝通

本公司相信股東之權利應得到充分尊重及保障。本公司致力於通過中期報告、年報、股東大會及於本公司網站(www.wuyi-pharma.com)之公開披露，就其表現與股東維持良好之溝通，以使彼等可就其投資作出知情評估及行使股東權利。本公司亦鼓勵股東通過股東大會或其他方式參與公司事務。

股東權利

召開股東特別大會及於股東大會上提出提案的程序

根據本公司的公司章程細則，任何一位或一位以上於遞呈要求日期持有不少於本公司已繳足股本(附帶於本公司股東大會上投票權)十分之一的股東於任何時候均有權透過向本公司董事會或秘書發出書面要求，要求董事會召開股東特別大會，以處理有關要求中指明的任何事項；且該大會應於遞呈該要求後兩(2)個月內舉行。倘遞呈後二十一(21)日內，董事會未有召開該大會，則遞呈要求人士可自發以同樣方式作出此舉，而遞呈要求人士因董事會未有召開大會而合理產生的所有開支應由本公司向遞呈要求人士作出償付。

任何召開股東特別大會或在股東大會上提出提案的要求可發往本公司於香港的主要營業地點，地址為香港灣仔港灣道18號中環廣場28樓2805室。遞呈要求人士必須陳述其召開股東特別大會的目的，該提呈並須由所有遞呈要求人士簽署。本公司於獲接該提呈後，將核實遞呈要求人士資料，而倘提呈符合規程，本公司將按其公司章程細則召開股東特別大會。

公司章程細則變更

於年內，本公司的公司章程細則並無作出任何重大變更。



Directors and Senior Management 董事及高級管理層

EXECUTIVE DIRECTORS

Mr. Lin Ou Wen, aged 58, is the Chairman and Chief Executive Officer and founding shareholder. Mr. Lin graduated from Fujian Normal University with a bachelor's degree in physics in 1983. He is a senior economist. In 2000, he, together with other founding shareholders, established Fujian Sanai and has since then been appointed as the Chairman, Chief Executive Officer and executive Director. In January 2004, he established Fuzhou Sanai and has been appointed as the Chairman and Director. In March 2006, he further established Wuyi International Pharmaceutical Investment Company Limited ("Wuyi BVI") and has since been appointed as the Chairman and Director. He has over 13 years of experience in the pharmaceutical industry. He is the younger brother of Mr. Lin Qing Ping.

Mr. Lin Qing Ping, aged 65, is a General Manager, Chief Operating Officer and founding shareholder. Mr. Lin graduated from Wuhan University with a bachelor's degree in management in 1982. He is a senior economist. He has been a Director of various companies, namely, Fuzhou Sanai and Wuyi BVI since January 2004 and July 2006. He has over 26 years of experience in business management and 16 years' experience in the pharmaceutical industry with a thorough understanding in the pharmaceutical industry. He is elder brother of Mr. Lin Ou Wen.

Mr. Xu Chao Hui, aged 45, is an Executive Director. He graduated from Fuzhou University with a diploma in social work and management in 2004. He joined the Company in July 2000. He has been a Director of Wuyi BVI since July 2006.

NON-EXECUTIVE DIRECTORS

Mr. Tang Bin, aged 57, is a Non-executive Director. He obtained a bachelor's degree in law from Jiangxi University in 1986. He joined the Company in January 2000. He has been appointed as a Director of Fuzhou Sanai since January 2004 and a Director of Wuyi BVI since July 2006.

Mr. John Yang Wang, aged 45, is a Non-executive Director. He obtained a Bachelor of Arts in International Relations from Tufts University in 1992. Mr. Wang has a M.A.L.D. degree in International law and business from The Fletcher School of Law and Diplomacy in 1994. He has over 21 years of experience in investment banking and consulting.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Liu Jun, aged 48, is an Independent Non-executive Director. He obtained a diploma in finance and a master's degree in economics from Xiamen University in 1988 and 1997 respectively. He received a master's degree in business administration from The Open University of Hong Kong in 2000.

Mr. Lam Yat Cheong, aged 53, is an Independent Non-executive Director. He graduated from Hong Kong Baptist University in 1992 with a bachelor's degree in business administration and a diploma in accounting. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accounts. He has been registered as a Certified Public Accountant (Practising) and a Certified Tax Adviser in Hong Kong since 2000 and 2010 respectively.

執行董事

林歐文先生，58歲，本公司主席兼行政總裁及創辦股東。林先生於一九八三年在福建師範大學畢業，取得物理學士學位。他為高級經濟師。於二零零零年，他與其他創辦股東成立了福建三愛，並自那時起兼任主席、行政總裁及執行董事。於二零零四年一月，他創立了福州三愛，並擔任主席及董事。於二零零六年三月，他進一步創立了武夷國際藥業投資有限公司（「Wuyi BVI」），並自那時起兼任主席及董事。他擁有逾十三年藥業經驗。他為林慶平先生的胞弟。

林慶平先生，65歲，本公司總經理、營運總裁及創辦股東。他於一九八二年在武漢大學畢業，取得管理學學士學位。他為高級經濟師。他自二零零四年一月及二零零六年七月起，擔任多家公司的董事，包括福州三愛及Wuyi BVI。他於業務管理方面擁有逾二十六年的經驗，於藥業界擁有十六年經驗，對藥業界有透徹的瞭解。他為林歐文先生的胞兄。

許朝暉先生，45歲，本公司執行董事。他於二零零四年在福州大學畢業，取得社會工作及及管理文憑。他於二零零零年七月加盟本公司，並自二零零六年七月起擔任Wuyi BVI董事。

非執行董事

唐彬先生，57歲，本公司非執行董事。他於一九八六年取得江西大學法律學士學位。他於二零零零年一月加盟本公司，於二零零四年一月獲委任為福州三愛董事，並於二零零六年七月獲委任為Wuyi BVI董事。

王陽先生，45歲，本公司非執行董事。他於一九九二年取得塔夫特大學國際關係文學學士學位。王先生於一九九四年取得佛萊雪法律暨外交學院國際法律及商業法律外交學碩士。他於投資銀行及顧問領域累積逾二十一年經驗。

獨立非執行董事

劉軍先生，48歲，本公司獨立非執行董事。他分別於一九八八年及一九九七年獲廈門大學頒授財政金融學文憑及經濟學碩士學位。於二零零零年，他獲香港公開大學頒授工商管理碩士學位。

林日昌先生，53歲，本公司獨立非執行董事。他於一九九二年在香港浸會大學畢業，取得工商管理學士學位，並取得會計文憑。他為香港會計師公會資深會員及英國特許公認會計師公會資深會員。他於二零零零年及二零一零年分別註冊為香港執業會計師及註冊稅務師。



Mr. Du Jian, aged 74, is an Independent Non-executive Director. He graduated from the Fujian College of Traditional Chinese Medicine in 1965 and obtained a diploma in traditional Chinese medicine. Before he was appointed as the Independent Non-executive Director in June 2009, he had worked as a teacher, physician, lecturer, associate professor, professor, chief physician and doctoral advisor at the Fujian College of Traditional Chinese Medicine from September 1965 to April 2008. Mr. Du worked as a vice president of the college from November 1983 to December 1986 and was promoted and acted as the president of the college from January 1987 to April 2008. In addition, he has acted as a vice president of the Institute of Integrated Traditional and Western Medicine from May 2008 up to the present.

SENIOR MANAGEMENT

Mr. Chen Zhi Chuan, aged 50, is the Chief Financial Officer in charge of financial management. He graduated from Fuzhou University with a bachelor's degree in Finance in 1988. He has over 12 years of experience in the pharmaceutical industry.

Mr. Cheng Shi De, aged 56, is the Deputy General Manager in charge of production. He graduated from Anhui Province Medical School with a bachelor's degree in pharmacy in 1982. He is a senior engineer. He has over 30 years of experience in the pharmaceutical industry.

Mr. Chen Gui Dong, aged 49, is the manager of Research and Development. He is a senior engineer. He obtained a bachelor's degree in chemistry from Tianjin University in 1991, and was awarded a diploma in business management by Nankai University. He has over 25 years of experience in the pharmaceutical industry.

Ms. Yang Ai Min, aged 39, is the manager of Sales and Marketing. She graduated from Fujian Medical University with a bachelor's degree in pharmacy in 1998. She has over 14 years of experience in the pharmaceutical industry.

COMPANY SECRETARY

Mr. Kung Wai Chiu, Marco, aged 41, is the Company Secretary, Qualified Accountant and Financial Controller of the Company. Mr. Kung graduated from Hong Kong Lingnan University in 1997 with a bachelor's degree in business administration. He further obtained two master's degrees in business administration from the University of Wollongong, Australia, in 2005 and in corporate governance from the Hong Kong Polytechnic University in 2008, respectively. He is a fellow member of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants and the Taxation Institute of Hong Kong. He is also a Chartered Secretary of both the Institute of Chartered Secretaries and Administrators and the Hong Kong Institute of Chartered Secretaries. He has been registered as a Certified Public Accountant (Practising) and a Certified Tax Adviser in Hong Kong since 2007 and 2010 respectively. He has over 14 years' experience in business advisory services and financial management.

杜建先生，74歲，本公司獨立非執行董事。他於一九六五年畢業於福建中醫學院，並取得中醫醫療專業本科文憑。他於二零零九年六月獲委任為獨立非執行董事之前，自一九六五年九月至二零零八年四月於福建中醫學院先後擔任教師、醫師、講師、副教授、教授、主任醫師及博士生導師。杜先生於一九八三年十一月至一九八六年十二月擔任該學院副院長，其後於一九八七年一月至二零零八年四月獲晉升為該學院院長。此外，他自二零零八年五月起至今擔任中西醫結合研究院副院長。

高級管理層

陳志川先生，50歲，為本公司財務總裁，負責財務管理工作。他於一九八八年於福州大學畢業，獲授財務學學士學位。他擁有逾十二年藥業經驗。

程世德先生，56歲，本公司副總經理，專責生產。他於一九八二年在安徽省醫科大學畢業，取得配藥學學士學位，具高級工程師職稱。他擁有逾三十年藥業經驗。

陳貴東先生，49歲，本公司研發經理。他為高級工程師。於一九九一年獲天津大學頒授化學學士學位，並獲南開大學頒授工商管理文憑。他擁有逾二十五年藥業經驗。

楊愛民女士，39歲，本公司銷售及營銷經理。她於福建醫科大學修讀配藥學專業，一九九八年獲學士學位。她擁有逾十四年藥業經驗。

公司秘書

孔維釗先生，41歲，為公司秘書、合資格會計師兼財務主管。孔先生於一九九七年在香港嶺南大學畢業，取得工商管理學士學位。於二零零五年，他獲澳洲臥龍崗大學頒授工商管理碩士學位以及於二零零八年獲香港理工大學頒授企業管治碩士學位。他為香港會計師公會、英國特許公認會計師公會及香港稅務學會的資深會員。他亦為英國特許秘書及行政人員公會以及香港特許秘書公會的特許秘書。他於二零零七年及二零一零年分別註冊為香港執業會計師及註冊稅務師。他於商業顧問服務及財務管理方面擁有逾十四年經驗。



Directors' Report 董事會報告

The Directors would like to present their annual report together with the audited accounts of the Company for the year ended 31 December 2014.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of its major subsidiaries are set out in note 19 to the consolidated financial statement.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2014 are set out in the consolidated income statement on page 47.

The Board of Directors do not suggest declaring any final dividend for the year ended 31 December 2014 to the shareholders.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from Wednesday, 27 May 2015 to Friday, 5 June 2015 (both days inclusive). In order to be qualified for attending the annual general meeting in 2015, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited, 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 26 May 2015.

RESERVES

As at 31 December 2014, the Company's reserve available for distribution amounted to RMB940,366,000 (2013: RMB925,791,000). Movements in the reserves of the Group and the Company during the year are set out in consolidated statement of changes in equity on page 50 and in note 26 to the financial statements respectively.

PROPERTY, PLANT AND EQUIPMENT

Movements in the property, plant and equipment of the Company during the year are set out in note 16 to the financial statements.

SHARE CAPITAL

Movements in the share capital of the Company during the year are set out in note 26 to the financial statements.

PRE-EMPTIVE RIGHTS

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

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

The Company has not purchased, sold or redeemed any of its listed securities during the year end of 31 December 2014.

董事欣然呈列彼等的全年報告，連同本公司於截至二零一四年十二月三十一日止年度的經審核賬目。

主要業務

本公司為一間投資控股公司。其主要附屬公司之主要業務載於綜合財務報表附註19。

業績及分派

本集團截至二零一四年十二月三十一日止年度之業績載於第47頁之綜合損益。

董事會並不建議就截至二零一四年十二月三十一日止年度向股東派發末期股息。

暫停辦理股份過戶登記手續

本公司將於二零一五年五月二十七日(星期三)起至二零一五年六月五日(星期五)(包括首尾兩天)期間暫停辦理股份過戶登記手續。如欲符合資格出席二零一五年股東週年大會，必須於二零一五年五月二十六日(星期二)下午四時三十分前將所有過戶文件連同有關股票送達本公司股份過戶登記處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716室。

儲備

於二零一四年十二月三十一日，本公司可供分派的儲備為人民幣940,366,000元(二零一三年：人民幣925,791,000元)。本集團及本公司於年內之儲備變動分別載於第50頁之綜合權益變動表及財務報表附註26內。

物業、廠房及設備

本集團於本年度物業、廠房及設備的變動載於財務報表附註16。

股本

於本年度，本公司股本變動詳情載於財務報表附註26。

優先購置權

根據本公司的公司章程細則或開曼群島法律，概無優先購置權的條文致使本公司按比例向現有股東提呈發售新股份。

購買、出售或贖回本公司的上市證券

於截至二零一四年十二月三十一日止年度，本公司概無購買、出售或贖回任何其上市證券。



DIRECTORS

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

Executive Directors:

Mr. Lin Ou Wen (Chairman and Chief Executive Officer)
Mr. Lin Qing Ping (General Manager and Chief Operating Officer)
Mr. Xu Chao Hui

Non-executive Directors

Mr. Tang Bin
Mr. John Yang Wang

Independent Non-executive Directors

Mr. Liu Jun
Mr. Lam Yat Cheong
Mr. Du Jian

According to the requirements of Article 87(1) of the articles of association of the Company, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. Mr. Lin Ou Wen, Mr. Lam Yat Cheong and Mr. Du Jian will retire by rotation, and they, being eligible, offer themselves for re-election in the forthcoming annual general meeting.

All of the Independent Non-executive Directors are members of the Company's audit committee, nomination committee and remuneration committee.

ANNUAL CONFIRMATION OF INDEPENDENCE

The Company has received from each Independent Non-executive Directors an annual confirmation of his independence, and the Company considers such Directors to be independent in accordance with each and every guideline set out in rule 3.13 of the Listing Rules.

BIOGRAPHICAL DETAILS OF THE DIRECTORS AND THE SENIOR MANAGEMENT

The biographical details of the Directors and Senior Management are set out on pages 32 to 33 of this Annual Report.

董事

本年度及直至本報告日期，本公司董事為：

執行董事：

林歐文先生 (主席兼行政總裁)
林慶平先生 (總經理兼營運總裁)
許朝暉先生

非執行董事：

唐彬先生
王陽先生

獨立非執行董事：

劉軍先生
林日昌先生
杜建先生

根據本公司的公司章程細則第87(1)條之規定，在每屆股東週年大會上，當時在任董事會之三分之一成員(或如果董事數目並非三之倍數，則為最接近三分之一而又不少於三分之一之數目)必須輪席退任，而每名董事須最少每三年於股東週年大會輪席退任一次。林歐文先生、林日昌先生及杜建先生將輪席退任，而他們符合資格於應屆股東週年大會膺選連任。

全體獨立非執行董事均為本公司審核委員會、提名委員會及薪酬委員會的成員。

獨立性之年度確認

本公司已自各獨立非執行董事獲取有關彼等獨立性之年度確認，根據上市規則第3.13條所載各項及每項指引，本公司認為所有獨立非執行董事均為獨立。

董事及高級管理層簡歷

董事及高級管理層簡歷載於本年報告第32至33頁。



DIRECTORS' SERVICE CONTRACTS

None of the Directors (including Directors standing for re-election in the forthcoming annual general meeting) has entered into any contract of service, which is not determinable by the employer within one year without payment of compensation (other than statutory compensation), with the Company or any of its subsidiaries.

The Company's policies concerning remuneration of the Executive Directors are as follows: –

- (i) the amount of remuneration is determined on a case by case basis of the relevant Director's experience, responsibility, workload and the time devoted to the Group;
- (ii) non-cash benefits may be provided at the discretion of the Board to the relevant Directors under their remuneration package; and
- (iii) the Executive Directors may be granted, at the discretion of the Board, the share option scheme adopted by the Company, as part of their remuneration package.

MANAGEMENT CONTRACTS

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

RETIREMENT BENEFITS SCHEME

Details of the retirement benefits scheme is set out in note 30 to the financial statements.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2014, the interests or short positions of the Directors and Chief Executives in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO")) which were recorded in the register required to be kept by the Company pursuant to 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 as set out in Appendix 10 of the Listing Rules were as follows:

董事服務合同

概無董事(包括於應屆股東週年大會膺選連任的董事)與本公司或其任何附屬公司訂有不可由僱主於一年內終止而毋須作出賠償(法定賠償除外)的服務合同。

本公司有關執行董事薪酬的政策如下：

- (i) 薪酬金額按個別情況就有關董事的經驗、職責、工作量及貢獻給本集團的時間釐定；
- (ii) 非現金福利可由董事會酌情按董事的薪酬待遇發放予有關董事；及
- (iii) 視乎董事會決定，執行董事或會獲授本公司所採納購股權計劃下的購股權，作為彼等部分的薪酬待遇。

管理合同

年內概無就有關本公司全部或任何主要業務訂立或存在管理及行政合同。

退休福利計劃

有關退休福利計劃的詳情載於財務報表附註30。

董事及主要行政人員於本公司及其相聯法團股份、相關股份及債權證的權益及淡倉

於二零一四年十二月三十一日，各董事及本公司主要行政人員在本公司或其任何相聯法團(定義見香港法例第571章證券及期貨條例(「證券及期貨條例」)第XV部)的股份、相關股份或債權證中擁有根據證券及期貨條例第352條的規定須列入該條例所規定由本公司存置之登記冊內的權益或淡倉，或根據上市規則附錄十所載上市發行人董事進行證券交易的標準守則須以其他方式知會本公司及聯交所的權益或淡倉如下：



Name of Directors 董事姓名	Company/name of associated corporation 公司／相聯法團名稱	Capacity 身份	Number of Shares (Note 1) 股份數目 (附註 1)	Approximate percentage of shareholding 概約股權 百分比
Mr. Lin Ou Wen 林歐文先生	The Company 本公司	Interest of controlled corporation (Note 2) 受控法團權益(附註 2)	447,202,900 (L) 447,202,900 (S)	26.16% 26.16%
		Interest of spouse (Note 3) 配偶權益(附註 3)	42,687,627 (L) 42,687,627 (S)	2.5% 2.5%
Mr. Lin Qing Ping 林慶平先生	The Company 本公司	Interest of controlled corporation (Note 4) 受控法團權益(附註 4)	280,352,000 (L) 280,352,000 (S)	16.4% 16.4%

Notes:

- The letter "L" and "S" denotes long position and short position in the Shares respectively.
- These shares are registered in the name of Thousand Space Holdings Limited, which is wholly owned by Mr. Lin Ou Wen who is deemed to be interested in all the Shares in which Thousand Space Holdings Limited is interested by virtue of the SFO.
- 136,951,000 Shares are registered in the name of Orient Day Management Limited, which is owned as to 23.38%, 45.45% and 31.17% by Mr. Lin Qing Mei, Mr. Liu Dao Hua and Ms. Xue Mei respectively. Mr. Lin Ou Wen is deemed to be interested in all the Shares referred to in note 2 above, in which Ms. Xue Mei, his spouse, is interested by virtue of the SFO.
- These shares are registered in the name of Bright Elite Management Limited, which is wholly owned by Mr. Lin Qing Ping who is deemed to be interested in all the Shares in which Bright Elite Management Limited is interested by virtue of the SFO.

附註：

- 「L」及「S」分別指於股份中之好倉及淡倉。
- 該等股份以 Thousand Space Holdings Limited (由林歐文先生全資擁有) 之名義登記。根據證券及期貨條例，林歐文先生被視為於 Thousand Space Holdings Limited 擁有權益之全部股份中擁有權益。
- 136,951,000 股股份以 Orient Day Management Limited 之名義登記，Orient Day Management Limited 由林慶美先生、劉道花先生及薛玫女士分別擁有 23.38%、45.45% 及 31.17%。根據證券及期貨條例，林歐文先生被視為於其配偶薛玫女士持有權益之附註 2 所指所有股份中擁有權益。
- 該等股份以 Bright Elite Management Limited (由林慶平先生全資擁有) 之名義登記。根據證券及期貨條例，林慶平先生被視為於 Bright Elite Management Limited 擁有權益之全部股份中擁有權益。

Save as disclosed above, none of the Directors or Chief Executive of the Company aware of any other Director or Chief Executive of the Company who has any interests or short positions in any shares and underlying shares in, and debentures of the Company or any associated corporation as at 31 December 2014.

除上文所披露者外，於二零一四年十二月三十一日，就本公司各董事或主要行政人員所知，本公司任何董事或主要行政人員並無擁有本公司或任何相聯法團的股份、相關股份或債權證中的權益或淡倉。

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

At no time during the year ended 31 December 2014 was rights to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate granted to any Director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors, their respective spouses or minor children to acquire such rights in any other body corporate.

董事收購股份或債權證的權利

於截至二零一三年十二月三十一日止年度內任何時間，概無向任何董事或彼等各自的配偶或未成年子女授出可藉購買本公司或任何其他法人團體的股份或債權證而獲取利益之權利，或彼等並無行使任何有關權利；或本公司或其任何附屬公司亦無參與任何安排，致使董事、彼等各自的配偶或未成年子女獲得任何其他法人團體之有關權利。



Directors' Report 董事會報告

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2014, the interests and short positions of the following shareholders, other than a Director or Chief Executive of the Company, in the shares or underlying shares or debentures of the Company which would have to be disclosed to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO are as follows:

主要股東於本公司及其相聯法團之股份、相關股份及債權證的權益及淡倉

於二零一四年十二月三十一日，以下股東（董事或本公司主要行政人員除外）於本公司股份、相關股份或債權證中擁有根據證券及期貨條例第XV部第2及3分部須向本公司及聯交所披露或記錄於根據證券及期貨條例第336條存置於本公司股東名冊的權益及淡倉如下：

Name of Shareholder 股東名稱／姓名	Company/name of subsidiary 公司／附屬公司名稱	Capacity 身份	Number of Shares (Note 1) 股份數目 (附註1)	Approximate percentage of shareholding 概約股權百分比
Bright Elite Management Limited	The Company 本公司	Beneficial owner 實益擁有人	280,352,000 (L)	16.4%
			280,352,000 (S)	16.4%
Mr. Lin Qing Ping 林慶平先生	The Company 本公司	Interest of controlled corporation (Note 2) 受控法團權益(附註2)	280,352,000 (L)	16.4%
			280,352,000 (S)	16.4%
Thousand Space Holdings Limited	The Company 本公司	Beneficial owner 實益擁有人	447,202,900 (L)	26.16%
			447,202,900 (S)	26.16%
Mr. Lin Ou Wen 林歐文先生	The Company 本公司	Interest of controlled corporation (Note 3) 受控法團權益(附註3)	447,202,900 (L)	26.16%
			447,202,900 (S)	26.16%
Ms. Xue Mei 薛玫女士	The Company 本公司	Interest of spouse (Note 4) 配偶權益(附註4)	42,687,627 (L)	2.5%
			42,687,627 (S)	2.5%
		Interest of spouse (Note 4) 配偶權益(附註4)	447,202,900 (L)	26.16%
			447,202,900 (S)	26.16%
Orient Day Management Limited	The Company 本公司	Beneficial owner 實益擁有人	136,951,000 (L)	8.01%
			136,951,000 (S)	8.01%
Mr. Liu Dao Hua 劉道花先生	The Company 本公司	Interest of controlled corporation (Note 4) 受控法團權益(附註4)	136,951,000 (L)	8.01%
			136,951,000 (S)	8.01%



Name of Shareholder 股東名稱／姓名	Company/name of subsidiary 公司／附屬公司名稱	Capacity 身份	Number of Shares (Note 1) 股份數目 (附註1)	Approximate percentage of shareholding 概約股權百分比
Pope Investments LLC	The Company 本公司	Beneficial Owner 實益擁有人	102,400,000 (L)	5.99%
Pope Asset Management, LLC	The Company 本公司	Interest of controlled corporation (Note 5) 受控法團權益(附註5)	136,652,500 (L)	7.99%
Wells William P	The Company 本公司	Interest of controlled corporation (Note 5) 受控法團權益(附註5)	102,400,000 (L)	5.99%
Credit Suisse (Hong Kong) Limited	The Company 本公司	Beneficial Owner (Note 6) 實益擁有人(附註6)	133,545,000 (L) 66,772,500 (S)	7.81% 3.9%
Credit Suisse (International) Holding AG	The Company 本公司	Interest of controlled corporation (Note 6 and 7) 受控法團權益 (附註6及7)	133,545,000 (L) 66,772,500 (S)	7.81% 3.9%
Credit Suisse	The Company 本公司	Interest of controlled corporation (Note 6 and 7) 受控法團權益 (附註6及7)	133,545,000 (L) 66,772,500 (S)	7.81% 3.9%
CCB Financial Holdings Limited 建行金融控股有限公司	The Company 本公司	Interest of controlled corporation (Note 8) 受控法團權益(附註8)	885,097,000(L)	51.77%
CCB International (Holdings) Limited 建銀國際(控股)有限公司	The Company 本公司	Interest of controlled corporation (Note 8) 受控法團權益(附註8)	885,097,000(L)	51.77%
CCB International Asset Management Limited 建銀國際資產管理有限公司	The Company 本公司	Interest of controlled corporation (Note 8) 受控法團權益(附註8)	885,097,000(L)	51.77%



Directors' Report

董事會報告

Name of Shareholder 股東名稱／姓名	Company/name of subsidiary 公司／附屬公司名稱	Capacity 身份	Number of Shares (Note 1) 股份數目 (附註1)	Approximate percentage of shareholding 概約股權百分比
CCB International Asset Management (Cayman) Limited	The Company 本公司	Interest of controlled corporation (Note 8) 受控法團權益(附註8)	885,097,000(L)	51.77%
CCB International Group Holdings Limited 建行國際集團控股有限公司	The Company 本公司	Interest of controlled corporation (Note 8) 受控法團權益(附註8)	885,097,000(L)	51.77%
Central Huijin Investment Ltd. 中央滙金投資有限責任公司	The Company 本公司	Interest of controlled corporation (Note 8) 受控法團權益(附註8)	885,097,000(L)	51.77%
China Construction Bank Corporation 中國建設銀行股份有限公司	The Company 本公司	Interest of controlled corporation (Note 8) 受控法團權益(附註8)	885,097,000(L)	51.77%
Huifu Holdings Limited	The Company 本公司	Interest of controlled corporation (Note 8) 股份擔保權益擁有人 (附註8)	885,097,000(L)	51.77%

Notes:

- (1) The letter "L" and "S" denotes long position and short position in the Shares respectively.
- (2) These shares are registered in the name of Bright Elite Management Limited, which is wholly owned by Mr. Lin Qing Ping who is deemed to be interested in all the Shares in which Bright Elite Management Limited is interested by virtue of the SFO.
- (3) These shares are registered in the name of Thousand Space Holdings Limited, which is wholly owned by Mr. Lin Ou Wen who is deemed to be interested in all the Shares in which Thousand Space Holdings Limited is interested by virtue of the SFO.
- (4) These shares are registered in the name of Orient Day Management Limited, which is owned as to 23.38%, 45.45% and 31.17% by Mr. Lin Qing Mei, Mr. Liu Dao Hua and Ms. Xue Mei, spouse of Mr. Lin Ou Wen, respectively, therefore Mr. Liu Dao Hua is deemed to be interested in the Shares held by Orient Day Management Limited for the purpose of the SFO. Ms. Xue Mei is the spouse of Mr. Lin Ou Wen, therefore, she is deemed to be interested in the Shares of which Mr. Lin Ou Wen is deemed to be interested in for the purpose of the SFO and vice versa.
- (5) These Shares are registered in the name of Pope Investments LLC, which is controlled by Pope Asset Management LLC, which is in turn controlled by Wells William P.

附註：

- (1) 「L」及「S」分別指於股份中之好倉及淡倉。
- (2) 該等股份以由林慶平先生全資擁有的Bright Elite Management Limited之名義登記。根據證券及期貨條例，林慶平先生被視為於Bright Elite Management Limited擁有權益之全部股份中擁有權益。
- (3) 該等股份以林歐文先生全資擁有的Thousand Space Holdings Limited之名義登記。根據證券及期貨條例，林歐文先生被視為於Thousand Space Holdings Limited擁有權益之全部股份中擁有權益。
- (4) 該等股份以林慶美先生、劉道花先生及林歐文先生的配偶薛玫女士分別擁有23.38%、45.45%及31.17%權益的Orient Day Management Limited之名義登記。因此，根據證券及期貨條例，劉道花先生被視為於Orient Day Management Limited擁有權益的股份中擁有權益。薛玫女士為林歐文先生的配偶，因此，根據證券及期貨條例，她被視為在林歐文先生被視為擁有權益的股份中擁有權益，反之亦然。
- (5) 該等股份以Pope Asset Management LLC控制之Pope Investments LLC之名義登記，Pope Asset Management, LLC由Wells William P所控制。



- (6) These Shares are registered in the name of Credit Suisse (Hong Kong) Limited, which is owned as to 94.75% by Credit Suisse (International) Holding AG, which is in turn wholly owned by Credit Suisse. Therefore, Credit Suisse (Hong Kong) Limited, Credit Suisse (International) Holding AG and Credit Suisse are deemed to be interested in all the Shares in which Credit Suisse (Hong Kong) Limited is interested for the purpose of the SFO.
- (7) These Shares are registered in the name of Credit Suisse (Hong Kong) Limited, which is owned as to 94.75% by Credit Suisse (International) Holding AG, which is in turn wholly owned by Credit Suisse. Therefore, Credit Suisse (Hong Kong) Limited, Credit Suisse (International) Holding AG and Credit Suisse are deemed to hold or hold a short position of 66,772,500 Shares as defined under Part XV of the SFO.
- (8) Huifu Holdings Limited is interested in these Shares due to its security interest. Huifu Holdings Limited is wholly owned by CCB International Asset Management Limited, which is in turn wholly owned by CCB International Assets Management (Cayman) Limited, which is in turn wholly owned by CCB International (Holdings) Limited, which is in turn wholly owned by CCB Financial Holdings Limited, which is in turn wholly owned by CCB International Group Holdings Limited, which is in turn wholly owned by China Construction Bank Corporation, which is in turn owned as to 57.1% by Central Huijin Investment Ltd.

Save for the disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company which would have to be disclosed to the Company and the Stock Exchange pursuant to Division 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under 336 of the SFO as at 31 December 2014.

CONTINUING CONNECTED TRANSACTIONS

Sale and Purchase Agreements for packaging materials

On 2 December 2011, Fujian Sanai Pharmaceutical Co. Ltd. ("Fujian Sanai") and Fuzhou Sanai Pharmaceutical Co. Ltd. ("Fuzhou Sanai"), both the subsidiaries of the Company, have entered into a sale and purchase agreement with Fuzhou Hongyu Packing Co., Ltd. ("Fuzhou Hongyu") in respect of the sale and purchase of packaging materials from Fuzhou Hongyu for a term of 3 years from 1 January 2012 to 31 December 2014 (the "2011 Agreement").

Before expiry of the 2011 Agreement, on 5 December 2014, Fujian Sanai and Fuzhou Sanai entered into a new sale and purchase agreement with Fuzhou Hongyu in respect of the above continuing connected transactions for a term of 3 years from 1 January 2015 to 31 December 2017 (the "New Sale and Purchase Agreement").

The entire share capital of Fuzhou Honyu is owned by Lin Ou Wen, the chairman of the Company, the executive Director and a substantial shareholder. Accordingly, Fuzhou Honyu is a connected person of the Company.

- (6) 該等股份乃以 Credit Suisse (Hong Kong) Limited 之名義登記，而 Credit Suisse (Hong Kong) Limited 由 Credit Suisse (International) Holding AG 擁有 94.75% 權益，而 Credit Suisse (International) Holding AG 則由 Credit Suisse 全資擁有。因此，根據證券及期貨條例，Credit Suisse (Hong Kong) Limited、Credit Suisse (International) Holding AG 及 Credit Suisse 被視為於 Credit Suisse (Hong Kong) Limited 持有權益之所有股份中擁有權益。
- (7) 該等股份乃以 Credit Suisse (Hong Kong) Limited 之名義登記，而 Credit Suisse (Hong Kong) Limited 由 Credit Suisse (International) Holding AG 擁有 94.75% 權益，而 Credit Suisse (International) Holding AG 則由 Credit Suisse 全資擁有。因此，根據證券及期貨條例第 XV 部定義，Credit Suisse (Hong Kong) Limited、Credit Suisse (International) Holding AG 及 Credit Suisse 被視為持有或持有 66,772,500 股股份之淡倉。
- (8) Huifu Holdings Limited 因其擔保權益而於該等股份中擁有權益。Huifu Holdings Limited 由建銀國際資產管理有限公司全資擁有，而建銀國際資產管理有限公司則由建銀國際資產管理(開曼群島)有限公司全資擁有。建銀國際(控股)有限公司全資擁有建銀國際資產管理(開曼群島)有限公司，而建銀國際(控股)有限公司由建行金融控股有限公司全資擁有。建行金融控股有限公司乃由建行國際集團控股有限公司全資擁有，而中國建設銀行股份有限公司則全資擁有建行國際集團控股有限公司。中央滙金投資有限責任公司持有中國建設銀行股份有限公司 57.1% 的權益。

除上文所披露者外，於二零一四年十二月三十一日，本公司並無獲知會於本公司已發行股本中的任何其他相關權益或淡倉須根據證券及期貨條例第 XV 部第 2 及 3 分部規定向本公司及聯交所披露或記錄於根據證券及期貨條例第 336 條存置的本公司股東名冊。

持續關連交易

包裝材料買賣合同

於二零一一年十二月二日，福建三愛藥業有限公司(「福建三愛」)及福州三愛藥業有限公司(「福州三愛」)(均為本公司的附屬公司)與福州宏宇包裝工業有限公司(「福州宏宇」)就向福州宏宇買賣包裝材料訂立買賣協議(「二零一一年協議」)，年期自二零一二年一月一日起至二零一四年十二月三十一日止，為期3年。

在二零一一年協議屆滿之前，於二零一四年十二月五日，福建三愛及福州三愛與福州宏宇就上述持續關連交易訂立新的買賣協議(「新買賣協議」)，年期自二零一五年一月一日起至二零一七年十二月三十一日止，為期3年。

福州宏宇之全部股本由林歐文(本公司主席、執行董事及主要股東)擁有。因此，福州宏宇為本公司之關連人士。



By reference to (i) the actual amounts of the transactions under the old sale and purchase agreement in the recent years; (ii) the estimated demand for packaging materials for the products of Fujian Sanai from Fuzhou Hongyu during the term of the New Sale and Purchase Agreement; and (iii) the estimated demand for packaging materials for the products of Fuzhou Sanai from Fuzhou Hongyu during the term of the New Sale and Purchase Agreement, the annual caps are set at RMB10,000,000 (equivalent to HK\$11,364,000) for each of the years ending 31 December 2012, 2013 and 2014.

The actual transaction amount under the sale and purchase agreement for the years ending 31 December 2012, 2013 and 2014 were RMB4,886,000, RMB4,556,000 and RMB4,904,000 respectively.

The unit purchase prices of the packaging materials under the New Sale and Purchase Agreement were determined by reference to (i) the current market price of similar products in the market; (ii) the unit purchase prices of the packaging materials offered by the independent third parties to Fujian Sanai and Fuzhou Sanai in their ordinary course of business; and (iii) the manufacturing costs for the packaging materials, including labour costs.

The Board has approved and the Independent Non-executive Directors have reviewed and confirmed that the above continuing connected transaction has been entered into:

- (a) in the usual and ordinary course of businesses of the Group;
- (b) on normal commercial terms; and
- (c) in accordance with the relevant written agreements governing on terms that are fair and reasonable and in the interests of the shareholders as a whole.

The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

The Board engaged the auditor of the Company to perform works on the continuing connected transactions set out above in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued his unqualified letter containing his findings and conclusions in respect of the continuing connected transactions disclosed by the Group in this section of the Annual Report in accordance with Listing Rule. A copy of the auditor's letter will be provided by the Company to The Stock Exchange of Hong Kong.

The related party transactions disclosed in the Note 31 to the financial statements and have complied with the disclosure requirements under Chapter 14A of the Listing Rules if applicable.

經參考(i)舊買賣協議下之關連交易於近年之實際金額；(ii)福建三愛於新買賣協議期間對福州宏宇之產品包裝材料之估計需求；及(iii)福州三愛於新買賣協議期間對福州宏宇之產品包裝材料之估計需求，截至二零一二年、二零一三年及二零一四年十二月三十一日止年度各年之年度上限定為人民幣10,000,000元(相當於11,364,000港元)。

買賣協議於截至二零一二、二零一三及二零一四年十二月三十一日止年度之實際總額分別為人民幣4,886,000元、人民幣4,556,000元及人民幣4,904,000元。

新買賣協議下包裝材料之單位購買價乃經參考(i)類似產品在市場之現時市價；(ii)獨立第三方於一般業務過程中向福建三愛及福州三愛提供之包裝材料之單位購買價；及(iii)包裝材料包括人工成本在內之生產成本釐定。

董事會已批准而獨立非執行董事已審閱並確認訂立上述持續關連交易均：

- (a) 於本集團日常業務中進行；
- (b) 符合一般商業條款；及
- (c) 依據規管該等交易的有關書面協議，而協議條款乃屬公平合理且符合股東之整體利益。

本公司已依照上市規則第14A章遵守披露規定。

董事會委聘本公司核數師按照香港會計師公會發出之香港鑒證業務準則第3000號「對過往財務資料進行審核或審閱以外之鑒證業務」就上述持續關連交易(包括須予批准交易)進行有關工作。關於本集團依照上市規則於年報本節披露的持續關連交易，核數師已發出載有其鑒證結果及結論的無保留函件。本公司將向香港聯交所提供核數師函件副本。

關連人士交易披露於財務報表附註31及遵守上市規則第14A章之披露要求(倘適用)。



SHARE OPTIONS

Details of the Company's share option scheme are set out in note 27 to the financial statements.

No share options had been granted or exercised during the year ended 31 December 2014. As at 31 December 2014, no share options of the Company were outstanding.

DIRECTORS' AND MANAGEMENT EMOLUMENTS

Particulars of directors' emoluments on an individual and named basis and emoluments of the members of senior management by band and the five highest paid individuals in the Group are set out in notes 10 and 11 respectively to the financial statements. The remuneration policies of the Group are as follows:

- The amount of remuneration for the Directors or the employees is determined according to their relevant experience, responsibilities, workload, contributions and years of service in the Group and with reference to the goals and objectives of the Group;
- The non-monetary benefits are determined by the Board (or by the relevant management after consultation with the Board) and may be provided in the remuneration package of the Directors or the employees;
- No person participates in the deliberation or approval of his own remuneration package.

MAJOR CUSTOMERS AND SUPPLIERS

The information of turnover and purchases attributable to the major customers and suppliers of the Company for the year is as follows:

Turnover	營業額
The largest customer	最大客戶
Five largest customers in aggregate	五大客戶合共
Purchases	購買額
The largest supplier	最大供應商
Five largest suppliers in aggregate	五大供應商合共

Fuzhou Hongyu is one of the five largest suppliers which is entirely owned by Mr. Lin Ou Wen, a Director of the Company. Save as disclosed above, none of the Directors, their associates or any shareholders (which to the knowledge of the Directors owns more than 5% of the Company's share capital) had an interest in the major suppliers and major customers noted above.

CORPORATE GOVERNANCE

Report for the corporate governance principles and practices adopted by the Company is set out on pages 23 to 31 of this report.

SUFFICIENCY OF PUBLIC FLOAT

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

購股權

有關本公司購股權計劃之詳情載於財務報表附註27。

於截至二零一四年十二月三十一日止年度內，並無授出購股權，亦無購股權獲行使。於二零一四年十二月三十一日，本公司並無尚未行使之購股權。

董事及高級管理層之酬金

各所列董事酬金及高級管理層成員按薪酬等級的酬金以及本集團獲最高薪酬之五位人士之資料詳情分別載列於財務報表附註10及11。本集團之薪酬政策如下：

- 薪酬數額根據董事或僱員的相關經驗、責任、工作量、貢獻及在集團服務年期等以及參考本集團目標及目的而確定；
- 非現金福利由董事會（或於諮詢董事會後由相關管理層）決定，及可於董事或僱員的薪酬待遇中提供；
- 概無人士參與其自身薪酬待遇的商討或批准。

主要客戶及供應商

於本年度，本公司主要客戶及供應商佔營業額及購買額之資料如下：

2014 二零一四年 %	2013 二零一三年 %
--------------------	--------------------

4.3	4.3
19.1	18.5
12.8	13.8
45.8	49.8

福州宏宇為五大供應商之一，由本公司董事林歐文先生全資擁有。除上文披露者外，概無董事、彼等的聯繫人或任何股東（就董事所知擁有本公司股本5%以上權益者）於主要供應商及主要客戶中擁有任何權益。

企業管治

有關本公司採納的企業管理原則及常規的報告載於本報告第23至31頁。

足夠公眾持股量

根據本公司公開資料並就董事所知，於本報告日期，根據上市規則的要求，本公司維持足夠公眾持股量。



Directors' Report 董事會報告

DONATIONS

During this year, the Group made charitable donations amounting to RMB164,000 (2013: RMB32,000).

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as the Company's code of conduct for dealings in securities of the Company by the Directors. Based on specific enquiry made with all Directors, the Directors have complied with the required standard set out in the Model Code, throughout the accounting period covered by the annual report.

COMPETING INTERESTS

None of the Directors or management shareholders of the Company and their respective associates (as defined in the Listing Rules) has an interest in a business which competes or may compete with the business of the Company or has any other conflict of interest with the Company during the year.

AUDIT COMMITTEE

In compliance with Rule 3.21 of the Listing Rules, the Board has established an audit committee on 8 January 2007, with written terms of reference. The primary duties of the audit committee are to review the financial reporting procedures and internal controls and provide guidance in relation thereto. The audit committee comprises the three Independent Non-executive Directors of the Company.

The Audit Committee has reviewed the accounting principles and practice adopted by the Company as well as the audited financial statement of the Company for the year ended 31 December 2014 have been reviewed by the audit committee before recommending to the Board for approval.

AUDITOR

On 22 April 2014, CCIF CPA Limited (the predecessor of Crowe Horwath (HK) CPA Limited) retired as auditor at the conclusion of the 2013 annual general meeting and did not offer themselves for re-appointment following the merger of business with PCP CPA Limited resulting in Crowe Horwath (HK) CPA Limited operating as the merged firm. Crowe Horwath (HK) CPA Limited is a member firm in Hong Kong of Crowe Horwath International. On 5 June 2014, Crowe Horwath (HK) CPA Limited has been appointed as the auditor of the Company.

The financial statements of the Company for the year ended 31 December 2014 have been audited by Messrs. Crowe Horwath (HK) CPA Limited. A resolution will be submitted at the forthcoming annual general meeting of the Company to re-appoint Messrs. Crowe Horwath (HK) CPA Limited as auditor of the Company.

On behalf of the Board

LIN OU WEN
Chairman

Hong Kong, 27 March, 2015

捐款

年內本集團作出慈善捐款人民幣164,000元(二零一三年：人民幣32,000元)。

證券交易標準守則

本公司已採用標準守則作為董事買賣本公司證券的操守守則。根據向全體董事作出的特定查詢，董事於本年報所涵蓋的整個會計期間一直遵守標準守則所規定標準。

競爭權益

年內，本公司董事或管理層股東及彼等各自的聯繫人(定義見上市規則)概無於與本公司業務構成或可能構成競爭的業務中擁有權益，且並無與本公司存在任何其他利益衝突。

審核委員會

為遵守上市規則第3.21條，董事會已於二零零七年一月八日成立審核委員會，並書面釐定其職權範圍。審核委員會主要職責為審閱財務申報程序及內部監控，並就此提供指引。審核委員會由本公司三名獨立非執行董事組成。

審核委員會已審閱本公司所採納的會計政策及常規，並在建議董事會批准前已審閱本公司截至二零一四年十二月三十一日止年度的經審核財務報表。

核數師

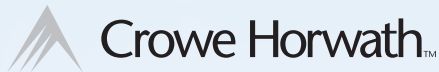
於二零一四年四月二十二日，陳葉馮會計師事務所(國富浩華(香港)會計師事務所有限公司之前身)已於二零一三之股東週年大會上任滿告退，但因其與華德匡成會計師事務所有限公司已合併為國富浩華(香港)會計師事務所有限公司，陳葉馮會計師事務所已於二零一三之股東週年大會上不膺選連任。國富浩華(香港)會計師事務所有限公司是國富浩華國際於香港的一間成員公司。於二零一四年六月五日，國富浩華(香港)會計師事務所有限公司獲委任為本公司核數師。

本公司截至二零一四年十二月三十一日止年度之財務報表已由國富浩華(香港)會計師事務所有限公司審核。本公司將於應屆股東週年大會上提呈一項決議案，續聘國富浩華(香港)會計師事務所有限公司為本公司之核數師。

承董事會命

主席
林歐文

香港，二零一五年三月二十七日



國富浩華(香港)會計師事務所有限公司
Crowe Horwath (HK) CPA Limited
Member Crowe Horwath International

香港 銅鑼灣 禮頓道77號 禮頓中心9樓
9/F Leighton Centre,
77 Leighton Road,
Causeway Bay, Hong Kong

**TO THE SHAREHOLDERS OF WUYI INTERNATIONAL
PHARMACEUTICAL COMPANY LIMITED
(Incorporated in the Cayman Islands with limited liability)**

We have audited the consolidated financial statements of Wuyi International Pharmaceutical Company Limited ("the Company") and its subsidiaries (together "the Group") set out on pages 47 to 115, which comprise the consolidated and company statements of financial position as at 31 December 2014, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and 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 Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants 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. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. 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.

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

致武夷國際藥業有限公司各股東
(於開曼群島註冊成立之有限公司)

本核數師(以下簡稱「我們」)已完成審核載於第47至115頁武夷國際藥業有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表,此綜合財務報表包括於二零一四年十二月三十一日的綜合及公司財務狀況表與截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表,以及主要會計政策概要及其他附註資料。

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的《香港財務報告準則》及香港《公司條例》的披露規定編製真實及公平地列報該等綜合財務報表,以及負責進行董事認為必要的內部控制,以使綜合財務報表的呈列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核對該等綜合財務報表作出意見。本報告僅向股東(作為一個團體)提供我們的意見,並不可用作其他任何目的。我們不會就本報告的內容對其他任何人士負責或承擔任何責任。

我們已根據香港會計師公會頒佈的香港審計準則進行審核。這些準則要求我們遵守道德規範,並規劃及執行審核,藉以合理確定此等綜合財務報表是否不存有任何重大錯誤陳述。

審核涉及執行程序以獲取有關綜合財務報表所載金額及披露資料的審核憑證。所選定之程序取決於核數師的判斷,包括評估是否由於欺詐或錯誤而導致綜合財務報表存有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真實及公平地列報綜合財務報表相關的內部控制,以設計適當之審核程序,但並非為對公司的內部控制效能發表意見。審核亦包



Independent Auditor's Report 獨立核數師報告

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 2014, and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Crowe Horwath (HK) CPA Limited
Certified Public Accountants
Hong Kong, 27 March 2015

Sze Chor Chun, Yvonne
Practising Certificate Number P05049

括評價董事所採用的會計政策的合適性及所作出的會計估計的合理性，以及評價綜合財務報表的整體列報方式。

我們相信，我們所獲得的審核憑證乃充足及適當地為我們的審核意見提供基礎。

意見

我們認為，綜合財務報表已根據香港財務報告準則真實及公平地反映 貴公司及 貴集團於二零一四年十二月三十一日的財務狀況及 貴集團截至該日止年度的虧損及現金流量，並已按照香港《公司條例》的披露規定妥為編製。

國富浩華(香港)會計師事務所有限公司
執業會計師
香港，二零一五年三月二十七日

史楚珍
執業證書編號 P05049

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表



For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度

			2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Turnover	營業額	7	549,625	532,341
Cost of sales	銷售成本		(431,601)	(389,917)
Gross profit	毛利		118,024	142,424
Other revenue and other net income	其他收益及其他淨收入	8	1,846	2,094
Distribution costs	分銷費用		(63,789)	(84,875)
Administrative and other expenses	行政及其他費用		(48,299)	(47,048)
Finance costs	融資成本	9(a)	(978)	(127)
Impairment loss on property, plant and equipment	物業、廠房及設備 減值虧損	16	(44,775)	(10,419)
Impairment loss on land use rights	土地使用權減值虧損	17	(3,225)	-
(Loss)/profit before tax	除稅前(虧損)/溢利	9	(41,196)	2,049
Income tax	所得稅	13	(2,833)	(5,604)
Loss for the year attributable to owners of the Company	本公司擁有人應佔 年內虧損	12	(44,029)	(3,555)
Other comprehensive income for the year	年內其他全面收益		-	-
Total comprehensive loss for the year attributable to owners of the Company	本公司擁有人應佔 年內全面總虧損		(44,029)	(3,555)
Loss per share – Basic and diluted	每股虧損 –基本及攤薄	15	RMB(2.6) cents 人民幣(2.6)分	RMB(0.2) cents 人民幣(0.2)分

The notes on pages 52 to 115 form part of these financial statements.

第52至115頁的附註構成本財務報表之一部分。



Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2014 於二零一四年十二月三十一日

		Notes	2014	2013
		附註	二零一四年	二零一三年
			RMB'000	RMB'000
			人民幣千元	人民幣千元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	16	812,666	849,540
Land use rights	土地使用權	17	59,041	63,696
Intangible assets	無形資產	18	-	-
Deferred tax assets	遞延稅項資產	25(b)	64,262	49,330
			935,969	962,566
Current assets	流動資產			
Inventories	存貨	20	29,195	31,435
Trade and other receivables	貿易應收款項 及其他應收款項	21	138,417	103,652
Cash and cash equivalents	現金及現金等價物	22	480,461	512,419
			648,073	647,506
Current liabilities	流動負債			
Trade and other payables	貿易應付款項 及其他應付款項	23	97,427	87,858
Secured bank loan	有抵押銀行貸款	24	15,000	15,000
Current taxation	當期稅項	25(a)	3,898	5,028
			116,325	107,886
Net current assets	流動資產淨值		531,748	539,620
Total assets less current liabilities	總資產減流動負債		1,467,717	1,502,186
Non-current liabilities	非流動負債			
Deferred tax liabilities	遞延稅項負債	25(b)	16,330	6,770
Net assets	淨資產		1,451,387	1,495,416
Capital and reserves	資本及儲備			
Share capital	股本	26(b)	17,098	17,098
Reserves	儲備		1,434,289	1,478,318
Total equity attributable to owners of the Company	本公司擁有人應佔總權益		1,451,387	1,495,416

Approved and authorised for issue by the board of directors on 27 March 2015 and signed on its behalf by:

Lin Ou Wen
林歐文
Chairman and Chief Executive Officer
主席兼行政總裁

已於二零一五年三月二十七日經董事會批准及授權刊發，並由以下人士代表簽署：

Lin Qing Ping
林慶平
Executive Director, General
Manager and Chief Operating Officer
執行董事、總經理兼營運總裁

The notes on pages 52 to 115 form part of these financial statements.

第52至115頁的附註構成本財務報表之一部分。

Statement of Financial Position 財務狀況表



As at 31 December 2014 於二零一四年十二月三十一日

		Notes	2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Non-current assets	非流動資產			
Investments in subsidiaries	於附屬公司的投資	19	214,786	214,786
Current assets	流動資產			
Other receivables	其他應收款項	21	742,575	727,062
Cash and cash equivalents	現金及現金等價物	22	108	1,051
			742,683	728,113
Current liabilities	流動負債			
Other payables	其他應付款項	23	5	10
Net current assets	流動資產淨值		742,678	728,103
Net assets	淨資產		957,464	942,889
Capital and reserves	資本及儲備	26(a)		
Share capital	股本		17,098	17,098
Reserves	儲備		940,366	925,791
Total equity	總權益		957,464	942,889

Approved and authorised for issue by the board of directors on 27 March 2015 and signed on its behalf by:

已於二零一五年三月二十七日經董事會批准及授權刊發，並由以下人士代表簽署：

Lin Ou Wen
林歐文
Chairman and Chief Executive Officer
主席兼行政總裁

Lin Qing Ping
林慶平
Executive Director, General
Manager and Chief Operating Officer
執行董事、總經理兼營運總裁

The notes on pages 52 to 115 form part of these financial statements.

第52至115頁的附註構成本財務報表之一部分。



Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔							
		Share capital	Share premium	Special reserve	Capital reserve	Statutory reserve	Non-surplus distributable reserve	Retained profits	Total
		股本	股份溢價	特別儲備	資本儲備	法定盈餘儲備	不可分派儲備	保留溢利	總計
		(note 26(b))	(note 26(c)(i))	(note 26(c)(ii))	(note 26(c)(iii))	(note 26(c)(iv))	(note 26(c)(v))		
		(附註 26(b))	(附註 26(c)(i))	(附註 26(c)(ii))	(附註 26(c)(iii))	(附註 26(c)(iv))	(附註 26(c)(v))		
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2013	於二零一三年一月一日	17,098	929,533	(124,106)	53,000	236,523	23,752	363,171	1,498,971
Loss and total comprehensive loss for the year	虧損及年內全面總虧損	-	-	-	-	-	-	(3,555)	(3,555)
Transfer to reserve fund	轉撥至儲備基金	-	-	-	-	10,851	-	(10,851)	-
At 31 December 2013 and 1 January 2014	於二零一三年十二月三十一日及二零一四年一月一日	17,098	929,533	(124,106)	53,000	247,374	23,752	348,765	1,495,416
Loss and total comprehensive loss for the year	虧損及年內全面總虧損	-	-	-	-	-	-	(44,029)	(44,029)
Transfer to reserve fund	轉撥至儲備基金	-	-	-	-	4,853	-	(4,853)	-
At 31 December 2014	於二零一四年十二月三十一日	17,098	929,533	(124,106)	53,000	252,227	23,752	299,883	1,451,387

The notes on pages 52 to 115 form part of these financial statements.

第52至115頁的附註構成本財務報表之一部分。

Consolidated Statement of Cash Flows

綜合現金流量表



For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度

		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Operating activities	經營活動		
(Loss)/profit before tax	除稅前(虧損)/溢利	(41,196)	2,049
Adjustments for:	為下列各項調整:		
Interest income	利息收入	(1,825)	(2,094)
Finance cost	融資成本	978	127
Depreciation of property, plant and equipment	物業、廠房及設備 折舊	65,031	61,333
Amortisation of land use rights	土地使用權的攤銷	1,430	1,430
Impairment loss on property, plant and equipment	物業、廠房及設備 減值虧損	44,775	10,419
Impairment loss on land use rights	土地使用權減值虧損	3,225	-
		72,418	73,264
Changes in working capital	營運資金變動		
Decrease/(increase) in inventories	存貨減少/(增加)	2,240	(2,533)
Increase in trade and other receivables	貿易應收款項及其他應收款項增加	(34,765)	(13,120)
Increase in trade and other payables	貿易應付款項及其他應付款項增加	8,693	11,874
Cash generated from operations	經營活動產生的現金	48,586	69,485
Income tax paid – The People's Republic of China (the "PRC")	已付所得稅 - 中華人民共和國(「中國」)	(9,335)	(15,791)
Net cash generated from operating activities	經營活動所得現金淨額	39,251	53,694
Investing activities	投資活動		
Interest received	已收利息	1,825	2,094
Payment for the purchase of property, plant and equipment	購買物業、廠房及設備的付款	(72,056)	(283,383)
Net cash used in investing activities	投資活動所用現金淨額	(70,231)	(281,289)
Financing activities	融資活動		
Interest paid	已付利息	(978)	(127)
Proceeds from new bank loan	新銀行貸款所得款項	15,000	15,000
Repayment of bank loan	償還銀行貸款	(15,000)	-
Net cash (used in)/generated from financing activities	融資活動(所用)/所得現金淨額	(978)	14,873
Net decrease in cash and cash equivalents	淨現金及現金等價物減少淨額	(31,958)	(212,722)
Cash and cash equivalents at 1 January	於一月一日的現金及現金等價物	512,419	725,141
Cash and cash equivalents at 31 December	於十二月三十一日的現金 及現金等價物	480,461	512,419
Analysis of the balances of cash and cash equivalents	現金及現金等價物結餘分析		
Bank balances and cash	銀行結餘及現金	480,461	512,419

The notes on pages 52 to 115 form part of these financial statements.

第52頁至115頁的附註構成本財務報表的一部分。



Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度

1. GENERAL

Wuyi International Pharmaceutical Company Limited (the “Company”) was incorporated and registered as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands (the “Cayman Companies Law”) and acts as an investment holding company. Its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 1 February 2007. The addresses of the registered office and principal place of business of the Company are 4/F., Willow House, Cricket Square, P.O. Box 2804, Grand Cayman KY1-1112, Cayman Islands and Room 2805, 28/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong respectively. The principal activities of its principal subsidiaries are the development, manufacturing, marketing and sales of pharmaceutical products.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and accounting principles generally accepted in Hong Kong. These financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance, which for this financial year and the comparative period continue to be those of the predecessor Hong Kong Companies Ordinance (Cap. 32), in accordance with transitional and saving arrangements for Part 9 of the new Hong Kong Companies Ordinance (Cap. 622), “Accounts and Audit”, which are set out in section 76 to 87 of Schedule 11 to that Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”). A summary of the significant accounting policies adopted by the Group is set out below.

The HKICPA has issued certain new and revised HKFRSs which are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

1. 一般資料

武夷國際藥業有限公司(「本公司」)根據開曼群島公司法(「開曼群島公司法」)第22章(一九六一年第三條法例)(經綜合及修訂)註冊成立為受豁免有限公司並作為一家投資控股公司。其股份於二零零七年二月一日於香港聯合交易所有限公司(「聯交所」)主板上市。本公司的註冊辦事處及主要營業地點的地址分別為4/F., Willow House, Cricket Square, P.O. Box 2804, Grand Cayman KY1-1112及香港灣仔港灣道18號中環廣場28樓2805室。本公司主要附屬公司的主要業務為從事醫藥產品開發、製造、市場推廣及銷售。

2. 主要會計政策

a) 合規聲明

本財務報表是按照香港會計師公會(「香港會計師公會」)頒佈的所有適用的香港財務報告準則(「香港財務報告準則」)(此統稱包括所有適用的個別香港財務報告準則、香港會計準則(「香港會計準則」)及解釋)及香港公認會計原則編製。本財務報表亦有遵照香港公司條例的適用披露要求，而本財政年度及比較期間仍舊適用於舊有香港公司條例(第32章)，並根據新公司條例(第622章)附表11第76至87部所載就該條例第9部「賬目及審計」作出的過渡性安排及保留安排。本財務報表亦有遵照聯交所證券上市規則(「上市規則」)的適用披露條文。本集團採納之重大會計政策概要載列如下。

香港會計師公會已頒佈若干新訂及經修訂香港財務報告準則，該等香港財務報告準則於本集團及本公司之現行會計期間首次生效或可供提早採納。附註3提供首次應用此等新訂及經修訂準則所引致之任何會計政策變動之資料，以於本財務報表中反映現行及過往會計期間與本集團相關者為限。

Notes to the Financial Statements

財務報表附註



For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2014 comprise the Company and its subsidiaries (together referred to as the “Group”).

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). These financial statements are presented in Renminbi (“RMB”), rounded to the nearest thousand except for per share data. RMB is the Company’s functional and the Group’s presentation currency.

The measurement basis used in the preparation of the financial statements is the historical cost basis except as otherwise set out in the accounting policies below.

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

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

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 4 to the financial statements.

c) Subsidiaries

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

2. 主要會計政策(續)

b) 財務報表的編製基準

截至二零一四年十二月三十一日止年度的綜合財務報表涵蓋本公司及其附屬公司(統稱為「本集團」)。

本集團各實體財務報表所載之項目乃按實體經營的主要經濟環境之貨幣(「功能貨幣」)計量。該等財務報表以人民幣(「人民幣」)呈列，湊整至最接近千位數，惟每股數據除外。人民幣為本公司之功能貨幣及本集團之呈列貨幣。

財務報表乃按歷史成本法(下文所載的會計政策另有規定除外)編製。

按照香港財務報告準則編製財務報表時，管理層必須作出影響政策應用及所呈報資產、負債、收入及開支數額之判斷、估計及假設。在沒有其他明顯可參考的渠道下，其資產及負債的賬面值有關結果將由乃以過往經驗及多項其他於有關情況下視作合理之因素為基準的估計及有關假設組成。實際結果可能有別於此等估計數字。

估計及相關假設按持續基準予以檢討。僅影響該期間之會計估計修訂於修訂估計期間確認，倘修訂影響現時及日後期間，則於修訂之期間及日後期間確認。

管理層在應用香港財務報告準則時所作出對該等財務報表有重大影響的判斷，以及估計不確定性的主要來源載列於財務報表附註4。

c) 附屬公司

附屬公司指受本集團控制的實體。當本集團因參與某實體對可變回報承擔風險或享有權利，及有能力藉對實體行使其權力而影響其回報，則本集團控制該實體。當評估本集團是否有權力時，只考慮實質權利(由本集團及其他人士持有)。



Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Subsidiaries (Continued)

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

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses.

d) Revenue recognition

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

i) Sale of goods

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

ii) Interest income

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

2. 主要會計政策(續)

c) 附屬公司(續)

於附屬公司的投資自獲得控制權當日起併入綜合財務報表，直至控制權結束當日為止。集團公司間的結餘及交易以及從集團公司間交易產生的任何未變現現金流量，均於編製綜合財務報表時全數對銷。從集團公司間交易產生的未變現虧損，在沒有證據顯示出現減值的情況下按未變現收益的相同方式予以對銷。

於本公司的財務狀況表內，於附屬公司的投資乃按成本減減值虧損列賬。

d) 收入確認

收入乃按已收或應收代價的公平值計算。倘本集團可能獲得經濟利益，而收入與成本(如適用)能可靠地計算，收入按下列方式於損益中確認：

i) 銷售貨品

於貨物交付於客戶的場所，即客戶接收貨物以及擁有權相關之風險及回報時確認收入，收入不包括增值稅或其他銷售稅項且已扣除任何貿易折扣。

ii) 利息收入

利息收入於其產生時採用實際利率法確認。

Notes to the Financial Statements

財務報表附註



For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Leased assets

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

i) Classification of assets leased to the Group

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

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

2. 主要會計政策(續)

e) 租賃資產

倘集團決定某項安排(包括一項交易或一連串交易)涉及轉讓一項可於協定期間內使用特定資產之權利以換取一筆或一連串付款,則該項安排屬於或包含一項租約。該項決定乃基於對安排內容之評估而作出,而不論該項安排是否採取租約之法律形式。

i) 出租予集團之資產分類

集團根據將擁有權之絕大部分風險及回報轉讓予本集團之租賃所持資產分類為融資租賃項下所持資產。擁有權之絕大部分風險及回報不會轉讓予集團之租賃則分類為經營租賃,惟下列除外:

- 以經營租賃方式持有但在其他方面均符合投資物業定義的物業,會按照每項物業的基準歸類為投資物業。如果歸類為投資物業,其入賬方式會如同以融資租賃持有一樣;及
- 以經營租賃持作自用的土地於租賃開始時,其公平值未能與上蓋樓宇的公允價值分開計量時,則按融資租賃持有的方式處理,惟樓宇亦明確以經營租賃持有者除外。就此而言,租賃開始當時為租賃首次獲本集團計入、或取代前期租賃、或該等樓宇的建築日期之較後發生者為準。



Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Leased assets (Continued)

ii) Operating lease charges

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

iii) Leasehold land and building for own use

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments (including any lump sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as "land use rights" in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis.

f) Property, plant and equipment

Property, plant and equipment, including buildings held for use in the production or supply of goods, or for administrative purposes, other than construction in progress, are stated in the statement of financial position at cost less any accumulated depreciation and any accumulated impairment losses.

2. 主要會計政策(續)

e) 租賃資產(續)

ii) 經營租賃費用

倘若本集團以經營租賃持有資產使用權，以租賃作出的支付將於租期之會計期間按相同數額分期計入損益，惟若有另一種更能反映租賃資產衍生的利益模式的基準除外。所獲租賃減免在損益確認為已付淨租金總額一部份。或然租金將於所產生的會計期間列為支出註銷。

iii) 持作自用的租賃土地及樓宇

當租賃包括土地及樓宇部分，本集團根據評估各部分之所有權的風險與報酬是否絕大部分轉移至本集團而將其劃分為融資租賃或經營租賃，除非肯定兩個部分均屬經營租賃，於此情況下，整份租約歸類為經營租賃。具體而言，最低租金(包括任何一筆過預付款項)於租約訂立時按租賃土地部分及樓宇部分中的租賃權益相對公平值比例於土地與樓宇部分間分配。

租金在可靠分配的情況下，被列為經營租賃的租賃土地權益於財務狀況表中呈列為「土地使用權」，並於租期內以直線基準攤銷。

f) 物業、廠房及設備

物業、廠房及設備(包括持有用作生產或貨物供應或行政用途之土地及樓宇)(在建工程除外)按成本減累計折舊以及任何累計減值虧損於財務狀況表內列賬。

Notes to the Financial Statements

財務報表附註



For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Property, plant and equipment (Continued)

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual values, if any, using the straight-line method over their estimated useful lives, at the following rates per annum:

Buildings	3.33% or over the unexpired term of lease, if shorter
Furniture, fixtures and equipment	10%-20%
Motor vehicles	20%
Plant and machinery	10%-20%

For those impaired property, plant and equipment not fully depreciated in one of the factories in Jianyang City, Fujian Province, the PRC, depreciation is provided based on book value after deducting impairment provision over the estimated useful life. The estimated useful lives are as follows:

Buildings	1-1.33 years
Furniture, fixtures and equipment	1.33 years
Plant and machinery	1-1.33 years

At the end of each year, the Company and its subsidiaries review the estimated useful lives and residual values of the property, plant and equipment and make adjustment when necessary. The useful lives and residual values of property, plant and equipment not fully depreciated mentioned above were revised in 2013 (see note 16).

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.

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

Properties, plant and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.

2. 主要會計政策 (續)

f) 物業、廠房及設備 (續)

物業、廠房及設備項目按下列年率計算折舊，減其估計剩餘價值(如有)以直線法在估計可使用年內撇銷其成本：

樓宇	3.33%或於未屆滿租期內(以較短者為準)
傢俱、固定裝置及設備	10%-20%
汽車	20%
廠房及機器	10%-20%

就該位於中國福建省建陽市一家工廠的已減值但未完全折舊的物業、廠房及設備，折舊乃根據賬面值經扣除減值撥備後按於估計可使用年期計提。估計可使用年期如下：

樓宇	1-1.33年
傢俱、固定裝置及設備	1.33年
廠房及機器	1-1.33年

於各年末，本公司及其附屬公司檢討物業、廠房及設備的估計可使用年期並有需要時作出調整。如上文所述未全面折舊的物業、廠房及設備的可使用年期及剩餘價值於二零一三年經修訂(見附註16)。

若資產的賬面值高於其估計可收回價值，其賬面值即時撇減至可收回金額。

物業、廠房及設備項目報廢或出售時產生的盈虧乃按出售所得款項淨額與項目的賬面值之間的差額釐定，盈虧於報廢或出售日期於損益表內確認。

用作生產、供應或行政用途之在建物業、廠房及設備按成本減已經確認的減值虧損列賬。成本包括專業費用及(就合資格資產而言)根據本集團會計政策資本化的借款費用。該等物業在竣工並用於預定用途時分類至物業、廠房及設備的適當類別。該等資產與其他物業資產按相同基準，在可用作其擬定用途時開始計算折舊。



Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Intangible assets

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources and the intention to complete development. Capitalised development costs are stated at cost less accumulated amortisation and accumulated impairment losses. Other development expenditure is recognised as an expense in the period in which it is incurred.

Other intangible assets that are acquired by the Group separately are stated at cost less accumulated amortisation (where the estimated useful life is finite) and accumulated impairment losses.

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

Product development costs	5 years
Patents	5 years

Both the estimated useful life and method of amortisation are reviewed annually.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from its use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss in the period when the asset is derecognised.

h) Inventories

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

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

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

2. 主要會計政策(續)

g) 無形資產

研究活動的支出於產生期間列作開支。倘產品或過程技術上或商業上可行，且本集團具備充裕資源並有意完成開發工作，則開發活動之開支將撥充資本。撥充資本開發成本乃按成本減累計攤銷及減值虧損列賬。其他開發支出於產生期間列作費用。

本集團單獨收購的其他無形資產乃按成本減累計攤銷(倘估計可使用年期有限)及累計減值虧損列賬。

使用年期有限的無形資產攤銷乃以直線法按資產的估計可使用年期於損益中扣除。下列使用年期有限的無形資產自彼等可供使用之日起攤銷，彼等估計可使用年限如下：

產品開發成本	5年
專利權	5年

估計可使用年期及攤銷方法均會每年進行檢討。

無形資產於出售或當預期使用或出售不會產生未來經濟利益時終止確認。於終止確認無形資產所產生之任何盈虧乃以出售所得款項淨額與資產賬面值之差額計量，並於該資產終止確認之期間於損益確認。

h) 存貨

存貨以成本與可變現淨值兩者中之較低者列賬。

成本按加權平均法釐定，並包括一切採購成本、轉換之成本及將存貨移至現址及達致現況而產生之其他成本。

可變現淨值指在日常業務過程中之估計售價，減估計完成成本及估計銷售成本。

Notes to the Financial Statements

財務報表附註



For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Inventories (Continued)

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

i) Trade and other receivables

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

j) Interest-bearing borrowings

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

k) Trade and other payables

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

l) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

2. 主要會計政策 (續)

h) 存貨 (續)

於出售存貨時，該等存貨之賬面值於確認有關收益之期間列作開支。存貨撇減至可變現淨值之款額及所有存貨虧損均於撇減或虧損之期間內列作開支。因撇減存貨而撥回之款項，均於撥回期間內列作存貨開支數額之減少。

i) 貿易應收款項及其他應收款項

貿易應收款項及其他應收款項初步按公平值確認，其後使用實際利率法按攤銷成本減呆賬減值虧損後列賬，惟倘應收款項為向非關連人士作出且無固定還款期之免息貸款或貼現之影響不大情況則作別論。於該等情況下，應收款項按成本減呆賬減值撥備列賬（見附註2(m)）。

j) 計息借貸

計息借貸按公平值減去應佔交易成本後初始確認。初始確認後，計息借貸以攤銷成本列賬，而初始確認的金額與贖回價值之間的任何差異，連同任何應付利息和費用，均以實際利息法於借貸期內在損益賬中確認。

k) 貿易應付款項及其他應付款項

貿易應付款項及其他應付款項初步按公平值確認，其後則按攤銷成本列賬，惟在貼現影響屬並不重大之情況下，會按成本列賬。

l) 現金及現金等價物

現金及現金等價物包括銀行及手頭現金、銀行及其他金融機構之活期存款、可隨時轉換為既定數額現金而沒有重大價值變動風險之短期高流動性投資，到期日為於購入日期起計為期三個月以下。



Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

m) Impairment of assets

j) Impairment of receivables

Current and non-current receivables that are stated at cost or amortised cost are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

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

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

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

2. 主要會計政策(續)

m) 資產減值

j) 應收款項之減值

按成本值或攤銷成本列賬之流動與非流動應收款項會於各報告日期止進行檢討，以判斷有否存在客觀減值證據。減值之客觀證據包括本集團注意到以下一項或多項虧損事項之顯著數據：

- 債務人有重大財務困難；
- 違反合約，如拖欠償還利息或本金；
- 債務人可能破產或進行其他財務重組；及
- 科技、市場、經濟或法律環境有重大改變而對債務人有不利影響。

如存在任何上述證據，則會釐定及確認減值虧損如下：

- 就按攤銷成本列賬之貿易應收款項及其他即期應收款項以及其他金融資產而言，減值虧損按資產之賬面值與按金融資產最初之實際利率(即此等資產最初確認時計算所得之實際利率)(如貼現影響重大)估計之未來現金流量現值之差額計算。如該等金融資產具備類似之風險特徵，例如類似的逾期情況及並未單獨被評估為出現減值，則有關的評估會同時進行。金融資產之未來現金流量會根據與該組被評估資產具有類似信貸風險特徵資產之過往虧損情況一同減值。

Notes to the Financial Statements

財務報表附註



For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

m) Impairment of assets (Continued)

i) Impairment of other receivables (Continued)

– (Continued)

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

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

2. 主要會計政策 (續)

m) 資產減值 (續)

j) 其他應收款項之減值 (續)

– (續)

倘於其後期間減值虧損金額有所減少，而客觀上與確認減值虧損後發生之事件有關，有關減值虧損會透過損益撥回。減值虧損之撥回不應導致資產之賬面值超過其在以往年度沒有確認任何減值虧損而應已釐定之數額。

減值虧損從相應資產中直接撇銷，惟如包含在貿易應收款項及其他應收款項內的貿易應收款項，其是否可以收回屬難以預料，而並非微乎其微，則就其確認之減值虧損不會從相應的資產中直接撇銷。在此情況下，呆賬之減值虧損以撥備賬記錄。倘本集團確認能收回應收款項之機會微乎其微，則被視為不可收回之金額會直接從貿易應收款項中撇銷，而在撥備賬中就有關債務保留之任何金額會被撥回。倘之前計入撥備賬之款項在其後收回，則有關款項於撥備賬撥回。撥備賬之其他變動及其後收回先前直接撇銷之款項均於損益中確認。



Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

m) Impairment of assets (Continued)

ii) Impairment of other assets

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

- property, plant and equipment;
- land use rights;
- intangible assets; and
- investments in subsidiaries in the Company's statement of financial position.

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

- Calculation of recoverable amount

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

2. 主要會計政策(續)

m) 資產減值(續)

ii) 其他資產之減值

本公司會於每個報告期末審閱內部及外界所得資料，以確定下列資產是否出現減值或先前已確認之減值虧損不再存在或已經減少：

- 物業、廠房及設備；
- 土地使用權；
- 無形資產；及
- 本公司財務狀況表內於附屬公司的投資。

倘出現任何該等跡象，則估計資產之可收回數額。此外，就尚未可供使用之無形資產而言，其可收回數額會每年估計（不論有否出現減值跡象）。

- 計算可收回數額

資產之可收回數額乃指其公平值減出售成本與使用價值兩者中之較高者。在評估使用價值時，估計日後現金流量乃根據除稅前貼現率貼現至現值，而該貼現率須能反映市場現行對款項的時間價值及資產獨有風險之評估。倘某項資產之現金流量大致上不能獨立於其他資產之現金流量，則就可獨立產生現金流量之最小資產組別（即現金產生單位）釐定可收回數額。

Notes to the Financial Statements

財務報表附註



For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

m) Impairment of assets (Continued)

ii) Impairment of other assets (Continued)

- Recognition of impairment losses

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

- Reversals of impairment losses

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

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

iii) Interim financial reporting and impairment

Under the Listing Rules, the Group is required to prepare an interim financial report in compliance with HKAS 34 Interim Financial Reporting, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year.

2. 主要會計政策(續)

m) 資產減值(續)

ii) 其他資產之減值(續)

- 確認減值虧損

倘資產或其所屬之現金產生單位之賬面值超過其可收回數額，則於損益表確認減值虧損。就現金產生單位確認之減值虧損而言，其首先用作減少已分配至現金產生單位(或單位類別)之任何商譽之賬面值，其後按比例用作減少單位(或單位類別)其他資產之賬面值，惟資產之賬面值將不得減少至低於其個別公平價值減出售成本(如能計量)或使用價值(如能計算)。

- 減值虧損撥回

倘用作釐定可收回數額之估計出現有利變動，則須撥回減值虧損。

減值虧損撥回只限於該資產並未計算過往年度所確認之減值虧損時之賬面值。減值虧損撥回之數於確認有關撥回之年度計入損益內。

iii) 中期財務報告及減值

根據上市規則，本集團須根據香港會計準則第34號「中期財務報告」就財政年度首六個月編製中期財務報告。於中期完結時，本集團採用於財政年度完結時應採用之同一減值測試、確認及撥回準則。



Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

n) Income tax

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

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

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

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

2. 主要會計政策(續)

n) 所得稅

本年度所得稅包括當期所得稅和遞延所得稅資產與負債的變動。當期所得稅和遞延所得稅資產與負債的變動均在損益中確認，但與在其他全面收益或直接在權益中確認的項目有關，則相關稅務款項分別在其他全面收益或直接在權益中確認。

當期所得稅是按本年度應課稅所得，根據在報告期末已生效或實質上已生效的稅率計算的預期應付稅項，加上以往年度應付稅項的任何調整。

遞延所得稅資產與負債分別由可抵扣和應課稅暫時差異產生。暫時差異是指資產與負債在財務報表上的賬面金額跟這些資產與負債的計稅基礎的差異。遞延所得稅資產也可以由未利用可抵扣虧損和未利用稅款抵減產生。

除了某些有限的例外情況外，所有遞延所得稅負債和遞延所得稅資產(只限於很可能獲得能利用該遞延所得稅資產來抵扣的未來應課稅溢利)都會確認。支持確認由可抵扣暫時差異所產生遞延所得稅資產的未來應課稅溢利包括因轉回目前存在的應課稅暫時差異而產生的數額；但這些轉回的差異必須與同一稅務機關和同一應課稅實體有關，並預期在可抵扣暫時差異預計轉回的同一年間或遞延所得稅資產所產生可抵扣虧損可向後期或向前期結轉的期間內轉回。在決定目前存在的應課稅暫時差異是否足以支持確認由未利用可抵扣虧損和稅款抵減所產生的遞延所得稅資產時，亦會採用同一準則，即差異是否與同一稅務機關和同一應課稅實體有關，以及是否預期在能夠使用未利用可抵扣虧損和稅款抵減撥回的同一年間內轉回。

Notes to the Financial Statements

財務報表附註



For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

n) Income tax (Continued)

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

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

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

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

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

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

2. 主要會計政策 (續)

n) 所得稅 (續)

確認遞延所得稅資產及負債的有限例外情況，乃有關來自資產或負債之初步確認，而其並不影響會計或應課稅溢利(非企業合併之部分)的暫時差異，以及於附屬公司之投資的暫時差異，倘屬應課稅差異，僅以本集團可控制撥回時間，且在可預見未來不可能撥回有關差異之情況為限；或倘屬可扣稅差異，則以有可能於日後撥回差異之情況為限。

已確認遞延所得稅額是按照資產與負債賬面金額的預期實現或結算方式，根據已生效或在報告期末實質上已生效的稅率計量。遞延所得稅資產與負債均不折現計算。

本集團會在每個報告期末審閱遞延所得稅資產的賬面金額。如果本集團預期不再可能獲得足夠的應課稅溢利以抵扣相關的稅務利益，該遞延所得稅資產的賬面金額便會調低；但是如果日後有可能獲得足夠的應課稅溢利，有關減額便會轉回。

由派發股息所產生的額外所得稅乃在支付有關股息責任獲確認時確認。

當期和遞延所得稅結餘及其變動額會分開列示，並且不予抵銷。倘本公司或本集團有法定行使權以當期所得稅資產抵銷當期所得稅負債，並且符合以下附帶條件的情況下，當期和遞延所得稅資產才可以分別抵銷當期和遞延所得稅負債：

- 當期所得稅資產與負債：本公司或本集團計劃按淨額基準結算，或同時變現該資產和結算該負債；或



Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

n) Income tax (Continued)

- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

o) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss, except those arising from foreign currency borrowings used to hedge a net investment in a foreign operation which are recognised in other comprehensive income.

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

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

2. 主要會計政策 (續)

n) 所得稅 (續)

- 遞延所得稅資產與負債：這些資產與負債必須與同一稅務機關就以下其中一項徵收的所得稅有關：
 - 同一應課稅實體；或
 - 不同的應課稅實體，這些實體計劃在日後每個預計有大額遞延所得稅負債需要結算或大額遞延所得稅資產可以收回的期間內，按淨額基準實現當期所得稅資產和結算當期所得稅負債，或同時變現該資產和結算該負債。

o) 外幣匯兌

於年內所發生之外幣交易按交易日的匯率換算。以外幣計值的貨幣資產及負債按報告期末的匯率換算。匯兌收益則計入損益內，但源於海外業務淨投資對沖之外幣借貸則在其他全面收益中確認。

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

海外業務業績按交易日現行的概約匯率換算為人民幣。財務狀況表項目均按報告期末的收市匯率換算為人民幣。所產生的匯率差額於其他全面收益中確認並獨立累計在權益中匯兌儲備內。

Notes to the Financial Statements

財務報表附註



For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) Translation of foreign currencies (Continued)

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In the case of a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss.

p) Borrowing costs

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

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

q) Employee benefits

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

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

ii) Share-based payments

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

2. 主要會計政策(續)

o) 外幣匯兌(續)

出售海外業務(例如出售本集團海外業務的全部權益,或涉及失去附屬公司(包括海外業務)控制權之出售,本公司擁有人應佔該業務於權益累計之所有匯兌差額重新分類至損益。

就部分出售(即不會導致本集團失去控制權)一間附屬公司(包括海外業務)而言,按比例所佔的累計匯兌差額乃重新計入非控股權益且不會於損益中確認。

p) 借貸成本

借貸成本直接來自收購、建設或生產必須經過較長時期準備方可作為擬定用途或出售使用的資產並予以資本化為該項資產成本的一部份。其他借貸成本於其產生期間支銷。

借貸成本於就合資格資產產生開支、產生借貸成本及進行對於使資產可用於原定用途或出售而言屬必需的活動時開始資本化為資產的部分成本。倘對於使合資格資產可用於原定用途或出售而言屬必需的絕大部分活動被中斷或已完成,則借貸成本暫停或終止資本化。

q) 僱員福利

i) 短期僱員福利及定額供款退休計劃之供款

薪金、年度花紅、有薪年假、定額供款退休計劃之供款及非貨幣福利成本於僱員提供相關服務之年度內累計。如遞延付款或結算會造成重大之影響,此等數額會以現值列賬。

ii) 以股份為基礎之付款

授予僱員之購股權公平值於股本中之購股權儲備相應增加而確認為僱員成本。公平值於授出日計算,並考慮授出購股權時之條款及條件。如僱員於無條件獲授購股權前須先符合歸屬條件,則計入購股權歸屬之可能性後,估計之購股權公平值總額按歸屬期計算。



Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

q) Employee benefits (Continued)

ii) Share-based payments (Continued)

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

iii) Termination benefits

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

r) Provisions and contingent liabilities

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

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

2. 主要會計政策(續)

q) 僱員福利(續)

ii) 以股份為基礎之付款(續)

於歸屬期內，將檢討預期歸屬之購股權數目。對過往年度確認的累計公平值所作之任何調整將於檢討年度列支／計入損益內，相應之調整會於購股權儲備反映，惟初始僱員開支合資格於資產中確認除外。在歸屬日，確認為支出之數額將作出調整，以反映歸屬的實際購股權數目(相應之調整將於購股權儲備反映)，惟只有因本公司之股份市價致使歸屬情況未能達到而引致之廢除外。權益金額於購股權儲備內確認，直至購股權被行使(在此情況下將轉至股份溢價賬)或購股權屆滿(在此情況下將直接撥回保留溢利內)。

iii) 辭退福利

辭退福利於本集團不可再收回所提供之福利時或本集團確認重組成本(涉及支付解僱福利)時(以較早者為準)確認。

r) 撥備及或然負債

若將須以經濟利益流出以結算本集團或本公司由於過往事項而產生之法定或推定責任之時間或金額不明確之責任，而相關流出可作出可靠估計時，將就該責任確認撥備。若金錢時間值屬重大，撥備須按預期結算責任之支出之現值入賬。

若流出經濟利益之可能性微乎其微，或相關數額未能作出可靠估計時，該責任將披露為或然負債，惟流出經濟利益之可能性極低者除外。僅由於一項或多項未來事項之發生或不發生而確認是否存在之可能責任亦須披露為或然負債，惟流出經濟利益之可能性極低者除外。

Notes to the Financial Statements

財務報表附註



For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

s) Related parties

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

2. 主要會計政策(續)

s) 關連人士

- a) 倘屬以下人士，即該人士或該人士關係密切的家庭成員與本集團有關連：
- i) 控制或共同控制本集團；
 - ii) 對本集團有重大影響；或
 - iii) 為本集團或本集團母公司的主要管理層成員。
- b) 倘符合下列任何條件，即該實體與本集團有關連：
- i) 該實體及本集團為同一集團的成員公司(即各母公司、附屬公司及同系附屬公司為互相關連)。
 - ii) 一間實體為另一實體的聯營公司或合營企業(或另一實體為成員公司之集團旗下成員公司之聯營公司或合營企業)。
 - iii) 兩間實體均為同一第三方的合營企業。
 - iv) 一間實體為第三方實體的合營企業，而另一實體為該第三方實體的聯營公司。
 - v) 該實體為本集團或與本集團有關連之實體就僱員利益設立的離職福利計劃。
 - vi) 該實體受附註(a)所指的人士控制或共同控制。
 - vii) 於附註(a)(i)所指的人士對該實體有重大影響或屬該實體(或該實體的母公司)主要管理層成員。



Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

s) Related parties (Continued)

b) (Continued)

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

t) Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's chief executive officer, being the chief operating decision maker, for the purpose of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

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

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied the following new and revised HKFRSs issued by the HKICPA.

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011)	Investment Entities
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting
HK(IFRIC) – Int 21	Levies

2. 主要會計政策 (續)

s) 關連人士 (續)

b) (續)

一名人士之近親為預期在與有關實體交易時可影響該人士或受該人士影響之家庭成員。

t) 分部報告

綜合財務報表所報告之經營分部及各分部項目之款項乃定期向本集團行政總裁(首席營運決策人)提供之財務資料中確認,以分配資源予本集團不同業務及地區以及評估該等業務及地區之表現。

就財務報告而言,個別重大經營分部不會合併,惟分部間有類似經濟特點及在產品及服務性質、生產過程的性質、客戶種類或類別、用作分銷產品的方法以及監管環境性質方面相類似則除外。個別非重大之經營分部倘符合大部分上述準則,可予合併處理。

3. 應用新訂及經修訂香港財務報告準則

於本年度,本集團已應用香港會計師公會頒佈的下列新訂及經修訂香港財務報告準則。

香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第27號之修訂(二零一一年)	投資實體
香港會計準則第32號之修訂	抵銷金融資產及金融負債
香港會計準則第36號之修訂	非金融資產可收回金額披露
香港會計準則第39號之修訂	衍生工具之更替及對沖會計之延續
香港(國際財務報告詮釋委員會) – 詮釋第21號	徵費

Notes to the Financial Statements

財務報表附註



For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the new or amended HKFRSs are discussed below:

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011) Investment Entities

The amendments provide consolidation relief to those parents which qualify to be an investment entity as defined in the amended HKFRS 10. Investment entities are required to measure their subsidiaries at fair value through profit or loss. These amendments do not have an impact on these financial statements as the Company does not qualify to be an investment entity.

Amendments to HKAS 32 Offsetting Financial Assets and Financial Liabilities

The amendments to HKAS 32 clarify the offsetting criteria in HKAS 32. The amendments do not have an impact on these financial statements as they are consistent with the policies already adopted by the Group.

Amendments to HKAS 36 Recoverable Amount Disclosures for Non-Financial Assets

The amendments to HKAS 36 modify the disclosure requirements for impaired non-financial assets. Among them, the amendments expand the disclosures required for an impaired asset or cash generating unit ("CGU") whose recoverable amount is based on fair value less costs of disposal. The Group early adopted the amendments in the annual financial statements for the year ended 31 December 2013.

Amendments to HKAS 39 Novation of Derivatives and Continuation of Hedge Accounting

The amendments to HKAS 39 provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. As the Group does not have any derivatives that are subject to novation, the application of these amendments has had no impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

HK(IFRIC) – Int 21 Levies

The Interpretation provides guidance on when a liability to pay a levy imposed by a government should be recognised. The amendments do not have an impact on these financial statements as the guidance is consistent with the Group's existing accounting policies.

3. 應用新訂及經修訂香港財務報告準則(續)

本集團未應用於本會計期間尚未生效的任何新訂準則或詮釋。採納新訂或經修訂香港財務報告準則的影響論述如下：

香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第27號之修訂(二零一一年)投資實體

該等修訂就符合經修訂香港財務報告準則第10號項下投資實體定義的母公司放寬綜合賬項的規定。投資實體對附屬公司的計量須按公平值計入損益。由於本公司並不符合投資實體的資格，故該等修訂對本財務報表並無影響。

香港會計準則第32號之修訂抵銷金融資產及金融負債

香港會計準則第32號之修訂釐清香港會計準則第32號的抵銷標準。由於該等修訂與本集團已採用的政策一致，故其對本財務報表並無影響。

香港會計準則第36號之修訂非金融資產可收回金額披露

香港會計準則第36號之修訂更改減值非金融資產的披露規定。其中，該等修訂擴大對根據公平值減出售成本計算可收回金額的減值資產或現金產出單位(「現金產出單位」)的披露規定。本集團於截至二零一三年十二月三十一日止年度之年度財務報表內提早應用該等修訂。

香港會計準則第39號之修訂衍生工具之更替及對沖會計之延續

當一項指定為對沖工具的衍生工具的更新達到若干標準時，香港會計準則第39號之修訂為非持續性對沖會計提供緩衝。由於本集團並無任何衍生工具須作更替，故應用該等修訂對各披露事項或本集團的綜合財務報表內所確認金額並無影響。

香港(國際財務報告詮釋委員會) – 詮釋第21號徵費

該詮釋就支付政府徵費的負債的確認作出指引。由於指引與本集團現有的會計政策一致，故該等修訂對本集團的中期財務報表並無影響。



Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度

4. ACCOUNTING JUDGEMENTS AND ESTIMATES

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

In the process of applying the Group's accounting policies, management has made the following accounting judgements:

i) Useful lives of intangible assets

The Group determines the estimated useful lives and related amortisation charges for its intangible assets. Intangible assets with finite lives are amortised over the useful economic lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

ii) Useful lives of property, plant and equipment

The Group's management determines the estimated useful lives, and related depreciation charges for its property, plant and equipment. The estimates are based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. Management will increase the depreciation charges where useful lives are less than previously estimated lives. It will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold. Actual economic lives may differ from estimated useful lives. Periodic review could result in a change in depreciable lives and therefore affect the depreciation charges in future periods.

During the year ended 31 December 2013, the Group performed a review to reassess the useful lives and residual values of property, plant and equipment not fully depreciated in one of the factories in Jianyang City, Fujian Province, the PRC, based on the expectation of the Group's operational management and the future economic benefits embodied in these assets. The reassessment has resulted in changes in the estimated useful lives and residual values of these assets. The Group considered this to be a change in accounting estimates and therefore accounted for the changes prospectively from 1 January 2013. Such change in accounting estimates has resulted in change in profit before income tax expense of the Group in 2013 and future years (see note 16).

4. 會計判斷及估計

a) 應用本集團會計政策的重大會計判斷

於應用本集團會計政策時，管理層作出下列會計判斷：

i) 無形資產的可使用年期

本集團釐定其無形資產的估計可使用年期及相關攤銷支出。有限年期的無形資產按其可使用經濟年期予以攤銷，並於無形資產出現減值跡象時評估減值。有限年期無形資產的攤銷期及攤銷方法至少須於每個報告期末進行評估。

ii) 物業、廠房及設備之可使用年期

本集團的管理層為其物業、廠房及設備釐定估計可使用年期及有關折舊支出。此估計以相似性質及功能之物業、廠房及設備之實際可使用年期之過往經驗為基準。倘可使用年期少於先前估計水平，管理層將提高折舊支出。其將沖銷或減記亦棄用或售出的技術上已屬陳舊或並非策略性質的資產。實際經濟年限可能不同於估計可使用年期。定期審查可能引致可折舊年期變動，從而影響未來期間的折舊支出。

於截至二零一三年十二月三十一日止年度，本集團根據本集團經營管理層的預期及嵌入該等資產的日後經濟利益，對中國福建省建陽市的一間工廠未完全折舊的物業、廠房及設備進行審閱以重估其可使用年期及剩餘價值。重估已導致該等資產的估計可使用年期及剩餘價值的變動。本集團認為其將為會計估計變動及因此其被視為自二零一三年一月一日起的前瞻性變動。會計估計的該變動已導致本集團於二零一三年及未來年度除所得稅開支前溢利的變動（見附註16）。

Notes to the Financial Statements

財務報表附註



For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度

4. ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

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

iii) Income taxes

The Group is mainly subject to income taxes in Hong Kong and the PRC. Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

Deferred income tax assets relating to certain temporary differences and tax losses are recognised when management considers it is likely that future taxable profits will be available against which the temporary differences or tax losses can be utilised. When the expectations are different from the original estimates, such differences will impact the recognition of deferred income tax assets and income tax charges in the period in which such estimates have been changed.

b) Key sources of estimation uncertainty

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

i) Impairment of intangible assets

The policy for impairment of intangible assets of the Group is based on an evaluation of their recoverable amount with reference to expected future cash flows based on management's estimation. A considerable amount of judgement is required in estimating the expected future cash flows from the Group's pharmaceutical products under development. If the recoverable amounts are less or more than expected than the carrying amounts of the intangible assets, or changes in facts and circumstances which may result in revisions of the estimated future cash flows, impairment or reversal of impairment loss may be required.

The carrying amount of intangible assets as at 31 December 2014 was Nil (2013: Nil) (see note 18).

4. 會計判斷及估計(續)

a) 應用本集團會計政策的重大會計判斷(續)

iii) 所得稅

本集團主要須繳納香港及中國所得稅。釐定所得稅撥備時須作出重大判斷。日常業務中有多項交易和計算未能確定最終稅項。本集團根據會否應繳額外稅項的估計，就預期稅項審核事宜確認負債。倘有關的最終稅項與結果與最初入賬的金額不同，則差額會影響釐定稅項期間的所得稅及遞延稅項撥備。

倘管理層認為很可能有未來應課稅利潤抵銷暫時差額或稅項虧損，則會確認有關若干暫時差額及稅項虧損的遞延稅項資產。倘預期與原先估計不同，則差額會影響估計更改期間的遞延稅項資產及所得稅費用確認。

b) 估計不確定性的主要來源

以下是於報告期間結束時有關未來的主要假設及估計不明朗因素的其他主要來源，有關假設及來源具有導致資產及負債的賬面值於下一財政年度內作出大幅調整的重大風險。

i) 無形資產減值

本集團的無形資產減值的政策的基礎，是按管理層的估計並參照日後現金流量後對有關資產可收回金額的評估。在估計本集團現正開發的藥品的預期未來現金流量時，須作出重大的判斷。倘可收回金額少於或多於無形資產的賬面金額或倘事實或情況變化導致更改估計未來現金流量，則須作出減值或撥回減值虧損。

於二零一四年十二月三十一日，無形資產的賬面值為零(二零一三年：無)(附註18)。



Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度

4. ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

b) Key sources of estimation uncertainty (Continued)

ii) *Impairment of property, plant and equipment and land use rights*

Property, plant and equipment and land use rights are reviewed for impairment whenever events or change in circumstances indicate that the carrying amounts may not be recoverable. The recoverable amounts have been determined based on the higher of value-in-use calculations or fair value less costs of disposal calculations. The calculations require the use of judgements and estimates.

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

During the year, impairment loss on property, plant and equipment and land use rights recognised in profit or loss amounted to approximately RMB44,775,000 (2013: RMB10,419,000) and RMB3,225,000 (2013: HK\$Nil) respectively.

The carrying amounts of property, plant and equipment and land use rights as at 31 December 2014 were RMB812,666,000 (2013: RMB849,540,000) (see note 16) and RMB59,041,000 (2013: RMB63,696,000) (see note 17) respectively.

4. 會計判斷及估計(續)

b) 估計不確定性的主要來源(續)

ii) *物業、廠房及設備以及土地使用權減值*

一旦事件或情況變化表明或不能收回賬面值，則會對物業、廠房及設備進行減值審查。可收回金額已根據使用價值計算結果或公平值減出售費用計算結果當中之較高者釐定。該等計算方法須應用判斷及估計。

管理層須就資產減值方面作出判斷，特別須評估：(i) 是否經已發生可能顯示有關資產價值可能無法收回之事件；(ii) 資產賬面值是否可獲可收回金額(即公允價值減出售成本與根據持續使用業務資產而估計之未來現金流之淨現值之較高者)支持；及(iii) 將用於編製現金流預測之適當主要假設，包括此等現金流預測是否以適當利率貼現。管理層於評估減值時選定假設(包括現金流預測之貼現率或增長率假設)之變動，可對減值測試所用之淨現值構成影響，從而影響本集團的財務狀況及經營業績。

年內，於損益內確認的物業、廠房及設備及土地使用權減值虧損分別約為人民幣44,775,000元(二零一三年：人民幣10,419,000元)及人民幣3,225,000元(二零一三年：零港元)。

於二零一四年十二月三十一日，物業、廠房及設備及土地使用權的賬面值分別為人民幣812,666,000元(二零一三年：人民幣849,540,000元)(見附註16)及人民幣59,041,000元(二零一三年：人民幣63,696,000元)(見附註17)。

Notes to the Financial Statements

財務報表附註



For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度

4. ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

b) Key sources of estimation uncertainty (Continued)

iii) Impairment of trade and other receivables

The Group estimates the impairment allowances for trade and other receivables by assessing the recoverability based on credit history and prevailing market conditions. This requires the use of estimates and judgments. Allowances are applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible. Where the expectation is different from the original estimate, such difference will affect the carrying amounts of trade and other receivables and thus the impairment loss in the period in which such estimate is changed. The Group reassesses the impairment allowances at the end of each reporting period.

The carrying amount of trade receivables as at 31 December 2014 was RMB138,103,000 (2013: RMB103,436,000) (see note 21).

iv) Estimated net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sales. The Group writes down slow-moving or obsolete inventories based on an assessment of the net realisable value of the inventories. Write-down of inventories will be made where events or changes in circumstances indicate that the net realisable value is less than cost. The determination of net realisable value requires the use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying amount of the inventories and the amount of inventory written down in the period in which such estimate has been changed.

The carrying amount of inventories as at 31 December 2014 was RMB29,195,000 (2013: RMB31,435,000) (see note 20).

4. 會計判斷及估計(續)

b) 估計不確定性的主要來源(續)

iii) 貿易應收款項及其他應收款項減值

經根據信貸記錄及現行市況對可收回性進行評估，本集團就貿易應收款項及其他應收款項估計減值撥備。就此須應用估計及判斷。倘事件或情況變化表明不可收取結餘款額，則就貿易應收款項及其他應收款項應用撥備。倘預期情況與原先估計存在差異，相關差異將影響貿易應收款項及其他應收款項的賬面值，並進而影響相關估計出現變動期間的減值虧損。本集團於各報告期末重現對減值撥備進行評估。

貿易應收款項於二零一四年十二月三十一日之賬面值為人民幣138,103,000元(二零一三年：人民幣103,436,000元)(見附註21)。

iv) 存貨之估計可變現淨值

存貨之可變現淨值乃其於日常業務過程中之估計售價，扣除估計完成之成本及進行銷售的必要開支。本集團根據對存貨可變現淨值之評估結果撇減滯銷或陳舊存貨。倘事件或情況變化顯示存貨之可變現淨值低於成本值，則將撇銷存貨。釐定可變現淨值需要運用判斷及估計。倘預期與原先估計有別，則該差額將對該估計出現變化之期間之存貨賬面值及撇減存貨金額構成影響。

於二零一四年十二月三十一日，存貨的賬面值為人民幣29,195,000元(二零一三年：人民幣31,435,000元)(附註20)。



Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度

4. ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

b) Key sources of estimation uncertainty (Continued)

v) *Recoverability of deferred tax assets*

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. In assessing the amount of deferred income tax assets that need to be recognised, the Group considers future taxable income and ongoing prudent and feasible tax planning strategies. In the event that the Group's estimates of projected future taxable income and benefits from available tax strategies are changed, adjustments to the recorded amount of net deferred income tax assets and income tax expense would be made.

vi) *Withholding tax on the distributable profits of the Group's PRC subsidiaries*

Pursuant to the PRC Enterprise Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in the PRC. The requirement became effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between the PRC and the jurisdiction of the foreign investors.

The Group has made provision for withholding tax on dividends expected to be remitted from group entities incorporated in the PRC based on the Group's general dividend policy for the net profits generated by the Group's PRC subsidiaries after 1 January 2008. The Group provided withholding tax for such undistributed profits as deferred tax liabilities. The directors of the Company will regularly review the dividend distribution policy of its subsidiaries from time to time.

4. 會計判斷及估計(續)

b) 估計不確定性的主要來源(續)

v) *遞延稅項資產之可收回性*

僅在可能有未來應課稅溢利用於抵銷暫時性差額的情況下方會確認相關的遞延所得稅資產。於評估須確認的遞延所得稅資產金額時，本集團會考慮未來應課稅收入及持續審慎可行的稅務規劃策略。倘本集團對預計未來應課稅收入的估計及由可施行稅務策略獲得的裨益出現變動，則會對遞延所得稅資產及所得稅負債淨額的記錄金額作出調整。

vi) *本集團中國附屬公司的可分派盈利預扣稅*

根據中國企業所得稅法，在中國成立的外商投資企業向境外投資者宣派股息須徵收10%的預扣稅。該項規定自二零零八年一月一日起生效，適用於二零零七年十二月三十一日之後的盈利。倘中國與境外投資者所在司法權區訂有稅收協定，則可能應用更低的預扣稅率。

本集團已根據本集團有關於二零零八年一月一日後本集團中國附屬公司所產生純利的一般股息政策就預計從在中國註冊成立的集團實體匯出的股息，計提預扣稅撥備。本集團就上述未分配盈利預扣稅計提遞延稅項負債。本公司董事會不時檢討其附屬公司的股息分派政策。

Notes to the Financial Statements

財務報表附註



For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度

5. FINANCIAL INSTRUMENTS

5. 金融工具

a) Categories of financial instruments

a) 金融工具類別

		The Group		The Company	
		2014	2013	2014	2013
		二零一四年	二零一三年	二零一四年	二零一三年
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Financial assets	金融資產				
Trade and other receivables	貿易應收款項及其他應收款項	138,103	103,436	742,575	727,062
Cash and cash equivalents	現金及現金等價物	480,461	512,419	108	1,051
Loans and receivables	貸款及應收款項	618,564	615,855	742,683	728,113
Financial liabilities measured at amortised cost	按攤銷成本計算之金融負債				
Trade and other payables	貿易應付款項及其他應付款項	86,029	79,612	5	10
Secured bank loan	有抵押銀行貸款	15,000	15,000	-	-
		101,029	94,612	5	10

b) Financial risk management and fair values of financial instruments

The Group and the Company have exposure to the currency risk, interest rate risk, credit risk and liquidity risk arising from financial instruments. The policies on how to mitigate these risks are set out below. The directors manage and monitor these risks to ensure appropriate measures are implemented on a timely and effective manner.

There has been no change to the Group's exposure to those kinds of risks or the manner in which it manages and measures these risks.

i) Currency risk

The Group currently does not have a foreign currency hedging policy but the directors monitor its foreign exchange exposures and will consider hedging significant foreign currency exposures should the need arises.

b) 財務風險管理及金融工具公平值

本集團及本公司因金融工具而面臨貨幣風險、利率風險、信貸風險及流動資金風險。沖銷該等風險的政策載於下文。董事管理及監管該等風險，以確保適時及有效地推行適當措施。

本集團面臨的該等風險或管理及計量該等風險的方式並無改變。

i) 貨幣風險

本集團現時並無外匯對沖政策，但董事監控其外匯風險，並於需要時考慮對沖重大外匯風險。



Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度

5. FINANCIAL INSTRUMENTS (Continued)

b) Financial risk management and fair values of financial instruments (Continued)

i) Currency risk (Continued)

A) Exposure to currency risk

The following table details the Group's and the Company's exposure at the end of the reporting period to currency risks arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. The currencies giving rise to these risks are primarily United States Dollars ("USD") and Hong Kong Dollars ("HKD"). For presentation purposes, the amounts of the exposure are shown in RMB, translated using the spot rates at the end of the reporting period.

5. 金融工具(續)

b) 財務風險管理及金融工具公平值(續)

i) 貨幣風險(續)

A) 貨幣風險

下表詳列於報告期末本集團及本公司以實體功能貨幣之外之其他貨幣列值之已確認資產或負債產生之貨幣風險。產生該類風險的貨幣主要為美元(「美元」)及港元(「港元」)。就呈報而言，風險金額以人民幣呈列，並以報告期末的即期匯率換算。

Exposure to foreign currency (expressed in RMB)

外幣風險(以人民幣列值)

	The Group						The Company	
	本集團				本公司			
	2014		2013		2014	2013		
	二零一四年		二零一三年		二零一四年	二零一三年		
	USD'000	HKD'000	USD'000	HKD'000	HKD'000	HKD'000		
	千美元	千港元	千美元	千港元	千港元	千港元		
Cash and cash equivalents	現金及現金等價物	6	484	6	2,876	107	1,050	
Other payables	其他應付款項	-	(734)	-	(867)	(5)	(10)	
Net exposure arising from recognised assets and liabilities	已確認資產及負債產生的風險淨額	6	(250)	6	2,009	102	1,040	

Notes to the Financial Statements

財務報表附註



For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度

5. FINANCIAL INSTRUMENTS (Continued)

b) Financial risk management and fair values of financial instruments (Continued)

i) Currency risk (Continued)

B) Sensitivity analysis

No sensitivity analysis is presented in the Group or by the Company as the exposure is considered insignificant due to insignificant amounts involved.

ii) Interest rate risk

The Group is exposed to cash flow interest rate risks in relation to variable-rate bank balances and fair value interest rate risk in relation to fixed-rate bank borrowings (note 24). The Group currently does not use any derivative contracts to hedge its exposure to interest rate risks. However, the management of the Company will consider hedging significant interest rate exposures should the need arises.

5. 金融工具(續)

b) 財務風險管理及金融工具公平值(續)

i) 貨幣風險(續)

B) 敏感度分析

由於相關風險因所涉及金額並不重大而被認為並非重大風險，本集團及本公司概無呈列任何敏感度分析。

ii) 利率風險

本集團面臨有關浮息銀行結餘的現金流量利率風險及有關定息銀行借貸的公平值利率風險(附註24)。本集團目前沒有使用任何衍生合約對沖利率風險。然而，若有需要，本公司管理層將考慮對重大利率風險安排對沖。



Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度

5. FINANCIAL INSTRUMENTS (Continued)

b) Financial risk management and fair values of financial instruments (Continued)

ii) Interest rate risk (Continued)

i) Interest rate profile

The following details the interest rate profile of the Group's bank deposits and borrowing at the end of the reporting period:

		2014 二零一四年		2013 二零一三年	
		Range of interest rates 利率範圍		Range of Interest rates 利率範圍	
		%	RMB'000 人民幣千元	%	RMB'000 人民幣千元
Variable rate bank deposits:	浮息銀行存款：				
Cash at bank	銀行現金	0.01%-0.35%	480,114	0.01%-0.35%	510,603
Fixed rate borrowings:	定息存款：				
Secured bank loan	有抵押銀行貸款	6.9	15,000	6.6	15,000

ii) Sensitivity analysis

The sensitivity analysis below have been determined assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to the exposure to interest rate risk for non-derivative financial instruments in existence at that date.

At 31 December 2014, it is estimated that a general increase of 100 basis points in interest rates, with all other variables held constant, would have decreased the Group's loss after tax and increased the retained profits by approximately RMB3,601,000 (2013: RMB3,832,000). For a general decrease of 100 basis points in interest rates, with all other variables held constant, there would be an equal and opposite impact on the loss after tax and the retained profits.

5. 金融工具(續)

b) 財務風險管理及金融工具公平值(續)

ii) 利率風險(續)

i) 利率詳情

以下為於報告期末本集團的銀行存款及借貸的利率詳情：

ii) 敏感度分析

以下敏感度分析乃假設利率於報告期末發生變動而釐定，並已應用於在該日仍存續的非衍生金融工具所面臨的利率風險。

於二零一四年十二月三十一日，倘利率普遍調升100個基點且所有其他因素維持不變，本集團的除稅後虧損減少及保留溢利增加約人民幣3,601,000元(二零一三年：人民幣3,832,000元)。倘利率普遍減少100個基點且所有其他因素維持不變，則會對除稅後虧損及保留溢利產生相等但相反的影響。

Notes to the Financial Statements

財務報表附註



For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度

5. FINANCIAL INSTRUMENTS (Continued)

b) Financial risk management and fair values of financial instruments (Continued)

ii) Interest rate risk (Continued)

ii) Sensitivity analysis (Continued)

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to the exposure to interest rate risk for the amount of variable-rate bank balances in existence at that date. The 100 basis points increase/decrease represents management's assessment of a reasonably possible change in interest rates over the period until the end of the next reporting period. The analysis is performed on the same basis for 2013.

The interest rate exposure to variable-rate bank balances of the Company is considered to be insignificant by the management.

5. 金融工具(續)

b) 財務風險管理及金融工具公平值(續)

ii) 利率風險(續)

ii) 敏感度分析(續)

上述敏感度分析乃假定利率變動於報告期末已發生及已應用於該日存續浮動利率銀行結餘的利率風險。100個基點的上升/減少相當於管理層對直至下一個年度報告期末期間利率的合理可能變動的估計。二零一三年之分析亦按同一基準進行。

管理層認為本公司之浮動利率銀行結餘的利率風險並不重大。



Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度

5. FINANCIAL INSTRUMENTS (Continued)

b) Financial risk management and fair values of financial instruments (Continued)

iii) Credit risk

- a) At 31 December 2014, the Group's and the Company's maximum exposure to credit risk, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties, arises from the carrying amounts of trade and other receivables and cash and cash equivalents as carried in the consolidated statement of financial position. In order to minimise credit risks, the management has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, management reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors consider that the Group's credit risk is significantly reduced. Normally, the Group does not obtain collateral from its customers.

5. 金融工具(續)

b) 財務風險管理及金融工具公平值(續)

iii) 信貸風險

- a) 於二零一四年十二月三十一日，本集團及本公司因其交易對手未能履行承諾導致本集團財務虧損而面對之最大信貸風險為於綜合財務狀況表列報之貿易應收款項及其他應收款項以及現金及現金等價物之賬面值。為了最大限度地降低信貸風險，管理層已委派一組人員負責制訂信貸限額、信貸審批及其他監控程序，以確保採取跟進措施收回逾期債項。此外，於各報告期末，管理層評估每項個別貿易債項之可收回金額，以確保就不可收回金額作出充分之減值虧損。就此而言，董事認為本集團之信貸風險已大幅降低。通常，本集團並無自其客戶獲得抵押品。

Notes to the Financial Statements

財務報表附註



For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度

5. FINANCIAL INSTRUMENTS (Continued)

b) Financial risk management and fair values of financial instruments (Continued)

iii) Credit risk (Continued)

- b) In respect of bank balances, the Group has concentration of credit risk as 99% (2013: 98%) of the balances are placed in one financial institution located in the PRC. The Group controls its credit risk on bank balances through regularly review of their credit ratings.
- c) In respect of trade receivables, the Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Group had no significant concentrations of credit risk at the end of the reporting period.
- d) The Company's credit risk is primarily attributable to the amount due from a subsidiary. The Company reviews the recoverable amount of individual debts at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amount.

5. 金融工具(續)

b) 財務風險管理及金融工具公平值(續)

iii) 信貸風險(續)

- b) 就銀行結餘而言，由於99%(二零一三年：98%)之結餘乃存於中國境內一間金融機構，本集團存在信貸集中風險。透過定期審議相關信貸評級，本集團控制其銀行結存的信貸風險。
- c) 就貿易應收款項而言，本集團所面臨之信貸風險主要受各客戶之個別特色所影響。本集團並無重大信貸集中風險。
- d) 本公司的信貸風險主要來自應收一間附屬公司款項。本公司評估個別債項於報告期末之可收回金額，以確保就不可收回金額作出充分之減值虧損。



Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度

5. FINANCIAL INSTRUMENTS (Continued)

b) Financial risk management and fair values of financial instruments (Continued)

iv) *Liquidity risk*

To manage liquidity risk, the Group monitors and maintains a level of cash and cash equivalents considered adequate by the directors to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The Group held cash and cash equivalents amounting to approximately RMB480,461,000 at 31 December 2014 (2013: RMB512,419,000).

The following tables detail the Group's and the Company's remaining contractual maturities at the end of the reporting period for their financial liabilities. The tables have been drawn up based on contractual undiscounted cash flows of financial liabilities and based on the earliest date on which the Group and the Company can be required to pay. The tables include both interest and principal cash flows.

5. 金融工具(續)

b) 財務風險管理及金融工具公平值(續)

iv) *流動資金風險*

在管理流動資金風險時，本集團監控及保持董事認為足夠的現金及現金等價物數額，以為本集團的業務營運提供資金並減輕現金流量波動的影響。於二零一四年十二月三十一日，本集團持有之現金及現金等價物約為人民幣480,461,000元(二零一三年：人民幣512,419,000元)。

下表載列本集團及本公司之金融負債於報告期末之餘下合約年期。該表乃根據本集團及本公司於可被要求償還金融負債的最早日期的金融負債按合約未折現現金流量編製。該表包括利息及本金現金流量。

Notes to the Financial Statements

財務報表附註



For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度

5. FINANCIAL INSTRUMENTS (Continued)

b) Financial risk management and fair values of financial instruments (Continued)

iv) Liquidity risk (Continued)

The Group

		Weighted average effective interest rate 加權平均實際利率 %	Less than 6 months 6個月以下 RMB'000 人民幣千元	6-12 months 6至12個月 RMB'000 人民幣千元	1-5 years 1至5年 RMB'000 人民幣千元	Total undiscounted cash flows 未折算現金流量總額 RMB'000 人民幣千元	Carrying amount at the end of the reporting period 於報告期末的賬面值 RMB'000 人民幣千元
2014	二零一四年						
Trade payables	貿易應付款項	Nil 無	62,055	-	-	62,055	62,055
Other payables	其他應付款項	Nil 無	22,224	1,750	-	23,974	23,974
Secured bank loan	有抵押銀行貸款	6.9%	518	15,518	-	16,036	15,000
			84,797	17,268	-	102,065	101,029
2013	二零一三年						
Trade payables	貿易應付款項	Nil 無	47,759	-	-	47,759	47,759
Other payables	其他應付款項	Nil 無	29,323	2,530	-	31,853	31,853
Secured bank loan	有抵押銀行貸款	6.6%	495	15,330	-	15,825	15,000
			77,577	17,860	-	95,437	94,612

5. 金融工具 (續)

b) 財務風險管理及金融工具公平值 (續)

iv) 流動資金風險 (續)

本集團



Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度

5. FINANCIAL INSTRUMENTS (Continued)

b) Financial risk management and fair values of financial instruments (Continued)

iv) Liquidity risk (Continued)

The Company

		Weighted average effective interest rate	Less than 6 months	6-12 months	1-5 years	Total undiscounted cash flows	Carrying amount at the end of the reporting period
		加權平均實際利率	6個月以下	6至12個月	1至5年	未折算現金流量總額	於報告期末的賬面值
		%	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		%	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
2014	二零一四年						
Other payables	其他應付款項	Nil 無	5	-	-	5	5
2013	二零一三年						
Other payables	其他應付款項	Nil 無	10	-	-	10	10

c) Fair value of financial instruments

The directors of the Company consider the carrying amounts of the Group's and the Company's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31 December 2014 and 2013 respectively.

6. SEGMENT INFORMATION

The Group determines its operating segments based on the internal reports reviewed by the Group's chief executive officer, being the chief operating decision maker, that are used to make strategic decisions.

The Group manages its businesses by business lines. The Group has only one reportable operating segment which is the development, manufacturing, marketing and sales of pharmaceutical products. Therefore, there is no presentation of operating segment information. In addition, as the Group's revenue from external customers and the majority of the non-current assets of the Group are located in the PRC for both years, no geographical information is presented.

During 2014 and 2013, no revenue from transactions with a single external customer amounted to 10% or more of the Group's total revenue.

5. 金融工具(續)

b) 財務風險管理及金融工具公平值(續)

iv) 流動資金風險(續)

本公司

c) 金融工具之公平值

本公司董事認為，本集團及本公司金融工具的賬面值按成本或攤銷成本列賬，與於二零一四年及二零一三年十二月三十一日之公平值並無重大差額。

6. 分類資料

本集團根據集團行政總裁(首席營運決策人)用作決策所審閱的內部報告釐定其業務分類。

本集團按業務劃分管理其業務。本集團僅有一個須申報經營分類，即關於進行醫藥產品開發、製造、市場推廣及銷售，故並無呈列任何經營分類資料。此外，由於本集團於兩個年度來自外界客戶之收益及大部份非流動資產位於中國，故並無呈列任何地區資料。

於二零一四年及二零一三年，概無與單一外部客戶進行之交易收益佔本集團總收益10%或以上。

Notes to the Financial Statements

財務報表附註



For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度

7. TURNOVER

The principal activities of the Group are the development, manufacturing, marketing and sales of pharmaceutical products.

Turnover represents the invoiced value of goods sold by the Group to external customers after deducting goods returned, trade discounts and sales tax.

Sales of pharmaceutical products 銷售藥品

7. 營業額

本集團的主要業務為藥品開發、製造、市場推廣及銷售。

營業額指經由本集團銷售予對外客戶扣除退貨、貿易折扣及營業稅後貨品的發票價值。

2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
549,625	532,341

8. OTHER REVENUE AND OTHER NET INCOME

Other revenue	其他收益
Bank interest income	銀行利息收入
Total interest income on financial assets not at fair value through profit or loss	並非按公平值列入損益賬之金融資產的利息收入總額
Other net income	其他淨收入
Exchange gain, net	匯兌收益淨額

8. 其他收益及其他淨收入

2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
1,825	2,094
1,825	2,094
21	-
1,846	2,094



Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度

9. (LOSS)/PROFIT BEFORE TAX

(Loss)/profit before tax is arrived at after charging the following:

(a) Finance costs	融資成本	
Interest on bank borrowing wholly repayable within five years	須於五年內悉數償還的銀行借貸利息	
(b) Staff costs	員工成本	
Directors' and chief executive officer's emoluments (note 10)	董事及行政總裁薪酬	
Other staff costs	其他員工成本	
– Contributions to defined contribution retirement benefits scheme	– 定額供款退休福利計劃供款	
– Salaries, wages and other benefits	– 薪金、工資及其他福利	
Total staff costs **	員工總成本 **	
(c) Other items	其他項目	
Depreciation of property, plant and equipment** (note 16)	物業、廠房及設備折舊** (附註16)	
Amortisation of land use rights (note 17)	土地使用權攤銷 (附註17)	
Auditor's remuneration	核數師酬金	
Net exchange loss included in administrative and other expenses	計入行政及其他費用的淨匯兌虧損	
Impairment loss on property, plant and equipment (note 16)	物業、廠房及設備減值虧損 (附註16)	
Impairment loss on land use rights (note 17)	土地使用權減值虧損 (附註17)	
Operating lease payments in respect of rented premises	就租賃物業支付的經營租約租金	
Cost of inventories # (note 20)	存貨成本 # (附註20)	
Research and development costs *	研發成本 *	

Cost of inventories includes RMB74,639,000 (2013: RMB70,476,000) relating to staff costs and depreciation which amount is also included in the respective total amounts disclosed separately above.

* Research and development costs includes RMB2,536,000 (2013: RMB3,388,000) relating to staff costs and depreciation which amount is also included in the respective total amounts disclosed separately above.

9. 除稅前(虧損)/溢利

除稅前(虧損)/溢利已扣除以下各項：

2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
978	127
3,349	3,384
4,750	4,473
42,526	42,552
50,625	50,409
65,031	61,333
1,430	1,430
640	625
–	52
44,775	10,419
3,225	–
1,168	1,194
431,601	389,917
2,652	3,469

存貨成本包括與員工成本及折舊有關的人民幣74,639,000元(二零一三年：人民幣70,476,000元)，該金額亦包括於上文單獨披露的各項費用總金額。

* 研發成本包括有關員工成本及折舊的人民幣2,536,000元(二零一三年：人民幣3,388,000元)，該金額亦包括於上文單獨披露的各項費用總金額。

Notes to the Financial Statements

財務報表附註



For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度

10. DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS

Directors' emoluments disclosed pursuant to section 78 of Schedule 11 to the new Hong Kong Companies Ordinance (Cap. 622), with reference to section 161 of the predecessor Hong Kong Companies Ordinance (Cap. 32), and the chief executive officer's emoluments are as follows:

10. 董事及行政總裁薪酬

根據新香港法例第622章香港公司條例附表11第78條(參考前香港法例第32章香港公司條例第161條)披露之董事薪酬及行政總裁薪酬載列如下:

	2014 二零一四年				2013 二零一三年			
	Fees	Salaries, allowances and other benefits	Contributions to defined retirement scheme	Total	Fees	Salaries, allowances and other benefits	Contributions to defined retirement scheme	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 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Executive directors	執行董事							
Lin Ou Wen (Chief executive officer)	930	307	53	1,290	928	321	53	1,302
Lin Qing Ping	620	307	53	980	618	321	53	992
Xu Chao Hui	185	233	41	459	185	244	41	470
Non-executive directors	非執行董事							
Tang Bin	124	-	-	124	124	-	-	124
John Yang Wang	124	-	-	124	124	-	-	124
Independent non-executive directors	獨立非執行董事							
Liu Jun	124	-	-	124	124	-	-	124
Lam Yat Cheong	124	-	-	124	124	-	-	124
Du Jian	124	-	-	124	124	-	-	124
	2,355	847	147	3,349	2,351	886	147	3,384

No emoluments were paid by the Group to any of the directors and chief executive officer as an inducement to join or upon joining the Group or as compensation for loss of office during the year. None of the directors and chief executive officer has waived any emoluments during the years ended 31 December 2014 and 2013.

於年內，本集團概無向任何董事及行政總裁支付任何酬金，作為其加入本集團或在其加入本集團時的獎勵或離職補償。於截至二零一四年及二零一三年十二月三十一日止年度，概無董事及行政總裁放棄任何酬金。



Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度

11. INDIVIDUALS WITH HIGHEST EMOLUMENTS

The five highest paid individuals of the Group for the year include:

Number of directors	董事人數
Number of other individuals	其他人士人數

The emoluments of the directors of the Company are disclosed in note 10. The aggregate of the emoluments in respect of the remaining individuals are as follows:

Salaries and other benefits	薪金及其他福利
Contributions to defined contribution retirement benefits scheme	定額供款退休福利計劃供款

The emoluments of the remaining individuals with the highest emoluments are within the following band:

Emoluments band	酬金範圍
Nil – HK\$1,000,000 (approximately equivalent to RMB800,000 (2013: RMB794,000))	零至 1,000,000 港元 (約等於人民幣 800,000 元 (二零一三年：人民幣 794,000 元))

12. LOSS ATTRIBUTABLE TO OWNERS OF THE COMPANY

The consolidated loss attributable to owners of the Company includes a profit of approximately RMB14,575,000 (2013: a loss of approximately RMB25,082,000) which has been dealt with in the financial statements of the Company (note 26(a)).

11. 最高薪人士

年內，本集團五名最高薪人士包括：

2014 二零一四年	2013 二零一三年
3	3
2	2
5	5

本公司董事之薪酬披露於附註 10。有關其餘最高薪人士之總酬金如下：

2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
1,194	1,203
54	53
1,248	1,256

其餘最高薪人士之酬金介乎下列組別：

Number of individuals 人數	
2014 二零一四年	2013 二零一三年
2	2

12. 本公司擁有人應佔虧損

本公司擁有人應佔綜合虧損包括溢利約人民幣 14,575,000 元(二零一三年：虧損約人民幣 25,082,000 元)，已於本公司財務報表內處理(附註 26(a))。

Notes to the Financial Statements

財務報表附註



For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度

13. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

13. 於綜合損益及其他全面收益表內之所得稅

		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Current tax – PRC Enterprise Income Tax (“EIT”) Provision for the year (note 25(a))	當期稅項－中國企業所得稅 （「企業所得稅」） 本年度撥備（附註25(a)）	8,205	18,246
Deferred taxation (note 25(b))	遞延稅項（附註25(b)）	(5,372)	(12,642)
		2,833	5,604
a) PRC EIT is calculated at 25% (2013: 25%) in accordance with the relevant laws and regulations in the PRC.			a) 中國企業所得稅乃根據中國相關法律及法規按25%（二零一三年：25%）計算。
b) No provision for Hong Kong profits tax have been made as the Group had no assessable profits in Hong Kong for the year ended 31 December 2014 (2013: Nil).			b) 由於本集團於截至二零一四年十二月三十一日止年度在香港並無任何應課稅溢利（二零一三年：無），故並無就香港利得稅作出任何撥備。
c) Reconciliation between tax expense and accounting (loss)/profit at applicable tax rates:			c) 按適用稅率計算的稅項開支與會計（虧損）／溢利對賬如下：
(Loss)/profit before tax	除稅前（虧損）／溢利	(41,196)	2,049
Notional tax on (loss)/profit before tax, calculated at the rates applicable in the jurisdictions concerned	按相關司法權區的適用稅率 計算除稅前（虧損）／溢利 的名義稅項	(9,917)	1,443
Tax effect of non-deductible expenses	不可扣減費用的稅務影響	3,190	3,718
Withholding tax on the distributable profits of the PRC subsidiaries (note 25(b))	中國附屬公司可供分派溢利的 預扣稅項（附註25(b)）	9,560	443
Actual tax expense	實際稅項開支	2,833	5,604



Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度

14. DIVIDENDS

The directors of the Company do not recommend the payment of a final dividend for both years ended 31 December 2014 and 2013.

15. LOSS PER SHARE

a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to owners of the Company of approximately RMB44,029,000 (2013: RMB3,555,000) and the weighted average of 1,709,772,500 ordinary shares (2013: 1,709,772,500 ordinary shares) in issue during the year.

b) Diluted loss per share

Diluted loss per share equals basic loss per share as there were no dilutive potential ordinary shares outstanding during both years ended 31 December 2014 and 2013.

14. 股息

本公司董事建議不就截至二零一四年及二零一三年十二月三十一日止兩個年度派付末期股息。

15. 每股虧損

a) 每股基本虧損

每股基本虧損乃根據年內本公司擁有人應佔虧損約人民幣44,029,000元(二零一三年：人民幣3,555,000元)以及年內已發行股份的加權平均數1,709,772,500股普通股(二零一三年：1,709,772,500股普通股)計算。

b) 每股攤薄虧損

由於截至二零一四年及二零一三年十二月三十一日止兩個年度並無任何已發行攤薄潛在普通股，故每股攤薄虧損等於每股基本虧損。

Notes to the Financial Statements

財務報表附註



For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度

16. PROPERTY, PLANT AND EQUIPMENT

16. 物業、廠房及設備

The Group

本集團

		Buildings 樓宇 RMB'000 人民幣千元	Furniture, fixtures and equipment 傢具、 固定裝置及 設備 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Plant and machinery 廠房及機器 RMB'000 人民幣千元	Construction in progress 在建工程 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Cost	成本						
At 1 January 2013	於二零一三年一月一日	66,646	44,510	7,441	255,993	530,456	905,046
Additions	添置	-	76	-	-	274,896	274,972
At 31 December 2013 and 1 January 2014	於二零一三年十二月三十一日及 二零一四年一月一日	66,646	44,586	7,441	255,993	805,352	1,180,018
Additions	添置	-	4,834	451	63,421	4,600	73,306
Transfer	轉撥	181,410	-	-	623,568	(804,978)	-
Adjustment resulted from cost variation	因成本差異而作出調整	-	-	-	-	(374)	(374)
At 31 December 2014	於二零一四年十二月三十一日	248,056	49,420	7,892	942,982	4,600	1,252,950
Accumulated depreciation and impairment	累計折舊及減值						
At 1 January 2013	於二零一三年一月一日	27,748	32,814	6,547	191,617	-	258,726
Charge for the year	年內折舊及減值	7,893	7,131	116	46,193	-	61,333
Impairment losses recognised in profit or loss	於損益確認的減值虧損	1,711	2,234	-	6,474	-	10,419
At 31 December 2013 and 1 January 2014	於二零一三年十二月三十一日及 二零一四年一月一日	37,352	42,179	6,663	244,284	-	330,478
Charge for the year	年內折舊及減值	6,470	524	263	57,774	-	65,031
Impairment losses recognised in profit or loss	於損益確認的減值虧損	6,584	293	-	37,617	281	44,775
At 31 December 2014	於二零一四年十二月三十一日	50,406	42,996	6,926	339,675	281	440,284
Carrying amounts	賬面值						
At 31 December 2014	於二零一四年十二月三十一日	197,650	6,424	966	603,307	4,319	812,666
At 31 December 2013	於二零一三年十二月三十一日	29,294	2,407	778	11,709	805,352	849,540

All of the Group's buildings are located on land held under medium-term leases in the PRC.

本集團的所有樓宇均位於在中國按中長期租約持有的土地上。

Note:

附註：

As at 31 December 2014, the application of house ownership certificates for buildings of the Group with a total carrying amount of RMB169,505,000 (2013: Nil) were still in progress.

於二零一四年十二月三十一日，本集團總面值為人民幣169,505,000元(二零一三年：無)之樓宇正在辦理房屋所有權證申請。



Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度

16. PROPERTY, PLANT AND EQUIPMENT (Continued)

Impairment

During the year ended 31 December 2014, the board of directors is aware that the increase in turnover of the Group was not as anticipated and there is an increase in market interest rates in 2014, the Group therefore performed an impairment review of the recoverable amount related to the Group's production facilities in one of the factories located in Haixi Commercial Trading Development Zone in Jianyang City, Fujian Province, the PRC. For the purposes of impairment testing, property, plant and equipment and land use rights located at the above production facilities have been allocated to one CGU.

The recoverable amount of the relevant CGU is determined on the basis of value in use calculations which is higher than its fair value less costs of disposal. Value in use calculations is based on the discount rate of approximately 10.2% and cash flow projections prepared from financial forecasts approved by the management for the next five years. The CGU cashflows beyond the 5-year period are extrapolated using a growth rate of 2%. Other key assumptions for the value in use calculation related to the estimation of cash inflows/outflows which include budgeted sales and expected gross margins during the budget period and the same material price inflation during the budget period which has been determined based on past performance and management's expectations for the market development.

In performing the impairment testing, the directors of the Company have also made reference to a valuation performed by an independent professional valuer, APAC Assets Valuation and Consulting Limited.

Based on the assumptions applied, the recoverable amount of the CGU based on value in use calculations was approximately RMB802,000,000, which is below the carrying amount of the relevant CGU. Accordingly, management of the Group has determined that impairment loss of RMB44,775,000 and RMB3,225,000 (note 17) has been recognised in property, plant and equipment and land use rights respectively.

During the year ended 31 December 2013, an impairment loss of RMB10,419,000 was recognised under property, plant and equipment in respect of the profitability of the production facilities related to certain products, which faced keen competition and pressure on the cost of sales. The recoverable amount of RMB4,572,000 has been determined on the basis of their value in use with reference to the valuation prepared by Roma Appraisals Limited an independent valuer. The discount rate used in measuring value in use was approximately 8.7%.

16. 物業、廠房及設備(續)

減值

截至二零一四年十二月三十一日止年度，董事會知悉，本集團營業額增加未如預期及二零一四年市場利率有所上升，因而本集團對有關本集團於中國福建省建陽市海西工貿開發區之其中一個工廠的生產設備的可收回金額作出減值審查。就減值測試而言，位於上述生產設備之物業、廠房及設備以及土地使用權已分配至一個現金產生單位。

相關現金產生單之可收回金額乃基於使用價值計算方式釐定，高於其公平值減出售成本之差額。使用價值乃基於折現率約為10.2%及從財務預測編製並經由管理層批准的未來五年現金流量預測計算。超過五年期之現金產生單位現金流量乃採用2%增長率推算。有關使用價值計算的其他主要假設乃與預期期內預算銷售及預期毛利率包括的現金流入/流出估計及預期期內相同物料價格通脹有關，而預算期乃根據過往表現及管理層對市場發展的預測釐定。

在進行減值測試時，本公司董事亦已參考獨立專業估值師亞太資產評估有限公司進行的估值。

根據所應用的假設，根據使用價值計算的現金產生單位之可收回金額約為人民幣802,000,000元，低於相關現金產生單位的賬面值。因此，本集團管理層已確定，減值虧損人民幣44,775,000元及人民幣3,225,000元(附註17)已分別於物業、廠房及設備以及土地使用權內確認。

截至二零一三年十二月三十一日止年度，有關若干產品生產設備盈利能力的減值虧損人民幣10,419,000元已於物業、廠房及設備內確認，有關若干產品面臨激烈競爭及銷售成本的壓力。相關的可收回金額人民幣4,572,000元已參考獨立估值師羅馬國際評估有限公司編製之估值，按其使用價值的基準釐定。使用價值計算所使用的折讓率約為8.7%。

Notes to the Financial Statements

財務報表附註



For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度

16. PROPERTY, PLANT AND EQUIPMENT (Continued)

Changes in estimates

During the year ended 31 December 2013, the Group performed a review to reassess the useful lives and residual values of property, plant and equipment not fully depreciated in one of the factories in Jianyang City, Fujian Province, the PRC, based on the expectation of the Group's operational management and the future economic benefits embodied in these assets. The reassessment has resulted in changes in the estimated useful lives and residual values of these assets. The Group considered this to be a change in accounting estimate and has therefore accounted for the changes prospectively from 1 January 2013.

The table below shows the details of estimated useful lives and net residual values of property, plant and equipment before and after 1 January 2013:

Category of property, plant and equipment 物業、廠房及設備類別	Before reassessment 重估前		As reassessed 重估時	
	Estimated useful lives (years) 估計可使用年期 (年)	Estimated residual value (%) 估計剩餘價值 (%)	Estimated useful live (years) 估計可使用年期 (年)	Estimated residual value (%) 估計剩餘價值 (%)
Buildings 樓宇	30	4	1-1.33	0
Furniture, fixtures and equipment 傢具、固定裝置及設備	5-10	4	1.33	0
Plant and machinery 廠房及機器	5-10	4	1-1.33	0

The approximate effect of the change in estimates on profit before income tax expense in 2013 and future years is as follows:

估計的變動

截至二零一三年十二月三十一日止年度，本集團根據本集團運營管理層的期望及該等資產體現的未來經濟利益進行審閱，以重估於中國福建省建陽市之一家工廠未完全折舊的物業、廠房及設備之可使用年期及剩餘價值。重估導致該等資產之估計可使用年期及剩餘價值變動。本集團認為此舉屬會計估計的一項變動，因此由二零一三年一月一日起按預期對該變動入賬。

下表載列於二零一三年一月一日前後上述物業、廠房及設備之估計可使用年期及剩餘價值淨額詳情：

估計變動對二零一三年及未來年度除所得稅開支前溢利的大概影響如下：

	2013 二零一三年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元	Later 較後年度 RMB'000 人民幣千元
(Decrease)/increase in profit before income tax expense 除所得稅開支前溢利(減少)/增加	(48,833)	(8,084)	8,068	8,042	7,440	7,111	20,505



Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度

17. LAND USE RIGHTS

17. 土地使用權

The Group

本集團

		RMB'000 人民幣千元
Cost	成本	
At 1 January 2013, 31 December 2013, 1 January 2014 and 31 December 2014	於二零一三年一月一日、二零一三年 十二月三十一日、二零一四年一月一日 及二零一四年十二月三十一日	70,635
Accumulated amortisation and impairment	累計攤銷及減值	
At 1 January 2013	於二零一三年一月一日	5,509
Amortisation for the year	年內攤銷	1,430
At 31 December 2013 and 1 January 2014	於二零一三年十二月三十一日及 二零一四年一月一日	6,939
Amortisation for the year	年內攤銷	1,430
Impairment loss recognised in profit or loss (note 16)	於損益內確認的減值虧損(附註 16)	3,225
At 31 December 2014	於二零一四年十二月三十一日	11,594
Carrying amount	賬面值	
At 31 December 2014	於二零一四年十二月三十一日	59,041
At 31 December 2013	於二零一三年十二月三十一日	63,696
i) The balance of land use rights represents prepaid operating lease payments for land situated in the PRC under medium-term leases.	i) 土地使用權之結餘指以中期租賃持有位於中國的土地的預付經營租約付款。	
ii) As at 31 December 2014, land use rights with a net book value of approximately RMB37,787,000 (2013: RMB41,141,000) was pledged to a bank as collateral against a bank loan of RMB15,000,000 (2013: RMB15,000,000) (note 24).	ii) 於二零一四年十二月三十一日，賬面淨值為約人民幣37,787,000元(二零一三年：人民幣41,141,000元)的土地使用權已抵押予銀行，作為銀行貸款人民幣15,000,000元(二零一三年：人民幣15,000,000元)的抵押品(附註24)。	

Notes to the Financial Statements

財務報表附註



For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度

18. INTANGIBLE ASSETS

The Group

Cost	成本
At 1 January 2013, 31 December 2013, 1 January 2014 and 31 December 2014	於二零一三年一月一日、二零一三年十二月三十一日、二零一四年一月一日及二零一四年十二月三十一日
Accumulated amortisation and impairment	累計攤銷及減值
At 1 January 2013, 31 December 2013, 1 January 2014 and 31 December 2014	於二零一三年一月一日、二零一三年十二月三十一日、二零一四年一月一日及二零一四年十二月三十一日
Carrying amount	賬面值
At 31 December 2014	於二零一四年十二月三十一日
At 31 December 2013	於二零一三年十二月三十一日

The above intangible assets have finite useful lives and are amortised on a straight-line basis over its estimated useful life of five years, except for certain of the intangible assets which are not yet available for use.

19. INVESTMENTS IN SUBSIDIARIES

Unlisted shares, at cost 按成本計算的非上市股份

18. 無形資產

本集團

Patents 專利 RMB'000 人民幣千元	Product development costs 產品開發 成本 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
16,230	7,977	24,207
16,230	7,977	24,207
-	-	-
-	-	-

上述無形資產具有有限可使用年期，以直線法按其估計可使用年期於五年內攤銷，惟尚不可動用的若干無形資產除外。

19. 於附屬公司的投資

The Company 本公司

2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
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214,786 214,786



Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度

19. INVESTMENTS IN SUBSIDIARIES (Continued)

Details of the Company's subsidiaries at 31 December 2014 are as follows:

Name of subsidiary 附屬公司名稱	Place of incorporation and business 註冊成立及經營地點	Issued and fully paid up share capital/registered capital 已發行及繳足股本/註冊資本	Proportion of ownership interest held 所有權百分比		Principal activity 主要業務
			Directly 直接	Indirectly 間接	
Wuyi International Pharmaceutical Investment Company Limited ("Wuyi BVI") 武夷國際藥業投資有限公司 (「Wuyi BVI」)	British Virgin Islands/ Hong Kong 英屬處女群島/香港	10,000 ordinary shares of US\$1 each 10,000 股每股面值 1 美元的普通股	100%	-	Investment holding 投資控股
Wuyi International Pharmaceutical (Hong Kong) Company Limited 武夷國際藥業(香港)有限公司	Hong Kong 香港	1 ordinary share 1 股普通股	-	100%	Investment holding 投資控股
Universal Unicon Trading Company Limited 環球聯通貿易有限公司	Hong Kong 香港	1 ordinary share 1 股普通股	-	100%	Not yet commenced business (note (ii)) 尚未開始業務(附註(ii))
Joy Best International Limited 偉悅國際有限公司	Hong Kong 香港	1 ordinary share 1 股普通股	-	100%	Not yet commenced business (note (ii)) 尚未開始業務(附註(ii))
Fujian Sanai Pharmaceutical Company Limited ("Fujian Sanai") 福建三愛藥業有限公司 (「福建三愛」)	PRC wholly-foreign-owned enterprise for a term of 50 years commencing 18 January 2000 中國·外商獨資企業· 二零零零年一月十八日 起計為期五十年及銷售藥品	RMB290,780,000 人民幣 290,780,000 元	-	100%	Develop, manufacture, marketing and sales of pharmaceutical products 開發、製造、營銷
Fuzhou Sanai Pharmaceutical Company Limited ("Fuzhou Sanai") 福州三愛藥業有限公司 (「福州三愛」)	PRC wholly-foreign-owned enterprise for a term of 50 years commencing 1 January 2004 中國·外商獨資企業· 二零零四年一月一日 起計為期五十年及銷售藥品	US\$19,810,000 19,810,000 美元	-	100%	Develop, manufacture, marketing and sales of pharmaceutical products 開發、製造、營銷

19. 於附屬公司的投資(續)

於二零一四年十二月三十一日，本公司附屬公司的詳情如下：

Notes to the Financial Statements

財務報表附註



For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度

19. INVESTMENTS IN SUBSIDIARIES (Continued)

19. 於附屬公司的投資 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation and business 註冊成立及經營地點	Issued and fully paid up share capital/registered capital 已發行及 繳足股本/ 註冊資本	Proportion of ownership interest held 所有權百分比		Principal activity 主要業務
			Directly 直接	Indirectly 間接	
Fujian Sanai Pharmaceutical Trading Co., Limited ("Sanai Pharmaceutical Trading")	PRC limited liability company for a term of 50 years commencing 25 February 2008	RMB30,000,000	-	100%	Marketing and sales of pharmaceutical products
福建省三愛醫藥貿易有限公司 ("三愛醫藥")	中國，有限責任公司， 二零零八年二月二十五日 起計為期50年	人民幣30,000,000元	-	100%	營銷及銷售藥品

Notes:

- (i) None of the subsidiaries had any debt securities outstanding at the end of the reporting period, or at any time during the year.
- (ii) The subsidiaries have applied for deregistration 15 October 2014 and was completed on 13 March 2015. Both subsidiaries have not yet commenced business since their respective dates of incorporation.

附註：

- (i) 於報告期末或年內任何時間，概無附屬公司有任何未償還的債務證券。
- (ii) 該等附屬公司已於二零一四年十月十五日申請撤銷登記私人公司，且已於二零一五年三月十三日完成。該等兩間附屬公司自彼等註冊成立以來尚未開始經營業務。

20. INVENTORIES

20. 存貨

		The Group 本集團	
		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Raw materials	原材料	8,527	6,194
Work in progress	在製品	1,170	1,963
Finished goods	製成品	19,490	23,266
Merchandise	商品	8	12
		29,195	31,435

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

已確認為開支並計入損益賬之存貨金額分析如下：

		The Group 本集團	
		2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Carrying amount of inventories sold (note 9)	已售存貨之賬面值(附註9)	431,601	389,917



Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度

21. TRADE AND OTHER RECEIVABLES

21. 貿易應收款項及其他應收款項

		The Group		The Company	
		本集團	本公司	本公司	本公司
		2014	2013	2014	2013
		二零一四年	二零一三年	二零一四年	二零一三年
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Trade receivables	貿易應收款項	138,103	103,436	-	-
Amount due from a subsidiary (note (ii))	應收附屬公司款項 (附註(ii))	-	-	742,575	727,062
Loans and receivables	貸款及應收款項	138,103	103,436	742,575	727,062
Deposits	按金	314	216	-	-
		138,417	103,652	742,575	727,062

Notes:

- The amount of the Group's deposits expected to be recovered after more than one year is RMB225,000 (2013: RMB216,000). All of the other trade and other receivables are expected to be recovered within one year.
- At 31 December 2014 and 2013, the amount due from a subsidiary is unsecured, interest-free and repayable on demand.
- The Group normally grants credit terms of 60 days (2013: 60 days) to its customers. Further details on the Group's credit policy are set out in note 5(b)(iii). The following is an ageing analysis of trade receivables at the end of the reporting period, presented based on the invoice date:

附註：

- 預期超過一年以後收回之本集團按金為人民幣225,000元(二零一三年：人民幣216,000元)。預期所有其他貿易應收款項及其他應收款項均會於一年內收回。
- 於二零一四年及二零一三年十二月三十一日，應收附屬公司款項為無抵押、免息及按要求償還。
- 本集團一般向其客戶授出60日(二零一三年：60日)的信貸期。有關本集團信貸政策的進一步詳情，載於附註5(b)(iii)。於報告期末，按發票日期呈列的貿易應收款項的賬齡分析如下：

		The Group	
		本集團	本公司
		2014	2013
		二零一四年	二零一三年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Age	賬齡		
0 to 30 days	0至30日	70,774	53,336
31 to 60 days	31日至60日	67,329	50,100
		138,103	103,436

Management closely monitors the credit quality of trade receivables and considers the trade receivables that are neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default. The Group does not hold any collateral over these balances.

管理層緊密監察貿易應收款項的信貸質素，並認為並無逾期亦無減值的貿易應收款項與近期無拖欠歷史的多名客戶有關。本集團並未就該等結餘持有任何抵押品。

- All trade and other receivables are neither past due nor impaired as at 31 December 2014 and 2013.

- 於二零一四年及二零一三年十二月三十一日，所有貿易應收款項及其他應收款項均無逾期或減值。

Notes to the Financial Statements

財務報表附註



For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度

22. CASH AND CASH EQUIVALENTS

Cash and cash equivalents of the Group and of the Company comprise cash at bank and on hand. During the year, the bank deposits of the Group carried interest at rates ranging from Nil to 0.35% (2013: Nil to 0.35%) per annum.

22. 現金及現金等價物

本集團及本公司之現金及現金等價物包括銀行及手頭現金。年內，本集團銀行存款按年利率零至0.35%（二零一三年：零至0.35%）計息。

23. TRADE AND OTHER PAYABLES

23. 貿易應付款項及其他應付款項

		The Group		The Company	
		本集團	本公司	本公司	本公司
		2014	2013	2014	2013
		二零一四年	二零一三年	二零一四年	二零一三年
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Trade payables	貿易應付款項				
– a related company (note (i))	– 一間關連公司 (附註(i))	943	727	–	–
– others	– 其他	61,112	47,032	–	–
		62,055	47,759	–	–
Amount due to a related party (note (ii))	應付一名關連人士款項 (附註(ii))	408	–	–	–
Payroll and welfare payables	應付薪金及福利	8,901	9,453	–	–
Payable for acquisition of property, plant and equipment	收購物業、廠房及 設備應付款項	6,339	8,963	–	–
Accrued charges	應計費用	6,974	7,251	5	10
Other payables	其他應付款項	1,352	6,186	–	–
Financial liabilities measured at amortised cost	按已攤銷成本計算之 金融負債	86,029	79,612	5	10
Other PRC tax payables	其他應繳中國稅項	11,398	8,246	–	–
		97,427	87,858	5	10

Note:

- i) The related company is 福州宏宇包裝工業有限公司 (Fuzhou Hongyu Packing Co., Ltd.) ("Fuzhou Hongyu"), a company controlled by Mr. Lin Ou Wen, who is a director, the chief executive officer and a shareholder of the Company. The balance is unsecured, interest-free and repayable on demand.
- ii) The related party is Mr. Lin Qin Xiang, who is a brother of Mr. Lin Ou Wen and Mr. Lin Qing Ping. Mr. Lin Ou Wen is the chief executive officer, a director and shareholder of the Company, and Mr. Lin Qing Ping is a director and shareholder of the Company. The balance is unsecured, interest-free and repayable on demand.

附註：

- i) 該關連公司為福州宏宇包裝工業有限公司（「福州宏宇」），乃由林歐文先生控制的公司，而林歐文先生是本公司的董事、行政總裁及股東。相關淨額無抵押、免息及須按要求償還。
- ii) 該關連人士為林慶祥先生（林歐文先生及林慶平先生的胞兄／弟）。林歐文先生為本公司行政總裁、董事及股東，而林慶平先生為本公司董事及股本。相關淨額無抵押、免息及須按要求償還。



Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度

23. TRADE AND OTHER PAYABLES (Continued)

The ageing analysis of trade payables based on the invoice date is as follows:

Age	賬齡
0 to 30 days	0至30日
31 to 60 days	31至60日

All of the trade and other payables are expected to be settled within one year or are repayable on demand.

24. SECURED BANK LOAN

The analysis of the carrying amount of secured bank loan is as follows:

Secured bank loan	有抵押銀行貸款
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At 31 December 2014, interest-bearing bank loan is due for repayment within 1 year and carried at amortised cost. At 31 December 2013, interest-bearing bank loan was due for repayment on 4 November 2014. The agreement was renewed on 29 October 2014.

The amount due is based on the scheduled repayment date as stipulated in the respective loan agreement.

At 31 December 2014, land use rights with a net book value of approximately RMB37,787,000 (2013: RMB41,141,000) was pledged to a bank as collateral against the bank loan. The bank loan carries interest at fixed rate of 6.9% (2013: 6.6%) per annum and is repayable within 1 year. The security will be released upon full settlement of the loan.

23. 貿易應付款項及其他應付款項(續)

以發票日期為基礎的貿易應付款項的賬齡分析如下：

The Group 本集團	
2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
44,532	34,282
17,523	13,477
62,055	47,759

所有貿易應付款項及其他應付款項預期將於一年內支付或按要求償還。

24. 有抵押銀行貸款

有抵押銀行貸款的賬面值分析如下：

The Group 本集團	
2014 二零一四年 RMB'000	2013 二零一三年 RMB'000
15,000	15,000

於二零一四年十二月三十一日，計息銀行貸款須於一年內償還並按攤銷成本入賬。於二零一三年十二月三十一日，計息銀行貸款須於二零一四年十一月四日到期償還。協議於二零一四年十月二十九日獲續期。

應付款項按相關貸款協議訂明的計劃償還日期償還。

於二零一四年十二月三十一日，賬面值淨額約為人民幣37,787,000元(二零一三年：人民幣41,141,000元)的土地使用權已抵押予銀行作為銀行貸款的抵押。銀行貸款按固定年利率6.9%(二零一三年：6.6%)計息及須於一年內償還。於全數償還借貸後，抵押將獲解除。

Notes to the Financial Statements

財務報表附註



For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度

25. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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

Provision for the PRC EIT for the year (note 13) 本年度中國企業所得稅撥備 (附註 13)
 PRC EIT paid for the year 年內已付中國企業所得稅

- b) Deferred tax assets and liabilities recognised:

The following is the deferred tax (assets)/liabilities recognised in the consolidated statement of financial position and movements thereon during the year:

25. 於綜合財務狀況表內之所得稅

- a) 於綜合財務狀況表內之當期稅項指：

The Group
本集團

2014	2013
二零一四年	二零一三年
RMB'000	RMB'000
人民幣千元	人民幣千元

8,205	18,246
(4,307)	(13,218)

3,898	5,028
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- b) 已確認遞延稅項資產及負債：

以下為本年度於綜合財務狀況表內確認之遞延稅項(資產)/負債及其變動：

The Group
本集團

		Related depreciation in excess of depreciation allowances	Impairment loss on property plant and equipment	Impairment loss on land use rights	Withholding tax on distributable profits	Total
		超過折舊撥備 的相關折舊 RMB'000 人民幣千元	物業、廠房及 設備的減值虧損 RMB'000 人民幣千元	土地使用權 減值虧損 RMB'000 人民幣千元	可分派利潤 的預扣稅 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
At 1 January 2013	於二零一三年一月一日	(9,233)	(27,012)	-	6,327	(29,918)
(Credited)/debited to profit or loss (note 13)	於損益內(計入)/支出(附註 13)	(10,480)	(2,605)	-	443	(12,642)
At 31 December 2013 and 1 January 2014	於二零一三年十二月三十一日及二零一四年一月一日	(19,713)	(29,617)	-	6,770	(42,560)
(Credited)/debited to profit or loss (note 13)	於損益內(計入)/支出(附註 13)	(2,932)	(11,194)	(806)	9,560	(5,372)
At 31 December 2014	於二零一四年十二月三十一日	(22,645)	(40,811)	(806)	16,330	(47,932)



Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度

25. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

b) Deferred tax assets and liabilities recognised: (Continued)

Under the Enterprise Income Tax Law of the PRC, with effect from 1 January 2008 onwards, non-resident enterprises without an establishment or place of business in the PRC or which have an establishment or place of business but the relevant income is not effectively connected with the establishment or place of business in the PRC will be subject to withholding income tax at the rate of 10% on various types of passive income such as dividends derived from sources in the PRC. Pursuant to the double tax arrangement between the PRC and Hong Kong effective on 1 January 2007, the withholding income tax rate will be reduced to 5% if the investment by the Hong Kong investor in the investee entities in the PRC is not less than 25%. On 22 February 2008, the SAT approved Caishui (2008) No. 1, pursuant to which dividend distributions out of retained earnings of foreign investment enterprises prior to 31 December 2007 will be exempted from withholding income tax. As at 31 December 2014, deferred tax liabilities of RMB16,330,000 (2013: RMB6,770,000) in respect of the withholding income tax on dividends has been recognised by the Group.

The following is the analysis of the deferred tax balances for financial reporting purposes:

Deferred tax assets	遞延稅項資產
Deferred tax liabilities	遞延稅項負債

c) The Group and the Company have no significant unrecognised deferred tax assets or liabilities at 31 December 2014 and 2013.

25. 於綜合財務狀況表內之所得稅(續)

b) 已確認遞延稅項資產及負債：(續)

根據自二零零八年一月一日起生效的中國企業所得稅法，並非在中國成立或並無在中國設有經營地點之非居民企業，或在中國成立或在中國設有經營地點，惟有關收入實際上並非與在中國成立或中國經營地點有關之非居民企業，將須就多項被動收入(如源於中國境內之股息)按10%稅率繳付預扣所得稅。根據中國與香港訂立並於二零零七年一月一日生效的雙重徵稅安排，倘香港投資者對中國被投資實體的投資不少於25%，則預扣所得稅稅率將下調至5%。於二零零八年二月二十二日，國家稅務總局批准財稅(2008)第1號，據此，從外資企業二零零七年十二月三十一日之前的保留盈利中撥付的股息分派將獲豁免繳付預扣所得稅。於二零一四年十二月三十一日，本集團已就股息預扣所得稅確認遞延稅項負債為人民幣16,330,000元(二零一三年：人民幣6,770,000元)。

以下為就財務報告而言的遞延稅項結餘分析：

The Group 本集團	
2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
(64,262)	(49,330)
16,330	6,770
(47,932)	(42,560)

c) 於二零一四年及二零一三年十二月三十一日，本集團及本公司並無重大未確認的遞延稅項資產或負債。

Notes to the Financial Statements

財務報表附註



For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度

26. SHARE CAPITAL AND RESERVES

26. 股本及儲備

a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

The Company

		Share capital 保留溢利/ 股本 (note 26(b)) (附註26(b)) RMB'000 人民幣千元	Share premium 股份溢價 (note 26(c)(i)) (附註26(c)(i)) RMB'000 人民幣千元	Retained profits/ (accumulated losses) (累計虧損) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2013	於二零一三年一月一日	17,098	929,533	21,340	967,971
Loss and total comprehensive loss for the year (note 12)	虧損及年內全面總虧損 (附註12)	-	-	(25,082)	(25,082)
At 31 December 2013 and 1 January 2014	於二零一三年十二月三十一日及 二零一四年一月一日	17,098	929,533	(3,742)	942,889
Profit and total comprehensive income for the year (note 12)	溢利及年內全面總收益 (附註12)	-	-	14,575	14,575
At 31 December 2014	於二零一四年十二月三十一日	17,098	929,533	10,833	957,464

a) 權益部分變動

本集團之綜合權益中各部分的年初及年末調節於綜合權益變動表內列載。本公司之各個權益部分的年初及年末變動詳情列載如下：

本公司

b) Share capital

b) 股本

		Number of shares 股份數目	Amount 金額 HK\$'000 千港元
Ordinary shares of HK\$0.01 each	每股面值0.01港元的普通股		
Authorised:	法定：		
At 1 January 2013,	於二零一三年一月一日、		
31 December 2013,	二零一三年十二月三十一日、		
1 January 2014 and	二零一四年一月一日及		
31 December 2014	二零一四年十二月三十一日	3,200,000,000	32,000
Issued and fully paid:	已發行及繳足：		
At 1 January 2013,	於二零一三年一月一日、		
31 December 2013,	二零一三年十二月三十一日、		
1 January 2014 and	二零一四年一月一日及		
31 December 2014	二零一四年十二月三十一日	1,709,772,500	17,098



Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度

26. SHARE CAPITAL AND RESERVES (Continued)

b) Share capital (Continued)

Shown in the consolidated and company statements of financial position at 31 December

於十二月三十一日之綜合及本公司財務狀況表所列

The owners of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary share rank equally with regard to the Company's residual assets.

c) Nature and purpose of reserves

i) Share premium

Under the Cayman Companies Law, the share premium account of the Company is distributable to the shareholders of the Company provided that immediately following the date on which a dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

ii) Special reserve

Special reserve represents the aggregate of:

- a) the difference between the consideration paid by a subsidiary of the Company, Wuyi BVI, for the acquisition of the entire equity interest in Fujian Sanai and the nominal value of the paid-in capital of Fujian Sanai pursuant to the Group reorganisation in preparation for the listing of the Company's shares in 2007;
- b) the difference between the nominal amount of the shares issued by the Company and the amount of share capital of Wuyi BVI acquired pursuant to the Group reorganisation in preparation for the listing of the Company's shares in 2007; and

26. 股本及儲備 (續)

b) 股本 (續)

2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
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17,098

17,098

普通股擁有人有權收取不時宣派的股息及有權於本公司大會上投一票。所有普通股在有關本集團剩餘資產方面均享有同等地位。

c) 儲備之性質及目的

i) 股份溢價

根據開曼群島公司法，本公司股份溢價賬可供分派予本公司股東，惟緊隨建議分派股息日期後，本公司須有能力償還其於日常業務過程中已到期之債務。

ii) 特別儲備

特別儲備指以下各項的總額：

- a) 根據為籌備本公司股份於二零零七年上市所進行集團重組，本公司附屬公司Wuyi BVI就收購福建三愛全部股權所付代價與福建三愛實繳資本面值的差額；
- b) 根據為籌備本公司股份於二零零七年上市所進行集團重組的本公司已發行股份面值與Wuyi BVI收購股本金額的差額；及



26. SHARE CAPITAL AND RESERVES (Continued)

c) Nature and purpose of reserves (Continued)

ii) Special reserve (Continued)

- c) the difference between the consideration paid for the acquisition of additional interests in Fuzhou Sanai and the carrying values of the underlying net assets attributable to the additional interests in Fuzhou Sanai pursuant to the Group reorganisation in preparation for the listing of the Company's shares in 2007.

iii) Capital reserve

Capital reserve represents the capital contributions from Mr. Lin Qing Ping, a director and shareholder of the Company; and Fuzhou Hongyu, a company controlled by Mr. Lin Ou Wen, also a director, the chief executive officer and shareholder of the Company.

iv) Statutory surplus reserve

As stipulated by the relevant laws and regulations for foreign investment enterprises in the PRC, the Company's PRC subsidiaries are required to appropriate 10% of their profit after tax to the reserve until such reserve reaches 50% of the registered capital and thereafter any further appropriation is optional. The statutory surplus reserve fund can be used to make up prior year losses, if any, and can be applied in conversion into capital by means of a capitalisation issue.

v) Non-distributable reserve

In accordance with the Articles of Association of Fujian Sanai, Fujian Sanai may appropriate funds to the non-distributable reserve at the discretion of its board of directors. According to the Articles of Association of Fujian Sanai, the non-distributable reserve can be used to (i) make up prior year losses; (ii) convert into capital, provided such conversion is approved by a resolution at a shareholders' meeting; and (iii) expand production operation.

26. 股本及儲備(續)

c) 儲備之性質及目的(續)

ii) 特別儲備(續)

- c) 根據為籌備本公司股份於二零零七年上市所進行集團重組而收購福州三愛額外權益所支付代價與福州三愛額外權益應佔相關淨資產賬面值的差額。

iii) 資本儲備

資本儲備指本公司董事兼股東林慶平先生及同為本公司董事、行政總裁兼股東林歐文先生控制之福州宏宇的出資額。

iv) 法定盈餘儲備

根據中國海外投資企業的相關法律及法規，本公司中國附屬公司需從其除稅後溢利中撥出10%以列入儲備金，直至該儲備金達至其註冊資本之50%，而其後之撥款則可隨意作出。法定盈餘儲備可用於填補過往年度虧損(如有)，並可透過資本化發行應用以轉換為資本。

v) 不可分派儲備

根據福建三愛的公司章程細則，福建三愛董事會可酌情將有關基金分配至不可分派儲備。根據福建三愛的公司章程細則，不可分派儲備可用作(i)彌補往年的虧損；(ii)轉換為資本，惟有關的轉換須經股東大會決議案通過；及(iii)擴充生產營運業務。



Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度

26. SHARE CAPITAL AND RESERVES (Continued)

d) Distributable reserves of the Company

Under the Cayman Companies Law, share premium is distributable to shareholders, subject to the condition that the Company cannot declare or pay a dividend, or make a distribution out of share premium if (i) it is, or would after the payment be, unable to pay its liabilities as they become due; or (ii) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its share capital account.

As at 31 December 2014, the Company's reserves available for distribution to shareholders amounted to approximately RMB940,366,000 (2013: RMB925,791,000) computed in accordance with the Cayman Companies Law and the Company's Articles of Association. This includes the Company's share premium of RMB929,533,000 (2013: RMB929,533,000), plus retained profits of RMB10,833,000 (2013: less accumulated losses of RMB3,742,000), which is available for distribution provided that immediately following the date on which a dividend is proposed, the Company will be able to pay off its debts as they fall due in the ordinary course of business.

e) Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debt, which includes trade and other payables, secured bank loan and equity attributable to owners of the Company, comprising issued share capital and reserves.

The directors of the Company review the capital structure on a semi-annual basis. During 2014, the Group's strategy was unchanged from 2013. The directors review the capital structure by considering the cost of capital and the risks associated with each class of capital. Based on the recommendations of the directors, the Group will balance its overall capital structure through new share issues and share buy-backs as well as the issue of new debts or the redemption of existing debts.

26. 股本及儲備 (續)

d) 本公司之可分派儲備

根據開曼群島公司法，股份溢價可分派予股東，惟倘(i)現時或於分派後無法償還到期負債；或(ii)其資產之可變現價值因而低於其負債及股本賬之總額，則本公司不得宣派或派付股息，或以股份溢價作出分派。

於二零一四年十二月三十一日，根據開曼群島公司法及本公司的公司章程細則計算，本公司可分派予股東之儲備約為人民幣940,366,000元(二零一三年：人民幣925,791,000元)。這包括本公司股份溢價人民幣929,533,000元(二零一三年：人民幣929,533,000元)加保留溢利人民幣10,833,000元(二零一三年：減累計虧損人民幣3,742,000元)，惟於緊隨建議股息日期後，本公司有能力於正常營業範圍內償還所有到期債務，方可予以分派。

e) 資金管理

本集團管理其資金，以確保本集團內的實體將能夠以持續經營方式營運，同時亦透過達致債務與股本之間最佳的平衡而為股東爭取最大回報。

本集團之資本結構包括債務，其中包括貿易應付款項及其他應付款項、有抵押銀行貸款及本公司擁有人應佔權益，包括已發行股本及儲備。

本公司董事會每半年一次檢討資本結構。於二零一四年，本集團之策略與二零一三年相比並無改變。董事透過考慮資本之成本及與各類別資本相關之風險檢討資本架構。基於董事之推薦意見，本集團將透過發行新股份及股份回購以及發行新債券或贖回現有債券以平衡其整體資本結構。

Notes to the Financial Statements

財務報表附註



For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度

26. SHARE CAPITAL AND RESERVES (Continued)

e) Capital management (Continued)

The debt-to-equity ratio at 31 December 2014 and 2013 was as follows:

26. 股本及儲備(續)

e) 資金管理(續)

於二零一四年及二零一三年十二月三十一日之債權比率如下：

	The Group 本集團		The Company 本公司	
	2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
Current liabilities	流動負債			
Trade and other payables				
Secured bank loan				
Total debt	112,427	102,858	5	10
Total equity	1,451,387	1,495,416	957,464	942,889
Debt-to-equity ratio	7.7%	6.9%	0%	0%

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

本公司及其任何附屬公司概無承擔任何外部資本要求。

27. EQUITY-SETTLED SHARE OPTION SCHEME

The Company's share option scheme (the "Scheme") was adopted pursuant to a resolution passed on 8 January 2007 for the primary purpose of providing incentives to and recognising significant contributions from directors and eligible employees, and will expire on 31 January 2017. Under the Scheme, the Board may grant options to all full-time employees, directors (including independent non-executive directors) and part-time employees with weekly working hours of 10 hours and above, of the Group, substantial shareholders of each member of the Group, associates of the directors and substantial shareholders of any member of the Group, trustee of any trust pre-approved by the Board, and any advisor (professional or otherwise) or consultant, distributor, supplier, agent, customer, joint venture partner, service provider of the Group whom the Board considers, at its sole discretion, has contributed or contributes to the Group.

27. 以股權結算之購股權計劃

本公司購股權計劃(「計劃」)乃根據二零零七年一月八日通過之決議案採納，主要目的為提供獎勵予董事及合資格僱員及對其重大貢獻作出認同，計劃將於二零一七年一月三十一日屆滿。根據計劃，董事會可全權酌情將購股權授予其認為對本集團有貢獻之全職僱員、董事(包括獨立非執行董事)及每週工作小時為10小時及以上之兼職僱員、本集團各成員公司之主要股東、本集團任何成員公司董事及主要股東之聯繫人、董事會預先批准任何信託之信託人，以及任何本集團之諮詢人(專業或其他)或顧問、經銷商、供應商、代理人、顧客、合資夥伴及服務供應商。



Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度

27. EQUITY-SETTLED SHARE OPTION SCHEME (Continued)

The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue on the date of listing of the shares on the Stock Exchange which represents 164,300,000 shares (excluding the over-allotment portion) or 9.6% of issued share capital of the Company, without prior approval from the Company's shareholders. The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under this Scheme shall not in aggregate exceed 30% of the shares in issue from time to time. No option may be granted under this Scheme and any other share option scheme of the Company if such limit is exceeded. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. Options granted to substantial shareholders or independent non-executive directors in excess of 0.1% of the Company's shares in issue or with an aggregate value in excess of HK\$5,000,000 must be approved in advance by the Company's shareholders.

Upon acceptance of the options granted the grantee shall make a payment of HK\$1 to the Company by way of consideration for the grant. Options may be exercised at any time and settled by shares immediately from the date of grant of the share options and during the period as notified by the directors at the date of grant. The exercise price is determined by the directors of the Company, and will not be less than the highest of (i) the closing price of the Company's shares on the date of grant, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's shares.

Up to 31 December 2014, no options were granted under the Scheme.

27. 以股權結算之購股權計劃(續)

在未經本公司股東事先批准前，根據計劃可授出之購股權所涉及之股份總數，不得超過本公司股份於聯交所上市之日已發行股份10%（即164,300,000股，佔本公司已發行股本之9.6%（超額配股部分除外））。按計劃未被行使但將有可能就行使所有餘下之已授予購股權而發行之股份之最高數目，總數不得超過於任何時間已發行股份30%。倘超出該限額者，將不會按計劃或本公司任何其他購股權計劃授出購股權。在未經本公司股東事先批准前，於任何一個年度向任何個別人士授出或可能授出之購股權所涉及之已發行或將發行股份數目，不得超過本公司於任何時間已發行股份1%。倘授予主要股東或獨立非執行董事之購股權所涉及之股份數目超過本公司已發行股份0.1%或總值超過5,000,000港元，必須獲本公司股東事先批准。

就接納授予之購股權時，受讓者須向本公司繳付1港元作為獲授購股權之代價。購股權可於授出購股權當日起，至由董事所通知之期間隨時行使及以股份結算。行使價由本公司董事釐定，惟不得低於以下三者之最高者：(i) 於授出日期本公司股份之收市價；(ii) 緊接授出日期前五個交易日之股份平均收市價；及(iii) 本公司股份面值。

截至二零一四年十二月三十一日，概無根據計劃授出購股權。

Notes to the Financial Statements

財務報表附註



For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度

28. OPERATING LEASE COMMITMENTS

The Group as lessee

At the end of the reporting period, the Group was committed to make future minimum lease payments in respect of office premises under non-cancellable operating leases which are payable as follows:

Within 1 year	一年內
After 1 year but within 5 years	一年後但五年內

The leases typically run for an initial period of one to three years, with an option to renew the lease when all terms are renegotiated. None of the leases includes contingent rentals.

Significant leasing arrangements in respect of land held under operating leases are described in note 17.

29. CAPITAL COMMITMENTS

Capital expenditure contracted for but not provided for in the financial statements in respect of:	就以下事項已訂約但未於財務報表撥備的資本開支：
- acquisition of intangible assets	- 收購無形資產
- acquisition of property, plant and equipment	- 收購物業、廠房及設備

30. RETIREMENT BENEFITS SCHEMES

Defined contribution scheme

The Group operates a Mandatory Provident Fund Scheme ("the MPF scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$30,000 (HK\$25,000 prior to June 2014). Contributions to the plan vest immediately.

28. 經營租約承擔

本集團作為承租人

於報告期末，本集團在下列年期的不可撤銷經營租約下就辦公室物業承擔之應付未來最低租金如下：

2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
683	1,155
-	533
683	1,688

有關租約之初步年期一般為一至三年，可重新協商所有條款予以續新。該等租約概無包括或然租金。

有關根據經營租約持有之土地之重大租約安排披露於附註17。

29. 資本承擔

The Group 本集團	
2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
8,100	8,100
3,500	-
11,600	8,100

30. 退休福利計劃

定額供款計劃

本集團根據香港強制性公積金計劃條例為受香港僱傭條例保障的僱員設立一項強制性公積金計劃（「強積金計劃」）。強積金計劃是一項由獨立信託人管理的定額供款退休計劃。根據強積金計劃，僱主和僱員均須按僱員的有關收入（每月上限為30,000港元，而於二零一四年六月前為25,000港元）的5%向計劃作出供款。所有供款即時歸屬僱員。



Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度

30. RETIREMENT BENEFITS SCHEMES (Continued)

Defined contribution scheme (Continued)

The Group also participates in a state-managed scheme. The employees of the Group's subsidiaries in the PRC are members of a state-managed retirement benefits scheme operated by the government of the PRC. The PRC subsidiaries are required to contribute a certain percentage of their payroll to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefits scheme is to make the specified contributions.

31. MATERIAL RELATED PARTY TRANSACTIONS

a) In addition to the transactions and balances disclosed elsewhere in these financial statements, the Group entered into the following significant related party transactions, and had balances due to related parties in trade and other payables as at the end of the reporting period.

Name of related party 關連人士名稱	Relationship with related party 與關連人士的關係	Nature of transaction 交易性質	Transactions for the year ended 截至十二月三十一日止年度之交易		Balance as at 31 December 2014 於二零一四年十二月三十一日結餘	Balance as at 31 December 2013 於二零一三年十二月三十一日結餘
			2014 RMB'000 人民幣千元	2013 RMB'000 人民幣千元	Trade payables 貿易應付款項 RMB'000 人民幣千元	Trade payables 貿易應付款項 RMB'000 人民幣千元
Fuzhou Hongyu 福州宏宇	A company controlled by Mr. Lin Ou Wen* 由林歐文先生控制的公司*	Purchase of packaging materials 購買包裝物料	4,904	4,556	943	727
Mr. Lin Qin Xiang 林慶祥先生	Brother of Mr. Lin Ou Wen* and Mr. Lin Qing Ping* 林歐文先生*及林慶平先生*的胞兄/弟	Property rentals paid 已付物業租金	408	408	408	-

* Mr. Lin Ou Wen is the chief executive officer, director and shareholder of the Company.

* Mr. Lin Qing Ping is the director and shareholder of the Company.

30. 退休福利計劃(續)

定額供款計劃(續)

本集團亦參與中國政府管理的計劃。本集團的中國附屬公司之僱員是中國政府設立之中國政府管理退休福利計劃之成員。中國附屬公司須按僱員工資之若干百分比向退休福利計劃供款以提供退休福利。本集團就退休福利計劃須履行之責任僅為作出特定之供款。

31. 重大關連人士交易

a) 除於該等財務報表其他地方披露之交易及結餘外，本集團訂立下列重大關連人士交易，且於報告日貿易應付款項及其他應付款項中應付關連人士結餘如下：

Balance as at 31 December 2014 於二零一四年十二月三十一日結餘	Balance as at 31 December 2013 於二零一三年十二月三十一日結餘
Trade payables 貿易應付款項 RMB'000 人民幣千元	Trade payables 貿易應付款項 RMB'000 人民幣千元
943	727

* 林歐文先生為本公司的行政總裁、董事及股東。

* 林慶平先生為本公司的董事及股東。

Notes to the Financial Statements

財務報表附註



For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度

31. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

b) At the end of the reporting period, the Group committed Mr. Lin Qin Xiang to make the future minimum lease payments in respect of office premises under non-cancellable operating leases within 1 year of Nil (2013: RMB408,114) and after 1 year but within 5 years of Nil (2013:Nil).

c) Key management personnel remuneration

Remuneration for key management personnel of the Group, representing amounts paid to the Company's directors as disclosed in note 10 is as follows:

Salaries and other short-term employee benefits	薪金及其他短期僱員福利
Post-employment benefits	離職後福利

31. 重大關連人士交易 (續)

b) 於報告期末，本集團在一年內不可撤銷經營租約下就辦公室物業承擔之應付林慶祥先生未來最低租金分別為零(二零一三年：人民幣408,114元)及於一年後但五年內為零(二零一三年：零)。

c) 主要管理人員薪酬

本集團的主要管理人員薪酬(即如附註10所披露的支付予本公司董事之金額)如下：

2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
3,202	3,237
147	147
3,349	3,384

32. EVENTS AFTER THE REPORTING PERIOD

On 2 February 2015, Fuzhou Sanai entered into an agreement with 福州經濟技術開發區土地發展中心("Land Development Center for Fuzhou Economic and Technological Development Zone") (the "Purchaser"), that Fuzhou Sanai agreed to sell, and the Purchaser agreed to purchase the land and buildings at a consideration of RMB76,000,000. The first installment of RMB30,000,000 shall be paid to Fuzhou Sanai by the Purchaser within 3 business days upon signing of the agreement. Second installment of RMB26,000,000 shall be paid to Fuzhou Sanai within 10 business days after Fuzhou Sanai delivered original 國有土地使用權證("State-Owned Land Use Right Certificate") and 房屋所有權證("House Ownership Certificate") of the land, and all the documents to effect ownership changes or cancellation of the above certificates to the Purchaser. The final installment of RMB20,000,000 shall be paid to Fuzhou Sanai within 10 business days after delivery of land and buildings by Fuzhou Sanai.

For the consideration, it was determined after arm's length negotiations between Fuzhou Sanai and the Purchaser on normal commercial terms with reference to the net value of relevant manufacturing plants and equipment, capital expenditures and relocation cost of existing manufacturing facilities within this disposal. If Fuzhou Sanai fails to deliver the land and buildings to the Purchaser with reference to the terms of agreement, Fuzhou Sanai shall pay to the Purchaser a default fee designated at 0.04% of consideration Fuzhou Sanai will have then received for every day of delay.

32. 報告期後事項

於二零一五年二月二日，福州三愛與福州經濟技術開發區土地發展中心(「買方」)訂立協議，據此，福州三愛同意出售，而買方同意購置土地及樓宇，代價為人民幣76,000,000元。首期付款人民幣30,000,000元須於簽訂該協議後三個營業日內由買方支付予福州三愛。第二期付款人民幣26,000,000元須於福州三愛向買方交付該土地之國有土地使用權證及房屋所有權證以及令上述證書所有權變動或註銷生效的所有文件後十個營業日內支付予福州三愛。最後一期付款人民幣20,000,000元須於福州三愛交付土地及樓宇後十個營業日內支付予福州三愛。

就代價而言，其乃由福州三愛與買方按正常商業條款並參考於此次出售時相關製造廠房及設備的價值淨額、資本支出及現有製造設備的搬遷成本後按公平原則磋商後釐定。倘福州三愛未能按照協議條款交付土地及樓宇予買方，則福州三愛須向買方支付違約金，違約金為每延遲一天按福州三愛屆時將收取代價0.04%計算。



Notes to the Financial Statements

財務報表附註

For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度

32. EVENTS AFTER THE REPORTING PERIOD (Continued)

The land to be disposed is located at 福州市馬尾區快安延伸區湖里路27號 (“No. 27 Huli Road, Kuaian Extension Region, Mawei District of Fuzhou City”) for manufacturing of pharmaceutical product-Perilla Oil Capsule. Upon the completion of disposal, the manufacturing facilities and production lines will be relocated to another production plant of Fujian Sanai, in Haixi Commercial Trading Development Zone to continue manufacturing of Perilla Oil Capsule. The management of the Group estimated that an additional capital expenditure of approximately RMB20,000,000 and relocation cost of approximately RMB5,000,000 might be incurred as a result of the disposal.

33. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2014

Up to the date of issue of these financial statements, the HKICPA has issued the following amendments and new standards which are not yet effective for the year ended 31 December 2014 and which have not been adopted in these financial statements.

HKFRS 9	Financial Instruments ¹
HKFRS 14	Regulatory Deferral Accounts ²
HKFRS 15	Revenue from Contracts with Customers ³
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations ⁵
Amendments to HKAS 1	Disclosure Initiative ⁵
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation ⁵
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants ⁵
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions ⁴
Amendments to HKAS 27	Equity Method in Separate Financial Statements ⁵
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception ⁵
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁵

32. 報告期後事項 (續)

將予出售的土地位於福州市馬尾區快安延伸區湖里路27號，用於製造醫藥產品—蘇子油軟膠囊。於出售完成後，製造設備及生產線將搬遷至福建三愛位於海西工貿開發區的另一生產廠房，以繼續生產蘇子油軟膠囊。本集團管理層估計，該出售可能產生額外資本支出約人民幣20,000,000元及搬遷成本約人民幣5,000,000元。

33. 截至二零一四年十二月三十一日止年度已頒佈但未生效的修訂本、新準則及詮釋可能產生的影響

直至該等財務報表刊發之日，香港會計師公會已頒佈下列修訂本及新準則，其於截至二零一四年十二月三十一日止年度尚未生效及並無於該等財務報表中獲採納。

香港財務報告準則第9號	金融工具 ¹
香港財務報告準則第14號	監管遞延賬目 ²
香港財務報告準則第15號	來自客戶合約之收益 ³
香港財務報告準則第11號之修訂	收購共同經營權益之會計法 ⁵
香港會計準則第1號之修訂	主動披露 ⁵
香港會計準則第16號及香港會計準則第38號之修訂	澄清折舊及攤銷的可接納方法 ⁵
香港會計準則第16號及香港會計準則第41號之修訂	農業：生產性植物 ⁵
香港會計準則第19號之修訂	界定福利計劃：僱員供款 ⁴
香港會計準則第27號之修訂	獨立財務報表之權益法 ⁵
香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第28號之修訂	投資實體：應用綜合入賬的例外情況 ⁵
香港財務報告準則第10號及香港會計準則第28號之修訂	投資者與其聯營公司或合營企業之間的資產出售或注資 ⁵

Notes to the Financial Statements

財務報表附註



For the year ended 31 December 2014 截至二零一四年十二月三十一日止年度

33. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2014 (Continued)

Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle ⁶
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle ⁴
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012-2014 Cycle ⁵

- ¹ Effective for annual periods beginning on or after 1 January 2018
- ² Effective for first annual HKFRS financial statements beginning on or after 1 January 2016
- ³ Effective for annual periods beginning on or after 1 January 2017
- ⁴ Effective for annual periods beginning on or after 1 July 2014
- ⁵ Effective for annual periods beginning on or after 1 January 2016
- ⁶ Effective for annual periods beginning on or after 1 July 2014, with limited exceptions

The Group is in the process of making an assessment of what the impact of these amendments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

In addition, the requirements of Part 9, "Accounts and Audit", of the new Hong Kong Companies Ordinance (Cap. 622) come into operation from the Company's first financial year commencing after 3 March 2014 (i.e. the Company's financial year which began on 1 January 2015) in accordance with section 358 of that Ordinance. The Group is in the process of making an assessment of the expected impact of the changes in the Companies Ordinance on the consolidated financial statements in the period of initial application of Part 9. So far it has concluded that the impact is unlikely to be significant and will primarily only affect the presentation and disclosure of information in the consolidated financial statements.

33. 截至二零一四年十二月三十一日止年度已頒佈但未生效的修訂本、新準則及詮釋可能產生的影響(續)

香港財務報告準則之修訂	二零一零年至二零一二年週期香港財務報告準則之年度改進 ⁶
香港財務報告準則之修訂	二零一一年至二零一三年週期香港財務報告準則之年度改進 ⁴
香港財務報告準則之修訂	二零一二年至二零一四年週期香港財務報告準則之年度改進 ⁵

- ¹ 於二零一八年一月一日或之後開始之年度期間生效
- ² 於二零一六年一月一日或之後開始的首個年度香港財務報告準則財務報表生效
- ³ 於二零一七年一月一日或之後開始之年度期間生效
- ⁴ 於二零一四年七月一日或之後開始之年度期間生效
- ⁵ 於二零一六年一月一日或之後開始之年度期間生效
- ⁶ 於二零一四年七月一日或之後開始之年度期間生效，附帶有限例外情況

本集團正就該等修訂於初始採納時期的影響作出評估。目前，本集團認為，採納該等新訂及經修訂香港財務報告準則不大可能對本集團的綜合財務報表造成重大影響。

此外，此外，新香港法例第622章香港公司條例第9部「賬目及審核」的規定已於本公司二零一四年三月三日之後開始的首個財政年度(即本公司於二零一五年一月一日開始的財政年度)生效(根據該條例第358條)。本公司現正評估公司條例的變動對第9部首次應用期間的綜合財務報表的預期影響。至今認為其影響將不會重大，且僅主要影響綜合財務報表內的呈列和披露資訊。



Five-Year Financial Summary 五年財務概要

RESULTS

業績

		Year ended 31 December 截至十二月三十一日止年度				
		2010	2011	2012	2013	2014
		二零一零年	二零一一年	二零一二年	二零一三年	二零一四年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Turnover	營業額	564,539	569,285	528,119	532,341	549,625
Cost of sales	銷售成本	(331,030)	(365,673)	(348,713)	(389,917)	(431,601)
Gross profit	毛利	233,509	203,612	179,406	142,424	118,024
Other revenue and net income	其他收益及淨收入	4,757	9,621	3,169	2,094	1,846
Distribution costs	分銷成本	(76,079)	(75,013)	(86,879)	(84,875)	(63,789)
Administrative and other expenses	行政及其他費用	(39,188)	(47,134)	(44,486)	(47,048)	(48,299)
Impairment loss on property, plant and equipment	物業、廠房及設備的減值虧損	-	-	(108,050)	(10,419)	(44,775)
Impairment loss on land use rights	土地使用權減值虧損	-	-	-	-	(3,225)
Impairment loss on intangible assets	無形資產的減值虧損	-	(12,277)	-	-	-
Finance costs	融資成本	(1)	-	-	(127)	(978)
Profit/(loss) before tax	除稅前溢利/(虧損)	122,998	78,809	(56,840)	2,049	(41,196)
Income tax	所得稅	(17,046)	(21,939)	12,284	(5,604)	(2,833)
Profit/(loss) for the year	年內溢利/(虧損)	105,952	56,870	(44,556)	(3,555)	(44,029)
Attributable to: Owners of the Company	下列人士應佔： 本公司擁有人	105,952	56,870	(44,556)	(3,555)	(44,029)
Dividends paid	已付股息	29,996	150,691	11,229	-	-
Earnings/(loss) per share - Basic and diluted	每股盈利/(虧損) - 基本及攤薄	RMB6.2 cents 人民幣6.2分	RMB3.3 cents 人民幣3.3分	RMB(2.6) cents 人民幣(2.6)分	RMB(0.2) cents 人民幣(0.2)分	RMB(2.6) cents 人民幣(2.6)分

ASSETS AND LIABILITIES

資產及負債

		As at 31 December 於十二月三十一日				
		2010	2011	2012	2013	2014
		二零一零年	二零一一年	二零一二年	二零一三年	二零一四年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Total assets	總資產	1,776,417	1,657,756	1,592,266	1,610,072	1,584,042
Total liabilities	總負債	(127,840)	(103,000)	(93,295)	(114,656)	(132,655)
Net assets	資產淨值	1,648,577	1,554,756	1,498,971	1,495,416	1,451,387



武夷药业
Wuyi Pharmaceutical

Wuyi International Pharmaceutical Company Limited

武夷國際藥業有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號 : 1889