



康臣药業集團有限公司

CONSUN PHARMACEUTICAL GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號：1681



2017
Annual Report
年度報告



康臣葯業集團有限公司

CONSUN PHARMACEUTICAL GROUP LIMITED

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Corporate Information

公司資料

DIRECTORS

Executive Directors

Mr. AN Yubao (*Chairman*)
Ms. LI Qian (*Chief Executive Officer*)
Professor ZHU Quan

Non-Executive Directors

Mr. LIN Sheng
Mr. WANG Shunlong (*Retired, effective from 31 May 2017*)

Independent Non-Executive Directors

Mr. SU Yuanfu
Mr. FENG Zhongshi
Ms. CHENG Xinxin

COMPANY SECRETARY

Mr. YAU Chi Ming

AUDIT COMMITTEE

Ms. CHENG Xinxin (*Chairlady*)
Mr. SU Yuanfu
Mr. FENG Zhongshi

NOMINATION COMMITTEE

Mr. SU Yuanfu (*Chairman*)
Mr. AN Yubao
Ms. CHENG Xinxin

REMUNERATION COMMITTEE

Mr. FENG Zhongshi (*Chairman*)
Ms. LI Qian
Mr. SU Yuanfu

董事

執行董事

安郁寶先生 (*主席*)
黎倩女士 (*總裁*)
朱荃教授

非執行董事

林盛先生
王順龍先生 (*已退任，於2017年5月31日生效*)

獨立非執行董事

蘇元福先生
馮仲實先生
成欣欣女士

公司秘書

丘志明先生

審核委員會

成欣欣女士 (*主席*)
蘇元福先生
馮仲實先生

提名委員會

蘇元福先生 (*主席*)
安郁寶先生
成欣欣女士

薪酬委員會

馮仲實先生 (*主席*)
黎倩女士
蘇元福先生

**AUTHORISED REPRESENTATIVES FOR THE
PURPOSE OF THE LISTING RULES**

Mr. AN Yubao
Mr. YAU Chi Ming

AUDITOR

KPMG
Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road, Central, Hong Kong

LEGAL ADVISER (AS TO HONG KONG LAW)

Li & Partners
22nd Floor
World-Wide House
19 Des Voeux Road Central
Hong Kong

REGISTERED ADDRESS

Clifton House
75 Fort Street
PO Box 1350
Grand Cayman KY 1-1108
Cayman Islands

HEADQUARTERS IN THE PRC

71, Dongpeng Avenue
Eastern section, Guangzhou Economic and
Technological Development District
Guangzhou, PRC

就上市規則而言的授權代表

安郁寶先生
丘志明先生

核數師

畢馬威會計師事務所
執業會計師
香港中環遮打道10號
太子大廈8樓

法律顧問（香港法律）

李偉斌律師行
香港
德輔道中19號
環球大廈
22樓

註冊地址

Clifton House
75 Fort Street
PO Box 1350
Grand Cayman KY 1-1108
Cayman Islands

中國總部

中國廣州
廣州經濟技術開發區東區
東鵬大道71號

Corporate Information 公司資料

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

22nd Floor
World-Wide House
19 Des Voeux Road Central
Hong Kong

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
BNP Paribas
China Construction Bank
China Merchants Bank
Industrial and Commercial Bank of China
Standard Chartered Bank (Hong Kong) Limited

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Estera Trust (Cayman) Ltd.
Clifton House
75 Fort Street
PO Box 1350
Grand Cayman KY1-1108
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
Wanchai, Hong Kong

COMPANY WEBSITE

www.chinaconsun.com

STOCK CODE

1681

香港主要營業地點

香港
德輔道中19號
環球大廈
22樓

主要往來銀行

中國銀行(香港)有限公司
法國巴黎銀行
中國建設銀行
招商銀行
中國工商銀行
渣打銀行(香港)有限公司

主要股份過戶登記處

Estera Trust (Cayman) Ltd.
Clifton House
75 Fort Street
PO Box 1350
Grand Cayman KY1-1108
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1712-1716號舖

公司網站

www.chinaconsun.com

股份代號

1681

Dear Shareholders,

On behalf of the board (the “Board”) of directors (the “Directors”) of Consun Pharmaceutical Group Limited (the “Company”), I am pleased to present the audited consolidated results of the Company and its subsidiaries (collectively referred as the “Group” or “Consun Pharmaceutical”) for the year ended 31 December 2017.

INDUSTRY AND BUSINESS OVERVIEW

1. The Group's Overall Business Scale Reached a New Level of RMB1.66 Billion

During 2017, all staff of Consun adhered to our mission and continued to advance with committed efforts. Continuously pushing forward the transformation of “Brand & Terminal” marketing mode and focusing on consumers, we are determined to strive for the “growth with higher quality”. In 2017, the Group's overall business scale amounted to RMB1.66 billion, representing a year-to-year growth of approximately 35.7%, among which, the scale of our core business (excluding the Yulin Pharmaceutical segment) exceeded RMB1 billion, with the growth rate continuously ranking among the top in the PRC pharmaceutical industry. The Company recorded profit attributable to its equity shareholders of RMB396,242,000, representing a year-to-year growth of approximately 28.8%, thereby rewarding our shareholders with remarkable results for their dedicated trust and support to the Company.

The sales of kidney medicines of Consun Pharmaceutical amounted to RMB814,926,000 in 2017, representing a year-to-year growth of approximately 11.0% as compared to last year. Uremic Clearance Granules (“**UCG**”), a flagship product of Consun Pharmaceutical, maintained its strong leading position in the market of oral modern Chinese medicines for kidney diseases.

各位股東：

本人謹此代表康臣藥業集團有限公司（「本公司」）董事（「董事」）會（「董事會」），提呈本公司連同其附屬公司（統稱「本集團」或「康臣藥業」）截至2017年12月31日止年度經審核之綜合業績。

行業與業務回顧

一、集團整體經營規模再上新臺階，達人民幣16.6億元

2017年，全體康臣人不忘初心、砥礪前行，持續深化「品牌+終端」行銷模式轉型，聚焦消費者，堅定走向「更高品質增長」。2017年集團整體經營規模達人民幣16.6億元，同比增長約35.7%，其中主體業務（不含玉林製藥分部）經營規模突破人民幣10億元，增長速度繼續擠身中國醫藥行業前列。本公司權益股東應佔溢利人民幣396,242,000元，同比增長約28.8%。以豐厚的業績回報廣大股東一直以來對本公司的信賴與支持。

康臣藥業腎病藥物的銷售收入於2017年達到人民幣814,926,000元，較去年同比增長約11.0%。康臣藥業的龍頭產品尿毒清顆粒（「尿毒清」）依然強勢維持腎病口服現代中成藥市場的領導地位。

Chairman's Statement 主席報告

The sales of Gadopentetic Acid Dimeglumine Salt Injection, Consun Pharmaceutical's leading product in the medical contrast medium market, amounted to RMB119,831,000 for the year, representing a year-to-year decrease of approximately 4.2% as compared to last year, but still maintaining Consun Pharmaceutical's solid market position in medical contrast medium for magnetic resonance imaging.

2017 was the first year that sales revenue of Consun Pharmaceutical's women and children medicines exceeded RMB100 million. In view of the large market for iron supplement products among women and children medicines, the Company has set up a newly designated business team for Iron Dextran Oral Solution which is expected to become an emerging force to contribute to our business results.

Business Development of Yulin Pharmaceutical

- 1) In 2017, Yulin Pharmaceutical Group recorded revenue of approximately RMB0.6 billion, representing a year-to-year growth of approximately 23.0% (as compared to the whole year of 2016, including revenue during the period from January to July 2016 before it became a subsidiary of Consun Pharmaceutical). Its profits after tax amounted to approximately RMB123 million (including those attributable to non-controlling interest shareholders and excluding amortisation expenses of approximately RMB29 million on consolidation of Consun), representing a year-to-year growth of approximately 52.0%.

Among the revenue of RMB0.6 billion of Yulin Pharmaceutical Group, sales revenue of its key product, Shiduqing Series, amounted to approximately RMB221 million, representing a year-to-year growth of approximately 13.3%; sales revenue of Zheng Gu Shui amounted to approximately RMB178 million, representing a year-to-year growth of approximately 37.2%; for Jigucao Series, 2017 was the first year that its sales revenue exceeded RMB100 million, where it recorded sales revenue of approximately RMB103 million, representing a year-to-year growth of approximately 24.4%.

康臣藥業在醫用成像對比劑市場的領先產品鈹噴酸葡胺注射液銷售額於今年為人民幣119,831,000元，雖然較去年同比下降約4.2%，但仍然維持康臣藥業在磁共振成像對比劑產品線的穩固地位。

康臣藥業的婦兒產品是集團本年度新增的一個過億品類，考慮到婦兒產品中補鐵產品的龐大市場，本公司新設團隊專營右旋糖酐鐵口服液，有望未來成為業績貢獻的新軍。

玉林製藥業務發展

- 1) 於2017年玉林製藥集團實現業務收入約人民幣6億元，同比增長約23.0%（與2016年全年比較，包括2016年1月至7月份成為康臣藥業附屬公司前的銷售），其稅後利潤約人民幣1.23億元（包括非控股權益股東應佔部分及排除康臣合併層面的約人民幣0.29億元攤銷費用），同比增長約52.0%。

於玉林製藥集團的人民幣6億元收入中，主品種濕毒清系列銷售收入約人民幣2.21億元，同比增長約13.3%；正骨水銷售收入約人民幣1.78億元，同比增長約37.2%；新增的過億產品雞骨草系列銷售收入約人民幣1.03億元，同比增長約24.4%。

- 2) On 16 September 2017, the inauguration ceremony of Yulin Pharmaceutical's "General Relocation to Industrial Park Project" was held in Yulin Traditional Chinese Medicine Health Industrial Park. Currently, the topping-off of a warehouse sized 20,000 square meters located at the southern area of the industrial park has been completed. This marks a new phase of leap-forward development for Yulin Pharmaceutical, a "Chinese Well-established Brand (中華老字號)" that has over 60 years of history.

The new business location of Yulin Pharmaceutical has over 600 acres of planned land with a planned total investment of more than RMB1 billion, which is intended to be divided into three construction phases based on the principle of "overall planning and implementation by stages". Upon completion of construction of the new business location, Yulin Pharmaceutical will become an intelligent and modernized medicine manufacturing enterprise integrating research and development ("R&D"), production and sales functions, with its production capacity growing six-fold from the current level.

- 3) In October 2017, Yulin Pharmaceutical commenced the feasibility study and preparation work for listing of its shares in the domestic A shares market. It has officially engaged financial advisors to carry out preliminary work including due diligence exercise. In the future, supported by the rapid development of Yulin Pharmaceutical in recent years, the Group will endeavor to enter the domestic capital market as soon as possible. With the improvement of the ability in expanding its presence in the Chinese medicine health industry, resource exchange function and location value, the Group is confident that Yulin Pharmaceutical will create a new landscape for the development.

- 2) 2017年9月16日，玉林製藥「整體搬遷入園項目」開工儀式在玉林中醫藥健康產業園隆重舉行，目前已完成園區南區2萬平方米的倉庫的封頂工作。這標誌著擁有60多年傳承歷史的「中華老字號」玉林製藥邁進跨越式發展的新階段。

玉林製藥新地點規劃用地600多畝，計劃總投資額逾人民幣10億元，準備按照「整體規劃、分期實施」的原則分三期進行建設。新地點完全建成後，玉林製藥將成為一家集研究及開發（「研發」）、生產、銷售於一體的智能化、現代化製藥企業，產能將是目前的6倍。

- 3) 2017年10月，玉林製藥啟動在國內A股上市可行性的研究與籌備工作，已正式聘請財務顧問入場展開盡職調查等前期工作。未來，借助玉林製藥近幾年的快速發展，力爭儘快進入國內資本市場。憑藉對中醫藥健康產業的輻射能力、資源交換功能和區位價值的提升，本集團有信心玉林製藥將開啟新的發展格局。

Chairman's Statement 主席報告

2. R&D and Innovation

Making steady progress on the R&D of new medicines, the Group obtained subsidy under national technology research projects for the first time. In 2017, the “Postdoctoral Scientific Research Workstation” of Guangzhou Consun recruited two doctors to commence researches. The project for the new medicine of diabetic kidney disease, “Astragali power pellet” (黃芪散微丸), was granted subsidy of RMB1.8 million from the national “major innovative drug” project, which is the first time the Company obtained subsidy under national technology research projects and the project obtained clinical trial approval from the Centre for Drug Evaluation of the China Food and Drug Administration in March 2018.

The Group's other key research projects focused on the “Ultrasound Micro-bubble Contrast Medium” and “second-round R&D of Zheng Gu Shui”. For the ultrasound micro-bubble project, we completed certain tasks of prescription research, optimizing the technological parameter and production line constructions whereas clinical study will be carried out in the near future. As for Zheng Gu Shui, the interim trial of innovative hydrogel patch is due to commence. It is expected that the Group will obtain the clinical trial approval in 2019. Meanwhile, as for the project regarding the “second-round R&D of Kidney Repair and Edema Alleviation” launched in partnership with the Hong Kong Baptist University, the sample preparation of moderate trial was completed. Lanthanum carbonate project has made a breakthrough in the key formulation technology in accordance with the latest national drug registration classification requirements, and is currently in the process of preparing raw materials for trial production. It is expected that trial production of raw material medicines will be completed by mid-2018 and may apply for clinical trial approval by mid-2019. As for Alfacalcidol Capsule, we preliminarily confirmed the prescription through the consistency evaluation, and completed tasks including the prescription analysis of the original products, content determination of raw materials and methodology validation. The whole consistency evaluation is expected to be completed in 2019.

二、研發創新

新藥研發穩步推進，並首次獲得國家級科研課題資助。2017年，廣州康臣「博士后科研工作站」引進兩名博士進站開展研究。糖尿病腎病新藥項目，「黃芪散微丸」，被授予國家「重大新藥創制」項目資金資助人民幣180萬，這是本公司首次獲批國家級科研課題資助，而該項目於2018年3月已經獲得國家食品藥品監督管理總局藥品審評中心的臨床試驗批件。

本集團其他重點研發項目聚焦「超聲微泡造影劑」和「正骨水二次開發」；超聲微泡專案完成部分處方研究、工藝參數優化和生產線建設，短期內將進入臨床實驗；正骨水的新劑型水凝膠巴布製劑即將開展中試，預計將於2019年取得臨床批件。同時，與香港浸會大學合作開展的「益腎化濕二次開發」專案完成中試樣品製備；碳酸鏷項目已根據最新國家藥品註冊分類規定完成了關鍵製劑技術攻關，目前正開展試生產原料準備工作，預計於2018年中可完成原料藥試生產以及於2019年中可申請臨床試驗批件；阿法骨化醇膠囊一致性評價初步確定處方工藝並已完成原研產品處方剖析、輔料含量測定方法學驗證等工作，預計整個一致性評價工作將於2019年完成。

Iopamidol injection for diagnostic imaging has passed the on-site reviews on research and production as well as on-site production inspections. It is currently on the queue for review by the Centre for Drug Evaluation of the PRC, and it is expected to obtain the approval for production in the first half of 2018.

3. Recognition by the Government and the Industry with Multiple Awards

With its rapid growth and excellent performance in the capital market, Consun Pharmaceutical Group ranked 31st in the “Forbes China Up-and-Comers List: Best Listed Companies Category” (福布斯中國上市公司潛力企業榜), was included in the “Top 50 Growing Capability among Chinese PharmCo” (中國醫藥行業成長50強企業) of the “List of the Most Influential Enterprises in the Chinese Pharmaceutical Industry” (中國醫藥行業最具影響力榜單) by All-China Federation of Industry and Commerce Medical Pharmaceutical Chamber, and was honored the “Excellent Enterprises in the Pharmaceutical Industry in Guangdong Province” (廣東省醫藥行業優秀企業) and the “Best Employer Award Nomination” (中國最佳僱主提名獎) in 2017.

In 2017, Ms. Li Qian, the executive director and chief executive officer of the Group was awarded the “Best Business Leader Award” (最佳企業領袖獎) and the “Excellent Entrepreneur in the Pharmaceutical Industry in Guangdong Province” (廣東省醫藥行業優秀企業家). With the strong innovation and R&D capability as well as outstanding contribution, Inner Mongolia Consun was elected for the “Dual Innovation” talent team in Tongliao city, Inner Mongolia. Its “Chinese Medicine Industrialization Project Team on Chronic Renal Failure” (慢性腎功能衰竭中成藥產業化項目組) was granted the honor of “Innovative Talent Team of Tongliao City” (通遼市創新人才團隊).

影像診斷領域碘帕醇注射液已通過研製現場核查和生產現場檢查，目前在國家藥品審評中心排隊待審，預計將於2018年上半年取得生產批件。

三、經營發展成果獲得政府和行業認可，獲得多項殊榮

2017年，康臣藥業集團再次憑藉於資本市場的快速增長及出色的業績，躋身「福布斯中國上市公司潛力企業榜」第31名，榮登中華全國工商業聯「中國醫藥行業最具影響力榜單」之「中國醫藥行業成長50強企業」名錄，榮獲「廣東省醫藥行業優秀企業」稱號和「中國最佳僱主提名獎」。

2017年，本集團執行董事、總裁黎倩女士榮獲《中國金融》「最佳企業領袖獎」和「廣東省醫藥行業優秀企業家」稱號。康臣內蒙憑藉強大的創新研發能力和突出貢獻入選內蒙古通遼市「雙創」人才團隊，其「慢性腎功能衰竭中成藥產業化項目組」被授予「通遼市創新人才團隊」榮譽稱號。

Chairman's Statement 主席報告

Inner Mongolia Consun was also awarded the “Wuyi Labor Award” (五一勞動獎狀) and the honorable title of “Enterprise with Excellent Integrity in Tongliao City” (通遼市誠信企業) by the Municipal Government of Tongliao City, Inner Mongolia. Yulin Pharmaceutical was recognized as one of the “2017 National Intellectual Property Advantage Enterprises” (2017年度國家智慧財產權優勢企業) by the State Intellectual Property Office, and received the title of “China Top Ten Member Exporters of TCM Formulations” (中國中成藥行業出口十強) and “Yulin Mayor Quality Award” (玉林市市長品質獎).

In 2017, UCG was again listed on the “List of Healthy China's Brands”; the invention patent of Zheng Gu Shui won the 19th China Patent Excellence Award; Gadopentetic Acid Dimeglumine Salt Injection, Kidney Repair and Edema Alleviation Granules and Cetirizine Hydrochloride Oral Solution were recognized as Guangdong Province Advanced and New Technology Products. At the 24th China International Advertising Festival, Yulin Pharmaceutical's “Integrated Communication Case for Brand Rejuvenation” for 2017 won the “China Advertising Great-wall Award – Classic Case for the Year”.

康臣內蒙亦榮獲內蒙古通遼市「五一勞動獎狀」和「通遼市誠信企業」榮譽稱號；玉林製藥被國家智慧財產權局認定為「2017年度國家智慧財產權優勢企業」，榮獲「中國中成藥行業出口十強」稱號和玉林市市長品質獎。

2017年，尿毒清顆粒再次榮登「健康中國·品牌榜」，正骨水發明專利榮獲第十九屆中國專利優秀獎，鈣噴酸葡胺注射液、益腎化濕顆粒、鹽酸西替利嗪口服溶液被認定為廣東省高新技術產品。在第24屆中國國際廣告節上，玉林製藥2017年「品牌年輕化整合傳播案例」斬獲「中國廣告長城獎廣告主獎」之「年度經典案例獎」。

From September to November 2017, Consun Pharmaceutical launched its “Quality Month” event themed “Participation by all – Provide absolute assurance on the product quality” (全員參與 – 100道工序，100個放心). The “Quality Month” was planned based on the “2016 Quality Month” of Guangzhou Consun and the QC skill competition, which had been held for two consecutive years. It involved activities including QC skill competition, contest in quality knowledge, essay competition on quality, quality benchmark election, quality-themed training and quality internal test, with an aim to “enhancing quality awareness and quality control skill”. On 28 July 2017, in the 38th Exchange Conference for National Pharmaceutical QC Circle Achievements, the two QC circles’ achievements selected by Consun Pharmaceutical received an excellence award; the QC circle of Guangzhou Consun was awarded the title of “2017 National Pharmaceutical Industry Quality Guaranteed Team”. This is the third time in a row that Consun Pharmaceutical won the national pharmaceutical QC circle achievements.

Obtaining the above awards demonstrates that Consun’s development is ranking among the top in the industry and bringing positive impact to the community.

4. **Launch of online platform for the exercise of options under Consun Pharmaceutical’s “Share Option Scheme”**

Since the listing on the main board of the Hong Kong Stock Exchange on 19 December 2013, Consun Pharmaceutical granted two tranches of share options to employees at the exercise price of HKD6.64 and HKD4.01, respectively. From 20 November 2017 onwards, participating employees under the “Share Option Scheme” may exercise their options to obtain benefits via the online platform offered by Computershare Hong Kong Investor Services Limited.

2017年9月至11月，康臣藥業開展以「全員參與 – 100道工序，100個放心」為主題的品質月活動。本屆品質月基於廣州康臣2016年品質月和已連續開展兩年的QC技能比武進行策劃，包括QC技能比武、品質知識競賽、品質徵文、品質標兵評選、品質專題培訓、品質自檢等活動，旨在「強化品質意識，提升品質管控技能」。2017年7月28日，在第38次全國醫藥行業品質管制小組成果發表交流會上，康臣藥業選送的兩項QC小組成果均獲得優秀獎，廣州康臣QC小組還獲得「2017年全國醫藥行業品質信得過班組」稱號，這是康臣藥業連續第三次斬獲全國醫藥行業QC成果獎。

以上多個獎項的獲得，顯示康臣的發展正位於行業前列並對社會產生積極影響。

四、**康臣藥業「購股權計劃」行權網上平臺正式開通運行**

自2013年12月19日在香港聯合交易所主板上市以來，康臣藥業先後以6.64港元及4.01港元的行權價授出了兩批購股權予員工。自2017年11月20日起，參與「購股權計劃」的員工可通過由香港中央證券登記有限公司提供的網上平臺行權以獲得收益。

Chairman's Statement 主席報告

The development in the past two decades marked the mutual growth of Consun Pharmaceutical and all its employees as evidenced by the successive implementation of six innovative incentive mechanisms. From profit sharing, housing reward, employee stock ownership, excessive profit incentive to share option scheme and share award scheme, the multi-dimensional and comprehensive incentive mechanism is our competitive edge by which all staff of Consun are motivated to overcome any challenges.

To facilitate a stronger bond between the Company and our core teams, or even all staff, as the “common interested parties” and enable them to become the “dream partners” of Consun Pharmaceutical for achieving the strategic goal of next two decades together, it is necessary for the Company to put more efforts in innovating the staff motivation mechanism with more focused highlights. In view of this innovation for the coming five years, three principles will be upheld: firstly, the benefits therefrom shall be visible and solid; secondly, the goal thereof shall be attainable and sustainable with attempts for improvement that staff would make; and thirdly, it shall demonstrate the concept of “prosperity of my family goes with Consun” for staff.

5. **Actively Gaining Capital Market Exposure, Enhancing Efforts in Roadshow Promotion, Moving Steadily for the Shenzhen-Hong Kong Stock Connect**

In 2017, Consun Pharmaceutical seized the opportunities to make its moves in the capital market. Firstly, the Company repurchased 15% of its issued share capital at a consideration of HKD3.837 per share at the beginning of the year. Next, the Company completed the placing of its shares, which accounted for 5% of its total issued share capital after issuance, to Far East Horizon Limited at HKD6.6 per share in November. As a result of the Share Buy-Back and the Placing, Consun Pharmaceutical has created substantial returns for the shareholders.

康臣藥業過去二十年的發展歷程是與全體員工共同成長的歷程，先後六次實施創新激勵機制，從分享利潤、獎勵住房、員工持股、超額利潤激勵，到購股權計劃和股份獎勵計劃，多層次、全方位的激勵機制是激勵康臣人攻堅克難的制勝法寶。

為了讓核心團隊甚至全體員工與公司結成更加緊密的「利益共同體」，成為康臣發展的「夢想合夥人」，攜手實現下一個二十年的戰略目標，激勵機制創新的力度將更大，重點將更突出。未來五年的激勵機制創新，將堅持三條原則：一是（收益）看得見、摸得著，二是（目標）跳一跳、夠得著，三是體現「康臣發達我發家」的理念。

五、 **積極對接資本市場，加大路演推薦力度，穩步邁進深港通**

2017年，康臣藥業待時而動，先於年初以每股3.837港元回購本公司已發行股本15%股票，再於11月完成以每股6.6港元向遠東宏信有限公司配售佔增資後總股本5%的股票。通過股票回購和配售，已為公司股東帶來可觀的收益。

In the meantime, the Company continued to consolidate the management of investor relations and organized more than 50 non-deal roadshows or reverse roadshows throughout the year. With the roadshows, positive exchange was made with nearly 200 investors. More than 20 investment institutions visited Consun Pharmaceutical headquarters and Yulin Pharmaceutical respectively. As many as 22 analyst research reports have been made about Consun Pharmaceutical, many of which raised the target price of its shares.

Along with a series of successful capital activities and frequent roadshow recommendations, the stock price of Consun Pharmaceutical soared considerably and the total market capitalization has been maintaining at or above HKD5 billion since June 2017. In March 2018, Consun Pharmaceutical has finally made its access to Shenzhen-Hong Kong Stock Connect as a result of the dedicated efforts by every member of the management. Meanwhile, this has expanded room for further hike of the market capitalization of the Company.

6. Future Development

Upholding the strategy of “based on specialties and complemented by generics”, Consun Pharmaceutical will continue to push forward the vertical development of flagship products for kidney disease and diagnostic imaging, as well as rapidly expand its existing series of products of women and children, orthopedics, dermatology, hepatobiliary and digestive system, so as to develop its “1+6” product structure with utmost effort, and a top class Chinese medicine enterprise with multiple leading specialties and full range of treatment capability in order to be able to provide comprehensive and reliable health management solutions to customers.

與此同時，公司不斷加強投資者關係管理，全年舉行了50多場非交易路演和反向路演，與近200位投資者建立起良好的交流，20多家投資機構先後到訪康臣藥業總部和玉林製藥，分析師研究報告多達22篇，其中多篇報告提高了康臣股票的目標價位。

伴隨著一系列漂亮的資本運作和頻繁的路演推薦，康臣藥業股價節節攀升，自2017年6月起，總市值始終保持50億港元以上，2018年3月康臣藥業終於進入深港通，這是我們各位管理層辛勤努力的結果，同時也拓展了公司市值未來上升的空間。

六、 未來發展

康臣藥業集團將堅持「以專為主、以普為輔」的方針，持續推動腎科、影像旗艦向縱深發展，快速拓展現有婦兒、骨傷、皮膚、肝膽及消化系列產品，全力打造「1+6」產品格局，以全面的治療領域打造多專科領先的一流中醫藥企業，為客戶提供全面、可靠的健康管理解決方案。

Chairman's Statement 主席報告

Regarding the products for kidney disease, the Company will pursue the development mode of “industrial chain operation” and develop the industry chain of “kidney disease treatment + kidney nourishing” adhering to the core basis of UCG. Monitor-Your-Kidney (盯盯腎), a professional APP committedly developed by the Company for the management of chronic kidney diseases, can provide a full-swing, continual and active disease management for the chronic kidney disease patients. As at the date hereof, Monitor-Your-Kidney (盯盯腎) has collaborated with 17 hospitals throughout China to provide a comprehensive and one-stop solution for managing chronic kidney diseases.

Regarding imaging products, the Company will expand the two segments, namely computer tomography (“CT”) and ultrasonic imaging while maintaining the leading position of Gadopentetic Dimeglumine Injection, a medical imaging contrast agent, in the market of magnetic resonance imaging (“MRI”).

Regarding OTC products, the Company intends to develop one or two products with annual sales revenue exceeding RMB100 million, expanding further into various product groups comprising products each with annual sales revenue over RMB100 million in the future.

腎科產品方面，按照「產業鏈運作」的發展路徑，公司堅持以「尿毒清」為核心，打造「腎病治療+腎臟養護」產業鏈。「盯盯腎」，是公司潛心打造的慢性腎病管理專業APP，可為慢性腎病患者提供全面、連續、主動的疾病管理。截止目前，「盯盯腎」已與全國17家醫院建立合作，可提供綜合性、一站式慢性腎病管理方案。

影像系列產品方面，公司將在醫用成像對比劑釷噴酸葡胺注射液保持在磁共振成像（「MRI」）市場前列的優勢下，拓展電子電腦斷層掃描成像（「CT」）和超聲成像二個細分領域。

OTC產品方面，公司有意每年打造一到兩個銷售過億的產品，未來形成由多個過億產品組成的產品群。

Chairman

AN Yubao

Hong Kong, 21 March 2018

安郁寶

主席

香港，2018年3月21日

Financial Highlights 財務摘要

		Year ended 31 December 截至12月31日止年度		
		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元	Change 變化 (%) (%)
Results	業績			
Revenue	收入	1,660,230	1,223,488	35.7%
Profit before taxation	稅前溢利	544,982	403,452	35.1%
Profit for the year attributable to equity shareholders of the Company	本公司權益股東應佔年內溢利	396,242	307,526	28.8%
Earnings per share (expressed in RMB Yuan)	每股盈利 (以人民幣元列示)			
– Basic	– 基本	0.4602	0.3205	43.6%
– Diluted	– 攤薄	0.4570	0.3204	42.6%

		As at 31 December 於12月31日		
		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元	Change 變化 (%) (%)
Financial Position	財務狀況			
Total assets	總資產	3,572,017	2,759,055	29.5%
Total equity attributable to equity shareholders of the Company	本公司權益股東應佔權益總額	1,746,688	1,760,494	(0.8%)
Net assets per share (expressed in RMB Yuan per share) (Note)	每股淨資產 (以每股人民幣元列示)(附註)	2.00	1.81	10.5%
Net debt (interest bearing liabilities less cash and cash equivalents) to equity ratio	淨債項(計息負債減現金及現金等值物)權益比率	Net cash 淨現金	Net cash 淨現金	NA 不適用

Note:

附註：

Net assets per share is calculated based on the total equity attributable to equity shareholders of the Company divided by the number of ordinary shares.

每股淨資產以本公司權益股東應佔權益總額除以普通股數目計算。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW

Revenue

For the year of 2017, the Group's revenue was RMB1,660,230,000, representing an increase of approximately 35.7% as compared with RMB1,223,488,000 for 2016. Categorized by product lines, sales of kidney medicines recorded an increase of approximately 11.0% as compared with last year, among which, Uremic Clearance Granules ("UCG") remained the Group's key product, maintained its leading position in oral modern Chinese medicines for kidney diseases; sales of medical contrast medium recorded a slight decrease of approximately 4.2% as compared with last year, but still maintained a leading position in the domestic medical contrast medium market for magnetic resonance imaging; sales of orthopaedics medicines recorded an increase of approximately 122.6%; sales of dermatologic medicines recorded an increase of approximately 99.4%; sales of hepatobiliary medicines recorded an increase of approximately 195.2%; sales the Group's women and children medicines exceeded RMB100 million this year, recorded an increase of approximately 37.8%; and sales of other pharmaceutical products recorded an increase of approximately 79.3%. On top of the Group's efforts to develop the market segments intensively, the significant increase in sales of the above products was also attributable to the acquisition of Yulin Pharmaceutical in July 2016 with its full year revenue reflected in 2017.

Gross Profit and Gross Profit Margin

For the year of 2017, the Group's gross profit was RMB1,228,395,000, representing an increase of approximately 34.8% as compared with RMB911,023,000 for 2016. The increase in gross profit was mainly attributable to the increase in sales. For the year of 2017, the Group's average gross profit margin was approximately 74.0%, representing a slight decrease of 0.5% only as compared with the 74.5% for the last year, which was mainly attributable to the management effort in maintaining selling prices and controlling production costs for the Group's products.

財務回顧

收入

本集團於2017年的收入為人民幣1,660,230,000元，與2016年的人民幣1,223,488,000元相比，增長約35.7%。按產品系列分類，腎科系列產品銷售較去年錄得增長約11.0%，其中尿毒清顆粒（「尿毒清」）仍然是本集團的皇牌產品，維持在腎病口服現代中成藥的領先地位；醫用成像對比劑銷售雖然較去年略為減少約4.2%，但仍然穩佔國內磁共振成像對比劑市場的前列；骨傷系列產品銷售增長約122.6%；皮膚系列產品銷售增長約99.4%；肝膽系列產品銷售增長約195.2%；婦兒系列產品是本集團新增的過億品類，銷售增長約37.8%；及其他藥物產品銷售增長約79.3%。除了是由於本集團深度開發細分市場外，以上產品的銷售大幅增長的主要原因亦包括自2016年7月收購玉林製藥後於2017年反映其全年收入所致。

毛利與毛利率

於2017年，本集團的毛利為人民幣1,228,395,000元，與2016年的人民幣911,023,000元相比，增加約34.8%。毛利增長主要是由於銷售增加。於2017年，本集團的平均毛利率約為74.0%，與去年的74.5%相比，只輕微減少0.5%，主要是由於管理層努力維護本集團的產品售價及控制生產成本所致。

Other Income

For the year of 2017, the Group's other income was RMB35,102,000, which mainly included net exchange gains, government grants and interest income. Compared with the other income of RMB6,104,000 for 2016, the significant increase was mainly attributable to the increase in government grants recognised during the year and the net exchange gains in connection with HKD loans results from the appreciation in RMB.

Distribution Costs

For the year of 2017, the Group's distribution costs was RMB540,264,000, representing an increase of approximately 44.3% as compared with RMB374,365,000 for 2016. The increase in distribution costs was mainly attributable to the Group's dedication in expanding the marketing and distribution networks (including that of Yulin Pharmaceutical) by recruiting additional marketing staff and increasing marketing and academic promotion activities during the year.

Administrative Expenses

For the year of 2017, the Group's administrative expenses were RMB163,497,000, representing an increase of approximately 15.4% as compared with RMB141,666,000 for 2016. The increase in administrative expenses was in line with the Group's expansion in operations.

Finance Costs

For the year of 2017, finance costs were RMB14,754,000. Compared with the finance costs of RMB1,509,000 for 2016, the increase was mainly attributable to the increase in loans and borrowings during the year.

Income Tax

For the year of 2017, the Group's income tax expense was RMB123,162,000, representing an increase of approximately 47.0% as compared with RMB83,795,000 for 2016. The effective tax rate (income tax expense divided by profit before taxation) increased by approximately 1.8% from 20.8% for 2016 to 22.6% for 2017, mainly due to the increase in provision for withholding tax in connection with dividends expected to be distributed from the Group's PRC incorporated subsidiaries to the Hong Kong incorporated subsidiaries in the foreseeable future.

其他收入

於2017年，本集團的其他收入為人民幣35,102,000元，主要包括匯兌收益淨額、政府補助和利息收入。與2016年的其他收入人民幣6,104,000元相比，大幅增加主要是由於年內確認的政府補助增加，以及由於人民幣升值所產生與港元貸款有關的匯兌收益淨額所致。

分銷成本

於2017年，本集團的分銷成本為人民幣540,264,000元，與2016年的人人民幣374,365,000元相比，增加約44.3%。分銷成本上升的主要原因是年內本集團增聘市場推廣人員及增加市場推廣和學術推廣活動（以擴充市場推廣及分銷網絡）所致。

行政開支

於2017年，本集團的行政開支為人民幣163,497,000元，與2016年的人人民幣141,666,000元相比，增加約15.4%。行政開支的增加是配合本集團的業務擴展。

融資成本

於2017年，融資成本為人民幣14,754,000元。與2016年的人人民幣1,509,000元相比，增加主要是由於年內貸款及借款增加所致。

所得稅

於2017年，本集團的所得稅費用為人民幣123,162,000元，與2016年的人人民幣83,795,000元相比，增加約47.0%。實質稅率（所得稅費用除以稅前溢利）從2016年的20.8%，增加約1.8%至2017年的22.6%，主要原因為本集團為根據於可預見的未來本集團中國附屬公司預期向香港附屬公司派發的股息而增加預提的預扣稅所致。

Management Discussion and Analysis

管理層討論及分析

Annual Profit Attributable to Equity Shareholders of the Company and Earnings Per Share

For the year of 2017, the Group's annual profit was RMB396,242,000, representing an increase of approximately 28.8% as compared with RMB307,526,000 for 2016. The basic earnings per share increased by approximately 43.6% from RMB0.3205 for 2016 to RMB0.4602 for 2017, and the diluted earnings per share increase by approximately 42.6% from RMB0.3204 for 2016 to RMB0.4570.

LIQUIDITY AND FINANCIAL RESOURCES

Trade Debtors and Bills Receivable

As at 31 December 2017, the balance of trade debtors and bills receivable was RMB970,294,000, representing an increase of approximately 74.1% as compared with the balance of RMB557,275,000 as at 31 December 2016. Trade receivables turnover days for 2017 were 167.9 days, increased by 30.5 days from 137.4 days for 2016. It was mainly attributable to the consolidation of Yulin Pharmaceutical Group's operations and the Group granted longer credit period to certain strategic customers with good credit standing based on the market situation during the year.

Inventories

As at 31 December 2017, the balance of inventories was RMB200,001,000, representing an increase of approximately 41.9% as compared with the balance of RMB140,974,000 as at 31 December 2016. Inventory turnover days for 2017 were 144.1 days, increased by 20.3 days from 123.8 days for 2016. It was mainly due to the consolidation of Yulin Pharmaceutical Group's operations which have comparatively longer production cycle, and the increase in inventory level to prepare for the expected increase in market demand.

Trade Payables

As at 31 December 2017, the balance of trade payables was RMB68,739,000, representing a decrease of approximately 13.8% as compared with the balance of RMB79,733,000 as of 31 December 2016. Trade payables turnover days for 2017 were 62.7 days, decreased by 7.1 days from 69.8 days for 2016, which was due to the speed up of settlement process to maintain good relationship with suppliers.

本公司權益股東應佔年度溢利與每股盈利

於2017年，本集團的年度溢利為人民幣396,242,000元，相比於2016年的人民幣307,526,000元增加約28.8%。2017年的每股基本盈利為人民幣0.4602元，比2016年的人民幣0.3205元增加約43.6%，及每股攤薄盈利為人民幣0.4570元，比2016年的人民幣0.3204元增加約42.6%。

流動資金及財務資源

貿易應收賬款及應收票據

於2017年12月31日，貿易應收賬款及應收票據餘額為人民幣970,294,000元，相比於2016年12月31日的餘額人民幣557,275,000元增加約74.1%。於2017年的貿易應收款項周轉天數為167.9天，與2016年的137.4天相比，增加30.5天，主要是由於合併玉林製藥集團的業務，以及本集團年內因應市場情況給予部分信用良好的戰略合作客戶較長的授信期所致。

存貨

於2017年12月31日，存貨餘額為人民幣200,001,000元，相比於2016年12月31日的餘額人民幣140,974,000元增加約41.9%。於2017年的存貨周轉天數為144.1天，相比2016年的123.8天增加20.3天，主要是由於合併玉林製藥集團的業務而其產品生產週期相對較長，以及為應付預期市場需求上升而增加庫存儲備所致。

貿易應付款項

於2017年12月31日，貿易應付款項餘額為人民幣68,739,000元，相比於2016年12月31日的餘額人民幣79,733,000元減少約13.8%。於2017年的貿易應付款項周轉天數為62.7天，相比2016年的69.8天減少7.1天，乃由於為維持與供應商的良好關係而加快結算流程所致。

Cash Flows

For the year of 2017, the Group's net cash generated from operating activities was RMB252,123,000, representing a decrease of approximately 43.9% as compared with the RMB449,177,000 for 2016, which was mainly attributable to longer credit period granted to strategic customers with good credit standing based on the market situation and the increase in inventory level to prepare for the expected increase in market demand. For the year of 2017, the Group's net cash used in investing activities was RMB60,049,000, as compared with the net cash generated from investing activities of RMB91,888,000 for 2016, the change was mainly due to net cash of RMB165,647,000 acquired through acquisition of Yulin Pharmaceutical Group in 2016 which was not recurrent in 2017. For the year of 2017, the Group's net cash generated from financing activities was RMB128,125,000, as compared with the net cash used in financing activities of RMB358,341,000 for 2016, the change was mainly attributable to the proceeds from new bank loans and shares issuance, which was partly off-set by payment for repurchase of shares (the "Share Buy-Back") during the year.

Cash and Bank Balances and Borrowings

As at 31 December 2017, the Group's cash and bank balances were RMB989,565,000, representing an increase of approximately 47.1% as compared with RMB672,711,000 as at 31 December 2016. As at 31 December 2017, the Group's total loans and borrowings amounted to RMB568,104,000 which mainly represents the three-year term loan in connection with the Share Buy-Back and the strategic short-term loans obtained by Yulin Pharmaceutical Group. As at 31 December 2016, the Group did not have any interest bearing borrowings.

現金流

於2017年，本集團的經營活動所得淨現金淨額為人民幣252,123,000元，相比2016年的人人民幣449,177,000元減少約43.9%，主要是由於期內因應市場情況給予信用良好的戰略合作客戶較長的授信期，以及為應付預期市場需求上升而增加庫存儲備所致。於2017年，本集團的投資活動所用現金淨額為人民幣60,049,000元，相比2016年的投資活動所得現金淨額人民幣91,888,000元，變化主要是由於2016年收購玉林製藥集團時獲得淨現金人民幣165,647,000元，而該事項不在2017再發生所致。於2017年，本集團的融資活動所得現金淨額為人民幣128,125,000元，相比2016年融資活動的所用現金淨額為人民幣358,341,000元，變化主要是由於從新增銀行貸款及增發股票所得款項，惟部分被年內購回股份（「股份購回」）的付款抵消所致。

現金及銀行結餘及借款

於2017年12月31日，本集團的現金及銀行結餘為人民幣989,565,000元，相比2016年12月31日的人人民幣672,711,000元增加約47.1%。於2017年12月31日，本集團的貸款及借款總額為人民幣568,104,000元，主要為與股份購回有關之三年期貸款，以及玉林製藥集團獲得的短期戰略性貸款。於2016年12月31日，本集團並無任何計息借款。

Management Discussion and Analysis

管理層討論及分析

TREASURY POLICIES

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the year of 2017. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time. Cash and cash equivalents of the Group are mainly denominated in RMB and HKD.

GEARING RATIO

The gearing ratio of the Group, representing the total interest bearing borrowings divided by total equity attributable to equity shareholders of the Company as at 31 December 2017 was 32.5% (31 December 2016: 0%). The increase in gearing ratio was mainly due to the three-year term loan obtained by the Company during the year for the purpose of the Share Buy-back.

EXCHANGE RATE RISKS

The Group's transactions are mainly denominated in RMB and HKD. The majority of assets and liabilities are also denominated in RMB and HKD, and there are no significant assets and liabilities denominated in other currencies. During the year the Company obtained a three-year term loan of HKD560,000,000 for the purpose of the Share Buy-back, and an exchange gain is recorded as a result of appreciation of RMB against HKD, and the Group will continue to face similar exchange rate risk in future due to fluctuation of exchange rates. During the year, the Group did not commit to any financial instruments to hedge its exposure to foreign currency risk.

庫務政策

本集團在執行庫務政策上採取審慎的財務管理策略，因此於2017年內維持健全的流動資金狀況。本集團不斷審核及評估客戶的信貸狀況及財務狀況，務求降低信貸風險。為管理流動資金風險，董事會密切監察本集團的流動資金狀況，以確保本集團的資產、負債及其他承擔的流動結構符合不時的資金需要。本集團的現金及現金等值項目主要以人民幣及港元計值。

資本負債比率

本集團於2017年12月31日的資本負債比率（總計息借款除以本公司權益股東應佔權益總額）為32.5%（2016年12月31日：0%）。資本負債比率上升乃主要由於年內本公司獲得三年期貸款以作股份購回所致。

匯率風險

本集團的交易主要以人民幣及港元計值。大多數資產及負債亦以人民幣及港元計值，概無以其他貨幣計值的重大資產及負債。年內本公司為股份購回而取得5.6億港元的三年期貸款，因人民幣兌換港元的匯率上升而錄得匯兌收益，而本集團未來會因匯率波動而繼續面對同類匯率風險。年內，本集團並無利用任何財務工具對沖外幣風險。

CAPITAL STRUCTURE

In April 2017, with the shareholders' approval at an extraordinary general meeting, the Company completed the Share Buy-back of 146,140,200 ordinary shares from First Kind (2016: buy back 23,489,000 ordinary shares from the market) and cancelled those shares. In November 2017, the Company completed the Placing of 43,585,680 ordinary shares, and in December 2017, the Company issued a total of 1,895,700 ordinary shares pursuant to employees' exercise of share options granted under the Share Option Scheme (adopted on 2 December 2013). Save as disclosed above, there were no significant changes in the Company's capital structure. The Company's capital comprises ordinary shares and other reserves.

CAPITAL COMMITMENTS

As at 31 December 2017, the Group had capital commitments of approximately RMB386,072,000 (31 December 2016: RMB25,671,000).

INFORMATION ON EMPLOYEES

As at 31 December 2017, the Group hired a total of 2,332 employees (31 December 2016: 2,108 employees). The total staff costs (including the directors' remuneration) for the year ended 31 December 2017 was RMB352,417,000 (2016: RMB199,551,000). The salaries of the employees were determined with reference to individual performance, work experience, qualification and current industry practices.

資本結構

於2017年4月，經過股東在股東特別大會上批准，本公司完成了向First Kind購回146,140,200股普通股（2016年：從市場購回23,489,000股普通股），並註銷了該等股份。於2017年11月，本公司完成配售43,585,680股普通股，而於2017年12月，本公司因應員工行使根據購股權計劃（於2013年12月2日採納）而授予的購股權而發行了合共1,895,700股普通股。除上文所披露者外，本公司的資本結構並無重大變動。本公司的資本包括普通股及其他儲備。

資本承擔

於2017年12月31日，本集團的資本承擔約為人民幣386,072,000元（2016年12月31日：人民幣25,671,000元）。

僱員資料

於2017年12月31日，本集團合共僱用2,332名僱員（2016年12月31日：2,108名僱員）。截至2017年12月31日止年度的總員工成本（包括董事酬金）為人民幣352,417,000元（2016年：人民幣199,551,000元）。僱員薪金乃參考個人表現、工作經驗、資歷及當前行業慣例而釐定。

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On top of basic salaries, bonuses may be paid by reference to the Group's performance as well as individual's performance. Other staff benefits include contributions to Mandatory Provident Fund and various retirement benefits schemes in Hong Kong, including the provision of pension funds, medical insurance, unemployment insurance and other relevant insurance for employees who are employed by our Group pursuant to the PRC rules and regulations and the prevailing regulatory requirements of the PRC. The salaries and benefits of the Group's employees are kept at a competitive level and employees are rewarded on a performance-related basis within the general framework of the Group's salary and bonus system, which is reviewed annually. The Group also operates a share option scheme adopted by the Company on 2 December 2013 (the “**Share Option Scheme**”) and a share award scheme adopted on 21 July 2014 (the “**Share Award Scheme**”), where options to subscribe for shares and share awards may be granted to the Directors and employees of the Group.

The Group made considerable efforts in continuing education and training programs for its staff, to continuously enhance their knowledge, skills and cooperation spirit. The Group regularly provided internal and external training courses for relevant staff according to their needs.

SIGNIFICANT INVESTMENTS HELD

Except for investments in its subsidiaries, during the year ended 31 December 2017, the Group did not hold any significant investment in equity interest in any other company.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in this report, as at the date of this report, the Group did not have other future plans for material investments and capital assets.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

The Group did not have any material acquisitions and disposals of subsidiaries and associated companies during 2017.

除基本薪金外，亦可視乎本集團的業績及個人表現獲發花紅。其他員工福利包括香港的強制性公積金計劃供款及各項退休福利計劃，包括提供退休金、醫療保險、失業保險及為根據中國規則及規例以及中國現行監管規定獲本集團聘用的僱員而設的其他相關保險。本集團僱員的薪金及福利均處於具競爭力的水平，僱員的待遇均在本集團就薪酬及花紅制度設定的整體框架內按表現釐定，而該框架則每年進行檢討。本集團亦設有一項由本公司於2013年12月2日採納的購股權計劃（「**購股權計劃**」），及一項於2014年7月21日採納的股份獎勵計劃（「**股份獎勵計劃**」），據此，本集團董事及僱員可獲授予購股權以認購股份及股份獎勵。

本集團對員工的持續教育和培訓計劃有相當的投入，以不斷提升員工的知識、技能和協作精神。本集團經常根據彼等需要為相關員工提供內部及外部的培訓課程。

所持重大投資

除於其附屬公司的投資外，於截至2017年12月31日止年度，本集團並無於任何其他公司的股權中持有任何重大投資。

有關重大投資及資本資產的未來計劃

除於本報告所披露者外，截至本報告日期，本集團並無其他有關重大投資及資本資產的未來計劃。

有關附屬公司及聯營公司的重大收購及出售

於2017年度，本集團並無任何有關附屬公司及聯營公司的重大收購及出售。

PLEDGE OF ASSETS

As at 31 December 2017, the Group did not have any pledged assets (31 December 2016: Nil).

CONTINGENT LIABILITIES

As at 31 December 2017, the Group did not have any material contingent liabilities (31 December 2016: Nil).

PRINCIPAL RISKS AND UNCERTAINTIES

Management continues to manage the Group's key risk exposures, including operational risks (e.g. ensuring high quality of medicines products, safety in the production process and efficiency in the distribution processes), financial risks (e.g. through budget control and cash flow management) and compliance risks (ensuring the relevant rules and regulations are complied with) on a daily basis. Management also pays close attention to the recent development of national policies in respect of pharmaceutical industry, which is a key uncertainty facing the Group, and formulates and adjusts the Group relevant policies accordingly on a timely basis.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to achieving environmental sustainability and incorporating it in the Group's daily operations. Other than complying with all relevant environmental rules and regulations, management always encourage water, energy and materials saving and recycling behaviours which are considered in the performance appraisal process.

The environmental, social and governance report in compliance with appendix 27 of the Listing Rules will be issued in due course.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

During the year of 2017, there was no incidence of significant non-compliance of laws and regulations that is relevant to the Group's operations.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this report, as at the date of this report, the Group has no significant events after the period required to be disclosed.

資產抵押

於2017年12月31日，本集團並無任何資產抵押（2016年12月31日：無）。

或然負債

於2017年12月31日，本集團並無任何重大或然負債（2016年12月31日：無）。

主要風險及不明朗因素

管理層在日常的工作中一直管理本集團的主要風險，包括經營風險（例如確保高質量的藥物產品、安全的生產過程以及有效率的分銷過程），財務風險（例如透過預算控制及現金流管理）以及合規風險（確保符合相關規則及法規）。管理層亦一直密切留意醫藥行業國家政策的近期發展（為本集團面對的主要不明朗因素），並及時制定及調整本集團的相關政策。

環境政策及表現

本集團致力實現環境的可持續發展並將其納入本集團的日常運作。除了遵守所有相關環境規則及法規外，管理層一直鼓勵節省及循環再用水、能源與材料的行為，並在表現考核的過程中加以考慮。

符合上市規則附錄27要求的環境、社會及管治報告將於適時發佈。

遵守相關法律法規

於2017年度，並無發生與本集團運作有關的法律法規的重大違規情況。

報告期後事項

除本報告所披露者外，於本報告日期，本集團並無任何需要披露的重大期後事項。

Directors and Senior Management Profile 董事及高級管理人員履歷

DIRECTORS

董事

The Board is fully responsible for management and operations.
The following table sets forth information regarding our
Directors as at the reporting date.

董事會全權負責管理及經營業務。下表列載董事
於報告日期的資料：

Name 姓名	Appointment Date 委任日期	Age 年齡
Executive Director 執行董事		
Mr. AN Yubao (<i>Chairman</i>) 安郁寶先生 (主席)	24 January 2011 2011年1月24日	75
Ms. LI Qian (<i>Chief Executive Officer</i>) 黎倩女士 (總裁)	24 December 2012 2012年12月24日	53
Professor ZHU Quan 朱荃教授	24 December 2012 2012年12月24日	78
Non-executive Director 非執行董事		
Mr. LIN Sheng 林盛先生	1 April 2016 2016年4月1日	43
Independent Non-executive Director 獨立非執行董事		
Mr. SU Yuanfu 蘇元福先生	2 December 2013 2013年12月2日	72
Mr. FENG Zhongshi 馮仲實先生	2 December 2013 2013年12月2日	59
Ms. CHENG Xinxin 成欣欣女士	2 December 2013 2013年12月2日	65

Directors and Senior Management Profile 董事及高級管理人員履歷

CHAIRMAN AND EXECUTIVE DIRECTOR

Mr. AN Yubao (安郁寶), aged 75, is our chairman and an executive Director and a Controlling Shareholder. He was appointed as our Director with effect from 24 January 2011. He is also the chairman of Guangzhou Consun Pharmaceutical Company Limited (“**GZ Consun**”), Consun Pharmaceutical (Inner Mongolia) Co., Ltd. (“**Inner Mongolia Consun**”) and Yulin Pharmaceutical, and a director and the legal representative of Guangzhou Consun Pharmaceutical Research Company Limited (“**Consun Research**”). Mr. AN is primarily responsible for the overall management, operations, investment and the charting and reviewing of corporate directions and strategies of our Group.

Mr. AN has nearly 20 years of experience in medical education and over 20 years of experience in the business of the pharmaceutical industry. He has served various key positions, including executive director and chairman of GZ Consun since its establishment. Mr. AN served as the vice chairman of 廣東南方李錦記商貿信息中心 (Guangdong Southern Lee KumKee Commercial Information Centre) from November 1995 to February 1999. From July 1996 to December 1998, Mr. AN started his career in the pharmaceutical industry by serving as the chairman and legal representative of 廣東南方李錦記營養保健品有限公司 (Guangdong Southern Lee KumKee Nutrition Health Products Co., Ltd.) and representing 中國人民解放軍第一軍醫大學 (the First Military Medical University of the People's Liberation Army of the PRC) as one of its shareholders. Mr. AN served as the minister and vice president respectively of 南方醫科大學(原中國人民解放軍第一軍醫大學) (Southern Medical University) (formerly known as the First Military Medical University of the People's Liberation Army of the PRC)) from November 1991 to August 2001 and served as the vice president of 中國人民解放軍濟南軍區總醫院 (Jinan Military General Hospital of the People's Liberation Army of the PRC) from 1987 to 1988. Between 1981 and 1987, Mr. AN worked at various units of the PRC People's Liberation Army and was mainly responsible for hygiene and hospital management.

Mr. AN graduated from 中國人民解放軍後勤學院 (the Logistics Engineering College of the People's Liberation Army of the PRC) in 1981 and majored in rear commanding. Mr. AN also obtained a master's degree in business administration from Asia International Open University (Macau) (now known as City University of Macau) in November 2007.

主席及執行董事

安郁寶先生，75歲，是我們的主席兼執行董事及控股股東。彼自2011年1月24日起獲委任為本公司的董事。彼亦為廣州康臣藥業有限公司（「廣州康臣」）、康臣藥業（內蒙古）有限責任公司（「內蒙古康臣」）及玉林製藥的主席，以及廣州康臣藥物研究有限公司（「康臣研究」）的董事兼法人代表。安先生主要負責本集團的整體管理、營運、投資及制定和檢討企業方針及戰略。

安先生在醫學教育方面累積近20年的經驗，於醫藥行業擁有逾20年經驗。他曾出任多個重要職位，包括自廣州康臣成立以來出任其執行董事兼主席。安先生自1995年11月至1999年2月期間出任廣東南方李錦記商貿資訊中心的副主席。自1996年7月起至1998年12月期間，安先生開始從事醫藥行業，分別出任廣東南方李錦記營養保健品有限公司的主席兼法人代表及代表中國人民解放軍第一軍醫大學擔任其中一名股東。安先生自1991年11月至2001年8月期間任職南方醫科大學（原中國人民解放軍第一軍醫大學）的部長和副校長，以及自1987年至1988年擔任中國人民解放軍濟南軍區總醫院的副院長。1981年至1987年期間，安先生曾任職於中國人民解放軍的多個單位，主要負責衛生及醫院管理。

安先生於1981年在中國人民解放軍後勤學院畢業，主修後方指揮學。安先生亦於2007年11月取得亞洲（澳門）國際公開大學（現稱澳門城市大學）的工商管理碩士學位。

Directors and Senior Management Profile 董事及高級管理人員履歷

EXECUTIVE DIRECTORS

Ms. LI Qian (黎倩), aged 53, is our executive Director and chief executive officer and one of the founders of the Group, and is also an executive director and the general manager of Yulin Pharmaceutical, primarily responsible for formulating and implementing the corporate strategies, overseeing production activities, business development, research and administrative management of our Group.

Ms. LI has over 27 years of experience in the business of pharmaceutical industry. Prior to joining our Group, Ms. LI worked at Southern Medical University from October 1989 to April 1998. Ms. LI joined our Group in 1997 when Consun Pharmaceutical was newly set-up, as the associate director of general manager's office, human resources manager, deputy executive general manager and deputy sales general manager of GZ Consun. Ms. LI has also served as a director and the general manager (which was redesignated as president in May 2008) of GZ Consun since November 1999.

Ms. LI obtained a master's degree in business administration at Asia International Open University (Macau) in November 2007. She has obtained 3 invention patents and published research papers on the "Chinese journal of Clinical Medicine" (《中國臨床醫學雜誌》). Ms. LI was awarded as Excellent Private Entrepreneur (優秀民營企業家) by Tongliao City People's Government of the Inner Mongolia Autonomous Region in July 2008, and a Model Worker (勞動模範) by Inner Mongolia People's Government in April 2010. In December 2010, she obtained the Third Prize for Technological Progress in the Inner Mongolia Autonomous Region (內蒙古自治區科技進步三等獎). In December 2011, she was recognised as Famous Entrepreneur in Pharmaceutical Industry of Guangdong Province (廣東省醫藥行業著名企業家) by Guangdong Province Pharmaceutical Industry Association (廣東省醫藥行業協會). In April 2014, she was elected as Chinese Pharmaceutical Brand Woman (中國(醫藥行業)品牌女性). In February 2017, she was accredited as Excellent Entrepreneur in Pharmaceutical Industry of Guangdong Province (廣東省醫藥行業優秀企業家) and in December 2017 was awarded the "Best Business Leader Award" by "China Finance".

執行董事

黎倩女士，53歲，是我們的執行董事、總裁，集團創始人之一，亦為玉林製藥執行董事、總經理，主要負責集團戰略制定與整體經營管理。

黎女士從事醫藥行業逾27年，曾於1989年10月至1998年4月期間在南方醫科大學工作；於1997年康臣藥業成立之初加入本集團，歷任廣州康臣總經理辦公室副主任兼人力資源部經理、行政副總經理及營銷副總經理等職位，於1999年11月起任廣州康臣的董事、總經理（於2008年5月調任為總裁）。

黎女士於2007年11月獲授亞洲（澳門）國際公開大學工商管理碩士學位，先後獲得3項發明專利，並曾在《中國臨床醫學雜誌》發表學術論文。黎女士於2008年7月被內蒙古自治區通遼市人民政府授予「優秀民營企業家」稱號，2010年4月被內蒙古自治區人民政府授予「勞動模範」稱號，2010年12月獲得內蒙古自治區科技進步三等獎，2011年12月被廣東省醫藥行業協會評為「廣東省醫藥行業著名企業家」，2014年4月榮獲「中國（醫藥行業）品牌女性」，2017年2月獲評「廣東省醫藥行業優秀企業家」及於2017年12月榮獲《中國金融》「最佳企業領袖獎」。

Directors and Senior Management Profile 董事及高級管理人員履歷

Ms. LI is a local registered pharmacist of Guangdong province (廣東省駐店藥師) recognised by Guangdong Food and Drug Administration (廣東省食品藥品監督管理局). Since March 2012, she has been appointed as a member of the First Expert Committee for Kidney Disease and Blood Purify of China Medical Women's Association (第一屆中國女醫師協會腎臟病及血液淨化專家委員會). In October 2014, she was elected as the deputy councillor of Expert Committee for Professional Committee of Chinese Medicine Product Development and Incubation of China Association of Traditional Chinese Medicine (中國中藥協會中藥產品開發與培育專業委員會). In August 2016, she was elected as the deputy councillor of the First Expert Committee for Chinese Medicine Development and Research for Kidney Disease of China Association of Traditional Chinese Medicine (中國中藥協會第一屆腎病中藥發展研究專業委員會), and a member of the Pharmacoeconomics Expert Committee (藥物經濟學專業委員會), and in July 2017 was elected as a member of the Standing Committee of the Encephalopathy Medicine Research Professional Committee of China Association of Traditional Chinese Medicine.

Professor ZHU Quan (朱荃), aged 78, is our executive Director. He was appointed as our Director with effect from 24 December 2012. Professor ZHU is also a director and the chief scientist of GZ Consun and the general manager of Consun Research. Professor ZHU joined our Group in August 2006 as the chief scientist of GZ Consun. Professor ZHU is primarily responsible for the product research and development of our Group.

Professor ZHU has over 30 years of experience in teaching and research at medical school and over 10 years of experience in the business of pharmaceutical industry. Professor ZHU has served as professor and Ph.D. candidate supervisor at 澳門科技大學 (Macau University of Science and Technology) since September 2003. He served various positions, such as a deputy director of medicine department, a director of 國家規範化中藥藥理實驗室 (National Standardization Laboratory for Chinese Herbal Pharmacology), a Ph.D. candidate supervisor at 南京中醫藥大學 (Nanjing University of Chinese Medicine) between October 1981 and November 2005. Professor ZHU also served as an expert for 國家教育部科學技術委員會 (Science & Technology Commission of Ministry of Education), an assessment expert for 國家自然科學基金生命科學部 (Department of Life Science of National Natural Science Foundation) and a drug evaluation expert in Jiangsu Province and in the PRC.

黎女士是廣東省食品藥品監督管理局認可的廣東省駐店藥師，自2012年3月獲委任為第一屆中國女醫師協會腎臟病及血液淨化專家委員，於2014年10月當選為中國中藥協會中藥產品開發與培育專業委員會副主任委員，於2016年8月當選為中國中藥協會第一屆腎病中藥發展研究專業委員會副主任委員、藥物經濟學專業委員會委員及於2017年7月當選為中國中藥協會腦病藥物研究專業委員會常委。

朱荃教授，78歲，是我們的執行董事。彼自2012年12月24日起獲委任為本公司的董事。朱教授亦為廣州康臣的董事兼首席科學家及康臣研究的總經理。朱教授於2006年8月加入本集團，出任廣州康臣的首席科學家。朱教授主要負責本集團的產品研發。

朱教授在醫學院教學及研究方面累積逾30年經驗，於醫藥行業擁有逾10年經驗。朱教授自2003年9月起擔任澳門科技大學的教授和博士生導師。彼曾擔任不同職位，例如於1981年10月至2005年11月期間在南京中醫藥大學擔任醫學部副主任以及國家規範化中藥藥理實驗室主任及博士生的導師。朱教授亦曾經出任國家教育部科學技術委員會的專家、國家自然科學基金生命科學部的評審專家，以及江蘇省及中國的藥物評估專家。

Directors and Senior Management Profile 董事及高級管理人員履歷

Professor ZHU graduated from 中醫科學院 (China Academy of Traditional Chinese Medicine) (now known as 中國中醫科學院 (China Academy of Chinese Medical Sciences)) in November 1981 with a master's degree in pharmacology of traditional Chinese medicine.

NON-EXECUTIVE DIRECTOR

Mr. LIN Sheng (林盛), aged 43, is our non-executive Director who joined our Group in April 2016. He was appointed as our Director with effect from 1 April 2016.

Mr. LIN has over 17 years of experience in operations, product marketing and enterprise management, and has extensive expertise in information technology. Mr. LIN joined Hony Capital in April 2003 and currently is one of its managing directors, mainly responsible for the medicine, medical services and telecom, media and technology industry research and investment. Prior to joining Hony Capital, Mr. LIN worked with Lenovo Group Limited from April 2000 to April 2003, where he was responsible for handheld device product line. He was responsible for strategic planning, market positioning, product design and business line operations. Mr. LIN acted as a non-executive director of Chinasoft International Limited which is listed on the main board of the Stock Exchange (stock code:354) from July 2011 to April 2015. Mr. LIN graduated from Tsinghua University in 1999 and obtained a dual bachelor degree in engineering physics and business administration from Tsinghua University, a master degree in economics from Tsinghua University and an executive master degree in business administration from Cheung Kong Graduate School of Business respectively.

朱教授於1981年11月畢業於中醫科學院（現稱中國中醫科學院），獲授傳統中藥藥理學碩士學位。

非執行董事

林盛先生，43歲，是我們的非執行董事，於2016年4月加入本集團。彼自2016年4月1日起獲委任為本公司的董事。

林先生在經營、產品營銷及企業管理方面累積逾17年經驗，並具備廣泛之信息技術專業知識。林先生於2003年4月加入弘毅投資，現時為其董事總經理之一，主要負責醫藥、醫療服務及電信、傳媒及技術行業研究及投資。加入弘毅投資之前，林先生曾於2000年4月至2003年4月於聯想集團有限公司任職，負責掌上設備部產品運作。彼負責策略規劃、市場定位、產品設計及業務線運作。由2011年7月至2015年4月，林先生曾擔任於聯交所主板上市之中軟國際有限公司 (Chinasoft International Limited) (股份代號：354) 之非執行董事。林先生於1999年畢業於清華大學，並先後獲得清華大學工程物理專業和企業管理專業雙學士學位，清華大學經濟管理學院經濟學碩士學位以及長江商學院高級管理人員工商管理碩士學位。

Directors and Senior Management Profile 董事及高級管理人員履歷

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. SU Yuanfu (蘇元福), aged 72, is our independent non-executive Director. He joined our Group on 2 December 2013 when he was appointed as an independent non-executive Director.

Mr. SU graduated from 中國人民解放軍第四軍醫大學 (the Fourth Military Medical University of the People's Liberation Army of the PRC) in December 1969 and obtained a master's degree in radiopathology at the same university in December 1982. Mr. SU served various positions at the People's Liberation Army of the PRC. From January 1970 to August 1979, he served as a doctor at 西藏軍區總醫院 (General Hospital of Tibet Military Region). Between January 1984 and November 1995, Mr. SU served as the director of science and research office, the dean of academic affairs, the deputy superintendent and superintendent of the first affiliated hospital respectively at the Fourth Military Medical University of the People's Liberation Army of the PRC. From November 1995 to June 1998, he served as the director general of 總後勤部衛生部科訓局 (Technology Training Bureau of the Department of Health of the General Logistics Department). Between June 1998 and June 2004, Mr. SU served as the director of the department of medical administration and the deputy superintendent respectively at 解放軍總醫院 (the General Hospital of the People's Liberation Army). Mr. SU has been a standing director of 中國醫院協會 (Chinese Hospital Association) since October 2004.

Mr. FENG Zhongshi (馮仲實), aged 59, is our independent non-executive Director. He joined our Group on 2 December 2013 when he was appointed as an independent non-executive Director.

獨立非執行董事

蘇元福先生，72歲，是我們的獨立非執行董事。彼於2013年12月2日加入本集團，當時獲委任為獨立非執行董事。

蘇先生於1969年12月畢業於中國人民解放軍第四軍醫大學，並於1982年12月在同一所大學取得放射病理學碩士學位。蘇先生曾擔任中國人民解放軍的多個職位。1970年1月至1979年8月，彼於西藏軍區總醫院擔任醫生。於1984年1月至1995年11月期間，蘇先生於中國人民解放軍第四軍醫大學分別擔任科研辦事處處長、教務長及第一附屬醫院的副院長和院長。1995年11月至1998年6月，彼出任總後勤部衛生部科訓局的局長。於1998年6月至2004年6月期間，蘇先生於解放軍總醫院分別擔任醫務部主任及副院長。蘇先生自2004年10月以來一直為中國醫院協會的常務理事。

馮仲實先生，59歲，是我們的獨立非執行董事。彼於2013年12月2日加入本集團，當時獲委任為獨立非執行董事。

Directors and Senior Management Profile 董事及高級管理人員履歷

Mr. FENG is a lawyer qualified in the PRC. He is currently a partner of 北京市高界律師事務所 (Beijing GaoJie Law Firm). He graduated from 中國政法大學 (China University of Political Science and Law) in July 1986 with a bachelor's degree in law. From July 1986 to January 1993, Mr. FENG worked at 內蒙古自治區司法廳 (the Department of Justice of Inner Mongolia Autonomous Region). He served as a lawyer at 內蒙古經濟律師事務所 (Inner Mongolia Jingji Law Office) (now known as 經世律師事務所 (Jingshi Law Office)) from 1993 to 1995. Between 1996 and 2002, Mr. FENG served as a partner at 內蒙古慧聰律師事務所 (Inner Mongolia Huicong Law Office). From 1996 to 2003, he also served as the head of legal department of 北京慧聰國際資訊有限公司 (Beijing Hui Cong International Information Co., Ltd.). Between 2002 and 2009, Mr. FENG served as a lawyer of 北京市中瑞律師事務所 (Beijing ZhongRui Law Firm). Between June 2011 and January 2013, he served as a partner of 北京市金勵律師事務所 (Beijing Jin Li Law Firm).

Ms. CHENG Xinxin (成欣欣), aged 65, is our independent non-executive Director. She joined our Group on 2 December 2013 when she was appointed as an independent non-executive Director.

Ms. CHENG is a senior accountant recognised by 廣東省人事廳 (Department of Human Resource of Guangdong Province). She has been a member of the Chinese Institute of Certified Public Accountants since October 1994, a registered financial planner since September 2002, a fellow of the Institute of Public Accountants of Australia since December 2004 and a member of the Chartered Association of Business Administrators of the United Kingdom since March 2005. Ms. CHENG graduated from 暨南大學 (Jinan University) majoring in trade economy in July 1985. Ms. CHENG obtained a master's degree in business administration from Murdoch University in March 2000 and obtained a doctor of philosophy degree in management by distance learning from a joint degree programme with European University of Ireland, University of International Business and Economics and Institute of Cost and Executive Accountants in March 2005.

馮先生為中國合資格律師。彼現時為北京市高界律師事務所的合夥人。彼於1986年7月畢業於中國政法大學，獲授法學學士學位。1986年7月至1993年1月，馮先生於內蒙古自治區司法廳工作。彼於1993年至1995年擔任內蒙古經濟律師事務所（現稱經世律師事務所）的律師。1996年至2002年，馮先生為內蒙古慧聰律師事務所的合夥人。1996年至2003年，彼亦任北京慧聰國際資訊有限公司的法律部主管。於2002年至2009年，馮先生擔任北京市中瑞律師事務所的律師。於2011年6月至2013年1月期間，彼為北京市金勵律師事務所的合夥人。

成欣欣女士，65歲，是我們的獨立非執行董事。彼於2013年12月2日加入本集團，當時獲委任為獨立非執行董事。

成女士為廣東省人事廳認可的高級會計師。彼自1994年10月起為中國註冊會計師協會會員、自2002年9月起為註冊理財策劃師、以及自2004年12月起為澳洲會計師公會資深會員，以及自2005年3月起為Chartered Association of Business Administrators of the United Kingdom會員。成女士於1985年7月畢業於暨南大學，主修貿易經濟。成女士於2000年3月取得莫道克大學的工商管理碩士學位，以及於2005年3月以遙距學習方式修讀愛爾蘭歐洲大學、對外經濟貿易大學與成本及行政會計師公會合辦的聯合學位課程，取得管理哲學博士學位。

Directors and Senior Management Profile 董事及高級管理人員履歷

Ms. CHENG has been a director of 長城保險經紀有限公司 (Chang Cheng Insurance Brokers Limited) since June 2003, the chairman of 廣州市越秀區珠江文化教育培訓中心 (Pearl River Training Centre, Yuexiu district, Guangzhou City) since October 2003, a director of 廣州賽寶聯睿信息科技有限公司 (Guangzhou Saibao Lianrui Information Technology Company Limited) since November 2003 and had been the principal partner of 廣州興泰會計師事務所 (Guangzhou Xingtai Accounting Firm) from March 2005 to June 2014 and has been a salaried consultant of 瑞華會計師事務所 (Ruihua Certified Public Accountants) since July 2014. Ms. CHENG served as, from November 2000 to July 2016, served as a director of 康元國際管理有限公司 (Kang Yuan International Consultant Limited); from February 2002 to July 2016, a director and president of 廣州萬方興泰顧問有限公司 (Allwell Company Limited); from November 1994 to January 2001, successively as a deputy general manager in the department of enterprise management, financial department and department of strategic development of 香港粵海企業集團公司 (Yuehai Enterprise Group Company); from April 1993 to November 1994, as a deputy general manager of 香港飛龍國際投資有限公司 (Flying Dragon International Investment Limited); from July 1975 to April 1993, as deputy section chief, section chief and deputy director of 廣東省財政廳 (Department of Finance of Guangdong Province).

Save as disclosed above, each of our Directors has not been a director of any other publicly listed company during the past three years.

SENIOR MANAGEMENT

Mr. TANG Ning (唐寧), aged 52, is a vice president of GZ Consun. Mr. TANG joined our Group in July 1998 as a business manager. Between July 1998 and June 2011, Mr. TANG served various positions at GZ Consun, such as business manager, regional marketing manager, marketing director, and president assistant. He has been the vice president of GZ Consun since June 2011. Prior to joining our Group, Mr. TANG worked at 慈利縣百紡總公司 (Cili County Baifang General Company) between October 1987 and June 1998. Mr. TANG graduated from 湖南商學院 (Hunan University of Commerce) in June 1986 majoring in marketing.

成女士自2003年6月出任長城保險經紀有限公司董事、自2003年10月出任廣州市越秀區珠江文化教育培訓中心主席、自2003年11月出任廣州賽寶聯睿信息科技有限公司董事，自2005年3月至2014年6月為廣州興泰會計師事務所主要合夥人，以及自2014年7月起為瑞華會計師事務所受薪顧問。成女士於2000年11月至2016年7月期間，出任康元國際管理有限公司董事；於2002年2月至2016年7月期間出任廣州萬方興泰顧問有限公司董事及總裁；於1994年11月至2001年1月期間，先後出任香港粵海企業集團公司的企業管理部、財務部及戰略發展部的副總經理；於1993年4月至1994年11月期間，出任香港飛龍國際投資有限公司副總經理；於1975年7月至1993年4月期間，在廣東省財政廳分別出任副科長、科長、副處長等職務。

除以上披露外，董事在過去三年並無在任何其他公眾上市公司擔任董事職務。

高級管理層人員

唐寧先生，52歲，是廣州康臣的副總裁。唐先生於1998年7月加入本集團出任業務經理。1998年7月至2011年6月，唐先生於廣州康臣擔任多個職位，包括業務經理、區域市場推廣經理、市場推廣總監及總裁助理。彼自2011年6月起為廣州康臣的副總裁。加入本集團前，唐先生曾於1987年10月至1998年6月期間在慈利縣百紡總公司工作。唐先生於1986年6月畢業於湖南商學院，主修市場推廣。

Directors and Senior Management Profile

董事及高級管理人員履歷

Mr. ZHOU Shangwen (周尚文), aged 48, is a vice president of GZ Consun. Mr. ZHOU joined our Group in April 2004 as a marketing manager for Guangdong province. Between April 2004 and June 2013, Mr. ZHOU served various positions at GZ Consun, such as regional marketing manager, marketing director for our kidney drugs and president assistant. He has been the vice president of GZ Consun since July 2013. Prior to joining our Group, Mr. ZHOU worked at 廣州市腦科醫院 (Guangzhou Brain Hospital) between July 1995 and March 1997. Between August 1997 and April 2004, Mr. ZHOU successively worked at 施維雅(天津)製藥有限公司 (Servier (Tianjin) Pharmaceutical Co., Ltd.). Mr. ZHOU graduated from 北京醫科大學 (Beijing Medical University) (now known as 北京大學醫學部 (Peking University Health Science Centre)) in July 1995 with a bachelor's degree in mental health.

Ms. FANG Lanfen (方蘭芬), aged 55, is a vice president of GZ Consun. Ms. FANG joined our Group in July 1999 as a business manager. Between July 1999 to July 2013, Ms. FANG served various positions at GZ Consun, such as business manager, regional marketing manager and marketing director. She has been the vice president of GZ Consun since July 2013. Prior to joining our Group, Ms. FANG worked at 固鎮縣醫院 (Guzhen County Hospital) between July 1985 and September 1989, and at 安徽省水利廳醫院 (Water Resource Department of Anhui Province Hospital) between September 1989 and July 1999. Ms. FANG graduated from 蚌埠醫學院 (Bengbu Medical College) with a bachelor's degree in medical in July 1985.

Mr. FANG Peicheng (方培城), aged 39, is the chief financial officer and president assistant of GZ Consun. Mr. FANG joined our Group in August 2010 as an audit manager. He has been the audit and legal director since January 2013, president assistant of GZ Consun since January 2015, and the chief financial officer since June 2016. Prior to joining our Group, Mr. FANG worked as audit supervisor at 西隴化工股份有限公司 (Xilong Chemical Company Limited) between May 2008 and July 2010.

周尚文先生，48歲，是廣州康臣的副總裁。周先生於2004年4月加入本集團出任廣東省市場推廣經理。2004年4月至2013年6月，周先生於廣州康臣擔任多個職位，包括腎藥的區域市場推廣經理及市場推廣總監和總裁助理。彼自2013年7月起為廣州康臣的副總裁。加入本集團前，周先生曾於1995年7月至1997年3月期間在廣州市腦科醫院工作。1997年8月至2004年4月，周先生於施維雅(天津)製藥有限公司工作。周先生於1995年7月畢業於北京醫科大學(現稱北京大學醫學部)，獲授心理健康學士學位。

方蘭芬女士，55歲，是廣州康臣的副總裁。方女士於1999年7月加入本集團出任業務經理。1999年7月至2013年7月，方女士於廣州康臣擔任多個職位，例如業務經理、區域市場推廣經理及市場推廣總監。彼自2013年7月起為廣州康臣的副總裁。方女士於加入本集團前，曾於1985年7月至1989年9月期間在固鎮縣醫院工作，1989年9月至1999年7月在安徽省水利廳醫院工作。方女士於1985年7月畢業於蚌埠醫學院，獲授醫療系學士學位。

方培城先生，39歲，是廣州康臣的總裁助理兼首席財務官。方先生於2010年8月加入本集團，出任審計經理。彼自2013年1月起出任審計法務總監，自2015年1月起為廣州康臣的總裁助理，及自2016年6月起兼任首席財務官。方先生於加入本集團前，於2008年5月至2010年7月期間擔任西隴化工股份有限公司審計主管。

Directors and Senior Management Profile 董事及高級管理人員履歷

Mr. FANG graduated from 南華工商學院(Nan Hua College of Industry and Commerce) major in computer accounting in July 2002, and graduated from 中國石油大學(華東)會計學專業 (China University of Petroleum (Eastern China) Accounting Profession) with a bachelor's degree in management in July 2008. Mr. FANG has the Audit Professional Qualification (Intermediate) granted by 中華人民共和國人力資源和社會保障部 (Ministry of Human Resources and Social Securities of the People's Republic of China). He is also a member of The Institute of Internal Auditors.

Mr. GAO Haien (高海恩), aged 49, is our Board secretary and the board secretary of GZ Consun. Mr. GAO joined our Group in August 2007 as the board secretary of GZ Consun. Mr. GAO has been the manager and legal representative of Guangzhou Consun Pharmaceutical and Inner Mongolia Consun since March 2013, and the manager and legal representative of Guangxi Yulin Pharmaceutical Group and Guangzhou Consun Pharmaceutical since August 2015. Mr. GAO also acted as a joint company secretary of the Company from 15 April 2014 to 31 May 2017. Prior to joining our Group, Mr. GAO successively served as a general manager of the accessories store and the assistant to headquarters general manager of 深圳市新亞工具連鎖店有限公司 (Shenzhen Sunyes Tools Co. Ltd.) from January 2006 to August 2007. Between July 1995 and January 2006, Mr. GAO successively served as a senior engineer of 萬威電子文儀廠 (IDT Data System Factory) and a technology manager of 深圳市奧美迪數碼科技有限公司(Shenzhen Aomeidi Digital Technology Co. Ltd.).

Mr. GAO graduated from 中國礦業大學 (China University of Mining and Technology) in July 1992 with a bachelor's degree in engineering and subsequently obtained a bachelor's degree in economics at the same university in January 1994. He obtained a master's degree in business administration at 中南財經政法大學 (Zhongnan University of Economics and Law) in June 2012. Mr. GAO holds 證券業專業水平級別證書(二級) (Professional Certificate in Securities (Band II)) granted by 中國證券業協會 (Securities Association of China) and 董事會秘書資格證書 (Board Secretary Certificate) granted by the Shenzhen Stock Exchange. He is also a member of Hong Kong Securities and Investment Institute.

方先生於2002年7月畢業於南華工商學院，主修會計電算化專業，於2008年7月畢業於中國石油大學(華東)會計學專業，獲授管理學學士學位。方先生持有由中華人民共和國人力資源和社會保障部頒授的審計專業資格證書(中級)。彼亦為國際內部審計師協會會員。

高海恩先生，49歲，是本公司的董事會秘書及廣州康臣的董事會秘書。高先生於2007年8月加入本集團出任廣州康臣的董事會秘書。自2013年3月起，高先生擔任廣州康臣藥業、內蒙古康臣的經理、法人代表，2015年8月擔任廣西玉林製藥集團、廣州康臣醫藥的經理、法人代表。於2014年4月15日至2017年5月31日期間，高先生亦曾擔任本公司的聯席公司秘書。加入本集團前，高先生於2006年1月至2007年8月先後擔任深圳市新亞工具連鎖店有限公司的配件店總經理及總部總經理助理。於1995年7月至2006年1月期間，高先生先後擔任萬威電子文儀廠的高級工程師及深圳市奧美迪數碼科技有限公司的技術經理。

高先生於1992年7月畢業於中國礦業大學，獲授工程學學士學位，後來彼於1994年1月在同一所大學取得經濟學學士學位。彼於2012年6月取得中南財經政法大學的工商管理碩士學位。高先生持有由中國證券業協會頒授的證券業專業水準級別證書(二級)及由深圳證券交易所頒授的董事會秘書資格證書。彼亦為香港證券及投資學會的會員。

Directors and Senior Management Profile

董事及高級管理人員履歷

COMPANY SECRETARY

Mr. YAU Chi Ming (丘志明), aged 51, has been our company secretary since he joined our Group in March 2013. Mr. YAU is responsible for our company secretarial matters and he has over 20 years of experience in finance and accounting. Mr. YAU is a certified public accountant and is a fellow of the Hong Kong Institute of Certified Public Accountants. He is also acting as an independent non-executive director of Cosmo Lady (China) Holdings Company Limited (stock code: 2298). In the past, he also acted as an independent non-executive director of other listed companies, including Common Splendor International Health Industry Group Limited (stock code: 286) (from February 2013 to June 2017), CircuTech International Holdings Limited (stock code: 8051) (from April 2015 to June 2016) and Chinese Energy Holdings Limited (stock code: 8009) (from August 2016 to January 2018). Prior to joining our Group, he worked at an international audit firm from August 1992 to November 1994 and from May 1995 to October 2012, during which he was promoted to partner in July 2007. Mr. YAU graduated from The University of Hong Kong in December 1992 with a bachelor's degree in social sciences.

公司秘書

丘志明先生，51歲，自2013年3月加入本集團以來為我們的公司秘書。丘先生負責本公司秘書事宜，彼於財務及會計方面擁有逾20年經驗。丘先生是執業會計師，為香港會計師公會資深會員。彼亦正在擔任都市麗人（中國）控股有限公司（股份代號：2298）之獨立非執行董事。於過去，彼亦曾擔其他上市公司的獨立非執行董事，包括同佳國際健康產業集團有限公司（股份代號：286）（2013年2月至2017年6月）、任訊智海國際控股有限公司（股份代號：8051）（2015年4月至2016年6月）以及華夏能源控股有限公司（股份代號：8009）（2016年8月至2018年1月）。加入本集團前，彼自1992年8月至1994年11月以及自1995年5月至2012年10月於一家國際審計事務所任職，其中彼於2007年7月晉升為合夥人。丘先生於1992年12月畢業於香港大學，獲授社會科學學士學位。

CORPORATE GOVERNANCE

Adapting and adhering to recognised standards of corporate governance principles and practices has always been one of the top priorities of the Company. The Board believes that good corporate governance is one of the areas that lead to the success of the Company and in balancing the interests of shareholders, customers and employees, and the Board is devoted to ongoing enhancements of the efficiency and effectiveness of such principles and practices.

The Company has adopted and complied with the code provisions (the “**Code Provisions**”) set out in Appendix 14 “Corporate Governance Code and Corporate Governance Report” to the Listing Rules during the year ended 31 December 2017.

MODEL CODE FOR SECURITIES TRANSACTIONS BY THE DIRECTORS

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. The Company confirms that, having made specific enquiry of all Directors, all the Directors have complied with the required standards of dealing as set out in the Model Code during the year ended 31 December 2017.

THE BOARD OF DIRECTORS

Composition

As at the date of this report, the Board currently comprises 7 Directors, of which three are executive Directors, one is non-executive Directors and three are independent non-executive Directors. The composition of the Board during 2017 and up to the date of this report is as follows:

Executive Directors

Mr. AN Yubao (*Chairman*)
Ms. LI Qian (*Chief Executive Officer*)
Professor ZHU Quan

企業管治

配合及遵守企業管治原則及常規之公認標準一直為本公司最優先原則之一。董事會相信良好的企業管治是引領本公司走向成功及平衡股東、客戶以及僱員間之利益之因素之一，而董事會致力於持續改善該等原則及常規之效率及有效性。

於截至2017年12月31日止年度，本公司已採納並遵守載列於上市規則附錄14《企業管治守則》及《企業管治報告》中的守則條文（「**守則條文**」）。

董事進行證券交易之標準守則

本公司已採納上市規則附錄10所載上市發行人董事進行證券交易的標準守則（「**標準守則**」）。經向所有董事作出具體查詢後，本公司確認於截至2017年12月31日止年度所有董事均已遵守標準守則所載有關買賣之規定標準。

董事會成員

組成

於本報告日期，董事會現時由7名董事組成，其中三人為執行董事；一人為非執行董事，三人為獨立非執行董事。於2017年度直至本報告日期的董事會成員組成如下：

執行董事

安郁寶先生 (*主席*)
黎倩女士 (*總裁*)
朱荃教授

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Non-executive Directors

Mr. LIN Sheng
Mr. WANG Shunlong (*Retired, with effect from 31 May 2017*)

Independent non-executive Directors

Mr. SU Yuanfu
Mr. FENG Zhongshi
Ms. CHENG Xinxin

Biographical details of current Directors are set out in the section headed “Directors and Senior Management Profile” on pages 24 to 34.

CONFIRMATION OF INDEPENDENCE

During the year of 2017, there were three independent non-executive Directors representing one third or more of the Board, and one of them, Ms. CHENG Xinxin has accounting professional qualifications. Each of the independent non-executive Directors has made an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors meet the independence guidelines set out in Rule 3.13 of the Listing Rules and thus are independent in accordance with the terms of the guidelines.

RESPONSIBILITIES OF THE BOARD AND MANAGEMENT

The Board is primarily responsible for overseeing and managing the Company's affairs, including the responsibilities for the adoption of long-term strategies and appointing and supervising senior management to ensure that the operation of the Group is conducted in accordance with the objective of the Group. The Board is also responsible for determining the Company's corporate governance policies which include: (i) development and review of the Company's policies and practices on corporate governance; (ii) review and monitoring of the training and continuous professional development of Directors and senior management; (iii) review and monitoring of the code of conduct and compliance manual applicable to employees and Directors; and (iv) review of the Company's disclosure in the Corporate Governance Report.

非執行董事

林盛先生
王順龍先生 (*已退任，於2017年5月31日生效*)

獨立非執行董事

蘇元福先生
馮仲實先生
成欣欣女士

現任董事的履歷詳細信息載於第24至34頁的「董事及高級管理人員履歷」一節。

獨立性確認

於2017年度內，本公司有三名獨立非執行董事，為董事會人數的三分之一或以上，其中成欣欣女士具備會計專業資格。每名獨立非執行董事已依據上市規則第3.13條規定就獨立性作出年度確認。本公司認為全體獨立非執行董事均符合上市規則第3.13條所載的獨立指引，因此根據該等指引條款，彼等均為獨立人士。

董事會及管理層之職責

董事會主要負責監察及管理本公司事務，包括負責採納長遠策略以及委任與監督高級管理層，以確保本集團按照本身宗旨經營業務。董事會亦負責釐定本公司之企業管治政策，包括：(i)制訂及審閱本公司之企業管治政策及常規；(ii)審閱及監察董事及高級管理層之培訓及持續專業發展情況；(iii)審閱及監察適用於僱員及董事之行為守則及合規指引；及(iv)審閱本公司於企業管治報告內披露之資料。

While at all times the Board retains full responsibility for guiding and monitoring the Company in discharging its duties, certain responsibilities are delegated to various Board committees which have been established by the Board to deal with different aspects of the Company's affairs. Unless otherwise specified in their respective written terms of reference as approved by the Board, these Board committees are governed by the Company's articles of association ("**Articles of Association**") as well as the Board's policies and practices (in so far as the same are not in conflict with the provisions contained in the Articles of Association). With the new composition of members of the nomination committee, remuneration committee and audit committee, the independent non-executive Directors will be able to effectively devote their time to perform the duties required by the respective Board committees.

The Board has also delegated the responsibility of implementing its strategies and the day-to-day operation to the management of the Company under the leadership of the executive Directors. Clear guidance has been made as to the matters that should be reserved to the Board for its decision which include matters on, inter alia, capital, finance and financial reporting, internal controls, communication with shareholders, Board membership, delegation of authority and corporate governance.

The Board acknowledges its responsibility for the preparation of the financial statements which give a true and fair view of the state of affairs of the Group. The financial statements set out on pages 86 to 207 were prepared on the basis set out in note 1(b) to the financial statements. Financial results of the Group are announced in a timely manner in accordance with statutory and/or regulatory requirements. The declaration of reporting responsibility issued by the external auditor of the Company on the Company's financial statements is set out in the Independent Auditor's Report on pages 73 to 85.

儘管引領及監督本公司履行職責之責任在任何時候均由董事會全權承擔，然而若干責任已轉授至多個董事會委員會。該等委員會乃由董事會設立以處理本公司各方面之事務。除經董事會批准之各自書面職權範圍另有訂明外，該等董事會委員會乃受本公司之組織章程細則（「**組織章程細則**」）以及董事會之政策及常規（只要並無與組織章程細則所載條文有所抵觸）規管。提名委員會、薪酬委員會及審核委員會之新成員組成架構將能夠容許獨立非執行董事有效地投放時間履行各董事會委員會所規定的職務。

董事會亦已向執行董事領導下之本公司管理層轉授施行其策略及日常營運之責任。本公司已就應交由董事會決策之事宜訂立清晰指引，其中包括與資本、融資及財務報告、內部監控、股東溝通、董事會成員、轉授權力及企業管治有關之事宜。

董事會知悉其須負責編製真實而公允地反映本集團事務狀況之財務報表。載於第86至207頁之財務報表乃按財務報表附註1(b)所載基準編製。本集團之財務業績根據法定及／或監管規定適時公佈。本公司外聘核數師就本公司財務報表發出之申報責任聲明載於第73至85頁之獨立核數師報告。

Corporate Governance Report

企業管治報告

BOARD MEETINGS

The Board is scheduled to meet regularly at least four times a year (does not include obtaining Board consent through circulating written resolutions) at approximately quarterly intervals, to discuss the overall strategy as well as the operational and financial performance of the Company. Other Board meetings will be held when necessary. Such Board meetings involve the active participation, either in person or through other electronic means of communication, of a majority of Directors. During the year of 2017, the Board held 7 meetings.

GENERAL MEETINGS

An extraordinary general meeting was held by the Company on 11 April 2017 and an annual general meeting was held by the Company on 31 May 2017. Details of Directors' attendance are as follows:

董事會會議

董事會每年至少召開四次定期會議（不包括透過傳閱書面決議方式取得的董事會批准），約每季度一次，藉以討論本公司的整體策略以及經營和財務表現。其他董事會會議將於需要時召開。該等董事會會議由大多數董事親身或通過其他電子通訊方式積極參與。於2017年，本公司共召開7次會議。

股東大會

於2017年4月11日，本公司舉行了股東特別大會，而於2017年5月31日，本公司舉行了股東周年大會，各董事出席會議的詳情如下：

Director	董事	No. of attendance/ No. of board meetings 出席次數／ 董事會會議次數	No. of attendance/ No. of general meetings 出席次數／ 股東大會次數
Executive Directors			
Mr. AN Yubao (<i>Chairman</i>)	執行董事 安郁寶先生 (主席)	7/7	2/2
Ms. LI Qian (<i>Chief Executive Officer</i>)	黎倩女士 (總裁)	7/7	2/2
Professor ZHU Quan	朱荃教授	7/7	1/2
Non-Executive Directors			
Mr. LIN Sheng	非執行董事 林盛先生	7/7	2/2
Mr. WANG Shunlong (<i>Retired, with effect from 31 May 2017</i>)	王順龍先生 (已退休， 於2017年5月31日生效)	3/3	1/1
Independent Non-Executive Directors			
Mr. SU Yuanfu	獨立非執行董事 蘇元福先生	7/7	1/2
Mr. FENG Zhongshi	馮仲實先生	7/7	2/2
Ms. CHENG Xinxin	成欣欣女士	7/7	2/2

At least 14 days' notices are given to all Directors in advance for attending regular and other Board meetings. Meeting agendas and other relevant information are provided to the Directors at least 3 days before the date of the Board meetings. All Directors are consulted to include additional matters in the agenda for Board meetings and have access to the advice and services of the company secretary with a view to ensuring that Board procedures, and all applicable rules and regulations, are followed.

Both draft and final versions of the minutes are sent to all Directors for their comment and records. Minutes of Board meetings are kept by the company secretary and such minutes are open for inspection at any reasonable time on reasonable prior notice by any Director.

CONTINUOUS PROFESSIONAL DEVELOPMENT

By providing all Directors with relevant guideline, updated materials and training regarding the relevant laws and applicable regulations, the duties and responsibilities of being a Director, and relevant disclosure requirements, the Group ensure that each Director understands and is familiar with the relevant rules and the latest development. The Group has also provided funding to each Director, to encourage Directors to participate in various continuous professional development courses, to ensure that each Director continue to possess the necessary knowledge and skills to take part in and contribute to the Board's affairs.

在董事出席定期會議和其他董事會會議之前，本公司會提前向各董事發送不少於14天的通知。會議議程和其他相關資料會在董事會會議日期最少3日之前向董事提供。所有董事均被諮詢意見，以將附加事項列入董事會會議議程內，及董事可獲得公司秘書的意見和服務，確保董事會程序及所有適用規則及規例均獲得遵守。

會議記錄的草擬本及最終版本均會寄發予所有董事，以供彼等發表意見及留作記錄。董事會會議記錄由公司秘書備存，若有任何董事發出合理事先通知，有關會議記錄可供其在任何合理的時段查閱。

持續專業發展

本集團透過向所有董事提供有關相關法律、適用法規、作為董事的職責和責任及相關披露要求的相關指引、更新資料及培訓，以確保每名董事均瞭解和熟悉相關規則的最新發展。本集團亦已向各董事提供經費，鼓勵董事參與持各種持續專業發展課程，以確保各董事持續具備所需之知識及技能參與董事會事務及作出貢獻。

Corporate Governance Report

企業管治報告

For the year of 2017, the Directors' participation in continuous professional development training is as follows:

於2017年度，董事參與的持續專業發展培訓如下：

Training related to corporate governance, regulatory development and other relevant professional topics
有關企業管治、監管發展及其他相關專業主題的培訓

Director	董事	
Executive Directors		
Mr. AN Yubao (<i>Chairman</i>)	安郁寶先生 (主席)	√
Ms. LI Qian (<i>Chief Executive Officer</i>)	黎倩女士 (總裁)	√
Professor ZHU Quan	朱荃教授	√
Non-Executive Directors		
Mr. LIN Sheng	林盛先生	√
Mr. WANG Shunlong (<i>Retired, with effect from 31 May 2017</i>)	王順龍先生 (已退任，於2017年5月31日生效)	√
Independent Non-Executive Directors		
Mr. SU Yuanfu	蘇元福先生	√
Mr. FENG Zhongshi	馮仲實先生	√
Ms. CHENG Xinxin	成欣欣女士	√

All Directors have provided record of training attendance and the Company will continue to arrange and/or fund the training in accordance with paragraph A.6.5 of the Code Provisions.

所有董事已提供出席培訓的記錄，而本公司也將繼續依據守則條文第A.6.5段規定安排培訓及／或為培訓提供資金。

APPOINTMENT AND RE-ELECTION

All Directors have entered into letters of appointment with the Company for a specific term of three years from the date of appointment, subject to re-election.

委任及重選

各董事均已與本公司訂立委聘書，自委聘日期起之指定年期為三年，可重選連任。

In accordance with the Articles of Association of the Company, at each annual general meeting one third of the Directors for the time being shall retire from office by rotation. However, if the number of Directors is not a multiple of three, then the number nearest to but not less than one third shall be the name of retiring Directors. The Directors who shall retire in each year will be those who have been longest in the office since their last re-election or appointment but as for persons who became or were last re-elected as Directors on the same day those to retire will (unless they otherwise agree among themselves) be determined by lot. Such retiring Directors may, being eligible, offer themselves for re-election at the annual general meeting. All Directors appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of shareholders after their appointment and be subject to re-election at such meeting and all Directors appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting and shall then be eligible for re-election.

BOARD COMMITTEES

NOMINATION COMMITTEE

The Company established a nomination committee (the “**Nomination Committee**”) on 2 December 2013 with written terms of reference in compliance with paragraph A.5.2 of the Code Provisions. Its terms of reference are available on the websites of the Company and the Stock Exchange.

根據本公司之組織章程細則，於每屆股東周年大會上，三分一的當時在任董事須輪值退任。然而，倘董事人數並非三之倍數，則最接近但不少於三分之一之董事須退任。各年度須退任之董事將為自最近一次獲重選連任或獲委任以來在任時間最長者，惟倘多名董事於同一日就職或於最近一次獲重選為董事，則以抽籤決定須退任之董事（除非彼等之間另有協定）。有關退任董事合資格於股東周年大會上膺選連任。所有獲董事會委任以填補臨時空缺之董事，其任期將直至獲委任後首次股東大會為止，屆時須於會上接受重選；而所有獲董事會就現有董事會新增議席委任之董事，其任期則僅至下屆股東周年大會為止，屆時將符合資格重選連任。

董事會委員會

提名委員會

本公司已於2013年12月2日成立提名委員會（「**提名委員會**」），並遵照守則條文第A.5.2段以書面釐定其職權範圍，其職權範圍可於本公司及聯交所網站查閱。

Corporate Governance Report 企業管治報告

The primary duties of the Nomination Committee are to review the structure, size and composition of the Board on regular basis; identify individuals suitably qualified to become Board members; assess the independence of independent non-executive Directors; and make recommendations to the Board on relevant matters relating to the appointment or re-election of Directors. When identifying suitable candidates for directorship, the Nomination Committee will carry out the selection process by making reference to a series of criteria as bases, including but not limited to skills, experience, education background, professional knowledge, personal integrity and time commitments of the proposed candidates, and taking into consideration of the Company's Board Diversity Policy. All candidates must be able to meet the standards as set forth in Rules 3.08 and 3.09 of the Listing Rules. A candidate who is to be appointed as an independent non-executive Director should also meet the independence criteria set out in Rule 3.13 of the Listing Rules. Qualified candidates will then be recommended to the Board for approval.

As at the date of this annual report, the Nomination Committee comprises three members and two of them are independent non-executive Directors, namely Mr. SU Yuanfu (*Chairman*), Ms. CHENG Xinxin and one Executive Director, namely Mr. AN Yubao. In 2017, the Nomination Committee held one meeting and details of the committee members' attendance are as follows:

Committee member	委員會成員	No. of attendance/ No. of committee meeting 出席次數 / 委員會會議次數
Independent non-Executive Directors	獨立非執行董事	
Mr. SU Yuanfu (<i>Committee Chairman</i>)	蘇元福先生 (<i>委員會主席</i>)	1/1
Ms. CHENG Xinxin	成欣欣女士	1/1
Executive Director	執行董事	
Mr. AN Yubao	安郁寶先生	1/1

The Nomination Committee reviewed the structure, size and composition of the Board, and assessed the independence of the independent non-executive Directors and concluded that the Company's Board Diversity Policy has been properly implemented.

提名委員會的主要職責為定期檢討董事會的架構、大小和組成；物色具備合適資格成為董事會成員的人選；評核獨立非執行董事的獨立性；以及就有關董事委任或重選連任的相關事宜向董事會提供建議。在物色合適的董事候選人時，提名委員會將透過參考一系列準則作為基準，包括但不限於建議候選人的技能、經驗、教育背景、專業知識、個人誠信和承諾時間，以及考慮本公司的董事會多元化政策而進行甄選程序。所有候選人必須能夠滿足上市規則第3.08和3.09條所規定之標準。將被委任為獨立非執行董事的候選人亦須滿足上市規則第3.13條規定的獨立性標準。合資格的候選人隨後將推薦予董事會以供批准。

於本年報發佈之日，提名委員會由三名成員組成，其中兩名為獨立非執行董事（分別為蘇元福先生（主席）與成欣欣女士）以及一名為執行董事（為安郁寶先生）。於2017年，提名委員會舉行了一次會議，各委員會成員出席會議的詳情如下：

提名委員會檢討了董事會的架構、規模和組成，評核了獨立非執行董事的獨立性，以及認同本公司的董事會多元化政策已獲妥善執行。

BOARD DIVERSITY POLICY

The Company recognizes and embraces the benefits of having a diverse Board to enhance the quality of its performance. With a view to achieving a sustainable and balanced development, the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development, and has adopted the Board Diversity Policy.

All Board appointments will be based on meritocracy, and candidates will be considered against appropriate criteria, having due regard for the benefits of diversity on the Board. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural background and ethnicity, in addition to educational background, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

For the purpose of implementation of the Board Diversity Policy, the following measurable objectives were adopted:

- (A) at least 40% of the members of the Board shall be non-executive directors or independent non-executive directors;
- (B) at least 1/3 of the members of the Board shall be independent non-executive directors;
- (C) at least 1 of the members of the Board shall have obtained accounting or relevant financial management professional qualifications;
- (D) at least 50% of the members of the Board shall have 7 years or more of experience in the industry he/she is specialised in; and
- (E) at least 2 of the members of the Board shall have China-related work experience.

董事會多元化政策

本公司明白並深信董事會成員多元化對提升其表現素質裨益良多。為達致可持續及均衡的發展，本公司視董事會層面日益多元化為支持其達到戰略目標及維持可持續發展的關鍵元素，並已採納董事會多元化政策。

董事會所有委任均將以用人唯才為原則，並在考慮人選時以適當的準則充分顧及董事會成員多元化的裨益。甄選人選將按一系列多元化範疇為基準，除教育背景、專業經驗、技能、知識及服務任期外，亦包括但不限於性別、年齡、文化背景及種族。最終將按人選的長處及可為董事會提供的貢獻而作出決定。

就實施董事會多元化政策而言，以下可計量目標已被採納：

- (A) 至少40%董事會成員須為非執行董事或獨立非執行董事；
- (B) 至少1/3董事會成員須為獨立非執行董事；
- (C) 至少1名董事會成員須獲得會計或相關的財務管理專業資格；
- (D) 至少50%董事會成員須於其專長的行業擁有7年或以上經驗；及
- (E) 至少2名董事會成員須擁有中國相關工作經驗。

REMUNERATION COMMITTEE

The Company established a remuneration committee (the “**Remuneration Committee**”) on 2 December 2013 with written terms of reference in compliance with paragraph B.1.2 of the Code Provisions. Its terms of reference are available on the websites of the Company and the Stock Exchange.

The Remuneration Committee has adopted the model that it will review the proposals made by the management on the remuneration of executive Directors and senior management and make recommendation to the Board. The Board will have final authority to approve the recommendations made by the Remuneration Committee. The primary duties of the Remuneration Committee also include making recommendation to the Board on the overall remuneration policy and structure relating to all Directors and senior management of the Group and to ensure none of the Directors determine their own remuneration. The emoluments of executive Directors are determined based on the skills, knowledge, individual performance as well as contributions, the scope of responsibility and accountability of such Directors, taking into consideration of the Company’s performance and prevailing market conditions. The remuneration policy of independent non-executive Directors is to ensure that the independent non-executive Directors are adequately compensated for their efforts and time dedicated to the Company’s affairs including their participation in respective Board committees. The emoluments of independent non-executive Directors are determined with reference to their skills, experience, knowledge, duties and market trends.

薪酬委員會

本公司已於2013年12月2日成立薪酬委員會（「**薪酬委員會**」），並已遵照守則條文第B.1.2段以書面釐定其職權範圍，其職權範圍可於本公司及聯交所網站查閱。

薪酬委員會已採納將由其檢討管理層所提出有關執行董事及高層管理人員的薪酬方案後向董事會提出建議的模式。董事會將擁有最終權力以批准經薪酬委員會提出的建議。薪酬委員會的主要職責亦包括就本集團所有董事及高級管理層的整體薪酬政策及架構向董事會作出推薦意見，以及確保董事並無自行釐定其本身的薪酬。執行董事的薪酬乃基於該董事的技能、知識、個人表現及貢獻、責任及職責的範圍，並考慮到本公司的表現及現行市況後釐定。獨立非執行董事的薪酬政策是要確保獨立非執行董事對參與本公司事務（包括其於各董事委員會的參與程度）所作出的努力以及付出的時間得到充分的補償。獨立非執行董事的薪酬乃參考其技能、經驗、知識、職責和市場趨勢釐定。

As the date of this annual report, the Remuneration Committee consists of three members and two of them are independent non-executive Directors, namely Mr. FENG Zhongshi (*Chairman*), Mr. SU Yuanfu and one executive Director, namely Ms. LI Qian. In 2017, the Remuneration Committee held one meeting and details of the committee members' attendance are as follows:

於本年報發佈之日，薪酬委員會由三名成員組成，其中兩名為獨立非執行董事（分別為馮仲實先生（主席）與蘇元福先生）以及一名為執行董事（為黎倩女士）。於2017年，薪酬委員會舉行了一次會議，各委員會成員出席會議的詳情如下：

Committee member	委員會成員	No. of attendance/ No. of committee meeting 出席次數／委員會會議次數
Independent non-Executive Directors		
Mr. FENG Zhongshi (<i>Committee Chairman</i>)	馮仲實先生 (<i>委員會主席</i>)	1/1
Mr. SU Yuanfu	蘇元福先生	1/1
Executive Director		
Ms. LI Qian	黎倩女士	1/1

The Remuneration Committee assessed the performance, reviewed the proposal made by management on the remuneration of executive Directors and senior management and made recommendation to the Board on the remuneration packages of individual executive directors and senior management. Details of remuneration of Directors are set out in note 6 to the Financial Statements.

薪酬委員會評核了其表現，檢討了管理層所提出有關執行董事及高級管理人員的薪酬方案，並向董事會就有關個別執行董事及高級管理人員的薪酬提出建議。董事薪酬的詳情載於財務報表附註6。

AUDIT COMMITTEE

The Company established an audit committee (the “**Audit Committee**”) on 2 December 2013 with written terms of reference in compliance with paragraph C3.3 and C3.7 of the Code Provisions. Its terms of reference were amended on 16 December 2015 and came into effective from 1 January 2016, which are available on the websites of the Company and the Stock Exchange.

審核委員會

本公司已於2013年12月2日成立審核委員會（「**審核委員會**」），並已遵照守則條文第C3.3和C3.7段以書面釐定其職權範圍。職權範圍於2015年12月16日獲修訂及於2016年1月1日生效，於本公司及聯交所網站可供查閱。

Corporate Governance Report 企業管治報告

The Audit Committee reports to the Board and has held regular meetings to review and make recommendations to improve the Group's financial reporting process, risk management and internal controls. The primary duties of the Audit Committee, among other things, are to make recommendation to the Board on the appointment, re-appointment and removal of external auditor, review the financial statements and oversee financial reporting, risk management and internal control procedures of the Group.

As at the date of this report, the Audit Committee consists of three members and all of them are independent non-executive Directors, namely Ms. CHENG Xinxin (*Chairlady*), Mr. FENG Zhongshi and Mr. SU Yuanfu. Mr. SU Yuanfu was appointed as a member of the Audit Committee on 31 May 2017 upon the retirement of the previous member, Mr. Wang Shunlong who was a non-executive Director. The Audit Committee has reviewed with management of the Company the accounting principles and practices adopted by the Group, and discussed internal controls and financial reporting matters. The Audit Committee also met with the external auditors and reviewed the Annual Results.

In 2017, the Audit Committee held two meetings and details of the committee members' attendance are as follows:

審核委員會向董事會報告，並定期召開會議以檢討並提出推薦建議以改進本集團的財務報告程序、風險管理及內部監控。審核委員會的主要職責為（其中包括）就對外聘核數師的委任、重新委任和解聘向董事會提供推薦建議、審閱財務報表及監察本集團的財務報告、風險管理和內部監控程序。

於本報告日期，審核委員會由三名成員組成，均為獨立非執行董事（分別為成欣欣女士（主席）、馮仲實先生及蘇元福先生）。蘇元福先生於2017年5月31日獲委任為審核委員會成員，接替退任之前任成員非執行董事王順龍先生。審核委員會已與本公司管理層檢討本集團所採納的會計原則及常規，並商討內部監控及財務報告事宜。審核委員會亦與外聘核數師會面，並已審閱全年業績。

於2017年，審核委員會舉行了兩次會議，各委員會成員出席會議的詳情如下：

Committee member	委員會成員	No. of attendance/ No. of committee meeting 出席次數 / 委員會會議次數
Independent non-Executive Directors		
Ms. CHENG Xinxin (<i>Committee Chairlady</i>)	成欣欣女士 (委員會主席)	2/2
Mr. FENG Zhongshi (<i>Appointed on 31 May 2017</i>)	馮仲實先生 (於2017年5月31日獲委任)	2/2
Mr. SU Yuanfu	蘇元福先生	1/1
Non-Executive Director		
Mr. WANG Shunlong (<i>Retired, with effect from 31 May 2017</i>)	王順龍先生 (已退任，於2017年5月31日生效)	1/1

The Audit Committee has reviewed with management of the Company the accounting principles and practices adopted by the Group, and discussed risk management, internal controls and financial reporting matters. The Audit Committee also met with the external auditors and reviewed this annual report of the Company. The Board has not taken a different view from the Audit Committee on the selection, appointment, designation or dismissal of external auditors.

AUDITOR'S REMUNERATION

During the year of 2017, the Company engaged KPMG as the external auditors. Apart from providing audit services, KPMG also provided interim financial statements review and tax consulting services. The fees in respect of audit and non-audit services provided by KPMG for the year ended 31 December 2017 amounted to approximately RMB2,100,000 and RMB770,000, respectively.

The reporting responsibilities of KPMG are set out in the Independent Auditor's Report on pages 73 to 85.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibility for ensuring the Group to maintain a sound and effective risk management and internal control system, and making review on its effectiveness at least once a year. The Audit Committee assists the Board in fulfilling its governance role over finance, operations, compliance, risk management and internal control of the Group. The Group's Audit and Legal Centre assists the Board and the Audit Committee in reviewing the effectiveness of the Company's risk management and internal control system on an ongoing basis. The Board is regularly updated on significant risks which may affect the performance of the Group.

審核委員會已與本公司管理層審閱本集團所採納的會計原則及慣例，並討論了風險管理、內部監控與財務報告事宜。審核委員會亦與本公司外聘核數師會面，並已審閱本公司的本年度報告。董事會概無就外聘核數師的選擇、委任、指定或解聘事宜與審核委員會持不同意見。

核數師薪酬

於2017年度，本公司委任畢馬威會計師事務所作為本公司外聘核數師。除提供審計服務外，畢馬威會計師事務所亦提供中期財務報表審閱及稅務諮詢服務。由畢馬威會計師事務所提供的截至2017年12月31日止年度的審計及非審計服務收費分別約為人民幣2,100,000元及人民幣770,000元。

畢馬威會計師事務所的報告職責載於獨立核數師報告第73至85頁。

風險管理及內部監控

董事會確認其確保本集團維持健全有效風險管理及內部監控系統的責任，以及至少每年檢討一次其成效。審核委員會協助董事會履行其對於本集團財務、運營、合規、風險管理及內部監控等管治職能。集團審計法務中心協助董事會及審核委員會持續檢討本公司風險管理及內部監控系統的成效。董事會可定期獲悉可能影響本集團表現的重大風險。

Corporate Governance Report 企業管治報告

The Group's internal control system is designed to safeguard assets against misappropriation and unauthorized disposition, to ensure compliance of relevant ordinances and rules, to ensure proper maintenance of accounting records for provision of reliable financial information used within the business or for publication and to manage operational risks. The controls built into the risk management system are intended to manage, not eliminate, significant risks in the Group's business environment. Such systems are designed to manage rather than eliminate the risk of failure to business objective, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Group has established on-going procedures for identifying, assessing and managing the significant risks involved with the Group. Meanwhile, it reviews the effectiveness of the relevant internal control system. These procedures include but not limited to: (1) the Group has established and continued to improve the risk management structure and internal control mechanism, and has regularly conducted project audit and annual risk assessment according to the risk management system code and annual plan; (2) to identify the significant risks involved in the business and assess the impact of such risks on the business of the Group; (3) information gathering channels, to ensure material or potential inside information being captured and kept confidential until timely disclosure is made in accordance with the Listing Rules; (4) to conduct gap analysis on the internal control measures in response to the significant risks, and make recommendations on the improvement of its internal audit functions; and (5) to continuously follow up and supervise the implementation of relevant measures against the recommended improvements.

The Group's Audit and Legal Centre assists in implementing the risk management practices and prepares regular work reports on whether the relevant internal control is adequate and effective in the previous year. The Audit Committee will report to the Board on the implementation of the risk management and internal control policy, including the identification of risk factors and assessment on which grades of risks are acceptable by the Group and the effectiveness of risk management and internal control policy.

本集團的內部監控系統乃為確保資產不會被不當挪用及未經授權處置、確保遵守有關法例及規則、確保有關為業務用途或刊發而提供可靠財務資料之會計記錄得到妥善保管以及管理經營風險設計。風險管理系統中設立的監控乃為管理而非消除本集團業務環境的重大風險。該等系統旨在管理而非消除未能達成業務目標的風險，並僅可就不會有重大的失實陳述或損失作出合理而非絕對的保證。

本集團已建立持續程序，藉以辨別、評估及管理本集團所面臨的重大風險，同時檢討相關內部監控系統的成效。該等程序包括但不限於：(1)本集團已建立並持續完善風險管理組織體系及內部控制機制，按照風險管理制度守則和年度計劃開展定期的項目審計和年度風險評估工作；(2)識別本集團業務所涉及的重大風險及評估該等風險對本集團業務的影響；(3)信息收集渠道，確保能掌握重大或潛在內幕消息並加以保密，直至按上市規則作出適時的披露；(4)針對重大風險進行內部控制措施差距分析及提出內審職能改善建議；及(5)針對改進建議持續跟進督促相關措施的落實。

本集團審計法務中心協助實行風險管理常規，就上一年度有關內部監控是否足夠及有效編製定期工作報告。審核委員會將向董事會呈報風險管理及內部監控政策的執行情況，其中包括識別風險因素、評估本集團能承受的風險級別及風險管理和內部控制政策有效性。

Based on the report prepared by the Group's Audit and Legal Centre and Audit Committee, the Board believes that the risk management and internal control system of the Group is proper and effective, and the Group has complied with the provisions of risk management and internal control as contained in the corporate governance code. The Group will continue to review the effectiveness of the risk management and internal control system in coming years.

COMPANY SECRETARY

Mr. YAU Chi Ming, being our company secretary, is primarily responsible for the company secretarial work of the Group. Mr. YAU attended no less than 15 hours of relevant professional training during 2017.

SHAREHOLDERS' RIGHTS

The shareholders of the Company may make requisition for the convening of an extraordinary general meeting ("EGM") of the Company in accordance with the procedures set out in the Articles of Association as follows:

- (1) Any one or more shareholders, who at the date of deposit of the requisition hold not less than one tenth of the paid up capital of the Company having the right of voting at general meetings, shall have the right, by written notice, to require an EGM to be called by the Directors of the Company for the transaction of any business specified in such requisition.

根據本集團審計法務中心及審核委員會編製的報告，董事會認為，本集團的風險管理及內部監控系統屬適當及有效，且本集團已遵守企業管治守則所載之風險管理及內部監控條文。本集團將在以後年度持續檢討風險管理及內部監控系統的有效性。

公司秘書

丘志明先生為本公司的公司秘書，其主要職責為負責本集團的公司秘書工作。丘先生於2017年度已參與不少於15小時的相關專業培訓。

股東權利

本公司股東可根據以下組織章程細則所載的程序要求召開本公司股東特別大會（「股東特別大會」）：

- (1) 在遞交請求當日持有本公司繳足股本不少於十分之一，而有權於股東大會上投票的任何一名或以上的股東，應有權以書面通知要求本公司董事就該請求所指定任何業務交易召開股東特別大會。

Corporate Governance Report 企業管治報告

- (2) Such requisition shall be made in writing to the Board or the company secretary of the Company at the following:

Principal place of business of the Company in the PRC

Address: 71, Dongpeng Avenue, Eastern section, Guangzhou Economic and Technological Development District, Guangzhou, PRC
Email: ir@chinaconsun.com
Attention: Company Secretary

Registered Address of the Company

Address: Clifton House, 75 Fort Street, PO Box 1350, Grand Cayman KY 1-1108, Cayman Islands
Attention: Company Secretary

- (3) The Board will convene an EGM within 21 days from the date of deposit of the requisition.
- (4) If within 21 days of such deposit, the Board does not proceed duly to convene such EGM, the requisitionists themselves may do so in the same manner, as nearly as possible, as that in which meetings may be convened by the Board, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

For matters in relation to the Board, the Shareholders can contact the Company at the following:

Address: 71, Dongpeng Avenue, Eastern section, Guangzhou Economic and Technological Development District, Guangzhou, PRC
Email: ir@chinaconsun.com
Tel: (86) 20-82264529
Fax: (86) 20-82261886
Attention: Company Secretary

- (2) 該請求須以書面形式遞交至以下地址致董事會或本公司公司秘書：

本公司的中國主要營業地點

地址：中國廣州廣州經濟技術開發區東區東鵬大道71號
電郵：ir@chinaconsun.com
聯絡人：公司秘書

本公司的註冊地址

地址：Clifton House, 75 Fort Street, PO Box 1350, Grand Cayman KY 1-1108, Cayman Islands
聯絡人：公司秘書

- (3) 董事會將自遞交請求日期起21日內召開股東特別大會。
- (4) 倘董事會未能在有關請求遞交後21日內正式召開有關股東特別大會，則請求者本身可盡可能按與董事會可能召開會議的相同方式召開會議，而本公司須向彼等償付因董事會未能召開會議而致使請求者產生之一切合理開支。

有關董事會的事宜，股東可以通過以下途徑聯絡本公司：

地址：中國廣州廣州經濟技術開發區東區東鵬大道71號
電郵：ir@chinaconsun.com
電話：(86) 20-82264529
傳真：(86) 20-82261886
聯絡人：公司秘書

To put forward proposals at a general meeting of the Company, a shareholder should lodge a written notice of his or her proposal (“**Proposal**”) with his or her detailed contact information at the Company’s principal place of business in Hong Kong, the address is: 22nd Floor, World-Wide House, 19 Des Voeux Road Central, Hong Kong.

The request will be verified with the Company’s branch share registrars in Hong Kong and upon their confirmation that the request is proper and in order, the Board will be asked to include the Proposal in the agenda for the general meeting.

The notice period to be given to all the shareholders for consideration of the Proposal raised by the shareholder concerned at the general meeting varies according to the nature of the Proposal as follows:

- (1) At least 14 days’ notice in writing if the Proposal requires approval by way of ordinary resolution of the Company.
- (2) At least 21 days’ notice in writing if the Proposal requires approval by way of a special resolution of the Company in an EGM of the Company or an ordinary resolution of the Company in an annual general meeting of the Company.

INVESTOR RELATIONS AND COMMUNICATION

The Board recognizes the importance of good communications with all shareholders. The Company believes that maintaining a high level of transparency is a key to enhance investor relations. The Company is committed to a policy of open and timely disclosure of corporate information to its shareholders and public investors.

如欲向本公司股東大會提呈議案，股東應將其議案（「議案」）連同詳細聯絡資料的書面通知送呈本公司之香港主要營業地點，地址為：香港德輔道中19號環球大廈22樓。

該要求將由本公司之香港股份過戶登記分處核實，待確認該要求屬適當及符合程序後，即要求董事會將議案納入股東大會議程內。

供全體股東考慮相關股東向股東大會所提呈議案之通知期，視乎議案性質而定，詳情如下：

- (1) 須以本公司普通決議案形式批准之議案，最少給予14天書面通知期。
- (2) 須於本公司股東特別大會以本公司特別決議案或於本公司股東周年大會以本公司普通決議案形式批准之議案，最少給予21天書面通知期。

投資者關係及溝通

董事會深知與全體股東保持良好溝通的重要性。本公司相信維持高透明度乃為提升投資者關係的關鍵所在。本公司承諾向其股東及公眾投資者公開且及時地披露公司資料。

Corporate Governance Report 企業管治報告

The Company updates its shareholders on its latest business developments and financial performance through its corporate publications including interim and annual reports and public announcements. Extensive information about the Company's activities for the year ended 31 December 2017 has been provided in this annual report. While the annual general meeting provides a valuable forum for direct communication between the Board and its shareholders, the Company also maintains its website (<http://www.chinaconsun.com>) to provide an alternative communication channel for the public and its shareholders. All corporate communication and Company's latest updates are available on the Company's website for public's information.

During the year ended 31 December 2017, there has been no significant change in the Company's constitutional documents.

Hong Kong, 21 March 2018

本公司透過公司刊物（包括中期報告、年報及公告）為股東提供最新的業務發展及財務表現。本年報已提供大量本公司截至2017年12月31日止年度的業務資料。股東周年大會為董事會及其股東提供寶貴的直接溝通機會，而本公司亦透過其網站（<http://www.chinaconsun.com>）向公眾及其股東提供另一種溝通管道。所有公司通訊及本公司的最新資訊均可於本公司的網站供公眾查閱。

於截至2017年12月31日止年度，本公司的法律組織章程文件並無重大變更。

香港，2018年3月21日

The Board of the Company are pleased to present the annual report together with the audited consolidated financial statements (the “**Financial Statements**”) of the Group for the year ended 31 December 2017.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is investment holding and those of the principal subsidiaries of the Company are set out in note 15 to the Financial Statements.

Further discussion and analysis of these activities as required by Schedule 5 to the Hong Kong Companies Ordinance, including a discussion of the principal risks and uncertainties facing the Group and an indication of likely future developments in the Group’s business, can be found in the Chairman’s statement and the Management Discussion and Analysis set out on pages 5 to 14 and pages 16 to 23 of this annual report, which form part of this director’s report.

RESULTS AND APPROPRIATIONS

The Group’s annual results for the year ended 31 December 2017 and its state of affairs as at 31 December 2017 are set out in the Financial Statements on pages 86 to 207.

The Company paid an interim dividend of HKD0.096 (approximately RMB0.082) per share in 2017, totally approximately RMB66,059,000 (2016 interim dividend: RMB0.045 per share, totally approximately RMB42,942,000). The Board proposed to declare a final dividend of HKD0.10 per share (2016: HKD0.05 per share), totally approximately RMB68,943,000 (2016: approximately RMB36,599,000) for the year ended 31 December 2017. The proposed final dividend is subject to approval by the shareholders of the Company at the annual general meeting to be held on Wednesday, 30 May 2018 and, if approved, is expected to be paid on or about Friday, 15 June 2018 to shareholders whose names appear on the register of members of the Company on Friday, 8 June 2018. The final dividend is declared and will be paid in HKD.

本公司董事會欣然提呈本集團截至2017年12月31日止年度之年報及經審核綜合財務報表（「**財務報表**」）。

主要業務及業務回顧

本公司的主要業務為投資控股，而本公司主要附屬公司之主要業務載於財務報表附註15。

按香港《公司條例》附表5所規定有關該等業務的進一步討論及分析，包括有關本集團面臨的主要風險及不明朗因素的討論以及本集團業務的未來可能發展動向，載於本年報第5至14頁的主席報告及第16至23頁的管理層討論及分析中。該等討論及分析構成本董事會報告的一部份。

業績和分派

本集團截至2017年12月31日止年度的全年業績及其於2017年12月31日的財務狀況載於第86至207頁的財務報表。

本公司於2017年派付中期股息每股0.096港元（約人民幣0.082元），合共約人民幣66,059,000元（2016年中期股息：每股人民幣0.045元，合共約人民幣42,942,000元）。董事會建議宣派截至2017年12月31日止年度之末期股息每股0.10港元（2016年：每股0.05港元），合共約人民幣68,943,000元（2016年：約人民幣36,599,000元）。擬派末期股息須經本公司股東於2018年5月30日（星期三）舉行的股東周年大會批准，方告作實，及若獲批准，預期將於2018年6月15日（星期五）或前後派付予於2018年6月8日（星期五）名列本公司股東名冊之股東。末期股息以港元宣派並將以港元支付。

Report of Directors

董事會報告

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and assets and liabilities of the Group for the last five financial years ended 31 December 2013 to 2017 is set out on page 208. This summary does not form part of the Financial Statements.

SHARE CAPITAL

Details of changes in share capital of the Company during the year of 2017 are set out in note 25(c) to the Financial Statements.

DISTRIBUTABLE RESERVES

As at 31 December 2017, the Company's distributable reserves, calculated in accordance with the Companies Law Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, amounted to RMB397,537,000 (2016: RMB814,463,000).

MAJOR CUSTOMERS AND SUPPLIERS

The Group maintains good business relationships with its suppliers and customers, which are beneficial for the Group's healthy long-term development.

For the year of 2017, the aggregate sales attributable to the Company's five largest customers, including sales to entities which are known to the Group to be under common control with these customers, accounted for approximately 46.2% of the total revenue for the year; sales to the largest customer accounted for approximately 15.3% thereof. The aggregate purchases attributable to the Company's five largest suppliers accounted for approximately 52.8% of the total purchase for the year; purchases from the largest supplier accounted for approximately 20.6% thereof.

To the best knowledge of the Directors, none of the Directors, their associates or any shareholders who owned more than 5% of the Company's issued share capital had any beneficial interest in any of the Group's five largest customers or suppliers during the year.

五年財務摘要

本集團自2013年12月31日止年度至2017年12月31日止年度最近五個財政年度的業績、資產及負債的摘要載於第208頁。本摘要並不構成財務報表的一部份。

股本

本公司股本於2017年度變動的詳情載於財務報表附註25(c)。

可供分派儲備

於2017年12月31日，按照開曼群島公司法第22章（1961年法例三（經綜合及修訂））計算之本公司可供分派儲備為人民幣397,537,000元（2016年：人民幣814,463,000元）。

主要客戶及供應商

本集團與其供應商及客戶維持良好商業關係，其有利於本集團的長期健康發展。

於2017年度，本公司五大客戶的銷售（包括向本集團得悉與該等戶受共同控制之實體作出的銷售）總額佔本年度收入總額的約46.2%，其中對最大客戶銷售額佔本年度收入總額的約15.3%。本公司五大供應商的採購總額佔本年度採購總額的約52.8%，其中最大供應商採購額佔本年度採購總額的約20.6%。

據董事所知，董事或彼等的聯繫人或任何擁有本公司已發行股本5%以上權益的股東在年內概無於本集團任何五大客戶或供應商中擁有任何實益權益。

SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINTLY CONTROLLED COMPANIES

Details of the major subsidiaries of the Group are set out in note 15 to the Financial Statements.

PROPERTY, PLANT AND EQUIPMENT

Details of changes in the Group's investment property, other property, plant and equipment during the year of 2017 are set out in notes 9 and 10 to the Financial Statements.

CAPITAL EXPENDITURE

During the year of 2017, the Group's total capital expenditure amounted to RMB43,088,000 (2016: RMB19,116,000) which was used for acquisition of other property, plant and equipment. Details of movements the Group's other property, plant and equipment are set out in note 10 to the Financial Statements.

LOANS AND BORROWINGS

In connection with the Share Buy-Back, on 17 March 2017, the Company signed a commitment letter (the "**Commitment Letter**") with BNP Paribas, acting through its Hong Kong Branch (the "**Lender**"), pursuant to which the Lender conditionally (conditions include but not limited to the signing of formal facility documents) agreed to grant the Company a three year term loan facility of up to HK\$560,000,000. Pursuant to the Commitment Letter, if (a) Mr. AN Yubao ("Mr. AN", the current Chairman of the Company's Board of Directors) and Central Success Developments Limited (which is wholly owned by **Mr. AN**) and Ms. LI Qian ("**Ms. LI**", a current Executive Director and the Chief Executive Officer of the Company) and Double Grace International Limited (which is wholly owned by Ms. LI) cease collectively to (i) be the beneficial owners, either directly or indirectly, of at least 30% of the issued share capital of the Company or (ii) be the single largest shareholder, either directly or indirectly, of the Company; or (b) Central Success Developments Limited ceases to be wholly-owned by Mr. AN and/or his family; or (c) Double Grace International Limited ceases to be wholly-owned by Ms. LI and/or her family, which each of them will constitute an event of default, all outstanding amounts under the Loan Facility (including principal and interest) shall become immediately due and payable (for details, please refer to the Company's announcement dated 17 March 2017).

As at the date of this report, these commitments continued to existed and were complied with.

附屬公司、聯營公司和共同控制公司

本集團主要附屬公司的詳情載於財務報表附註15。

物業、廠房及設備

本集團投資物業、其他物業、廠房及設備於2017年度變動的詳情載於財務報表附註9及10。

資本支出

於2017年度內，本集團總資本支出為人民幣43,088,000元（2016年：人民幣19,116,000元），用於購買其他物業、廠房及設備。有關本集團其他物業、廠房及設備的變動詳情載於財務報表附註10。

貸款及借款

就股份購回而言，於2017年3月17日，本公司與法國巴黎銀行（透過其香港分行）（「**貸款人**」）訂立一份貸款承諾函（「**貸款承諾函**」），據此，貸款人有條件（條件包括但不限於簽署正式貸款文件）同意向本公司授出一筆為期三年最高金額達560,000,000港元之貸款。根據貸款承諾函，如(a)安郁寶先生（「**安先生**」，本公司現任董事會主席）及中成發展有限公司（安先生全資擁有之公司）及黎倩女士（「**黎女士**」，本公司現任執行董事及總裁）及Double Grace International Limited（黎女士全資擁有之公司）合併計算不再為(i)直接或間接為本公司已發行股本最少30%權益之實益擁有人或(ii)本公司直接或間接之單一最大股東；或(b)中成發展有限公司不再由安先生和／或其家庭成員全資擁有；或(c)Double Grace International Limited不再由黎女士和／或其家庭成員全資擁有，每項均將構成違約事件，其時貸款餘額（包括本金及利息）將立即到期和應付（詳情請參閱本公司日期為2017年3月17日之公告）。

於本報告日期，該等承諾仍然存在及被遵守。

Report of Directors 董事會報告

Details of the Group's loans and borrowings as at 31 December 2017 are set out in note 21 to the Financial Statements.

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

The Directors of the Company who hold office during the year and up to the date of this report are:

Executive Directors

Mr. AN Yubao (*Chairman*)
Ms. LI Qian (*Chief Executive Officer*)
Professor ZHU Quan

Non-executive Directors

Mr. LIN Sheng
Mr. WANG Shunlong (*Retired, effective from 31 May 2017*)

Independent Non-executive Directors

Mr. SU Yuanfu
Mr. FENG Zhongshi
Ms. CHENG Xinxin

Each of the Directors has entered into a letter of appointment with the Company for an initial term of three years from the date of appointment, automatically renewable for a further one year subject to director's rotation pursuant to the Articles of Association of the Company and can be terminated by not less than three months' notice in writing served by either party on the other. None of the Directors has a service contract which is not determinable by the Company or any of its subsidiaries within 1 year without payment of compensation, other than statutory compensation.

The Company has received annual confirmation on independence from each of the independent non-executive Directors pursuant to Rule 3.13 of the Listing Rules and all of them are considered to be independent.

本集團於2017年12月31日的貸款及借款詳情載於財務報表附註21。

董事與董事服務合同

於本年度及截至本報告日期在任的本公司董事如下：

執行董事

安郁寶先生 (*主席*)
黎倩女士 (*總裁*)
朱荃教授

非執行董事

林盛先生
王順龍先生 (*已退任，於2017年5月31日生效*)

獨立非執行董事

蘇元福先生
馮仲實先生
成欣欣女士

每名董事均已與本公司訂立聘任書，自聘任日期起初步年期為3年，可予自動重續額外一年（每名董事須根據本公司組織章程細則輪值退任），惟任何一方可向另一方發出不少於3個月的書面通知而終止。概無董事訂立不可於一年內由本公司或其任何附屬公司終止而毋須支付賠償（法定賠償除外）的服務合約。

根據上市規則第3.13條，本公司已接獲每位獨立非執行董事關於彼等於本年度獨立性的確認書，而所有獨立非執行董事均被視為獨立。

In accordance with the Company's Articles of Association, one third of the existing Directors shall retire from office at each annual general meeting. Accordingly, Mr. SU Yuanfu, Mr. FENG Zhongshi and Ms. CHENG Xinxin shall retire from office at the forthcoming annual general meeting, and being eligible, offer themselves for re-election at the forthcoming annual general meeting.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

Save as otherwise disclosed, there was no transaction, arrangement or contract of significance 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 a material interest subsisted at the end of the year or at any time during the year.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and senior management of the Group are disclosed in the section headed "Directors and Senior Management Profile" on pages 24 to 34 of this annual report.

根據本公司之組織章程細則，於每屆股東周年大會上，三分之一當時在任董事須退任。因此，蘇元福先生，馮仲實先生及成欣欣女士將於應屆股東周年大會上退任，而彼等符合資格並願意於應屆股東周年大會上膺選連任。

董事於重大交易、安排及合約的權益

除另有披露者之外，董事或董事的關連實體概無任何於與本公司或其任何附屬公司所訂立且於年末或年內任何時間存續的重大交易、安排或合約中擁有重大權益。

董事及高級管理層履歷

董事及本集團高級管理層履歷詳情於本年報第24至34頁「董事及高級管理人員履歷」一節披露。

NON-COMPETITION UNDERTAKING BY CONTROLLING SHAREHOLDERS

Each of Mr. AN Yubao, the chairman of the Board of the Company, Ms. LI Qian, the chief executive officer of the Company, and Mr. YOUNG Wai Po, Peter (collectively, the “**Controlling Shareholders**” or “**Non-Competing Covenants**”) entered into a deed of non-competition (“**Deed of Non-Competition**”) on 2 December 2013, pursuant to which the Non-Competing Covenants have irrevocably and severally (but not jointly and severally) undertaken to the Company (for itself and for the benefit of each of the members of the Group) that with effect from the date of Listing and for as long as the shares of the Company remain so listed on the Stock Exchange and the Controlling Shareholders are individually or collectively with any of his/its associates interested directly or indirectly in not less than 30.0% of the issued ordinary share capital of the Company (the “**Restricted Period**”), the Non-Competing Covenants or their respective associates shall not, (i) directly or indirectly engage, participate or hold any right or interest in or render any services to or otherwise be involved in any business (whether as owner, director, operator, licensor, licensee, partner, shareholder, joint venturer, employee, consultant or otherwise) in competition with or likely to be in competition with the existing business carried on by the Group (the “**Restricted Business**”); and (ii) directly or indirectly take any action which constitutes an interference with or a disruption of the Restricted Business including, but not limited to, (a) solicitation of any existing or then existing employees of the Group for employment by them or their associates (excluding the Group); (b) solicitation of any current or then current customers and/or suppliers and/or former customers and/or suppliers of the Group for the preceding 6 months at the relevant time away from the Group; and (c) without the consent from the Company, making use of any information pertaining to the business of the Group which may have come to their knowledge in their capacity as Substantial Shareholders for the purpose of engaging, investing or participating in any Restricted Business. Each of the Non-Competing Covenants severally (but not jointly and severally) undertakes to the Company (for itself and for the benefit of each of the members of the Group) that, in respect of any order or any part of it undertaken or proposed to be undertaken by him/her or his/her associates for the Restricted Business, it shall and shall procure that his/her associates shall, unconditionally use reasonable endeavours to procure that such customer(s) to appoint or contract directly with any member of the Group for the Restricted Business under the relevant order.

控股股東之不競爭承諾

本公司董事會主席安郁寶先生、本公司總裁黎倩女士及楊惠波先生（統稱「**控股股東**」或「**不競爭契諾人**」）於2013年12月2日簽訂不競爭契據（「**不競爭契據**」）。據此，不競爭契諾人已向本公司（為其本身及為本集團各成員公司的利益）作出不可撤回及個別的（但非共同及個別的）承諾，自上市日期起及只要本公司股份仍於聯交所上市，以及控股股東個別或共同地與其任何聯繫人直接或間接擁有不少於本公司已發行普通股股本30.0%的權益（「**限制期間**」），不競爭契諾人或彼等各自的聯繫人不會：(i)直接或間接從事、參與或持有任何權利或權益或提供任何服務或以其他方式涉及與本集團進行的現有業務競爭或可能競爭的任何業務（「**受限制業務**」）（不論作為擁有人、董事、經營者、發牌人、持牌人、合夥人、股東、合資經營人、僱員、諮詢人或其他身份）；及(ii)直接或間接採取對受限制業務構成干預或中斷的任何行動，包括但不限於(a)招攬本集團任何現時或當時在職僱員受其或其聯繫人（本集團除外）僱用；(b)遊說本集團的任何現有或當時現有之客戶及／或供應商及／或於有關時間前六個月內為本集團的前客戶及／或供應商離開本集團；及(c)未經本公司同意，利用本身作為主要股東的身份而可能獲悉有關本集團業務的任何資料，用於從事、投資或參與任何受限制業務。各不競爭契諾人個別地（但非共同及個別地）向本公司（為其本身及為本集團各成員公司的利益）承諾，對於其或其聯繫人就受限制業務而承接或擬承接的任何訂單或訂單中任何部份，其會或會促使其聯繫人無條件合理地盡力安排該等客戶根據相關訂單就受限制業務委任本集團任何成員公司或直接與本集團任何成員公司訂約。

Each of the Non-Competing Covenantors jointly and severally undertakes to indemnify and keep indemnified the Group against any damage, loss or liability suffered by the Company or any other member of the Group arising out of or in connection with any breach of its undertakings and/or obligations under the Deed of Non-Competition, including any costs and expenses incurred as a result of such breach provided that such indemnity shall be without prejudice to any other rights and remedies the Company is entitled to in relation to any such breach, including specific performance, and all such other things and remedies are hereby expressly reserved by the Company.

Each of the Controlling Shareholders has confirmed to the Company of his/its compliance with the Deed of Non-Competition provided to the Company until (i) the date on which the Company's shares cease to be listed on the Stock Exchange; or (ii) the date on which the relevant Covenantor and his/its associates cease to own 30% or more of the then issued share capital of the Company directly or indirectly; whichever occurs first.

The independent non-executive Directors of the Company had reviewed the status of compliance as well as confirmation by the Controlling Shareholders of the Company and, on the basis of such confirmation, are of the view that such Controlling Shareholders have complied with their non-competition undertakings under the Deed of Non-Competition and these non-competition undertakings have been enforced by the Company in accordance with its terms.

CONNECTED TRANSACTIONS

On 6 February 2017, the Company entered into a Share Buyback Agreement (the “**Share Buy-back Agreement**”) with First Kind International Limited (“**First Kind**”) pursuant to which the Company agreed to acquire and First Kind agreed to dispose of 146,140,200 Shares at the total consideration of HKD560,739,947.40 (the “**Share Buy-back**”), equivalent to HKD3.837 per buy-back share.

各不競爭契諾人共同及個別地承諾，就源於或有關不競爭契據下其承諾及／或責任的任何違反所導致本公司或本集團任何其他成員公司承受的任何損害、損失或責任（包括因該違反而產生的任何成本及開支），其會對本集團作出彌償及一直作出彌償，惟該彌償不會影響本公司就任何有關違反而可享有的任何其他權利及可採取的補救措施，包括特定履行救濟，以及本公司謹此就一切有關其他事項及補救行動明確表示保留的權利。

各控股股東已向本公司確認其遵從不競爭契據，直至(i)本公司股份不再於聯交所上市的日期；或(ii)相關契諾人和其聯繫人不再直接或間接擁有本公司當時已發行股本30%或以上的日期（以較早日期為準）。

本公司獨立非執行董事已審閱有關合規情況，並已得到本公司控股股東的確認，及基於此確認，彼等認為該等控股股東已遵守其於不競爭契據項下的不競爭承諾，且此等不競爭承諾已由本公司根據其條款執行。

關連交易

於2017年2月6日，本公司與First Kind International Limited（「**First Kind**」）訂立股份購回協議（「**股份購回協議**」），據此，本公司同意收購而First Kind同意出售146,140,200股股份，總代價為560,739,947.40港元（「**股份購回**」），相當於每股購回股份3.837港元。

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The Share Buy-back contemplated under the Share Buy-back Agreement constitutes a connected transaction (by virtue of First Kind being a substantial shareholder of the Company) for the Company under the Listing Rules and is therefore subject to the approval by the disinterested shareholders of the Company at the extraordinary general meeting.

The Board believes that the Share Buy-back is entered into on normal commercial terms which are fair and reasonable and in the interests of the Company and the shareholders as a whole.

Completion had taken place on 24 April 2017 following the shareholders' approval at the extraordinary general meeting held on 11 April 2017 and fulfillment of the conditions precedent under the Share Buy-back Agreement. Further details of the Share Buy-back have been disclosed in the announcements of the Company dated 6 February 2017, 11 April 2017 and 24 April 2017 and the circular of the Company dated 20 March 2017.

Save as disclosed above, we had not entered into any transactions which constitute non-exempt connected transactions within the meaning of the Listing Rules during the year of 2017.

股份購回協議項下擬進行之股份購回構成上市規則項下本公司之關連交易（因為First Kind為本公司主要股東），因此須待本公司無利益關係股東於股東特別大會上批准後，方可作實。

董事會相信，股份購回乃按正常商業條款訂立，屬公平合理且符合本公司及股東之整體利益。

緊隨於2017年4月11日股東特別大會上股東之批准及滿足股份購回協議內的先決條件後，股份購回於2017年4月24日完成。股份購回的進一步詳情已經於本公司日期為2017年2月6日、2017年4月11日及2017年4月24日之公告及本公司日期為2017年3月20日之通函內披露。

除上文披露者外，我們於2017年度並無進行任何將會構成上市規則所指的非豁免關連交易的交易。

SHARE OPTION SCHEME

The Company's existing Share Option Scheme was approved for adoption on 2 December 2013 for the purpose to provide the Company with a flexible means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to eligible participants and for such other purposes as the Board approve from time to time. Subject to the terms of the Share Option Scheme, the board may, at their absolute discretion, grant or invite any person belonging to any of the following classes to take up options to subscribe for shares: (a) any employee, supplier/service provider, customer, partner or joint-venture partner of the Group (including any director, whether executive and whether independent or not, of the Group) who is in full-time or part-time employment with the Company or any subsidiaries, (b) any person who have contributed or may contribute to the Group. The total number of share which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company must not exceed 10% of the total number of shares in issue on the date of Listing unless the Company seeks the approval of the shareholders in general meeting for refreshing the 10% limit under the Share Option Scheme provided that options lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company will not be counted for the purpose of calculating 10% limit.

The principal terms of the Share Option Scheme are summarised as follows:

The exercise price per share of the Company for each option granted shall be determined by the Board in its absolute discretion but in any event shall be at least the higher of:

- (1) the closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of offer for the grant of option ("**Date of Grant**") which must be a trading day;
- (2) the average closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange for the five trading days immediately preceding the Date of Grant; and
- (3) the nominal value of the shares on the Date of Grant.

購股權計劃

本公司現有購股權計劃於2013年12月2日獲准採納，旨在令本公司可以更靈活的方式給予合資格參與人士獎勵、回報、酬金、補償及／或提供福利，及就董事會不時批准之有關其他目的。在購股權計劃的條款規限下，董事會可全權酌情授出或邀請任何屬以下任何組別的人士接納購股權以認購股份：(a)本公司或任何附屬公司旗下僱用的任何全職或兼職的本集團僱員、供應商／服務供應商、客戶、合作夥伴或合資企業合作夥伴，包括本集團不論是否屬執行及獨立與否的任何董事；(b)任何對本集團已經或可能作出貢獻之人士。根據購股權計劃及本公司任何其他購股權計劃將予授出的所有購股權獲行使時可能發行的股份總數，不得超過上市日期已發行股份總數10%。除非本公司在股東大會上尋求股東批准更新購股權計劃的10%限額，惟在計算10%限額時，根據購股權計劃或本公司任何其他購股權計劃條款已失效的購股權將不會計算在內。

購股權計劃的主要條款概述如下：

所授出每份購股權的本公司每股股份行使價將由董事會全權酌情釐定，但無論如何須至少為下列各項之較高者：

- (1) 股份於必須為交易日的提呈授出購股權當日（「授出日期」）在聯交所刊發日報表所載收市價；
- (2) 股份於緊接授出日期前5個交易日在聯交所刊發的日報表所載平均收市價；及
- (3) 股份於授出日期的面值。

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Upon acceptance of the options, the grantee shall pay HKD1.00 to the Company as consideration for the grant. The acceptance of an offer of the grant of the option must be made within the date as specified in the offer letter issued by the Company. The exercise period of any option granted under the Share Option Scheme shall not be longer than 10 years commencing on the date of grant and expiring on the last day of such 10-year period subject to the provisions for early termination as contained in the Share Option Scheme. The maximum number of shares issued and to be issued upon exercise of the options granted and to be granted to each grantee under the Share Option Scheme (including exercised, cancelled and outstanding options) in any 12-month period shall not exceed 1% of the total number of shares in issue. Any further grant of options in excess of this 1% limit shall be subject to issuance of a circular by the Company and approved by its shareholders in accordance with the Listing Rules.

接納購股權後，承授人須向本公司支付1.00港元作為獲授出購股權的代價。提呈授出的購股權必須於本公司發出的提呈函件中所指定日期前獲接納。根據購股權計劃授出的任何購股權的行使期自授出日期起計不得超過10年，並於該10年期最後一天屆滿，且須受購股權計劃載列的提早終止條文所限。於任何12個月期間根據購股權計劃向每名承授人已經及將授出的購股權（包括已行使、註銷及尚未行使的購股權）獲行使而已經及將發行的股份最高數目，不得超過已發行股份總數1%。倘進一步授出的購股權超過該1%限額，則須待本公司刊發通函及根據上市規則取得其股東批准後方可作實。

Details of share options outstanding during the year are as follows: 年內購股權餘額資料如下：

		Outstanding as at 1 January 2017 於2017年 1月1日 尚未行使 '000 千股	Granted during the year 年內授出 '000 千股	Exercised during the year 年內行使 '000 千股	Cancelled during the year 年內沒收 '000 千股	Expired during the year 年內屆滿 '000 千股	Outstanding as at 31 December 2017 於2017年 12月31日 尚未行使 '000 千股
Share options with exercise price of HKD6.64							
Directors							
Mr. AN Yubao	安郁寶先生	6,000	-	-	-	-	6,000
Ms. LI Qian	黎倩女士	6,000	-	-	-	-	6,000
Professor ZHU Quan	朱荃教授	1,200	-	-	-	-	1,200
Employees							
In aggregate	總計	8,843	-	(492)	(821)	-	7,530
		22,043	-	(492)	(821)	-	20,730
Share options with exercise price of HKD4.01							
Directors							
Mr. AN Yubao	安郁寶先生	4,000	-	-	-	-	4,000
Ms. LI Qian	黎倩女士	4,000	-	-	-	-	4,000
Professor ZHU Quan	朱荃教授	2,000	-	-	-	-	2,000
Employees							
In aggregate	總計	39,380	-	(1,404)	(4,144)	-	33,832
		49,380	-	(1,404)	(4,144)	-	43,832
		71,423	-	(1,896)	(4,965)	-	64,562

The options outstanding as at 31 December 2017 had a weighted average remaining contractual life of 7.6 years.

於2017年12月31日，尚未行使購股權的加權平均剩餘合約年期為7.6年。

Report of Directors 董事會報告

Apart from the aforesaid share option schemes, at no time during the year ended 31 December 2017 was any of the Company or its subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors, or their spouses or children under the age of 18, had any right to subscribe for the shares in, or debentures of, the Company, or had exercised any such right.

SHARE AWARD SCHEME

The Board of the Company had adopted a Share Award Scheme (“**Share Award Scheme**”) on 21 July 2014 as a means to recognise the contributions by the selected employees and provide them with incentives in order to retain them for the continual operation and development of the Group and attract suitable personnel for the further development of the Group.

Pursuant to the Share Award Scheme, the selected employees may be granted during the duration of the Share Award Scheme an award in the form of awarded shares (“**Awarded Shares**”). Awarded Shares will be purchased by the trustee of the Company (“**Trustee**”) on the market out of cash contributed by the Company and be held on trust for the selected employees until such shares are vested on them in accordance with the provisions of the Share Award Scheme. The Board shall not make any further award of Awarded Shares which will result in the nominal value of the shares awarded by the Board under the Share Award Scheme exceeding 10% of the issued share capital of the Company from time to time. The maximum number of shares which may be awarded to a selected employee under the Share Award Scheme shall not exceed 1% of the issued share capital of the Company from time to time.

As at 31 December 2017, 19,798,000 ordinary shares were held by the Trustee under the Share Award Scheme, among which 19,698,000 shares were held on behalf of the Company while the remaining 100,000 shares were held on behalf of certain employees.

除上述購股權計劃外，於截至2017年12月31日止年度任何時間，本公司或其附屬公司任何一方概無成為任何安排的訂約方，致使董事可透過收購本公司或任何其他法人團體的股份或債權證而獲利，亦無任何董事、其配偶或未滿18周歲的子女擁有認購本公司股份或債權證的任何權利或已行使任何有關權利。

股份獎勵計劃

本公司董事會於2014年7月21日採納了一項股份獎勵計劃（「**股份獎勵計劃**」），以嘉許獲選僱員作出的貢獻並以資獎勵，從而挽留彼等為本集團持續經營及發展效力，並為本集團進一步發展吸引合適人才。

根據該股份獎勵計劃，獲選僱員可於股份獎勵計劃期間獲授獎勵股份（「**獎勵股份**」）形式的獎勵。本公司受託人（「**受託人**」）將於市場以本公司的現金供款購買獎勵股份，並代表獲選僱員以信託形式持有獎勵股份，直至該等股份根據股份獎勵計劃條文歸屬予彼等為止。倘授出獎勵股份將導致董事會根據股份獎勵計劃授出的股份面值超出本公司不時之已發行股本的10%，則董事會不得增授獎勵股份。每一獲選僱員根據股份獎勵計劃可獲授的最高股份數目不得超出本公司不時之已發行股本的1%。

於2017年12月31日，受託人根據股份獎勵計劃持有19,798,000股普通股，其中19,698,000股股份為代表本公司持有，而其餘的100,000股股份則代表若干僱員持有。

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

董事及主要行政人員於股份、相關股份及債權證之權益或淡倉

As at 31 December 2017, the Directors and chief executives of the Company had the following interests or short positions in the shares, underlying shares and debentures of the Company, its group members and/or associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)), as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code:

於2017年12月31日，董事及本公司主要行政人員於本公司、其集團成員公司及／或相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）的股份、相關股份及債權證中，擁有已記入根據證券及期貨條例第352條規定存置的登記冊之權益或淡倉，或根據標準守則已另行知會本公司及聯交所的權益或淡倉如下：

Name of Director 董事姓名	Nature of Interest and Capacity 權益性質及身份	Number and Class of Securities ⁽¹⁾ 證券數目及類別 ⁽¹⁾	Approximate Percentage of Shareholding 概約股權百分比
AN Yubao ⁽²⁾ 安郁寶 ⁽²⁾	Beneficial Owner 實益擁有人	18,574,817 Shares (L) 18,574,817股 (L)	2.13 (L) 2.13 (L)
AN Yubao ⁽³⁾ 安郁寶 ⁽³⁾	Interest of controlled corporation 受控制法團權益	196,674,000 Shares (L) 196,674,000股 (L)	22.51 (L) 22.51 (L)
	Sub-total 小計	215,248,817 Shares (L) 215,248,817股 (L)	24.64 (L) 24.64 (L)
LI Qian ⁽²⁾ 黎倩 ⁽²⁾	Beneficial Owner 實益擁有人	15,865,261 Shares (L) 15,865,261股 (L)	1.81 (L) 1.81 (L)
LI Qian ⁽⁴⁾ 黎倩 ⁽⁴⁾	Interest of controlled corporation 受控制法團權益	126,915,000 Shares (L) 126,915,000股 (L)	14.53 (L) 14.53 (L)
	Sub-total 小計	142,780,261 Shares (L) 142,780,261股 (L)	16.34 (L) 16.34 (L)
ZHU Quan ⁽²⁾ 朱荃 ⁽²⁾	Beneficial Owner 實益擁有人	3,200,000 Shares (L) 3,200,000股 (L)	0.37 (L) 0.37 (L)
CHENG Xinxin 成欣欣	Beneficial Owner 實益擁有人	2,993,000 Shares (L) 2,993,000股 (L)	0.34 (L) 0.34 (L)

Report of Directors 董事會報告

Notes:

- (1) The letter "L" denotes the Directors' long position in the shares of the Company or the relevant associated corporation.
- (2) Including shares in relation to 10,000,000 Share Options, 10,000,000 Share Options and 3,200,000 Share Options granted during the year to Mr. AN Yubao, Ms. LI Qian and Professor ZHU Quan respectively under the Share Option Scheme adopted on 2 December 2013.
- (3) The entire issued share capital of Central Success Developments Limited ("**Central Success**") is owned by Mr. AN, therefore, Mr. AN is deemed to be interested in all the shares held by Central Success under the provisions of SFO.
- (4) The entire issued share capital of Double Grace International Limited ("**Double Grace**") is owned by Ms. LI, therefore, Ms. LI is deemed to be interested in all the shares held by Double Grace under the provisions of SFO.

Save as disclosed above, as at 31 December 2017, none of the Directors and chief executives of the Company had any other interests or short positions in any shares, underlying shares or debentures of the Company, any of its group members or its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code.

附註：

- (1) 英文字母「L」代表董事於本公司或相關相聯法團的股份中的好倉。
- (2) 包括根據於2013年12月2日採納之購股權計劃於年內分別授予安郁寶先生的10,000,000份購股權、授予黎倩女士的10,000,000份購股權及授予朱荃教授的3,200,000份購股權之相關股份。
- (3) 中成發展有限公司（「中成」）的全部已發行股本由安先生擁有，因此，根據證券及期貨條例的條文，安先生被視為於中成所持全部股份中擁有權益。
- (4) Double Grace International Limited（「Double Grace」）的全部已發行股本由黎女士擁有，因此，根據證券及期貨條例的條文，黎女士被視為於Double Grace所持全部股份中擁有權益。

除上文披露者外，於2017年12月31日，董事及本公司主要行政人員概無於本公司、其任何集團成員公司或其相聯法團（定義見證券及期貨條例第XV部）任何股份、相關股份或債權證中，擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所的任何其他權益或淡倉（包括彼等根據證券及期貨條例有關條文被當作或視為擁有的權益或淡倉），或根據證券及期貨條例第352條須記錄在該條文所述登記冊內或根據標準守則規定的任何其他權益或淡倉。

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITION IN SHARES AND UNDERLYING SHARES OF THE COMPANY

主要股東於本公司股份及相關股份中之權益及／或淡倉

As at 31 December 2017, so far as was known to the Directors, the following persons/entities (other than the Directors or chief executives of the Company) had, or were deemed to have, interests or short positions in the shares or underlying shares of the Company, its group members and/or associated corporations which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

於2017年12月31日，就董事所知，以下人士／實體（董事或本公司主要行政人員除外）於本公司、其集團成員公司及／或相聯法團之股份或相關股份中，擁有或被視為擁有根據證券及期貨條例第XV部第2及第3分部條文須向本公司披露的權益或淡倉，或已記入根據證券及期貨條例第336條本公司須存置的登記冊內的權益或淡倉：

Name of Shareholder 股東名稱／姓名	Nature of Interest and Capacity 權益性質及身份	Number and Class of Securities ⁽¹⁾ 證券數目及類別 ⁽¹⁾	Approximate Percentage of Shareholding (%) 概約股權百分比(%)
Guidoz Limited ⁽²⁾	Beneficial owner	110,050,000 shares (L)	12.60 (L)
Guidoz Limited ⁽²⁾	實益擁有人	110,050,000股 (L)	12.60 (L)
YOUNG Wai Po, Peter ⁽²⁾ 楊惠波 ⁽²⁾	Interest of controlled corporation 受控制法團權益	110,050,000 shares (L) 110,050,000股 (L)	12.60 (L) 12.60 (L)
Central Success ⁽³⁾ 中成 ⁽³⁾	Beneficial owner 實益擁有人	196,674,000 shares (L) 196,674,000股 (L)	22.51 (L) 22.51 (L)
Double Grace ⁽⁴⁾ Double Grace ⁽⁴⁾	Beneficial owner 實益擁有人	126,915,000 shares (L) 126,915,000股 (L)	14.53 (L) 14.53 (L)
Far East Horizon Limited ⁽⁵⁾ 遠東宏信有限公司 ⁽⁵⁾	Interest of controlled corporation 受控制法團權益	80,585,680 shares (L) 80,585,680股 (L)	9.22 (L) 9.22 (L)
Grand Light Development Limited ⁽⁵⁾ 宏明發展有限公司 ⁽⁵⁾	Interest of controlled corporation 受控制法團權益	80,585,680 shares (L) 80,585,680股 (L)	9.22 (L) 9.22 (L)
Greenwoods Asset Management Limited ⁽⁶⁾ 景林資產管理有限公司 ⁽⁶⁾	Investment manager 投資經理	58,154,000 shares (L) 58,154,000股 (L)	6.66 (L) 6.66 (L)
Greenwoods Asset Management Holdings Limited ⁽⁶⁾ 景林資產管理控股有限公司 ⁽⁶⁾	Interest of controlled corporation 受控制法團權益	58,154,000 shares (L) 58,154,000股 (L)	6.66 (L) 6.66 (L)
Unique Element Corp. ⁽⁶⁾ Unique Element Corp. ⁽⁶⁾	Interest of controlled corporation 受控制法團權益	58,154,000 shares (L) 58,154,000股 (L)	6.66 (L) 6.66 (L)
JIANG Jinzhi ⁽⁶⁾ 蔣錦志 ⁽⁶⁾	Interest of controlled corporation 受控制法團權益	58,154,000 shares (L) 58,154,000股 (L)	6.66 (L) 6.66 (L)

Report of Directors 董事會報告

Notes:

- (1) The letter "L" denotes the person's long position in the shares of the Company or the relevant group member. The letter "S" denotes the person's short position in the shares of the Company or the relevant group member.
- (2) The entire issued share capital of Guidoz Limited is legally and beneficially owned by Mr. YOUNG. By virtue of the SFO, Mr. YOUNG is deemed to be interested in all the Shares held by Guidoz Limited.
- (3) The entire issued share capital of Central Success is legally and beneficially owned by Mr. AN. By virtue of the SFO, Mr. AN is deemed to be interested in all the Shares held by Central Success.
- (4) The entire issued share capital of Double Grace is legally and beneficially owned by Ms. LI. By virtue of the SFO, Ms. LI is deemed to be interested in all the Shares held by Double Grace.
- (5) Grand Light Development Limited controls 9.22% of the Company's shares through its wholly owned subsidiaries Energon HK Limited and United Vantage Corporation Limited. Grand Light Development Limited is wholly owned by Far East Horizon Limited which is listed on the main board of the Stock Exchange (stock code:3360).
- (6) Greenwoods Asset Management Limited controls 6.66% of the Company's shares through Golden China Master Fund, Golden China Plus Master Fund, Greenwoods China Alpha Master Fund and Greenwoods China Healthcare Master Fund in the capacity of Manager of the funds. The entire issued share capital of Greenwoods Asset Management Limited is legally and beneficially owned by Greenwoods Asset Management Holdings Limited. Greenwoods Asset Management Holdings Limited is ultimately owned as to 81% by Unique Element Corp which is controlled by Mr. JIANG Jinzhi.

附註：

- (1) 英文字母「L」代表有關人士於本公司或相關集團成員公司的股份中的好倉。英文字母「S」代表有關人士於本公司或相關集團成員公司的股份中的淡倉。
- (2) Guidoz Limited的全部已發行股本由楊先生合法及實益擁有。根據證券及期貨條例，楊先生被視為於Guidoz Limited所持全部股份中擁有權益。
- (3) 中成的全部已發行股本由安先生合法及實益擁有。根據證券及期貨條例，安先生被視為於中成所持全部股份中擁有權益。
- (4) Double Grace的全部已發行股本由黎女士合法及實益擁有。根據證券及期貨條例，黎女士被視為於Double Grace所持全部股份中擁有權益。
- (5) 宏明發展有限公司通過其全資控股附屬公司愛恭(香港)有限公司及集潤有限公司控制本公司9.22%的股份。宏明發展有限公司由於聯交所主板上市的遠東宏信有限公司(股份代號：3360)全資擁有。
- (6) 景林資產管理有限公司通過作為金色中國基金、金色中國加強基金、景林中國阿爾法基金及Greenwoods China Healthcare Master Fund之基金管理人的方式控制本公司6.66%的股份。景林資產管理有限公司全部已發行股本由景林資產管理控股有限公司合法及實益擁有。景林資產管理控股有限公司由蔣錦志先生所控制的Unique Element Corp最終擁有81%。

Save as disclosed above, as at 31 December 2017, the Directors were not aware of any other persons/entities (other than the Directors and chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company, its group members or associated corporations which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

COMPETITION AND CONFLICT OF INTERESTS

During the year ended 31 December 2017, none of the Directors or Controlling Shareholders of the Company or any of their respective associates has engaged in any business that competes or may compete with the business of the Group or has any other conflict of interests with the Group.

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

During the year ended 31 December 2017, the Company completed the Share Buy-back with details as follows:

Month of repurchase 購回月份	Number of ordinary shares of HKD0.10 each of the Company 本公司每股面值 0.10港元的普通股數目	Price per share 每股價格 HKD 港元	Aggregate consideration paid 已付總代價	
			HKD'000 千港元	RMB'000 人民幣千元
April 2017 2017年4月	146,140,200	3.837	560,740	495,246

Further details of the Share Buy-back (including the reasons for making the Share Buy-back) were disclosed in the paragraph "Connected Transactions" above in this annual report and in the Company's announcements dated 6 February 2017, 11 April 2017 and 24 April 2017, and the Company's circular dated 20 March 2017.

除上文披露者外，於2017年12月31日，董事並不知悉任何其他人士／實體（董事及本公司主要行政人員除外）於本公司、其集團成員公司或相聯法團之股份或相關股份中，擁有根據證券及期貨條例第XV部第2及3分部之條文須向本公司披露之權益或淡倉，或已記入根據證券及期貨條例第336條本公司須存置的登記冊內的權益或淡倉。

競爭及利益衝突

於截至2017年12月31日止年度，概無董事或本公司控股股東或任何彼等各自的聯繫人從事與本集團業務構成或可能構成競爭的任何業務或與本集團有任何其他利益衝突。

購買、出售或贖回本公司上市證券

於截至2017年12月31日止年度，本公司已完成股份購回，詳情如下：

有關股份購回的進一步詳情（包括進行股份購回的原因）已經於本公司日期為2017年2月6日、2017年4月11日及2017年4月24日之公告及本公司日期為2017年3月20日之通函內披露。

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In November 2017, the Company placed 43,585,680 shares (with aggregate nominal value of HK\$4,358,568) to United Vantage Corporation Limited (a subsidiary of Far East Horizon Limited (HKEX stock code: 3360), at the placing price of HK\$6.60 per share (closing price per share as at 3 November 2017: HK\$7.20) (the “**Placing**”). The net proceeds from the Placing were approximately HK\$284,439,000, which are expected to be utilised for general working capital and future investment of the Group as and when opportunities arise but no specific investment targets have been identified yet as at the date of this annual report. Far East Horizon Limited is a leading innovative financial services organization with investments in different industries, including medical and healthcare. Currently it has invested in many hospitals in the PRC, which are potential strategic partners/customers of the Group. The Directors consider the Placing represents an opportunity to raise capital for the Company while broadening the shareholder base and capital base of the Company and enhancing the strategic relationship between the Group and Far East Horizon Limited. As at the date of this report, the net proceeds from the Placing has been used as general working capital of the Group. For details of the Placing (including the reasons for the Placing), please refer to the announcements of the Company dated 3 November 2017 and 25 October 2017.

In December 2017, the Company issued a total of 1,895,700 ordinary shares pursuant to employees’ exercise of share options granted under Share Option Scheme (adopted on 2 December 2013).

Save for the above, neither the Company nor any of its subsidiaries purchased, sold or redeem any of the Company’s listed securities during the year ended 31 December 2017.

PRE-EMPTIVE RIGHTS

There is no provision for the pre-emptive rights under the Company’s Articles of Association, or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

於2017年11月，本公司配售43,585,680股股份（總面值為4,358,568港元）予集潤有限公司（遠東宏信有限公司（香港交易所股份代號：3360）的附屬公司），配售價為每股6.60港元（於2017年11月3日之每股收市價：7.20港元）（「**配售**」）。配售的所得款項淨額約為284,439,000港元，預期用作本集團一般營運資金及於機會出現時用作未來投資，惟於本年報日期尚未物色到具體投資目標。遠東宏信有限公司為一家領先的創新金融服務組織，投資於不同行業，包括醫療健康。目前該公司已經投資於多家中國醫院，彼等為本集團的潛在战略合作夥伴／客戶。董事認為配售為本公司進行集資的良機，並可同時擴大本公司股東基礎及資本基礎及加強本集團與遠東宏信有限公司的战略合作關係。於本報告日期，配售的所得款項淨額已經用作本集團一般營運資金。有關配售詳情（包括進行配售之理由），請參閱本公司日期為2017年11月3日及2017年10月25日之公告。

於2017年12月，本公司因應員工行使根據購股權計劃（於2013年12月2日採納）而授予的購股權而發行了合共1,895,700股普通股。

除上文披露外，於截至2017年12月31日止年度，本公司及其任何附屬公司均無購買、出售或贖回本公司任何上市證券。

優先購股權

本公司組織章程細則或開曼群島法例並無有關優先購股權的條文，致使本公司有責任按比例向現有股東發售新股份。

PERMITTED INDEMNITY PROVISION

The Company has arranged for appropriate insurance cover for Directors' and officers' liabilities in respect of legal actions against its Directors and senior management arising out of corporative activities. The permitted indemnity provision is in force for the benefit of the Directors as required by section 470 of the Hong Kong Companies Ordinance when the Report of the Directors prepared by the Directors is approved in accordance with section 391(1)(a) of the Hong Kong Companies Ordinance.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed public float under the Listing Rules during the year ended 31 December 2017.

CORPORATE GOVERNANCE REPORT

Details of the Group's corporate governance practices can be found in the Corporate Governance Report contained on pages 35 to 52 in this annual report.

ANNUAL GENERAL MEETING

The annual general meeting will be held on Wednesday, 30 May 2018. Shareholders should refer to details regarding the annual general meeting in the circular of the Company to be issued in due course and the notice of the annual general meeting and form of proxy accompanying thereto.

獲准許的彌償條文

本公司已就其董事及高級管理人員因企業活動產生之法律訴訟，為董事及行政人員之責任安排投保適當之保險。當董事編製之董事會報告根據香港公司條例第391(1)(a)條獲批准時，該獲准許的彌償條文已按香港公司條例第470條的規定基於董事利益生效。

充足公眾持股量

根據本公司可公開取得的資料以及據董事所知，本公司於截至2017年12月31日止年度一直維持上市規則所訂明的公眾持股量。

企業管治報告

本集團企業管治常規的詳情，載於本年報第35至52頁的企業管治報告內。

股東周年大會

股東周年大會將在2018年5月30日（星期三）舉行。股東應參閱本公司將於適時刊發之通函中關於股東周年大會之詳情，以及隨附的股東周年大會通告及代表委任表格。

CLOSURE OF THE REGISTER OF MEMBERS

To determine the eligibility of the shareholders of the Company to attend the annual general meeting to be held on Wednesday, 30 May 2018, the Company's register of members will be closed from Thursday, 24 May 2018 to Wednesday, 30 May 2018 (both days inclusive), during which period no transfer of shares will be effected. In order to be entitled to attend and vote at the annual general meeting, all completed transfer documents accompanied by the relevant share certificates 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, for registration not later than 4:30 p.m. on Wednesday, 23 May 2018.

In addition, to determine shareholders' entitlement to the final dividend, the Company's register of members will be closed from Tuesday, 5 June 2018 to Friday, 8 June 2018 (both days inclusive). In order to qualify for the entitlements to the final dividend, all completed transfers documents accompanied by the relevant share certificates 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, not later than 4:30 pm on Monday, 4 June 2018.

AUDITORS

A resolution to re-appoint the retiring auditors, KPMG, is to be proposed at the forthcoming annual general meeting of the Company.

By order of the Board
Consun Pharmaceutical Group Limited

AN Yubao
Chairman and Executive Director

Hong Kong, 21 March 2018

暫停辦理股份過戶登記

為釐定本公司股東出席將於2018年5月30日（星期三）舉行之股東周年大會之資格，本公司將於2018年5月24日（星期四）至2018年5月30日（星期三）期間（包括首尾兩天）暫停辦理股份過戶登記手續，期間將不會辦理任何股份過戶登記。為符合資格出席股東周年大會並於會上表決，所有填妥之股份過戶文件連同相關股票最遲須於2018年5月23日（星期三）下午4時30分送交本公司之香港證券登記分處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716號舖以辦理登記。

再者，為釐定股東獲得末期股息的權利，本公司將於2018年6月5日（星期二）至2018年6月8日（星期五）期間（包括首尾兩天）暫停辦理股份過戶登記手續。為符合獲得末期股息的資格，所有填妥之股份過戶文件連同相關股票最遲須於2018年6月4日（星期一）下午4時30分送交本公司之香港證券登記分處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716號舖。

核數師

於本公司即將舉行之股東周年大會上，將提呈再度委任退任核數師畢馬威會計師事務所的決議案。

承董事會命
康臣藥業集團有限公司

安郁寶
主席兼執行董事

香港，2018年3月21日



**Independent auditor's report to the shareholders of
Consun Pharmaceutical Group Limited**
(Incorporated in the Cayman Islands with limited liability)

致康臣藥業集團有限公司
股東的獨立核數師報告
(於開曼群島註冊成立的有限公司)

OPINION

We have audited the consolidated financial statements of Consun Pharmaceutical Group Limited (“the **Company**”) and its subsidiaries (“the **Group**”) set out on pages 86 to 207, which comprise the consolidated statement of financial position as at 31 December 2017, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement 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 2017 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

意見

本核數師（以下簡稱「我們」）已審計列載於第86至207頁的康臣藥業集團有限公司（以下簡稱「貴公司」）及其附屬公司（以下統稱「貴集團」）的綜合財務報表，此財務報表包括於2017年12月31日的綜合財務狀況表與截至該日止年度的綜合損益表、綜合損益及其他全面收益表、綜合權益變動表和綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

我們認為，該等綜合財務報表已根據香港會計師公會頒佈的《香港財務報告準則》真實而中肯地反映了貴集團於2017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》的披露要求妥為擬備。

意見的基礎

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

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS

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

關鍵審計事項

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

Revenue recognition: distributor arrangements 收入確認：經銷商安排	
<i>Refer to note 2 to the consolidated financial statements and the accounting policies on page 120.</i> 請參閱綜合財務報表附註2及第120頁的會計政策。	
The Key Audit Matter 關鍵審計事項	How the matter was addressed in our audit 我們的審計如何處理該事項
<p>Revenue mainly comprises sales of pharmaceutical products to a large number of distributors throughout Mainland China. 收入主要包括向中國大陸各地眾多經銷商銷售藥品。</p> <p>Each year, the Group enters into standardised agreements with its distributors setting out the key terms of the distribution arrangements (“Distributor Agreements”), including the terms of delivery and policies for sales rebates and sales returns. Purchase orders are then placed with the Group and products are delivered to the location designated by the distributor, at which point the risks and rewards of ownership of the goods are considered to have been transferred to the distributor and revenue is recognised. 貴集團每年與其經銷商訂立標準化協議，當中載列經銷安排（「經銷商協議」）的主要條款，包括交付條款以及銷售返利及銷售退貨的政策。經銷商其後會向貴集團下達採購訂單，而產品則交付至其指定地點，屆時，貨品擁有權的風險及回報會被視為已轉讓予有關經銷商及收入已獲確認。</p>	<p>Our audit procedures to assess the recognition of revenue from distributor arrangements included the following: 我們就評估確認來自經銷商安排的收入的審計程序包括以下程序：</p> <ul style="list-style-type: none"> assessing the design, implementation and operating effectiveness of management’s key internal controls which govern revenue recognition; 評估管理層規管收入確認的關鍵內部監控的設計、執行及運作有效性； inspecting Distributor Agreements, on a sample basis, to understand the terms of the sales transactions, including the terms of delivery, applicable rebates and sales return arrangements and to assess the Group’s revenue recognition criteria with reference to the requirements of the prevailing accounting standards; 抽樣檢查經銷商協議，以理解銷售交易的條款（包括交付、適用返利及銷售退貨安排的條款），以及參考現行會計準則的規定評估貴集團的收入確認標準；

KEY AUDIT MATTERS (Continued)

關鍵審計事項 (續)

Revenue recognition: distributor arrangements (Continued) 收入確認：經銷商安排 (續)	
Refer to note 2 to the consolidated financial statements and the accounting policies on page 120. 請參閱綜合財務報表附註2及第120頁的會計政策。	
The Key Audit Matter 關鍵審計事項	How the matter was addressed in our audit 我們的審計如何處理該事項
<p>We identified recognition of revenue from distributor arrangements as a key audit matter because revenue is one of the key performance indicators of the Group and therefore there is an inherent risk of manipulation of the timing of recognition of revenue by management to meet specific targets or expectations.</p> <p>我們認為確認來自經銷商安排的收入屬關鍵審計事項，原因是收入乃 貴集團其中一大關鍵表現指標，故存在管理層操控確認收入的時機以達致指定目標或期望的固有風險。</p>	<ul style="list-style-type: none"> for a sample of revenue transactions recorded just before and after the year end, inspecting the related goods delivery notes, which had been signed by the distributors as evidence of their receipt of the goods, to assess if the related revenue had been recognised in the appropriate financial period on the basis of the terms of sale as set out in the Distributor Agreements and the terms of the purchase orders; 就剛好於年結日前後入賬的收入交易樣本而言，檢查相關的貨品交付票據（已由經銷商簽署，作為其收到貨品的證據），以評估相關收入是否已根據經銷商協議所載銷售條款及採購訂單的條款於適當的財政期間內確認； for a sample of sales rebates recorded during the year, comparing the details of the bases of the rebate calculations and the rebate ratios with the terms of the underlying Distributor Agreements and comparing the rebate bases (e.g. the sales amounts settled during the year) to sub-ledgers and underlying bank remittances, cheques, bills and other payment slips (where applicable); 就年內入賬的銷售返利樣本而言，比較返利的計算基礎及返利比率的詳情與相關經銷商協議的條款，以及比較回扣金額基數（如年內結算的銷售金額）與分類賬及相關的銀行匯款、支票、票據及其他付款收據（如適用）；

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獨立核數師報告

KEY AUDIT MATTERS (Continued)

關鍵審計事項 (續)

Revenue recognition: distributor arrangements (Continued) 收入確認：經銷商安排 (續)	
Refer to note 2 to the consolidated financial statements and the accounting policies on page 120. 請參閱綜合財務報表附註2及第120頁的會計政策。	
The Key Audit Matter 關鍵審計事項	How the matter was addressed in our audit 我們的審計如何處理該事項
	<ul style="list-style-type: none"> • scrutinising the sales ledger after the year end to identify significant credit notes issued and sales returns and inspecting relevant underlying documentation to assess if the related adjustments to revenue had been accounted for in the appropriate financial period in accordance with the requirements of the prevailing accounting standards; and • 檢查年結日後的銷售分類賬以識別已發出的大額扣減單據及銷售退貨，以及檢查相關文件以評估對收入進行的相關調整是否已根據現行會計準則的規定於適當的財務期間內入賬；及 • inspecting significant manual adjustments to revenue raised during the reporting period, enquiring of management the reasons for such adjustments and comparing the details of the adjustments with relevant underlying documentation. • 檢查於報告期內對收入作出的重大人手調整、向管理層查詢作出有關調整的原因及比較調整的詳情與相關文件。

KEY AUDIT MATTERS (Continued)

關鍵審計事項 (續)

Recoverability of trade receivables 貿易應收款項的可收回性	
<p>Refer to note 18 to the consolidated financial statements and the accounting policies on page 113. 請參閱綜合財務報表附註18及第113頁的會計政策。</p>	
The Key Audit Matter 關鍵審計事項	How the matter was addressed in our audit 我們的審計如何處理該事項
<p>As at 31 December 2017 the carrying value of the Group's net trade receivables totalled RMB575,192,000, which included an allowance for doubtful debts of RMB1,476,000. 於2017年12月31日，貴集團貿易應收款項的賬面值的淨額合共為人民幣575,192,000元，其中包括呆賬撥備人民幣1,476,000元。</p> <p>The Group's allowance for doubtful debts is based on management's estimate of the recoverability of individual trade receivables with reference to the ageing of overdue balances, repayment histories of individual debtors, existing customer-specific and market conditions and the fulfilment of repayment arrangements agreed with specific debtors. 貴集團的呆賬撥備乃以管理層參考逾期結餘賬齡、個別債務人的還款歷史、現有客戶特性及市場狀況以及與指定債務人協定的還款安排的履行情況而對個別貿易應收款項作出的估計為基礎。</p> <p>Management is required to apply judgement in assessing the allowance for doubtful debts for individual trade receivables. The ability of the debtors to repay the Group depends on customer-specific and market conditions which involves inherent uncertainty. 管理層須於評估個別貿易應收款項的呆賬撥備時加以判斷。債務人向貴集團還款的能力取決於客戶特性及市場狀況而定，當中牽涉固有不明朗因素。</p>	<p>Our audit procedures to assess the recoverability of trade receivables included the following: 我們就評估貿易應收款項的可收回性的審計程序包括以下程序：</p> <ul style="list-style-type: none"> obtaining an understanding of and assessing the design, implementation and operating effectiveness of key internal controls relating to credit control, debt collection and the calculation of the allowance for doubtful debts; 了解及評估與信貸控制、收債及計算呆賬撥備有關的關鍵內部監控的設計、執行及運作有效性； assessing the classification of individual balances in the trade receivables ageing report by comparing the details of individual items with underlying invoices on a sample basis; 透過抽樣比較個別項目的詳情與相關發票，評估貿易應收款項賬齡報告內個別結餘的分類情況； obtaining an understanding of the basis of management's judgements about the recoverability of individual overdue balances and evaluating the allowance for doubtful debts made by management for these individual balances with reference to the industry in which the debtors are operating, the ageing of overdue balances, historical and post year-end payment records and repayment arrangements agreed with specific debtors. This included inspecting relevant correspondence with individual debtors; 了解管理層有關個別逾期結餘可收回性的判斷基準，以及參考債務人經營所在行業、逾期結餘賬齡、歷史及年結日後的付款記錄及與特定債務人協定的還款安排，評價管理層就該等個別結餘作出的呆賬撥備。此程序包括檢查與個別債務人的相關通信；

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KEY AUDIT MATTERS (Continued)

關鍵審計事項 (續)

Recoverability of trade receivables (Continued) 貿易應收款項的可收回性 (續)	
Refer to note 18 to the consolidated financial statements and the accounting policies on page 113. 請參閱綜合財務報表附註18及第113頁的會計政策。	
The Key Audit Matter 關鍵審計事項	How the matter was addressed in our audit 我們的審計如何處理該事項
<p>We identified the recoverability of trade receivables as a key audit matter because of the inherent uncertainty in assessing if trade receivables will be recovered in full and because the assessment of the allowance for doubtful debts requires the exercise of management judgement.</p> <p>我們認為貿易應收款項的可收回性屬關鍵審計事項，原因是評估時的固有不明朗因素（倘貿易應收款項將悉數收回）及呆賬撥備的評估需要管理層行使判斷。</p>	<ul style="list-style-type: none"> assessing the historical accuracy of the estimates made by the management for the allowance for doubtful debts by comparing the allowance made by the management as at 31 December 2016 with the actual new provisions, write offs and recoveries in respect of trade receivables as at 31 December 2016 during the current year; and 透過比較管理層於2016年12月31日作出的呆賬撥備與本年度的實際新撥備、撇銷及與於2016年12月31日的貿易應收款項有關的收回款項，評估管理層就呆賬撥備所作估計的歷史準確度；及 comparing cash receipts from debtors subsequent to the financial year end relating to trade receivable balances at 31 December 2017 with bank statements and relevant underlying documentation on a sample basis. 將該財政年度年結日後從債務人收回的現金（與於2017年12月31日的貿易應收款項結餘有關）與銀行對賬單及相關文件進行抽樣比較。

KEY AUDIT MATTERS (Continued)

關鍵審計事項 (續)

Assessing potential impairment of goodwill and other intangible assets – trademark 評估商譽及其他無形資產—商標的潛在減值	
Refer to note 12 and note 13 to the consolidated financial statements and the accounting policies on page 109. 請參閱綜合財務報表附註12及附註13以及第109頁的會計政策。	
The Key Audit Matter 關鍵審計事項	How the matter was addressed in our audit 我們的審計如何處理該事項
<p>As a result of the acquisition by the Group of Guangxi Yulin Pharmaceutical Group Co., Ltd and its subsidiaries (collectively referred to as “Yulin Pharmaceutical Group”) in 2016, the Group recognised goodwill of RMB320,647,000 and other intangible assets – trademark of RMB256,233,000, respectively, as at 31 December 2017.</p> <p>由於 貴集團於2016年收購廣西玉林製藥集團有限責任公司及其附屬公司(統稱「玉林製藥集團」)，貴集團於2017年12月31日分別確認商譽人民幣320,647,000元及其他無形資產—商標人民幣256,233,000元。</p> <p>Management identified other intangible assets – trademark as intangible assets with indefinite useful lives, and performed impairment testing on goodwill and other intangible assets – trademark annually whether or not there were any indications of impairment.</p> <p>管理層已將其他無形資產—商標列為具有無限可使用年期的無形資產，並按年對商譽及其他無形資產—商標進行減值測試，以得知有否任何跡象顯示出現減值。</p>	<p>Our audit procedures to assess the potential impairment of goodwill and other intangible assets – trademark included the following:</p> <p>我們就評估商譽及其他無形資產—商標的潛在減值的審計程序包括以下程序：</p> <ul style="list-style-type: none"> evaluating management’s impairment assessment model, including the identification of and the allocation of goodwill and other intangible assets – trademark to the Relevant CGU with reference to the requirements of the prevailing accounting standards; 評估管理層的減值評估模型，包括參考現行會計準則的規定評估商譽及其他無形資產—商標的識別及分配； evaluating the competence, experience, capability and objectivity of the external valuer engaged by management to perform the calculation of the recoverable amounts of the goodwill and other intangible assets – trademark; 評價管理層所委聘為對商譽及其他無形資產—商標的可收回金額進行計算的外聘估值師的資歷、經驗、能力和客觀性；

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS (Continued)

關鍵審計事項 (續)

Assessing potential impairment of goodwill and other intangible assets – trademark (Continued) 評估商譽及其他無形資產—商標的潛在減值 (續)	
Refer to note 12 and note 13 to the consolidated financial statements and the accounting policies on page 109. 請參閱綜合財務報表附註12及附註13以及第109頁的會計政策。	
The Key Audit Matter 關鍵審計事項	How the matter was addressed in our audit 我們的審計如何處理該事項
<p>Management allocated goodwill and other intangible assets – trademark to the cash generating unit of Yulin Pharmaceutical Group (“Relevant CGU”). Management engaged an external valuer to assess the recoverable amount of the Relevant CGU using the value in use method by preparing a discounted cash flow forecast derived from the most recent financial forecast approved by the management covering a five-year period.</p> <p>管理層已將商譽及其他無形資產—商標分配至玉林製藥集團的現金產生單位(「相關現金產生單位」)。管理層已委聘一名外聘估值師，以運用使用價值法對相關現金產生單位的可收回金額進行評估，方法為制定管理層批准的最近期財務預測(涵蓋五年期間)得出的折現現金流量預測。</p> <p>The assessment of the recoverable amounts of the Relevant CGU involves significant management estimation and judgement, in particular in determining the key assumptions adopted in the cash flow forecast, which include future revenue, future cost of sales, other operating expenses, and the discount rate applied.</p> <p>對相關現金產生單位的可收回金額的評估涉及重大的管理層估計和判斷，特別是確定現金流量預測時採納的關鍵假設，其中包括未來收入、未來銷售成本、其他經營開支和應用的折現率。</p>	<ul style="list-style-type: none"> • challenging the key estimates and assumptions adopted in the discounted cash flow forecast, including future revenue, future cost of sales, and other operating expenses, by comparing relevant data with the financial budget which was approved by the management, and by comparison with historical performance of the Relevant CGU and our knowledge of the business of Group; • 對折現現金流量預測中採納的關鍵估計及假設(當中包括未來收入、未來銷售成本及其他經營開支)提出質疑，方法為比較相關數據與管理層批准的財務預算，以及比較相關現金產生單位的歷史表現與我們對 貴集團業務的認識； • comparing the data in discounted cash flow forecast prepared in the prior year with the current year's performance to assess how accurate the prior year's discounted cash flow forecasts was and making enquiries of management as to the reasons for any significant variations identified; • 比較往年制定折現現金流量預測的數據與本年表現，以評估往年折現現金流量預測是否準確，並向管理層查詢任何所識別重大偏差的理由；

KEY AUDIT MATTERS (Continued)

關鍵審計事項 (續)

Assessing potential impairment of goodwill and other intangible assets – trademark (Continued) 評估商譽及其他無形資產—商標的潛在減值 (續)	
Refer to note 12 and note 13 to the consolidated financial statements and the accounting policies on page 109. 請參閱綜合財務報表附註12及附註13以及第109頁的會計政策。	
The Key Audit Matter 關鍵審計事項	How the matter was addressed in our audit 我們的審計如何處理該事項
<p>We identified the assessment of potential impairment of goodwill and other intangible assets – trademark as a key audit matter because determining the level of impairment, if any, involves a significant degree of management judgement, which can be inherently uncertain and could be subject to management bias.</p> <p>我們將評估商譽及其他無形資產—商標的潛在減值列為關鍵審計事項，原因是釐定減值水平（如有）涉及重大程度的管理層判斷，當中存在固有不確定性，並可能受到管理層偏向意見的影響。</p>	<ul style="list-style-type: none"> • engaging our internal valuation specialists to assist us in evaluating the valuation methodologies adopted by the external valuer in the preparation of the discounted cash flow forecast with reference to the requirements of the prevailing accounting standards, and assessing whether discount rate applied in the discounted cash flow forecast was within the range adopted by other companies in the same industry; • 參考現行會計準則的規定，委聘內部估值專家協助我們評估外部估值師於編製折現現金流量預測中採納的估值方法，以及評估折現現金流量預測中應用的折現率是否處於其他同業公司採納的範圍內； • performing a sensitivity analysis of key assumptions, including future revenue growth rates, future gross margins and the discount rate applied in the discounted cash flow forecast and considering the resulting impact on the impairment testing and whether there were any indicators of management bias in the selection of these key assumptions; and • 對關鍵假設（包括未來收入增長率、未來毛利率及折現現金流量預測中應用的折現率）進行敏感度分析，並考慮由此對減值測試產生的影響及挑選該等關鍵假設時是否存在任何管理層偏見的跡象；及 • considering the disclosures in the financial statements in respect of management's impairment assessments of goodwill and other intangible assets – trademark allocated to the Relevant CGU with reference to the requirements of the prevailing accounting standards. • 參考現行會計準則的規定，考慮財務報表中有關管理層對分配至相關現金產生單位的商譽及其他無形資產—商標進行減值評估的披露資料。

Independent Auditor's Report 獨立核數師報告

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

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

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

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

綜合財務報表及其核數師報告以外的信息

董事需對其他信息負責。其他信息包括刊載於年報內的全部信息，但不包括綜合財務報表及我們的核數師報告。

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

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

董事就綜合財務報表須承擔的責任

董事須負責根據香港會計師公會頒布的《香港財務報告準則》及香港《公司條例》的披露要求擬備真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

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

審核委員會協助董事履行監督 貴集團的財務報告過程的責任。

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. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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.

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們是僅向整體股東報告。除此以外，我們的報告不可用作其他用途。我們概不就本報告的內容，對任何其他人士負責或承擔法律責任。

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

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

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

Independent Auditor's Report

獨立核數師報告

- 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.
 - 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.
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
 - 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對 貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致 貴集團不能持續經營。
 - 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
 - 就貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

We communicate with 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.

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

Independent Auditor's Report 獨立核數師報告

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and 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 Lam Kai Wa.

KPMG

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

21 March 2018

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

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

出具本獨立核數師報告的審計項目合夥人是林啟華。

畢馬威會計師事務所

執業會計師

香港中環
遮打道10號
太子大廈八樓

2018年3月21日

Consolidated statement of profit or loss 綜合損益表

for the year ended 31 December 2017 (Expressed in Renminbi)
截至2017年12月31日止年度（以人民幣呈列）

		Note 附註	2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Revenue	收入	2	1,660,230	1,223,488
Cost of sales	銷售成本		(431,835)	(312,465)
Gross profit	毛利		1,228,395	911,023
Other income	其他收入	3	35,102	6,104
Distribution costs	分銷成本		(540,264)	(374,365)
Administrative expenses	行政開支		(163,497)	(141,666)
Profit from operations	經營溢利		559,736	401,096
Finance costs	財務成本	4(a)	(14,754)	(1,509)
Share of profit of an associate	應佔聯營公司溢利		-	3,865
Profit before taxation	稅前溢利	4	544,982	403,452
Income tax	所得稅	5(a)	(123,162)	(83,795)
Profit for the year	年內溢利		421,820	319,657
Attributable to:	以下人士應佔：			
- Equity shareholders of the Company	- 本公司權益股東		396,242	307,526
- Non-controlling interests	- 非控股權益		25,578	12,131
Profit for the year	年內溢利		421,820	319,657
Earnings per share (RMB yuan)	每股盈利（人民幣元）	8		
- Basic	- 基本		0.4602	0.3205
- Diluted	- 攤薄		0.4570	0.3204

The notes on pages 93 to 207 form part of these financial statements. Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in note 25(b).

第93頁至第207頁之附註為該等財務報表的組成部份。就年內溢利應付本公司權益股東的股息詳情載於附註25(b)。

Consolidated statement of profit or loss and other comprehensive income

綜合損益及其他全面收益表

for the year ended 31 December 2017 (Expressed in Renminbi)

截至2017年12月31日止年度（以人民幣呈列）

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Profit for the year	年內溢利	421,820	319,657
Other comprehensive income for the year that may be reclassified subsequently to profit or loss:	其後可能重新分類至損益的 年內其他全面收益：		
Exchange differences on translation of financial statements of operations outside the People's Republic of China (the "PRC"), net of tax	轉換中華人民共和國（「中國」） 境外業務的財務報表的 匯兌差異，扣除稅項	(13)	150
Total comprehensive income for the year	年內全面收益總額	421,807	319,807
Attributable to:	以下人士應佔：		
– Equity shareholders of the Company	– 本公司權益股東	396,229	307,676
– Non-controlling interests	– 非控股權益	25,578	12,131
Total comprehensive income for the year	年內全面收益總額	421,807	319,807

The notes on page 93 to 207 form part of these financial statements.

第93頁至第207頁之附註為該等財務報表的組成部份。

Consolidated statement of financial position 綜合財務狀況表

as at 31 December 2017 (Expressed in Renminbi)
於2017年12月31日 (以人民幣呈列)

		Note	2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
		附註		
Non-current assets	非流動資產			
Investment property	投資物業	9	17,876	18,552
Other property, plant and equipment	其他物業、廠房及設備	10	400,797	392,882
Lease prepayments	租賃預付款項	11	132,777	86,006
Intangible assets	無形資產	12	460,215	489,629
Goodwill	商譽	13	320,647	320,647
Other investments	其他投資	14	2,600	2,600
Other prepayments	其他預付款	16	17,740	40,400
Deferred tax assets	遞延稅項資產	24(c)	34,714	18,334
Total non-current assets	非流動資產總值		1,387,366	1,369,050
Current assets	流動資產			
Inventories	存貨	17	200,001	140,974
Trade and other receivables	貿易及其他應收款項	18	995,085	576,320
Cash and cash equivalents	現金及現金等值項目	19	989,565	672,711
Total current assets	流動資產總值		2,184,651	1,390,005
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	20	679,722	483,252
Loans and borrowings	貸款及借款	21	193,621	–
Deferred income	遞延收益	22	1,554	1,346
Current taxation	即期稅款	24(a)	95,336	62,133
Total current liabilities	流動負債總額		970,233	546,731
Net current assets	流動資產淨值		1,214,418	843,274
Total assets less current liabilities	總資產減流動負債		2,601,784	2,212,324

The notes on pages 93 to 207 form part of these financial statements.

第93頁至第207頁之附註為該等財務報表的組成部份。

Consolidated statement of financial position

綜合財務狀況表

as at 31 December 2017 (Expressed in Renminbi)
於2017年12月31日（以人民幣呈列）

		Note	2017	2016
		附註	2017年	2016年
			RMB'000	RMB'000
			人民幣千元	人民幣千元
Non-current liabilities	非流動負債			
Loans and borrowings	貸款及借款	21	374,483	–
Deferred income	遞延收益	22	20,741	21,603
Deferred tax liabilities	遞延稅項負債	24(c)	142,412	129,670
Total non-current liabilities	非流動負債總額		537,636	151,273
Net assets	資產淨值		2,064,148	2,061,051
Capital and reserves	資本及儲備			
Share capital	股本	25(c)	68,652	76,237
Reserves	儲備	25(d)	1,678,036	1,684,257
Total equity attributable to equity shareholders of the Company	本公司權益股東應佔權益總額		1,746,688	1,760,494
Non-controlling interests	非控股權益		317,460	300,557
Total equity	總權益		2,064,148	2,061,051

Approved and authorised for issue by the board of directors on 21 March 2018.

於2018年3月21日經董事會批准及授權刊發。

AN Yubao
安郁寶
Chairman
主席

LI Qian
黎倩
Executive Director
執行董事

The notes on pages 93 to 207 form part of these financial statements.

第93頁至第207頁之附註為該等財務報表的組成部份。

Consolidated statement of changes in equity

綜合權益變動表

for the year ended 31 December 2017 (Expressed in Renminbi)
截至2017年12月31日止年度 (以人民幣呈列)

		Attributable to equity shareholders of the Company 本公司權益股東應佔										Total equity 權益總額 RMB'000 人民幣千元	
		Share capital 股本 RMB'000 人民幣千元 note 25(c) 附註25(c)	Share premium 股份溢價 RMB'000 人民幣千元 note 25(d)(i) 附註25(d)(i)	Exchange reserve 匯兌儲備 RMB'000 人民幣千元 note 25(d)(ii) 附註25(d)(ii)	Capital reserve 資本儲備 RMB'000 人民幣千元 note 25(d)(iii) 附註25(d)(iii)	Other reserves 其他儲備 RMB'000 人民幣千元 note 25(d)(iv) 附註25(d)(iv)	Treasury shares held under Share Award Scheme 根據股份獎勵計劃持有的庫存股 RMB'000 人民幣千元 note 23(b) 附註23(b)	Other treasury shares 其他庫存股 RMB'000 人民幣千元 note 25(c)(i) 附註25(c)(i)	PRC statutory reserve 中國法定儲備 RMB'000 人民幣千元 note 25(d)(v) 附註25(d)(v)	Retained earnings 保留盈利 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元		Non-controlling interests 非控股權益 RMB'000 人民幣千元
As at 1 January 2016	於2016年1月1日	78,074	647,937	207	82,951	80,769	(89,997)	-	60,428	776,396	1,636,755	-	1,636,755
Changes in equity for 2016:	2016年權益變動:												
Profit for the year	年內溢利	-	-	-	-	-	-	-	-	307,526	307,526	12,131	319,657
Other comprehensive income	其他全面收益	-	-	150	-	-	-	-	-	-	150	-	150
Total comprehensive income	全面收益總額	-	-	150	-	-	-	-	-	307,526	307,676	12,131	319,807
Purchase of own shares during the year	年內購買自身股份	-	-	-	-	-	-	(81,132)	-	-	(81,132)	-	(81,132)
Cancellation of shares during the year	年內註銷股份	(1,837)	(79,295)	-	-	-	-	81,132	-	-	-	-	-
Acquisition of subsidiaries	收購附屬公司	-	-	-	-	-	-	-	-	-	-	348,827	348,827
Acquisition of non-controlling interests	收購非控股權益	-	-	-	-	-	-	-	-	(23,158)	(23,158)	(124,209)	(147,367)
Capital injection from non-controlling interest holders	非控股權益持有人增資	-	-	-	-	-	-	-	-	12,371	12,371	63,808	76,179
Appropriations to statutory reserve	轉撥至法定儲備	-	-	-	-	-	-	-	7,876	(7,876)	-	-	-
Dividends approved and paid	批准及支付的股息	-	(114,512)	-	-	-	-	-	-	-	(114,512)	-	(114,512)
Employees' Share Option Scheme	僱員購股權計劃	-	-	-	21,590	-	-	-	-	-	21,590	-	21,590
Shares granted under the Share Award Scheme	根據股份獎勵計劃授予的股份	-	-	-	904	-	-	-	-	-	904	-	904
Shares vested under the Share Award Scheme	根據股份獎勵計劃歸屬的股份	-	-	-	(1,355)	-	-	-	-	-	(1,355)	-	(1,355)
As at 31 December 2016	於2016年12月31日	76,237	454,130	357	104,090	80,769	(88,642)	-	68,304	1,065,249	1,760,494	300,557	2,061,051

The notes on pages 93 to 207 form part of these financial statements.

第93頁至第207頁之附註為該等財務報表的組成部份。

Consolidated statement of changes in equity

綜合權益變動表

for the year ended 31 December 2017 (Expressed in Renminbi)
截至2017年12月31日止年度(以人民幣呈列)

		Attributable to equity shareholders of the Company 本公司權益股東應佔												
		Share capital	Share premium	Exchange reserve	Capital reserve	Other reserves	Treasury shares held under Share Award Scheme	PRC statutory reserve	Retained earnings	Total	Non-controlling interests	Total equity		
	Note	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	附註	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
As at 1 January 2017	於2017年1月1日	76,237	454,130	357	104,090	80,769	(88,642)	68,304	1,065,249	1,760,494	300,557	2,061,051		
Changes in equity for 2017:	2017年權益變動:													
Profit for the year	年內溢利	-	-	-	-	-	-	-	396,242	396,242	25,578	421,820		
Other comprehensive income	其他全面收益	-	-	(13)	-	-	-	-	-	(13)	-	(13)		
Total comprehensive income	全面收益總額	-	-	(13)	-	-	-	-	396,242	396,229	25,578	421,807		
Purchase and cancellation of own shares during the year	年內購買及註銷自身股份	(11,436)	(454,130)	-	-	-	-	-	(40,150)	(505,716)	-	(505,716)		
Capital injection from non-controlling interests holders	非控股權益持有人增資	-	-	-	-	-	-	-	481	481	2,357	2,838		
Appropriations to statutory reserve	轉至法定儲備	-	-	-	-	-	-	14,930	(14,930)	-	-	-		
Dividends approved and paid to equity shareholders of the Company	批准及已付本公司權益股東的股息	-	-	-	-	-	-	-	(173,231)	(173,231)	-	(173,231)		
Dividends approved and paid to non-controlling interest holders from a subsidiary	附屬公司批准及已付非控股權益持有人的股息	-	-	-	-	-	-	-	-	-	(11,032)	(11,032)		
Shares Issuance	發行股份	3,691	236,060	-	-	-	-	-	-	239,751	-	239,751		
Employees Share Option Scheme	僱員購股權計劃	-	-	-	21,187	-	-	-	-	21,187	-	21,187		
Shares issued under the Share Option Scheme	根據購股權計劃發行的股份	160	11,212	-	(3,879)	-	-	-	-	7,493	-	7,493		
As at 31 December 2017	於2017年12月31日	68,652	247,272	344	121,398	80,769	(88,642)	83,234	1,233,661	1,746,688	317,460	2,064,148		

The notes on pages 93 to 207 form part of these financial statements.

第93頁至第207頁之附註為該等財務報表的組成部份。

Consolidated cash flow statement 綜合現金流量表

for the year ended 31 December 2017 (Expressed in Renminbi)
截至2017年12月31日止年度（以人民幣呈列）

	Note 附註	2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Operating activities	經營活動		
Cash generated from operations	經營活動所得現金	345,720	511,318
PRC income tax paid	已付中國所得稅	(93,597)	(62,141)
Net cash generated from operating activities	經營活動所得現金淨額	252,123	449,177
Investing activities	投資活動		
Interest received	已收利息	3,469	22,988
Net cash acquired through acquisition of subsidiaries, net of cash paid	收購附屬公司獲得淨現金，扣除支付現金	-	165,647
Payment for interest in an associate	就於一間聯營公司的權益付款	-	(31,612)
Payment for purchase of other property, plant and equipment	購買其他物業、廠房及設備的款項	(54,969)	(25,028)
Payment for leasehold land	租賃土地付款	(9,477)	(40,400)
Proceeds received from disposal of property, plant and equipment	已收出售物業、廠房及設備所得款項	928	293
Net cash (used in)/generated from investing activities	投資活動（所用）／所得現金淨額	(60,049)	91,888
Financing activities	融資活動		
Proceeds from new bank loans	新增銀行貸款所得款項	653,707	-
Repayments of bank loans	銀行貸款還款額	(59,066)	(90,000)
Proceeds from shares issued under share option scheme	根據購股權計劃發行股份的所得款項	4,620	-
Proceeds from shares issuance	發行股份所得款項	239,751	-
Dividends paid to equity shareholders of the Company	已付本公司權益股東的股息	(173,231)	(114,512)
Dividends paid to non-controlling interests holders	已付非控股權益持有人的股息	(10,758)	-
Finance costs paid	已付財務成本	(24,020)	(1,509)
Payment for repurchase of shares which were subsequently cancelled	就購回其後被註銷股份的付款	(505,716)	(81,132)
Acquisition of non-controlling interests	收購非控股權益	-	(147,367)
Proceeds of capital injection from non-controlling interests holders	非控股權益持有人增資所得款項	2,838	76,179
Net cash generated from/ (used in) financing activities	融資活動所得／（所用）現金淨額	128,125	(358,341)
Net increase in cash and cash equivalents	現金及現金等值項目的增加淨額	320,199	182,724
Cash and cash equivalents at 1 January	於1月1日的現金及現金等值項目	672,711	489,987
Effect of foreign exchange rate changes	匯率變動的影響	(3,345)	-
Cash and cash equivalents at 31 December	於12月31日的現金及現金等值項目	989,565	672,711

The notes on pages 93 to 207 form part of these financial statements.

第93頁至第207頁之附註為該等財務報表的組成部份。

Notes to the Consolidated Financial Statements

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). Significant accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 1(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2017 comprise the Company and its subsidiaries (together referred to as the “**Group**”) and the Group’s interest in associates.

The consolidated financial statements are presented in Renminbi (“**RMB**”), rounded to the nearest thousand, which is the functional currency of the subsidiaries carrying out the principal activities of the Group.

1 重大會計政策

(a) 合規聲明

該等財務報表乃根據所有適用的香港財務報告準則編製，其集合條款包括香港會計師公會頒佈的所有適用的個別香港財務報告準則、香港會計準則及詮釋，以及香港公認會計原則及香港《公司條例》的披露規定。該等財務報表亦符合香港聯合交易所有限公司證券上市規則（「**上市規則**」）的適用披露條文。本集團所採納的重大會計政策於下文披露。

香港會計師公會已頒佈若干於本集團現行會計期間首次生效或可供提早採納的新訂及經修訂香港財務報告準則。附註1(c)就與於本會計期間及過往會計期間與本集團有關並已於該等財務報表內反映的初步應用該等發展而導致的任何會計政策變動提供資料。

(b) 財務報表的編製基準

截至2017年12月31日止年度的綜合財務報表包括本公司及其附屬公司（統稱為「**本集團**」）以及本集團於聯營公司的權益。

綜合財務報表以人民幣（「**人民幣**」）呈列，並約整至最接近千元。人民幣是從事本集團主要業務的附屬公司的功能貨幣。

Notes to the Consolidated Financial Statements

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Basis of preparation of the financial statements (Continued)

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the available-for-sale equity securities stated at their fair value as explained in the accounting policy set out in note 1(g).

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

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

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 29.

1 重大會計政策 (續)

(b) 財務報表的編製基準 (續)

編製財務報表所使用的計量基準為歷史成本基準，惟可供出售股本證券以公允值列賬除外（如附註1(g)所載會計政策闡述）。

按照香港財務報告準則編製財務報表需要管理層作出判斷、估計及假設，該等判斷、估計及假設會影響政策應用以及所呈報的資產、負債、收益及開支金額。該等估計及相關假設乃基於過往經驗及在有關情況下相信為合理的各項其他因素，而所得結果構成用作判斷顯然無法透過其他來源獲得的有關資產與負債賬面值的依據，實際結果或有別於該等估計。

該等估計及相關假設獲持續審閱。倘會計估計的修訂僅對作出修訂的期間產生影響，則有關修訂會在該期間內確認；或倘會計估計的修訂對現時及未來期間均產生影響，則會在作出該修訂期間及未來期間內確認。

有關管理層在應用香港財務報告準則時所作的對財務報表有重大影響的判斷及估計不確定性的主要來源於附註29內論述。

Notes to the Consolidated Financial Statements

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Changes in accounting policies

The HKICPA has issued several amendments to HKFRSs that are first effective for the current accounting period of the Group. None of these impact on the accounting policies of the Group. However, additional disclosure has been included in note 19(c) to satisfy the new disclosure requirements introduced by the amendments to HKAS 7, Statement of cash flows: Disclosure initiative, which require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(d) Subsidiaries and non-controlling interests

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

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

1 重大會計政策 (續)

(c) 會計政策變動

香港會計師公會已頒佈多項對香港財務報告準則的修訂，而該等修訂於本集團的本會計期間首次生效。該等變動對本集團的會計政策並無影響。然而，本公司已於附註19(c)載入額外披露，以符合香港會計準則第7號修訂本，現金流量表：披露計劃引入的新披露規定，該等修訂本要求實體提供使財務報表使用者能夠評估融資活動所產生的負債變動的披露資料，包括現金流產生的變動及非現金變動。

本集團並無應用任何於本會計期間尚未生效的新訂準則或詮釋。

(d) 附屬公司及非控股權益

附屬公司指本集團控制的實體。本集團可以或有權從參與實體的業務分享非固定回報，且有能力行使對實體的權力而影響該等回報時，本集團即被視為對實體擁有控制權。評估本集團是否擁有控制權時，僅考慮（本集團及其他方持有的）實質權利。

於附屬公司的投資於控制權開始當日至終止當日期間合併入綜合財務報表內。集團內公司間的結餘、交易及現金流以及集團內公司間的交易所產生的任何未變現溢利於編製綜合財務報表時悉數抵銷。倘並無出現減值跡象，集團內公司間的交易所產生的未變現虧損則按照未變現收益的相同方式抵銷。

Notes to the Consolidated Financial Statements

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Subsidiaries and non-controlling interests (Continued)

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 1(m)).

1 重大會計政策 (續)

(d) 附屬公司及非控股權益 (續)

非控股權益指於附屬公司中並非直接或間接歸屬本公司的權益，而本集團並無就此與該等權益的持有人協定任何額外條款，致使本集團整體就符合金融負債定義的該等權益承擔合約責任。就各業務合併而言，本集團可選擇按公允值或按非控股權益佔附屬公司的可識別資產淨值的比例計量任何非控股權益。

非控股權益於綜合財務狀況表的權益內呈列，與本公司權益股東應佔權益分開列賬。本集團業績內的非控股權益，乃於綜合損益表及綜合損益及其他全面收益表內列報，並作為非控股性權益與本公司權益股東應佔年內損益總額及全面收益總額的一個分配項目。

本集團於附屬公司的權益變動，倘不會引致喪失控制權，則以權益交易入賬，並據此對綜合權益中控制及非控股權益的金額作調整，以反映相關的權益變動，惟不會調整商譽及確認收益或虧損。

於本公司的財務狀況表中，於附屬公司的投資按成本減減值虧損列賬（參閱附註1(m)）。

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(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Associates

An associate is an entity in which the Group or Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

An investment in an associate is accounted for in the consolidated financial statements under the equity method. Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (see notes 1(f) and (m)). Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the consolidated statement of profit or loss, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated statement of profit or loss and other comprehensive income.

When the Group's share of losses exceeds its interest in the associate, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate.

1 重大會計政策 (續)

(e) 聯營公司

聯營公司指本集團或本公司擁有重大影響力，但並無單獨或共同控制其管理事宜（包括參與財務及營運決策）的實體。

於聯營公司的投資在綜合財務報表中以權益法入賬。根據權益法，投資初步按成本入賬，並就本集團應佔被投資公司收購當日可識別資產淨值的公允值超出投資成本的任何部份（如有）作出調整。此後，該投資因應本集團所佔被投資公司資產淨值份額於收購後的變動及與該投資（參閱附註1(f)及(m)）有關的任何減值虧損作出調整。收購當日超出成本的任何部份、本集團年內應佔被投資公司收購後的稅後業績以及任何減值虧損於綜合損益表內確認，而本集團應佔被投資公司收購後的稅後其他全面收益項目於綜合損益及其他全面收益表內確認。

當本集團應佔聯營公司虧損超逾其所佔權益時，本集團的權益將減少至零，並且終止確認進一步虧損，惟倘本集團已產生法律或推定責任，或曾代表被投資公司付款則除外。就此而言，本集團的權益是以按照權益法計算投資的賬面值，連同實質上構成部分本集團於聯營公司投資淨額的長期權益。

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(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Associates (Continued)

Unrealised profits and losses resulting from transactions between the Group and its associate are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

In the Company's statement of financial position, investments in associates are stated at cost less impairment losses (see note 1(m)), unless classified as held for sale (or included in a disposal group that is classified as held for sale)).

In all other cases, when the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see note 1(g)).

1 重大會計政策 (續)

(e) 聯營公司 (續)

本集團與其聯營公司進行交易所產生的未變現溢利及虧損，均以本集團於被投資公司的權益抵銷，惟可證實已轉讓資產減值的未變現虧損不在此限，在此情況下，則於損益內即時確認。

於本公司的財務狀況表中，於聯營公司的投資按成本減減值虧損列賬（參閱附註1(m)），除非該投資分類為持作出售（或計入分類為持作出售的出售組別）。

在所有其他情況下，當本集團不再對一間聯營公司有重大影響，則視作出售被投資公司的全部權益，因此產生的收益或虧損於損益內確認。於喪失重大影響力當日所保留有關前被投資公司的任何權益按公允值確認，而該金額會在初始確認金融資產（參閱附註1(g)）時當作公允值。

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1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Goodwill

Goodwill represents the excess of

- (i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over
- (ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit, or groups of cash generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment (see note 1(m)).

On disposal of a cash generating unit during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

1 重大會計政策 (續)

(f) 商譽

商譽指下列兩者的差額

- (i) 所轉讓代價的公允值、於被收購者的任何非控股權益金額及本集團先前於被收購者持有的權益公允值的總和；與
- (ii) 被收購者的可識別資產及負債於收購當日計量的公價值淨額。

當(ii)大於(i)時，則此超出數額即時於損益確認為議價購買收益。

商譽按成本減累計減值虧損列賬。因業務合併產生的商譽會分配至各個預期可受惠於合併協同效益的現金產生單位或現金產生單位組別，並會每年進行減值測試（參閱附註1(m)）。

年內處置現金產生單位時，購入商譽的任何應佔數額均計入出售項目的損益內。

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1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Other investments in equity securities

The Group's and the Company's policies for investments in equity securities, other than investments in subsidiaries and associates, are as follows:

Investments in equity securities are initially stated at fair value, which is their transaction price unless it is determined that the fair value at initial recognition differs from the transaction price and that fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets. Cost includes attributable transaction costs, except where indicated otherwise below. These investments are subsequently accounted for as follows, depending on their classification:

Investments in equity securities which do not fall into investments in securities held for trading or held-to-maturity securities are classified as available-for-sale securities. At the end of each reporting period the fair value is remeasured, with any resultant gain or loss being recognised in other comprehensive income and accumulated separately in equity in the fair value reserve. As an exception to this, investments in equity securities that do not have a quoted price in an active market for an identical instrument and whose fair value cannot otherwise be reliably measured are recognised in the statement of financial position at cost less impairment losses (see note 1(m)).

When the investments are derecognised or impaired (see note 1(m)), the cumulative gain or loss recognised in equity is reclassified to profit or loss. Investments are recognised/derecognised on the date the group commits to purchase/sell the investments or they expire.

1 重大會計政策 (續)

(g) 於股本證券的其他投資

本集團及本公司對於股本證券的投資（於附屬公司及聯營公司的投資除外）的政策如下：

於股本證券的投資初步按公允值（即彼等的交易價格）列賬，除非如按活躍市場中獲得的對相同資產或負債的報價或以只採用可觀察市場數據的估值方法證明初步確認的公允值與交易價格不相同，則作別論。成本包括應佔交易成本，惟下文另有指明者除外。其後，此等投資按其分類按如下方式列賬：

於股本證券的投資（不屬於持作買賣或持至到期證券的投資）乃分類為可供出售證券。公允值於各個報告期末重新計算，由此產生的任何收益或虧損會於其他全面收益內確認，並另於權益的公允值儲備累計，惟以下情況例外：相同工具在活躍市場並無報價且其公允值無法另行可靠計量的股本證券投資，乃按成本減減值虧損於財務狀況表內確認（參閱附註1(m)）。

倘該等投資被終止確認或出現減值（見附註1(m)），於權益中確認的累計收益或虧損乃重新分類至損益。投資乃於本集團承諾購買／出售有關投資當日或其屆滿當日確認／終止確認。

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1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Investment property

Investment properties are land and buildings which are owned or held under a leasehold interest (see note 1(l)) to earn rental income and/or for capital appreciation. These include land held for a currently undetermined future use and property that is being constructed or developed for future use as investment property.

Investment properties are measured initially at cost. The cost of a purchased investment property comprises its purchase price and any direct attributable expenditures. Investment properties are accounted for using the cost model and stated in the statement of financial position at cost less accumulated depreciation and impairment losses (see note 1(m)). The cost of investment property, less its estimated residual value and accumulated impairment losses, is depreciated using the straight-line method over its estimated useful lives as follows.

- Land use right 57 years
- Buildings 6 years

(i) Other property, plant and equipment

The following items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see note 1(m)):

- Buildings held for own use which are situated on leasehold land classified as held under operating leases (see note 1(l)); and
- Other items of plant and equipment.

1 重大會計政策 (續)

(h) 投資物業

投資物業指擁有或持有租賃權益(參閱附註1(l))的土地及樓宇，以賺取租金收入及／或資本增值，當中包括尚未確定未來用途的土地，以及正在建造或發展以供日後作投資物業用途的物業。

投資物業初步按成本計量。所購入投資物業的成本包括其購買價以及任何可直接歸屬的支出。投資物業乃採用成本模式入賬，並於綜合財務狀況表內按成本減累計折舊及減值虧損(參閱附註1(m))列賬。投資物業的成本(扣除其估計殘值及累計減值虧損)以直線法於其估計可使用年期進行折舊如下。

- 土地使用權 57年
- 樓宇 6年

(i) 其他物業、廠房及設備

下列物業、廠房及設備項目按成本減累計折舊及減值虧損列賬(參閱附註1(m))：

- 位於分類為根據經營租賃持有的租賃土地的特作自用建築物(參閱附註1(l))；及
- 其他廠房及設備項目。

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1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Other property, plant and equipment (Continued)

The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads.

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

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

- Buildings situated on leasehold land are depreciated over the shorter of the unexpired term of lease and their estimated useful lives, being no more than 50 years after the date of completion
- Machinery and equipment 5-20 years
- Motor vehicles 5 years
- Office equipment 5 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

1 重大會計政策 (續)

(i) 其他物業、廠房及設備 (續)

自建物業、廠房及設備項目的成本包括材料成本、直接勞工成本、拆卸及搬遷項目以及恢復項目所在地原貌的初步估計成本(如適用)，以及適當比例的生產間接費用。

報廢或出售物業、廠房及設備項目所產生的收益或虧損按出售所得款項淨額與該項目賬面值之間的差額釐定，並於報廢或出售日期在損益表內確認。

折舊按下列物業、廠房及設備項目的預計可使用年期，以直線法撇銷該等項目的成本(減去其估計殘值(如有))計算：

- 位於租賃土地上的建築物按未屆滿的租賃期及其估計可使用年期(以較短者為準，且不超過竣工日期後50年)折舊
- 機器及設備 5-20年
- 汽車 5年
- 辦公室設備 5年

倘物業、廠房及設備項目各部份的可使用年期不同，則該項目的成本按合理基準於各部份之間分配，每部份分開折舊。資產的可使用年期及其殘值(如有)將每年檢討。

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1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Research and development costs

Research and development costs comprise all costs that are directly attributable to research and development activities or that can be allocated on a reasonable basis to such activities. Because of the nature of the Group's research and development activities, the criteria for the recognition of such costs as an asset are generally not met until late in the development stage of the project when the remaining development costs are immaterial. Hence both research costs and development costs are generally recognised as expenses in the period in which they are incurred.

(k) Intangible assets (other than goodwill)

Intangible assets that are acquired by the Group are stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see note 1(m)). Expenditure on internally generated goodwill and brands is recognised as an expense in the period in which it is incurred.

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

– Patents	8-13 years
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Both the period and method of amortisation are reviewed annually.

1 重大會計政策 (續)

(j) 研發成本

研發成本包括所有與研發活動直接相關或可按合理基準分配至該等活動的成本。基於本集團研發活動的性質，該等成本一般要直至項目較後的發展階段，當餘下開發成本並不重大時，才會符合標準確認為資產。因此，研究成本及開發成本一般均於其產生的期間確認為開支。

(k) 無形資產 (商譽除外)

本集團所收購的無形資產按成本減累計攤銷 (倘估計可使用年期為有限) 及減值虧損列賬 (參閱附註 1(m))。有關內部產生商譽及品牌的開支在其產生的期間確認為開支。

具有有限可使用年期的無形資產的攤銷是於資產估計可使用年期內以直線法在損益中扣除。以下具有有限可使用年期的無形資產由可供使用當日或購置日 (孰短) 起攤銷，其估計可使用年期如下：

– 專利	8-13年
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攤銷期間及方法均每年予以審閱。

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1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Intangible assets (other than goodwill) (Continued)

Intangible assets are not amortised while their useful lives are assessed to be indefinite. Any conclusion that the useful life of an intangible asset is indefinite is reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for prospectively from the date of change and in accordance with the policy for amortisation of intangible assets with finite lives as set out above.

(l) Lease assets

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

(i) Classification of assets leased to the Group

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

1 重大會計政策 (續)

(k) 無形資產 (商譽除外) (續)

倘無形資產的可使用年期被評定為無限期，則不會進行攤銷。無形資產被評為無限使用年期的任何結論會每年審閱，以釐定是否有事件或情況繼續支持該資產被評為無限使用年期。倘並無事件及情況繼續支持該資產被評為無限使用年期，則可使用年期由無限期轉為有限期的評估變動會自變動日期起，根據上文所載有限使用年期無形資產的攤銷政策入賬。

(l) 租賃資產

倘本集團決定作出包含一項或一連串交易的安排，賦予在協定期間使用一項或多項特定資產的權利以換取一筆或一連串款項，則有關安排屬於或包括一項租賃。該項決定乃基於安排內容的評估而作出，而不論該項安排有否採取合法的租賃形式。

(i) 本集團租賃資產的分類

對於本集團根據租賃持有的資產，倘租賃轉讓擁有權的絕大部份風險及回報予本集團，有關資產會分類為根據財務租賃持有；倘租賃並無轉讓擁有權的絕大部分風險及回報予本集團，則分類為經營租賃。

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1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Lease assets (Continued)

(ii) Operating lease charges

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

The cost of acquiring land held under an operating lease is amortised on a straight-line basis over the period of the lease term.

(m) Impairment of assets

(i) Impairment of investments in equity securities and other receivables

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

- significant financial difficulty of the debtor;

1 重大會計政策 (續)

(l) 租賃資產 (續)

(ii) 經營租賃費用

倘本集團擁有根據經營租賃持有的資產的使用權，則根據租賃作出的付款會於租賃期所涵蓋的會計期間內，按等額分期於損益表內扣除，除非有其他基準能更清楚地反映租賃資產所產生的收益模式。已收取的租賃獎勵乃於損益表內確認為已支付淨租金總額的不可或缺部分。或然租金乃於其產生的會計期間於損益表內扣除。

根據經營租賃持有土地的收購成本會按直線法在租賃期內攤銷。

(m) 資產減值

(i) 股本證券投資及其他應收款項的減值

按成本或攤銷成本列賬或分類為可供出售證券的股本證券投資及其他應收款項乃於各報告期末檢討，以確定是否有減值的客觀證據。減值的客觀證據包括本集團注意到有關下列一項或多項損失事件的可觀察數據：

- 債務人有重大財務困難；

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綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
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1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Impairment of assets (Continued)

(i) Impairment of investments in equity securities and other receivables (Continued)

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

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

- For investments in associates accounted for under the equity method in the consolidated financial statements (see note 1(e)), the impairment loss is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with note 1(m)(ii). The impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount in accordance with note 1(m)(ii).

1 重大會計政策 (續)

(m) 資產減值 (續)

(i) 股本證券投資及其他應收款項的減值 (續)

- 違約，如拖欠或無法如期償還利息或本金；
- 債務人可能破產或進行其他財務重組；
- 科技、市場、經濟或法律環境出現重大變化對債務人造成不利影響；及
- 於股本工具的投資的公允值顯著或長期下跌至低於其成本值。

倘出現任何該等證據，則任何減值虧損會按以下方式釐定及確認：

- 就按權益法於綜合財務報表入賬的於聯營公司的投資（見附註1(e)）而言，減值虧損乃按附註1(m)(ii)比較投資的可收回金額與其賬面值來計量。倘按附註1(m)(ii)用以釐定可收回金額之估計出現有利變動，則撥回減值虧損。

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1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Impairment of assets (Continued)

(i) Impairment of investments in equity securities and other receivables (Continued)

- For unquoted equity securities carried at cost, the impairment loss is measured as the difference between the carrying amount of the financial asset and the estimated future cash flows, discounted at the current market rate of return for a similar financial asset where the effect of discounting is material. Impairment losses for equity securities carried at cost are not reversed.
- For trade and other current receivables carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material.

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

1 重大會計政策 (續)

(m) 資產減值 (續)

(i) 股本證券投資及其他應收款項的減值 (續)

- 就按成本列賬的無報價股本證券而言，減值虧損乃以金融資產賬面值與估計未來現金流量兩者間的差額計量，如折現影響屬重大，則按類似金融資產的當前市場回報率折現。按成本列賬的股本證券減值虧損將不會撥回。
- 就以攤銷成本列賬的貿易及其他流動應收款項而言，減值虧損乃根據資產的賬面值與估計未來現金流量現值兩者間的差額計量，如折現影響屬重大，則按金融資產原實際利率（即初始確認該等資產時計算的實際利率）折現。

倘若其後期間減值虧損金額減少，而有關減少與確認減值虧損後發生的事件可客觀地聯繫，則有關減值虧損透過損益表撥回。減值虧損的撥回不應導致資產的賬面值超過尚在過往年度沒有確認任何減值虧損而應釐定的金額。

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1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Impairment of assets (Continued)

(i) Impairment of investments in equity securities and other receivables (Continued)

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

1 重大會計政策 (續)

(m) 資產減值 (續)

(i) 股本證券投資及其他應收款項的減值 (續)

減值虧損從相應的資產中直接撇銷，惟若計入對可收回的可能性有疑問但未至於可能性極低的貿易及其他應收款項中的應收賬款及應收票據的已確認減值虧損則例外。在此情況下，應使用撥備賬記錄呆賬的減值虧損。倘本集團信納收回的可能性極低，則被視為不可收回的金額從應收賬款及應收票據中直接撇銷，而在撥備賬中持有有關該債務的任何金額將會被撥回。其後收回之前從撥備賬中扣除的款項撥回相關撥備賬。撥備賬的其他變動及之前直接撇銷的其後收回款項，均在損益表中確認。

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1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Impairment of assets (Continued)

(ii) Impairment of other assets

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

- investment property;
- other property, plant and equipment;
- lease prepayments;
- intangible assets;
- goodwill;
- interest in an associate; and
- investment in subsidiaries in the Company's statement of financial position.

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

1 重大會計政策 (續)

(m) 資產減值 (續)

(ii) 其他資產減值

內部及外間資料來源乃於各報告期末評估，以識別有否跡象顯示下列資產可能出現減值，或先前已確認的減值虧損已不存在或可能已減少（商譽除外）：

- 投資物業；
- 其他物業、廠房及設備；
- 租賃預付款項；
- 無形資產；
- 商譽；
- 於聯營公司的權益；及
- 本公司財務狀況表中於附屬公司的投資。

倘出現任何該等跡象，則會估計資產的可收回金額。此外，就商譽及擁有無限使用年期的無形資產而言，不論有否出現減值跡象，均須每年估計可收回金額。

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1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Impairment of assets (Continued)

(ii) Impairment of other assets (Continued)

– Calculation of recoverable amount

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

– Recognition of impairment losses

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

1 重大會計政策 (續)

(m) 資產減值 (續)

(ii) 其他資產減值 (續)

– 計算可收回金額

資產的可收回金額為公允值減出售成本以及使用價值兩者間的較高者。在評估使用價值時，會按反映當時市場對貨幣時間價值及資產特定風險評估的稅前折現率，將估計未來現金流量折現至其現值。倘資產並無產生大致獨立於其他資產的現金流入，則以能獨立產生現金流入的最小資產組別（即現金產生單位）釐定可收回金額。

– 確認減值虧損

倘資產或其所屬現金產生單位的賬面值超過其可收回金額時，則於損益表中確認減值虧損。就現金產生單位確認的減值虧損會首先分配用以減少分配至該現金產生單位（或單位組別）的任何商譽賬面值，其後按比例減少該單位（或單位組別）內其他資產的賬面值，惟某資產的賬面值不會減至低於其個別公允值減去出售成本（如能計量）或使用價值（如能釐定）的金額。

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1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Impairment of assets (Continued)

(ii) Impairment of other assets (Continued)

- Reversals of impairment losses

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

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

(iii) Interim financial reporting and impairment

Under the Listing Rules, the Group is required to prepare an interim financial report in compliance with HKAS 34, Interim financial reporting, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see notes 1(m)(i) and (ii)).

1 重大會計政策 (續)

(m) 資產減值 (續)

(ii) 其他資產減值 (續)

- 撥回減值虧損

就商譽以外的資產而言，倘用於釐定可收回金額的估計出現有利變動，則撥回減值虧損。有關商譽的減值虧損不予撥回。

減值虧損撥回僅限於若在過往年度並未確認減值虧損時原應釐定的資產賬面值。減值虧損撥回在確認撥回的年度計入損益表。

(iii) 中期財務報告及減值

根據上市規則，本集團須就財政年度首六個月編製符合香港會計準則第34號中期財務報告規定的中期財務報告。於中期期末，本集團應用與財政年度末所應用者相同的減值測試、確認及撥回準則（見附註1(m)(i)及(ii)）。

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1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Impairment of assets (Continued)

(iii) Interim financial reporting and impairment (Continued)

Impairment losses recognised in an interim period in respect of goodwill, available-for-sale equity securities and unquoted equity securities carried at cost are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates. Consequently, if the fair value of an available-for-sale equity security increases in the remainder of the annual period, or in any other period subsequently, the increase is recognised in other comprehensive income and not profit or loss.

(n) Inventories

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

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

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

1 重大會計政策 (續)

(m) 資產減值 (續)

(iii) 中期財務報告及減值 (續)

於中期期間內就按成本列賬的商譽、可供出售股本證券及無報價股本證券確認的減值虧損不會於其後期間撥回。倘有關中期期間的減值評估僅於財政年度末進行，即使並無確認虧損或所確認的虧損屬較輕微，亦不會撥回減值虧損。因此，倘可供出售股本證券的公允值於年度餘下期間或其後任何其他期間內增加，則該增幅於其他全面收益（而非損益）內確認。

(n) 存貨

存貨乃按成本及可變現淨值的較低者列賬。

成本乃按加權平均成本法計算，並包括所有採購成本、轉換成本及將存貨保存於現時所在地點及保持現有狀況所產生的其他成本。

可變現淨值是在日常業務過程中的估計售價減估計完成成本及作出銷售的估計所需成本。

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1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Inventories (Continued)

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

(o) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less allowance for impairment of doubtful debts (see note 1(m)).

(p) Interest-bearing borrowings

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

(q) Trade and other payables

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

1 重大會計政策 (續)

(n) 存貨 (續)

在售出存貨時，該等存貨的賬面值是在確認相關收入的期內確認為開支。將存貨撇減至可變現淨值的數額和所有存貨虧損均在出現撇減或虧損的期內確認為開支。任何存貨撇減撥回金額乃確認為存貨金額減少，並於撥回發生期間確認為開支。

(o) 貿易及其他應收款項

貿易及其他應收款項初步按公允價值確認，其後使用實際利率法按攤銷成本減呆賬減值撥備列賬（參閱附註1(m)）。

(p) 計息借款

計息借款初步按公允價值減應佔交易成本確認。於初步確認後，計息借款乃按攤銷成本及初步確認金額與按借款期於損益表內確認的贖回價值之間的任何差額，連同任何應付利息及費用，使用實際利率法列賬。

(q) 貿易及其他應付款項

貿易及其他應付款項初步按公允價值確認，而其後則按攤銷成本列賬，除非貼現的影響並不重大，在該情況下則按成本列賬。

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1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Cash and cash equivalents

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

(s) Employee benefits

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

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

Contribution to appropriate local defined contribution retirement schemes pursuant to the relevant labour rules and regulations in the PRC are recognised as an expense in profit or loss as incurred, except to the extent that they are included in the cost of inventories not yet recognised as an expense.

1 重大會計政策 (續)

(r) 現金及現金等值項目

現金及現金等值項目包括銀行存款及手頭現金、於銀行及其他金融機構的活期存款，以及可隨時兌換為已知金額現金且承受的價值變動風險並不重大的短期、高流動性投資（在購入時距離到期日不超過3個月）。

(s) 僱員福利

(i) 短期僱員福利及界定供款退休計劃的供款

薪金、年度花紅、有薪年假、向界定供款退休計劃供款及非金錢利益的成本乃於僱員提供相關服務的年度內累計。倘延期付款或結算而影響屬重大，則該等金額乃按其現值列賬。

除已計入但尚未確認為開支的存貨成本外，根據中國有關勞工規則及法規向當地適當界定供款退休計劃作出的供款於產生期間在損益確認為開支。

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1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Employee benefits (Continued)

(ii) Share-based payments

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

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

1 重大會計政策 (續)

(s) 僱員福利 (續)

(ii) 以股份為基礎的付款

授予僱員的購股權公允值於股本中的資本儲備相應增加而確認為僱員成本。公允值於授出當日按照二叉樹模型計量，並考慮購股權的授出條款及條件。倘僱員必須達成歸屬條件才可無條件地有權獲授購股權，則購股權的估計總公允值在歸屬期內攤分，並需考慮購股權歸屬的可能性。

於歸屬期內，將檢討預期歸屬之購股權數目。任何對過往年度已確認累計公允值所作之相應調整於回顧年度的損益表內扣除／計入，除非原有僱員開支合資格確認為資產，並對資本儲備作出相應調整。於歸屬日，已確認為開支的金額會作調整，以反映所歸屬的實際購股權數量（同時亦相應調整資本儲備），惟僅於未能達到有關本公司股份市價之歸屬條件而被沒收的購股權除外。股本金額於資本儲備確認，直至購股權獲行使（計入就已發行股份於股本確認的金額時）或購股權到期（直接撥至保留溢利時）為止。

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1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Employee benefits (Continued)

(iii) Termination benefits

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

(t) Income tax

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

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

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

1 重大會計政策 (續)

(s) 僱員福利 (續)

(iii) 終止福利

終止福利會在本集團不再能夠撤回所提供的終止福利或確認涉及終止福利付款的重組成本(以較早者為準)時確認。

(t) 所得稅

年內所得稅包括即期稅項及遞延稅項資產與負債的變動。即期稅項及遞延稅項資產與負債的變動均於損益表內確認，惟於其他全面收益或直接於權益內確認的項目有關者則除外，在此情況下有關稅項金額分別於其他全面收益或直接於權益內確認。

即期稅項為就年內應課稅收入採用於報告期末已生效或實質已生效的稅率計算的預期應付稅項，並就過往年度的應付稅項作出任何調整。

遞延稅項資產及負債分別自可扣稅及應課稅的暫時差額產生，即就財務報告而言資產和負債的賬面值與其稅基之間的差額。遞延稅項資產亦自未動用稅項虧損及未動用稅項抵免產生。

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1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) Income tax (Continued)

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

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

1 重大會計政策 (續)

(t) 所得稅 (續)

除若干有限的例外情況外，所有遞延稅項負債及所有遞延稅項資產（以未來可能有應課稅溢利致使可動用該等資產作抵扣為限）均會予以確認。可支持確認自可扣稅暫時差額所產生的遞延稅項資產的未來應課稅溢利包括因撥回現有應課稅暫時差額而產生的金額；惟此等差額必須與同一稅務機關及同一應課稅實體有關，並預期在可扣稅暫時差額預計撥回的同一期間或遞延稅項資產所產生稅項虧損可承後或承前結轉的期間內撥回。在釐定現有應課稅暫時差額是否支持確認自未動用稅項虧損和抵免產生的遞延稅項資產時，亦會採用同一準則，即該等差額若與同一稅務機關及同一應課稅實體有關，並預期在稅項虧損或抵免可動用的期間內撥回，則予以考慮。

確認遞延稅項資產和負債的有限例外情況，為不可扣稅的商譽所產生的暫時差額、不影響會計或應課稅溢利的資產或負債的初步確認（前提是其並不屬業務合併的一部份）所產生的暫時差額，以及有關於附屬公司的投資的暫時差額（如屬應課稅差額，則只限於本集團可控制撥回的時間，而且在可見將來不大可能撥回的差額；或如屬可扣稅差額，則只限於很可能在將來撥回的差額）。

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1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) Income tax (Continued)

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

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

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

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

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

1 重大會計政策 (續)

(t) 所得稅 (續)

已確認的遞延稅項金額按照資產與負債賬面值的預期變現或清償方式，使用報告期末已生效或實質已生效的稅率計算。遞延稅項資產與負債均不作折現。

遞延稅項資產的賬面值乃於各報告期末檢討，並在不可能再獲得足夠的應課稅溢利可抵扣相關稅項利益時予以扣減。倘有可能獲得足夠的應課稅溢利，則扣減金額予以撥回。

派發股息產生的額外所得稅於確認支付相關股息的負債時確認。

即期稅項結餘及遞延稅項結餘及其變動額均各自分開呈報且不予抵銷。倘本公司或本集團有法定強制執行權利以即期稅項資產抵銷即期稅項負債，並且符合以下附加條件，則即期稅項資產可抵銷即期稅項負債，以及遞延稅項資產可抵銷遞延稅項負債：

- 倘為即期稅項資產與負債，本公司或本集團擬按淨額基準結算，或同時變現該資產及清償該負債；或

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1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) Income tax (Continued)

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

(u) Provisions and contingent liabilities

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

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

1 重大會計政策 (續)

(t) 所得稅 (續)

- 倘為遞延稅項資產及負債，而此等資產及負債與同一稅務機關就以下其中一項徵收的所得稅有關：
 - 同一應課稅實體；或
 - 不同的應課稅實體，而此等實體計劃在日後每個預期有大額遞延稅項負債需要清償或大額遞延稅項資產可以收回的期間內，按淨額基準變現即期稅項資產及清償即期稅項負債，或同時變現該資產及清償該負債。

(u) 撥備及或然負債

撥備乃於本集團或本公司因過往事件而產生法律或推定責任，而可能需要經濟利益流出以清償責任及能作出可靠估計時，就不確定時間或金額的其他負債進行確認。倘金錢的時間值屬重大時，撥備乃按預期清償責任的開支的現值列賬。

當需要經濟利益流出的可能性較低或當金額不能可靠估計時，責任會作為或然負債披露，除非經濟利益流出的可能性極低。可能的責任（其存在將僅由一項或以上未來事件的出現或不出現確認）亦作為或然負債披露，除非經濟利益流出的可能性極低者，則另當別論。

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1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Revenue recognition

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

(i) Sale of goods

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

(ii) Rental income from operating leases

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

(iii) Interest income

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

1 重大會計政策 (續)

(v) 收入確認

收入按已收或應收代價的公允值計量。倘有經濟利益可能流入本集團，而收入及成本（如適用）能可靠地計量時，則收入會根據下列方法於損益表中確認：

(i) 銷售貨品

收入是在貨品送達客戶的場所時（亦即於客戶接收貨品及與擁有權相關的風險及回報之時）確認。收入不包括增值稅或其他銷售稅，並已扣除任何貿易折扣。

(ii) 經營租賃的租金收入

經營租賃項下的應收租金收入乃於租賃期所涵蓋的期間內，以等額分期方式於損益表確認，惟倘有其他基準更能代表使用租賃資產所得利益的模式則除外。已授出的租賃獎勵乃於損益表內確認為應收淨租賃付款總額的不可或缺部分。或然租金乃於其產生的會計期間確認為收入。

(iii) 利息收益

利息收益在產生時按實際利率法確認。

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1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Revenue recognition (Continued)

(iv) Government grants

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are initially recognised as deferred income and subsequently recognised as other income in profit or loss over the useful life of the assets.

(w) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

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

1 重大會計政策 (續)

(v) 收入確認 (續)

(iv) 政府補助

當可以合理確定本集團將會收到政府補助並會遵守其附帶條件時，政府補助會初步於財務狀況表內予以確認。用作補償本集團所產生的開支的補助於產生開支的同一期間有系統地於損益表內確認為收益。補償本集團資產成本的補助初步確認為遞延收入，其後於該項資產的可使用年期於損益表內確認為其他收益。

(w) 外幣換算

年內的外幣交易乃按於交易日期的外幣匯率換算。以外幣計值的貨幣資產及負債乃按於報告期末的外幣匯率換算。匯兌收益及虧損乃於損益表內確認。

以外幣的歷史成本計量的非貨幣資產及負債乃使用於交易日期的外幣匯率換算。按公允值列賬的以外幣計值非貨幣資產及負債乃使用於釐定公允值當日的以外幣匯率換算。

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1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) Translation of foreign currencies (Continued)

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

(x) Borrowing costs

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

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

1 重大會計政策 (續)

(w) 外幣換算 (續)

外國業務的業績按於交易日期適用的外幣匯率相若的匯率換算為人民幣。財務狀況表項目則按報告期末適用的收市外幣匯率換算為人民幣。所產生的匯兌差額於其他全面收益中確認，並於權益內的匯兌儲備中獨立累計。

(x) 借款成本

收購、建造或生產需要長時間才可以投入其擬定用途或銷售的資產直接應佔的借款成本，將予資本化作為該資產成本的一部分。其他借款成本則於其產生期間支銷。

屬於合資格資產成本一部分的借款成本在用於資產的開支產生、產生借款成本及使資產投入其擬定用途或銷售所必需的準備工作進行期間開始資本化。當使合資格資產投入其擬定用途或銷售所必需的絕大部分準備工作中止或完成時，借款成本便會暫停或停止資本化。

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1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(y) Related parties

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

1 重大會計政策 (續)

(y) 關連人士

- (a) 在以下情況下，某人士或其近親家庭成員與本集團有關聯：
- (i) 可控制或共同控制本集團；
 - (ii) 對本集團有重大影響力；或
 - (iii) 為本集團或本集團母公司的主要管理層成員。
- (b) 在以下任何情況下，某實體與本集團有關聯：
- (i) 該實體及本集團均為同一集團的成員公司（即母公司、附屬公司及同系附屬公司各自與其他方有關聯）。
 - (ii) 某實體為另一實體的聯營公司或合營公司（或另一實體為成員公司的某集團的成員公司的聯營公司或合營公司）。
 - (iii) 兩家實體均為同一第三方的合營公司。
 - (iv) 某實體為第三方實體的合營公司而另一實體則為該第三方實體的聯營公司。

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1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(y) Related parties (Continued)

- (b) An entity is related to the Group if any of the following conditions applies: (Continued)
- (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).
- (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 Group's parent.

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

(z) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

1 重大會計政策 (續)

(y) 關連人士 (續)

- (b) 在以下任何情況下，某實體與本集團有關聯：(續)
- (v) 該實體為本集團或與本集團有關聯的實體為其僱員利益而設立的離職後福利計劃。
- (vi) 該實體受(a)所識別人士控制或受共同控制。
- (vii) 於(a)(i)所識別人士對該實體有重大影響力或屬該實體（或該實體的母公司）主要管理層成員。
- (viii) 向本集團或向本集團之母公司提供主要管理人員服務之實體或其所屬集團之任何成員公司。

某人士的近親家庭成員為在與實體交易時預期會影響該名人士或受到該名人士影響的家庭成員。

(z) 分部報告

經營分部及財務報表所呈報各分部項目的金額，乃從就本集團各項業務及地理位置分配資源及評估表現而定期向本集團最高行政管理人提供的財務資料當中加以識別。

Notes to the Consolidated Financial Statements

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，以人民幣列示)

1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(z) Segment reporting (Continued)

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

2 REVENUE AND SEGMENT REPORTING

(a) Revenue

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

The amount of each significant category of revenue is as follows:

1 重大會計政策 (續)

(z) 分部報告 (續)

就財務報告而言，將不會併入個別重要經營分部，除非該等分部具有類似經濟特性，且在產品及服務性質、生產工序性質、客戶類型或階層、分銷產品或提供服務所使用的方法及監管環境的性質等方面相似。倘個別不重要的經營分部符合大部分該等標準，則可進行合併。

2 收入及分部報告

(a) 收入

本集團的主要業務為藥品生產及銷售。

各主要收入類別的金額如下：

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Kidney medicines	腎病藥物	814,926	734,476
Contrast medium	對比劑	119,831	125,033
Orthopedics medicines	骨科藥物	224,334	100,793
Dermatologic medicines	皮膚科藥物	220,995	110,854
Hepatobiliary medicines	肝胆藥物	102,515	34,724
Women and children medicines	婦兒藥物	110,320	80,066
Others	其他	67,309	37,542
		1,660,230	1,223,488

Notes to the Consolidated Financial Statements

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，以人民幣列示)

2 REVENUE AND SEGMENT REPORTING (Continued)

(a) Revenue (Continued)

Revenue from major customers contributing over 10% of the revenue of the Group, is as follows, including sales to entities which are known to the Group to be under common control with these customers:

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Customer A	客戶甲	384,087	338,430
Customer B	客戶乙	234,280	141,510

(b) Segment reporting

The Group manages its businesses by product lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following two reportable segments.

- Consun Pharmaceutical Segment: this segment manufactures and sells modern Chinese medicines and medical contrast medium.
- Yulin Pharmaceutical Segment: this segment manufactures and sells traditional Chinese medicines.

2 收入及分部報告 (續)

(a) 收入 (續)

來自貢獻本集團收入超過10%的主要客戶的收入(包括向本集團得悉與該等客戶受共同控制之實體作出的銷售)如下:

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Customer A	客戶甲	384,087	338,430
Customer B	客戶乙	234,280	141,510

(b) 分部報告

本集團按產品線管理其業務。本集團已呈列下列兩個可申報分部，其列報方式與為分配資源及評估表現目的而向本集團最高行政管理人員內部報告資料的方式貫徹一致。

- 康臣葯業分部：此分部生產及銷售現代中成藥及醫用成像對比劑。
- 玉林製藥分部：此分部生產及銷售傳統中成藥。

Notes to the Consolidated Financial Statements

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，以人民幣列示)

2 REVENUE AND SEGMENT REPORTING (Continued)

(b) Segment reporting (Continued)

(i) Segment results, assets and liabilities

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

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments. However, other than reporting inter-segment sales of pharmaceutical products, assistance provided by one segment to another, including sharing of assets and technical know-how, is not measured.

The measure used for reporting segment profit is gross profit. The Group's senior executive management is provided with segment information concerning segment revenue and gross profit. Segment assets and liabilities are not reported to the Group's senior executive management regularly.

2 收入及分部報告 (續)

(b) 分部報告 (續)

(i) 分部業績、資產及負債

為評估分部表現及在分部間分配資源，本集團最高行政管理人員根據以下基準監察各可呈報分部應佔的業績、資產及負債：

收入及開支乃經參照該等分部產生的銷售額及開支或該等分部應佔資產折舊或攤銷產生的開支，分配至可呈報分部。然而，除呈報分部間的藥品銷售外，一個分部向另一個分部提供的支援（包括分享資產及技術專門知識）則不予以計量。

用於呈報分部溢利的指標為毛利。本集團資深管理層獲提供有關分部收入及毛利資料。分部資產及負債資料並無向本集團資深管理層定期匯報。

Notes to the Consolidated Financial Statements

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，以人民幣列示)

2 REVENUE AND SEGMENT REPORTING (Continued)

(b) Segment reporting (Continued)

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

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2017 and 2016 is set out below.

2 收入及分部報告 (續)

(b) 分部報告 (續)

(i) 分部業績、資產及負債 (續)

截至2017年及2016年12月31日止年度，為分配資源及評估分部表現而向本集團最高行政管理人員提供的本集團可呈報分部之資料載列如下。

		Consun Pharmaceutical Segment 康臣藥業分部		Yulin Pharmaceutical Segment 玉林製藥分部		Total 總計	
		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Reportable segment revenue	可呈報分部收入						
Revenue from external customers	來自外部客戶的收入	1,060,505	946,140	599,725	277,348	1,660,230	1,223,488
Reportable segment profit	可呈報分部溢利						
Gross profit	毛利	848,253	748,798	380,142	162,225	1,228,395	911,023

Note: Guangxi Yulin Pharmaceutical Group Co., Ltd ("Yulin Pharmaceutical") and its subsidiaries (collectively referred to as "Yulin Pharmaceutical Group") became subsidiaries of the Group on 19 July 2016 ("Acquisition Date"). Therefore, segment result of Yulin Pharmaceutical Group for the year ended 31 December 2016 represents the financial performance from the 19 July 2016 to 31 December 2016.

附註：廣西玉林製藥集團有限公司及其附屬公司（統稱為「玉林製藥集團」）自2016年7月19日成為本集團附屬公司（「收購日期」）。因此，玉林製藥集團截至2016年12月31日止年度的分部業績代表其自2016年7月19日至2016年12月31日的財務表現。

Notes to the Consolidated Financial Statements

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，以人民幣列示)

2 REVENUE AND SEGMENT REPORTING (Continued)

(b) Segment reporting (Continued)

(ii) Reconciliations of reportable segment profit

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Reportable segment gross profit derived from the Group's external customers	來自本集團外部客戶之可呈報分部毛利	1,228,395	911,023
Other income	其他收入	35,102	6,104
Distribution costs	分銷成本	(540,264)	(374,365)
Administrative expenses	行政開支	(163,497)	(141,666)
Finance costs (note 4(a))	財務成本(附註4(a))	(14,754)	(1,509)
Share of profit of an associate	應佔聯營公司溢利	-	3,865
Consolidated profit before taxation	綜合稅前溢利	544,982	403,452

(iii) Geographic information

Analysis of the Group's revenue and results as well as analysis of the Group's carrying amount of segment assets and additions to property, plant and equipment by geographical market has not been presented as the Group's operating profit is entirely derived from activities of manufacturing and sale of pharmaceutical products in the PRC.

2 收入及分部報告(續)

(b) 分部報告(續)

(ii) 可呈報分部溢利的對賬

	2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Reportable segment gross profit derived from the Group's external customers	1,228,395	911,023
Other income	35,102	6,104
Distribution costs	(540,264)	(374,365)
Administrative expenses	(163,497)	(141,666)
Finance costs (note 4(a))	(14,754)	(1,509)
Share of profit of an associate	-	3,865
Consolidated profit before taxation	544,982	403,452

(iii) 地理資料

由於本集團的經營利潤完全由在中國從事的藥品生產與銷售活動獲得，故並無按地區市場呈列本集團收入及業績之分析，以及本集團分部資產賬面值及物業、廠房及設備添置之分析。

Notes to the Consolidated Financial Statements

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，以人民幣列示)

3 OTHER INCOME

3 其他收入

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Government grants (i)	政府補助(i)		
– Unconditional subsidies	– 無條件補貼	6,708	1,664
– Conditional subsidies (note 22)	– 有條件補貼 (附註22)	2,344	1,154
Rental income from investment properties	投資物業租金收入	311	455
Interest income	利息收益	3,419	3,299
Loss on disposal of property, plant and equipment	處置物業、廠房及設備產生的虧損	(307)	(762)
Loss on deemed disposal of an associate	視同處置聯營公司的虧損	–	(827)
Net exchange gains	淨匯兌收益	23,192	936
Others	其他	(565)	185
		35,102	6,104

(i) Government grants represent various forms of incentives and subsidies granted to the Group by the local government authorities in the PRC.

– Unconditional subsidies

The entitlements of certain government grants amounting to RMB6,708,000 (2016: RMB1,664,000) were unconditional. They were funds to subsidise the operating expenses of the PRC subsidiaries of the Group during the current or prior years.

– Conditional subsidies

The remaining government grants were conditional government grants and initially recorded as deferred income. The amount of conditional government grants charged to the consolidated statement of profit or loss for the year ended 31 December 2017 was RMB2,344,000 (2016: RMB1,154,000) (see note 22).

(i) 政府補貼指中國地方政府機關授予本集團的不同形式獎勵及補貼。

– 無條件補貼

可獲無條件政府資助部份金額為人民幣6,708,000元(2016年：人民幣1,664,000元)。其為資助本集團在中國境內附屬公司本年度或過往年度的營運費用。

– 有條件補貼

其餘政府資助為有條件政府資助及其首先被記錄為遞延收入。有條件政府資助被計入截至2017年12月31日止年度的綜合損益表的金額為人民幣2,344,000元(2016年：人民幣1,154,000元)(見附註22)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，以人民幣列示)

4 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/
(crediting):

(a) Finance costs

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Interest on bank loans (note 19(c))	銀行貸款利息 (附註19(c))	11,052	1,509
Finance charges on bank loans (note 19(c))	銀行貸款財務費用 (附註19(c))	3,702	-
		14,754	1,509

(b) Staff costs

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Salaries, wages, bonuses and benefits	薪金、工資、花紅及福利	322,579	169,533
Contributions to defined contribution retirement schemes	界定供款退休計劃供款	8,651	7,524
Equity settled share-based payments:	以股權結算並以股份為基礎的付款：		
Share Option Scheme (note 23(a))	購股權計劃 (附註23(a))	21,187	21,590
Share Award Scheme (note 23(b))	股份獎勵計劃 (附註23(b))	-	904
		352,417	199,551

Pursuant to the relevant labour rules and regulations in the PRC, the PRC subsidiaries participate in defined contribution retirement schemes (the "Schemes") organised by the local government authorities whereby the PRC subsidiaries are required to make contributions to the Schemes based on certain percentages of the eligible employees' salaries. The local government authorities are responsible for the entire pension obligations payable to the retired employees. The Group has no other obligations for payments of retirement and other post-retirement benefits of employees other than the contributions described above.

根據中國的相關勞動規則及規例，中國附屬公司參與由地方政府機關組織的界定供款退休計劃（「計劃」），據此，中國附屬公司須按照合資格僱員薪金的某百分比向計劃作出供款。地方政府機關承擔向退休僱員支付全部退休金的責任。除上述供款外，本集團並無其他責任支付僱員的退休及其他退休後福利。

Notes to the Consolidated Financial Statements

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
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4 PROFIT BEFORE TAXATION (Continued)

(c) Other items

		Note	2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
		附註		
Depreciation	折舊			
– Investment properties	– 投資物業	9	676	338
– Other property, plant and equipment	– 其他物業， 廠房及設備	10	33,938	24,026
Amortisation	攤銷			
– lease prepayments	– 租賃預付款項	11	3,106	1,378
– intangible assets	– 無形資產	12	29,414	14,707
Auditor's remuneration	核數師酬金			
– audit services	– 審計服務		2,100	2,100
– non-audit services	– 非審計服務		770	1,580
(Reversal of provision)/provision recognised for doubtful debts	(撥回)/ 確認的 呆賬撥備	18	(2,089)	1,174
Operating lease charges	經營租賃費用		2,858	2,370
Research and development cost [#]	研發成本 [#]		45,070	38,154
Cost of inventories [*]	存貨成本 [*]	17	431,835	312,465

[#] During the year ended 31 December 2017, research and development cost include RMB20,442,000 (2016: RMB8,522,000) relating to staff costs, depreciation and amortisation expenses and operating lease charges, which amount is also included in the respective total amounts disclosed separately above or in the note 4(b) for each of these types of expenses.

^{*} During the year ended 31 December 2017, cost of inventories include RMB81,777,000 (2016: RMB63,918,000) relating to staff costs, depreciation and amortisation expenses, which amount is also included in the respective total amounts disclosed separately above or in the note 4(b) for each of these types of expenses.

4 稅前溢利 (續)

(c) 其他項目

[#] 截至2017年12月31日止年度，研發成本包括與員工成本、折舊及攤銷開支和經營租賃費用相關的人民幣20,442,000元（2016年：人民幣8,522,000元），以上金額亦計入上文或附註4(b)就各開支類別獨立披露的相應總金額內。

^{*} 截至2017年12月31日止年度，存貨成本包括與員工成本、折舊及攤銷開支相關的人民幣81,777,000元（2016年：人民幣63,918,000元），以上金額亦計入上文或附註4(b)就各開支類別獨立披露的相應總金額內。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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5 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

5 綜合損益表內的所得稅

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

(a) 綜合損益表內的稅項指：

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Current tax	即期稅項		
Provision for PRC income tax for the year	年內中國所得稅撥備	127,354	94,010
(Over)/under-provision for PRC income tax in respect of prior years	過往年度中國所得稅(超額撥備)/撥備不足	(554)	510
		126,800	94,520
Deferred tax	遞延稅項		
Origination and reversal of temporary differences	產生及撥回暫時性差額	(3,638)	(10,725)
		123,162	83,795

(i) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (the "BVI"), the Group is not subject to any income tax in the Cayman Islands and the BVI.

(i) 根據開曼群島及英屬處女群島(「英屬處女群島」)的規則及規例，本集團毋須於開曼群島及英屬處女群島繳納任何所得稅。

(ii) No provision was made for Hong Kong Profits Tax as the Group did not earn income subject to Hong Kong Profits Tax for the years ended 31 December 2016 and 2017.

(ii) 由於本集團於截至2016年及2017年12月31日止年度並無賺取須繳納香港利得稅的收入，故並無就香港利得稅作出撥備。

Notes to the Consolidated Financial Statements

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，以人民幣列示)

5 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Continued)

(a) Taxation in the consolidated statement of profit or loss represents: (Continued)

- (iii) Taxable income for the subsidiaries of the Company in the PRC is subject to PRC income tax rate of 25%, unless otherwise specified below.

Consun Pharmaceutical (Inner Mongolia) Co., Ltd. (“**Inner Mongolia Consun**”) and Guangzhou Consun Pharmaceutical Company Limited (“**Guangzhou Consun**”) were qualified as an “Advanced and New Technology Enterprise”, Inner Mongolia Consun and Guangzhou Consun were entitled to the preferential income tax rate of 15% from 2015 to 2017 and 2017 to 2019, respectively.

Yulin Pharmaceutical and Guangxi Yulin Pharmaceutical Capsule Co., Limited (“**Yulin Capsule**”) were qualified as encouraged industry that operates in western China. Yulin Pharmaceutical and Yulin Capsule were entitled to the preferential income tax rate of 15% from 2011 to 2020.

Guangxi Yulin Pharmaceutical Group Yuming Chinese Traditional Medicine Co., Limited (“**Yuming Chinese Traditional Medicine**”), Guangxi Yulin Pharmaceutical Group Hongsheng Trading Co., Limited (“**Hongsheng Trading**”) and Guangxi Yulin Yunxiang Real Estate Co., Limited (“**Yunxiang Real Estate**”) met the criteria for preferential income tax rate granted to small and low profit-making enterprises in the PRC, and were entitled to the preferential income tax rate of 10% in 2017.

5 綜合損益表內的所得稅 (續)

(a) 綜合損益表內的稅項指：(續)

- (iii) 除非下文另有規定，否則本公司的中國附屬公司的應課稅收益須按25%的稅率繳納中國所得稅。

康臣藥業(內蒙古)有限責任公司(「**內蒙古康臣**」)及廣州康臣藥業有限公司(「**廣州康臣**」)獲認證為高新技術企業，內蒙古康臣及廣州康臣可分別從2015年至2017年及2017年至2019年享受優惠所得稅稅率15%。

玉林製藥及廣西玉林玉藥膠囊有限公司(「**玉林膠囊**」)獲認證為於中國西部營運的鼓勵性產業公司，玉林製藥及玉林膠囊均可從2011年至2020年享受優惠所得稅稅率15%。

廣西玉藥集團玉銘中藥有限責任公司(「**玉銘中藥**」)、廣西玉林製藥集團宏升貿易有限責任公司(「**宏升貿易**」)及廣西玉林雲香置業有限公司(「**雲香置業**」)符合標準申請授予中國小型微利企業的優惠所得稅稅率，並於2017年享受優惠所得稅稅率10%。

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5 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Continued)

(a) Taxation in the consolidated statement of profit or loss represents: (Continued)

(iii) (Continued)

Guangxi Yulin Pharmaceutical Group Yonglv Chinese Traditional Medicine Industry Co., Limited (“**Yonglv Chinese Traditional Medicine**”) met the exemption criteria on income generated through planting of agricultural products and was exempted from income tax in 2017.

(iv) According to the relevant tax law and its implementation rules, dividends receivable by non-PRC-resident corporate investors from PRC-resident enterprises are subject to withholding tax at 10%, unless reduced by tax treaties or arrangements, for profits earned since 1 January 2008. The Group has adopted the withholding tax rate at 10% for PRC withholding tax purposes.

The Directors of the Group have determined that in determining the amounts of dividends to be distributed from PRC subsidiaries to the Hong Kong incorporated subsidiary in future, the amounts of dividends declared or to be declared by the Company, and the repayment schedule of loans and borrowings of the Company would be considered. As at 31 December 2017, deferred tax liabilities of RMB58,003,000 (31 December 2016: RMB40,850,000) have been provided based on the expected dividends to be distributed from Guangzhou Consun to the Company in the foreseeable future in respect of the profits generated since 1 January 2008.

5 綜合損益表內的所得稅 (續)

(a) 綜合損益表內的稅項指：(續)

(iii) (續)

廣西玉藥集團永綠中藥產業有限公司(「永綠中藥」)符合農產品種植收入的豁免標準，並於2017年獲豁免繳納所得稅。

(iv) 根據有關稅法及其實施細則，除非自2008年1月1日起賺取的溢利獲稅務條例或安排寬減，否則非中國居民企業投資者應收中國居民企業的股息須按10%繳納預扣稅。就中國預扣稅而言，本集團已採用10%的預扣稅率。

本集團董事已確定，在釐定中國附屬公司日後向於香港註冊成立的附屬公司分派的股息金額時，將考慮本公司已宣派或將宣派的股息金額及本公司貸款及借款的還款時間表。於2017年12月31日，根據於可預見的未來廣州康臣預期會就自2008年1月1日後產生的盈利向本公司派發股息，計提遞延稅項負債人民幣58,003,000元(2016年12月31日：人民幣40,850,000元)。

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(除另有指明外，以人民幣列示)

5 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Continued)

綜合損益表內的所得稅 (續)

(b) Reconciliation between tax expenses and accounting profit at applicable tax rates:

(b) 稅項開支與按適用稅率計算的會計溢利的對賬：

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Profit before taxation for the year	年內稅前溢利	544,982	403,452
Notional tax on profit before taxation, calculated at the rates applicable to profits in the jurisdictions concerned	按相關司法權區溢利適用稅率計算的稅前溢利的名義稅項	144,299	106,043
Effect of non-deductible expenses	不可扣稅開支的影響	22,072	19,650
Effect of tax concessions	稅務寬減的影響	(59,808)	(42,408)
Tax effect of withholding tax	預扣稅的稅務影響	17,153	-
(Over)/Under-provision in respect of prior years	過往年度(超額撥備)/撥備不足	(554)	510
Actual tax expenses	實際稅項開支	123,162	83,795

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6 DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

6 董事酬金

根據香港《公司條例》第383(1)條及公司(披露董事利益資料)條例第2部分而需要披露的董事酬金詳情如下：

		Year ended 31 December 2017 截至2017年12月31日止年度					
		Salaries, allowances and benefits fees	Discretionary bonus in kind	Retirement scheme contribution	Share- based payment (i)	Total	
		薪金、津貼 及實物福利	酌情花紅	退休 計劃供款	以股份為 基礎的付款(i)	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	
Executive directors	執行董事						
Mr. AN Yubao	安郁寶先生	1,300	1,080	8,599	-	12,494	
Ms. LI Qian	黎倩女士	1,320	973	8,599	21	12,428	
Mr. ZHU Quan	朱荃先生	435	465	258	-	2,583	
Non-executive directors	非執行董事						
Mr. WANG Shunlong (retired on 31 May 2017)	王順龍先生 (於2017年 5月31日退任)	-	-	-	-	-	
Mr. LIN Sheng	林盛先生	-	-	-	-	-	
Independent non-executive directors	獨立非執行董事						
Mr. SU Yuanfu	蘇元福先生	120	-	-	-	120	
Mr. FENG Zhongshi	馮仲實先生	120	-	-	-	120	
Ms. CHENG Xinxin	成欣欣女士	120	-	-	-	120	
		3,415	2,518	17,456	21	27,865	

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6 DIRECTORS' EMOLUMENTS (Continued)

6 董事酬金 (續)

Year ended 31 December 2016

截至2016年12月31日止年度

		Salaries, allowances and benefits in kind	Discretionary bonus	Retirement scheme contribution	Share- based payment (i)	Total	
	Directors' fees	薪金、津貼 及實物福利	酌情花紅	退休 計劃供款	以股份為 基礎的付款(i)	總計	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
Executive directors	執行董事						
Mr. AN Yubao	安郁寶先生	1,300	1,080	6,285	–	5,072	13,737
Ms. LI Qian	黎倩女士	1,320	974	6,285	19	5,072	13,670
Mr. ZHU Quan	朱荃先生	435	587	–	–	314	1,336
Non-executive directors	非執行董事						
Mr. WANG Shunlong	王順龍先生	–	–	–	–	–	–
Mr. LIN Sheng	林盛先生	–	–	–	–	–	–
Independent non-executive directors	獨立非執行董事						
Mr. SU Yuanfu	蘇元福先生	120	–	–	–	–	120
Mr. FENG Zhongshi	馮仲實先生	120	–	–	–	–	120
Ms. CHENG Xinxin	成欣欣女士	120	–	–	–	–	120
		3,415	2,641	12,570	19	10,458	29,103

(i) These represent the estimated value of share options granted to the directors under the Company's Share Option Scheme. The value of these share options is measured according to the Group's accounting policies for share-based payment transactions as set out in note 1(s)(ii).

The details of these benefits in kind, including the principal terms and number of options granted, are disclosed under the paragraph "Share Option Scheme" in the directors' report and note 23(a).

(i) 這代表根據本公司購股權計劃授予董事之購股權的估計價值。該等購股權的價值按照本集團對以股份為基礎的付款交易的會計政策（載於附註1(s)(ii)）計量。

該等實物福利的詳情（包括授出購股權的主要條款及數目）在董事會報告「購股權計劃」一段及附註23(a)披露。

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7 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with highest emoluments, three (2016: three) are directors of the Company whose emoluments are disclosed in note 6. The aggregate of the emoluments in respect of the other two (2016: two) individuals are as follows:

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Salaries and other emoluments	薪金及其他薪酬	1,327	1,614
Contributions to retirement scheme	退休計劃供款	31	31
Share-based payment	以股份為基礎的付款	1,021	1,213
		2,379	2,858

The emoluments of the two (2016: two) individuals with the highest emoluments are within the following bands:

		2017	2016
		2017年	2016年
		Number of	Number of
		individuals	individuals
		人士數目	人士數目
HKD1,000,000 – HKD2,000,000	1,000,000港元至2,000,000港元	2	2

7 最高薪酬人士

五名最高薪酬人士中有三名(2016年：三名)為本公司董事，其薪酬於附註6披露。另外兩名(2016年：兩名)人士的薪酬總額如下：

兩名(2016年：兩名)最高薪酬人士的薪酬介乎以下範圍：

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8 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of RMB396,242,000 (2016: RMB307,526,000) and the weighted average number of ordinary shares of 861,067,000 shares (2016: 959,503,000 shares) in issue during the year, calculated as follows:

Weighted average number of ordinary shares

8 每股盈利

(a) 每股基本盈利

每股基本盈利乃根據年內本公司權益股東應佔溢利人民幣396,242,000元(2016年：人民幣307,526,000元)及已發行普通股的加權平均數861,067,000股股份(2016年：959,503,000股股份)計算，計算如下：

普通股加權平均數

		2017 2017年 '000 shares 千股	2016 2016年 '000 shares 千股
Issued ordinary shares at 1 January	於1月1日已發行普通股	974,268	997,757
Effect of shares repurchased and cancelled (note 25(c)(ii))	購回及註銷股份的影響 (附註25(c)(ii))	(100,496)	(18,325)
Effect of issuance of shares (note 25(c)(iii))	發行股份的影響 (附註25(c)(iii))	6,925	-
Effect of share options exercised (note 25(c)(iv))	已行使購股權的影響 (附註25(c)(iv))	68	-
Effect of treasury shares held under the Share Award Scheme	根據股份獎勵計劃持有的 庫存股的影響	(19,698)	(20,000)
Effect of awarded shares vested under the Share Award Scheme	股份獎勵計劃項下獎勵 股份歸屬的影響	-	71
Weighted average number of ordinary shares at 31 December	於12月31日普通股 加權平均數	861,067	959,503

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8 EARNINGS PER SHARE (Continued)

(b) Diluted earnings per share

The calculation of diluted earnings per share for the year ended 31 December 2017 is based on the profit attributable to equity shareholders of the Company of RMB396,242,000 (2016: RMB307,526,000) and the weighted average number of ordinary shares of 867,114,000 shares (2016: 959,734,000 shares), calculated as follows:

Weighted average number of ordinary shares (diluted)

8 每股盈利 (續)

(b) 每股攤薄盈利

截至2017年12月31日止年度的每股攤薄盈利乃根據本公司權益股東應佔溢利人民幣396,242,000元(2016年: 人民幣307,526,000元)及普通股的加權平均數867,114,000股股份(2016年: 959,734,000股股份)計算，計算如下：

普通股加權平均數(攤薄)

		2017 2017年 '000 shares 千股	2016 2016年 '000 shares 千股
Weighted average number of ordinary shares at 31 December	於12月31日普通股的加權平均數	861,067	959,503
Dilutive effect of awarded shares under the Share Award Scheme	股份獎勵計劃項下獎勵股份的攤薄影響	-	231
Dilutive effect of deemed issue of shares under the Share Option Scheme for nil consideration (note 23(a))	購股權計劃項下視同無償發行股份的攤薄影響(附註23(a))	6,047	-
Weighted average number of ordinary shares (diluted) at 31 December	於12月31日普通股加權平均數(攤薄)	867,114	959,734

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9 INVESTMENT PROPERTY

9 投資物業

RMB'000
人民幣千元

Cost	成本	
At 1 January 2016	於2016年1月1日	–
Addition through acquisition of subsidiaries	透過收購附屬公司添置	18,890
At 31 December 2016, 1 January 2017 and 31 December 2017	於2016年12月31日、2017年1月1日及 2017年12月31日	18,890
Accumulated depreciation:	累計折舊：	
At 1 January 2016	於2016年1月1日	–
Charge for the year	年內扣除	(338)
At 31 December 2016 and 1 January 2017	於2016年12月31日及2017年1月1日	(338)
Charge for the year	年內扣除	(676)
At 31 December 2017	於2017年12月31日	(1,014)
Net book value:	賬面淨值：	
At 31 December 2017	於2017年12月31日	17,876
At 31 December 2016	於2016年12月31日	18,552

Investment properties of the Group are situated in the PRC.

本集團的投資物業位於中國。

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9 INVESTMENT PROPERTY (Continued)

The Group leases out investment properties under operating leases. The leases typically run for an initial period of 5 years, with an option to renew the lease after that date at which time all terms are renegotiated. Lease payments are usually increased every year to reflect market rentals. None of the leases includes contingent rentals.

Included in investment property, properties of RMB13,886,000 (2016: RMB18,890,000) are held under operating leases that would otherwise meet the definition of investment property, and properties of RMB5,004,000 (2016: nil) are held for a currently undetermined future use.

The Group's total future minimum lease payments under non-cancellable operating leases are receivable as follows:

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Within 1 year	1年內	1,036	1,506
After 1 year but within 5 years	1年後但5年內	930	1,473
After 5 years	5年後	-	123

Investment properties of the Group were stated in the consolidated statement of financial position at cost less accumulated depreciation and impairment losses. The carrying amounts of the investment properties were not materially different from their fair value as at 31 December 2017 and 2016.

9 投資物業 (續)

本集團根據經營租賃出租投資物業。初始租期常為5年，於該日後可選擇續約，屆時會重新商定所有條款。租賃付款通常會每年增加，以反映市場租金。租賃概無包括或有租金。

投資物業包括以經營租賃獲得及符合投資物業定義的物業人民幣13,886,000元（2016年：人民幣18,890,000元）及尚未確定未來用途的物業人民幣5,004,000元（2016年：無）。

本集團根據不可解除的經營租賃在日後應收的最低租賃付款總額如下：

本集團的投資物業於綜合財務狀況表按成本減累計折舊及減值虧損列賬。於2017年及2016年12月31日投資物業的賬面值與其公允值並無重大差異。

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10 OTHER PROPERTY, PLANT AND EQUIPMENT

10 其他物業、廠房及設備

		Buildings 樓宇 RMB'000 人民幣千元	Machinery and equipment 機器及設備 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Office equipment 辦公設備 RMB'000 人民幣千元	Construction in progress 在建工程 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Cost:	成本：						
At 1 January 2016	於2016年1月1日	189,784	94,531	12,961	11,063	3,923	312,262
Addition through acquisition of subsidiaries	透過收購附屬公司 添置	77,384	23,495	1,066	1,357	71,772	175,074
Transfer from construction in progress	自在建工程轉移	32,213	42,235	–	66	(74,514)	–
Other additions	其他添置	124	6,568	1,472	2,040	8,912	19,116
Disposals	處置	–	(5,379)	(1,295)	(338)	–	(7,012)
At 31 December 2016 and 1 January 2017	於2016年12月31日及 2017年1月1日	299,505	161,450	14,204	14,188	10,093	499,440
Transfer from construction in progress	自在建工程轉移	15,264	18,118	–	1,254	(34,636)	–
Other additions	其他添置	429	2,379	185	1,781	38,314	43,088
Disposals	處置	–	(5,574)	(397)	(851)	–	(6,822)
At 31 December 2017	於2017年12月31日	315,198	176,373	13,992	16,372	13,771	535,706
Accumulated depreciation:	累計折舊：						
At 1 January 2016	於2016年1月1日	(41,724)	(32,811)	(7,606)	(6,348)	–	(88,489)
Charge for the year	年內扣除	(10,100)	(10,673)	(1,235)	(2,018)	–	(24,026)
Written back on disposal	於處置時撥回	–	4,548	1,165	244	–	5,957
At 31 December 2016 and 1 January 2017	於2016年12月31日及 2017年1月1日	(51,824)	(38,936)	(7,676)	(8,122)	–	(106,558)
Charge for the year	年內扣除	(14,813)	(15,332)	(1,461)	(2,332)	–	(33,938)
Written back on disposal	於處置時撥回	–	4,398	381	808	–	5,587
At 31 December 2017	於2017年12月31日	(66,637)	(49,870)	(8,756)	(9,646)	–	(134,909)
Net book value:	賬面淨值：						
At 31 December 2017	於2017年12月31日	248,561	126,503	5,236	6,726	13,771	400,797
At 31 December 2016	於2016年12月31日	247,681	122,514	6,528	6,066	10,093	392,882

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11 LEASE PREPAYMENTS

11 租賃預付款項

RMB'000
人民幣千元

Cost:	成本：	
At 1 January 2016	於2016年1月1日	29,808
Addition through acquisition of subsidiaries	透過收購附屬公司添置	63,810
At 31 December 2016 and 1 January 2017	於2016年12月31日及2017年1月1日	93,618
At 31 December 2017	於2017年12月31日	143,495
Accumulated amortisation:	累計攤銷：	
At 1 January 2016	於2016年1月1日	(6,234)
Charge for the year	年內扣除	(1,378)
At 31 December 2016 and 1 January 2017	於2016年12月31日及2017年1月1日	(7,612)
Charge for the year	年內扣除	(3,106)
At 31 December 2017	於2017年12月31日	(10,718)
Net book value:	賬面淨值：	
At 31 December 2017	於2017年12月31日	132,777
At 31 December 2016	於2016年12月31日	86,006

Lease prepayments represent prepayments for land use rights paid to the PRC authorities. The leasehold lands are located in the PRC, on which the Group's manufacturing plants were built. The Group was granted land use rights for a period of 50 years initially and the remaining period range from 33 to 49 years.

租賃預付款項指已付予中國機關的土地使用權預付款項。租賃土地位於中國，建於其上的是本集團的生產廠房。本集團最初獲授為期50年的土地使用權，餘下年期介乎33至49年。

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(Expressed in Renminbi unless otherwise indicated)

(除另有指明外，以人民幣列示)

12 INTANGIBLE ASSETS

12 無形資產

		Patents 專利 RMB'000 人民幣千元	Trademark 商標 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Cost:	成本：			
At 1 January 2016	於2016年1月1日	-	-	-
Addition through acquisition of subsidiaries	透過收購附屬公司添置	248,103	256,233	504,336
At 31 December 2016, 1 January 2017 and 31 December 2017	於2016年12月31日、 2017年1月1日及 2017年12月31日	248,103	256,233	504,336
Accumulated amortisation:	累計攤銷：			
At 1 January 2016	於2016年1月1日	-	-	-
Charge for the year	年內扣除	(14,707)	-	(14,707)
At 31 December 2016 and 1 January 2017	於2016年12月31日及 2017年1月1日	(14,707)	-	(14,707)
Charge for the year	年內扣除	(29,414)	-	(29,414)
At 31 December 2017	於2017年12月31日	(44,121)	-	(44,121)
Net book value:	賬面淨值：			
At 31 December 2017	於2017年12月31日	203,982	256,233	460,215
At 31 December 2016	於2016年12月31日	233,396	256,233	489,629

The amortization charge for the year is included in "cost of sales" in the consolidated statement of profit or loss.

於年內扣除的攤銷被包含在綜合損益表內的「銷售成本」中。

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綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，以人民幣列示)

12 INTANGIBLE ASSETS (Continued)

Trademark with the carrying amount of RMB256,233,000, acquired through the acquisition of Yulin Pharmaceutical Group in 2016, are assessed to have indefinite useful lives when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Group. The recoverable amount of the trademark that has indefinite useful life is estimated annually whether or not there is any indication of impairment. The amount is allocated to the Group's cash-generating units ("CGU") of Yulin Pharmaceutical Group.

The recoverable amount of the trademark that has indefinite useful life is determined based on value-in-use calculations by preparing cash flow projections of the relevant CGU derived from the most recent financial forecast approved by the management covering a five-year period. Cash flows beyond the five-year period are extrapolated using an estimated increase rate of 3% in selling price and cost with no growth in sales volume. The cash flows are discounted using a discount rate of 14.94% (2016: 13.82%). The discount rate used is pre-tax and reflects specific risks relating to the relevant CGU. No impairment loss was recognised during the year ended 31 December 2017 (2016: nil).

12 無形資產 (續)

於2016年透過收購玉林製藥集團而獲得賬面值為人民幣256,233,000元的商標，基於對所有相關因素的分析，在資產預期為本集團產生淨現金流入期間並無可見限制，被評估為擁有無限使用年期。對於擁有無限使用年期的商標通過每年評估可回收金額測試是否出現任何減值跡象。該金額被分配到本集團的玉林製藥集團的現金產生單位（「現金產生單位」）。

擁有無限使用年期的商標的可收回金額根據使用價值計算而釐定，方法為：制定管理層批准的最近期財務預測（涵蓋五年期間）得出的相關現金產生單位現金流量預測。超過五年期的現金流量使用估計銷售價格增長及成本增長3%而銷售量並無增長得出。現金流量採用折現率14.94%（2016年：13.82%）折現。所使用的折現率乃於稅前並反映與相關現金產生單位有關的特定風險。於截至2017年12月31日止年度，概無確認減值虧損（2016年：無）。

13 GOODWILL

13 商譽

RMB'000
人民幣千元

Cost and carrying amount	成本及賬面值	
At 1 January 2016	於2016年1月1日	—
Addition through acquisition of subsidiaries	透過收購附屬公司添置	320,647
At 31 December 2016, 1 January 2017 and 31 December 2017	於2016年12月31日、2017年1月1日 及2017年12月31日	320,647

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(除另有指明外，以人民幣列示)

13 GOODWILL (Continued)

Impairment tests for CGU containing goodwill

Goodwill newly acquired through business combination is allocated to the Group's CGU of Yulin Pharmaceutical Group.

The recoverable amount of the CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using an estimated growth rate of 3% in selling price and cost with no growth in sales volume. The growth rates used do not exceed the long-term average growth rates for the business in which the CGU operates. The cash flows are discounted using a discount rate of 14.94% (2016: 13.82%). The discount rates used are pre-tax and reflects specific risks relating to the relevant CGU. No impairment loss was recognised during the year ended 31 December 2017 (2016: nil).

14 OTHER INVESTMENTS

Available-for-sale equity	可供出售股本證券
securities-unlisted	— 非上市

Other investment of the Group represents an investment in a domestic medicine manufacturer located in Inner Mongolia Autonomous Region of the PRC. The Group owns a 5% equity interest in the domestic medicine manufacturer. No quoted market price in an active market for the investment is available. Quoted prices in active market for similar investment or observable market data as significant inputs for valuation techniques are also not available. Therefore, the unlisted other investment is stated at cost less impairment, if any, in the consolidated financial statements.

13 商譽 (續)

包含商譽的現金產生單位的減值測試

透過業務合併而新獲得的商譽被分配到本集團的玉林製藥集團的現金產生單位。

現金產生單位的可收回金額乃根據使用價值計算而釐定。該等計算採用以經管理層批准的財務預算(涵蓋五年期間)為基準的現金流量預測。超過五年期的現金流量使用估計銷售價格增長及成本增長3%而銷售量並無增長得出。所採用的增長率不會超過現金產生單位所經營業務的平均長期增長率。現金流量採用折現率14.94%(2016年: 13.82%)折現。所使用的折現率乃於稅前並反映與相關現金產生單位有關的特定風險。於截至2017年12月31日止年度，概無確認減值虧損(2016年: 無)。

14 其他投資

	2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Available-for-sale equity securities-unlisted	2,600	2,600

本集團的其他投資是指其投資於中國內蒙古自治區的一家國內醫藥生產商。本集團擁有該國內醫藥生產商的5%股權。有關投資並無活躍市場市場報價。作為估值技術的重要輸入數據的類似投資於活躍市場的報價或可觀察市場數據亦無法獲得。因此，非上市的其他投資於綜合財務報表中按成本減去減值(如有)列賬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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(除另有指明外，以人民幣列示)

15 INVESTMENTS IN SUBSIDIARIES

(a) List of subsidiaries

As at 31 December 2017, the Company had direct or indirect interests in the following subsidiaries, all of which are private companies, particulars of which are set out below:

Name of company 公司名稱	Place of incorporation and business 註冊成立及營業地點	Authorised/registered and fully paid up capital 法定/已登記及繳足股本	Attributable equity interest held by the Company 由本公司持有的應佔股本權益		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Brilliant Reach Group Limited 智達集團有限公司	BVI 英屬處女群島	United States Dollars ("USD")50,000/USD1 50,000美元(「美元」)/ 1美元	100%	-	Investment holding 投資控股
Immense Value Holdings Limited	BVI 英屬處女群島	USD50,000/USD1 50,000美元/1美元	100%	-	Investment holding 投資控股
Century International Develop Limited 世紀國際拓展有限公司	Hong Kong 香港	HKD10,000/HKD1 10,000港元/1港元	-	100%	Investment holding 投資控股
Grand Reach Company Limited 宏致有限公司	Hong Kong 香港	HKD10,000/HKD1,000 10,000港元/1,000港元	-	100%	Investment holding 投資控股
Guangzhou Consun 廣州康臣	PRC 中國	RMB300,000,000/ RMB300,000,000 人民幣300,000,000元/ 人民幣300,000,000元	-	100%	Production and sales of pharmaceutical products 產銷藥品
Guangzhou Consun Medicine Company Limited 廣州康臣醫藥有限公司*	PRC 中國	RMB3,000,000/ RMB3,000,000 人民幣3,000,000元/ 人民幣3,000,000元	-	100%	Trading of pharmaceutical products 藥品貿易
Guangzhou Consun Pharmaceutical Research Company Limited 廣州康臣藥物研究有限公司*	PRC 中國	RMB10,000,000/ RMB10,000,000 人民幣10,000,000元/ 人民幣10,000,000元	-	100%	Research and development of pharmaceutical products 研發藥品

15 於附屬公司的投資

(a) 附屬公司名單

於2017年12月31日，本公司於下列附屬公司（全部為私人公司）擁有直接或間接權益，詳情載列如下：

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15 INVESTMENTS IN SUBSIDIARIES (Continued)

(a) List of subsidiaries (Continued)

Name of company 公司名稱	Place of incorporation and business 註冊成立及營業地點	Authorised/ registered and fully paid up capital 法定／已登記及繳足股本	Attributable equity interest held by the Company 由本公司持有的應佔股本權益		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Shenzhen Qianhai Consun Investment and Funding Management Co., Ltd 深圳市前海康臣股權投資基金管理有限公司*	PRC 中國	USD2,000,000/ USD500,000 2,000,000美元／ 500,000美元	-	100%	Investment holding 投資控股
Inner Mongolia Consun 內蒙古康臣	PRC 中國	RMB25,000,000/ RMB25,000,000 人民幣25,000,000元／ 人民幣25,000,000元	-	100%	Production and sales of pharmaceutical products 產銷藥品
Yulin Pharmaceutical 玉林製藥	PRC 中國	RMB448,834,102/ RMB448,834,102 人民幣448,834,102元／ 人民幣448,834,102元	-	72.69%	Production and sales of pharmaceutical products 產銷藥品
Yulin Capsule 玉林膠囊	PRC 中國	RMB1,340,000/ RMB1,340,000 人民幣1,340,000元／ 人民幣1,340,000元	-	72.69%	Production and sales of capsule 產銷膠囊
Yuming Chinese Traditional Medicine 玉銘中藥	PRC 中國	RMB2,000,000/ RMB2,000,000 人民幣2,000,000元／ 人民幣2,000,000元	-	72.69%	Trading of pharmaceutical products 藥品貿易
Yonglv Chinese Traditional Medicine 永綠中藥	PRC 中國	RMB1,000,000/ RMB1,000,000 人民幣1,000,000元／ 人民幣1,000,000元	-	72.69%	Production and sales of pharmaceutical products 產銷藥品

15 於附屬公司的投資 (續)

(a) 附屬公司名單 (續)

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(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，以人民幣列示)

15 INVESTMENTS IN SUBSIDIARIES (Continued)

(a) List of subsidiaries (Continued)

Name of company 公司名稱	Place of incorporation and business 註冊成立及營業地點	Authorised/ registered and fully paid up capital 法定/已登記及繳足股本	Attributable equity interest held by the Company 由本公司持有的應佔股本權益		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Hongsheng Trading 宏升貿易	PRC 中國	RMB500,000/ RMB500,000 人民幣500,000元/ 人民幣500,000元	-	72.69%	Trading of pharmaceutical products 藥品貿易
Yunxiang Real Estate 雲香置業	PRC 中國	RMB3,000,000/ RMB3,000,000 人民幣3,000,000元/ 人民幣3,000,000元	-	72.69%	Property development 物業發展

* The official name of the entity is in Chinese. The English translation of the entity's name is for reference only.

* 實體的官方名稱為中文。實體名稱的英文譯名僅供參考。

(b) Capital injection in Yulin Pharmaceutical

In January and February 2017, cash contributions of RMB8,722,000 and RMB2,838,000 were made by the Group and other equity interests holders respectively. As a result, the Group's equity interest in Yulin Pharmaceutical Group further increased from 72.62% to 72.69%. The Group recognised an increase in non-controlling interests ("NCI") of RMB2,357,000 and an increase in retained earnings of RMB481,000.

(b) 對玉林製藥增資

於2017年1月至2月，本集團與其他股權持有人分別注資人民幣8,722,000元及人民幣2,838,000元。因此，本集團於玉林製藥集團的股權由72.62%進一步增至72.69%。本集團確認非控股權益（「非控股權益」）增加人民幣2,357,000元及保留盈利增加人民幣481,000元。

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(除另有指明外，以人民幣列示)

15 INVESTMENTS IN SUBSIDIARIES (Continued)

(c) The following table lists out the information relating to Yulin Pharmaceutical Group, the only sub-group of the Group which has a material NCI. The summarised financial information presented below represents the amounts before any inter-company elimination.

15 於附屬公司的投資 (續)

(c) 下表列出有關玉林製藥集團(本集團擁有重大非控股權益的唯一子集團)的資料。下文呈列的財務資料概要為未計任何集團內公司間抵銷前的金額。

		2017 2017年 RMB'000 人民幣千元	Period from the Acquisition Date to 31 December 2016 自收購日期至 2016年 12月31日止 期間 RMB'000 人民幣千元
NCI percentage at 31 December	於12月31日非控股權益百分比	27.31%	27.38%
Current assets	流動資產	945,471	635,206
Non-current assets	非流動資產	784,106	784,323
Current liabilities	流動負債	(475,549)	(224,957)
Non-current liabilities	非流動負債	(91,473)	(96,848)
Net assets	資產淨值	1,162,555	1,097,724
Carrying amount of NCI	非控股權益賬面值	317,460	300,557
Revenue of the year/period	年度／期間收入	599,725	277,348
Profit of the year/period	年度／期間溢利	93,666	40,433
Total comprehensive income of the year/period	年度／期間全面收益總額	93,666	40,433
Profit allocated to NCI	分配予非控股權益的利潤	25,578	12,131
Cash flows from operating activities	經營活動現金流	(56,475)	118,004
Cash flows from investing activities	投資活動現金流	(44,494)	(43,494)
Cash flows from financing activities	融資活動現金流	69,106	196,931

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(除另有指明外，以人民幣列示)

16 OTHER PREPAYMENTS

16 其他預付款

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Prepayment for purchase of other property, plant and equipment	購買其他物業、廠房及設備的預付款	13,417	–
Prepayment for loan facility fees – non-current portion (note 18(e))	貸款安排費用的預付款 – 非即期部份 (附註18(e))	4,323	–
Prepayment for obtainment of land use right	取得土地使用權的預付款	–	40,400
		17,740	40,400

17 INVENTORIES

17 存貨

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Raw materials	原材料	89,207	70,669
Work in progress	在製品	39,908	42,891
Finished goods	製成品	70,886	27,414
		200,001	140,974

Notes to the Consolidated Financial Statements

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
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17 INVENTORIES (Continued)

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

17 存貨 (續)

已確認為開支並計入損益的存貨金額分析如下：

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Cost of inventories sold	已售存貨成本	430,850	310,224
Write down of inventories	存貨撇減	985	2,241
		431,835	312,465

18 TRADE AND OTHER RECEIVABLES

18 貿易及其他應收款項

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Trade debtors	貿易應收賬款	576,668	278,729
Bills receivable	應收票據	395,102	282,111
Less: Allowance for doubtful debtors (note 18(b))	減：應收呆賬撥備 (附註18(b))	(1,476)	(3,565)
		970,294	557,275
Other receivables (note 18(d))	其他應收款項 (附註18(d))	15,776	9,146
Prepayments (note 18(e))	預付款項 (附註18(e))	9,015	9,899
		995,085	576,320

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綜合財務報表附註

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(除另有指明外，以人民幣列示)

18 TRADE AND OTHER RECEIVABLES (Continued)

(a) Ageing analysis

As of the end of the reporting period, the ageing analysis of trade debtors and bills receivable (which are included in trade and other receivables), based on the invoice date and net of allowance for doubtful debts, is as follows:

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Within 3 months	3個月內	903,231	512,413
3 to 12 months	3至12個月	58,986	29,153
Over 12 months	12個月以上	8,077	15,709
		970,294	557,275

Trade receivables and bills receivable are due within 30-90 days from the date of billing. Further details on the Group's credit policy are set out in note 26(a).

18 貿易及其他應收款項 (續)

(a) 賬齡分析

於報告期末，貿易應收賬款及應收票據（已計入貿易及其他應收款項）以發票日期為基準並扣除呆賬撥備的賬齡分析如下：

貿易應收賬款及應收票據自發出賬單日期起計30-90日內到期。本集團信貸政策的進一步詳情載於附註26(a)。

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(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，以人民幣列示)

18 TRADE AND OTHER RECEIVABLES (Continued)

(b) Impairment of trade debtors and bills receivable

Impairment losses in respect of trade debtors and bills receivable are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade debtors and bills receivable directly (see note 1(m)).

The movements in the allowance for doubtful debts during the year are as follows:

18 貿易及其他應收款項 (續)

(b) 貿易應收賬款及應收票據的減值

有關貿易應收賬款及應收票據的減值虧損記入撥備賬戶，除非本集團信納收回款項的機會極微，則減值虧損將直接在貿易應收賬款及應收票據中撇銷（參閱附註1(m)）。

年內呆賬撥備的變動如下：

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
At 1 January	於1月1日	3,565	19
Addition from acquisition of subsidiaries	收購附屬公司的增加	-	2,494
Impairment loss (reversed)/ recognised	(撥回)/ 確認的減值虧損	(2,089)	1,052
At 31 December	於12月31日	1,476	3,565

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(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，以人民幣列示)

18 TRADE AND OTHER RECEIVABLES (Continued)

(b) Impairment of trade debtors and bills receivable (Continued)

As at 31 December 2017, the Group's trade debtors and bills receivable of RMB11,058,000 (31 December 2016: RMB7,548,000) were individually determined to be impaired. The individually impaired receivables related to customers that were in financial difficulties and management assessed that only a portion of the receivables is expected to be recovered. Consequently, specific allowances for doubtful debts of RMB1,476,000 (2016: RMB3,565,000) respectively were recognised.

(c) Trade debtors and bills receivable that are not impaired

The ageing analysis of trade debtors and bills receivable that are not considered to be impaired are as follows:

18 貿易及其他應收款項 (續)

(b) 貿易應收賬款及應收票據的減值 (續)

於2017年12月31日，本集團貿易應收賬款及應收票據人民幣11,058,000元（2016年12月31日：人民幣7,548,000元）已個別確定減值。已個別減值的應收款項涉及的客戶處於財務困境，管理層經評估預期只能收回部份應收款項。因此，分別確認呆賬之特別撥備為人民幣1,476,000元（2016年：人民幣3,565,000元）。

(c) 未減值的貿易應收賬款及應收票據

未被視為減值的貿易應收賬款及應收票據的賬齡分析如下：

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Neither past due nor impaired	未逾期亦未減值	934,598	536,868
Less than 1 month past due	逾期1個月以下	520	909
1 to 3 months past due	逾期1至3個月	381	1,840
More than 3 months but less than 12 months past due	逾期3個月以上但不足12個月	24,890	4,176
Over 12 months past due	逾期12個月或以上	323	9,499
		26,114	16,424
		960,712	553,292

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18 TRADE AND OTHER RECEIVABLES (Continued)

(c) Trade debtors and bills receivable that are not impaired (Continued)

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

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

(d) Impairment of other receivables

As at 31 December 2017, the Group's other receivables of RMB122,000 (31 December 2016: RMB122,000) were individually determined to be impaired in full.

(e) Prepayments

Loan facility fees of RMB9,266,000 (31 December 2016: nil) in connection with the three-year term loan (note 21) were prepaid, of which RMB4,323,000 was expected to be recognised as expenses after more than one year and was classified as non-current and included in other prepayments (note 16), and the remaining amount of RMB4,943,000 which was expected to be recognised as expenses within one year was included in trade and other receivables.

18 貿易及其他應收款項 (續)

(c) 未減值的貿易應收賬款及應收票據 (續)

未逾期亦未減值的應收款項與近期並無拖欠記錄的多名客戶有關。

已逾期但未減值的應收款項涉及若干與本集團維持良好交易記錄的獨立客戶。根據過往經驗，管理層認為毋須就該等結餘作出減值撥備，因信貸質素並無重大變動且結餘仍被視為可全數收回。

(d) 其他應收款項的減值

於2017年12月31日，本集團其他應收款項人民幣122,000元（2016年12月31日：人民幣122,000元）個別被為已完全減值。

(e) 預付款項

關於三年期貸款（附註21）的預付貸款安排費用為人民幣9,266,000元（2016年12月31日：無），其中人民幣4,323,000元預期會於超過一年後的時間被確認為費用並被分類為其他預付款非即期部分（附註16），及其餘的人民幣4,943,000元預期會於一年內被確認為費用，並被包含在貿易及其他應收款項。

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19 CASH AND CASH EQUIVALENTS

(a) Cash and cash equivalents comprise:

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Cash at bank and on hand	銀行及手頭現金	989,565	672,711

(b) Reconciliation of profit before taxation to cash generated from operations:

19 現金及現金等值項目

(a) 現金及現金等值項目包括：

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Cash at bank and on hand	銀行及手頭現金	989,565	672,711

(b) 稅前溢利與經營所得現金的對賬：

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Profit before taxation	稅前溢利	544,982	403,452
Adjustments for	經調整		
Depreciation	折舊	34,614	24,364
Amortisation	攤銷	32,520	16,085
(Reversal of provision)/provision recognised for doubtful debts	(撥回)/確認呆賬撥備	(2,089)	1,174
Interest income	利息收益	(3,419)	(3,299)
Finance costs	融資成本	14,754	1,509
Loss on disposal of property, plant and equipment	出售物業、廠房及設備產生的虧損	307	762
Share-based payment transactions	以股份為基礎的付款交易	21,187	22,494
Write down of inventories	存貨報銷	985	2,241
Share of profit of an associate	應佔聯營公司溢利	-	(3,865)
Foreign exchange gain	外匯收益	(23,192)	-
Changes in working capital	營運資金變化		
(Increase)/decrease in inventories	存貨(增加)/減少	(60,012)	25,432
Increase in trade and other receivables	貿易及其他應收款項增加	(412,869)	(128,250)
Increase in trade and other payables	貿易及其他應付款項增加	198,606	146,628
(Decrease)/increase in deferred income	遞延收益(減少)/增加	(654)	2,591
Cash generated from operations	經營所得現金	345,720	511,318

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19 CASH AND CASH EQUIVALENTS (Continued)

(c) Reconciliation of liabilities arising from financing activities:

19 現金及現金等值項目 (續)

(c) 融資活動產生的負債對賬：

		Loans and borrowings 貸款及借款 RMB'000 人民幣千元 Note 21 附註21	Prepayment for loan facility fees 貸款安排費用 RMB'000 人民幣千元 Note 18(e) 附註18(e)	Total 總計 RMB'000 人民幣千元
At 1 January 2017	於2017年1月1日	-	-	-
Changes from financing cash flows:	融資現金流量變動：			
Proceeds of new bank loans	新增銀行貸款所得款項	653,707	-	653,707
Repayments of bank loans	銀行貸款還款額	(59,066)	-	(59,066)
Finance costs paid	已付財務成本	(11,052)	(12,968)	(24,020)
Total changes from financing cash flows	融資現金流量變動總額	583,589	(12,968)	570,621
Exchange adjustments	匯兌調整	(26,537)	-	(26,537)
Other changes:	其他費用：			
Interest on bank loans (note 4(a))	銀行貸款利息 (附註4(a))	11,052	-	11,052
Finance charges on bank loans (note 4(a))	銀行貸款財務費用 (附註4(a))	-	3,702	3,702
Total other charges	其他費用總額	11,052	3,702	14,754
At 31 December 2017	於2017年12月31日	568,104	(9,266)	558,838

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20 TRADE AND OTHER PAYABLES

20 貿易及其他應付款項

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Trade payables	貿易應付款項	68,739	79,733
Receipts in advance	預收款項	4,220	10,368
Accrued expenses	應計開支	236,738	169,810
Employee benefits payable	應付僱員福利	174,995	67,572
Other payables	其他應付款項	195,030	155,769
		679,722	483,252

As of the end of the reporting period, the ageing analysis of trade payables (which are included in the trade and other payables), based on the invoice date, is as follows:

於報告期末，貿易應付款項（已計入貿易及其他應付款項）以發票日期為基準的賬齡分析如下：

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Within 1 month	1個月內	31,129	39,085
1 to 12 months	1至12個月	36,619	40,341
Over 12 months	12個月以上	991	307
		68,739	79,733

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21 LOANS AND BORROWINGS

At December 2017, loans and borrowings were unsecured bank loans and were repayable as follows:

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Within 1 year	一年內	193,621	–
After 1 year but within 2 years	一年後但於兩年內	140,431	–
After 2 year but within 3 years	兩年後但於三年內	234,052	–
		374,483	–
		568,104	–

A three-year term loan which amounted to HKD560,000,000 (equivalent to RMB468,104,000) was included in loans and borrowings and is interest-bearing at 2.00% per annum over the relevant HIBOR.

As at 31 December 2017, part of the Group's bank loans, amounted to RMB548,104,000 (31 December 2016: nil) are subject to the fulfilment of covenants relating to certain of the Group's or the subsidiaries' financial ratios, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants the drawn down loans would become payable on demand. The Group regularly monitors its compliance with these covenants. As at 31 December 2017, none of the covenants relating to drawn down loans had been breached (31 December 2016: nil).

21 貸款及借款

於2017年12月，貸款及借款為無抵押銀行貸款，且須於下列期限償還：

	2017	2016
	2017年	2016年
	RMB'000	RMB'000
	人民幣千元	人民幣千元
Within 1 year	193,621	–
After 1 year but within 2 years	140,431	–
After 2 year but within 3 years	234,052	–
	374,483	–
	568,104	–

貸款及借款包括一項金額為560,000,000港元（相當於人民幣468,104,000元）的三年期貸款，其年利率為相關香港銀行同業拆息加2.00%。

於2017年12月31日，本集團部分銀行貸款人民幣548,104,000元（2016年12月31日：無）受制於對本集團或相關附屬公司若干財務比率的約定（該等約定常見於金融機構的貸款安排中）。假若本集團違反了該等約定，已提取的貸款便會變成須按要求償還。本集團定期監察遵守該等約定的情況。於2017年12月31日，本集團並無違反任何與已提取貸款相關的約定（2016年12月31日：無）。

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22 DEFERRED INCOME

22 遞延收益

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
At 1 January	於1月1日	22,949	12,018
Addition from acquisition of subsidiaries	收購附屬公司的增加	-	8,340
Additions	其他增加	1,690	3,745
Credited to profit or loss (note 3)	計入損益(附註3)	(2,344)	(1,154)
At 31 December	於12月31日	22,295	22,949
Representing:	表示：		
Current portion	即期部份	1,554	1,346
Non-current portion	非即期部份	20,741	21,603
		22,295	22,949

As at 31 December 2017 and 2016, deferred income of the Group mainly includes various conditional government grants for research and development projects of new or existing pharmaceutical products and subsidies relating to purchase of land use rights.

Deferred government grants relating to research and development projects will be recognised as income in the same periods in which the expenses for the development project are incurred. Deferred government grants relating to purchase of land use rights will be recognised as income on a straight-line basis over the expected useful life of the relevant land use rights.

於2017年及2016年12月31日，本集團的遞延收益主要包括新藥品或現有藥品研發項目的多項有條件政府補助，以及與購買土地使用權有關的補貼。

有關研發項目的遞延政府補助將會在產生開發項目開支的相同期間確認為收益。有關購買土地使用權的遞延政府補助將會在相關土地使用權的預計可使用年期內以直線法確認為收益。

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23 EQUITY SETTLED SHARE-BASED PAYMENTS

(a) Employees' Share Option Scheme

In 2014, the Company granted 60,000,000 share options to certain directors and employees at a consideration of HKD1 for each grantee (the **"2014 Grant"**). The exercise price of these share options was HKD6.64 per share, and the aggregate fair value of these share options amounted to RMB138,095,000. The options vest after one year to five years from the date of grant and are then exercisable on or before 23 March 2024.

In 2016, an aggregate of 24,790,000 unvested share options under the 2014 Grant were cancelled (the **"Cancelled Share Options"**), among which 9,200,000 and 15,590,000 unvested share options were previously granted to directors and employees, respectively, with remaining vesting period ranging from one year to three years.

In 2016, the Company granted 52,000,000 share options to certain directors and employees (the **"2016 Grant"**). The exercise price of these share options was HKD4.01 per share, and the aggregate fair value of these share options amounted to RMB81,168,000. The options vest after one year to three years from the date of grant and are then exercisable on or before 31 March 2026.

Under the 2016 Grant, 36,440,000 share options (the **"Replacing Share Options"**) were identified as the replacement for 23,650,000 of the Cancelled Share Options (the **"Replaced Share Options"**), while the remaining 15,560,000 new share options were granted to certain employees who previously were not grantees of the 2014 Grant.

23 以股權結算並以股份為基礎的付款

(a) 僱員購股權計劃

於2014年，本公司以每位承授人1港元的代價授予若干董事及僱員60,000,000份購股權（「**2014年授出**」）。該等購股權行使價為每股6.64港元，該等購股權公允值合計達人民幣138,095,000元。該等購股權於授出日期後一至五年歸屬，然後可以於2024年3月23日或之前行使。

於2016年，2014年授出項下合共24,790,000份未歸屬的購股權已被註銷（「**已註銷購股權**」），其中9,200,000份及15,590,000份未歸屬購股權先前已分別授予董事及僱員，餘下的歸屬期介乎一年至三年。

於2016年，本公司授予若干董事及僱員52,000,000份購股權（「**2016年授出**」）。該等購股權行使價為每股4.01港元，該等購股權公允值合計達人民幣81,168,000元。該等購股權於授出日期後一年至三年歸屬，然後可以於2026年3月31日或之前行使。

根據2016年授出，36,440,000份購股權（「**替代購股權**」）已獲確認為已註銷購股權的其中23,650,000份（「**被替代購股權**」）的替代者，而其餘15,560,000份新購股權已授予若干非2014年授出的承授人的僱員。

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23 EQUITY SETTLED SHARE-BASED PAYMENTS (Continued)

(a) Employees' Share Option Scheme (Continued)

The number and weighted average exercise prices of share options are as follows:

		2017 2017年	
		Weighted average exercise price 加權平均行使價 HKD 港元	Number of options 購股權數目 '000 千股
Outstanding at 1 January 2017	於2017年1月1日尚未行使	4.82	71,423
Exercised during the year	年內行使	4.69	(1,896)
Forfeited during the year	年內沒收	4.44	(4,965)
Outstanding at 31 December 2017	於2017年12月31日尚未行使	4.85	64,562
Exercisable at 31 December 2017	於2017年12月31日可行使	5.77	29,531

The weighted average share price at the date of exercise for share options exercised during the year was HKD7.07 (2016: nil).

The share options outstanding at 31 December 2017 had an exercise price of HKD6.64 or HKD4.01 (31 December 2016: HKD6.64 or HKD4.01) and a weighted-average remaining contractual life of 7.6 years (31 December 2016: 8.6 years).

The Group recognised share option expenses of RMB21,187,000 during the year ended 31 December 2017 (2016: RMB21,590,000).

23 以股權結算並以股份為基礎的付款 (續)

(a) 僱員購股權計劃 (續)

購股權數目及加權平均行使價如下：

		2017 2017年	
		Weighted average exercise price 加權平均行使價 HKD 港元	Number of options 購股權數目 '000 千股
Outstanding at 1 January 2017	於2017年1月1日尚未行使	4.82	71,423
Exercised during the year	年內行使	4.69	(1,896)
Forfeited during the year	年內沒收	4.44	(4,965)
Outstanding at 31 December 2017	於2017年12月31日尚未行使	4.85	64,562
Exercisable at 31 December 2017	於2017年12月31日可行使	5.77	29,531

於年內行使購股權當日的加權平均股價為7.07港元(2016年：無)。

於2017年12月31日，尚未行使購股權行使價為6.64港元或4.01港元(2016年12月31日：6.64港元或4.01港元)，加權平均剩餘合約年期為7.6年(2016年12月31日：8.6年)。

截至2017年12月31日止年度，本集團確認購股權費用人民幣21,187,000元(2016年：人民幣21,590,000元)。

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23 EQUITY SETTLED SHARE-BASED PAYMENTS

(Continued)

(a) Employees' Share Option Scheme (Continued)

(i) The terms and conditions of the 2016 Grant are as follows:

Date of grant	Tranche number	Number of options granted 已授出 購股權數目	Vesting period 歸屬期	Contractual life of options 購股權的 合約年期
Options granted to employees: 授予僱員的購股權：				
1 April 2016 2016年4月1日	Tranche 1 第1批	12,600,000	1 year after the date of grant 授出日期後1年	10 years 10年
1 April 2016 2016年4月1日	Tranche 2 第2批	12,600,000	2 years after the date of grant 授出日期後2年	10 years 10年
1 April 2016 2016年4月1日	Tranche 3 第3批	16,800,000	3 years after the date of grant 授出日期後3年	10 years 10年
Options granted to directors: 授予董事的購股權：				
1 April 2016 2016年4月1日	Tranche 1 第1批	600,000	1 year after the date of grant 授出日期後1年	10 years 10年
1 April 2016 2016年4月1日	Tranche 2 第2批	600,000	2 years after the date of grant 授出日期後2年	10 years 10年
1 April 2016 2016年4月1日	Tranche 3 第3批	800,000	3 years after the date of grant 授出日期後3年	10 years 10年
27 May 2016 2016年5月27日	Tranche 4 第4批	2,400,000	1 year after the date of grant 授出日期後1年	9.8 years 9.8年
27 May 2016 2016年5月27日	Tranche 5 第5批	2,400,000	2 years after the date of grant 授出日期後2年	9.8 years 9.8年
27 May 2016 2016年5月27日	Tranche 6 第6批	3,200,000	3 years after the date of grant 授出日期後3年	9.8 years 9.8年
Total share options granted 授出購股權總數		52,000,000		

23 以股權結算並以股份為基礎的付款
(續)

(a) 僱員購股權計劃 (續)

(i) 2016年授出的條款與條件如下：

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23 EQUITY SETTLED SHARE-BASED PAYMENTS (Continued)

(a) Employees' Share Option Scheme (Continued)

(ii) Fair value of share options under the 2016 Grant and assumptions:

The fair value of services received in return for the share options granted is measured by reference to the fair value of share options granted. The estimated fair value of the share options granted is measured based on a binomial tree model. The contractual life of the share options is used as an input into this model. Expectations of early exercise are incorporated into the binomial tree model. Set out below are the fair value of share options and assumptions.

23 以股權結算並以股份為基礎的付款 (續)

(a) 僱員購股權計劃 (續)

(ii) 2016年授出項下購股權的公允值及假設：

用以換取授出購股權所獲服務的公允值乃參考所授出購股權之公允值計量。授出購股權的估計公允值乃基於二叉樹模型計量。購股權合約年期在此模型中用作為一項輸入數據。提前行使的預期已納入此二叉樹模型。下文載列購股權的公允值及假設。

		Tranche number					
		批號					
		1	2	3	4	5	6
Fair value at measurement date (HKD)	計量日公允值 (港元)	1.73	1.87	1.98	1.71	1.85	1.97
Share price (HKD)	股價 (港元)	3.99	3.99	3.99	4.02	4.02	4.02
Exercise price (HKD)	行使價 (港元)	4.01	4.01	4.01	4.01	4.01	4.01
Expected volatility	預期波幅	56.71%	56.71%	56.71%	55.99%	55.99%	55.99%
Expected option life	預期購股權年期	10 years 10年	10 years 10年	10 years 10年	9.8 years 9.8年	9.8 years 9.8年	9.8 years 9.8年
Dividend yield	股息率	1.23%	1.23%	1.23%	1.23%	1.23%	1.23%
Risk-free rate	無風險利率	1.61%	1.61%	1.61%	1.72%	1.72%	1.72%

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23 EQUITY SETTLED SHARE-BASED PAYMENTS (Continued)

(a) Employees' Share Option Scheme (Continued)

(iii) Fair value of the Replaced Share Options under the 2014 Grant and assumptions:

The fair value of the Replaced Share Options and the incremental fair value of the Replacing Share Options were RMB26,422,000 and RMB30,472,000 respectively. The incremental fair value of the Replacing Share Options was the difference between the fair value of the 36,440,000 share options under the 2016 Grant and the fair value of the Replaced Share Options, both at the respective date of grant of the share options under the 2016 Grant. The fair value of the Replaced Share Options were estimated as at the date of replacement, using a binomial tree model, taking into account the terms and conditions upon which those options were granted. Set out below are the fair value of the Replaced Share Options and assumptions.

Fair value at measurement date (HKD)	1.32~1.45
計量日公允值 (港元)	
Share price (HKD)	3.99
股價 (港元)	
Exercise price	6.64
行使價	
Expected volatility	54.68%
預期波幅	
Expected option life	8 years
預期購股權年期	8年
Expected dividend yield	1.23%
預期股息率	
Risk-free rate	1.51%
無風險利率	

23 以股權結算並以股份為基礎的付款 (續)

(a) 僱員購股權計劃 (續)

(iii) 2014年授出項下被替代購股權的公允值及假設：

被替代購股權的公允值及替代購股權的公允值增幅分別為人民幣26,422,000元及人民幣30,472,000元。替代購股權的公允值增幅為2016年授出項下36,440,000份購股權的公允值與被替代購股權的公允值之間的差額，公允值均於2016年授出項下各購股權授出當日計量。於替代日期，經考慮授出購股權的條款及條件後，被替代購股權的公允值採用二叉樹模型估計得出。下文載列被替代購股權的公允值及假設。

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23 EQUITY SETTLED SHARE-BASED PAYMENTS (Continued)

(a) Employees' Share Option Scheme (Continued)

(iii) Fair value of the Replaced Share Options under the 2014 Grant and assumptions: (Continued)

The expected volatility is based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility based on publicly available information. Expected dividends are based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

Share options were granted under service conditions and non-market performance conditions. These conditions had not been taken into account in the grant date fair value measurement of the services received. There was no market conditions associated with the share option grants.

(b) Employees' Share Award Scheme

On 21 July 2014, the board of directors of the Company approved the adoption of a share award scheme (the "Share Award Scheme") under which shares of the Company (the "Awarded Shares") may be awarded to selected employees (the "Selected Employees") in accordance with the provisions of the Share Award Scheme and the nominal value of the shares awarded under the Share Award Scheme shall not exceed 10% of the issued share capital of the Company from time to time.

23 以股權結算並以股份為基礎的付款 (續)

(a) 僱員購股權計劃 (續)

(iii) 2014年授出項下被替代購股權的公允值及假設：(續)

預期波幅以歷史波幅（根據購股權的加權平均剩餘年期計算）為基準，並根據可公開獲得的資料導致未來波幅之任何預期變化予以調整。預期股息以歷史股息為基準。主觀輸入數據假設的變動可對公允值之估計產生重大影響。

購股權在附帶服務條件及非市場表現條件下授出。此等條件並未計入所獲服務於授出日期的公允值計量。購股權之授出並無附帶市場條件。

(b) 僱員股份獎勵計劃

於2014年7月21日，本公司董事會批准採納一項股份獎勵計劃（「股份獎勵計劃」），據此可根據股份獎勵計劃的規定授予特定僱員（「特定僱員」）本公司的股份（「獎勵股份」），股份獎勵計劃項下獎勵的股份面值不得超過本公司不時已發行股本的10%。

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23 EQUITY SETTLED SHARE-BASED PAYMENTS (Continued)

(b) Employees' Share Award Scheme (Continued)

Unless terminated earlier by the board of directors in accordance with the rules of the Share Award Scheme, the Share Award Scheme will be valid and effective for a term of 10 years starting on 21 July 2014. A trust has been set up and fully funded by the Company for the purpose of purchasing, administrating and holding the Company's shares for the Share Award Scheme.

When a Selected Employee has satisfied all vesting conditions, which might include service and/or performance conditions, specified by the board of directors of the Company at the time of making the award and become entitled to the shares of the Company forming the subject of the award, the trustee shall transfer the relevant Awarded Shares to that employee at no cost. The Selected Employee however is not entitled to receive any income or distribution, such as dividend derived from the unvested Awarded Shares allocated to him/her.

The Awarded Shares granted under the Share Award Scheme on 7 May 2015 were forfeited or vested by the end of 31 December 2016. Therefore, there's no share award expenses recognised during the year ended 31 December 2017(2016: RMB904,000).

23 以股權結算並以股份為基礎的付款 (續)

(b) 僱員股份獎勵計劃 (續)

除非獲董事會根據股份獎勵計劃的規則提早終止，股份獎勵計劃的有效期自2014年7月21日起計為期10年。本公司已成立一項信託並提供全部資金，信託用作購買、管理和持有本公司股份獎勵計劃下的股份。

倘特定僱員符合本公司董事會於授出獎勵時指定的所有歸屬條件（可能包括服務及／或表現條件）並有權享有構成獎勵的本公司股份，則受託人須向該僱員轉讓相關獎勵股份，且不收取任何費用。然而，特定僱員無權收取任何收入或分派，例如分配予其的未歸屬獎勵股份所產生的股息。

股份獎勵計劃項下於2015年5月7日授出的獎勵股份已於2016年12月31日結束前沒收或歸屬。故此，截至2017年12月31日止年度，概無確認股份獎勵費用（2016年：人民幣904,000元）。

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23 EQUITY SETTLED SHARE-BASED PAYMENTS (Continued)

(b) Employees' Share Award Scheme (Continued)

Details of the Awarded Shares vested under the Share Award Scheme are set out below:

		Number of Awarded Shares Vested 已歸屬獎勵 股份數目 '000 千股
At 31 December 2017 and 31 December 2016	於2017年12月31日及 2016年12月31日	302

Details of the treasury shares held under the Share Award Scheme are set out below:

根據股份獎勵計劃持有的庫存股詳情於下文載列：

		Average purchase price 平均 購買價 HKD 港元	No. of shares held 持有 股份數目 '000 千股	Value of shares 股份價值 HKD'000 RMB'000 千港元 人民幣千元	
At 31 December 2017 and 31 December 2016	於2017年12月31日及 2016年12月31日	5.68	19,698	111,854	88,642

At 31 December 2017, 19,798,000 ordinary shares (2016: 20,000,000 shares) were held by the trustee under the Share Award Scheme, among which 100,000 shares in respect of the Awarded Shares vested as at 31 December 2017 were held on behalf of certain employees (2016: 302,000 shares), while the remaining 19,698,000 shares (2016: 19,698,000 shares) were held on behalf of the Company.

於2017年12月31日，受託人根據股份獎勵計劃持有19,798,000股普通股（2016年：20,000,000股股份），其中100,000股股份於2017年12月31日已歸屬的獎勵股份為代表若干僱員持有（2016年：302,000股股份），而其餘19,698,000股股份則代表本公司持有（2016年：19,698,000股股份）。

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24 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION 24 綜合財務狀況表內的所得稅

(a) Current taxation in the consolidated statement of financial position represents:

(a) 綜合財務狀況表內的即期稅項指：

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
At 1 January	於1月1日	62,133	27,679
Acquisition of subsidiaries	收購附屬公司	-	2,075
Provision of PRC income tax for the year (Over)/under-provision for PRC income tax in respect of prior years	年內中國所得稅撥備 過往年度的中國 所得稅(超額撥備)/ 撥備不足	127,354	94,010
PRC income tax paid during the year	年內已付中國所得稅	(554)	510
		(93,597)	(62,141)
At 31 December	於12月31日	95,336	62,133

(b) Deferred tax assets and liabilities recognised:

(b) 已確認遞延稅項資產及負債：

The components of deferred tax assets/(liabilities) recognised in the consolidated statement of financial position and the movements during the year are as follows:

於綜合財務狀況表內確認的遞延稅項資產/(負債)的組成部份及年內變動如下：

Deferred tax assets/ (liabilities) arising from:		Withholding tax on future dividend income from PRC subsidiaries		Unused tax losses [#]	Provisions and accruals	Fair value adjustment from business acquisition	Intra group unrealised profits	Share of loss of an associate	Total
		來自中國附屬 公司未來股息 收益的預扣稅	未動用 稅務虧損 [#]						
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
來自下列各項的 遞延稅項資產/(負債)：									
At 1 January 2016	於2016年1月1日	(40,850)	488	7,449	(1,977)	2,623	702	(31,565)	
Addition through acquisition of subsidiaries	透過收購附屬公司添置	-	-	1,252	(91,748)	-	-	(90,496)	
(Charged)/credited to profit or loss	(扣除)/計入損益	-	(344)	9,489	3,487	(1,205)	(702)	10,725	
At 31 December 2016 and 1 January 2017	於2016年12月31日及 2017年1月1日	(40,850)	144	18,190	(90,238)	1,418	-	(111,336)	
(Charged)/credited to profit or loss	(扣除)/計入損益	(17,153)	285	16,095	5,191	(780)	-	3,638	
At 31 December 2017	於2017年12月31日	(58,003)	429	34,285	(85,047)	638	-	(107,698)	

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24 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

24 綜合財務狀況表內的所得稅 (續)

(b) Deferred tax assets and liabilities recognised: (Continued)

(b) 已確認遞延稅項資產及負債：(續)

Deferred tax assets are recognised on unused tax losses of certain PRC subsidiaries of the Group. They are now progressing to their normal operation stage and are deriving profits. Accordingly, it is considered probable that sufficient taxable profits will be available in the future to utilize their unused tax losses before they expire. As at 31 December 2017, tax losses of RMB669,000, will expire in 2021.

遞延稅項資產乃就本集團若干中國附屬公司的未動用稅務虧損而確認。該等公司目前正逐漸發展至正常營運階段並產生溢利。因此，被視為於未來可能會有足夠的應課稅溢利以在虧損到期前使用彼等之未動用稅務虧損。於2017年12月31日，稅項虧損人民幣669,000元將於2021年到期。

(c) Reconciliation to the consolidated statement of financial position

(c) 綜合財務狀況表的對賬

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Net deferred tax assets recognised in the consolidated statement of financial position	於綜合財務狀況表確認的遞延稅項資產淨值	34,714	18,334
Net deferred tax liabilities recognised in the consolidated statement of financial position	於綜合財務狀況表確認的遞延稅項負債淨額	(142,412)	(129,670)
		(107,698)	(111,336)

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24 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

(d) Deferred tax liabilities not recognised:

As at 31 December 2017, deferred tax liabilities of RMB71,687,000 (31 December 2016: RMB77,713,000) in respect of temporary differences relating to the undistributed profits of subsidiaries amounted to RMB716,863,000 (2016: RMB777,131,000) were not recognised as the Company controls the dividend policy of these subsidiaries and it has been determined that those profits will not be distributed in the foreseeable future.

25 CAPITAL, RESERVE AND DIVIDENDS

(a) Movement in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

24 綜合財務狀況表內的所得稅 (續)

(d) 未確認的遞延稅項負債：

於2017年12月31日，並未確認與附屬公司未分配溢利人民幣716,863,000元（2016年12月31日：人民幣77,713,000元）有關的暫時性差異的遞延稅項負債人民幣71,687,000元（2016年12月31日：人民幣77,713,000元），乃由於本公司控制該等附屬公司的股息政策，並已決定於可預見的未來不會派發該等溢利。

25 資本、儲備及股息

(a) 權益組成部份的變動

本集團綜合權益的各個組成部份於期初及期末結餘之間的對賬載於綜合權益變動表。本公司權益的個別組成部份於年初及年末之間的變動詳情載於下文：

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25 CAPITAL, RESERVE AND DIVIDENDS (Continued)

25 資本、儲備及股息 (續)

(a) Movement in components of equity (Continued)

(a) 權益組成部份的變動 (續)

		The Company 本公司							
		Share capital	Share premium	Other reserves	Capital reserve	Treasury shares held under Share Award Scheme 在股份獎勵 計劃項下持有 的庫存股份	Other treasury shares 其他 庫存股份	Retained earnings/ (Accumulated losses) 保留盈利/ (累計虧損)	Total
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
		note 25(c) 附註25(c)	note 25(d)(i) 附註25(d)(i)	note 25(d)(iv) 附註25(d)(iv)	note 25(d)(iii) 附註25(d)(iii)	note 22(b)(i) 附註22(b)(i)	note 25(c)(i) 附註25(c)(i)		
At 1 January 2016	於2016年1月1日	78,074	647,937	356,472	82,951	(89,997)	-	8,350	1,083,787
Purchase of own shares during the year	年內購買自身股份	-	-	-	-	-	(81,132)	-	(81,132)
Cancellation of shares during the year	年內註銷股份	(1,837)	(79,295)	-	-	-	81,132	-	-
Dividends approved and paid	批准及支付的股息	-	(114,512)	-	-	-	-	-	(114,512)
Employees' Share Option Scheme	僱員購股權計劃	-	-	-	21,590	-	-	-	21,590
Shares vested under the Share Award Scheme	在股份獎勵計劃項下歸屬的股份	-	-	-	(1,355)	1,355	-	-	-
Shares granted under the Share Award Scheme	在股份獎勵計劃項下授予的股份	-	-	-	904	-	-	-	904
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	-	-	(19,937)	(19,937)
At 31 December 2016 and 1 January 2017	於2016年12月31日及2017年1月1日	76,237	454,130	356,472	104,090	(88,642)	-	(11,587)	890,700
Purchase and Cancellation of own shares during the year	年內購買及註銷自身股份	(11,436)	(454,130)	(40,150)	-	-	-	-	(505,716)
Dividends approved and paid	批准及支付的股息	-	-	(173,231)	-	-	-	-	(173,231)
Employees' Share Option Scheme	僱員購股權計劃	-	-	-	21,187	-	-	-	21,187
Shares issuance	股份發行	3,691	236,060	-	-	-	-	-	239,751
Shares issued under the Share Option Scheme	在購股權計劃項下發行的股份	160	11,212	-	(3,879)	-	-	-	7,493
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	-	-	(13,995)	(13,995)
At 31 December 2017	於2017年12月31日	68,652	247,272	143,091	121,398	(88,642)	-	(25,582)	466,189

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25 CAPITAL, RESERVE AND DIVIDENDS (Continued)

(b) Dividends

(i) Dividends payable to equity shareholders of the Company attributable to the year

	2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Interim dividend declared and paid of HKD0.096 per ordinary share (2016: RMB0.045)	66,059	42,942
Final dividend proposed after the end of the year of HKD0.10 per ordinary share (2016: HKD0.05)	68,943	36,599
Special dividend proposed after the end of the year (2016: HKD0.10 per ordinary share)	-	73,198
	135,002	152,739

Final dividend proposed after the end of the year have not been recognised as liabilities as at the end of the year.

年末後建議的末期股息並無於年末時確認為負債。

25 資本、儲備及股息 (續)

(b) 股息

(i) 年內應付本公司權益股東的股息

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25 CAPITAL, RESERVE AND DIVIDENDS (Continued)

(b) Dividends (Continued)

(ii) **Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year**

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Final dividend in respect of the previous financial year, approved and paid during the year of HKD0.05 per ordinary share (2016: RMB0.075)	年內批准及支付的上一財政年度末期股息每股普通股0.05港元(2016年：人民幣0.075元)	36,599	74,119
Less: Dividends for treasury shares held by the Company	減：本公司所持有庫存股的股息	(875)	(2,549)
		35,724*	71,570
Special dividend approved and paid during the year of HKD0.10 per ordinary share (2016: nil)	年內批准及支付的特別股息每股普通股0.10港元(2016年：無)	73,198	-
Less: Dividends for treasury shares held by the Company	減：本公司所持有庫存股的股息	(1,750)	-
		71,448*	-
		107,172	71,570

*: The Company paid final dividends of RMB35,724,000 for the year ended 31 December 2016 and special dividends of RMB71,448,000 as adjusted to exclude the dividends for treasury shares held under the Company's Share Award Scheme.

*: 本公司已派發截至2016年12月31日止年度之末期股息人民幣35,724,000元及特別股息人民幣71,448,000元(經調整至不包括本公司股份獎勵計劃項下所持有庫存股的股息)。

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25 CAPITAL, RESERVE AND DIVIDENDS (Continued)

(c) Share capital

(i) Issued share capital

		2017 2017年		
		Number of shares 股份數目 '000 千股	Nominal value of fully paid shares 繳足股份面值 HKD'000 千港元	Nominal value of fully paid shares 繳足股份面值 RMB'000 人民幣千元
Ordinary shares, issued and fully paid:	已發行及繳足普通股：			
As at 1 January 2017	於2017年1月1日	974,268	97,427	76,237
Repurchase and cancellation of shares during the year (ii)	年內購回及註銷股份(ii)	(146,140)	(14,614)	(11,436)
Shares issuance (iii)	股份發行(iii)	43,586	4,359	3,691
Shares issued under the Share Option Scheme (iv)	根據購股權計劃 發行的股份(iv)	1,896	189	160
As at 31 December 2017	於2017年12月31日	873,610	87,361	68,652

The ordinary shares of the Company have par value of HKD0.10 per share.

本公司普通股面值為每股0.10港元。

(ii) Repurchase and cancellation of own shares

On 6 February 2017, the Company entered into a share buy-back agreement with First Kind International Limited pursuant to which the Company agreed to buy back 146,140,200 shares (the "Buy-back Shares") at a total consideration of approximately HKD560,740,000 (equivalent to approximately RMB495,246,000), equivalent to HKD3.837 per each Buy-back Share and the Buy-back Shares would be cancelled in full (the "Share Buy-back"). On 11 April 2017, the Share Buy-back was approved in the extraordinary general meeting of the Company. On 24 April 2017, the Buy-back Shares were repurchased by the Group and were subsequently cancelled in full on 2 May 2017. Transaction costs of RMB10,470,000 which were directly attributable to the Share Buy-back were accounted for as deduction from equity.

(ii) 購回及註銷自身股份

於2017年2月6日，本公司與First Kind International Limited訂立股份購回協議，據此，本公司同意購回146,140,200股股份（「購回股份」），總代價約為560,740,000港元（相當於約人民幣495,246,000元），相當於每股購回股份3.837港元，購回股份可悉數註銷（「股份購回」）。於2017年4月11日，該項股份購回於本公司股東特別大會上獲得批准。於2017年4月24日，該等購回股份已由本集團購回，並其後於2017年5月2日悉數註銷。因股份購回直接產生的人民幣10,470,000元交易成本已以扣減權益方式入賬。

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(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，以人民幣列示)

25 CAPITAL, RESERVE AND DIVIDENDS (Continued)

(c) Share capital (Continued)

(iii) Shares issuance

On 3 November 2017, 43,585,680 ordinary shares were issued to United Vantage Corporation Limited at a price of HKD6.60 (equivalent to RMB5.59) per share. After deduction of transaction costs, the issued share capital and share premium of the Company were increased by RMB3,691,000 and RMB236,060,000 respectively.

(iv) Shares issued under the Share Option Scheme

During the year 2017, share options were exercised to subscribe for a total of 1,896,000 ordinary shares in the Company at a consideration of HKD8,896,000 (equivalent to approximately RMB7,493,000), of which RMB160,000 and RMB7,333,000 were credited to share capital and the share premium account respectively. RMB3,879,000 was transferred from the capital reserve to the share premium account in accordance with policy set out in note 1(s)(ii).

25 資本、儲備及股息 (續)

(c) 股本 (續)

(iii) 股份發行

於2017年11月3日，43,585,680股普通股已按每股6.60港元（相當於人民幣5.59元）的價格發行予集潤有限公司。於扣除交易成本後，本公司的已發行股本及股份溢價已分別增加人民幣3,691,000元及人民幣236,060,000元。

(iv) 根據購股權計劃發行的股份

於2017年內，購股權獲行使，以代價8,896,000港元（相當於約人民幣7,493,000元）認購本公司普通股合共1,896,000股，其中人民幣160,000元及人民幣7,333,000元已分別計入股本及股份溢價賬。根據附註1(s)(ii)所載的政策，人民幣3,879,000元已自資本儲備轉撥至股份溢價賬。

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(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，以人民幣列示)

25 CAPITAL, RESERVE AND DIVIDENDS (Continued)

(d) Nature and purpose of reserves

(i) Share premium

The share premium represents the difference between the par value of the shares of the Company and proceeds received from the issuance of the shares of the Company.

Under the Companies Law (Revised) of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

(ii) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial information of operations with functional currency other than RMB.

(iii) Capital reserve

The capital reserve represents the portion of the grant date fair value of unexercised share options granted to employees of the Company that has been recognised in accordance with the accounting policy adopted for share-based payments in note 1(s)(ii).

25 資本、儲備及股息 (續)

(d) 儲備的性質及用途

(i) 股份溢價

股份溢價指本公司股份面值與自發行本公司股份收取的所得款項之間的差額。

根據開曼群島公司法(經修訂)，本公司股份溢價賬中的資金可供分派予本公司股東，惟緊隨建議分派股息當日後，本公司將須有能力償還其於日常業務過程中到期的債務。

(ii) 匯兌儲備

匯兌儲備包括換算以人民幣以外的功能貨幣列值的業務的財務資料所產生的所有外匯差額。

(iii) 資本儲備

資本儲備指按照附註1(s)(ii)就以股份為基礎的付款所採納之會計政策，就授予本公司僱員的未行使購股權已確認的授出日期公允值之部份。

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綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，以人民幣列示)

25 CAPITAL, RESERVE AND DIVIDENDS (Continued)

(d) Nature and purpose of reserves (Continued)

(iv) Other reserves

The other reserves of the Group represent the difference between (a) the nominal value of share capital of Guangzhou Consun; and (b) the nominal value of the shares issued by the Company in exchange under the reorganisation of the Group completed on 24 December 2012.

The other reserves of the Company represent the difference between (a) the consolidated net assets of the subsidiaries acquired; and (b) the nominal value of the shares issued by the Company in exchange under the reorganisation of the Group on 24 December 2012.

The other reserves of the Company are distributable. The dividend appropriation made through other reserves in the Company's financial statements is recorded as through retained earnings in the consolidated financial statements of the Group.

(v) PRC statutory reserves

Pursuant to the articles of association of the Group's PRC subsidiaries now comprising the Group, appropriations to the PRC statutory reserves were made at a certain percentage of profit after taxation determined in accordance with the accounting rules and regulations of the PRC, until the PRC statutory reserves was equal to 50% of the entity's registered capital. The percentage for this appropriation was decided by the directors of the respective subsidiaries. This reserve fund can be utilised in setting off accumulated losses or increasing capital of the subsidiaries and is non-distributable other than in liquidation.

25 資本、儲備及股息 (續)

(d) 儲備的性質及用途 (續)

(iv) 其他儲備

本集團的其他儲備是指下列兩者之間的差額：(a)廣州康臣股本的面值；及(b)本公司根據於2012年12月24日完成的本集團重組所發行用作交換的股份面值。

本公司的其他儲備是指下列兩者之間的差額：(a)收購附屬公司的綜合資產淨值；及(b)本公司根據於2012年12月24日的本集團重組所發行用作交換的股份面值。

本公司的其他儲備為可供分派。以本公司財務報表中的其他儲備作出的股息分派入賬列作以本集團綜合財務報表中的保留盈利作出。

(v) 中國法定儲備

根據本集團現時旗下各中國附屬公司的組織章程細則，本集團已按照中國會計規則及法規釐定的稅後溢利的某個百分比向中國法定儲備作出撥款，直至中國法定儲備相等於實體註冊資本的50%。該撥款的百分比由相關附屬公司的董事釐定。該儲備金可用於抵銷附屬公司的累計虧損或增資，惟不可用於分派（清盤除外）。

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25 CAPITAL, RESERVE AND DIVIDENDS (Continued)

(d) Nature and purpose of reserves (Continued)

(v) PRC statutory reserves (Continued)

During 2017, Guangzhou Consun and Yulin Pharmaceutical transferred 10% of their net profit to the PRC statutory reserves. The PRC statutory reserves balances of Inner Mongolia Consun had reached 50% of their registered capital, and no further appropriation was made for the year ended 31 December 2017. Other PRC subsidiaries of the Group had made losses during 2017 or had accumulated losses, no appropriation was made accordingly.

(e) Distributable reserves

As at 31 December 2017, the aggregate amount of distributable reserves of the Company, calculated in accordance with the Companies Law of the Cayman Islands, amounted to RMB397,537,000 (2016: RMB814,463,000).

25 資本、儲備及股息 (續)

(d) 儲備的性質及用途 (續)

(v) 中國法定儲備 (續)

於2017年，廣州康臣及玉林製藥將其純利的10%撥入中國法定儲備。內蒙古康臣的中國法定儲備結餘已達致其註冊資本的50%，因而於截至2017年12月31日止年度並無作出進一步撥款。本集團的其他中國附屬公司於2017年錄得虧損或累計虧損，故並無作出撥款。

(e) 可供分派儲備

於2017年12月31日，本公司根據開曼群島公司法計算的可供分派儲備總額為人民幣397,537,000元（2016年：人民幣814,463,000元）。

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25 CAPITAL, RESERVE AND DIVIDENDS (Continued)

(f) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group monitors its capital structure on the basis of an adjusted net debt-to-capital ratio. For this purpose, adjusted net debt is defined as total debt (which includes interest-bearing loans and borrowings) plus unaccrued proposed dividends, less cash and cash equivalents. Adjusted capital comprises all components of equity.

During the year, the Group's strategy was to maintain the debt-to-equity ratio at a level considered reasonable by the Group's management from time to time with reference to the prevailing market conditions. In order to maintain or adjust the ratio, the Group may adjust the amount of dividends paid to equity shareholders, issue new shares or raise new debt financing.

25 資本、儲備及股息 (續)

(f) 資本管理

本集團管理資本的主要目的是維護其持續經營的能力，從而使其能夠透過按相應的風險水平為產品及服務定價，以及憑藉以合理成本取得融資而繼續為股東提供回報，並為其他利益相關者提供利益。

本集團按照經調整淨債務與資本比率監察其資本架構。就此而言，經調整淨債務乃界定為總債務（包括計息貸款及借款）加未計擬派股息再減現金及現金等值項目。經調整資本包括權益的所有組成部份。

年內，本集團的策略旨在將債務與股權比率維持於本集團管理層不時參考當前市況而認為合理的水平。為了維持或調整比率，本集團可調整派付予權益持有人的股息金額、發行新股或籌募新債務融資。

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25 CAPITAL, RESERVE AND DIVIDENDS (Continued)

(f) Capital management (Continued)

As at 31 December 2017 and 2016, the Group presented adjusted net asset, thus net debt-to-capital ratio was not calculated. The Group's adjusted net asset at 31 December 2017 was as follows:

	Note 附註	2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Current liabilities:			
流動負債：			
– Loans and borrowings	21	193,621	–
Non-current liabilities:			
非流動負債：			
– Loans and borrowings	21	374,483	–
Total debt		568,104	–
Add: Proposed dividends	25(b)	68,943	107,172
Less: Cash and cash equivalents	19	(989,565)	(672,711)
Adjusted net asset		352,518	565,539

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements, except that banking facilities granted to certain subsidiaries are subject to the fulfilment of covenants relating to the subsidiaries' balance sheet ratios (Note 21). The Group will actively and regularly monitor its compliance to such covenants.

25 資本、儲備及股息 (續)

(f) 資本管理 (續)

於2017年及2016年12月31日，本集團呈列了經調整資產淨值，因此並無計算淨債務與資本比率。本集團於2017年12月31日的經調整資產淨值如下：

本公司及其任何附屬公司概不受限於外部施加的資本要求，惟授予若干附屬公司的銀行融資須履行與該等附屬公司資本負債表比率有關的契諾（附註21）。本集團將積極及定期監控其遵守該等契諾的情況。

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26 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit and liquidity risks arises in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

The Group's credit risk is primarily attributable to trade and other receivables. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

In respect of trade and other receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due within 30-90 days from the date of billing. Debtors with balances that are more than 12 months past due are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At the end of the reporting period, 25% (2016: 15%) and 48% (2016: 49%) of the total trade receivables were due from the Group's largest customer and the five largest customers respectively.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade and other receivables are set out in note 18.

26 財務風險管理及財務工具的公允價值

本集團須面對於日常業務過程中產生的信貸及流動資金風險。本集團所面對的該等風險及本集團用以管理該等風險的財務風險管理政策及慣例載述如下。

(a) 信貸風險

本集團的信貸風險主要來自貿易及其他應收款項。管理層已制定適當的信貸政策，並且持續監察該等信貸風險的額度。

就貿易及其他應收款項而言，本集團會對所有要求授予一定金額信貸的客戶進行個別信貸評估。該等評估著重客戶過往到期還款記錄以及當前的還款能力，並會考慮關於客戶以及客戶經營所在經濟環境的特定資料。貿易應收款項自發出賬單日期起計30-90日內到期。欠款結餘逾期超過12個月的債務人須清償所有未償還結餘，方可獲授任何進一步信貸。一般而言，本集團不會收取客戶提供的抵押品。

本集團面對的信貸風險主要受到每名客戶的個別特性所影響多於客戶營運所在行業或國家，因此，重大信貸集中風險主要於本集團面臨個別客戶的重大風險時產生。於報告期末後，貿易應收款項總額中分別有25%（2016年：15%）及48%（2016年：49%）來自本集團最大客戶及五大客戶。

有關本集團所承受因貿易及其他應收款項而產生的信貸風險的進一步定量披露載於附註18。

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26 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

(b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the Company's board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements, to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's financial liabilities (exclude receipts in advance), which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay:

		2017					
		Contractual undiscounted cash outflow					
		2017年					
		合約未折現現金流出					
		Within 1	More than	More than		Carrying	
		year or on	1 year but	2 years	Total	amount	
		demand	less than	but less			
		1年內或	2 years	than 5 years			
		按要求	超過1年	超過2年			
		RMB'000	但少於2年	但少於5年	總計	賬面值	
		人民幣千元	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	
Loans and borrowings	貸款及借款	208,359	150,376	236,507	595,242	568,104	
Trade and other payables	貿易及其他應付款項	675,502	-	-	675,502	675,502	
		883,861	150,376	236,507	1,270,744	1,243,606	

26 財務風險管理及財務工具的公允價值 (續)

(b) 流動資金風險

本集團內個別經營實體負責各自之現金管理，包括將現金盈餘作短期投資及籌措貸款應付預期現金需要，惟如借貸超出若干預定授權水平，則須獲本公司董事會之批准方可作實。本集團之政策為定期監管流動資金需要，確保維持足夠現金儲備與可隨時變現的有價證券，並有來自大型財務機構之充足承諾融資額度，以應付長短期流動資金需求。

下表列明本集團的金融負債（除預收款項外）於報告期末的剩餘合約期，乃根據合約未折現現金流量（包括按合約利率或（如為浮息）按報告期末的現行利率計算的利息付款）及本集團須償還的最早日期呈列：

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26 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

(b) Liquidity risk (Continued)

		2016			Contractual undiscounted cash outflow	
		2016年			合約未折現現金流出	
		More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total	Carrying amount	
		超過1年但少於2年	超過2年但少於5年	總計	賬面值	
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Trade and other payables	貿易及其他應付款項	472,577	307	-	472,884	472,884

As shown in the above analysis, bank loans and related interest expense of the Group amounting to RMB208,359,000 were due to be repaid during 2018. The short-term liquidity risk inherent in this contractual maturity date was not significantly changed after the reporting period.

(c) Interest rate risk

The Group's interest rate risk arises primarily from borrowings from banks. Borrowings issued at variable rates and at fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively. The Group's interest rate profile as monitored by management is set out in (i) below.

26 財務風險管理及財務工具的公允價值 (續)

(b) 流動資金風險 (續)

		2016			Contractual undiscounted cash outflow	
		2016年			合約未折現現金流出	
		More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total	Carrying amount	
		超過1年但少於2年	超過2年但少於5年	總計	賬面值	
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Trade and other payables	貿易及其他應付款項	472,577	307	-	472,884	472,884

誠如上文分析所示，本集團為數人民幣208,359,000元的銀行貸款及相關利息開支乃於2018年內到期將予償還。於本合約到期日固有的短期流動資金風險於報告期後並無重大變動。

(c) 利率風險

本集團的利率風險主要來自銀行借款。按浮動利率及固定利率發出的借款分別令本集團須承受現金流量利率風險及公允價值利率風險。本集團由管理層監察的利率概況載於下文(i)。

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，以人民幣列示)

26 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

(c) Interest rate risk (Continued)

(i) Interest rate profile

The following table details the interest rate profile at 31 December 2017 (31 December 2016: nil) of the Group's interest-bearing borrowings at the end of the reporting period.

		2017 2017年	
		Effective interest rates	Amount
		實際利率	金額
		%	RMB'000
		%	人民幣千元
Fixed rate borrowings:	定息借款：		
Bank loans	銀行貸款	4.35%	100,000
Variable rate borrowings:	浮息借款：		
Bank loans	銀行貸款	3.19%	468,104
Total borrowings	借款總額		568,104
Fixed rate borrowings as a percentage of total borrowings	定息借款佔借款總額百分比		18%

26 財務風險管理及財務工具的公允價值 (續)

(c) 利率風險 (續)

(i) 利率概況

下表詳列於2017年12月31日，本集團於報告期末計息借款的利率概況（2016年12月31日：無）。

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(除另有指明外，以人民幣列示)

26 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

(c) Interest rate risk (Continued)

(ii) Sensitivity analysis

At 31 December 2017, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variable held constant, would have decreased/increased the Group's profit after taxation and retained profits by approximately RMB4,681,000 (2016: nil).

The sensitivity analysis above indicates the instantaneous change in the Group's profit after tax and retained profits that would arise assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to re-measure those financial instruments held by the Group which expose the Group to fair value interest rate risk at the end of the reporting period. In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the end of the reporting period, the impact on the Group's profit after tax and retained profits is estimated as an annualised impact on interest expense or income of such a change in interest rates.

26 財務風險管理及財務工具的公允價值 (續)

(c) 利率風險 (續)

(ii) 敏感度分析

於2017年12月31日，估計利率整體上調／下調100個基點，而所有其他變數維持不變，本集團的除稅後溢利及保留溢利將減少／增加約人民幣4,681,000元（2016年：無）。

上述敏感度分析顯示本集團的除稅後溢利及保留溢利可能產生的即時變動，當中假設利率變動已於報告期末發生，並已用於重新計量本集團所持有並於報告期末使本集團面臨公允價值利率風險的該等財務工具。就本集團於報告期末所持有浮動利率非衍生工具產生的現金流利率風險而言，本集團除稅後溢利及保留溢利所受影響乃按有關利率變動對年度化利息支出或收入的影響作估計。

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綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，以人民幣列示)

26 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

(d) Currency risk

As the Group's principal activities are carried out in the PRC, the Group's transactions are mainly denominated in Renminbi, which is not freely convertible into foreign currencies. All foreign exchange transactions involving Renminbi must take place through the People's Bank of China or other institutions authorised to buy and sell foreign exchange. The exchange rates adopted for the foreign exchange transactions are the rates of exchange quoted by the People's Bank of China that are determined largely by supply and demand.

The Group is exposed to currency risk primarily give rise to cash balances that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily Hong Kong dollars and United States dollars.

(i) Exposure to currency risk

The following table details the Group's and the Company's exposure at the end of reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in RMB translated using the spot rate at the period end date. Differences resulting from the translation of the financial statements of foreign operations into the Group's presentation currency are excluded.

26 財務風險管理及財務工具的公允值 (續)

(d) 貨幣風險

由於本集團的主要業務在中國進行，本集團的交易主要以人民幣計值，而人民幣不可自由兌換為外幣。所有涉及人民幣的外匯交易必須透過中國人民銀行或其他獲批准買賣外匯的機構進行。外匯交易採用的匯率乃中國人民銀行所報的匯率，該匯率主要按供求釐定。

本集團面臨的貨幣風險主要來自以外幣計值的現金結餘，即該外幣並非交易相關業務的功能貨幣。引起此種風險的貨幣主要為港元及美元。

(i) 面對的貨幣風險

下表詳列本集團及本公司於報告期間結束時所承受的貨幣風險，該等貨幣風險乃因為以相關實體之功能貨幣以外的貨幣列值的已確認資產或負債而產生。就呈報而言，風險承擔額以人民幣列示，並以年結日的即期匯率換算。由於將外國業務之財務報表換算成本集團呈報貨幣而產生的差額已經剔除。

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綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，以人民幣列示)

26 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

(d) **Currency risk** (Continued)

(i) **Exposure to currency risk** (Continued)

26 財務風險管理及財務工具的公允價值 (續)

(d) **貨幣風險** (續)

(i) **面對的貨幣風險** (續)

Exposure to foreign currencies

外幣風險

(expressed in Renminbi)

(以人民幣列示)

		2017		2016
		2017年		2016年
		Hong Kong	United States	Hong Kong
		Dollars	Dollars	Dollars
		港元	美元	港元
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
Trade and other receivables	貿易及其他應收款項	2,873	-	-
Cash and cash equivalents	現金及現金等值項目	110,830	2,720	7,948
Trade and other payables	貿易及其他應付款項	(3,187)	-	-
Loans and borrowings	貸款及借款	(468,104)	-	-
Gross and net exposure arising from recognised assets and liabilities	已確認資產及負債產生的風險總額及淨額	(357,588)	2,720	7,948

Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，以人民幣列示)

26 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

(d) Currency risk (Continued)

(ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's profit after tax and retained profits that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant.

		2017 2017年	
		Increase in foreign exchange rate	Effect on profit after tax and retained profit 對除稅後溢利 及保留溢利 的影響
		匯率上升	
Hong Kong Dollars	港元	1%	(3,576)
United States Dollars	美元	1%	27

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities' profit after tax measured in the respective functional currencies, translated into Renminbi at the exchange rate ruling at the end of the reporting period for presentation purposes.

上表呈列的分析結果指對本集團實體以各自的功能貨幣計量的除稅後溢利的合計即時影響，並就呈列目的按報告期末的匯率換算為人民幣。

26 財務風險管理及財務工具的公允值 (續)

(d) 貨幣風險 (續)

(ii) 敏感度分析

下表顯示倘本集團於報告期末有重大風險承擔的匯率於該日有所變動，並假設所有其他風險變數維持不變，本集團的除稅後溢利及保留溢利可能出現之即時變動。

Notes to the Consolidated Financial Statements

綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，以人民幣列示)

26 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

(d) Currency risk (Continued)

(ii) Sensitivity analysis (Continued)

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period, including inter-company payables and receivables within the Group which are denominated in a currency other than the functional currencies of the lender or the borrower. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency. The Group had no significant foreign exchange exposure as at 31 December 2016, as the cash and cash equivalent held by the Group denominated in the currency other than Renminbi was insignificant.

(e) Fair Value

(i) Financial instruments and liabilities measured at fair value

At 31 December 2017 and 31 December 2016, the Company has no financial instruments accounted for using fair value model.

(ii) Fair value of other financial assets and liabilities carried at other than fair value

The carrying amount of the Group's financial instruments carried at cost or amortised cost were not materially different from their fair value as at 31 December 2017 and 31 December 2016 except for the unlisted available-for-sale equity securities whose fair value cannot be measured reliably.

26 財務風險管理及財務工具的公允值 (續)

(d) 貨幣風險 (續)

(ii) 敏感度分析 (續)

敏感度分析假設匯率變動經已應用以重新計量該等於報告期末讓本集團須承受外幣風險的本集團所持財務工具，包括以貸款人或借款人功能貨幣以外貨幣計值的集團內公司間應付款項及應收款項。分析並不包括換算海外業務財務報表至本集團呈列貨幣所產生之差額。由於本集團持有以人民幣以外的貨幣計值的現金及現金等值項目微不足道，故本集團於2016年12月31日並無重大外匯風險。

(e) 公允值

(i) 按公允值計量的財務工具及負債

於2017年12月31日及2016年12月31日，本公司並無財務工具採用公允值模式入賬。

(ii) 以公允值以外方式列賬的其他金融資產及負債公允值

除公允值不能可靠計量的非上市可供出售股本證券外，本集團按成本或攤銷成本列賬的財務工具賬面值與其於2017年12月31日及2016年12月31日的公允值並無重大差異。

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27 CAPITAL COMMITMENTS

Capital commitments outstanding as at 31 December 2017 not provided for in the consolidated financial statements were as follows:

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Contracted for	已訂約	125,239	20,989
Authorised but not contracted for	已批准但未訂約	260,833	4,682
Total	總值	386,072	25,671

27 資本承擔

於2017年12月31日並未在綜合財務報表撥備的未履行資本承擔如下：

28 MATERIAL RELATED PARTY TRANSACTIONS

Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in note 6 and certain of the highest paid employees as disclosed in note 7, is as follows:

		2017	2016
		2017年	2016年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Salaries and other benefits	薪金及其他福利	27,081	22,625
Retirement scheme of defined contribution	界定供款退休計劃	98	101
Equity settled share-based payment expenses	以股權結算並以股份為基礎的付款開支	5,882	12,178
		33,061	34,904

28 重大關聯方交易

主要管理人員酬金

本集團主要管理人員的酬金，包括向本公司董事支付的款項（如附註6所披露）以及向若干最高薪僱員支付的款項（如附註7所披露）載列如下：

Total remuneration is included in "staff costs" (see note 4(b)).

None of the above related party transactions falls under the definition of connected transaction or continuing connected transaction as defined in Chapter 14A of the Listing Rules.

總酬金計入「員工成本」內（見附註4(b)）。

概無上述關聯方交易屬上市規則第14A章所界定的關連交易或持續關連交易。

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29 ACCOUNTING JUDGEMENT AND ESTIMATES

The key sources of estimation uncertainty and critical accounting judgments in applying the Group's accounting policies are described below.

(a) Depreciation

Property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives, after taking into account the estimated residual value.

The Group reviews annually the useful life of an asset and its residual value, if any. The depreciation expense for future years is adjusted if there are significant changes from previous estimation.

(b) Impairments

- (i) In considering the impairment losses that may be required for certain property, plant and equipment and lease prepayments, recoverable amount of these assets needs to be determined. The recoverable amount is the greater of the net selling price and the value in use. It is difficult to precisely estimate selling price because quoted market prices for these assets may not be readily available. In determining the value in use, expected cash flows generated by the asset are discounted to their present value, which requires significant judgment relating to items such as level of revenue and amount of operating costs. The Group uses all readily available information in determining an amount that is reasonable approximation of recoverable amount, including estimates based on reasonable and supportable assumptions and projections of items such as revenue and operating costs.

29 會計估計及判斷

應用本集團的會計政策時涉及的估計不確定因素及重要會計判斷的主要來源描述如下。

(a) 折舊

物業、廠房及設備均在考慮估計殘值後，在估計可使用年期內按直線法計提折舊。

本集團每年檢討資產的可使用年期及其殘值（如有）。倘早前所作估計出現重大變動，未來年度的折舊開支則予以調整。

(b) 減值

- (i) 考慮若干物業、廠房及設備以及租賃預付款項可能須作出的減值虧損時，須釐定該等資產的可收回金額。可收回金額為淨售價與使用價值兩者中的較高者。由於未必能輕易取得該等資產的市場報價，故難以精確估計售價。釐定使用價值時，資產產生的預期現金流量會折現至其現值，此舉須對收入水平及經營成本金額等有關項目作出重大判斷。本集團於釐定可收回金額的合理近值時使用所有輕易可得的資訊，包括根據合理及可支持假設作出的估計及收入和經營成本等項目預測。

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(除另有指明外，以人民幣列示)

29 ACCOUNTING JUDGEMENT AND ESTIMATES (Continued)

(b) Impairments (Continued)

- (ii) Impairment losses for doubtful debts are assessed and provided based on the directors' regular review of ageing analysis and evaluation of collectability. A considerable level of judgment is exercised by the directors when assessing the credit worthiness and past collection history of each individual customer.

An increase or decrease in the above impairment losses would affect the net profit or loss in future years.

29 會計估計及判斷 (續)

(b) 減值 (續)

- (ii) 呆賬減值虧損按董事定期檢討的賬齡分析及可收回程度評估進行評估及計提撥備。董事在評估各個別客戶的信用評級及過往收賬記錄時作出大量判斷。

上述減值虧損的任何增減均會影響未來年度的純利或淨虧損。

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30 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION 30 公司層面財務狀況表

		Note	2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
		附註		
Non-current assets	非流動資產			
Investment in subsidiaries	於附屬公司的投資	15	342,444	342,444
Total non-current assets	非流動資產總值		342,444	342,444
Current assets	流動資產			
Trade and other receivables	貿易及其他應收款項		411,124	521,326
Cash and cash equivalents	現金及現金等值項目		199,694	39,812
Total current assets	流動資產總值		610,818	561,138
Current liabilities	流動負債			
Loans and borrowings	貸款及借款	21	93,621	–
Other payables	其他應付款項		18,969	12,882
Total current liabilities	流動負債總值		112,590	12,882
Net current assets	流動資產淨值		498,228	548,256
Total assets less current liabilities	總資產減流動負債		840,672	890,700
Non-current liabilities	非流動負債			
Loans and borrowings	貸款及借款	21	374,483	–
Net Assets	資產淨值		466,189	890,700
Capital and reserves	資本及儲備	25(a)		
Share capital	股本		68,652	76,237
Reserves	儲備		397,537	814,463
Total equity	權益總額		466,189	890,700

Notes to the Consolidated Financial Statements

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31 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

After the end of the reporting period the directors proposed a final dividend. Further details are disclosed in note 25(b).

32 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2017

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments and new standards which are not yet effective for the year ended 31 December 2017 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group.

31 報告期後未調整事項

於報告期末之後董事建議宣派末期股息。進一步詳情已披露於附註25(b)。

32 截至2017年12月31日止年度已頒佈但尚未生效的修訂、新準則及詮釋的潛在影響

截至刊發該等財務報表日期，香港會計師公會已頒佈於截至2017年12月31日止年度尚未生效且未於該等財務報表採納的多項修訂及新準則。該等修訂及新準則包括可能與本集團有關的下列各項。

**Effective for
accounting periods
beginning on or after
於下列日期或以後
開始的會計期間生效**

HKFRS 9, <i>Financial instruments</i> 香港財務報告準則第9號，金融工具	1 January 2018 2018年1月1日
HKFRS 15, <i>Revenue from contracts with customers</i> 香港財務報告準則第15號，來自與客戶訂立之合約的收入	1 January 2018 2018年1月1日
Amendments to HKFRS 2, <i>Share-based payment: Classification and measurement of share-based payment transactions</i> 香港財務報告準則第2號修訂本，以股份為基礎的付款：以股份為基礎的付款之分類及計量	1 January 2018 2018年1月1日
Amendments to HKAS 40, <i>Investment property: Transfers of investment property</i> 香港會計準則第40號（修訂本），投資物業：轉讓投資物業	1 January 2018 2018年1月1日
HK(IFRIC) 22, <i>Foreign currency transactions and advance consideration</i> 香港（國際財務報告詮釋委員會）— 第22號，外幣交易及預付代價	1 January 2018 2018年1月1日
HKFRS 16, <i>Leases</i> 香港財務報告準則第16號，租賃	1 January 2019 2019年1月1日

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32 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2017 (Continued)

The Group is in the process of making an assessment of what the impact of these amendments, new standards and interpretations is expected to be in the period of initial application. So far the Group has identified some aspects of the new standards which may have a significant impact on the consolidated financial statements. Further details of the expected impacts are discussed below. While the assessment has been substantially completed for HKFRS 9 and HKFRS 15, the actual impacts upon the initial adoption of the standards may differ as the assessment completed to date is based on the information currently available to the Group, and further impacts may be identified before the standards are initially applied in the Group's interim financial report for the six months ended 30 June 2018. The Group may also change its accounting policy elections, including the transition options, until the standards are initially applied in that financial report.

HKFRS 9, Financial instruments

HKFRS 9 will replace the current standard on accounting for financial instruments, HKAS 39, Financial instruments: Recognition and measurement. HKFRS 9 introduces new requirements for classification and measurement of financial assets, including the measurement of impairment for financial assets and hedge accounting. On the other hand, HKFRS 9 incorporates without substantive changes the requirements of HKAS 39 for recognition and derecognition of financial instruments and the classification and measurement of financial liabilities.

HKFRS 9 is effective for annual periods beginning on or after 1 January 2018 on a retrospective basis. The Group plans to use the exemption from restating comparative information and will recognise any transition adjustments against the opening balance of equity at 1 January 2018.

32 截至2017年12月31日止年度已頒佈但尚未生效的修訂、新準則及詮釋的潛在影響(續)

本集團正在評估該等修訂、新準則及詮釋於初次應用期間預期產生的影響。迄今本集團已識別新準則的若干方面可能對綜合財務報表造成重大影響。有關預期影響的進一步詳情於下文論述。有關香港財務報告準則第9號及香港財務報告準則第15號的評估已大致上完成，但由於迄今完成的評估乃基於本集團現有的資料進行，故初步採納上述準則後出現的實際影響或會有所差異，且可能早於本集團截至2018年6月30日止六個月的中期財務報告初步應用該等準則前已察覺到其他影響。於該財務報告初步應用該等準則前，本集團亦可以更改其選用的會計政策，包括過渡方案。

香港財務報告準則第9號，金融工具

香港財務報告準則第9號將取代有關金融工具會計處理方法的現有準則香港會計準則第39號，金融工具：確認及計量。香港財務報告準則第9號引入分類及計量金融資產的新規定，包括計量金融資產減值及對沖會計。另一方面，香港財務報告準則第9號納入且並無大幅變動香港會計準則第39號有關確認及終止確認金融工具及金融負債分類及計量的規定。

香港財務報告準則第9號按追溯基準於2018年1月1日或之後開始的年度期間生效。本集團計劃使用重列比較資料的豁免及將針對2018年1月1日股本的期初結餘確認任何過渡調整。

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32 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2017 (Continued)

HKFRS 9, Financial instruments (Continued)

Expected impacts of the new requirements on the Group's financial statements are as follows:

(a) Classification and measurement

HKFRS 9 contains three principal classification categories for financial assets: measured at (1) amortised cost, (2) fair value through profit or loss (FVTPL) and (3) fair value through other comprehensive income (FVTOCI):

- The classification for debt instruments is determined based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the asset. If a debt instrument is classified as FVTOCI then interest revenue, impairment and gains/losses on disposal will be recognised in profit or loss.
- For equity securities, the classification is FVTPL regardless of the entity's business model. The only exception is if the equity security is not held for trading and the entity irrevocably elects to designate that security as FVTOCI. If an equity security is designated as FVTOCI then only dividend income on that security will be recognised in profit or loss. Gains, losses and impairments on that security will be recognised in other comprehensive income without recycling.

The Group has assessed that its financial assets currently measured at amortised cost and FVTPL will continue with their respective classification and measurements upon the adoption of HKFRS 9.

32 截至2017年12月31日止年度已頒佈但尚未生效的修訂、新準則及詮釋的潛在影響 (續)

香港財務報告準則第9號，金融工具 (續)

新規定對本集團財務報表的預期影響如下：

(a) 分類及計量

香港財務報告準則第9號包括金融資產的三個主要分類方法：(1)按攤銷成本；(2)按公允值計入損益(按公允值計入損益)；及(3)按公允值計入其他全面收益(按公允值計入其他全面收益)計量：

- 債務工具的分類乃基於實體管理金融資產的業務模式及該資產的合約現金流特點而釐定。倘債務工具分類為按公允值計入其他全面收益計量，則權益收益、減值及出售收益／虧損將於損益內確認。
- 就股本證券而言，不論實體採用何種業務模式均分類為按公允值計入損益計量，惟股本證券並非持作買賣及該實體不可撤回地選擇指定該證券為按公允值計入其他全面收益計量則例外。倘股本證券獲指定為按公允值計入其他全面收益計量，則僅該證券的股息收入將於損益內確認。該證券的收益、虧損及減值將於其他全面收益內確認且不可撥回。

根據本集團的評估，其現時按攤銷成本及按公允值計入損益計量的金融資產將於採納香港財務報告準則第9號後繼續其各自的分類及計量。

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32 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2017 (Continued)

HKFRS 9, Financial instruments (Continued)

(a) Classification and measurement (Continued)

The classification and measurement requirements for financial liabilities under HKFRS 9 are largely unchanged from HKAS 39, except that HKFRS 9 requires the fair value change of a financial liability designated at FVTPL that is attributable to changes of that financial liability's credit risk to be recognised in other comprehensive income (without reclassification to profit or loss). The Group currently does not have any financial liabilities designated at FVTPL and therefore this new requirement will not have any impact on the Group on adoption of HKFRS 9.

(b) Impairment

The new impairment model in HKFRS 9 replaces the "incurred loss" model in HKAS 39 with an "expected credit loss" model. Under the expected credit loss model, it will no longer be necessary for a loss event to occur before an impairment loss is recognised. Instead, an entity is required to recognise and measure either a 12-month expected credit loss or a lifetime expected credit loss, depending on the asset and the facts and circumstances. The Group expects that the application of the expected credit loss model will result in earlier recognition of credit losses.

32 截至2017年12月31日止年度已頒佈但尚未生效的修訂、新準則及詮釋的潛在影響 (續)

香港財務報告準則第9號，金融工具 (續)

(a) 分類及計量 (續)

香港財務報告準則第9號有關金融負債之分類及計量規定與香港會計準則第39號相較基本保持不變，惟香港財務報告準則第9號規定因指定為按公允值計入損益計量之金融負債信貸風險有變而導致其公允值變動之部分乃於其他全面收益內確認(不會重新分類至損益)。本集團現時並無任何指定為按公允值計入損益計量之金融負債，因此於採納香港財務報告準則第9號時，該新規定將不會對本集團造成任何影響。

(b) 減值

香港財務報告準則第9號之新減值模式以「預期信貸虧損」模式取代香港會計準則第39號項下的「已產生虧損」模式。根據預期信貸虧損模式，毋須再待發生虧損事件方確認減值虧損。相反，實體須根據資產以及事實及情況確認及計量預期信貸虧損為12個月預期信貸虧損或永久預期信貸虧損。本集團預料應用預期信貸虧損模式將導致提早確認信貸虧損。

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32 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2017 (Continued)

HKFRS 15, Revenue from contracts with customers

HKFRS 15 establishes a comprehensive framework for recognising revenue from contracts with customers. HKFRS 15 will replace the existing revenue standards, HKAS 18, Revenue, which covers revenue arising from sale of goods and rendering of services, and HKAS 11, Construction contracts, which specifies the accounting for revenue from construction contracts.

Based on the assessment completed to date, the Group has identified the following areas which are expected to be affected:

(a) Timing of revenue recognition

The Group's revenue recognition policies are disclosed in note 1(v). Currently, revenue arising from the sale of goods is generally recognised when the risks and rewards of ownership have passed to the customers.

Under HKFRS 15, revenue is recognised when the customer obtains control of the promised good or service in the contract. HKFRS 15 identifies 3 situations in which control of the promised good or service is regarded as being transferred over time:

- (i) When the customer simultaneously receives and consumes the benefits provided by the entity's performance, as the entity performs;
- (ii) When the entity's performance creates or enhances an asset (for example work in progress) that the customer controls as the asset is created or enhanced;

32 截至2017年12月31日止年度已頒佈但尚未生效的修訂、新準則及詮釋的潛在影響 (續)

香港財務報告準則第15號，來自與客戶訂立之合約的收入

香港財務報告準則第15號建立了確認來自與客戶訂立之合約的收益的全面框架。香港財務報告準則第15號將取代現有收入準則，即香港會計準則第18號，收入（包括銷售貨物及提供服務所產生的收入）及香港會計準則第11號，建造合約（訂明建造合約收入的會計處理方法）。

根據迄今為止完成之評估，本集團已識別以下預期受影響之方面：

(a) 收入確認之時間

本集團之收入確認政策披露於附註1(v)。目前，銷售貨物所得收入通常於所有權風險及回報轉移予客戶時確認。

根據香港財務報告準則第15號，收入於客戶獲得合約之承諾貨物或服務之控制權時確認。香港財務報告準則第15號確定了以下對承諾貨物或服務之控制被視為隨時間轉移之三種情況：

- (i) 當客戶於實體履約時同時接受及使用實體履約所提供之利益時；
- (ii) 當實體履約創造或增強一項於資產被創造或增強時由客戶控制之資產（如在製品）時；

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32 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2017 (Continued)

HKFRS 15, Revenue from contracts with customers (Continued)

(a) Timing of revenue recognition (Continued)

- (iii) When the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

If the contract terms and the entity's activities do not fall into any of these 3 situations, then under HKFRS 15 the entity recognises revenue for the sale of that good or service at a single point in time, being when control has passed. Transfer of risks and rewards of ownership is only one of the indicators that will be considered in determining when the transfer of control occurs.

The Group has assessed that the new revenue standard is not likely to have significant impact on how it recognises revenue from the sale of goods.

32 截至2017年12月31日止年度已頒佈但尚未生效的修訂、新準則及詮釋的潛在影響 (續)

香港財務報告準則第15號，來自與客戶訂立之合約的收入 (續)

(a) 收入確認之時間 (續)

- (iii) 當實體之履約並無創造對實體而言具替代用途之資產，且該實體對迄今完成之履約付款具有可執行權利時。

倘合約條款及實體活動並不屬於任何該等三種情況，則根據香港財務報告準則第15號，實體於某一指定時間點（即控制權轉移時）就銷售貨物或服務確認收入。所有權風險及回報之轉移僅為於釐定控制權轉移發生時將考慮的其中一項指標。

本集團已評定新收入準則不大可能對銷售貨物所得收入之確認方式造成重大影響。

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32 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2017 (Continued)

HKFRS 15, Revenue from contracts with customers (Continued)

(b) Significant financing component

HKFRS 15 requires an entity to adjust the transaction price for the time value of money when a contract contains a significant financing component, regardless of whether the payments from customers are received significantly in advance or in arrears.

Currently, the Group would only apply such a policy when payments are significantly deferred, which is currently not common in the Group's arrangements with its customers. Currently, the Group does not apply such a policy when payments are received in advance.

Advance payments are not common in the Group's arrangement with its customers. The Group has assessed that this component in the Group's advance payment schemes is not likely to be significant to the contract.

32 截至2017年12月31日止年度已頒佈但尚未生效的修訂、新準則及詮釋的潛在影響 (續)

香港財務報告準則第15號，來自與客戶訂立之合約的收入 (續)

(b) 重大融資部分

香港財務報告準則第15號要求實體於合約包含重大融資部分時就貨幣時間價值調整交易價格，而不管來自客戶之付款將大部分提前收取或延後收取。

目前，本集團僅於付款大幅延期時（目前本集團與其客戶間之安排中並不常見）採納此政策。目前，本集團並無於付款提前收取時應用此政策。

提前付款在本集團與其客戶間之安排並不常見。本集團已進行評估，本集團提前付款計劃項下該部分對合約而言不大可能屬重大。

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32 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2017 (Continued)

HKFRS 15, Revenue from contracts with customers (Continued)

(c) Sales with a right of return

Currently when the customers are allowed to return the Group's products, the Group estimates the level of expected returns and makes an adjustment against revenue and cost of sales.

The Group has assessed that the adoption of HKFRS 15 will not materially affect how the Group recognises revenue and cost of sales when the customers have a right of return. However, the new requirement to recognise separately a return asset for the products expected to be returned will impact the presentation in the consolidated statement of financial position as the Group currently adjusts the carrying amounts of inventory for the expected returns, instead of recognising a separate asset.

The Group plans to elect to use the cumulative effect transition method for the adoption of HKFRS 15 and will recognise the cumulative effect of initial application as an adjustment to the opening balance of equity at 1 January 2018. As allowed by HKFRS 15, the Group plans to apply the new requirements only to contracts that are not completed before 1 January 2018. Since the number of "open" contracts for sales of the products at 31 December 2017 is limited, the Group expects that the transition adjustment to be made upon the initial adoption of HKFRS 15 will not be material.

32 截至2017年12月31日止年度已頒佈但尚未生效的修訂、新準則及詮釋的潛在影響 (續)

香港財務報告準則第15號，來自與客戶訂立之合約的收入 (續)

(c) 具退貨權之銷售

目前，當客戶被允許退回本集團之產品時，本集團會估計預期退貨水平並就收入及銷售成本作出調整。

本集團已評估採納香港財務報告準則第15號將不會對本集團於客戶有退貨權時確認收入及銷售成本之方式造成重大影響。然而，由於本集團目前就預期退貨對存貨賬面值進行調整而非另行確認資產，因此另行就預期將被退回之產品確認退回資產之新規定將影響於綜合財務狀況表之呈列。

就採納香港財務報告準則第15號而言，本集團計劃選用累積影響過渡法，並將確認首次應用之累積影響作為於2018年1月1日期初權益結餘之調整。在香港財務報告準則第15號允許之範圍內，本集團計劃僅將新規定應用於2018年1月1日前尚未完成之合約。由於2017年12月31日有關產品銷售而「條款尚未訂明之」合約的數目有限，本集團預期於首次採納香港財務報告準則第15號後作出的過渡調整將不會重大。

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32 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2017 (Continued)

HKFRS 16, Leases

As disclosed in note 1(l), currently the Group classifies leases into finance leases and operating leases and accounts for the lease arrangements differently, depending on the classification of the lease. The Group enters into some leases as the lessor and others as the lessee.

HKFRS 16 is not expected to impact significantly on the way that lessors account for their rights and obligations under a lease. However, once HKFRS 16 is adopted, lessees will no longer distinguish between finance leases and operating leases. Instead, subject to practical expedients, lessees will account for all leases in a similar way to current finance lease accounting, i.e. at the commencement date of the lease the lessee will recognise and measure a lease liability at the present value of the minimum future lease payments and will recognise a corresponding "right-of-use" asset. After initial recognition of this asset and liability, the lessee will recognise interest expense accrued on the outstanding balance of the lease liability, and the depreciation of the right-of-use asset, instead of the current policy of recognising rental expenses incurred under operating leases on a systematic basis over the lease term. As a practical expedient, the lessee can elect not to apply this accounting model to short-term leases (i.e. where the lease term is 12 months or less) and to leases of low-value assets, in which case the rental expenses would continue to be recognised on a systematic basis over the lease term.

32 截至2017年12月31日止年度已頒佈但尚未生效的修訂、新準則及詮釋的潛在影響 (續)

香港財務報告準則第16號，租賃

誠如附註1(l)所披露，本集團現時將租賃分類為融資租賃及經營租賃，並視乎租賃的分類相應地對租賃安排進行列賬。本集團作為出租人訂立若干租約，而其他則作為承租人。

預期香港財務報告準則第16號將不會大幅影響出租人根據租約將彼等權利及義務入賬的方式。然而，一旦採納香港財務報告準則第16號，承租人將不再區分融資租賃及經營租賃。相反，受可行權宜方法的規限，承租人將按與現有融資租賃會計處理方法類似的方式將所有租約入賬，即於租約開始日期，承租人將按日後最低租賃付款的現值確認及計量租賃負債，及將確認相應的「使用權」資產。於初步確認該資產及負債後，承租人將確認租賃負債結餘所產生的利息開支及使用權資產折舊，而非根據現有政策於租期內按系統基準確認根據經營租約所產生的租賃開支。作為一項可行權宜方法，承租人可選擇不將此會計模式應用於短期租賃（即租期為12個月或以下）及低價值資產的租賃，於該等情況下，租金開支將繼續於租期內按系統基準確認。

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32 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2017 (Continued)

HKFRS 16, Leases (Continued)

HKFRS 16 will primarily affect the Group's accounting as a lessee of leases for properties, plant and equipment which are currently classified as operating leases. The application of the new accounting model is expected to lead to an increase in both assets and liabilities and to impact on the timing of the expense recognition in the statement of profit or loss over the period of the lease. As at 31 December 2017 the Group's future minimum lease payments are insignificant.

HKFRS 16 is effective for annual periods beginning on or after 1 January 2019. The standard offers different transition options and practical expedients, including the practical expedient to grandfather the previous assessment of which existing arrangements are, or contain, leases. If this practical expedient is chosen, the Group will apply the new definition of a lease in HKFRS 16 only to contracts that are entered into on or after the date of initial application. If the practical expedient is not chosen, the Group will need to reassess all of its decisions about which existing contracts are, or contain, leases, using the new definition. Depending on whether the Group elects to adopt the standard retrospectively or follow a modified retrospective method of recognising a cumulative-effect adjustment to the opening balance of equity at the date of initial application, the Group may or may not need to restate comparative information for any changes in accounting resulting from the reassessment.

The Group has not decided whether it will choose to take advantage of this period expedient, and which transition approach to be taken.

32 截至2017年12月31日止年度已頒佈但尚未生效的修訂、新準則及詮釋的潛在影響 (續)

香港財務報告準則第16號，租賃 (續)

香港財務報告準則第16號將主要影響本集團作為租約承租人就物業、廠房及設備(現時分類為經營租賃)的會計處理方法。預期應用新會計模式將導致資產及負債均有所增加，及影響租約期間於損益表確認開支的時間。於2017年12月31日，本集團的日後最低租賃付款微不足道。

香港財務報告準則第16號將於2019年1月1日或以後開始的年度期間生效。該準則提供不同過渡選項及可行權宜方法，包括使現有安排屬於或包含租賃的過往評估不受新規定限制的可行權宜方法。倘採用此可行權宜方法，本集團將僅於首次應用日期或之後訂立的合約應用香港財務報告準則第16號新的租賃定義。倘並不採用此可行權宜方法，本集團將需以新定義重新評估其屬於或包含租賃的現有合約的所有決策。視乎本集團選擇追溯採用該準則或根據修訂追溯法於首次應用日期確認股本期初結餘的累積影響調整，本集團可能需要或毋需就重新評估引致的任何會計變動重列比較資料。

本集團尚未決定會否採用此項可行權宜方法及採用哪一種過渡法。

Five-Year Financial Summary

五年財務摘要

		2017	2016	2015	2014	2013
		2017年	2016年	2015年	2014年	2013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
Revenue	收入	1,660,230	1,223,488	831,108	730,683	571,765
Gross Profit	毛利	1,228,395	911,023	670,566	571,767	452,234
Profit before taxation	稅前溢利	544,982	403,452	314,782	264,159	210,462
Income tax	所得稅	123,162	83,795	65,093	52,959	57,580
Profit for the year	年內溢利	421,820	319,657	249,689	211,200	152,882
Profit for the year attributable to equity shareholders of the Company	本公司權益股東應佔年內溢利	396,242	307,526	249,689	211,200	152,882
Earnings per share (expressed in RMB Yuan per share)	每股盈利 (以每股人民幣元列示)					
– basic	– 基本	0.46	0.32	0.25	0.21	0.20
– diluted	– 攤薄	0.46	0.32	0.25	0.21	0.20
Assets and liabilities	資產及負債					
Non-current assets	非流動資產	1,387,366	1,369,050	957,703	266,412	264,256
Current assets	流動資產	2,184,651	1,390,005	960,188	1,396,529	1,192,689
Current liabilities	流動負債	970,233	546,731	229,350	178,247	150,115
Non-current liabilities	非流動負債	537,636	151,273	51,786	51,508	49,466
Net assets	資產淨值	2,064,148	2,061,051	1,636,755	1,433,186	1,257,364
Capital and reserves	資本及儲備					
Share Capital	股本	68,652	76,237	78,074	78,250	78,250
Reserves	儲備	1,678,036	1,684,257	1,558,681	1,354,936	1,179,114
Total equity attributable to equity shareholders of the Company	本公司權益股東應佔權益總額	1,746,688	1,760,494	1,636,755	1,433,186	1,257,364
Non-controlling interests	非控股權益	317,460	300,557	–	–	–
Total equity	總權益	2,064,148	2,061,051	1,636,755	1,433,186	1,257,364

The summary above does not form part of the audited consolidated financial statements.

以上摘要並不構成經審核綜合財務報表的組成部份。



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