

Sinco Pharmaceuticals Holdings Limited
兴科蓉医药控股有限公司

(Incorporated under the laws of the Cayman Islands with limited liability)

(根據開曼群島法例註冊成立的有限公司)

Stock Code 股份代號 : 6833



2018 年報
ANNUAL REPORT

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Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

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

Independent Non-executive Directors

Mr. Lau Ying Kit (appointed on 8 November 2018)
Mr. Wang Qing
Mr. Liu Wenfang
Mr. Chen David Yu (appointed on 19 January 2018 and
retired on 25 May 2018)
Mr. Philip Wong Yee Teng (appointed on 19 January 2018
and retired on 25 May 2018)
Mr. Chow Siu Lui (resigned on 8 November 2018)

AUDIT COMMITTEE

Mr. Lau Ying Kit (*Chairman*)
Mr. Liu Wenfang
Mr. Wang Qing
Mr. Chow Siu Lui (resigned on 8 November 2018)

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

Mr. Huang Xiangbin (*Chairman*)
Mr. Liu Wenfang
Mr. Lau Ying Kit
Mr. Chow Siu Lui (resigned on 8 November 2018)

INTERNAL CONTROL AND CORPORATE GOVERNANCE COMMITTEE

Mr. Lau Ying Kit (*Chairman*)
Mr. Wang Qing
Mr. Liu Wenfang
Mr. Chow Siu Lui (resigned on 8 November 2018)

AUTHORISED REPRESENTATIVES

Mr. Huang Xiangbin
Ms. Ko Wing Yu (appointed on 29 March 2019)
Ms. Leung Suet Lun (appointed on 30 August 2018 and
resigned on 29 March 2019)
Ms. Wong Sau Ping (resigned on 30 August 2018)

JOINT COMPANY SECRETARIES

Ms. Ko Wing Yu
Ms. Leung Suet Lun (appointed on 30 August 2018 and
resigned on 29 March 2019)
Ms. Wong Sau Ping (resigned on 30 August 2018)

REGISTERED OFFICE

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

董事會 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

劉英傑先生(於2018年11月8日獲委任)
汪晴先生
劉文芳先生
陳宇先生(於2018年1月19日獲委任並
於2018年5月25日退任)
黃已艇先生(於2018年1月19日獲委任並
於2018年5月25日退任)
鄒小磊先生(於2018年11月8日辭任)

審核委員會

劉英傑先生(*主席*)
劉文芳先生
汪晴先生
鄒小磊先生(於2018年11月8日辭任)

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
劉英傑先生
鄒小磊先生(於2018年11月8日辭任)

內部控制及企業管治委員會

劉英傑先生(*主席*)
汪晴先生
劉文芳先生
鄒小磊先生(於2018年11月8日辭任)

授權代表

黃祥彬先生
高穎妤女士(於2019年3月29日獲委任)
梁雪綸女士(於2018年8月30日獲委任及
於2019年3月29日辭任)
黃秀萍女士(於2018年8月30日辭任)

聯席公司秘書

高穎妤女士
梁雪綸女士(於2018年8月30日獲委任及
於2019年3月29日辭任)
黃秀萍女士(於2018年8月30日辭任)

註冊辦事處

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

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 3105, Office Tower, Convention Plaza
1 Harbour Road
Hong Kong

CAYMAN ISLAND 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

Eric Chow & Co.
in Association with Commerce & Finance Law Offices

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
天府大道北端1700號
環球中心E5-1805室

香港主要營業地點

香港
港灣道1號
會展廣場辦公大樓3105室

開曼群島證券登記總處及過戶代理

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

周俊軒律師事務所
(與北京市通商律師事務所聯營)

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

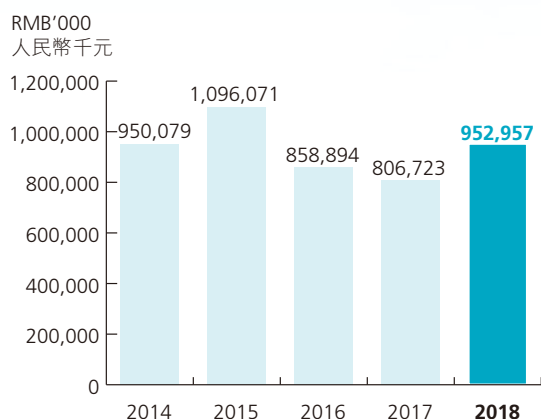
Financial Highlights

財務摘要

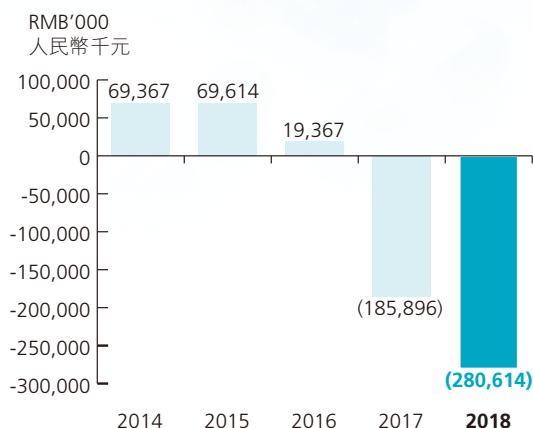
- Revenue of the Group increased by 18.1% or RMB146.3 million to RMB953.0 million for the Reporting Period (2017: RMB806.7 million), among which revenue from sales of Human Albumin Solution increased by approximately RMB141.1 million, mainly benefited from the increase in sales volume.
- Gross profit of the Group increased by RMB127.5 million to RMB221.0 million for the Reporting Period (2017: RMB93.5 million), while gross profit margin increased from 11.6% in 2017 to 23.2% for the Reporting Period. The increase was mainly generated by the increase in selling price of antibiotics.
- During the Reporting Period, the Group recorded net loss of RMB280.6 million (2017: RMB185.9 million), mainly because the increase in the Group's selling and distribution expenses was greater than the increase in gross profit, and the loss on disposal of inventories of approximately RMB117.9 million.
- During the Reporting Period, loss attributable to owners of the Company amounted to RMB280.6 million (2017: RMB185.9 million), representing an increase in such loss by RMB94.7 million.
- Basic and diluted loss per share amounted to RMB0.166 for the Reporting Period (2017: RMB0.115).
- The Board resolved not to declare any final dividend for the Reporting Period (2017: Nil).
- 報告期內，本集團收益增長18.1%或人民幣146.3百萬元至人民幣953.0百萬元(2017年：人民幣806.7百萬元)，其中人血白蛋白注射液銷售收益增長人民幣約141.1百萬元，主要得益於銷售量的增長。
- 報告期內，本集團毛利增加人民幣127.5百萬元至人民幣221.0百萬元(2017年：人民幣93.5百萬元)，毛利率則由2017年的11.6%增加至報告期內的23.2%，增幅主要來自於抗生素售價的提高。
- 報告期內，本集團錄得虧損淨額人民幣280.6百萬元(2017年：人民幣185.9百萬元)，主要因為本集團銷售及經銷開支的增長幅度高於毛利的增長，以及發生出售存貨虧損約人民幣117.9百萬元。
- 報告期內，本公司擁有人應佔虧損為人民幣280.6百萬元(2017年：人民幣185.9百萬元)，虧損額增加人民幣94.7百萬元。
- 報告期內，每股基本及攤薄虧損為人民幣0.166元(2017年：人民幣0.115元)。
- 董事會決議不就報告期宣派任何末期股息(2017年：無)。

		2014	2015	2016	2017	2018
		2014年	2015年	2016年	2017年	2018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	950,079	1,096,071	858,894	806,723	952,957
Gross profit	毛利	129,770	152,507	104,568	93,533	221,025
Profit/(loss) before tax	除稅後溢利／(虧損)	93,812	86,638	25,566	(194,868)	(272,015)
Profit/(loss) for the year	本年度溢利／(虧損)	80,129	69,441	18,337	(185,897)	(280,615)
Profit/(loss) attributable to owners of the Company	本公司擁有人應佔溢利／(虧損)	69,367	69,614	19,367	(185,896)	(280,614)
Profitability	盈利					
Gross margin	毛利率	13.7%	13.9%	12.2%	11.6%	23.2%
Net profit/(loss) margin	純利／(虧損)率	8.4%	6.3%	2.1%	(23.0%)	(29.4%)

Revenue
收益



Profit/(loss) Attributable to Owners of the Company
本公司擁有人應佔溢利／(虧損)

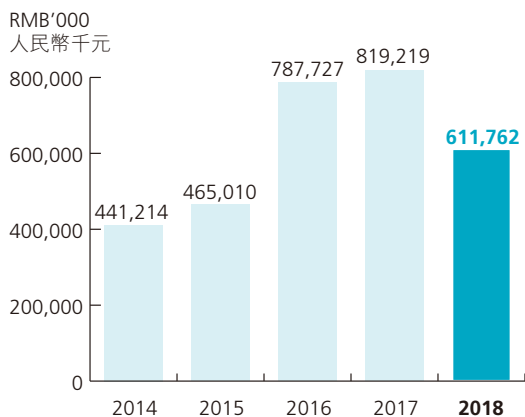


	2014	2015	2016	2017	2018
	2014年	2015年	2016年	2017年	2018年
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Financial position					
財務狀況					
Total assets	441,214	465,010	787,727	819,219	611,762
總資產					
Total equity	123,485	193,554	457,275	272,730	22,723
總權益					
Total liabilities	317,729	270,662	330,452	546,489	589,039
總負債					
Equity attributable to owners of the Company	105,214	193,428	458,179	273,635	23,629
本公司擁有人應佔權益					
Cash and cash equivalents*	70,216	60,206	154,079	75,651	80,343
現金及現金等價物*					

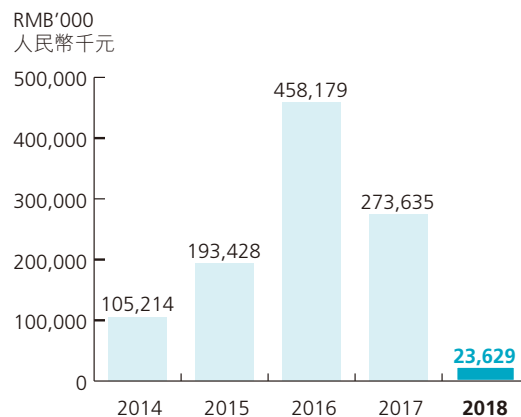
* As stated in the statement of cash flows

* 如現金流量報表所載

Total Assets
總資產



Equity Attributable to Owners of the Company
本公司擁有人應佔權益



Chairman's Statement

主席報告

Dear Shareholders,

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

The year of 2018 saw the pharmaceutical industry heavily influenced by another round of new policies. China is overhauling its healthcare system by asking eleven cities to pilot a “bulk procurement” of 33 medicines, which firstly took place in Shanghai. As such, this bulk procurement scheme would presumably acquire large amount of drugs at lower costs, resulting in significant price cut for these drugs, profit plunges for the pharmaceutical industry and decrease of overall health spending. Even though the new procurement scheme is not expected to be adopted nationwide in 2019, it is certain that both generic drugs and brand-name drugs will bear the brunt of price cuts in the long run.

Among the segmented markets immune to the impact of the bulk procurement scheme, the blood plasma market takes advantage of a high degree of certainty because of the difficulty of applying for plasma collection centers and stringent industry regulations. This sector is primarily driven by the rapid growth of demand; increase in revenue and robust growth can be expected when sales channels reshaped and terminal demand met.

During the Reporting Period, with the continuing roll-out of the “Two-Invoice System” the Group went on to execute its business strategy for the previous year whereby a substantial amount of financial and human resources has been channeled into the development of a new sales and marketing network. All these efforts are aimed at striving to accommodate the requirements of new policies during the great transition period of China's pharmaceutical industry. Our gradually remodeled sales network enables the Group's sales management and network channels to reach the end market, extending the coverage from major hospitals in large urban centers to those in prefecture-level cities and tier 2 and tier 3 cities. The Group is determined to keep deepening our market penetration, and thus establishing a precise management system that allows our promoters to access each and every one of these hospitals.

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。

2018年醫藥行業的發展深受新政策牽引。今年在11座城市33個藥品品種試點的國家帶量採購率先在上海執行，帶量採購降價效果明顯，進一步擠壓流通銷售環節的水分，降低虛高藥價，節約醫保基金。雖然帶量採購在2019年不會激進外推，但長期來看品牌仿製藥、原研藥的紅利將一去不復返。

在回避帶量採購風險的細分領域中，血液製品行業由於漿站申請難度大，審評、監管嚴格決定了其行業確定性較強。整個血液製品行業的增長主要由需求端高增速來拉動，渠道疏通後企業營收增速與終端需求增速匹配，可以預期較為確定的高成長性。

報告期內，「兩票制」繼續陸續在全國範圍內實施和推進，本集團延續了上一年度的經營策略，繼續投入大量的財力和人力深入開發新的營銷網絡體系，力求在中國醫藥行業的變革期內積極適應新政策的要求。隨著新的營銷網絡逐漸成形，本集團的銷售管理及網絡渠道均可直達終端市場，從大型中心城市的重點醫院逐漸向下覆蓋到地市及二、三級城市的醫院。我們將不斷加深市場滲透率，以達到建立每家醫院均有對應推廣服務供應商的精細化管理體系。

Throughout the Reporting Period, the total number of Human Albumin supplied to the Chinese market has reached 48.15 million vials, representing a 14.5% rise from 2017. Following plasma fractionators and sub-distributors' inventory pile-up and their subsequent effort to reduce inventory level in 2016 and 2017; Human Albumin supply recorded an obvious recovery in 2018 implying the completion of de-stocking and the start of inventory replenishment. We have reason to believe the overall inventory of the industry will continue to drop sharply in 2019, and, with the completion of "Two-Invoice System" reform, Human Albumin market will usher in a new era of recovery.

Revenue of Human Albumin products during the Reporting Period stood at RMB548.4 million, representing an increase of approximately 34.6% or RMB141.1 million as compared to 2017. Antibiotic products contributed revenue of RMB396.4 million, with an increase of approximately 21.6%. The Group's gross profit during the Reporting Period was RMB221.0 million, recording a rise of RMB127.5 million from 2017's gross profit of RMB93.5 million. Such dramatic growth is attributable to the rapid increase in the retail price of antibiotic products caused by the Group's new sales model in response to the "Two-Invoice System".

Owing to the supplier's successful production scale-up and the Group's efforts to reduce inventory since the beginning of 2018, the Group has distributed about 1.95 million vials of Human Albumin during the Reporting Period, representing a substantial increase of 44.8% year-on-year. At the same time, in the process of sales model transformation and the seizure of the terminal market, product selling price has been lowered, which brought down the product gross profit of Human Albumin as compared to 2017, although the sales was rebounded. In 2019, the Group will further take advantage of the stability of sales channels and the recovery of sales to restore or increase the sales price of Human Albumin in order to enhance its profitability.

In addition, in order to further enhance our competitiveness and market presence in the plasma product (Human Albumin) and antibiotic market, ever since 2017, the Group has taken steps to terminate or suspend business of some non-major products, such as Taurolite and Esafosfina. During the Reporting Period, such business restructuring resulted in a decrease of approximately RMB65.1 million in the sales revenue of such non-major products as compared with that in 2017, and the loss on disposal of relevant inventories during the Reporting Period amounted to approximately RMB117.9 million.

報告期內，中國人血白蛋白市場總體供應量為48.15百萬瓶，相較2017年有14.5%的大幅增長。在經歷了2016及2017年的廠家和渠道庫存積壓以及庫存持續消化後，2018年人血白蛋白供給端的回暖預示著渠道已經完成去庫存並開始積極補庫存。我們相信2019年行業的整體庫存將會繼續大幅下降，人血白蛋白市場將在「兩票制」改革完成後迎來一輪復蘇。

報告期內本集團人血白蛋白注射液銷售額為人民幣548.4百萬元，相比2017年增幅約34.6%或約人民幣141.1百萬元。抗生素產品實現銷售收入約人民幣396.4百萬元，增幅約21.6%。報告期內本集團毛利為人民幣221.0百萬元，相較2017年毛利人民幣93.5百萬元同比增長人民幣127.5百萬元，毛利的顯著增長為本集團為應對「兩票制」所採用的新銷售模式使抗生素產品銷售價格得以快速提升所致。

在人血白蛋白供應商順利擴張產能以及本集團自2018年初以來持續消化庫存的背景下，報告期內本集團共計銷售人血白蛋白注射液約195萬瓶，同比大幅增長44.8%。同時，本集團在營銷模式轉型以及搶佔終端市場的過程中下調了產品售價，導致了人血白蛋白在銷售大幅回升的同時但產品毛利相較2017年卻下降。本集團也將在2019年年度在銷售渠道得以穩定和銷售量大幅回升的基礎上，進一步恢復或提升人血白蛋白的銷售價格，以增強其盈利能力。

此外，為進一步強化在血液製品(人血白蛋白產品)及抗生素產品市場的優勢；擴大細分領域的市場佔有率，本集團自2017年度開始逐步停止了部分非主要產品，如滔羅特、愛賽福等產品的業務。業務調整致使報告期內該等非主要產品的銷售收入較2017年減少約人民幣65.1百萬元，此外，報告期內其對應的出售存貨虧損金額約為人民幣117.9百萬元。

Based on the comprehensive analysis above, the Group recorded a net loss of RMB280.6 million during the Reporting Period, representing a further loss of RMB94.7 million as compared with the net loss of RMB185.9 million in last year.

Although a huge loss was recorded during the Reporting Period, the Group firmly advanced the established business model transformation plan, and gradually completed the localization of its marketing network and the establishment of the terminal network. With the completion of the business restructuring, the Group is able to cope with the challenges posed by the "Two-Invoice System" reform in 2019, while continuing to expand its presence of the major products in various market segments, relying on the new terminal sales network. After the intensive implementation of medical policies, there has been a flattening of the distribution channels, while the ultimate demand remained unchanged. As the blood plasma industry led by Human Albumin gradually recovers, the Group will cooperate more closely with manufacturers and sub-distributors to enhance academic marketing with more financial funding, to expand brand awareness and strive to achieve rapid recovery of distribution business. Based on the good cooperation between the Group and the supplier – Octapharma, at the end of 2018, we have reached an exclusive distribution cooperation arrangement within Mainland China for the exclusive distribution of Human Albumin products manufactured in Octapharma's Austria and Germany plants starting from 2019. Such cooperation is believed to lay a solid foundation for the Group's business in 2019. In addition, the Group will actively seek upstream and downstream industry opportunities in the pharmaceutical industry in accordance with the development plan, and strive to expand its business in the fields of drug research and development and pharmaceutical cold chain logistics, in order to enhance the Group's core competitiveness and profitability stability.

Apart from the business of the Group as described above, the Group believes that outstanding staff and quality management talents are crucial to successful promotion of its strategic development. Therefore, we also recruit new employees for key positions such as system establishment and management, marketing, human resources and hospital management and continuously strengthening management ability and providing internal training to staff. 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.

Last but not least, on behalf of the Board, I would like to thank our Shareholders, customers and partners for their trust and support during the Group's difficult time, and all the employees of the Group for their hard work and contribution. The Group will seize the market opportunities brought by the upgrade and transformation of the pharmaceutical industry and continuously improve its competitiveness, in an effort to maximise value for the Shareholders, customers and other stakeholders.

Huang Xiangbin
Chairman

29 March 2019

基於上述綜合分析，本集團在報告期內錄得虧損淨額為人民幣280.6百萬元，相比去年的虧損淨額人民幣185.9百萬元增加人民幣94.7百萬元。

雖然報告期內錄得了大幅虧損，但是這一年裏本集團堅定推進了既定的業務模式轉型計劃，逐步完成了營銷網絡的下沉和終端網絡的搭建。隨著業務調整的完成，本集團能夠在2019年更加從容地應對「兩票制」改革所帶來的挑戰，同時依托新的終端銷售網絡持續擴大主營產品在各個細分市場的份額。本輪醫藥政策的集中實施後，終端需求並未消失，銷售渠道更加扁平化。隨著以人血白蛋白為代表的血液製品行業逐漸復蘇，本集團在2019年將與廠家和經銷商更加密切地合作，積極投入費用加大學術推廣，建設自身品牌的影響力，力爭在接下來的一年裏實現銷售業務的快速復蘇。基於本集團與供應商奧克特法碼的良好合作，於2018年底本集團已與奧克特法碼達成一項獨家經銷的合作安排，自2019年開始在中國大陸獨家經銷其奧地利工廠和德國工廠生產的人血白蛋白，相信新的合作將為本集團2019年的業務奠定堅實的基礎。此外，本集團亦會根據發展規劃，積極尋求醫藥行業的上下游產業機會，努力拓展在藥物研發及醫藥冷鏈物流等領域的業務，以求增強集團的核心競爭力和盈利穩定性。

除上述關於本集團業務的說明外，本集團相信優秀的員工和高素質的管理人才對成功推動本集團的戰略發展至關重要，因此也在制度建設及管理、市場營銷、人力資源及醫院管理職能的主要位置上招攬新人員，不斷強化管理能力和員工內部培訓。集團亦會繼續強化內部控制及風險管理體系建設，高度關注企業社會責任，並在集團管制中踐行企業的社會責任。

最後，本人謹代表董事會對各位股東、客戶及合作夥伴在本集團面對困難時給予的充分信賴和支持，以及本集團全體僱員做出的努力和貢獻致以衷心的感謝。本集團將把握醫藥行業升級轉型的市場機遇，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

2019年3月29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

With extensive experience in the distribution of pharmaceutical imports, the Group provides comprehensive MPCM services for small and medium-sized overseas pharmaceutical manufacturers. Meanwhile, the Group is the only MPCM services provider for imported blood products in the PRC, leveraging our quality product portfolio that focuses on blood products and nationwide marketing and promotion network. The Group's existing product portfolio encompasses many quality products produced by small and medium-sized overseas pharmaceutical manufacturers, covering multiple therapeutic areas such as anti-infective drugs, and blood products. Included in such products are blood products (which are in short supply in the Chinese market) and prescription drugs which can meet the high demand for high-quality drugs with excellent clinical results among medical institutions and patients.

1. Core Products

Human Albumin Solution

Dating back to the early of 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. Given the approval granted to new indications and an improved rate of diagnosis, the Plasma Protein Therapeutics Association predicts that the market demand for blood products will retain a high-speed growth around the globe. In these two years, as many new plasma collection stations have been put into service, the amount of plasma collection increases every year and production capacity of domestic manufacturers also increased rapidly. As the largest sales category in the market of blood products in the PRC, Human Albumin is the only kind of blood product allowed to be imported at the present, and the lot release of its imported and domestic categories maintains a rapid growth every year. In 2018, the annual lot release amounted to 48.15 million vials (2017: 41.22 million vials), among which the percentages of imported and domestic categories were 59.9% and 40.1% respectively. Manufactured by Octapharma, 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 remedy the shock caused by hypovolemia, remove edema and poisonous substances, and treat neonatal hyper-bilirubinemia. Based on the lot release of the Human Albumin Solution in the PRC in 2018, the market share of the Human Albumin Solution manufactured by Octapharma was approximately 8.7%.

業務回顧

本集團擁有進口醫藥分銷的豐富經驗，為海外中小型藥商提供綜合營銷、推廣及渠道管理服務。同時，本集團憑藉以血液製品為核心的優質產品組合和覆蓋全中國的營銷及推廣網絡，是中國進口血液製品唯一的營銷、推廣及渠道管理服務商。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，涵蓋抗感染藥物和血液製品等多個治療領域。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。

1. 核心產品

人血白蛋白注射液

血液製品起源於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。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。近兩年，隨著國內新批採漿站的投入使用，每年的採漿量得到了增長，國內生產廠家的生產產品能力也得到快速提升。人血白蛋白作為中國血液製品市場中最大的銷售品種，也是目前唯一可以允許進口的血液製品，其每年進口和國產品種的批發量都保持了快速的增長，2018年全年的批發量為4,815萬瓶(2017年為4,122萬瓶)，其中進口和國產的佔比分別為59.9%和40.1%。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法瑪公司生產，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。以2018年中國人血白蛋白注射液批發量統計，奧克特法瑪人血白蛋白注射液市場佔有率約為8.7%。

Axetine (Cefuroxime Sodium for injection)

Manufactured by Medochemie Ltd. from Cyprus, the Axetine operated by the Group is classified as the second generation of cephalosporin antibiotics. It is used to remedy bacterial infections caused by sensitive bacteria, 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 products of NRDL.

Medocef (Cefoperazone Sodium for injection)

Also manufactured by Medochemie Ltd. and operated by the Group, Medocef is classified as the third generation of cephalosporin antibiotics. The product is used to remedy 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.

2. Marketing Network Development

The Group provides its marketing service through its internal teams and their cooperation with third-party promoters. Hence, one of the Group's key development strategies is to continuously expand the marketing network and enhance distributor and promotor management. During the Reporting Period, the Group took "Flexible, Professional and Efficient" as its objectives, and strove to develop its marketing team in respect of the ability to quickly responding to market environment changes and to execute operational plans with high efficiency. Furthermore, the Group sorted out its human resources in each division. The marketing team had its structure streamlined and its performance management further refined, with optimised allocation of sales resources that are invested in each product and higher efficiency of business operation. As at 31 December 2018, the Group had an internal marketing team of 55 members.

At the same time, the implementation of "Two-Invoice System" took place at a faster pace in each province. To positively respond to such implementation, the existing structure of distributor network was comprehensively sorted out. Based on sufficient communication with its distributors, the Group has further extended its sales through the collaboration between its internal sales team and local distributors. Originally, promoters were allocated by region. Now, the promoters are matched with each hospital of the regions concerned, which enables the Company's sales network to reach the end market. Besides, the coverage of the network has also been extended from larger top Class-III hospitals to provincial, municipal and county-level hospitals, to keep improving market penetration, thereby establishing a precision management system that each hospital will have its respective promoters.

安可欣(注射用頭孢呋辛鈉)

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。

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、皮膚及軟組織感染、盆腔感染及敗血症等。該產品對流感桿菌、腦膜炎球菌引起的腦內感染亦有較好療效。

2. 營銷推廣網絡發展

本集團的營銷推廣服務通過內部團隊及與第三方推廣服務商合作而展開。因此，不斷拓展營銷推廣網絡，並持續強化對經銷商及推廣服務商的管理是本集團的重點發展戰略之一。於報告期內，本集團以「靈活應變」和「專業高效」為目標，著力打造營銷推廣隊伍快速應對市場環境變化以及高效執行運營方案兩方面的能力，對各部門進行人才盤點，精簡營銷推廣隊伍組織架構。同時，進一步細化營銷團隊績效管理，優化對各產品投入的銷售資源分配，提升營銷推廣隊伍業務運營效率。於2018年12月31日，本集團擁有的內部營銷團隊55人。

與此同時，本集團積極應對在各省加速落地的「兩票制」，全面梳理現有經銷商網絡結構，在與經銷商進行充分交流的基礎上，採取內部銷售隊伍和與各地經銷商合作的方式，加速推動銷售渠道向終端市場延伸，由原有按照區域劃分轉型到按照各個區域內的醫院劃分對應的推廣服務商，使公司的銷售網絡直達終端市場，同時從大型的三級甲等醫院逐漸往下覆蓋到省地市以及縣一級醫院，不斷加深市場滲透率，以達到建立每家醫院均有對應推廣服務商的精細化管理體系。

In addition, the Group has 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. In addition to product promotion, the Group has taken the initiative to invite third-party promoters from across the country to discuss and interpret the major impacts of national policies, to increase the added value and attraction of the Group's training. During the Reporting Period, the Group had over 500 distributors and promoters in 31 provinces, municipalities and autonomous regions in the PRC, covering approximately 1,200 Class-III hospitals, 1,500 Class-II hospitals, and over 1,200 Class-I hospitals, pharmacies and other medical institutions.

3. The Cold Chain Storage Facility

Considering the 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 storage facility in Shuangliu District, Chengdu, Sichuan Province. The Group has completed the first phase of its cold chain storage facility (15,000 square meters), which can satisfy the Group's storage demand and provide a 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 high quality pharmaceutical cold-chain storage services upon completing the second-phase construction (which includes 25,000 square meters of cold chain storage and 47,000 square meters of research and development base), which will be a new business unit of the Group. Currently, the Group is working on the application to Shuangliu District Government for land transfer.

Except as mentioned above, the Group does not hold any significant investments and did not have any major acquisitions or disposal by subsidiaries, affiliates and joint venture companies during the Reporting Period.

4. Research and Development

The Group has entered into a collaboration agreement with the China Academy of Chinese Medical Sciences to develop "Sinco I", a new 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. The Group is currently making efforts in designing and building a pilot plant for pilot experiments. During the Reporting Period, the Group incurred RMB2.1 million as the research and development expenses in developing Sinco I.

另外，本集團進一步強化內部營銷團隊對產品市場推廣活動的直接參與，包括定期向第三方推廣服務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地傳達於醫生。除了產品推介外，本集團還主動邀請全國第三方推廣服務商一同探討解讀國家政策的重大影響，提高本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500名經銷商及推廣商，覆蓋至全國約1,200家三級醫院、1,500家二級醫院及超過1,200家一級醫院、藥房和其他醫療機構。

3. 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倉儲設施。已完工的第一期冷鏈倉儲設施(15,000平方米)可滿足本集團自身的倉儲需求，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質量的醫藥冷鏈倉儲服務，形成本集團新的業務單元。目前，本集團向雙流區政府提請辦理土地轉讓手續正在積極辦理中。

除上文所述者外，本集團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. 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。目前正在設計建設中試車間以開展中試試驗。於報告期內，本集團產生開發Sinco I的研發費用為人民幣2.1百萬元。

OUTLOOK

In 2018, the domestic and global macro-economic environment still remains in uncertainty. Under the top-level strategy for a “Healthy China”, the Chinese pharmaceutical and healthcare reform will enter into a crucial year that features full implementation of multiple medical-reform policies, optimization of industrial structures, upgrade of technologies and facilities, and more support for international development. Meanwhile, there will be a greater disparity in corporate and product landscape, together with faster industrial integration, presenting both opportunities and challenges. Factors, such as aging population, greater health awareness, changes to disease spectrum and application of new technologies, will generate long-term strong demand to support the development of the Chinese pharmaceutical industry. As an important sector in the PRC relating to people’s livelihood, the pharmaceutical and healthcare industry still enjoy a strong growth momentum and huge demand.

After the pile-up of channel inventory in 2017 and the gradual inventory reduction in 2018, we expect the year of 2019 will witness a turning point for the blood products industry, with Human Albumin as the leading product to usher in a year of recovery. It is mainly because the demand after the Two-Invoice System’s implementation has not disappeared while the channel access has changed, with sales channels becoming more flat, manufacturers and end customers cooperating more closely, and more investment being made in academic marketing and brand promotion. Manufacturers’ business concept is gradually shifting from price-oriented to brand-oriented. The Group will continue with its corporate development strategies in optimizing the marketing network and the product portfolio, and maintaining the business of blood products and antibiotics as a core therapeutic area. By concentrating its advantageous resources, the Group spares no effort in reaching a speedy completion of the adjustment on sales pattern under the new policies for stabilizing its business. In respect of expanding its marketing network, the Group will strengthen the control over its sales team, improve its incentive mechanism, continuously promote presence in the downstream of marketing network channels, and extend it to the end market by establishing multi-mode cooperation with hospitals and pharmacies, all in a bid to contribute higher profit to the Group, develop core marketing capabilities and build a quality terminal promotion network to accommodate more products.

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 a greater value for the Shareholders.

未來展望

2018年，國內外宏觀經濟環境依然充滿不確定性因素。在「健康中國」的頂層戰略設計下，中國醫藥衛生體制改革將進入攻堅之年，多項醫改政策將全面實施，產業結構優化、技術設施升級、國際化發展會受到更多支持，企業格局和產品格局會更加分化，行業整合加速，機遇與挑戰並存。受人口老齡化、健康意識提高、疾病譜轉變、新興技術運用等因素驅動，推動中國醫藥行業發展的剛性需求將長期存在，醫藥健康行業作為中國的重要民生產業，仍具有強勁的增長動力和巨大的剛性需求。

在經歷了2017年的渠道庫存積壓以及2018年的逐步庫存消化後，我們預期血液製品行業將在2019年出現轉折點，以人血白蛋白為代表的大品種將迎來復蘇。主要是因為兩票制後終端需求並未消失只是渠道通路發生了改變，銷售渠道更加扁平化，廠家與終端客戶合作更加密切，積極投入費用加大學術推廣建設品牌影響力。廠家的經營思路逐漸由價格導向思維向品牌學術思維轉變。本集團將繼續秉持優化營銷推廣網絡和產品組合的企業發展戰略，以血液製品和抗生素製品為業務發展的核心治療領域。本集團集中優化資源，進一步完善在新政策下的銷售模式體系，穩定其業務發展。在擴大營銷推廣網絡上，本集團將加強對營銷團隊的管控，完善激勵制度，不斷推進營銷推廣網絡渠道下沉，並通過開發與醫院、藥房的多模式合作方式向終端市場延伸，為本集團貢獻更高的利潤，打造核心營銷能力和建立優質的終端推廣網絡以期載更多產品。

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，亦高度關注和履行企業社會責任，並在本集團管治中踐行。本集團將為員工提供理想的職業發展平台，為股東創造價值而不懈努力。

FINANCIAL REVIEW

Revenue

The Group recorded revenue of RMB953.0 million for the Reporting Period, representing an increase of RMB146.3 million, or 18.1% as compared to RMB806.7 million in 2017, which could be further analysed as follows:

			2018 2018年		2017 2017年	
			RMB million 人民幣百萬元	% of revenue 收益佔比	RMB million 人民幣百萬元	% of revenue 收益佔比
Human Albumin Solution	人血白蛋白注射液	1)	548.4	57.5	407.3	50.5
Antibiotics	抗生素	2)	396.4	41.6	326.1	40.4
Other products	其他產品	3)	8.2	0.9	73.3	9.1
Total	合計		953.0	100.0	806.7	100.0

- Benefited from the performance of the Group's marketing work, revenue from sales of Human Albumin Solution increased by RMB141.1 million, or by approximately 34.6% for the Reporting Period as compared with 2017, among which sales volume increased by approximately 44.8%. 2017 is the first year to implement the "Two-Invoice System" policy across the pharmaceutical circulation industry, and the Group had adjusted its market channels in responding to the policy, which led to a certain extent of decline in sales volume in 2017. After more than a year's improvement and promotion, the Group's market channels of Human Albumin Solution has been recovered effectively, so sales volume during the Reporting Period increased significantly as compared with prior year. However, due to the growth in the overall supply of Human Albumin in the Chinese market since 2017, its market price falls, and the Group's average selling price of Human Albumin Solution decreased by approximately 6.9% as compared with prior year.
- During the Reporting Period, revenue from sales of antibiotics increased by RMB70.3 million as compared with 2017, representing an increase of approximately 21.6%. The increase was mainly caused by the Group's active adjustment to its marketing model and sales channels in responding to the implementation of "Two-Invoice System" policy, which led to an increase in average selling price of antibiotics.
- As the Group has concentrated its resources on the business of its core products such as Human Albumin Solution and antibiotics, revenue from sales of other products decreased by approximately RMB65.1 million during the Reporting Period as compared with 2017.

財務回顧

收益

本集團於報告期內錄得收益人民幣953.0百萬元，較2017年的人民幣806.7百萬元增加人民幣146.3百萬元，增幅18.1%，可進一步分析如下：

- 得益於本集團營銷工作的成效，報告期內來自於人血白蛋白注射液的收益較2017年增長人民幣141.1百萬元，增幅約34.6%。其中銷量增長約44.8%。2017年為醫藥流通行業執行「兩票制」政策的第一年，本集團對市場渠道進行了調整以應對該政策，在此過程中2017年的銷售量有一定程度的下滑。經過一年多的完善和推廣，本集團人血白蛋白市場渠道已得到有效恢復，因此報告期內的銷量相比去年同期有了明顯提升。但由於2017年以來中國人血白蛋白市場整體供應的增加導致市場銷售價格下降，本集團人血白蛋白注射液平均售價較去年同期下降約6.9%。
- 報告期內，來自於抗生素的收益較2017年增長人民幣70.3百萬元，增幅約21.6%。主要是因為本集團積極調整銷售模式和銷售渠道以適應「兩票制」政策的執行，使本集團的抗生素平均銷售價格得到了提升。
- 由於本集團將主要資源集中在核心產品人血白蛋白注射液及抗生素的銷售上，因此報告期內其他產品貢獻收益較2017年下降約人民幣65.1百萬元。

Cost of sales

The Group recorded cost of sales of RMB731.9 million for the Reporting Period, representing an increase of RMB18.7 million, or 2.6% as compared with RMB713.2 million in 2017, among which (1) cost of sales of Human Albumin Solution increased by RMB142.2 million, or 36.0% as compared with 2017; and (2) cost of sales of antibiotics and other products decreased by RMB65.6 million and RMB57.9 million, or 26.6% and 81.3% respectively. The fluctuation of cost of sales was mainly affected by sales volume.

Gross profit and gross profit margin

During the Reporting Period, the Group recorded gross profit of RMB221.0 million, representing an increase of RMB127.5 million as compared with RMB93.5 million in 2017; while gross profit margin increased from 11.6% to 23.2% for the Reporting Period as compared with 2017. The increase mainly reflected the Group's adjustment of its sales model, which led to a rapid increase in selling price of antibiotics. Meanwhile, benefiting from the deduction of purchase price and tariff, unit the cost of sales of the Group's products also declined.

Other income and gains

During the Reporting Period, the Group recorded other income and gains of RMB12.1 million, representing an increase of RMB7.9 million as compared with 2017, mainly attributed to the gain from a foreign currency option contract of approximately RMB6.4 million; and foreign exchange gain of RMB3.4 million.

Selling and distribution expenses

During the Reporting Period, the Group's selling and distribution expenses amounted to approximately RMB268.6 million, representing an increase of RMB172.7 million as compared with 2017, which was mainly caused by the significant increase in marketing and promotion expenses during the Reporting Period, as the Group expanded the marketing network and strengthened the cooperation with third-party promoters. Selling and distribution expenses incurred during the Reporting Period included: (1) marketing and promotion expenditure related to sales of products of approximately RMB186.0 million, representing an increase of RMB110.1 million as compared with 2017; (2) market exploration and product promotion expenditure of approximately RMB74.6 million in key regions cooperating with distributors, representing an increase of RMB63.7 million as compared with 2017; (3) the total of staff costs and other expenditure incurred by sales team of approximately RMB6.2 million, representing a decrease of RMB0.6 million as compared with 2017; and (4) freight of RMB1.7 million, representing a decrease of RMB0.5 million as compared with 2017.

銷售成本

本集團於報告期內錄得銷售成本人民幣731.9百萬元，較2017年的人民幣713.2百萬元增加人民幣18.7百萬元，增幅2.6%，其中(1)人血白蛋白注射液銷售成本較2017年增加人民幣142.2百萬元，增幅36.0%；以及(2)抗生素及其他產品銷售成本分別下降人民幣65.6百萬元及人民幣57.9百萬元，跌幅分別為26.6%及81.3%。銷售成本的波動主要受到銷售量的影響。

毛利及毛利率

於報告期內，本集團實現毛利人民幣221.0百萬元，較2017年的人民幣93.5百萬元增加人民幣127.5百萬元，毛利率則由2017年的11.6%增加至報告期內的23.2%。其增長主要反映了本集團對銷售模式的調整，使得本集團抗生素產品的銷售價格得到快速增長。同時，受益於採購價格及關稅稅率的下調，本集團各產品的單位銷售成本也有所下降。

其他收入及收益

於報告期內，本集團錄得其他收入及收益人民幣12.1百萬元，較2017年增加人民幣7.9百萬元，主要來自於外幣期權合約收益約人民幣6.4百萬元；以及匯兌收益人民幣3.4百萬元。

銷售及經銷開支

於報告期內，本集團銷售及經銷開支約人民幣268.6百萬元，較2017年增加人民幣172.7百萬元，主要是由於報告期內本集團在拓展經銷網絡的同時強化與第三方推廣商的合作，使得營銷及推廣開支出現明顯增長。報告期內的銷售及經銷開支主要包括：(1)與銷售貨物相關的營銷推廣開支約人民幣186.0百萬元，較2017年增加人民幣110.1百萬元；(2)與經銷商合作就重點區域開拓終端市場及產品推廣投入的支出約人民幣74.6百萬元，較2017年增加人民幣63.7百萬元；(3)銷售部門員工成本及其他開支共計約人民幣6.2百萬元，較2017年減少人民幣0.6百萬元；以及(4)銷售運費人民幣1.7百萬元，較2017年減少人民幣0.5百萬元。

Administrative expenses

During the Reporting Period, the Group recorded administrative expenses of RMB55.5 million, which remained stable as compared with RMB57.3 million recorded in 2017.

Impairment losses on trade receivables and financial assets included in prepayments, other receivables and other assets

During the Reporting Period, the Group estimated the expected credit losses with reference to the historical records, current conditions and forecast of future economic conditions, and recorded impairment loss on trade receivables and financial assets included in prepayments, other receivables and other assets of RMB1.0 million and RMB0.5 million respectively.

Impairment loss on goodwill

During the Reporting Period, the Group provided an impairment loss of goodwill of RMB23.7 million (2017: RMB39.0 million), as a result of the decline in the Group's profitability led by the increase in selling and distribution expenditure.

Other expenses

During the Reporting Period, the Group recorded other expenses of RMB121.1 million, representing an increase of RMB81.8 million as compared with 2017, mainly affected by the following factors:

- (1) The Group has taken steps to terminate or suspend the business of some non-major products, such as Taurolite, since 2017, and concentrated resources on the marketing and promotion of the Group's core products. During the Reporting Period, the Group incurred loss on disposal of non-major inventories of approximately RMB117.9 million (2017: inventory impairment provision of RMB25.2 million); and
- (2) In 2017, the Group recorded losses in relation to foreign currency exchange of RMB10.1 million in aggregate, while during the Reporting Period, no such losses incurred.

行政開支

於報告期內，本集團錄得行政開支人民幣55.5百萬元，與2017年錄得的人民幣57.3百萬元基本保持一致。

貿易應收款項減值虧損以及計入預付款項、其他應收款項及其他資產的金融資產

於報告期內，本集團根據歷史數據、現行情況及預測未來經濟情況估計了預期信用損失，並針對貿易應收款項及以及計入預付款項、其他應收款項及其他資產的金融資產分別錄得減值虧損人民幣1.0百萬元及人民幣0.5百萬元。

商譽減值虧損

於報告期內，由於銷售及經銷開支上漲導致本集團盈利能力下降，本集團計提商譽減值虧損人民幣23.7百萬元(2017：人民幣39.0百萬元)。

其他開支

於報告期內，本集團錄得其他開支人民幣121.1百萬元，較2017年增加人民幣81.8百萬元，主要受下述因素影響：

- (1) 本集團自2017年起逐步停止或中止了部分非主要產品滔羅特等業務，以集中資源專注於本集團核心產品的市場銷售和推廣。於報告期內，本集團因處置非主要產品庫存發生損失約人民幣117.9百萬元(2017年：計提存貨跌價準備人民幣25.2百萬元)；以及
- (2) 2017年本集團錄得與外幣兌換相關損失共計人民幣10.1百萬元，而於報告期內未發生此項損失。

Finance costs

During the Reporting Period, the Group recorded finance costs of RMB34.8 million, representing an increase of RMB1.1 million as compared with 2017, including (1) interest expenses on bank and other loans of RMB27.6 million, representing an increase of RMB9.3 million as compared with 2017; (2) bond interest expenses of RMB6.2 million, representing a decrease of RMB4.8 million as compared with 2017; and (3) interest expenses on discounted bills receivable of RMB1.0 million, a drop of RMB3.4 million as compared with 2017.

Income tax expense

During the Reporting Period, the Group recorded income tax expense of RMB8.6 million, mainly because certain marketing and promotion expenditure, interest expenses on other borrowings and loss on disposal of inventories that are not deductible for tax, and tax losses of certain subsidiaries were not recognised.

Loss for the Reporting Period

As a result of the foregoing, the Group recorded net loss of RMB280.6 million, representing a further loss of RMB94.7 million as compared with 2017.

Inventories

Inventory balances amounted to RMB214.8 million as of 31 December 2018 (31 December 2017: RMB291.2 million), representing a decrease of RMB76.4 million as compared with the year-end balance of 2017. The main reason for the decrease was because the Group has enhanced the marketing and promotion of the products during the Reporting Period, which led to a drop in the inventory balance of Human Albumin Solution of RMB61.7 million. Besides, inventory balance of antibiotics declined by RMB7.8 million, and inventory balance of other products declined by RMB6.9 million.

The Group made a one-off import of Human Albumin Solution of approximately 720,000 vials in the fourth quarter of 2018, accounting for approximately 1/3 of the Group's annual sales volume, which led to a decline in inventory turnover. During the Reporting Period, the Group's average inventory turnover days was 126 days, increased by 16 days from 110 days in 2017.

財務成本

於報告期內，本集團錄得財務成本人民幣34.8百萬元，較2017年增加人民幣1.1百萬元，其中(1)銀行及其他貸款利息人民幣27.6百萬元，較2017年增加人民幣9.3百萬元；(2)債券利息支出人民幣6.2百萬元，較2017年減少人民幣4.8百萬元；以及(3)應收票據貼現利息支出人民幣1.0百萬元，較2017年下降人民幣3.4百萬元。

所得稅費用

於報告期內，本集團錄得所得稅費用人民幣8.6百萬元，主要是因為若干市場營銷推廣開支、其他借貸利息及存貨處置損失為不可扣稅開支，以及未針對部分附屬公司確認稅項虧損。

報告期內虧損

由於前述原因，本集團錄得虧損淨額人民幣280.6百萬元，較2017年增加人民幣94.7百萬元。

存貨

於2018年12月31日，存貨餘額為人民幣214.8百萬元（2017年12月31日：人民幣291.2百萬元），較2017年末減少人民幣76.4百萬元。減少的主要原因是報告期內本集團加大了產品的銷售推廣力度，使得人血白蛋白注射液庫存餘額減少人民幣61.7百萬元，此外，抗生素庫存餘額減少人民幣7.8百萬元，其他產品庫存餘額減少人民幣6.9百萬元。

於2018年第四季度，本集團一次性進口人血白蛋白注射液約72萬支，約佔全年銷售量約三分之一，導致存貨周轉率下降。於報告期內，本集團的平均存貨周轉天數為126天，較2017年的110天增加約16天。

Trade and bills receivables

The balance of trade receivables amounted to RMB22.8 million as of 31 December 2018 (31 December 2017: RMB26.5 million), mainly in relation to the sales of antibiotics. During the Reporting Period, the Group has provided certain distributors and commercial pharmaceutical delivery companies credit terms ranging from 45 days to one year based on the sales conditions of the market.

The balance of bills receivable amounted to RMB3.4 million as of 31 December 2018 (31 December 2017: RMB10.6 million), mainly in relation to the sales of Human Albumin Solution.

Prepayments, other receivables and other assets

As of 31 December 2018, prepayments, other receivables and other assets including in current assets were RMB64.8 million (31 December 2017: RMB146.7 million), representing a decrease of RMB81.9 million as compared with the year-end balance of 2017, mainly due to: (1) prepaid value-added tax decreased by RMB54.0 million, as the increase in revenue led to the increase in value-added tax output; (2) amortisation of prepaid marketing and promotion service fees of RMB74.6 million which has been charged to profit or loss during the Reporting Period; (3) increase in prepayment in relation to purchase of inventories and import value-added tax of RMB39.7 million; and (4) increase in purchasing deposit of RMB14.3 million.

Trade payables

As of 31 December 2018, trade payables amounted to RMB106.9 million (31 December 2017: RMB22.5 million), representing an increase of RMB84.4 million as compared with the year-end balance of 2017, among which payables for the purchase of Human Albumin Solution increased by approximately RMB53.6 million, payables for the purchase of other products increased by approximately RMB51.7 million, and payables for purchase of antibiotics decreased by approximately RMB21.0 million. Average trade payable turnover days increased from 17 days in 2017 to 32 days for the Reporting Period.

Other payables and accruals

As of 31 December 2018, other payables and accruals amounted to RMB205.5 million (31 December 2017: RMB70.0 million), representing an increase of RMB135.5 million as compared with the year-end balance of 2017. On the one hand, payables in relation to marketing, promotion and consulting services decreased by RMB13.4 million, and deposits received from distributors decreased by RMB16.3 million; on the other hand, interest payable on other borrowings increased by RMB14.8 million; and as of 31 December 2018, the Group has interest-bearing payables to an independent third party of RMB144.2 million, which settled the payments to the supplier of Human Albumin Solution on behalf of the Group.

貿易應收款項及應收票據

於2018年12月31日，貿易應收款項餘額人民幣22.8百萬元(2017年12月31日：人民幣26.5百萬元)，主要與抗生素銷售相關。於報告期內，本集團根據市場的銷售情況向不同的經銷商及商業配送醫藥公司提供了45日至一年不等的信用期。

於2018年12月31日，應收票據餘額為人民幣3.4百萬元(2017年12月31日：人民幣10.6百萬元)，主要與人血白蛋白注射液銷售相關。

預付款項、其他應收款項及其他資產

於2018年12月31日，流動資產中的預付款項、其他應收款項及其他資產為人民幣64.8百萬元(2017年12月31日：人民幣146.7百萬元)，較2017年末減少人民幣81.9百萬元。主要原因包括：(1)由於收益增長導致增值稅銷項稅額增加，預繳增值稅減少人民幣54.0百萬元；(2)預付市場推廣服務費人民幣74.6百萬元已於報告期內攤銷計入損益表；(3)預付採購款及進口增值稅增加人民幣39.7百萬元；以及(4)與採購相關的按金增加人民幣14.3百萬元。

貿易應付款項

於2018年12月31日，貿易應付款項為人民幣106.9百萬元(2017年12月31日：人民幣22.5百萬元)，較2017年末增加人民幣84.4百萬元，其中應付人血白蛋白注射液採購款增加約人民幣53.6百萬元，應付其他產品採購款增加約人民幣51.7百萬元，應付抗生素採購款減少約人民幣21.0百萬元。貿易應付款項平均周轉天數由2017年的17天增加至報告期內的32天。

其他應付款項及應計款項

於2018年12月31日，其他應付款項及應計款項為人民幣205.5百萬元(2017年12月31日：人民幣70.0百萬元)，較2017年末增加人民幣135.5百萬元，一方面是應付市場推廣服務費及諮詢費減少人民幣13.4百萬元，以及收到的經銷商按金減少人民幣16.3百萬元；另一方面應付其他借貸利息增加人民幣14.8百萬元；以及於2018年12月31日，本集團予一名獨立第三方的計息應付款項為人民幣144.2百萬元，其代替本集團向人血白蛋白注射液供應商支付款項。

Borrowings

As of 31 December 2018, the Group has an aggregate borrowing of RMB145.0 million and repayable within one year, with detailed information as set out below:

借款

於2018年12月31日，本集團的借款合計人民幣145.0百萬元，均須於一年內償還，詳情列示如下：

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Interest-bearing bank loans	計息銀行貸款	5,000	157,713
Interest-bearing other borrowings	計息其他借款	140,000	118,102
Bonds	債券	–	133,856
Total	合計	145,000	409,671

Other borrowings of RMB140 million at the end of the Reporting Period were borrowed from an independent third party, Mr. Gui Guoping (“Mr. Gui”), who is not a connected person of the Company, in April 2018 with an interest rate of 13.2% per annum for the repayment of principal and interest of the company bonds due in the same month.

報告期末計息其他借款為2018年4月向獨立第三方Gui Guoping先生(「桂先生」)(非本公司的關連人士)借款人民幣140百萬元，年利率13.2%，所得款項已用於償還於同月到期的公司債券本金及利息。

Gearing ratio

At the end of the Reporting Period, the Group's gearing ratio was calculated as follows:

負債比率

於報告期末，本集團的負債比率計算如下：

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Interest-bearing bank and other borrowings	計息銀行及其他借款	145,000	275,815
Trade payables	貿易應付款項	106,901	22,522
Other payables and accruals	其他應付款項及應計款項	205,525	70,029
Tax payables	應付稅項	1,943	2,546
Bonds	債券	–	133,856
Less: Cash and cash equivalents	減：現金及現金等價物	(80,330)	(22,710)
Less: Pledged bank balances	減：已抵押銀行結餘	(13)	(52,941)
Net debt ^(a)	負債淨額 ^(a)	379,026	429,117
Equity	權益	22,723	272,730
Equity and net debt ^(b)	權益及負債淨額 ^(b)	401,749	701,847
Gearing ratio ^(a/b)	負債比率 ^(a/b)	94.3%	61.1%

Liquidity and capital resources

The following table sets out a condensed summary of the Group's consolidated statement of cash flows during the Reporting Period:

流動資金及資本來源

下表為本集團於報告期內綜合現金流量表的簡明摘要：

			2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Net cash from/(used in) operating activities	經營活動所得／(所用)現金淨額	1)	105,795	(358,654)
Net cash from/(used in) investing activities	投資活動所得／(所用)現金淨額	2)	(1,630)	71,985
Net cash from/(used in) financing activities	融資活動所得／(所用)現金淨額	3)	(99,502)	209,498
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物 增加／(減少)淨額		4,663	(77,171)
Effect of foreign exchange rate changes, net	外匯匯率變動影響，淨額		29	(1,257)
Cash and cash equivalents at beginning of the year	年初現金及現金等價物	4)	75,651	154,079
Cash and cash equivalents at end of the year	年末現金及現金等價物	4)	80,343	75,651

- | | |
|---|--|
| <p>1) Net cash from/(used in) operating activities
During the Reporting Period, the Group's net cash inflow from operating activities amounted to approximately RMB105.8 million (2017: net cash outflow of RMB358.7 million), which was mainly due to the increase in cash from sales during the Reporting Period, and the decrease in cash used in payment for goods, import taxes and charges as compared with prior year.</p> | <p>1) 經營活動所得／(所用)現金淨額
本集團報告期內經營活動產生現金淨流入約人民幣105.8百萬元(2017年：現金淨流出人民幣358.7百萬元)，此乃主要由於報告期內銷售帶來的現金流入增加，同時支付的貨款以及進口稅費所用現金較去年減少所致。</p> |
| <p>2) Net cash from/(used in) investing activities
The Group did not incur significant capital expenditure during the Reporting Period, and net cash outflow from investing activities amounted to RMB1.6 million (2017: net cash inflow of RMB72.0 million).</p> | <p>2) 投資活動所得／(所用)現金淨額
因本集團於報告期內無重大資本開支，投資活動產生現金淨流出人民幣1.6百萬元(2017年：現金淨流入人民幣72.0百萬元)。</p> |
| <p>3) Net cash from/(used in) financing activities
During the Reporting Period, the Group's net cash outflow from financing activities amounted to approximately RMB99.5 million (2017: net cash inflow of RMB209.5 million), including (i) repayment of bonds of RMB129.1 million; and (ii) payment of interests of RMB20.0 million. The cash outflow was partially offset by (i) net proceeds from bank and other borrowings and other payables and accruals of RMB13.2 million; and (ii) net proceeds from issuance of convertible bonds of RMB30.6 million.</p> | <p>3) 融資活動所得／(所用)現金淨額
本集團報告期內融資活動產生現金淨流出約人民幣99.5百萬元(2017年：現金淨流入人民幣209.5百萬元)，其中(i)償還債券支出人民幣129.1百萬元；及(ii)利息支出人民幣20.0百萬元。現金流出部分由(i)銀行及其他借貸及其他應付款項及應計款項的所得款項淨額人民幣13.2百萬元；及(ii)發行可換股債券所得款項淨額人民幣30.6百萬元所抵消。</p> |
| <p>4) The following table sets out the Group's cash and cash equivalents at the end of the Reporting Period:</p> | <p>4) 下表載列本集團於報告期末的現金及現金等價物：</p> |

			2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Denominated in RMB	以人民幣計值		25,849	79,897
Denominated in US\$	以美元計值		53,490	3,303
Denominated in HK\$	以港元計值		937	1,451
Denominated in Singapore dollars	以新加坡元計值		67	-
			80,343	75,651

Foreign currency risk

Most of the Group's assets and liabilities are denominated in RMB, except for certain items below:

- Certain bank balances are denominated in US\$, HK\$ and Singapore dollars;
- Purchase of products from overseas suppliers and relevant trade payables are denominated in US\$; and
- Certain bank loans and bonds are denominated in US\$ and HK\$.

The Group manages the potential fluctuation in foreign currencies by foreign currency forward and option contracts, and does not enter into any hedging transactions.

Capital expenditure

The following table sets out the Group's capital expenditure for the periods indicated:

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Purchase of property, plant and equipment	購買物業、廠房及設備	1,412	29,802
Acquisition of a subsidiary	收購一間附屬公司	-	6,616
		1,412	36,418

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:

		31 December 2018 2018年12月31日			
		On demand 於要求時 RMB'000 人民幣千元	Less than 3 months 少於三個月 RMB'000 人民幣千元	3 to 12 months 三至十二個月 RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
Interest-bearing bank and other borrowings	計息銀行及其他借款	-	9,583	141,519	151,102
Trade payables	應付貿易款項	-	52,377	54,524	106,901
Other payables	其他應付款項	1,396	177,688	18,596	197,680
		1,396	239,648	214,639	455,683

外匯風險

本集團大部分資產及負債以人民幣計值，惟下列項目除外：

- 若干銀行結餘以美元、港幣及新加坡元計值；
- 向海外供應商購買產品及相關應付貿易款項以美元計值；以及
- 若干銀行借貸及債券以美元、港幣計值。

本集團主要通過外幣遠期合約管理外匯潛在波動，並無訂立任何對沖交易。

資本開支

下表載列本集團於所示期間的資本開支：

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：

		2017 2017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 and other borrowings	計息銀行及其他借款	–	209,696	71,512	281,208
Trade payables	貿易應付款項	–	22,522	–	22,522
Other payables	其他應付款項	1,262	32,395	34,931	68,588
Bonds	債券	–	138,569	–	138,569
		<u>1,262</u>	<u>403,182</u>	<u>106,443</u>	<u>510,887</u>

Contingent liabilities

The Group had no material contingent liabilities as of 31 December 2018.

或然負債

於2018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 2018, the net carrying amounts of the Group's pledged assets were set out as follows:

資產抵押

於2018年12月31日，本集團已抵押資產的賬面淨值載列如下：

		31 December 2018 2018年 12月31日 RMB'000 人民幣千元	31 December 2017 2017年 12月31日 RMB'000 人民幣千元
For obtaining bank and other borrowings	用於獲得銀行及其他借款		
– Buildings	– 樓宇	–	84,725
– Inventories	– 存貨	147,516	125,739
– Bank balances	– 銀行結餘	–	30,000
For issuance of letters of credit and billings	用於開立信用證及承兌匯票		
– Bank balances	– 銀行結餘	13	22,941

Dividend

The Directors resolved not to declare any final dividend for the Reporting Period (2017: Nil).

股息

董事會決議不會就報告期宣派任何末期股息(2017年：無)。

EMPLOYEE AND REMUNERATION POLICY

As of 31 December 2018, the Group had a total of 129 employees. For the Reporting Period, the total staff costs of the Group were RMB13.2 million (2017: RMB15.1 million).

僱員及薪酬政策

於2018年12月31日，本集團共有129名僱員。於報告期，本集團的員工成本總計人民幣13.2百萬元(2017年：人民幣15.1百萬元)。

The Group's employee remuneration policy is determined by taking into account 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

本集團僱員薪酬政策乃考慮有關當地市場的薪酬、行業的整體薪酬標準、通脹水平、企業運營效率及僱員表現等因素而確定。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。本集團僱員根據若干績效條件及評核結果考慮其

which are applied in annual salary reviews and promotional assessments. The Group's employees are considered for annual bonuses according to 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.

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 quality. 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 to recognize the contribution by certain employees of the Group, and to provide them with incentives in order to retain them for their continuing support in the operation and development of the Group. As at 31 December 2018, there were 16,850,000 outstanding options granted under the Share Option Scheme.

RISK MANAGEMENT

The principal risks and uncertainties identified by the Company which may have material and adverse impact on our performance or operation are summarized below. There may be other principal risks and uncertainties in addition to those set out 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 certain items of bank balances, other receivables, bank borrowings and bonds are denominated in US\$ and HK\$.
- Increase in cost and competition as well as decrease in sales price caused a decrease in gross profits.
- 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 such measures are properly implemented in daily operational management.

年度花紅。本集團根據相關中國法規為其中國僱員做出社會保險供款。

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。本集團於報告期內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。於2018年12月31日，購股權計劃項下授予的購股權尚有16,850,000份未行使。

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，可能還有其他未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。

- 未能與現有供貨商維持關係 – 本集團現時向數目有限的供貨商直接或透過銷售代理間接採購所有產品組合。
- 匯率波動 – 本集團向海外供貨商購買的產品以美元計值，且若干銀行結餘、其他應收款項、銀行借貸及債券項目均以美元及港元計值。
- 成本增加，售價降低及競爭加劇導致利潤率下跌。
- 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運營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，並參與制定合適的風險管理及內部控制措施，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. 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 imported pharmaceutical products from overseas suppliers, either directly or indirectly through their sales agents, and generates revenue by on-selling them to hospitals and pharmacies through distributors and deliverers. Our suppliers or their sales agents have granted us the exclusive operation rights to market, promote and manage sales channels for their products in the PRC. The Group maintains a stable and long-term relationship with its suppliers by providing them access to the growing PRC market with steady sales growth.

The Group sells pharmaceutical products to distributors or deliverers, who on-sell the products to hospitals and pharmacies either directly or indirectly. The Group maintains stable and long-term relationship with its distributors or deliverers by providing them 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 for imported pharmaceutical products, a line of business that does not have material impact on the environment. The key environmental impact from the Group's operation is related to electricity, water and paper consumption. The Group is fully aware of the importance of sustainable environmental development, and has implemented the following measures to encourage environmental protection and energy conservation:

- Promoting paperless office
- Encouraging low-carbon commuting
- Ensuring reasonable energy consumption

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

COMPLIANCE WITH LAWS AND REGULATIONS

The Group's 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 in all material respects complied with applicable laws and regulations of the Cayman Islands, the British Virgin Islands, Hong Kong and the PRC, which would have a significant impact on the Group.

與主要利益相關者的關係

人力資源為本集團的重要資產之一，本集團致力於以清晰的職業發展路徑以及完善專業的培訓課程激勵僱員。此外，本集團亦為僱員提供具有市場競爭力的薪酬待遇，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，然後通過經銷商或配送商轉售予醫院和藥房產生收益。供貨商或其銷售代理授予我們在中國營銷、推廣產品及管理銷售渠道的獨家經營權利，我們與供貨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或配送商，再由其直接售予醫院和藥房。本集團與經銷商或配送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，並已實施以下措施，以推動環保及節能：

- 推行無紙化辦公
- 鼓勵低碳出行
- 確保合理利用能源

於報告期內，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

本集團的業務及營運須遵守開曼群島、英屬維爾京群島、香港及中國相關法律及法規。於報告期內，我們在所有重大方面遵守對本集團有重大影響的開曼群島、英屬維爾京群島、香港及中國所有適用法律及法規。



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

1. Basis of Preparation

This report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “ESG Guide”) as set out in Appendix 27 to the Listing Rules of the HKSE and complies with the reporting principle of ‘comply or explain’ and compilation in relation to key performance indicators (‘KPIs’) in the environmental area under ESG Guide.

The data and information cited in this report are referenced from the archived questionnaires, records, statistics and research of the Company. This report covers an information period that spans from 1 January 2018 to 31 December 2018, exactly the financial year covered by the 2018 annual report of the Company.

This report encompasses the information of the Company and all its subsidiaries (collectively referred to as the ‘Group’).

2. Contact

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

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

3. Overview

With extensive experience in the distribution of pharmaceutical imports, the Group provides comprehensive MPCM services for small and medium-sized overseas pharmaceutical manufacturers. Meanwhile, the Group, leveraging its quality product portfolio that focuses on blood products nationwide marketing and promotion network, is the only MPCM service provider for imported blood products in the PRC. Currently, the Group’s product portfolio includes blood products, antibiotics, and other pharmaceutical imports that enjoy high-speed growth or a sizable market.

1. 報告編輯依據

本報告根據香港聯交所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，並且符合不遵守就解釋的報告原則及環境、社會及管治報告指引中關於環境範疇關鍵績效指標的編輯。

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2018年1月1日至2018年12月31日。與本公司2018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。

2. 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：

- a. 地址：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
- b. 電話：+86 28 62912988
- c. 傳真：+86 28 62912922
- d. 電郵地址：sinco-pharm@sinco-pharm.com
- e. 官方網站：<http://www.sinco-pharm.com>

3. 概況

本集團擁有豐富的進口醫藥分銷經驗，為海外中小型藥商提供綜合營銷、推廣及渠道管理服務。同時，本集團憑藉以血液製品為核心的優質產品組合和覆蓋全中國的行銷及推廣網絡，是中國進口血液製品唯一的行銷、推廣及渠道管理服務供應商。本集團的現有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。

4. Core Values

Constant in pursuing excellence of product quality and pharmaceutical technology services, the Group aspires to become a top partner for overseas pharmaceutical businesses who intends 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 safeguard the investors, staff, suppliers, distributors, governments, communities, financial institutions and other stakeholders.

5. Stakeholder Identification and Communications

The Group will continue to maintain close connections and communications with the stakeholders, and receive valuable opinion from them each year. In order to decide the content and direction of the annual report for the Reporting Period, we referred to the analysis results of significant subjects raised by the stakeholders last year and the relevant response.

4. 核心價值觀

本集團不斷追求品質卓越的醫藥產品和醫藥科技服務，目標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，以優良的企業管治、對環境及社會責任的履行實現可持續發展，維護包括投資者、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。

5. 權益人識別與溝通

本集團將繼續與各方權益人保持緊密聯繫和溝通，每年度都會接收他們寶貴的意見。我們已以上年度的權益人重大關注議題與回應的分析結果作為基礎以擬定本年度報告的內容和方向。

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 反應與反饋
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 Respond to investor's email/telephone inquiries 按規定發佈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佈定期報告 回復投資者郵件／電話詢問，及接待投資者現場調研

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 反應與反饋
Staff 員工	Training and career development Remuneration and benefits Health and safety 培訓與職業發展 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 safety working 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
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 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/deliverers/promoters 經銷商／配送商／推廣服務商	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 pharmaceutical knowledge training and marketing support Sufficient communication 加強質量管理 按約履行合同 提供藥品知識培訓和營銷推廣支持 充分溝通

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 反應與反饋
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 compliance 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

6. Social

To perform social responsibility, the Group always attaches great importance to the details of staff, product management and community benefit at work to provide a fair and equitable treatment to the related stakeholders of the Group and deeply believes that this management direction is a long-term investment for the Group.

a. Employment

The Group is aware of a number of laws and regulations on the protection of the labor force established by the PRC and has strictly complied with their requirements to carry out all of the relevant laws and regulations when employing staff members. The relevant laws and regulations include: PRC Labor Law, Employment Promotion Law, Labor Contract Law, Tentative Provisions on Salary Payment, Regulations on the Management of Housing Provident Fund, Labor Dispute Mediation and Arbitration Law, Regulation on Work-related Injury Insurances, and local labor laws and regulations. The Group also ensures the entitlement to all statutory social insurance and statutory holidays of its staff members. Furthermore, to provide staff members with better welfare, the Group has formulated a Remuneration Management System, Staff Fund Management System, and Staff Reward and Punishment Provisions, and also provides staff members with allowances for transport and lunch, staff activities and group tours, with an aim to achieve fair treatment for all staff members of the Group. In addition to the said welfare, the Group also attaches great importance to raise intrinsic value of the staff. Therefore, the Group provides staff members at all levels with targeted development and incentive schemes, and clear and fair promotion opportunities through performance appraisal according to the Group's Performance Management System.

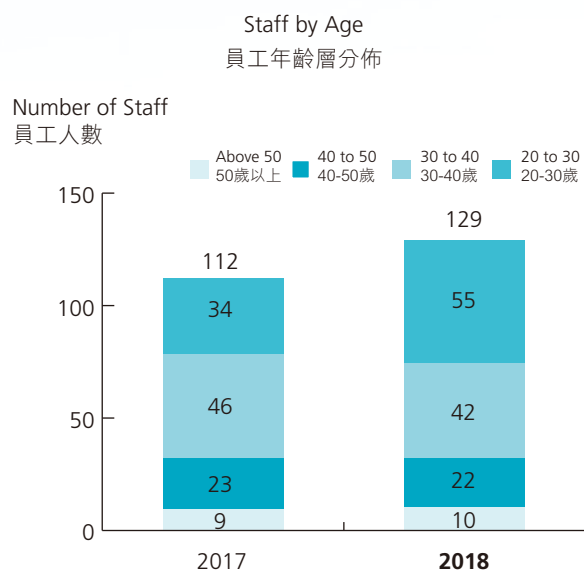
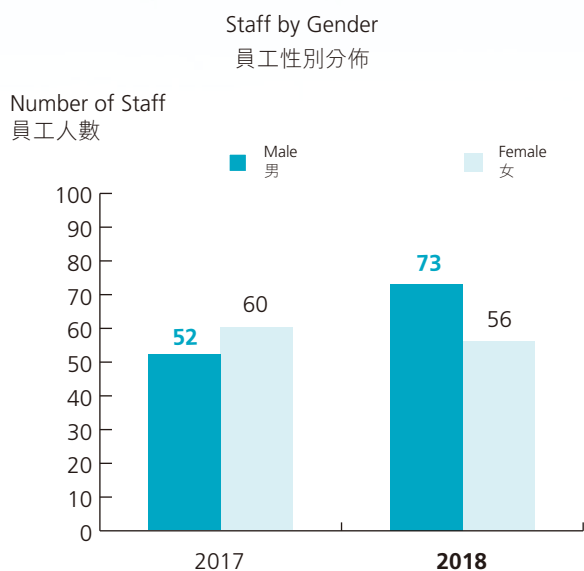
6. 社會

為履行企業社會責任，本集團一向非常重視工作上對員工、產品管理以及社區福利的細節，務求對本集團有關的權益人作出公平和公正的對待，並且深信此管理方針是為本集團長遠的投資。

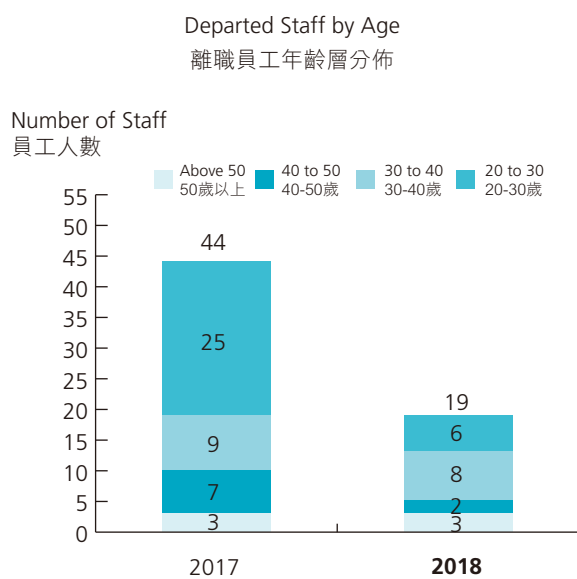
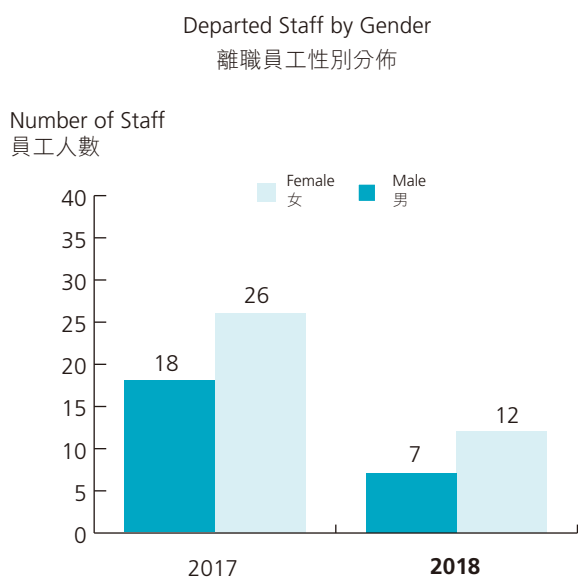
a. 僱傭

本集團清楚瞭解中華人民共和國設立的多項保護勞動人口法規，並嚴格按照其規定，執行所有有關法規僱傭員工，相關的法規包括：《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》、《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。本集團亦確保向員工提供所有的法定社會保險及法定假期。本集團為了向員工提供更好的福利待遇，還制定了《薪酬管理制度》、《員工基金管理制度》、《員工獎懲條例》等政策，亦提供交通及午餐補貼、員工活動和團體旅遊等，以求達到公平對待本集團所有員工。除了相關福利之外，本集團亦重視提升員工的內在價值，所以在本集團訂立了一個針對性的專項培育及鼓勵計劃予不同級別的員工，而且根據本集團《績效管理制度》進行績效考核，為員工提供清晰、公平的晉升機會。

Employment Indicators 僱傭指標



During the Reporting Period, the Group recorded a staff outflow of 19, representing a turnover rate* of 12.8%.
於報告期內，本集團離職人員19人，流失率*為12.8%。



* Turnover rate = Number of staff departed during the Reporting Period / (Headcount at the end of the Reporting Period + Number of staff departed during the Reporting Period)

* 流失率 = 報告期內離職員工人數 / (報告期末人數 + 報告期內離職員工數)

In addition to the existing staff policies, the Group's strict recruitment system ensures that it could enjoy a comprehensive human resources allocation. The Group has always been recruiting talents externally and keeping in contact with recruitment agencies, universities and colleges to attract potential talents to join the Group. It has also set up a "Staff Referral Award" to encourage its staff members to recommend capable talents to join the Group.

Moreover, the Group ensures that all the job applicants and staff enjoy equal opportunities for employment, with zero tolerance of any discrimination over gender, age, ethnicity, nationality and disability. As at 31 December 2018, the Group had a staff of 129 in total (57% being male staff and 43% being female staff). During the Reporting Period, no employment discrimination has occurred within the Group.

b. Health and Safety

Staff health and safety are also areas that the Group attached great importance to. The Group, at all times, strictly complies with all requirements of relevant regulations, including 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.

The Group strives to offer its staff a safe work environment and minimize all potential risks on health and safety. We conduct ongoing risk assessment and inspection on work environment with certain high-risk to mitigate the risks. During the Reporting Period, the Group implemented a series of health management measures, so that its staff members can work in a safe environment free of occupational hazards:

- Staff medical examination
- Fire Drills
- Regular maintenance of electrical equipment
- Traffic safety study for drivers

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.

除了對現有員工的政策外，本集團嚴謹的招募制度能確保本集團擁有完善的人力資源配置。本集團一直採取對外招聘的形式，亦與人力招聘機構及高等院校保持聯繫，務求吸納有潛力的人才加入本集團。為了鼓勵員工推薦有能力的人才加入，本集團設有「內部推薦伯樂獎」。

再者，本集團為所有應徵者和員工提供平等的就業機會，絕不容許任何由於性別、年齡、民族、國籍、殘疾而歧視任何應聘者和員工的行為。於2018年12月31日，本集團員工總人數為129人，男女佔比分別為57%和43%。於報告期內，本集團未發生就業歧視事件。

b. 健康與安全

員工健康及安全都是本集團非常重視的範疇，本集團一直嚴格遵守所有的有關的法規的要求，包括中華人民共和國《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。

本集團盡可能為員工提供一個安全的工作環境，減低各類潛在的健康與安全風險。本集團持續對有特定高風險的工作環境作風險評估及檢查，以減低風險。於報告期內，本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型危害：

- 員工體檢
- 消防演習
- 電力設備定期檢修
- 駕駛員交通安全學習

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而損失工作日數。

c. Development and Training

Improving the quality and techniques of staff members is a momentum for the Group's development. To ensure effective implementation of staff training schemes, the Group has formulated Management Measures for Staff Training, which expressly set out an integrated system and implementation process that encompass induction, internal training and external training:

i. 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.

ii. Internal Training

Based on the actual demands at work, the Group applies its internal training resources to the communications on professional knowledge and skills, to share experience. Such training takes place in the following forms: self-learning with shared training materials on the Group's online work platform, and discussions at regular departmental meetings, communication sessions for business teams and inter-departmental sharing sessions.

iii. External Training

The Group encourages its staff members to improve their professional techniques through attending training and policy seminars hosted by external institutions, subject to efficient and reasonable work arrangement of the staff.

In order to share and inherit the Group's knowledge and experience with internal staff members, the Group has formulated its Internal Lecturer Management Measures to enhance the efficiency and effectiveness of training. At the beginning of each year, human resources department formulates annual training scheme according to feedback from the previous year, the Group's strategic planning and the actual demand of each department, and prepares training curricular and course content on a quarterly basis.

c. 發展與培訓

提升員工整體素質和技術水準是對本集團發展的動力，為了有效地實施員工的培訓計劃，本集團制定了《員工培訓管理辦法》，當中明確列明入職培訓、內部培訓和外派培訓的綜合體系及實施流程：

i. 入職培訓

向新入職員工介紹本集團的企業文化、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、所任崗位的說明等。

ii. 內部培訓

根據工作中的實際需求，利用本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。

iii. 外派培訓

本集團鼓勵員工提升專業技術水準，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。

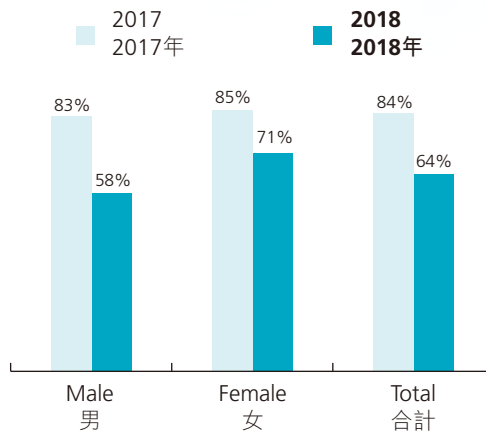
本集團還制定了《內部講師管理辦法》，實現知識與經驗在本集團內部的共享及傳承以提高培訓的效率及效果。人力資源部門每年年初會根據上年度的回饋、本集團的戰略規劃及各部門實際需求制定年度培訓計劃，按季度制定培訓大綱及課程資訊。

Training-related Indicators

培訓相關指標

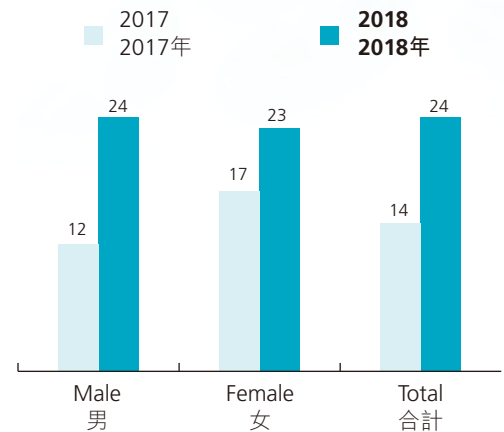
Staff Training Ratio by Gender

按性別劃分的受訓員工比例



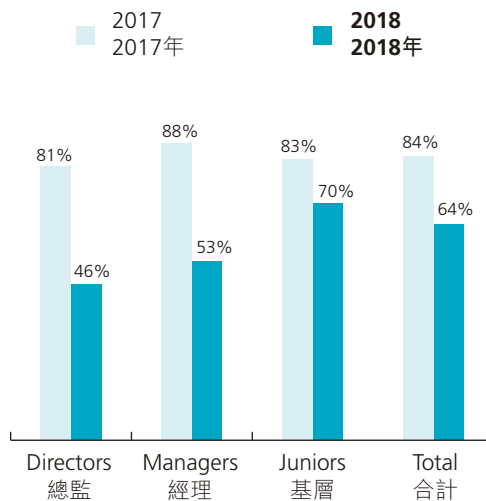
Staff Average Training Hours by Gender

按性別劃分員工平均受訓時數



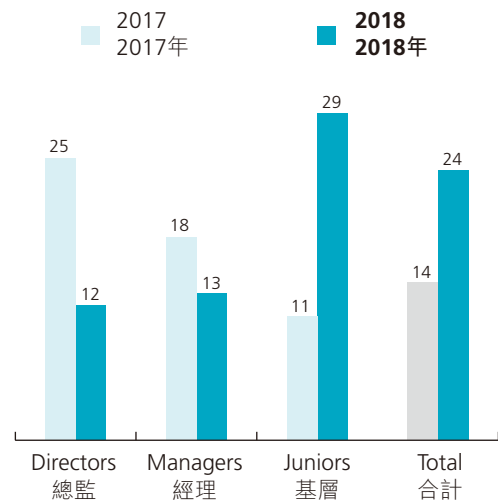
Staff Training Ratio by Category

按類別劃分的受訓員工比例



Staff Average Training Hours by Category

按類別劃分員工平均受訓時數



d. Labor Standards

The Group's policies on staff recruitment and treatment are in strict compliance with relevant national and local 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 clearly states that child labor shall not be allowed. Relevant departments also regularly monitor employment-related information and data, to ensure there is no child labor or forced labor.

During the Reporting Period, the Group did not discover any use of child labor or forced labor.

d. 勞工準則

本集團在招聘員工和對待員工的政策都嚴格按照國家和地區的有關規定執行，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》。本集團的《員工手冊》中已清楚列明嚴禁僱傭童工，有關部門亦會定期檢查僱傭相關資訊及數據，以確保不會僱傭童工或強制勞動。

於報告期內，本集團未發現有僱傭童工或強制勞動的情況。

e. Supply Chain Management

The Group is well aware that effective management of procurement is the most critical part in maintaining quality and safety of product and service. To systemize the complicated procurement process of pharmaceutical imports, the Group has formulated procurement business standardized documents for various pharmaceutical products. Such documents are based on the Management Regulation on the Procurement of Imported Products 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). In addition to the internal management system, the Group has established a good relationship with our suppliers and kept liaison, exchanging news on the market updates and sales data of products for coordinating and adjusting procurement and sales plans accordingly.

Prior to establishing any cooperation arrangement with suppliers or its sales agents, the following factors are considered by the Group:

1. Product compliance
2. Brand influence
3. Strategic synergy with the Group's development
4. Prospects in the Chinese market
5. Other potential risks

The Group appraises its existing suppliers according to the Appraisal Measures for Suppliers, to ensure that suppliers cooperating with the Group can maintain quality. Currently, the Group's suppliers are mainly small and medium-sized pharmaceutical manufacturers from overseas countries, including Austria, Sweden and Cyprus.

To protect information privacy of the suppliers, the Group continually enhances its information security, establishing targeted security principals for the business network, office network, servers, cyber computer room management and controlled visits. The staff members are required to sign an agreement to prevent the leak of the suppliers' privacy.

e. 供應鏈管理

本集團深知採購環節的有效管理是保障各項產品與服務質量與安全的關鍵。為了將繁複的進口藥品採購流程系統化，本集團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，針對各種藥品制定了採購業務標準化文件，設立了《進口採購管理制度》。除了內部的管理體系，本集團都一直與供應商建立良好的關係並保持溝通，互相提供產品的最新市場情況及銷售數據，以便協調及調整採購及銷售計劃。

與供應商或其銷售代理建立任何合作關係前，本集團會考慮以下數個因素：

1. 產品合規性
2. 品牌影響力
3. 與本集團發展的戰略匹配度
4. 中國市場前景
5. 其他潛在風險

本集團會按照《供應商考核辦法》對現有的供應商進行考核，以保障本集團合作的供應商都能保持質素。目前本集團的主要供應商為海外中小型的製藥企業，供應商來自於奧地利、瑞典、德國、塞浦路斯等國家。

為了保護供應商的資訊私隱，本集團一直不斷強化資訊安全建設，在業務網絡、辦公網絡、服務器、資訊化機房管理、訪問控制等方面建立具有安全性原則，員工亦需簽訂協議書，以免發生任何人為泄露供應商的私隱。

f. Product Responsibility

As the Group is a member of the pharmaceutical industry and the products are prescription drugs, the product quality is crucial and potential risks must be properly controlled. To ensure product quality and safety, the Group strictly complies with all national laws and regulations on product safety, including the PRC Pharmaceutical Administration Law and its Implementation Regulations, Good Supply Practice for Pharmaceutical Products and its Implementation Rules. Besides, the Group has a systematic system for managing pharmaceutical quality in place with active cooperation with the regulators in their inspections. The Group proactively provides internal training on the knowledge of safety and quality and promotes the policies, systems and concepts of quality management.

In respect of hardware, the Group has always been storing pharmaceutical products with advanced technology and facilities and operates a product mix composed of quality pharmaceutical imports with an outstanding track record of safety. The Group also has cooperated with creditworthy collaborating parties of long-term partnership on the provision of warehousing and logistics services. Apart from that, the Group has built its cold chain storage facility with advanced temperature-control technology and a precision system of quality control in Shuangliu District, Chengdu, Sichuan Province, which can ensure a more stable quality control for the Group.

The Group has a comprehensive system for process of quality inspection and product recall, establishes and strictly executes the policies on 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, ensuring that all product quality and safety operation program has taken place in standard processes. In addition to this, we have formulated relevant management document such as Distributor Management Measures, Sales Management System and the Code of Conduct on Customer Servicing to protect the security and privacy of its customer information.

f. 產品責任

本集團為醫藥行業的其中一員，產品亦是處方藥品，因此產品質量是非常重要的，而潛在風險必須控制得宜。為確保產品質量及安全，本集團嚴格遵守所有關於國家產品安全的法律法規，包括《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》。除此之外，本集團亦擁有系統化的藥品質量管理制度體系，並積極配合監管部門進行各項檢查。本集團亦積極向員工提供內部安全質量知識培訓，並宣傳質量管理政策制度及理念。

在硬件上，本集團一向採用先進的技術和設備儲存藥品，而且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。本集團亦一直選擇信譽良好、有長期合作關係的協力廠商提供倉儲及物流服務。同時，本集團在四川省成都市雙流區興建的冷鏈倉儲設施擁有先進的控溫技術及精密的質量控制系統，以保證本集團在質量控制上提供更穩定的監控。

本集團設有完善的質量檢測及產品回收系統，亦設立及嚴格執行《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，確保所有產品質量及安全操作程式以既定的標準和規範進行。除此之外，我們亦設立《經銷商管理辦法》、《銷售管理制度》、《客服工作守則》等有關管理文件，保障客戶資料的安全和私隱。

The Group has no corresponding measures for advertising and labeling, because all of 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, nor did it receive any complaints about its products and services. All products are examined by the Institute for Drug Control after their customs clearance, with an examination report of pharmaceutical imports issued.

g. Anti-corruption

The Group has been advocating honesty, integrity and responsibility as its ethical concepts, opposes any form of corrupt behavior, such as bribery, extortion, fraud and money laundering. The Group has formulated its Anticorruption and Anti-bribery Management Regulations and its Staff Code of Conduct against Corruption and Bribery, according to national regulations and the actual industrial condition. The Group also requires its staff and partners to sign an Anti-corruption and Anti-bribery Letter of Undertaking on a mutually agreed basis, included anti-corruption into the staff induction system, and set up a comprehensive reporting procedure for reporting non-compliance behaviors and protecting whistleblowers. The Group's internal audit department will also conduct audits to sales executives who are departing.

During the Reporting Period, no case of corruption, extortion, fraud and money laundering occurred within 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.

h. Community investment

Community charities and public welfare have always been one of the considerations for business development of the Group. The Group attaches great importance to each stakeholder who is affected by its business scope. In order to maintain good relationships, we keep a close liaison with them, which includes participating in community activities to ensure the business development of the Group has fully taken into account the interests of the community.

由於本集團的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、標的等方面無相應措施。

報告期內，本集團未出現因產品質量問題而召回產品的情況，亦未有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。

g. 反貪污

本集團的理念以誠實守信、盡職盡責為本，堅決反對任何形式的賄賂、勒索、欺詐及洗黑錢等腐敗行為。本集團設立了《反腐敗反賄賂管理制度》及《員工反腐敗反賄賂行為準則》，當中依照國家法規和行業實際情況而定立的。本集團亦要求員工及合作夥伴在雙方同意下簽訂《反腐敗反賄賂承諾書》，將反貪污內容納入員工培訓體系，設立完善的違規行為舉報程式及保障舉報人。本集團的內審部門亦會對即將離任的銷售主管人員進行離任審計。

報告期內，本集團未發生任何貪污、勒索、欺詐及洗黑錢案件，確認嚴格遵守中華人民共和國《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。

h. 社區投資

社區慈善和公益為本集團業務發展考慮因素之一。本集團高度關注受業務範圍影響各個權益方，為了保持良好關係，本集團不斷與他們保持緊密聯繫，包括積極參與社區活動，以確保本集團的業務發展充分考慮社區的利益。

i. Establishing charity funds

In March 2017, the Group has established Sinco Charitable Foundation (興科蓉慈善基金) named after the enterprise in Chengdu Charity Federation and continuing operation in 2018. The fund aims at providing assistance to the impoverished such that they can receive better medical treatment; improving the unhealthy habits and health conditions of low income patients; enhancing publicity of health knowledge and changing the outdated concept of getting medical treatment. Currently, the 'Taurilite charity assistance project' under Sinco Charitable Foundation has been launched to provide economic subsidies for patients who purchase medicine.

ii. Organizing staff activities

While respecting and safeguarding the rights and interests of staff members, the Group is also attentive to their physical and mental health, and committed to creating 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 and sports activities, during which staff members can relax and balance work with life. This also makes the Group a more cohesive community.

i. 經營慈善基金

本集團於2017年3月在成都市慈善總會設立了以企業冠名的興科蓉慈善基金，並在2018年持續經營。該項基金旨在援助廣大貧困患者，使其獲得更優的醫學治療；改善低收入患者的不良生活習慣和健康狀況；及加強健康知識宣傳、改善落後的就醫觀念。目前，興科蓉慈善基金下已發起「涪羅特慈善援助項目」，用於向購買藥品的患者提供經濟補貼。

ii. 組織員工活動

本集團在尊重和保障員工權益的同時，也關注員工的身心健康，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、體育鍛煉等活動，幫助員工在工作間隙放鬆心情，以實現工作與生活的平衡，提高團體凝聚力。

7. Environmental

a. Emissions

The Group operates all relevant 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 requirements on environmental protection to ensure that the Group did not cause any negative impact to the environment.

However, as the Group is mainly engaged in the MPCM, it will not cause significant impact to the environment. The Group also consumes no direct combustion fuel other than transportation, therefore it does not produce any hazardous wastes. Instead, the emissions mainly comprise the exhaust of all vehicles of the Group, the greenhouse gases indirectly emitted during its operation, and such non-hazardous wastes as scrap paper, plastics and house refuse.

During the Reporting Period, the Group adopted various control measures to reduce emissions and the results were more significant, whether on exhaust of automotive or electricity consumption.

7. 環境

a. 排放物

本集團在經營各項業務都嚴格遵守《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，確保本集團不會對環境造成任何負面影響。

然而，本集團的業務主要負責營銷、推廣及銷售管道管理，該類業務一般不會對環境構成嚴重的影響。本集團除了交通運輸外，亦沒有使用任何直接燃燒材料，因而沒有製造任何有害廢棄物。而主要排放物來源包括本集團所有車輛的廢氣排放，營運過程中產生的溫室氣體、廢紙、塑膠及生活垃圾等無害廢棄物。

報告期內，在汽車排放或用電量方面，本集團實施各項控制措施來減少排放，成效較為明顯。

The Group always encourages employees to travel in a quicker and greener way, such as taking subway when the destination is easily accessible or sharing bikes when destination is close. In addition, benefitted from rapid development of the transportation road network in the PRC, staff is more willing to implement the energy conservation direction of the Group, hence the exhaust of vehicles reduced by approximately 30% during the Reporting Period.

During the Reporting Period, the Group requires staff to plan itineraries of business trips ahead to improve efficiency. Meanwhile, by assigning sales staff based on the regions, sales staff can basically visit clients within their assigned region by bullet trains. The aforesaid measures successfully reduced over 40% of CO₂ emissions of the Group which arose from flight travels.

During the Reporting Period, the Group strictly implemented the administrative paper-saving policy, replaced the current method with electronic files, and made full use of paper, which reduced the paper consumption of the Group by more than 20%.

Major Emission Indicators

Emissions of Vehicle Exhaust	Unit	Year		Increase/ (Decrease)
		2018	2017	%
NO _x Emissions	Kilogram	102.4	148.6	(31)
SO ₂ Emissions	Kilogram	0.14	0.17	(16)
Particles Emissions	Kilogram	9.3	13.8	(32)

CO ₂ Emissions	Unit	Year		Increase/ (Decrease)
		2018	2017	%
From Electricity Consumption	Tonne	103.8	106.9	(2.9)
From Flights	Tonne	50.9	93.0	(45.3)
From Processing Scrap Paper	Tonne	5.3	8.8	(39.8)
From Processing Sewage	Tonne	0.61	0.59	(7.6)
Total	Tonne	160.61	209.29	(23.3)

本集團鼓勵員工選擇更快捷和更環保的出行方式，例如前往交通便利的目的地可選擇地鐵公交，距離較近的目的地可選擇共享單車。而且受益於國家交通網絡的快速發展，員工亦更願意配合本集團的節能方針，所以報告期內的車輛廢氣排放減少了約三成。

報告期內，本集團要求員工提前規劃出差行程，以避免低效的出差。同時對銷售人員進行區域劃分，銷售人員在負責區域內拜訪客戶可以乘坐動車或高鐵，火車出行。前述措施成功令本集團因乘坐飛機產生的二氧化碳排放量下降超過四成。

報告期內，本集團嚴格執行行政節約用紙政策，採用電子檔取代現行的方法，及充分利用紙張，使本集團用紙量下降超過兩成。

主要排放物指標

車輛廢氣排放	單位	年份		增/ (減)
		2018	2017	%
氮氧化物(NO _x)排放量	千克	102.4	148.6	(31)
二氧化硫(SO ₂)排放量	千克	0.14	0.17	(16)
顆粒物(PM)排放量	千克	9.3	13.8	(32)

二氧化碳(CO ₂)排放當量	單位	年份		增/ (減)
		2018	2017	%
用電產生	噸	103.8	106.9	(2.9)
乘坐飛機產生	噸	50.9	93.0	(45.3)
處理廢紙產生	噸	5.3	8.8	(39.8)
處理污水產生	噸	0.61	0.59	(7.6)
合計	噸	160.61	209.29	(23.3)

b. Resource Consumption

The paperless office and low-carbon travel activities promoted by the Group during the Reporting Period received keen support from the staff and were successful. Therefore, apart from the activities previously held, the Group will also take more measures to support environmental protection in the future.

Energy and Water Consumption Indicators

Energy consumption	Unit	Year		Increase/ (Decrease) %
		2018	2017	
Total Electricity Consumption	Kilowatt Per Hour	107,392.40	110,563.30	(3)
Total Gasoline Consumption	Kilogram	9,688.59	11,474.00	(16)
Total Water Consumption	Cubic Meter	1,440.80	1,553.40	(7)

c. The Environment and Natural Resources

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

b. 資源運用

本集團報告期內推行的無紙化辦公及低碳出行活動得到員工踴躍支持而得到成功，所以未來除了會繼續維行以往的活動之外，亦會採取更多措施支持環保。

能源及水資源消耗指標

能源消耗量	單位	年份		增/ (減) %
		2018	2017	
總耗電量	千瓦時	107,392.40	110,563.30	(3)
汽油消耗總量	千克	9,688.59	11,474.00	(16)
總耗水量	立方米	1,440.80	1,553.40	(7)

c. 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。

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A. 環境			
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<i>層面A1：排放物</i>			
General Disclosures 一般披露	A1 (a) The policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	有關廢棄及溫室氣體排放、向水及土地的排污、有害及無害廢棄物的產生等的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例	37-38
KPI 關鍵績效指標	A1.1 The types of emissions and respective emissions data	排放物種類及相關排放數據	38
	A1.2 Greenhouse gas emissions in total and intensity	溫室氣體總排放量及密度	38
	A1.3 Total hazardous waste produced and intensity	所產生有害廢棄物總量及密度	The Group did not produce hazardous wastes 本集團沒有產生有害廢棄物
	A1.4 Total non-hazardous waste produced and intensity	所產生無害廢棄物總量及密度	The Group did not produce non-hazardous wastes 本集團沒有產生無害廢棄物
	A1.5 Description of measures to mitigate emissions and results achieved	描述減低排放量的措施及所得成果	37-38
	A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	描述處理有害及無害廢棄物的方法、減低產生量的措施及所得成果	The Group did not produce any waste 本集團沒有產生任何廢棄物

Environmental, Social and Governance Reporting Guide Aspects and General Disclosures 環境、社會及管治報告指引層面及一般披露				Pages/Notes 頁數／備註
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General Disclosures 一般披露	A2	Policies on the efficient use of resources, including energy, water and other raw materials	有效使用資源(包括能源、水及其他原材料)的政策	39
KPI 關鍵績效指標	A2.1	Direct and/or indirect energy consumption by type in total and intensity	按種類劃分的直接及／或間接能源總耗量及密度	39
	A2.2	Water consumption in total and intensity	總耗水量及密度	39
	A2.3	Description of energy use efficiency initiatives and results achieved	描述能源使用效益計劃及所得成果	39
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	描述求取適用水源上可有任何問題，以及提升用水效益計劃及所得成果	The Group did not have any issue in sourcing water that is fit for purpose. 本集團沒有任何求取適用水源的問題
	A2.5	Total packaging material used for finished products	製成品所用包裝材料的總量	The Group did not use any packaging material 本集團沒有使用任何包裝材料
<i>Aspect A3: The Environment and Natural Resources</i> 層面A3：環境及天然資源				
General Disclosure 一般披露	A3	Policies on minimising the issuer's significant impact on the environment and natural resources	減低發行人對環境及天然資源造成重大影響的政策	39
KPI 關鍵績效指標	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	描述業務活動對環境及天然資源的重大影響及已採取管理有關影響的的行動	39

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B. 社會				
Employment and Labour Practices 僱傭及勞工常規				
<i>Aspect B1: Employment</i> 層面B1：僱傭				
General Disclosure 一般披露	B1	(a) The policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視及其他待遇及福利等的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例	29-31
<i>Aspect B2: Health and Safety</i> 層面B2：健康與安全				
General Disclosure 一般披露	B2	(a) The policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards	有關提供安全工作環境及保障僱員避免職業性危害等的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例	31
<i>Aspect B3: Development and Training</i> 層面B3：發展與培訓				
General Disclosure 一般披露	B3	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	有關提升僱員履行工作職責的知識及技能的政策。描述培訓活動。	32-33

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General Disclosure 一般披露	B4	(a) The policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour	有關防止童工或強制勞工的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例	33
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<i>Aspect B5: Supply Chain Management</i> 層面B5：供應鏈管理				
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<i>Aspect B6: Product Responsibility</i> 層面B6：產品責任				
General Disclosure 一般披露	B6	(a) The policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	有關所有提供的產品和服務的 健康與安全、廣告、標籤及私隱事宜以及補救方法的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例	35-36

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環境、社會及管治報告指引層面及一般披露

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<i>層面B7：反貪污</i>				
General Disclosure 一般披露	B7	(c) The policies; and (d) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	有關防止賄賂、勒索、欺詐及洗黑錢的： (c) 政策；及 (d) 遵守對發行人有重大影響的相關法律及規例	36
<i>Aspect B8: Community Investment</i>				
<i>層面B8：社區投資</i>				
General Disclosure 一般披露	B8	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests	有關以社區參與來了解發行人營運所在社區需要和確保其業務活動會考慮社區利益的政策	36-37
KPI 關鍵績效指標	B8.1	Focus areas of contribution	專注貢獻範疇	37

Director and Senior Management

董事及高級管理層

Executive Directors

Mr. Huang Xiangbin (黃祥彬) (“Mr. Huang”), aged 53, founder of the Group, has been the Chairman and executive Director of our Group since April 2011. He is also the 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 Technology Co., Ltd., Chengdu Hengsheng Ziguang Pharmaceutical Technology Co., Ltd., Sichuan Sinco Biological Technology Co., Ltd., Qingdao Ruichi Pharmaceuticals Co., Ltd., Sinco Shanghai Trading Co., Ltd. and Chengdu Sinco Pharmaceuticals Co., Ltd.. Prior to joining the 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 Taurilite, 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 the 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 a 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(「黃先生」)，53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技術有限責任公司、成都恒盛紫光醫藥技術有限責任公司、四川興科蓉生物科技股份有限公司、青島瑞馳藥業有限公司、興科蓉(上海)貿易有限公司及成都興科蓉藥業有限公司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月將其滔羅特、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」))共同擁有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年註冊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 (北京廣通時代醫藥投資顧問有限公司) (“Beijing Guangtong”), 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) (“Ms. Zhang”), aged 50, joined the 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 the 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(「張女士」)，50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研究中心博士後研究員、生藥研究中心副主任醫師(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學工作的協調和管理，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. Lau Ying Kit (劉英傑先生) (“Mr. Lau”), aged 45, is an independent non-executive Director with effect from 8 November 2018. Mr. Lau is currently an independent non-executive director of Kingdom Holdings Limited (Stock Code: 528), Xiezhong International Holdings Limited (Stock Code: 3663), China Wood Optimization (Holding) Limited (Stock Code: 1885) and United Strength Power Holdings Limited (Stock Code: 2337). Mr. Lau is a fellow member of the Hong Kong Institute of Certified Public Accountants and holds a master's degree in finance from the City University of Hong Kong. He has extensive experience in financial and accounting in China and Hong Kong.

Mr. Wang Qing (汪晴) (“Mr. Wang”), aged 54, 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 worked at Dalian University of Technology (大連理工大學) from April 2003 up until now. Mr. Wang 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 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 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 obtained his bachelor's degree in medicinal plants at Jilin Agricultural University (吉林農業大學) in July 1986.

獨立非執行董事

劉英傑先生(「劉先生」)，45歲，為獨立非執行董事，自2018年11月8日起生效。劉先生現為金達控股有限公司(股份代號：528)、協眾國際控股有限公司(股份代號：3663)、中國優材(控股)有限公司(股份代號：1885)及眾誠能源控股有限公司(股份代號：2337)的獨立非執行董事。劉先生是香港會計師公會資深會員，並持有香港城市大學金融學碩士學位。彼於中國和香港有豐富金融及會計經驗。

汪晴先生(「汪先生」)，54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。

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

Mr. Liu Wenfang (劉文芳), aged 81, 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 the 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, Mr. Liu Wenfang served as the chief engineer of Guiyang Qianfeng Bio 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, Mr. Liu Wenfang 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.

Mr. Liu Wenfang 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.

Senior Management

Mr. Li Yifan (李一帆) ("Mr. Li"), aged 39, joined the 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 Co., Ltd.. Mr. Li has over 10 years of experience in accounting and financial management. Before joining the Group, 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, Mr. Li 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. Mr. Li has been a Chinese Certified Public Accounting since January 2012.

劉文芳先生，81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，劉文芳先生擔任貴陽黔峰生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，劉文芳先生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。

劉文芳先生於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。

高級管理層

李一帆先生(「李先生」)，39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融資管理。李先生亦為四川興科蓉藥業有限責任公司的董事。李先生有逾10年會計及財務管理經驗。加入本集團前，李先生自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。自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算師及成都分公司高級核算師。李先生於2005年1月獲得斯德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。

Mr. Lei Shifeng (雷世鋒) (“Mr. Lei”), aged 52, joined the Group in July 2016 as the general manager of Chengdu Sinco Pharmaceutical Technology Co. Ltd. and was appointed as the general manager of Sichuan Sinco Pharmaceuticals Co., Ltd. in October 2016, mainly responsible for its overall business operation and management. Mr. Lei is also the director of Chengdu Sinco Pharmaceutical Technology Co., Ltd., Chengdu Sinco Pharmaceuticals Co., Ltd., Chengdu Hengsheng Ziguang Pharmaceutical Technology Co., Ltd. and Sichuan Sinco Biological Technology Co., Ltd.. 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 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 (成都中藥材公司), mainly responsible for the procurement and business operation and management of its branches. Mr. Lei 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. Peng Fei (彭飛) (“Mr. Peng”), aged 45, joined the Group in April 2011 and was appointed as the Financial Controller of our Company in June 2015, mainly responsible for overall finance management of the Group. Mr. Peng is also the director of Sichuan Sinco Pharmaceuticals Co., Ltd. and Qingdao Ruichi Pharmaceuticals Co., Ltd., and the general manager of Xizang Linzhi Ziguang Pharmaceuticals Co., Ltd.. Prior to joining the Group, Mr. Peng served as the finance manager of Ruixin from September 2004 to March 2011, responsible for finance management. Mr. Peng 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. He has been a Chinese Certified Public Accountant since December 2016.

雷世鋒先生(「雷先生」)，52歲，於2016年7月加入本集團擔任成都興科蓉醫療技術有限公司總經理，於2016年10月獲委任為四川興科蓉藥業有限責任公司總經理，主要負責其整體業務運營管理工作。雷先生亦為成都興科蓉醫療技術有限公司、成都興科蓉藥業有限公司、成都恒盛紫光醫藥技術有限公司及四川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、生產及質量。自2001年5月至2007年5月彼曾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月彼曾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。雷先生於1988年7月獲任吉林農業大學學士學位，於2000年1月獲得職業藥師資格。

彭飛先生(「彭先生」)，45歲，於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，主要負責本集團日常整體財務工作的管理。彭先生亦為四川興科蓉藥業有限責任公司及青島瑞馳藥業有限公司的董事，兼西藏林芝紫光藥業有限責任公司總經理。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，於2016年12月獲得中國註冊會計師資格。

Report of the Directors

董事會報告

The Board hereby presents its report together with the audited consolidated financial statements of the Group for the Reporting Period.

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 and medical devices 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 9 to 24. An analysis of the Group’s performance during the Reporting Period using financial key performance indicators is provided in the Financial Highlights on pages 4 to 5 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 97 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, 21 May 2019 to Friday, 24 May 2019, 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, 24 May 2019. To be eligible for attending and voting at the AGM, 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, 20 May 2019.

董事會謹此提呈其報告連同本集團於報告期的經審核綜合財務報表。

主要業務

本公司的主要業務為投資控股，而本集團主要於中國為進口藥品及醫療器械提供綜合性營銷、推廣及渠道管理服務。本集團於報告期的主要業務收益分析載列於綜合財務報表附註4。

業務回顧及業績

本集團於報告期的業務回顧載於第9至24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的表現進行的分析載於本年報第4至5頁的財務摘要。

本集團於報告期的業績載於本年報第97頁的綜合損益及其他全面收益表。

末期股息

董事並無建議派發報告期的末期股息。

暫停辦理股份過戶登記手續

為釐定有權出席於2019年5月24日(星期五)舉行的應屆股東週年大會的股東身份，本公司將於2019年5月21日(星期二)至2019年5月24日(星期五)(包括首尾兩日)暫停辦理股份過戶登記手續。為符合資格出席股東周年大會並於會上投票，所有過戶文件連同相關股票及過戶表格，須於2019年5月20日(星期一)下午4時30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至1716室。

Financial Summary

A summary of the Group's results, assets, liabilities for the last five financial years are set out on pages 4 to 5 of this annual report. This summary does not form part of the audited consolidated financial statements.

Major Customers and Suppliers

For the Reporting Period, the Group's products purchased from the largest supplier, accounted for 67.5% (2017: 75.0%) of total products purchased, and products purchased from five largest suppliers accounted for 100.0% (2017: 96.5%) of our total products purchased.

For the Reporting Period, the Group's sales to largest customer accounted for 12.6% (2017: 11.4%) of our total revenue, and sales to the five largest customers accounted for 35.1% (2017: 25.2%) 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 2018 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 27 to the consolidated financial statements.

財務概要

本集團過去五個財政年度的業績、資產、負債的概要載於本年報第4至5頁。本概要並不構成經審核綜合財務報表的一部分。

主要客戶及供應商

報告期內，本集團向最大供應商採購的產品佔總採購產品的67.5%（2017年：75.0%），向五大供應商採購的產品則佔我們總採購產品的100.0%（2017年：96.5%）。

報告期內，本集團向最大客戶作出的銷售額佔我們總收益的12.6%（2017年：11.4%），向五大客戶作出的銷售額則佔我們總收益的35.1%（2017年：25.2%）。

概無董事或彼等的任何緊密聯繫人或任何股東（就董事所深知，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2018年12月31日的主要附屬公司詳情載於綜合財務報表附註1。

股本

本公司於報告期內的股本變動詳情載於綜合財務報表附註27。

Reserves

Details of movements in the reserves of the Group during the Reporting Period are set out on page 100 in the consolidated statement of changes in equity.

Distributable Reserves

As at 31 December 2018, the Company's reserves available for distribution, calculated in accordance with the provisions of Cayman Companies Law of the Cayman Islands and the Articles of Association, amounted to approximately RMB5.0 million (as at 31 December 2017: RMB255.0 million).

Bank and Other Borrowings

Particulars of bank and other borrowings of the Group as at 31 December 2018 are set out in note 24 to the consolidated financial statements.

Share Option Scheme

Pursuant to a resolution passed by the Shareholders, the Company had adopted 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").

儲備

本集團於報告期內的儲備變動詳情載於第100頁的綜合權益變動表。

可供分派儲備

於2018年12月31日，本公司根據開曼群島公司法條文及組織章程細則計算的可供分派儲備約為人民幣5.0百萬元（於2017年12月31日：人民幣255.0百萬元）。

銀行及其他借款

本集團於2018年12月31日的銀行及其他借款詳情載於綜合財務報表附註24。

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，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（定義見下文）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任何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或將向本集團作出貢獻的任何一名或多名上述類別參與者（統稱「合資格參與者」）全資擁有的任何公司。

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 9.46% of the issued share capital of the Company as at the date of this report.

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.

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及生效，之後不會進一步授出購股權。

4. 可供發售股份總數

因行使根據購股權計劃所授全部購股權而可能發行的最高股份數目，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9.46%。

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個月期間內因行使根據購股權計劃已授予各參與者的購股權(包括已行使及尚未行使的購股權)而已發行及將發行的股份總數，不得超逾已發行股份總數的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 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.

The summary of the options granted under the Share Option Scheme that were still outstanding as at 31 December 2018 are as follows:

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載的平均收市價；及
- (iii) 股份面值。

根據購股權計劃授出而於2018年12月31日仍尚未行使的購股權概述如下：

Grantee's name 承授人姓名	Number of Options 購股權數目					On 31 December 2018 於2018年 12月31日	Exercise Price ⁽¹⁾ 行使價 ⁽¹⁾	Date of grant 授出日期	Exercise period ⁽²⁾ 行使日期 ⁽²⁾
	On 1 January 2018 於2018年 1月1日	Granted 授出	Exercised 行使	Cancelled 註銷	Lapsed 失效				
Employees in aggregate 僱員合共	17,850,000	-	-	-	1,000,000 ⁽³⁾	16,850,000	HK\$0.568 0.568港元	21 September 2016 2016年9月21日	21 September 2017- 20 September 2022 2017年9月21日至 2022年9月20日

Notes:

- (1) 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.
- (2) 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.
- (3) 1,000,000 share options granted to several employees lapsed two months after their cessation of employment.

附註：

- (1) 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載的收市價每股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載的平均收市價每股0.568港元；及(iii)股份面值每股0.0001港元。
- (2) 授出購股權的40%將自有關授出日期起計一年(即2017年9月21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2018年9月21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2019年9月21日)且持續受僱三年後可予歸屬及行使。
- (3) 授予若干僱員的1,000,000份購股權於彼等終止受聘之日起兩個月後失效。

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 Chief Executive Officer*)
Ms. Zhang Zhijie

Independent Non-Executive Directors:

Mr. Lau Ying Kit (appointed with effect from 8 November 2018)
Mr. Wang Qing
Mr. Liu Wenfang
Mr. Chow Siu Lui (resigned with effect from 8 November 2018)
Mr. Chen David Yu (appointed with effect from 19 January 2018 and retired on 25 May 2018)
Mr. Philip Wong Yee Teng (appointed with effect from 19 January 2018 and retired on 25 May 2018)

Mr. Chow Siu Lui resigned as independent non-executive Director with effect from 8 November 2018 as he wished to devote more time on his other personal development.

In accordance with article 16.2 of the Articles of Association, Mr. Lau Ying Kit shall hold office only until the forthcoming AGM and, being eligible, have offered himself for re-election at the forthcoming AGM.

In accordance with article 16.18 of the Articles of Association, Mr. Huang Xiangbin and Mr. Liu Wenfang 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 at the forthcoming AGM are set out in the circular to the Shareholders.

股票掛鈎協議

除上文所披露的本公司購股權計劃，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，而將會或可能導致本公司發行股份，或規定本公司訂立任何將會或可能導致本公司發行股份的協議：

董事

於報告期內及直至本報告日期，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：

劉英傑先生(於2018年11月8日獲委任)
汪晴先生
劉文芳先生
鄒小磊先生(於2018年11月8日辭任)
陳宇先生(於2018年1月19日獲委任並於2018年5月25日退任)
黃已艇先生(於2018年1月19日獲委任並於2018年5月25日退任)

鄒小磊先生因有意投入更多時間於其個人發展而已於2018年11月8日辭任獨立非執行董事。

根據組織章程細則16.2條，劉英傑先生將僅任職至應屆股東周年大會，惟合資格並願意於應屆股東周年大會上重選連任。

根據組織章程細則第16.18條，黃祥彬先生及劉文芳先生將於應屆股東周年大會上退任，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的董事詳情載於寄發予股東的通函。

Directors' and Senior Management's Biographies

Biographical details of the Directors and senior management of the Group are set out on pages 45 to 50 of this annual report.

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 for a term of three years commencing from the date of service agreement, which may be terminated by not less than three months' notice in writing served by either party to the other.

Each of the independent non-executive Directors has entered into a letter of appointment with the Company for an initial term of three years commencing from the date of the letter of appointment, which may be terminated by not less than three months' notice in writing served by either party to the other.

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 34 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.

董事及高級管理層履歷

本集團董事及高級管理層的履歷詳情載於本年報第45至50頁。

獨立非執行董事的獨立性確認書

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

董事服務合約及委聘函

各執行董事與本公司訂立服務協議，年期自服務協議日期起計為期三年，可由任何一方向另一方發出不少於三個月書面通知予以終止。

各獨立非執行董事與本公司訂立委聘函，初步任期自委聘函日期起計為期三年，可由任何一方向另一方發出不少於三個月書面通知予以終止。

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)而終止的服務合約。

董事於重大交易、安排或合約的權益

除於綜合財務報表附註34所披露的該等交易外，於報告期內或期末，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，且董事或與董事相關的實體於當中直接或間接擁有重大權益的任何交易、安排或合約。

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.

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 2018, the Group had an aggregate of 129 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' 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 Reporting Period.

董事於競爭業務的權益

於報告期內，董事或彼等各自的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的任何業務或於當中擁有任何權益。

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的合約。

僱員及薪酬政策

截至2018年12月31日，本集團共有129名全職僱員。本公司薪酬委員會（「薪酬委員會」）已告成立，以審閱本集團的薪酬政策及本集團全體董事及高級管理層的薪酬結構，當中已考慮本集團的經營業績、董事及高級管理層的個別表現以及可資比較市場慣例。

董事及五名最高薪人士的酬金

董事及五名最高薪人士的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的資料並無變更。

董事收購股份或債券的權利

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。於報告期內，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。

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

As at 31 December 2018, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or 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 or 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 Model Code as set out in Appendix 10 to the Listing Rules were as follows:

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

董事及主要行政人員於股份、相關股份及債券中的權益及淡倉

於2018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)根據上市規則附錄十所載上市發行人董事進行證券交易的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) 於本公司股份或相關股份的權益

Name of Director and chief executive	Nature of Interest	Number of Shares or underlying Shares ⁽¹⁾ 股份或 相關股份數目 ⁽¹⁾	Approximate percentage of shareholding interest ⁽³⁾ 股權 概約百分比 ⁽³⁾
董事及主要行政人員姓名 Mr. Huang ⁽²⁾ 黃先生 ⁽²⁾	Interest in controlled corporation 於受控法團的權益	1,050,000,000 (L)	62.06%

Notes:

- (1) The letter "L" denotes the person's long position in the Shares.
- (2) Mr. Huang was the settlor of a trust in which Wickhams Cay Trust Company Limited was the trustee and held the entire interest in Fullwealth Holdings Limited, which in turn held the entire beneficial interest in Risun. Mr. Huang was deemed to be interested in the 1,050,000,000 Shares beneficially held by Risun.
- (3) The calculation is based on the total number of 1,691,890,585 Shares in issue as at 31 December 2018.

附註：

- (1) 字母「L」指該名人士於股份所持有的好倉。
- (2) 黃先生為一項信託的財產授予人，其中 Wickhams Cay Trust Company Limited 為該信託的受託人並持有 Fullwealth Holdings Limited 全部權益，而 Fullwealth Holdings Limited 持有 Risun 全部實益權益。黃先生被視作擁有 Risun 實益所持 1,050,000,000 股股份的權益。
- (3) 該百分比乃根據於 2018 年 12 月 31 日總數 1,691,890,585 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	Sichuan Sinco Biological Technology Co., Ltd. 四川興科蓉生物科技有限公司	Interest in controlled corporation ⁽¹⁾ 於受控法團的權益 ⁽¹⁾	RMB300,000 人民幣300,000元	30%

Note:

(1) Sichuan Sinco Biological Technology Co., Ltd. was owned as to 30% by Beijing Kang Tai Yun Dao Technology Co., Ltd., which was in turn owned as to 60% by Ms. Zhang Zhijie.

Save as disclosed above, as at 31 December 2018, none of the Directors and the chief executive of the Company had or was deemed to have any interests or short positions 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.

附註：

(1) 四川興科蓉生物科技有限公司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。

除上文所披露者外，於2018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。

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

As at 31 December 2018, 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 of the Company 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

主要股東於股份及相關股份中的權益及淡倉

於2018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

Name	Nature of Interest	Number of Shares ⁽¹⁾	Approximate percentage of shareholding interest ⁽⁵⁾
名稱	權益性質	股份數目 ⁽¹⁾	股權概約百分比 ⁽⁵⁾
Risun ⁽²⁾	Beneficial owner	1,050,000,000 (L)	62.06%
Risun ⁽²⁾	實益擁有人		
Fullwealth Holdings Limited ⁽²⁾	Interest in controlled corporation	1,050,000,000 (L)	62.06%
Fullwealth Holdings Limited ⁽²⁾	於受控法團的權益		
Wickhams Cay Trust Company Limited ⁽²⁾	Trustee	1,050,000,000 (L)	62.06%
Wickhams Cay Trust Company Limited ⁽²⁾	受託人		
Wisen Group Holding Limited ("Wisen") ⁽³⁾	Beneficial owner	90,000,000 (L)	5.32%
Wisen Group Holding Limited(「Wisen」) ⁽³⁾	實益擁有人		
Mr. Liu Sichuan ⁽³⁾	Interest in controlled corporation	90,000,000 (L)	5.32%
劉思川先生 ⁽³⁾	於受控法團的權益		
Mr. Gui ⁽⁴⁾	Person having a security interest in shares	1,049,990,000 (L)	62.06%
桂先生 ⁽⁴⁾	於股份擁有抵押權益人士		
	Interest in controlled corporation	44,500,000 (L)	2.63%
	於受控法團的權益		
	Total:	1,094,490,000 (L)	64.69%
	合計：		

Notes:

- (1) The letter "L" denotes the person's long position in the Shares.
- (2) Mr. Huang is the settlor of a trust in which Wickhams Cay Trust Company Limited is the trustee and holds the entire interest in Fullwealth Holdings Limited, which in turn holds the entire beneficial interest in Risun. Fullwealth Holdings Limited, Wickhams Cay Trust Company Limited and Mr. Huang are deemed to be interested in the 1,050,000,000 Shares beneficially held by Risun.
- (3) Wisen 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 Wisen.
- (4) As confirmed with Mr. Gui, Innovative Advertising Company Limited, a company wholly owned by Mr. Gui, held 44,500,000 Shares. Therefore, Mr. Gui was deemed to be interested in such Shares. Mr. Gui also had a security interest in 1,049,990,000 Shares held by Risun.
- (5) The calculation is based on the total number of 1,691,890,585 Shares in issue as at 31 December 2018.

Save as disclosed above, as at 31 December 2018, 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 Division 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.

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 Reporting Period.

Connected Transaction

Details of the related party transactions undertaken by the Group are set out in note 34 to the consolidated financial statements. Pursuant to Rule 14A.90 of the Listing Rules, the guarantee provided by Mr. Huang as disclosed in note 26 to the consolidated financial statements is a 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.

附註：

- (1) 字母「L」指該名人士於股份所持有的好倉。
- (2) 黃先生為一項信託的財產授予人，其中Wickhams Cay Trust Company Limited為該信託的受託人並持有Fullwealth Holdings Limited全部權益，而Fullwealth Holdings Limited持有Risun全部實益權益。Fullwealth Holdings Limited、Wickhams Cay Trust Company Limited及黃先生均被視作擁有Risun實益所持1,050,000,000股股份的權益。
- (3) Wisen由劉思川先生全資擁有。因此，劉思川先生被視作擁有Wisen所持90,000,000股股份的權益。
- (4) 經桂先生確認，桂先生全資擁有的公司創作廣告有限公司持有44,500,000股股份。因此，桂先生被視為於該等股份中擁有權益。桂先生亦擁有Risun持有的1,049,990,000股股份中的抵押權益。
- (5) 該百分比乃根據於2018年12月31日總數1,691,890,585股已發行股份而計算得出。

除上文披露者外，於2018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。

購買、出售或贖回上市證券

於報告期內，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

本集團進行的關連方交易詳情載於綜合財務報表附註34。根據上市規則第14A.90條，於綜合財務報表附註26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。

Pre-Emptive Rights

There are no provisions for pre-emptive rights under the Articles of Association or the Cayman 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 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.

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 its Directors.

Charitable Donations

During the Reporting Period, the Group made charitable donations of nil (2017: RMB100,000).

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.

優先權

組織章程細則或本公司註冊成立所在地開曼群島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的優先認股權條文。

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(本集團任何成員公司除外)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確認書。

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。

慈善捐款

於報告期內，本集團無慈善捐款(2017年：人民幣100,000元)。

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。

Continuing Disclosure Requirements Pursuant to Rule 13.21 of the Listing Rules

On 27 June 2017, the Company issued unlisted bonds in the aggregate principal amount of HK\$120,000,000 (equivalent to RMB104,150,000) (the "June 2017 Bonds"). The maturity date of the June 2017 Bonds falls 24 months after the date of issue. The interest rate is 10% per annum and the interest should be payable quarterly. With effect from 12 October 2017, the interest rate was amended to 15% per annum with interest payable quarterly and the maturity date was amended to 27 March 2018. On 27 March 2018, the maturity date of the June 2017 Bonds has been further amended to 30 April 2018.

On 30 June 2017, the Company issued convertible bonds in the aggregate principal amount of HK\$40,000,000 (equivalent to RMB34,717,000). The maturity date of the convertible bonds falls 24 months after the date of issue. The interest rate is 8% per annum and the interest should be payable quarterly. With effect from 18 December 2017, all rights and obligations of the holder of the convertible bonds and the Company in relation to the conversion rights were deleted. Meanwhile, the maturity date was amended to 30 March 2018 and the interest rate was amended to 15% per annum with interest payable quarterly. Those bonds are referred to as the "December 2017 Bonds". On 27 March 2018, the maturity date of the December 2017 Bonds has been further amended to 30 April 2018.

The Company's obligations under the above bonds are unconditionally guaranteed by Mr. Huang, a controlling shareholder of the Company, and secured by (i) 1,049,990,000 Shares held by Risun, a controlling shareholder of the Company; and (ii) the entire issued share capital of Risun held by Fullwealth Holdings Limited, a controlling shareholder of the Company.

Please refer to the announcements of the Company dated 25 June 2017, 27 June 2017, 30 June 2017, 13 October 2017 and 17 January 2018 for further details.

Risun has charged 1,049,990,000 Shares (representing approximately 62.06% of the total issued share capital of the Company) in favour of Mr. Gui (the "Sinco Share Charge").

The loan in the sum of RMB140,000,000 with an interest rate of 13.2% per annum and maturity date of 30 April 2019 advanced by Mr. Gui to the Company is secured by the Sinco Share Charge and guaranteed by the personal guarantee from Mr. Huang, the controlling shareholder of the Company, for all payment obligations under the agreement for the said loan. Please refer to the announcement of the Company dated 23 April 2018 for further details.

根據上市規則第13.21條的持續披露規定

於2017年6月27日，本公司發行本金總額為120,000,000港元(相當於人民幣104,150,000元)的非上市債券(「2017年6月債券」)。2017年6月債券的到期日為發行日期起滿24個月當日。債券的年利率為10%，利息須按季支付。自2017年10月12日起，年利率改為15%，利息須按季支付，且到期日改為2018年3月27日。於2018年3月27日，2017年6月債券的到期日進一步改為2018年4月30日。

於2017年6月30日，本公司發行本金總額為40,000,000港元(相當於人民幣34,717,000元)的可換股債券。可換股債券的到期日為發行日期起滿24個月當日。年利率為8.00%，每季應付利息。自2017年12月18日起，可換股債券持有人及本公司有關兌換權的所有權利及義務已刪除。同時，到期日改為2018年3月30日，年利率改為15%，每季應付利息。該等債券稱為「2017年12月債券」。於2018年3月27日，2017年12月債券的到期日進一步改為2018年4月30日。

本公司就上述債券承擔的責任由本公司控股股東黃先生無條件擔保，並以(i)本公司控股股東Risun所持有的1,049,990,000股股份；及(ii)本公司控股股東Fullwealth Holdings Limited所持有的Risun全部已發行股本作為抵押。

有關進一步詳情，請參閱本公司日期為2017年6月25日、2017年6月27日、2017年6月30日、2017年10月13日及2018年1月17日的公告。

Risun已將其所持有1,049,990,000股股份(佔本公司已發行股本總額約62.06%)以桂先生為受益人作出押記(「興科蓉股份押記」)。

桂先生向本公司提供的貸款金額人民幣140,000,000元(年利率13.2%，到期日為2019年4月30日)，該貸款協議中的所有付款義務由興科蓉股份押記作為抵押，並由本公司控股股東黃先生提供個人擔保。有關進一步詳情，請參閱本公司日期為2018年4月23日的公告。

POST REPORTING PERIOD EVENTS

Termination of the Placing Agreement

On 4 February 2019, the Company entered into the placing agreement with South China Securities Limited (the “Placing Agent”) in relation to the conditional placing (the “Placing”) of (i) up to 338,378,117 placing shares to not less than six places at the placing price of not less than HK\$0.443 per placing share; and (ii) the convertible bonds of up to an aggregate principal amount of HK\$170.0 million to not less than six places (the “Placing Agreement”). Details of the Placing Agreement were set out in the Company’s announcement dated 4 February 2019.

On 13 March 2019 (after trading hours), the Company and the Placing Agent entered into a termination agreement to terminate the Placing Agreement. Each of the Company and the Placing Agent confirmed that it does not have any claim against the other party for any liability under the Placing Agreement and further agreed to waive all the rights that it may have against the other party of whatever nature in relation to the Placing Agreement. Details of the termination agreement were set out in the Company’s announcement dated 13 March 2019.

The Board intended to use the proceeds from the Placing for (i) refinancing the existing indebtedness of the Company; (ii) settling (whether fully and partly) the consideration for the proposed acquisition of a company wholly-owned by PIEL Capital Company Limited (the “Proposed Acquisition”); and (iii) general working capital. In view of the termination of the Placing Agreement, the Board will use its best effort to conduct alternative fund-raising activities to refinance the existing indebtedness of the Company and settle the consideration for the Proposed Acquisition.

報告期後事項

終止配售協議

於2019年2月4日，本公司與南華證券投資有限公司（「配售代理」）訂立配售協議（「配售協議」），內容有關有條件(i)向不少於六名承配人按配售價每股配售股份不低於0.443港元配售最多338,378,117股配售股份；及(ii)向不少於六名承配人配售本金額合共最多為170,000,000港元的可換股債券（「配售事項」）。有關配售協議的詳情載於本公司日期為2019年2月4日的公告。

於2019年3月13日（交易時段後），本公司與配售代理已訂立一項終止協議以終止配售協議。本公司及配售代理各自確認，其並無就配售協議項下任何責任向另一方提出任何申索，並進一步同意放棄其可對該方提出與配售協議有關的任何性質的所有權利。有關終止協議的詳情載於本公司日期為2019年3月13日的公告。

董事會計劃將配售事項所得款項(i)用於為本公司現有債務再融資；(ii)用於結算建議收購PIEL Capital Company Limited全資擁有的一間公司的代價（無論全部還是部分代價）（「建議收購事項」）；及(iii)用作一般營運資金。由於配售協議終止，董事會將盡最大努力進行其他集資活動以為本公司現有債務再融資及結算建議收購事項的代價。

Termination of Memorandum of Understanding in Respect of a Possible Acquisition

On 15 December 2018, the Company, as purchaser, entered into a non-legally binding memorandum of understanding (the “MOU”) with two third parties (the “Vendors”) in relation to a possible acquisition of (the “Possible Acquisition”) of majority stake in a company (or the holding company or a subsidiary of the Target Company) (the “Target Company”). The Target Company is an investment holding company. The Target Company and its subsidiaries (jointly the “Target Group”) are principally engaged in maternal and child care and its related services operated under the brand name of “愛氏 (Cherish)”.

The Possible Acquisition is subject to, among others, further negotiations and entering into of a formal sale and purchase agreement (the “Formal Agreement”). Pursuant to the terms of the MOU, the MOU will be terminated if the Formal Agreement has not been signed among the parties to the MOU during the period of 90 days from the date of the MOU or such longer period as the parties may agree (the “Exclusive Period”). Details of the Possible Acquisition were set out in the Company’s announcement dated 15 December 2018.

On 15 March 2019, since the Formal Agreement has not been signed among the parties to the MOU and the parties to the MOU did not agree to extend the Exclusive Period. Given the non-binding nature of the MOU, save for provisions relating to confidentiality, exclusivity and governing law in the MOU, the Company would have no obligation to proceed with the Possible Acquisition upon termination of the MOU. Accordingly, the Possible Acquisition will not proceed. The Board considers that the termination of the MOU has no material adverse impact on the existing business operation and financial position of the Company and its subsidiaries. Details of the termination of MOU were set out in the Company’s announcement dated 15 March 2019.

終止可能收購事項的諒解備忘錄

於2018年12月15日，本公司(作為買方)與兩名第三方(「賣方」)訂立無法律約束力的諒解備忘錄(「諒解備忘錄」)，內容有關可能收購一間公司(或目標公司的控股公司或附屬公司)(「目標公司」)的大部分股權(「可能收購事項」)。目標公司為投資控股公司。目標公司及其附屬公司(統稱「目標集團」)主要以品牌名稱「愛氏(Cherish)」經營婦幼健康護理服務及相關業務。

可能收購事項須待(其中包括)進一步磋商及訂立正式買賣協議(「正式協議」)，方可作實。根據諒解備忘錄的條款，倘諒解備忘錄訂約方於諒解備忘錄日期起計90日期間或訂約方可能同意的有關較長期間(「獨家期間」)內未能簽署正式協議，則諒解備忘錄將予終止。有關可能收購事項的詳情載於本公司日期為2018年12月15日的公告。

於2019年3月15日，由於諒解備忘錄訂約方並無簽署正式協議且諒解備忘錄訂約方未同意延長獨家期間。鑒於諒解備忘錄不具約束性(諒解備忘錄中有關保密性、排他性的條文及規管法律條文除外)，本公司於終止諒解備忘錄後並無責任進行可能收購事項。因此，可能收購事項將不會進行。董事會認為終止諒解備忘錄對本公司及其附屬公司現有業務經營及財務狀況不會造成重大不利影響。有關終止諒解備忘錄的詳情載於本公司日期為2019年3月15日的公告。

Supplemental Agreement To The Loan Agreement

Reference is made to the announcements of the Company dated 23 April 2018, 27 March 2019 and 9 April 2019 (the “Loan Announcements”) in relation to, among other things, the loan agreement (the “Loan Agreement”) entered into on 23 April 2018 among the Company as the borrower, Mr. Gui as the lender, Risun as the chargor and Mr. Huang as the guarantor for the loan in the amount of RMB140,000,000 (the “Loan”). On 27 March 2019 (after trading hours), the Company, Mr. Gui, Risun, Mr. Huang, Guangsha Overseas Holdings Limited (“Guangsha Overseas”) and Mr. Ye Songshao (“Mr. Ye”, collectively with Guangsha Overseas, the “New Lenders”) entered into the supplemental agreement (the “Supplemental Agreement”) to extend the repayment date of the Loan for an additional year from 30 April 2019 to 30 April 2020, subject to certain conditions precedent, one of which relates to the transfer of certain Shares for partial settlement of the Loan in an aggregate principal amount of RMB78,955,849.10 and the related accrued interests pursuant to the share charge under the Loan Agreement by Risun (the “Transfers”).

Under the Supplemental Agreement, the maturity date of the Loan would be extended from 30 April 2019 to 30 April 2020, subject to certain conditions precedent, one of which relates to the Transfers by Risun to the New Lenders for partial settlement of the Loan (the “Transfers Condition Precedent”). Subsequent to the signing of the Supplemental Agreement, the Transfers Condition Precedent was waived by Mr. Gui and the New Lenders, and hence, the Transfers were not executed and will not take place pursuant to the Supplemental Agreement. On 29 March 2019, as all conditions precedent to the Supplemental Agreement were either waived or fulfilled (including the waiver of the Transfers Condition Precedent), the Supplemental Agreement was completed and the maturity date of the Loan was extended from 30 April 2019 to 30 April 2020. Please refer to the Loan Announcements for information.

貸款協議的補充協議

茲提述本公司日期為2018年4月23日、2019年3月27日及2019年4月9日的公告(「貸款公告」)，內容有關(其中包括)本公司(作為借款人)、桂先生(作為貸款人)、Risun(作為押記人)及黃先生(作為貸款擔保人)於2018年4月23日訂立的貸款協議(「貸款協議」)，根據貸款協議向本公司提供金額為人民幣140,000,000元的貸款(「貸款」)。於2019年3月27日交易時段後，本公司、桂先生、Risun、黃先生、廣廈海外控股有限公司(「廣廈海外」)及葉頌韶先生(「葉先生」，連同廣廈海外，統稱「新貸款人」)訂立補充協議以將貸款的償還日期由2019年4月30日額外延長一年至2020年4月30日(「補充協議」)，惟須待若干先決條件(其中一項有關Risun就償付本金總額為人民幣78,955,849.10元的部分貸款以及根據貸款協議項下股份押記的相關應計利息轉讓若干股份(「轉讓」))達成。

根據補充協議，貸款的到期日將由2019年4月30日延長至2020年4月30日，惟受若干先決條件規限，其中一項有關Risun向新貸款人就償付部分貸款作出的轉讓(「轉讓先決條件」)。簽署補充協議後，轉讓先決條件已獲桂先生及新貸款人豁免，轉讓因而並無獲執行且不會根據補充協議發生。於2019年3月29日，由於補充協議的所有先決條件已獲豁免或達成(包括豁免轉讓先決條件)，故補充協議已完成及貸款到期日已由2019年4月30日延長至2020年4月30日。有關資料，請參閱貸款公告。

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 69 to 90 of this annual report.

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

Sichuan, the PRC, 29 March 2019

董事進行證券交易的操守守則

本公司已採用標準守則作為其董事進行證券交易的操守守則。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操守守則。

企業管治

本公司致力於維持最高水平的企業管治常規。有關本公司所採納企業管治常規的資料載於本年報第69至90頁的企業管治報告。

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規定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
主席
黃祥彬

中國四川，2019年3月29日

Corporate Governance Report

企業管治報告

Corporate Governance Practices

The Group is 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 Corporate Governance Code (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 2018, 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 “ICCG 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十四所載的企業管治守則（「企業管治守則」）作為其本身的企業管治守則。截至2018年12月31日止年度，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，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. Lau Ying Kit (*appointed with effect from 8 November 2018*)
Mr. Wang Qing
Mr. Liu Wenfang
Mr. Chow Siu Lui (*resigned with effect from 8 November 2018*)
Mr. Chen David Yu (*appointed with effect from 19 January 2018 and retired on 25 May 2018*)
Mr. Philip Wong Yee Teng (*appointed with effect from 19 January 2018 and retired on 25 May 2018*)

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

During the Reporting Period, 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 (the "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.

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：

劉英傑先生(*自2018年11月8日起獲委任*)
汪晴先生
劉文芳先生
鄒小磊先生(*自2018年11月8日起辭任*)
陳宇先生(*自2018年1月19日起獲委任，並於2018年5月25日退任*)
黃己艇先生(*自2018年1月19日起獲委任，並於2018年5月25日退任*)

該等董事的履歷載於本年報「董事及高級管理層」一節。

於報告期內，本公司一直遵守上市規則第3.10(1)及第3.10(2)條的規定，內容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。

本公司亦遵守上市規則第3.10A條的規定，內容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。

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（「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。

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

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.

Dividend Policy

The Group adopted a dividend policy (the "Dividend Policy") on 21 December 2018. A summary of this policy is disclosed as below.

The Dividend Policy is to consider the payment of dividends, to allow Shareholders to participate in the Company's profits whilst retaining adequate reserves for the Group's future growth.

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人士。

除本年報「董事及高級管理層」一節所載董事履歷所披露者外，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。

由於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。

股息政策

本集團於2018年12月21日採納股息政策(「股息政策」)。該政策的概要披露如下。

股息政策目的在於考慮派發股息，以便股東能分享本公司利潤之餘，亦為本集團未來的發展保留足夠儲備。

The Board shall consider the following factors before declaring or recommending dividends:

- the Company's actual and expected financial performance;
- retained earnings and distributable reserves of the Company and each of the subsidiaries of the Group;
- the Group's liquidity position;
- general economic conditions, business cycle of the Group's business and other internal or external factors that may have an impact on the business or financial performance and position of the Company; and
- other factors that the Board deems relevant.

The payment of dividend is also subject to any restrictions under the Companies Law of the Cayman Islands and the Articles of Association. The Board will continually review the Dividend Policy from time to time and there can be no assurance that dividends will be paid in any particular amount for any given period.

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.

董事會於宣派或建議派付股息前須考慮下列因素：

- 本公司的實際及預期財務表現；
- 本公司及本集團各附屬公司的保留盈利及可供分派儲備；
- 本集團的流動資金狀況；
- 一般經濟狀況、本集團業務的業務周期及其他可能影響本公司業務或財務表現及狀況的內部或外部因素；及
- 董事會視為相關的其他因素。

股息的派付亦受開曼群島公司法條及組織章程細則的若干限制。董事會將持續不時檢討股息政策，惟概不保證將就任何既定期間派付任何特定金額的股息。

入職及持續專業發展

各新任董事均獲提供所需的入職培訓及資料，以確保彼等充分瞭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 2018 is as follows:

根據董事所提供的資料，董事於截至2018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 A、C及D
Ms. Zhang Zhijie	張志傑女士	A, B, C & D A、B、C及D
<i>Independent Non-executive Directors</i>		
Mr. Lau Ying Kit (appointed with effect from 8 November 2018)	劉英傑先生(自2018年11月8日起獲委任)	A, C & D A、C及D
Mr. Wang Qing	汪晴先生	A, B, C & D A、B、C及D
Mr. Liu Wenfang	劉文芳先生	A, C & D A、C及D
Mr. Chow Siu Lui (resigned with effect from 8 November 2018)	鄒小磊先生(自2018年11月8日起辭任)	A, C & D A、C及D
Mr. Chen David Yu (appointed with effect from 19 January 2018 and retired on 25 May 2018)	陳宇先生(自2018年1月19日起獲委任，並於2018年5月25日退任)	A & D A及D
Mr. Philip Wong Yee Teng (appointed with effect from 19 January 2018 and retired on 25 May 2018)	黃已艇先生(自2018年1月19日起獲委任，並於2018年5月25日退任)	A & D A及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 of the Company (“CEO”). 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.

Mr. Wu Qing Jiang (“Mr. Wu”), who was appointed as the co-chief executive officer of the Company (“Co-CEO”) on 5 May 2017, resigned as the Co-CEO on 8 November 2018 due to his personal career planning and has been appointed as the Company’s Research and Development Administration Supervisor on the same date. Following the resignation of Mr. Wu, Mr. Huang, being the CEO, is 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本公司行政總裁（「行政總裁」）。憑藉黃先生於醫藥行業的豐富經驗，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。在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運作下，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與本公司管理層之間的權力與權限互相制衡。

吳慶江先生（「吳先生」）自2017年5月5日起獲委任為本公司聯席行政總裁（「聯席行政總裁」），已基於彼個人事業規劃而於2018年11月8日辭任聯席行政總裁，並於同日獲委任為本公司的研究及開發行政管理主管。吳先生辭任後，行政總裁黃先生負責本集團的整體業務發展、營運及管理。

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 details 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，於每屆股東周年大會上，當時為數三分之一的董事（或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，並合資格接受重選及獲重新委任，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舉行前至少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舉行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列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 Reporting Period, six Board meeting and one general meeting were held and the attendance record of each Director is set out in the table below:

於報告期內，共舉行六次董事會會議及一次股東大會，各董事的出席記錄載列如下：

Directors	董事	Attended/ Eligible to attend the Board meeting(s) 已出席／可出席 董事會會議次數	Attended/ Eligible to attend the general meeting(s) 已出席／可出席 股東大會次數
Mr. Huang Xiangbin	黃祥彬先生	6/6	1/1
Ms. Zhang Zhijie	張志傑女士	6/6	1/1
Mr. Lau Ying Kit (appointed with effect from 8 November 2018)	劉英傑先生(自2018年11月8日起獲委任)	1/1	0/0
Mr. Wang Qing	汪晴先生	6/6	1/1
Mr. Liu Wenfang	劉文芳先生	6/6	1/1
Mr. Chow Siu Lui (resigned with effect from 8 November 2018)	鄒小磊先生(自2018年11月8日起辭任)	5/5	1/1
Mr. Chen David Yu (appointed with effect from 19 January 2018 and retired on 25 May 2018)	陳宇先生(自2018年1月19日起獲委任，並於2018年5月25日退任)	1/1	0/1
Mr. Philip Wong Yee Teng (appointed with effect from 19 January 2018 and retired on 25 May 2018)	黃已艇先生(自2018年1月19日起獲委任，並於2018年5月25日退任)	1/1	0/1

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.

Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Model Code for the Reporting Period.

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。

經向全體董事作出具體查詢後，董事確認彼等於報告期內一直遵守標準守則。

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 resources 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.

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.

Corporate Governance Function and Internal Control and Corporate Governance Committee

The ICCG Committee currently comprises three members, namely Mr. Lau Ying Kit (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 ICCG 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;

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系統、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的職責，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。

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。管理層訂立任何重大交易前須取得董事會批准。

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目前有三名成員，包括劉英傑先生（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，包括但不限於以下事項：

- (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) to review the Company's compliance with the code and disclosure in the corporate governance report of the Company (the "CG Report"); and
- (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) 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.
- (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。

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

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 Reporting Period, one ICCG Committee meeting was held and the attendance records are set out below:

於報告期內，共舉行一次內部控制及企業管治委員會會議，出席記錄載列如下：

Directors	董事	Attendance/ Number of meeting 出席次數／會議次數
Mr. Lau Ying Kit (appointed with effect from 8 November 2018)	劉英傑先生（自2018年11月8日起獲委任）	0/0
Mr. Wang Qing	汪晴先生	1/1
Mr. Liu Wenfang	劉文芳先生	1/1
Mr. Chow Siu Lui (resigned with effect from 8 November 2018)	鄒小磊先生（自2018年11月8日起辭任）	1/1

Audit Committee

The Audit Committee currently comprises three members, namely Mr. Lau Ying Kit (chairman), Mr. Liu Wenfang and Mr. Wang Qing, all of them are independent non-executive Directors.

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

- (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;
- (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
- (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.

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

During the year ended 31 December 2018, two Audit Committee meetings were held and the attendance records of the Audit Committee Meeting are set out below:

審核委員會

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

審核委員會的主要職責包括但不限於以下事項：

- (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，並向董事會作出有關聘任、續聘及解聘核數師的推薦意見；
- (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
- (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。

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。

截至2018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記錄載列如下：

Directors	董事	Attendance/ Number of meeting(s) 出席次數／會議次數
Mr. Lau Ying Kit (appointed with effect from 8 November 2018)	劉英傑先生 (自2018年11月8日起獲委任)	0/0
Mr. Wang Qing	汪晴先生	2/2
Mr. Liu Wenfang	劉文芳先生	2/2
Mr. Chow Siu Lui (resigned with effect from 8 November 2018)	鄒小磊先生 (自2018年11月8日起辭任)	2/2

Remuneration Committee

The Remuneration Committee currently 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.

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

1. 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;
2. to review and approve performance-based remuneration with reference to corporate goals and objectives resolved by the Board;
3. 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;
4. to make recommendations to the Board on the remuneration of non-executive Directors;
5. to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
6. 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;
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.

薪酬委員會

薪酬委員會目前有三名成員，包括兩名獨立非執行董事汪晴先生(主席)及劉文芳先生以及一名執行董事張志傑女士。

薪酬委員會的主要職責包括但不限於以下事項：

1. 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；
2. 基於董事會議定公司目標與宗旨檢討及批准績效薪酬；
3. 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；
4. 就非執行董事的薪酬向董事會提供推薦意見；
5. 考慮可資比較公司支付的薪金、投入的時間與承擔的責任，以及本集團其他方面的聘用條件；
6. 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. 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(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。

During the Reporting Period, three Remuneration Committee meetings were held and the attendance records are set out below:

於報告期內，共舉行三次薪酬委員會會議，出席記錄載列如下：

Directors	董事	Attendance/ Number of meeting 出席次數／會議次數
Mr. Wang Qing	汪晴先生	3/3
Ms. Zhang Zhijie	張志傑女士	3/3
Mr. Liu Wenfang	劉文芳先生	3/3

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. Lau Ying Kit.

提名委員會

提名委員會目前有三名成員，包括一名執行董事黃祥彬先生(主席)及兩名獨立非執行董事劉文芳先生及劉英傑先生。

The principal duties of the Nomination Committee include the following:

提名委員會的主要職責包括以下事項：

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;
4. to make recommendations to the Board on the appointment or re-appointment 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.

1. 每年至少檢討一次董事會的結構、人數及組成(包括技能、知識及經驗)，並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，並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. 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。

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.

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。

During the Reporting Period, three Nomination Committee meeting was held and the attendance records are set out below:

於報告期內，已舉行三次提名委員會會議，出席記錄載列如下：

Directors	董事	Attendance/ Number of meeting 出席次數／會議次數
Mr. Huang Xiangbin	黃祥彬先生	3/3
Mr. Lau Ying Kit (appointed with effect from 8 November 2018)	劉英傑先生 (自2018年11月8日起獲委任)	0/0
Mr. Liu Wenfang	劉文芳先生	3/3
Mr. Chow Siu Lui (resigned with effect from 8 November 2018)	鄒小磊先生 (自2018年11月8日起辭任)	3/3

Nomination Policy

1. Objective

- 1.1 The Nomination Committee shall 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.
- 1.2 The Nomination Committee shall nominate suitable candidates to the Board for it to consider and make recommendations to Shareholders for election as Director at general meetings or appoint him/her to fill casual vacancies.
- 1.3 The nomination policy of the Company (the "Nomination Policy") helps the Nomination Committee and the Board to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Group's business.

2. Selection Criteria

- 2.1 The factors listed below would be used as reference by the Nomination Committee in assessing the suitability of a proposed candidate.
 - (1) Reputation for integrity;
 - (2) Commitment in respect of available time and relevant interest; and

提名政策

1. 目的

- 1.1 提名委員會須至少每年檢討董事會架構、人數及組成(包括技能、知識及經驗方面)，並就任何為配合本公司企業策略而擬對董事會作出的變動提出推薦建議。
- 1.2 提名委員會須向董事會提名合適人選以供董事會考慮，並向股東推薦於股東大會上選為董事，或委任其為董事以填補臨時空缺。
- 1.3 本公司的提名政策(「提名政策」)有助提名委員會及董事會確保董事會具備均衡且切合本集團業務需要的適合技能、經驗及多元化觀點。

2. 甄選準則

- 2.1 在評估擬提名人選時，提名委員會將參考下文所列因素：
 - (1) 誠信聲譽；
 - (2) 可投入時間及相關事務關注的承諾；及

- (3) Diversity of the Board in all its aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service.

These factors are for reference only, and are not meant to be exhaustive and decisive. The Nomination Committee has the discretion to nominate any person, as it considers appropriate.

3. Nomination Procedures

3.1 Appointment of Directors

- (1) The Nomination Committee identifies individual(s) suitably qualified to become Board members, having due regard to the Nomination Policy and the Board Diversity Policy, and assesses the independence of the proposed independent non-executive Director(s) as appropriate.
- (2) The Nomination Committee makes recommendation(s) to the Board.
- (3) The Board considers the individual(s) recommended by the Nomination Committee, having due regard to the Nomination Policy and the Board Diversity Policy.
- (4) The Board confirms the appointment of the individual(s) as Director(s) or recommends the individual(s) to stand for election at a general meeting. Individual(s) appointed by the Board either to fill a casual vacancy or as an addition to the Board will be subject to re-election by Shareholders at the next following general meeting, in accordance with the Articles of Association.
- (5) The Shareholders approve the election of individual(s), who stand(s) for election at general meeting, as Director(s).

3.2 Re-appointment of Directors

- (1) The Nomination Committee considers each retiring Director, having due regard to the Nomination Policy and the Board Diversity Policy, and assesses the independence of each retiring independent non-executive Director.
- (2) The Nomination Committee makes recommendation(s) to the Board.

- (3) 董事會各方面的多元化，包括但不限於性別、年齡(18歲或以上)、文化及教育背景、種族、專業經驗、技能、知識和服務年期等方面。

上述因素僅供參考，並非盡列所有因素，亦不具決定性作用。提名委員會可酌情決定提名其認為適當的任何人士。

3. 提名程序

3.1 委任董事

- (1) 提名委員會經審慎考慮提名政策及董事會多元化政策後，物色合資格成為董事會成員的人士，並評估擬提名的獨立非執行董事的獨立性(視適用情況而定)。
- (2) 提名委員會向董事會提出推薦建議。
- (3) 董事會經審慎考慮提名政策及董事會多元化政策後，考慮提名委員會推薦的人士。
- (4) 董事會確認委任有關人士為董事或推薦其於股東大會上參選。根據組織章程細則，獲董事會委任以填補臨時空缺的人士或獲董事會委任加入董事會成員的人士亦須於下屆股東大會上經股東重選。
- (5) 股東批准在股東大會上參選的人士選舉為董事。

3.2 重新委任董事

- (1) 提名委員會經審慎考慮提名政策及董事會多元化政策後，考慮各退任董事，並評估每名退任獨立非執行董事的獨立性。
- (2) 提名委員會向董事會提出推薦建議。

- (3) The Board considers each retiring Director recommended by the Nomination Committee, having due regard to the Nomination Policy and the Board Diversity Policy.
- (4) The Board recommends the retiring Directors to stand for re-election at the annual general meeting in accordance with the Articles of Association.
- (5) The Shareholders approve the re-election of Directors at the annual general meeting.

3.3 The Board shall have the ultimate responsibility for all matters relating to the selection and appointment of Directors.

4. Review of the Nomination Policy

4.1 The Nomination Committee will review the Nomination Policy, as appropriate, to ensure the effectiveness of the Nomination Policy. The Nomination Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

- (3) 董事會經審慎考慮提名政策及董事會多元化政策後，考慮提名委員會推薦的各退任董事。
- (4) 董事會根據組織章程細則推薦退任董事於股東週年大會上重選連任。
- (5) 股東於股東週年大會上批准重選董事。

3.3 董事會對有關甄選及委任董事的所有事宜負有最終責任。

4. 檢討提名政策

4.1 提名委員會將檢討提名政策(視適用情況而定)，以確保提名政策行之有效。提名委員會將會討論任何可能須作出的修訂，再向董事會提出修訂的推薦建議，以供董事會考慮及批准。

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 45 to 50 of this annual report, for the Reporting Period 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45至50頁)於報告期內的薪酬載列如下：

Remuneration band (RMB)	薪酬範圍 (人民幣)	Number of individual 人數
Below 1,000,000	1,000,000以下	3

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 2018 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.

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2018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。

董事並不知悉與事件或狀況有關的任何重大不明朗因素，以致可能令本集團的持續經營能力嚴重成疑。

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 91 to 96 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 Shareholders’ 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.

Main Characteristics of the Risk Management and Internal Control Systems

The Group’s risk management framework is structured in the following “Three Lines of Defence” model as a guide:

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91至96頁的獨立核數師報告。

風險管理和內部控制

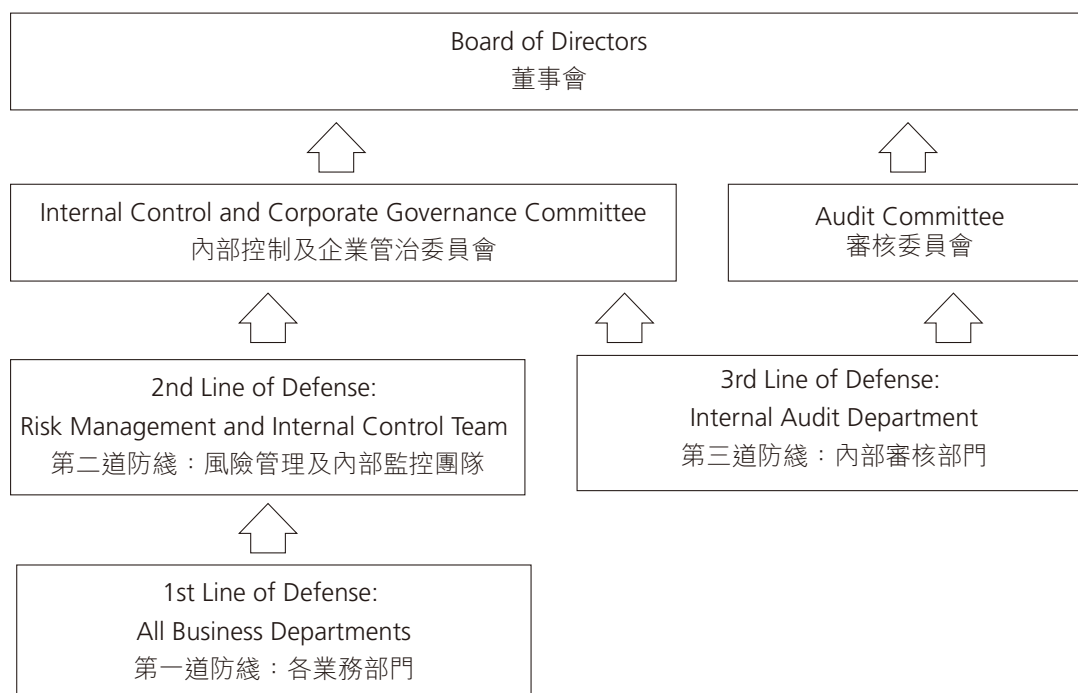
董事會明白其有責任設立恰當的風險管理和內部控制體系，以保障股東的投資及本公司的資產，並且每年檢討該體系的效用。

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。

風險管理及內部控制系統的主要特點

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 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.

The Board has completed its annual review of the internal control and risk management systems of the Company for the year ended 31 December 2018, 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.

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 Defence

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 Defence

Composed of nominated department managers and senior management, the Risk Management and Internal Control Team (the "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 (the "IA Department"), and confirms to the Board as to the effectiveness of such risk management and internal control systems.

董事會確認其有責任監察本集團風險管理及內部控制系統，並透過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控制方面，包括財務控制、運作控制及合規控制。有關風險管理及內部控制系統只能對防範重大失實陳述或損失作出合理而非絕對的保證，原因為其旨在管理而非消除未能達致業務目標的風險。

董事會已就截至2018年12月31日止年度完成對本公司內部控制及風險管理系統的年度檢討，涵蓋上述所有重要的控制方面。董事會認為風險管理及內部控制系統運作整體上充足且有效，於本年度並無重大範疇值得關注。

內部控制及企業管治委員會及審核委員會協助董事會執行其風險管理及內部控制的職責，確保本集團在履行會計、內部審核及財務申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。委員會亦考慮有關風險管理及內部控制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

風險管理及內部控制團隊(「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控制規定。同時，團隊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(「內部審核部門」)提出的內部控制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控制系統是否有效的確認。

3rd Line of Defence

The IA 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 IA 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 defence in respect of the major risk and control issues on financial reporting procedures that are spotted during the review process.

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 IA Department plays a major role in monitoring the internal governance of the Company. The IA 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 IA Department also follows such rectification results, and reports to the ICCG Committee and the Audit Committee.

第三道防綫

內部審核部門負責執行實際的審閱程序，以收集本集團風險管理及內部控制系統是否足夠及有效的證據，並向內部控制及企業管治委員會彙報審閱結果。此外，內部審核部門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任何監控缺失。

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。

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，並評估已識別的風險
- 風險管理：確立風險管理政策及內部控制程序，以防止或降低風險
- 風險監督與彙報：持續監督有關風險，確保設有恰當的內部控制程序，並向管理層及董事會定期彙報風險監督的結果

內部審核職能

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控制，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。內部審核部門亦跟進整改結果，向內部控制及企業管治委員會以及審核委員會彙報。

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.

Auditor's Remuneration

The remuneration for the audit services provided by the Auditor to the Group during the year ended 31 December 2018 was approximately RMB2,700,000. There is no remuneration paid to the Auditor in respect of non-audit services.

Company Secretary

During the Reporting Period, 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. Leung Suet Lun ("Ms. Leung"), senior manager of TMF Hong Kong Limited (a global corporate service provider), as another joint company secretary to assist Ms. Ko to discharge her duties as company secretary of the Company during the Reporting Period. 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 2018, Ms. Ko and Ms. Leung have undertaken not less than 15 hours of relevant professional training respectively in compliance with rule 3.29 of the Listing Rules. Subsequent to the Reporting Period, Ms. Leung resigned as a joint company secretary of the Company with effect from 29 March 2019. Following the resignation of Ms. Leung, Ms. Ko will remain in office as the sole company secretary of the Company.

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。發佈及處理內幕消息的程序包括：

- 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；及
- 投資者關係部及董事會秘書負責信息披露管理，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。

核數師酬金

核數師於截至2018年12月31日止年度為本集團提供有關審核服務而收取的酬金約為人民幣2,700,000元。核數師並無就提供非審核服務獲取任何酬金。

公司秘書

報告期內，高穎好女士（「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，及確保符合董事會的政策及程序及適用的法例、規則及條例。

報告期內，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（提供全球企業服務的公司）的高級經理梁雪綸女士（「梁女士」）擔任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職務。本公司的主要公司聯絡人為高女士，即本公司其中一位聯席公司秘書。

截至2018年12月31日止年度，高女士及梁女士各自已遵守上市規則第3.29條的規定，接受不少於15小時的相關專業培訓。於報告期後，梁女士辭任本公司聯席秘書，自2019年3月29日起生效。緊隨梁女士之辭任，高女士將繼續擔任本公司唯一的公司秘書。

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 independent 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.

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.

與股東溝通及投資者關係

本公司認為，與股東有效溝通對加強投資者關係及讓投資者瞭解本集團業務、表現及策略十分重要。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。

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布。

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 the company secretary 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.com).

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 2018.

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任何一名或多名股東，隨時有權向董事會或本公司的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，可將查詢發送至本公司的總部，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.com）。

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2018年12月31日止年度內概無重大變動。

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 97 to 201, which comprise the consolidated statement of financial position as at 31 December 2018, 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 at 31 December 2018, 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97至201頁的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，當中載有於2018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理事會(「國際會計準則理事會」)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2018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 matter

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the consolidated financial statements of the current period. The matter was 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 the matter. For the 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。就該事項而言，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)為吾等就隨附綜合財務報表作出審計意見提供基礎。

Key audit matter (Continued)

關鍵審計事項(續)

Key audit matter 關鍵審計事項 <i>Impairment assessment of goodwill</i> 商譽減值評估	How our audit addressed the key audit matter 吾等進行審計時如何處理關鍵審計事項
<p>In accordance with IFRSs, the Group is required to annually test the amount of goodwill for impairment. This annual impairment test was significant to our audit because the carrying amount of goodwill of RMB23,701,000 as of 31 December 2018 which was material to the consolidated financial statements. In addition, management's impairment assessment process is complex and highly judgemental 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. Management performed the impairment assessment based on the discounted cash flow model on the related cash-generating units ("CGUs"). A total impairment loss on goodwill of RMB23,701,000 was recognised during the year.</p> <p>The Group's disclosures about impairment assessment of goodwill are included in note 3 headed "SIGNIFICANT ACCOUNTING ESTIMATES" and note 15 headed "GOODWILL" to the financial statements.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> obtaining an understanding of the goodwill impairment assessment process to identify the risks of material misstatement affecting the goodwill; testing the impairment model selected for CGUs, by understanding the model methodology, comparing that to our understanding of the CGUs and checking the mathematical accuracy; assessing the cash flow projection by comparing key market-derived estimates, including selling prices of pharmaceutical products and the discount rate, against external data; assessing the cash flow projection by comparing sales volume and other key items to historical results, current market conditions and management's business strategy; holding discussions with senior management; and reviewing documentation such as new contracts and the historical order book; and with the assistance of the valuation specialist, evaluating the key valuation parameters such as the discount rate, terminal growth rate applied and the valuation model used in the impairment assessment models, which are based on complex assumptions used in the estimation.
<p>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，原因為截至2018年12月31日的商譽賬面值人民幣23,701,000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，尤其是預算毛利率、增長率及貼現率，受到對未來預期市場及經濟狀況的影響。管理層根據貼現現金流量模式，就相關現金產生單位（「現金產生單位」）進行減值評估。年內確認的商譽減值虧損總額為人民幣23,701,000元。</p> <p>貴集團有關商譽減值評估的披露載於財務報表附註3「重要會計估計」及附註15「商譽」。</p>	<p>吾等的審計程序包括：</p> <ul style="list-style-type: none"> 瞭解商譽減值評估過程，以識別影響商譽的重大錯誤陳述風險； 透過瞭解模式方法，與吾等對現金產生單位的理解進行對比，並檢查其計算準確性，以測試就現金產生單位所選用的減值模式； 通過將市場相關的關鍵估計（包括藥品售價及貼現率）與外部數據進行對比以評估現金流量預測； 通過將銷量及其他關鍵項目與過往業績、現時市場狀況及管理層的業務策略進行對比以評估現金流量預測。吾等已與高級管理層進行討論，審閱如新合約及過往訂單記錄等文件；及 聘請估值專家協助評估如貼現率、所用的末期增長率及減值評估模式所用估值模式等，評估基於估計過程中使用的複雜假設。

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.

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理事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，或別無其他實際的替代方案惟如此行事，則另當別論。

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須承擔的責任 (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重大錯誤陳述的擔保。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所作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，以致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。

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

29 March 2019

核數師就審計綜合財務報表須承擔的責任 (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。

吾等亦向審核委員會提交聲明，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，吾等決定對本期綜合財務報表審計最為重要的該等事項，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

2019年3月29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 2018 截至2018年12月31日止年度

		Notes 附註	2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
REVENUE	收益	4	952,957	806,723
Cost of sales	銷售成本		(731,932)	(713,190)
Gross profit	毛利		221,025	93,533
Other income and gains	其他收入及收益	5	12,115	4,211
Selling and distribution expenses	銷售及經銷開支		(268,576)	(95,919)
Administrative expenses	行政開支		(55,497)	(57,256)
Impairment loss on intangible assets	無形資產減值虧損	13	–	(27,531)
Impairment loss on goodwill	商譽減值虧損	15	(23,701)	(38,961)
Impairment losses on trade receivables	貿易應收款項減值虧損	19	(951)	–
Impairment losses on financial assets included in prepayments, other receivables and other assets	計入預付款項、其他應收款項及其他資產的金融資產減值虧損	16	(526)	–
Other expenses	其他開支		(121,086)	(39,244)
Finance costs	財務成本	6	(34,818)	(33,701)
LOSS BEFORE TAX	除稅前虧損	7	(272,015)	(194,868)
Income tax credit/(expense)	所得稅抵免/(開支)	9	(8,600)	8,971
LOSS AND TOTAL COMPREHENSIVE LOSS FOR THE YEAR	年內虧損及全面虧損總額		(280,615)	(185,897)
Attributable to:	以下人士應佔：			
Owners of the parent	母公司擁有人		(280,614)	(185,896)
Non-controlling interests	非控股權益		(1)	(1)
			(280,615)	(185,897)
Loss per share attributable to ordinary equity holders of the parent:	母公司普通股持有人應佔每股虧損：			
Basic	基本			
– For loss for the year (RMB)	– 年內虧損(人民幣元)	11	(0.166)	(0.115)
Diluted	攤薄			
– For loss for the year (RMB)	– 年內虧損(人民幣元)	11	(0.166)	(0.115)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

31 December 2018 2018年12月31日

		Notes	2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
		附註		
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	12	181,809	191,767
Intangible assets	無形資產	13	113	223
Payments in advance	預付款項	14	39,455	40,736
Goodwill	商譽	15	–	23,701
Deposit	按金	16	3,000	3,000
Deferred tax assets	遞延稅項資產	17	1,300	9,159
Total non-current assets	非流動資產總值		225,677	268,586
CURRENT ASSETS	流動資產			
Inventories	存貨	18	214,806	291,193
Trade and bills receivables	貿易應收款項及應收票據	19	26,177	37,106
Prepayments, other receivables and other assets	預付款項、其他應收款項及其他資產	16	64,759	146,683
Pledged bank balances	已抵押銀行結餘	20	13	52,941
Cash and cash equivalents	現金及現金等價物	20	80,330	22,710
Total current assets	流動資產總值		386,085	550,633
CURRENT LIABILITIES	流動負債			
Trade payables	貿易應付款項	21	106,901	22,522
Advances from customers	客戶墊款		–	41,503
Contract liabilities	合約負債	22	129,670	–
Other payables and accruals	其他應付款項及應計款項	23	205,525	70,029
Interest-bearing bank and other borrowings	計息銀行及其他借款	24	145,000	275,815
Tax payable	應付稅項		1,943	2,546
Financial liability 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負債	25	–	218
Bonds	債券	26	–	133,856
Total current liabilities	流動負債總額		589,039	546,489
NET CURRENT ASSETS/(LIABILITIES)	流動資產/(負債)淨額		(202,954)	4,144
Total assets less current liabilities	總資產減流動負債		22,723	272,730
Net assets	資產淨值		22,723	272,730

Consolidated Statement of Financial Position 綜合財務狀況表

31 December 2018 2018年12月31日

		Notes 附註	2018 RMB'000 人民幣千元	2017 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	27	136	130
Reserves	儲備	29	23,493	273,505
			23,629	273,635
Non-controlling interests	非控股權益		(906)	(905)
Total equity	權益總額		22,723	272,730

Huang Xiangbin

黃祥彬

Director

董事

Liu Wenfang

劉文芳

Director

董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

Year ended 31 December 2018 截至2018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/ (accumulated losses) 保留盈利/ (累計虧損)	Non- controlling interests 總計 非控股權益	Total equity 權益總額	
		RMB'000 人民幣千元 (note 27) (附註27)	RMB'000 人民幣千元 (note 29(a)) (附註29(a))	RMB'000 人民幣千元 (note 29(b)) (附註29(b))	RMB'000 人民幣千元 (note 29(c)) (附註29(c))	RMB'000 人民幣千元 (note 29(d)) (附註29(d))	RMB'000 人民幣千元 (note 29(e)) (附註29(e))	RMB'000 人民幣千元 (note 29(f)) (附註29(f))	RMB'000 人民幣千元 (note 29(g)) (附註29(g))	RMB'000 人民幣千元 (note 29(h)) (附註29(h))	
At 1 January 2017	於2017年1月1日	130	258,887*	4,250*	14,505*	995*	4,014*	175,398*	458,179	(904)	457,275
Loss and total comprehensive loss for the year	年內虧損及全面虧損總額	-	-	-	-	-	-	(185,896)	(185,896)	(1)	(185,897)
Transfer from retained earnings	轉自保留盈利	-	-	-	24	-	-	(24)	-	-	-
Equity-settled share option arrangements (note 28)	以股權結算的購股權安排 (附註28)	-	-	-	-	1,352	-	-	1,352	-	1,352
At 31 December 2017	於2017年12月31日	130	258,887*	4,250*	14,529*	2,347*	4,014*	(10,522)*	273,635	(905)	272,730
At 1 January 2018	於2018年1月1日	130	258,887*	4,250*	14,529*	2,347*	4,014*	(10,522)*	273,635	(905)	272,730
Effect of adoption of IFRS 9 (note 2.2)	採納國際財務報告準則第9號影響 (附註2.2)	-	-	-	-	-	-	(164)	(164)	-	(164)
At 1 January 2018 (restated)	於2018年1月1日(經重列)	130	258,887*	4,250*	14,529*	2,347*	4,014*	(10,686)*	273,471	(905)	272,566
Transfer of convertible bonds	轉讓可換股債券	6	30,226	-	-	-	-	-	30,232	-	30,232
Loss and total comprehensive loss for the year	年內虧損及全面虧損總額	-	-	-	-	-	-	(280,614)	(280,614)	(1)	(280,615)
Equity-settled share option arrangements (note 28)	以股權結算的購股權安排 (附註28)	-	-	-	-	540	-	-	540	-	540
At 31 December 2018	於2018年12月31日	136	289,113*	4,250*	14,529*	2,887*	4,014*	(291,300)*	23,629	(906)	22,723

* These reserve accounts comprise the consolidated reserves of RMB23,493,000 (2017: RMB273,505,000) in the consolidated statement of financial position.

* 該等儲備賬包括綜合財務狀況表內的綜合儲備人民幣23,493,000元(2017年: 人民幣273,505,000元)。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

Year ended 31 December 2018 截至2018年12月31日止年度

	Notes 附註	2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
CASH FLOWS FROM OPERATING ACTIVITIES	經營活動所得現金流量		
Loss before tax	除稅前虧損	(272,015)	(194,868)
Adjustments for:	調整以下各項：		
Depreciation	折舊	12 10,363	10,660
Amortisation of intangible assets	無形資產攤銷	13 110	4,700
Amortisation of decoration cost	裝修成本攤銷	7 169	–
Unrealised foreign exchange gain	未變現匯兌收益	(29)	(221)
Gains on disposal of items of property, plant and equipment	出售物業、廠房及設備項目的收益	5 –	(128)
Equity-settled share option expense	以股權結算的購股權開支	28 540	1,352
Interest income on an available-for-sale investment	來自可供出售投資的利息收入	5 –	(2,024)
Fair value losses on 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公平值虧損	25 –	218
Finance costs	財務成本	6 34,818	33,701
Foreign exchange gains, net, on bonds and bank loans	債券及銀行貸款的外匯收益淨額	(4,534)	–
Consulting fees in relation to financing activities	融資活動相關諮詢費用	1,346	–
Bank interest income	銀行利息收入	5 (627)	(1,155)
Write-off of inventories	存貨撇銷	7 117,875	–
Write-down of inventories to net realisable value	存貨撇減至可變現淨值	7 –	25,213
Impairment of trade receivables	貿易應收款項減值	7 951	–
Impairment of financial assets included in prepayments, other receivables and other assets	計入預付款項、其他應收款項及其他資產的金融資產減值	7 526	–
Impairment of intangible assets	無形資產減值	13 –	27,531
Impairment of goodwill	商譽減值	15 23,701	38,961
		(86,806)	(56,060)
Decrease/(increase) in trade and bills receivables	貿易應收款項及應收票據減少/(增加)	9,814	(17,238)
Decrease/(increase) in prepayments, other receivables and other assets	預付款項、其他應收款項及其他資產減少/(增加)	75,182	(71,444)
Increase in inventories	存貨增加	(41,488)	(178,804)
Decrease/(increase) in payments in advance	預付款項減少/(增加)	762	(8,581)
Increase/(decrease) in trade payables	貿易應付款項增加/(減少)	84,379	(23,310)
Increase/(decrease) in other payables and accruals	其他應付款項及應計款項增加/(減少)	(23,498)	10,167
Increase in contract liabilities	合約負債增加	129,670	–
Decrease in advances from customers	客戶墊款減少	(41,503)	(4,162)
Cash generated from/(used in) operations	營運所得/(所用)現金	106,512	(349,432)
Interest received	已收利息	627	641
Tax paid	已付稅項	(1,344)	(9,863)
Net cash flows from/(used in) operating activities	經營活動所得/(所用)現金流量淨額	105,795	(358,654)

Consolidated Statement of Cash Flows 綜合現金流量表

Year ended 31 December 2018 截至2018年12月31日止年度

	Notes 附註	2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
CASH FLOWS FROM INVESTING ACTIVITIES 投資活動所得現金流量			
Purchase of items of property, plant and equipment	購買物業、廠房及設備項目	(1,154)	(4,425)
Purchase of intangible assets	購買無形資產	-	(60)
Proceeds from disposal of items of property, plant and equipment	出售物業、廠房及設備項目所得款項	-	322
Increase in payments in advance	預付款項增加	(258)	(25,317)
Acquisition of subsidiaries	收購附屬公司	-	(6,616)
Settlement of financial liability 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負債結算	(218)	-
Redemption of an available-for-sale investment	贖回一項可供出售投資	-	108,081
Net cash flows from/(used in) investing activities	投資活動所得/(所用)現金流量淨額	(1,630)	71,985
CASH FLOWS FROM FINANCING ACTIVITIES 融資活動所得現金流量			
Interest paid	已付利息	(20,021)	(33,607)
Decrease/(increase) in prepayments, other receivables and other assets	預付款項、其他應收款項及其他資產減少/(增加)	5,889	(7,048)
Increase in payments in advance	預付款項增加	-	(1,346)
Net proceeds from issue of convertible bonds and bonds	發行可換股債券及債券所得款項淨額	30,559	139,881
Repayment of bonds	償還債券	(129,145)	-
Proceeds from bank and other borrowings	銀行及其他貸款所得款項	334,149	632,537
Repayment of bank and other borrowings	償還銀行及其他貸款	(465,141)	(520,919)
Increase in other payables and accruals	其他應付款項及應計款項增加	144,208	-
Net cash flows/(used in) from financing activities	融資活動所得/(所用)現金流量淨額	(99,502)	209,498
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS 現金及現金等價物增加/(減少)淨額			
Effect of foreign exchange rate changes, net	外匯匯率變動影響淨額	29	(1,257)
Cash and cash equivalents at beginning of year	年初現金及現金等價物	75,651	154,079
CASH AND CASH EQUIVALENTS AT END OF YEAR 年末現金及現金等價物			
		80,343	75,651
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS 現金及現金等價物結餘分析			
Cash and cash equivalents as stated in the statement of financial position	財務狀況表所列現金及現金等價物	20 80,330	22,710
Time deposits with original maturity of less than three months when acquired, pledged as security for letters of credit	取得時原到期日不超過三個月用作信用證抵押的定期存款	20 13	22,941
Time deposits with maturity date within three months, pledged as security for a bank loan	到期日不超過三個月用作銀行貸款抵押的定期存款	20 -	30,000
Cash and cash equivalents as stated in the statement of cash flows	現金流量表所列現金及現金等價物	80,343	75,651

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 December 2018 2018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 3105, Office Tower, Convention Plaza, 1 Harbour Road, Wan Chai, Hong Kong with effect from 29 January 2019.

During the Reporting Period, the Group were principally engaged in marketing, promotion and channel management services for improved human plasma-based pharmaceuticals, antibiotics and other pharmaceuticals focused on therapeutic areas and 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 Reporting Period.

In the opinion of the Directors, Risun Investments Limited ("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:

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。本公司香港主要營業地點為香港灣仔港灣道1號會展廣場辦公大樓3105室，自2019年1月29日起生效。

報告期內，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報告期內並無重大變動。

董事認為，Risun Investments Limited（「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：

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 %	
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 香港恒盛集團控股有限公司	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
Sichuan Sinco Pharmaceuticals Co., Ltd. ^① ("Sichuan Sinco Pharmaceuticals") 四川興科蓉藥業有限責任公司 ^① (「四川興科蓉藥業」)	1 April 2011 PRC/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

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 Biological Technology Co., Ltd. ^(a) 四川興科蓉生物科技有限公司 ^(a)	25 November 2013 PRC/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 Technology Co., Ltd. ^(a) 成都興科蓉醫藥技術有限責任公司 ^(a)	26 February 2014 PRC/Mainland China 2014年2月26日 中國內地	RMB22,000,000 人民幣22,000,000元	–	100	Providing warehouse facilities for pharmaceutical products 提供藥品倉庫設施
Chengdu Hengsheng Ziguang Pharmaceutical Technology Co., Ltd. ("Chengdu Hengsheng") ^(a) 成都恒盛紫光醫藥技術有限責任公司 (「成都恒盛」) ^(a)	4 March 2015 PRC/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
Xizang Linzhi Ziguang Pharmaceutical Co., Ltd. ("Linzhi Ziguang") ^(a) 西藏林芝紫光藥業有限責任公司 (「林芝紫光」) ^(a)	17 November 2014 PRC/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. ^(a) ("Sinco Shanghai") 興科蓉(上海)貿易有限公司 ^(a) (「興科蓉上海」)	25 August 2016 PRC/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. ^(a) ("Qingdao Yunsheng") 青島煜盛恒盈貿易有限公司 ^(a) (「青島煜盛」)	15 November 2016 PRC/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

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 %	
Qingdao Ruichi Pharmaceuticals Co., Ltd. ⁽ⁱ⁾ ("Qingdao Ruichi") 青島瑞馳藥業有限公司 ⁽ⁱ⁾ (「青島瑞馳」)	15 May 2007 PRC/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
Chengdu Sinco Pharmaceuticals Co., Ltd. ⁽ⁱ⁾ ("Chengdu Sinco Pharmaceuticals") 成都興科蓉醫藥有限公司 ⁽ⁱ⁾ (「成都興科蓉醫藥」)	17 February 2011 PRC/Mainland China 2011年2月17日 中國內地	RMB68,000,000 人民幣68,000,000元	-	100	Sale of pharmaceutical products 銷售藥品
(i) Sichuan Sinco Pharmaceuticals, Sinco Shanghai and Qingdao Yusheng are registered as wholly-foreign-owned enterprises under laws of the PRC.			(i)		四川興科蓉藥業、興科蓉上海及青島煜盛根據中國法律註冊為外商獨資企業。
(ii) These subsidiaries are registered as domestic enterprises under laws of the PRC.			(ii)		該等附屬公司根據中國法律註冊為內資企業。

2.1 Basis of Preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”), which comprise standards and interpretations approved by the International Accounting Standards Board (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 Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

Going concern basis

During the Reporting Period, the Group incurred a consolidated loss of RMB280,615,000 (2017: RMB185,897,000). As at 31 December 2018, the Group had net current liabilities of RMB202,954,000 (2017: net current assets of RMB4,144,000).

In view of these circumstances, the Directors have given consideration to the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern. In order to improve the Group’s liquidity and cash flows to sustain the Group as a going concern, the Group implemented or is in the process of implementing the following measures:

- (a) As at 31 December 2018, the Group had unused bank facilities in aggregate of RMB55.0 million;
- (b) The Group has budgeted and laid out its business plan for the next twelve months, and seeks to attain profits and generate net cash inflows from the operating activities during the next twelve months with the efforts of actively further improving its sales model under the new policies for stabilising its business development. The Group will continuously promote presence in the downstream of marketing network channels and extend it to the end market by establishing multi-mode cooperation with hospitals and pharmacies; and

2.1 編製基準

該等財務報表按照國際財務報告準則(「國際財務報告準則」)編製，包括所有仍然生效的國際會計準則理事會(「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。該等財務報表按歷史成本慣例編製。除另有指明者外，該等財務報表以人民幣(「人民幣」)呈列，而所有價值均約整至最接近千元。

持續經營基準

報告期內，本集團產生綜合虧損人民幣280,615,000元(2017年：人民幣185,897,000元)。於2018年12月31日，本集團流動負債淨值為人民幣202,954,000元(2017年：流動資產淨值為人民幣4,144,000元)。

鑒於該等情況，董事於評估本集團是否擁有充足財務資源持續經營業務時，已考慮本集團的未來流動資金及表現以及其可動用財務資源。為改善本集團的流動資金及現金流量以維持本集團持續經營，本集團已經或正在實施以下措施：

- (a) 於2018年12月31日，本集團擁有尚未動用銀行融資合共人民幣55.0百萬元；
- (b) 本集團已為未來12個月制定預算及業務計劃，致力於在新政策下進一步改善銷售模式以穩定其業務發展，藉此尋求於未來十二個月獲得溢利及自經營活動產生現金流量淨額。本集團將不斷推進下游營銷推廣網絡渠道，並通過開發與醫院及藥房的多模式合作方式向終端市場延伸；及

2.1 Basis of Preparation (Continued)

Going concern basis (Continued)

- (c) On 27 March 2019 (after trading hours), the Company, Mr. Gui, an independent individual, Risun, Mr. Huang, Guangsha Overseas, an independent third party, and Mr. Ye, an independent individual, entered into the Supplemental Agreement to extend the repayment date of the other borrowings of RMB140.0 million mentioned in note 24 to the financial statements for an additional year from 30 April 2019 to 30 April 2020. Please refer to the announcement of the Company dated on 27 March 2019 and note 38 to the financial statements for details.

The Directors have reviewed the Group's cash flow forecast prepared by management which covers a period of twelve months from the end of the Reporting Period. They are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due in the foreseeable future. Accordingly, the Directors are of the opinion that it is appropriate to prepare the consolidated financial statements of the Group for the Reporting Period on a going concern basis.

Should the going concern assumption for whatever reason or as a result of changing circumstances, becomes inappropriate, necessary accounting adjustments may have to be made to reflect the situation that assets may need to be realised at the amounts other than which they are currently recorded in the consolidated statement of financial position. In addition, the Group may have to accrue or make provisions for additional liabilities, including contingent liabilities that may arise under such circumstances, and accordingly, may reclassify non-current assets as current assets at realisable values, as the case may be.

The Audit Committee of the Board has confirmed that it has objectively and critically reviewed the measures mentioned above. The Audit Committee of the Board and the Board have confidence in the Group's management and concurred with management's view that the Group's business plan for the next twelve months is feasible and achievable.

2.1 編製基準(續)

持續經營基準(續)

- (c) 於2019年3月27日(交易時段後),本公司、一名獨立人士桂先生、Risun、黃先生、一名獨立第三方廣廈海外以及一名獨立人士葉先生訂立補充協議,以將財務報表附註24提及的其他借款人民幣140.0百萬元的償還日期自2019年4月30日額外延長一年至2020年4月30日。補充協議詳情請參閱本公司日期為2019年3月27日的公告及財務報表附註38。

董事已審閱由管理層所編製涵蓋由報告期末起計十二個月期間本集團的現金流量預測。考慮到上述計劃及措施,董事認為本集團將具備足夠的營運資金以撥付其營運所需,並於可見將來能履行其到期財務責任。因此,董事認為按持續經營基準編製本集團報告期的綜合財務報表乃恰當之舉。

倘持續經營的假設因任何理由或因情況轉變而變得合不適,則可能須作出必要的會計調整,以反映資產可能需要按與目前於綜合財務狀況表所記賬者不同的金額變現的情況。此外,本集團亦可能須預提額外負債或就額外負債(包括在有關情況下可能產生的或然負債)計提撥備,並因而可按可變現價值將非流動資產重新分類為流動資產(視情況而定)。

董事會審核委員會確認,其已客觀而審慎地檢討上述措施。董事會審核委員會及董事會對本集團的管理層充滿信心,並贊同管理層的觀點,認為本集團於未來十二個月的商業計劃為可行及可實現。

2.1 Basis of Preparation (Continued)

Going concern basis (Continued)

The Group has actively implemented, or is actively implementing, all the improvement targets outlined above for the purposes of increasing profits and improving the cash flow position of the Group, in order to remove material uncertainties relating to the going concern of the Group for the next twelve months.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the Reporting Period. 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).

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 parent of the Group 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.

2.1 編製基準(續)

持續經營基準(續)

本集團已經或正在積極落實上述所有改善目標，旨在增加溢利及改善本集團現金流量狀況，以消除與本集團於未來十二個月的持續經營有關的重大不明朗因素。

綜合基準

綜合財務報表包括本公司及其附屬公司於報告期的財務報表。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，並有能力運用對投資對象的權力(即賦予本集團現有能力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。

倘本公司直接或間接擁有少於投資對象大部分的投票或類似權利，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，損益及其他全面收益的各個組成部分仍歸屬於本集團母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公司間資產及負債、股權、收入、開支及現金流量均於綜合時悉數對銷。

2.1 Basis of Preparation (Continued)

Basis of consolidation (Continued)

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.

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 interests 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 investment 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 IFRSs for the first time for the current year's financial statements.

Amendments to IFRS 2	<i>Classification and Measurement of Share-based Payment Transactions</i>
Amendments to IFRS 4	<i>Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts</i>
IFRS 9	<i>Financial Instruments</i>
IFRS 15	<i>Revenue from Contracts with Customers</i>
Amendments to IFRS 15	<i>Clarifications to IFRS 15 Revenue from Contracts with Customers</i>
Amendments to IAS 40	<i>Transfers of Investment Property</i>
IFRIC 22	<i>Foreign Currency Transactions and Advance Consideration</i>
<i>Annual Improvements 2014-2016 Cycle</i>	<i>Amendments to IFRS 1 and IAS 28</i>

2.1 編製基準(續)

綜合基準(續)

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。

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)任何非控股權益的賬面值及(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益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
國際財務報告準則第4號(修訂本)	與國際財務報告準則第4號保險合約一併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
國際財務報告準則第15號	來自客戶合約的收益
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號來自客戶合約的收益的澄清
國際會計準則第40號(修訂本)	轉讓投資物業
國際財務報告詮釋委員會第22號	外幣交易及墊付代價
2014年至2016年週期的年度改進	國際財務報告準則第1號及國際會計準則第28號的修訂

2.2 Changes in Accounting Policies and Disclosures (Continued)

Other than as explained below regarding the impact of IFRS 9, IFRS 15 and the amendments to IFRS 15, the adoption of the above new and revised standards has had no significant financial effect on these financial statements.

Further information about IFRS 9 and IFRS 15 applied by the Group is described below:

- (a) IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement, impairment and hedge accounting.

With the exception of hedge accounting, which the Group has applied prospectively, the Group has recognised the transition adjustments against the applicable opening balances in of equity at 1 January 2018. Therefore, the comparative information was not restated and continues to be reported under IAS 39.

Classification and measurement

The following information sets out the impacts of adopting IFRS 9 on the statement of financial position, including the effect of replacing IAS 39's incurred credit loss calculations with IFRS 9's expected credit losses ("ECLs").

2.2 會計政策及披露的變動(續)

除下文闡述的國際財務報告準則第9號、國際財務報告準則第15號及國際財務報告準則第15號(修訂本)所致影響外，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。

關於本集團所採用國際財務報告準則第9號及國際財務報告準則第15號的進一步資料闡述如下：

- (a) 國際財務報告準則第9號於2018年1月1日或之後開始的年度期間取代國際會計準則第39號：分類及計量，連同金融工具會計處理的所有三個方面：分類及計量、減值及對沖會計處理。

除對沖會計處理外(本集團已預先採用)，本集團已確認於2018年1月1日的期初權益結餘的過渡調整。因此，並無重列比較資料，並繼續根據國際會計準則第39號進行報告。

分類及計量

下列資料載列採納國際財務報告準則第9號對財務狀況表的影響，包括以國際財務報告準則第9號的預期信貸虧損(「預期信貸虧損」)取代國際會計準則第39號導致的已產生信貸虧損計算的影響。

2.2 Changes in Accounting Policies and Disclosures (Continued) 2.2 會計政策及披露的變動(續)

(a) (Continued)

A reconciliation between the carrying amounts under IAS 39 and the balances reported under IFRS 9 as at 1 January 2018 is as follows:

(a) (續)

於2018年1月1日根據國際會計準則第39號計算的賬面值與根據國際財務報告準則第9號呈報的結餘對賬如下：

		Notes 附註	IAS39 measurement 國際會計準則第39號計量			IFRS9 measurement 國際財務報告準則第9號計量		
			Category 類別	Amount 金額 RMB'000 人民幣千元	Re- classification 重新分類 RMB'000 人民幣千元	ECL 預期信貸虧損 RMB'000 人民幣千元	Amount 金額 RMB'000 人民幣千元	Category 類別
Financial assets	金融資產							
Trade receivables	貿易應收款項	(i)	L&R ¹	26,481	-	(164)	26,317	AC ²
Bills receivables	應收票據	(ii)	L&R	10,625	-	-	10,625	FVOCI ⁴
Financial assets included in prepayments, other receivables and other assets	計入預付款項、其他應收款項及 其他資產的金融資產	(i)	L&R	3,679	-	-	3,679	AC
Deposit	按金	(i)	L&R	3,000	-	-	3,000	AC
Pledged bank balances	已抵押銀行結餘		L&R	52,941	-	-	52,941	AC
Cash and cash equivalents	現金及現金等價物		L&R	22,710	-	-	22,710	AC
				<u>119,436</u>	<u>-</u>	<u>(164)</u>	<u>119,272</u>	
Other assets	其他資產							
Deferred tax assets	遞延稅項資產			9,159	-	-	9,159	
Total assets	資產總值			<u>128,595</u>	<u>-</u>	<u>(164)</u>	<u>128,431</u>	
Financial liabilities	金融負債							
Trade payables	貿易應付款項		AC	22,522	-	-	22,522	AC
Financial liabilities included in other payables and accruals	計入其他應付款項及應計款項 的金融負債		AC	68,588	-	-	68,588	AC
Interest-bearing bank and other borrowings	計息銀行及其他借款		AC	275,815	-	-	275,815	AC
Financial liability 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 損益的金融負債		FVPL ³	218	-	-	218	FVPL
Bonds	債券		AC	133,856	-	-	133,856	AC
Total liabilities	負債總額			<u>500,999</u>	<u>-</u>	<u>-</u>	<u>500,999</u>	

¹ L&R: Loans and receivables² AC: Financial assets or financial liabilities at amortised cost³ FVPL: Financial assets at fair value through profit or loss⁴ FVOCI: Financial assets at fair value through other comprehensive income¹ L&R: 貸款及應收款項² AC: 按攤銷成本計量的金融資產或金融負債³ FVPL: 按公平值計入損益的金融資產⁴ FVOCI: 按公平值計入其他全面收益的金融資產

Notes:

(i) The Group has remeasured the carrying amount of the trade receivables, financial assets included in prepayments, other receivables and other assets and deposits based on the ECL allowance.

附註:

(i) 本集團已按預期信貸虧損撥備重新計量貿易應收款項、計入預付款項、其他應收款項及其他資產的金融資產以及按金的賬面值。

2.2 Changes in Accounting Policies and Disclosures (Continued)

(a) (Continued)

Notes: (Continued)

- (ii) The Group has reclassified its bills receivable as at 1 January 2018 from category of loans and receivables to financial assets at fair value through other comprehensive income. Other than the reclassification, the adoption of IFRS 9 has had no significant impact on the Group's profit or loss and other comprehensive income.

Impairment

The following table reconciles the aggregate opening impairment allowances under IAS 39 to the ECL allowances under IFRS 9. Further details are disclosed in note 19 to the financial statements.

2.2 會計政策及披露的變動(續)

(a) (續)

附註：(續)

- (ii) 本集團已將2018年1月1日的應收票據自貸款及應收款項類別重新分類至透過其他全面收益按公平值計量的金融資產。除重新分類外，採納國際財務報告準則第9號對本集團的損益及其他全面收益概無重大影響。

減值

下表將根據國際會計準則第39號的期初減值撥備總額與根據國際財務報告準則第9號的預期信貸虧損撥備對賬。有關進一步詳情於財務報表附註19披露。

	Impairment allowances under IAS 39 at 31 December 2017	Re-measurement	ECL allowances under IFRS 9 at 1 January 2018
	於2017年12月31日根據國際會計準則第39號的減值撥備	重新計量	於2018年1月1日根據國際財務報告準則第9號的預期信貸虧損撥備
	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Trade receivables	-	164	164
	貿易應收款項		

Impact on reserves and retained profits

The impact of transition to IFRS 9 on reserves is as follows:

對儲備及保留溢利的影響

過渡至國際財務報告準則第9號對儲備的影響如下：

		RMB'000 人民幣千元
Accumulated reserves attributable to owners of the Company	本公司擁有人應佔累計儲備	
Balance as at 31 December 2017 under IAS 39	於2017年12月31日根據國際會計準則第39號的結餘	273,505
Recognition of ECL for trade receivables under IFRS 9	確認根據國際財務報告準則第9號的預期信貸虧損	(164)
Balance as at 1 January 2018 under IFRS 9	於2018年1月1日根據國際財務報告準則第9號的結餘	273,341

2.2 Changes in Accounting Policies and Disclosures (Continued)

- (b) IFRS 15 and its amendments replace IAS 11 *Construction Contracts*, IAS 18 *Revenue* and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. IFRS 15 establishes a 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 disclosures are included in note 4 to the financial statements. As a result of the application of IFRS 15, the Group has changed the accounting policy with respect to revenue recognition in note 2.4 to the financial statements.

The Group has adopted IFRS 15 using the modified retrospective method of adoption. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Group has elected to apply the standard to contracts that are not completed as at 1 January 2018.

The cumulative effect of the initial application of IFRS 15 was recognised as an adjustment to the opening balance of accumulated losses as at 1 January 2018. Therefore, the comparative information was not restated and continues to be reported under IAS 18 and related interpretations.

Before the adoption of IFRS 15, the Group recognised consideration received from customers as advances from customers. Under IFRS 15, the amount is classified as contract liabilities. Therefore, upon the adoption of IFRS 15, the Group reclassified RMB41,503,000 from advances from customers to contract liabilities as at 1 January 2018 in relation to the consideration received from customers in advances. As at 31 December 2018, under IFRS 15, RMB129,670,000 was reclassified from advances from customers to contract liabilities in relation to the consideration received from customers in advance for the sale of goods.

2.2 會計政策及披露的變動(續)

- (b) 國際財務報告準則第15號及其修訂本取代國際會計準則第11號*建造合約*、國際會計準則第18號*收益*及有關詮釋，除少數例外情況外，其適用於客戶合約產生的所有收益。國際財務報告準則第15號建立一個五步模式，以將自客戶合約產生的收益入賬。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品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。該準則亦引入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。有關披露載於財務報表附註4。由於採納國際財務報告準則第15號，本集團已於財務報表附註2.4就收益確認更改會計政策。

本集團採用修訂後追溯採納的方式採納國際財務報告準則第15號。根據該方式，該準則可應用於初始應用日期的所有合約或僅應用於在該日尚未完成的合約。本集團已選擇將該準則應用於在2018年1月1日尚未完成的合約。

初步採納國際財務報告準則第15號的累計影響確認為對2018年1月1日累計虧損期初結餘的調整。因此，並無重列比較資料，且繼續按國際會計準則第18號及相關詮釋呈報。

採納國際財務報告準則第15號之前，本集團將從客戶收取的代價確認為客戶墊款。根據國際財務報告準則第15號，該金額分類為合約負債。因此，於採納國際財務報告準則第15號後，本集團將從客戶墊款所收取的代價人民幣41,503,000元自客戶墊款重新分類為2018年1月1日的合約負債。於2018年12月31日，根據國際財務報告準則第15號，因銷售貨物而從客戶墊款所收取的代價人民幣129,670,000元自客戶墊款重新分類為合約負債。

2.2 Changes in Accounting Policies and Disclosures (Continued)

(b) (Continued)

Other than the reclassification explained above, the adoption IFRS 15 has had no impact on the Group's profit or loss and other comprehensive income or on the Group's operating, investing and financing cash flows.

2.3 Issued But Not Yet Effective IFRSs

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in these financial statements.

Amendments to IFRS 3	<i>Definition of a Business</i> ²
Amendments to IFRS 9	<i>Prepayment Features with Negative Compensation</i> ¹
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ⁴
IFRS 16	<i>Leases</i> ¹
IFRS 17	<i>Insurance Contracts</i> ³
Amendments to IAS 1 and IAS 8	<i>Definition of Material</i> ²
Amendments to IAS 19	<i>Plan Amendment, Curtailment or Settlement</i> ¹
Amendments to IAS 28	<i>Long-term Interests in Associates and Joint Ventures</i> ¹
IFRIC 23	<i>Uncertainty over Income Tax Treatments</i> ¹
Annual Improvements 2015-2017 Cycle	<i>Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23</i> ¹

- ¹ Effective for annual periods beginning on or after 1 January 2019
² Effective for annual periods beginning on or after 1 January 2020
³ Effective for annual periods beginning on or after 1 January 2021
⁴ No mandatory effective date yet determined but available for adoption

2.2 會計政策及披露的變動(續)

(b) (續)

除上述重新分類外，採納國際財務報告準則第15號並無對本集團損益及其他全面收益或本集團經營、投資及融資現金流量造成影響。

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3號(修訂本)	業務的定義 ²
國際財務報告準則第9號(修訂本)	具有負補償的提前還款特性 ¹
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16號	租賃 ¹
國際財務報告準則第17號	保險合約 ³
國際會計準則第1號及國際會計準則第8號(修訂本)	重大的定義 ²
國際會計準則第19號(修訂本)	計劃調整、削減或結算 ¹
國際會計準則第28號(修訂本)	於聯營公司及合營企業的長期權益 ¹
國際財務報告詮釋委員會第23號	所得稅處理的不確定性 ¹
2015年至2017年週期的年度改進	國際財務報告準則第3號、國際財務報告準則第11號、國際會計準則第12號及國際會計準則第23號的修訂 ¹

- ¹ 於2019年1月1日或之後開始的年度期間生效
² 於2020年1月1日或之後開始的年度期間生效
³ 於2021年1月1日或之後開始的年度期間生效
⁴ 尚未確定但可採納的強制生效日期

2.3 Issued But Not Yet Effective IFRSs (Continued)

Further information about those IFRSs that are expected to be applicable to the Group is described below.

Amendments to IFRS 3 clarify and provide additional guidance on the definition of a business. The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs. Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities. Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. The Group expects to adopt the amendments prospectively from 1 January 2020.

2.3 已頒佈惟未生效的國際財務報告準則 (續)

有關預期適用於本集團的國際財務報告準則的進一步資料概述如下。

國際財務報告準則第3號(修訂本)澄清業務的定義，並提供額外指引。該修訂本訂明可視為業務的一組整合活動和資產，必須至少包括一項投入和一項重要過程，而兩者必須對形成收益的能力有重大貢獻。業務毋須包括形成產出所需的所有投入或過程。該修訂取消了評估市場參與者是否有能力收購業務並能持續獲得收益的規定，轉為重點關注所取得的投入和重要過程共同對形成收益的能力有否重大貢獻。該修訂亦已收窄收益的定義範圍，重點關注為客戶提供的商品或服務、投資收益或日常活動產生的其他收入。此外，修訂本亦提供有關評估所取得過程是否重大的指引，並新增公平值集中度測試選項，允許對所取得的一組活動和資產是否不屬於業務進行簡化評估。本集團預期自2020年1月1日起採用該等修訂。

2.3 Issued But Not Yet Effective IFRSs (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 elective 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, or relates to a class of property, plant and equipment to which the revaluation model is applied. 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. IFRS 16 requires lessees and lessors to make more extensive disclosures than under IAS 17. Lessees can choose to apply the standard using either a full retrospective or a modified retrospective approach. The Group will adopt IFRS 16 from 1 January 2019. The Group plans to adopt the transitional provisions in IFRS 16 to recognise the cumulative effect of initial adoption as an adjustment to the opening balance of retained earnings at 1 January 2019 and will not restate the comparatives. In addition, the Group plans to apply the new requirements to contracts that were previously identified as leases applying IAS 17 and measure the lease liability at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at the date of initial application. The right-of-use asset will be measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position immediately before the date of initial application. The Group plans to use the exemptions allowed by the standard on lease contracts whose lease terms end within 12 months as of the date of initial application. During 2018, the Group has performed a detailed assessment on the impact of adoption of IFRS 16. The Group has estimated that right-of-use assets of RMB6,986,000 and lease liabilities of RMB6,986,000 will be recognised at 1 January 2019.

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可選的確認豁免－低價值資產租賃及短期租賃。於租賃開始日期，承租人將確認一項作出租賃付款的負債（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）。使用權資產隨後以成本減累計折舊及任何減值虧損計量，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，或與已應用重估模式的一類物業、廠房及設備相關。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。租賃負債隨後為反映該租賃負債的利息予以上調，並就租賃付款作出調減。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，例如租賃期變更及因用以釐定未來租賃付款的指數或比率變更而導致該等付款變更，承租人亦須重新計量租賃負債。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號下的出租人會計處理較國際會計準則第17號下的會計處理大致不變。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。國際財務報告準則第16號規定承租人及出租人須作出較國際會計準則第17號而言更為廣泛的披露。承租人可選擇採用使用全面追溯法或經修訂追溯法的準則。本集團將於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，並考慮其是否選擇利用現有的實際權宜辦法及將採取何種過渡方法及紓緩措施。本集團擬採納國際財務報告準則第16號的過渡規定，將是次採納的累計影響確認為對於2019年1月1日保留盈餘年初結餘的調整，以及不會重列比較數字。此外，本集團計劃將新規定應用於先前已應用國際會計準則第17號而識別為租賃的合約，並按剩餘租賃付款的現值計量租賃負債，以及使用本集團於首次應用日期的增量借貸利率貼現。使用權資產將按租賃負債金額計量，並按緊接首次應用日期前在財務狀況表中確認與租賃相關的任何預付或應計租賃付款金額進行調整。本集團計劃就租期於截至首次應用日期12個月內終止的租賃合約採用相關標準准許的豁免情況。於2018年，本集團已詳細評估採納國際財務報告準則第16號的影響。本集團估計，人民幣6,986,000元的使用權資產及人民幣6,986,000元的租賃負債將於2019年1月1日確認。

2.3 Issued But Not Yet Effective IFRSs (Continued)

Amendments to IAS 1 and IAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. The Group expects to adopt the amendments prospectively from 1 January 2020. The amendments are not expected to have any significant impact on the Group's financial statements.

IFRIC 23, addresses the accounting for income taxes (current and deferred) when tax treatments involve uncertainty that affects the application of IAS 12 (often referred to as "uncertain tax positions"). The interpretation does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses (i) whether an entity considers uncertain tax treatments separately; (ii) the assumptions an entity makes about the examination of tax treatments by taxation authorities; (iii) how an entity determines taxable profits or tax losses, tax bases, unused tax losses, unused tax credits and tax rates; and (iv) how an entity considers changes in facts and circumstances. The interpretation is to be applied retrospectively, either fully retrospectively without the use of hindsight or retrospectively with the cumulative effect of application as an adjustment to the opening equity at the date of initial application, without the restatement of comparative information. The Group expects to adopt the interpretation from 1 January 2019. The interpretation is 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)

國際會計準則第1號及國際會計準則第8號(修訂本)重新界定重要性。根據新定義，倘可合理預期漏報、錯報或掩蓋個別信息將可影響使用財務報表作一般目的的主要使用者基於相關財務報表作出的決定，則該信息為重要。該修訂澄清重要性將取決於信息的性質或程度。倘可合理預期信息的錯誤陳述會影響主要使用者作出的決策，則該錯誤陳述屬重要。本集團預期自2020年1月1日起採用該等修訂。該修訂預期不會對本集團財務報表造成任何重大影響。

國際財務報告詮釋委員會第23號針對當稅務處理涉及影響應用國際會計準則第12號的不確定性(通常被稱為「不確定的稅務狀況」)時所得稅即期及遞延的會計處理。該詮釋不適用於國際會計準則第12號範圍以外的稅項及收費，也並未特別包括關於與稅務處理的不確定性相關的利息及罰款的規定。該詮釋特別針對以下問題：(i)實體是否單獨考慮稅務處理的不確定性；(ii)實體針對稅務機關核查稅務處理所作的假設；(iii)實體如何確定應課稅溢利或稅項虧損、稅基、未動用稅項虧損、未動用稅項抵免及稅率；及(iv)實體如何考慮事實和情況變化。該詮釋將予追溯應用，方法之一是在不使用後見之明的情況下全面追溯應用，之二是追溯應用，但將首次採用的累計影響作為首次採用日權益的調整，而在該方法下，比較資料毋須重述。本集團預期將自2019年1月1日起採納該詮釋。該詮釋預期不會對本集團財務報表造成任何重大影響。

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 at 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

業務合併採用收購法入賬。轉讓代價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權利可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。被分類為資產或負債的或然代價按公平值計量，其公平值變動於損益確認，而被分類為權益的或然代價則毋須重新計量，後續結算於權益中入賬。

商譽按成本初步計量，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 at 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.

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。

2.4 Summary of Significant Accounting Policies (Continued)

Fair value measurement

The Group measures its derivative financial instruments at fair value at the end of each reporting period. 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.

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.

2.4 主要會計政策概要(續)

公平值計量

本集團於各報告期末計量其衍生金融工具。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。

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。

2.4 Summary of Significant Accounting Policies (Continued)

Fair value measurement (Continued)

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, financial assets, and deferred tax 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)

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

倘資產出現減值跡象，或須對資產進行年度減值測試(不包括存貨、金融資產及遞延稅項資產)，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 in those expense categories consistent with the function of the impaired asset.

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定風險。減值虧損在其產生期間於減值資產功能一致的開支分類內自損益扣除。

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)。減值虧損的撥回在其產生期間計入損益。

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.

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。

2.4 Summary of Significant Accounting Policies (Continued)

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.

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
Machinery	10 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.

2.4 主要會計政策概要(續)

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。

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
機器	10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)。

2.4 Summary of Significant Accounting Policies (Continued)

Property, plant and equipment and depreciation (Continued)

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 are stated at cost less any impairment losses, and are not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowing 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.

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 life of intangible assets is as follows:

Software	5 years
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2.4 主要會計政策概要(續)

物業、廠房及設備以及折舊(續)

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貸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。

無形資產(商譽除外)

單獨收購的無形資產於初始確認時按成本計量。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期限或無限期。有限定期限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。有限定期限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：

軟件	5年
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2.4 Summary of Significant Accounting Policies (Continued)

Operating leases

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 leases 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.

Investments and other financial assets (policies under IFRS 9 applicable from 1 January 2018)

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition (applicable from 1 January 2018)" below.

2.4 主要會計政策概要(續)

經營租賃

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取出租人的任何優惠，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始按成本列賬，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。

投資及其他金融資產(自2018年1月1日開始適用的國際財務報告準則第9號項下政策)

初始確認及計量

於初始確認時，金融資產劃分為隨後按攤銷成本計量、按公平值計入其他全面收益及按公平值計入損益。

金融資產於初步確認時的分類視乎金融資產合約現金流量的特徵及本集團管理該等資產的業務模式。除並無重大融資成分或本集團並未就此應用不調整重大融資成分影響實際權宜方法的貿易應收款項外，本集團初步按其公平值加(倘並非按公平值計量且其變動計入損益的金融資產)交易成本計量金融資產。如下文「收益確認」(自2018年1月1日起適用)所載政策，並無重大融資成分或本集團並未就此應用實際權宜方法的貿易應收款項按國際財務報告準則第15號釐定的交易價格計量。

2.4 Summary of Significant Accounting Policies (Continued)

Investments and other financial assets (policies under IFRS 9 applicable from 1 January 2018) (Continued)

Initial recognition and measurement (Continued)

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

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 amortised cost (debt instruments)

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

2.4 主要會計政策概要(續)

投資及其他金融資產(自2018年1月1日開始適用的國際財務報告準則第9號項下政策)(續)

初始確認及計量(續)

為使金融資產分類為按攤銷成本計量或按公平值計量且其變動計入其他全面收益，需產生僅為支付本金及未償還本金利息(「SPPI」)的現金流量。

本集團管理金融資產的業務模式指為產生現金流量管理金融資產的方式。業務模式釐定現金流量會否來自收取合約現金流量、出售金融資產或以上兩者。

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視乎以下分類：

按攤銷成本計量的金融資產(債務工具)

倘達成以下兩項條件，本集團按攤銷成本計量金融資產：

- 金融資產於目的為持有金融資產以收取合約現金流量的業務模式持有。
- 金融資產的合約條款於特定日期產生僅為支付本金及未償還本金利息的現金流量。

按攤銷成本列賬的金融資產隨後使用實際利率法計量，並可予減值。收益及虧損於資產終止確認、修改或減值時於損益中確認。

2.4 Summary of Significant Accounting Policies (Continued)

Investments and other financial assets (policies under IFRS 9 applicable from 1 January 2018) (Continued)

Financial assets at fair value through other comprehensive income (debt instruments)

The Group measures debt investments at fair value through other comprehensive income if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt investments at fair value through other comprehensive income are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to the statement of profit or loss.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

2.4 主要會計政策概要(續)

投資及其他金融資產(自2018年1月1日開始適用的國際財務報告準則第9號項下政策)(續)

按公平值計入其他全面收益的金融資產(債務工具)

倘符合下列兩種情況，則本集團將債務投資透過其他全面收益按公平值計量：

- 金融資產於持有目標均為收集合同現金流量及出售的業務模型中持有。
- 金融資產的合同條款於特定日期產生現金流量，該現金流量僅用以支付未償付本金的本金及利息。

按公平值計入其他全面收益的債務投資於損益表確認，且以金融資產按攤銷成本計量的相同方式計算。餘下公平值變動於其他全面收益確認。於終止確認後，於其他全面收益確認的累計公平值變動回流至損益表。

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金融資產、於初步確認後指定按公平值計入損益的金融資產，或需要強制按公平值計量的金融資產。倘金融資產乃為於近期進行出售或回購而收購，則金融資產會分類為持作買賣。衍生工具(包括分離嵌入式衍生工具)亦分類為持作買賣，除非其被指定為實際對沖工具。現金流量並非僅可用作償還本金及未償還本金利息的金融資產分類為按公平值計入損益計量，而不論業務模式。儘管如上文所述債務工具可分類為按攤銷成本或按公平值計入其他全面收益，倘能夠消除或顯著減少會計錯配，則債務工具或會於初步確認時指定為按公平值計入損益。

按公平值計入損益的金融資產乃於財務狀況表按公平值列賬，而公平值變動淨額則於損益中確認。

2.4 Summary of Significant Accounting Policies (Continued)

Investments and other financial assets (policies under IFRS 9 applicable from 1 January 2018) (Continued)

Financial assets at fair value through profit or loss (Continued)

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on equity investments classified as financial assets at fair value through profit or loss are also recognised as other income in profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Investments and other financial assets (policies under IAS 39 applicable before 1 January 2018)

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 market place.

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. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by IAS 39.

2.4 主要會計政策概要(續)

投資及其他金融資產(自2018年1月1日開始適用的國際財務報告準則第9號項下政策)(續)

按公平值計入損益的金融資產(續)

該類別包括本集團並無不可撤銷地選擇以公平值計量且其變動計入其他全面收益分類的衍生工具及權益投資。對於分類為按公平值計入損益的金融資產的權益投資產生的股息亦在股息付款權已確立時於損益中確認為其他收入，預計與股息有關的經濟利益很可能流入本集團且能可靠計量股息金額。

投資及其他金融資產(於2018年1月1日前應用國際會計準則第39號政策)

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依據其分類分別如下：

以公平值計入損益的金融資產

以公平值計入損益的金融資產包括交易性金融資產及在初始確認指定為以公平值計入損益的金融資產。為了在短期內出售而購入的資產應劃分為交易性金融資產。衍生工具，包括分離嵌入式衍生工具，應當劃分為交易性金融資產，除非其根據國際會計準則第39號被指定且為有效套期工具。

2.4 Summary of Significant Accounting Policies (Continued)

Investments and other financial assets (policies under IAS 39 applicable before 1 January 2018) (Continued)

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 (applicable before 1 January 2018)” below.

Financial assets designated upon initial recognition as at fair value through profit or loss are designated at the date of initial recognition and only if the criteria in IAS 39 are satisfied.

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 other receivables.

Derecognition of financial assets (policies under IFRS 9 applicable from 1 January 2018 and policies under IAS 39 applicable before 1 January 2018)

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily 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(於2018年1月1日前應用國際會計準則第39號政策)(續)

以公平值計入損益的金融資產在財務狀況表中按照公平值計量，公平值淨變動為正於損益中呈列為「其他收入及收益」，淨變動為負則呈列為「財務成本」。該等公平值淨變動不包括根據下文收益確認政策(於2018年1月1日前適用)確認的金融資產所賺取任何股息或利息。

在滿足國際會計準則第39號的條件下，金融資產可以在初始確認時被指定為以公平值計入損益的金融資產。

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」。貸款及其他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。

終止確認金融資產(自2018年1月1日開始適用的國際財務報告準則第9號下政策及於2018年1月1日前適用的國際會計準則第39號下政策)

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 (policies under IFRS 9 applicable from 1 January 2018 and policies under IAS 39 applicable before 1 January 2018) (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 risks 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 (policies under IFRS 9 applicable from 1 January 2018)

The Group recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

2.4 主要會計政策概要(續)

終止確認金融資產(自2018年1月1日開始適用的國際財務報告準則第9號下政策及於2018年1月1日前適用的國際會計準則第39號下政策)(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繼續確認獲出讓資產。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(自2018年1月1日起適用的國際財務報告準則第9號下政策)

本集團就所有並非按公平值計入損益持有的債務工具確認預期信貸虧損撥備。預期信貸虧損乃以根據合約應付的合約現金流量與本集團預期收取的所有現金流量之間的差額為基準，按原有實際利率相近的差額貼現。預期現金流量將包括來自銷售所持有抵押品或其他信用增級的現金流量，此乃合約條款不可或缺的部分。

2.4 Summary of Significant Accounting Policies (Continued)

Impairment of financial assets (policies under IFRS 9 applicable from 1 January 2018) (Continued)

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

2.4 主要會計政策概要(續)

金融資產減值(自2018年1月1日起適用的國際財務報告準則第9號下政策)(續)

一般方法

預期信貸虧損於兩個階段進行確認。對於自初步確認後並無顯著增加的信貸風險，預期信貸虧損就可能於未來12個月內(12個月預期信貸虧損)出現的違約事件計提撥備。對於自初步確認後有顯著增加的信貸風險，須在信貸虧損風險預期的剩餘年期計提虧損撥備，不論違約事件於何時發生(存續期預期信貸虧損)。

於各報告日期，本集團對自初始確認後金融工具的信貸風險是否顯著增加進行評估。在評估時，本集團將於報告日期金融工具發生之違約風險與初始確認日起金融工具發生之違約風險進行比較，本集團會考慮合理且可支持的資料，包括無需付出不必要的成本或努力而可得之歷史及前瞻性資料。

本集團將合約付款逾期90日的金融資產視作違約。然而，於若干情況下，當內部或外部資料顯示本集團不可能在本集團採取任何信貸提升安排前悉數收回未償還合約金額時，本集團亦可能認為該金融資產違約。倘並無收回合約現金流量的合理預期，則撇銷有關金融資產。

按攤銷成本計量的金融資產，在一般方法下可能會發生減值，並且除了貿易應收款項及採用簡化方法的合約資產(以下詳述)外，它們在以下階段分類用於預期信貸虧損計量。

2.4 Summary of Significant Accounting Policies (Continued)

Impairment of financial assets (policies under IFRS 9 applicable from 1 January 2018) (Continued)

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For trade receivables that contain a significant financing component, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

Impairment of financial assets (policies under IAS 39 applicable before 1 January 2018)

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.

2.4 主要會計政策概要(續)

金融資產減值(自2018年1月1日起適用的國際財務報告準則第9號下政策)(續)

簡化方法

對於不包含重大融資成分的貿易應收款項，或本集團採用實際權宜之計，不會就重大融資成分的影響調整時，本集團採用簡化方法進行預期信貸虧損計量。根據簡化方法，本集團不會追蹤信貸風險的變化，而是於各報告日期進行終身預期信貸虧損確認撥備。本集團已根據其歷史信貸虧損經驗建立撥備矩陣，並根據債務人及經濟環境的前瞻性因素作出調整。

就包含重大融資成分的貿易應收款項而言，本集團會計政策選擇採用簡化方法根據上述政策進行預期信貸虧損計量。

金融資產減值(於2018年1月1日前適用的國際會計準則第39號項下政策)

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。

2.4 Summary of Significant Accounting Policies (Continued)

Impairment of financial assets (policies under IAS 39 applicable before 1 January 2018) (Continued)

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether 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.

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 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 and is accrued 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 reduced by adjusting the allowance amount. If a write-off is later recovered, the recovery is credited to profit or loss.

2.4 主要會計政策概要(續)

金融資產減值(於2018年1月1日前適用的國際會計準則第39號項下政策)(續)

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，評估是否存在減值。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。

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)貼現。

該資產的賬面值會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貼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。

2.4 Summary of Significant Accounting Policies (Continued)

Financial liabilities (policies under IFRS 9 applicable from 1 January 2018 and IAS 39 applicable before 1 January 2018)

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liability at fair value through profit or loss, loans and borrowings and payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, other payables and accruals and interest-bearing bank loans and other borrowings.

Subsequent measurement

The subsequent measurement of the Group's financial liabilities is as follows:

Financial liability at fair value through profit or loss

Financial liability at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of repurchasing in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IAS 39. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the consolidated statement of profit or loss and other comprehensive income. The net fair value gain or loss recognised in the consolidated statement of profit or loss and other comprehensive income does not include any interest charged on these financial liability.

Financial liability designated upon initial recognition as at fair value through profit or loss are designated at the date of initial recognition and only if the criteria in IAS 39 are satisfied.

2.4 主要會計政策概要(續)

金融負債(自2018年1月1日起開始適用的國際財務報告準則第9號項下政策及於2018年1月1日前適用的國際會計準則第39號項下政策)

初始確認及計量

於初始確認時，金融負債分類為按公平值計入損益的金融負債、貸款及借款以及應付款項。

所有金融負債初始按公平值確認及，如屬貸款及借款以及應付款項則扣除直接應佔交易成本。

本集團的金融負債包括貿易應付款項、其他應付款項及應計款項以及計息銀行貸款及其他借款。

後續計量

本集團金融負債的後續計量如下：

按公平值計入損益的金融負債

按公平值計入損益的金融負債包括初始確認時指定為按公平值計入損益的金融負債。

金融負債倘以短期回購為目的而購入，則分類為持作買賣。此類別包括本集團所訂立但未被指定為對沖關係的對沖工具(定義見國際會計準則第39號)的衍生金融工具。分離嵌入式衍生工具亦被分類為持作買賣，除非該等工具被指定為有效的對沖工具。持作買賣負債的收益或虧損於綜合損益及其他全面收益表確認。於綜合損益及其他全面收益表確認的公平值收益或虧損淨額不包括就該等金融負債收取的任何利息。

於初始確認日期，及僅於符合國際會計準則第39號的情況下，金融負債方會指定為於初始確認時指定為按公平值計入損益的金融負債。

2.4 Summary of Significant Accounting Policies (Continued)

Financial liabilities (policies under IFRS 9 applicable from 1 January 2018 and IAS 39 applicable before 1 January 2018) (Continued)

Loans and borrowings (including bonds)

After initial recognition, financial liabilities 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 (policies under IFRS 9 applicable from 1 January 2018 and IAS 39 applicable before 1 January 2018)

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 (policies under IFRS 9 applicable from 1 January 2018 and IAS 39 applicable before 1 January 2018)

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.

2.4 主要會計政策概要(續)

金融負債(自2018年1月1日起開始適用的國際財務報告準則第9號項下政策及於2018年1月1日前適用的國際會計準則第39號項下政策)(續)

貸款及借款(包括債券)

於初始確認後，金融負債其後採用實際利率法按攤銷成本計量，惟貼現影響並不重大，則按成本列賬。收益及虧損於負債終止確認時及按照實際利率攤銷過程中於損益確認。

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(自2018年1月1日起適用的國際財務報告準則第9號及2018年1月1日前適用的國際會計準則第39號項下政策)

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。

當現有金融負債被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(自2018年1月1日起適用的國際財務報告準則第9號及2018年1月1日前適用的國際會計準則第39號項下政策)

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。

2.4 Summary of Significant Accounting Policies (Continued)

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.

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.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in "Finance costs" in profit or loss.

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.

2.4 主要會計政策概要(續)

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。

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)。

撥備

當過往事件導致目前須承擔責任(法定或推定)，且日後可能需要有資源流出以償付有關責任，則會確認撥備，惟該項責任的數額須能夠可靠地估計。

當貼現影響重大時，確認的撥備數額為預期日後用作償付有關責任所需支出於報告期末的現值。當貼現現值隨時間流逝而有所增加，有關增幅會計入損益的「財務成本」內。

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金額計量，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。

2.4 Summary of Significant Accounting Policies (Continued)

Income tax (Continued)

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.

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.

2.4 主要會計政策概要(續)

所得稅(續)

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。

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。

2.4 Summary of Significant Accounting Policies (Continued)

Income tax (Continued)

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 and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

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.

2.4 主要會計政策概要(續)

所得稅(續)

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。

倘及惟倘本集團擁有合法可執行權利將即期稅項資產及即期稅項負債抵銷，而即期稅項資產及即期稅項負債與同一稅務機關向同一應課稅實體或不同應課稅實體(該等實體擬於預期將清償或收回重大金額遞延稅項負債或資產的各未來期間按淨額清償即期稅項負債及資產，或於變現資產的同時清償負債)徵收的所得稅有關。

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按系統基準確認為收入。

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。

2.4 Summary of Significant Accounting Policies (Continued)

Revenue recognition (applicable from 1 January 2018)

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

Sale of goods

Revenue from the sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

2.4 主要會計政策概要(續)

收益確認(自2018年1月1日起適用)

來自客戶合約的收益

來自客戶合約的收益於商品或服務的控制權轉讓予客戶時確認，該金額能反映本集團預期就交換該等商品或服務有權獲得的代價。

當合約中的代價包含可變金額時，代價金額於本集團向客戶轉讓商品或服務而有權獲得交換時估計。可變代價於合約開始時估計並受到約束，直至與可變代價相關的不確定因素得到解決時，確認的累積收益金額極有可能不會發生重大收益回撥。

當合約中包含融資成分，該融資成分為客戶提供超過一年的商品或服務轉讓融資的重大利益時，收益按應收款項的現值計量，使用貼現率折現，該貼現率將反映在本集團與客戶在合同開始時的單獨融資交易中。當合約中包含融資部分，該融資部分為在本集團提供了一年以上的重大財務利益時，合約項下確認的收益包括按實際利息法在合約負債上加算的利息。就客戶付款至轉讓承諾商品或者服務的期限為一年或者更短的合約而言，交易價格採用國際財務報告準則第15號中實際權宜之計，不會對重大融資部分的影響作出調整。

銷售貨物

銷售貨物的收益於資產控制權轉讓至客戶的時間點(一般於交付貨物時)確認。

2.4 Summary of Significant Accounting Policies (Continued)

Revenue recognition (applicable from 1 January 2018) (Continued)

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly 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.

Revenue recognition (applicable before 1 January 2018)

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 exactly 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.

Contract liabilities (applicable from 1 January 2018)

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received a consideration (or an amount of consideration that is due) from the customer. If a customer pays the consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

2.4 主要會計政策概要(續)

收益確認(自2018年1月1日起適用)(續)

其他收入

按照應計基準利用實際利率法確認利息收入，利率為在金融工具的預期壽命或更短期間(如適用)將估計未來現金收入準確折現至金融資產賬面淨值。

收益確認(於2018年1月1日前適用)

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準確貼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。

合約負債(自2018年1月1日起適用)

合約負債指本集團因已向客戶收取代價，或代價款項已到期而須向客戶轉讓貨物或服務的責任。倘客戶於本集團將貨品或服務轉讓予客戶前支付代價，則於作出付款或付款到期時(以較早者為準)確認合約負債。合約負債於本集團履行合約時確認為收益。

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 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 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 28 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 at 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(包括主要行政人員)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28。

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股本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.

Other employee benefits

Pension schemes

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.

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。

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於應付時，自損益中扣除。

2.4 Summary of Significant Accounting Policies (Continued)

Other employee benefits (Continued)

Pension schemes (Continued)

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.

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)

其他僱員福利(續)

退休金計劃(續)

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。

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. Proposed final dividends are disclosed in the notes to the financial statements.

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. In the event that the interim dividends are paid out of the share premium account, shareholders' approval at an extraordinary general meeting is needed. When these interim dividends have been approved by the shareholders and declared, they are recognised as a liability.

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).

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。建議末期股息於財務報表附註披露。

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。倘以股份溢價賬派付中期股息，則須於股東特別大會上獲得股東批准。該等中期股息獲股東批准及宣派後，方確認為負債。

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中確認。

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)。

2.4 Summary of Significant Accounting Policies (Continued)

Foreign currencies (Continued)

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries are currencies other than RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their profit or loss are translated into RMB at the weighted average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

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.

2.4 主要會計政策概要(續)

外幣(續)

為釐定有關預付代價的終止確認非貨幣資產或非貨幣負債的相關資產、開支或收入於初始確認時的匯率，初始交易日期為本集團初始確認預付代價產生的非貨幣資產或非貨幣負債的日期。倘有多項預付或預收款項，則本集團釐定每項預付或預收代價的交易日期。

若干海外附屬公司的功能貨幣為人民幣以外的貨幣。於報告期末，該等實體的資產及負債均按報告期現行匯率換算為人民幣，而其收益則按年內的加權平均匯率換算為人民幣。

因此產生的匯兌差額於其他全面收益確認，並於匯兌波動儲備累計。於出售海外業務時，與該海外業務相關的其他全面收益成份於損益確認。

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法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. Significant Accounting Estimates

The preparation of the Group's financial statements requires 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.

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 at 31 December 2018 was nil (2017: RMB23,701,000). Further details are given in note 15 to the financial statements.

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。

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2018年12月31日，商譽的賬面值為零(2017年：人民幣23,701,000元)。進一步詳情載於財務報表附註15。

3. Significant Accounting Estimates (Continued)

Estimation uncertainty (Continued)

Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by customer type and rating).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic products) are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in note 19 to the financial statements.

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 amount of PRC CIT payable as at 31 December 2018 was RMB1,943,000 (2017: RMB2,546,000).

3. 重要會計估計(續)

估計不確定因素(續)

貿易應收款項的預期信貸虧損撥備

本集團使用撥備矩陣計算貿易應收款項的預期信貸虧損。撥備率乃基於具有類似虧損模式(如客戶類型及評級)的不同客戶分部組合逾期日數釐定。

撥備矩陣初步基於本集團過往觀察所得違約率而釐定。本集團將調整矩陣，藉以按前瞻性資料調整過往信貸虧損記錄。舉例而言，倘預測經濟狀況(即本地生產總值及通脹)預期將於未來一年惡化，導致違約收目增加，則會調整過往違約率。於各報告日期，過往觀察所得違約率將予更新，並會分析前瞻性估計變動。

對過往觀察所得違約率、預測經濟狀況及預期信貸虧損之間的關連性進行的評估屬重大估計。預期信貸虧損的金額對情況變動及預測經濟狀況相當敏感。本集團過往信貸虧損記錄及預測經濟狀況亦未必能反映客戶日後的實際違約情況。有關本集團貿易應收款項的預期信貸虧損的資料已於財務報表附註19披露。

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，該等差額將影響所得稅開支及差額變現期間的稅項撥備。於2018年12月31日，應付中國企業所得稅的賬面值為人民幣1,943,000元(2017年：人民幣2,546,000元)。

3. Significant Accounting Estimates (Continued)

Estimation uncertainty (Continued)

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.

Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs 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 at 31 December 2018 was RMB214,806,000 (2017: RMB291,193,000) and the impairment provision for inventories for the Reporting Period was nil (2017: RMB25,213,000).

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 Reporting Period amounted to RMB2,074,000 (2017: RMB1,996,000).

3. 重要會計估計(續)

估計不確定因素(續)

物業、廠房及設備的可使用年期

本集團釐定其物業、廠房及設備的估計可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、廠房及設備的實際可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，或撇銷或撇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。

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。該等估計是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2018年12月31日，存貨的賬面值為人民幣214,806,000元(2017年：人民幣291,193,000元)，而於報告期的存貨減值撥備為零(2017年：人民幣25,213,000元)。

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。於報告期間，自損益中扣除的研究成本為人民幣2,074,000元(2017年：人民幣1,996,000元)。

3. Significant Accounting Estimates (Continued) Estimation uncertainty (Continued)

Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that sufficient taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilised based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying amount of deferred tax assets at 31 December 2018 was RMB1,300,000 (2017: RMB9,159,000). Further details are given in note 17 to the financial statements.

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Non-financial assets with definite lives are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of sell and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

3. 重要會計估計(續) 估計不確定因素(續)

遞延稅項資產

根據可能時間表及未來應課稅溢利水平以及未來稅項計劃策略，倘很可能有足夠的應課稅溢利可用以抵銷可扣稅減暫時差額及可動用未動用稅項虧損，則會就所有可扣減暫時差額及未動用稅項虧損確認遞延稅項資產。遞延稅項資產於2018年12月31日的賬面值為人民幣1,300,000元(2017年：人民幣9,159,000元)。進一步詳情載於財務報表附註17。

非金融資產減值(商譽除外)

本集團於各報告期末評估所有非金融資產是否出現任何減值跡象。擁有無限年期的非金融資產則於有跡象顯示賬面值可能無法收回時進行減值測試。當資產或現金產生單位的賬面值超逾其可回收金額時，即公平值減出售成本與使用值的較高者，則存在減值。計量公平值減出售成本時，按以公平基準就類似資產進行具約束力銷售交易的可得數據，或以客觀市場價格減出售資產的已增加成本得出。當計量使用值時，管理層須估計預期資產或現金產生單位的未來現金流量，並釐定適當的折舊率以計量該等現金流量的現值。

4. Revenue and Operating Segment Information

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 and 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.

An analysis of revenue is as follows:

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
<i>Revenue from contracts with customers</i>	<i>來自客戶合約的收益</i>		
Sales of goods	銷售貨物	952,957	806,723

Revenue from contracts with customers

(i) *Disaggregated revenue information*
For the Reporting Period

		RMB'000 人民幣千元
<i>Type of goods</i>	<i>貨物類型</i>	
Human albumin solution	人血白蛋白注射液	548,423
Antibiotics (Axetine, Medocef and Trifamox IBL)	抗生素(安可欣、麥道必及特福猛)	396,413
Sales of Other goods (Taurilite, Esafosfina, Diphereline, and Tanakan)	銷售其他產品(滔羅特、愛賽福、達菲林及達納康)	8,121
Total revenue from contracts with customers	來自客戶合約的收益總額	952,957

Geographical markets

All revenue from contracts with customers of the Group during each of the two years ended 31 December 2018 and 2017 was attributable to customers located in Mainland China, the place of domicile of the Group's principal operating entities. The Group's non-current assets are all located in Mainland China.

4. 收益及經營分部資料

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以供資源分配及表現評估的方式一致。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。

收益分析如下：

來自客戶合約的收益

(i) *收益資料明細*
於報告期間

地區市場

本集團於截至2018年及2017年12月31日止兩個年度各年所有來自客戶合約的收益均來自位於中國內地(本集團主要營運實體註冊地)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)

Revenue from contracts with customers (Continued)

(i) Disaggregated revenue information (Continued)

Timing of revenue recognition

All revenue from contracts with customers of the Group during each of the two years ended 31 December 2018 and 2017 was recognised when goods transferred at a point in time.

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

		2018 RMB'000 人民幣千元
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:	於報告期初計入合約負債的已確認收益	
Sale of goods (note 22)	貨物銷售(附註22)	37,902

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:

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Customer A	客戶A	120,370	91,626
Customer B	客戶B	116,763	*

* Less than 10%

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of goods

The performance obligation is satisfied upon delivery of the goods and payment is generally due within 45 days to 1 year from delivery, except for new and small customers, where payment in advance is normally required.

4. 收益及經營分部資料(續)

來自客戶合約的收益(續)

(i) 收益資料明細(續)

確認收益的時間

於截至2018年及2017年12月31日止兩個年度各年，本集團所有來自客戶合約的收益於貨物轉讓的時間點確認。

下表顯示計入報告期初的合約負債在本報告期內確認為收益的金額：

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：

(ii) 履約責任

有關本集團履約責任的資料概述如下：

貨物銷售

履約責任於交付貨物時達成，而付款一般於交付後45天至一年內到期，惟新客户及小型客戶通常須預先付款。

5. Other Income and Gains

An analysis of other income and gains is as follows:

		2018	2017
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Bank interest income	銀行利息收入	627	1,155
Government grants*	政府補助*	1,611	883
Foreign exchange gains, net	匯兌收益淨額	9,821	-
Interest income on an available-for-sale investment	來自可供出售投資的利息收入	-	2,024
Net gains on disposal of property, plant and equipment	來自出售物業、廠房和設備的 收益淨額	-	128
Others	其他	56	21
		12,115	4,211

* There were no unfulfilled conditions or contingencies relating to the government grants.

5. 其他收入及收益

有關其他收入及收益的分析如下：

* 並無有關政府補助的未履行條件或或然事項。

6. Finance Costs

An analysis of finance costs is as follows:

		2018	2017
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Interest on bank loans and other borrowings	銀行貸款及其他借款利息	27,583	18,348
Interest on discounted bills receivable (note 19)	應收票據貼現利息(附註19)	1,033	4,376
Interest on bonds (note 26)	債券利息(附註26)	6,202	10,977
		34,818	33,701

6. 財務成本

有關財務成本的分析如下：

7. Loss Before Tax

The Group's loss before tax was arrived at after charging/(crediting):

7. 除稅前虧損

本集團的稅前虧損乃經扣除/(計入)以下各項後得出：

	Notes 附註	2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Cost of inventories sold	已售存貨成本	731,932	713,190
Depreciation of items of property, plant and equipment	物業、廠房及設備 項目折舊	10,363	10,660
Amortisation of intangible assets	無形資產攤銷	110	4,700
Amortisation of decoration cost	裝修成本攤銷	169	–
Research expenses	研究開支	2,074	1,996
Impairment losses recognised on:	就以下各項確認的減值虧損：		
Intangible assets	無形資產	–	27,531
Goodwill	商譽	23,701	38,961
Trade receivables	貿易應收款項	951	–
Financial assets included in prepayments, other receivables and other assets	計入預付款項、其他應收款項及其他資產的 金融資產	526	–
Minimum lease payments under operating leases	經營租約項下最低租賃 付款	1,464	1,682
Auditors' remuneration	核數師薪酬	2,700	2,700
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	工資和薪金	10,640	11,641
Welfare and other benefits	福利及其他利益	307	310
Equity-settled share option expense	以股權結算的購股權開支	540	1,352
Pension scheme contributions	退休金計劃供款		
– Defined contribution fund	– 定額供款基金	1,256	1,300
Housing fund	住房公積金		
– Defined contribution fund	– 定額供款基金	480	479
Total employee benefit expense	僱員福利開支總額	13,223	15,082
Foreign exchanges losses/(gains), net	匯兌虧損/(收益)淨額	(3,414)	2,068
Write-down of inventories to net realisable value	存貨撤減至可變現 淨值	–	25,213
Write-off of inventories	存貨撇銷	117,875	–
Gains on disposal of items of property, plant and equipment	出售物業、廠房和設備 項目的收益	–	(128)
Losses/(gains) on settlement of derivative financial instruments	衍生金融工具結算虧損/ (收益)	(6,407)	8,055
Fair value losses on financial liabilities at fair value through profit or loss	透過損益按公平值計量的 金融負債公平值虧損	–	218

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:

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Fees	袍金	752	640
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	2,156	2,543
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	37	23
		2,945	3,040

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：

(a) Independent non-executive Directors

The fees paid to independent non-executive Directors during the year were as follows:

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Mr. Chow Siu Lui	鄒小磊先生	136	160
Mr. Liu Wenfang	劉文芳先生	160	160
Mr. Wang Qing	汪晴先生	160	160
Mr. Lau Ying Kit	劉英傑先生	24	-
Mr. Chen David Yu	陳宇先生	56	-
Mr. Philip Wong Yee Teng	黃已艇先生	56	-
		592	480

(a) 獨立非執行董事

年內已付獨立非執行董事的袍金如下：

There were no other emoluments payable to the independent non-executive Directors during the year.

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

		Salaries, allowances and benefits	Equity-settled share option expense	Pension scheme contributions	Total
	Fees	in kind			
	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
2018	2018年				
Executive Directors:	執行董事：				
- Mr. Huang Xiangbin	- 黃祥彬先生	-	2,046	15	2,061
- Mr. Wu Qingjiang*	- 吳慶江先生*	-	110	22	132
- Ms. Zhang Zhijie	- 張志傑女士	160	-	-	160
		160	2,156	37	2,353
2017	2017年				
Executive Directors:	執行董事：				
- Mr. Huang Xiangbin	- 黃祥彬先生	-	1,774	16	1,790
- Mr. Hao Jinghui	- 郝景輝先生	-	606	-	440
- Mr. Wu Qingjiang*	- 吳慶江先生*	-	163	7	170
- Ms. Zhang Zhijie	- 張志傑女士	160	-	-	160
		160	2,543	23	2,560

* Mr. Wu Qingjiang resigned as a co-chief executive officer of the Company on 8 November 2018.

* 吳慶江先生於2018年11月8日辭任本公司聯席行政總裁。

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 (2017: one Director and the Co-CEO), details of whose remuneration are set out above. Details of the remuneration during the year of the remaining four (2017: three) highest paid employees who are neither a Director nor a chief executive of the Company as follows:

		2018	2017
		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	1,502	908
Pension scheme contributions	退休金計劃供款	101	72
Equity-settled share option expense	以股權結算的購股權開支	344	855
		1,947	1,835

The number of non-director highest paid employees whose remuneration fell within the following band is as follows:

		2018	2017
Nil to HK\$1,000,000	零至1,000,000港元	4	3

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 28 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(2017年：一名董事及聯席行政總裁)，其薪酬詳情載於上文。其餘四名(2017年：三名)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：

薪酬介乎下列範圍的最高薪非董事僱員的人數如下：

年內，三名最高薪非董事及非主要行政人員僱員就向本集團提供的服務獲授予購股權，進一步詳情計入財務報表附註28的披露資料內。該等已於歸屬期在損益表獲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最高薪非董事及非主要行政人員僱員的薪酬披露資料。

9. Income tax

Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and BVI.

Hong Kong profits tax has been provided at the rate of 16.5% on the Group's assessable profits derived from Hong Kong. No provision for Hong Kong profits tax has been made as the Group had no assessable profits derived from or earned in Hong Kong during the year.

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 were entitled to a preferential income tax rate, other PRC subsidiaries were subject to PRC CIT at a rate of 25% during the two years ended 31 December 2018 and 2017.

The major components of income tax expense/(credit) are as follows:

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Current tax:	即期稅項：		
Income tax in Mainland for the year	中國內地年內所得稅	741	188
Deferred tax (note 17)	遞延稅項(附註17)	7,859	(9,159)
Total tax charge/(credit) for the year	年內稅項開支/(抵免)總額	8,600	(8,971)

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。由於本集團於年內並無源自香港或在香港賺取的應課稅利潤，故未有計提香港利得稅撥備。

中國企業所得稅撥備乃根據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2018年及2017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/(抵免)的主要組成部分如下：

9. Income tax (Continued)

A reconciliation of the tax credit applicable to loss before tax at the applicable tax rates for companies within the Group to the tax expense/(credit) at the effective tax rate is as follows:

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虧損的稅項抵免與按實際稅率計算的稅項開支/(抵免)的對賬如下：

		2018	2017
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Loss before tax	除稅前虧損	(272,015)	(194,868)
Added: disallowed expenses incurred by the Company*	增加：本公司產生的不可扣稅開支*	28,249	15,929
Loss before tax generated by Hong Kong and PRC subsidiaries	香港及中國附屬公司產生的除稅前虧損	(243,766)	(178,939)
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	(44,866)	(34,601)
– Hong Kong subsidiary at 16.5%	– 香港附屬公司按16.5%計算	(10,610)	(6,597)
Lower tax rates for certain subsidiaries (note (a))	若干附屬公司的較低稅率(附註(a))	20,141	16,580
Expenses not deductible for tax	不可扣稅開支	15,692	10,027
Tax effect on deductible temporary differences not recognised	未確認的可扣減暫時差額的稅務影響	13,854	3,782
Adjustments in respect of current tax of previous year	往年的現行稅項調整	731	–
Income not subject to tax	毋須課稅收入	–	(12)
Tax losses not recognised	未確認稅項虧損	13,658	1,850
		8,600	(8,971)

* Expenses incurred by the Company during each of the two years ended 31 December 2018 and 2017 mainly consisted of consultancy service fees, equity-settled share option expense, interest on bonds and other borrowings and foreign exchange differences incurred by the Company. These expenses are not expected to be tax deductible.

Note:

(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 was entitled to the 9% preferential tax rate for the year ended 31 December 2017. Linzhi Ziguang was subject to the PRC CIT rate of 25% during the Reporting Period.

* 截至2018年及2017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諮詢服務費用、以股權結算的購股權開支、債券以及其他借款的利息及匯兌差額。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2017年12月31日止年度，林芝紫光有權享有9%的優惠稅率。於報告期，林芝紫光須按25%稅率繳納中國企業所得稅。

10. Dividends

At a meeting of the Board held on 29 March 2019, the Directors resolved not to pay final dividends to Shareholders for the Reporting Period (2017 final dividend: Nil).

11. Loss Per Share Attributable to Ordinary Equity Holders of the Company

The calculation of basic loss per share for the Reporting Period is based on the loss for the year attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of 1,688,529,683 (2017: 1,615,220,000) in issue during the year.

The calculation of the diluted loss per share amount is based on the loss for the year attributable to ordinary equity holders of the Company as used in the basic loss per share calculation. The weighted average number of ordinary shares used in the calculation is the weighted average number of ordinary shares in issue during the year, as used in the basic loss per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted loss per share are based on:

10. 股息

董事已於2019年3月29日舉行的董事會議上決議不會就報告期內向股東派付末期股息(2017年末期股息：無)。

11. 本公司普通股持有人應佔每股虧損

報告期內每股基本虧損乃基於本公司普通股持有人應佔年度虧損計算，及年內已發行普通股的加權平均數1,688,529,683股(2017年：1,615,220,000股)計算。

每股攤薄虧損金額乃根據計算每股基本虧損所採用的本公司普通股持有人應佔年度虧損計算。如計算每股基本虧損時所採用，計算時所用普通股加權平均數為年度已發行普通股加權平均數，並假設所有潛在攤薄普通股乃於被視作行使或轉換為普通股時無償發行的普通股加權平均數。

計算每股基本及攤薄虧損乃基於：

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Loss:	虧損：		
Loss attributable to ordinary equity holders of the Company used in the basic loss per share calculation	用於計算每股基本虧損的本公司普通股持有人應佔虧損	(280,614)	(185,896)
Shares:	股份：		
Weighted average number of ordinary shares in issue during the year used in the basic loss per share calculation	用於計算每股基本虧損的年內已發行普通股加權平均數	1,688,529,683	1,615,220,000
Effect of dilution – weighted average number of ordinary shares:	攤薄影響 – 普通股加權平均數：		
Share options	購股權	2,949,292	–
		1,691,478,975	1,615,220,000

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	Machinery 機器 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 2018	2018年12月31日						
Cost:	成本：						
At 1 January 2018	於2018年1月1日	184,330	–	10,381	18,473	1,745	214,929
Additions	添置	–	–	51	–	1,092	1,143
Transferred from CIP	轉自在建工程	374	1,531	–	–	(1,905)	–
Transferred to other long-term assets	轉至其他 長期資產	–	–	–	–	(738)	(738)
		<u>184,704</u>	<u>1,531</u>	<u>10,432</u>	<u>18,473</u>	<u>194</u>	<u>215,334</u>
At 31 December 2018	於2018年12月31日						
Accumulated depreciation:	累計折舊：						
At 1 January 2018	於2018年1月1日	9,704	–	4,193	9,265	–	23,162
Provided for the year (note 7)	年內撥備(附註7)	4,452	127	2,267	3,517	–	10,363
		<u>14,156</u>	<u>127</u>	<u>6,460</u>	<u>12,782</u>	<u>–</u>	<u>33,525</u>
At 31 December 2018	於2018年12月31日						
Net carrying amount:	賬面淨值：						
At 1 January 2018	於2018年1月1日	<u>174,626</u>	<u>–</u>	<u>6,188</u>	<u>9,208</u>	<u>1,745</u>	<u>191,767</u>
At 31 December 2018	於2018年12月31日	<u>170,548</u>	<u>1,404</u>	<u>3,972</u>	<u>5,691</u>	<u>194</u>	<u>181,809</u>

12. Property, Plant and Equipment (Continued)

12. 物業、廠房及設備(續)

		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 2017	2017年12月31日					
Cost:	成本：					
At 1 January 2017	於2017年1月1日	92,570	4,464	17,089	3,372	117,495
Additions	添置	115	5,947	2,635	90,018	98,715
Acquisition of a subsidiary	收購一間附屬公司	-	126	68	-	194
Transferred from CIP	轉自在建工程	91,645	-	-	(91,645)	-
Disposals/write-off	出售/撇銷	-	(156)	(1,319)	-	(1,475)
		<u>184,330</u>	<u>10,381</u>	<u>18,473</u>	<u>1,745</u>	<u>214,929</u>
Accumulated depreciation:	累計折舊：					
At 1 January 2017	於2017年1月1日	5,507	2,072	6,204	-	13,783
Provided for the year (note 7)	年內撥備(附註7)	4,197	2,267	4,196	-	10,660
Disposals/write-off	出售/撇銷	-	(146)	(1,135)	-	(1,281)
		<u>9,704</u>	<u>4,193</u>	<u>9,265</u>	<u>-</u>	<u>23,162</u>
Net carrying amount:	賬面淨值：					
At 1 January 2017	於2017年1月1日	<u>87,063</u>	<u>2,392</u>	<u>10,885</u>	<u>3,372</u>	<u>103,712</u>
At 31 December 2017	於2017年12月31日	<u>174,626</u>	<u>6,188</u>	<u>9,208</u>	<u>1,745</u>	<u>191,767</u>

As of 31 December 2018, the Group's buildings with a net carrying amount of approximately RMB98,528,000 (2017: RMB100,506,000), 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 2018.

As of 31 December 2017, the Group's buildings with a net carrying amount of RMB84,725,000 were pledged to two banks to secure the bank loans (note 24 (a)).

The Group's land included in property, plant and equipment is situated in Mainland China and held under medium lease terms.

於2018年12月31日，本集團賬面淨值約人民幣98,528,000元(2017年：人民幣100,506,000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2018年12月31日的財務狀況不會有任何重大影響。

於2017年12月31日，本集團賬面淨值為人民幣84,725,000元的樓宇已抵押予兩間銀行，作為銀行貸款的擔保(附註24(a))。

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。

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 2018, net of accumulated amortisation	於2018年1月1日按成本， 扣除累計攤銷	223	-	223
Amortisation provided during the year (note 7)	年內攤銷撥備 (附註7)	(110)	-	(110)
At 31 December 2018	於2018年12月31日	<u>113</u>	<u>-</u>	<u>113</u>
At 31 December 2018: Cost	於2018年12月31日： 成本	403	-	403
Accumulated amortisation	累計攤銷	(290)	-	(290)
Net carrying amount	賬面淨值	<u>113</u>	<u>-</u>	<u>113</u>
Cost at 1 January 2017, net of accumulated amortisation	於2017年1月1日按成本， 扣除累計攤銷	334	32,120	32,454
Amortisation provided during the year (note 7)	年內攤銷撥備 (附註7)	(111)	(4,589)	(4,700)
Impairment during the year	年內減值	-	(27,531)	(27,531)
At 31 December 2017	於2017年12月31日	<u>223</u>	<u>-</u>	<u>223</u>
At 31 December 2017: Cost	於2017年12月31日： 成本	403	41,298	41,701
Accumulated amortisation	累計攤銷	(180)	(13,767)	(13,947)
Impairment	減值	-	(27,531)	(27,531)
Net carrying amount	賬面淨值	<u>223</u>	<u>-</u>	<u>223</u>

14. Payments in Advance

14. 預付款項

	2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
<i>In respect of:</i>		
Prepayments made in relation to:		
Prepaid long-term technique service fee	7,819	8,581
Prepaid long-term consulting service fee	–	1,346
Prepaid office decoration	827	–
Construction of a warehouse	30,809	30,809
	39,455	40,736

15. Goodwill

15. 商譽

		RMB'000 人民幣千元
Cost at 1 January 2017, net of accumulated impairment	於2017年1月1日按成本，扣除累計減值	58,632
Acquisition of a subsidiary	收購一間附屬公司	4,030
Impairment during the year	年內減值	(38,961)
Net carrying amount at 31 December 2017	於2017年12月31日的賬面淨值	23,701
At 31 December 2017:	於2017年12月31日：	
Cost	成本	62,662
Accumulated impairment	累計減值	(38,961)
Net carrying amount	賬面淨值	23,701
Cost at 1 January 2018, net of accumulated impairment	於2018年1月1日按成本，扣除累計減值	23,701
Impairment during the year	年內減值	(23,701)
Net carrying amount at 31 December 2018	於2018年12月31日的賬面淨值	–
At 31 December 2018:	於2018年12月31日：	
Cost	成本	62,662
Accumulated impairment	累計減值	(62,662)
Net carrying amount	賬面淨值	–

15. Goodwill (Continued)

Goodwill is acquired through the business combination of Chengdu Hengsheng and its wholly-owned subsidiary, namely, Linzhi Ziguang (“Linzhi Ziguang Group”) on 31 March 2015 (the “Linzhi Ziguang Goodwill”), the business combination of Qingdao Ruichi on 22 December 2016 (the “Qingdao Ruichi Goodwill”) and the business combination of Chengdu Sinco Pharmaceuticals on 19 September 2017 (the “Chengdu Sinco Pharmaceuticals Goodwill”).

Impairment testing of goodwill

Goodwill acquired through business combinations is allocated to the following cash-generating units (“CGU”) for impairment testing:

- Sichuan Sinco CGU (Linzhi Ziguang Goodwill and Chengdu Sinco Pharmaceuticals Goodwill); and
- Qingdao Ruichi CGU (Qingdao Ruichi Goodwill)

Sichuan Sinco CGU

The recoverable amount of the Sichuan Sinco CGU has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to the cash flow projections is 20.5% (2017: 20.1%), which is determined by reference to the average rates for a similar industry and the business risk of the relevant business unit. Cash flows beyond the five-year period were assumed to be stable.

15. 商譽(續)

商譽透過成都恒盛及其全資附屬公司林芝紫光(「林芝紫光集團」)於2015年3月31日的業務合併(「林芝紫光商譽」)、青島瑞馳於2016年12月22日的業務合併(「青島瑞馳商譽」)及成都興科蓉醫藥於2017年9月19日的業務合併(「成都興科蓉醫藥商譽」)所產生。

商譽減值測試

自業務合併所得商譽分配至下列現金產生單位(「現金產生單位」)作減值測試：

- 四川興科蓉現金產生單位(林芝紫光商譽及成都興科蓉醫藥商譽)；及
- 青島瑞馳現金產生單位(青島瑞馳商譽)

四川興科蓉現金產生單位

四川興科蓉現金產生單位的可收回金額乃採用基於獲高級管理層批准涵蓋五年期間的財務預算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20.5%(2017年：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。五年期間以上的現金流量假設為穩定。

15. Goodwill (Continued)*Qingdao Ruichi CGU*

The recoverable amount of the Qingdao Ruichi CGU has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to the cash flow projections is 21.3% (2017: 21.3%), which is determined by reference to the average rates for a similar industry and the business risk of the relevant business unit. Cash flows beyond the five-year period were assumed to be stable.

The carrying amount of goodwill allocated to each of the CGU is as follows:

	Sichuan Sinco 四川興科蓉		Qingdao Ruichi 青島瑞馳		Total 總計	
	2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元	2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元	2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Carrying amount of goodwill 商譽賬面值	-	23,585	-	116	-	23,701

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 rates – The discount rates used are pre-tax and reflect specific risks relating to the relevant units.

The values assigned to key assumptions are consistent with external information sources.

15. 商譽(續)*青島瑞馳現金產生單位*

青島瑞馳現金產生單位的可收回金額乃採用基於獲高級管理層批准涵蓋五年期間的財務預算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21.3% (2017年：21.3%)，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。五年期間以上的現金流量假設為穩定。

分配至各現金產生單位的商譽賬面值如下：

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部資料來源相同。

16. Prepayments, Other Receivables and Other Assets 16. 預付款項、其他應收款項及其他資產

		Notes	2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
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		32,441	3,128
– import input value-added tax	– 進口增值稅進項稅額		10,399	–
– marketing and promotion service fee	– 營銷及推廣服務費		–	74,608
– consultation service fee	– 諮詢服務費		2,129	7,445
– others	– 其他		72	61
Deposits	按金		16,154	1,818
<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		3,751	57,763
– purchase rebate	– 購買回扣		57	1,048
– staff advances	– 員工墊款		282	214
– interest receivable for time deposits with original maturity of over three months	– 原到期三個月以上的 定期存款應收利息		–	514
– others	– 其他		–	84
			65,285	146,683
Impairment allowance	減值撥備	(a)	(526)	–
			64,759	146,683
Non-current portion	非流動部分			
Deposit	按金	(b)	3,000	3,000
			67,759	149,683

16. Prepayments, Other Receivables and Other Assets (Continued)

Notes:

- (a) The movement in the loss allowance for impairment of financial assets included in prepayments, other receivables and other assets is as follows:

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
At beginning of year	於年初	-	-
Impairment losses recognised (note 7)	已確認減值虧損(附註7)	526	-
At end of year	於年末	526	-

- (b) The balance represents a deposit paid to an independent third party, which is controlled by State-owned Assets Supervision and Administration Office of Shuangliu District, in respect of the construction of the Group's warehouse.

Where applicable, impairment analysis is performed at each reporting date by considering expected credit losses, which are estimated by applying a loss rate approach with reference to the historical loss record of the Group. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate. The loss rate applied for as at 31 December 2018 was 0.0% to 100.0%.

16. 預付款項、其他應收款項及其他資產 (續)

附註：

- (a) 計入預付款項、其他應收款項及其他資產的金融資產減值虧損撥備變動如下：

- (b) 結餘指就建設本集團倉庫而向一名由雙流區國有資產監督管理委員會控制的獨立第三方支付的金。

倘適用，減值分析於各報告日期透過考慮預期信貸虧損進行，預期減值虧損是參考本集團過往虧損記錄採用虧損比率法進行估計。虧損比率會作適當調整，以反映目前情況及未來經濟環境的預測。於2018年12月31日，所使用的虧損比率為0.0%至100.0%。

17. Deferred Tax

The movements in deferred tax assets during the year are as follows:

17. 遞延稅項

年內，遞延稅項資產的變動如下：

		Changes in fair value of financial liabilities 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 計量的金融負債 公平值變動 RMB'000 人民幣千元	Losses available for offsetting against taxable profits 可用作抵銷 應課稅溢利的虧損 RMB'000 人民幣千元	Provision for impairment 減值撥備 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2017	於2017年1月1日	-	-	-	-
Deferred tax credited to profit or loss during the year (note 9)	年內計入損益的遞延稅項 (附註9)	33	9,126	-	9,159
Deferred tax assets at 31 December 2017 and 1 January 2018	於2017年12月31日及 2018年1月1日的 遞延稅項資產	33	9,126	-	9,159
Deferred tax credited/(charged) to profit or loss during the year (note 9)	年內計入損益/ (自損益扣除)的遞延 稅項(附註9)	(33)	(8,039)	213	(7,859)
At 31 December 2018	於2018年12月31日	-	1,087	213	1,300

17. Deferred Tax (Continued)

Notes:

- (a) As at 31 December 2018, the Group had accumulated tax losses arising in Mainland China of RMB7,248,000 (31 December 2017: RMB53,267,000) that would expire in four years for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of the tax losses arisen in subsidiaries that have been loss making as it was not considered probable that tax profits would be available against which the tax losses can be utilised.
- (b) Deferred tax assets related to the PRC subsidiaries have been provided at the enacted corporate income tax rate of 15%.
- (c) 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 2018, 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 subsidiaries established in Mainland China. In the opinion of the Directors, it is not probable that these subsidiaries 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 RMB6,809,000 (2017: RMB140,067,000).

17. 遞延稅項(續)

附註：

- (a) 於2018年12月31日，本集團於中國內地產生的累計稅項虧損為人民幣7,248,000元(2017年12月31日：人民幣53,267,000元)，將於四年內到期，可用作抵銷產生虧損的公司的未來應課稅溢利。並無就由持續虧損的附屬公司產生的稅項虧損確認遞延稅項資產，原因為有關附屬公司被視為不可能有應課稅溢利可供抵銷稅項虧損。
- (b) 與中國附屬公司有關的遞延稅項資產已按所頒布的企業所得稅稅率15%計提。
- (c) 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2018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，該等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6,809,000元(2017年：人民幣140,067,000元)確認遞延稅項負債。

18. Inventories

At the end of the Reporting Period, all inventories represent purchased pharmaceutical products.

At 31 December 2018, the Group's inventories with a carrying amount of RMB147,516,000 (2017: RMB125,739,000) were pledged to secure the Group's other payables as further detailed in note 23(b) to the financial statements.

19. Trade and Bills Receivables**18. 存貨**

於報告期末，所有存貨指所購買的藥品。

於2018年12月31日，本集團以存貨賬面值人民幣147,516,000元(2017年：人民幣125,739,000元)作為本集團其他應付款項的抵押，進一步詳情載於財務報表附註23(b)。

19. 貿易應收款項及應收票據

		Notes 附註	2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Trade receivables	貿易應收款項	(a)	23,921	26,481
Impairment	減值	(a)	(1,115)	—
Trade receivables, net of impairment	貿易應收款項，扣除減值		22,806	26,481
Bills receivable	應收票據	(b)	3,371	10,625
			26,177	37,106

(a) The Group granted credit terms ranging from 45 days to 1 year to customers after the delivery of goods, except for small and new customers who make payments in advance prior to the delivery of goods. The Group seeks to maintain 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.

An ageing analysis of the trade receivables as at the end of the reporting periods, based on the invoice date and net of loss allowance, is as follows:

(a) 除小型及新增客戶於交付貨品前預支款項外，本集團向客戶授出交付貨品後45天至一年的信貸期。本集團對其尚未收回的應收款項結算尋求維持嚴格控制，並設有信貸控制部門，以將信貸風險降至最低。貿易應收款項為不計息及無抵押。

根據發票日期於報告期末的貿易應收賬款並扣除虧損撥備的賬齡分析如下：

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Within 3 months	三個月內	20,684	26,481
3 to 12 months	三至十二個月	2,755	—
Over 1 year	一年以上	482	—
		23,921	26,481

19. Trade and Bills Receivables (Continued)**(a) (Continued)**

The movements in the loss allowance for impairment of trade receivables are as follows:

		2018	2017
		RMB'000	RMB'000
		人民幣千元	人民幣千元
At beginning of year	於年初	—	—
Effect of adoption of IFRS 9	採納國際財務報告準則第9號的影響	164	—
At beginning of year (restated)	於年初(經重列)	164	—
Impairment losses (note 7)	減值虧損(附註7)	951	—
At end of year	於年末	1,115	—

Impairment under IFRS 9 for the Reporting Period

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by customer type and rating). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one month and are not subject to enforcement activity.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2018

		Current	Past due	Total
		即期	逾期	總計
Expected credit loss rate	預期信貸虧損比率	2.7%	100%	
Gross carrying amount (RMB'000)	賬面總值(人民幣千元)	23,439	482	23,921
Expected credit losses (RMB'000)	預期信貸虧損(人民幣千元)	633	482	1,115

19. 貿易應收款項及應收票據(續)**(a) (續)**

貿易應收款項減值的虧損撥備變動如下：

於報告期內根據國際財務報告準則第9號的減值減值分析於各報告日期採用撥備矩陣進行，以計量預期信貸虧損。撥備率乃基於就擁有類似虧損模式的多個客戶分部進行分組(即客戶類別及評級)而逾期的日數計算。有關計算反映概率加權結果、金錢時間值以及有關過往事件、當前狀況及未來經濟狀況預測於報告日期可得的合理及可靠資料。一般而言，倘逾期超過一個月，則貿易應收款項予以撇銷且不受執法行動限制。

下表載列本集團採用撥備矩陣計算貿易應收款項的信貸風險的資料：

於2018年12月31日

19. Trade and Bills Receivables (Continued)**(a) (Continued)**

Impairment under IAS 39 for the year ended 31 December 2017

Based on the invoice date, all trade receivables of the Group as of 31 December 2017 were aged within three months and were neither past due nor impaired.

The Directors were of the opinion that no further provision for impairment under IAS 39 was necessary in respect of above balances as there has not been a significant change in credit quality and the balances are still considered fully or partially recoverable.

- (b)** As at 31 December 2018, the Group discounted certain bills receivable accepted by banks in the PRC, with a carrying amount in aggregate of RMB96,465,000 (the "Derecognised Bills") (2017: RMB200,920,000). All of the Derecognised Bills had been accepted by China Merchants Bank which is a reputable bank in the PRC and had a maturity of one to seven 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. 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 RMB1,033,000 (2017: RMB4,376,000) (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. 貿易應收款項及應收票據(續)**(a) (續)**

截至2017年12月31日止年度根據國際會計準則第39號的減值

根據發票日期，本集團截至2017年12月31日的全部貿易應收款項賬齡均於三個月內且並無逾期或減值。

董事認為毋須根據國際會計準則第39號對上述結餘作進一步減值撥備，原因為信貸質素並無顯著變化且該等結餘仍被視為可以悉數或部分收回。

- (b)** 於2018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，該等應收票據賬面值合共為人民幣96,465,000元（「終止確認票據」）（2017年：人民幣200,920,000元）。全部終止確認票據獲中國知名銀行招商銀行承兌，於報告期末，該等票據的到期日為一至七個月。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。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與其面值相等。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，本集團已確認應收貼現票據的利息開支人民幣1,033,000元（2017年：人民幣4,376,000元）（附註6）。概無於年內或累計確認持續參與的收益或虧損。整年的貼現額分佈平均。

20. Cash and Cash Equivalents and Pledged Bank Balances**20. 現金及現金等價物以及已抵押銀行結餘**

		2018	2017
		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	80,343	75,651
Less: Pledged bank balances*	減：已抵押銀行結餘*	(13)	(52,941)
Cash and cash equivalents	現金及現金等價物	80,330	22,710

* The balances as at 31 December 2017 represented time deposits of RMB22,941,000 with original maturity of less than three months pledged for issuance of letters of credit for the purchase of pharmaceutical products and a one-year fixed deposit of RMB30,000,000 with a maturity date in February 2018 pledged at Bank of Shanghai by the Group for the bank loans of RMB28,500,000.

* 於2017年12月31日的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人民幣22,941,000元及本集團就銀行貸款人民幣28,500,000元向上海銀行質押到期日為2018年2月的一年期固定存款人民幣30,000,000元。

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：

		2018	2017
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Denominated in RMB	以人民幣計值	25,849	70,897
Denominated in US\$	以美元計值	53,490	3,303
Denominated in HK\$	以港元計值	937	1,451
Denominated in SGD	以新加坡元計值	67	-
		80,343	75,651

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 one year, 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及一年，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。

21. Trade Payables

An aging analysis of trade payables as of the end of the Reporting Period, based on the invoice date, is as follows:

		2018	2017
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Within three months	三個月以內	106,241	22,522
Over three months	三個月以上	660	-
		106,901	22,522

Trade payables of the Group are non-interest-bearing and are normally settled within 90 days.

22. Contract Liabilities

The Group recognised the following revenue-related contract liabilities, which represented the unsatisfied performance obligation as at 31 December 2017 and 2018. The balance of contract liabilities is expected to be recovered/settled within one year.

Movements in the contract liabilities balances during the year 2018 are as follows:

		RMB'000
		人民幣千元
Carrying amount at 31 December 2017	於2017年12月31日的賬面值	-
Reclassification from advance from customers	來自客戶墊款的重新分類	41,503
Carrying amount at 1 January 2018	於2018年1月1日的賬面值	41,503
Revenue recognised during the year	年內確認收益	(37,902)
Consideration received from customers, excluding amounts recognised as revenue during the year	向客戶收取的代價，不包括於年內確認為收益的金額	126,069
Carrying amount at 31 December 2018	於2018年12月31日的賬面值	129,670

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. 合約負債

本集團確認以下與收益相關的合約負債，其指於2017年及2018年12月31日未達成的履約責任。合約負債結餘預期可於一年內收回/清償。

合約負債結餘於2018年年度的變動如下：

23. Other payables and accruals

23. 其他應付款項及應計款項

	Notes 附註	2018 RMB'000 人民幣千元	2017 RMB'000 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	1,129	1,108
Property, plant and equipment	物業、廠房及設備	1,312	1,323
Deposits received	已收按金 (a)	18,596	34,931
Consulting and professional fees	諮詢及專業費	17,562	30,978
Tax other than income tax	所得稅以外的稅項	6,717	333
Interest payable	應付利息	14,891	94
Other payables	其他應付款項 (b)	145,318	1,262
		205,525	70,029

Notes:

- (a) The balances represented 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 at 31 December 2018 mainly represented the payables to an independent third party, which is principally engaged in import agent services, for its settlement of part of purchase of human albumin solution on behalf of the Group. Such payables were interest-bearing and secured by inventories with a carrying amount of RMB147,516,000.

Other than the other payables mentioned above, 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向彼等收取的可退還按金。
- (b) 於2018年12月31日的結餘主要指應付予一名主要從事進口代理服務的獨立第三方的款項，因其代表本集團支付部分人血白蛋白注射液採購的款項。有關應付款項為計息，且由賬面值人民幣147,516,000元的存貨作抵押。

除上述其他應付款項外，本集團所有其他應付款項均為免息及無抵押。

24. Interest-bearing bank and other borrowings

24. 計息銀行及其他借款

		2018			2017		
		Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
		實際利率(%)	到期日	人民幣千元	實際利率(%)	到期日	人民幣千元
Current:	即期：						
Bank loans	銀行貸款						
- Secured and guaranteed	- 有抵押及有擔保	6.1	2019	5,000	5.8-6.6	2018	88,000
- Secured	- 有抵押			-	4.3-5.7	2018	58,500
- Guaranteed	- 有擔保			-	4.0	2018	11,213
				<u>5,000</u>			<u>157,713</u>
Other borrowings	其他借款						
- Secured and guaranteed	- 有抵押及有擔保	13.2	2019	140,000			-
- Secured	- 有抵押			-	17.7-20.7	2018	118,102
				<u>145,000</u>			<u>275,815</u>
Bank and other borrowings repayable:	應償還銀行及其他借款：						
Within one year	一年內			<u>145,000</u>			<u>275,815</u>

Notes:

- (a) Certain of the Group's bank loans and other borrowings are secured by:
- mortgages over the Group's buildings, which had an aggregate carrying value at the end of the Reporting Period of nil (2017: RMB84,752,000); and
 - floating charges over certain of the Group's inventories of nil (2017: RMB125,739,000);
 - the pledges of equity interests in the following subsidiaries of the Group:
 - 100% equity interests in Linzhi Ziguang;
 - 40% equity interests in Sichuan Sinco Pharmaceuticals; and
 - 1,049,990,000 shares of the Company held by Risun

In addition, the Company, Sichuan Sinco Pharmaceuticals, Chengdu Sinco Pharmaceutical Technology Co., Ltd., Sichuan Sinco Biological Technology Co., Ltd., Chengdu Hengsheng and Linzhi Ziguang had jointly guaranteed certain of the Group's bank loans and other borrowings up to RMB145,000,000 (2017: RMB157,713,000) as at the end of the Reporting Period.

The other borrowings from Mr. Gui, an independent individual, up to RMB140,000,000 (2017: nil) was guaranteed by Mr. Huang Xiangbin, the Chairman, executive Director and CEO of the Company, as at the end of the Reporting Period.

附註：

- (a) 本集團若干銀行貸款及其他借款由以下作抵押：
- 本集團於報告期末賬面總值為零(2017年：人民幣84,752,000元)的樓宇按揭；及
 - 本集團合共為零(2017年：人民幣125,739,000元)的若干存貨作浮動抵押；
 - 質押本集團以下附屬公司的股權：
 - 林芝紫光的全部股權；
 - 四川興科蓉藥業的40%股權；及
 - Risun所持有的1,049,990,000股本公司股份

此外，於報告期末，本公司、四川興科蓉藥業、成都興科蓉醫藥技術有限責任公司、四川興科蓉生物科技有限公司、成都恒盛及林芝紫光為本集團金額最多為人民幣145,000,000元(2017年：人民幣157,713,000元)的若干銀行貸款及其他借款作共同擔保。

於報告期末，來自一名獨立人士桂先生最多人民幣140,000,000元(2017年：零)的其他借款由本公司主席、執行董事兼行政總裁黃祥彬先生擔保。

24. Interest-bearing bank and other borrowings (Continued)

Notes: (Continued)

- (b) All of the Group's bank loans and other borrowings as at the end of the Reporting Period are denominated in RMB.

Management has assessed that the fair values of the Group's short-term interest-bearing bank and other borrowings approximate to their carrying amounts largely due to the short-term maturities of these instruments.

25. Financial Liability at Fair Value through Profit or Loss Classified as Held for Trading

Financial liability at fair value through profit or loss classified as held for trading represented fair value losses on a currency forward contract at fair value as at 31 December 2017.

As of 31 December 2017, the outstanding currency forward contract of US\$1,706,000 with maturity date in January 2018 was entered into by the Group and the Bank of East Asia Limited and was designated by the Group as financial liability at fair value through profit or loss classified as held for trading upon initial recognition. The fair value of the currency forward contract was estimated by an independent professional valuer by using the discounted cash flow model.

26. Bonds

			2018	2017
		Notes	RMB'000	RMB'000
		附註	人民幣千元	人民幣千元
June 2017 Bonds	2017年6月債券	(a)	-	100,152
December 2017 Bonds	2017年12月債券	(b)	-	33,704
Carrying amount of bonds at 31 December	於12月31日的債券賬面值		-	133,856

24. 計息銀行及其他借款(續)

附註：(續)

- (b) 本集團於報告期末的所有銀行貸款及其他借款均以人民幣計值。

管理層已評估本集團短期計息銀行及其他借款的公平值與其賬面值相若，主要由於該等工具於短期內到期。

25. 分類為持作買賣按公平值計入損益的金融負債

分類為持作買賣透過損益按公平值計量的金融負債指於2017年12月31日按公平值計量的貨幣遠期合約的公平值虧損。

於2017年12月31日，本集團與東亞銀行有限公司訂有未到期貨幣遠期合約1,706,000美元，到期日為2018年1月，並於初步確認時由本集團指定為分類為持作買賣透過損益按公平值計量的金融負債。貨幣遠期合約的公平值由獨立專業估值師使用貼現現金流量模式估計。

26. 債券

26. Bonds (Continued)

Notes:

- (a) On 27 June 2017, the Company issued unlisted bonds in the aggregate principal amount of HK\$120,000,000 (equivalent to RMB104,150,000) (the "June 2017 Bonds"). The Company's obligations under the bonds are unconditionally guaranteed by Mr. Huang Xiangbin, the Chairman, executive Director and CEO of the Company, and secured by (i) 1,049,990,000 shares of the Company held by Risun; and (ii) the entire issued share capital of Risun. Pursuant to the bond supplemental deeds, the nominal effective rate was finally amended to 15% per annum with the interest payable quarterly and the maturity date was finally extended to 30 April 2018. The June 2017 Bonds had been fully repaid by the Group in April 2018.

The related interest expense of the June 2017 Bonds for the Reporting Period amounted to RMB1,319,000 (2017: RMB8,117,000).

- (b) On 30 June 2017, the Company issued convertible bonds in the aggregate principal amount of HK\$40,000,000 (equivalent to RMB34,717,000). The Company's obligations under the convertible bonds are unconditionally guaranteed by Mr. Huang Xiangbin and secured by (i) 1,049,990,000 shares of the Company held by Risun; and (ii) the entire issued share capital of Risun. Pursuant to the convertible bond supplemental deed which took effective on 18 December 2017, all rights and obligations of the holder of the convertible bonds and the Company in relation to the conversion rights were deleted. Meanwhile, the maturity date was amended to 30 March 2018 and the interest rate was amended to 15% per annum with the interest payable quarterly. Management was of the view that the revised terms and conditions of the convertible bonds were substantially different and the modification was automatically required to be treated as an extinguishment. Hence, the Group derecognised the existing liability and recognised a new bond (the "December 2017 Bonds"). On 27 March 2018, the maturity date had been further extended to 30 April 2018. The December 2017 Bonds had been fully repaid by the Group in April 2018.

The related interest expense of the December 2017 Bonds for the Reporting Period amounted to RMB4,883,000 (2017: RMB2,860,000).

26. 債券(續)

附註：

- (a) 於2017年6月27日，本公司發行本金總額為120,000,000港元(相當於人民幣104,150,000元)的非上市債券(「2017年6月債券」)。本公司就債券承擔的責任由本公司主席、執行董事及行政總裁黃祥彬先生無條件擔保，並以(i) Risun所持有的本公司1,049,990,000股股份；及(ii) Risun的全部已發行股本作為抵押。根據債券補充契據，賬面實際年利率最終改為15%而利息須按季支付，到期日最終延長至2018年4月30日。本集團已於2018年4月悉數清償2017年6月債券。

報告期內2017年6月債券的利息開支為人民幣1,319,000元(2017年：人民幣8,117,000元)。

- (b) 於2017年6月30日，本公司發行本金總額為40,000,000港元(相當於人民幣34,717,000元)的可換股債券。本公司就可換股債券承擔的責任由黃祥彬先生無條件擔保，並以(i) Risun所持有的1,049,990,000股本公司股份；及(ii) Risun的全部已發行股本作為抵押。根據於2017年12月18日生效的可換股債券補充契據，可換股債券持有人及本公司有關兌換權的所有權利及責任已刪除。同時，有關到期日改為2018年3月30日，年利率改為15%而利息須按季支付。管理層認為，可換股債券條款及條件的修訂大不相同，該修訂須自動視為失效。因此，本集團終止確認現有負債，並確認新債券(「2017年12月債券」)。於2018年3月27日，到期日進一步延長至2018年4月30日。本集團已於2018年4月悉數清償2017年12月債券。

報告期內2017年12月債券的利息開支為人民幣4,883,000元(2017年：人民幣2,860,000元)。

27. Share capital
Shares27. 股本
股份

		2018 RMB'000 人民幣千元	2017 RMB'000 人民幣千元
Authorised:	法定：		
10,000,000,000 (31 December 2017: 10,000,000,000) ordinary shares of HK\$0.0001 each	10,000,000,000股 (2017年12月31日： 10,000,000,000股) 每股面值0.0001港元的 普通股	822	822
Issued and fully paid:	已發行及繳足：		
1,691,890,585 (31 December 2017: 1,615,220,000) ordinary shares of HK\$0.0001 each	1,691,890,585股 (2017年12月31日： 1,615,220,000股) 每股面值0.0001港元的 普通股	136	130

A summary of movements in the Company's issued share capital is as follows:

本公司已發行股本變動概要如下：

		Note 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 2018	於2018年1月1日		1,615,220,000	130
Issuance of new shares	發行新股份	(a)	76,670,585	6
At 31 December 2018	於2018年12月31日		1,691,890,585	136

27. Share capital (Continued)

Note:

- (a) On 12 October 2017, the Company and Crede GG III Ltd. (the "Subscriber") entered into a subscription agreement (the "Subscription Agreement"). On 6 December 2017, the Company and the Subscriber entered into an amended and restated subscription agreement (the "Amended and Restated Subscription Agreement") to amend, restate, supersede and replace in its entirety the Subscription Agreement. Pursuant to the Amended and Restated Subscription Agreement, the Subscriber shall subscribe for, and the Company shall issue, the convertible bonds (the "Convertible Bonds") with an aggregate principal amount of up to US\$150,000,000 (equivalent to approximately HK\$1,170,000,000) to be issued in up to 30 tranches, comprising the first part of the Convertible Bonds in the principal amount of up to US\$50,000,000 (equivalent to approximately HK\$390,000,000) (the "First Part CB") and the second part of the Convertible Bonds in the principal amount of up to US\$100,000,000 (equivalent to approximately HK\$780,000,000). The maturity date of the Convertible Bonds is falling 36 months after the issue date of such tranche of the Convertible Bonds or, if that is not a business day, the first business day thereafter. The nominal interest rate is 4% per annum and the interest should be paid semi-annually.

On 17 January 2018, the first tranche of the First Part CB (the "First Tranche") in the principal amount of US\$5,000,000 (equivalent to approximately HK\$39,000,000) has been issued to the Subscriber. The initial conversion price in respect of the First Tranche is HK\$0.50869, being 70% of the volume weighted average price of the shares of the Company in the 20 trading days prior to 17 January 2018.

On 17 January 2018, the conversion rights of the First Tranche had been fully exercised at a conversion price of HK\$0.50869 per share by the Subscriber. As a result, 76,670,585 conversion shares were issued to the Subscriber.

27. 股本(續)

附註：

- (a) 於2017年10月12日，本公司與Crede GG III Ltd. (「認購方」) 訂立認購協議(「認購協議」)。於2017年12月6日，本公司與認購方訂立經修訂及重列認購協議(「經修訂及重列認購協議」)，以修訂、重列、取代及更換整份認購協議。根據經修訂及重列認購協議，認購方將認購而本公司將最多分30批發行最高本金總額為150,000,000美元(相當於約1,170,000,000港元)的可換股債券(「可換股債券」)，其中包括最高本金額為50,000,000美元(相當於約390,000,000港元)的第一部分可換股債券(「第一部分可換股債券」)及最高本金額為100,000,000美元(相當於約780,000,000港元)的第二部分可換股債券。可換股債券的到期日為可換股債券有關批次發行日期後36個月或倘當日並非營業日，則為此後的首個營業日。票面年利率為4%，而利息將半年支付一次。

於2018年1月17日，本金額為5,000,000美元(相當於約39,000,000港元)的首批第一部分可換股債券(「首批」)已發行予認購方。首批的初步兌換價為0.50869港元，即本公司於2018年1月17日前20個交易日內股份成交量加權平均價的70%。

於2018年1月17日，認購方以每股股份兌換價0.50869港元悉數行使首批的兌換權。因此，已向認購方發行76,670,585股兌換股份。

28. 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 Shareholders on 1 February 2016 and became effective upon the listing of the shares of the Company and, unless otherwise cancelled or amended, will remain in force for 10 years from 1 February 2016. Please refer to the 2016 annual report of the Company for details.

The following share options were outstanding under the Share Option Scheme during the year:

		Notes 附註	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 2018	於2018年1月1日	(i)	0.568	17,850
Forfeited during the year	年內沒收	(ii)	0.568	(1,000)
As of 31 December 2018	於2018年12月31日		0.568	16,850

Notes:

- (i) The share options outstanding as at 1 January 2018 represented 17,850,000 share options granted by the Company on 21 September 2016 at an exercise price of HK\$0.568 per share to certain eligible participants of the Company in respect of their contributions to the Group's development under the Share Option Scheme.
- (ii) The share options granted to certain eligible participants under the Share Option Scheme were forfeited following their resignations during the year.

28. 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日獲股東批准並於本公司股份上市後生效，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。詳情請參閱本公司2016年報。

以下為年內尚未根據購股權計劃行使的購股權：

附註：

- (i) 於2018年1月1日尚未行使的購股權指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港元於2016年9月21日向彼等授出的17,850,000份購股權。
- (ii) 年內，根據購股權計劃向若干合資格參與者授出的購股權於彼等辭任後沒收。

28. Share option Scheme (Continued)

The exercise prices and exercise periods of the share options outstanding as of 31 December 2018 and 31 December 2017 are as follows:

31 December 2018

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
6,740	0.568	From 21 September 2017 to 20 September 2022 2017年9月21日至2022年9月20日
5,055	0.568	From 21 September 2018 to 20 September 2022 2018年9月21日至2022年9月20日
5,055	0.568	From 21 September 2019 to 20 September 2022 2019年9月21日至2022年9月20日
16,850		

31 December 2017

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
7,140	0.568	From 21 September 2017 to 20 September 2022 2017年9月21日至2022年9月20日
5,355	0.568	From 21 September 2018 to 20 September 2022 2018年9月21日至2022年9月20日
5,355	0.568	From 21 September 2019 to 20 September 2022 2019年9月21日至2022年9月20日
17,850		

The Company recognised a share option expense of RMB540,000 during the year (2017: RMB1,352,000).

28. 購股權計劃(續)

於2018年12月31日及2017年12月31日尚未行使購股權的行使價及行使期如下：

2018年12月31日**2017年12月31日**

年內，本公司確認購股權開支為人民幣540,000元(2017年：人民幣1,352,000元)。

28. Share option Scheme (Continued)

The fair value of equity-settled share options granted 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.

As at 31 December 2018, the Company had 16,850,000 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 16,850,000 additional ordinary shares of the Company and additional share capital of HK\$1,685 and share premium of at least HK\$9,569,115 (before issue expenses).

At the date of approval of these financial statements, the Company had 16,850,000 share options outstanding under the Share Option Scheme, which represented approximately 1.0% of the Company's shares in issue as of that date.

28. 購股權計劃(續)

根據購股權計劃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，並經計及所授出購股權的條款及條件。下表載列所採用的模式參數：

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2018年12月31日，根據購股權計劃，本公司擁有16,850,000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，將導致額外發行16,850,000股本公司普通股以及增加股本1,685港元及股份溢價至少9,569,115港元(扣除發行開支前)。

於該等財務報表批准日期，根據購股權計劃，本公司擁有16,850,000份尚未行使的購股權，佔本公司於該日期已發行股份約1.0%。

29. 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 of the financial statements.

(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 reserve 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.

29. 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財務報表的綜合權益變動表呈列。

(a) 股份溢價賬

應用股份溢價賬受開曼群島公司法規管。根據章程文件及開曼群島公司法，倘本公司於派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。

29. 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.

29. 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。

30. Note to the Consolidated Statement of Cash Flows**Changes in liabilities arising from financing activities****30. 綜合現金流量表附註****融資活動所得負債變動**

		Bonds	Interest payable	Other payables	Bank and other borrowings
		債券	應付利息	其他應付款項	銀行及其他貸款
		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
		(note 26)	(note 23)		(note 24)
		(附註26)	(附註23)		(附註24)
At 1 January 2018	於2018年1月1日	133,856	94	-	275,815
Changes from financing cash flows	融資現金流量變動	(98,586)	(20,021)	144,208	(130,992)
Non-cash changes:	非現金變動：				
Foreign exchange movement	外匯變動	(5,044)	-	-	177
Equity component of convertible bonds	可換股債券的股本組成	(30,226)	-	-	-
Interest expense	利息開支	-	34,818	-	-
		-	-	-	-
At 31 December 2018	於2018年12月31日	-	14,891	144,208	145,000
At 1 January 2017	於2017年1月1日	-	-	-	165,000
Changes from financing cash flows	融資現金流量變動	139,881	(33,607)	-	111,618
Non-cash changes:	非現金變動：				
Foreign exchange movement	外匯變動	(6,025)	-	-	(803)
Interest expense	利息開支	-	33,701	-	-
		-	-	-	-
At 31 December 2017	於2017年12月31日	133,856	94	-	275,815

31. Operating Lease Arrangements**As lessee**

The Group leases certain of its office properties under operating lease arrangements. 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:

		2018	2017
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Within one year	一年內	1,466	979
In the second to fifth years, inclusive	第二至五年內(包括首尾兩年)	752	627
		2,218	1,606

32. Commitments

The Group had the following capital commitments at the end of the Reporting Period:

		2018	2017
		RMB'000	RMB'000
		人民幣千元	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	83,719	84,691

33. Contingent Liabilities

At the end of the Reporting Period, the Group has no significant contingent liabilities.

31. 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：

32. 承擔

本集團於報告期末的資本承擔如下：

33. 或然負債

於報告期末，本集團概無任何重大或然負債。

34. Related party transactions

(a) During the year, the Group had the following material transactions with related parties:

		2018	2017
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Guaranteed by Mr. Huang Xiangbin	由黃祥彬先生擔保		
Interest-bearing other borrowings	計息其他借款	140,000	–
Bonds	債券	–	133,856
Secured by Risun's shares over the Company	以Risun所持有的本公司股份作抵押		
Interest-bearing other borrowings	計息其他借款	140,000	–
Bonds	債券	–	133,856

34. 關連方交易

(a) 本集團於年內與關連方進行的重大交易如下：

(b) Compensation of key management personnel of the Group

(b) 本集團主要管理人員薪酬

		2018	2017
		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	2,157	2,543
Pension scheme contributions	退休金計劃供款	37	23
Equity-settled share option expense	以股權結算的購股權開支	–	(166)
		2,194	2,400

35. Financial Instruments by Category

The carrying amounts of each of the categories of financial instruments as at the end of the Reporting Period are as follows:

2018**Financial assets**

		Financial assets at fair value through other comprehensive income (debt investments)	Financial assets at amortised cost	Total
		透過其他 全面收益 按公平值計量 的金融資產 (債務投資)	按攤銷 成本計量的 金融資產	合計
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
Trade receivables	貿易應收款項	–	22,806	22,806
Bills receivables	應收票據	3,371	–	3,371
Financial assets included in prepayments, other receivables and other assets	計入預付款項、其他應收款 及其他資產的金融資產	–	15,967	15,967
Pledged bank balances	已抵押銀行結餘	–	13	13
Cash and cash equivalents	現金及現金等價物	–	80,330	80,330
		3,371	119,116	122,487

Financial liabilities**金融負債**

		Financial liabilities at amortised cost
		按攤銷成本計量的 金融負債
		RMB'000
		人民幣千元
Trade payables	貿易應付款項	106,901
Financial liabilities included in other payables and accruals	計入其他應付款項及 應計款項的金融負債	197,679
Interest-bearing bank and other borrowings	計息銀行及其他借款	145,000
		449,580

35. 金融工具類別

各類別金融工具於報告期末的賬面值如下：

2018年**金融資產**

Financial assets at fair value through other comprehensive income (debt investments)	Financial assets at amortised cost	Total
透過其他 全面收益 按公平值計量 的金融資產 (債務投資)	按攤銷 成本計量的 金融資產	合計
RMB'000	RMB'000	RMB'000
人民幣千元	人民幣千元	人民幣千元
–	22,806	22,806
3,371	–	3,371
–	15,967	15,967
–	13	13
–	80,330	80,330
3,371	119,116	122,487

金融負債
**Financial liabilities
at amortised cost**
按攤銷成本計量的
金融負債
RMB'000
人民幣千元

Trade payables	貿易應付款項	106,901
Financial liabilities included in other payables and accruals	計入其他應付款項及 應計款項的金融負債	197,679
Interest-bearing bank and other borrowings	計息銀行及其他借款	145,000
		449,580

35. Financial Instruments by Category (Continued)

2017

Financial assets

		Loans and receivables 貸款及應收款項 RMB'000 人民幣千元
Trade and bills receivables	貿易應收款項及應收票據	37,106
Financial assets included in prepayments, other receivables and other assets	計入預付款項、其他應收款項及 其他資產的金融資產	3,679
Pledged bank balances	已抵押銀行結餘	52,941
Cash and cash equivalents	現金及現金等價物	22,710
		<u>116,436</u>

Financial liabilities

金融負債

		Financial liabilities 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 金融負債 RMB'000 人民幣千元	Financial liabilities at amortised cost 按攤銷成本 計量的 金融負債 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Trade payables	貿易應付款項	–	22,522	22,522
Financial liabilities at fair value through profit or loss classified as held for trading	分類為持作買賣透過損益按 公平值計量的金融負債	218	–	218
Financial liabilities included in other payables and accruals	計入其他應付款項及 應計款項的金融負債	–	68,588	68,588
Interest-bearing bank and other borrowings	計息銀行及其他借款	–	275,815	275,815
Bonds	債券	–	133,856	133,856
		<u>218</u>	<u>500,781</u>	<u>500,999</u>

36. Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise bank loans, other interest-bearing borrowings and cash and bank balances. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and bills receivables, trade payables, which arise directly from its operations.

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 credit risk, foreign currency risk, liquidity risk, and interest rate 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 Board regularly reviews these risks and they are summarised below:

Interest rate risk

The Group's exposure to interest rate risk relates primarily to the Group's bank deposits and interest-bearing bank and other borrowings. The interest rates and terms of repayment of interest-bearing bank and other borrowings are disclosed in note 24 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 fixed rates. In addition, the Group has not used any interest rate swaps to hedge against interest rate risk.

The Group does not consider it has any significant exposure to the risk of changes in market interest rates as the Group does not have any long term receivables and loans which are subject to floating interest rate.

36. 財務風險管理目標及政策

本集團的主要金融工具包括銀行貸款、計息其他借款以及現金及銀行結餘。該等金融工具主要旨在提高本集團營運的資金。本集團有多種其他金融資產及負債，如其營運直接產生的貿易應收款項及應收票據及貿易應付款項。

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信貸風險、外匯風險、流動資金風險及利率風險。

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：

利率風險

本集團面對主要與其銀行存款及計息銀行及其他借款相關的利率風險。利率及計息銀行貸款及其他借款還款期限披露於財務報表附註24。

本集團透過使用固定利率管理其全部計息貸款所產生的現金流量利率風險。此外，本集團並無使用任何利率掉期對沖利率風險。

由於本集團並未持有根據浮動利率的任向長期應收款項或貸款，本集團認為其並無面臨任何重大市場利率變動風險。

36. Financial Risk Management Objectives and Policies (Continued)

Foreign currency risk

The Group's purchase of products from the overseas suppliers are conducted in US\$. 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, bank borrowings, trade payables, and bonds that are denominated in SGD, US\$ 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\$, HK\$ and SGD. 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\$, HK\$ and SGD, respectively, with all other variables held constant, of the Group's profit before tax for the years ended 31 December 2018 and 2017 (due to changes in the fair value of cash and cash equivalents, pledged bank balances, other receivables, bank borrowings, trade payables and bonds denominated in US\$, HK\$ and SGD):

		2018	2017
		RMB'000	RMB'000
		人民幣千元	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\$, HK\$ and SGD	倘人民幣兌美元、港元及新加坡元貶值	1,623	(8,879)
If RMB strengthens against US\$, HK\$ and SGD	倘人民幣兌美元、港元及新加坡元升值	(1,623)	8,879

36. 財務風險管理目標及政策(續)

外匯風險

本集團以美元向海外供應商購買產品。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、銀行借款、應付貿易款項及債券以新加坡元、美元及港元計值。

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。

下表列示人民幣兌美元、港元及新加坡元匯率變動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，為管理層對外幣匯率合理可能變動的評估。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、港元及新加坡元匯率變動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截至2018年及2017年12月31日止年度除稅前溢利的影響釐定(由於以美元、港元及新加坡元計值的現金及現金等價物、已抵押銀行結餘、其他應收款項、銀行借款、應付貿易款項及債券的公平值變動所致)：

36. Financial Risk Management Objectives and Policies (Continued)

Credit risk

As disclosed in note 4, the Group sells its products to a small number of customers. The Group manages this risk by requiring payment in advance from customers and offering standardised credit terms to certain customers for a credit period ranging from 45 days to 1 year. As disclosed in note 19, the Group seeks to maintain strict control over its outstanding receivables and senior management regularly reviews the overdue balances.

Maximum exposure and year-end staging as at 31 December 2018

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December 2018. The amounts presented are gross carrying amounts for financial assets.

		Life time ECLs 存續期預期信貸虧損				Total
		12-month ECLs Stage 1 12個月預期信貸 虧損第一階段 RMB'000 人民幣千元	Stage 2 第二階段 RMB'000 人民幣千元	Stage 3 第三階段 RMB'000 人民幣千元	Simplified approach 簡化方法 RMB'000 人民幣千元	RMB'000 人民幣千元
Trade receivables*	貿易應收款項*	-	-	-	23,921	23,921
Financial assets included in prepayments, other receivables and other assets**	計入預付款項、 其他應收款項及 其他資產的金融資產**	16,493	-	-	-	16,493
Cash and cash equivalents – Not yet past due	現金及現金等價物 – 尚未逾期	80,343	-	-	-	80,343
		96,836	-	-	23,921	120,757

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 19 to the financial statements.

** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

36. 財務風險管理目標及政策(續)

信貸風險

如附註4所披露，本集團向小部分客戶出售其產品。本集團透過要求客戶提前付款及向若干客戶提供標準的信貸期介乎45日至一年而管理該風險。如附註19所披露，本集團對其尚未收回的應收款項結算尋求維持嚴格控制，且高級管理層定期審閱逾期結餘。

於2018年12月31日的最高風險敞口及年末分期下表顯示根據本集團信貸政策信貸風險的信貸質素及最高風險敞口，除非無須付出成本或努力即可獲得其他資料，則主要基於逾期資料，以及於2018年12月31日的年末分期分類。呈列金額為金融資產的總賬面值。

* 就本集團應用簡化方法作減值的貿易應收款項而言，資料乃基於財務報表附註19披露的撥備矩陣。

** 倘計入預付款項、其他應收款項及其他資產的金融資產並未逾期且概無資料顯示該等金融資產的信貸風險自初步確認以來顯著增長，則其信用質素被認作「正常」。否則，該等金融資產的信貸質素被認作「存疑」。

36. Financial Risk Management Objectives and Policies (Continued)

Credit risk (Continued)

Maximum exposure as at 31 December 2017

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, 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 terms ranging from 45 days to 90 days, 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 the 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 and other borrowings, convertible bonds and its own funding sources.

36. 財務風險管理目標及政策(續)

信貸風險(續)

於2017年12月31日的最高風險敞口

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貸質素。本集團其他金融資產(包括貿易應收款項及應收票據以及其他應收款項)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45日至90日的若干客戶外，客戶應以現金或應收銀行承兌票據進行全額預付。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營運所在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，因此並無重大集中的信貸風險。

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及其他借款、可轉換債券及其自身資金來源維持資金持續性與靈活性的平衡。

36. Financial Risk Management Objectives and Policies (Continued)**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:

		2018			
		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 and other borrowings	計息銀行及其他借款	–	9,583	141,519	151,102
Trade payables	貿易應付款項	–	52,377	54,524	106,901
Other payables	其他應付款項	1,396	177,688	18,596	197,680
		1,396	239,648	214,639	455,683

		2017			
		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 and other loans	計息銀行及其他貸款	–	209,696	71,512	281,208
Trade payables	貿易應付款項	–	22,522	–	22,522
Other payables	其他應付款項	1,262	32,395	34,931	68,588
Bonds	債券	–	138,569	–	138,569
		1,262	403,182	106,443	510,887

36. 財務風險管理目標及政策(續)**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：

36. 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 and cash equivalents, pledged bank balances, trade and bills receivables, financial assets included in prepayments, other receivables and other assets, interest-bearing bank and other borrowings and financial liabilities included in other payables and accruals approximated to their fair values largely due to the short-term maturities of these instruments.

The fair values of financial liability at fair value through profit or loss classified as held for trading are estimated based on valuation techniques. The model incorporates observable inputs of certain foreign exchange rates and risk-free interest rates. The carrying amounts of financial liability 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 liability 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 2017 and was not applicable as of 31 December 2018.

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.

36. 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。

本集團現金及現金等價物、已抵押銀行結餘、貿易應收款項及應收票據、計入預付款項、其他應收款及其他資產的金融資產、計息銀行及其他借款以及計入其他應付款項及應計款項的金融負債的賬面值與其公平值相若，主要由於該等工具於短期內到期。

分類為持作買賣透過損益按公平值計量的金融負債公平值乃按估值方法估計。該模式包括若干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負債賬面值相等於其公平值。於2017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負債的公平值計量層級需要可觀察輸入數據(第二級)，於2018年12月31日不適用。

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架構並對其作出調整。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其投資者募集新資金。年內，管理財務風險的目標、政策或過程並無任何變動。

36. 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 new bank and other borrowings. The Group monitors capital using a gearing ratio, which is net debt divided by equity plus net debt. Net debt indicates interest-bearing bank and other borrowings, trade payables, other payables, tax payable and bonds, less cash and cash equivalents and pledged bank balances, excluding liabilities incurred for working capital purposes. 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:

		2018	2017
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Interest-bearing bank and other borrowings	計息銀行及其他借款	145,000	275,815
Trade payables	貿易應付款項	106,901	22,522
Other payables and accruals	其他應付款項及應計款項	205,525	70,029
Tax payable	應付稅項	1,943	2,546
Bonds	債券	-	133,856
Less: Cash and cash equivalents	減：現金及現金等價物	(80,330)	(22,710)
Less: Pledged bank balances	減：已抵押銀行結餘	(13)	(52,941)
Net debt	負債淨額	379,026	429,117
Equity	權益	22,723	272,730
Equity and net debt	權益及負債淨額	401,749	701,847
Gearing ratio	負債比率	94.3%	61.1%

36. 財務風險管理目標及政策(續)**資本管理(續)**

本集團現時透過其營運所得內部資金、新增銀行及其他借貸所得款項撥付其資本開支。本集團利用負債比率(負債淨額除權益加負債淨額)監控資本。負債淨額指計息銀行及其他借款、貿易應付款項、其他應付款項、應付稅項及債券減現金及現金等價物及已抵押銀行結餘(不包括就營運資金目的所產生的債務)。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如下：

37. 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:

37. 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：

		2018	2017
		RMB'000	RMB'000
		人民幣千元	人民幣千元
NON-CURRENT ASSETS	非流動資產		
Investment in a subsidiary	於一間附屬公司的投資	306	306
Payments in advance	預付款項	–	1,347
		<hr/>	<hr/>
Total non-current assets	非流動資產總值	306	1,653
		<hr/>	<hr/>
CURRENT ASSETS	流動資產		
Prepayments	預付款項	2,106	6,415
Amounts due from subsidiaries	應收附屬公司款項	410,840	409,706
Cash and cash equivalents	現金及現金等價物	34	395
		<hr/>	<hr/>
Total current assets	流動資產總值	412,980	416,516
		<hr/>	<hr/>
CURRENT LIABILITIES	流動負債		
Other payables	其他應付款項	13,249	296
Amounts due to a subsidiary	應付一間附屬公司款項	–	26,503
Other borrowings	其他借款	140,000	–
Bonds	債券	–	133,856
		<hr/>	<hr/>
Total current liabilities	流動負債總額	153,249	160,655
		<hr/>	<hr/>
NET CURRENT ASSETS	流動資產淨值	259,731	255,861
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債	260,037	257,514
		<hr/>	<hr/>
Net assets	資產淨值	260,037	257,514
		<hr/>	<hr/>
EQUITY	權益		
Issued capital	已發行股本	136	130
Reserves (note)	儲備(附註)	259,901	257,384
		<hr/>	<hr/>
Total equity	權益總額	260,037	257,514
		<hr/>	<hr/>

37. Statement of Financial Position of the Company (Continued) 37. 本公司財務狀況表(續)

Note:

The movements in the Company's reserves are as follows:

附註：

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 RMB'000 人民幣千元	購股權儲備 RMB'000 人民幣千元	保留盈利/ (累計虧損) RMB'000 人民幣千元	總計 RMB'000 人民幣千元
At 31 December 2016 and 1 January 2017	於2016年12月31日及2017年1月1日	258,887	995	12,078	271,960
Equity-settled share option arrangements (note 28)	以股權結算的購股權安排(附註28)	-	1,352	-	1,352
Loss and total comprehensive loss for the year	年內虧損及全面虧損總額	-	-	(15,928)	(15,928)
At 31 December 2017	於2017年12月31日	258,887	2,347	(3,850)	257,384
At 31 December 2017 and 1 January 2018	於2017年12月31日及2018年1月1日	258,887	2,347	(3,850)	257,384
Equity-settled share option arrangements (note 28)	以股權結算的購股權安排(附註28)	-	540	-	540
Issue of convertible bonds	發行可轉換債券	30,226	-	-	30,226
Loss and total comprehensive loss for the year	年內虧損及全面虧損總額	-	-	(28,249)	(28,249)
At 31 December 2018	於2018年12月31日	289,113	2,887	(32,099)	259,901

38. Events After the Reporting Period

On 27 March 2019 (after trading hours), the Company, Mr Gui, Risun, Mr. Huang, Guangsha Overseas, and Mr. Ye entered into the Supplemental Agreement as mentioned in note 2.1 (c) to the financial statements.

Both Risun and Mr. Huang (a) have irrevocably agreed and confirmed that the settlement of partial other borrowings does not represent any loan or financial assistance provided to the Company; and (b) have unconditionally waived all rights to claim against the Company for the settlement.

39. Approval of the Financial Statements

The financial statements were approved and authorised for issue by the Board on 29 March 2019.

38. 報告期後事件

於2019年3月27日(交易時段後)，本公司、桂先生、Risun、黃先生、廣廈海外以及葉先生訂立如財務報表附註2.1(c)所述的補充協議。

Risun及黃先生均(a)不可撤回地同意及確認，償還部分其他借款不構成向本公司提供的任何貸款或財務資助；以及(b)已無條件放棄向本公司追索償還貸款的權利。

39. 批准財務報表

財務報表已於2019年3月29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」	the board of Directors 董事會
“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
“China” or “the PRC” 「中國」	the People’s Republic of China excluding, for the purpose of this report, Hong Kong, Macau Special Administrative Region and Taiwan 中華人民共和國，本報告中不包括香港、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
“Director(s)” 「董事」	the director(s) of the Company 本公司董事
“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

Definitions 釋義

“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 奧克特瑛瑪生產的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)
“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
“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
“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
“PRC” 「中國」	the People’s Republic of China 中華人民共和國
“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

<p>“Reporting Period” 「報告期」</p>	<p>the financial year ended 31 December 2018 截至2018年12月31日止財政年度</p>
<p>“Risun” 「Risun」</p>	<p>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</p>
<p>“RMB” 「人民幣」</p>	<p>Renminbi Yuan, the lawful currency of China 人民幣元，中國法定貨幣</p>
<p>“SFO” 「證券及期貨條例」</p>	<p>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</p>
<p>“Share(s)” 「股份」</p>	<p>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</p>
<p>“Shareholder(s)” 「股東」</p>	<p>holder(s) of Shares 股份持有人</p>
<p>“Share Option Scheme” 「購股權計劃」</p>	<p>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」</p>
<p>“U.S. dollars” or “US\$” 「美元」</p>	<p>U.S. dollars, the lawful currency of the United States of America 美元，美利堅合眾國法定貨幣</p>

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，概以中文名為準。



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