



Contents 目錄

| | |
|-----|---|
| 2 | Corporate Information 公司資料 |
| 4 | Financial Highlights 財務摘要 |
| 6 | Chairman's Statement 主席報告 |
| 8 | Management Discussion and Analysis 管理層討論與分析 |
| 29 | Environmental, Social and Governance Report 環境、社會及管治報告 |
| 52 | Director and Senior Management 董事及高級管理層 |
| 61 | Report of the Directors 董事會報告 |
| 75 | Corporate Governance Report 企業管治報告 |
| 93 | Independent Auditor's Report 獨立核數師報告 |
| 99 | Consolidated Statement of Profit or Loss and Other Comprehensive Income 綜合損益及其他全面收益表 |
| 100 | Consolidated Statement of Financial Position 綜合財務狀況表 |
| 102 | Consolidated Statement of Changes in Equity 綜合權益變動表 |
| 103 | Consolidated Statement of Cash Flows 綜合現金流量表 |
| 105 | Notes to the Consolidated Financial Statements 綜合財務報表附註 |
| 173 | Definitions 釋義 |



BOARD OF DIRECTORS

Executive Directors

Mr. Huang Xiangbin (*Chairman and
Co-Chief Executive Officer**)
Ms. Zhang Zhijie

Independent Non-executive Directors

Mr. Chow Siu Lui
Mr. Wang Qing
Mr. Liu Wenfang

AUDIT COMMITTEE

Mr. Chow Siu Lui (*Chairman*)
Mr. Liu Wen Fang
Mr. Wang Qing

REMUNERATION COMMITTEE

Mr. Wang Qing (*Chairman*)
Ms. Zhang Zhijie
Mr. Liu Wenfang

NOMINATION COMMITTEE

Mr. Huang Xiangbin (*Chairman*)
Mr. Liu Wenfang
Mr. Chow Siu Lui

INTERNAL CONTROL AND CORPORATE GOVERNANCE COMMITTEE

Mr. Chow Siu Lui (*Chairman*)
Mr. Wang Qing
Mr. Liu Wenfang

AUTHORISED REPRESENTATIVES

Mr. Huang Xiangbin
Ms. Wong Sau Ping

JOINT COMPANY SECRETARIES

Ms. Ko Wing Yu
Ms. Wong Sau Ping

REGISTERED OFFICE

PO Box 309
Ugland House
Grand Cayman, KY1-1104
Cayman Islands

* Mr. Huang Xiangbin acts as the co-chief executive officer of the Company following the appointment of Mr. Hao Jinghui as the co-chief executive officer of the Company with effect from 16 August 2016.

董事會

執行董事

黃祥彬先生(*主席兼聯席行政總裁**)
張志傑女士

獨立非執行董事

鄒小磊先生
汪晴先生
劉文芳先生

審核委員會

鄒小磊先生(*主席*)
劉文芳先生
汪晴先生

薪酬委員會

汪晴先生(*主席*)
張志傑女士
劉文芳先生

提名委員會

黃祥彬先生(*主席*)
劉文芳先生
鄒小磊先生

內部控制及企業管治委員會

鄒小磊先生(*主席*)
汪晴先生
劉文芳先生

授權代表

黃祥彬先生
黃秀萍女士

聯席公司秘書

高穎好女士
黃秀萍女士

註冊辦事處

PO Box 309
Ugland House
Grand Cayman, KY1-1104
Cayman Islands

* 自郝景輝先生於2016年8月16日獲委任為本公司聯席行政總裁後，黃祥彬先生擔任本公司聯席行政總裁。





CORPORATE HEADQUARTERS

E5-1805, Global Centre
No. 1700, North Section of Tianfu Avenue
High-Tech Zone, Chengdu
Sichuan
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 4408A, 44/F, Cosco Tower
183 Queen's Road Central
Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Maples Fund Services (Cayman) Limited
P.O. Box 1093, Boundary Hall
Cricket Square
Grand Cayman, KY1-1102
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

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

HONG KONG LEGAL ADVISER

DLA Piper Hong Kong

AUDITOR

Ernst & Young
Certified Public Accountants

STOCK CODE ON THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED

6833

COMPANY'S WEBSITE

www.sinco-pharm.com

LISTING DATE

10 March 2016

公司總部

中國
四川省
成都市高新區
天府大道北段1700號
環球中心E5-1805室

香港主要營業地點

香港
皇后大道中183號
中遠大廈44樓4408A室

開曼群島證券過戶登記總處

Maples Fund Services (Cayman) Limited
P.O. Box 1093, Boundary Hall
Cricket Square
Grand Cayman, KY1-1102
Cayman Islands

香港證券登記分處

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至1716室

香港法律顧問

歐華律師事務所

核數師

安永會計師事務所
執業會計師

香港聯合交易所有限公司 主板股份代號

6833

本公司網站

www.sinco-pharm.com

上市日期

2016年3月10日



Financial Highlights

財務摘要



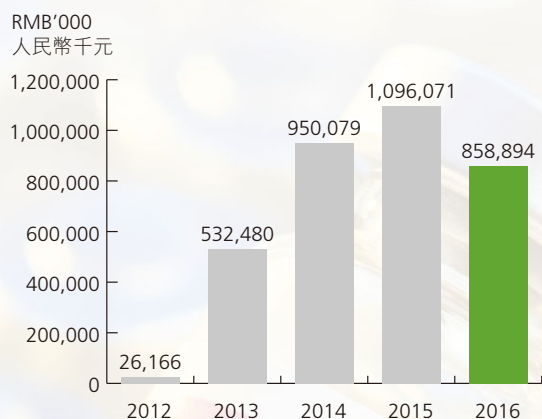
- The Group recorded revenue of RMB858.9 million for the Reporting Period, representing a decrease of RMB237.2 million, or 21.6% as compared to RMB1,096.1 million in 2015. This was mainly due to the decrease in sales of Human Albumin Solution of RMB153.7 million, as the Group encountered a temporary plunge of supply and the Group's decision to adjust its sales management strategy during the Reporting Period. Though the supply has returned to normal during the fourth quarter, several batches of orders were still under importation procedures by the end of the Reporting Period.
- Gross profit of the Group decreased by 31.4% to RMB104.6 million for the Reporting Period (2015: RMB152.5 million). This was mainly due to the decrease in sales volume and the increase in average unit cost of sales as a result of the depreciation of RMB against USD.
- Net profit of the Group further decreased by 73.6% to RMB18.3 million for the Reporting Period (2015: RMB69.4 million), primarily due to the increase in marketing and promotion expenses and professional consulting fee.
- Profit attributable to owners of the Company decreased by 72.1% to RMB19.4 million for the Reporting Period (2015: RMB69.6 million).
- Basic earnings per share amounted to RMB0.013 for the Reporting Period (2015: RMB0.058).
- 本集團於報告期內錄得收益人民幣858.9百萬元，較2015年的人民幣1,096.1百萬元減少人民幣237.2百萬元或21.6%，主要因本集團於報告期內遭遇臨時供應短缺及決定調整銷售管理策略，以致人血白蛋白注射液的銷售額減少人民幣153.7百萬元。儘管藥品供應已於第四季度回復正常，惟多批訂單於報告期末前仍在辦理進口程序。
- 於報告期內，本集團毛利下降31.4%至人民幣104.6百萬元（2015年：人民幣152.5百萬元）。此乃主要由於銷量減少，以及因人民幣兌美元貶值而造成平均單位銷售成本增加所致。
- 於報告期內，本集團純利進一步下降73.6%至人民幣18.3百萬元（2015年：人民幣69.4百萬元），主要是由於營銷及推廣費用以及專業諮詢費增加所致。
- 於報告期內，本公司擁有人應佔溢利下降72.1%至人民幣19.4百萬元（2015年：人民幣69.6百萬元）。
- 於報告期內，每股基本盈利為人民幣0.013元（2015年：人民幣0.058元）。

| | | 2012 | 2013 | 2014 | 2015 | 2016 |
|--|-------------|---------|---------|---------|-----------|----------------|
| | | 2012年 | 2013年 | 2014年 | 2015年 | 2016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 |
| Operating results | 經營業績 | | | | | |
| Revenue | 收益 | 26,166 | 532,480 | 950,079 | 1,096,071 | 858,894 |
| Gross profit | 毛利 | 3,232 | 61,119 | 129,770 | 152,507 | 104,568 |
| Profit before tax | 除稅前溢利 | 529 | 50,919 | 93,812 | 86,638 | 25,566 |
| Profit for the year | 年內溢利 | 276 | 42,987 | 80,129 | 69,441 | 18,337 |
| Profit attributable to owners of the Company | 本公司擁有人應佔溢利 | 138 | 36,539 | 69,367 | 69,614 | 19,367 |
| Profitability | 盈利 | | | | | |
| Gross margin (%) | 毛利率(%) | 12.4% | 11.5% | 13.7% | 13.9% | 12.2% |
| Net profit margin (%) | 純利率(%) | 1.0% | 8.1% | 8.4% | 6.3% | 2.1% |

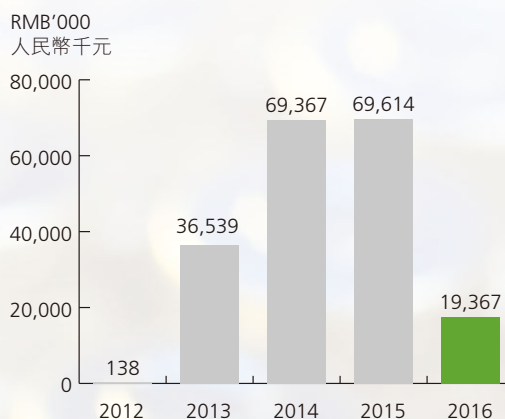




Revenue
收益

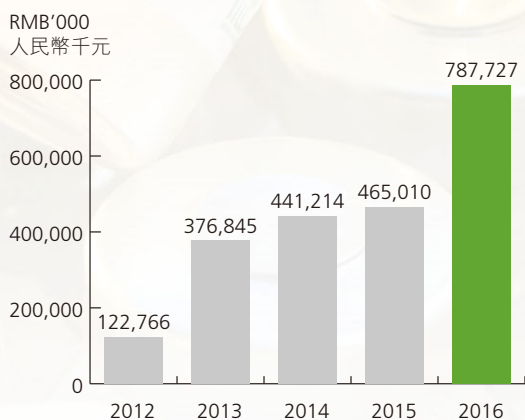


Profit Attributable to Owners of the Parent
母公司擁有人應佔溢利

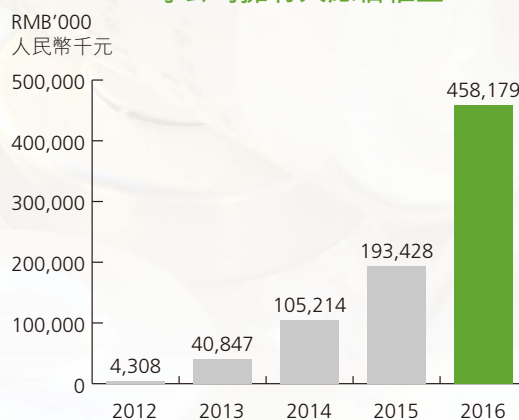


| | 2012 | 2013 | 2014 | 2015 | 2016 |
|--|---------|---------|---------|---------|----------------|
| | 2012年 | 2013年 | 2014年 | 2015年 | 2016年 |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| Financial position | | | | | |
| 財務狀況 | | | | | |
| Total assets | 122,766 | 376,845 | 441,214 | 465,010 | 787,727 |
| 總資產 | | | | | |
| Total equity | 5,069 | 48,356 | 123,485 | 193,554 | 457,275 |
| 總權益 | | | | | |
| Total liabilities | 117,697 | 328,489 | 317,729 | 271,456 | 330,452 |
| 總負債 | | | | | |
| Equity attributable to owners of the Company | 4,308 | 40,847 | 105,214 | 193,428 | 458,179 |
| 本公司擁有人應佔權益 | | | | | |
| Cash and cash equivalents | 30,069 | 44,455 | 70,216 | 60,206 | 154,079 |
| 現金及現金等價物 | | | | | |
| Gearing ratio (%) | 66% | 42% | 21% | 18% | 12% |
| 負債比率(%) | | | | | |

Total Assets
總資產



Equity Attributable to Owners of the Parent
母公司擁有人應佔權益





Dear Shareholders,

On behalf of the Board, I would like to express my gratitude to our Shareholders for their attention and support to the Company, and present the report of the Group for the Reporting Period.

2016, the first year of the “13th Five-Year Plan” and the “Development Plan for Healthy China”, is also an important year when the pharmaceutical industry deepened its reform in an all-round manner. Multiple policies were rolled out for the industry in a concentrated way, including centralized public bidding in drug purchasing on provincial level, control of medical expenses within the acceptable range of medical insurance, secondary bargaining, two-invoice system, reform of new medicine registration, verification of clinical trial data, quality consistency evaluation for generic drugs, and production process verification. Given the concentration of policies and an increasingly stringent regulatory environment, the Chinese pharmaceutical industry is believed to face a high-pressure policy environment, which would hardly change within the short term. Consequently, Chinese pharmaceutical firms were under tremendous operational pressure for business adjustment.

Nevertheless, 2016 is also a crucial year for the emergence of the entire Chinese pharmaceutical industry. The demand of pharmaceutical consumption in China was boosted by higher resident income, upgrade of consumption structure, faster growth of aging population and urbanization, the progress of the Healthy China strategy, and a more robust system of medical insurance, all driving the swift expansion of the Chinese medical market. During the “13th Five-Year Plan” period, the Chinese government is to lay its emphasis on enhancing the economies of scale and innovative capacity of the pharmaceutical industry and comprehensively improving product quality and the supply assurance system. This will facilitate the pharmaceutical industry in its long-term and sustained development.

For the Group, 2016 is a year full of pressure and challenges. Amidst the changes to domestic and foreign economic situations and policy environment, we were consistent in controlling risks and seeking opportunities out of uncertainties. We were active in adapting to new policies and a new market environment, with efforts to maintain the market share of our existing product portfolio and build a stronger marketing network. Still, the Group's results were subject to serious impacts by a pharmaceutical industry under adjustment and operational pressure. During the Reporting Period, revenue from sales was RMB858.9 million, decreasing by 21.6% as compared with 2015; profit for the year was RMB18.3 million, representing a year-on-year decline of 73.6%.

尊敬的各位股東：

本人謹代表董事會對各位股東對本公司的關注與支持表示衷心感謝，並在此呈報本集團於報告期之報告。

二零一六年是「十三五規劃」和「健康中國建設規劃」的開篇之年，也是醫藥行業深化改革全面推進的重要年份。縱觀醫藥行業，省級藥品集中招標採購、醫保控費、二次議價、兩票制、新藥註冊改革、臨床試驗數據核查、仿製藥一致性評價及生產工藝核查等多重政策集中出台，行業監管環境也日趨嚴格，相信中國醫藥行業所面臨的這種高壓政策環境在短期內將難以改變，中國藥企紛紛面臨巨大的業務調整的經營壓力。

然而，二零一六年亦是中國醫藥行業整體躍升的關鍵年份，居民收入增加、消費結構升級、老齡化及城鎮化加速、健康中國戰略推進、醫保體系進一步健全等因素，都將提升中國醫藥消費需求，驅動中國醫療市場迅速擴容。「十三五」期間，政府將著重增強醫藥行業規模效益和創新能力，全面提升產品質量和供應保障體系，這將帶動醫藥行業長遠及持續的發展。

二零一六年對本集團而言是充滿壓力和挑戰的一年。面對國內外經濟形勢及政策環境的變化，我們始終秉持控制風險、危中求機的理念，積極主動的去適應新政和新的市場環境變化，努力保持現有產品組合的市場份額並加強我們營銷網絡的建設力度。但是，在整體醫藥行業面臨調整和經營壓力的大環境下，本集團的業績也遭受了嚴峻的考驗，於報告期內實現銷售收入人民幣858.9百萬元，較二零一五年下跌21.6%，實現年度溢利人民幣18.3百萬元，同比下跌73.6%。





Since its establishment, the Group has been focusing on the Chinese pharmaceutical market with intensive and meticulous efforts, providing comprehensive marketing, promotion and channel management (“MPCM”) services for small and medium-sized overseas pharmaceutical manufacturers which lack independent marketing capacity. Following years of practice and development, the Group’s marketing network has gained a certain scale. Based on its full understanding of the Chinese pharmaceutical market, the Group actively adjusts its models of internal management and product sales in response to market and policy changes. During the Reporting Period, the Group continued to build its marketing network with greater efforts. The Group obtained the 100% equity interest in Qingdao Ruichi Pharmaceuticals Company Limited (“Qingdao Ruichi”) by way of equity acquisition. As an important move for the Group to further improve its MPCM services, the acquisition has not only enriched the Group’s existing product portfolio, but materialized its layout strategy of establishing a marketing sub-center in East China, so as to consolidate and expand the Group’s market in Northern China.

The Group’s product portfolio covers multiple therapeutic areas, such as blood products, anti-infectives and products for digestive and cardiovascular systems. As a long-term partner with Octapharma (a global leading manufacturer of blood products), the Group will remain firm in developing blood products as a core area of business and continue the close cooperation with Octapharma, with efforts to provide more MPCM services for its Human Albumin and to explore new opportunities of product cooperation with Octapharma.

While continuing to develop its system of internal control and risk management, the Group also paid significant attention to its corporate social responsibilities and practised them during the Group’s governance over the Reporting Period. With that in mind, I am pleased to announce the Group’s first publication of an Environmental, Social and Governance (“ESG”) report in this year’s annual report.

On behalf of the Board, I would like to take this opportunity to thank our Shareholders, customers and partners for their trust and support during the year, and all the employees of the Group for their hard work and contribution. We will seize the market opportunities brought by the transformation and upgrade of the pharmaceutical industry. The Group will continue with blood products as its core products, expand its marketing network by optimizing the product portfolio, and continuously improve the competitiveness, in an effort to create maximum value for the Shareholders, customers and other stakeholders.

Huang Xiangbin
Chairman

27 March, 2017

本集團自成立以來，一直堅持專注於在中國醫藥市場精耕細作，為在中國市場缺乏獨立營銷及推廣實力的海外中小型製藥商提供綜合營銷、推廣及渠道管理服務。經過多年的實踐發展，本集團的營銷網絡已初具規模。基於自身對中國醫藥市場的充分瞭解，本集團積極根據市場及政策的變化及時調整內部管理模式以及產品銷售模式。於報告期內，本集團持續加大了營銷推廣網絡建設力度，通過股權收購的方式獲得了青島瑞馳藥業有限公司(「青島瑞馳」)100%股權。此收購事項是本集團進一步提升綜合營銷、推廣和渠道管理的服務水平的一項重要舉措，不僅豐富了本集團現有產品組合，同時實現了在華東地區設立分營銷中心的戰略布局，以此鞏固和拓展中國北方市場。

本集團的產品組合涵蓋血液製品、抗感染藥物、消化系統、心血管系統等多個治療領域。本集團作為全球血液製品巨頭之一奧克特珐瑪的長期合作夥伴，將始終堅持以血液製品作為業務發展的核心領域，繼續保持與奧克特珐瑪的緊密合作，並進一步增強為其人血白蛋白提供營銷、推廣及渠道管理服務的力度，並努力與之開拓新的產品合作機會。

於報告期內，本集團繼續強化內部控制及風險管理體系的建設，亦高度關注企業社會責任，並在集團管治中踐行企業社會責任。在此，本人欣然宣佈，本集團於本年度報告內首次發佈環境、社會及管治報告。

借此機會，本人謹代表董事會對各位股東、客戶及合作夥伴於本年度給予的充分信賴和鼎力支持，以及本集團全體僱員之努力和貢獻致以衷心的感謝。我們將把握醫藥行業升級轉型的市場機遇，堅持以血液製品為核心產品，通過優化產品組合，拓展營銷推廣網絡，不斷提升自身競爭力，為股東、客戶及各權益人創造最大價值。

黃祥彬
主席

2017年3月27日





Management Discussion and Analysis

管理層討論及分析

Management Discussion and Analysis

管理層討論及分析



Business review

The Chinese pharmaceutical industry relies heavily on policies. Any minor adjustment of policies and regulations would invariably have a major impact upon relevant businesses in the industry. In recent years, the pharmaceutical industry has experienced the gradual tightening of its policies, with expenses control, anti-corruption and industrial standards emerging as the focuses of the pharmaceutical reform. As a critical year for pharmaceutical reform, 2016 saw new policies rolled out frequently, in relation to pharmaceutical manufacturing, circulation, delivery and administration, with stricter standards imposed on the management of pharmaceutical companies, pharmaceutical circulation and quality inspection. The new policies and stricter standards spurred positive industrial competition, and played a significant influence on the pharmaceutical industry. Given multiple changes in market environment and policies, pharmaceutical companies were confronted by unprecedented challenges in respect of production and operation, and the enormous pressure on sales and profit margins.

During the Reporting Period, the Group has been active in adjusting and reforming its sales model, to adapt to the changes to economic situations and policies from home and abroad which led to a temporary decline of sales volume. Meanwhile, the Group also suffered from the depreciation of RMB against USD, which led to increase in the purchase cost, and unstable product supply caused by the supplier's transformation and upgrade of production lines. As a result, the Group's overall operating results were affected significantly. During the Reporting Period, the Group recorded a revenue of RMB858.9 million (2015: RMB1,096.1 million), representing a year-on-year decrease of 21.6%. Net profit amounted to RMB18.3 million (2015: RMB69.4 million), representing a year-on-year decrease of 73.6%. Without the impact of one-off listing expenses and share option amortisation expenses, the adjusted net profit registered a year-on-year decline of 48.4% to RMB35.8 million, compared with last year.

Facing the pressure and challenge, during the Reporting Period, the Group sustained its stable partnership with Octapharma, which is a global leading manufacturer of blood products, with a firm grasp of the fast development of domestic blood product industry; the Group also continued to develop its marketing network with intensive and meticulous efforts, to improve the ability of providing MPCM services for small and medium-sized overseas pharmaceutical manufacturers. Meanwhile, we applied our international vision and accurate judgment of the Chinese pharmaceutical market to continue our exploration and introduction of quality products, in a bid to expand our product portfolio.

業務回顧

中國醫藥行業對政策具有較高依存度，政策法規的細微調整無一不對行業內相關企業產生重大影響。近年來，醫藥行業政策逐步趨緊，控費、醫療反腐和行業規範成為醫藥改革重點。在處於醫藥改革攻堅期的2016年裏，有關藥品生產、流通、配送、使用等環節的新政策頻繁出台，對醫藥企業管理、藥品流通、藥品質檢等方面給予了更加嚴格的標準，促使行業優勝劣汰，從整體上影響著醫藥行業格局的變化。由於市場環境和政策環境的諸多變化，藥企的生產及經營也面臨著空前挑戰，銷售及利潤率面臨巨大壓力。

於報告期內，為應對國內外經濟形勢及政策環境的變化，本集團積極進行銷售模式的調整變革，導致銷量出現暫時性下滑，加之人民幣兌美元貶值所造成的採購成本上漲、供應商生產線升級改造而造成的產品供應量不穩定等原因，本集團的整體經營業績受到了明顯影響。於報告期內，本集團錄得收益人民幣858.9百萬元(2015年：人民幣1,096.1百萬元)，同比減少21.6%。純利為人民幣18.3百萬元(2015年：人民幣69.4百萬元)，同比下跌73.6%。倘不考慮一次性上市開支和購股權攤銷開支的影響，經調整純利仍較去年同比減少48.4%至人民幣35.8百萬元。

面對壓力與挑戰，於報告期內，本集團繼續保持與全球領先的血液製品生產商奧克特珐瑪的穩定合作關係，把握國內血液製品行業快速發展的態勢，繼續精細化營銷推廣網絡，提升為海外中小型製藥商提供營銷、推廣及渠道管理服務(「營銷、推廣及渠道管理服務」)的能力。同時，結合我們國際化的發展視野和對中國醫藥市場的準確判斷，持續考察和引進優質產品，豐富擴充產品組合。





1. Enriching and Optimizing Our Product Portfolio

The Group's existing product portfolio encompasses many quality products by small and medium-sized overseas pharmaceutical manufacturers, covering multiple therapeutic areas such as anti-infectives, blood products, and products for digestive and cardiovascular systems. Included in such products are blood products (which are in short supply in the Chinese market) and prescription drugs which can meet the huge demand for high-quality drugs with excellent clinical results among medical institutions and patients.

Human Albumin Solution

Dating back to the early 1940s, blood products have undergone decades of fast development. Such products have grown from Human Albumin at the very beginning to the current 20-plus categories in three series, encompassing such sub-categories as Human Albumin, immune globulin and blood coagulation factors. Across the world, governments and members of the public have paid growing attention to the safety of blood products, with tightened government supervision of the blood product industry. Such attention and supervision, coupled with corporate mergers and acquisitions, has resulted in a decline of the number of foreign businesses of blood products from more than 100 to around 20 at present. Given the approval granted to new indications and an improved rate of diagnosis, the Plasma Protein Therapeutics Association (PPTA) predicts that the market demand for blood products will retain a high-speed growth around the globe. As to the Chinese industry of blood products, production licensing and the establishment of plasma collection stations are subject to strict control by government regulators, which has resulted in the relatively slow improvement in the amount of plasma collection and production capacity, compared with the fast growth of demand. Since the second half of 2015, the removal of restrictions on blood product price has led Chinese provinces to successively include blood products in the catalogue of categories for price negotiation and launch online procurement programs for such products. Price renegotiations have led to the price increase of various blood products.

Manufactured by Octapharma, which is a global leading manufacturer of blood products and included as a Category B product in the National Reimbursement Drug List (NRDL), the Human Albumin Solution operated by the Group is used to treat the shock caused by hypovolemia, remove edema and poisonous substances, and treat neonatal hyper-bilirubinemia. As the exclusive service provider of Octapharma Human Albumin Solution for 24 Chinese

1. 豐富和優化產品組合

本集團現有產品組合包括多項由海外中小型製藥商生產的優質產品，涵蓋抗感染藥物、血液製品、消化系統、心血管系統等多個治療領域。該等產品既包括在中國市場上供不應求的血液製品，亦包括可滿足醫療機構、患者對於臨床效果卓越、品質優異的藥品的強烈需求的處方藥品。

人血白蛋白注射液

血液製品起源20世紀40年代初，經過幾十年的快速發展，產品品種已由最初的人血白蛋白發展到人血白蛋白、免疫球蛋白和凝血因子類等3大系列20多個品種。由於世界範圍內政府和民眾對血液製品安全性的重視程度不斷提高，各國政府對血液製品行業的監管逐步加強，加上企業之間的兼併重組，國外血液製品企業也由原來的100多家減少到目前的20家左右。隨著新的適應症的獲批和診治率的提高，國際血漿蛋白治療協會(PPTA)預計未來全球血液製品市場需求仍將保持較高的增長速度。而中國國內的血液製品行業，由於生產許可證照及新設採漿站均受到政府監管部門的嚴格管控，國內採漿量和生產產品能力的提升相對快速增長的需求仍然緩慢。自2015年下半年以來，隨著血液製品價格放開，全國各省陸續將血液製品納入談判議價品種目錄並啟動直接掛網採購項目，通過重新議價，各血液製品的價格均得到不同程度的提升。

本集團經營的人血白蛋白注射液是由全球血液製品巨頭之一的奧克特珐瑪公司生產，用於治療因血容量降低引起的休克、消除水腫和有毒物質、新生兒高膽紅素血症等，是國家醫保目錄乙類產品。作為奧克特珐瑪人血白蛋白注射液在中國24個省、市及自治區的獨家服務供應商，本集團確保了人血白蛋白注射液在各省招標過程中取





provinces, municipalities and autonomous regions, the Group has ensured a reasonable price increase of Human Albumin Solution during the tendering process in each province, in a bid to lay a good market foundation for the sales of Human Albumin Solution. In the meantime, the Group raised the sales price of Human Albumin Solution over the Reporting Period. Based on its sound judgment of the trend in the blood product industry, the Group took the initiative to extend the sales of Human Albumin Solution to provinces which had yet to start price adjustment for the product, in addition to the supply of Human Albumin Solution in provinces where such price adjustment is completed. The extension aims to both boost the market share of the product and its market penetration continuously. However, the comprehensive transformation and upgrade of production lines by suppliers resulted in a temporary plunge of supply of Octapharma Human Albumin Solution during the Reporting Period; Though the supply has returned to normal during the fourth quarter, several batches of orders were still under importation procedures by the end of the Reporting Period. Meanwhile, the Group adjusted its sales strategy in an attempt to reduce reliance on its major suppliers which resulted in a decrease in sales volume by 27.5% as compared with last year, with revenue amounting to RMB514.3 million which represented a decline of 23.0% as compared with last year.

Axetine (Cefuroxime Sodium for injection)

In April 2011, the Ministry of Health, PRC, issued the 2011 National Rectification Plan for the Clinical Application of Antibacterial Agents (《2011年全國抗菌藥物臨床應用專項整治活動方案》). Since then, a slew of tightening policies had been rolled out across the country, to restrain the use of antibacterial agents. Such restriction remained one of the most influential policies in the pharmaceutical industry in 2016, with the antibacterial-agent market under the restrictions of both general hospitals and primary medical institutions. In addition, all the categories in the catalogue of antibacterial agents were subject to strict management in respect of the dynamic management of the supply catalogue of antibacterial agents, their procurement and doctor's prescriptions. As such, the market of antibacterial agents was confronted with serious, unprecedented challenges.

Manufactured by Medochemie Ltd. from Cyprus, the Axetine operated by the Group is among the second generation of cephalosporin antibiotics. Axetine is used to treat bacterial infections, including respiratory infection, urinary tract infection, and skin and soft tissue infections. The product has been included in the National Catalogue of Essential Pharmaceuticals and the Category A product

得合理的價格提升，為人血白蛋白注射液的銷售奠定了良好的市場基礎。同時，本集團於報告期內提高了人血白蛋白注射液的銷售價格。根據對血液製品行業趨勢的合理預判，本集團除將人血白蛋白注射液供應至已完成調價的省份外，亦主動將產品銷售覆蓋至其他尚未調價省份，在提升該產品市場份額的同時不斷加深市場滲透率。然而，因廠家生產線全面升級改造，於報告期內奧克特珐瑪人血白蛋白注射液的供給量出現暫時性短缺。儘管供應於第四季度恢復正常，但多批訂單於報告期末仍處於進口過程中。同時，集團為降低對主要客戶的依賴度而主動調整了銷售策略，從而導致奧克特珐瑪人血白蛋白注射液銷量較去年下降27.5%，實現銷售收益人民幣514.3百萬元，較去年減少23.0%。

安可欣(注射用頭孢呋辛鈉)

自2011年4月，中國衛生部下發了《2011年全國抗菌藥物臨床應用專項整治活動方案》以來，全國各地限抗政策層出不窮，2016年限抗依舊是醫藥行業最熱門的政策之一。抗菌藥物市場受到了來自大醫院和基層醫療機構的雙重限制，所有抗菌藥物目錄中的品種在抗菌藥物供應目錄動態管理、抗菌藥物採購、醫生處方等多環節均受到了嚴格管理，抗菌藥物市場迎來了前所未有的嚴峻考驗。

本集團經營的安可欣是由塞浦路斯麥道甘美大藥廠生產，屬第二代頭孢類抗菌素。用於治療敏感細菌所造成的感染症，如呼吸道感染、生殖泌尿道感染、皮膚及軟組織感染等，該產品被納入國家基本藥物目錄、國家醫保目錄甲類品種。受宏觀經濟、醫藥環境和行業政策等多方面因素影





of NRDL. Affected by multiple factors such as macro-economy, pharmaceutical environment and industrial policies, antibacterial agents are exposed to the acceleration of downside risks. Against the backdrop of the control of medical expenses and the “Order of Restraining the Use of Antibacterial Agents”, the tendering prices have dropped in some provinces, with a certain impact upon the current sales of Axetine. Nonetheless, the product serves as a major anti-infection medicine domestically, owing to its high adherence and safety. Years of brand building and marketing network expansion have established Axetine as a product of good reputation and brand recognition in China. During the Reporting Period, the Group highlighted a differentiated approach on Axetine, with continuous efforts to increase its market penetration. As a result, the Group maintained steady sales of Axetine, and realized revenue of RMB244.9 million, representing a decrease of 5.0% as compared with last year.

Medocef (Cefoperazone Sodium for injection)

Also manufactured by Medochemie Ltd. and operated by the Group, Medocef is among the third generation of cephalosporin antibiotics. The product is used to treat bacterial infections caused by sensitive lactamase, including respiratory infection, urinary tract infection, biliary tract infection, abdominal infection, skin and soft tissue infections, pelvic infection and septicemia; the product is also effective in treating the brain infections caused by influenza and meningococcus. During the Reporting Period, due to tightened policies and the unstable supply caused by pharmaceutical plants, revenue from the sales of Medocef amounted to RMB26.3 million during the Reporting Period, representing a decrease of 55.0% as compared with last year.

Trifamox IBL (Amoxicillin Sodium and Sulbactam Sodium for injection)

The Trifamox IBL is a new product introduced by the end of 2016. Manufactured by Bago from Argentina, Trifamox IBL is a classic compound preparation of penicillin-amidase inhibitors, and an imported original product recommended by the relevant guideline for the empirical treatment of community acquired pneumonia (CAP)

響，抗菌藥物承受著加速下行的壓力。在醫保控費和「限抗令」的大背景下，部分省份的招標價格下降，對安可欣的銷售產生了一定影響。但由於安可欣在臨床使用中展現出依從性高、安全性佳等特點，是國內抗感染類主要用藥之一。經過多年的品牌建立和營銷網絡拓展，安可欣在中國已樹立了良好的口碑和品牌認知度。於報告期內，本集團對安可欣突出差異化，並繼續提高市場滲透率，使得安可欣的銷售保持平穩，實現銷售收益人民幣244.9百萬元，較去年減少5.0%。

麥道必(注射用頭孢哌酮鈉)

本集團經營的麥道必是由塞浦路斯麥道甘美大藥廠生產，屬第三代頭孢類抗菌素。用於治療敏感產黴菌引起的感染症，如呼吸系統、生殖泌尿道感染、膽道、胸腹腔、皮膚及皮膚及軟組織感染、盆腔感染及敗血症等，對流感桿菌、腦膜炎球菌引起的腦內感染亦有較好療效。於報告期內，由於政策收緊，以及藥廠生產供應的波動導致供應量不穩定，麥道必實現銷售收益人民幣26.3百萬元，較去年減少55.0%。

特福猛(注射用阿莫西林鈉舒巴坦鈉)

特福猛是本集團於2016年年底引進的新產品，由阿根廷霸科製藥廠生產，是經典的青黴素酶抑制劑複方製劑，原研進口產品，其是指南推薦的用於治療兒童社區獲得性肺炎(CAP)經驗治療的推薦用藥。具有廣譜抗菌、強效抑酶、安全可





of children. Characteristic of an extensive antibacterial range, a great effect of enzyme inhibition, safety and reliability, Trifamox IBL is a top choice of empirical medication in the early-stage antibacterial treatment of community-acquired infection and nosocomial infection. The product is used to treat the respiratory infection, skin and soft tissue infections, pelvic infection, urinary system infection, oral cavity infection and severe systemic infection caused by β -lactamase generating bacteria resistant to beta-lactam antibiotics and cephalosporin. During the Reporting Period, the Group was in the transfer process with its existing product market, and planned to further boost the sales of Trifamox IBL by leveraging the Group's mature sales network of antibiotics. However, during the Reporting Period, revenue from the sales of Trifamox IBL amounted to RMB0.9 million, due to its short time of introduction, its nature of "restricted medication", and tightened policies.

Taurolite (Tauroursodeoxycholic acid capsule)

Manufactured by Bruschetti S.r.l. from Italy, the Taurolite operated by the Group is used to dissolve cholelithiasis. Overseas clinical tests revealed that Taurolite yielded good clinical results in treating cholestasis liver disease and primary biliary cholangitis and could be used to treat cholelithiasis recurrence after surgery. As the 3rd generation cholic-acid drug with an exclusive brand market in China, Taurolite enjoys advantages such as higher water-binding capacity, greater safety and bioavailability, better solubility and quicker effect. The product serves as a stone-dissolving drug to replace ursodeoxycholic acid. During the Reporting Period, the Group, through constant communication and training, helped its agents to gain positive understanding of the Group's sales strategies and provide active cooperation on developing hospital clients and building the brand, all in line with the Company's product promotion strategies. The Group further promoted gallstone indications and hosted academic conferences to educate doctors, to further expand Taurolite's market coverage. Still, affected by a weak market foundation and the control of pharmaceutical expenses, revenue from the sales of Taurolite amounted to RMB63.1 million during the Reporting Period, representing a decrease of 28.4% as compared with last year.

Esafosfina (Fructose 1, 6-diphosphate for injection)

Manufactured by Biomedica Foscoma Group S.p.A. from Italy, the Esafosfina operated by the Group is used to treat hypophosphatemia, chronic alcohol poisoning, long-term malnutrition, chronic respiratory failure and other chronic diseases. The product also serves as a supplementary therapeutic drug for angina, heart failure, heart attack and acute myocardial congestion. With its role in treating cardiovascular diseases, the product is

靠的特點，是社區感染、院內感染早期抗菌治療的經驗性用藥首選。適用於對單獨使用 β -內酰胺類抗生素和頭孢菌素耐藥的產 β -內酰胺酶的微生物所致的呼吸道感染、皮膚和軟組織感染、盆腔感染、泌尿系統感染、口腔感染、嚴重系統性感染等。於報告期內，本集團正在進行與產品原有市場的交接工作，並計劃利用本集團成熟的抗生素銷售網絡進一步打開本產品銷售局面，但受限於引進時間較短、政策收緊和「限制用藥」屬性，報告期內特福猛實現銷售收益人民幣90萬元。

滔羅特(牛磺熊去氧膽酸膠囊)

本集團經營的滔羅特由意大利貝斯迪大藥廠生產，適用於溶解膽固醇結石。國外臨床試驗顯示，滔羅特對於治療膽汁淤積性肝病、原發性膽汁性肝硬化等亦具有良好臨床療效，可用於預防膽結石術後復發。滔羅特是中國市場上通用名獨家的第三代口服膽汁酸類藥物，具有親水性強、更安全、生物利用度更高、水溶性更好及起效迅速等優勢，是替代熊去氧膽酸膠囊的溶石治療藥物之一。於報告期內，本集團通過不斷的溝通和培訓，使代理商能正面理解集團推行的銷售策略，積極配合公司產品推廣策略開展的醫院開發和品牌建設工作，深入加強膽結石適應症推廣，廣泛通過各類學術會議開展醫生教育，進一步擴大滔羅特的市場覆蓋。但由於市場基礎相對薄弱，並受到醫藥控費大環境的影響，於報告期內，滔羅特實現銷售收益人民幣63.1百萬元，較去年減少28.4%。

愛賽福(注射用1,6-二磷酸果糖)

本集團經營的愛賽福由意大利福斯卡瑪生化製藥公司生產，用於治療低磷酸血症、慢性酒精中毒、長期營養不良、慢性呼吸衰竭等慢性疾病，是心絞痛、心衰竭、心肌梗塞、急性心肌充血的輔助治療藥物，在心血管疾病治療中發揮了一定作用，該產品被納入國家醫保目錄乙類品種。二磷酸果糖已屬我國心血管類治療藥物前三大品種





included as a Category B product of NRDL. Fructose diphosphate is one of the top three cardiovascular medicines in China, while Esafosfina is the only imported diphosphate medicine in the Chinese market. During a new round of tendering for medicine procurement, the Group ensured that the online price of Esafosfina was competitive against the domestic categories in the tendering process of each province, in a bid to lay a good market foundation for the sales of Esafosfina. Affected by centralized provincial tendering and procurement and the limited progress in developing hospital clients during the Reporting Period, the sales results of Esafosfina were not prominent after its price increase; revenue from the sales of Esafosfina amounted to RMB9.4 million, representing a decrease of 13.8% as compared with last year.

TAD (Reduced Glutathione for injection)

During the Reporting Period, the Group did not receive the renewed registration certificate for imported medicine of TAD, which prevented the Group from the effective sales and seriously affected the market share of the product. Hence, considering the product's small market, the uncertain timeframe of certificate renewal and the need to optimize its product portfolio, the Group agreed to cease the distribution agreement of TAD with Trendful Development Limited, an independent third party with a compensation of RMB1.7 million and hence caused a loss of RMB1.4 million.

2. Marketing Network Development

Apart from the continuous enrichment and optimization of its product portfolio, the Group is committed to sustaining its marketing network expansion, with continuous enhancement of distributor management as one key development strategy of the Group. The Group provides its marketing service through its internal teams and their cooperation with third-party promoters.

In the first half of 2016, the Group restructured its business and established product divisions, to further its effort to build a more professional internal team and conduct precision management of its third-party promoters. The Group boosted its marketing business structure through internal coordination and recruitment of external talents, with each division equipped with managers in charge of sales, commerce, finance, customer service and products. Each division formulates marketing strategies centered on its product line, provides overall management for the provinces and areas of each main region, and further segments the market of each provincial and area. The Group implemented a pilot marketing program, to promote its products among hospitals and carry out academic

之一，而愛賽福是我國市場上唯一進口的果糖藥物。本集團在新一輪藥品招標採購中，確保愛賽福在各省招標過程中以區別於國產品種的優勢價格掛網，為愛賽福的銷售奠定良好的市場基礎。於報告期內，受各省集中招標採購及醫院開發進度的影響，愛賽福的銷售業績尚未在價格提升後充分呈現出來，實現銷售收益人民幣9.4百萬元，較去年減少13.8%。

泰特(注射用還原性谷胱甘肽)

於報告期內，本集團未獲得更新後的泰特進口藥品註冊證，致使本集團無法有效開展銷售工作，並對該產品的市場佔有率造成了嚴重影響。因此，考慮到該產品的市場規模較小和換證完成時間的不確定性，為優化產品組合，本集團同意按賠償款人民幣1.7百萬元終止與獨立第三方鈺福發展有限公司的泰特經銷權協議，並因此產生損失人民幣1.4百萬元。

2. 營銷推廣網絡發展

除不斷豐富和優化產品組合，本集團致力於不斷拓展營銷推廣網絡，並以持續強化對經銷商的管理作為本集團的重點發展戰略之一。本集團的營銷推廣服務通過內部團隊及內部團隊與第三方推廣商合作而展開。

為進一步加強對內部團隊的專業化建設及對第三方推廣商的精細化管理，本集團於2016年上半年重組了業務組織架構，以產品為劃分依據成立了事業部。通過內部調整和外部人才引進等方式，充實營銷推廣業務組織架構，為各事業部配備了銷售、商務、財務、客戶服務及產品經理。各事業部圍繞負責的產品綫制定營銷推廣策略，以大區為單位對下轄各省區、地區進行統籌管理，對各省區及地區的市場進行細分。推行試點營銷計劃，在試點範圍內積極開展產品醫院開發和學術推廣工作，打造標杆醫院並提升產品品牌度，開展循證醫學學術營銷工作。銷售團隊建設





promotion activities within the pilot scope, help build model hospitals and boost the brand recognition of the Group's products, as well as provide marketing for evidence-based medical learning. In respect of building its sales team, the Group continuously enhanced relevant training and performance appraisal for its in-service staff, committing efforts to improve the team's capability of academic promotion and expand its scale, in order to build an outstanding team for more product promotion and market expansion plans in the future.

During the Reporting Period, the Group had an internal marketing team of more than 60 members.

In areas beyond the pilot marketing program, marketing is completed through the cooperation between the Group's internal teams and third-party promoters. Each division has overhauled the existing distributor network of products, with work to engage, train and supervise third-party promoters and eliminate distributors who fail to comply with national policies and requirements and adapt to the Company's development strategies and objectives. To ensure the quality of its marketing network, the Group has taken the initiative to optimize its sales channels by exploring excellent third-party promoters from respective areas to carry out marketing in non-pilot scheme areas. The move is to fully capitalize on such promoters' experience in different areas, continuously provide targeted product sales and promotion to more hospitals, and expand market coverage.

In addition, the Group had further improved the direct participation of its internal marketing team in product marketing activities. In this regard, approaches include regularly training third-party promoters on product knowledge, hosting or taking part in medical or pharmaceutical conferences, symposiums and product seminars to directly partake in the academic promotion activities of products, and extend the opinion leadership network for the main therapeutic areas of products. All the approaches serve to ensure accurate and timely delivery of product information to doctors. Except for product promotion, the Group has taken the initiative to invite third-party promoters from across the country to discuss the major impact of relevant policies, to increase the added value and attraction of the Group's training. During the Reporting Period, the Group had 316 distributors in 31 provinces, municipalities and autonomous regions, covering 1,071 Class-III hospitals, 1,345 Class-II hospitals, 434 Class-I hospitals and over 700 pharmacies and other medical institutions.

方面，本集團不斷加強對在職人員的相關培訓和績效考核力度，致力於提升其學術推廣能力，同時擴大了銷售團隊的規模，為未來更多的產品推廣和市場拓展計劃建立出色的生力軍。

於報告期內，本集團擁有的內部營銷團隊逾60人。

非試點營銷計劃區域的營銷推廣工作是由內部團隊與第三方推廣商合作來完成的。各事業部全面梳理公司產品現有經銷商網絡結構，開展委任、培訓及監督第三方推廣商等工作，主動淘汰不符合國家政策要求和適應公司發展戰略目標的經銷商。為確保營銷網絡品質，本集團主動下沉銷售渠道，開發更多優質的區域第三方推廣商具體實施非試點區域的營銷推廣工作，充分發揮其在區域營銷推廣中的經驗，將產品銷售推廣工作不斷細化和延伸至更多醫院，拓寬市場覆蓋。

另外，本集團進一步強化內部營銷團隊對產品市場活動的直接參與，包括定期向第三方推廣商提供產品知識培訓，通過籌辦或參與醫療或醫藥會議、座談會及產品研討會等方式直接參與產品的學術推廣活動，拓展產品主要治療領域的意見領袖網絡等，以保證產品信息準確及時的傳達於醫生。除了產品推介外，本集團還主動邀請全國第三方推廣商一同探討解讀國家政策的重大影響，提高集團培訓的附加值及吸引力。於報告期內，本集團擁有遍佈中國31個省、市及自治區的316名經銷商，覆蓋至全國1,071家三級醫院、1,345家二級醫院、434家一級醫院及超過700家藥房和其他醫療機構。





3. Acquisition

On 4 November 2016, the Company has signed an equity transfer agreement with independent third parties Ms. Dou Yiqing and Mr. Liu Zhenqiang; and on 22 December 2016, the Group completed its acquisition of the entire equity interest in Qingdao Ruichi at a total consideration of RMB37.7 million.

Qingdao Ruichi is mainly engaged in pharmaceutical import, distribution and channel management, with close and stable business ties with multiple overseas pharmaceutical companies. The core products of Qingdao Ruichi include amoxicillin sodium and sulbactam sodium for injection (brand name: Trifamox IBL), triptorelin acetate (brand name: Diphereline) and ginkgo biloba (brand name: Tanakan), their sales covering the entire market of China. Qingdao Ruichi has qualifications on the pharmaceutical operation permit and the operation permits for some Categories II and III medical equipment. By acquiring Qingdao Ruichi, the Group has further enriched its existing product portfolio and established its marketing sub-center in East China and further consolidated and expanded the market in Northeast China. The Group integrates its MPCM services with Qingdao Ruichi's national channel management platform in order to quickly improve the Group's MPCM services provided for overseas suppliers and deepen the cooperation with them. At the same time, Qingdao Ruichi possesses qualification certificates such as Good Supply Practice ("GSP"), pharmaceutical supply permit and medical equipment business license, which create the condition for the Group to embark on the sales of medical equipment.

Save as mentioned above, the Company did not hold any material investments, and there was no material acquisition or disposal of its subsidiaries, associates or joint ventures during the Reporting Period.

4. The Cold Chain Storage Facility

Considering its future demand for business expansion and the significant demand for pharmaceutical cold chains in the storage and delivery of blood products and bio-products, the Group has constructed a cold chain facility and research and development base in Shuangliu District, Chengdu, Sichuan Province. In April 2016, the State Council promulgated a revised edition of the Regulation on the Administration of Vaccine Circulation and Injection (《疫苗流通和預防接種管理條例》); in June 2016, China Food and Drug Administration and the National Health and Family Planning Commission jointly issued a notice, stipulating that the whole delivery process of vaccines shall not be separated from cold

3. 收購事項

2016年11月4日，本公司與獨立第三方實一青女士及劉振強先生簽署了一份股權轉讓協議，並於2016年12月22日完成了對青島瑞馳的全部股權收購，總代價為人民幣37.7百萬元。

青島瑞馳主要從事藥品進口、分銷及渠道管理業務，與國外多家製藥公司建立了緊密穩固的業務基礎，其核心產品包括注射用阿莫西林鈉舒巴坦鈉(商品名：特福猛)；注射用醋酸曲普瑞林(商品名：達菲林)及銀杏葉片(商品名：達納康)等，銷售覆蓋整個中國大陸市場。青島瑞馳擁有藥品經營許可相關資質和擁有包括部分II類和III類醫療器械的醫療器械經營許可證。通過收購青島瑞馳，本集團進一步豐富了現有產品組合，同時實現了在華東地區設立分營銷中心的布局，以此進一步鞏固和拓展中國東北方市場。本集團將自身的營銷推廣服務的優勢與青島瑞馳的全國性渠道管理平台相結合，從而快速提升本集團為國外廠家提供營銷、推廣和渠道管理一體化綜合服務的水平，深化與國外廠家的合作。同時，青島瑞馳擁有的藥品經營質量管理規範(「GSP」)、藥品經營許可證及醫療器械經營許可證等資質證照，也可為本集團進軍醫療器械銷售領域創造了條件。

除上文所述者外，本公司並不持有任何重大投資，於報告期內亦無任何附屬公司、聯營公司及合營公司的重大收購或出售。

4. 冷鏈倉儲設施

考慮到本集團今後業務擴張需求以及關於血液製品、生物製品在倉儲、運輸環節對於醫藥冷鏈的巨大需求，本集團在四川省成都市雙流區建設了冷鏈設施及研發基地。2016年4月，國務院頒布了新修訂的《疫苗流通和預防接種管理條例》；2016年6月國家食品藥品監督管理總局、國家衛生計生委聯合下發通知，明確疫苗儲運環節全程不得脫離冷鏈控制，定時監測、記錄溫度，保證疫苗質量。新政策既凸顯了國家規範藥品行業的決心，更意味著中國醫藥冷鏈行業將進入高速發展的快車道。本集團已基本完工的第一期冷鏈





chain control, regular monitoring and temperature recording, to ensure the quality of vaccines. The new policy has underlined the determination of regulating the Chinese pharmaceutical industry and implied that the medical cold chain industry in China has entered an era of rapid growth. The Group has almost completed the first phase of its cold chain facility (15,000 square meters), which can satisfy the Company's storage demand and provide better control for the quality and safety of the blood products in our product portfolio. Additionally, we will be able to provide third parties with medical cold-chain storage services of high quality, upon the completion of the second phase (which includes 25,000 square meters of cold chain storage and 47,000 square meters of research and development base).

5. Research and Development

The Group has entered into a collaboration agreement with the China Academy of Chinese Medical Sciences to develop "Sinco I", a realgar-based chemical medicine for treating acute promyelocytic leukemia. The collaboration aims for the upstream extension of the Group's business and the future provision of a new medicine for patients in the therapeutic area. By the end of the Reporting Period, the Group has attained certain progress in the research and development of Sinco I, with current efforts to design and build a pilot plant for pilot experiments. Such experiments are expected to start in the first half of 2017. During the Reporting Period, the Group incurred RMB5.1 million as the research and development expenses for developing Sinco I.

Outlook

Having experienced years of high-speed development, the Chinese healthcare industry is facing many challenges and undergoing reform in the short term. Notwithstanding the short-term operating pressure brought by stringent regulatory requirements promulgated by the PRC government, it is believed that the Chinese pharmaceutical industry will be further optimized, with the Chinese population aging at a faster pace, the indiscriminate implementation of the Second-Child Policy, a rising average income, and consistently expanding market scale. The reform of

設施(15,000平方米)可滿足公司自身的倉儲需求，並能夠更好地控制產品組合中血液製品的質量安全，待第二期建設(包括25,000平方米的冷鏈倉儲及47,000平方米的研發基地)竣工時可向第三方提供高品質的醫藥冷鏈倉儲服務。

5. 研發

本集團與中國中醫科學院中藥研究所訂立合作協議，開發以雄黃為原料的化學藥物「Sinco I」，是以雄黃為原料的用於治療急性早幼粒細胞白血病的新型藥物，以期將集團業務向上游延伸的同時，未來將該治療領域的新藥提供給患者。本集團在Sinco I的研發工作上取得了一定進展，於報告期末正在設計建設中試車間以開展中試試驗，預計中試試驗將於2017年上半年開始。於報告期內，本集團產生開發Sinco I的研發費用為人民幣5.1百萬元。

未來展望

中國醫藥行業經過多年的高速發展，整體增長速度穩中趨緩。雖然中國政府所頒佈嚴厲的監管規定會在短期內帶來經營壓力，但基於中國人口老齡化進程加快、二胎政策全面放開、人均收入水平提高等因素，相信未來中國醫藥行業的市場規模將進一步擴大。當前我國醫療體制改革進入深水區，整個行業處於調整和變革的過程，相信隨著新政策的落地和調整的完成，中國醫藥市場將迎來一個更加規範的市場，適應





the Chinese medical system has entered a “deep-water zone” where the entire medical industry is in a process of adjustment and transformation. The prospects of Chinese healthcare industry remain bright as the entry threshold is raised, where businesses that adapt to market reforms will gain more opportunities and maintain the strength. The Group will stick to its corporate development strategies of expanding the marketing network and optimizing the product portfolio, maintaining blood products as the core area of business development, taking the initiative to change in a harsh environment, and exploring new opportunities for corporate development, all in an attempt to grow bigger and stronger.

In respect of expanding its marketing network, the Group will continue its active search for opportunities to acquire quality regional firms of pharmaceutical circulation, and deliver the expansion of corporate capital, operational scale and market share. In addition, the Group will build its sales team at a faster pace and continuously work on extending its marketing network, in a bid to contribute a higher profit to the Group and accommodate more products.

As for optimizing its product portfolio, the Group will remain firm in developing blood products as its core business and continuing its close cooperation with Octapharma, with further efforts to increase the market share of Human Albumin Solution in China and actively seek broader opportunities for new production cooperation. Moreover, the Group will actively search for quality overseas products that meet the demand of the Chinese market and the Group’s strategies and policies, coupled by active efforts to identify opportunities of acquiring quality rights of sale to enrich the product portfolio.

Apart from the above, the Group will continue to enhance the development of its internal control system and risk management, pay much attention to and fulfill its corporate social responsibilities throughout the Group’s governance. The Group will offer its staff a great platform for career development, and keep working to create greater value for the shareholders of the Company (the “Shareholders”).

市場變革的醫藥企業也將迎來更多的市場機會，實現強者恒強。本集團將秉持擴大營銷推廣網絡和優化產品組合的企業發展戰略，堅持以血液製品作為業務發展的核心領域，積極在新政策的規範下主動變革，開發新的企業發展契機，繼續做大做強企業。

在擴大營銷推廣網絡上，本集團將繼續積極物色機會收購優質的區域型醫藥流通企業，實現企業資本和經營規模擴張，擴大市場銷售份額。同時，將加快銷售隊伍建設步伐，不斷推進營銷推廣網絡向終端市場延伸，為集團貢獻更高利潤，承載更多產品。

在優化產品組合方面，本集團始終堅持以血液製品作為業務發展的核心領域，將繼續保持與奧克特珐瑪的緊密合作，進一步提高其人血白蛋白注射液在中國區的市場份額，並積極拓展新產品的合作機會。同時，本集團將積極尋找符合中國市場需求及本集團戰略方針的海外優質產品，並主動尋找收購優質銷售權的機會，以豐富產品組合。

此外，本集團將繼續加強企業內部控制體系建設，強化風險管理，亦高度關注企業社會責任，並在集團管治中踐行。本集團將為員工提供理想的職業發展平台，為本公司的股東(「股東」)創造更大的價值而不懈努力。





Financial review

Revenue

The Group recorded revenue of RMB858.9 million for the Reporting Period, representing a decrease of RMB237.2 million, or 21.6% as compared to RMB1,096.1 million in 2015, mainly due to the decrease in sales volume of Human Albumin Solution by 27.5%, as the Group encountered a temporary plunge of supply, and adjusted the sales management strategy during the Reporting Period. Though the supply was returned to normal in the fourth quarter of 2016, sales volume was still not fully recovered by the end of the Reporting Period.

Besides the Human Albumin Solution impact, during the Reporting Period, in response to the issuance of new pharmaceutical policies and the change of the market environment, the Group was undertaking reformations on the business model to adapt to these changes. During the transition period, our sales performance and revenue were affected to a certain extent. For details, please refer to "Business Review" part under Management Discussion and Analysis Section.

Cost of sales

The Group recorded the cost of sales of RMB754.3 million for the Reporting Period, representing a decrease of RMB189.3 million or 20.1% as compared to RMB943.6 million in 2015, which was largely in line with the decrease in revenue.

Gross profit and gross profit margin

The Group's gross profit for the Reporting Period decreased by RMB47.9 million, or 31.4% as compared to 2015. Gross profit margin decreased from 13.9% in 2015 to 12.2% for the Reporting Period. The fluctuation could be further analysed as below:

- (1) Gross profit margin for sales of Human Albumin Solution decreased by 0.9% from 12.1% in 2015 to 11.2% in 2016, which was mainly caused by the increased average unit cost of sales by 7.4% as a result of the depreciation of RMB against USD. The decline was partially offset by the increase in average selling price by 6.2% during the Reporting Period.

財務回顧

收益

本集團於報告期內錄得收益人民幣858.9百萬元，較2015年的人民幣1,096.1百萬元減少人民幣237.2百萬元或21.6%，主要因本集團於報告期內遭遇臨時藥品供應短缺，以及調整銷售管理策略，以致人血白蛋白注射液銷售量減少27.5%。儘管藥品供應已於2016年第四季度回復正常，惟銷售量於報告期末仍未全面回升。

除人血白蛋白的影響外，於報告期內，因應新藥品政策出台及市場環境的變動，本集團不斷改革業務模式，以應對該等變動。於過渡期間，本集團的銷售業績及收益在一定程度上受到影響。有關詳情，請參閱管理層討論及分析一節的「業務回顧」部分。

銷售成本

本集團於報告期內錄得銷售成本人民幣754.3百萬元，較2015年的人民幣943.6百萬元減少人民幣189.3百萬元或20.1%，與收益減少大致相符。

毛利及毛利率

報告期內，本集團毛利較2015年減少人民幣47.9百萬元或31.4%。毛利率由2015年的13.9%下降至報告期內的12.2%。有關波動可進一步分析如下：

- (1) 人血白蛋白注射液的毛利率由2015年的12.1%減少0.9%至2016年的11.2%，主要是由於人民幣兌美元貶值導致平均單位銷售成本增加7.4%。毛利率減幅部分被報告期間平均售價上升6.2%所抵消。





(2) Gross profit margin for sales of Taulolite, TAD and Esafosfina dropped by 15.3%, primarily due to (i) the decrease in selling price due to intensive market competition and (ii) the increase in average unit cost of sales. As the amortisation cost of approximately RMB5.0 million per annum in relation to the exclusive distribution right was a fixed cost, when sales volume decreased, the cost allocated to each unit increased.

Other income and gains

Other income and gains for the Reporting Period amounted to RMB8.5 million, representing an increase of RMB7.7 million as compared with 2015, primarily due to the increase in (i) foreign exchange gain arising from net foreign currency assets of RMB4.2 million; (ii) interest income on an available for sale investment of RMB1.8 million; (iii) government grants of RMB0.8 million; and (iv) other one-off income of RMB0.5 million.

Selling and distribution expenses

During the Reporting Period, the Group recorded selling and distribution expenses of RMB11.5 million, representing an increase of RMB5.8 million as compared with 2015. The Group's selling and distribution expenses primarily comprised marketing and promotion expenses, staff costs, transportation expenses and other daily operation expenses incurred by sales team. During the Reporting Period, especially in the second half of 2016, in order to further explore marketing network, the Group increased the expenditure to strengthen marketing development and brand promotion activities, which led to an increase in marketing and promotion expenses of RMB5.8 million.

Administrative expenses

During the Reporting Period, the Group recorded administrative expenses of RMB62.4 million, representing an increase of RMB21.9 million as compared with 2015, primarily due to increase in (i) professional consultation fee of RMB8.3 million; (ii) daily operation expenses of RMB4.0 million; (iii) listing expenses of RMB3.3 million; (iv) directors' remuneration and staff costs of RMB3.3 million; (v) research and development expenditure of RMB2.0 million; and (vi) share option amortisation expense of RMB1.0 million.

Other expense

The decrease in other expenses of RMB8.9 million from RMB13.4 million in 2015 to RMB4.5 million during the Reporting Period was primarily due to the decline in foreign exchange loss of RMB11.2 million, partially offset by the increase in (i) bank charges of RMB0.8 million and (ii) loss on disposal of exclusive distribution right of TAD of RMB1.4 million.

(2) 滔羅特、泰特及愛賽福銷售毛利率下降15.3%，主要是由於(i)市場競爭激烈，促使售價下降；及(ii)平均單位銷售成本增加。由於與獨家經銷權有關每年約人民幣5.0百萬元攤銷成本為固定成本，當銷售量下降，分配至每個單位的成本亦因而增加。

其他收入及收益

報告期內，其他收入及收益為人民幣8.5百萬元，較2015年增加人民幣7.7百萬元，主要是由於(i)外幣資產淨額產生的外匯收益人民幣4.2百萬元；(ii)來自可供出售投資的利息收入為人民幣1.8百萬元；(iii)政府補助人民幣0.8百萬元；及(iv)其他一次性收入人民幣0.5百萬元。

銷售及經銷開支

於報告期內，本集團錄得銷售及經銷開支人民幣11.5百萬元，較2015年增加人民幣5.8百萬元。本集團的銷售及經銷開支主要包括營銷及推廣費用、員工成本、運輸費用及銷售團隊產生的其他日常營運開支。於報告期內，特別是2016年下半年，為進一步開拓營銷網絡，本集團增加開支，以加強市場拓展及品牌推廣活動，導致營銷及推廣費用增加人民幣5.8百萬元。

行政開支

於報告期內，本集團錄得行政開支人民幣62.4百萬元，較2015年增加人民幣21.9百萬元，主要是由於下列各項增加所致：(i)專業諮詢費人民幣8.3百萬元；(ii)日常營運開支人民幣4.0百萬元；(iii)上市費用人民幣3.3百萬元；(iv)董事酬金及員工成本人民幣3.3百萬元；(v)研發支出人民幣2.0百萬元；及(vi)購股權攤銷開支人民幣1.0百萬元。

其他開支

其他開支由2015年的人民幣13.4百萬元減少人民幣8.9百萬元至報告期內的人民幣4.5百萬元，主要是由於外匯虧損減少人民幣11.2百萬元，有關減額部分被下列各項的增加所抵銷：(i)銀行收費人民幣0.8百萬元；及(ii)出售泰特獨家經銷權虧損人民幣1.4百萬元。





Finance costs

Finance cost increased by RMB2.1 million to RMB9.2 million as compared with RMB7.1 million in 2015, reflecting the increase in bank borrowings during the Reporting Period.

Income tax expenses

Income tax expense decreased by RMB10.0 million, or 58.1% to RMB7.2 million as compared with RMB17.2 million in 2015. The effective income tax rate increased from 19.8% in 2015 to 28.3% during the Reporting Period, primarily due to the increase in non-deductible listing expenses and capital expenditures on tax basis.

Profit for the Reporting Period

As a result of the foregoing, the Group's net profit decreased by RMB51.1 million, or 73.6% to RMB18.3 million as compared to RMB69.4 million in 2015. Net profit margin declined to 2.1% for the Reporting Period from 6.3% for year 2015.

Inventories

Inventory balances increased by RMB91.0 million to RMB137.6 million as of 31 December 2016 (31 December 2015: RMB46.6 million). The significant increase was mainly due to (i) the increase in Human Albumin Solution by RMB45.8 million, which just completed customs clearance procedures by the end of the Reporting Period; and (ii) the addition of inventory balance from the acquired subsidiary – Qingdao Ruichi of RMB43.2 million. To ensure timely delivery of pharmaceutical products, Qingdao Ruichi needs to keep the inventory balance equivalent to sales volume of two to three months. Due to the impact of sales volume decrease and inventory balance increase, the Group's average inventory turnover days increased from 28 days for the year ended 31 December 2015 to 45 days for the Reporting Period.

Bills and trade receivables

Bills receivable decreased by RMB69.1 million to RMB8.1 million as of 31 December 2016 (31 December 2015: RMB77.2 million), because most of the prepayments from our customers were made by cash deposits by the end of the Reporting Period.

Trade receivable balance of RMB11.8 million as of 31 December 2016 was all related to the business of Qingdao Ruichi, which provide a credit period ranging from 30 to 60 days to its customers. Average bills and trade receivable turnover days increased slightly from 19 days for the year ended 31 December 2015 to 21 days for the Reporting Period, mainly reflecting the impact of Qingdao Ruichi acquisition.

財務成本

財務成本較2015年的人民幣7.1百萬元增加人民幣2.1百萬元至人民幣9.2百萬元，反映報告期內銀行借款增加。

所得稅開支

所得稅開支較2015年的人民幣17.2百萬元減少人民幣10.0百萬元或58.1%至人民幣7.2百萬元。實際所得稅率由2015年的19.8%增加至報告期內的28.3%，主要由於不可扣稅之上市開支及稅法認定的資本支出增加所致。

報告期溢利

由於上述因素，本集團的純利較2015年的人民幣69.4百萬元減少人民幣51.1百萬元或73.6%，至人民幣18.3百萬元。純利率由2015年的6.3%下降至報告期內的2.1%。

存貨

於2016年12月31日，存貨結餘增加人民幣91.0百萬元至人民幣137.6百萬元(2015年12月31日：人民幣46.6百萬元)。存貨結餘顯著增加主要是由於(i)人血白蛋白注射液增加人民幣45.8百萬元，因其在報告期末剛完成報關程序；及(ii)收購附屬公司青島瑞馳增加存貨結餘人民幣43.2百萬元。為保證藥品及時配送，青島瑞馳需持有相當於2至3個月銷售量的存貨。受銷售量下降及存貨結餘增加的影響，本集團平均存貨周轉天數由截至2015年12月31日止年度的28天增加至報告期內的45天。

應收票據及貿易應收款項

應收票據於2016年12月31日減少人民幣69.1百萬元至人民幣8.1百萬元(2015年12月31日：人民幣77.2百萬元)，因為我們客戶的大部分預付款項均於報告期末以現金存款支付。

於2016年12月31日，貿易應收款項結餘為人民幣11.8百萬元，均為青島瑞馳的業務產生，青島瑞馳為客戶提供信貸期30至60天。平均應收票據及貿易應收款項周轉天數由截至2015年12月31日止年度的19天微增至報告期內的21天，主要反映收購青島瑞馳的影響。





Based on the invoice date, all trade receivables of the Group as of 31 December 2016 were aged within 2 month and were neither past due or impaired.

Trade payables

Trade payables decreased by RMB17.0 million to RMB45.8 million as of 31 December 2016 (31 December 2015: RMB62.8 million), due to the settlement of letters of credit by the end of Reporting Period, partially offset by the addition of RMB40.1 million from Qingdao Ruichi. The acquisition of Qingdao Ruichi also led to an increase in trade payable turnover days from 16 days for the year ended 31 December 2015 to 26 days for the Reporting Period.

Payments in advance

Payments in advance increased by RMB30.5 million to RMB99.9 million as of 31 December 2016 (31 December 2015: RMB69.4 million), primarily due to the settlement of progress billings in relation to the construction of cold chain storage facility.

Goodwill

Goodwill increased by RMB23.1 million to RMB58.6 million as of 31 December 2016 (31 December 2015: RMB35.5 million), representing the goodwill acquired through business combination of Qingdao Ruichi. Details has been discussed in the section headed “Management Discussion and Analysis — Business Review — 3. Acquisition” in this announcement.

Available for sale investment

The balance as of 31 December 2016 represented a one-year fund of HK\$120.0 million (equivalent to RMB103.5 million), namely William Merger and Acquisition Fund No. 9 (the “Fund”) issued by Shenzhen City William Financial Holding Limited, an independent third party, on 13 July 2016. As of 31 December 2016, the Group’s Fund with a carrying amount of HK\$124.4 million (equivalent to RMB111.3 million) (2015: not applicable) was measured at fair value. Please refer to the Company’s announcement dated 13 July 2016 for further details.

Bank borrowings and gearing ratio

As of 31 December 2016, the Group’s interest-bearing bank loans amounted to RMB165 million (31 December 2015: RMB81.9 million), all of which were repayable within one year. The Group’s gearing ratio is calculated as net debt divided by the sum of total equity and net debt, with net debt equal to interest-bearing bank loans minus cash equivalents. As of 31 December 2016, the Group’s gearing ratio was 12.1% (31 December 2015: 18.4%).

根據發票日期，本集團截至2016年12月31日的全部貿易應收款項賬齡均介乎兩個月內且並無逾期或減值。

貿易應付款項

於2016年12月31日，貿易應付款項減少人民幣17.0百萬元至人民幣45.8百萬元(2015年12月31日：人民幣62.8百萬元)，乃由於報告期末信用證結清，有關減幅部分被來自青島瑞馳的增加人民幣40.1百萬元所抵銷。收購青島瑞馳也導致貿易應付款項周轉天數由截至2015年12月31日止年度的16天增加至報告期內的26天。

預付款項

於2016年12月31日，預付款項增加人民幣30.5百萬元至人民幣99.9百萬元(2015年12月31日：人民幣69.4百萬元)，主要由於就建設冷鏈倉儲設施結清進度款項所致。

商譽

於2016年12月31日，商譽增加人民幣23.1百萬元至人民幣58.6百萬元(2015年12月31日：人民幣35.5百萬元)，即與青島瑞馳的業務合併所產生的商譽。有關詳情已於本公告「管理層討論及分析—業務回顧—3.收購事項」部分加以討論。

可供出售投資

於2016年12月31日，結餘指一年期基金120.0百萬元(相當於人民幣103.5百萬元)，即獨立第三方深圳市威廉金融控股有限公司於2016年7月13日發行的威廉金控併購9號基金(「基金」)。於2016年12月31日，基金按照公允價值計量的賬面價值為124.4百萬元(相當於人民幣111.3百萬元)(2015年：不適用)。有關進一步詳情，請參閱本公司日期為2016年7月13日的公告。

銀行借款及負債比率

於2016年12月31日，本集團的計息銀行貸款為人民幣165百萬元(2015年12月31日：人民幣81.9百萬元)，全部均須於一年內償還。本集團的負債比率按淨債務除以總權益與淨債務之總和計算，而淨債務等於計息銀行貸款減現金等價物。於2016年12月31日，本集團的負債比率為12.1%(2015年12月31日：18.4%)。





Liquidity and capital resources

The Group's primary uses of cash are to fund working capital and other recurring expenses, payment for capital expenditure and to service indebtedness. During the Reporting Period, the Group funded its cash requirements principally from cash generated from operations and funds raised from global offerings and bank borrowings.

The following table is a condensed summary of the Group's consolidated statement of cash flows for the Reporting Period:

流動資金及資本來源

本集團的現金主要用作撥付營運資金、支付其他經常性開支、支付資本性開支及償還債務。於報告期內，本集團主要透過經營活動產生的現金以及全球發售及銀行借款募集的資金撥付本集團的現金需求。

下表為本集團報告期內的綜合現金流量表的簡明摘要：

| | | 2016 | 2015 |
|--|-------------------|-----------|----------|
| | | 2016年 | 2015年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Net cash from/(used in) operating activities | 經營活動所得／(所用)現金淨額 | (29,903) | 46,196 |
| Net cash used in investing activities | 投資活動所用現金淨額 | (206,206) | (53,664) |
| Net cash from/(used in) financing activities | 融資活動所得／(所用)現金淨額 | 321,921 | (3,068) |
| Net increase/(decrease) in cash and cash equivalents | 現金及現金等價物增加／(減少)淨額 | 85,812 | (10,536) |
| Effect of foreign exchange rate changes | 匯率變動影響 | 8,061 | 526 |
| Cash and cash equivalents at beginning of the year | 年初現金及現金等價物 | 60,206 | 70,216 |
| Cash and cash equivalents at end of the year | 年末現金及現金等價物 | 154,079 | 60,206 |

Net cash from/(used in) operating activities

During the Reporting Period, the Group's net cash used in operating activities was RMB29.9 million as compared to net cash from operating activities of RMB46.2 million in 2015. This was mainly due to the decrease in sales volume and payment of share issue expenses in relation to existing shares of RMB35.4 million.

經營活動所得／(所用)現金淨額

於報告期內，本集團於經營活動所用現金淨額為人民幣29.9百萬元，而2015年的經營活動所得現金淨額則為人民幣46.2百萬元。此乃主要由於銷量減少及支付有關原股份的上市開支人民幣35.4百萬元所致。

Net cash used in investing activities

During the Reporting Period, the Group's net cash used in investing activities was RMB206.2 million as compared to net cash used in investing activities of RMB53.7 million in 2015. This was mainly due to (i) the purchase of an available for sale investment of RMB105.5 million; (ii) payment for acquisition of Chengdu Hengsheng Ziguang Pharmaceutical Technology Co., Ltd. and its wholly-owned subsidiary, namely, Linzhi Ziguang ("Linzhi Ziguang Group") of RMB27.0 million and (iii) net cash used in acquisition of Qingdao Ruichi of RMB32.7 million.

投資活動所用現金淨額

於報告期內，本集團於投資活動所用現金淨額為人民幣206.2百萬元，而2015年的投資活動所用現金淨額為人民幣53.7百萬元。此乃主要由於(i)購買可供出售投資人民幣105.5百萬元；(ii)收購成都恒盛紫光醫藥技術有限公司及其全資附屬公司，即林芝紫光(「林芝紫光集團」)所付人民幣27.0百萬元；及(iii)收購青島瑞馳所用現金淨額人民幣32.7百萬元所致。





Net cash from/(used in) financing activities

During the Reporting Period, the Group's net cash from financing activities was RMB321.9 million as compared to net cash used in financing activities of RMB3.1 million in 2015. This was mainly due to (i) gross proceeds from issuance of shares of RMB277.8 million, and (ii) net proceeds from bank loans of RMB83.1 million; partially offset by the payment of (i) share issue expenses in relation to new shares of RMB25.2 million (ii) interest paid for bank loans of RMB9.2 million, and (iii) interim dividend of RMB4.6 million.

The Group's cash and bank balances at the end of the Reporting Period can be further analysed as follows:

融資活動所得／(所用)現金淨額

於報告期內，本集團於融資活動所得現金淨額為人民幣321.9百萬元，而2015年的融資活動所用現金淨額為人民幣3.1百萬元。此乃主要由於(i)發行股份所得款項總額人民幣277.8百萬元；及(ii)銀行貸款所得款項淨額人民幣83.1百萬元所致，惟部分被(i)有關新股份的股份發行開支人民幣25.2百萬元；(ii)支付銀行貸款利息人民幣9.2百萬元；及(iii)中期股息人民幣4.6百萬元所支付款項抵銷。

於報告期末，本集團的現金及銀行結餘可進一步分析如下：

| | | 2016 | 2015 |
|---------------------|--------|----------------|---------------|
| | | 2016年 | 2015年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Denominated in RMB | 以人民幣計值 | 100,945 | 32,683 |
| Denominated in US\$ | 以美元計值 | 36,467 | 27,062 |
| Denominated in HK\$ | 以港元計值 | 16,251 | 113 |
| Denominated in Euro | 以歐元計值 | 416 | 348 |
| | | 154,079 | 60,206 |

Foreign currency risk

The Group's purchase of products from the overseas suppliers is denominated in US\$ and Euro. Most of the Group's assets and liabilities are denominated in RMB, except for certain items of cash and cash equivalents, pledged bank balances, other receivables, available-for-sale investments, prepayments and trade payables that are denominated in US\$, Euro and HK\$.

The Group does not enter into any hedging transactions to manage the potential fluctuation in foreign currencies. Management monitors the Group's foreign currency exposure and will consider hedging significant foreign currency exposure when the need arises.

外匯風險

本集團自海外供應商購買產品以美元及歐元計值。本集團大部分資產及負債以人民幣計值，惟若干現金及現金等價物、已抵押銀行結餘、其他應收款項、可供出售投資、預付款項及貿易應付款項則以美元、歐元及港元計值。

本集團並無訂立任何對沖交易以管理潛在的外匯波動。管理層會監察本集團外匯風險，並將在有需要時考慮對沖重大外匯風險。



**Capital expenditure**

The following table sets out the Group's capital expenditure for the Reporting Period:

資本開支

下表載列報告期內本集團的資本開支：

| | | 2016 | 2015 |
|---|----------------------|----------------|---------------|
| | | 2016年 | 2015年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Purchase of property, plant and equipment and intangible assets | 購買物業、廠房及設備及無形資產 | 42,780 | 31,664 |
| Acquisition of subsidiaries | 收購附屬公司 | 59,688 | 8,000 |
| Acquisition of non-controlling interests of a subsidiary from then shareholders | 自當時的股東收購一家附屬公司的非控股權益 | - | 14,000 |
| | | 102,468 | 53,664 |

Indebtedness

The maturity profile of the Group's financial liabilities at the end of the Reporting Period, based on the contractual undiscounted payments, is as follows:

債務

以下為本集團金融負債於報告期末基於合約未貼現付款的到期情況：

| | | 2016 | | | |
|-----------------------------|--------|------------------|---------------------------|-----------------------|----------------|
| | | 2016年 | | | |
| | | On demand | Less than 3 months | 3 to 12 months | Total |
| | | 於要求時 | 少於三個月 | 三至十二個月 | 總額 |
| | | 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 |
| Interest-bearing bank loans | 計息銀行貸款 | - | 10,092 | 158,623 | 168,715 |
| Trade payables | 貿易應付款項 | - | 45,832 | - | 45,832 |
| Other payables | 其他應付款項 | 926 | 2,755 | 54,362 | 58,043 |
| | | 926 | 58,679 | 212,985 | 272,590 |





| | | 2015 2015年 | | | |
|-----------------------------|--------|-----------------------|-------------------|----------------|----------------|
| | | Less than 3 months | 3 to 12 months | | Total |
| | | On demand | | | |
| | | 於要求時 | 少於三個月 | 三至十二個月 | 總額 |
| | | 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 |
| Interest-bearing bank loans | 計息銀行貸款 | - | 17,773 | 67,153 | 84,926 |
| Trade payables | 貿易應付款項 | - | 62,793 | - | 62,793 |
| Other payables | 其他應付款項 | 697 | 2,728 | 51,349 | 54,774 |
| | | <u>697</u> | <u>83,294</u> | <u>118,502</u> | <u>202,493</u> |

Contingent liabilities

The Group had no material contingent liabilities as of 31 December 2016.

或然負債

於2016年12月31日，本集團概無任何重大或然負債。

Pledge of assets

As of 31 December 2016, the Group's buildings with net carrying amount of RMB76.1 million (2015: RMB77.1 million) were pledged to secure certain bank borrowings, and the Group's bank balance of RMB52.0 million (2015: RMB22.1 million) were pledged for issuance of letters of credit for the purchase of pharmaceutical products.

資產抵押

於2016年12月31日，本集團賬面淨值人民幣76.1百萬元(2015年：人民幣77.1百萬元)的樓宇已抵押以取得若干銀行借貸，而本集團的銀行結餘人民幣52.0百萬元(2015年：人民幣22.1百萬元)已抵押，用作開立信用證購買藥品。

Dividend

The Directors do not recommend the payment of a final dividend for the Reporting Period.

股息

董事並無建議派發報告期的末期股息。

Employee and remuneration policy

As of 31 December 2016, the Group had a total of 141 employees. For the Reporting Period, the total staff costs of the Group was RMB12.8 million as compared to RMB9.3 million for the year ended 31 December 2015.

僱員及薪酬政策

截至2016年12月31日，本集團共有141名僱員。於報告期，本集團的員工成本總計人民幣12.8百萬元，而截至2015年12月31日止年度為人民幣9.3百萬元。

The Group's employee remuneration policy is determined by factors such as remuneration in respect of the local market, the overall remuneration standard in the industry, the inflation level, corporate operating efficiency and employee performance. The Group conducts performance appraisals once every year for its employees, the results of which are applied in annual salary reviews and promotional assessments. Annual bonuses of the Group's employees are determined based on certain performance criteria and appraisals results. Social insurance contributions are made by the Group for its PRC employees in accordance with the relevant PRC regulations.

本集團僱員薪酬政策乃參考有關當地市場的薪酬、行業的整體薪酬標準、通脹水平、企業營運效率及僱員表現等因素而釐定。本集團每年為僱員作一次表現評核，年度薪金檢討及晉升評估時會考慮有關評核結果。本集團根據若干績效條件及評核結果考慮僱員的年度花紅。本集團根據相關中國法規為其中國僱員作出社會保險供款。





The Group also provides continuous learning and training programs to its employees to enhance their skills and knowledge, so as to maintain their competitiveness and improve customer service. The Group did not experience any major difficulties in recruitment, nor did it experience any material loss in manpower or suffer from any material labor dispute during the Reporting Period.

In addition, the Company adopted a share option scheme (the “Share Option Scheme”) to recognise the contribution by certain employees of the Group, and to provide them with incentives in order to retain them for the continuing operation and development of the Group.

Risk management

The followings are summary of principal risks and uncertainties identified by the Company which may have material and adverse impact on our performance or operation. There may be other principal risks and uncertainties in addition to those shown below which are not known to the Company or which may not be material now but could turn out to be material in the future.

- Failure to maintain relationships with existing suppliers – The Group currently sources all the products in portfolio from limited suppliers, either directly or indirectly through their sales agents.
- Exchange rate fluctuation – The Group’s purchase of products from the overseas suppliers is denominated in US\$ and Euro, and certain items of bank balances and available-for-sale investments are denominated in US\$, Euro and HK\$.
- Decrease in gross profits due to increase in cost and competition.
- Experience prolonged delays or significant disruptions to the supply of the products.

The Company believes that risk management is essential to the Group’s efficient and effective operation. The Company’s management assists the Board in evaluating material risk exposure existing in the Group’s business, and participates in formulating appropriate risk management and internal control measures, and to ensure its implementation in daily operational management.

本集團亦為僱員提供持續學習及培訓計劃，以提升彼等的技能及知識，藉此維持彼等的競爭力並提高客戶服務的質量。本集團於報告期在招聘方面並無遇到任何重大困難，亦無出現任何嚴重人員流失或任何重大勞資糾紛。

此外，本公司採納購股權計劃(「購股權計劃」)以肯定本集團若干僱員的貢獻，及向彼等提供獎勵，以挽留彼等繼續協助本集團的營運及發展。

風險管理

以下概述本公司所識別的主要風險及不明朗因素，該等風險及不明朗因素可能會對我們的表現或營運造成重大不利影響。除下文所示者外，可能還有其他為本公司未知或現時不重大但於未來可變為重大的主要風險及不明朗因素。

- 未能與現有供應商維持關係—本集團現時向數目有限的供應商直接或透過銷售代理間接採購所有產品組合。
- 匯率波動—本集團向海外供應商購買的產品以美元及歐元計值，而若干銀行結餘及可供出售投資則以美元、歐元及港元計值。
- 成本增加及競爭導致毛利下跌。
- 產品供應遭遇長時間延誤或重大中斷。

本公司相信，風險管理對本集團的營運效率及效益十分重要。本公司的管理層協助董事會評估本集團業務所面對的重大風險，並參與制訂合適的風險管理及內部監控措施，以及確保在日常營運管理中妥善實施有關措施。





Relationship with key stakeholders

Human resources is one of the most important assets of the Group. The Group strives to motivate its employees by providing them with a clear career path as well as comprehensive and professional training courses. The Group conducts an internal satisfaction survey every year and considers carefully employees' feedback on operating efficiency and harmony working environment. In addition, the Group also offers competitive remuneration packages to its employees, including basic salary, certain benefits and other performance-based incentives.

The Group purchases pharmaceutical products from overseas suppliers, either directly or indirectly through their sales agents, and generates revenue by on-selling them to the distributors. The suppliers or their sales agents have granted the Group rights to market, promote and manage sales channels for their products in China. The Group maintains a stable and long-term relationship with suppliers by providing them access to the growing Chinese market with steady sales growth.

The Group sells pharmaceutical products to distributors, who on-sell the products to hospitals and pharmacies either directly or indirectly through their sub-distributors. The Group maintains stable and long-term relationship with the distributors by providing guidance, training and support to the distributors to carry out more targeted field marketing and promotion activities.

Environmental policies and performance

The Group is primarily engaged in MPCM services for imported pharmaceutical products, a line of business that does not have material impact on the environment. The key environmental impacts from the Group's operation are related to electricity, water and paper consumption. The Group is fully aware of the importance of sustainable environmental development, and has implemented a number of measures to encourage environmental protection and energy conservation. Please refer to the section headed "Environmental, Social and Governance Report" for details.

During the Reporting Period, we did not incur any material cost of compliance with applicable environmental laws and regulations.

Compliance with laws and regulations

Our business and operations are subject to related laws and regulations of the Cayman Islands, the British Virgin Islands, Hong Kong and the PRC. During the Reporting Period, we have complied with all related laws and regulations of the Cayman Islands, the British Virgin Islands, Hong Kong and the PRC, which would have significant impact on the Group.

與主要利益相關者的關係

人力資源為本集團最重要資產之一。本集團致力為僱員提供清晰的事業發展路徑以及完善專業的培訓課程，激勵僱員力爭上游。本集團每年進行一次內部滿意度調查，並仔細考慮僱員在工作效率和和諧工作環境所提出的意見。此外，本集團亦為僱員提供具競爭力的薪酬待遇，包括基本薪金、若干福利及其他績效獎勵。

本集團從海外供應商直接或透過銷售代理間接採購進口藥品，然後轉售予經銷商產生收益。供應商或其銷售代理授予本集團在中國營銷、推廣產品及管理銷售渠道的權利。本集團與供應商維持穩定長遠關係，讓供應商可以進入不斷增長的中國市場，獲得穩定的銷售增長。

本集團將藥品售予經銷商，再由其直接或經其分經銷商售予醫院和藥房，本集團與經銷商維持穩定長遠關係，為經銷商提供指引、培訓和支持，以在目標領域開展更多營銷及推廣活動。

環境政策及表現

本集團主要從事進口藥品營銷、推廣及渠道管理，該類業務一般不會嚴重影響環境。本集團營運所造成的重要環境影響與電、水及紙張消耗有關。本集團深明環境可持續發展的重要性，並已實施多項措施，以推動環保及節能。詳情請參閱「環境、社會及管治報告」一節。

於報告期，我們並無因遵守相關環境法律及法規而產生任何重大支出。

遵守法律法規

我們的業務及營運須遵守開曼群島、英屬維爾京群島、香港及中國的相關法律及法規。於報告期內，我們一直遵守對本集團有重大影響的開曼群島、英屬維爾京群島、香港及中國所有相關法律及法規。





Environmental, Social and
Governance Report
環境、社會及管治報告

Environmental, Social and Governance Report

環境、社會及管治報告



Basis of Preparation

The Report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “ESG Guide”), Appendix 27 to the Listing Rules.

Scope of Reporting

The data and information cited in the Report are referenced from the archived questionnaires, records, statistics and research of the Company. The Report covers an information period that spans from 1 January 2016 to 31 December 2016, exactly the financial year covered by the 2016 annual report of the Company.

The Report encompasses the information of the Company and all its subsidiaries, collectively referred to as the “Group”.

Contact

Should you have any query or feedback on the Report, please contact us via the following methods:

- Address: E5-1805, Global Center, 1700 Tianfu Avenue North, Hi-tech Industrial Development Zone, Chengdu City, Sichuan Province
- Tel: +86 28 62912988
- Fax: +86 28 62912922
- Email: sinco-pharm@sinco-pharm.cn
- Official website: <http://www.sinco-pharm.com>

報告編輯依據

本報告根據上市規則附錄二十七所載《環境、社會及管治報告指引》(「環境、社會及管治指引」)編寫。

報告範圍

本報告所引用的數據及資料源於本公司各項存檔問卷、記錄、統計和研究。本報告內容所刊載和統計的資訊期間為2016年1月1日至2016年12月31日。與本公司2016年年報涵蓋的財政年度一致。

本報告涵蓋本公司及其所有附屬公司(統稱「本集團」)之信息。

聯繫方式

如對本報告及其內容有任何疑問或反饋意見，歡迎通過以下方式與我們聯繫：

- 地址：四川省成都市高新區天府大道北段1700號環球中心E5-1805
- 電話：+86 28 62912988
- 傳真：+86 28 62912922
- 電郵地址：sinco-pharm@sinco-pharm.cn
- 官方網站：<http://www.sinco-pharm.com>





Overview

As a leading provider of MPCM services in the Chinese pharmaceutical industry, the Group provides MPCM services for small and medium-sized overseas pharmaceutical manufacturers which lack independent marketing capacity in the Chinese market. Experienced and insightful of the Chinese pharmaceutical market, our management team selects prospective products through a stringent and effective screening procedure, to drive the development of the Chinese pharmaceutical import market. By far, the Group's product portfolio is composed of blood products, antibiotics, and other pharmaceutical imports that enjoy high-speed growth or a sizable market.

Core Values

Constant in pursuing pharmaceutical products and technical services of supreme quality, the Group aspires to become a top partner for overseas pharmaceutical businesses who intend to enter the Chinese pharmaceutical market. Sticking to its core values "Simplicity, Innovation, National, Collaboration, and Openness", the Group wishes to deliver good corporate governance and fulfill its environmental and social responsibilities, to realize sustainable development and promote the harmony and common prosperity with the investors, staff, suppliers, distributors, governments, communities, financial institutions and other stakeholders.

Stakeholder Identification and Communication

The Group pays much attention to its stakeholders' expectation of environment and social responsibilities. Through continuous development, the Group seeks to further improve its internal control system and corporate governance structure. Based on national laws and regulations, industrial regulations and the governance framework of a listed company, the Group communicates with its stakeholders through multiple channels, in an effort to safeguard their legal rights, establish trustworthy relations, and jointly push forward corporate development in a continuous and healthy manner.

概況

本集團作為中國醫藥行業領先的營銷、推廣及渠道管理服務供應商，為在中國市場缺乏獨立營銷及推廣實力的海外中小型製藥商提供綜合營銷、推廣及渠道管理服務。我們經驗豐富的管理團隊憑藉對中國醫藥市場的敏銳洞察力，開發及採用嚴格有效的篩選程序物色備選產品，為中國進口醫藥市場的發展注入強勁動力。目前，本集團的產品組合包括血液製品、抗生素及其他高速增長或有相當市場規模的進口藥品組成。

核心價值觀

本集團不斷追求品質卓越的醫藥產品和醫藥技術服務，立志成為海外藥商進入中國醫藥市場的首選合作夥伴。本集團秉承新型高效(Simplicity)、勇於創新(Innovation)、全國覆蓋(National)、合作雙贏(Collaboration)及開放包容(Openness)的核心價值觀，希望憑藉良好的企業管治、對環境及社會責任的履行實現可持續發展，促進與包括投資者、員工、供應商、經銷商、政府、社區及金融機構等在內的各方權益人之間的和諧共榮。

權益人識別與溝通

本集團十分關注利益相關方對我們在環境及社會責任方面的期望，並通過自身的不斷發展，進一步完善和提升內部控制體系和公司治理結構。在國家法律法規、行業法規及上市公司的治理框架下，為權益人提供多種溝通渠道，充分維護他們的合法權益，並與之建立相互信賴的關係，共同推進企業持續、健康的發展。





Significant Subjects for Stakeholders and Response 權益人重大關注議題與回應

| Type of Stakeholders 權益人類型 | Focus 關注重點 | Means of Communication 主要溝通方式 | Response and Feedback 響應與反饋 |
|----------------------------------|--|--|--|
| Shareholders/Investors 股東／投資者 | Continuous, stable investment returns Timely information disclosure Corporate operation in compliance with laws and regulations 持續穩定的投資回報 及時的信息披露 合規的企業運營 | Annual reports, interim reports and announcements General meetings Roadshows/telephone conferences/meet-and-greets Media communication mechanism Press conferences Opinion monitoring Consultation via telephone/email/website Investor visits 年度報告、中期報告及公告 股東大會 路演／電話會議／見面會 媒體溝通機制 新聞發布會 輿情監測 電話／電郵／網站諮詢 投資者來訪 | Publishing AGM notices and resolutions according to regulations Timely disclosing corporate information Publishing disclosure announcements and regular reports according to regulations 按規定發布股東周年大會通知和議案 按時披露公司信息 按規定披露公告和發布定期報告 |
| Staff 員工 | Training and career development Remuneration and benefits Health and safety 培訓和職業發展 薪酬與福利 健康與安全 | Direct communication Performance appraisal Medical checkups Training programmes Staff opinion surveys Safety management 直接溝通 績效考核 體檢 培訓課程 員工意見徵詢 安全管理 | Providing a healthy and safe work environment Establishing a fair mechanism for promotion Organizing staff activities 提供健康、安全的工作環境 建立公平的晉升機制 組織員工活動 |





| Type of Stakeholders 權益人類型 | Focus 關注重點 | Means of Communication 主要溝通方式 | Response and Feedback 響應與反饋 |
|--------------------------------------|--|---|--|
| Suppliers 供應商 | Standard supplier management and purchase process Timely performance of contracts Corporate reputation 規範的供應商管理及採購流程 按時履行合同約定 企業信譽 | Execution of orders/contracts Direct communication Supplier management system Supplier archives 訂單／合同執行 直接溝通 供應商管理制度 供應商檔案 | Performing contracts as agreed Maintaining long-term collaboration with outstanding suppliers Timely payment Ensuring pharmaceutical quality and safety Keeping complete supplier archives 按約履行合同 與優秀供應商保持長期合作 按時付款 確保藥品質量安全 齊全的供應商檔案 |
| Distributors 經銷商 | A robust process of customer service A complete mechanism of information communication A stable and safe supply of pharmaceutical products Timely response to requests 健全的客戶服務流程 完善的信息交流機制 穩定、安全的藥品供應 訴求的及時回應 | Daily communication Aftersales service Customer satisfaction surveys Customer archives Visits to distributors 日常溝通 售後服務 客戶滿意度調查 客戶檔案 企業參觀／走訪 | Enhancing quality management Performing contracts as agreed Providing distributors with pharmaceutical knowledge training and marketing support Sufficient communication 加強質量管理 按約履行合同 為經銷商提供藥品知識培訓和營銷推廣支持 充分溝通 |
| Governments/ Communities 政府／社區 | Corporate operation in compliance with laws and regulations Contributing to community development 合規的企業運營 貢獻社區發展 | Government visits Participation in government meetings and regular visits Government projects Community service 政府參觀指導 參與政府會議、定期拜訪 政府項目 社區服務 | Strict complying with laws and regulations Enhancing safety management Actively assuming social responsibility 嚴格遵守法律法規 加強安全管理 積極承擔社會責任 |
| Financial Institutions 金融機構 | Good corporate credit, and stable capability of loan repayment Stable corporate development 良好的企業信用，穩定的償貸能力 穩定的企業發展 | Financial reports and announcements Visits Direct communication 財務報告及公告 參觀指導 直接溝通 | Timely repayment of loans Maintaining good cooperative relations 按時償還貸款 保持良好的合作關係 |





Key Stakeholder Activities in 2016

Shareholders/Investors

Our Company's investor relations department is responsible for relaying the opinions and requests of our investors. Institutional investors and other minority investors can make their opinions and requests via email, telephone and website message service. Our investor relations department would provide one-on-one communication with individual investors, attend overseas brokerage meetings, and hold roadshows/reverse roadshows from time to time;

Our internal audit department is responsible for reviewing the financial conditions and internal control of the Company and all its subsidiaries, communicate with department managers and senior management on the identified problems, non-compliance issues and inadequacies, and jointly prepare rectification and improvement solutions. The department also follows such rectification results, and reports to the Internal Control and Corporate Governance Committee and the Audit Committee.

The Group has formulated an information disclosure system in accordance with relevant laws and regulations, to ensure the identification and confidentiality of potential inside information until it was disclosed according to the Listing Rules in a consistent and timely manner.

In 2016, the Company held 5 board meetings and 1 general meeting; the investor relations department received the visit from 2 large groups of investors, and hosted 17 one-on-one investor meetings and 6 telephone conferences with investors.

Staff

The Group has actively safeguarded staff rights and interests, contributed to social insurances for its staff members, and ensured their entitlement to such benefits as statutory holidays; the Group has also provided its staff with a safe work environment and precluded potential risks on health and safety;

The Group encourages the staff to improve occupational capability and enrich knowledge through training programmes and self learning;

In 2016, the Group organized more than 20 group activities, 1 medical checkup, 1 satisfaction survey, 1 fire emergency response and evacuation drill, 2 group tours, and an average of over 15 hours of internal and external training for the staff.

2016年度主要相關權益人參與活動

股東／投資者

本公司投資者關係部負責反饋投資者的意見和訴求。機構投資者和其他中小投資者均可通過郵件、電話、網站留言等渠道反饋自己的意見和訴求。投資者關係部會不定期與投資者進行一對一交流，參加海內外券商會議，以及舉行路演／反向路演活動；

我們的內部審核部門負責審閱本公司及所有附屬公司的財務狀況及內部監控，就發現的問題、違規事項或不足之處與各部門經理及高級管理層溝通，共同確立改正及完善方案。並跟進整改結果，向企業管治及內部控制委員會、以及審核委員會彙報。

本集團根據相關法律法規制訂了信息披露制度，確保能夠識別潛在內幕消息並加以保密，直至按照上市規則作出一致且適時的披露為止。

2016年，本公司召開5次董事會、1次股東大會，投資者關係部安排接待了2次大型投資者團隊對本集團的參觀考察，開展了17次投資者一對一會議以及6次投資人電話會議。

員工

本集團積極保障員工權益，依法為公司員工繳納各項社會保險及保障員工享受社會法定假日等福利；本集團同時為員工提供安全的工作環境，杜絕潛在的健康與安全風險；

本集團鼓勵員工通過培訓課程及自學主動提升職業能力，擴充知識面；

2016年，本集團組織員工集體活動超過20次、員工體檢1次、滿意度調查1次、消防應急疏散演習1次、員工集體旅遊2次、員工內外部培訓人均時長超過15小時。





Suppliers

The Group has established a robust supplier management system and complete supplier archives; to standardize the purchase process, the Group has formulated the standardization documents targeting the purchase business of each type of pharmaceutical products;

The Group has established a good mechanism for its communication with suppliers and provided them with the market updates and sales data of products, so that the suppliers can adjust their purchase and production plans accordingly;

In 2016, the Group appraised its suppliers according to the Appraisal Measures for Suppliers, to ensure that the Group selected quality suppliers for cooperation. Meanwhile, the Group has enhanced its information security, with relevant internal regulations formulated and an intranet system in place for managing information security, to ensure such security for the suppliers.

Distributors

Our sales personnel pay regular visits to our customers, providing them with active service support and regular training on product knowledge;

The Group has set up its customer service hotline capable of offering 24-hour service support to the customers. In addition, a multiple-level complaint process is in place to ensure that the Group can receive and record customer complaints in detail, with such records to be submitted to and processed by relevant departments who then give feedback to the customers;

The Group has established a robust distributor management system and complete distributor archives, with documents formulated to standardize the sales business; the Group has also adopted electronic office;

The Group has enhanced its information security, with relevant internal regulations formulated and an intranet system in place for managing information security, to ensure such security for the distributors;

In 2016, the Group conducted 1 customer satisfaction survey for its distributors and organized 16 customer training conferences, 2 distributor communication conferences and 2 customer appreciation banquets.

供應商

本集團建立了完善的供應商管理制度和供應商檔案，針對各種藥品制訂了採購業務標準化文件，將採購流程標準化；

本集團與供應商建立良好的溝通機制，向其提供產品的最新市場情況及銷售數據，以便其調整採購及生產計劃；

2016年，本集團按照《供應商考核辦法》對供應商進行考核，以保障集團選擇優質的供應商進行合作。同時，本集團強化了信息安全建設，於集團內部建立了相關信息安全管理制度，並設置了內網安全管理系統，確保供應商信息安全。

經銷商

我們的營銷人員定期拜訪客戶，積極走訪客戶提供服務支持，定期對客戶開展產品知識培訓；

本集團設置了客戶服務熱線，能夠為客戶提供24小時服務支持，同時建立了多層次投訴流程，確保能夠接受客戶服務並記錄詳細內容，交由相關部門處理並給予客戶反饋；

本集團建立了完善的經銷商管理制度和經銷商檔案，制訂了銷售業務標準化文件，並實現電子化辦公；

本集團強化了信息安全建設，於公司內部建立了相關信息安全管理制度，並設置了內網安全管理系統，以確保經銷商信息安全；

2016年，本集團對經銷商展開客戶滿意度調查1次、組織各類客戶培訓會16次、組織經銷商交流會及客戶答謝會2次。





Governments/Communities

The Group was engaged in multiple forms of community service, such as paying consolation visits to community residents with material difficulties and undertaking poverty relief work;

In 2016, the Group received 5 visits from competent government authorities, attended 3 industrial meetings organized by the government, and arranged a one-on-one poverty relief activity for communities.

Financial Institutions

The Group has formulated an information disclosure system in accordance with relevant laws and regulations, to ensure the identification and confidentiality of potential inside information until it was disclosed according to the Listing Rules in a consistent and timely manner.

Our finance department is responsible for maintaining close communication with financial institutions so that they fully understand the Group's corporate credit, loan repayment capability and development prospects;

In 2016, the Group received more than 50 visits from financial institutions, and remained in long-term cooperation with over 25 financial institutions from home and abroad.

Given our continuous expansion, the Group has included sustainable development into its corporate strategy system, with continuous work to deliver better management, stronger internal control and active dialogue and information communication with stakeholders, so that their rights and interests can be safeguarded to the greatest extent. Furthermore, by extensive reference to our industrial counterparts' information disclosure on sustainable development, the Group has determined the key subjects for its disclosure of environmental and social responsibilities in the Report, and carried out targeted work on such responsibilities in 2016.

In 2017, the Group will reassess the key subjects of stakeholders, and implement our operational objectives and strategic plans, to achieve sustainable development of our business.

政府／社區

本集團開展多形式的社區服務，如慰問社區困難群眾，開展幫扶工作；

2016年，本集團接待政府業務主管部門參觀指導5次、參加政府組織行業會議3次、組織社區對口幫扶活動1次。

金融機構

本集團根據相關法律法規訂了信息披露制度，確保能夠識別潛在內幕消息並加以保密，直至按照上市規則作出一致且適時的披露為止。

本集團財務部負責與金融機構保持緊密溝通，使金融機構充分了解集團的企業信用，償貸能力和發展前景；

2016年，本集團接待金融機構參觀指導超過50次，與超過25家境內外金融機構保持長期合作。

隨著企業規模的不斷擴大，本集團將可持續發展戰略納入企業整體戰略體系，並持續優化管理、加強內部控制，積極與利益相關方保持對話與信息溝通，最大程度地保障利益相關方的權益。本集團亦廣泛參考同行業企業的可持續發展信息披露內容，確定了本報告披露的環境及社會責任的重要議題，並圍繞這些重點議題開展了2016年環境及社會責任相關工作。

2017年，本集團將會重新評估權益人關注的重點議題，同時貫徹執行本集團的經營目標和戰略規劃，實現業務的可持續發展。





Social

1. Employment and Labor Practices

1.1 Employment

The Group strictly complies with the PRC Labor Law, Employment Promotion Law, Labor Contract Law, Tentative Provisions on Salary Payment, Regulations on the Management of Housing Provident Fund, Regulation on the Annual Leave of Employees, Labor Dispute Mediation and Arbitration Law, Regulation on Work-related Injury Insurances, and local labor laws and regulation, to employ staff members, contribute to statutory social insurances for them, and ensure their entitlement to statutory holidays. Furthermore, the Group has formulated its Remuneration Management System, Staff Fund Management System, and Staff Reward and Punishment Provisions, to improve and ensure staff welfare. In addition to these systems, our staff members are entitled to such benefits as allowances for transport and missed meals, staff activities and group tours.

The Group has formulated rigorous recruitment policies and processes, to continuously optimize its human resources allocation. As we mainly recruit external talents, the Group works to enhance its cooperation with recruitment agencies, universities and colleges, and establish a good communication mechanism with these parties. Meanwhile, the Group has set up a "Staff Referral Award" to encourage its staff members to recommend suitable talents to join the Group. Moreover, to retain talents, we have provided our staffs of all levels with targeted development and incentive schemes, as well as staff promotion opportunities through performance appraisal according to the Group's Performance Management System.

The Group recruits its staff in strict accordance with its policies and systems, under which all the job applicants and staff enjoy equal opportunities for employment, with zero tolerance of any discrimination over gender, age, ethnicity, nationality and disability. By the end of 2016, the Group had a staff of 141, with a proper gender balance (48.2% being male staff and 51.8% being female staff). No employment discrimination has occurred to the Group.

社會

1. 僱傭及勞工常規

1.1 僱傭

本集團嚴格按照中華人民共和國《勞動法》、《就業促進法》、《勞動合同法》、《工資支付暫行規定》、《住房公積金管理條例》、《年休假管理條例》、《勞動爭議調解仲裁法》、《工傷保險條例》及各地區的勞動法律及條例僱傭員工，並為集團員工繳納各項法定社會保險及保障員工享受社會法定假日等福利。除此之外，集團還制訂了《薪酬管理制度》、《員工基金管理制度》、《員工獎懲條例》等政策來提升和保障員工的福利待遇。同時，集團員工亦可享受交通及誤餐補貼、員工活動和集體旅遊等福利。

本集團通過制訂嚴謹的招聘政策和流程，不斷優化集團的人力資源配置。我們主要採取對外招聘的形式，加強與人才招聘機構和高等院校的合作，並建立良好的溝通機制。同時，集團設有「內部推薦伯樂獎」鼓勵員工推薦適合發展的人才進入集團。此外，我們在保留人才方面也建立了針對不同級別員工的專項培育及激勵計劃，並根據集團《績效管理制度》進行績效考核，為員工提供晉升機會。

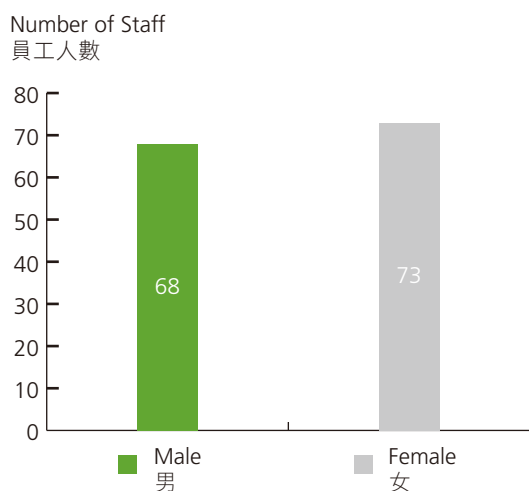
本集團嚴格按照本集團政策和制度開展招聘工作，為所有應聘者和員工提供均等的就業機會，堅決抵制任何由於性別、年齡、民族、國籍、殘疾而歧視任何應聘者和員工的行為。截止2016年底，本集團員工總人數為141人，男女比例均衡，男女佔比分別為48.2%和51.8%，本集團未有就業歧視事件發生。



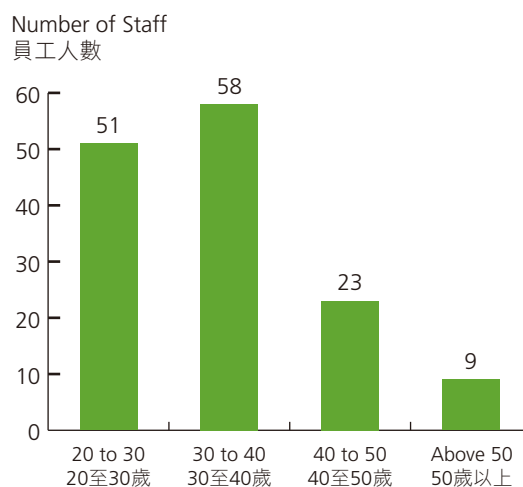


Employment Indicators 僱傭指標

Staff by Gender in 2016
2016年員工性別分佈

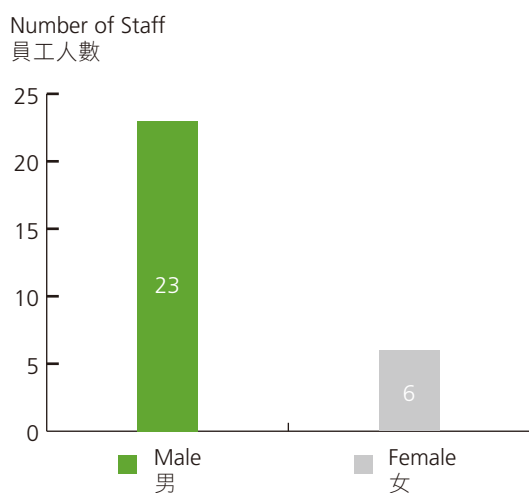


Staff by Age in 2016
2016年員工年齡層分佈

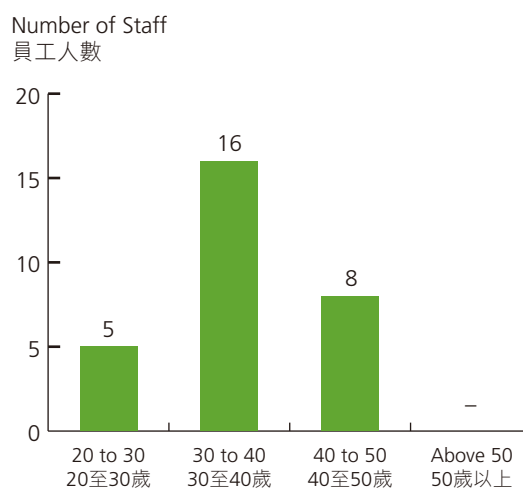


During the Reporting Period, the Group recorded a staff outflow of 29, representing a demission* rate of 17.1%.
 於報告期內，本集團離職員工29人，離職率*為17.1%。

Departed Staff by Gender in 2016
2016年離職員工性別分佈



Departed Staff by Age in 2016
2016年離職員工年齡層分佈



* Demission rate = Number of staff departed during the Reporting Period / (Total headcount at the end of the Reporting Period + Number of staff departed during the Reporting Period)
 * 離職率 = 報告期內離職員工數 / (報告期末員工人數 + 報告期內離職員工數)





1.2 Health and Safety

In respect of staff health and safety, the Group strictly complies with laws and regulations, such as the PRC Labor Law, Fire Prevention Law, Occupational Health and Safety Management System, Special Regulation on the Labor Protection of Female Staff, Measures for the Ascertainment of Work-related Injuries, and the Regulation on Work-related Injury Insurances. As a provider of MPCM services for imported pharmaceutical products, the Group strives to offer its staff a safe work environment and prevent all potential risks on health and safety. In 2016, the Group implemented a series of health management measures, so that its staff members can work in a safe environment free of occupational hazards:

- On 19 May 2016, the Group provided its staff members with health and safety training, during which they were familiarized with the means of escape around the office area of Global Center and heightened their awareness of self-rescue and escape in emergencies.
- On 20 May 2016, the Group organized its headquarters staff for a fire emergency response and evacuation drill, to boost the staff's awareness of safety and precaution, self-rescue ability and the ability of responding to fire emergencies.



Site of Fire Drills 消防演習現場

1.2 健康與安全

在員工健康與安全方面，本集團嚴格遵守中華人民共和國《勞動法》、《消防法》、《職業健康安全管理體系》、《女職工勞動保護特別規定》、《工傷認定辦法》、《工傷保險條例》等法律法規相關要求。本集團主要為進口醫藥產品提供營銷、推廣及渠道管理服務，本集團盡可能為員工提供安全的工作環境，杜絕各類潛在的健康與安全風險，2016年內集團實施了一系列健康管理措施為員工提供安全的工作環境以及保障員工避免職業性危害：

- 2016年5月19日，本集團對全體員工進行了健康安全培訓，熟悉環球中心辦公區域的逃生通道，提高員工在緊急情況下的自救和逃生意識。
- 為提高安全防範意識、增強員工的自我保護能力及對消防事件的應急能力，本集團於2016年5月20日組織總部員工進行消防應急疏散演習。



- The Group pays much attention to the health of its staff members, providing them with regular medical checkups at professional institutions each year. At the same time, the Group organized regular outdoor sports activities, such as badminton, swimming and running, for its staff members, in a bid to help them maintain a healthy habit for work and life.
- The Group has placed a large number of plants at the office area of its headquarters, to improve the staff's work environment. In addition, each year, the Group engaged professional cleaning companies to clean, sterilize and maintain its air conditioning systems, carpets and other office facilities.

During the Reporting Period, the Group incurred no work-related fatalities among its staff; nor did any staff lose any work days due to work-related injuries.

1.3 Development and Training

To improve the quality and professional techniques of staff members, explore their potential and ensure effective implementation of staff training schemes, the Group has formulated a detailed Management Measures for Staff Training and an integrated system and implementation process that encompass induction, internal training and external training:

- Induction
New recruits are introduced to the general knowledge of the Group, such as corporate culture, product knowledge, basic internal control system and process, the work process of the department concerned, and details of the work position.
- Internal Training
Based on the actual demands at work, the Group applies its internal training resources to the communication on professional knowledge and skills, to share experience. Such training takes place in the form of self-learning with shared training materials on the Group's online office platform, and discussions at regular departmental meetings, communication sessions for business teams and inter-departmental sharing sessions.

- 本集團十分關注員工的身體健康狀況，每年定期安排員工在專業體檢機構進行身體檢查。同時，本集團也會定期組織員工參加羽毛球、游泳、跑步等戶外體育活動，倡導員工保持健康的工作和生活習慣。
- 本集團在總部辦公區域種植擺放大量綠色植物改善員工的工作環境，同時每年定期安排專業保潔集團對集團的空調系統、地毯等辦公設施進行清潔、消毒及養護工作。

於報告期內，本集團並無任何員工因工作關係死亡，也無任何員工因工傷損失工作日數。

1.3 發展及培訓

為提高員工整體素質和專業技術水平，挖掘員工潛能，以及保障員工培訓計劃的有效實施，本集團制訂了詳盡的《員工培訓管理辦法》，建立了一套包括入職培訓、內部培訓和外派培訓的綜合體系及實施流程：

- 入職培訓
向新入職員工介紹集團的企業文化、產品知識、基本內部控制制度及流程等通用知識及所在部門的工作流程、所任崗位的崗位說明等。
- 內部培訓
根據工作中的實際需求，利用集團內部培訓資源對員工開展有關業務知識和崗位技能的交流與經驗分享。其形式包括通過集團在綫辦公平台共享培訓資料進行的自主學習，召開部門例會、業務小組溝通會、跨部門分享會等形式進行的討論。





➤ External Training

The Group encourages its staff members to improve their professional techniques and, given their efficient work arrangement, attend training and policy seminars hosted by external institutions.

The Group has also formulated its Internal Lecturer Management Measures, to the extent that knowledge and experience can be shared and inherited within the Group. More than that, the Group seeks to establish and develop an excellent lecturer team to provide more efficient and effective training. In the beginning of each year, the human resources department formulates an annual training scheme according to the Group's strategic planning and the actual demand of each department, prepares training curricular and course content by the quarter, and incorporates the execution and feedback of such training schemes into the performance appraisal system.



New Star Development Scheme 興星培養計劃

The Group encourages its staff to communicate with the management and department leaders, so that staff members can play a more active role, care for corporate development and demonstrate greater synergy and creativity. By soliciting constructive suggestions, the Group is able to identify corporate management issues, promote inter-departmental cooperation and effective communication, and work out solutions to such issues.

➤ 外派培訓

本集團鼓勵員工提升專業技術水平，在高效合理安排工作的前提下，參加外部機構舉辦的培訓及政策研討會。

本集團還制定了《內部講師管理辦法》，實現知識與經驗在集團內部的共享及傳承，並據以建立與培養優秀培訓講師隊伍，提高培訓的效率及效果。每年年初由人力資源部根據集團的戰略規劃及各部門實際需求制定年度培訓計劃，按季度制定培訓大綱及課程信息，並將培訓計劃的執行情況與培訓效果的反饋納入績效考核體系。



Project Management and Skills Training
項目管理與技巧培訓

本集團鼓勵員工向集團管理層和各部門反應情況，增強員工的主人翁意識，並關注企業發展，展現員工的凝聚力和創造力。通過合理化建議活動的開展，本集團能夠發現在企業管理中的問題，推動跨部門協作，有效促進溝通並找到解決問題的方案。



1.4 Labor Standards

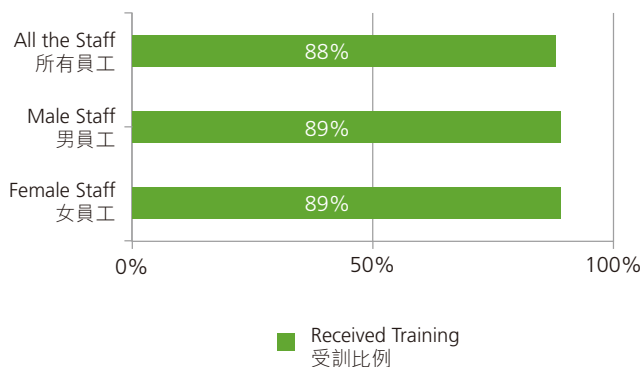
The Group executes its staff recruitment in strict compliance with relevant national and local laws and regulations, including the PRC Labor Law, Law on the Protection of Minors, and Provisions on the Prohibition of Using Child Labor. The Staff Manual of the Group also states that no child labor shall be employed, together with regular monitoring of employment-related information and data, to ensure no child labor or forced labor is employed for all the Group's business.

1.4 勞工準則

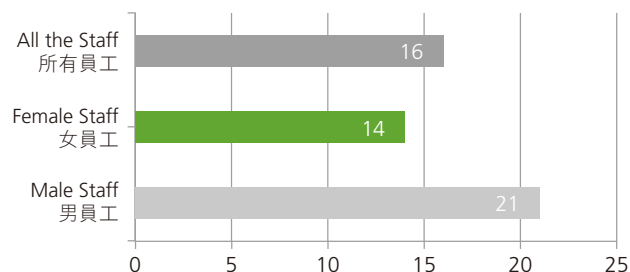
本集團對於人員的招聘和錄用嚴格按照國家和地方的有關規定執行，包括中華人民共和國《勞動法》、《未成年人保護法》及《禁止使用童工規定》。本集團於《員工手冊》中提及嚴禁僱傭童工，並會定期監察僱傭相關信息及數據，以確保所有業務均不會僱傭童工或強制勞動。

Training-related Indicators
 培訓相關指標

Staff Training Ratio in 2016
 2016年員工培訓比例



Average Training Hours for the Staff in 2016 (By Gender)
 2016年員工按性別平均培訓小時數





2. Operating Practice

2.1 Supply Chain Management

The Group is well aware that effective procurement management is critical to ensuring stable corporate operation and the quality and safety of products and services. Given the complex and lengthy process of procuring pharmaceutical imports, the Group has tried to standardize its procurement process by formulating business standardization documents for the procurement of various pharmaceutical products. Such documents are based on a single Management Regulation on the Procurement of Imported Products and with reference to the regulations of special authorities such as the PRC General Administration of Customs, Entry-Exit Inspection and Quarantine Bureau, and China Food and Drug Administration (CFDA). More than that, the Group has established a robust communication mechanism with its suppliers, offering them the market updates and sales data of products so that the suppliers can adjust their procurement and sales plans accordingly.

The Group enters into long-term cooperation agreements with its suppliers through sales agents directly or indirectly. Under such agreements, the suppliers or their sales agents grant to the Group the MPCM right in China. Meanwhile, the Group selects suppliers based on a comprehensive range of considerations, including product compliance, brand influence, strategic synergy with the Group's development, and the sales prospects in the Chinese market. Furthermore, the Group regularly appraises its suppliers according to the Appraisal Measures for Suppliers, to ensure the selection of quality suppliers for cooperation. Currently, the Group's suppliers are mainly small and medium-sized pharmaceutical manufacturers from overseas countries such as Italy, Austria and Cyprus.

In addition, the Group continuously enhances its information security, to protect the privacy of its suppliers and keep their information confidential. Within the Group, a management system has been established for information security, with targeted security strategies for the business network, office network, servers, computer room management and controlled visits, all to ensure the information security of the suppliers.

2. 營運慣例

2.1 供應鏈管理

本集團深知採購環節的有效管理是保證企業平穩運行以及保障各項產品與服務質量與安全的關鍵。基於進口藥品採購流程較為複雜、涉及時間較長的特殊性，本集團在執行統一的《進口採購管理制度》基礎上，根據國家及海關總署、出入境檢驗檢疫局、食品藥品監督管理局等部門的規章制度，針對各種藥品制訂了採購業務標準化文件，將採購流程標準化。本集團亦與供應商建立良好的溝通機制，向其提供產品的最新市場情況及銷售數據，以便其調整採購及銷售計劃。

本集團直接或間透過其銷售代理與供應商簽訂長期合作協議，供應商或其銷售代理授予本集團在中國營銷、推廣產品及管理銷售渠道的權利。同時，本集團在篩選供應商時綜合考慮其產品的合規性、品牌影響力以及與本集團發展的戰略匹配度和在中國市場的銷售前景等因素，而且本集團會定期按照《供應商考核辦法》對供應商進行考核，以保障集團選擇優質的供應商進行合作。目前本集團的主要供應商為海外中小型的製藥企業，供應商來自於意大利、奧地利、塞浦路斯等國家。

同時，本集團不斷強化信息安全建設，實現了供應商的隱私保護和信息不泄露。本集團內部建立了相關信息安全管理制度，並針對集團業務網絡、辦公網絡、服務器、信息化機房管理、訪問控制等方面建立具體安全策略，確保供應商的信息安全。





2.2 Product Responsibility

As an MPCM service provider in the pharmaceutical industry, the Group operates the products that are all prescription drugs. To ensure product quality and safety, the Group strictly complies with the PRC Pharmaceutical Administration Law and its Implementation Regulations, Good Supply Practice for Pharmaceutical Products and its Implementation Rules, as well as other national laws and regulations on product safety. In addition to its law compliance, the Group has established a robust system for managing pharmaceutical quality, with active cooperation with the regulators in their inspections. Meanwhile, convinced that the entire staff should participate in quality management, the Group provides internal training on the knowledge of safety and quality, promotes the policies, systems and concepts of quality management in an all-round manner, and educates the staff accordingly.

The Group operates a product mix composed of quality pharmaceutical imports with an outstanding track record of safety. Since pharmaceutical products require meticulous storage conditions, the Group remains its choice of creditworthy third parties of long-term partnership to provide warehousing and logistics services. Apart from that, we have built our cold chain storage facility with advanced temperature-control technology and a precision system of quality control in Shuangliu District, Chengdu, Sichuan Province. After obtaining a land use right certificate to put the facility into operation, the Group will be more capable of controlling pharmaceutical safety and quality.

The Group has established a robust process of quality assurance and procedure of product recall, with strict execution of such regulations as the Management Regulation on Pharmaceutical Product Procurement, the Management Regulation on Pharmaceutical Product Reception, the Management Regulation on Pharmaceutical Product Acceptance, and the Management Regulation on Pharmaceutical Product Return, so that operation can take place in standard processes to ensure product quality and safety. The Group protects the security and privacy of its customer information, according to its Distributor Management Measures, Sales Management System and the Code of Conduct on Customer Servicing.

2.2 產品責任

本集團作為醫藥行業的營銷、推廣及渠道管理服務供應商，經營的產品均為處方藥品。為確保產品質量及安全，本集團嚴格遵守《中華人民共和國藥品管理法》、《中華人民共和國藥品管理法實施條例》、《藥品經營質量管理規範》、《藥品經營質量管理規範實施細則》等國家有關產品安全的法律法規，並建立了健全的藥品質量管理制度體系，積極配合監管部門的各項檢查。同時本集團秉承全員參加質量管理的理念，通過組織內部安全質量知識培訓，全方位的宣傳和培養員工的質量管理政策制度及理念。

本集團所經營的產品組合均為擁有出色安全記錄的優質進口藥品，由於藥品有嚴格的儲存條件，本集團一直選擇信譽良好、有長期合作關係的第三方提供倉儲及物流服務。同時，我們在四川省成都市雙流區興建了擁有先進的控溫技術及精密的質量控制系統的冷鏈倉儲設施，待相關土地使用權證辦妥投入使用後，本集團將能更好地控制藥品的安全質量。

本集團已經建立了健全的質量檢定過程和產品回收程序，嚴格執行《藥品採購管理制度》、《藥品收貨管理制度》、《藥品驗收管理制度》和《藥品退貨管理制度》等政策，以標準化、規範化的操作流程確保產品質量與安全。本集團依據制訂的《經銷商管理辦法》、《銷售管理制度》、《客服工作守則》等有關內容，保障客戶資料的安全和隱私。





The Group has no corresponding measures for advertising and labeling, because all its products are prescription drugs which are prohibited from advertising according to national regulations, and because CFDA issues the permit on product packaging and specifications.

During the Reporting Period, the Group did not recall any product due to product quality issues.

During the Reporting Period, the Group did not receive any complaints about its products and services. All the products are examined by the Institute for Drug Control after their customs clearance, with an examination report of pharmaceutical imports issued.

2.3 Anti-corruption

The Group advocates honesty, integrity and responsibility as its ethical concepts and code of conduct, opposes any form of corrupt behavior, such as bribery, extortion, fraud and money laundering. Hence, the Group has formulated its Anti-corruption and Anti-bribery Management Regulations and its Staff Code of Conduct against Corruption and Bribery, according to laws, relations and the actual industrial condition. Furthermore, the Group has signed an Anti-corruption and Anti-bribery Letter of Undertaking with its staff and partners, included relevant regulations into the staff induction system, and set up a mailbox for reporting internal non-compliance behaviors, all in an aim to raise the anti-corruption awareness among the staff. During the Reporting Period, the Group hosted one Special Symposium on Pharmaceutical Distribution Compliance, Anti-corruption and Anti-bribery under the "Two-invoice System" for the distributors. During their induction, new recruits receive the training lectures on business reception, reimbursement, and other practices against corruption and commercial bribes. In the meantime, special anti-corruption and anti-bribery training has taken place across the Group, with cases to illustrate its regulations. Such training aims to ensure anti-corruption and anti-bribery work carried out in every department and at every level.

由於本集團銷售產品為處方藥物，國家規定不得進行廣告宣傳，同時產品的包裝及說明書均由國家食品藥品監督管理總局核發，故本集團在廣告、標籤等方面無相應措施。

報告期內，本集團未出現因產品質量問題而召回產品的情形。

報告期內，本集團未收到任何關於產品和服務的投訴，所有產品均在清關後由藥檢所進行藥品檢驗並核發進口藥品檢驗報告書。

2.3 反貪污

本集團倡導誠實守信、盡職盡責的道德理念和行為準則，堅決反對任何形式的賄賂、勒索、欺詐及洗黑錢等腐敗行為。本集團依照法律規定並結合行業實際情況，制定了《反腐敗反賄賂管理制度》及《員工反腐敗反賄賂行為準則》，另外通過與員工及合作夥伴簽署《反腐敗反賄賂承諾書》、將相關制度納入員工入職培訓體系、設置內部違規行為舉報信箱等方式提升員工的反腐敗意識。於報告期內，本集團向經銷商組織舉辦了《「兩票制」下的藥品經銷合規及反腐敗反賄賂專題討論會》，在入職培訓中向新員工開展專門針對業務招待、報銷等方面的反腐敗、反商業賄賂的培訓宣講，同時在全集團範圍內開展反腐敗反賄賂專題培訓，結合案例講解集團各項的規定，確保集團反腐敗、反賄賂工作能夠貫穿於各個部門、各個層級。





As for senior management and key posts, the Group hosted regular staff discussions and training courses, in an effort to effectively prevent bribery, extortion, fraud and money laundering:

- In April 2016, all the staff members attended an anti-corruption discussion meeting where they learn the anti-corruption measures of the Group, and study and carry out anti-corruption and anti-bribery work. The discussion meeting also aims to urge the Group to have stronger financial regulation and further improve staff conduct at work.
- In October 2016, the Group offered special anti-corruption and anti-bribery training, with cases to illustrate the regulations of Sinco Code of Business Conduct and Ethics, so as to further bolster the clean governance of the Group and its staff.

During the Reporting Period, no case of corruption, extortion, fraud and money laundering occurred to the Group, with confirmation that it strictly complied with relevant laws and regulations such as the PRC Criminal Law and its Judicial Interpretation, Criminal Procedure law and its Judicial Interpretation, Interpretation on Several Issues Concerning the Applicable Laws to Handling Criminal Cases of Embezzlement and Bribery, and Anti-Money Laundering Law.

本集團通過定期組織高層管理及關鍵崗位員工討論會和員工培訓課程，有效防止賄賂、勒索、欺詐及洗黑錢等腐敗行為的發生：

- 2016年4月組織全體員工參加反腐討論會議，培訓學習集團反腐敗措施，研究落實反腐敗反賄賂工作，督促加強集團財務監管力度以及集團文化建設，進一步改進員工工作作風。
- 2016年10月開展反腐敗反賄賂專題培訓，結合案例講解《集團商業行為和道德規範》的規定，進一步加強企業的廉潔文化建設和員工。

報告期內，本集團未發生任何貪污、勒索、欺詐及洗黑錢案件，確認嚴格遵守《刑法》、《刑法司法解釋》、《刑事訴訟法》、《刑事訴訟法司法解釋》、《關於辦理貪污賄賂刑事案件適用法律若干問題解釋》、《反洗黑錢法》等相關法律法規。





3. Community

Community interest remains a dominant consideration for the Group in its business development. Not only does it stress establishing harmonious and win-win relations with its community stakeholders, the Group also has active participation in community activities, to fully understand community demands and ensure community interest fully incorporated into the Group's business development.

➤ *Community Activities*

The Group takes concrete action to perform its social responsibility, care for the needy in communities, and actively join in communities activities. On 11 November 2016, the CPC Branch of the Group hosted an activity named "Helping the Needy with Small Wishes" at Zhengjie Community. With multiple times of pair communication there, the Group has attained sufficient understanding of the wishes of the needy. The consolation activities have strengthened the communication and ties with the residents of Zhengjie Community, and facilitated such pair relief work with joint efforts.

➤ *Group Activities*

While respecting and safeguarding the rights and interests of all staff members, the Group is also attentive to their physical and mental health, and committed to create a beneficial work environment and a harmonious work atmosphere for them. To do that, the Group has hosted diverse activities, such as annual gatherings, birthday parties, departmental activities and group tours, during which staff members can relax and balance work with life. This also makes the Group a more cohesive community.

3. 社區

本集團的業務發展始終將社區利益列入主要的考慮因素之一。本集團不僅注重與社區內的各個權益方建立和諧共贏的良好關係，而且積極參與社區活動，在充分了解社區需求的同時，保證本集團的業務發展充分考慮到了社區的利益。

➤ *社區活動*

本集團切實履行社會責任，情繫社區困難群眾，積極參與社區活動。2016年11月11日，本集團黨支部在正街社區舉辦了「微心願幫扶活動」，通過與結對共建社區聯繫並多次溝通，充分了解困難群眾的心願，對正街社區進行群眾慰問活動，加強了與正街社區之間的黨建工作的溝通和聯繫，促進了雙方共建結對幫扶的工作。

➤ *團體活動*

本集團在尊重和保障每一位員工的權益的同時，也專注於關懷本集團員工的身心健康，致力於為員工營造良好的工作環境和和諧的工作氛圍，通過組織年會、生日會、部門活動、集體出遊等形式多樣的活動，幫助員工在工作間隙放鬆心情，以實現工作與生活的平衡，提高集團凝聚力。





In 2016, the Group sent its staff on a tour to Lake Baikal, as a break from busy work and daily routines to enjoy a holiday tour of recreation and experience with Mother Nature. That aside, the Group also hosted multiple birthday parties for its staff, to better the communication and understanding between them and immerse them in the care from the Group.



A Tour to Lake Baikal 相約貝加爾湖旅遊活動

2016年，本集團組織員工開展「相約貝加爾湖」的旅遊活動，在日常忙碌的工作和生活之餘，為員工提供休閒娛樂、貼近大自然的度假之旅。此外，本集團也多次為員工舉辦生日會等活動，促進員工之間的交流了解，讓員工充分感受企業關懷。



➤ *Advocating a Healthy Lifestyle*

Committed to helping its staff to work and live healthily and promote mass fitness, the Group organizes sports activities monthly, such as running, swimming, ball games for the staff members, encouraging them and their families to stay healthy through active participation. In 2016, the Group successively hosted a variety of sports events, such as Jincheng Lake Running, Swimming through Summer and Badminton Invitation Tournament. In these activities, the staff saw their willpower and team spirit improved, their awareness boosted as to the importance of cooperation, communication and mutual encouragement, and their motivation stimulated for all-round growth and progress.



Scenes of Sports Activities 各類體育活動現場

➤ *倡導健康生活*

本集團致力於倡導員工健康工作、健康生活，推廣全員健身的風氣，每月定期組織員工開展包括跑步、游泳、球類等各項體育活動，鼓勵員工及家人積極參加運動，保持身體健康。2016年內，本集團相繼組織了「錦城湖跑步」、「激情夏日，泳往直前」、「羽毛球邀請賽」等豐富多彩的體育活動，通過體育活動，極大地鍛煉了員工的意志力、團隊協作能力，使得員工意識到合作、溝通和鼓勵的重要性，激勵員工全方位的成長和進步。





Environmental

1. Emissions

The Group operates all its business in strict compliance with the PRC Environmental Protection Law, Law on the Prevention and Control of Water Pollution, Law on the Prevention and Control of Atmospheric Pollution, and Law on the Prevention and Control of Pollution from Environmental Noise, as well as other laws and regulations on environmental protection. The Group also commits concrete action to perform its obligations of environmental protection.

The Group is mainly engaged in the MPCM of pharmaceutical imports, such business normally causing no environmental impact. Besides, the Group has not formulated any regulations concerning hazardous wastes, since it consumes no natural gas, coal gas or other fuels of direct combustion and generates and discharges no large amounts of hazardous wastes during its daily operation. Instead, the Group's emissions mainly comprise the exhaust of all its vehicles, the greenhouse gases indirectly emitted during its operation, and such non-hazardous wastes as scrap paper, plastics and house refuse.

Major Emissions Indicators

| Emissions of Vehicle Exhaust | Unit | Emissions in 2016 |
|------------------------------|----------|-------------------|
| NO _x Emissions | Kilogram | 203.5 |
| SO _x Emissions | Kilogram | 0.2 |
| Particles Emissions | Kilogram | 18.1 |
| Total | Kilogram | 221.8 |

| CO2 Emissions | Unit | Emissions in 2016 |
|--|-------|-------------------|
| Emissions From Electricity Consumption | Tonne | 107.0 |
| Emissions From Flights | Tonne | 145.5 |
| Emissions From Processing Scrap Paper | Tonne | 5.7 |
| Emissions From Processing Sewage | Tonne | 0.6 |
| Total | Tonne | 258.7 |

環境

1. 排放物

本集團在經營各項業務時嚴格遵守《中華人民共和國環境保護法》、《中華人民共和國水污染防治法》、《中華人民共和國大氣污染防治法》、《中華人民共和國環境噪聲污染防治法》以及其他環境保護法和規章制度要求，切實履行保護環境的義務。

由於本集團主要從事進口藥品的營銷、推廣及銷售渠道管理，該類業務一般不會對環境造成影響，而且本集團在日常營運過程中不使用天然氣、煤氣及各種直接燃燒燃料，也不產生和排放大量有害廢棄物，因此並未制訂與有害廢棄物相關的規章制度。本集團的排放物主要來自於集團所有車輛的廢氣排放、營運過程中間接排放的溫室氣體以及廢紙、塑料、生活垃圾等無害廢棄物。

主要排放物指標

| 車輛廢氣排放 | 單位 | 2016年排放量 |
|---------------------------|----|--------------|
| 氮氧化物(NO _x)排放量 | 千克 | 203.5 |
| 二氧化硫(SO _x)排放量 | 千克 | 0.2 |
| 顆粒物排放量 | 千克 | 18.1 |
| 合計 | 千克 | 221.8 |

| 二氧化碳排放 | 單位 | 2016年排放量 |
|---------------------|----|--------------|
| 用電產生的二氧化碳 排放當量 | 噸 | 107.0 |
| 乘坐飛機產生的二氧化碳 排放當量 | 噸 | 145.5 |
| 處理廢紙產生的二氧化碳 排放當量 | 噸 | 5.7 |
| 處理污水產生的二氧化碳 排放當量 | 噸 | 0.6 |
| 合計 | 噸 | 258.7 |





During the Reporting Period, the Group has almost completed the development of its cold chain facility (Phase I) in Shuangliu District, Chengdu, Sichuan Province. The facility is yet to be put into operation, since the application of its land use right certificate is still under processing. The Group stores the construction wastes generated during its project construction in a centralized manner, and regularly hands such wastes over to the constructor for processing. During its operation, the Group generates only a small amount of scrap paper and house refuse, which leaves no material impact on the environment. Such non-hazardous wastes are transported by local property management and civic departments to refuse depots for processing.

2. Resource Consumption

Environmental protection is a basic social responsibility for all businesses. All along, the Group has been an active advocator of energy saving and emissions reduction. During its daily operation, the Group actively reduces its consumption of energy and other resources, to mitigate the environmental impact of its operation. The Group has formulated the following policies for effective resource consumption:

- *Promoting Paperless Office*
During its office operation, the Group completes all its applications and approvals through an electronic office platform, in a bid to reduce paper consumption.
- *Encouraging Low-carbon Commuting*
Not only does the Group encourage its staff to commute on public transport facilities, it also considers emission reduction as a priority when purchasing company cars, to cut exhaust emissions. Meanwhile, the Group has also formulated robust systems for approving car use and managing air tickets.

報告期內，本集團已基本完成位於四川省成都市雙流區的冷鏈設施一期建設，相關設施的土地使用權證正在申請辦理過程中，因此尚未投入使用。對於在工程施工過程中產生的建築垃圾，由本集團統一堆放，並定期交由施工方處理。而對於在營運過程中產生的廢紙和生活垃圾數量較少，不會對環境造成重大影響，此類無害廢棄物均由所在地物業及市政相關部門統一運往垃圾站進行處理。

2. 資源使用

環境保護是所有企業應該承擔的基本社會責任之一。一直以來，本集團是節能減排的有力倡導者，本集團在日常經營過程中積極降低能源和資源消耗量，以減少營運過程中對環境造成的影響。本集團制訂的有效使用資源的政策如下：

- *推行無紙化辦公*
本集團在辦公過程中均通過電子辦公平台完成營運過程中的各項申請和審批，減少使用紙張。
- *鼓勵低碳出行*
本集團不僅鼓勵員工出行使用公共交通，而且在採購公務車時優先考慮降低排量，以減少廢氣排放量，同時集團內部也制訂了完善的用車申請審批制度和機票管理制度。





➤ *Reasonable Energy Consumption*

The administrative department of the Group checks the use of electrical appliance each day, to avoid excessive consumption of electricity. The Group also calculates the consumption of water, electricity and paper on a monthly basis, with analysis of abnormal consumption to find out the cause.

Indicators of Energy and Water Consumption

| Energy Consumption | Unit | Consumption in 2016 |
|---|-------------------|---------------------|
| Total Electricity Consumption | Kilowatt Per Hour | 112.7 |
| Total Gasoline Consumption | Tonne | 15.8 |
| Total Energy Consumption of Standard Coal | Tonne | 37.1 |
| Total Water Consumption | Cubic Meter | 1,393.2 |

During its operation, the Group only consumes the water from municipal supply. Given its small consumption of water, the Group has no problem of obtaining appropriate water sources; nor does it has any plan or policy formulated to raise water consumption efficiency.

The Group has its suppliers provide all the packaging materials for its products, with approximately 1.2 tonnes of paper consumed in 2016.

3. The Environment and Natural Resources

The business of the Group does not cause any material impact on the environment and natural resources.

➤ 合理利用能源

本集團行政部門負責每日檢查電器設備的使用情況，避免造成過度浪費。本集團每月定期統計水、電、紙張的耗用情況，針對耗用量異常現象進行分析查找原因。

能源及水資源消耗指標

| 能源消耗量 | 單位 | 2016年消耗量 |
|-------------|------|----------|
| 總耗電量 | 千千瓦時 | 112.7 |
| 汽油消耗總量 | 噸 | 15.8 |
| 折合標準煤能源消耗總量 | 噸 | 37.1 |
| 總耗水量 | 立方米 | 1,393.2 |

本集團在營運過程中消耗的水資源全部來自於市政供水且消耗量較小，因此不存在求取適用水源問題及制訂提升用水效益計劃政策。

本集團產品的包裝材料均由供應商提供，2016年紙張消耗量約為1.2噸。

3. 環境及天然資源

本集團所經營的業務範圍不會對環境及天然資源造成重大影響。



Director and Senior Management

董事及高級管理層



Executive Directors

Mr. Huang Xiangbin (黃祥彬), aged 51, founder of our Group, has been the Chairman and executive Director of our Group since April 2011. He is also the Co-Chief Executive Officer of the Company and is mainly responsible for overall strategic planning and operation management. Mr. Huang has served as the director of Risun, the controlling shareholder of the Company, and all the subsidiaries of the Company except for Chengdu Sinco Pharmaceutical, Chengdu Hengsheng Ziguang, Sinco Biotechnology, Qingdao Ruichi and Sinco Shanghai. Prior to joining our Group, Mr. Huang was the director and chairman of Vast Surplus since November 2004 up until now, mainly responsible for strategic planning and operation of Vast Surplus. After Vast Surplus transferred its exclusive distribution rights to service Taurolite, TAD and Esafosfina to Hong Kong Prosperous Group Holding Limited in March 2015, it has no other business operations. Since then, Mr. Huang has been devoting a majority of his time to our Group's business. In addition, Mr. Huang was also a founder, chief executive officer and director of Chengdu Ruixin Biopharmaceutical Technology Co., Ltd ("Ruixin") from February 2004 to April 2011. The principal business of Ruixin was consultation in the pharmaceuticals industry, which included testing and sampling new pharmaceutical products, providing marketing and promotion services as well as assisting in obtaining regulatory approvals and registrations for pharmaceutical products. However, the pharmaceutical products serviced by Ruixin were mainly traditional Chinese medicine extracts, which are different from those of the pharmaceutical products serviced by the Group. Ruixin was not engaged in any business which competed or was likely to compete, either directly or indirectly, with the Group's business. Furthermore, Ruixin was jointly owned as to 50% by Mr. Huang and 50% by Mr. Chen Xiangui (an independent third party who is not considered a connected person or associate of a connected person of the Company under the Listing Rules ("Independent Third Party")) and was never a member of the Group which was readily disposable for corporate reorganisation solely based on Mr. Huang's decision. Eventually, as the management of Ruixin began to focus on the business development of the Group since Mr. Huang incorporated Sichuan Sinco Pharmaceuticals in 2011, Ruixin did not have any business or operations, which subsequently led to the passing of the shareholders' resolutions on 22 September 2015 to voluntarily dissolve Ruixin.

Mr. Huang worked in the Drug Inspection Institute of Guangyuan (廣元市藥品檢驗所) from July 1988 to July 2004 as pharmacist in charge of drug quality research as well as collection and delivery of drug safety information.

執行董事

黃祥彬先生，51歲，本集團創始人，自2011年4月起一直為本集團主席兼執行董事。彼亦為本公司的聯席行政總裁，主要負責整體戰略策劃及經營管理。黃先生亦擔任本公司控股股東Risun的董事，以及除成都興科蓉醫藥、成都恒盛紫光、興科蓉生物科技、青島瑞馳及興科蓉上海以外本公司所有附屬公司的董事。加入本集團前，黃先生自2004年11月至今擔任鵬盈董事兼主席，主要負責鵬盈的戰略規劃及公司營運。鵬盈於2015年3月將其活羅特、泰特及愛賽福的獨家經銷權轉讓予香港恒盛集團控股有限公司後無其他業務營運。自此，黃先生將其大部分時間投入到本集團業務中。此外，黃先生自2004年2月至2011年4月，亦一直為成都瑞欣生物醫藥技術有限公司(「瑞欣」)的創始人、行政總裁兼董事。瑞欣的主要業務是醫藥行業顧問，包括抽樣測試新藥品，提供營銷及推廣服務，和協助獲取監管批文及進行藥品註冊。然而，瑞欣提供的藥品主要為傳統中藥精華類，不同於本集團提供的藥品種類。瑞欣並無從事與本集團業務直接或間接競爭或可能競爭的任何業務。此外，瑞欣分別由黃先生及陳賢貴先生(根據上市規則並不視為本公司關連人士或關連人士之聯繫人士的獨立第三方(「獨立第三方」))擁有50%及50%權益，不曾為本集團成員公司，故不可因公司重組而由黃先生全權決定將其出售。由於自黃先生於2011年成立四川興科蓉藥業以來，瑞欣管理層開始注重本集團業務發展，而瑞欣本身並無任何業務或營運，隨後導致瑞欣股東於2015年9月22日通過股東決議案，自願解散瑞欣。

黃先生自1988年7月至2004年7月擔任廣元市藥品檢驗所的藥劑師，負責藥品質量研究、藥品安全信息收集和報送。





Mr. Huang had been a director of Beijing Guangtong Shidai Medical Consulting Company Limited (“Beijing Guangtong”) (北京廣通時代醫藥投資顧問有限公司), a limited liability company established in the PRC in 2003, since its establishment up until 2004. Prior to the revocation of its business license, Beijing Guangtong was owned as to 50%, 40% and 10% by Mr. Huang, Mr. You Fei and Mr. You Hao respectively. Both Mr. You Fei and Mr. You Hao are Independent Third Parties. Mr. Huang confirmed that at the time of the revocation of the business license of Beijing Guangtong, he was not involved in the daily operation of Beijing Guangtong as he was focusing on the development of Ruixin’s business. To the best of Mr. Huang’s knowledge, Beijing Guangtong had ceased attending annual inspection (年檢) as it had no business operation, resulting in its business license being revoked subsequently on 26 November 2004. Mr. Huang confirmed that there is no wrongful act on his part leading to the revocation and he is not aware of any actual or potential claim that has been or will be made against him as a result of the revocation.

Mr. Huang obtained a master’s degree in EMBA from Shanghai Jiao Tong University (上海交通大學) in December 2008 and graduated from the MBA programme of Renmin University (中國人民大學) in August 2002. He also obtained a bachelor’s degree in botanical resources (野生植物資源) from Jilin Agriculture University (吉林農業大學) in July 1988. Mr. Huang has been studying in the Université Paris – Dauphine under the Executive Doctorate in Business Administration (EDBA) program since December 2013.

Ms. Zhang Zhijie (張志傑), aged 48, joined our Group in November 2013 and is an executive Director and vice president for technics of our Company, mainly responsible for new pharmaceuticals research and development. Prior to joining our Group, Ms. Zhang successively served as a postdoctoral fellow of the research center, an associate chief physician (starting from July 2013) and a research fellow (starting from December 2014) of the pharmacognosy study center of the Institute of Chinese Medical Sciences from July 2008 up until now, and was responsible for the coordination and management of the daily researches of the pharmaceutical research centre and was also involved in the process of setting up the pharmaceuticals research centre. Although Ms. Zhang is concurrently working at the Institute of Chinese Medical Sciences, she is heavily involved in the Group’s research and development programme. Ms. Zhang is leading the Group’s Sinco I programme as a research fellow for the Institute of Chinese Medical Sciences.

黃先生自北京廣通時代醫藥投資顧問有限公司(「北京廣通」)(一家於2003年在中國成立的有限公司)成立之時起至2004年為該公司董事。北京廣通被撤銷營業執照前，由黃先生、游飛先生及游浩先生分別持有其50%、40%及10%股權。游飛先生及游浩先生均為獨立第三方。黃先生確認當北京廣通被撤銷營業執照時，彼因專注瑞欣業務發展而無參與北京廣通日常營運。就黃先生所深知，由於北京廣通並無業務營運，故不再參加年檢，因而於2004年11月26日被撤銷營業執照。黃先生確認本身並無不當行為導致該執照遭撤銷，據其所知本身亦無因執照遭撤銷而遭致任何實際或潛在申索。

黃先生於2008年12月獲得上海交通大學高級管理人員工商管理碩士學位，並於2002年8月自中國人民大學獲得工商管理碩士課程結業證書。彼亦於1988年7月獲吉林農業大學頒發野生植物資源學士學位，並自2013年12月起攻讀巴黎第九大學高級工商管理博士學位。

張志傑女士，48歲，於2013年11月加入本集團，為執行董事兼本公司技術副總監，主要負責新藥品的研發。加入本集團前，張女士於2008年7月至今先後擔任中國中醫科學研究院、生藥研究中心副主任(自2013年7月開始)及研究員(自2014年12月開始)，負責醫藥研究中心日常科研工作的協調和管理，亦參與籌建醫藥研究中心。儘管張女士目前於中國中醫科學院工作，但彼深入參與本集團研發項目。作為中國中醫科學院的研究員，張女士領導本集團的Sinco I項目。





The Directors are of the view that Ms. Zhang has been and will continue to be able to allocate sufficient time to fulfill her duties and responsibilities as an executive Director based on the following reasons: (i) as Ms. Zhang is responsible for overseeing the Group's new pharmaceuticals research and development, her position as a researcher at the Institute of Chinese Medical Sciences, in particular her involvement in the development of Sinco I, is directly related to her role as an executive Director. By working as a researcher at the Institute of Chinese Medical Sciences, Ms. Zhang is, at the same time, also fulfilling her responsibilities as an executive Director; (ii) to enable Ms. Zhang to allocate sufficient time to carry out her duties as an executive Director, the Group has assigned four personnel to assist Ms. Zhang with the development of Sinco I with respect to clinical trials, patent applications and manufacturing processes, including two researchers each with over 15 years of experience in the production and quality control of pharmaceuticals, a researcher with a master's degree in clinical pharmacology specialising in the design and implementation of pharmaceutical testing and a researcher with a bachelor's degree in business administration focusing on pharmaceutical laws who is in charge of drafting reports and registration-related matters; and (iii) Ms. Zhang has been diligently attending the Board meetings held by the Company since she was appointed as an executive Director. In the event that Ms. Zhang is unable to attend a Board meeting in person, according to the Articles of Association, she is able to participate in such Board meeting by way of telephone conference.

Ms. Zhang served as the general manager of Zhaoye Bio-Technology Co., Ltd (兆業生物科技有限公司), a subsidiary of Nanjing Xiaoying Pharmaceuticals Group Co., Ltd (南京小營藥業集團有限公司), from July 2006 to October 2008, mainly responsible for new drug research and development. She has also engaged in national research projects, which involved contributing to the testing of mineral medicine and its quality control. Ms. Zhang was the co-editor of two books and published several research papers in national and international academic journals. Ms. Zhang has also been awarded Second Prize for Science and Technology by the China Association of Chinese Medicine in November 2005. Ms. Zhang obtained her Ph.D degree in June 2006 from Nanjing University of Chinese Medicine (南京中醫藥大學). Ms. Zhang worked as a pharmacist in Henan Provincial Pingdingshan City Chinese Medicine Hospital (河南省平頂山市中醫院) from September 1990 to August 2003. She obtained a bachelor's degree in Chinese medicine from Henan University of Traditional Chinese Medicine (河南中醫學院) in July 1990.

董事認為張女士過往及日後均會持續投入足夠精力履行作為執行董事的職責及責任，理由如下：(i)張女士負責監管本集團新藥品研發，而彼擔任中國中醫科學院研究員(特別是參與研發Sinco I)與彼作為執行董事有直接聯繫。在擔任中國中醫科學院研究員的同時，張女士亦履行作為執行董事的責任；(ii)為使張女士能夠投入足夠精力履行作為執行董事的職責，本集團已指派四名人員協助張女士管理Sinco I項目的臨床試驗、專利申請及生產過程，包括兩名擁有逾十五年藥物生產及品質監控經驗的研究人員、一名擁有臨床藥理學碩士學位(主修藥物測試設計及應用)的研究人員及一名擁有行政工商管理學士學位(主修藥物法律)的研究人員(負責草擬報告及註冊相關事務)；及(iii)張女士獲委任為執行董事以來，均有出席本公司舉行的董事會會議。倘張女士未能親身出席董事會會議，則可根據組織章程細則透過電話會議形式參與該董事會會議。

自2006年7月至2008年10月，張女士擔任南京小營藥業集團有限公司附屬公司兆業生物科技有限公司總經理，主要負責新藥物研發。彼亦參與國家級科研項目，工作涉及礦藥物的檢測技術與品質監控。張女士曾為兩部專著擔任合作編輯並在國內外學術期刊發表多篇研究論文。張女士亦於2005年11月獲頒中華中醫藥學會科學技術二等獎。張女士於2006年6月取得南京中醫藥大學博士學位。自1990年9月至2003年8月，張女士擔任河南省平頂山市中醫院的藥劑師。彼於1990年7月獲河南中醫學院頒發中藥專業學士學位。





Independent non-executive Directors

Mr. Chow Siu Lui (鄒小磊), aged 57, was appointed as an independent non-executive Director of the Company with effect from 1 February 2016.

Mr. Chow currently holds or once held directorship in the following companies listed on the HKSE:

獨立非執行董事

鄒小磊先生，57歲，獲委任為本公司獨立非執行董事，自2016年2月1日起生效。

鄒先生現時擔任或曾擔任以下香港聯交所上市公司的董事職務：

| Name of listed company 上市公司名稱 | HKEX stock code 香港交易所股份代號 | Position held 職位 | Period 期間 |
|--|------------------------------|---|--|
| Universal Medical Financial & Technical Advisory Services Company Limited 環球醫療金融與技術諮詢服務有限公司 | HKEX: 2666 香港交易所：2666 | Independent non-executive director 獨立非執行董事 | From June 2015 to present 2015年6月至今 |
| Fullshare Holdings Limited 豐盛控股有限公司 | HKEX: 607 香港交易所：607 | Independent non-executive director 獨立非執行董事 | From December 2013 to present 2013年12月至今 |
| Kong Shum Union Property Management (Holding) Limited 港深聯合物業管理(控股)有限公司 | HKEX: 8181 香港交易所：8181 | Independent non-executive director 獨立非執行董事 | From February 2015 to October 2015 2015年2月至2015年10月 |
| NWS Holdings Limited 新創建集團有限公司 | HKEX: 659 香港交易所：659 | Independent non-executive director 獨立非執行董事 | From March 2012 to June 2012 2012年3月至2012年6月 |
| Shanghai Dazhong Public Utilities (Group) Co., Ltd. 上海大眾公用事業(集團)股份有限公司 | HKEX: 1635 香港交易所：1635 | Independent non-executive director 獨立非執行董事 | From April 2016 to present 2016年4月至今 |
| Futong Technology Development Holdings Limited 富通科技發展控股有限公司 | HKEX: 465 香港交易所：465 | Independent non-executive director 獨立非執行董事 | From December 2016 to present 2016年12月至今 |

Mr. Chow has extensive experience in fund raising and initial public offering activities in Hong Kong, as well as accounting and financial related areas. From April 2012 to present, he works as a partner in charge of the private equity team in VMS Investment Group, where he is responsible for providing advice on issues regarding fund raising, pre-IPO group restructuring and due diligence exercises for investment projects. Prior to that, Mr. Chow was with KPMG Hong Kong for about 28 years until December 2011 and was admitted as one of its partners in 1995. He was then mainly responsible for IPO advisory services and assisted companies in fund raising activities in local and overseas stock exchanges.

鄒先生於香港集資及首次公開發售活動以及會計與金融相關領域經驗豐富。自2012年4月起至今，彼擔任鼎珮投資集團合夥人，領導私募股權團隊，負責就有關集資、首次公開發售前集團重組及投資項目盡職審查的工作提供建議。此前，鄒先生於香港畢馬威會計師事務所任職約28年直至2011年12月為止，而彼於1995年成為香港畢馬威會計師事務所合夥人之一。彼當時主要負責為首次公開發售提供諮詢服務以及協助公司於本地及海外證券交易所進行集資活動。





Mr. Chow is the chairman of the Mainland Development Strategies Advisory Panel of the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and a member of the Investment Advisory Committee of the Hong Kong Institute of Chartered Secretaries (“HKICS”).

Mr. Chow obtained a professional diploma in accountancy from the Hong Kong Polytechnic University (formally known as Hong Kong Polytechnic), in November 1983. By profession, he is a member of the HKICS and the HKICPA.

Mr. Wang Qing (汪晴), aged 52, was appointed as an independent non-executive Director with effect from 1 February 2016, mainly responsible for supervising and providing independent judgement to the Board. Mr. Wang Qing worked at Dalian University of Technology (大連理工大學) from April 2003 up until now. Mr. Wang Qing served as an associate professor when he first joined Dalian University of Technology and was later promoted to professor in November 2010 and he was responsible for research and development and teaching. From July 1986 to September 1997, Mr. Wang Qing worked as a pharmacist supervisor at Liaoning Provincial Medical Company Limited (遼寧省藥材有限責任公司), where he was responsible for drugs inspection and evaluation and participated in research and technical renovation.

Mr. Wang Qing obtained his Ph.D. in treatment therapy system at Kyushu Institute of Technology (九州工業大學) in Japan in March 2003 and a master’s degree in treatment therapy system at Kyushu Institute of Technology in March 2000. Mr. Wang Qing obtained his bachelor’s degree in medicinal plants at Jilin Agricultural University (吉林農業大學) in July 1986.

Mr. Liu Wenfang (劉文芳), aged 79, was appointed as an independent non-executive Director with effect from 1 February 2016, mainly responsible for supervising and providing independent judgement to the Board. Prior to joining our Group, from February 2011 to present, he serves as an independent director of China Biologic Products, Inc. (泰邦生物製品有限公司), a company listed on NASDAQ (stock code: CBPO). From 2007 to 2011, Mr. Liu Wenfang worked as a chief consultant at Sichuan Yuanda Shuyang Pharmaceuticals Co., Ltd (四川遠大蜀陽藥業股份有限公司) where he was responsible for research and promoting new theories and applications in the medical field. From 2000 to 2007, he served as the chief engineer and director of Hualan Biological Engineering Inc. (華蘭生物工程股份有限公司) where he was responsible for supervising the manufacturing process and quality management. From May 1998 to May 1999, he served as the chief engineer of Guiyang Qianfeng Bio

鄒先生現任香港會計師公會(「香港會計師公會」)內地發展策略諮詢委員會主席以及香港特許秘書公會(「香港特許秘書公會」)投資諮詢委員會會員。

鄒先生於1983年11月自香港理工大學(前稱香港理工學院)取得會計專業文憑。憑藉其專業知識，彼為香港特許秘書公會會員及香港會計師公會會員。

汪晴先生，52歲，獲委任為獨立非執行董事，自2016年2月1日起生效，主要負責監督董事會並為其提供獨立意見。汪晴先生自2003年4月至今任職於大連理工大學，最初擔任副教授，隨後於2010年11月晉升為教授，負責研發及教學。自1986年7月至1997年9月，汪晴先生擔任遼寧省藥材有限責任公司的藥劑師監督員，負責藥品監督與評估，並參與研究及技術創新。

汪晴先生於2003年3月獲得日本九州工業大學治療系統學博士學位，於2000年3月獲得九州工業大學治療系統學碩士學位。汪晴先生於1986年7月獲得吉林農業大學藥用植物學學士學位。

劉文芳先生，79歲，獲委任為獨立非執行董事，自2016年2月1日起生效，主要負責監督董事會並為其提供獨立意見。加入本集團之前，自2011年2月至今，彼於納斯達克上市公司泰邦生物製品有限公司(股份代號：CBPO)擔任獨立董事。自2007年至2011年，劉文芳先生擔任四川遠大蜀陽藥業股份有限公司首席顧問，負責研究及推廣醫藥領域的新理論及應用。自2000年至2007年，彼擔任華蘭生物工程股份有限公司首席工程師及董事，負責監督製造過程及質量管理。自1998年5月至1999年5月，彼擔任貴陽黔峰生





Manufacture Company (貴陽黔峰生物製品有限責任公司) where he was responsible for research and developing new products. From 1978 to 1988, he worked in the Institute of Blood Transfusion, Chinese Academy of Medical Sciences (中國醫學科學院輸血研究所) and was engaged in the segregation and purification of blood and protein and research, development and quality analysis of blood products.

He obtained a bachelor's degree majoring in biochemistry from the Shenyang Institute of Applied Ecology, Chinese Academy of Sciences (中國科學院瀋陽應用生態研究所) (formerly known as the Institute of Forestry and Soil Sciences) in August 1963.

We have entered into service agreements with each of our executive Directors and have issued letters of appointment to each of our independent non-executive Directors. The term of each of the service agreements and letters of appointment with our Directors is three years.

Senior Management

Mr. Hao Jinghui (郝景輝), aged 41, joined our Group in August 2016 and was appointed as the co-chief executive officer of the Company in the same month. Mr. Hao is responsible for the Group's overall business development, operation and management. Prior to joining the Company, Mr. Hao successively served as the finance director, vice president and general manager for pharmaceutical distribution at Cardinal Health (Shanghai) Pharmaceutical Co., Ltd. (康得樂上海醫藥有限公司) from January 2011 to August 2016, mainly responsible for the pharmaceutical distribution business across the country. From December 2006 to January 2010, he worked for Eli Lilly and Company, first as the executive director of finance at its Canadian branch, then as the director for financial planning and purchasing at its Chinese branch (mainly responsible for financial management). From April 2004 to December 2006, Mr. Hao was a financial manager at Procter & Gamble Canada, mainly responsible for financial analysis and planning. Mr. Hao Jinghui obtained the Master's Degree in Business Administration from McGill University in Canada in April 2004, the Dual Bachelor's Degree in Industry Management and English from Tianjin University (天津大學) in July 1996, the Certified Management Accountant certificate issued by The Society of Management Accountants of Canada (Ontario) in 2007, and the Chartered Professional Accountant certificate issued by The Institute of Chartered Accountants of Ontario in 2014.

物製品有限責任公司首席工程師，負責研發新產品。自1978年至1998年，彼於中國醫學科學院輸血研究所工作，從事血液及蛋白質分離純化及血製品研發與質量分析。

彼於1963年8月獲得中國科學院瀋陽應用生態研究所(前身為林業土壤研究所)生物化學學士學位。

我們已與各執行董事訂立服務合約，已向各獨立非執行董事發出委任函。董事各自的服務合約及委任函為期三年。

高級管理層

郝景輝先生，41歲，於2016年8月加入本集團，於2016年8月獲委任為本公司聯席行政總裁，主要負責公司的整體業務發展、運營和管理工作。加入本公司前，郝景輝先生自2011年1月至2016年8月先後任職康德樂上海醫藥有限公司財務總監、副總裁兼藥品分銷業務總經理，主要負責全國藥品分銷業務。自2006年12月至2010年1月任職加拿大禮來公司財務執行總監、禮來中國公司財務規劃及採購總監，主要負責公司的財務管理。自2004年4月至2006年12月任職加拿大寶潔公司財務經理，主要負責財務分析和規劃工作。郝景輝先生於2004年4月獲授加拿大麥吉爾大學工商管理碩士學位，於1996年7月獲授天津大學英語和工業管理雙學士學位，於2007年和2014年獲得加拿大安大略省管理會計師協會和安大略省註冊會計師機構頒發的註冊管理會計師和註冊會計師資格。





Mr. Li Yifan (李一帆), aged 37, joined our Group in February 2015 and was appointed as the Chief Financial Officer of the Company in June 2015, mainly responsible for the overall financial strategic planning, internal control system management, and investment and financing management of the Group. Mr. Li is also the director of Sichuan Sinco Pharmaceuticals. Mr. Li has over 10 years of experience in accounting and financial management. Before joining the Company, Mr. Li worked for China Polymetallic Mining Limited, a company listed on the HKSE (stock code: 2133) from March 2011 to January 2015, and last served as the deputy chief financial officer responsible for financial accounting and management. From February 2005 to February 2011, he successively served as an auditor of the Shenzhen branch and a senior auditor of the Chengdu branch of Ernst & Young Hua Ming LLP. Mr. Li obtained a Master of Science in Finance degree from the University of Stirling in January 2005 and graduated from Southwestern University of Finance and Economics (西南財經大學) in July 2002 with a bachelor's degree in management. He has been a Chinese Certified Public Accountant since January 2012.

Ms. Wu Yue (吳玥), aged 37, joined our Group in December 2014 and currently holds the position of Vice President for administration and public affairs of the Group. Prior to joining our Group, Ms. Wu served as a business manager of Baxter Healthcare Trading (Shanghai) Co., Ltd. (百特醫療用品貿易(上海)有限公司) for Southwest China and Northwest China from October 2014 to December 2014, responsible for business management. She served as a regional business manager of Jin Bao Shen Nursing Products (Shanghai) Co., Ltd. (金寶腎護理產品(上海)有限公司) from June 2013 to September 2014, mainly responsible for business management. Ms. Wu served as a senior regional business manager of Becton Dickinson Medical Devices (Shanghai) Co., Ltd. (碧迪醫療器械(上海)有限公司) from November 2008 to June 2013. Ms. Wu worked for Pfizer Investment Co., Ltd. where she served as a regional manager of its commercial and retail business department from September 2004 to October 2008. Ms. Wu received a bachelor's degree in accounting from Southwestern University of Finance and Economics (西南財經大學) in June 2004.

Mr. Lei Shifeng (雷世鋒), aged 50, joined our Group in July 2016 as the general manager of Chengdu Sinco Pharmaceutical and was appointed as the general manager of Sichuan Sinco Pharmaceuticals in October 2016, mainly responsible for its overall operation and management. Mr. Lei is also the director of Chengdu Sinco Pharmaceutical Chengdu Hengsheng Ziguang and Sinco Biotechnology. Prior to joining the Group, Mr. Lei worked for Sichuan Derentang Traditional Chinese Medicine Technology Co., Ltd. (四川德仁堂中藥科技股份有限公司), mainly responsible for

李一帆先生，37歲，於2015年2月加入本集團，於2015年6月獲委任為本公司首席財務官，主要負責本集團的整體財務戰略策劃、內部控制系統管理及投資與融資管理。李先生亦為四川興科蓉藥業的董事。李先生有逾10年會計及財務管理經驗。加入本公司前，李先生於2011年3月至2015年1月任職香港聯交所上市公司中國多金屬礦業有限公司(股份代號：2133)，離職前擔任財務副總監，負責財務會計及管理。2005年2月至2011年2月，李先生先後擔任安永華明會計師事務所深圳分公司核數師及成都分公司高級核數師。李先生於2005年1月獲得斯特靈大學金融學理學碩士學位，於2002年7月畢業於西南財經大學並獲得管理學學士學位。李先生於2012年1月獲得中國註冊會計師資格。

吳玥女士，37歲，2014年12月加入本集團，目前擔任本集團行政及公共事務副總裁職務。加入本集團前，吳女士自2014年10月至2014年12月擔任百特醫療用品貿易(上海)有限公司的西南西北大區業務經理，負責業務管理。彼自2013年6月至2014年9月擔任金寶腎護理產品(上海)有限公司分區業務經理，主要負責業務管理。吳女士自2008年11月至2013年6月擔任碧迪醫療器械(上海)有限公司高級分區業務經理。吳女士自2004年9月至2008年10月擔任Pfizer Investment Co., Ltd.商業與零售業務部分區經理。吳女士於2004年6月取得西南財經大學會計學學士學位。

雷世鋒先生，50歲，於2016年7月加入本集團擔任成都興科蓉醫藥總經理，於2016年10月獲委任為四川興科蓉藥業總經理，主要負責其整體運營管理工作。雷先生亦為成都興科蓉醫藥、成都恒盛紫光及興科蓉生物科技的董事。加入本集團前，雷先生曾任職四川德仁堂中藥科技股份有限公司，主要負責採購、生產、





procurement, manufacturing and quality. From May 2001 to May 2007, he worked as the vice general manager of Chengdu Zhongxin Pharmaceutical Co., Ltd. (成都中新藥業有限公司), mainly responsible for the overall business operation and management. From July 1988 to April 2001, he was a manager at Chengdu Traditional Chinese Medicine Company (成都市中藥材公司), mainly responsible for the procurement and business operation and management of its branches. Mr. Lei Shifeng earned his bachelor's degree from Jilin Agricultural University (吉林農業大學) in July 1988 and the Certified Pharmacist qualification in January 2000.

Mr. Yang Yukai (楊玉凱), aged 38, joined our Group in July 2016 and was appointed as the Company's chief officer for marketing and operation in September 2016, mainly responsible for the sales and marketing of all the product lines of the Company. Prior to joining the Company, Mr. Yang worked as the director of business development at Cardinal Health (Shanghai) Pharmaceutical Co., Ltd. (康得樂上海醫藥有限公司), mainly responsible for developing new business. From May 2003 to September 2005, he was the national business manager of Organon International (China), mainly responsible for the business management of imported products across the country. From July 2001 to May 2003, he was a regional manager of Shanghai Shukang Biotechnology Limited (上海數康科技有限公司), mainly responsible for regional sales. Mr. Yang Yukai earned his bachelor's degree in bioengineering from Nanjing University of Science and Technology (南京理工大學) in June 2001.

Mr. Peng Fei (彭飛), aged 43, joined our Group in April 2011 and was appointed as the Financial Controller of our Company in June 2015, mainly responsible for overall finance management. Mr. Peng is also the director of Sichuan Sinco Pharmaceuticals and Qingdao Ruichi. Prior to joining our Group, Mr. Peng served as the finance manager of Ruixin from September 2004 to March 2011, responsible for finance management. Mr. Peng Fei also served as the finance staff of the Third Construction Section of the Factory Construction Engineering Bureau, the Ministry of Railway and China Railway Construction Engineering Group North Project Co., Ltd. (鐵道部建廠工程局第三工程處、中鐵建工集團北方工程有限公司) from September 1991 to August 2004, mainly responsible for the company's finance management. Mr. Peng obtained a bachelor's degree in accounting from Southwestern University of Finance and Economics (西南財經大學) in December 2006. He also obtained the qualification of Registered Tax Agent issued by Sichuan Provincial Human Resources Department (四川省人事廳) in April 2009, and obtained the license as a senior accountant from Chengdu Reform Leading Group of Professional Titles in April 2013.

質量。自2001年5月至2007年5月任職成都中新藥業有限公司常務副總經理，主要負責公司整體業務運營管理。自1988年7月至2001年4月任職成都市中藥材公司經理，主要負責中藥分公司採購及業務經營管理工作。雷世鋒先生於1988年7月獲授吉林農業大學學士學位，於2000年1月獲得執業藥師資格。

楊玉凱先生，38歲，於2016年7月加入本集團，於2016年9月獲委任為本公司營銷運營總裁，主要負責公司所有產品綫的銷售市場運營工作。加入本公司前，楊玉凱先生曾任職康得樂上海醫藥有限公司，業務發展總監，主要負責開拓新業務發展。自2003年5月至2005年9月任職歐家農製藥有限公司任職全國商務經理，主要負責進口產品的全國商務管理工作。自2001年7月至2003年5月任職上海數康科技有限公司任地區經理，主要負責區域銷售工作。楊玉凱先生於2001年6月獲授南京理工大學生物工程學士學位。

彭飛先生，43歲，自2011年4月加入本集團，於2015年6月獲委任為本公司財務總監，主要負責整體財務管理。彭先生亦為四川興科蓉藥業及青島瑞馳的董事。加入本集團前，彭先生自2004年9月至2011年3月擔任瑞欣的財務經理，負責財務管理。彭飛先生自1991年9月至2004年8月擔任鐵道部建廠工程局第三工程處、中鐵建工集團北方工程有限公司財務人員，主要負責公司財務管理。彭先生於2006年12月取得西南財經大學會計學學士學位，於2009年4月獲得四川省人事廳註冊稅務代理人資格，於2013年4月獲成都市職稱改革領導小組授予高級會計師執照。





Mr. Li Xianghong (李相宏), aged 32, was appointed as the Deputy Director of Sales of the Company in June 2015 and has over seven years of experience in sales and marketing management. Mr. Li joined the Group in April 2011, mainly responsible for the marketing and promotion of the pharmaceutical products operated by Sichuan Sinco Pharmaceuticals. Before joining Sichuan Sinco Pharmaceuticals, Mr. Li served as the sales manager of Ruixin from July 2009 to March 2011, mainly responsible for product sales. From May 2007 to May 2009, he was a regional manager of Jiangsu Chinese Pharmaceutical Technology Development Corporation (江蘇省中醫藥科技發展總公司), mainly responsible for its management of sales in the southwest region of the PRC. From April 2006 to April 2007, Mr. Li was a sales representative of Changzhou Fangyuan Pharmaceutical Co., Ltd. (常州方圓製藥有限公司), mainly responsible for its management of regional sales. Mr. Li graduated from Chengdu University of Technology (成都理工大學) and obtained his degree in numerical control machining technology in June 2006.

Company Secretary

Ms. Ko Wing Yu (高穎妤), was appointed as the joint company secretary of the Company since April 2015 and has over 10 years of experience of management in the pharmaceuticals industry.

Before joining the Group, from January 2013 to April 2015, Ms. Ko served as the general manager of Vast Surplus, and was mainly responsible for its daily operation. From August 2011 to January 2013, Ms. Ko worked at Industrial Securities (HK) Financial Holdings Limited (興證(香港)金融控股有限公司) as an administrative manager. From October 2002 to August 2011, Ms. Ko served as the deputy general manager of Vital Group Holdings Limited (維奧集團控股有限公司) (currently known as CGN Mining Company Limited whose shares are listed on the HKSE (Stock Code: 1164)). From November 1994 to December 2000, Ms. Ko served as the general manager of Yinli Foreign Investors Golf Club Company Limited (銀利外商高爾夫球俱樂部有限公司), and was mainly responsible for building the golf course and its daily management and planning. Ms. Ko holds a bachelor's degree in Accountancy.

Ms. Wong Sau Ping (黃秀萍) is a joint company secretary of the Company. Ms. Wong is a senior manager of the Listing Services Department of TMF Hong Kong Limited (a fellow subsidiary of KCS Hong Kong Limited). She has over 15 years of experience in the company secretarial field. Ms. Wong had worked for one of the four largest international audit firms, where she served large and well-known companies listed on the HKSE. Ms. Wong holds a bachelor degree in business administration and a master degree in professional accounting and information system. She is an associate member of the HKICS and the Institute of Chartered Secretaries and Administration in the United Kingdom.

李相宏先生，32歲，於2015年6月獲委任為本公司銷售副總監，積逾7年銷售及營銷管理經驗。李先生於2011年4月加入本集團，主要負責四川興科蓉藥業所經營的醫藥產品的營銷及推廣工作。加入四川興科蓉藥業前，李先生於2009年7月至2011年3月擔任瑞欣的銷售經理，主要負責產品銷售，自2007年5月至2009年5月擔任江蘇省中醫藥科技發展總公司大區經理，主要負責中國西南地區銷售管理，於2006年4月至2007年4月擔任常州方圓製藥有限公司銷售專員，主要負責地區銷售管理。李先生於2006年6月畢業於成都理工大學，取得數控加工工藝學位。

公司秘書

高穎妤女士，於2015年4月獲委任為本公司聯席公司秘書，在製藥業積逾10年管理經驗。

加入本集團前，高女士由2013年1月至2015年4月擔任騰盈總經理，主要負責其日常營運，於2011年8月至2013年1月期間在興證(香港)金融控股有限公司擔任行政經理，於2002年10月至2011年8月在維奧集團控股有限公司(現稱中廣核礦業有限公司，其股份於香港聯交所上市(股份代號：1164))擔任副總經理。於1994年11月至2000年12月，彼擔任銀利外商高爾夫球俱樂部有限公司的總經理，主要負責高爾夫球場的修築、日常管理及規劃。高女士持有會計學士學位。

黃秀萍女士，本公司聯席公司秘書。黃女士為達盟香港有限公司(凱譽香港有限公司的同系附屬公司)上市服務部高級經理，擁有逾15年公司秘書領域經驗。黃女士曾任職於國際四大會計師事務所之一，為香港聯交所大型知名上市公司提供服務。黃女士持有工商管理學士學位和專業會計及資訊系統碩士學位，為香港特許秘書公會會員及英國特許秘書及行政人員公會會員。



Report of the Directors

董事會報告



The Board is pleased to present its report together with the audited consolidated financial statements of the Group for the Reporting Period.

Global Offering

The Company was incorporated in the Cayman Islands on 16 March 2015 as an exempted company with limited liability under the Cayman Companies Law of the Cayman Islands (the "Companies Law"). The Company's shares were listed on the HKSE on 10 March 2016 (the "Listing Date").

Principal Activities

The principal activity of the Company is investment holding and the Group is principally engaged in the provision of comprehensive marketing, promotion and channel management service for imported pharmaceutical products in China. The analysis of the revenue of the principal activities of the Group during the Reporting Period is set out in the note 4 to the consolidated financial statements.

Business Review and Results

A review of the business of the Group during the Reporting Period is provided in "Management Discussion and Analysis" on pages 8 to 28. An analysis of the Group's performance during the Reporting Period using financial key performance indicators is provided in the Financial Highlights on page 4 of this annual report.

The results of the Group for the Reporting Period are set out in the Consolidated Statement of Profit or Loss and Other Comprehensive Income on page 99 of this annual report.

Final Dividends

The Directors do not recommend a final dividend for the Reporting Period.

Closure of the Register of Members

The register of members of the Company will be closed from Tuesday, 23 May 2017 to Friday, 26 May 2017, both days inclusive, in order to determine the identity of the Shareholders who are entitled to attend the forthcoming AGM to be held on Friday, 26 May 2017. All transfers accompanied by the relevant share certificates and transfer forms must be lodged with the Company's Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on Monday, 22 May 2017.

董事會欣然提呈其報告連同本集團於報告期之經審核綜合財務報表。

全球發售

本公司於2015年3月16日根據開曼群島公司法(「公司法」)在開曼群島註冊成立為獲豁免有限公司。本公司股份於2016年3月10日(「上市日期」)在香港聯交所上市。

主要業務

本公司的主要業務為投資控股，而本集團主要從事為進口藥品於中國提供綜合性營銷、推廣及渠道管理服務。本集團於報告期主要業務收益的分析載列於綜合財務報表附註4。

業務回顧及業績

本集團於報告期之業務回顧載於第8至28頁的「管理層討論及分析」。運用財務關鍵表現指標對本集團於報告期表現進行的分析載於本年報第4頁的財務摘要。

本集團於報告期之業績載於本年報第99頁之綜合損益及其他全面收益表。

末期股息

董事建議不派發報告期之末期股息。

暫停辦理股份過戶登記手續

為釐定有權出席於2017年5月26日(星期五)舉行之應屆股東週年大會之股東身份，本公司將於2017年5月23日(星期二)至2017年5月26日(星期五)(包括首尾兩日)暫停辦理股份過戶登記手續。所有過戶文件連同相關股票及過戶表格，須於2017年5月22日(星期一)下午四時三十分前送交本公司香港證券登記分處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716室。





Financial Summary

A summary of the Group's results, assets, liabilities for the last five financial years are set out on page 4 of this annual report. This summary does not form part of the audited consolidated financial statements.

Use of Net Proceeds from Listing

Net proceeds from the listing of the Company (after deducting underwriting fee and relevant expenses) amounted to approximately HK\$260.0 million (equivalent to approximately RMB217.2 million). As of 31 December 2016, RMB123.6 million has been utilised in the manner consistent with the allocation set out in the Prospectus and the Company's announcement dated 30 December 2016 regarding the change in use of proceeds.

財務概要

本集團過去五個財政年度之業績、資產、負債之概要載於本年報第4頁。本概要並不構成經審核綜合財務報表的一部分。

上市所得款項淨額用途

本公司上市所得款項淨額(經扣除包銷佣金及所有相關開支)約為260.0百萬港元(相當於約人民幣217.2百萬元)。於2016年12月31日,人民幣123.6百萬元已按照招股書與本公司日期為2016年12月30日有關變更所得款項用途的公告所載的方式運用。

| Uses | 用途 | Proposed | Utilised | Unutilised |
|--|--|-----------------------|--|--|
| | | use of proceeds | Proceeds as of 31 December 2016 | Proceeds as of 31 December 2016 |
| | | 所得款項的 擬定用途 | 於2016年 12月31日 已動用 所得款項 | 於2016年 12月31日 未動用 所得款項 |
| | | RMB million 人民幣百萬元 | RMB million 人民幣百萬元 | RMB million 人民幣百萬元 |
| (i) Acquisition of – Sales and distribution rights of new products – businesses in the pharmaceutical industry with proprietary intellectual property or growth potential | (i) 收購 – 新產品的銷售及經銷權 – 醫藥行業具備專有知識 產權或增長潛力的企業 | 79.1 | 36.5 | 42.6 |
| (ii) Repaying a portion of the outstanding loans and bank trade credits due from the Group which were guaranteed by Mr. Huang | (ii) 償還由黃先生擔保的本集團 尚未償還部分貸款及銀行貿易 信貸 | 60.7 | 60.7 | – |
| (iii) Developing cold chain facility and research and development base located in Sichuan Shuangliu Bonded Area | (iii) 在四川雙流保稅區開發冷鏈 設施及研發基地 | – | – | – |
| (iv) Deposits for obtaining letters of credit | (iv) 取得信用證的按金 | 60.0 | 9.0 | 51.0 |
| (v) Working capital and other general corporate purposes | (v) 營運資金及其他一般企業 用途 | 17.4 | 17.4 | – |
| Total | 合計 | 217.2 | 123.6 | 93.6 |





Major Customers and Suppliers

For the Reporting Period, the Group's products purchased from the largest supplier, accounted for 62.0% (2015: 63.7%) of total products purchased, and products purchased from five largest suppliers accounted for 100.0% (2015: 100.0%) of our total products purchased.

For the Reporting Period, the Group's sales to largest customer accounted for 18.6% (2015: 21.1%) of our revenue, and sales to the five largest customers accounted for 44.3% (2015: 60.0%) of our total revenue.

None of the Directors or any of their close associates or any Shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any interest in the Group's five largest customers and suppliers.

Property, Plant and Equipment

Details of movements in the property, plant and equipment of the Group during the Reporting Period are set out in note 12 to the consolidated financial statements.

Subsidiaries

Details of the major subsidiaries of the Company as of 31 December 2016 are set out in note 1 to the consolidated financial statements.

Share Capital

Details of movements in the share capital of the Company during the Reporting Period are set out in note 24 to the consolidated financial statements.

Reserves

Details of movements in the reserves of the Group during the Reporting Period are set out on page 102 in the consolidated statement of changes in equity.

Distributable Reserves

As at 31 December 2016, the Company's reserves available for distribution, calculated in accordance with the provisions of the Companies Law and the Articles of Association, amounted to approximately RMB271.0 million (as at 31 December 2015: RMB13.9 million).

主要客戶及供應商

於報告期，本集團向最大供應商採購的產品佔總採購產品的62.0%（2015年：63.7%），向五大供應商採購的產品則佔我們總採購產品的100.0%（2015年：100.0%）。

於報告期，本集團向最大客戶作出的銷售額佔我們收益的18.6%（2015年：21.1%），向五大客戶作出的銷售額則佔我們總收益的44.3%（2015年：60.0%）。

概無董事或任何彼等緊密聯繫人或任何股東（就董事所知，擁有本公司已發行股本5%以上）於本集團五大客戶及供應商中擁有任何權益。

物業、廠房及設備

本集團於報告期內的物業、廠房及設備變動詳情載於綜合財務報表附註12。

附屬公司

本公司於2016年12月31日主要附屬公司詳情載於綜合財務報表附註1。

股本

本公司於報告期內股本變動詳情載於綜合財務報表附註24。

儲備

本集團於報告期內之儲備變動詳情載於第102頁綜合權益變動表。

可供分派儲備

於2016年12月31日，本公司根據公司法條文及組織章程細則計算之可供分派儲備約為人民幣271.0百萬元（於2015年12月31日：人民幣13.9百萬元）。





Bank Loans

Particulars of bank loans of the Group as at 31 December 2016 are set out in note 23 to the consolidated financial statements.

Share Option Scheme

Pursuant to a resolution passed by the Shareholders, the Company had adopted a share option scheme (the "Share Option Scheme") which became effective on 10 March 2016 (the "Listing Date").

1. Purpose

The purpose of the Share Option Scheme is to provide an incentive or reward for Eligible Participants (defined below) for their contribution or potential contribution to the Company and/or any of its subsidiaries.

2. Eligible participants

The Board may subject to and in accordance with the provisions of the Share Option Scheme and the Listing Rules, at its discretion grant options to any full-time or part-time employees, including executives, senior management or officers (including executive, non-executive and independent non-executive directors) of the Company, its subsidiaries or any entity in which the Group holds any equity interest, and to any company wholly owned by one or more persons belonging to any of the above classes of participants who, in the absolute discretion of the Board has contributed or will contribute to the Group (collectively, the "Eligible Participants").

3. Life of the Share Option Scheme

The Share Option Scheme shall be valid and effective for a period of ten years from 1 February 2016, after which time no further option will be granted.

4. Total number of Shares available for issue

The maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme shall not, in aggregate, exceed 160,000,000, representing 9.91% of the issued share capital of the Company as at the date of this report.

銀行貸款

本集團於2016年12月31日之銀行貸款詳情載於綜合財務報表附註23。

購股權計劃

根據股東通過的一項決議案，本公司已採納購股權計劃(「購股權計劃」)，其已於2016年3月10日(「上市日期」)生效。

1. 目的

購股權計劃旨在向已經向本公司及／或其任何附屬公司作出貢獻或即將作出貢獻的合資格參與者(釋義如下)提供獎勵或回報。

2. 合資格參與者

董事會依循及遵照購股權計劃的條款及上市規則可全權酌情將購股權授予本公司、其附屬公司或本集團持有股權的任何實體的任何全職或兼職僱員(包括行政人員、高級管理人員或高級職員(包括執行董事、非執行董事及獨立非執行董事))，以及董事會全權酌情認為已向本集團作出貢獻或將作出貢獻的任何一名或多名上述類別參與人士(統稱「合資格參與人士」)全資擁有的任何公司。

3. 購股權計劃的期限

購股權計劃自2016年2月1日起計十年期間有效，之後不會進一步授出購股權。

4. 可供發售股份總數

因可能行使根據購股權計劃所授全部購股權而發行的股份總數，合共不得超過160,000,000股股份，佔本公司於本報告日期已發行股本的9.91%。





5. Maximum entitlement of each participant

Unless approved by Shareholders, the total number of Shares issued and to be issued upon exercise of options granted to any participant (including exercised and outstanding options) under the Share Option Scheme in any 12-month period up to the date of grant shall not exceed 1% of the total Shares in issue.

6. Offer period and amount payable for options

An option may be accepted by an Eligible Participant within 15 days from the date of the offer of grant of the option. A nominal consideration of HK\$1.00 is payable upon acceptance of the grant of option.

7. Minimum period for which an option must be held before it can be exercised

The period during which an option must be held before it can be exercised in accordance with the terms of the Share Option Scheme shall be one year after the date on which the option is granted. The Board may in its absolute discretion impose further restrictions on the exercise of the option.

8. Period within which the Share must be taken up

Subject to the discretion of the Board who may impose restrictions on the exercise of the option, any option may be exercised one year after the date on which the options is granted and shall expire on the earlier of the last day of (i) a six year period from the date of such grant and (ii) the expiration of the Share Option Scheme.

9. Basis of determining the subscription price

The price per Share at which a Grantee may subscribe for Shares upon exercise of an option (the "Exercise Price") shall be a price determined by the Board but in any event shall be at least the highest of:

- (i) the closing price of the Shares as stated in the HKSE's daily quotations sheets on the date on which the option is granted;
- (ii) the average closing price of the Shares as stated in the HKSE's daily quotations sheets for the five business days immediately preceding the date of grant of that option; and
- (iii) the nominal value of the Shares.

5. 每位參與者可享有的最高股份數目

除非經股東批准，於截至授出日期的任何12個月期間內因行使購股權計劃已授予各參與者之購股權(包括已行使及尚未行使的購股權)而發行及將發行的股份總數，不得超逾已發行股份總數之1%。

6. 發售期及購股權應付金額

合資格參與者可於要約授出購股權日期起計15日內接納購股權。於接納獲授購股權時須支付名義代價1.00港元。

7. 可行使購股權前必須持有的最短期限

根據購股權計劃的條款，可行使購股權前必須持有的最短期限自授出購股權當日起計為期一年。董事會可全權酌情對行使購股權施加進一步限制。

8. 接納股份的期限

在董事會可酌情限制行使購股權的規限下，購股權可於授出購股權日期後一年行使，並於下列較早期限的最後一日屆滿：(i)授出日期起計六年期限；及(ii)購股權計劃期滿。

9. 釐定認購價的基準

承授人行使購股權時可能認購股份的每股股份價格(「行使價」)乃由董事會釐定，惟於任何情況下不得低於下列三者中的最高者：

- (i) 股份於授出購股權日期在香港聯交所日報表所載的收市價；
- (ii) 股份於緊接授出購股權日期前五個營業日在香港聯交所日報表所報的平均收市價；及
- (iii) 股份面值。





The summary of the options granted under the Share Option Scheme that were still outstanding as at the date of this report are as follows:

根據購股權計劃授出而於本報告日期仍尚未行使的購股權概述如下：

| Grantee's name 承授人姓名 | Date of grant 授出日期 | Number of Options 購股權數目 | | | | Held at the Listing Date 於上市日期 持有 | Held at 31 December, 2016 於2016年 12月31日持有 | Exercise price per Share ⁽²⁾ 每股股份 行使價 ⁽²⁾ | Exercise period ⁽³⁾ 行使期限 ⁽³⁾ |
|--|---------------------------------|--|--|--|---|---|---|---|---|
| | | Granted during the Reporting Period 已於報告期內 授出 | Exercised during the Reporting Period 已於報告期內 行使 | Cancelled during the Reporting Period 已於報告期內 註銷 | Lapsed during the Reporting Period 已於報告期內 失效 | | | | |
| Mr. Hao Jinghui ⁽¹⁾ 郝景輝 ⁽¹⁾ | 21 September 2016 2016年9月21日 | 5,000,000 | - | - | - | - | 5,000,000 HK\$0.568 0.568港元 | 21 September 2017- 20 September 2022 2017年9月21日至 2022年9月20日 | |
| Employees in aggregate 僱員合共 | 21 September 2016 2016年9月21日 | 25,000,000 | - | - | - | - | 25,000,000 HK\$0.568 0.568港元 | 21 September 2017- 20 September 2022 2017年9月21日至 2022年9月20日 | |
| Total: 總數： | | 30,000,000 | - | - | - | - | 30,000,000 | | |

Notes:

附註：

- Mr. Hao Jinghui is the co-chief executive officer of the Company ("Co-chief Executive Officer"). Pursuant to Rule 17.04(1) of the Listing Rules, the grant of options to the Co-chief Executive Officer has been approved by the independent non-executive Directors. Save as disclosed above, none of the Grantees is a director, chief executive or substantial shareholder or an associate of any of them.
 - The exercise price represents not less than the highest of (i) the closing price of HK\$0.540 per Share as stated in the HKSE's daily quotation sheets on 21 September 2016, being the Date of such grant; (ii) the average closing price of HK\$0.568 per Share as stated in the HKSE's daily quotation sheets for five business days immediately preceding the Date of such grant; and (iii) the nominal value of the Share at HK\$0.0001 per Share.
 - 40% of the options granted shall be vested and can be exercised upon one year commencing the date of such grant (i.e. 21 September 2017) and a continuous employment of one year. Another 30% of the options granted, shall be vested and can be exercised upon two years commencing the date of such grant (i.e. 21 September 2018) and a continuous employment of two years. The remaining 30% of the options granted, shall be vested and can be exercised upon three years commencing the date of such grant (i.e. 21 September 2019) and a continuous employment of three years.
- 郝景輝先生為本公司聯席行政總裁(「聯席行政總裁」)。向聯席行政總裁授出購股權已根據上市規則第17.04(1)條獲獨立非執行董事批准。除以上所披露者外，概無承授人為董事、主要行政人員或主要股東或彼等的任何聯繫人士。
 - 行使價不低於以下三者中的最高者：(i)於2016年9月21日(即有關授出日期)在香港聯交所日報表所報的收市價每股0.540港元；(ii)股份於緊接有關授出日期前五個營業日在香港聯交所日報表所報的平均收市價每股0.568港元；及(iii)股份面值每股0.0001港元。
 - 授出購股權的40%將自有關授出日期起計一年(即二零一七年九月二十一日)且持續受僱一年後可予歸屬及行使。授出購股權的另外30%將自有關授出日期起計兩年(即二零一八年九月二十一日)且持續受僱兩年後可予歸屬及行使。授出購股權的餘下30%將自有關授出日期起計三年(即二零一九年九月二十一日)且持續受僱三年後可予歸屬及行使。





Equity-linked Agreements

Other than the Share Option Scheme of the Company as disclosed above, no equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the Reporting Period or subsisted at the end of the Reporting Period.

Directors

The Directors during the Reporting Period and up to the date of this report were:

Executive Directors:

Mr. Huang Xiangbin (*Chairman and Co-Chief Executive Officer*)
Ms. Zhang Zhijie

Independent Non-Executive Directors:

Mr. Chow Siu Lui (appointed on 1 February 2016)
Mr. Wang Qing (appointed on 1 February 2016)
Mr. Liu Wenfang (appointed on 1 February 2016)

In accordance with article 16.2 of the Articles of Association, Mr. Huang Xiangbin and Mr. Chow Siu Lui will retire and being eligible, have offered themselves for re-election as Directors at the forthcoming AGM.

Details of the Directors to be re-elected/elected at the forthcoming AGM are set out in the circular to the Shareholders.

Directors' and Senior Management's Biographies

Biographical details of the Directors and senior management of the Group are set out on pages 52 to 60 of this annual report.

股票掛鈎協議

除上文所披露本公司之購股權計劃外，本公司於報告期內並無訂立或於報告期末存續任何股票掛鈎協議將會或可能導致本公司發行股份，或規定本公司訂立任何協議將會或可能導致本公司發行股份。

董事

於報告期內至本報告日期，董事為：

執行董事：

黃祥彬先生(主席兼行政總裁)
張志傑女士

獨立非執行董事：

鄒小磊先生(於2016年2月1日獲委任)
汪晴先生(於2016年2月1日獲委任)
劉文芳先生(於2016年2月1日獲委任)

根據組織章程細則第16.2條，黃祥彬先生及鄒小磊先生將於應屆股東週年大會上退任，且合資格並願意重選連任董事。

將於應屆股東週年大會上重選／選任的董事詳情載於寄發予股東之通函。

董事及高級管理層履歷

本集團董事及高級管理層之履歷詳情載於本年報第52至60頁。





Confirmation of Independence of Independent Non-Executive Directors

The Company has received a confirmation of independence pursuant to rule 3.13 of the Listing Rules from each of the independent non-executive Directors and the Company considers such Directors to be independent in accordance with rule 3.13 of the Listing Rules.

Directors' Service Contracts and Letter of Appointments

Each of the executive Directors has entered into a service agreement with the Company on 2 June 2015 for a term of three years commencing from the Listing Date, which may be terminated by not less than one month's notice in writing served by either party to the other.

Each of the independent non-executive Directors has signed a letter of appointment on 1 February 2016 for an initial term of three years commencing from the Listing Date.

None of the Directors proposed for re-election at the forthcoming AGM has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

Directors' Interests in Transactions, Arrangements or Contracts of Significance

Other than those transactions disclosed in note 30 to the consolidated financial statements, no transactions, arrangements or contracts of significance in relation to the business of the Group to which the Company or any of its subsidiaries was a party and in which a Director or an entity connected with a Director had, directly or indirectly, a material interest subsisted during or at the end of the Reporting Period.

Directors' Interest in Competing Business

None of the Directors or their respective associates had engaged in or had any interest in any business which competes or may compete, either directly or indirectly, with the businesses of the Group during the Reporting Period.

獨立非執行董事之獨立性確認書

本公司已接獲各獨立非執行董事根據上市規則第3.13條發出之獨立性確認書，本公司認為，該等董事均為根據上市規則第3.13條之獨立人士。

董事服務合約及委聘函

各執行董事已於2015年6月2日與本公司訂立服務協議，年期自上市日期起計為期三年，可由任何一方向另一方發出不少於一個月書面通知予以終止。

各獨立非執行董事已於2016年2月1日簽訂委聘函，初步任期自上市日期起計為期三年。

概無擬於即將舉行的股東週年大會上膺選連任的董事訂立本集團不可於一年內免付賠償(法定補償除外)而終止之服務合約。

董事於重大交易、安排或合約之權益

除於綜合財務報表附註30所披露之該等交易外，於報告期間或期末，本公司或其任何附屬公司概無訂立對本集團業務而言屬重大的任何交易、安排或合約，亦無董事或與董事相關的實體於該等交易、安排或合約中直接或間接擁有重大權益。

董事於競爭業務之權益

於報告期間，董事或彼等各自之聯繫人概無從事對本集團業務構成或可能構成直接或間接競爭之任何業務或於當中擁有任何權益。





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 Reporting Period.

Employees and Emolument Policy

As of 31 December 2016, the Group had an aggregate of 141 full-time employees. The remuneration committee of the Company (the "Remuneration Committee") was set up for reviewing the Group's emolument policy and structure for all remuneration of the Directors and senior management of the Group, having regard to the Group's operating results, individual performance of the Directors and senior management and comparable market practices.

Remuneration of Directors and Five Individuals with Highest Emoluments

Details of the emoluments of the Directors and five highest paid individuals are set out in note 8 to the consolidated financial statements.

Changes to Information in Respect of Directors

Up to the date of this report, there were no changes to information which are required to be disclosed and had been disclosed by Directors pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules.

Directors' and Chief Executive's Interests and Short Position in Shares, Underlying Shares and Debentures

As at 31 December 2016, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the HKSE pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO), or (ii) which were required, pursuant to section 352 of the SFO, to be entered into the register maintained by the Company, or (iii) which were required to be notified to the Company and the HKSE pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules were as follows:

管理合約

於報告期內，概無訂立或存在有關管理及經營本公司所有或任何重大部分業務之合約。

僱員及薪酬政策

於2016年12月31日，本集團合共有141名全職僱員。本公司薪酬委員會(「薪酬委員會」)已告成立，以審閱本集團之薪酬政策及本集團全體董事及高級管理層之薪酬結構，當中須考慮本集團之經營業績、董事及高級管理層之個別表現以及可資比較市場慣例。

董事及五名最高薪人士之酬金

董事及五名最高薪人士之酬金詳情載於綜合財務報表附註8。

董事資料變更

截至本報告日期，根據上市規則第13.51(2)條第(a)至(e)段及(g)段董事須予披露且已披露之資料並無變更。

董事及主要行政人員於股份、相關股份及債券中之權益及淡倉

於2016年12月31日，董事及本公司主要行政人員於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份及債券中，擁有(i)根據證券及期貨條例第XV部第7及8分部須知會本公司及香港聯交所的權益及淡倉(包括根據證券及期貨條例有關條文，彼等被當作或被視為擁有的任何權益及淡倉)，或(ii)根據證券及期貨條例第352條須記錄於本公司存置的登記冊內的權益及淡倉，或(iii)根據上市規則附錄10所載上市發行人董事進行證券交易的標準守則(「標準守則」)須知會本公司及香港聯交所的權益及淡倉如下：





(i) Interest in Shares or Underlying Shares of the Company

(i) 於本公司股份或相關股份的權益

| Name of Director 董事姓名 | Nature of interest 權益性質 | Number of Shares or underlying Shares ⁽ⁱ⁾ 股份或相關股份數目 ⁽ⁱ⁾ | Approximate percentage of shareholding interest ^(iv) 股權概約百分比 ^(iv) |
|--|--|--|--|
| Mr. Huang ⁽ⁱⁱ⁾ 黃先生 ⁽ⁱⁱ⁾ | Interest in controlled corporation 於受控法團的權益 | 1,050,000,000(L) | 65.01% |
| Mr. Hao Jinghui 郝景輝先生 | Beneficial owner 實益擁有人 | 5,000,000(L) ⁽ⁱⁱⁱ⁾ | 0.31% |

Notes:

附註：

(i) The letter "L" denotes the person's long position in the Shares.

(i) 字母「L」指該名人士於股份所持有的好倉。

(ii) Risun is owned as to 100% by Mr. Huang; therefore Mr. Huang is deemed to be interested in the 1,050,000,000 Shares held by Risun.

(ii) Risun由黃先生全資擁有。因此，黃先生被視作擁有Risun所持1,050,000,000股股份的權益。

(iii) These represent the interests in underlying Shares in respect of the share options granted by the Company to Mr. Hao Jinghui on 21 September 2016.

(iii) 該等股份指與本公司於2016年9月21日授予郝景輝先生的購股權有關的相關股份中的權益。

(iv) The calculation is based on the total number of 1,615,220,000 Shares in issue as at 31 December 2016.

(iv) 該百分比乃根據於2016年12月31日總數1,615,220,000股已發行股份而計算得出。

(ii) Interest in associated corporation

(ii) 於相聯法團的權益

| Name of Director 董事姓名 | Name of associated corporation 相關法團名稱 | Nature of interest 權益性質 | Amount of registered share capital 已註冊股本金額 | Approximate percentage of shareholding interest 股權概約百分比 |
|---------------------------|--|--|---|--|
| Ms. Zhang Zhijie 張志傑女士 | Sinco Biotechnology 興科蓉生物科技 | Interest in controlled corporation ⁽ⁱ⁾ 於受控法團的權益 ⁽ⁱ⁾ | RMB300,000 人民幣300,000元 | 30% |

Note:

附註：

(i) Sinco Biotechnology is owned as to 30% by Beijing Kang Tai Yun Dao Technology Co., Ltd., which is in turn owned as to 60% by Ms. Zhang Zhijie.

(i) 興科蓉生物科技由北京康泰運道科技有限公司擁有30%權益，而北京康泰運道科技有限公司由張志傑女士擁有60%權益。

Save as disclosed above, as at 31 December 2016, none of the Directors and the chief executive of the Company had or was deemed to have any interest or short position in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was required to be recorded in the register of the Company required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the HKSE pursuant to the Model Code.

除上文所披露者外，於2016年12月31日，本公司董事及主要行政人員概無於本公司或其相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份或債券中擁有或被視為擁有須記錄於本公司根據證券及期貨條例第352條規定須存置的登記冊內的權益或淡倉，或根據標準守則須另行知會本公司及香港聯交所的任何權益或淡倉。





Directors' Rights to Acquire Shares or Debentures

Save as otherwise disclosed in this report, no rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company were granted to any Director or their respective spouse or children under 18 years of age, nor were any such rights exercised by them. Neither the Company nor any of its subsidiaries was a party to any arrangement to enable the Directors, or their respective spouse or children under 18 years of age, to acquire such rights in any other body corporate during the period from the Listing Date to 31 December 2016.

Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares

As at 31 December 2016, to the best knowledge of the Directors, the following persons/entities (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

(i) Interest in the Company

| Name 名稱 | Nature of interest 權益性質 | Number of Shares ⁽ⁱ⁾ 股份數目 ⁽ⁱ⁾ | Approximate percentage of shareholding interest ^(iv) 股權概約百分比 ^(iv) |
|--|--|--|--|
| Risun ⁽ⁱⁱ⁾ | Beneficial owner 實益擁有人 | 1,050,000,000(L) | 65.01% |
| Wisem Group Holding Limited ("Wisem") Wisem Group Holding Limited (「Wisem」) | Beneficial owner 實益擁有人 | 90,000,000(L) | 5.57% |
| Mr. Liu Sichuan ⁽ⁱⁱⁱ⁾ 劉思川先生 ⁽ⁱⁱⁱ⁾ | Interest in controlled corporation 於受控法團的權益 | 90,000,000(L) | 5.57% |

Notes:

- (i) The letter "L" denotes the person's long position in the Shares.
(ii) Risun is owned as to 100% by Mr. Huang; therefore Mr. Huang is deemed to be interested in the 1,050,000,000 Shares held by Risun.
(iii) Wisem is owned as to 100% by Mr. Liu Sichuan; therefore Mr. Liu Sichuan is deemed to be interested in the 90,000,000 Shares held by Wisem.
(iv) The calculation is based on the total number of 1,615,220,000 Shares in issue as at 31 December 2016.

董事收購股份或債券之權利

除本報告另有披露者外，概無授予任何董事或彼等各自的配偶或未滿18歲子女任何以收購本公司股份或債券方式獲得利益的權利，彼等亦無行使任何有關權利。自上市日期起至2016年12月31日止期間，本公司及其任何附屬公司概無訂立任何令董事或彼等各自的配偶或未滿18歲子女獲得任何其他法人團體有關權利的安排。

主要股東於股份及相關股份中之權益及淡倉

於2016年12月31日，就董事所深知，根據本公司按照證券及期貨條例第336條須予存置的登記冊內所記錄，以下人士/實體(董事或本公司主要行政人員除外)於股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部的條文須向本公司披露的權益或淡倉：

(i) 於本公司的權益

附註：

- (i) 字母「L」指該名人士於股份所持有的好倉。
(ii) Risun由黃先生全資擁有。因此，黃先生被視作擁有Risun所持1,050,000,000股股份的權益。
(iii) Wisem由劉思川先生全資擁有。因此，劉思川先生被視作擁有Wisem所持90,000,000股股份的權益。
(iv) 該百分比乃根據於2016年12月31日總數1,615,220,000股已發行股份而計算得出。

Save as disclosed above, as at 31 December 2016, the Directors were not aware of any persons (who were not Directors or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

除上文披露者外，於2016年12月31日，董事概不知悉任何人士(董事或本公司主要行政人員除外)於本公司股份或相關股份中，擁有根據證券及期貨條例第XV部第2及3分部須予披露的權益或淡倉，或根據證券及期貨條例第336條須記錄於該條文所指的登記冊內的權益或淡倉。





Purchase, Sale or Redemption of Listed Securities

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the period from the Listing Date to 31 December 2016.

Connected Transaction

Details of the related party transactions undertaken by the Group are set out in note 30 to the consolidated financial statements. Save as the bank loans guaranteed by Mr. Huang as disclosed in note 23 to the consolidated financial statement, the related party transactions were all terminated when the Company become listed on the Main Board of HKSE. Pursuant to Rule 14A.90 of the Listing Rules, the guarantee provided by Mr. Huang as disclosed in note 23 is connected transaction exempted from announcement, reporting, annual review and independent shareholders' approval requirements under Rule 14A.90 of the Listing Rules. The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules in respect of the above connected transaction.

Pre-Emptive Rights

There are no provisions for pre-emptive rights under the Articles of Association or the Companies Law where the Company was incorporated, which would oblige the Company to offer new Shares on a pro rata basis to existing Shareholders.

Tax Relief and Exemption

The Directors are not aware of any tax relief and exemption available to the Shareholders by reason of their holding the Company's securities.

Non-Competition Undertaking

On 1 February 2016, Mr. Huang Xiangbin and Risun, our controlling shareholders entered into a deed of non-competition in favour of our Company (for itself and on behalf of all members of the Group), pursuant to which they have undertaken, subject to and except as mentioned in the Prospectus, that they, would not, and would procure that none of their associates (other than any member of our Group) will directly or indirectly, engage in any business which competes or is likely to compete, directly or indirectly, with our Group's business as described in the Prospectus in the PRC or any other places in which our Group carries on business.

The Company has received confirmations from the controlling shareholders confirming their compliance with the deed of non-competition during the Reporting Period.

購買、出售或贖回上市證券

自上市日期起至2016年12月31日止期間，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

關連交易

本集團進行之關連方交易詳情載於綜合財務報表附註30。除於綜合財務報表附註23所披露由黃先生擔保的銀行貸款外，全部關連方交易均於本公司在香港聯交所主板上市時終止。根據上市規則第14A.90條，於附註23所披露由黃先生提供的擔保屬獲豁免遵守上市規則第14A.90條的公告、申報、年度審核及獨立股東批准規定的關連交易。本公司已就上述關連交易遵守上市規則第14A章的披露規定。

優先權

組織章程細則或公司法概無條文規定本公司須向現有股東按比例發售新股之優先認股權條文。

稅務減免

董事並不知悉因任何股東持有本公司證券而享有任何稅務減免。

不競爭承諾

於2016年2月1日，我們的控股股東黃祥彬先生及Risun，以本公司(為其本身及代表本集團所有成員公司)為受益人訂立不競爭契約，據此根據招股書所述限制及若干例外情況，彼等承諾自身不會亦將促使其聯繫人(本集團成員公司除外)不會在中國或本集團業務所在其他地區直接或間接從事與招股書所述本集團業務直接或間接構成競爭或可能構成競爭的任何業務。

本公司已收到控股股東就彼等於報告期內已遵守不競爭契約的年度確認書。





Permitted Indemnity Provision

As at the date of this report, all Directors of the Company were covered under the liability insurance purchased by the Company for the Directors.

Director's Rights to Acquire Shares or Debentures

Save as disclosed in the Prospectus, at no time during the Reporting Period was the Company, or any of its holding companies, subsidiaries and fellow subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Charitable Donations

For the Reporting Period, the Group made no charitable and other donations.

Subsequent Events

As of the date of this annual report, the Group has no material subsequent events that needs to be disclosed.

Disclosure Under Rule 13.20 of the Listing Rules

The Directors are not aware of any circumstances resulting in the responsibility of disclosure under Rule 13.20 of the Listing Rules regarding the provision of advance by the Company to an entity.

Code of Conduct Regarding Directors' Securities Transactions

The Company has adopted the Model Code as its own code of conduct regarding Directors' securities transactions. Having made specific enquiry with the Directors, all the Directors confirmed that they had complied with such code of conduct throughout the Reporting Period.

Corporate Governance

The Company is committed to maintaining the highest standard of corporate governance practices. Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 75 to 92 of this annual report.

獲准許的彌償條文

於本報告日期，本公司全體董事均已投保本公司為其董事購買的責任保險。

董事購入股份或債券之權利

除招股書所披露外，本公司或其任何控股公司、附屬公司及同系附屬公司於報告期內任何時間概無作出任何安排，致令董事可藉購入本公司或其他法人團體之股份或債券而獲益。

慈善捐款

於報告期，本集團並無作出慈善及其他捐款。

期後事項

於本年報日期，本集團並無須予披露之重大期後事項。

根據上市規則第13.20條作出披露

董事並不知悉有任何有關本公司向實體提供墊款而導致根據上市規則第13.20條須予披露的責任的情況。

董事證券交易之行為守則

本公司已採用標準守則作為其董事進行證券交易之操守守則。經向董事作出具體查詢後，全體董事確認彼等於報告期內一直遵守該等行為守則。

企業管治

本公司致力於維持最高標準的企業管治常規。有關本公司所採納的企業管治常規資料載於本年報第75至92頁之企業管治報告。





Sufficiency of Public Float

Based on information publicly available to the Company and to the knowledge of the Directors, at least 25% of the Company's total issued share capital, the prescribed minimum percentage of public float approved by the HKSE and permitted under the Listing Rules, are held by the public at all times as of the date of this report.

Audit Committee

The principal duties of the audit committee of the Company ("Audit Committee") include the review and supervision of the Group's financial reporting system, the preparation of financial statements and internal control procedures. It also acts as an important link between the Board and the external auditor in matters within the scope of the group audit.

The annual results for the Reporting Period of the Company have been reviewed by the Audit Committee.

Auditor

Ernst & Young has acted as auditor of the Company for the Reporting Period.

Ernst & Young shall retire in the forthcoming AGM and, being eligible, will offer themselves for re-appointment. A resolution for the re-appointment of Ernst & Young as auditor of the Company will be proposed at the forthcoming AGM.

On behalf of the Board

Huang Xiangbin

Chairman

Hong Kong, 27 March 2017

足夠公眾持股量

根據本公司公開取得的資料及就董事所知，截至本報告日期，本公司已發行股本總額中至少25%（香港聯交所批准及根據上市規則所允許的最低公眾持股百分比）一直由公眾持有。

審核委員會

本公司審核委員會（「審核委員會」）主要職責包括檢討及監察本集團財務申報系統、編製財務報表及內部監控程序。其亦就集團審核範圍內的事宜作為董事會與外聘核數師之間的重要聯繫。

審核委員會已審閱本公司報告期內的年度業績。

核數師

安永會計師事務所於報告期內一直擔任本公司核數師。

安永會計師事務所將於應屆股東週年大會上退任，惟其合資格並願意獲續聘連任。有關續聘安永會計師事務所為本公司核數師的決議案，將於應屆股東週年大會上提呈。

代表董事會

黃祥彬

主席

香港，2017年3月27日





Corporate Governance Practices

The Group are committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the CG Code as set out in Appendix 14 to the Listing Rules as its own code of corporate governance. For the year ended 31 December 2016, the Company has complied with all applicable code provisions under the CG Code except for the deviation from code provision A.2.1 as mentioned in the paragraph headed “Chairman and Chief Executive Officer” of this report. The key corporate governance principles and practices of the Company are outlined later in this report. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

The Board Responsibilities

The Board is responsible for the overall leadership of the Group, oversees the Group’s strategic decisions and monitors business and performance. The Board has delegated the authority and responsibility for day-to-day management and operation of the Group to the senior management of the Group. To oversee particular aspects of the Company’s affairs, the Board has established four Board committees including the Audit Committee, the Remuneration Committee, the nomination committee (the “Nomination Committee”) and the Internal Control and Corporate Governance Committee (the “Internal Control and Corporate Governance Committee”) (together, the “Board Committees”). The Board has delegated to the Board Committees responsibilities as set out in their respective terms of reference.

All Directors have carried out duties in good faith and in compliance with applicable laws and regulations, and have acted in the interests of the Company and the Shareholders at all times.

The Company has arranged appropriate liability insurance in respect of legal action against the Directors. The insurance coverage will be reviewed on an annual basis.

企業管治常規

本集團致力於維持高水平的企業管治，以保障股東的利益並提高企業價值及問責性。本公司已採納上市規則附錄14所載的企業管治守則作為其本身的企業管治守則。除本報告「主席及行政總裁」一段所述偏離守則條文第A.2.1條外，截至2016年12月31日止年度，本公司一直遵守企業管治守則的所有適用守則條文。本公司的主要企業管治原則及常規於本報告下文概述。本公司將繼續審閱及監察其企業管治常規，以確保遵守企業管治守則。

董事會職責

董事會負責全面領導本集團、監督本集團的策略決策及監察業務與表現。董事會已向本集團高級管理層授予有關本集團日常管理及經營方面的權力及職責。為監督本公司個別特定的事務，董事會已成立四個董事委員會，即審核委員會、薪酬委員會、提名委員會（「提名委員會」）及內部控制及企業管治委員會（「內部控制及企業管治委員會」）（統稱「董事委員會」）。董事會已向董事委員會授予其各自職權範圍所載的職責。

全體董事已遵照適用法律及法規真誠履職，一直基於本公司及股東的利益行事。

本公司已就針對董事的法律訴訟安排適當的責任保險，並會每年審查承保範圍。





Board Composition

As at the date of this annual report, the Board comprises two executive Directors and three independent non-executive Directors as follows:

Executive Directors:

Mr. Huang Xiangbin

Ms. Zhang Zhijie

Independent Non-executive Directors:

Mr. Chow Siu Lui

Mr. Wang Qing

Mr. Liu Wenfang

The biographies of the Directors are set out under the section headed "Directors and Senior Management" of this annual report.

During the year ended 31 December 2016, the Company has been in compliance with the requirements under rules 3.10(1) and 3.10(2) of the Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one independent non-executive Director possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has also complied with rule 3.10A of the Listing Rules relating to the appointment of independent non-executive Directors representing at least one-third of the Board.

The Company believes that the diversity of Board members will be immensely beneficial for the enhancement of the Company's performance. Therefore, the Company has adopted a Board diversity policy to ensure that the Company will, when determining the composition of the Board, consider Board diversity in terms of, among other things, age, cultural and educational background, professional experience, skills and knowledge. The Board diversity policy sets out the approach towards achieving diversity on the Board. Pursuant to the Board diversity policy, all Board appointments will be based on merits, and candidates will be considered against objective criteria, having due regard for the benefits of diversity of the Board.

As each of the independent non-executive Directors has confirmed his/her independence pursuant to rule 3.13 of the Listing Rules, the Company considers all of them to be independent parties.

董事會組成

於本年報日期，董事會由以下兩名執行董事及三名獨立非執行董事組成：

執行董事：

黃祥彬先生

張志傑女士

獨立非執行董事：

鄒小磊先生

汪晴先生

劉文芳先生

該等董事的履歷載於本年報「董事及高級管理層」一節。

截至2016年12月31日止年度，本公司一直遵守上市規則第3.10(1)條及第3.10(2)條有關委任至少三名獨立非執行董事，且其中至少一名獨立非執行董事須擁有適當的專業資格或會計或相關財務管理專長的規定。

本公司亦遵守上市規則第3.10A條有關委任的獨立非執行董事須佔董事會成員人數至少三分之一的規定。

本公司相信董事會成員多元化對提升本公司的表現益處良多，因此本公司已採納董事會多元化政策，確保本公司在釐定董事會組成時會從多方面考慮董事會多元化，其中包括年齡、文化及教育背景、專業經驗、技能及知識。董事會多元化政策載列實現董事會多元化的方法。根據董事會多元化政策，董事會所有委任均以用人唯才為原則，衡量人選時會考慮客觀條件及充分顧及董事會多元化的益處。

根據上市規則第3.13條，各獨立非執行董事均已確認本身的獨立性，因此本公司認為彼等均為獨立方。





Save as disclosed in the Directors' biographies set out in the section headed "Directors and Senior Management" in this annual report, none of the Directors has any personal relationship (including financial, business, family or other material or relevant relationship) with any other Director and chief executive.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. Independent non-executive Directors are invited to serve on the Audit Committee, the Remuneration Committee, the Nomination Committee and the Internal Control and Corporate Governance Committee.

As regards the CG Code provision requiring directors to disclose the number and nature of offices held in public companies or organisations and other significant commitments as well as the identity and the time involved to the issuer, Directors have agreed to disclose their commitments and any subsequent change to the Company in a timely manner.

Induction and Continuous Professional Development

Each newly appointed Director is provided with necessary induction and information to ensure that he/she has a proper understanding of the Company's operations and businesses as well as his/her responsibilities under relevant statutes, laws, rules and regulations. The Company also arranges regular seminars to provide Directors with updates on latest development and changes in the Listing Rules and other relevant legal and regulatory requirements from time to time. The Directors are also provided with regular updates on the Company's performance, position and prospects to enable the Board as a whole and each Director to discharge their duties.

Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The company secretary of the Company has from time to time updated and provided written training materials relating to the roles, functions and duties of a Director.

除本年報「董事及高級管理層」一節所披露的董事履歷外，概無董事與任何其他董事及主要行政人員有任何個人關係(包括財務、業務、家族或其他重大或相關關係)。

所有董事(包括獨立非執行董事)均為董事會貢獻各種不同的寶貴業務經驗、知識及專業技能，使其高效及有效運作。獨立非執行董事獲邀加入審核委員會、薪酬委員會、提名委員會及內部控制及企業管治委員會。

有關企業管治守則條文要求董事披露彼等在公眾公司或組織擔任職位的數目和性質及其他重要供職及彼等的身份及為發行人投入的時間，董事已同意及時向本公司披露彼等的供職及其後任何變更。

入職及持續專業發展

各新委任董事均獲提供所需的入職培訓及資料，以確保彼等充分了解本公司的營運及業務以及彼等根據相關法例、法律、規則及法規所承擔的責任。本公司亦為董事安排定期講座，內容有關上市規則及其他不時相關的法律及監管規定的最新發展及變更的最新消息。董事亦會定期獲提供有關本公司表現、狀況及前景的最新資料，以確保董事會整體及各董事履行其職責。

本公司鼓勵董事參與持續專業發展，以增進及更新知識及技能。本公司的公司秘書不時更新及提供有關董事的角色、職能及職責的書面培訓材料。





According to the information provided by the Directors, a summary of training received by the Directors throughout the year ended 31 December 2016 is as follows:

根據董事所提供的資料，董事於截至2016年12月31日止年度所接受的培訓概要如下：

| Name of Director | 董事姓名 | Nature of Continuous Professional Development Programmes 持續專業發展計劃的性質 |
|--|-------|---|
| <i>Executive Directors</i> | | |
| Mr. Huang Xiangbin | 黃祥彬先生 | A, C&D |
| Ms. Zhang Zhijie | 張志傑女士 | A, C&D |
| <i>Independent Non-executive Directors</i> | | |
| Mr. Chow Siu Lui | 鄒小磊先生 | A, B, C&D |
| Mr. Wang Qing | 汪晴先生 | A, C&D |
| Mr. Liu Wenfang | 劉文芳先生 | A, C&D |

Notes:

- A: Attending seminars and/or meetings and/or forums and/or briefings
- B: Giving talks in the seminars and/or meetings and/or forums
- C: Attending training relevant to the Company's business conducted by lawyers
- D: Reading materials relevant to corporate governance, director's duties and responsibilities, listing rules and other relevant ordinances

附註：

- A：出席講座及／或會議及／或論壇及／或簡報會
- B：於講座及／或會議及／或論壇上演講
- C：出席由律師舉辦與本公司業務相關的培訓
- D：閱讀有關企業管治、董事職能及職責、上市規則及其他相關條例的材料





Chairman and Chief Executive Officer

Under code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and performed by different individuals.

Under the organization structure of the Company, Mr. Huang was the Chairman of the Board and the chief executive officer. With Mr. Huang's extensive experience in the pharmaceutical industry, the Board considered that vesting the roles of chairman and chief executive officer in the same person is beneficial to the business prospects and management of the Group. The check and balance of power and authority is ensured by the operation of the senior management and the Board, which comprises experienced and high calibre individuals. Accordingly, the Board believes that this arrangement will not impact on the balance of power and authorizations between the Board and the management of the Company.

Following the appointment of Mr. Hao Jinghui as the co-chief executive officer of the Company with effect from 16 August 2016. Mr. Huang Xiangbin acts as the co-chief executive officer of the Company. Mr. Huang and Mr. Hao are responsible for the Group's overall business development, operation and management.

Appointment and Re-election of Directors

Each of the executive Directors has signed a service contract with the Company for a term of three years commencing from their respective date of appointment subject to termination as provided in the service contract.

Each of the independent non-executive Directors has signed an appointment letter with the Company for a term of three years commencing from their respective date of appointment.

The appointments of executive Directors and independent non-executive Directors are subject to the provisions of retirement and rotation of Directors under the Articles of Association and the applicable Listing Rules.

None of the Directors has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

The procedures and process of appointment, re-election and removal of Directors are set out in the Articles of Association. The Nomination Committee is responsible for reviewing the Board composition and making recommendations to the Board on the appointment or re-election of Directors and succession planning for Directors.

主席及行政總裁

根據企業管治守則守則條文第A.2.1條，主席及行政總裁的角色應予以區分及由不同人士擔任。

根據本公司的組織架構，黃先生為董事會主席兼行政總裁。黃先生於醫藥行業擁有豐富經驗，董事會認為由同一人兼任主席及行政總裁職位，有利於本集團的業務前景及管理。由富有經驗及卓越才幹的人士組成的高級管理層與董事會，可確保權力與權限之間有所制衡。因此，董事會相信，該安排不會影響董事會及本公司管理層之間的權力與權限互相制衡。

於郝景輝先生獲委任為本公司聯席行政總裁，自2016年8月16日起生效後，黃祥彬先生擔任本公司聯席行政總裁。黃先生與郝先生共同負責本集團整體業務發展、營運及管理的工作。

委任及重選董事

各執行董事已與本公司簽訂自各自獲委任日期起計為期三年的服務合約，惟可根據服務合約的規定予以終止。

各獨立非執行董事已與本公司簽訂自各自獲委任日期起計為期三年的委任函。

委任執行董事及獨立非執行董事須遵守組織章程細則及適用上市規則有關董事輪流退任的條文。

概無董事訂有本集團於一年內不予賠償(法定賠償除外)則不可終止的服務合約。

董事委任、重選及罷免的程序及過程載於組織章程細則。提名委員會負責檢討董事會組成，並就董事的委任或重選及董事繼任計劃向董事會提出推薦意見。





In accordance with the Articles of Association, one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third) shall retire from office by rotation and shall be eligible for re-election and re-appointment provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years at every AGM and any new Director appointed to fill a causal vacancy or as an addition to the Board shall submit himself/herself for re-election by Shareholders at the next general meeting after appointment.

The procedures and process of appointment, re-election and removal of Directors are set out in the Articles of Association. The Nomination Committee is responsible for reviewing the Board composition and making recommendations to the Board on the appointment or re-election of Directors and succession planning for Directors.

Board Meetings

The Company intends to hold Board meetings regularly, at least four times a year, and at approximately quarterly intervals. Notices of not less than fourteen days will be given for all regular Board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for a regular meeting.

For other Board and Board Committee meetings, reasonable notice is generally given. The agenda and accompanying board papers are dispatched to the Directors or Board Committee members at least three days before the meetings to ensure that they have sufficient time to review the papers and are adequately prepared for the meetings. When Directors or Board Committee members are unable to attend a meeting, they will be advised of the matters to be discussed and given an opportunity to make their views known to the Chairman prior to the meeting. Minutes of meetings are kept by the joint company secretary with copies circulated to all Directors for information and records.

Minutes of the Board meetings and Board Committee meetings are recorded in sufficient detail about the matters considered by the Board and the Board Committees and the decisions reached, including any concerns raised by the Directors. Draft minutes of each Board meeting and Board Committee meeting are/will be sent to the Directors for comments within a reasonable time after the date on which the meeting is held. Minutes of the Board meetings are open for inspection by Directors.

根據組織章程細則，當時為數三分之一的董事(如董事人數並非三或三的倍數，則須為最接近但不少於三分之一的董事人數)須輪流退任，並合資格於各股東週年大會上接受重選或獲重新委任，惟各董事(包括以具有指定任期的方式獲委任的董事)須最少每三年輪流退任一次，且任何因填補臨時職位空缺而獲委任或董事會增補的新任董事須在獲委任後的下屆股東大會上由股東進行重選。

董事委任、重選及罷免的程序及過程載於組織章程細則。提名委員會負責檢討董事會組成，並就董事的委任或重選及董事繼任計劃向董事會提出推薦意見。

董事會會議

本公司擬定期舉行董事會會議，每年至少四次，大致按季度舉行會議。所有董事會例行會議通知將於會議舉行前至少14日送呈全體董事，讓其有機會出席會議，會議通知亦載有例行會議議程內的事宜。

就其他董事會及董事委員會會議而言，本公司一般會發出合理通知。議程及隨附董事會文件將於會議召開前至少3日寄予董事或董事委員會成員，以確保彼等有充足時間審閱有關文件及為會議作出充分準備。倘董事會或董事委員會成員未能出席會議，則彼等會獲告知將予討論的事宜及於會議召開前有機會讓主席獲悉彼等的意見。會議記錄由聯席公司秘書保存，副本將於全體董事間傳閱，以供參考及記錄。

董事會會議及董事委員會會議的會議記錄詳盡記錄董事會及董事委員會所考慮的事宜及達致的決定，包括董事提出的任何關注事項。各董事會會議及董事委員會會議的會議記錄草擬本於/將於會議舉行當日後在合理時間內寄送至各董事，以供彼等提出意見。董事會會議的會議記錄可供董事查閱。





During the year ended 31 December 2016, five Board meeting and one general meeting were held and the attendance record of each Director is set out in the table below:

於截至2016年12月31日止年度，共舉行了五次董事會會議及一次股東大會，各董事的出席記錄載於下表：

| Directors | 董事 | Attended/ Eligible to attend the Board meeting(s) | Attended/ Eligible to attend the general meeting |
|--------------------|-------|---|--|
| | | 已出席／可出席 董事會議次數 | 已出席／可出席 股東大會次數 |
| Mr. Huang Xiangbin | 黃祥彬先生 | 5/5 | 1/1 |
| Ms. Zhang Zhijie | 張志傑女士 | 5/5 | 1/1 |
| Mr. Chow Siu Lui | 鄒小磊先生 | 5/5 | 1/1 |
| Mr. Wang Qing | 汪晴先生 | 5/5 | 1/1 |
| Mr. Liu Wenfang | 劉文芳先生 | 5/5 | 1/1 |

Model Code for Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' dealings in the Company's securities.

證券交易的標準守則

本公司已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」)作為其董事進行本公司證券交易的操守守則。

Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Model Code throughout the period from the Listing Date to 31 December 2016.

經向全體董事作出具體查詢後，董事確認彼等於自上市日期至2016年12月31日止期間一直遵守標準守則。

Delegation by the Board

The Board reserves for its decision all major matters of the Company, including: approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters. Directors could have recourse to seek independent professional advice in performing their duties at the Company's expense and are encouraged to access and to consult with the Company's senior management independently.

董事會的授權

董事會對本公司所有重大事宜保留決策權，包括：批准及監督一切政策事宜、整體策略及預算、內部控制及風險管理制度、重大交易(特別是可能牽涉利益衝突者)、財務資料、委任董事及其他主要財務及營運事宜。董事可尋求獨立專業意見以履行彼等職責，費用由本公司承擔，本公司亦鼓勵董事個別聯絡及諮詢本公司高級管理層。

The daily management, administration and operation of the Group are delegated to the senior management. The delegated functions and responsibilities are periodically reviewed by the Board. Approval has to be obtained from the Board prior to any significant transactions entered into by the management.

高級管理層獲授權負責本集團的日常管理、行政及營運。授權職能及職責由董事會定期檢討。管理層達成任何重大交易前須取得董事會批准。





Corporate Governance Function and Internal Control and Corporate Governance Committee

The Internal Control and Corporate Governance Committee comprises three members, namely Mr. Chow Siu Lui (chairman), Mr. Liu Wenfang and Mr. Wang Qing, all of them are independent non-executive Directors.

The Board recognizes that corporate governance should be the collective responsibility of the Directors and delegated the corporate governance duties to the Internal Control and Corporate Governance Committee which includes, without limitation:

- (a) to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;
- (b) to review and monitor the training and continuous professional development of the Directors and senior management of the Company;
- (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors of the Company;
- (e) to review the Company's compliance with the code and disclosure in the corporate governance report of the Company (the "Corporate Governance Report"); and
- (f) to oversee the Company's risk management and internal control systems on an ongoing basis and ensure that a review of the effectiveness of the risk management and internal control systems of the Company and its subsidiaries has been conducted at least annually and report to Shareholders that it has done so in its Corporate Governance Report. The review shall cover all material controls, including financial, operational and compliance controls.

The written terms of reference of the Internal Control and Corporate Governance Committee are available on the websites of the HKSE and the Company.

企業管治職能與內部控制及企業管治委員會

內部控制及企業管治委員會有三名成員，包括鄒小磊先生(主席)、劉文芳先生及汪晴先生，彼等均為獨立非執行董事。

董事會明瞭企業管治乃全體董事的共同責任，並將企業管治職責授權予內部控制及企業管治委員會，包括但不限於：

- (a) 制訂及檢討本公司企業管治政策和常規，並向董事會提出推薦意見；
- (b) 檢討及監察本公司董事及高級管理層的培訓及持續專業發展；
- (c) 檢討及監察本公司遵照法律及監管規定的政策及常規；
- (d) 制訂、檢討及監察適用於本公司僱員及董事的操守守則及合規手冊(如有)；
- (e) 檢討本公司遵守其企業管治報告(「企業管治報告」)所載守則及披露事項的狀況；及
- (f) 持續監督本公司的風險管理及內部控制系統；並確保最少每年檢討一次本公司及其附屬公司的風險管理及內部控制系統是否有效，且在企業管治報告中向股東彙報已經完成有關檢討。該檢討應涵蓋所有重要的監控範圍，包括財務監控、營運監控及合規監控。

內部控制及企業管治委員會的書面職權範圍已載於香港聯交所及本公司網站。





During the year ended 31 December 2016, one Internal Control and Corporate Governance Committee was held and the attendance records are set out below:

截至2016年12月31日止年度，共舉行一次內部控制及企業管治委員會會議，出席紀錄載列如下：

| Directors | 董事 | Attendance/ Number of meeting 出席次數／會議次數 |
|------------------|-------|---|
| Mr. Chow Siu Lui | 鄒小磊先生 | 1/1 |
| Mr. Wang Qing | 汪晴先生 | 1/1 |
| Mr. Liu Wenfang | 劉文芳先生 | 1/1 |

Audit Committee

The Audit Committee comprises three members, namely Mr. Chow Siu Lui (chairman), Mr. Liu Wenfang and Mr. Wang Qing, all of them are independent non-executive Directors.

審核委員會

審核委員會有三名成員，包括鄒小磊先生(主席)、劉文芳先生及汪晴先生，彼等均為獨立非執行董事。

The principal duties of the Audit Committee include but not limited to the following:

審核委員會的主要職責包括但不限於以下事項：

- | | |
|---|---|
| <p>(a) to review the relationship with the Auditor by reference to the work performed by the Auditor, their fees and terms of engagement, and make recommendations to the Board on the appointment, reappointment and removal of the Auditor;</p> | <p>(a) 基於核數師的工作表現、收費與受聘條款檢討與核數師的關係，向董事會作出有關聘任、續聘及解聘核數師的推薦意見；</p> |
| <p>(b) to review the financial statements and reports and consider any significant or unusual items raised by the Company's staff responsible for the accounting and financial reporting function, compliance officer or the Auditor before submission to the Board; and</p> | <p>(b) 檢討財務報表及報告，並且審議本公司負責會計及財務申報的人員、規章監察人員或核數師所提出任何重要或不尋常的事宜，然後向董事會呈報；及</p> |
| <p>(c) to review the adequacy and effectiveness of the Company's financial reporting system, internal control system and risk management system and associated procedures, including the adequacy of the resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function.</p> | <p>(c) 檢討本公司財務申報體系、內部控制體系、風險管理體系與相關程序是否足夠有效，包括資源是否足夠、員工資歷與經驗、本公司會計及財務申報人員的培訓計劃與預算等。</p> |

The written terms of reference of the Audit Committee are available on the websites of the HKSE and the Company.

審核委員會的書面職權範圍已載於香港聯交所及本公司網站。





During the year ended 31 December 2016, two Audit Committee Meetings were held and the attendance records of the Audit Committee Meeting are set out below:

截至2016年12月31日止年度，共舉行兩次審核委員會會議，審核委員會會議的出席紀錄載列如下：

| Directors | 董事 | Attendance/ Number of meeting(s) 出席次數／會議次數 |
|------------------|-------|--|
| Mr. Chow Siu Lui | 鄒小磊先生 | 2/2 |
| Mr. Wang Qing | 汪晴先生 | 2/2 |
| Mr. Liu Wenfang | 劉文芳先生 | 2/2 |

Remuneration Committee

The Remuneration Committee comprises three members, including two independent non-executive Directors namely Mr. Wang Qing (chairman), Mr. Liu Wenfang and one executive Director namely Ms. Zhang Zhijie.

薪酬委員會

薪酬委員會有三名成員，包括兩位獨立非執行董事汪晴先生(主席)、劉文芳先生及一位執行董事張志傑女士。

The principal duties of the Remuneration Committee include but not limited to the following:

薪酬委員會的主要職責包括但不限於以下事項：

- to make recommendations to the Board on the Company's policy and structure for all remuneration of the Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration;
 - to review and approve performance-based remuneration with reference to corporate goals and objectives resolved by the Board;
 - to determine the remuneration packages of individual executive Directors and senior management. These include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
 - to make recommendations to the Board on the remuneration of non-executive Directors;
 - to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
 - to review and approve compensation payable to executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;
- 就本公司董事及高級管理層的整體薪酬政策與結構及制訂正式且透明的薪酬決策程序向董事會提供推薦意見；
 - 基於董事會議定公司目標與宗旨檢討及批准績效薪酬；
 - 釐定個別執行董事及高級管理層的薪酬待遇，包括實物福利、退休金權利及賠償數額，即包括任何離職或終止職務或取消委任應付的賠償；
 - 就非執行董事的薪酬向董事會提供推薦意見；
 - 考慮可資比較公司支付的薪金、投入的時間與承擔的責任，及本集團其他方面的聘用條件；
 - 檢討及批准向執行董事及高級管理層就其離職或終止職務或取消委任應付的賠償，以確保賠償與合約條款一致；若賠償與合約條款並不一致，賠償亦須公平而不致過多；





7. to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate; and
8. to ensure that no Director or any of his/her associates (as defined in the Listing Rules) is involved in deciding his/her own remuneration.

The written terms of reference of the Remuneration Committee are available on the websites of the HKSE and the Company.

During the year ended 31 December 2016, four Remuneration Committee Meetings were held and the attendance records are set out below:

7. 檢討及批准董事因行為失當而遭解僱或罷免所涉及的賠償安排，以確保賠償與合約條款一致；若賠償與合約條款並不一致，賠償亦須合理恰當；及
8. 確保並無董事或其任何聯繫人士(定義見上市規則)參與釐定其本身的薪酬。

薪酬委員會的書面職權範圍已載於香港聯交所及本公司網站。

截至2016年12月31日止年度，共舉行四次薪酬委員會會議，且出席紀錄載列如下：

| Directors | 董事 | Attendance/ Number of meeting(s) 出席次數／會議次數 |
|------------------|-------|--|
| Mr. Wang Qing | 汪晴先生 | 4/4 |
| Ms. Zhang Zhijie | 張志傑女士 | 4/4 |
| Mr. Liu Wenfang | 劉文芳先生 | 4/4 |

Nomination Committee

The Nomination Committee currently comprises three members, including one executive Director namely Mr. Huang Xiangbin (chairman), and two independent non-executive Directors namely Mr. Liu Wenfang and Mr. Chow Siu Lui.

The principal duties of the Nomination Committee include the following:

1. to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
2. to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;
3. to assess the independence of independent non-executive Directors;

提名委員會

提名委員會目前有三名成員，包括一位執行董事黃祥彬先生(主席)及兩位獨立非執行董事劉文芳先生及鄒小磊先生。

提名委員會的主要職責包括以下事項：

1. 每年至少檢討董事會的結構、人數及組成(包括技能、知識及經驗)一次，然後就配合本公司的企業策略所擬作出的任何變更向董事會提供推薦意見；
2. 物色具備合適資格的人士出任董事會成員，就獲提名出任董事的人選進行甄選或向董事會提供推薦意見；
3. 評估獨立非執行董事的獨立性；





4. to make recommendations to the Board on the appointment or reappointment of Directors and the succession planning for Directors, in particular the chairman and the chief executive officer; and

5. to review the Board diversity policy.

The Nomination Committee assesses the candidate or incumbent on criteria such as integrity, experience, skill and ability to commit time and effort to carry out the duties and responsibilities. The recommendations of the Nomination Committee will then be put to the Board for decision. The written terms of reference of the Nomination Committee are available on the websites of the HKSE and the Company.

During the year ended 31 December 2016, two Nomination Committee Meeting was held and the attendance records are set out below:

4. 就委任或重新委任董事及董事(尤其是主席及行政總裁)的繼任計劃向董事會提供推薦意見；及

5. 檢討董事會多元化政策。

提名委員會基於多項準則衡量候選人或在任者，包括品格、經驗、技能及為履行職務及職責所能投入的時間及努力，隨後將其推薦意見提呈董事會決策。提名委員會的書面職權範圍已載於香港聯交所及本公司網站。

截至2016年12月31日止年度，共舉行了兩次提名委員會會議，出席紀錄載列如下：

| Directors | 董事 | Attendance/ Number of meeting 出席次數／會議次數 |
|--------------------|-------|---|
| Mr. Huang Xiangbin | 黃祥彬先生 | 2/2 |
| Mr. Chow Siu Lui | 鄒小磊先生 | 2/2 |
| Mr. Liu Wenfang | 劉文芳先生 | 2/2 |

Remuneration of Directors and Senior Management

Details of the Directors' remuneration are set out in note 8 to the consolidated financial statements in this annual report. The remuneration of senior management, whose biographies are set out on pages 57 to 60 of this annual report, for the year ended 31 December 2016 are set out below:

董事及高級管理層的薪酬

董事薪酬詳情載於本年報綜合財務報表附註8。高級管理層(彼等的履歷載於本年報第57至60頁)於截至2016年12月31日止年度的薪酬載列如下：

| Remuneration band (RMB) | 薪酬範圍 (人民幣) | Number of individual 人數 |
|-------------------------|-------------|----------------------------|
| Below 1,000,000 | 1,000,000以下 | 8 |





Directors' Responsibilities for Financial Reporting in Respect of Financial Statements

The Directors acknowledge their responsibility for preparing the financial statements for the year ended 31 December 2016 which give a true and fair view of the affairs of the Company and the Group and of the Group's results and cash flows.

The management has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval. The Company provides all members of the Board with monthly updates on Company's performance, positions and prospects.

The Directors were not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern.

The statement by the Auditor regarding their reporting responsibilities on the consolidated financial statements of the Company is set out in the Independent Auditor's Report on pages 93 to 98 of this annual report.

Risk Management and Internal Control

The Board acknowledges that it is the responsibility of the Board for maintaining an adequate risk management and internal control systems to safeguard Shareholder investments and Company assets and reviewing the effectiveness of such system on an annual basis.

The Group's internal audit department 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 internal control of the Company and conducting comprehensive audits of all branches and subsidiaries of the Company on a regular basis.

The Board has conducted a review of the effectiveness of the risk management and internal control systems of the Group and considered the risk management and internal control system to be effective and adequate.

董事對財務報表的財務申報責任

董事明白彼等有責任編撰截至2016年12月31日止年度的財務報表，以真實公平地反映本公司及本集團的狀況以及本集團的業績與現金流量。

管理層已向董事會提供必要的說明及資料，以便董事會可以就提呈董事會批准的本公司的財務報表進行知情的評估。本公司每月向董事會全體成員提供有關本公司表現、狀況及前景的最新資料。

就董事所知，並無事件或狀況有任何重大不明朗因素以致可能對本集團能否繼續經營嚴重存疑。

核數師有關本公司綜合財務報表申報責任的聲明，載於本年報第93至98頁的獨立核數師報告。

風險管理和內部控制

董事會明白其有責任設立恰當的風險管理和內部控制體系，以保障股東的投資及本公司的資產，並且每年檢討該體系的效用。

本集團的內部審核部門在監察本公司內部管治方面擔當重要角色。內部審核部門的主要職責是檢討本公司的財務狀況及內部控制，並且定期全面審核本公司所有分支機構及附屬公司。

董事會已檢討本集團風險管理和內部控制體系的效用，認為該風險管理和內部控制體系有效並且恰當。



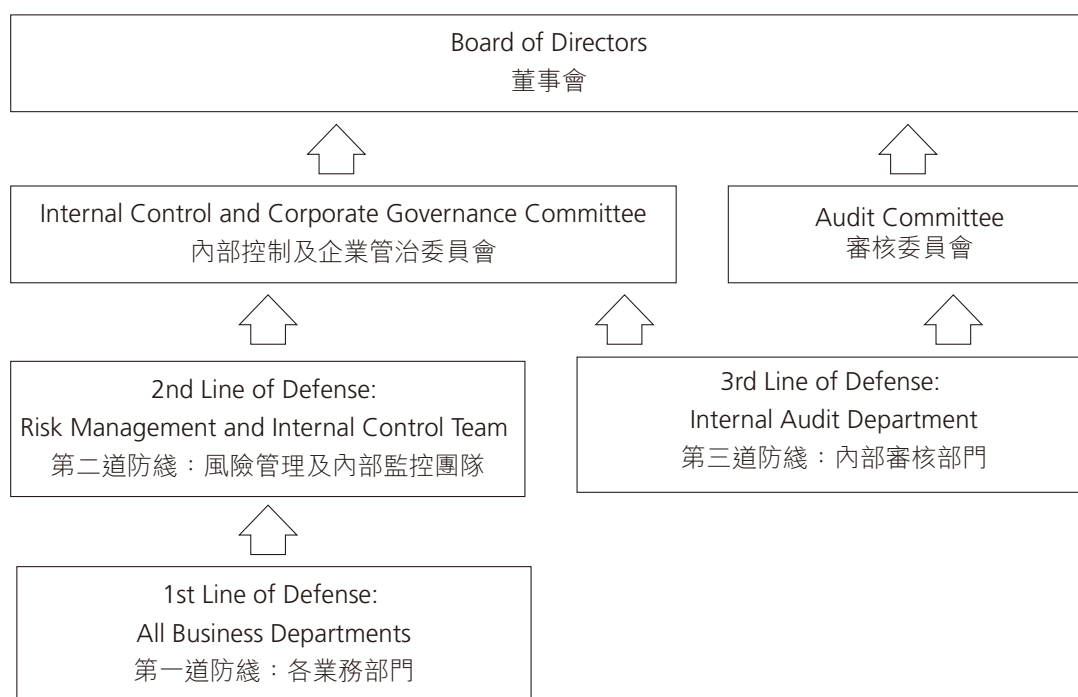


Main Characteristics of the Risk Management and Internal Control Systems

風險管理及內部控制系統的主要特點

The Group's risk management framework is structured in the following "Three Lines of Defense" model as a guide:

本集團的風險管理框架以下圖列示的「三道防綫」模式作為指引：



The Board acknowledges its responsibility of overseeing the Group's risk management and internal control systems and reviewing their effectiveness at least annually through the Internal Control and Corporate Governance Committee (the "ICCG Committee") and the Audit Committee. Such review encompasses all major control aspects, including finance, operation and compliance. Such risk management and internal control systems can only provide reasonable but not absolute assurance against material misstatement or loss, as they are designed to manage, rather than eliminate the risk of failure to achieve business objectives.

董事會確認其有責任監察本集團風險管理及內部監控系統，並透過內部控制及企業管治委員會（「內部控制及企業管治委員會」）及審核委員會至少每年審閱一次其成效，有關審閱涵蓋所有重要的監控方面，包括財務監控、運作監控及合規監控。有關風險管理及內部監控系統只能作出合理而非絕對的保證可防範重大失實陳述或損失，其訂立旨在管理而非消除未能達致業務目標的風險。

The Board has completed its annual review of the internal control and risk management systems of the Company for the year ended 31 December 2016, with all the above major control aspects covered. The Board has considered the operation of risk management and internal control systems to be generally adequate and effective, with no significant areas brought to its attention during the year.

董事會已就截至2016年12月31日止年度完成了對本公司內部監控及風險管理系統之年度檢討，涵蓋上述所有重要的監控方面。董事會認為本公司之風險管理及內部監控系統運作整體上充足且有效。於本年度內並無重大範疇值得關注。





The ICCG Committee and the Audit Committee assist the Board to fulfill its responsibilities of risk management and internal control, ensuring adequate resources, staff qualifications and experience, staff training courses and related budgets for the Group in executing its accounting, internal audit and financial reporting functions. The committees also considers the important investigation results concerning the matters of risk management and internal control, reports to and raise suggestions to the Board.

1st Line of Defense

By preparing a risk list with risk control responsibility allocated to departments, the Group is able to deliver risk management across all the business departments. These departments continuously review and assess the risks that may have a potential impact on corporate operation, and effectively execute the process control for business according to the respective functions and departmental regulations, all in a bid to raise the efficiency in risk management.

2nd Line of Defense

Composed of nominated department managers and senior management, the Risk Management and Internal Control Team organizes business departments to identify, assess and manage the risks that may have a potential impact on corporate operation, and ensures the implementation of proper measures and internal control regulations to address major risks. In the meantime, the Team monitors risks and takes measures to reduce the risks in daily operation, provides timely response to and follow-up of the investigation results of internal control from the Internal Audit Department, and confirms to the Board as to the effectiveness of such risk management and internal control systems.

3rd Line of Defense

The Internal Audit Department executes the actual review procedure, to collect the evidence on the adequacy and effectiveness of the Group's risk management and internal control systems, and report the review results to the ICCG Committee. In addition, the Department raises suggestions to the Board and the management, to address major institutional inadequacies or any control loopholes spotted.

External auditors further complement the third line of defense in respect of the major risk and control issues on financial reporting procedures that are spotted during the review process.

內部控制及企業管治委員會及審核委員協助董事會執行其風險管理及內部監控的職責，確保本集團在會計、內部審核及財務彙報職能方面有足夠的資源、員工資歷與經驗、員工培訓課程，以及有關預算；及考慮有關風險管理及內部監控事宜的重要調查結果，並向董事會彙報及作出建議。

第一道防綫

通過建立落實風險控制責任部門的風險清單，本集團將風險管理貫穿至各業務部門。各業務部門持續地審閱及評估可能對企業經營構成潛在影響的風險，並按照各自職能分工及部門各項規章制度有效執行業務層面的流程控制，以加強風險管理效率。

第二道防綫

風險管理及內部監控團隊由獲提名的部門經理及高級管理層組成，負責組織業務部門識別、評估及管理可能對企業經營構成潛在影響的風險，確保就主要風險落實恰當的應對措施及內部監控制度。同時監察風險並採取措施降低日常營運風險；針對內部審核部門提出的內部監控調查結果作出及時的回應及跟進；以及向董事會提供有關風險管理及內部監控系統是否有效的確認。

第三道防綫

內部審核部門負責執行具體的審閱程序，以收集本集團風險管理及內部監控制度是否足夠及有效的證據，向內部控制及企業管治委員會彙報審閱結果；同時向董事會及管理層作出建議，以改善制度的重大不足之處或所發現的監控缺失。

外聘核數師通過在審核過程中發現的財務報告程序方面的重大風險及控制問題，進一步補充第三道防綫。





Procedures Applied to Identifying, Assessing and Managing Major Risks

- Determining the scope: preparing uniform risk terms and risk assessment standards for the Group.
- Risk identification: identifying the risks that may have a potential impact on corporate operation
- Risk assessment: considering risks in respect of the degree of importance of their impact on business and their occurrence, and assessing the risks identified
- Risk management: establishing risk management policies and internal control procedures, to avert or reduce risks
- Risk monitoring and reporting: continuously monitoring relevant risks, ensuring proper procedures of internal control, and regularly reporting to the management and the Board on the results of risk monitoring

Function of Internal Audit

The Group's Internal Audit Department plays a major role in monitoring the internal governance of the Company. The Department's main responsibilities are to review the financial conditions and internal control of the Company and all its subsidiaries, communicate with department managers and senior management on the identified problems, non-compliance issues and inadequacies, and jointly prepare rectification and improvement solutions. The Department also follows such rectification results, and reports to the ICCG Committee and the Audit Committee.

Information Disclosure System

The Group has formulated its information disclosure system, to ensure the identification and confidentiality of potential inside information until it is disclosed according to the Listing Rules in a consistent and timely manner. The procedures for publishing and processing inside information include:

- Business department managers as the people in charge of information reporting;
- Senior management as the people in charge of the information confidentiality of their respective business segments;
- The Board as the party in charge of information disclosure; and
- The Investor Relations Department and the Board Secretary as the parties responsible for managing information disclosure, the reporting, audit and disclosure of information which needs public announcement, and archiving and keeping such information disclosure documents and announcements.

用於識別、評估及管理重大風險的程序

- 確立範圍：為本集團制定統一的風險用語及風險評估標準。
- 風險識別：識別可能對企業經營構成潛在影響的風險
- 風險評估：考慮風險對業務影響的重要程度及發生的可能性，評估已識別之風險
- 風險管理：確立風險管理政策及內部監控程序，以防止、避免或降低風險
- 風險監督與彙報：持續監督有關風險，並確保有恰當的內部監控程序應對；向管理層及董事會定期彙報風險監督的結果

內部審計職能

本集團的內部審核部門在監察本公司內部管治方面擔當重要角色。內部審核部門的主要職責是審閱本公司及所有附屬公司的財務狀況及內部監控，就發現的問題、違規事項或不足之處與各部門經理及高級管理層溝通，共同確立改正及完善方案。並跟進整改結果，向內部控制及企業管治委員會以及審核委員會彙報。

信息披露制度

本集團訂有信息披露制度，確保能識別潛在內幕消息並加以保密，直至按照上市規則作出一致且適時的披露為止。發布及處理內部信息的程序包括：

- 業務部門經理作為信息報告責任人；
- 高級管理層作為分管業務板塊信息保密責任人；
- 董事會作為信息披露責任人；以及
- 投資者關係部及董事會秘書作為制定信息披露管理部門，統一負責需公開信息的報送、審核及披露事項，並對信息披露文件及公告進行歸檔保存。





Auditor's Remuneration

The remuneration for the audit services provided by the Auditor to the Group during the year ended 31 December 2016 was approximately RMB2,680,000. There is no remuneration paid to the Auditor in respect of non-audit services.

Company Secretary

Ms. Ko Wing Yu ("Ms. Ko"), one of our joint company secretaries of the Company, is responsible for advising the Board on corporate governance matters and ensuring that the Board policies and procedures, as well as the applicable laws, rules and regulations are followed.

In order to uphold good corporate governance and ensure compliance with the Listing Rules and applicable Hong Kong laws, the Company also engages Ms. Wong Sau Ping ("Ms. Wong"), senior manager of TMF Hong Kong Limited (a company secretarial service provider), as another joint company secretary to assist Ms. Ko to discharge her duties as company secretary of the Company. The primary corporate contact person at the Company is Ms. Ko, one of the joint company secretaries of the Company.

For the year ended 31 December 2016, Ms. Ko and Ms. Wong have undertaken not less than 15 hours of relevant professional training respectively in compliance with rule 3.29 of the Listing Rules.

Communication with Shareholders and Investor Relations

The Company considers that effective communication with the Shareholders is essential for enhancing investor relations and understanding of the Group's business, performance and strategies. The Company also recognizes the importance of timely and non-selective disclosure of information, which will enable Shareholders and investors to make the informed investment decisions.

The AGM provides opportunity for the Shareholders to communicate directly with the Directors. The Chairman of the Company and the chairmen of the Board Committees will attend the AGM to answer Shareholders' questions. The Auditor will also attend the AGM to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence.

To promote effective communication, the Company adopts a shareholders' communication policy which aims at establishing a two-way relationship and communication between the Company and the Shareholders and maintains a website of the Company at www.sinco-pharm.com, where up-to-date information on the Company's business operations and developments, financial information, corporate governance practices and other information are available for public access.

核數師酬金

核數師於截至2016年12月31日止年度為本集團提供有關審核服務收取的酬金約為人民幣2,680,000元。核數師並無就提供非審核服務獲取任何酬金。

公司秘書

高穎妤女士(「高女士」)是本公司其中一位聯席公司秘書，負責為董事會提供有關企業管治事宜的意見，以確保符合董事會的政策及程序及適用的法例、規則及條例。

為維持良好的企業管治及確保遵守上市規則與適用的香港法例，本公司亦聘請達盟香港有限公司(提供公司秘書服務的公司)的高級經理黃秀萍女士(「黃女士」)為本公司另一位聯席公司秘書，以協助高女士履行本公司的公司秘書的職務。本公司的主要聯絡人為高女士，即本公司其中一位聯席公司秘書。

截至2016年12月31日止年度，高女士及黃女士各自承諾均已接受不少於15小時的相關專業培訓，以遵守上市規則第3.29條的規定。

與股東溝通及投資者關係

本公司認為，與股東有效溝通是加強投資者關係及讓投資者了解本集團業務、表現及策略的重要因素。本公司亦明瞭，及時全面披露資訊以便股東及投資者作出知情投資決定的重要性。

股東週年大會提供機會讓股東可與董事直接對話。本公司主席及各董事委員會主席將出席股東週年大會回應股東的疑問。核數師亦會出席股東週年大會解答有關審核工作、核數師報告的編撰過程與內容、會計政策及核數師獨立性等疑問。

為促進有效溝通，本公司所採取的股東溝通政策，旨在建立本公司與股東之間的雙向關係與交流，並且設立本公司網站www.sinco-pharm.com，刊載本公司業務營運與發展、財務資料、企業管治慣例及其他方面的最新資訊，以供公眾查閱。





Shareholders' Rights

To safeguard Shareholders' interests and rights, a separate resolution will be proposed for each issue at general meetings, including the election of individual Directors.

All resolutions put forward at general meetings will be voted by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and the HKSE in a timely manner after each general meeting.

Convening of extraordinary general meeting and putting forward proposals

Shareholders may put forward proposals for consideration at a general meeting of the Company according to the Articles of Association. Any one or more members holding as at 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 any one of the joint company secretaries of the Company, to require an extraordinary general meeting of the Company to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within 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.

As regards proposing a person for election as a Director, the procedures are available on the website of the Company.

Enquiries to the Board

Shareholders who intend to put forward their enquiries about the Company to the Board could send their enquiries to the headquarters of the Company at E5-1805, Global Centre, No. 1700, North section of Tianfu Avenue, High-Tech Zone, Chengdu, Sichuan, PRC. (email address: sinco-pharm@sinco-pharm.cn).

Change in Constitutional Documents

The amended and restated Memorandum and Articles of Association have been adopted on 1 February 2016 and with effect from the Listing Date, and there were no significant changes in the Memorandum and Articles of Association of the Company during the year ended 31 December 2016.

股東權利

為保障股東的權益與權利，在股東大會上商討的各項事宜（包括選舉個別董事）須以獨立決議案的方式提呈。

在股東大會上提呈的所有決議案將根據上市規則以投票方式表決，而投票結果將在各股東大會結束後適時在本公司及香港聯交所網站公佈。

召開股東特別大會及提呈議案

股東可根據組織章程細則提呈議案以在本公司股東大會上進行審議。在提出要求當日持有不少於本公司十分之一繳足股本且附有權利於本公司股東大會上投票的一名或多名股東隨時有權向董事會或本公司任何一位聯席公司秘書提出書面要求，要求董事會召開本公司股東特別大會，以處理該項要求指明的任何事宜，而該會議須在提出要求後兩個月內舉行。倘若董事會未能於提出要求後21天內召開會議，則提出要求的人士本身可以相同的方式召開會議，而本公司須向提出要求的人士就其因董事會未能召開會議所承擔的一切合理開支作出補償。

有關提名人士出選董事的手續，可在本公司網站查閱。

向董事會查詢

股東如欲向董事會查詢有關本公司的事宜，可提交查詢至本公司的總部，地址為中國四川省成都市高新區天府大道北段1700號環球中心E5-1805室（電郵地址：sinco-pharm@sinco-pharm.cn）。

更改組織章程文件

經修訂及重訂的組織章程大綱及細則已於2016年2月1日採納並自上市日期起生效，且本公司組織章程大綱及細則於截至2016年12月31日止年度概無重大變動。



INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

To the shareholders of Sinco Pharmaceuticals Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of Sinco Pharmaceuticals Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 99 to 172, which comprise the consolidated statement of financial position as of 31 December 2016, 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 notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for opinion

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

致興科蓉醫藥控股有限公司股東
(於開曼群島註冊成立的有限公司)

意見

吾等已審計載於第99至第172頁興科蓉醫藥控股有限公司(「貴公司」)及其附屬公司(「貴集團」)的綜合財務報表，當中載有截至2016年12月31日的綜合財務狀況表、截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表以及綜合財務報表附註(包括重大會計政策概要)。

吾等認為，綜合財務報表已根據國際會計準則委員會(「國際會計準則委員會」)頒佈的國際財務報告準則(「國際財務報告準則」)真實公平地反映 貴集團於2016年12月31日的綜合財務狀況及截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港公司條例的披露規定妥為編製。

意見基礎

吾等根據香港會計師公會(「香港會計師公會」)頒佈的香港審計準則(「香港審計準則」)進行審計。吾等就該等準則承擔的責任在本報告核數師就審計綜合財務報表須承擔的責任一節中進一步闡述。根據香港會計師公會的職業會計師道德守則(「守則」)，吾等獨立於 貴集團，並已根據守則履行其他職業道德責任。吾等相信，吾等所獲得的審計憑證能充分且適當地為吾等的審計意見提供基礎。



Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

關鍵審計事項

關鍵審計事項乃根據吾等的專業判斷，認為對吾等審計當期綜合財務報表最為重要的事項。該等事項乃於吾等審計整體綜合財務報表及吾等就其作出意見時進行處理，而吾等不會就該等事項提供單獨的意見。就以下各事項而言，吾等就此提供有關吾等於審計時如何處理事項的闡述。

吾等已履行本報告核數師就審計綜合財務報表須承擔的責任一節所述的責任(包括有關該等事項的責任)。因此，吾等的審計包括執行旨在應對綜合財務報表重大錯誤陳述風險評估的程序。吾等的審計程序結果(包括就處理以下事項而執行的程序)為吾等就相關綜合財務報表作出審計意見提供基礎。

Key audit matter

關鍵審計事項

Timing of revenue recognition

收益確認時點

The Group's revenue for the year ended 31 December 2016 amounted to RMB858,894,000. Revenue is recognised when the risks and rewards of the underlying products have been transferred to the customer, which coincides with acknowledgement of receipt of goods by the buyer. Focus areas are mainly related to cut-off conditions, which involves higher assessed risk of material misstatement. As such we have considered revenue recognition is significant to our audit, requiring special audit consideration.

The Group's disclosures about revenue is included in note 2.4 "summary of significant accounting policies" and note 4 "revenue and operating segment information".

貴集團截至2016年12月31日止年度的收益金額為人民幣858,894,000元。收益確認的時點是相關產品的風險及回報轉移至客戶時，即買方確認收到貨品時。重點關注領域主要在於截止條件方面，其存在重大錯報評估風險的可能性更高。因此我們將收益確認視作審計工作的重點，需要進行特別審計考慮。

貴集團有關收益的披露載於附註2.4「主要會計政策概要」及附註4「收益及經營分部資料」。

How our audit addressed the key audit matter

吾等的審計如何處理關鍵審計事項

Our audit procedures included, amongst others, assessing internal controls regarding the timing of the revenue recognition. We also performed substantive testing, such as analytical procedures, sample testing of transactions and review of sales contracts.

吾等的審計程序包括(其中包括)就收益確認時點評估內部控制。吾等亦執行實質性測試，如分析程序、交易抽樣測試及覆核銷售合約。



Key audit matters (Continued)

關鍵審計事項(續)

| Key audit matter | How our audit addressed the key audit matter |
|--|---|
| 關鍵審計事項 | 吾等進行審計時如何處理關鍵審計事項 |
| <p data-bbox="165 491 512 519"><i>Impairment assessment of goodwill</i></p> <p data-bbox="165 526 304 551">商譽減值評估</p> | <p data-bbox="812 569 1114 590">Our audit procedures included:</p> <ul data-bbox="812 638 1428 1390" style="list-style-type: none"> <li data-bbox="812 638 1428 871">• We tested the impairment model selected for the pharmaceutical products cash-generating unit (“CGU”) which is the sole group of CGU of the Group (the “Pharmaceutical CGU”) by understanding the model methodology and comparing that to our understanding of the Pharmaceutical CGU and checking its mathematical accuracy; <li data-bbox="812 918 1428 1009">• We compared key market-derived estimates, including selling prices of pharmaceutical products and interest rates, against external data; <li data-bbox="812 1056 1428 1146">• We compared key operational estimates in the models to source data and publically available information where it existed; and <li data-bbox="812 1194 1428 1390">• We involved our valuation specialist to assist us in evaluating the key valuation parameters such as discount rate calculation, terminal growth rate applied and the valuation model used in the impairment assessment models, which are complex assumptions used in the estimation. |
| <p data-bbox="165 569 783 1043">In accordance with IFRSs, the Group is required to annually test the amount of goodwill for impairment. This annual impairment test is significant to our audit because the goodwill balance of RMB58,632,000 as of 31 December 2016 which consists of goodwill of RMB35,526,000 arising from the acquisition of Chengdu Hengsheng Ziguang Pharmaceutical Technology Co., Ltd. and goodwill of RMB23,106,000 arising from the acquisition of Qingdao Ruichi Pharmaceuticals Company Limited, is material to the consolidated financial statements. In addition, management’s impairment assessment process is complex and highly judgmental and is based on assumptions, specially budgeted gross margins, growth rates and the discount rate, which are affected by expected future market or economic conditions.</p> <p data-bbox="165 1090 783 1181">The Group’s disclosures about impairment assessment of goodwill are included in note 3 “significant accounting estimates” and note 15 “goodwill”.</p> | <p data-bbox="812 1438 1031 1459">吾等的審計程序包括：</p> <ul data-bbox="812 1507 1428 1979" style="list-style-type: none"> <li data-bbox="812 1507 1428 1640">• 吾等透過瞭解減值模型所用的方法，與吾等對藥品現金產生單位(「現金產生單位」)的理解進行對比，並檢查該模型的計算準確性，測試 貴集團就其唯一現金產生單位組別(「藥品現金產生單位」)所選用的減值模型； <li data-bbox="812 1688 1428 1739">• 針對與市場相關的關鍵估計(包括藥品售價及利率)，我們將其與外部數據進行了對比； <li data-bbox="812 1787 1428 1839">• 針對模型中的關鍵經營估計，我們將其與資料來源及可公開獲得的資料進行了對比；及 <li data-bbox="812 1886 1428 1979">• 吾等邀請評估專家參與進來，協助吾等評估關鍵估值參數，如折現率的計算、所用的末期增長率及減值評估所用估值模型等估計過程中使用的複雜假設。 |
| <p data-bbox="165 1438 783 1739">根據國際財務報告準則，貴集團須每年就商譽減值金額進行測試。年度減值測試就吾等的審計而言屬重要，原因為於2016年12月31日的商譽結餘人民幣58,632,000元(包括因收購成都恆盛紫光醫藥技術有限責任公司產生的商譽人民幣35,526,000元及收購青島瑞馳藥業有限公司產生的商譽人民幣23,106,000元)對綜合財務報表而言屬重大。此外，管理層的減值評估過程複雜及涉及高度判斷性，並基於假設，尤其是對毛利率、增長率及折現率的預測，受到對未來市場及經濟狀況的預期的影響。</p> | |
| <p data-bbox="165 1787 783 1839">貴集團有關商譽減值評估的披露載於附註3「重要會計估計」及附註15「商譽」。</p> | |

Independent Auditor's Report (Continued)

獨立核數師報告(續)

Other information included in the Annual Report

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

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

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

Responsibilities of the directors for the consolidated financial statements

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

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

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our 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.

本年報所載的其他資料

貴公司董事須對其他資料負責。其他資料包括本年報所載的資料，但不包括綜合財務報表及吾等就此發出的核數師報告。

吾等對綜合財務報表發表的意見並不涵蓋其他資料，吾等亦不對其他資料發表任何形式的鑒證結論。

就審計綜合財務報表而言，吾等的責任為閱覽其他資料，在此過程中，考慮其他資料是否與綜合財務報表或吾等在審計過程中所瞭解的情況有重大抵觸，或似乎存在重大錯誤陳述。基於已執行的工作，倘吾等認為其他資料有重大錯誤陳述，吾等須報告該事實。吾等於此方面概無任何報告。

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國際會計準則委員會頒佈的國際財務報告準則及香港公司條例的披露規定編製真實公平的綜合財務報表，以及落實董事認為必要的內部控制，以確保編製綜合財務報表時不存在由於欺詐或錯誤而導致的重大錯誤陳述。

於編製綜合財務報表時，貴公司董事負責評估貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營會計基礎，除非貴公司董事有意將貴集團清盤或停業，或別無其他現實的替代方案。

貴公司董事在審核委員會的協助下履行監督貴集團財務報告過程的責任。

核數師就審計綜合財務報表須承擔的責任

吾等的目標為就綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並發出包括吾等意見的核數師報告。吾等僅向閣下整體作出報告，除此之外，本報告並無其他用途。吾等不會就本報告的內容向任何其他人士負責或承擔任何責任。



Auditor's responsibilities for the audit of the consolidated financial statements (Continued)

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

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

核數師就審計綜合財務報表承擔的責任(續)

合理保證屬高度保證，但並非關於根據香港審計準則進行的審計總能發現某一存在的錯誤陳述的擔保。錯誤陳述可由欺詐或錯誤引起，倘個別或整體合理預期情況下可影響使用者根據該等綜合財務報表作出的經濟決定，則有關錯誤陳述可被視作重大。

作為根據香港審計準則進行的審計工作的一部分，吾等於整個審計過程中行使專業判斷並抱持專業懷疑態度。吾等亦：

- 識別及評估綜合財務報表由於欺詐或錯誤而導致的重大錯誤陳述風險，設計及執行審計程序以應對該等風險，以及獲取充分及適當審計憑證為吾等的意見提供基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述或僭越內部控制，故因未能發現欺詐而導致的重大錯誤陳述風險高於因未能發現錯誤而導致的重大錯誤陳述風險。
- 瞭解有關審計的內部控制，以設計在各類情況下適當的審計程序，但並非旨在對貴集團內部控制的成效發表意見。
- 評估董事所用會計政策的恰當性及作出會計估計及相關披露的合理性。
- 總結董事採用持續經營會計基礎是否恰當，並根據已獲得的審計憑證，總結是否存在與事件或情況有關的重大不明朗因素，可能令貴集團的持續經營能力嚴重成疑。倘吾等得出結論認為存在重大不明朗因素，吾等須於核數師報告中提請使用者注意綜合財務報表內的相關披露，或倘相關披露不足，則修訂吾等的意見。吾等的結論以截至核數師報告日期所獲得的審計憑證為基礎。然而，未來事件或情況可能導致貴集團不再持續經營。



Independent Auditor's Report (Continued)

獨立核數師報告(續)

Auditor's responsibilities for the audit of the consolidated financial statements (Continued)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

The engagement partner on the audit resulting in this independent auditor's report is Siu Fung Terence Ho.

Ernst & Young

Certified Public Accountants

Hong Kong

27 March 2017

核數師就審計綜合財務報表承擔的責任(續)

- 評估綜合財務報表的整體列報、架構及內容(包括披露)，以及綜合財務報表是否已公允反映相關交易及事件。
- 就 貴集團內實體或業務活動的財務資料獲得充足及適當的審計憑證，以就綜合財務報表發表意見。吾等負責指導、監督及執行 貴集團的審計工作。吾等為吾等的審計意見承擔全部責任。

吾等與審核委員會溝通(其中包括)審計工作的計劃範圍、時間及重大審計發現，該等發現包括吾等於審計期間識別出內部控制的任何重大缺陷。

吾等亦向審計委員會提交聲明，說明吾等已遵守有關獨立性的相關道德要求，並與彼等溝通可能被合理認為會影響吾等獨立性的所有關係及其他事宜以及相關防範措施(倘適用)。

從與審核委員會溝通的事項中，吾等決定該等事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。吾等在核數師報告中描述該等事項，除非法律或法規不允許公開披露該事項，或於極端罕見情況下，倘合理預期在報告中溝通某事項造成的負面後果超過其產生的公眾利益，則吾等決定不應在報告中溝通該事項。

本獨立核數師報告的審計項目合夥人為何兆烽。

安永會計師事務所

執業會計師

香港

二零一七年三月二十七日



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

Year ended 31 December 2016 截至2016年12月31日止年度

| | | Notes 附註 | 2016 RMB'000 人民幣千元 | 2015 RMB'000 人民幣千元 |
|---|--------------------|-------------|--------------------------|--------------------------|
| REVENUE | 收益 | 4 | 858,894 | 1,096,071 |
| Cost of sales | 銷售成本 | | (754,326) | (943,564) |
| Gross profit | 毛利 | | 104,568 | 152,507 |
| Other income and gains | 其他收入及收益 | 5 | 8,533 | 827 |
| Selling and distribution expenses | 銷售及經銷開支 | | (11,470) | (5,709) |
| Administrative expenses | 行政開支 | | (62,419) | (40,524) |
| Other expenses | 其他開支 | | (4,459) | (13,358) |
| Finance costs | 財務成本 | 6 | (9,187) | (7,105) |
| PROFIT BEFORE TAX | 除稅前溢利 | 7 | 25,566 | 86,638 |
| Income tax expense | 所得稅開支 | 9 | (7,229) | (17,197) |
| PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR | 年內溢利及全面收入總額 | | 18,337 | 69,441 |
| Attributable to: | 以下人士應佔： | | | |
| Owners of the parent | 母公司擁有人 | | 19,367 | 69,614 |
| Non-controlling interests | 非控股權益 | | (1,030) | (173) |
| | | | 18,337 | 69,441 |
| Earnings per share attributable to ordinary equity holders of the parent: | 母公司普通股持有人應佔每股盈利： | | | |
| – Basic and diluted (RMB) | – 基本及攤薄(人民幣元) | 11 | 0.013 | 0.058 |



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

31 December 2016 2016年12月31日

| | | Notes | 2016 | 2015 |
|--|----------------------|-------|----------------|----------|
| | | 附註 | 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 | 12 | 103,712 | 96,922 |
| Intangible assets | 無形資產 | 13 | 32,454 | 40,378 |
| Payments in advance | 預付款項 | 14 | 99,858 | 69,427 |
| Goodwill | 商譽 | 15 | 58,632 | 35,526 |
| Deposit | 按金 | 16 | 3,000 | 3,000 |
| Total non-current assets | 非流動資產總值 | | 297,656 | 245,253 |
| CURRENT ASSETS | 流動資產 | | | |
| Inventories | 存貨 | 17 | 137,602 | 46,563 |
| Trade and bills receivables | 貿易應收款項及應收票據 | 18 | 19,868 | 77,186 |
| Prepayments, deposits and other receivables | 預付款項、按金及其他應收款項 | 16 | 67,115 | 35,802 |
| Financial assets at fair value through profit or loss classified as held for trading | 分類為持作買賣按公平值計入損益的金融資產 | | 146 | – |
| Available-for-sale investment | 可供出售投資 | 19 | 111,261 | – |
| Pledged bank balances | 已抵押銀行結餘 | 20 | 52,029 | 22,068 |
| Cash and cash equivalents | 現金及現金等價物 | 20 | 102,050 | 38,138 |
| Total current assets | 流動資產總值 | | 490,071 | 219,757 |
| CURRENT LIABILITIES | 流動負債 | | | |
| Trade payables | 貿易應付款項 | 21 | 45,832 | 62,793 |
| Advances from customers | 客戶墊款 | | 45,665 | 33,707 |
| Other payables | 其他應付款項 | 22 | 61,734 | 84,132 |
| Interest-bearing bank loans | 計息銀行貸款 | 23 | 165,000 | 81,915 |
| Tax payable | 應付稅項 | | 12,221 | 8,909 |
| Total current liabilities | 流動負債總額 | | 330,452 | 271,456 |
| NET CURRENT ASSETS/(LIABILITIES) | 流動資產/(負債)淨額 | | 159,619 | (51,699) |
| Total assets less current liabilities | 總資產減流動負債 | | 457,275 | 193,554 |
| Net assets | 資產淨值 | | 457,275 | 193,554 |



Consolidated Statement of Financial Position (Continued)

綜合財務狀況表(續)

31 December 2016 2016年12月31日

| | | Notes 附註 | 2016 RMB'000 人民幣千元 | 2015 RMB'000 人民幣千元 |
|--|-------------------|-------------|--------------------------|--------------------------|
| EQUITY | 權益 | | | |
| Equity attributable to owners of the parent | 母公司擁有人應佔權益 | | | |
| Issued capital | 已發行股本 | 24 | 130 | 95 |
| Reserves | 儲備 | 26 | 458,049 | 193,333 |
| | | | 458,179 | 193,428 |
| Non-controlling interests | 非控股權益 | | (904) | 126 |
| Total equity | 權益總額 | | 457,275 | 193,554 |

Huang Xiangbin

黃祥彬

Director

董事

Zhang Zhijie

張志傑

Director

董事



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

Year ended 31 December 2016 截至2016年12月31日止年度

| | | Attributable to owners of the parent 母公司擁有人應佔 | | | | | | | | | |
|--|-------------------------------|--|--|---|---|--|---|--------------------------|------------------------|----------------------------------|--------------------------|
| | | Share Issued capital | Share premium account | Contributed surplus | Statutory reserve | Share option reserve | Changes in non- controlling interests 非控股 權益變動 | Retained earnings | Total | Non- controlling interests | Total equity |
| | | 已發行股本 RMB'000 人民幣千元 (note 24) (附註24) | 股份溢價賬 RMB'000 人民幣千元 (note 26(a)) (附註26(a)) | 實繳盈餘 RMB'000 人民幣千元 (note 26(b)) (附註26(b)) | 法定儲備 RMB'000 人民幣千元 (note 26(c)) (附註26(c)) | 購股權儲備 RMB'000 人民幣千元 (note 26(d)) (附註26(d)) | 權益變動 RMB'000 人民幣千元 | 保留盈利 RMB'000 人民幣千元 | 總計 RMB'000 人民幣千元 | 非控股權益 RMB'000 人民幣千元 | 權益總額 RMB'000 人民幣千元 |
| At 1 January 2015 | 於2015年1月1日 | - | - | 4,250 | 11,090 | - | 42 | 89,832 | 105,214 | 18,271 | 123,485 |
| Profit and total comprehensive income for the year | 年內溢利及全面收入總額 | - | - | - | - | - | - | 69,614 | 69,614 | (173) | 69,441 |
| Transfer from retained earnings | 轉自保留盈利 | - | - | - | 196 | - | - | (196) | - | - | - |
| Issue of shares | 發行股份 | 95 | 14,533 | - | - | - | - | - | 14,628 | - | 14,628 |
| Acquisition of non-controlling interests | 收購非控股權益 | - | - | - | - | - | 3,972 | - | 3,972 | (17,972) | (14,000) |
| At 31 December 2015 and 1 January 2016 | 於2015年12月31日及2016年1月1日 | 95 | 14,533* | 4,250* | 11,286* | -* | 4,014* | 159,250* | 193,428 | 126 | 193,554 |
| Profit and total comprehensive income for the year | 年內溢利及全面收入總額 | - | - | - | - | - | - | 19,367 | 19,367 | (1,030) | 18,337 |
| Interim 2016 dividend declared (note 10) | 宣派2016年中期股息(附註10) | - | (4,555) | - | - | - | - | - | (4,555) | - | (4,555) |
| Transfer from retained earnings | 轉自保留盈利 | - | - | - | 3,219 | - | - | (3,219) | - | - | - |
| Issue of new shares (note 24(a)) | 發行新股份(附註24(a)) | 34 | 267,578 | - | - | - | - | - | 267,612 | - | 267,612 |
| Issue of new shares (note 24(b)) | 發行新股份(附註24(b)) | 1 | 10,184 | - | - | - | - | - | 10,185 | - | 10,185 |
| Share issue expenses | 股份發行開支 | - | (28,853) | - | - | - | - | - | (28,853) | - | (28,853) |
| Equity-settled share option arrangement (note 25) | 股權結算購股權安排(附註25) | - | - | - | - | 995 | - | - | 995 | - | 995 |
| At 31 December 2016 | 於2016年12月31日 | 130 | 258,887* | 4,250* | 14,505* | 995* | 4,014* | 175,398* | 458,179 | (904) | 457,275 |

* These reserve accounts comprise the consolidated reserves of RMB458,049,000 (2015: RMB193,333,000) in the consolidated statement of financial position.

* 該等儲備賬包括綜合財務狀況表中的綜合儲備人民幣458,049,000元(2015年: 人民幣193,333,000元)。



CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

Year ended 31 December 2016 截至2016年12月31日止年度

| | Notes 附註 | 2016 RMB'000 人民幣千元 | 2015 RMB'000 人民幣千元 |
|--|-----------------------------|--------------------------|--------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | 經營活動所得現金流量 | | |
| Profit before tax | 除稅前溢利 | 25,566 | 86,638 |
| Adjustments for: | 就以下各項調整： | | |
| Depreciation | 折舊 | 5,554 | 5,185 |
| Amortisation of intangible assets | 無形資產攤銷 | 5,112 | 5,045 |
| Unrealised foreign exchange (gain)/loss | 未變現匯兌(收益)/虧損 | (11,962) | 4,109 |
| Loss on disposal of an exclusive distribution right | 處置獨家經銷權的虧損 | 1,435 | - |
| Equity-settled share option expense | 以股權結算的購股權開支 | 995 | - |
| Interest income on an available-for-sale investment | 來自可供出售投資的利息收入 | (1,810) | - |
| Fair value gains on financial assets at fair value through profit or loss classified as held for trading | 分類為持作買賣透過損益按公平值計量的金融資產公平值收益 | (146) | - |
| Finance costs | 財務成本 | 9,187 | 7,105 |
| Bank interest income | 銀行利息收入 | (655) | (390) |
| | | 33,276 | 107,692 |
| Decrease/(increase) in trade and bills receivables | 貿易應收款項及 應收票據減少/(增加) | 69,069 | (40,270) |
| Increase in prepayments, deposits and other receivables | 預付款項、按金及 其他應收款項增加 | (29,648) | (2,784) |
| Decrease/(increase) in inventories | 存貨減少/(增加) | (47,864) | 54,113 |
| Increase/(decrease) in trade payables | 貿易應付款項增加/(減少) | (57,086) | 44,156 |
| Decrease in other payables | 其他應付款項減少 | (3,937) | (8,490) |
| Increase/(decrease) in advances from customers | 客戶墊款增加/(減少) | 10,131 | (94,743) |
| | | (26,059) | 59,674 |
| Cash generated from/(used in) operations | 營運所得/(所用)現金 | | |
| Interest received | 已收利息 | 655 | 390 |
| Tax paid | 已付稅項 | (4,499) | (13,868) |
| | | (29,903) | 46,196 |
| CASH FLOWS FROM INVESTING ACTIVITIES | 投資活動所得現金流量 | | |
| Purchases of items of property, plant and equipment | 購買物業、廠房及設備項目 | (12,037) | (10,245) |
| Purchase of intangible assets | 購買無形資產 | (312) | (20) |
| Proceeds from disposal of an exclusive distribution right | 處置獨家經銷權所得款項 | 1,749 | - |
| Increase in payments in advance | 預付款項增加 | (30,431) | (21,399) |
| Acquisition of subsidiaries | 收購附屬公司 | (59,688) | (8,000) |
| Acquisition of non-controlling interests of a subsidiary from then shareholders | 向當時股東收購一間 附屬公司的非控股權益 | - | (14,000) |
| Purchase of an available-for-sale investment | 購買可供出售投資 | (105,487) | - |
| | | (206,206) | (53,664) |
| Net cash flows used in investing activities | 投資活動所用現金流量淨額 | | |



Consolidated Statement of Cash Flows (Continued)

綜合現金流量表(續)

Year ended 31 December 2016 截至2016年12月31日止年度

| | Notes 附註 | 2016 RMB'000 人民幣千元 | 2015 RMB'000 人民幣千元 |
|---|-------------|--------------------------|--------------------------|
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| | | | |
| Interest paid | | (9,187) | (7,105) |
| Proceeds from issuance of shares | | 277,797 | – |
| Share issue expenses | | (25,156) | – |
| Proceeds from bank loans | | 211,039 | 258,882 |
| Repayment of bank loans | | (127,924) | (273,793) |
| Dividends paid | | (4,648) | – |
| Advance from a related party | | – | 25,633 |
| Payment to a related party | | – | (6,685) |
| Net cash flows from/(used in) financing activities | | 321,921 | (3,068) |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | | | |
| Effect of foreign exchange rate changes, net | | 8,061 | 526 |
| Cash and cash equivalents at beginning of year | | 60,206 | 70,216 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | | 154,079 | 60,206 |
| ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS | | | |
| Cash and cash equivalents as stated in the statement of financial position | 20 | 102,050 | 38,138 |
| Time deposits with original maturity of less than three months when acquired, pledged as security for issuance of letters of credit | 20 | 52,029 | 22,068 |
| Cash and cash equivalents as stated in the statement of cash flows | | 154,079 | 60,206 |



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

31 December 2016 2016年12月31日

1. Corporate and Group Information

The Company is a limited liability company incorporated in the Cayman Islands on 16 March 2015. The registered office address of the Company is P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The Company's principal place of business in Hong Kong is Unit 4408A, 44/F, Cosco Tower, 183 Queen's Road Central, Hong Kong.

During the year, the Group were principally engaged in marketing, promotion and channel management services for improved human plasma-based pharmaceutical, antibiotics and other pharmaceuticals focused on therapeutic areas complementary to human plasma-based products and other fast-growing categories in Mainland China. There were no significant changes in the nature of the Group's principal activities during the year.

In the opinion of the Directors, Risun, a company incorporated in the British Virgin Islands ("BVI"), is the parent and the ultimate holding company of the Company.

Information about subsidiaries

Particulars of the Company's subsidiaries are as follows:

| Name 名稱 | Place and date of incorporation/ registration/ and place of business 註冊成立/註冊地點及 日期與營業地點 | Issued ordinary/ registered share capital 已發行普通/ 註冊股本 | Percentage of equity attributable to the Company 本公司應佔 權益百分比 | | Principal activities 主要業務 |
|---|--|---|--|---------------------|---|
| | | | Direct 直接 % | Indirect 間接 % | |
| Starwell Group Holding Limited 興豪集團控股有限公司 | 26 November 2013 BVI 2013年11月26日 英屬維爾京群島 | US\$50,000 50,000美元 | 100 | – | Investment holding 投資控股 |
| Bright Ritzy Limited 晨晔有限公司 | 5 August 2016 BVI 2016年8月5日 英屬維爾京群島 | US\$1 1美元 | 100 | – | Investment holding 投資控股 |
| Hong Kong Prosperous Group Holding Limited ("Hong Kong Prosperous") 香港恒盛集團控股有限公司 (「香港恒盛」) | 20 December 2013 Hong Kong 2013年12月20日 香港 | HK\$100 100港元 | – | 100 | Sale of pharmaceutical products 銷售藥品 |
| Glorious Empire Limited 曄煜有限公司 | 26 August 2016 Hong Kong 2016年8月26日 香港 | HK\$1 1港元 | – | 100 | Investment holding 投資控股 |

1. 公司及集團資料

本公司為於2015年3月16日在開曼群島註冊成立的獲豁免有限公司。本公司的註冊辦事處地址為P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands。於香港的主要營業地點為香港皇后大道中183號中遠大廈44樓4408A室。

年內，本集團主要於中國內地從事改善人體血漿藥品、抗生素及專注於治療領域與人體血漿製品及其他快速增長類別互補的其他藥品的市場營銷、推廣及渠道管理服務。本集團主要業務的性質於年內並無重大變動。

董事認為，Risun(在英屬維爾京群島(「英屬維爾京群島」)註冊成立的公司)為本公司的母公司及最終控股公司。

附屬公司資料

本公司附屬公司的詳情如下：



Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

31 December 2016 2016年12月31日

1. Corporate and Group Information (Continued)
Information about subsidiaries (Continued)1. 公司及集團資料(續)
附屬公司資料(續)

| Name 名稱 | Place and date of incorporation/ registration and place of business 註冊成立/註冊地點及 日期與營業地點 | Issued ordinary/ registered share capital 已發行普通/ 註冊股本 | Percentage of equity attributable to the Company 本公司應佔 權益百分比 | | Principal activities 主要業務 |
|---|---|---|--|---------------------|---|
| | | | Direct 直接 % | Indirect 間接 % | |
| Sichuan Sinco Pharmaceuticals ^① 四川興科蓉藥業 ^① | 1 April 2011 Mainland China 2011年4月1日 中國內地 | RMB50,000,000 人民幣50,000,000元 | – | 100 | Sale of pharmaceutical products 銷售藥品 |
| Sinco Biotechnology 興科蓉生物科技 ^① | 25 November 2013 Mainland China 2013年11月25日 中國內地 | RMB1,000,000 人民幣1,000,000元 | – | 70 | Research and development on pharmaceutical products 藥品研發 |
| Chengdu Sinco Pharmaceutical 成都興科蓉醫藥 ^① | 26 February 2014 Mainland China 2014年2月26日 中國內地 | RMB2,000,000 人民幣2,000,000元 | – | 100 | Providing warehouse facilities for pharmaceutical products 提供藥品倉庫設施 |
| Chengdu Hengsheng Ziguang 成都恒盛紫光 ^① | 4 March 2015 Mainland China 2015年3月4日 中國內地 | RMB100,000 人民幣100,000元 | – | 100 | Consultation on medical and biological technology 醫療及生物技術諮詢 |
| Linzhi Ziguang 林芝紫光 ^① | 17 November 2014 Mainland China 2014年11月17日 中國內地 | RMB10,000,000 人民幣10,000,000元 | – | 100 | Sale of pharmaceutical products 銷售藥品 |
| Sinco Shanghai Trading Co; Ltd. 興科蓉(上海)貿易有限公司 ^① | 25 August 2016 Mainland China 2016年8月25日 中國內地 | RMB5,000,000 人民幣5,000,000元 | – | 100 | Trading and consultation 貿易及諮詢 |
| Qingdao Yusheng Hengying Trading Co., Ltd. ^① 青島煜盛恒盈貿易有限公司 ^① | 15 November 2016 Mainland China 2016年11月15日 中國內地 | RMB30,000,000 人民幣30,000,000元 | – | 100 | Investment holding 投資控股 |
| Qingdao Ruichi 青島瑞馳 ^① | 15 May 2007 Mainland China 2007年5月15日 中國內地 | RMB10,000,000 人民幣10,000,000元 | – | 100 | Sale of pharmaceutical products 銷售藥品 |



1. Corporate and Group Information (Continued) Information about subsidiaries (Continued)

- (i) Sichuan Sinco Pharmaceuticals, Sinco Shanghai Trading Co., Ltd. (“Sinco Shanghai”) and Qingdao Yusheng Hengying Trading Co., Ltd. (“Qingdao Yusheng”) are registered as wholly-foreign-owned enterprises under the PRC law.
- (ii) These subsidiaries are registered as domestic enterprises under the PRC law.

During the year, the Group acquired Qingdao Ruichi, from two independent third party individuals. Further details of this acquisition are included in note 27 to the financial statements.

2.1 Basis of Preparation

These financial statements have been prepared in accordance with IFRS, which comprise standards and interpretations approved by the IASB, and International Accounting Standards (“IASs”) and Standing Interpretations Committee interpretations approved by the International Accounting Standards Committee that remain in effect. They have been prepared under the historical cost convention. These financial statements are presented in RMB and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2016. A subsidiary is an entity, directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

1. 公司及集團資料(續) 附屬公司資料(續)

- (i) 四川興科蓉藥業、興科蓉(上海)貿易有限公司(「興科蓉上海」)及青島煜盛恒盈貿易有限公司(「青島煜盛」)根據中國法律註冊為外商獨資企業。
- (ii) 該等附屬公司根據中國法律註冊為內資企業。

年內，本集團從兩名獨立第三方收購青島瑞馳。有關收購的進一步詳情，載於財務報表附註27。

2.1 編製基準

財務報表乃按照國際財務報告準則，包括仍然生效的國際會計準則理事會認可的準則及詮釋以及國際會計準則委員會認可的國際會計準則(「國際會計準則」)及常設詮釋委員會詮釋編製。財務報表乃按歷史成本慣例編製。除另有指明者外，財務報表以人民幣呈列，而所有價值均約整至最接近千元。

綜合基準

綜合財務報表包括本公司及其附屬公司截至2016年12月31日止年度的財務報表。附屬公司指本公司直接或間接控制的實體。當本集團通過參與投資對象的相關活動而承擔可變回報的風險或有權享有可變回報，並且有能力運用對投資對象的權力(即賦予本集團現有能以主導投資對象相關活動的既存權利)影響該等回報時，即取得控制權。

2.1 Basis of Preparation (Continued)

Basis of consolidation (Continued)

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

2.1 編製基準(續)

綜合基準(續)

倘本公司直接或間接擁有少於投資對象過半數的投票或類似權利，則本集團於評估其是否擁有對投資對象的權力時會考慮所有相關事實和情況，包括：

- (a) 與投資對象其他投票持有人的合約安排；
- (b) 其他合約安排所產生的權利；及
- (c) 本集團的投票權及潛在投票權。

附屬公司的財務報表按與本公司相同的報告期編製，並採用貫徹一致的會計政策。附屬公司的業績由本集團取得控制權當日起綜合計算，並繼續綜合計算，直至該控制權終止之日為止。

即使會導致非控股權益產生虧絀結餘，損益及其他全面收入的各個組成部分仍歸屬於本公司擁有人及非控股權益。與本集團成員公司交易有關的所有集團內部資產及負債、股權、收入、開支及現金流量均於綜合時悉數對銷。

倘事實及情況反映上述三項控制因素的其中一項或多項有所變動，則本集團會重估是否仍然控制投資對象。並無失去控制權的附屬公司所有權變動會入賬為股本交易。



2.1 Basis of Preparation (Continued)

Basis of consolidation (Continued)

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary; (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investments retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 Changes in Accounting Policies and Disclosures

The Group has adopted the following new and revised standards for the first time for the current year's financial statements.

| | |
|---|--|
| Amendments to IFRS 10, IFRS 12 and IAS 28 | <i>Investment Entities: Applying the Consolidation Exception</i> |
| Amendments to IFRS 11 IFRS 14 Amendments to IAS 1 | <i>Accounting for Acquisitions of Interests in Joint Operations Regulatory Deferral Accounts Disclosure Initiative</i> |
| Amendments to IAS 16 and IAS 38 | <i>Clarification of Acceptable Methods of Depreciation and Amortisation</i> |
| Amendments to IAS 16 and IAS 41 | <i>Agriculture: Bearer Plants</i> |
| Amendments to IAS 27 | <i>Equity Method in Separate Financial Statements</i> |
| Annual Improvements 2012-2014 Cycle | <i>Amendments to a number of IFRSs</i> |

The adoption of the above new and revised standards has had no significant financial effect on these financial statements.

2.1 編製基準(續)

綜合基準(續)

倘本集團失去附屬公司的控制權，則取消確認(i)該附屬公司的資產(包括商譽)及負債；(ii)任何非控制權益的賬面值；及(iii)於權益內記錄的累計匯兌差額；及確認(i)所獲代價的公平值；(ii)所保留任何投資的公平值；及(iii)因此在損益產生的盈虧。先前已於其他全面收入確認的本集團應佔部分重新分類至損益或保留溢利(如適用)，基準與本集團直接出售相關資產或負債所需使用者相同。

2.2 會計政策及披露的變動

本集團於本年度的財務報表首次採納下列新訂及經修訂準則。

| | |
|---|-------------------------------------|
| 國際財務報告準則 第10號、國際財務 報告準則第12號及 國際會計準則 第28號(修訂本) | 投資實體：應用綜合 賬目的例外情況 |
| 國際財務報告準則 第11號(修訂本) 國際財務報告準則第14號 國際會計準則 第1號(修訂本) | 收購合營業務權益的 會計處理 監管遞延賬戶 披露計劃 |
| 國際會計準則第16號 及國際會計準則 第38號(修訂本) | 澄清折舊及攤銷的可 接受方式 |
| 國際會計準則第16號 及國際會計準則 第41號(修訂本) | 農業：生產性植物 |
| 國際會計準則 第27號(修訂本) | 獨立財務報表的權益 法 |
| 2012年至2014年 週期的年度改進 | 多項國際財務報告準 則的修訂 |

採納上述新訂及經修訂準則對該等財務報表並無重大財務影響。



Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

31 December 2016 2016年12月31日

2.3 Issued But Not Yet Effective IFRS

The Group has not applied the following new and revised IFRS, that have been issued but are not yet effective, in these financial statements.

| | |
|--|--|
| Amendments to IFRS 2 | <i>Classification and Measurement of Share-based Payment Transactions²</i> |
| Amendments to IFRS 4 | <i>Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts²</i> |
| IFRS 9 | <i>Financial Instruments²</i> |
| Amendments to IFRS 10 and IAS 28 | <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture⁴</i> |
| IFRS 15 | <i>Revenue from Contracts with Customers²</i> |
| Amendments to IFRS 15 | <i>Clarifications to IFRS 15 Revenue from Contracts with Customers²</i> |
| Amendments to IAS 40 | <i>Transfers of Investment Property²</i> |
| IFRIC 22 | <i>Foreign Currency Transactions and Advance Consideration²</i> |
| IFRS 16 | <i>Leases³</i> |
| Amendments to IAS 7 | <i>Disclosure Initiative¹</i> |
| Amendments to IAS 12 | <i>Recognition of Deferred Tax Assets for Unrealised Losses¹</i> |
| <i>Annual Improvements 2014-2016 Cycle</i> | Amendments to IFRS 12 Clarification of the Scope of the Standard ¹ |
| <i>Annual Improvements 2014-2016 Cycle</i> | Amendments to IFRS 1 Deletion of Short-term Exemptions for First-time Adopters ² |
| <i>Annual Improvements 2014-2016 Cycle</i> | Amendments to IAS 28 measuring an Associate or Joint Venture at Fair Value ² |

¹ Effective for annual periods beginning on or after 1 January 2017

² Effective for annual periods beginning on or after 1 January 2018

³ Effective for annual periods beginning on or after 1 January 2019

⁴ No mandatory effective date yet determined

2.3 已頒佈惟未生效的國際財務報告準則

本集團並未於該等財務報表中應用以下已頒佈惟未生效的新訂及經修訂國際財務報告準則。

| | |
|------------------------------|---|
| 國際財務報告準則第2號(修訂本) | 以股份為基礎付款的交易的分類及計量 ² |
| 國際財務報告準則第4號(修訂本) | 於國際財務報告準則第4號保險合約 ² 應用國際財務報告準則第9號金融工具 |
| 國際財務報告準則第9號 | 金融工具 ² |
| 國際財務報告準則第10號及國際會計準則第28號(修訂本) | 投資者與其聯營公司或合營企業之間的資產出售或注入 ⁴ |
| 國際財務報告準則第15號 | 來自客戶合約的收益 ² |
| 國際財務報告準則第15號(修訂本) | 對國際財務報告準則第15號的澄清來自客戶合約的收益 ² |
| 國際會計準則第40號(修訂本) | 轉讓投資物業 ² |
| 國際財務報告詮釋委員會第22號 | 外幣交易及墊付代價 ² |
| 國際財務報告準則第16號 | 租賃 ³ |
| 國際會計準則第7號(修訂本) | 披露計劃 ¹ |
| 國際會計準則第12號(修訂本) | 就未變現虧損確認遞延稅項資產 ¹ |
| 2014年至2016年週期之年度改進 | 國際財務報告準則第12號(修訂本)澄清準則的範圍 ¹ |
| 2014年至2016年週期之年度改進 | 國際財務報告準則第1號(修訂本)刪除有關首次採納的短期豁免 ² |
| 2014年至2016年週期之年度改進 | 國際會計準則第28號(修訂本)按公平值計量聯營公司或合營企業 ² |

¹ 於2017年1月1日或之後開始的年度期間生效

² 於2018年1月1日或之後開始的年度期間生效

³ 於2019年1月1日或之後開始的年度期間生效

⁴ 尚未確定強制生效日期



2.3 Issued But Not Yet Effective IFRS (Continued)

Further information about those IFRS that are expected to be applicable to the Group is as follows:

The IASB issued amendments to IFRS 2 in June 2016 that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding a certain amount in order to meet the employee's tax obligation associated with the share-based payment; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash-settled to equity-settled. The amendments clarify that the approach used to account for vesting conditions when measuring equity-settled share-based payments also applies to cash-settled share-based payments. The amendments introduce an exception so that a share-based payment transaction with net share settlement features for withholding a certain amount in order to meet the employee's tax obligation is classified in its entirety as an equity-settled share-based payment transaction when certain conditions are met. Furthermore, the amendments clarify that if the terms and conditions of a cash-settled share-based payment transaction are modified, with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as an equity-settled transaction from the date of the modification. The Group expects to adopt the amendments from 1 January 2018. The amendments are not expected to have any significant impact on the Group's financial statements.

2.3 已頒佈惟未生效的國際財務報告準則(續)

以下為預期適用於本集團的國際財務報告準則詳情：

國際會計準則委員會於2016年6月頒佈的國際財務報告準則第2號的修訂闡述三大範疇：歸屬條件對計量以現金結算以股份為基礎付款交易的影響；為僱員履行與以股份為基礎付款有關的稅務責任而預扣若干金額的以股份為基礎付款交易(附有淨額結算特質)的分類；以及對以股份為基礎付款交易的條款及條件作出令其分類由現金結算變為股權結算的修訂時的會計處理方法。該等修訂明確說明計量以股權結算以股份為基礎付款時歸屬條件的入賬方法亦適用於以現金結算以股份為基礎付款。該等修訂引入一個例外情況，在符合若干條件時，為僱員履行稅務責任而預扣若干金額的以股份為基礎付款交易(附有淨額結算特質)，將整項分類為以股權結算以股份為基礎付款交易。此外，該等修訂明確說明，倘以現金結算以股份為基礎付款交易的條款及條件進行修訂，令其成為以股權結算以股份為基礎付款交易，該交易自修訂日期起作為以股權結算的交易入賬。本集團預期自2018年1月1日起採納該等修訂。該等修訂預期不會對本集團財務報表產生任何重大影響。

2.3 Issued But Not Yet Effective IFRS (Continued)

In July 2014, the IASB issued the final version of IFRS 9, bringing together all phases of the financial instruments project to replace IAS 39 and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. The Group expects to adopt IFRS 9 from 1 January 2018. The Group expects that the adoption of IFRS 9 will have an impact on the classification and measurement of the Group's financial assets. Further information about the impact will be available nearer the implementation date of the standard.

IFRS 15 establishes a new five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The standard will supersede all current revenue recognition requirements under IFRS. In April 2016, the IASB issued amendments to IFRS 15 to address the implementation issues on identifying performance obligations, application guidance on principal versus agent and licences of intellectual property, and transition. The amendments are also intended to help ensure a more consistent application when entities adopt IFRS 15 and decrease the cost and complexity of applying the standard. The Group expects to adopt IFRS 15 on 1 January 2018 and is currently assessing the impact of IFRS 15 upon adoption.

2.3 已頒佈惟未生效的國際財務報告準則(續)

2014年7月，國際會計準則理事會頒佈國際財務報告準則第9號的最終版本，將金融工具項目的所有階段綜合以替換國際會計準則第39號及國際財務報告準則第9號之前的所有版本。該項準則引入了分類與計量、減值與對沖會計的新規定。本集團預期自2018年1月1日起採納國際財務報告準則第9號。本集團預期採納國際財務報告準則第9號將對本集團金融資產的分類和計量產生影響。有關該影響的更多資料將於該項準則臨近執行日期時公佈。

國際財務報告準則第15號建立一個新的五步模式，以入賬自客戶合約產生的收益。根據國際財務報告準則第15號，收益按反映實體預期就向客戶轉讓貨物或服務而有權獲得的交換代價金額確認。國際財務報告準則第15號的原則為計量及確認收益提供更加結構化的方法。該準則亦載有廣泛的定性及定量披露規定，包括分拆收益總額、關於履行責任的資料、不同期間之間合約資產及負債賬目結餘的變動以及主要判斷及估計。該準則將取代國際財務報告準則項下所有現時收益確認的規定。2016年4月，國際會計準則理事會頒佈國際財務報告準則第15號的修訂本，內容有關識別履約責任、委託人與代理及知識產權牌照的應用指引以及過渡的執行問題。本集團預期將於2018年1月1日採納國際財務報告準則第15號，目前正評估採納國際財務報告準則第15號後的影響。



2.3 Issued But Not Yet Effective IFRS (Continued)

IFRS 16 replaces IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases – Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise assets and liabilities for most leases. The standard includes two recognition exemptions for lessees – leases of low-value assets and short-term leases. At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses unless the right-of-use asset meets the definition of investment property in IAS 40. The lease liability is subsequently increased to reflect the interest on the lease liability and reduced for the lease payments. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will also be required to remeasure the lease liability upon the occurrence of certain events, such as change in the lease term and change in future lease payments resulting from a change in an index or rate used to determine those payments. Lessees will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under IFRS 16 is substantially unchanged from the accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between operating leases and finance leases. The Group expects to adopt IFRS 16 on 1 January 2019 and is currently assessing the impact of IFRS 16 upon adoption.

Amendments to IAS 7 require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The amendments will result in additional disclosure to be provided in the financial statements. The Group expects to adopt the amendments from 1 January 2017.

2.3 已頒佈惟未生效的國際財務報告準則(續)

國際財務報告準則第16號取代國際會計準則第17號租賃、國際財務報告詮釋委員會第4號釐定安排是否包括租賃、常設詮釋委員會第15號經營租賃—優惠及常設詮釋委員會第27號評估牽涉租賃的法律形式的交易內容。該準則載列租賃的確認、計量、呈列及披露原則，並要求承租人就大部分租賃確認資產及負債。該準則包括給予承租人的兩項確認豁免—低價值資產租賃及短期租賃。於租賃開始日期，承租人將確認一項負債以支付租金(即租賃負債)及一項相當於租賃期內相關資產使用權的資產(即使用權資產)。使用權資產隨即以成本減累計折舊及任何減值損失計量，除非使用權資產符合國際會計準則第40號投資物業的定義。租賃負債其後會增加以反映租賃負債的利息並因租賃付款而減少。承租人將須分別確認租賃負債的利息開支及使用權資產的折舊開支。於若干情況下，承租人亦須重新計量租賃負債，例如租賃期變更及因用以釐定該等付款的指數或比率變更而導致未來租賃付款變更。承租人一般將租賃負債的重新計量金額確認為使用權資產的調整。國際財務報告準則第16號大致沿用國際會計準則第17號出租人的會計處理方式。出租人將繼續使用與國際會計準則第17號相同的分類原則對所有租賃進行分類，並將之分為經營租賃及融資租賃。本集團預期於2019年1月1日採納國際財務報告準則第16號，目前正評估採納國際財務報告準則第16號後的影響。

國際會計準則第7號(修訂本)規定實體披露能讓財務報表使用者評估財務活動引起的負債變動，包括現金流量引致的變動及非現金變動。該等修訂將導致財務報表作出額外披露。本集團預期自2017年1月1日起採納該等修訂。

2.4 Summary of Significant Accounting Policies

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as of the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the (a) consideration transferred, (b) the amount recognised for non-controlling interests and (c) any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

2.4 主要會計政策概要

業務合併及商譽

業務合併乃採用收購法入賬。轉讓代價乃以收購日期的公平值計量，該公平值為本集團轉讓的資產於收購日期的公平值、本集團對被收購方前擁有人承擔的負債及本集團為換取被收購方控制權發行的股權的總和。就各項業務合併而言，本集團選擇是否以公平值或於被收購方可識別資產淨值的應佔比例，計量於被收購方的非控股權益，即於被收購方中賦予持有人在清盤時按比例分佔資產淨值的現有所有權權益。非控股權益的所有其他組成部分均按公平值計量。收購相關成本於產生時支銷。

當本集團收購業務時，須根據合約條款、收購日期的經濟情況及相關條件對金融資產及所承擔負債進行評估，以進行適當分類及指定，包括將嵌入式衍生工具與被收購方主合約分開。

倘業務合併分階段進行，先前持有的股權按其於收購日期的公平值重新計量，所產生的任何收益或虧損於損益中確認。

收購方將予轉讓的任何或然代價按收購日期的公平值確認。倘或然代價被分類為資產或負債，則按公平值計量，公平值的變動於損益確認。倘將或然代價分類為權益，則毋須重新計量，後續結算於權益中入賬。

商譽按成本進行初步計量，即(a)已轉讓代價、(b)非控股權益的確認金額及(c)本集團先前所持有於被收購方的股權公平值總額超出所收購可識別資產淨值及所承擔負債的差額。倘此代價及其他項目的總和低於所收購資產淨值的公平值，則於重新評估後的差額會於損益確認為廉價購買的收益。



2.4 Summary of Significant Accounting Policies (Continued)

Business combinations and goodwill (Continued)

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as of 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

2.4 主要會計政策概要(續)

業務合併及商譽(續)

初步確認後，商譽按成本減任何累計減值虧損計量。商譽每年就減值進行測試，倘有事件或情況變化顯示賬面值可能出現減值跡象，則進行更為頻密的測試。本集團會對12月31日的商譽進行年度減值測試。就減值測試而言，業務合併中購入的商譽由收購日期起，被分配到預期將從合併的協同效應中受益的本集團各現金產生單位或現金產生單位組別，不論本集團的其他資產或負債是否被分配至該等單位或單位組別。

減值通過評估與商譽有關的現金產生單位(現金產生單位組別)可收回金額釐定。倘現金產生單位(現金產生單位組別)的可收回金額低於賬面值，則確認減值虧損。就商譽確認的減值虧損不會於隨後期間撥回。

當商譽分配至現金產生單位(或現金產生單位組別)而該單位的部分業務被出售，則於釐定出售業務的收益或虧損時，與出售業務相關的商譽計入該業務的賬面值。在此情況下出售的商譽以出售業務和保留的現金產生單位部分相對價值為基礎計量。

公平值計量

公平值為市場參與者於計量日期在有序交易中出售資產時收取或轉讓負債時支付的價格。公平值計量乃基於假設出售資產或轉讓負債的交易於資產或負債的主要市場中進行，倘無主要市場，則於資產或負債的最有利市場進行。主要或最有利市場必須為本集團可進入的市場。資產或負債的公平值乃採用對資產或負債定價時市場參與者採用的假設計量，並假設市場參與者以彼等最佳經濟利益行事。

非金融資產的公平值計量計及市場參與者對使用資產的最高及最佳使用價值，或透過將其出售予另一名將使用資產的最高及最佳使用價值的市場參與者而產生經濟利益的能力。

2.4 Summary of Significant Accounting Policies (Continued)

Fair value measurement (Continued)

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

2.4 主要會計政策概要(續)

公平值計量(續)

本集團採用當時情況下屬適當且有足夠數據的估值方法計量公平值，盡量使用有關可觀察輸入數據及盡量避免使用不可觀察輸入數據。

於財務報表中計量或披露公平值的所有資產及負債在公平值層級(如下所述)中，根據對整體公平值計量而言屬重大的最低層級輸入數據進行分類：

- 第一級 – 根據相同資產或負債於活躍市場的報價(未經調整)
- 第二級 – 根據對公平值計量而言屬重大的最低層級輸入數據為可觀察(不論直接或間接)輸入數據的估值方法
- 第三級 – 根據對公平值計量而言屬重大的最低層級輸入數據為不可觀察輸入數據的估值方法

就按經常基準於財務報表中確認的資產及負債而言，本集團於各報告期末會重新評估分類(根據對整體公平值計量而言屬重大的最低層級輸入數據)，以釐定轉撥是否已於各層級之間發生。

非金融資產減值

倘資產(不包括存貨及金融資產)出現減值跡象，或須對資產進行年度減值測試，則會估計資產的可收回金額。資產的可收回金額按資產或現金產生單位的使用價值與其公平值減出售成本兩者的較高者計算，並就個別資產釐定，除非有關資產並不產生很大程度上獨立於其他資產或資產組合的現金流入，在此情況下，則就有關資產所屬的現金產生單位釐定可收回金額。



2.4 Summary of Significant Accounting Policies (Continued)

Impairment of non-financial assets (Continued)

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. 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. An impairment loss is charged to profit or loss in the period in which it arises.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and 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 of a parent of the Group;

2.4 主要會計政策概要(續)

非金融資產減值(續)

僅當資產的賬面值超過其可收回金額時，方會確認減值虧損。評估使用價值時，使用稅前折現率將估計未來現金流量折現至其現值，而該折現率反映市場當時所評估的貨幣時間價值及該資產的特有風險。減值虧損在其產生期間自損益扣除。

於各報告期末均會評估是否有任何跡象顯示過往確認的減值虧損可能不復存在或有所減少。如有任何該等跡象，則估計可收回金額。先前就資產(不包括商譽)確認的減值虧損，僅於用以釐定該資產可收回金額的估計有變時予以撥回，但撥回金額不得高於假設過往年度並無就該資產確認減值虧損而應釐定的賬面值(扣除任何折舊／攤銷)。減值虧損的撥回計入產生期間的損益。

關連方

在下列情況下，該人士將被認為與本集團有關連：

- (a) 該人士屬以下人士或其關係密切的家庭成員
 - (i) 對本集團具有控制權或共同控制權；
 - (ii) 對本集團具有重大影響力；或
 - (iii) 為本集團或本集團母公司的主要管理人員；

2.4 Summary of Significant Accounting Policies (Continued)

Related parties (Continued)

or

(b) the party is an entity where any of the following conditions applies:

- (i) the entity and the Group are members of the same group;
- (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
- (iii) the entity and the Group 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); and
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

2.4 主要會計政策概要(續)

關連方(續)

或

(b) 該人士為符合下列任何條件的實體：

- (i) 該實體與本集團為同一集團的成員公司；
- (ii) 一個實體為另一個實體(或該實體的母公司、附屬公司或同系附屬公司)的聯營公司或合營公司；
- (iii) 該實體與本集團為同一第三方的合營公司；
- (iv) 一個實體為第三方實體的合營公司，而另一個實體為該第三方實體的聯營公司；
- (v) 該實體為以本集團或與本集團有關聯的實體的僱員為受益人的離職後福利計劃；
- (vi) 該實體由(a)項界定的人士控制或共同控制；
- (vii) (a)(i)項界定的人士對該實體有重大影響力，或為該實體(或該實體母公司)的主要管理人員；及
- (viii) 該實體或該實體所屬集團的任何成員公司為本集團或本集團母公司提供主要管理人員服務。

物業、廠房及設備以及折舊

物業、廠房及設備(在建工程除外)乃按成本減累計折舊及任何減值虧損入賬。物業、廠房及設備項目的成本包括購買價及使資產達到擬定用途運作狀態及地點的任何直接應計成本。



2.4 Summary of Significant Accounting Policies (Continued)

Property, plant and equipment and depreciation (Continued)

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The estimated useful lives of items of property, plant and equipment are as follows:

| | Useful lives |
|------------------------------|--------------|
| Leasehold land and buildings | 34-60 years |
| Office equipment | 3-5 years |
| Motor vehicles | 4-5 years |

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents items of property, plant and equipment under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

2.4 主要會計政策概要(續)

物業、廠房及設備以及折舊(續)

物業、廠房及設備項目投入運作後產生的維修及保養等開支，通常於產生期間自損益扣除。於符合確認標準的情況下，大型檢測開支於資產賬面值中資本化為重置成本。倘物業、廠房及設備的主要部分須定期替換，則本集團將該等部分確認為獨立資產，並設定特定的可使用年期及相應計提折舊。

折舊乃按直線基準將每項物業、廠房及設備的成本於其估計可使用年期內撇銷至其剩餘價值。物業、廠房及設備項目的估計可使用年期如下：

| | 可使用年期 |
|---------|--------|
| 租賃土地及樓宇 | 34至60年 |
| 辦公室設備 | 3至5年 |
| 汽車 | 4至5年 |

倘物業、廠房及設備項目各部分的可使用年期不同，則此項目的成本將按合理基準於各部分間分配，且每部分將計提個別折舊。至少於各財政年度末會檢討剩餘價值、可使用年期及折舊方法並作出調整(如適用)。

初始確認的物業、廠房及設備項目(包括任何重大部分)於出售後或預期使用或出售不會產生未來經濟利益時終止確認。於資產終止確認年度在損益確認的任何出售或報廢盈虧為有關資產的出售所得款項淨額與賬面值的差額。

在建工程指在建物業、廠房及設備項目，按成本減任何減值虧損列賬而不計提折舊。成本包括建設期間的直接建設成本及相關借款的已資本化借貸成本。在建工程於完成並可使用時重新分類至適當的物業、廠房及設備類別。

2.4 Summary of Significant Accounting Policies (Continued)

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives. The principal estimated useful lives of intangible assets are as follows:

| | |
|-------------------------------|---------|
| Exclusive distribution rights | 9 years |
| Software | 5 years |

Operating leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessee, rentals payable under operating leases, net of any incentives received from the lessor, are charged to profit or loss on the straight-line basis over the lease terms.

Prepaid land lease payments under operating lease are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease payments are included in the cost of land and buildings as a finance lease in property, plant and equipment.

2.4 主要會計政策概要(續)

無形資產(商譽除外)

單獨收購的無形資產於初步確認時按成本計量。業務合併中購入的無形資產成本為收購日期的公平值。無形資產的可使用年期被評估為有限定年期或無限定年期。有限定年期的無形資產其後按可使用經濟年期攤銷，並於有跡象顯示該無形資產可能出現減值時進行減值評估。有限定可使用年期的無形資產的攤銷期間及攤銷方法至少於各財政年度末檢討。

無形資產按成本減任何減值虧損入賬及以直線法按估計可使用年期攤銷。無形資產的主要估計可使用年期如下：

| | |
|-------|----|
| 獨家經銷權 | 9年 |
| 軟件 | 5年 |

經營租賃

釐定一項安排是否屬於或包含租賃須以訂立日安排的内容為基準。評估該安排，乃基於履行安排時是否須視乎使用某一項或多項資產而定，或該安排是否轉移使用該項或多項資產的權利，即使有關權利並無於安排中明確規定。

資產擁有權的絕大部分回報及風險由出租人承受的租賃，皆作經營租賃列賬。倘本集團為承租人，根據經營租賃應付租金減收出租人的任何優惠，乃以直線法於租期內自損益扣除。

經營租賃的預付土地租金初步按成本列賬，其後於租期內按直線法確認。倘租金無法在土地及樓宇之間可靠分配，則全部租金計入物業、廠房及設備融資租賃的土地及樓宇成本。



2.4 Summary of Significant Accounting Policies (Continued)

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial investments, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus transaction costs that are attributable to the acquisition of the financial assets, except in the case of financial assets recorded at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with positive net changes in fair value presented as other income and gains and negative net changes in fair value presented as finance costs in profit or loss. These net fair value changes do not include any dividends or interest earned on these financial assets, which are recognised in accordance with the policies set out for "Revenue recognition" below.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in "Other income and gains" in profit or loss. The loss arising from impairment is recognised in profit or loss in "Finance costs" for loans and in "Other expenses" for receivables.

2.4 主要會計政策概要(續)

投資及其他金融資產

初始確認及計量

於初始確認時，金融資產劃分為按公平值計入損益的金融資產、貸款及應收款項以及可供出售金融投資或有效對沖中指定為對沖工具的衍生工具(如適用)。金融資產在初始確認時以公平值加歸屬於收購金融資產的交易成本計量，惟按公平值計入損益的金融資產除外。

所有常規方式買賣的金融資產於交易日(即本集團承諾買賣該資產之日)確認。常規方式買賣乃指須通常於法規或市場慣例約定的時間內交付資產的金融資產買賣。

後續計量

金融資產的後續計量取決於其如下分類：

按公平值計入損益的金融資產

按公平值計入損益的金融資產包括持作買賣的金融資產及首次確認時指定為按公平值計入損益的金融資產。金融資產倘以短期出售為目的而購買，則分類為持作買賣。按公平值計入損益的金融資產於財務狀況表內按公平值列賬，其公平值變動正淨額則於損益內呈列為其他收入及收益，而公平值變動負淨額呈列為財務成本。該等公平值淨額變動並不包括就該等金融資產賺取的任何股息或利息，該等收益根據下文「收益確認」所載政策確認。

貸款及應收款項

貸款及應收款項指附帶固定或可釐定付款金額，且無活躍市場報價的非衍生金融資產。於初始計量後，該等資產其後以實際利率法按攤銷成本減任何減值準備計量。攤銷成本經計及收購時的任何折價或溢價後計算，並包括組成實際利率一部分的費用或成本。實際利率的攤銷計入損益內的「其他收入及收益」。貸款及應收款項減值產生的虧損分別於損益的「財務成本」及「其他開支」內確認。

2.4 Summary of Significant Accounting Policies (Continued)

Investments and other financial assets (Continued)

Available-for-sale financial investments

Available-for-sale financial investments are non-derivative financial assets in listed and unlisted equity investments and debt securities. Investments classified as available for sale are those which are neither classified as held for trading nor designated as at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in market conditions.

After initial recognition, available-for-sale financial investments are subsequently measured at fair value, with unrealised gains or losses recognised as other comprehensive income in the available-for-sale investment revaluation reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in profit or loss in other income, or until the investment is determined to be impaired, when the cumulative gain or loss is reclassified from the available-for-sale investment revaluation reserve to profit or loss in other gains or losses. Interest and dividends earned whilst holding the available-for-sale financial investments are reported as interest income and dividend income, respectively and are recognised in profit or loss as other income in accordance with the policies set out for "Revenue recognition" below.

The Group evaluates whether the ability and intention to sell its available-for-sale financial assets in the near term are still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets, the Group may elect to reclassify these financial assets if management has the ability and intention to hold the assets for the foreseeable future or until maturity.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primary derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2.4 主要會計政策概要(續)

投資及其他金融資產(續)

可供出售金融投資

可供出售金融投資為上市及非上市股本投資及債務證券的非衍生金融資產。分類為可供出售的投資為未分類為持作買賣或指定按公平值計入損益的投資。此分類項下的債務證券為有意無限期持有的債務證券，並可能會因應流動資金需要或市況變化而出售。

於初步確認後，可供出售金融投資其後按公平值計量，未變現收益或虧損於可供出售金融投資估值儲備中確認為其他全面收入，直至該投資終止確認，屆時累計收益或虧損則於損益確認為其他收入；或直至該投資被確定為已減值，屆時累計收益或虧損則從可供出售投資重估儲備重新分類至損益中的其他收益或虧損。持有可供出售金融投資期間所賺取的利息及股息分別呈報為利息收入及股息收入並根據下文「收益確認」所載政策於損益確認為其他收入。

本集團會評估在短期內出售其可供出售金融資產的能力及意向是否仍屬適當。於罕有的情況下，由於市場不活躍而導致本集團無法買賣該等金融資產時，倘管理層有能力及有意於可預見未來持有該等資產或持有至其到期，則本集團可能選擇將該等金融資產重新分類。

終止確認金融資產

金融資產(或(倘適用)金融資產的其中部分或一組類似金融資產的其中部分)主要在下列情況下終止確認(即從本集團綜合財務狀況表中刪除)：

- 自資產收取現金流量的權利已屆滿；或
- 本集團已出讓自資產收取現金流量的權利，或已根據「轉付」安排承擔在無重大延誤的情況下將全數所得現金流量支付予第三方的責任；及(a)本集團已出讓資產的絕大部分風險及報酬，或(b)本集團並無出讓或保留資產的絕大部分風險及報酬，惟已出讓資產的控制權。



2.4 Summary of Significant Accounting Policies (Continued)

Derecognition of financial assets (Continued)

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

2.4 主要會計政策概要(續)

終止確認金融資產(續)

倘本集團已出讓自資產收取現金流量的權利，或已訂立轉付安排，將評估其是否保留該項資產的擁有權風險及報酬以及保留的程度。倘本集團並無出讓或保留資產的絕大部分風險及報酬，亦無出讓資產的控制權，則本集團在繼續參與該資產的情況下確認獲出讓資產。在該情況下，本集團亦確認相關負債。已出讓資產及相關負債乃按反映本集團已保留權利及責任的基準計量。

就已出讓資產作出保證的持續參與，已出讓資產乃以該項資產的原賬面值與本集團或須償還的代價金額上限的較低者計量。

金融資產減值

本集團於各報告期末評估是否有客觀憑證顯示一項金融資產或一組金融資產出現減值。倘於資產初始確認後發生一項或多項事件對該項金融資產或該組金融資產的估計未來現金流量造成影響，而該影響能可靠估計，則出現減值。減值憑證可能包括單個債務人或一組債務人正面臨重大財務困難、違約或未能償還利息或本金付款、可能破產或進行其他財務重組，以及有可觀察數據顯示估計未來現金流量出現可計量的減少等跡象，例如欠款數目變動或出現與違約相關的經濟狀況。

按攤銷成本入賬的金融資產

對於按攤銷成本入賬的金融資產，本集團首先會按個別基準就個別屬重大的金融資產或按組合基準就個別不屬重大的金融資產，評估是否存在客觀減值憑證。倘本集團釐定個別評估的金融資產並無客觀憑證顯示存在減值，則無論重大與否，均須將該項資產歸入一組具有相似信貸風險特徵的金融資產內，從整體評估該組金融資產是否存在減值。經個別評估減值且減值虧損會予以確認或繼續予以確認的資產，不計入整體減值評估。

2.4 Summary of Significant Accounting Policies (Continued)

Impairment of financial assets (Continued)

Financial assets carried at amortised cost (Continued)

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced either directly or through the use of an allowance account and the loss is recognised in profit or loss. Interest income continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or decreased by adjusting the allowance amount. If a write-off is later recovered, the recovery is credited to in profit or loss.

Available-for-sale financial investments

For available-for-sale financial investments, the Group assesses at the end of each reporting period whether there is objective evidence that an investment or a group of investments is impaired.

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is removed from other comprehensive income and recognised in profit or loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings.

2.4 主要會計政策概要(續)

金融資產減值(續)

按攤銷成本入賬的金融資產(續)

任何已識別減值虧損金額按資產賬面值與估計未來現金流量(不包括尚未產生的未來信貸虧損)現值之間的差額計量。估計未來現金流量的現值乃按金融資產原實際利率(即初始確認時計算的實際利率)折現。

該資產的賬面值會直接或通過使用準備賬目減少，而其虧損於損益確認。利息收入於減少後的賬面值中，採用計量減值虧損時用以折現未來現金流量的利率持續累計。若日後收回的機會極低，且所有抵押品已變現或轉讓予本集團，則撇銷貸款及應收款項連同任何相關準備。

倘於其後期間估計減值虧損金額由於確認減值後發生的事件而增加或減少，則透過調整準備賬目增加或減少先前確認的減值虧損。倘於其後收回撇銷，該項收回計入損益。

可供出售金融投資

對於可供出售金融投資，本集團於各報告期末評估是否有客觀憑證顯示一項投資或一組投資出現減值。

倘可供出售資產出現減值，則包括其成本(扣除任何本金付款及攤銷)與其當前公平值的差額，減任何先前於損益確認的減值虧損的款項將從其他綜合收益中刪除，並於損益確認。

金融負債

初始確認及計量

於初始確認時，金融負債分類為貸款及借款。



2.4 Summary of Significant Accounting Policies (Continued)

Financial liabilities (Continued)

Initial recognition and measurement (Continued)

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and interest-bearing bank loans.

Subsequent measurement

The subsequent measurement of loans and borrowings is as follows:

After initial recognition, interest-bearing bank loans are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in "Finance costs" in profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average method. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

2.4 主要會計政策概要(續)

金融負債(續)

初始確認及計量(續)

所有金融負債初始按公平值確認及，如屬貸款及借款則扣除直接應佔交易成本。

本集團的金融負債包括貿易及其他應付款項以及計息銀行貸款。

後續計量

貸款及借款的後續計量如下：

於初始確認後，計息銀行貸款其後採用實際利率法按攤銷成本計量，惟折現影響並不重大，則按成本列賬。收益及虧損在負債終止確認時透過實際利率攤銷程序於損益確認。

計算攤銷成本時計及收購所產生的任何折讓或溢價，並包括組成實際利率一部分的費用或成本。實際利率攤銷計入損益的「財務成本」內。

終止確認金融負債

金融負債於負債的責任已獲解除或註銷或屆滿時終止確認。

當現有金融負債為同一出借人以大致上相異的條款的一項負債取代時，或現有負債的條款出現重大修改時，有關替換或修改被視為終止確認原有負債及確認一項新負債，而各賬面值的差額於損益確認。

抵銷金融工具

倘現時存在可執行合法權利抵銷已確認金額，且有意以淨額結算，或同時變現資產及清償負債，則金融資產及金融負債將予抵銷，且淨金額於財務狀況表呈報。

存貨

存貨按成本及可變現淨值兩者的較低者列賬。成本按加權平均法釐定。可變現淨值乃基於估計售價減完成及出售所產生的任何估計成本計算。

2.4 Summary of Significant Accounting Policies (Continued)

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short-term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, which are not restricted as to use.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2.4 主要會計政策概要(續)

現金及現金等價物

就綜合現金流量表而言，現金及現金等價物包括手頭現金及活期存款，以及可隨時兌換為已知金額現金及所涉價值變動風險不高，且一般自取得起計三個月內到期的短期高流動性投資。

就綜合財務狀況表而言，現金及現金等價物包括用途不受限制的手頭及銀行現金(包括定期存款)。

所得稅

所得稅包括即期及遞延稅項。與於損益外確認的項目有關的所得稅於損益外確認，即於其他全面收益或直接於權益確認。

即期稅項資產及負債按預期可自稅務機關收回或向其支付的數額計量，採用於報告期末已制定或實質已制定的稅率(及稅法)，計及本集團經營所在國家的現行詮釋及慣例。

遞延稅項使用負債法就於報告期末資產及負債的計稅基礎與其作財務匯報用途的賬面值之間的所有暫時差額計提撥備。

除下列情況外，對所有應課稅暫時差額確認遞延稅項負債：

- 當遞延稅項負債源於初始確認商譽或一項並非業務合併的交易中的資產或負債，且於該項交易進行時不影響會計溢利及應課稅損益時；及
- 就與於附屬公司的投資有關的應課稅暫時差額而言，當暫時差額的撥回時間可予控制且該暫時差額於可見未來可能不會撥回時。



2.4 Summary of Significant Accounting Policies (Continued)

Income tax (Continued)

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.4 主要會計政策概要(續)

所得稅(續)

遞延稅項資產乃就所有可扣減暫時差額、結轉未動用稅項抵免及任何未動用稅項虧損予以確認。遞延稅項資產在有可能出現應課稅溢利用作抵銷該等可扣減暫時差額、結轉未動用稅項抵免及未動用稅項虧損的情況下，方予以確認，惟下列情況除外：

- 有關可扣減暫時差額的遞延稅項資產源於初始確認一項並非業務合併的交易中的資產或負債，且於該項交易進行時不影響會計溢利及應課稅損益；及
- 就與於附屬公司的投資有關的可扣減暫時差額而言，遞延稅項資產僅會於暫時差額有可能會於可預見未來撥回及存在應課稅溢利可用作抵銷該暫時差額的情況下予以確認。

遞延稅項資產的賬面值於各報告期末檢討，並減少至不再可能擁有足夠應課稅溢利以動用全部或部分遞延稅項資產為限。未確認遞延稅項資產於各報告期末重新評估，並於可能有足夠應課稅溢利可收回全部或部分遞延稅項資產時予以確認。

遞延稅項資產及負債按預期適用於資產變現或負債清償期間的稅率計量，並以各報告期末已制定或實質已制定的稅率(及稅法)為基準。

倘存在合法可執行權利將即期稅項資產與即期稅項負債抵銷，而遞延稅項與同一應課稅實體及同一稅務機關有關，則遞延稅項資產及遞延稅項負債可予抵銷。

2.4 Summary of Significant Accounting Policies (Continued)

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is deducted from the carrying amount of the asset and released to profit or loss by way of a reduced depreciation charge.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- (b) interest income, on an accrual basis using the effective interest method by applying the rate that discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset; and
- (c) dividend income, when the shareholders' right to receive payment has been established.

2.4 主要會計政策概要(續)

政府補助

如能合理確保收到補助及符合所有附帶條件，則按公平值確認政府補助。如補助與開支項目有關，則於擬用作補貼的成本支銷期間系統確認為收入。

如補助與資產有關，則公平值會計入遞延收入賬目及自該資產賬面值扣減，並以減少折舊開支的方式轉至損益。

收益確認

收益於經濟利益很可能流入本集團且能可靠計量時確認，基準如下：

- (a) 銷售貨物收益，於所有權的重大風險及回報已轉歸買方時予以確認，惟本集團不再參與一般與所有權有關的管理，對所售貨物亦不再有實際控制權；
- (b) 利息收入，以實際利率法按應計基準確認，採用於金融工具預計年期或較短期間（如適用）將估計未來現金收入折現至金融資產賬面淨值的利率；及
- (c) 股息收入，於股東收取付款的權利確立時確認。



2.4 Summary of Significant Accounting Policies (Continued)

Share-based payments

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Subject to the shareholders' agreement, the Company may also allot and issue certain new shares in the Company for the purpose of providing incentives for specific employees to remain with the Group and to motivate them to strive for the further development and expansion of the Group. Employees (including the co-chief executive) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using valuation techniques that are appropriate in the circumstances, further details of which are given in note 25 to the financial statements.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as of the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

2.4 主要會計政策概要(續)

以股份為基礎的付款

本公司實行購股權計劃，旨在為對本集團業務成功作出貢獻的合資格參與者提供獎勵及回報。根據股東協議，本公司亦可向特定僱員配發及發行本公司若干新股份作為其留在本集團的獎勵，並激勵彼等為本集團的進一步發展及擴充而努力。本集團僱員(包括聯席行政人員)以股份為基礎的付款方式收取薪酬，據此僱員提供服務作為收取股本工具的代價(「股權結算交易」)。

與僱員進行的股權結算交易成本乃參考於授出日期股本工具的公平值計量。公平值乃由外部估值師以於多個情況下屬適當的估值技術釐定，進一步詳情載於財務報表附註25。

股權結算交易成本連同股本的相應增加乃於達致服務條件的期間內於僱員福利開支中確認。於各報告期末直至歸屬日期為止就股權結算交易確認的累計開支反映歸屬期已屆滿及本集團對將最終歸屬的權益工具數目的最佳估計。於期內扣除自或計入損益的金額指於期初及期末所確認的累計開支變動。

於釐定獎勵在授出日期的公平值時並不考慮服務及非市場表現條件，惟能達成條件的可能性則被評定為將最終歸屬為本集團股本工具數目的最佳估計的一部分。市場表現條件將於授出日期的公平值內反映。獎勵附帶的任何其他條件(惟並無相關服務要求)被視為非歸屬條件。非歸屬條件於獎勵的公平值中反映，並直接支銷獎勵，惟另有服務及/或表現條件則除外。

2.4 Summary of Significant Accounting Policies (Continued)

Share-based payments (Continued)

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

2.4 主要會計政策概要(續)

以股份為基礎的付款(續)

因未能達至非市場表現及/或服務條件而導致最終並無歸屬的獎勵並不會確認開支。倘獎勵包括一項市場或非歸屬條件，無論市場或非歸屬條件是否達成，該等交易均會被視為已歸屬，前提是所有其他表現及/或服務條件須已達成。

倘若股權結算獎勵的條款有所變更，則在達致獎勵原定條款的情況下，所確認的開支最少須達到猶如條款並無任何變更的水平。此外，倘若按變更日期計算，任何變更導致以股份為基礎的付款總公平值有所增加，或為僱員帶來其他利益，則應就該等變更確認開支。

倘股權結算獎勵註銷，則視為已於註銷日期歸屬，任何尚未確認的獎勵(包括未能符合本集團或僱員可控制的非歸屬條件的任何獎勵)開支，均即時確認。然而，若已授出新獎勵代替已註銷的獎勵，並於授出日期指定為替代獎勵，則如前段所述，已註銷獎勵及新獎勵均視為原有獎勵的變更。

於計算每股盈利時，尚未行使購股權的攤薄影響反映為額外股份攤薄。



2.4 Summary of Significant Accounting Policies (Continued)

Other employee benefits

Pension scheme

The employees of the subsidiaries in Mainland China are required to participate in a defined central pension scheme managed by the local municipal government of the areas in Mainland China in which they operate. These subsidiaries are required to contribute a certain percentage of the relevant part of the payroll of these employees to the central pension scheme. The Group has no obligation for the payment of retirement benefits beyond the annual contributions. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

In addition to the above, the Group also participates in a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for its employees in Hong Kong. The Company's contributions have been capped to HK\$1,500 per month since 1 June 2014 for each of its employees in Hong Kong and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

Housing fund

Contributions to a defined contribution housing fund administered by the Public Accumulation Funds Administration Centre in Mainland China are charged to profit or loss as incurred.

2.4 主要會計政策概要(續)

其他僱員福利

退休金計劃

中國內地附屬公司的僱員須參與由經營所在中國內地地方市政府管理的定額中央退休金計劃。該等附屬公司須按該等僱員相關部分薪資的若干百分比向中央退休金計劃作出供款。除每年供款外，本集團並無支付退休福利的責任。供款根據中央退休金計劃的規則應付時，自損益中扣除。

除上述者外，本集團亦根據強制性公積金計劃條例為其香港僱員參與定額供款強制性公積金退休福利計劃(「強積金計劃」)。自2014年6月1日起，本公司就各香港僱員作出的供款上限為每月1,500港元，並根據強積金計劃的規則於應付時自損益中扣除。強積金計劃的資產與本集團的資產分開持有，並由獨立管理的基金管理。本集團的僱主供款於向強積金計劃作出供款時全數撥歸僱員所有。

住房公積金

向中國內地住房公積金管理中心管理的定額供款住房公積金作出的供款於產生時自損益中扣除。

2.4 Summary of Significant Accounting Policies (Continued)

Foreign currencies

These financial statements are presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.4 主要會計政策概要(續)

外幣

該等財務報表以人民幣呈列，而人民幣為本公司的功能貨幣。本集團旗下各實體釐定其各自的功能貨幣，而各實體的財務報表所載項目均以該功能貨幣計量。本集團旗下實體記錄的外幣交易初始以交易當日現行各自功能貨幣匯率記錄。以外幣計值的貨幣資產及負債按報告期末的功能貨幣匯率換算。結算或換算貨幣項目產生的差額於損益確認。

以歷史成本計量並以外幣計值的非貨幣項目使用首次交易當日的匯率換算。按公平值計量並以外幣計值的非貨幣項目使用計量公平值當日的匯率換算。換算按公平值計量的非貨幣項目產生的收益或虧損的處理方式，與有關項目公平值變動的收益或虧損的確認方式一致(即公平值收益或虧損於其他全面收益或損益中確認的項目的換算差額，亦會分別於其他全面收益或損益中確認)。

借貸成本

收購、建設或生產合資格資產(即需一段時間預備方可作擬定用途或出售的資產)直接應佔的借貸成本，會撥充資本作為該等資產的部分成本。當資產已大致備妥作擬定用途或出售時，借貸成本不再撥充資本。就特定借貸用作合資格資產開支前進行臨時投資所賺取的投資收入，會自撥充資本的借貸成本扣除。所有其他借貸成本在產生期間列作開支。借貸成本包括實體因借入資金所產生的利息及其他成本。



2.4 Summary of Significant Accounting Policies (Continued)

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the Directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Research and development costs

All research costs are charged to profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Deferred development costs are stated at cost less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying products not exceeding five to seven years, commencing from the date when the products are put into commercial production.

3. Significant Accounting Estimates

The preparation of the Group's financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Estimation uncertainty

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, are described below.

2.4 主要會計政策概要(續)

股息

末期股息於獲股東在股東大會批准時確認為負債。

由於本公司組織章程大綱及細則賦予董事權力宣派中期股息，故中期股息的建議派付及宣派同時進行。因此，中期股息於建議派付及宣派時立即確認為負債。

研發成本

所有研究成本均於產生時自損益中扣除。

僅當本集團可證明完成無形資產以供使用或出售在技術上可行、本集團有意完成及有能力使用或出售該資產、資產產生未來經濟利益的方式、有足夠資源完成項目及能可靠計量開發期間的開支時，開發新產品的項目產生的開支方會撥充資本及遞延。不符合該等標準的產品開發開支會於產生時支銷。

遞延開發成本按成本減任何減值虧損列賬並按直線基準在有關產品不超出由產品投入商業生產日期起計五至七年的商業壽命期間予以攤銷。

3. 重要會計估計

編製本集團財務報表須管理層作出判斷、估計及假設，而該等判斷、估計及假設影響收益、開支、資產及負債的呈報金額及隨附披露，以及有關或然負債的披露。該等假設及估計的不確定因素可導致日後須對受影響資產或負債的賬面值進行重大調整。

估計不確定因素

於報告期末關於未來的主要假設及估計不確定因素的其他主要來源具有導致下一財政年度內資產及負債賬面值須作出重大調整的重大風險，論述如下。

3. Significant Accounting Estimates (Continued)

Estimation uncertainty (Continued)

(a) *Impairment of goodwill*

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill as of 31 December 2016 was RMB58,632,000 (2015: RMB35,526,000). Further details are given in note 15 to the financial statements.

(b) *Impairment of receivables*

Impairment of receivables is estimated based on an assessment of the recoverability of receivables. The assessment of impairment of receivables involves the use of estimates and judgements. An estimate for doubtful debts is made when collection of the full amount under the invoice is no longer probable, as supported by objective evidence using available contemporary and historical information to evaluate the exposure. Bad debts are written off as incurred. Where the actual outcome or expectation in the future is different from the original estimates, such differences will affect the carrying value of receivables and thus the impairment loss in the period in which such estimate is changed. There was no impairment provision for receivables during the year (2015: Nil).

(c) *PRC corporate income tax ("PRC CIT")*

The Group's operating subsidiaries in Mainland China are subject to PRC CIT. As a result of the fact that certain matters relating to PRC CIT have not been confirmed by the relevant local tax authorities, objective estimates based on currently enacted tax laws, regulations and other related policies are required in determining the provision for PRC CIT to be made. Where the final tax outcome of these matters is different from the amounts originally recorded, the differences will impact the income tax expense and tax provision in the period in which the differences realise. The carrying amounts of PRC CIT payable as of 31 December 2016 was RMB4,777,000 (2015: RMB2,733,000).

3. 重要會計估計(續)

估計不確定因素(續)

(a) *商譽減值*

本集團至少每年釐定一次商譽是否出現減值，而此舉需估計獲分配商譽的現金產生單位的使用價值。估計使用價值時，本集團須對現金產生單位的預計未來現金流量進行估計，並選擇適當的貼現率，以計算該等現金流量的現值。於2016年12月31日，商譽賬面值為人民幣58,632,000元(2015年：人民幣35,526,000元)。進一步詳情載於財務報表附註15。

(b) *應收款項減值*

應收款項減值基於應收款項的可收回性評估進行估計。評估應收款項減值涉及估計及判斷的使用。當不可能收回發票的全數款項時，利用現有及過往資料評估風險的客觀證據，以對呆賬進行估計。壞賬於產生時撇銷。若日後的實際結果或預期與原來估計有別，該等差異將於有關估計變動的期間影響應收款項的賬面值及減值虧損。年內概無就應收款項計提減值撥備(2015年：無)。

(c) *中國企業所得稅(「中國企業所得稅」)*

本集團在中國內地的營運附屬公司須繳納中國企業所得稅。由於相關地方稅務機關尚未確認有關中國企業所得稅的若干事宜，因此釐定中國企業所得稅撥備時須根據現行稅法、法規及其他相關政策作出客觀估計。倘該等事項的最終稅務結果與初始記錄金額有別，差額將影響所得稅開支及差額變現期間的稅項撥備。於2016年12月31日，應付中國企業所得稅的賬面值為人民幣4,777,000元(2015年：人民幣2,733,000元)。



3. Significant Accounting Estimates (Continued)

Estimation uncertainty (Continued)

(d) *Useful lives of property, plant and equipment*

The Group determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is 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 charge where useful lives are less than previously estimated, or it will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold. The useful lives of property, plant and equipment are disclosed in note 2.4 to the financial statements.

(e) *Net realisable value of inventories*

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated cost to be incurred to completion and disposal. These estimates are based on the current market condition and the historical experience of selling products of a similar nature. Management reassesses these estimates at the end of each reporting period. The carrying amount of inventories as of 31 December 2016 was RMB137,602,000 (2015: RMB46,563,000).

(f) *Research expenses*

Research expenses are expensed in accordance with the accounting policy for research and development costs in note 2.4 to the financial statements. Determining the amounts to be expensed requires management to make judgements on the research and development progress. Research costs charged to profit or loss for the year ended 31 December 2016 amounted to RMB5,089,000 (2015: RMB3,028,000).

3. 重要會計估計(續)

估計不確定因素(續)

(d) *物業、廠房及設備的可使用年期*

本集團釐定其物業、廠房及設備的估計使用年期及相關折舊開支。該估計乃基於性質及功能相若的物業、廠房及設備的實際使用年期的過往經驗。倘可使用年期短於先前估計，管理層將上調折舊開支，或撤銷或撤減技術過時或已棄用或出售的非策略性資產。物業、廠房及設備的可使用年期披露於財務報表附註2.4。

(e) *存貨可變現淨值*

存貨可變現淨值即一般業務過程中的估計售價減完成及出售所產生估計成本。該等估計乃基於當前市況及銷售性質相若產品的過往經驗。於各報告期末，管理層重新評估該等估計。於2016年12月31日，存貨的賬面值為人民幣137,602,000元(2015年：人民幣46,563,000元)。

(f) *研究開支*

研究開支乃根據財務報表附註2.4所載研發成本的會計政策支銷。釐定支銷金額時，管理層須判斷研發進度。截至2016年12月31日止年度，自損益中扣除的研究成本為人民幣5,089,000元(2015年：人民幣3,028,000元)。

4. Revenue and Operating Segment Information

Revenue represents the net invoiced value of goods sold, net of various types of government surcharges.

The Group's revenue and contribution to consolidated results are mainly derived from its sales of Human Albumin Solution, antibiotics and other pharmaceutical products focused on therapeutic areas complementary to human plasma-based products and other fast-growing categories in Mainland China, which is regarded as a single reportable segment in a manner consistent with the way in which information is reported internally to the Group's senior management for purposes of resource allocation and performance assessment. In addition, the principal non-current assets employed by the Group are located in Mainland China. Accordingly, no segment analysis is presented other than entity-wide disclosures.

Entity-wide disclosures

Information about products

The following table sets forth the total revenue from external customers by product and the percentage of total revenue by product during the year:

| | | 2016 | | 2015 | |
|---|------------------|----------------|--------------|------------------|--------------|
| | | RMB'000 | % | RMB'000 | % |
| | | 人民幣千元 | | 人民幣千元 | |
| Sales of goods: | 銷售貨物： | | | | |
| Human Albumin Solution | 人血白蛋白注射液 | 514,265 | 59.9 | 668,007 | 60.9 |
| Antibiotics (Axetine, Medocef and Trifamox IBL) | 抗生素(安可欣、麥道必及特福猛) | 272,069 | 31.7 | 316,312 | 28.9 |
| Others (Taurolite, TAD and Esafosfina) | 其他(滔羅特、泰特及愛賽福) | 72,560 | 8.4 | 111,752 | 10.2 |
| | | 858,894 | 100.0 | 1,096,071 | 100.0 |

Geographical information

All external revenue of the Group during each of the two years ended 31 December 2016 and 2015 was attributable to customers located in Mainland China, the place of domicile of the Group's operating entities. The Group's non-current assets are all located in Mainland China.

4. 收益及經營分部資料

收益指已售貨物的發票淨值(扣除多種政府附加稅)。

本集團的收益及對綜合業績的貢獻主要來自其於中國內地的人血白蛋白注射液、抗生素、專注於與人體血漿製品互補的其他治療藥品及其他快速增長類別的銷售額，我們將其列為單一可報告分部，與本集團內部向本集團高級管理層報告資料方式一致，以便進行資源分配及表現評估。此外，本集團使用的主要非流動資產均位於中國內地。因此，除以實體為單位的披露外，未有呈列分部分析。

以實體為單位的披露

產品資料

下表載列年內按產品劃分來自外部客戶的總收益及各產品所佔總收益百分比：

地區資料

本集團於截至2016年及2015年12月31日止兩個年度各年的所有外界收益均來自位於中國內地(本集團營運實體註冊地)的客戶。本集團所有非流動資產均位於中國內地。



4. Revenue and Operating Segment Information (Continued)

Entity-wide disclosures (Continued)

Information about major customers

Revenue from each of the major customers, which amounted to 10% or more of the total revenue, is set out below:

| | | 2016 RMB'000 人民幣千元 | 2015 RMB'000 人民幣千元 |
|------------|-----|--------------------------|--------------------------|
| Customer A | 客戶A | 159,587 | 231,140 |
| Customer B | 客戶B | * | 180,310 |
| Customer C | 客戶C | * | - |
| Customer D | 客戶D | * | - |
| Customer E | 客戶E | * | - |

* Less than 10%

5. Other Income and Gains

An analysis of other income and gains is as follows:

| | | 2016 RMB'000 人民幣千元 | 2015 RMB'000 人民幣千元 |
|--|---------------------------------|--------------------------|--------------------------|
| Bank interest income | 銀行利息收入 | 655 | 390 |
| Government grants* | 政府補助* | 1,205 | 415 |
| Foreign exchange gains, net | 匯兌收益淨額 | 4,231 | - |
| Interest income on an available-for-sale investment (note 19) | 來自可供出售投資的利息收入 (附註19) | 1,810 | - |
| Fair value gains on financial assets at fair value through profit or loss classified as held for trading | 分類為持作買賣透過損益按公平 值計量的金融資產公平值收益 | 146 | - |
| Others | 其他 | 486 | 22 |
| | | 8,533 | 827 |

* There were no unfulfilled conditions or contingencies relating to the government grants.

6. Finance Costs

An analysis of finance costs is as follows:

| | | 2016 RMB'000 人民幣千元 | 2015 RMB'000 人民幣千元 |
|---|----------------|--------------------------|--------------------------|
| Interest on bank loans | 銀行貸款利息 | 8,627 | 5,688 |
| Interest on discounted bills receivable (note 18) | 應收貼現票據利息(附註18) | 560 | 1,417 |
| | | 9,187 | 7,105 |

4. 收益及經營分部資料(續)

以實體為單位的披露(續)

主要客戶資料

來自各主要客戶的收益(佔總收益的10%或以上)載列如下:

5. 其他收入及收益

有關其他收入及收益的分析如下:

6. 財務成本

有關財務成本的分析如下:

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

31 December 2016 2016年12月31日

7. Profit Before Tax

The Group's profit before tax was arrived at after charging/(crediting):

7. 除稅前溢利

本集團的除稅前溢利乃經扣除/(計入)以下各項後得出：

| | | Note 附註 | 2016 RMB'000 人民幣千元 | 2015 RMB'000 人民幣千元 |
|--|------------------------------|------------|--------------------------|--------------------------|
| Cost of inventories sold | 已售存貨成本 | | 754,326 | 943,564 |
| Employee benefit expense (including directors' remuneration as set out in note 8): | 僱員福利開支 (包括附註8 所載董事薪酬): | | | |
| Wages and salaries | 工資及薪金 | | 9,152 | 7,403 |
| Welfare and other benefits | 福利及其他利益 | | 1,078 | 516 |
| Equity-settled share option expense | 以股權結算的購股權開支 | 25 | 995 | – |
| Pension scheme contributions | 退休金計劃供款 | | | |
| – Defined contribution fund | – 定額供款基金 | | 1,080 | 974 |
| Housing fund | 住房公積金 | | | |
| – Defined contribution fund | – 定額供款基金 | | 466 | 439 |
| Total employee benefit expense | 僱員福利開支總額 | | 12,771 | 9,332 |
| Depreciation of items of property, plant and equipment | 物業、廠房及 設備項目折舊 | 12 | 5,554 | 5,185 |
| Amortisation of intangible assets* | 無形資產攤銷* | 13 | 5,112 | 5,045 |
| Research expenses | 研究開支 | | 5,089 | 3,028 |
| Operating lease rentals | 經營租約租金 | | 1,418 | 1,048 |
| Foreign exchanges losses/(gains), net | 匯兌虧損/(收益)淨額 | | (4,231) | 11,167 |
| Loss on disposal of an exclusive distribution right (note 13) | 處置獨家經銷權的虧損 (附註13) | | 1,435 | – |
| Auditors' remuneration | 核數師薪酬 | | 2,680 | 1,345 |

* The amortisation of intangible assets for the year ended 31 December 2016 of RMB5,044,000 (note 13) is included in "Cost of sales" in profit or loss.

* 截至2016年12月31日止年度的無形資產攤銷人民幣5,044,000元(附註13)計入損益表的「銷售成本」。



8. Directors' and Chief Executives' Remuneration and Five Highest Paid Employees

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on the HKSE, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

| | | 2016 RMB'000 人民幣千元 | 2015 RMB'000 人民幣千元 |
|---|-------------|--------------------------|--------------------------|
| Fees | 袍金 | 565 | - |
| Other emoluments: | 其他酬金： | | |
| Salaries, allowances and benefits in kind | 薪金、津貼及實物福利 | 2,274 | 188 |
| Equity-settled share option expense | 以股權結算的購股權開支 | 166 | - |
| Pension scheme contributions | 退休金計劃供款 | | |
| – Defined contribution fund | 一定額供款基金 | 4 | 46 |
| | | 3,009 | 234 |

During the year, a co-chief executive officer was granted share options, in respect of his services to the Group, under the share option scheme of the Company, further details of which are set out in note 25 to the financial statements. The fair value of such options, which has been recognised in profit or loss over the vesting period, was determined as of the date of grant and the amount included in the financial statements for the current year is included in the above directors' and chief executive's remuneration disclosures.

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

| | | 2016 RMB'000 人民幣千元 | 2015 RMB'000 人民幣千元 |
|------------------|-------|--------------------------|--------------------------|
| Mr. Chow Siu Lui | 鄒小磊先生 | 145 | - |
| Mr. Liu Wenfang | 劉文芳先生 | 145 | - |
| Mr. Wang Qing | 汪晴先生 | 145 | - |
| | | 435 | - |

There were no other emoluments payable to the independent non-executive directors during the year.

8. 董事及主要行政人員薪酬以及五名最高薪僱員

根據香港聯交所證券上市規則、香港公司條例第383(1)(a)、(b)、(c)及(f)條及公司(披露董事利益資料)規例第2部披露，年內董事及主要行政人員薪酬如下：

年內，根據本公司購股權計劃，聯席行政總裁就向本集團提供的服務獲授予購股權，進一步詳情載於財務報表附註25。該等已於歸屬期在損益確認的購股權的公平值乃於授出日期釐定，而計入本年度財務報表的金額載於上述董事及主要行政人員的薪酬披露中。

(a) 獨立非執行董事

年內已付獨立非執行董事的袍金如下：

年內概無應付予獨立非執行董事的其他酬金。

8. Directors' and Chief Executives' Remuneration and Five Highest Paid Employees (Continued)

(b) Executive directors and the chief executive

8. 董事及主要行政人員薪酬以及五名最高薪僱員(續)

(b) 執行董事及主要行政人員

| | | Fees | Salaries, allowances and benefits in kind | Equity-settled share option expense | Pension scheme contributions | Total |
|--|--------------|------------|---|-------------------------------------|------------------------------|--------------|
| | | 袍金 | 薪金、津貼及實物福利 | 以股權結算的購股權開支 | 退休金計劃供款 | 總計 |
| | | 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 |
| 2016 | 2016年 | | | | | |
| Executive directors and the chief executive: | 執行董事及主要行政人員： | | | | | |
| - Mr. Huang Xiangbin* | - 黃祥彬先生* | - | 1,554 | - | 4 | 1,558 |
| - Mr. Hao Jinghui* | - 郝景輝先生* | - | 720 | 166 | - | 886 |
| - Ms. Zhang Zhijie | - 張志傑女士 | 130 | - | - | - | 130 |
| | | 130 | 2,274 | 166 | 4 | 2,574 |
| 2015 | 2015年 | | | | | |
| Executive directors: | 執行董事： | | | | | |
| - Mr. Huang Xiangbin | - 黃祥彬先生 | - | 188 | - | 46 | 234 |
| - Ms. Zhang Zhijie | - 張志傑女士 | - | - | - | - | - |
| | | - | 188 | - | 46 | 234 |

* Mr. Hao Jinghui was appointed as the Company's co-chief executive officer on 16 August 2016. Mr. Huang Xiangbin acts as the co-chief executive officer of the Company following the appointment of Mr. Hao Jinghui as the co-chief executive officer of the Company with effect from 16 August 2016.

* 郝景輝先生於2016年8月16日獲委任為本公司聯席行政總裁。於郝景輝先生獲委任為本公司聯席行政總裁後，黃祥彬先生擔任本公司聯席行政總裁，自2016年8月16日起生效。

There was no arrangement under which a director waived or agreed to waive any remuneration during the year.

年內概無董事放棄或同意放棄任何薪酬的安排。



8. Directors' and Chief Executives' Remuneration and Five Highest Paid Employees (Continued)**(c) Five highest paid employees**

The five highest paid employees during the year included one director and a co-chief executive officer (2015: one director), details of whose remuneration are set out above. Details of the remuneration during the year of the remaining three (2015: four) highest paid employees who are neither a director nor a chief executive of the Company as follows:

| | | 2016 | 2015 |
|---|-------------|--------------|--------------|
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Salaries, allowances and benefits in kind | 薪金、津貼及實物福利 | 1,025 | 966 |
| Pension scheme contributions | 退休金計劃供款 | 71 | 238 |
| Equity-settled share option expense | 以股權結算的購股權開支 | 292 | - |
| | | 1,388 | 1,204 |

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following band is as follows:

| | | 2016 | 2015 |
|----------------------|---------------|----------|----------|
| Nil to HK\$1,000,000 | 零至1,000,000港元 | 3 | 4 |

During the year, share options were granted to three non-director and non-chief executive highest paid employees in respect of their services to the Group, further details of which are included in the disclosures in note 25 to the financial statements. The fair value of such options, which has been recognised in profit or loss over the vesting period, was determined as of the date of grant and the amount included in the financial statements for the current year is included in the above non-director and non-chief executive highest paid employees' remuneration disclosures.

8. 董事及主要行政人員薪酬以及五名最高薪僱員(續)**(c) 五名最高薪僱員**

年內，五名最高薪僱員包括一名董事及一名聯席行政總裁(2015年：一名董事)，其薪酬詳情載於上文。其餘三名(2015年：四名)最高薪非本公司董事或主要行政人員僱員於年內的薪酬詳情如下：

酬金介乎下列範圍的最高薪非董事及非主要行政人員僱員的人數如下：

於本年度，就其為本集團提供的服務，向三名最高薪非董事及非主要行政人員僱員授予購股權，進一步詳情計入財務報表附註25的披露資料內。已在歸屬期內於損益確認的有關購股權的公平值於授予日期釐定，及計入財務報表中的金額計入上述最高薪非董事及非主要行政人員僱員報酬的披露資料內。

9. Income Tax

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and British Virgin Islands.

Hong Kong profit tax has been provided at the rate of 16.5% on the Group's assessable profit derived from Hong Kong. The Group had such profit during the year ended 31 December 2016 and therefore provision for Hong Kong profits tax has been made accordingly.

The provision for PRC CIT is based on the respective PRC CIT rates applicable to the subsidiaries located in Mainland China as determined in accordance with the relevant income tax rules and regulations of Mainland China for the year. Except for certain subsidiaries domiciled in the PRC (the "PRC subsidiaries") that are entitled to a preferential income tax rate, other PRC subsidiaries are subject to the PRC CIT rate of 25% during the two years ended 31 December 2016.

The major components of income tax expense are as follows:

| | | 2016 | 2015 |
|---|-----------|----------------|---------|
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Current tax: | 即期稅項： | | |
| Income tax in Mainland China for the year | 中國內地年內所得稅 | 5,961 | 11,021 |
| Income tax in Hong Kong for the year | 香港年內所得稅 | 1,268 | 6,176 |
| Charge for the year | 年內費用 | 7,229 | 17,197 |

9. 所得稅

根據開曼群島及英屬維爾京群島的規則及法規，本集團毋須繳納開曼群島及英屬維爾京群島的任何所得稅。

本集團來自香港的應課稅利潤已按香港利得稅稅率16.5%繳稅。本集團於截至2016年12月31日止年度錄得有關利潤，因此已就香港利得稅計提撥備。

中國企業所得稅撥備乃根據該年內中國內地有關所得稅規則及法規所釐定分別適用於中國內地附屬公司的中國企業所得稅稅率計提。截至2016年12月31日止兩個年度，除於中國註冊的若干附屬公司(「中國附屬公司」)有權享有優惠所得稅稅率外，其他中國附屬公司須按中國企業所得稅稅率25%繳稅。

所得稅開支的主要組成部分如下：



Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

31 December 2016 2016年12月31日

9. Income Tax (Continued)

A reconciliation of the tax expense applicable to profit before tax at the applicable tax rate for companies within the Group to the tax expense at the effective tax rate is as follows:

| | | 2016 RMB'000 人民幣千元 | 2015 RMB'000 人民幣千元 |
|---|--------------------|--------------------------|--------------------------|
| Profit before tax | 除稅前溢利 | 25,566 | 86,638 |
| Added: disallowed expenses incurred by the Company* | 增加：本公司所招致的不可扣稅開支* | 14,012 | 14,917 |
| Profit before tax generated by Hong Kong and PRC subsidiaries | 香港及中國附屬公司所產生的除稅前溢利 | 39,578 | 101,555 |
| Tax at the respective statutory tax rates | 按各自法定稅率計算的稅項 | | |
| – PRC subsidiaries at 25% | – 中國附屬公司按25%計算 | 9,593 | 16,873 |
| – Hong Kong subsidiary at 16.5% | – 香港附屬公司按16.5%計算 | 199 | 5,119 |
| Lower tax rate for certain subsidiaries (note (a)) | 若干附屬公司的較低稅率(附註(a)) | (4,977) | (6,668) |
| Expenses not deductible for tax | 不可扣稅開支 | 1,233 | 1,349 |
| Income not subject to tax | 毋須課稅收入 | (447) | – |
| Tax losses not recognised | 未確認稅項虧損 | 1,628 | 524 |
| | | 7,229 | 17,197 |

* Expenses incurred by the Company during each of the two years ended 31 December 2016 and 2015 mainly consisted of listing fees, consultancy service fees and foreign exchange differences incurred by the Company. These expenses are not expected to be tax deductible.

Notes:

(a) Sichuan Sinco Pharmaceuticals is entitled to a preferential tax rate of 15% according to the "Western Development Policy" until 31 December 2020.

From year 2015 to year 2017, the income tax rate of the Tibet Autonomous Region has changed from 15% to 9%. Accordingly, Linzhi Ziguang is entitled to the 9% preferential tax rate for the year ended 31 December 2016.

9. 所得稅(續)

按本集團旗下公司適用稅率計算的適用於除稅前溢利的稅項開支與按實際稅率計算的稅項開支的對賬如下：

* 截至2016年及2015年12月31日止兩個年度各年，本公司所產生的開支主要包括本公司所產生的上市費用、諮詢服務費用及匯兌差額。該等開支預期為不可扣稅開支。

附註：

(a) 根據「西部大開發政策」，四川興科蓉藥業享有15%的優惠稅率，直至2020年12月31日。

2015年至2017年期間，西藏自治區的所得稅稅率已由15%變更為9%。因此，截至2016年12月31日止年度，林芝紫光有權享有9%的優惠稅率。



9. Income Tax (Continued)

Notes: (Continued)

- (b) Pursuant to the income tax rules and regulations of the PRC, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement has been effective from 1 January 2008 and applied to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. The withholding tax rate for the Group is 10%.

As of 31 December 2016, no deferred tax liability has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiary established in Mainland China. In the opinion of the Directors, it is not probable that this subsidiary will distribute such earnings in the foreseeable future after their assessment based on factors which included the dividend policy, the level of working capital required for the Group's operations and the expansion of the Group's operations in Mainland China. The aggregate amount of temporary differences as associated with investments in subsidiaries in Mainland China for which deferred tax liabilities have not been recognised totalled approximately RMB188,224,000 (2015: RMB160,176,000).

10. Dividends

| | RMB'000 人民幣千元 |
|--|------------------|
| Interim-HK\$0.0033 (2015: not applicable) per ordinary share | 4,555 |
| 中期每股普通股0.0033港元 (2015年：不適用) | 4,555 |

The interim dividend has been paid out from the Company's share premium account.

At a meeting of the Directors held on 27 March 2017, the Directors resolved not to pay final dividends to shareholders (2015 final dividend: Not applicable).

11. Earnings Per Share Attributable to Ordinary Equity Holders of the Company

The calculation of basic earnings per share for the years ended 31 December 2016 and 2015 is based on the profit for the year attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of 1,535,776,448 (2015: 1,200,000,000) in issue during the year.

No adjustment has been made to the basic earnings per share for the years ended 31 December 2016 and 2015 as no diluting events occurred during the current and the prior years.

9. 所得稅(續)

附註：(續)

- (b) 根據中國所得稅規則及法規，就於中國內地成立的外資企業向外國投資者宣派的股息徵收10%的預扣稅。該規定自2008年1月1日起生效，並適用於2007年12月31日後的盈利。倘中國內地與外國投資者所在司法權區已簽訂稅務協議，則可採用較低的預扣稅率。本集團的預扣稅率為10%。

截至2016年12月31日，並無就本集團於中國內地成立的附屬公司應付的未匯出盈利所繳納的預扣稅確認遞延稅項負債。董事認為，基於股息政策、本集團業務所需的營運資金水平及本集團擴大中國內地的業務等因素進行評估後，該附屬公司於可見將來不大可能分派有關盈利。未就有關於中國內地成立的附屬公司的投資的暫時性差異總額約人民幣188,224,000元(2015年：人民幣160,176,000元)確認遞延稅項負債。

10. 股息

中期股息已從本公司股份溢價賬派付。

董事已於2017年3月27日舉行的董事會議上決議不向股東派付末期股息(2015年末期股息：不適用)。

11. 本公司普通股持有人應佔每股盈利

截至2016年及2015年12月31日止年度的每股基本盈利，是基於本公司普通股持有人應佔年度溢利，及年內已發行普通股的加權平均數1,535,776,448股(2015年：1,200,000,000股)計算。

由於現年度及過往年度並無出現攤薄事件，因此截至2016年及2015年12月31日止年度的每股基本盈利均無調整。



12. Property, Plant and Equipment

12. 物業、廠房及設備

| | | Leasehold land and buildings 租賃土地及 樓宇 RMB'000 人民幣千元 | Office equipment 辦公室 設備 RMB'000 人民幣千元 | Motor vehicles 汽車 RMB'000 人民幣千元 | Construction in progress ("CIP") 在建工程 (「在建工程」) RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
|---------------------------------------|--------------------|---|--|---|--|---------------------------------|
| 31 December 2016 | 2016年12月31日 | | | | | |
| Cost: | 成本: | | | | | |
| At 1 January 2016 | 於2016年1月1日 | 91,417 | 3,729 | 10,005 | - | 105,151 |
| Additions | 添置 | - | 399 | 7,084 | 4,525 | 12,008 |
| Acquisition of a subsidiary (note 27) | 收購一間附屬公司 (附註27) | - | 336 | - | - | 336 |
| Transferred from CIP | 轉自在建工程 | 1,153 | - | - | (1,153) | - |
| At 31 December 2016 | 於2016年12月31日 | <u>92,570</u> | <u>4,464</u> | <u>17,089</u> | <u>3,372</u> | <u>117,495</u> |
| Accumulated depreciation: | 累計折舊: | | | | | |
| At 1 January 2016 | 於2016年1月1日 | 3,233 | 1,312 | 3,684 | - | 8,229 |
| Provided for the year (note 7) | 年內撥備(附註7) | 2,274 | 760 | 2,520 | - | 5,554 |
| At 31 December 2016 | 於2016年12月31日 | <u>5,507</u> | <u>2,072</u> | <u>6,204</u> | <u>-</u> | <u>13,783</u> |
| Net carrying amount: | 賬面淨值: | | | | | |
| At 1 January 2016 | 於2016年1月1日 | <u>88,184</u> | <u>2,417</u> | <u>6,321</u> | <u>-</u> | <u>96,922</u> |
| At 31 December 2016 | 於2016年12月31日 | <u>87,063</u> | <u>2,392</u> | <u>10,885</u> | <u>3,372</u> | <u>103,712</u> |
| 31 December 2015 | 2015年12月31日 | | | | | |
| Cost: | 成本: | | | | | |
| At 1 January 2015 | 於2015年1月1日 | 91,417 | 3,409 | 8,312 | - | 103,138 |
| Additions | 添置 | - | 254 | 1,693 | - | 1,947 |
| Acquisition of subsidiaries | 收購附屬公司 | - | 66 | - | - | 66 |
| At 31 December 2015 | 於2015年12月31日 | <u>91,417</u> | <u>3,729</u> | <u>10,005</u> | <u>-</u> | <u>105,151</u> |
| Accumulated depreciation: | 累計折舊: | | | | | |
| At 1 January 2015 | 於2015年1月1日 | 931 | 582 | 1,531 | - | 3,044 |
| Provided for the year | 年內撥備 | 2,302 | 730 | 2,153 | - | 5,185 |
| At 31 December 2015 | 於2015年12月31日 | <u>3,233</u> | <u>1,312</u> | <u>3,684</u> | <u>-</u> | <u>8,229</u> |
| Net carrying amount: | 賬面淨值: | | | | | |
| At 1 January 2015 | 於2015年1月1日 | <u>90,486</u> | <u>2,827</u> | <u>6,781</u> | <u>-</u> | <u>100,094</u> |
| At 31 December 2015 | 於2015年12月31日 | <u>88,184</u> | <u>2,417</u> | <u>6,321</u> | <u>-</u> | <u>96,922</u> |

12. Property, Plant and Equipment (Continued)

- (a) As of 31 December 2016, the Group's buildings with net carrying amounts of approximately RMB14,090,000 (2015: RMB11,027,000), were erected on the land where the Group is still in the process of applying for the land use rights certificate. The Directors are of the view that the Group is entitled to lawfully and validly occupy and use the above-mentioned land. The Directors are also of the opinion that the aforesaid matter will not have any significant impact on the Group's financial position as of 31 December 2016.
- (b) As of 31 December 2016, the Group's buildings with net carrying amounts of RMB76,145,000 (2015: RMB77,089,000) were pledged to a bank to secure the bank loans (note 23 (b)).
- (c) The Group's land included in property, plant and equipment is situated in Mainland China and held under medium lease terms.

12. 物業、廠房及設備(續)

- (a) 於2016年12月31日，本集團賬面淨值約人民幣14,090,000元(2015年：人民幣11,027,000元)的樓宇建於本集團仍在申請土地使用權證的土地上。董事認為本集團有權合法及有效佔用及使用上述土地。董事亦認為，上述事宜對本集團於2016年12月31日的財務狀況不會有任何重大影響。
- (b) 於2016年12月31日，本集團賬面淨值為人民幣76,145,000元(2015年：人民幣77,089,000元)的樓宇已抵押予一間銀行，作為銀行貸款的擔保(附註23(b))。
- (c) 計入物業、廠房及設備的本集團土地位於中國內地，按中期租約持有。



Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

31 December 2016 2016年12月31日

13. Intangible Assets

13. 無形資產

| | | Software 軟件 RMB'000 人民幣千元 | Exclusive distribution rights* 獨家經銷權* RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
|--|--------------------------|------------------------------------|--|---------------------------------|
| Cost at 1 January 2016, net of accumulated amortisation | 於2016年1月1日按成本， 扣除累計攤銷 | 30 | 40,348 | 40,378 |
| Additions | 添置 | 372 | — | 372 |
| Disposals | 處置 | — | (3,184) | (3,184) |
| Amortisation provided during the year (note 7) | 年內攤銷撥備(附註7) | (68) | (5,044) | (5,112) |
| At 31 December 2016 | 於2016年12月31日 | 334 | 32,120 | 32,454 |
| At 31 December 2016: Cost | 於2016年12月31日： 成本 | 403 | 41,298 | 41,701 |
| Accumulated amortisation | 累計攤銷 | (69) | (9,178) | (9,247) |
| Net carrying amount | 賬面淨值 | 334 | 32,120 | 32,454 |
| Cost at 1 January 2015, net of accumulated amortisation | 於2015年1月1日按成本， 扣除累計攤銷 | — | — | — |
| Additions | 添置 | 20 | 45,392 | 45,412 |
| Acquisition of subsidiaries | 收購附屬公司 | 11 | — | 11 |
| Amortisation provided during the year | 年內攤銷撥備 | (1) | (5,044) | (5,045) |
| At 31 December 2015 | 於2015年12月31日 | 30 | 40,348 | 40,378 |
| At 31 December 2015: Cost | 於2015年12月31日： 成本 | 31 | 45,392 | 45,423 |
| Accumulated amortisation | 累計攤銷 | (1) | (5,044) | (5,045) |
| Net carrying amount | 賬面淨值 | 30 | 40,348 | 40,378 |

* It represented the purchased exclusive distribution rights by the Group from Vast Surplus, a company controlled by Mr. Huang Xiangbin, in respect of the respective distribution rights for Taurolite, TAD and Esafosina for nine years since 1 January 2015 in Mainland China, at a cash consideration in aggregate of RMB45,392,000. These exclusive distribution rights are amortised on a straight-line basis over the useful life of nine years.

As of 31 December 2016, the net carrying amount of the distribution right to TAD was RMB3,184,000. Given the longer-than-expected renewal period and the uncertainty in the renewal process in respect of the import drug license for TAD, the Group agreed to cease the distribution agreement of TAD with Trendful Development Limited, an independent third party with a compensation of RMB1,749,000 and hence caused a loss amounted to RMB1,435,000 (note 7) recorded as "other expenses" during the year ended 31 December 2016.

* 指本集團以現金代價合計人民幣45,392,000元向由黃祥彬先生控制的鵬盈購買獨家經銷權，內容有關滔羅特、泰特及愛賽福各自於中國內地自2015年1月1日起計九年的經銷權。該等獨家經銷權根據直線基準按九年可使用年期攤銷。

於2016年12月31日，泰特經銷權的賬面淨值為人民幣3,184,000元。由於泰特藥品進口許可證的重續期較預期長且重續過程具不確定性，故本集團同意按補償價格人民幣1,749,000元與獨立第三方銓福發展有限公司終止泰特經銷權協議，並因此於截至2016年12月31日止年度將所造成虧損人民幣1,435,000元(附註7)入賬列作「其他開支」。



14. Payments in Advance

14. 預付款項

| | 2016 RMB'000 人民幣千元 | 2015 RMB'000 人民幣千元 |
|---|--------------------------|--------------------------|
| <i>In respect of:</i> | | |
| Prepayments made in relation to property, plant and equipment | 99,858 | 69,427 |

15. Goodwill

15. 商譽

| | | RMB'000 人民幣千元 |
|---|----------------------|------------------|
| Cost at 1 January 2015, net of accumulated impairment | 於2015年1月1日按成本，扣除累計減值 | - |
| Acquisition of subsidiaries | 收購附屬公司 | 35,526 |
| Cost and net carrying amount at 31 December 2015 | 於2015年12月31日的成本及賬面淨值 | 35,526 |
| At 31 December 2015: | 於2015年12月31日： | |
| Cost | 成本 | 35,526 |
| Accumulated impairment | 累計減值 | - |
| Net carrying amount | 賬面淨值 | 35,526 |
| Cost at 1 January 2016, net of accumulated impairment | 於2016年1月1日按成本，扣除累計減值 | 35,526 |
| Acquisition of a subsidiary (note 27) | 收購附屬公司(附註27) | 23,106 |
| Cost and net carrying amount at 31 December 2016 | 於2016年12月31日的成本及賬面淨值 | 58,632 |
| At 31 December 2016: | 於2016年12月31日： | |
| Cost | 成本 | 58,632 |
| Accumulated impairment | 累計減值 | - |
| Net carrying amount | 賬面淨值 | 58,632 |

Goodwill is acquired through the business combination of Linzhi Ziguang Group on 31 March 2015 and the business combination of Qingdao Ruichi on 22 December 2016. Goodwill acquired through business combinations is allocated to the CGU which is the Pharmaceutical Product CGU.

商譽透過林芝紫光集團於2015年3月31日的業務合併及青島瑞馳於2016年12月22日的業務合併所產生。透過業務合併收購的商譽被分配至現金產生單位，為藥品現金產生單位。



15. Goodwill (Continued)

Impairment testing of goodwill

The recoverable amount of the group of CGU has been determined based on a value in use calculation using cash flow projections which is based on financial forecast approved by the Company's Directors covering a period of five years. The discount rate applied to the cash flow projections is 20.1%, which is determined by reference to the average rates for similar industry and the business risk of the relevant business units. Cash flows beyond the five-year period were assumed to be stable.

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Budgeted gross margins – The basis used to determine the value assigned to the budgeted gross margins is the average gross margin achieved in the year immediately before the budget year, increased for expected market development.

Discount rate – The discount rate used is pre-tax and reflects specific risks relating to the relevant unit.

The values assigned to key assumptions are consistent with external information sources.

15. 商譽(續)

商譽減值測試

該現金產生單位組別的可收回金額乃採用基於本公司董事批准的五年期財務預測作出的現金流量預測按使用價值計算釐定。現金流量預測所採用的貼現率為20.1%，此乃經參考類似行業的平均比率及相關業務單位的業務風險後釐定。五年以上的現金流量假設為穩定。

管理層為進行商譽減值測試時制定現金流量預測所依據的各項主要假設如下：

預算毛利率—用作釐定預算毛利率所指定價值的基準乃緊接預算年度前一年所取得的平均毛利率，按預期市場發展而增加。

貼現率—所用貼現率為稅前比率，反映有關單位涉及的特定風險。

賦予主要假設的價值與外界資料來源相符。

16. Prepayments, Deposits and Other Receivables

16. 預付款項、按金及其他應收款項

| | | Notes | 2016 RMB'000 人民幣千元 | 2015 RMB'000 人民幣千元 |
|---|--------------------|-------|--------------------------|--------------------------|
| | | 附註 | | |
| Current portion | 流動部分 | | | |
| <i>Prepayments in respect of:</i> | <i>以下項目的預付款項：</i> | | | |
| – purchase of inventories | – 購買存貨 | | 21,123 | 657 |
| – consultation service fee | – 諮詢服務費 | (a) | 5,443 | 4,890 |
| – technical service fee | – 技術服務費 | | – | 3,429 |
| – deferred listing fee | – 遞延上市費 | | – | 3,697 |
| – others | – 其他 | | 469 | 551 |
| Deposits | 按金 | | 1,748 | 1,158 |
| <i>Other receivables in respect of:</i> | <i>以下項目的其他應收款項</i> | | | |
| – value-added tax recoverable | – 可收回增值稅 | | 36,049 | 21,257 |
| – purchase rebate | – 購買回扣 | | 874 | – |
| – staff advances | – 員工墊款 | | 297 | 163 |
| – others | – 其他 | | 1,112 | – |
| | | | 67,115 | 35,802 |
| Non-current portion | 非流動部分 | | | |
| <i>Deposit in respect of:</i> | <i>以下項目的按金：</i> | | | |
| – CIP | – 在建工程 | (b) | 3,000 | 3,000 |
| | | | 70,115 | 38,802 |

Notes:

- (a) The balance as of 31 December 2016 primarily consists of (i) a prepayment of RMB4,000,000 made to an independent third party, in relation to the service for assisting in the registration of certain products in the national insurance catalogue, which will be fully refunded if the products failed to be registered in the national insurance catalogue by 31 December 2017; (ii) a prepayment of RMB2,019,000 made to an independent third party, in relation to consultation services on the market share expansion of the Group's pharmaceutical products and incorporating the Group's sales centre in Shanghai covering the period from 1 July 2016 to 30 June 2017, of which RMB1,010,000 has been released to profit or loss during the year ended 31 December 2016.
- (b) The balances represent a deposit paid to an independent third party in respect of the construction of the Group's warehouse.

None of the above assets is either past due or impaired. The financial assets included in the above relate to receivables for which there was no recent history of default.

附註：

- (a) 截至2016年12月31日的結餘主要包括(i)就協助於醫療保險目錄中登記若干產品的服務而向獨立第三方預付款項人民幣4,000,000元，倘產品截至2017年12月31日未能於醫療保險目錄中登記，有關預付款項將全數退還；(ii)就2016年7月1日至2017年6月30日期間有關擴展本集團藥品市場份額及於上海成立本集團銷售中心的諮詢服務而向獨立第三方預付款項人民幣2,019,000元，其中人民幣1,010,000元已計入截至2016年12月31日止年度的損益。
- (b) 結餘指就本集團倉庫建設付予一名獨立第三方的按金。

上述資產概無逾期或減值。計入上述結餘的金融資產與近期無拖欠記錄的應收款項有關。



Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

31 December 2016 2016年12月31日

17. Inventories

At the end of the reporting period, all inventories represent purchased goods of pharmaceutical products.

17. 存貨

於報告期末，所有存貨指已採購藥品貨品。

18. Trade and Bills Receivables

18. 貿易應收款項及應收票據

| | | 2016 RMB'000 人民幣千元 | 2015 RMB'000 人民幣千元 |
|-------------------|--------|--------------------------|--------------------------|
| Trade receivables | 貿易應收款項 | 11,751 | – |
| Bills receivable | 應收票據 | 8,117 | 77,186 |
| | | 19,868 | 77,186 |

The Group's trading terms with its customers are mainly on full payment in advance of delivery either in cash or in bills receivable accepted by a bank, except for certain customers which are granted credit terms ranging from 30 days to 60 days. The Group maintains strict control over the settlements of its outstanding receivables and has a credit control department to minimise credit risk. Trade receivables are non-interest-bearing and unsecured.

Based on the invoice date, all trade receivables of the Group as of 31 December 2016 were aged within two months and were neither past due or impaired.

As of 31 December 2016, the Group discounted certain bills receivable accepted by banks in the PRC, with a carrying amount in aggregate of RMB94,687,270 (2015: RMB201,301,000) (the "Derecognised Bills"). The Derecognised Bills have been accepted by reputable banks in the PRC like China Construction Bank, Industrial and Commercial Bank of China, China Merchants Bank, Bank of Communications, Bank of China and Bank of Chengdu and have a maturity within two months at the end of the reporting period. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills have a right of recourse against the Group if the PRC banks default (the "Continuing Involvement"). In the opinion of the Directors, the Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills and the associated advances on discounting.

本集團與其客戶的貿易條款主要為須於交付產品前以現金或銀行承兌的應收票據全數付款(若干客戶除外，其獲授的信貸期介乎30日至60日)。本集團對其尚未收回的應收款項結算維持嚴格控制，並擁有信貸控制部門，以將信貸風險降至最低。貿易應收款項為不計息及無抵押。

根據發票日期，本集團截至2016年12月31日的全部貿易應收款項賬齡均介乎兩個月內且並無逾期或減值。

於2016年12月31日，本集團貼現若干獲中國的銀行承兌的應收票據，該等款項賬面值合共為人民幣94,687,270元(2015年：人民幣201,301,000元)(「終止確認票據」)。終止確認票據獲中國建設銀行、中國工商銀行、招商銀行、交通銀行、中國銀行及成都銀行等中國知名銀行承兌，於報告期末，該等票據的到期日均在兩個月以內。根據《中華人民共和國票據法》，倘中國的銀行違約，終止確認票據的持有人對本集團擁有追索權(「持續參與」)。董事認為，本集團已轉移絕大部分與終止確認票據有關的風險及回報。因此，其已終止確認終止確認票據及相關貼現墊款的全部賬面值。



18. Trade and Bills Receivables (Continued)

The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their face amounts. In the opinion of the Directors, the fair values of the Group's Continuing Involvement in the Derecognised Bills are not significant.

During the year, the Group has recognised interest expenses of RMB560,000 (2015: RMB1,417,000) (note 6) on discounted bills receivable. No gains or losses were recognised from the Continuing Involvement, both during the year or cumulatively. The discounting has been made evenly throughout the year.

19. Available-For-Sale Investment

The available-for-sale investment represents a one-year fund of HK\$120,000,000 (equivalent to RMB103,500,000), issued by Shenzhen City William Financial Holding Limited, an independent third party, on 13 July 2016. The fixed return rate of the Fund is 3.6% per annum based on the stable income from investment portfolio including bonds, reverse repurchase bonds, bank deposits, negotiable certificates of deposit, exchange market funds, other financial products which is having low risk profile with high liquidity. The Fund is redeemable by the Group at any time after the subscription upon giving a written notice of not less than five days in advance of the redemption. Therefore, the above investment is designated as an available-for-sale debt instrument. Pursuant to the underlying contract, the Fund is principal guaranteed upon redemption or maturity. As of 31 December 2016, the Group's Fund with a carrying amount of HK\$124,423,000 (equivalent to RMB111,261,000) (2015: not applicable) was measured at fair value.

During the year, the accrued interest income on the Group's available-for-sale investment recognised as "other income" in profit or loss amounted to HK\$2,024,000 (equivalent to RMB1,810,000) (2015: not applicable).

18. 貿易應收款項及應收票據(續)

本集團因對終止確認票據的持續參與而面對的最大損失風險及購回該等終止確認票據的未貼現現金流量等於其面值。董事認為，本集團對終止確認票據的持續參與的公平值並不重大。

年內，本集團確認應收貼現票據的利息開支人民幣560,000元(2015年：人民幣1,417,000元)(附註6)。並無於年內或累計確認持續參與的收益或虧損。整年各時期貼現額相當平均。

19. 可供出售投資

可供出售投資指120,000,000港元(相當於人民幣103,500,000元)的一年期基金，由獨立第三方深圳市威廉金融控股有限公司於2016年7月13日發行。基金每年固定回報率為3.6%，基於包括債券、逆回購債券、銀行存款、可轉讓存款證、外匯市場基金及擁有低風險組合及高流動性的其他金融產品的投資組合所提供的穩定收入。於贖回前不少於五日發出書面通知後，本集團可於認購事項後隨時贖回基金。因此，上述投資被指定為可供出售債務工具。根據相關合約，基金本金於贖回或到期時可獲保證。於2016年12月31日，本集團賬面值為124,423,000港元(相當於人民幣111,261,000元)(2015年：不適用)的基金按公平值計量。

於本年度，本集團於損益確認為「其他收入」的可供出售投資的應計利息收入為2,024,000港元(相當於人民幣1,810,000元)(2015年：不適用)。



Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

31 December 2016 2016年12月31日

20. Cash and Cash Equivalents and Pledged Bank Balances 20. 現金及現金等價物及已抵押銀行結餘 Balances

| | | 2016 | 2015 |
|------------------------------|------------|----------------|---------------|
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Cash and bank balances | 現金及銀行結餘 | 154,079 | 60,206 |
| Less: Pledged bank balances* | 減：已抵押銀行結餘* | (52,029) | (22,068) |
| Cash and cash equivalents | 現金及現金等價物 | <u>102,050</u> | <u>38,138</u> |

* The balances represent time deposits with original maturity of less than three months pledged for issuance of letters of credit for the purchase of pharmaceutical products.

* 結餘指原到期日不超過三個月，就簽發信用證以購買藥品而抵押的定期存款。

The Group's cash and bank balances at the end of the reporting period can be further analysed as follows:

於報告期末，本集團的現金及銀行結餘可進一步分析如下：

| | | 2016 | 2015 |
|---------------------|--------|----------------|---------------|
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Denominated in RMB | 以人民幣計值 | 100,945 | 32,683 |
| Denominated in US\$ | 以美元計值 | 36,467 | 27,062 |
| Denominated in HK\$ | 以港元計值 | 16,251 | 113 |
| Denominated in Euro | 以歐元計值 | 416 | 348 |
| | | <u>154,079</u> | <u>60,206</u> |

The RMB is not freely convertible into other currencies. However, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

人民幣不能自由兌換為其他貨幣。然而，根據中國內地《外匯管理條例》及《結匯、售匯及付匯管理規定》，本集團可透過獲授權開展外匯業務的銀行將人民幣兌換成其他貨幣。

Cash at banks earns interest at floating rates based on daily bank deposit rates. Time deposits are made for the period of three months, and earn interest at the respective deposit rates. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default.

銀行現金按根據每日銀行存款利率計算的浮動利率計息。定期存款的存款期為三個月，並按各自的存款利率計息。銀行結餘及定期存款乃存於近期無拖欠記錄且信譽良好的銀行。



Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

31 December 2016 2016年12月31日

21. Trade Payables

An aged analysis of trade payables as of the end of the reporting period, based on the invoice date, is as follows:

| | | 2016 | 2015 |
|---------------------|------|---------------|---------------|
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Within three months | 三個月內 | 45,832 | 62,793 |

Trade payables of the Group are non-interest-bearing and are normally settled within 90 days.

21. 貿易應付款項

於報告期末，貿易應付款項基於發票日期的賬齡分析如下：

本集團的貿易應付款項為不計息及通常於90日內結清。

22. Other Payables

| | | | 2016 | 2015 |
|----------------------------------|--------------|-------|---------------|---------------|
| | | Notes | RMB'000 | RMB'000 |
| | | 附註 | 人民幣千元 | 人民幣千元 |
| Payables related to: | 有關以下項目的應付款項： | | | |
| Payroll and welfare payable | 應付工資及福利 | | 1,219 | 1,485 |
| Property, plant and equipment | 物業、廠房及設備 | | 1,399 | 1,428 |
| Intangible assets | 無形資產 | | 60 | - |
| Deposits received | 已收按金 | (a) | 54,362 | 51,349 |
| Acquisition of subsidiaries | 收購附屬公司 | (b) | 2,100 | 27,000 |
| Consulting and professional fees | 諮詢及專業費用 | | 1,296 | 1,300 |
| Tax other than income tax | 所得稅除外的稅項 | | 372 | 794 |
| Other payables | 其他應付款項 | | 926 | 776 |
| | | | 61,734 | 84,132 |

Notes:

(a) The balances represent refundable deposits received from the Group's distributors according to the sales contracts in order to guarantee their performance under the distribution agreement.

(b) The balance as of 31 December 2016 represents the remaining consideration payable in respect of the acquisition of 100% equity interest in Qindgdao Ruichi from two independent third party individuals.

The balance as of 31 December 2015 represents the remaining consideration payable in respect of the acquisition of a 100% equity interest in Linzhi Ziguang Group from an independent third party, which has been fully settled by cash during the year ended 31 December 2016.

All other payables of the Group are non-interest-bearing and unsecured.

附註：

(a) 結餘指為保證本集團經銷商按照經銷協議履約而根據銷售合約已收彼等的可退還按金。

(b) 於2016年12月31日的結餘指從兩名獨立第三方個人收購青島瑞馳的全部股權所支付的剩餘代價。

於2015年12月31日的結餘指從一名獨立第三方收購林芝紫光集團的全部股權所支付的剩餘代價，截至2016年12月31日止年度已悉數以現金結算。

本集團所有其他應付款項均免息及無抵押。



Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

31 December 2016 2016年12月31日

23. Interest-Bearing Bank Loans

23. 計息銀行貸款

| | | Notes | 2016 RMB'000 人民幣千元 | 2015 RMB'000 人民幣千元 |
|------------------------|----------|-------|--------------------------|--------------------------|
| | | 附註 | | |
| Bank loans: | 銀行貸款： | | | |
| Secured and guaranteed | 有抵押及有擔保 | (a) | – | 15,000 |
| Secured | 有抵押 | (b) | 35,000 | 46,915 |
| Guaranteed | 有擔保 | (c) | 110,000 | 20,000 |
| Unsecured | 無抵押 | (d) | 20,000 | – |
| | | | 165,000 | 81,915 |
| Bank loans repayable: | 應償還銀行貸款： | | | |
| Within one year | 一年內 | | 165,000 | 81,915 |

Notes:

- (a) The balances as of 31 December 2015 represent one-year bank loans granted by Bank of Chengdu to the Group, which bear interest at fixed rates ranging from 5.98% to 6.30% per annum and are guaranteed by Mr. Huang Xiangbin and secured by the Group's buildings. Such loans were repaid by the Group during the year ended 31 December 2016.
- (b) The balance as of 31 December 2016 represents a one-year bank loan granted by Bank of Chengdu to the Group bearing a fixed interest rate of 5.22% per annum, which is secured by the Group's buildings (note 12).
- (c) The balances as of 31 December 2016 consist of (i) a one-year bank loan of RMB100,000,000 granted by Ping An Bank to the Group bearing a fixed interest of 5.22% per annum, which is guaranteed by Sichuan Kelun Pharmaceuticals Trading Co., Ltd. ("Kelun Pharmaceuticals"), an independent third party at nil consideration; and (ii) a one-year bank loan of RMB10,000,000 granted by Bank of China to the Group bearing an interest rate of 2.01% above the one-year China Inter Bank Offered Rate ("CIBOR") which is guaranteed by Kelun Pharmaceuticals.
- (d) The balance as of 31 December 2016 represents six-months bank loans of RMB20,000,000 granted by Bank of China to the Group bearing interest rates of 1.58% above the one-year CIBOR.

Management has assessed that the fair values of the above interest-bearing bank loans approximate to their carrying amounts largely due to the short term maturities of these instruments.

附註：

- (a) 於2015年12月31日的結餘指成都銀行授予本集團的一年期銀行貸款，以固定年利率介乎5.98%至6.30%計算，由黃祥彬先生擔保並以本集團樓宇作抵押。本集團已於截至2016年12月31日止年度償還該等貸款。
- (b) 於2016年12月31日的結餘指成都銀行授予本集團的一年期銀行貸款，以固定年利率5.22%計息，以本集團樓宇作抵押(附註12)。
- (c) 於2016年12月31日的結餘包括(i)平安銀行授予本集團的一年期銀行貸款人民幣100,000,000元，以固定年利率5.22%計息，由獨立第三方四川科倫藥業股份有限公司(「科倫藥業」)以零代價擔保；及(ii)中國銀行授予本集團的一年期銀行貸款人民幣10,000,000元，按一年期中國銀行同業拆息(「中國銀行同業拆息」)加2.01%的利率計息，由科倫藥業擔保。
- (d) 於2016年12月31日的結餘指中國銀行授予本集團的六個月銀行貸款人民幣20,000,000元，按一年期中國銀行同業拆息加1.58%的利率計息。

管理層評估，上述計息銀行貸款的公平值與各自的賬面值相若，主要由於該等工具的短期性質使然。



Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

31 December 2016 2016年12月31日

24. Share Capital
Shares24. 股本
股份

| | | 2016 RMB'000 人民幣千元 | 2015 RMB'000 人民幣千元 |
|--|--|--------------------------|--------------------------|
| Authorised: | 法定： | | |
| 3,800,000,000 (31 December 2015: 3,800,000,000) ordinary shares of HK\$0.0001 each | 3,800,000,000股 (2015年12月31日： 3,800,000,000股)每股 面值0.0001港元的普通股 | <u>304</u> | <u>304</u> |
| Issued and fully paid: | 已發行及繳足： | | |
| 1,615,220,000 (31 December 2015: 1,200,000,000) ordinary shares of HK\$0.0001 each | 1,615,220,000股 (2015年12月31日： 1,200,000,000股)每股 面值0.0001港元的普通股 | <u>130</u> | <u>95</u> |

A summary of movements in the Company's share capital is as follows:

本公司股本變動概要如下：

| | | Notes 附註 | Number of ordinary shares 普通股數目 | Nominal value of ordinary shares 普通股面值 RMB'000 人民幣千元 |
|------------------------|--------------|-------------|---------------------------------------|--|
| At 1 January 2016 | 於2016年1月1日 | | 1,200,000,000 | 95 |
| Issuance of new shares | 發行新股份 | (a) | 400,000,000 | 34 |
| Issuance of new shares | 發行新股份 | (b) | <u>15,220,000</u> | <u>1</u> |
| At 31 December 2016 | 於2016年12月31日 | | <u>1,615,220,000</u> | <u>130</u> |

Notes:

附註：

- (a) In connection with the listing of the Company's shares on the HKSE on 10 March 2016, 400,000,000 ordinary shares of HK\$0.0001 each were issued at a price of HK\$0.8 per share for a total cash consideration, before listing expenses, of HK\$320,000,000. The proceeds of HK\$40,000, representing the par value, have been credited to the Company's share capital and the remaining proceeds of HK\$319,960,000 have been credited to the share premium account.
- (b) On 7 April 2016, 15,220,000 ordinary shares of HK\$0.0001 each were issued via the partial exercise of the over-allotment option at a price of HK\$0.8 per share for a total consideration of HK\$12,176,000. The proceeds of HK\$2,000, representing the par value, have been credited to the Company's share capital and the remaining proceeds of HK\$12,174,000 have been credited to the share premium account.

- (a) 就本公司股份於2016年3月10日在香港聯交所上市而言，400,000,000股每股面值0.0001港元的普通股以每股0.8港元的價格發行，總現金代價為320,000,000港元(扣除上市開支前)。所得款項40,000港元(相當於其面值)已計入本公司的股本，而剩餘所得款項319,960,000港元已計入股份溢價賬。
- (b) 於2016年4月7日，15,220,000股每股面值0.0001港元的普通股透過超額配股權獲部分行使以每股0.8港元的價格發行，總代價為12,176,000港元。所得款項2,000港元(相當於其面值)已計入本公司的股本，而剩餘所得款項12,174,000港元已計入股份溢價賬。



25. Share Option Scheme

The Company operates a share option scheme (the "Share Option Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the development of the Group. Eligible participants of the Share Option Scheme are employees (whether full time or part time) of the Company, its subsidiaries or any entity in which the Group holds any equity interest (the "Invested Entity"), including directors (including independent non-executive directors) and senior management of the Company, its subsidiaries and any Invested Entity. The Share Option Scheme was approved by the Company's shareholders on 1 February 2016 and became effective upon the Listing and, unless otherwise cancelled or amended, will remain in force for 10 years from 1 February 2016.

The maximum number of unexercised share options currently permitted to be granted under the Share Option Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the Share Option Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 15 days from the date of offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors, and commences after a vesting period of one to three years and ends on a date which is not later than six years from the date of offer of the share options or the expiry date of the Share Option Scheme, if earlier.

25. 購股權計劃

本公司設有購股權計劃(「購股權計劃」)，旨在向對本集團發展作出貢獻的合資格參與者提供獎勵及回報。購股權計劃的合資格參與者為本公司、其附屬公司或本集團持有任何股權的實體(「投資實體」)的僱員(無論全職或兼職)，包括本公司、其附屬公司及任何投資實體的董事(包括獨立非執行董事)及高級管理層。購股權計劃已於2016年2月1日獲本公司股東批准並於上市後生效，且除非另行取消或修訂，否則將由2016年2月1日起計十年內維持有效。

現時獲准根據購股權計劃授出的未行使購股權最高數目，於獲行使時，相等於本公司任何時間已發行股份的10%。於任何十二個月期間內，根據購股權可發行予購股權計劃的各合資格參與者的股份最高數目以本公司任何時間已發行股份的1%為限。任何進一步授出超過該上限的購股權須於股東大會上獲股東批准。

向本公司董事、主要行政人員或主要股東或彼等的任何聯繫人授出購股權，須獲獨立非執行董事事先批准。此外，於任何十二個月期間內，向本公司主要股東或獨立非執行董事或彼等的任何聯繫人授出任何超過本公司任何時間已發行股份0.1%或總值(按本公司股份於授出日期的價格計算)超過5,000,000港元的購股權須於股東大會上獲股東事先批准。

授出購股權的要約可於要約日期起計15日內由承授人支付合共1港元象徵式代價予以接納。所授出購股權的行使期可由董事釐定，於一至三年歸屬期後開始，並於不超過提呈購股權日期或購股權計劃屆滿日期起計六年之日(以較早者為準)結束。

25. Share Option Scheme (Continued)

The exercise price of share options is determinable by the Directors, but may not be less than the higher of (i) the HKSE closing price of the Company's shares on the date of offer of the share options; and (ii) the average HKSE closing price of the Company's shares for the five trading days immediately preceding the date of offer.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

The following share options were outstanding under the Share Option Scheme during the year:

| | | Weighted average exercise price 加權平均行使價 HK\$ per Share 每股股份港元 | Number of options 購股權數目 '000 千份 |
|--------------------------|--------------|--|--|
| As of 1 January 2016 | 於2016年1月1日 | — | — |
| Granted during the year* | 年內授出* | 0.568 | 30,000 |
| As of 31 December 2016 | 於2016年12月31日 | 0.568 | 30,000 |

* On 21 September 2016, 30,000,000 share options were granted by the Company at the exercise price of HK\$0.568 per share to certain of the eligible participants of the Company in respect of their contributions to the Group's development under the Share Option Scheme.

The exercise prices and exercise periods of the share options outstanding as at 31 December 2016 are as follows:

| Number of options 購股權數目 '000 千份 | Exercise price per share 每股行使價 HK\$ 港元 | Exercise period 行使期 |
|--|---|--|
| 12,000 | 0.568 | From 21 September 2017 to 20 September 2022 2017年9月21日至2022年9月20日 |
| 9,000 | 0.568 | From 21 September 2018 to 20 September 2022 2018年9月21日至2022年9月20日 |
| 9,000 | 0.568 | From 21 September 2019 to 20 September 2022 2019年9月21日至2022年9月20日 |
| 30,000 | | |

25. 購股權計劃(續)

購股權的行使價可經董事釐定，惟不可低於下列中的較高者：(i)本公司股份於購股權要約日期在香港聯交所的收市價；及(ii)本公司股份緊接要約日期前五個交易日在香港聯交所的平均收市價。

購股權並無賦予持有人收取股息或於股東大會上投票的權利。

以下為年內尚未根據購股權計劃行使的購股權：

* 於2016年9月21日，本公司已就本公司若干合資格參與者對本集團發展所作出的貢獻，根據購股權計劃按行使價每股0.568港元向彼等授出30,000,000份購股權。

於2016年12月31日尚未行使購股權的行使價及行使期如下：



25. Share Option Scheme (Continued)

The fair value of the share options granted during the year was HK\$6,485,000 (equivalent to approximately RMB5,578,000) or HK\$0.22 each (equivalent to approximately RMB0.19), of which the Group recognised a share option expense of HK\$1,157,000 (equivalent to approximately RMB995,000) during the year ended 31 December 2016 (2015: not applicable).

The fair value of equity-settled share options granted during the year under the Share Option Scheme was estimated as of the date of grant, using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

| | |
|-----------------------------|-------|
| Dividend yield (%) | Nil |
| Expected volatility (%) | 48.75 |
| Risk-free interest rate (%) | 0.72 |

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

No other feature of the options granted was incorporated into the measurement of fair value.

At the end of the reporting period, the Company had 30,000,000 share options outstanding under the Share Option Scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 30,000,000 additional ordinary shares of the Company and additional share capital of HK\$3,000 and share premium of at least HK\$17,037,000 (before issue expenses).

At the date of approval of these financial statements, the Company had 30,000,000 share options outstanding under the Share Option Scheme, which represented approximately 1.9% of the Company's shares in issue as of that date.

25. 購股權計劃(續)

於年內，已授出購股權的公平值為6,485,000港元(相當於約人民幣5,578,000元)或每股0.22港元(相當於約人民幣0.19元)，其中本集團於截至2016年12月31日止年度確認購股權開支1,157,000港元(相當於約人民幣995,000元)(2015年：不適用)。

根據購股權計劃，於年內授出的以股權結算的購股權的公平值乃於授出日期以二項式模式估計，並經計及所授購股權的條款及條件。下表載列所採用模式的參數：

| | |
|----------|-------|
| 股息率(%) | 零 |
| 預期波幅(%) | 48.75 |
| 無風險利率(%) | 0.72 |

預期波幅反映歷史波幅可標示未來趨勢的假設，但未必為實際結果。

計量公平值時概無納入已授出購股權的其他特徵。

於報告期末，根據購股權計劃，本公司擁有30,000,000份尚未行使的購股權。根據本公司目前的資本架構，倘悉數行使尚未行使的購股權，則將導致額外發行30,000,000股本公司普通股、增加股本3,000港元及股份溢價至少17,037,000港元(扣除發行開支前)。

於財務報表批准日期，根據購股權計劃，本公司擁有30,000,000份尚未行使的購股權，佔本公司於該日期已發行股份約1.9%。



26. Reserves

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity.

(a) Share premium account

The application of the share premium account is governed by the Companies Law of the Cayman Islands. Under the constitutional documents and the Companies Law of the Cayman Islands, the share premium is distributable as dividend on the condition that the Company is able to pay its debts when they fall due in the ordinary course of business at the time the proposed dividend is to be paid.

(b) Contributed surplus

The contributed surplus represents the aggregate nominal amount of the paid-up capital of Sichuan Sinco Pharmaceuticals attributable to the owners of the Company.

(c) Statutory reserve

In accordance with the Company Law of the PRC and the respective articles of association of subsidiaries domiciled in Mainland China, each of the PRC subsidiaries is required to allocate 10% of its profit after tax, as determined in accordance with PRC GAAP, to the statutory surplus reserve (the "SSR") until such reserve reaches 50% of its registered capital.

As Sichuan Sinco Pharmaceuticals, Sinco Shanghai and Qingdao Yusheng are wholly-foreign-owned enterprises, allocation to the SSR is not required. According to the Rules for the Implementation of Foreign-funded Enterprise Law of the PRC and articles of association of Sichuan Sinco Pharmaceuticals, Sinco Shanghai and Qingdao Yusheng, they are required to allocate 10% of their profit after tax in accordance with PRC GAAP to the statutory reserve fund (the "SRF") until such reserve reaches 50% of their respective registered capital.

The SSR and the SRF are non-distributable except in the event of liquidation and subject to certain restrictions set out in the relevant PRC regulations. They can be used to offset accumulated losses or capitalised as paid-up capital.

26. 儲備

本集團的儲備金額及其於本年度及過往年度的變動在綜合權益變動表呈列。

(a) 股份溢價賬

股份溢價賬的使用受開曼群島公司法規管。根據章程文件及開曼群島公司法，倘本公司於支付建議股息時能夠償還日常業務過程中的到期債務，則股份溢價可分派為股息。

(b) 實繳盈餘

實繳盈餘指本公司擁有人應佔四川興科蓉藥業實繳股本總面值。

(c) 法定儲備

根據中國公司法及位於中國內地的附屬公司各自的組織章程細則，各中國附屬公司須將其稅後溢利10%（根據中國公認會計原則釐定）撥至法定盈餘儲備（「法定盈餘儲備」），直至該等儲備達到其註冊資本的50%為止。

由於四川興科蓉藥業、興科蓉（上海）及青島煜盛乃外商獨資企業，故毋須撥款至法定盈餘儲備。根據中國外資企業法實施細則以及四川興科蓉藥業、興科蓉（上海）及青島煜盛的組織章程細則，該等公司須根據中國公認會計原則分配其10%稅後溢利至法定儲備基金（「法定儲備基金」），直至該儲備金達到其註冊資本的50%為止。

除清盤情況及受相關中國法規所載若干限制所限外，法定盈餘儲備及法定儲備基金不可分派，惟可用於抵銷累計虧損或資本化為實繳股本。



26. Reserves (Continued)**(d) Share option reserve**

The share option reserve comprises the fair value of share options granted which are yet to be exercised, as further explained in the accounting policy for share-based payments in note 2.4 to the financial statements. The amount will either be transferred to the share premium account when the related options are exercised, or be transferred to retained profits should the related options expire or be forfeited.

27. Business Combination

On 22 December 2016, the Group acquired 100% equity interest in Qingdao Ruichi from two independent third party individuals, namely Ms. Dou Yiqing and Mr. Liu Zhenqiang. Qingdao Ruichi is primarily engaged in the sale of pharmaceutical products. The acquisition was made as part of the Group's strategy to enrich its product portfolios and expand its pharmaceutical product portfolios in Mainland China. The total purchase consideration for the acquisition was RMB37,730,000, of which RMB35,630,000 was paid during the year ended 31 December 2016 and the remaining RMB2,100,000 will be paid 180 days following the completion of such acquisition.

The fair values of the identifiable assets and liabilities of Qingdao Ruichi as of the date of acquisition were as follows:

26. 儲備(續)**(d) 購股權儲備**

購股權儲備包括已授出但尚未行使購股權的公平值，進一步詳情於財務報表附註2.4有關以股份為基礎的付款的會計政策內闡述。該金額將於相關購股權獲行使時轉撥至股份溢價賬，或於相關購股權到期或被沒收時轉撥至保留溢利。

27. 業務合併

於2016年12月22日，本集團自兩名獨立第三方個人竇一青女士及劉振強先生收購青島瑞馳全部股權。青島瑞馳主要從事藥品銷售業務。有關收購屬本集團於中國內地豐富產品組合及擴大藥品組合的策略一部分。收購總代價為人民幣37,730,000元，其中人民幣35,630,000元已於截至2016年12月31日止年度支付，餘額人民幣2,100,000元將於有關收購完成後180天內支付。

於收購日期青島瑞馳的可識別資產及負債的公平值如下：

| | | Fair value recognised on acquisition 收購時 已確認的 公平值 RMB'000 人民幣千元 |
|---|------------------|--|
| Property, plant and equipment (note 12) | 物業、廠房及設備(附註12) | 336 |
| Cash and cash equivalents | 現金及現金等價物 | 2,942 |
| Trade receivables | 貿易應收款項 | 11,751 |
| Other receivables | 其他應收款項 | 5,362 |
| Inventories | 存貨 | 43,175 |
| Trade payables | 貿易應付款項 | (40,125) |
| Advance from customers | 客戶墊款 | (1,827) |
| Other payables | 其他應付款項 | (6,408) |
| Tax payable | 應付稅項 | (582) |
| Total identifiable net assets at fair value | 按公平值列賬的可識別資產淨值總額 | 14,624 |
| Goodwill on acquisition (note 15) | 收購產生的商譽(附註15) | 23,106 |
| | | 37,730 |

27. Business Combination (Continued)

27. 業務合併(續)

| | | Fair value recognised on acquisition |
|----------------|----------|--|
| | | 收購時 已確認的 公平值 RMB'000 人民幣千元 |
| Satisfied by: | 以下列方式支付： | |
| Cash | 現金 | 35,630 |
| Other payables | 其他應付款項 | 2,100 |
| | | <u>37,730</u> |

An analysis of the cash flow in respect of the acquisition of a subsidiary is as follows:

收購一家附屬公司的相關現金流量分析如下：

| | | RMB'000 人民幣千元 |
|--|--------------|------------------|
| Cash consideration | 現金代價 | (35,630) |
| Cash and bank balances acquired | 所得現金及銀行結餘 | 2,942 |
| | | <u>32,688</u> |
| Net outflow of cash and cash equivalents | 現金及現金等價物流出淨額 | <u>32,688</u> |

Since the acquisition, Qingdao Ruichi contributed nil to the Group's revenue and the consolidated profit for the year ended 31 December 2016.

自收購以來，青島瑞馳概無對本集團截至2016年12月31日止年度的收益及綜合溢利作出貢獻。

Had the combination taken place at the beginning of the year, the revenue of the Group and the profit of the Group for the year ended 31 December 2016 would have been RMB988,984,000 and RMB19,661,000, respectively.

假設業務合併於年初進行，則本集團於截至2016年12月31日止年度的收入及溢利分別應為人民幣988,984,000元及人民幣19,661,000元。



28. Operating Lease Arrangements**As lessee**

The Group leases certain of its office properties under an operating lease arrangement. Leases for properties are negotiated for terms ranging from one to three years. At the end of the reporting period, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

| | | 2016 RMB'000 人民幣千元 | 2015 RMB'000 人民幣千元 |
|---|----------------|--------------------------|--------------------------|
| Within one year | 一年內 | 925 | 216 |
| In the second to fifth years, inclusive | 第二至五年內(包括首尾兩年) | 1,121 | 542 |
| | | 2,046 | 758 |

28. 經營租約安排**作為承租人**

本集團根據經營租約安排租賃若干辦公物業。物業租期議定為介乎一至三年。於報告期末，本集團根據不可撤銷經營租約的到期未來最低租賃款項總額如下：

29. Commitments

The Group had the following capital commitments at the end of the reporting period:

| | | 2016 RMB'000 人民幣千元 | 2015 RMB'000 人民幣千元 |
|-----------------------------------|----------|--------------------------|--------------------------|
| Contracted, but not provided for: | 已訂約但未撥備： | | |
| – Construction of a warehouse | – 建設倉庫 | 2,265 | 37,514 |

29. 承擔

本集團於報告期末的資本承擔如下：

30. Related Party Transactions

(a) During the year, the Group had the following material transactions with related parties:

| | | 2016 RMB'000 人民幣千元 | 2015 RMB'000 人民幣千元 |
|---|-------------------|--------------------------|--------------------------|
| Bank loans guaranteed by Mr. Huang Xiangbin | 由黃祥彬先生擔保的 銀行貸款 | – | 15,000 |
| Purchases of exclusive distribution rights Vast Surplus | 購買獨家經銷權 鵬盈 | – | 45,392 |

30. 關連方交易

(a) 於年內，本集團擁有下列與關連方進行的重大交易：

30. Related Party Transactions (Continued)**(b) Compensation of key management personnel of the Group**

| | | 2016 | 2015 |
|---|-------------|--------------|--------------|
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Salaries, allowances and benefits in kind | 薪金、津貼及實物福利 | 2,274 | 937 |
| Pension scheme contributions | 退休金計劃供款 | 4 | 109 |
| Equity-settled share option expense | 以股權結算的購股權開支 | 166 | - |
| | | 2,444 | 1,046 |

30. 關連方交易(續)**(b) 本集團主要管理人員報酬****31. Financial Risk Management Objectives and Policies**

The financial assets of the Group mainly include cash and bank balances, pledged bank balances, trade and bills receivables, financial assets at fair value through profit or loss classified as held for trading, available-for-sale investment and other receivables, which arise directly from its operations. Financial liabilities of the Group mainly include trade and other payables and interest-bearing bank loans.

Risk management is carried out by the finance department which is led by the Group's executive directors. The Group's finance department identifies and evaluates financial risks in close co-operation with the Group's operating units. The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk.

The Group's financial risk management policy seeks to ensure that adequate resources are available to manage the above risks and to create value for its shareholders. The Directors regularly review these risks and they are summarised below.

31. 財務風險管理目標及政策

本集團的金融資產主要包括營運直接產生的現金及銀行結餘、已抵押銀行結餘、貿易應收款項及應收票據、分類為持作買賣透過損益按公平值計量的金融資產、可供出售投資以及其他應收款項。本集團的金融負債主要包括貿易及其他應付款項以及計息銀行貸款。

財務部門在本集團執行董事的領導下進行風險管理。本集團的財務部門與營運單位密切合作，以識別及評估財務風險。來自本集團金融工具的主要風險為利率風險、外匯風險、信貸風險及流動資金風險。

本集團的財務風險管理政策尋求確保有充裕資源用以管理上述風險及為股東創造價值。董事定期檢討該等風險並概述如下。



31. Financial Risk Management Objectives and Policies (Continued)

Interest rate risk

The Group's exposure to interest rate risk relates primarily to the Group's bank deposits, available-for-sale investment and interest-bearing bank loans. The interest rates and terms of repayment of interest-bearing bank loans are disclosed in note 23 to the financial statements.

The Group manages its cash flow interest rate risk exposure arising from all of its interest-bearing loans through the use of floating rates or a mix of floating and fixed rates. The Group also holds certain borrowings at floating interest rate so as to manage part of the fair value interest rate risk. In addition, the Group has not used any interest rate swaps to hedge against interest rate risk.

As of 31 December 2016, floating interest rate borrowings accounted for about 18% (2015: 21%) of the Group's borrowings, and fixed interest rate borrowings accounted for about 82% (2015: 79%) of the Group's borrowings. Management would adjust the proportion of floating rate borrowings based on changes in the market interest rates to reduce the significant impact of the interest rate risk.

If there would be a general increase/decrease in the market interest rates by one percentage point, with all other variables held constant, the Group's consolidated pre-tax profit would have decreased/increased by approximately RMB1,650,000 (2015: RMB819,000) for the year ended 31 December 2016, and there would be no impact on other components of the consolidated equity, except for retained earnings, of the Group. The sensitivity analysis above has been determined assuming that the change in market interest rates had occurred at the end of the year and had applied the exposure to interest rate risk to those financial instruments in existence at those dates.

31. 財務風險管理目標及政策(續)

利率風險

本集團面對主要與其銀行存款、可供出售投資及計息銀行貸款相關的利率風險。利率及計息銀行貸款還款期限分別披露於財務報表附註23。

本集團透過使用浮動利率或浮動及固定利率相結合管理其全部計息貸款所產生的現金流量利率風險。本集團亦持有若干按浮動利率計息的借貸以管理部分公平值利率風險。此外，本集團並無使用任何利率掉期對沖利率風險。

於2016年12月31日，浮動利率借貸佔本集團借貸約18%（2015年：21%），而固定利率借貸佔本集團借貸約82%（2015年：79%）。管理層基於市場利率變動調整浮動利率借貸比例，以降低利率風險的重大影響。

倘市場利率整體增加／減少一個百分點，在所有其他變量保持不變的情況下，本集團於截至2016年12月31日止年度的綜合稅前溢利減少／增加約人民幣1,650,000元（2015年：人民幣819,000元），對本集團綜合權益的其他部分（保留盈利除外）並無影響。上述敏感度分析乃按市場利率變動已於年末發生且本集團已於有關日期就該等金融工具作出利率風險敞口的假設而釐定。

31. Financial Risk Management Objectives and Policies (Continued)

Foreign currency risk

The Group's purchase of products from the overseas suppliers is denominated in US\$ and Euro. Most of the Group's assets and liabilities are denominated in RMB, except for certain items of cash and cash equivalents, prepayments, other receivables, available-for-sale investment and trade payables that are denominated in US\$, Euro and HK\$.

The Group does not enter into any hedging transactions to manage the potential fluctuation in foreign currencies. Management monitors the Group's foreign currency exposure and will consider hedging significant foreign currency exposure when the need arises.

The following table demonstrates the sensitivity to a 5.0% change in RMB against US\$, Euro and HK\$. The 5.0% is the rate used when reporting currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in the foreign currency rate. The sensitivity analyses of the Group's exposure to foreign currency risk at the end of each reporting period have been determined based on the adjustment of translation of the monetary assets and liabilities at the end of each reporting period for a 5.0% change in RMB against US\$, Euro and HK\$, respectively, with all other variables held constant, of the Group's profit before tax for the years ended 31 December 2016 and 2015 (due to changes in the fair value of cash and cash equivalents, prepayments, other receivables, available-for-sale investments and trade payables denominated in US\$, Euro and HK\$):

| | | 2016 RMB'000 人民幣千元 | 2015 RMB'000 人民幣千元 |
|---|---------------------|--------------------------|--------------------------|
| <i>Increase/(decrease) in profit before tax</i> | <i>除稅前溢利增加/(減少)</i> | | |
| If RMB weakens against US\$, Euro and HK\$ | 倘人民幣兌美元、歐元及 港元貶值 | 8,719 | (2,592) |
| If RMB strengthens against US\$, Euro and HK\$ | 倘人民幣兌美元、歐元及 港元升值 | <u>(8,719)</u> | <u>2,592</u> |

31. 財務風險管理目標及政策(續)

外匯風險

本集團自海外供應商購買產品以美元及歐元計值。本集團大部分資產及負債以人民幣計值，惟以美元、歐元及港元計值的現金及現金等價物、預付款項、其他應收款項、可供出售投資及貿易應付款項等若干項目除外。

本集團並無訂立任何對沖交易以管理潛在的外匯波動。管理層會監察本集團外匯風險，並將在有需要時考慮對沖重大外匯風險。

下表列示人民幣兌美元、歐元及港元匯率變動5.0%的敏感度。5.0%乃內部向主要管理人員呈報外匯風險所用比率，為管理層對合理可能匯率變動的評估。本集團於各報告期末面對的外匯風險敏感度分析，乃根據在所有其他變量保持不變的情況下，就人民幣兌美元、歐元及港元匯率變動5.0%分別調整各報告期末貨幣資產及負債換算值對本集團於截至2016年及2015年12月31日止年度除稅前溢利的影響釐定(由於以美元、歐元及港元計值的現金及現金等價物、預付款項、其他應收款項、可供出售投資及貿易應付款項的公平值變動所致)：



31. Financial Risk Management Objectives and Policies (Continued)

Credit risk

Substantial amounts of the Group's cash and cash equivalents and time deposits are held in major reputable financial institutions located in Mainland China, which management believes are of high credit quality. The credit risk of the Group's other financial assets, which comprise trade and bills receivables, financial assets at fair value through profit or loss classified as held for trading, available-for-sale investment and other receivables, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments. The Group has no other financial assets which carry significant exposure to credit risk.

The Group trades only with recognised and creditworthy customers with no requirement for collateral. It is the Group's policy that except for certain customers which are granted credit term ranging from 30 days to 60 days, other customers should make full prepayment either in cash or bank accepted bills receivable. The Group seeks to maintain strict control over its outstanding receivables and senior management of the Company keeps reviewing and assessing the creditworthiness of the Group's existing customers on an ongoing basis. The Group's exposure to credit risk is also influenced by the individual characteristics of each customer and default risk of the industry in which customers operate. As the Group's exposure to credit risk spreads over a diversified portfolio of customers, there is no significant concentration of credit risk.

In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

Liquidity risk

The Group monitors its exposure to a shortage of funds by considering the maturity of both its financial liabilities and financial assets and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing bank loans and its own funding sources.

31. 財務風險管理目標及政策(續)

信貸風險

本集團絕大部分現金及現金等價物以及定期存款存放於中國內地具有良好聲譽的主要金融機構，管理層相信該等金融機構具備高信用質素。本集團其他金融資產(包括貿易應收款項及應收票據、分類為持作買賣透過損益按公平值計量的金融資產、可供出售投資以及其他應收款項)的信貸風險來自對手方違約，最高風險敞口相當於該等工具的賬面值。本集團並無其他附有重大信貸風險的金融資產。

本集團僅與獲認可的誠信客戶進行交易，不要求抵押。根據本集團的政策，除獲授信貸期介乎30日至60日的若干客戶外，其他客戶應以現金或應收銀行承兌票據全額預付。本集團致力於對尚未收回的應收款項維持嚴格控制，且本公司高級管理層持續檢討及評估本集團現有客戶的信譽。本集團面對的信貸風險亦受各名客戶的個別特徵及客戶所營運行業的違約風險的影響。由於本集團面對的信貸風險遍及多元化客戶組合，因此並無重大集中信貸風險。

此外，應收款項結餘按持續基準監管，而本集團的壞賬風險並不重大。

流動資金風險

本集團透過考慮金融負債及金融資產的到期日以及預計自營運產生的現金流量監控資金短缺的風險。

本集團的目標為透過使用計息銀行貸款及其自身資金來源維持資金持續性與靈活性的平衡。

31. Financial Risk Management Objectives and Policies (Continued) 31. 財務風險管理目標及政策(續)

Liquidity risk (Continued)

The maturity profile of the Group's financial liabilities at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

流動資金風險(續)

以下為本集團金融負債於報告期末基於合約未貼現付款的到期情況：

| | | 2016 | | | |
|-----------------------------|--------|------------|-----------------------|-------------------|----------------|
| | | On demand | Less than 3 months | 3 to 12 months | Total |
| | | 於要求時 | 少於三個月 | 三至十二個月 | 總額 |
| | | 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 |
| Interest-bearing bank loans | 計息銀行貸款 | – | 10,092 | 158,623 | 168,715 |
| Trade payables | 貿易應付款項 | – | 45,832 | – | 45,832 |
| Other payables | 其他應付款項 | 926 | 2,755 | 54,362 | 58,043 |
| | | 926 | 58,679 | 212,985 | 272,590 |

| | | 2015 | | | |
|-----------------------------|--------|------------|-----------------------|-------------------|----------------|
| | | On demand | Less than 3 months | 3 to 12 months | Total |
| | | 於要求時 | 少於三個月 | 三至十二個月 | 總額 |
| | | 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 |
| Interest-bearing bank loans | 計息銀行貸款 | – | 17,773 | 67,153 | 84,926 |
| Trade payables | 貿易應付款項 | – | 62,793 | – | 62,793 |
| Other payables | 其他應付款項 | 697 | 2,728 | 51,349 | 54,774 |
| | | 697 | 83,294 | 118,502 | 202,493 |



31. Financial Risk Management Objectives and Policies (Continued)

Fair values

Fair value estimates are made at a specific point in time and are based on relevant market information and information about the financial instruments. These estimates are subjective in nature and involve uncertainties and matters of significant judgement and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

The carrying amounts of the Group's cash deposits and interest-bearing bank loans approximated to their fair values based on the prevailing borrowing rates available for deposits and loans with similar terms and maturities during the reporting period.

The fair values of financial assets at fair value through profit or loss classified as held for trading are estimated based on valuation techniques. The model incorporate observable inputs of certain foreign exchange rates and risk-free interest rates. The carrying amounts of financial assets at fair value through profit or loss classified as held for trading are the same as their fair values. The fair value measurement hierarchy of the Group's financial assets at fair value through profit or loss classified as held for trading measured at fair value required observable inputs (Level 2) as of 31 December 2016 (2015: Not applicable).

The carrying amounts of the Group's other financial instruments approximated to their fair values due to the short term to maturity at the end of the reporting period.

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or raise new capital from its investors.

No changes were made in the objectives, policies or processes for managing financial risk during the year.

31. 財務風險管理目標及政策(續)

公平值

公平值估計乃於特定時間根據相關市場資料及金融工具資料作出。該等估計屬主觀性質，涉及不確定因素及重大判斷事項，因此不能準確釐定。假設的變動可能嚴重影響估計。

根據於報告期設有類似條款及到期日的存款及貸款的現行借貸率計，本集團的現金存款及計息銀行貸款的賬面值與其公平值相若。

分類為持作買賣透過損益按公平值計量的金融資產公平值乃按估值方法估計。該模式包括某些外匯匯率的可觀察輸入數據及無風險利率。分類為持作買賣透過損益按公平值計量的金融資產賬面值相等於其公平值。於2016年12月31日，本集團分類為持作買賣透過損益按公平值計量的金融資產的公平值計量層級需要可觀察輸入數據(第二級)(2015年：不適用)。

於報告期末，本集團其他金融工具的賬面值與其公平值相若，原因為該等工具於短期內到期。

資本管理

本集團資本管理的主要目標為確保本集團有能力繼續持續經營及維持穩健的資本比率，以支持其業務及盡量提升股東價值。

本集團按經濟狀況的變動管理其資本結構及對其作出調整。為維持或調整資本架構，本集團或會調整股東股息款項或向投資者募集新資金。

年內，管理財務風險的目標、政策或過程並無任何變動。

31. Financial Risk Management Objectives and Policies (Continued)**Capital management (Continued)**

The Group is currently funding its capital expenditure through internal generated funds from its operations, proceeds from the Listing and new bank borrowings. The Group monitors capital using a gearing ratio, which is net debt divided by total equity plus net debt. The Group's policy is to keep the gearing ratio between 10% and 30% over the long term. Net debt is defined as interest-bearing bank loans, net of cash and cash equivalents. Equity includes equity attributable to the owners of the parent and non-controlling interests. The gearing ratio at the end of the reporting period is as follows:

| | | 2016 | 2015 |
|---------------------------------|------------|-----------|----------|
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Interest-bearing bank loans | 計息銀行貸款 | 165,000 | 81,915 |
| Less: Cash and cash equivalents | 減：現金及現金等價物 | (102,050) | (38,138) |
| Net debt | 負債淨額 | 62,950 | 43,777 |
| Equity | 權益 | 457,275 | 193,554 |
| Equity and net debt | 權益及負債淨額 | 520,225 | 237,331 |
| Gearing ratio | 負債比率 | 12.1% | 18.4% |

31. 財務風險管理目標及政策(續)**資本管理(續)**

本集團現時透過營運所得內部資金、上市所得款項及新增銀行借貸撥付其資本開支。本集團利用負債比率(負債淨額除權益總額再加負債淨額)監控資本。本集團的政策為將負債比率長期維持在10%至30%之間。負債淨額指計息銀行貸款減現金及現金等價物。權益包括母公司擁有人應佔權益及非控股權益。報告期末的負債比率載列如下：



32. Statement of Financial Position of the Company

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

32. 本公司財務狀況表

有關本公司於報告期末的財務狀況表資料如下：

| | | 2016 RMB'000 人民幣千元 | 2015 RMB'000 人民幣千元 |
|--|-----------------|--------------------------|--------------------------|
| NON-CURRENT ASSETS | 非流動資產 | | |
| Investment in subsidiaries | 於附屬公司的投資 | 306 | 306 |
| CURRENT ASSETS | 流動資產 | | |
| Prepayments | 預付款項 | 313 | - |
| Amounts due from subsidiaries | 應收附屬公司款項 | 259,242 | 14,941 |
| Cash and cash equivalents | 現金及現金等價物 | 15,908 | - |
| Total current assets | 流動資產總值 | 275,463 | 14,941 |
| CURRENT LIABILITIES | 流動負債 | | |
| Other payables | 其他應付款項 | 61 | 1,300 |
| Amounts due to a subsidiary | 應付一間附屬公司款項 | 3,618 | - |
| Total current liabilities | 流動負債總值 | 3,679 | 1,300 |
| NET CURRENT ASSETS | 流動資產淨額 | 271,784 | 13,641 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | 總資產減流動負債 | 272,090 | 13,947 |
| Net assets | 資產淨值 | 272,090 | 13,947 |
| EQUITY | 權益 | | |
| Issued capital | 已發行股本 | 130 | 95 |
| Reserves (note) | 儲備(附註) | 271,960 | 13,852 |
| Total equity | 權益總額 | 272,090 | 13,947 |

Notes to the Consolidated Financial Statements (Continued)

綜合財務報表附註(續)

31 December 2016 2016年12月31日

32. Statement of Financial Position of the Company (Continued) 32. 本公司財務狀況表(續)

Note:

附註：

The movements in the Company's reserves are as follows:

本公司儲備變動如下：

| | | Share premium account | Share option reserve | Retained earnings/ (Accumulated losses) | Total |
|--|----------------------------|-----------------------|----------------------|---|----------|
| | | 股份溢價賬 | 購股權儲備 | 保留盈利/ (累計虧損) | 總計 |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| At 1 January 2015 | 於2015年1月1日 | - | - | - | - |
| Issue of new shares | 發行新股 | 14,533 | - | - | 14,533 |
| Loss and total comprehensive loss for the year | 年內虧損及 全面虧損總額 | 14,533 | - | (681) | (681) |
| At 31 December 2015 and 1 January 2016 | 於2015年12月31日及 2016年1月1日 | 14,533 | - | (681) | 13,852 |
| Issue of new shares (note 24 (a)) | 發行新股 (附註24(a)) | 267,578 | - | - | 267,578 |
| Issue of new shares (note 24 (a)) | 發行新股 (附註24(a)) | 10,184 | - | - | 10,184 |
| Share issue expenses | 股份發行開支 | (28,853) | - | - | (28,853) |
| Interim 2016 dividend declared (note 10) | 宣派2016年中期股息 (附註10) | (4,555) | - | - | (4,555) |
| Equity-settled share option Arrangement (note 25) | 以權益結算的購股權 安排 (附註25) | - | 995 | - | 995 |
| Profit and total comprehensive Income for the year | 年內溢利及 全面收入總額 | - | - | 12,759 | 12,759 |
| At 31 December 2016 | 於2016年12月31日 | 258,887 | 995 | 12,078 | 271,960 |

33. Approval of the Financial Statements

The financial statements were approved and authorised for issue by the board of directors on 27 March 2017.

33. 批准財務報表

財務報表已於2017年3月27日獲董事會批准及授權刊發。



Definitions

釋義

| | |
|--|---|
| “affiliate” 「聯屬人士」 | any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person 直接或間接控制指定人士或受其直接或間接控制或與指定人士直接或間接受共同控制的任何其他人士 |
| “AGM” 「股東週年大會」 | annual general meeting of the company 本公司股東週年大會 |
| “Articles” or “Articles of Association” 「細則」或「組織章程細則」 | the articles of association of the Company (as amended from time to time), conditionally adopted on 1 February 2016 本公司於2016年2月1日有條件採納的組織章程細則(經不時修訂) |
| “Board” 「董事會」 | Board of Directors 董事會 |
| “Bruschettini” 「貝斯迪」 | Bruschettini S.r.l., a limited company incorporated in the Italian Republic 貝斯迪大藥廠，於意大利共和國註冊成立的有限公司 |
| “Cayman Companies Law” 「開曼群島公司法」 | the Companies Law (2013 Revision) of the Cayman Islands, Cap. 22 (Law 3 of 1961), as amended or supplemented or otherwise modified from time to time 開曼群島法例第22章(1961年第3號法例)公司法(2013年修訂版)，經不時修訂或補充或以其他方式修改 |
| “CG Code” 「企業管治守則」 | Corporate Governance Code 企業管治守則 |
| “Chengdu Hengsheng Ziguang” 「成都恒盛紫光」 | Chengdu Hengsheng Ziguang Pharmaceutical Co., Ltd., a limited liability company incorporated in the PRC on 4 March 2015, a wholly-owned subsidiary of the Company 成都恒盛紫光醫藥技術有限責任公司，於2015年3月4日在中國註冊成立的有限公司，為本公司之全資附屬公司 |
| “Chengdu Sinco Pharmaceutical” 「成都興科蓉醫藥」 | Chengdu Sinco Pharmaceutical Co., Ltd., a limited liability company incorporated in the PRC on 26 February 2014, which is a wholly-owned subsidiary of the Company 成都興科蓉醫藥技術有限責任公司，於2014年2月26日在中國註冊成立的有限公司，為本公司之全資附屬公司 |
| “China” or “the PRC” 「中國」 | the People’s Republic of China excluding, for the purpose of this prospectus, Hong Kong, Macau Special Administrative Region and Taiwan 中華人民共和國，本招股書中不包括香港、澳門特別行政區及台灣 |
| “Company” or “our Company” or “the Company” 「本公司」 | Sinco Pharmaceuticals Holdings Limited (興科蓉醫藥控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 16 March 2015 興科蓉醫藥控股有限公司，於2015年3月16日在開曼群島註冊成立的獲豁免有限公司 |



Definitions (Continued)

釋義(續)

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| “Controlling Shareholders” 「控股股東」 | Mr. Huang and Risun 黃先生及Risun |
| “Director(s)” 「董事」 | the director(s) of the Company 本公司董事 |
| “Foscama” 「福斯卡瑪」 | Biomedica Foscama Group S.p.A., a limited company incorporated in the Italian Republic Biomedica Foscama Group S.p.A. · 於意大利共和國註冊成立的有限公司 |
| “Group”, “our Group”, “the Group”, “we”, “us”, or “our” 「本集團」、「我們」或「我們的」 | our Company and our subsidiaries and, in respect of the period before we became the holding company of our present subsidiaries, the businesses operated by such subsidiaries or their predecessors (as the case may be) 本公司及我們的附屬公司以及(就我們成為現有附屬公司之控股公司前的期間而言)相關附屬公司或其前身(視情況而定)經營的業務 |
| “HK\$” 「港元」 | Hong Kong Dollars, the lawful currency of Hong Kong 港元 · 香港法定貨幣 |
| “HKSE” 「香港聯交所」 | The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司 |
| “Hong Kong” 「香港」 | the Hong Kong Special Administrative Region of the PRC 中國香港特別行政區 |
| “Hong Kong Branch Share Registrar” 「香港證券登記分處」 | Computershare Hong Kong Investor Services Limited 香港中央證券登記有限公司 |
| “Human Albumin Solution” 「人血白蛋白注射液」 | refers to Octapharma’s human albumin solution 20% (containing 200 grammes of total protein per litre) and human albumin solution 25% (containing 250 grammes of total protein per litre). The term Human Albumin Solution refers to both products or either one of them as the context requires 奧克特法瑪生產的20%人血白蛋白注射液(每升含總蛋白200克)及25%人血白蛋白注射液(每升含總蛋白250克)。人血白蛋白注射液表示兩種產品或其中一種(視乎文義) |
| “IFRS” 「國際財務報告準則」 | International Accounting Standards, International Financial Reporting Standards, amendments and the related interpretations issued by the International Accounting Standards Board 國際會計準則理事會頒佈的國際會計準則、國際財務報告準則、修訂及相關詮釋 |
| “Institute of Chinese Medical Sciences” 「中國中醫科學院」 | the Institute of Chinese Materia Medica, China Academy of Chinese Medical Sciences (中國中醫科學院中藥研究所) 中國中醫科學院中藥研究所 |



Definitions (Continued)

釋義(續)

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| “Linzi Ziguang” 「林芝紫光」 | Xizang Linzi Ziguang Pharmaceutical Co., Ltd (西藏林芝紫光藥業有限責任公司), a limited liability company incorporated in the PRC on 17 November 2014, a wholly-owned subsidiary of the Company 西藏林芝紫光藥業有限責任公司，於2014年11月17日在中國註冊成立的有限公司，為本公司之全資附屬公司 |
| “Listing” 「上市」 | the listing of the Shares on the Main Board of the HKSE 股份在香港聯交所主板上市 |
| “Listing Rules” 「上市規則」 | the Rules Governing the Listing of Securities on the HKSE, as amended or supplemented from time to time 香港聯交所證券上市規則，經不時修訂或補充 |
| “Main Board” 「主板」 | Main Board of the HKSE 香港聯交所主板 |
| “Medochemie” 「麥道甘美」 | Medochemie Ltd., A limited liability company incorporated in the Republic of Cyprus and an Independent Third Party Medochemie Ltd.，於塞浦路斯共和國註冊成立的有限公司，獨立第三方 |
| “MPCM” 「營銷、推廣及渠道管理」 | refers to marketing, promotion and channel management for the sale and promotion of pharmaceutical products for pharmaceutical manufacturers 為醫藥生產商銷售及推銷藥品進行的營銷、推廣及渠道管理 |
| “Mr. Huang” 「黃先生」 | Mr. Huang Xiangbin (黃祥彬), our Chairman, Executive Director, Chief Executive Officer and one of our Controlling Shareholders 黃祥彬先生，我們的主席、執行董事、行政總裁兼控股股東之一 |
| “Octapharma” 「奧克特瑛瑪」 | Octapharma AG, a corporation limited by shares incorporated in the Swiss Confederation Octapharma AG，於瑞士聯邦註冊成立的股份有限公司 |
| “Prospectus” 「招股書」 | the prospectus issued by the Company dated 29 February 2016 本公司於2016年2月29日刊發的招股書 |
| “Reporting Period” 「報告期」 | the financial year ended 31 December 2016 截至2016年12月31日止財政年度 |
| “Risun” 「Risun」 | Risun Investments Limited, a limited company incorporated under the laws of BVI on 16 January 2015, which is a wholly-owned subsidiary of Mr. Huang Risun Investments Limited，於2015年1月16日在英屬維爾京群島註冊成立的有限公司，是黃先生全資擁有的附屬公司 |
| “RMB” 「人民幣」 | Renminbi Yuan, the lawful currency of China 人民幣元，中國法定貨幣 |



Definitions (Continued)

釋義(續)

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| “SFO” 「證券及期貨條例」 | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time 香港法例第571章證券及期貨條例，經不時修訂或補充 |
| “Share(s)” 「股份」 | ordinary share(s) in the capital of the Company with nominal value of HK\$0.0001 each 本公司股本中每股面值0.0001港元的普通股 |
| “Shareholder(s)” 「股東」 | holder(s) of Shares 股份持有人 |
| “Share Option Scheme” 「購股權計劃」 | the share option scheme conditionally adopted by our Company on 1 February 2016, the principal terms of which are summarised in “Statutory and General Information — D. Other Information — 1 Share Option Scheme” in Appendix VII to the Prospectus 本公司於2016年2月1日有條件採納的購股權計劃，其主要條款概述於招股書附錄七「法定及一般資料 — D. 其他資料 — 1 購股權計劃」 |
| “Sichuan Sinco Pharmaceuticals” 「四川興科蓉藥業」 | Sichuan Sinco Pharmaceuticals Co., Ltd (四川興科蓉藥業有限責任公司), a limited liability company incorporated in the PRC on 1 April 2011 四川興科蓉藥業有限責任公司，於2011年4月1日在中國註冊成立的有限公司 |
| “Sinco Biotechnology” 「興科蓉生物科技」 | Sichuan Sinco Biotechnology Co., Ltd. (四川興科蓉生物科技有限公司), a limited liability company incorporated in the PRC on 25 November 2013 四川興科蓉生物科技有限公司，於2013年11月25日在中國註冊成立的有限公司 |
| “U.S. dollars” or “US\$” 「美元」 | U.S. dollars, the lawful currency of the United States of America 美利堅合眾國法定貨幣美元 |
| “Vast Surplus” 「鵬盈」 | Vast Surplus Corporation Limited, a limited liability company incorporated in Hong Kong on 6 October 2004 and wholly-owned by Mr. Huang Xiangbin 鵬盈有限公司，於2004年10月6日在香港註冊成立的有限公司，由黃祥彬先生全資擁有 |

In this Annual Report, the terms “associate,” “close associate,” “connected person,” “connected transaction,” “controlling shareholder,” “core connected person,” “subsidiary” and “substantial shareholder” shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

在本年報中，除文義另有所指外，「聯繫人」、「緊密聯繫人」、「關連人士」、「關連交易」、「控股股東」、「核心關連人士」、「附屬公司」及「主要股東」具有上市規則所賦予的涵義。

The English translation of the PRC entities, enterprises, nationals, facilities, regulations in Chinese are translations of the Chinese names. To the extent there is any inconsistency between the Chinese names of the PRC entities, enterprises, nationals, facilities, regulations and their English translations, the Chinese names shall prevail.

中國實體、企業、國家機構、設施、法規的英文名為中文名的翻譯。倘中國實體、企業、國家機構、設施、法規的中文名稱與其英文譯名有任何歧義，概以中文名稱為準。





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