

Beijing Tong Ren Tang
Chinese Medicine Company Limited
北京同仁堂國藥有限公司

(incorporated in Hong Kong with limited liability)
(於香港註冊成立之有限公司)

Stock code 股份代號 : 8138

Annual Report 2016 年報



As a 347-year-old brand, Tong Ren Tang is not only an economic entity, but a carrier of culture. The Group takes the promotion of traditional Chinese medicine culture as its mission, and further strengthens the publicity of Tong Ren Tang's culture in the overseas by using multimedia channels.

CENTURY
BRAND

品 百
牌 年

同仁堂作為一個具有347年歷史的百年老店，既是經濟實體，又是文化載體。本集團以推廣傳統中醫藥文化為己任，利用多種媒介渠道，進一步加大同仁堂文化的海外傳播力度。

哲學
理念

同修仁德
濟世養生

市場
拓展

傳承海內外
可持續發展

3

薪火傳承

PASSING THE TORCH

With 347 years of history, Tong Ren Tang is committed to "Two must-do" motto and strictly complies with the self-discipline to offer products and services with premium quality. We contribute Chinese medicine development by serving people with excellent products, which are manufactured with unique formulas, superior raw materials, superb technical skills and distinguished efficacy. From offering Chinese medicines to royal family in the past to general public nowadays, Tong Ren Tang has become the cornerstone of traditional Chinese medicine industry, which has been developing through exploration and honing.

347 年的光輝歷程，歷代同仁堂人薪火相傳，以「養生」、「濟世」為己任，始終恪守兩個「必不敢」的古訓，堅持「修合無人見，存心有天知」的自律意識，精製出「配方獨特、選料上乘、工藝精湛、療效顯著」靈丹妙藥，為中華醫藥發展做出巨大貢獻。從宮廷御藥到普世共享，同仁堂通過在探索中發展，在磨礪中前行，在中醫藥的發展道路上樹立起偉大豐碑。



Invited to speak for Chinese medicine internationalization in the Boao Forum for Asia for two consecutive years, we explored cooperation of traditional medicines and medical services between China and other countries to promote the global sharing of traditional Chinese medicine in diverse dimensions through sharing our development concept "entrepreneurship, creation, innovation" and our overseas development experience. By making full use of China and foreign high-quality scientific research resources, we actively carry out scientific research to enhance the quality of products and market competitiveness, providing Tong Ren Tang an objective, detailed and specific scientific data as a support for entering into Europe and America mainstream market.

連續兩年受邀參加博鰲亞洲論壇，為中醫藥的國際化發聲，我們以同仁堂「創業」、「創造」、「創新」的三創實踐及海外發展的經驗為題，探討了如何推動中國與世界各國間的傳統醫藥健康服務交流與合作，以更加多元的形式促進全球共享中國傳統醫藥。充分利用國內外優質科研資源，積極開展科研合作，提升產品的科技含量和市場競爭力，更為同仁堂打入歐美主流市場提供了客觀、詳實、具體的科學數據支撐。

EAST MEETS WEST

2 中西
合璧

製藥

◆ 配方獨特
選料上乘

產品

◆ 工藝精湛
療效顯著



古訓

◆ 炮製雖繁
必不敢省人工
品味雖貴
必不敢減物力

自律

◆ 修合無人見
存心有天知

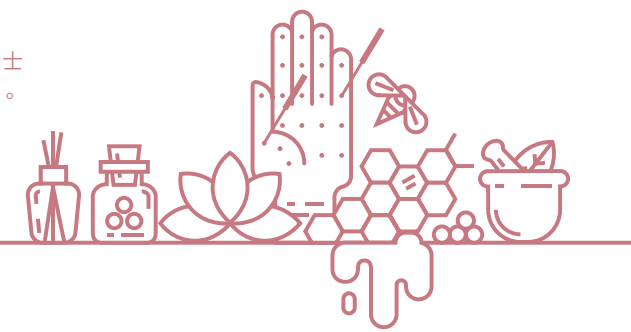
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傳統醫藥

TRADITIONAL
CHINESE MEDICINE

Over 347 years, since the establishment of Beijing Tong Ren Tang, the long brand has inherited the reputation for delivering high quality and authentic Chinese medicines. The core values of the brand we uphold, integration of internal product resources and the innovative development strategies are reasons for our successful continuous development.

自北京同仁堂創立至今，逾347年之久，憑藉家喻戶曉的品牌文化傳承被海內外人士稱之為「華夏沃土上溫馨永存的龍鄉之寶」。我們深入挖掘品牌核心價值，梳理企業內部品種資源，不斷創新業務發展戰略，是我們持續發展的成功之道。



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八綱 Eight Principles

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

This report, for which the directors (the “Directors”) of Beijing Tong Ren Tang Chinese Medicine Company Limited (the “Company”, together with its subsidiaries, the “Group”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (the “GEM Listing Rules”) of the Stock Exchange for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

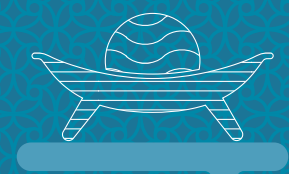
香港聯合交易所有限公司（「聯交所」）創業板（「創業板」）的特色

創業板乃為投資風險可能高於其他聯交所上市公司的公司提供上市的市場。有意投資者應了解投資該等公司的潛在風險，審慎周詳考慮後方作出投資決定。創業板的較高風險及其他特色意味著創業板較適合專業及其他資深投資者。

由於創業板上市公司的新興性質使然，在創業板買賣的證券所承受的市場波動風險或會高於主板買賣的證券，亦無法保證在創業板買賣的證券會有高流通量市場。

香港交易及結算所有限公司及聯交所對本報告的內容概不負責，對其準確性或完整性亦不發表任何聲明，並表明不會就因本報告全部或任何部份內容而產生或因依賴該等內容而引致的任何損失承擔任何責任。

本報告的資料符合聯交所創業板證券上市規則（「創業板上市規則」），旨在提供有關北京同仁堂國藥有限公司（「本公司」，連同附屬公司統稱「本集團」）的資料。本公司董事（「董事」）個別及共同就本報告承擔全部責任，並在作出一切合理查詢後確認，就彼等所知及所信，本報告所載資料在各重大方面均準確完整，並無誤導或欺詐成份，亦無遺漏任何其他事項致使當中任何陳述或本報告有所誤導。



EXTERIOR

INTERIOR

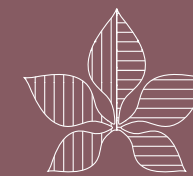


表裏辨證

SYNDROME DIFFERENTIATION OF EXTERIOR AND INTERIOR

It is the principle of the
identification of the location
of the pathological changes
and severity of disease.

表裏是鑒別病變所在部位
和病情深淺的綱領。



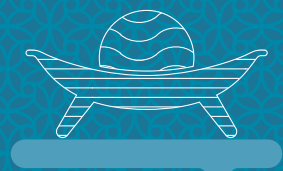
“表” EXTERIOR

表證是一種證候，由於六淫之邪從皮毛口鼻而入侵入人體淺表所引起的證候。多見於外感病初期階段，起病急、病程短。

Exterior syndrome is a kind of syndrome caused by the invasion of six climatic evils through skin, hair, mouth and nose to attack human body. It is commonly seen in the early stage of exogenous disease, with a rapid onset and a short course of disease.

”





EXTERIOR

INTERIOR

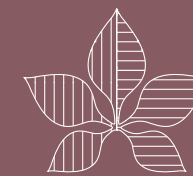


表裏辨證

SYNDROME
DIFFERENTIATION OF
EXTERIOR AND INTERIOR

It is the principle of the
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表裏是鑒別病變所在部位
和病情深淺的綱領。



裏
INTERIOR

裏證是病變部位深在臟腑、氣血骨髓
所反應的證候，多病程長。

Interior syndrome
is a syndrome that
reflects the
pathological
changes inside the
organs, blood
vessels and bone
marrow with a long
course of disease.

”



寒熱辨證

寒熱是辨別疾病性質的兩個綱領。寒證與熱證反映機體的陰陽盛衰，陰盛或陽虛的表現為寒證，陽盛或陰虛的表現為熱證。

SYNDROME DIFFERENTIATION OF COLD AND HEAT

Cold and heat are two principles in identifying the nature of disease. Cold syndrome and heat syndrome reflect the Yin-Yang balance state of the body where a disharmony of Yin excess and Yang deficiency implies cold syndrome while a disharmony of Yang excess and Yin deficiency implies heat syndrome.



“寒” COLD

Cold syndrome is a condition resulting from exposure to exogenous cold; or resulting from internal damages or long-term illness leading to Yang-Qi depletion; or a relative excess of Yin being developed inside the body due to the over-consumption of foods that are cold in nature. Cold syndrome is caused by the invasion of exogenous cold or is a syndrome of a disharmony of Yang deficiency and Yin excess.

寒證的發生多因外感陰寒邪氣；或因內傷久病，陽氣耗傷；或過服生冷寒涼，陰寒內盛所致。是感受陰寒之邪，或陽虛陰盛所表現的證候。

寒性食物 COLD FOOD



魚類
Fish

“熱” HEAT

Heat syndrome is a condition caused by the invasion of exogenous heat or the transformation of cold into heat; or extremes of the seven emotions producing constraint that transforms into heat; or the over-consumption of foods that are spicy and hot in nature, or the deficiency of vigor as a result of excess sexual activities leading to a disharmony of Yin deficiency and Yang hyperactivity. Heat syndrome is caused by the invasion of exogenous heat or a disharmony of Yin deficiency and Yang hyperactivity, a syndrome of human body in a hyperactive state.

熱證的形成多因外感火熱之邪，或寒邪化熱入裏；或因七情過極，郁而化熱；或過服辛辣溫熱之品；或房事勞傷，劫奪陰精，陰虛陽亢所致。是感受火熱之邪，或陰虛陽亢，人體的機能活動亢進所表現的證候。



蟹
Crab

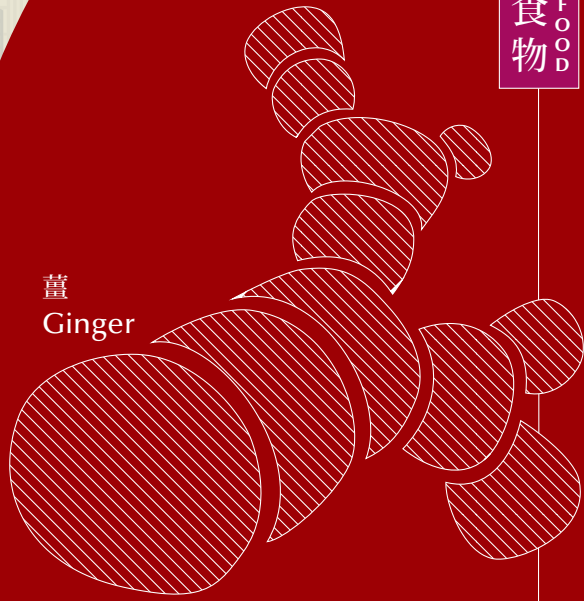
熱

HEAT

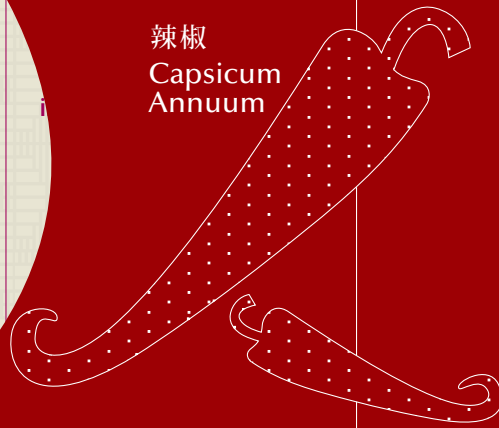
Heat syndrome is a condition caused by the invasion of exogenous heat or the transformation of cold into heat; or extremes of the seven emotions producing constraint that transforms into heat; or the over-consumption of foods that are spicy and hot in nature, or the deficiency of vigor as a result of excess sexual activities leading to a disharmony of Yin deficiency and Yang hyperactivity. Heat syndrome is caused by the invasion of exogenous heat or a disharmony of Yin deficiency and Yang hyperactivity, a syndrome of human body in a hyperactive state.

HOT FOOD 熱性食物

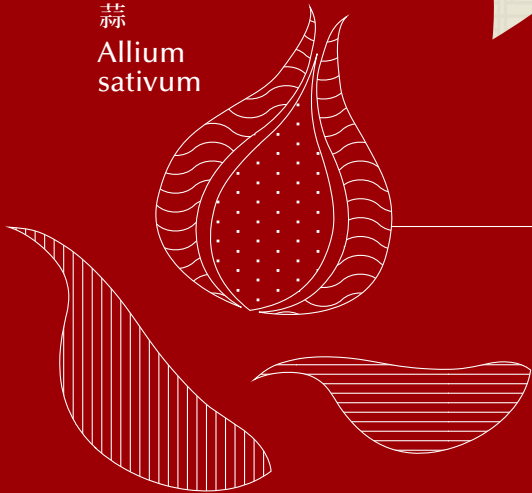
薑
Ginger



辣椒
Capsicum
Annuum



蒜
Allium
sativum



辨別疾病性質的兩個綱領。寒證與熱證，陰盛或陽虛的表現為寒證，陽盛或陰虛的表現為熱證。

COLD





DEFICIENCY

虛實

EXCESS

虛實辨證

SYNDROME DIFFERENTIATION OF DEFICIENCY AND EXCESS

Deficiency and excess are two principles used to differentiate the balance between pathogenic influences and the body's resistance. Deficiency and excess mainly reflect the state of the body's resistance and the strength of the pathogens during the process of pathological changes.

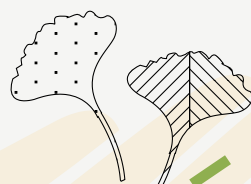
虛實是辨別邪正盛衰的綱領，即虛與實主要是反映病變過程中人體正氣的強弱和致病邪氣的盛衰。

“虛

DEFICIENCY

虛證是指人體正氣不足所表現的證候。虛證人體正氣虛弱明顯，但邪氣並不太盛，臨床表現以不足、鬆弛、衰退為基本特點，多見於慢性疾病或疾病的後期，病程較長。

Deficiency syndrome refers to the insufficiency of the disease preventing ability. Under the deficiency syndrome, the human body is dominated by the weakness of the disease preventing ability rather than by abundance of pathogenic factors. Clinical manifestation is basically characterized by insufficiency, relaxation and decline. It is commonly seen in chronic disease or the later stage of disease, with a longer course of disease.



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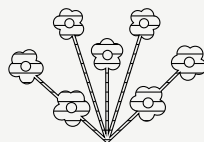
“實

EXCESS

實證是對人體感受外邪，或疾病過程中陰陽氣血失調而以陽、熱、滯、閉等為主，或體內病理產物蓄積，所形成的各種臨床證候的概括。

Excess syndrome is the summary of various clinical syndromes formed by the invasion of pathogenic disease, or the imbalance of Yin-Yang and Qi (vital power) and blood principally caused by Yang, heat, stagnation and blockage in the course of disease, or the accumulation of pathological products inside the body.

”





YIN

YANG

陰陽辨證

陰陽是八綱辨證的總綱。在診斷上，可根據臨床上證候表現的病理性質，將一切疾病分為陰陽兩個主要方面。陰陽可概括八綱辨證中其他六個方面的內容，即表、熱、實屬陽；裏、寒、虛屬陰。

SYNDROME DIFFERENTIATION OF YIN-YANG

Yin-Yang is the general principle of the syndrome differentiation within the Eight Principles.

During the process of diagnosis, all kinds of diseases can be divided into two major categories, namely Yin and Yang, according to the pathological natures under clinical manifestation. Yin-Yang can summarize the contents of the other six principles of the syndrome differentiation with the Eight Principles, in which syndromes of exterior, heat, excess belong to the category of Yang; syndromes of interior, cold, deficiency belong to the category of Yin.



“陰” YIN

指以抑制、沉靜、衰退、暗晦等一系列表現的裏證、虛證、寒證。

It refers to a series of manifestations of inhibition, quietude, deterioration and dark symptoms under interior syndrome, deficiency syndrome and cold syndrome.

”

“陽” YANG

指以興奮、躁動、亢進、明亮等表現的表證、實證、熱證。

It refers to manifestations of excitation, restlessness, hyperactivity and bright symptoms under exterior syndrome, excess syndrome and heat syndrome.

”

Corporate Profile

簡介

Founded in 1669 (Eighth year on the throne of Emperor Kangxi, Qing Dynasty), Beijing Tong Ren Tang (“Tong Ren Tang”) was the only one serving the royal families with Chinese medicine for 188 years over the reign of eight emperors since 1723. Beijing Tong Ren Tang was renowned in the Chinese medicine industry nationally. Inheriting the Tong Ren Tang’s corporate motto of “Complexity and quality are not to be forfeited by costs” over 347 years, we are self-disciplined to offer products and services with quality. We are cautious in our manufacturing process and look for excellence, our products are famous and hereditary with its unique formulas, superior raw materials, superb technical skills and distinguished efficacy.

“From commitment since its establishment to being the sole Chinese medicine provider to royal families; from recession to recovery, and to the invasion of the enemies; and from the rebirth as the People’s Republic of China to forge reform and be innovative. Tong Ren Tang, an enduring national brand that overcame vicissitude, is the symbol of quality and credibility.”

Quote from “Tong Ren Tang: Inheritance and Development” by Bian Dong Zi
(邊東子《同仁堂：傳承與發展》)

北京同仁堂（「同仁堂」）是全國中藥行業著名的老字號。創建於1669年（康熙八年），自1723年開始供奉御藥，歷經八代皇帝188年。在347年的風雨歷程中，歷代同仁堂人始終恪守「炮製雖繁必不敢省人工，品味雖貴必不敢減物力」的古訓，樹立「修合無人見，存心有天知」的自律意識，造就了製藥過程中兢兢小心、精益求精的嚴細精神，其產品以「配方獨特、選料上乘、工藝精湛、療效顯著」而享譽海內外，並得以世代弘揚。

從創立之初的千古承諾，到「供奉御藥」的吉凶莫測；
從再造中興的艱難曲折，到強虜入侵的國恨家仇；
從解放以後的「鳳凰涅槃」，到銳意改革的創新之路。
同仁堂，一個飽經滄桑的民族品牌歷久彌堅，成為質量與信譽的象徵。

節選 邊東子《同仁堂：傳承與發展》

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Tong Ren Tang at a Glance in 2016 2016年同仁堂一覽



三 March

- Attended the Boao Forum for Asia Annual Conference 2016 held in Hainan, China
- 參加於中國海南舉行的博鰲亞洲論壇2016年年會

七 July

- Opened one retail outlet in Hong Kong
- 在香港增設一家零售終端

五 May

- Opening of the Chinese medical healthcare and wellness centre in Vancouver, Canada
- 於加拿大溫哥華開設中醫養生保健中心

八 August

- Firstly launched "Beijing Tong Ren Tang 3D Tram Station" and Beijing Tong Ren Tang Tram in Hong Kong
- 於香港首創「北京同仁堂3D立體電車站」及北京同仁堂專車隆重登場
- Opened one retail outlet in Hong Kong
- 在香港增設一家零售終端

九 September

- Officially entered the United States ("US") market with opening of 3 Chinese medical clinics and retail outlets
- 正式登陸美國市場，共3家中醫診所及零售終端隆重開業

十 October

- Attended the 21st Macao International Trade and Investment Fair
- 參加第21屆澳門國際貿易投資展覽會
- Tong Ren Tang promotion vehicle landed in Hong Kong to provide free medical consultation services
- 同仁堂流動宣傳車登陸香港，為市民提供免費的義診服務
- Broke Guinness World Record of "The Largest Qigong Lesson" with 1,680 people to practise Ba Duan Jin
- 舉辦「千人八段錦」活動，集合1,680人練習八段錦，刷新「最大型八段錦學習班」健力士世界紀錄

十一 November

- Awarded "The Best Listed Company" and our Chairman Mei Qun was awarded "The Most Influential Listed Company Leader" in the 6th China Securities Golden Bauhinia Awards
- 榮獲第6屆中國證券金紫荊獎「最佳上市公司」獎項，而董事會主席梅群榮獲「最具影響力上市公司領袖」獎項

十二 December

- Opened one retail outlet in Hong Kong
- 在香港增設一家零售終端

Distribution Network
銷售網絡

全球擴張

GLOBAL EXPANSION



China 中國

South Korea
韓國

Hong Kong
香港

Macao
澳門

Thailand
泰國

Cambodia
柬埔寨

Malaysia 馬來西亞

Brunei 汶萊

Singapore 新加坡

Indonesia 印尼

Australia
澳大利亞

New Zealand
新西蘭

UAE
阿聯酋

Sweden
瑞典

The United Kingdom ("UK")
英國

Poland
波蘭

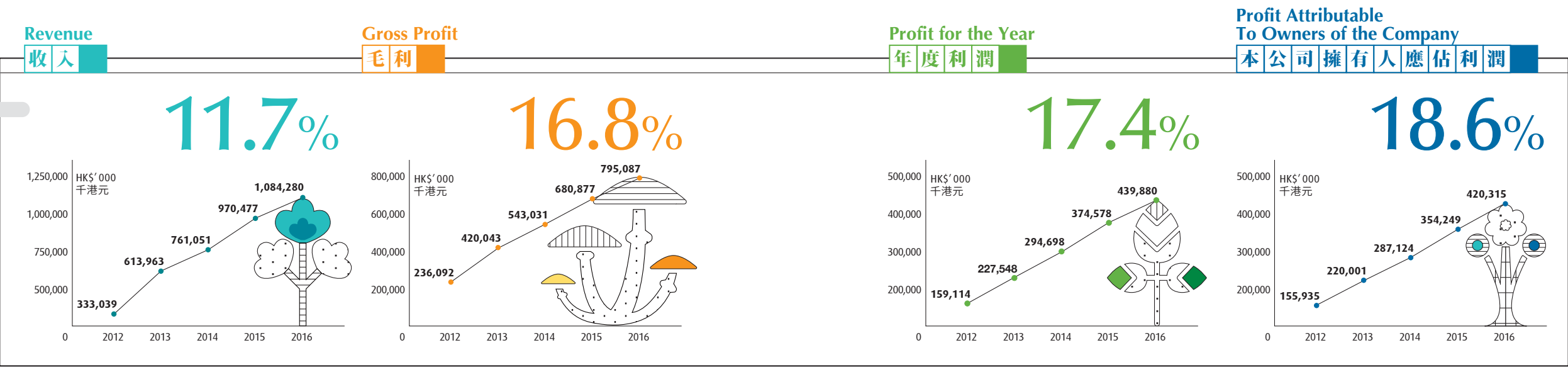
The Netherlands
荷蘭

Czech
捷克

Canada
加拿大

The US
美國

Financial Highlights
財務摘要



The following is a summary of the published results and assets and liabilities of the Group for the past five financial years. 以下為本集團過往五個財政年度的已公佈業績以及資產與負債摘要。

Financial Summary 財務摘要

	2016 HK\$' 000 2016年 千港元	2015 HK\$' 000 2015年 千港元	2014 HK\$' 000 2014年 千港元	2013 HK\$' 000 2013年 千港元	2012 HK\$' 000 2012年 千港元
Continuing Operations 持續經營業務					
Revenue 收入	1,084,280	970,477	761,051	613,963	333,039
Gross profit 毛利	795,087	680,877	543,031	420,043	236,092
Profit for the year 年度利潤	439,880	374,578	294,698	227,548	92,161
Discontinued Operations 已終止經營業務					
Profit for the year 年度利潤	-	-	-	-	66,953
Profit for the year 年度利潤	439,880	374,578	294,698	227,548	159,114
Profit attributable to owners of the Company 本公司擁有人應佔利潤	420,315	354,249	287,124	220,001	155,935

	2016 HK\$' 000 2016年 千港元	2015 HK\$' 000 2015年 千港元	2014 HK\$' 000 2014年 千港元	2013 HK\$' 000 2013年 千港元	2012 HK\$' 000 2012年 千港元
Total assets 總資產	2,354,822	2,026,985	1,632,541	1,410,115	668,859
Total liabilities 總負債	127,585	118,070	95,680	100,396	101,171
Net assets 資產淨值	2,227,237	1,908,915	1,536,861	1,309,719	567,688
Financial Metrics 財務指標					
Gross profit margin 毛利率	73.3%	70.2%	71.4%	68.4%	70.9%
Net profit margin 純利率	40.6%	38.6%	38.7%	37.1%	27.7%
Current ratio 流動比率	15.9	14.7	14.5	12.1	5.3
Return on equity 股本回報率	19.8%	19.6%	19.2%	17.4%	28.0%
Return on assets 資產回報率	18.7%	18.5%	18.1%	16.1%	23.8%
Earnings per share (HK\$) 每股盈利 (港元)					
- from continuing operations 來自持續經營業務	0.50	0.42	0.35	0.29	0.15
- from discontinued operations 來自已終止經營業務	-	-	-	-	0.11
	0.50	0.42	0.35	0.29	0.26
Dividend per share (HK\$) 每股股息 (港元)	0.16	0.13	0.10	0.08	0.25

Chairman’s Statement

主席獻辭

“ It is absolutely not from today that traditional Chinese medicine (“TCM”) going global. The Silk Road in the ancient times was already a path for it. Since the Jin and Southern and Northern Dynasties, TCM has made its presence in North Korea, South Korea and Japan, and has gradually affected other Southeast Asian countries. Meanwhile, many new Chinese herbs were imported through international trade. With Professor Tu Youyou receiving the Nobel Prize in Medicine and the national strategic layout of “The Belt and Road” being implemented, this is an era of internationalization of Chinese medicine which traditional Chinese medicine and modern medical science draw reference from and complement each other. ”

With changes in people’s concepts of health and transformations of medical models, the philosophy of “prevention of diseases” in TCM as well as the advantages and features in preventing and treating modern diseases of Chinese medicine have been well-recognized and widely accepted by a growing number of countries and medical professionals. Professor Tu Youyou’s discovery of artemisinin and its derivatives bore testament to the world that traditional medical science with thousands of years of wisdom integrated well with modern medical science to settle knotty healthcare issues in the world.

Targeting the overseas market with global strategic layout

The year of 2016 was a year of excitement for the development of Chinese medicine. As a commencement year of the “Thirteenth Five-year Plan” in China, the development of Chinese medicines acted as a national strategy. As the most representative elements in China, Chinese medicines are advancing towards the world. The first ever passing of the legislation of “Law on Traditional Chinese Medicine” in China enabled the development of the Chinese medicine industry to be on the track under the legal system. The deepening of medical reform provided the Chinese medicine industry with a comprehensive development platform. The White Paper: “Traditional Chinese Medicine in China” enabled the world to understand the oriental wisdom with a long and rich history. The implementation of strategies including vigorous development of Chinese medicine healthcare services and establishment of a healthy globe not only helped Chinese medicine industry to achieve the goal of “Healthy China”, but also entrusted it with a new mission of “Healthy World”.

In the present stage, Chinese medicines have been spread to 183 countries and regions, which have become an important component in the international medical system and are playing an active role in promoting human health. In 2016, the Group newly opened retail outlets and Chinese medical centers in the US, which will have a significant and positive influence on the growth and sound development of TCM in the US. Meanwhile, Tong Ren Tang has made a substantial contribution in promoting culture of TCM, especially in facilitating the modernization of TCM to satisfy the American’s health needs and fostering collaborations and exchanges between China and the US in the field of TCM, so as to further materialize the growth strategy of “Targeting the Overseas Market with Global Strategic Layout”.

“ 中醫藥走向世界並非始於今日，古代絲綢之路就是中醫藥走向世界的通道。自西晉南北朝，中醫藥傳入朝鮮、韓國、日本並逐步影響到東南亞諸國等地區，同時也通過國際交往引入了很多新的藥材。隨著屠呦呦教授榮獲諾貝爾醫學獎以及國家「一帶一路」戰略佈局的推動，一個與現代醫學相互借鑒、共同補充發展的中醫藥國際化時代已經到來。 ”

隨著人類的健康觀念和醫學模式的轉變，中醫藥「治未病」理念及其在防治現代疾病方面的優勢和特色，正在被越來越多的國家和醫學界認可和接受。屠呦呦教授發現青蒿素及其衍生物的研究成果，也向世界證明了傳統醫學數千年的智慧能夠和現代醫學相結合，解決全球很多疑難健康問題。

面向海外 佈局全球

2016年，對中醫藥發展來說是極不平凡的一年，在中國「十三五」規劃的開局之年，中醫藥發展上升為國家戰略。作為最具代表性中國元素，中醫藥邁步走向世界。中國首部《中醫藥法》的立法出台，讓中醫藥行業發展步入法制軌道；深化醫改為中醫藥行業提供廣闊發展平台；《中國的中醫藥》白皮書的誕生，讓世界讀懂了源遠流長的東方智慧；大力發展中醫藥健康服務、打造全球人類大健康命運共同體等戰略的實施，不僅有助於推動中醫藥實現「健康中國」的偉大目標，也讓其肩負起「健康全球」的新使命。

目前，中醫藥已傳播到183個國家和地區，成為國際醫學體系的重要組成部分，正為促進人類健康發揮積極作用。於2016年，本集團於美國新設了零售終端及中醫醫療中心，將為中醫藥在美國落地生根和健康發展產生重要而積極的影響，同時也為弘揚中醫藥文化，特別是推進中醫藥的現代化，滿足美國民眾的健康需求，推動中美兩國在中醫藥領域的合作與交流作出積極的貢獻，進一步落實了「面向海外，佈局全球」的發展戰略。

MEI QUN 梅群
Chairman 主席

Chairman’s Statement

主席獻辭

With the rapid development of the Internet, the new social eco-industrial structure and lifestyle created by Internet technology and information technology have become prevalent. We regard the promotion of TCM culture across the globe as our responsibility and mission. After the launch of Tong Ren Tang’s own cross-border e-commerce platform “trt.hk” in 2015, we established another e-commerce platform for Chinese medicine. This not only served as a channel for foreigners to purchase premium proprietary Chinese medicine products, but also instilled new vitality into Tong Ren Tang’s overseas development, which further empowered the inheritance and sales model of this time-honored brand with breakthroughs and innovations of the new era.

Rooted in culture, a fusion of East and West

Rooted in the Chinese traditional culture and heritage with the ancient memories of the Chinese nation deeply embedded in its soul, Chinese medicine linked up the traditional Chinese culture and values of the Chinese nation. As the overseas development platform of Tong Ren Tang, the Group targets the global markets with its foothold in Hong Kong, shoulders the mission of promoting Chinese medicine culture, upholds its craftsmanship, thoroughly explores the cultural connotation of Chinese medicine, actively boosts the cultural exchange of Chinese medicine and practically enhances the international influence of Chinese medicine.

During the Year, we attended the Boao Forum for Asia and once again promoted the internationalization of Chinese medicine. While Beijing and Prague became sister cities, we actively responded to “The Belt and Road” development strategy and leveraged on TCM to nurture friendships around the world. We popularized the knowledge of stroke prevention by organizing a stroke awareness event which called up over a thousand of people practising Ba Duan Jin and broke the Guinness World Record. We fostered the Chinese traditional culture across the Pacific by combining Chinese medicine with the artistic conception of Beijing opera. Through different means including free medical consultation services and seminars carried out by Chinese medical experts, lessons hosted by traditional healthcare experts, we allowed foreigners to take a close look at the background of Chinese medicine with five thousand years of history and culture.

Looking forward, moving ahead

Facing the current complicated global economic landscape, the Group will continue to make efforts in developing new products, accelerating the pace of product registration and entry in mainstream markets such as the European and American markets, facilitating the execution of major projects overseas and establishment of retail outlets in a steady and progressive manner, upholding innovative-driven strategies, widening customer base and reinforcing the promotion of Chinese medicine culture, thereby uplifting the image and competitiveness of Tong Ren Tang brand and products.

Hong Kong is the starting point and the bridgehead of the overseas business development of Tong Ren Tang. Having been striving together for over 20 years, employees of Tong Ren Tang experienced tough time along the path of entrepreneurship and overrode numerous hurdles. We take “Healthy life, Global choice” as our mission and explore a path of overseas development combining the four elements of “product, medical care, culture and scientific research” with the guiding principles of “progressive advancement, solid foundation, sale of medicine driven by medical treatment, integration of treatment and medicine, cultural marketing, brand establishment, stringent management and efficiency assurance”.

In the coming future, Tong Ren Tang will continue to inherit and promote the overseas spirit of “advance in unity admist adversities”, proactively deploy additional resources and dig deep for development potentials. With localization of scientific research as the starting point, we will reproduce the whole industrial chain involving Chinese herbs planting and proprietary Chinese medicines processing to overseas market in a progressive manner and produce “premium and pure” Tong Ren Tang medicine with premium natural resources overseas. In addition, we will ensure the enhancement in our profitability and efficiency and the integration between traditional operation and e-commerce, as well as the intergration between “sale of medicine driven by medical treatment” and “comprehensive healthcare”. We will keep efforts in facilitating the diversity in investment portfolio and enhancing the corporate scale and efficiency and maximising the interest of the shareholders.

Acknowledgements

Since its inception, Tong Ren Tang overcame many difficulties. Its enviable reputation across the domestic and overseas markets are attributable not only to its quality products, exquisite technical skills and remarkable efficacy, but also the dedications and pursuits of excellence over generations of Tong Ren Tang. All employees of the Group have been adhering to the corporate spirit that “Nurturing kindness and virtue, Preserving tranquility and wellness” to promote the health of people around the world.

I hereby take this opportunity, on behalf of the board of Directors of the Company, to express our heartfelt thanks to all employees both at home and abroad for their encouragement and support in the past year and to our business partners and shareholders for their unwavering support.

隨著互聯網的迅猛發展，互聯網技術和信息技術形成的全新社會生態產業結構和生活模式大行其道。我們懷著一份將中醫藥文化推廣到全世界的責任和使命，繼2015年同仁堂自有跨境電商平台天然淘上綫後，我們再打造一個中醫藥走出去線上平台，不僅為國外友人提供了購買中國優質中成藥產品的渠道，更為同仁堂海外發展注入了新的活力，將中華老字號的傳承和銷售模式賦予更多新時代的突破和創新。

植根文化 融匯東西

中醫藥植根於中華傳統文化的沃土，其靈魂深處蘊藏著中華民族古老的生命記憶，貫穿著中華民族的傳統文化和價值。本集團作為同仁堂海外發展平台，立足香港，放眼全球，以弘揚中醫藥文化為使命，始終秉持工匠精神，深入挖掘中醫藥文化內涵，積極促進中醫藥文化交流，切實擴大中醫藥國際影響力。

本年，我們在博鰲亞洲論壇上再次放聲，繼續推動中醫藥國際化；在北京與布拉格結為友好城市之際，積極響應「一帶一路」發展戰略，將中醫藥打造成靚麗的「外交名片」，連接起與世界的友誼；通過舉辦千人八段錦活動，宣傳並普及中風預防知識，並刷新了健力士世界紀錄；以中藥之生態、京劇之意境，在大洋彼岸弘揚中國傳統文化；更通過中醫專家義診講座、傳統養生大師授課等方式，讓更多海外朋友近距離感受中醫藥背後五千年的歷史積淀和文化底蘊。

展望未來 邁步向前

面對當前錯綜複雜的全球經濟形勢，本集團將繼續致力開拓新產品、加快產品在歐美等主流市場的註冊和准入步伐、穩步推進海外重點項目及零售終端建設、堅持創新驅動、擴大客戶基礎及加大中醫藥文化的推廣力度，借此提升同仁堂品牌與產品的形象及競爭力。

香港是同仁堂海外事業發展的起點和橋頭堡，我們同仁堂人攜手走過20多年，一路艱苦創業、披荊斬棘，我們以「創造健康、全球共享」為己任，以「循序漸進、穩紮穩打，以醫帶藥、醫藥結合，文化營銷、鑄造品牌，嚴格管理、保證效益」為指導原則，探索出一條「產品、醫療、文化、科研」四位一體的海外發展之路。

未來，同仁堂將繼續繼承和弘揚「團結拼搏、艱苦創業」的海外精神，積極投放更多資源、深入挖掘潛力，以科研本土化為開端，逐步將中藥材種植、中成藥加工製作等全產業鏈複製到海外，利用海外「綠水青山」等優質的自然資源，生產「上等、純潔」的同仁堂御藥；我們亦將確保落實提質增效，實現傳統經營與互聯網相結合、「以醫帶藥」與「全方位養生保健」相結合，促進投資組合多元化，提升企業規模和效益，致力於股東利益最大化。

致謝

同仁堂從創立至今，歷經風雨，享譽海內外，這不僅是同仁堂產品品質上乘、工藝精湛、療效顯著的功勞，也是歷代同仁堂人兢兢業業、精益求精的付出成果。集團上下員工始終秉承「同修仁德、濟世養生」的企業精神，促進人類健康事業，實現人人享有健康的美好願景。

借此機會，謹代表本公司董事會對過去一年中與我們一路砥礪前行的海內外全體員工、對長期支持我們的業務夥伴和股東表示最誠摯的謝意。

Management Discussion and Analysis

管理層討論及分析

“ From commitment since its establishment to being the sole Chinese medicine provider to royal families; from recession to recovery, and to the invasion of the enemies; and from the rebirth as the People’s Republic of China to the economic reform and innovative development. Tong Ren Tang, an enduring national brand that overcame vicissitude, is the symbol of quality and credibility. ”

Tong Ren Tang, an enduring national treasure that overcame 347 years of vicissitude, is the symbol of quality and integrity. It advances with times and innovates in our inheritance. Its cultural roots and development paces are in succession from the Yue’s Family’s concept when the brand was created. When the evening lights are lit, Tong Ren Tang, being surrounded by red walls and green tiles, is especially dazzling. Our 347-year-old prestigious brand is still energetic and gorgeous.

Tong Ren Tang has no longer operated as factory shop nowadays. In the new era, it becomes an internationally renowned TCM group with three major sectors, namely modern pharmaceuticals, retail business and medical service. Tong Ren Tang’s belief in quality-focused and its idea of operating as a well-established, powerful, excellent and large-scaled business are excellent management concepts left by all the former generations to their successors. Premium quality and international recognition has long been the relentless pursuit of Tong Ren Tang.

Business Review

Overview

Throughout 2016, against the fall in non-US dollar currencies (such as Euro) and the slump of the crude oil price, the acceleration of the US Federal Reserve’s progress on raising interest rates, and the subsequent impact arising from Brexit, the global economic recovery was slow with uncertainties. Despite the various challenges our business faced, under the guidance of the strategy of China’s “The Belt and Road”, we carried out specific deployment and expanded overseas investment by implementing effective business development strategies. We strived to build an internationally renowned and professional Chinese medical and medicine group specializing in cultivation and procurement, research and development, production, sales and services and culture dissemination through different forms of mergers and acquisitions. During 2016, we launched new retail outlets in Hong Kong, Canada and the US, thus expanding our business coverage to 19 countries and regions outside the Mainland China and increasing the number of retail outlets from 63 in 2015 to 67 in 2016.

We are committed to achieving sustainable and stable returns to shareholders. Amid a difficult and challenging market environment, the growth of the Group’s revenue and profit remained steady. For the year ended 31 December 2016 (the “Year”), the Group’s revenue increased by 11.7% to HK\$1,084.3 million (2015: HK\$970.5 million), net profit increased by 17.4% to HK\$439.9 million (2015: HK\$374.6 million), profit attributable to owners of the Company increased by 18.6% to HK\$420.3 million (2015: HK\$354.2 million) and earnings per share increased by 19.0% to 50 HK cents (2015: 42 HK cents). The Directors recommend the payment of a final dividend of 16 HK cents per share (2015: 13 HK cents).

“ 從創立之初的千古承諾，到「供奉御藥」的吉凶莫測；從再造中興的艱難曲折，到強虜入侵的國恨家仇；從解放以後的「鳳凰涅槃」，到銳意改革的創新之路；同仁堂，一個飽經滄桑的民族品牌，歷久彌堅，成為質量與信譽的象徵。 ”

同仁堂，一個347年滄桑鑄就的民族瑰寶，歷久彌堅，成為質量與誠信的象徵；它與時俱進，又在傳承中創新，其文化的根基與發展的腳步和樂氏家族創建時的理念一脈相承。夜晚，華燈初上，紅牆碧瓦的同仁堂映在彩燈之下，格外耀眼，347歲的金字招牌依然年輕漂亮。

如今的同仁堂，已經告別了前店後廠的作坊經營模式，在新時期形成了現代製藥、零售商業和醫療服務三大板塊，成為國際知名的現代中醫藥集團。其質量立業和做長、做強、做優、做大的理念更是歷代同仁堂人留給現代管理者及後人的一劑「中國式管理」的「良方」。品質上乘，國際知名，一直是同仁堂不懈的追求。

業務回顧

概覽

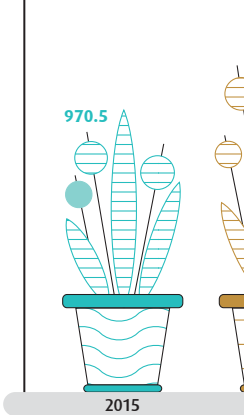
縱觀2016年，歷經歐元等非美元貨幣以及原油震蕩下跌，美聯儲加息進程加快，英國脫歐事件後續發酵，全球經濟仍整體疲弱，經濟環境依舊不明朗。儘管業務面臨著重重挑戰，在國家「一帶一路」戰略指引下，我們透過有效的業務發展策略，分類部署，加大海外投資佈局，通過收購兼並等多種形式，力爭打造一個集種植採購、研發生產、銷售服務、文化傳播等為一體的國際化、專業化中醫藥集團。於2016年，我們於香港、加拿大、及美國新設零售終端，業務已覆蓋中國境外國家及地區達19個，旗下零售終端由2015年63家增至2016年67家。

在日趨嚴峻及充滿挑戰的市場環境下，本集團收入及利潤一直保持穩定增長，致力為股東贏得持續及穩定的回報。截至2016年12月31日止年度（「本年」），本集團收入增長11.7%至1,084.3百萬港元（2015年：970.5百萬港元），淨利潤增長17.4%至439.9百萬港元（2015年：374.6百萬港元），本公司擁有人應佔利潤增長18.6%至420.3百萬港元（2015年：354.2百萬港元），每股盈利上升19.0%至50港仙（2015年：42港仙）。董事建議派付末期股息每股16港仙（2015年：13港仙）。

Total Revenue

總收入

HK\$'million
百萬港元



Hong Kong Market

In the Year, despite the reduction in visitor arrivals and the slowdown in consumption of visitors exerted continuous pressure on the overall retail sector in Hong Kong, the Group’s revenue from Hong Kong market managed to record a steady growth of 6.9%, achieving a revenue of HK\$597.1 million (2015: HK\$558.5 million) with the same-store sales growth of 2.3%, which was driven by the continuous market demand for the products of the Group and the strengthening brand promotion. Meanwhile, we opened three new retail outlets in Tsuen Wan, Lam Tin and Hang Hau and closed two retail outlets upon expiry of the tenancy, resulting in an increase of number of retail outlets in Hong Kong to 24. Such addition helped us to achieve an optimized distribution of retail outlets in Hong Kong. Products under Tong Ren Tang brand were further promoted in order to increase our market share and consolidate the leading position of Tong Ren Tang brand in the Chinese medicine market in Hong Kong.

Non-Hong Kong Markets

The Group made efforts in developing new overseas markets while consolidating the existing overseas markets, so as to achieve the global development strategic layout of “Base in Asia and March to Overseas”. In the Year, we opened a total of 4 new retail outlets in Canada and the US, resulting in an increase of number of overseas retail outlets to 43. The revenue from overseas markets amounted to HK\$252.5 million (2015: HK\$232.5 million), representing an increase of 8.6% with same-store sales growth of 5.2%.

With the increase of awareness of healthcare, the recognition of the high-quality Owned Products of the Group has been improved and the overseas demand for Tong Ren Tang products remains strong, resulting in an increase in the revenue from the sole distribution of the parent group’s products. In the Year, the revenue from Mainland China market recorded a significant growth of 30.8% to HK\$234.7 million (2015: HK\$179.5 million).

Retail Network

零售網絡

5	Australia 澳大利亞	24	Hong Kong 香港	4	Singapore 新加坡	1	UK 英國
1	Brunei 汶萊	4	Macao 澳門	1	Sweden 瑞典	3	US 美國
1	Cambodia 柬埔寨	3	Malaysia 馬來西亞	1	Thailand 泰國		
6	Canada 加拿大	7	New Zealand 新西蘭	1	The Netherlands 荷蘭		
1	Czech 捷克	2	Poland 波蘭	2	UAE 阿聯酋		

In the Year, Beijing and Prague became sister cities and both China and Czech organized a series of exchange activities related to medicine and health. We invited several well-known Chinese medical experts in China to visit the office of Tong Ren Tang in Czech, organized traditional Chinese medicine promotion activities in Prague to provide free Chinese medical consultation services, and conducted seminars on Chinese medicine and healthcare, which allowed the Czech people to experience the efficacy of Chinese medicine treatments and learn about the traditional Chinese medicine culture.

The effects of acupuncture and TCM applied on the treatment of incurable diseases and modern diseases drew the attention of the people around the world. With the traditional Chinese medical treatment being increasingly recognized by the medical profession in mainstream society and the general public, TCM in the US has entered into a new era of rapid development. Leveraging on such trend, Tong Ren Tang opened retail outlets and Chinese medical centers in the US, offered free consultation services and clinical services as well as organized health seminars to allow the US citizens to experience the miracle effects of TCM. Meanwhile, we opened health and wellness centres in Canada. After two-year exploration of new model in Hong Kong, we promoted the philosophy of “prevention of diseases” to the North America.

There is still a considerably long way for TCM to be fully accepted by the western mainstream society as a comprehensive medical system. Despite the difficulties, the prospect is optimistic. Through the endless efforts devoted in more than 20 years, Tong Ren Tang, as a prestigious brand of TCM, benefited the people around the world through Chinese medicines, Chinese medical consultation and treatments, health and wellness services and realized the dream of “Healthy life, Global choice”.

香港市場

儘管本年受訪港旅客人次減少及旅客消費放緩影響，香港的零售業整體繼續受壓，本集團香港市場收入仍保持穩定增長6.9%，實現收入達597.1百萬港元（2015年：558.5百萬港元），同店銷售增長達2.3%，此乃受益於市場對本集團的產品持續需求及品牌宣傳的加強。同時，我們於荃灣、藍田及坑口新設了三家零售終端，關閉了兩家租約到期的零售店，實現香港零售終端的優化佈局，令香港零售終端增至24家。進一步推廣同仁堂品牌產品，提升市場佔有率，鞏固了同仁堂品牌在香港中醫藥市場的領軍地位。

非香港市場

本集團在鞏固現有海外市場的基礎上，努力開拓新的海外市場，實現「站穩亞洲，面向海外」的全球發展戰略佈局。本年，我們在加拿大及美國共新開設4家零售終端，海外零售終端增至43個。來自海外市場的收入為252.5百萬港元（2015年：232.5百萬港元），增長8.6%，同店銷售增長達5.2%。

隨著養生保健意識日深，本集團優質的自有產品認受性不斷提高及海外對同仁堂產品需求強勁，獨家分銷母集團產品收入增加。本年中國內地市場收入錄得大幅增長30.8%，達234.7百萬港元（2015年：179.5百萬港元）。



本年恰逢北京與布拉格結為友好城市，在此期間中捷雙方舉行了一系列醫藥衛生領域的交流活動，我們特邀數名國內著名中醫專家到同仁堂捷克公司，在布拉格舉行了傳統中醫藥推廣活動，並提供免費中醫諮詢服務，舉辦中醫養生講座，讓廣大捷克民眾親身感受中醫藥的治療效果和瞭解傳統中醫藥文化的魅力。

我國的針灸及中醫藥在治療疑難病和現代病方面效果突顯，並引起世人的矚目，被越來越多的西方人所認識和接受。隨著中國傳統醫學越來越被主流社會醫學界和民眾認可，中醫藥在美國已邁入了快速發展的新時期。同仁堂借著這股東風，在美國新設零售終端及中醫醫療中心，並舉辦義診、巡診和健康講座，讓美國民眾感受中醫藥的神奇功效。同時，我們亦在加拿大開設養生中心，經過兩年在香港新模式的探索，把「治未病」的養生理念推向北美洲。

中醫藥作為完整的醫學體系能夠全面地被西方主流社會接受仍需要一個相當長的過程，雖任重道遠，但前景樂觀。通過20多年的不斷深耕和開拓，同仁堂這個中醫藥的金字招牌走向世界，惠澤全人類。用中藥產品、中醫診療、健康養生服務等繪製了一條連接中醫藥與世界的彩虹，實現「創造健康，全球共享」宏願。

Revenue by Region

按地區劃分收入



55.1%	Hong Kong 香港
21.6%	Mainland China 中國內地
10.2%	Macao 澳門
4.2%	Australia 澳大利亞
3.1%	Canada 加拿大
2.2%	Singapore 新加坡
1.6%	New Zealand 新西蘭
2.0%	Others 其他

“

Comply stringent procedures.

Provide absolute assurance on the quality

”

Production, Research and Development

The Group has been adhering to quality management philosophy of “vital quality, striving for excellence and advocating kindness and virtue”. We are committed to “Two must-do” and “self-discipline” mottos to offer products with premium quality. Having effectively consolidated traditional experience and skills as well as modern management and technology and enhanced system management and staff quality, we assure continuous improvement of quality by the use of technology and specification under the whole industrial chain model, which has demonstrated an embodiment of an economic entity and a carrier of culture in terms of quality.

Our production base located at Tai Po Industrial Estate, Hong Kong (“Tai Po Production Base”) has a high level of quality management system with GMP (Good Manufacturing Practice) certification and the globally recognised ISO22000:2005 (Food safety management system) and Hazard Analysis Critical Control Point (HACCP) certification, allowing us to provide consumers with reliable and high-quality products on an on-going basis.

During the Year, the Group has submitted the registration of 9 kinds of new Chinese medicine products to the Department of Health, and has successfully promoted the trial production of 5 new products, which further enriched the product diversity of “Tong Ren Tang”. While striving to develop our Owned Products, the Group also actively carried out fundamental research and development. The Group cooperated with renowned professional research institutions in Hong Kong, China and overseas in research projects on the safety and mechanism of Angong Niu Huang Wan, Sporoderm-broken Ganoderma Lucidum Spores Powder Capsule (“GLSPC”) and Tongren Niu Huang Qingxin Wan. The research project on the safety and mechanism for stroke treatment of Angong Niu Huang Wan has been supported by the project fund from Hong Kong Innovation and Technology Commission.

Brand Promotion

As a renowned brand in China, Tong Ren Tang adheres to the philosophy of “Innovating from the succession and developing from the innovation” and the way of operation of making profits by performing good deeds with honesty and trustworthiness. We will continue to actively promote the Chinese medicine culture and realize the dream of “Healthy life, Global choice”.

In the Year, we focused on strengthening brand promotion for the core market in Hong Kong. We initiated “Tong Ren Tang’s Stroke Awareness Campaign”, which was the first ever large-scale stroke awareness event in Hong Kong, to spread the correct knowledge of Chinese medicines for stroke prevention to the general public in Hong Kong through a series of diversified promotional activities. In September, the first Tong Ren Tang promotion vehicle was officially launched in Hong Kong, penetrating into the community and kicking off the stroke awareness campaign. The promotion van travelled to different districts in Hong Kong to promote the knowledge of stroke prevention through interactive games and provide free consultation services offered by professional Chinese medicine practitioners. On 30 October, we organised a Ba Duan Jin event which called up nearly two thousand people to practise Ba Duan Jin and broke the Guinness World Record of “The Largest Qigong Lesson”. In addition, Tong Ren Tang, The Hong Kong Brain Foundation and School of Chinese Medicine of The University of Hong Kong jointly organized a number of health seminars on the prevention of stroke for the general public in Hong Kong hosted by Chinese and Western medicine experts. Meanwhile, we organized a series of events including promotion of relevant products in retail outlets and placement of advertisements in various major social networking websites.

“

質量即生命，責任重泰山；

一百道工序，一百個放心。

”

生產及研發

本集團一直秉承「以質為命、至優至精，崇尚仁德」的質量管理理念，堅持兩個「必不敢」的質量古訓，嚴守「修合無人見，存心有天知」的自律信條。將傳統經驗、技藝和現代管理、技術進行有效融合；將制度體系管理與人員素質的提升有效融合。用文化的力量、科技的力量、規範的力量及全產業鏈的管理模式來保證質量的不斷提升，這也是同仁堂既是經濟實體，又是文化載體在質量層面的重要體現。

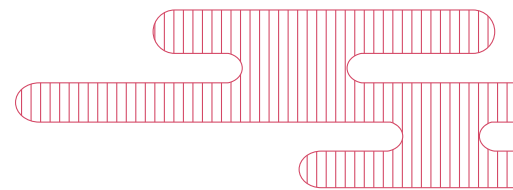
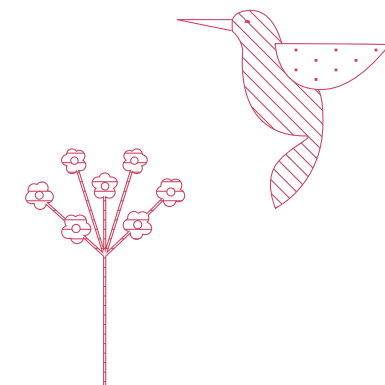
我們位於香港大埔工業村的生產基地（「大埔生產基地」）擁有高水平質量管理體系，持有GMP(Good Manufacturing Practice)認證及國際標準ISO22000：2005 食品安全管理體系及HACCP（危害分析中藥管制點）認證，持續不斷地為消費者提供值得信賴的優質產品。

本年內，本集團共向衛生署提交了9種中成藥新品的註冊申請，同時順利推動了5個新產品的試產工作，進一步豐富了「同仁堂」品牌產品種類，提升產品多元化選擇。在大力開發自有品種的同時，本集團也一直加強開展基礎科研工作，一直與香港及海內外著名專業研究機構合作，就安宮牛黃丸、破壁靈芝孢子粉膠囊及同仁牛黃清心丸開展安全性、作用機理等方面的研究工作。安宮牛黃丸安全性及中風治療作用機理研究項目，更是獲得了香港創新科技署的專項資金支持。

品牌宣傳與推廣

作為中華老字號，同仁堂秉承「在繼承中創新，在創新中發展」的理念；堅持以義取利、誠實守信的經營之道；恪守同修仁德之根本；抱持濟世養生之情懷；積極弘揚中醫藥文化，仁心仁術，造福人類，為「創造健康、全球共享」的夢想砥礪前行。

本年，我們重點加強香港核心市場的品牌宣傳與推廣，發起香港首個關注中風的大型活動「同心同行三百年，同仁關愛防中風」，通過一系列多元化的推廣活動，提高香港市民認識中醫藥防治中風正確概念。在9月，香港首部同仁堂流動宣傳車正式推出，駛入香港社區，為關注中風宣傳月揭開序幕。流動宣傳車遊走香港各區，車上設有互動遊戲，專業中醫師義診，宣傳防中風知識。在10月30日，我們舉辦了「千人八段錦、體驗健步行」活動，號召接近2,000名市民，攜手成功刷新「最大型八段錦學習班」健力士世界紀錄。此外，我們與香港腦科基金會及香港大學中藥學院共同舉辦了多場由中西醫專家針對香港公眾的防治中風健康講座，並同時在零售終端推出相關產品推廣及各大社交網站進行宣傳等連串活動。



Management Discussion and Analysis

管理層討論及分析

Regarding culture and brand promotion, we transformed a tram stop, which is located outside our flagship store in Central and is the first ever Beijing Tong Ren Tang 3D tram stop in Hong Kong, into a showcase of Chinese medicine history and culture with the theme “profound cultural heritage of Chinese medicine” to promote Chinese medicine culture. At which, a “Beijing Tong Ren Tang tram” representing the traditional history and local culture travelled along the main roads on Hong Kong Island every day and brought up the effect of the integration between Tong Ren Tang’s culture and local culture. We also opened an official fan page on Facebook named “Beijing Tong Ren Tang (HK)” to disseminate real-time information regarding health and wellness, culture of TCM, our products and promotional activities and etc. widely through the information network nowadays, so as to allow the people to have a deep understanding of this TCM brand with a history of 347 years.



In the Year, we continued to step up our efforts in brand promotion overseas, including our cooperation with CCTV on the production of “Dream Weavers China · Beijing Tong Ren Tang Overseas Legends”. The program covered regions such as Dubai, Vancouver and Toronto in Canada, and showed the overseas development of Tong Ren Tang. In September, we participated in the Macao International Trade and Investment Fair and demonstrated the technique on producing traditional Chinese medicine to the general public in Macao. We also sponsored various events such as a Peking opera performance in Melbourne, Australia and a programme on an online channel named “Discussing Materia Medica with Zhongzhen”. Meanwhile, we continued to attend the Chinese Medicine Forum entitled “Ancient Therapy: Rediscovering the Value of Traditional Medicines” in Boao Forum. Through sharing our overseas development experience of more than 20 years, we interpreted how the internationalization of TCM adhered to the five concepts for development “innovation, coordination, green, global progress and benefit to all” to promote the idea of “building a community with a shared health future through exchange and mutual learning and benefit to all”.

In order to integrate into the society and reinforce our brand influence in the academic field, we were invited by the Faculty of Business Administration of The Chinese University of Hong Kong to give a speech, and hosted a field trip for master degree students majoring in Chinese Medicine from The Chinese University of Hong Kong to visit our Tai Po Production Base, during which we arranged a discussion session with our management and thus enabled the students to have a thorough understanding of Tong Ren Tang, a well-known brand of Chinese medicine culture, and the overseas development of the brand. Moreover, we participated in a number of events such as “InnoCarnival 2016” exhibition organized by Hong Kong Baptist University and a study tour titled “Fan Changjiang Action” for students with a major in media from tertiary institutions in Hong Kong.

In the Year, our efforts in overseas business were highly recognized by once again winning the “World Branding Awards” in the United Kingdom and “Asia’s Top Influential Brands” in Singapore. Meanwhile, we were awarded the “Asia Pacific Entrepreneurship Awards” for the first time. In November of the Year, we were granted the award of “The Best Listed Company” out of several hundreds of domestic and international renowned enterprises at the 6th “China Securities Golden Bauhinia Awards” organized by Hong Kong Ta Kung Wen Wei Media Group Limited. Mei Qun, the chairman of the Company, was granted the award of “Most Influential Listed Company Leader”. These awards indicated the affirmation and recognition from the society and the domestic and overseas professional institutions in respect of the sustainable healthy and rapid development of our business, and represented their confidence in the growth of this renowned brand with a long history.

Human Resources Management

At 31 December 2016, we have a total of 705 employees (2015: 657 employees).

The staff costs for the Year were HK\$155.6 million (2015: HK\$137.6 million), representing an increase of 13.1% from last year, which was primarily due to the increase in number of salesmen, Chinese medicine practitioners, therapists and administrative staff to cater for our expansion needs in business. To ensure that the Group is able to attract and retain talents, remuneration policies were reviewed on a regular basis. In addition, discretionary bonus was offered to employees with outstanding performance with reference to the Group’s results and individual performance.

在文化及品牌宣傳方面，我們在香港首創北京同仁堂3D立體電車站，以「博大精深」為主題，將坐落於中環旗艦店前的電車站打造亮麗的中醫歷史文化櫥窗，推廣中醫藥文化；同時有著傳統歷史和本土文化的代表「北京同仁堂電車」隆重登場，每天來回穿梭香港島主道上，有「新舊共融」的效果，突顯同仁堂文化與本土文化的融和。我們並開設了「北京同仁堂香港」的臉書專頁，利用現今龐大的網絡資訊平台廣泛向民眾實時傳播健康養生資訊、中醫藥傳統文化、產品及宣傳推廣活動等訊息，讓民眾更深入瞭解這個擁有347年歷史的中醫藥品牌。



中醫藥國際化如何秉承「創新、協調、綠色、開放、共享」五大發展理念，推動「交流互鑒、人類互享，建設健康命運共同體」。

為融入社會，加強品牌在學術界的影響力，我們先後接受香港中文大學工商管理學院演講邀請，和接待香港中文大學修讀中醫學碩士學位課程的學生參觀位於大埔生產基地，期間更安排與管理層交流，讓同學們更了解同仁堂這個家傳戶曉的中醫藥文化品牌和品牌在境外的發展。另外，我們參與香港浸會大學「創新科技嘉年華2016」展覽、和香港大專院校傳媒專科學子「范長江行動」的遊學活動等。

本年，我們深耕海外的豐碩成果被高度肯定，在今年再度蟬聯英國「世界品牌大獎」及新加坡「亞洲最具影響力品牌大獎」，同時首獲「亞太企業精神獎」。本年11月，由《香港大公文匯傳媒集團有限公司》主辦的第六屆「中國證券金紫荊獎」中，我們從數百家國內外知名企業中脫穎而出，榮獲「最佳上市公司」獎項；而梅群主席更榮獲「最具影響力上市公司領袖」獎項。本集團榮獲此獎項表明社會各界和海內外專業機構對我們持續健康快速發展的肯定和認可，對這百年老店「做長、做強、做優、做大」充滿信心。

人力資源管理

於2016年12月31日，我們共有705名僱員（2015年：657名僱員）。

本年內員工成本為155.6百萬港元（2015年：137.6百萬港元），較去年增長13.1%，主要是由於本年業務持續擴張，不斷增聘前綫銷售人員，中醫師，理療師及行政管理人員等以滿足業務發展需求。為確保能夠吸引及挽留優秀員工，本集團定期檢討薪酬政策。此外，本集團參考業績及個人表現，為表現優異的僱員提供酌情獎勵。

Financial Review

Revenue

The Group's revenue for the Year reached HK\$1,084.3 million (2015: HK\$970.5 million), representing an increase of 11.7% from last year. The increase was mainly driven by the continuous strong demand for our Owned Products, the growth in the existing sales network and the expansion of the sales network.

Gross Profit

The Group's gross profit increased by 16.8% to HK\$795.1 million (2015: HK\$680.9 million). The gross profit margin increased from 70.2% to 73.3%, which was due to slight decrease of the cost of raw materials resulting from temporary depreciation of Renminbi, economic of scale arising from expansion of production and upward adjustment of product selling prices.

Distribution and Selling Expenses

The Group's distribution and selling expenses increased by 14.1% to HK\$161.9 million (2015: HK\$141.9 million). The increase was mainly attributable to (i) the increase of rental expenses and sales staff costs as the number of retail outlets increased during the Year, and (ii) the Group's advertising and promotion activities increased this Year, which resulted in an increase in advertising and promotion expenses. Distribution and selling expenses as a percentage to revenue increased slightly from 14.6% last year to 14.9% this Year.

General and Administrative Expenses

The Group's general and administrative expenses increased by 21.6% to HK\$109.6 million (2015: HK\$90.1 million). The increase was mainly due to the continuous expansion of the Group's business and increase in the number of subsidiaries and increase in administrative and management personnel, which resulted in an increase in staff costs, rental expenses, depreciation of fixed assets, as well as other related administrative expenses. General and administrative expenses as a percentage to revenue increased slightly from 9.3% last year to 10.1% this Year.

Finance Income, net

The Group's net finance income decreased by 0.6 million to HK\$7.9 million (2015: HK\$8.5 million). Such decrease was mainly attributable to the decrease in finance income as the average short-term bank deposit interest rate was lower than from last year.

Income Tax Expense

The Group's income tax expense increased by 12.6% to HK\$92.4 million (2015: HK\$82.0 million). The increase was mainly due to an increase in taxable income for the Year. The weighted average applicable tax rate for the Year has slightly decreased from 17.1% last year to 16.9%, which was caused by the change in proportion of contribution of taxable profit.

Profit for the Year, Profit Attributable to Owners of the Company, Basic Earnings Per Share and Dividend

The Group's profit for the Year increased by 17.4% to HK\$439.9 million (2015: HK\$374.6 million) with a net profit margin of 40.6% for the Year (2015: 38.6%). Profit attributable to owners of the Company amounted to HK\$420.3 million (2015: HK\$354.2 million), representing an increase of 18.6% from last year. For the Year, the basic earnings per share were 50 HK cents (2015: 42 HK cents). The Directors recommend the payment of a final dividend of 16 HK cents per share for the Year (2015: 13 HK cents).

Financial Resources and Liquidity

During the Year, the Group funded its liquidity by the net proceeds from the listing and resources generated internally. Based on the Group's steady cash inflow from operations, coupled with sufficient cash and bank balances, the Group has adequate liquidity and financial resources to meet the daily operations and working capital requirements as well as to fund its expansion plans.

財務回顧

收入

本年，本集團的收入達到1,084.3百萬港元（2015年：970.5百萬港元），較去年增長11.7%。增長主要是由於自有產品的持續強勁需求、現有銷售網絡的增長及銷售網絡擴張所致。

毛利

本集團的毛利達795.1百萬港元（2015年：680.9百萬港元），增幅為16.8%。毛利率由去年70.2%上升至73.3%，其增長是由於來自中國內地的原材料成本受惠於人民幣貶值而暫時性輕微下降、生產規模擴大令經濟效益提升及產品價格上調所致。

分銷及銷售開支

本集團的分銷及銷售開支達161.9百萬港元（2015年：141.9百萬港元），較去年增長14.1%。增長主要是由於(i)本年零售終端增加，致使租金及銷售人員人工成本上升，及(ii)本年本集團的廣告及宣傳活動增多，令廣告及宣傳費用上升。分銷及銷售開支佔收入百分比由去年的14.6%稍上升至本年的14.9%。

一般及行政開支

本集團的一般及行政開支為109.6百萬港元（2015年：90.1百萬港元），較去年增長21.6%。增長主要是由於本集團業務持續擴張，子公司及行政管理人員數目增加，令人工成本、租金、固定資產折舊及相關的行政費用增加。一般及行政開支佔收入百分比由去年的9.3%略增至本年的10.1%。

淨財務收益

本集團之淨財務收益減少0.6百萬港元至7.9百萬港元（2015年：8.5百萬港元）。減少的主要原因是由於平均短期銀行存款利率比去年下降令財務收益減少。

所得稅開支

本集團所得稅開支增加12.6%至92.4百萬港元（2015年：82.0百萬港元）。增加主要是由於本年應課稅收入增加。由於應課稅利潤貢獻比例的變化，本年的加權平均適用稅率從去年的17.1%略減少至16.9%。

年度利潤、本公司擁有人應佔利潤、每股基本盈利及股息

本集團的年度利潤增加17.4%至439.9百萬港元（2015年：374.6百萬港元），純利率為40.6%（2015年：38.6%）。本公司擁有人應佔利潤為420.3百萬港元（2015年：354.2百萬港元），較去年同期增長18.6%。本年每股基本盈利為50港仙（2015年：42港仙）。董事建議派付本年度末期股息為每股16港仙（2015年：13港仙）。

財務資源及流動資金

本年，本集團以上市所得款項淨額及內部資源撥付流動資金。由於本集團業務有穩定現金流入，加上充足現金及銀行結餘，本集團有充裕流動資金及財務資源，可滿足日常營運與營運資金需求及支持擴展計劃。

Management Discussion and Analysis
管理層討論及分析

The Group continued to maintain a strong financial position with cash and bank balances of HK\$1,583.6 million (2015: HK\$1,280.3 million). The majority of the Group’s cash and bank balances were denominated in Hong Kong dollar, Renminbi, Macao pataca, Singapore dollar, Canadian dollar, United States dollar and Australian dollar and were deposited in reputable financial institutions with maturity dates falling within one year. The table below sets out the information regarding cash and bank balances, working capital, total equity, current ratio and net gearing ratio as at 31 December 2015 and 2016 and net cash generated from operating activities for the year ended 31 December 2015 and 2016:

	As at 31 December 於12月31日	
	2016 HK\$’000 千港元	2015 HK\$’000 千港元
Cash and bank balances 現金及銀行存款	1,583,601	1,280,266
Working Capital ⁽¹⁾ 營運資金 ⁽¹⁾	1,833,755	1,541,472
Total Equity 權益總額	2,227,237	1,908,915
Current Ratio ⁽²⁾ 流動比率 ⁽²⁾	15.9	14.7
Gearing Ratio ⁽³⁾ 負債比率 ⁽³⁾	0.02%	0.03%

	For the year ended 31 December 截至12月31日止	
	2016 HK\$’000 千港元	2015 HK\$’000 千港元
Net cash generated from operating activities 經營活動產生的現金淨額	467,721	353,576

- ⁽¹⁾ Being net current assets
- ⁽²⁾ Being current assets divided by current liabilities
- ⁽³⁾ Being borrowings divided by total equity

Capital Expenditure

During the Year, the Group’s capital expenditure incurred amounted to HK\$38.8 million (2015: HK\$89.3 million), which was primarily used for the establishment of new retail outlets.

Major Investment, Acquisitions and Disposals

During the Year, the Group did not have any major investment, acquisitions and disposals.

Capital Commitment

Details of the Group’s capital commitments as at 31 December 2015 and 2016 are set out in note 27 to the consolidated financial statements.

Charges over Assets of the Group

At 31 December 2016, the Group’s net property value of HK\$11.6 million (2015: 12.3 million) has been pledged as securities for long-term bank borrowing. Such bank borrowing is denominated in Australian dollars and bears interest at 1.5% plus the bank bill rate of the day in Australia per annum and is wholly repayable in 2020.

Contingent Liabilities

At 31 December 2016, the Group did not have any significant contingent liabilities.

Foreign Currency Risk

The Group’s main business operations are conducted in Hong Kong and other overseas counties/regions. The transactions, monetary assets and liabilities of the Group are mainly denominated in Hong Kong dollar, Renminbi, Macao pataca, Singapore dollar, Canadian dollar, United States dollar and Australian dollar. During the Year, there was no material impact to the Group arising from the fluctuation in the exchange rates of these currencies.

The Group did not engage in any derivatives activities and did not commit to any financial instruments to hedge its foreign exchange exposure during the Year.

本集團繼續保持穩健財務狀況，現金及銀行結存累積達1,583.6百萬港元（2015年：1,280.3百萬港元）。現金及銀行結餘主要為港元、人民幣、澳門元、新加坡元、加元、美元及澳元，並主要存放於信譽良好的金融機構且於一年內到期。下表載列於2015年及2016年12月31日的現金及銀行存款、營運資金、權益總額、流動比率及負債比率與截至2015年及2016年12月31日止年度的經營活動產生的現金淨額的資料：

資本開支

本年，本集團的資本開支為38.8百萬港元（2015年：89.3百萬港元），主要用於建立新的零售終端。

重大投資、收購及出售

本年，本集團並無任何重大投資、收購及出售。

資本承擔

有關本集團於2015年及2016年12月31日的資本承擔詳情載於合併財務報表附註27。

抵押本集團資產

於2016年12月31日，本集團之物業淨值11.6百萬港元（2015年：12.3百萬港元）作為長期貸款之抵押品。此澳元貸款按澳大利亞銀行票據利率加1.5%按年計息並於2020年全額償還。

或然負債

於2016年12月31日，本集團並無任何重大或然負債。

外幣風險

本集團主要在香港及其他海外國家／地區經營業務。本集團的交易、貨幣資產及負債主要以港元、人民幣、澳門元、新加坡元、加元、美元及澳元計值。本年，該等貨幣的匯率波動並無重大影響本集團。

本集團本年並無進行任何衍生投資活動，亦無使用任何財務工具對沖外匯風險。

Owned Products
自有產品

Star Products

王牌產品

Angong
Niu Huang Wan
安宮牛黃丸



Function: The pathogenic heat intervening the interior, accumulation of phlegm, sustained high fever lockjaw, convulsions and coma.
功效：清熱解毒，鎮驚開竅。用於溫邪入裏引起的痰壅、高熱不退、牙關緊閉、驚風抽搐、神昏譫語。

Major Ingredients: Calculus Bovis, Moschus, Margarita, Cinnabaris, Realgar, Rhizoma Coptidis, Radix Scutellariae, Fructus Gardeniae, Radix Curcumae, Borneolum Syntheticum.
主要成份：牛黃、麝香、珍珠、朱砂、雄黃、黃連、黃芩、梔子、郁金、冰片

Sporoderm-broken Ganoderma
Lucidum Spores Powder Capsules
破壁靈芝孢子粉膠囊



Function: To enhance immunity. For the elderly and the frail or the people with low immune function, and for patients after surgery or medication.
功效：增強免疫力。用於年老體虛、體弱多病等各類免疫功能低下人士，以及手術或其他治療後的患者，增強體質，改善症狀。

Major Ingredients: Ganoderma lucidum spores
主要成份：靈芝孢子

Omega-3

歐米茄3



Astaxanthin- Sacha
Inchi Oil Capsule
蝦青素—星星果油膠囊

The product is composed of Sacha Inchi Oil, which is rich in Omega-3 (Ω-3) and α-linolenic acid (ALA), and Haemittococcus pluvialis extract with abundant Astaxanthin. It is manufactured by a modern technology and suitable for people who care about skin and cardiovascular health.
本品選用富含Omega-3及α-亞麻酸之星星果油為原料，配以富含蝦青素之紅藻萃取物，採用現代工藝精製而成，適用於關注皮膚及心血管健康人士的日常保健之用。



Xanthophyll- Sacha
Inchi Oil Capsule
葉黃素—
星星果油膠囊

The product is composed of Sacha Inchi Oil, which is rich in Omega-3 (Ω-3) and α-linolenic acid (ALA), and Calendula officinalis extract with abundant Xanthophyll. It is manufactured by a modern technology and suitable for people who care about cardiovascular and eye health.
本品選用富含Omega-3及α-亞麻酸之星星果油為原料，配以富含葉黃素之金盞花萃取物，採用現代工藝精製而成，適用於關注心腦及眼部健康人士的日常保健之用。

Prebiotics

益生元



Reviving Prebiotics
芪聚益生

This product contains high-quality fructo-oligosaccharide as major ingredient, formulated with Astragalus extract, Scrophulariaceae extract and Angelica Sinensis Extract, and is manufactured by a modern technology. Suitable for people that suffered with both Qi deficiency and poor blood circulation and people suffered with poor intestine activity.
本品選用優質低聚果糖為原料，配以黃芪提取物，玄參提取物和當歸提取物，採用現代工藝精製而成。適用於氣血兩虛體質且腸道功能較弱人群的日常保健。



Cranberry
Collagen Prebiotics
元聚益生

This product contains high-quality fructo-oligosaccharide as major ingredient, formulated with cranberry power and marine collagen peptides and is manufactured by a modern technology.
本品選用優質低聚果糖為原料，配以蔓越莓果粉，海洋膠原蛋白肽，採用現代工藝精製而成。

Ganoderma Lucidum
靈芝類



Lingzhi Collagen Capsule
靈芝健活膠囊

Lingzhi Collagen Capsule consists of premium quality spores powder of Ganoderma lucidum, Ganoderma lucidum extract by advanced technology and Marine Collagen Peptides and is easily absorbed and taken.
靈芝健活膠囊以優質的破壁靈芝孢子粉，配以用現代技術提取的靈芝提取物及海洋膠原蛋白肽，具有易被人體吸收及服用方便的優點。

Camphorata
樟芝類



Ginseng-Antrodia Camphorata
Capsule & Schisandra-Abtrodia
Camphorata Capsule
洋參樟芝膠囊及
五味樟芝膠囊

Antrodia camphorata plays an important role in protecting liver and improving metabolism, reducing the rate of acute liver injury caused by alcohol, as well as regulating immune function.
樟芝具備調節免疫機能、保護肝臟、解酒、抗氧化、維護心血管健康及調節血糖作用。

Ginseng
高麗參類



Korean Red Ginseng
Red Ginseng Granule Tea
高麗紅參及
紅參破壁顆粒茶

Sourcing from Geumsan in Korea, the origination of Ginseng, our Ginseng products are being processed, steamed, moisturised, pressurised and packed in the traditional metal case. The processing technic we applied ensures the stimulants are being well-preserved.
人參產品源自韓國人參之鄉錦山，結合我們加工工藝，經過挑選、蒸制、加濕、壓制，最終用傳統的鐵罐進行包裝，完整保存多種有益人體的生理活性成分。

Rhodiola
紅景天類



Rhodiola Rosea Capsule
Blueberry & Rhodiola Rosea
Capsule
紅景天膠囊及
藍莓紅景天膠囊

Rhodiola grows in high and cold areas. It helps enhance immunity, anti-hypoxic, anti-fatigue and enhance memory.
紅景天一般生長在高寒地帶，具有增強免疫、抗缺氧、抗疲勞、抗輻射及延緩機體衰老等作用。

Others

其他類



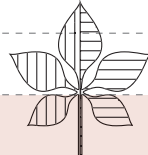
Hawthorn Tablet
山楂片



Rose Cherry Tablet
玫瑰櫻桃片



Ultra Fine
Pearl Powder
珍珠粉



Semen
Cassiae Tea
決明子茶



Fagopyrum
Esculentum Tea
蕎麥茶



Marine
Collagen Peptide
海洋膠原蛋白肽

Major Awards
重大獎項

1 Influential Brands Award 2016
品牌大獎

- Top Brand Award
優質品牌大獎



2 World Branding Awards 2016
品牌大獎

- Brand of the Year
年度品牌大獎



3 Guinness World Record
健力士世界紀錄

- The Largest Qigong Lesson
最大型八段錦學習班



4 Golden Bauhinia Award 2016
中國證券金紫荊獎

- Best Listed Company
最佳上市公司
- The most influential listed company leaders
最具影響力上市公司領袖



5 ARC Award 2016
設計獎項

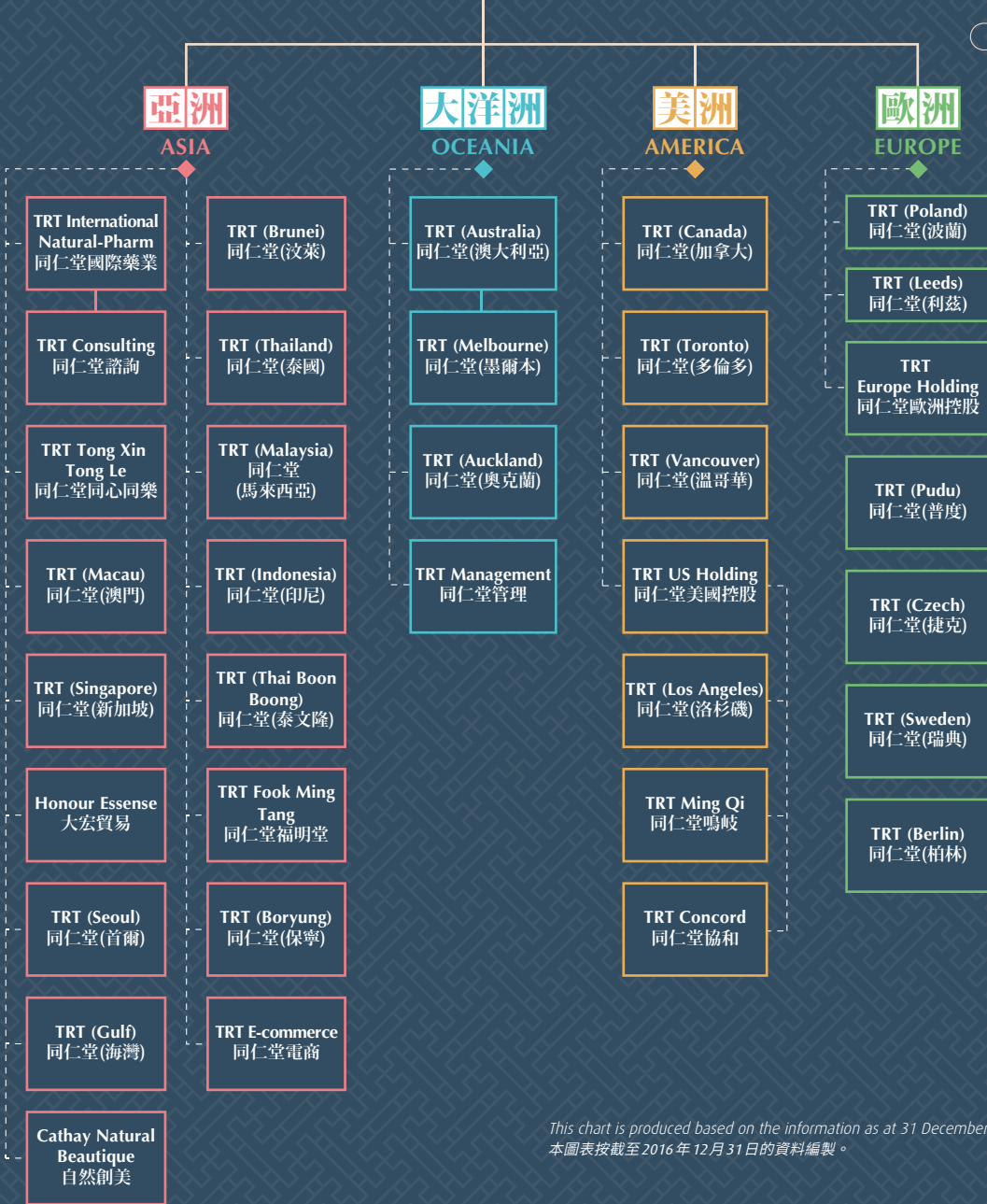
- Design awards for Annual Report 2015
2015年年報設計獎項



Organisation Chart
組織架構圖



THE COMPANY 本公司



This chart is produced based on the information as at 31 December 2016.
本圖表按截至2016年12月31日的資料編製。

Investor Relations Report

投資者關係報告

Effective and Two-way Communication

We believe communication with our individual shareholders and institutional shareholders (collectively named as “Shareholders”) is a two-way communication process. We make no distinction between individual shareholders and institutional shareholders.

The Group’s communication strategy is to ensure that information about the Group is delivered on a timely, transparent and non-exclusionary basis. We strive to be responsive to the enquiries of the investment community by being easily accessible and responding in a timely manner. We endeavour to ensure that all information published is factual and presented in a clear and balanced manner. We also collect feedback from Shareholders, investors and analysts for the attention of executive management and the Board of Directors. This also helps to formulate our investor relations plan and our business development strategies.

Investor Relations Activities

We are highly supportive to investor relations activities. In order to facilitate a two-way communication between the Company, Shareholders and the investment community, through platforms including domestic and international non-deal roadshows, investor meetings, annual general meeting, company meetings, teleconferences and emails, we made frequent contact with Shareholders, analysts, fund managers and potential investors.

During the Year, our management attended over 100 one-on-one and group meetings and actively participated in investor conferences and non-deal roadshows in Hong Kong, Shenzhen, Shanghai and Singapore meeting with over 300 investors.

Major investor conferences that we participated in 2016 are set out below:

Month 月份	Event 事項	Location 地點
January 一月	Morgan Stanley Healthcare/Utilities, Energy & Chemical Corporate Day 摩根士丹利醫療保健／公用、電力及化學藥品企業日	Hong Kong 香港
March 三月	Morgan Stanley Hong Kong Investor Summit — With a Focus on The New Economy 摩根士丹利香港投資者峰會 — 注視新經濟形勢	Hong Kong 香港
May 五月	HSBC China Conference 滙豐銀行中國研討會	Shenzhen 深圳
May 五月	Morgan Stanley Second Annual China Summit 摩根士丹利第二屆年度中國峰會	Beijing 北京
November 十一月	Daiwa Investment Conference 大和投資研討會	Hong Kong 香港
November 十一月	Morgan Stanley Asia Pacific Summit 摩根士丹利亞太區峰會	Singapore 新加坡

We held non-deal roadshows at least semi-annually following the release of our results announcements to answer questions regarding the performance and business development of the Group. The Company website contains an investor relations section to reach out to the investment community and public with the latest information on the Company. We also promote proactive communication through direct contact with our investor relations team via email at ir@tongrentangcm.com.

Annual General Meeting

The annual general meeting (the “AGM”) is a platform for face-to-face communication with Shareholders. Our Board members, senior management, legal counsel and external auditors will attend and answer questions on the Group raised by the Shareholders.

2016 AGM was held at 3 Dai King Street, Tai Po Industrial Estate, New Territories, Hong Kong on 6 May 2016, for approval of, among others, the re-election of retiring Directors and the general mandates to issue and purchase shares. Particulars of the major items considered at the AGM are set out in the circular dated 31 March 2016. All proposed resolutions were passed by way of poll voting at the AGM.

The 2017 AGM will be held at 3 Dai King Street, Tai Po Industrial Estate, New Territories, Hong Kong on Monday, 8 May 2017 at 10:30 am.

有效的雙向溝通

我們相信與個人及機構股東（於此投資者關係報告統稱「股東」）的溝通應該是一個雙向的過程，並對個人及機構股東一視同仁。

本集團的溝通策略是要確保有關本集團的數據及時、透明及非獨家地發佈。本集團致力為股東及投資界提供便捷的溝通渠道，並盡力確保所公佈的全部數據均為真實無誤並清晰平衡地呈列，客觀披露數據。本集團亦收集股東、投資者及分析員的反饋意見，並將該等意見反映給管理層及董事會。此舉有助制訂本集團的投資者關係計劃及業務發展策略。

投資者關係活動

我們對投資者關係活動十分支持，為促進與股東及資本市場之間的雙向溝通，通過本地及海外的非交易路演、投資者會議、股東週年大會、公司調研、電話會議及電郵諮詢等渠道，與股東、分析師、基金經理及潛在投資者作緊密及頻繁的交流。

本年，公司管理層出席逾100次一對一會議及小組會議，亦積極參與投資者研討會以及遍及香港、深圳、上海及新加坡的非交易路演，與逾300名投資者會面。

我們於2016年曾參與下列大型投資者研討會：

我們至少每年兩次於發佈業績公告後舉行非交易路演，回答有關本集團業績及業務發展的提問。本公司網站設有投資者關係專頁，向投資者及公眾人士提供本公司最新消息。我們亦會通過電郵 ir@tongrentangcm.com 直接聯絡投資者，促進有效溝通。

股東週年大會

股東週年大會（「股東週年大會」）是一個親身與股東交流的平台，我們的董事會成員、高級管理人員、法律顧問及外聘核數師均會出席，可以就股東提出有關本集團相關的問題作出回應。

2016年股東週年大會於2016年5月6日假座香港新界大埔工業邨大景街3號舉行，股東週年大會上通過之事項，其中包括重選退任董事以及發行及購回股份之一般授權等事宜。股東週年大會上經考慮之主要事項詳情載於日期為2016年3月31日之通函內。所有於股東週年大會上提呈之決議案，均以書面投票方式獲得通過。

2017年股東週年大會將於2017年5月8日（星期一）早上10時30分假座香港新界大埔工業邨大景街3號舉行。

Awards and Recognition

In this year, the Company participated in selecting activity of the 6th “China Securities Golden Bauhinia Awards” organized by Hong Kong Ta Kung Wen Media Group Limited. We stood out from few hundreds of renowned local and overseas enterprises and have been awarded “The Best Listed Company”. Mr. Mei Qun, the Chairman of the Board, also has been awarded “The Most Influential Leader of Listed Companies”. In the ceremony, Mr. Mei gave a speech “A famous Chinese brand with a long history going abroad” to thousands of elites and leaders of the commercial circles, sharing the hard works and successes of Tong Ren Tang’s “The Belt and Road” overseas development and the promotion of culture of Chinese medicine. The representatives of the Hong Kong Special Administrative Region, the representatives of the Hong Kong and Mainland Governance Institute, China Embassy in Hong Kong and ambassador of consulate, various renowned enterprises and celebrities of the political and commercial circles, experts, scholars and thousands of outstanding representatives from different industries attended the awards ceremony, tens of local and overseas mainstream media also reporting in the ceremony. The Company’s promotion video was broadcasted in the awards ceremony, foam board has been set up, for promotion of corporate image and self-introduction of Mr. Mei Qun, the Chairman of the Board, in the exchange area of the venue with concerns and praises from the attending guests and media.



Share Performance 股價表現

	2016	2015	2014	2013
Closing price as at 31 December (HK\$ per share) 於 12 月 31 日的收市價 (每股港元)	10.48	9.88	10.78	10.18
Highest price during the year (HK\$ per share) 年度最高價 (每股港元)	12.20	14.82	12.50	14.90
Lowest price during the year (HK\$ per share) 年度最低價 (每股港元)	7.55	7.71	9.09	4.70
Average daily trading volume (thousand share) 每日平均成交量 (千股)	396	822	1,056	3,966

Dividend History 股息資料

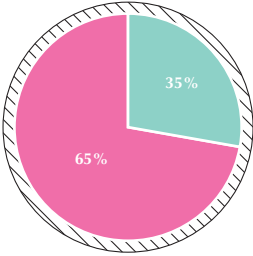
Year 年度	Dividend per share 每股股息 HK\$ 港元	Dividend yield ⁽¹⁾ 股息率 ⁽¹⁾	Payout ratio 派息比率
2013	0.08	0.8%	30.2%
2014	0.10	0.9%	29.2%
2015	0.13	1.3%	30.7%
2016	0.16	1.5%	31.9%

⁽¹⁾ Dividend yield is calculated based on the closing share price of the Company as at 31 December of the respective years
⁽¹⁾ 股息率是根據當年 12 月 31 日的本公司收市股價計算

屢獲殊榮

本年，本公司參與由《香港大公文匯傳媒集團有限公司》主辦的第六屆「中國證券金紫荊獎」評選活動，從數百家國內外知名企業中脫穎而出，榮獲「最佳上市公司」獎項；而本公司董事會主席梅群更榮獲「最具影響力上市公司領袖」獎項，並在典禮上向在場千名城中精英、商界翹楚發表「走出國門的中華老字號」的主題演講，詳盡分享同仁堂「一帶一路」的海外發展及推動中醫藥文化走向世界的奮鬥過程。頒獎盛典當天，香港特區政府代表、香港及內地監管機構代表、駐港使館及領事館大使，以及眾多知名企業等政商界名流、專家學者與千位來自各行各業的傑出代表共同出席，國內外幾十家主流媒體前往報導。我們在頒獎典禮現場專門播放了本公司宣傳片，在會場交流區設立了企業形象宣傳展板及董事會主席梅群個人介紹，受到了與會嘉賓和媒體的關注和盛讚。

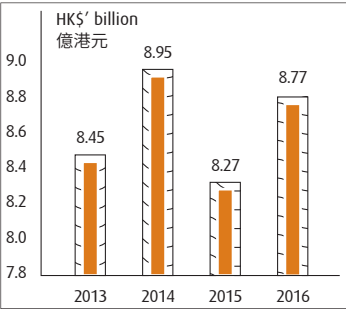
Meetings with Investors 與投資者會議



Group 小組會議
One-on-one 一對一



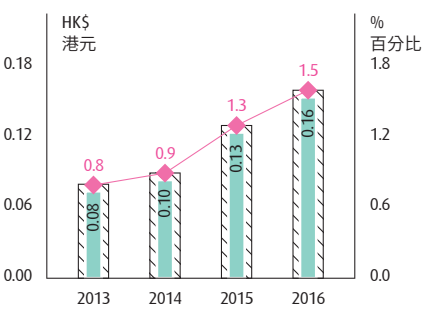
Market Capitalisation⁽¹⁾ 市 值⁽¹⁾



⁽¹⁾ Market capitalization and dividend yield are calculated based on closing share price of the company at 31 December of the respective years.

⁽¹⁾ 市值及股息率是根據當年 12 月 31 日的本公司收市股價計算。

Dividend Per Share and Dividend Yield⁽¹⁾ 每 股 股 息 及 股 息 率⁽¹⁾



Dividend per share
每股股息
Dividend yield
股息率

Directors and Senior Management

董事及高級管理人員

Non-executive Director

Mei Qun, aged 60, is the chairman of the Company and is a deputy chief pharmacist with a postgraduate qualification. Mr. Mei was formerly the general manager of China Beijing Tong Ren Tang (Holdings) Corporation (“Tong Ren Tang Holdings”), the chairman of Beijing Tong Ren Tang Co., Ltd. (“Tong Ren Tang Ltd.”), the chairman of Tong Ren Tang Technologies Co., Ltd. (“Tong Ren Tang Technologies”). Mr. Mei is currently the secretary to the Party Committee, the chairman of Tong Ren Tang Holdings; the chairman of Beijing Tong Ren Tang Health Pharmaceutical Co., Ltd., the chairman of Beijing Tong Ren Tang Pharmaceutical Co., Ltd., the chairman of Beijing Tong Ren Tang Chinese Medicine (Hong Kong) Group Company Limited, the chairman of Beijing Tong Ren Tang International Co., Ltd.. Mr. Mei is the vice president of Chinese Society of Traditional Chinese Medicine, a standing director of Beijing Pharmaceutical Association, the vice president of Beijing Enterprise Confederation, a standing director of China Association of Trade in Services, the vice president of Beijing Brand Association, and the president of Beijing Pharmaceutical Profession Association. Mr. Mei was also the member of the Education Technology Culture Health and Sports Committee of Beijing’s 14th National People’s Congress (“NPC”).

Executive Directors

Ding Yong Ling, aged 53, is an executive Director and the chief executive officer of the Company and is mainly responsible for our day-to-day operation and management. Ms. Ding has been appointed as a managing director of the Company since September 2004. Ms. Ding joined the Tong Ren Tang Group in 1984 and was formerly the head of the foreign trade division of Tong Ren Tang Holdings, manager of the import and export branches and the deputy general manager of Tong Ren Tang Technologies. Ms. Ding is currently the director and the deputy general manager of Tong Ren Tang Holdings and the managing director of Beijing Tong Ren Tang International Co., Ltd. Ms. Ding graduated from the Party School of the central committee of the CPC in August 1997 with a bachelor’s degree in major of economic management, and she further completed a course for research student under employment in international business administration at Business School of the University of International Business and Economics in April 2002.

Zhang Huan Ping, aged 56, is an executive Director and a deputy general manager of the Company and is mainly responsible for production. Mr. Zhang joined the Company as a deputy general manager in April 2008 and was appointed as a Director on 1 February 2011. Mr. Zhang joined the Tong Ren Tang Group in May 1979 and formerly served as the deputy manager of Tong Zhou Medicine Factory and Medicine Wine Factory of Tong Ren Tang Ltd., and an executive director of Tong Ren Tang Technologies. Mr. Zhang graduated in major of economic management from the Correspondence Institute of Party School of the Central Committee of the CPC in December 2000. He is a pharmacist-in-charge conferred by Beijing Intermediate Professional Technical Titles Evaluation Committee in November 2002.

Lin Man, aged 41, is an executive Director, the chief financial officer and the company secretary of the Company and is mainly responsible for finance management. Ms. Lin joined the Company in 2004 and was appointed as the company secretary in 2005 and the chief financial officer in 2008. Ms. Lin was appointed as a Director on 1 February 2011. Ms. Lin is a member of the Hong Kong Institute of Certified Public Accountants. Ms. Lin obtained a bachelor’s degree in arts in Polish from Beijing Foreign Studies University in July 1999 and a bachelor’s degree in accounting and finance from the University of Lancaster in July 2004.

Independent Non-executive Directors

Leung, Oi Sie Elsie, aged 77, has been appointed as an independent non-executive Director of the Company with effect from 7 May 2013. Ms. Leung was the first Secretary for Justice of the Hong Kong SAR as well as a member of the Executive Council of Hong Kong from July 1997 to October 2005. Ms. Leung was admitted as a solicitor of the Supreme Court of Hong Kong in 1968 and she is also a qualified solicitor in England and Wales. Ms. Leung is currently a consultant of Lu, Lai & Li Solicitors & Notaries and she is also a Notary Public and China-Appointed Attesting Officer. Ms. Leung also serves as an independent non-executive director of each of United Company Rusal Plc (Stock code: 486), China Resources Power Holdings Company Limited (Stock code: 836) and China Life Insurance Company Limited (Stock code: 2628). Ms. Leung served as a member of several government boards and committees, including the Independent Police Complaints Council, Equal Opportunities Commission, Social Welfare Advisory Committee and Inland Revenue Board of Review. Ms. Leung served as a delegate of the Seventh Guangdong Provincial People’s Congress from 1988 to 1993, and a delegate of the Eighth NPC from 1993 to 1997. She has been the deputy director of the Hong Kong Basic Law Committee of the Standing Committee of the NPC since 2006. Ms. Leung obtained from the University of Hong Kong in November 1988 a master’s degree in law.

非執行董事

梅群，60歲，本公司董事會主席，研究生學歷，副主任藥師。歷任中國北京同仁堂（集團）有限責任公司（「同仁堂集團公司」）總經理，北京同仁堂股份有限公司（「同仁堂股份」）董事長、北京同仁堂科技發展股份有限公司（「同仁堂科技」）董事長。現任同仁堂集團公司黨委書記、董事長，北京同仁堂健康藥業股份有限公司董事長、北京同仁堂製藥有限公司董事長、北京同仁堂國藥（香港）集團有限公司董事長、北京同仁堂國際有限公司董事長。梅先生還兼任中國中藥協會副會長、北京藥學會常務理事、北京市企業聯合會副會長、中國服務貿易協會常務理事、北京品牌協會副會長、北京醫藥行業協會會長、北京市第十四屆全國人民代表大會（「人大」）教育科技文化衛生體育委員會委員。

執行董事

丁永玲，53歲，本公司執行董事兼首席執行官，主要負責本公司的日常營運及管理。丁女士自2004年9月獲委任為本公司董事總經理。丁女士於1984年加入同仁堂集團，歷任同仁堂集團公司外經外貿處處長、進出口分公司經理及同仁堂科技副總經理。現任同仁堂集團公司董事及副總經理及北京同仁堂國際有限公司董事總經理。丁女士於1997年8月畢業於中央黨校經濟管理專業並獲得大學學歷，其後於2002年4月完成對外經濟貿易大學國際商學院國際企業管理專業在職研究生課程。

張煥平，56歲，本公司執行董事兼副總經理，主要負責生產事宜。張先生於2008年4月加入本公司擔任副總經理，於2011年2月1日獲委任為本公司董事。張先生於1979年5月加入同仁堂集團。歷任同仁堂股份通州製藥廠副廠長及藥酒廠副廠長，以及同仁堂科技執行董事。張先生於2000年12月畢業於中央黨校函授學院，主修經濟管理。於2002年11月獲北京市中級技術職稱評定委員會授予主管中藥師。

林曼，41歲，本公司執行董事兼財務總監及公司秘書，主要負責財務管理。林女士於2004年加入本公司，於2005年獲委任為公司秘書，於2008年獲委任為財務總監，於2011年2月1日獲委任為董事。林女士為香港會計師公會會員。林女士於1999年7月獲北京外國語大學授予波蘭語文學學士學位，於2004年7月獲蘭卡斯特大學授予會計與財務學士學位。

獨立非執行董事

梁愛詩，77歲，自2013年5月7日起獲委任為本公司獨立非執行董事。梁女士於1997年7月至2005年10月擔任首任香港特別行政區律政司司長及香港行政會議成員。梁女士於1968年獲香港最高法院認許為律師，亦是英格蘭及威爾斯合資格律師。梁女士目前為姚黎李律師行顧問，亦為公證人及中國委託公證人。梁女士亦分別擔任United Company Rusal Plc（股份代號：486），華潤電力控股有限公司（股份代號：836）及中國人壽保險股份有限公司（股份代號：2628）的獨立非執行董事。梁女士曾出任若干政府委員會公職，包括獨立監察警方處理投訴委員會、平等機會委員會、社會福利諮詢委員會及稅務上訴委員會。梁女士於1988年至1993年出任第七屆廣東省人民代表大會代表，自1993年至1997年出任第八屆人大代表。梁女士自2006年起出任人大常務委員會香港基本法委員會副主任。梁女士於1988年11月獲授香港大學法律碩士學位。

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

Zhao Zhong Zhen, aged 59, has been appointed as an independent non-executive Director of the Company on 15 April 2013. Mr. Zhao is currently a professor and an associate dean of the School of Chinese Medicine of Hong Kong Baptist University. Mr. Zhao has been an associate professor of Hong Kong Baptist University since April 1999. Mr. Zhao is currently a member of the Chinese Pharmacopoeia Commission and a member of Chinese Medicine Development Committee. From 1985 to 1987, Mr. Zhao was a research assistant of China Academy of Chinese Medical Sciences. From 1987 to 1988 and 1991 to 1992, Mr. Zhao was a visiting scholar of Tokyo University of Pharmacy and Life Science. Mr. Zhao was a research director of a laboratory for Chinese medicines in Japan during the period from October 1992 to April 1999. From July 2009 to January 2010, Mr. Zhao was a visiting scholar of Osher Research Centre of Harvard Medical School. Mr. Zhao obtained a bachelor’s degree and a master’s degree, both in Chinese medicine, from Beijing University of Chinese Medicine in March 1982, and from China Academy of Chinese Medical Sciences in December 1985, respectively. Mr. Zhao obtained his doctorate degree in pharmacy in Tokyo University of Pharmacy and Life Science in March 1992.

Chan Ngai Chi, aged 45, was appointed as an independent non-executive Director of the Company on 15 April 2013. Prior to joining the Company, Mr. Chan had more than 20 years of financial management, compliance and auditing experience. Mr. Chan worked in the audit division of PricewaterhouseCoopers Hong Kong and various listed companies in Hong Kong and the U.S. Mr. Chan worked in Tong Ren Tang Technologies as the financial controller and company secretary from 2004 to 2007. Mr. Chan worked as the principal financial officer of Gushan Environmental Energy Company Limited, which was a company listed on the New York Stock Exchange since December 2007 and privatized in October 2012. Mr. Chan is currently the principal financial officer of China Metal Resources Utilization Limited (Stock code: 1636). Mr. Chan is a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. Mr. Chan graduated from the Hong Kong University of Science and Technology with a bachelor’s degree in business administration in accounting in 1994 and also obtained a master’s degree in Economics from the Chinese University of Hong Kong in 2003.

Senior Management

Hua Ji Hong, aged 42, is a deputy general manager of the Company, and is mainly responsible for the brand management outside mainland China, marketing, information management as well as sales and business management in traditional markets in Hong Kong, as one of the main countries outside mainland China, of the Company. Ms. Hua joined Tong Ren Tang Group in 2000. Ms. Hua obtained a bachelor’s degree and a master’s degree, both in Chinese medicine, from Beijing University of Chinese Medicine in June 1997 and July 2000, respectively.

Anyang Ma, JP, aged 55, is a deputy general manager of the Company, and is mainly responsible for the project investment. By holding a master’s degree of Herbal Medicine from the University of Sydney, Mr. Ma is the founder and the Managing Director of Beijing Tong Ren Tang (Australia) Pty Ltd. During the past of more than 30 years in his career, Mr. Ma has accumulated extensive experiences in various Traditional Chinese Medicine (TCM) sectors including clinical services, processing and manufacturing, import and export, wholesale and retail, research and development, quality control and management. Before migrating into Australia in 2001, Mr. Ma served as a senior executive of Hai-O Group, a listing company specialized in Chinese medicine in Malaysia for many years. Due to his keen interest in the TCM globalization, modernization and the popularization, Mr. Ma has been appointed as the committee member of Australian Mirror Committee (HE031) of the Chinese medicine standardization committee under the International Standard Organization (ISO/TC249). Mr. Ma is also the current president of Chinese Medicine Industry Council of Australia (CMIC).

Li Xia, aged 50, is the chief engineer of the Company, and joined the Company in 2008. Ms. Li has been in Tong Ren Tang Group since 1990 and is mainly responsible for research and development of Chinese medicines and healthcare products. Ms. Li obtained a bachelor’s degree in Chinese medicine from Beijing University of Chinese Medicine in July 1989.

趙中振，59歲，於2013年4月15日獲委任為本公司獨立非執行董事。趙先生現任香港浸會大學中醫藥學院講座教授及副院長，自1999年4月起擔任香港浸會大學副教授。目前，趙先生是國家藥典委員會委員與香港中醫藥發展委員會委員。1985年至1987年，趙先生為中國中醫科學院的研究助理。於1987年至1988年及1991年至1992年，趙先生為東京藥科大學的訪問學者。趙先生曾於1992年10月至1999年4月在日本的中藥實驗室擔任主任研究員。於2009年7月至2010年1月，趙先生為哈佛大學醫學院Osher研究中心的訪問學者。趙先生於1982年3月獲北京中醫藥大學授予中醫學學士學位，於1985年12月獲中國中醫科學院授予中藥學碩士學位，於1992年3月獲東京藥科大學授予藥學博士學位。

陳毅馳，45歲，於2013年4月15日獲委任為本公司獨立非執行董事。加入本公司前，陳先生累積逾20年財務管理、合規及核數經驗。陳先生曾任職於香港羅兵咸永道會計師事務所核數部，多家香港及美國上市公司，於2004年至2007年擔任同仁堂科技財務總監兼公司秘書。陳先生曾擔任古杉環境能源有限公司（於2007年12月在紐約證券交易所上市且於2012年10月私有化的公司）的首席財務官。陳先生現任中國金屬資源利用有限公司（股份代號：1636）首席財務執行官。陳先生為香港會計師公會及英國特許公認會計師公會的資深會員。陳先生於1994年畢業於香港科技大學並獲授工商管理會計學士學位，於2003年獲香港中文大學授予經濟學碩士學位。

高級管理人員

花季紅，42歲，本公司副總經理，主要負責本公司的境外品牌管理、市場推廣、資訊管理以及香港等主要境外傳統市場的銷售及業務管理。花女士於2000年加入同仁堂集團。花女士於1997年6月及2000年7月先後獲北京中醫藥大學授予中醫學學士及碩士學位。

馬安陽太平紳士，55歲，本公司副總經理，主要負責本公司的項目投資。馬先生亦為北京同仁堂（澳大利亞）有限公司創始人及董事總經理，並擁有悉尼大學植物藥碩士學位。30多年來，馬先生一直從事中醫藥相關領域，並累積了廣泛經驗，包括中醫藥臨床、生產加工、進出口貿易、批發與零售、研發、質量控制和管理工作。馬先生於2001年移居澳洲，此前曾任職於馬來西亞中藥上市公司海鷗集團高層，對中藥的國際化、現代化以及普及化情有獨鍾，並被委任為國際標準組織中醫藥標準化技術委員會澳洲對應委員會理事，現任澳大利亞中藥行業聯合會會長。

李霞，50歲，本公司總工程師，於2008年加入本公司。李女士於1990年加入同仁堂集團，主要負責研究與開發中藥及保健品。李女士於1989年7月獲北京中醫藥大學授予中醫學學士學位。

Directors' Report

董事會報告

The Directors are pleased to present the report and the audited consolidated financial statements of the Group for the year ended 31 December 2016.

Principal Activities

The principal activities of the Company are manufacturing, retail and wholesale of Chinese medicine and healthcare products and provision of Chinese medical consultation and treatments. The principal activities and other particulars of the Company's subsidiaries are set out in note 31 to the consolidated financial statements.

Results and Dividends

The results of the Group for the year ended 31 December 2016 are set out in the consolidated income statement on pages 88 to 89 of this annual report.

The Directors recommend the payment of a final dividend of 16 HK cents per ordinary share for the year ended 31 December 2016 (2015: 13 HK cents). Such final dividend will be proposed for approval by shareholders at the annual general meeting to be held on Monday, 8 May 2017 and if approved, are payable to shareholders whose names appear on the Register of Members of the Company on 16 May 2017. Details of the dividend for the year ended 31 December 2016 are set out in note 13 to the consolidated financial statements. It is expected that the final dividend will be paid on or around 31 May 2017.

Segment Information

Details of the segment information of the Group are set out in note 5 to the consolidated financial statements.

Property, Plant and Equipment

Details of movements in the property, plant and equipment of the Group are set out in note 15 to the consolidated financial statements.

Bank Borrowing

As at 31 December 2016, the Group had bank borrowings of HK\$0.6 million (2015: HK\$0.6 million), details of which are set out in note 24 to the consolidated financial statements.

Share Capital

Details of movements in the Company's share capital during the year ended 31 December 2016 are set out in note 22 to the consolidated financial statements.

Reserves

Details of movements in the reserves of the Company and the Group during the year ended 31 December 2016 are set out in note 23 to the consolidated financial statements and in the consolidated statement of changes in equity respectively.

Distributable Reserves

As at 31 December 2016, the reserves of the Company available for distribution amounted to HK\$1,220.4 million (2015: HK\$900.5 million).

Donations

Cash charitable donations made by the Group during the year ended 31 December 2016 amounted to HK\$1.1 million (2015: HK\$0.1 million).

Five Year Financial Summary

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on pages 6 to 7 of the annual report.

董事欣然呈列本集團截至2016年12月31日止年度的報告及經審核合併財務報表。

主要業務

本公司主要從事中藥產品和保健品的生產、零售及批發業務，並提供中醫診療服務。本公司附屬公司之主要業務及其他詳情載於合併財務報表附註31。

業績及股息

本集團截至2016年12月31日止年度之業績載於本年報第88至89頁之合併收益表。

董事建議派付截至2016年12月31日止年度的末期股息每股16港仙(2015年：13港仙)。末期股息將於2017年5月8日(星期一)舉行的股東週年大會上提呈股東批准，倘獲批准，將付予2017年5月16日名列本公司股東名冊的股東。截至2016年12月31日止年度之股息詳情載於合併財務報表附註13。末期股息預計將於約2017年5月31日派發。

分部資料

本集團分部資料的詳情載於合併財務報表附註5。

物業、廠房及設備

本集團物業、廠房及設備之變動詳情載於合併財務報表附註15。

銀行借款

於2016年12月31日，本集團已從銀行借款0.6百萬港元(2015年：0.6百萬港元)，詳情載於合併財務報表附註24。

股本

本公司截至2016年12月31日止年度的股本變動詳情載於合併財務報表附註22。

儲備

本公司及本集團截至2016年12月31日止年度的儲備變動詳情分別載於合併財務報表附註23及合併權益變動表。

可供分派儲備

於2016年12月31日，本公司的可供分派儲備為1,220.4百萬港元(2015年：900.5百萬港元)。

捐贈

截至2016年12月31日止年度，本集團慈善現金捐贈為1.1百萬港元(2015年：0.1百萬港元)。

五年財務摘要

本集團過去五個財政年度之業績、資產及負債概要載於本年報第6至7頁。

Major Customers and Suppliers

During the year ended 31 December 2016, income received/receivable from the top five customers in aggregate and the single largest customer accounted for approximately 53.6% (2015: 50.1%) and 21.0% (2015: 15.5%) of the Group’s revenue, respectively.

During the year ended 31 December 2016, purchases paid/payable to the top five suppliers in aggregate and the largest supplier constituted approximately 63.0% (2015: 48.7%) and 37.3% (2015: 28.0%) of the Group’s total purchases, respectively.

For the years ended 31 December 2016 and 2015, among the Group’s top five customers include a subsidiary of our ultimate holding company and a subsidiary of our intermediate holding company. In addition, the Group’s top five suppliers include our immediate holding company and our intermediate holding company.

Save as disclosed above, none of the Directors, their associates or any shareholder of the Company (who to the knowledge of the Directors owns more than 5% of the share capital of the Company) has any interest in any of the top five customers and suppliers.

Relationships with Employees, Customers and Suppliers

The Group values the contributions of employees. The Group provides competitive remuneration package to attract and motivate the employees. The Group regularly reviews the remuneration package of employees and makes necessary adjustments to conform to the market standard.

The Group also understands that it is important to maintain good relationship with its customers and suppliers to fulfil its long-term goals. To maintain its core competitiveness, the Group aims at delivering constantly high standards of quality in the Chinese medicine products and service to its customers. During the year ended 31 December 2016, there was no material and significant dispute between the Group and its customers and/or suppliers.

Directors

The directors during the year ended 31 December 2016 and up to the date of this report were:

Non-executive Director

Mei Qun (*Chairman*)

Executive Directors

Ding Yong Ling (*Chief executive officer*)
Zhang Huan Ping (*Deputy general manager*)
Lin Man (*Chief financial officer and company secretary*)

Independent Non-executive Directors

Leung, Oi Sie Elsie
Zhao Zhong Zhen
Chan Ngai Chi

A full list of the names of the directors of the Group’s subsidiaries can be found in the Company’s website at www.tongrentangcm.com under “Investor Relations”.

Directors’ Service Agreements

The non-executive Director, Mr. Mei Qun entered into a service contract with the Company for a fixed term of three years commencing from 7 May 2014, and all the executive Directors, Ms. Ding Yong Ling, Mr. Zhang Huan Ping and Ms. Lin Man have entered into service contracts with the Company for a fixed term of three years commencing from 15 April 2016.

Each of Ms. Leung, Oi Sie Elsie, Mr. Zhao Zhong Zhen and Mr. Chan Ngai Chi, being all our independent non-executive Directors, has entered into a letter of appointment with the Company for a fixed term of three years commencing from 7 May 2016, 15 April 2016 and 15 April 2016, respectively, unless terminated by either party giving at least two months’ notice in writing.

主要客戶及供應商

截至2016年12月31日止年度，來自五大客戶合共及單一最大客戶的已收／應收收益分別佔本集團收入約53.6%（2015年：50.1%）及21.0%（2015年：15.5%）。

截至2016年12月31日止年度，已付／應付五大供應商合共及最大供應商採購額分別佔本集團總採購額約63.0%（2015年：48.7%）及37.3%（2015年：28.0%）。

截至2016年及2015年12月31日止年度，本集團的五大客戶中包括了我們的最終控股公司旗下的一家附屬公司及我們的中間控股公司旗下的一家附屬公司。此外，本集團的五大供應商中包括了我們的直接控股公司及我們的中間控股公司。

除上文所披露者外，本公司董事、彼等的聯繫人或任何股東（就董事所知持有本公司5%以上股本）概無擁有五大客戶及五大供應商的任何權益。

與僱員、客戶及供應商關係

本集團重視僱員貢獻。本集團提供有競爭力的薪酬待遇以吸引和激勵僱員。本集團定期檢討員工的薪酬待遇，並進行必要的調整，以符合市場標準。

本集團亦了解與客戶和供應商保持良好關係對實現其長期目標的重要性。為保持其品牌核心競爭力，本集團致力於為客戶持續提供高質量的中藥產品和服務。截至2016年12月31日止年度，本集團與客戶及／或供應商之間沒有重要和重大爭議。

董事

截至2016年12月31日止年度及截至本報告日期出任董事之人士如下：

非執行董事

梅群（主席）

執行董事

丁永玲（首席執行官）
張煥平（副總經理）
林曼（財務總監兼公司秘書）

獨立非執行董事

梁愛詩
趙中振
陳毅馳

本集團下屬子公司之董事完整名單可以從公司網站www.tongrentangcm.com中「投資者關係」查詢。

董事服務協議

非執行董事梅群先生與本公司訂立服務合約，自2014年5月7日起為期3年。全體執行董事丁永玲女士、張煥平先生及林曼女士與本公司訂立服務合約，自2016年4月15日起為期3年。

獨立非執行董事梁愛詩女士、趙中振先生及陳毅馳先生各自與本公司訂立委任書，分別自2016年5月7日、2016年4月15日及2016年4月15日起為期3年，惟任何一方發出至少兩個月的書面通知終止則除外。

Directors’ Report
董事會報告

None of the Directors has entered or proposed to enter into any service contracts with the Company which is not determinable by the Company within one year without payment of compensation other than statutory compensation.

Biographical details of Directors and senior management

Brief biographical details of Directors and senior management of the Group are set out on pages 32 to 35 of the annual report.

Emolument Policy

The remuneration of the employees of the Group is determined with reference to market terms and the performance, qualifications and experience of the individual employee. The remunerations of the Directors are determined with reference to the economic situation, the market condition, the responsibilities and duties assumed by each Director as well as their individual performance. Details of the fee and emolument of the Directors are set out in note 8 to the consolidated financial statements.

Retirement Schemes

The Group operates various retirement schemes. Particulars of these retirement schemes are set out in note 2(t) to the consolidated financial statements.

Directors’ and Chief Executive’s Interests in Shares

As at 31 December 2016, the interest and short positions in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”)) of the Directors and chief executive of the Company which would have to be notified to the Company pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests which they are taken or deemed to have under such provisions of the SFO) and required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were required, pursuant to Rules 5.48 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Long position in shares

Types of interests 權益性質		Capacity 身份	Number of shares 股份數目	Approximate percentage of issued share capital 佔已發行股本的 概約百分比
The Company 本公司				
Ding Yong Ling 丁永玲	Personal 個人	Beneficial owner 實益擁有人	250,000	0.029%
Lin Man 林曼	Personal 個人	Beneficial owner 實益擁有人	220,000	0.026%
Tong Ren Tang Technologies 同仁堂科技				
Mei Qun 梅群	Personal 個人	Beneficial owner 實益擁有人	3,000,000 ⁽¹⁾	0.234%
Tong Ren Tang Ltd. 同仁堂股份				
Mei Qun 梅群	Personal 個人	Beneficial owner 實益擁有人	93,242 ⁽²⁾	0.007%

Notes:

- (1) The shares represent 0.46% of domestic shares of Tong Ren Tang Technologies.
- (2) All represent A shares of Tong Ren Tang Ltd.

Save as disclosed above, none of the Directors and chief executives of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the 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 standards of dealing by Directors as referred to in Rule 5.48 to 5.67 of the GEM Listing Rules.

董事概無與本公司訂立或擬訂立於1年內終止而須支付補償（法定補償除外）的任何服務合約。

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載於本年報第32至35頁。

酬金政策

本集團僱員之薪酬乃經參考市場條款及僱員個人表現、資歷及經驗後釐定。董事之薪酬乃經參照經濟形勢、市場情況、各位董事的職責和個人表現後釐定。董事袍金及酬金詳情載於合併財務報表附註8。

退休計劃

本集團實行多項退休計畫。這些退休計畫詳情載於合併財務報表附註2(t)。

董事及主要行政人員的股份權益

於2016年12月31日，本公司董事及主要行政人員於本公司或任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）的股份及相關股份中擁有根據證券及期貨條例第XV部第7及8分部須知會本公司的權益及淡倉（包括根據證券及期貨條例有關規定當作或視作彼等擁有的權益）及根據證券及期貨條例第352條本公司須予備存的登記冊所記錄或根據創業板上市規則第5.48至5.67條須知會本公司及聯交所的權益及淡倉如下：

股份好倉

附註：

- (1) 該等股份佔同仁堂科技內資股的0.46%。
- (2) 全部為同仁堂股份的A股。

除上文所披露者外，概無董事及本公司主要行政人員於本公司及其相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份及債權證中，擁有根據證券及期貨條例第352條須予備存的登記冊所記錄或根據創業板上市規則第5.48至5.67條所述的董事交易準則須知會本公司及聯交所的任何權益及淡倉。

Rights to Acquire Shares or Debentures

Other than as disclosed under the section “Directors’ and Chief Executive’s Interests in Shares” above, at no time during the year ended 31 December 2016 was the Company or any of its subsidiaries, or any of its fellow subsidiaries, a party to any arrangement to enable the Directors or chief executive of the Company or their respective associates (as defined in the GEM Listing Rules) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors’ Interests in Competing Businesses

None of the Directors or their respective associates has any competing interests which need to be disclosed pursuant to Rule11.04 of the GEM Listing Rules.

Interests in Competing Businesses

To ensure that the business classification between the Company, Tong Ren Tang Technologies, Tong Ren Tang Ltd. and Tong Ren Tang Holdings (collectively the “Controlling Shareholders”) are properly documented and established, each of the Controlling Shareholders entered into a deed of non-competition in favour of the Company on 18 April 2013 (“Deed of Non-competition”), details of which are set out in the prospectus of the Company dated 25 April 2013 (the “Prospectus”), mainly to the effect that at any time until their collective beneficial interest in the equity interest in the Company is less than 30%, each of them shall not, and shall procure their respective subsidiaries (except through its interests in the Group) not to, without prior written consent of the Company, directly or indirectly:

- (i) engage in the research, development, manufacture and sales of any products containing ganoderma lucidum or ganoderma lucidum spores as raw materials in Hong Kong, Macao and markets outside of the PRC (the “Non-PRC Markets”);
- (ii) engage in the research, development, manufacture and sale of any products with Tong Ren Tang brands in Non-PRC Markets, except for the manufacture of the Chinese medicine products for the two independent third parties in Japan; for the avoidance of doubt and without prejudice to the generality of the Deed of Non-competition, except for the current excluded business in Japan, engage in arrangement with any other parties in the Non-PRC Markets similar to the excluded business in Japan;
- (iii) carry out any sales or registration (new or renewal) for Angong Niu Huang Wan in Non-PRC markets;
- (iv) engage in the distribution of any Chinese medicine products in Non-PRC Markets, except for certain existing arrangements as disclosed in the Prospectus; and
- (v) carry out any new overseas registration of Tong Ren Tang branded products, ((i) to (v) are collectively known as “Restricted Business”).

In addition, under the Deed of Non-competition, each of the Controlling Shareholders has also undertaken that if each of them and/or any of its associates is offered or becomes aware of any project or new business opportunity (“New Business Opportunity”) that relates to the Restricted Business, whether directly or indirectly, its shall (i) promptly and in any event not later than seven days notify the Company in writing of such opportunity and provide such information as is reasonably required by the Company in order to enable the Company to come to an informed assessment of such opportunity; and (ii) use its best endeavours to procure that such opportunity is offered to the Company on terms no less favourable than the terms on which such opportunity is offered to it and/or its associates.

The Directors (including the independent non-executive Directors) will review the New Business Opportunity and decide whether to invest in the New Business Opportunity within thirty (30) business days of receipt of notice from Controlling Shareholders.

Tong Ren Tang Holdings has also granted the Company rights of first refusal to acquire its interest in Beijing Tong Ren Tang Hong Kong Medicine Management Limited, Beijing Tong Ren Tang (UK) Limited and Beijing Tong Ren Tang Tai Fong Co., Ltd. on terms which are not less favorable than the terms it wishes to sell to other parties.

收購股份或債權證的權利

除上文「董事及主要行政人員的股份權益」一節所披露者外，截至2016年12月31日止年度，本公司或其任何附屬公司或同系附屬公司概無訂立任何安排，賦予本公司董事或主要行政人員或彼等各自的聯繫人（定義見創業板上市規則）任何權利以認購本公司或任何相聯法團（定義見證券及期貨條例）的證券或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。

董事所持競爭業務權益

董事或彼等各自的聯繫人概無擁有根據創業板上市規則第11.04條須予披露的任何競爭業務權益。

競爭業務權益

為妥善記錄及明確劃分本公司、同仁堂科技、同仁堂股份及同仁堂集團公司（統稱「控股股東」）的業務，各控股股東於2013年4月18日以本公司為受益人訂立不競爭契據（「不競爭契據」），詳情載於本公司於2013年4月25日的招股章程（「招股章程」），除非彼等共同實際所擁有本公司的權益少於30%，否則任何時候在未經本公司事先書面同意的情況下均不會並促使各自的附屬公司（因擁有本集團權益而進行者除外）不會直接或間接：

- (i) 在香港、澳門及中國以外市場（「非中國市場」）研發、製造及銷售以靈芝或靈芝孢子為原材料的任何產品；
- (ii) 在非中國市場研發、製造及銷售任何「同仁堂」品牌產品，惟為日本兩名獨立第三方製造中藥產品除外。謹此說明，在不違背不競爭契據一般性原則的情況下，除目前於日本的除外業務外，不會與非中國市場任何其他各方訂立與日本除外業務類似的安排；
- (iii) 在非中國市場銷售或註冊（新註冊或續期）安宮牛黃丸；
- (iv) 在非中國市場分銷任何中藥產品，惟招股章程所披露的若干現有安排除外；及
- (v) 在海外新註冊任何「同仁堂」品牌產品，（第(i)至(v)項統稱「受限制業務」）。

此外，各控股股東亦根據不競爭契據承諾，倘彼等各自及／或任何聯繫人直接或間接獲得或獲悉任何與受限制業務相關的項目或新業務機會（「新業務機會」），則會(i)立即且無論如何不遲於7天向本公司發出有關該等機會的通知書，並提供本公司合理要求的資料，以便本公司在知情情況下評估該等機會；及(ii)盡力協助本公司按不遜於本身及／或其聯繫人取得該等機會的條款獲得該等機會。

董事（包括獨立非執行董事）會審閱新業務機會，並於接獲控股股東通知後30個營業日內決定是否投資新業務機會。

同仁堂集團公司亦授予本公司優先認購權，可按不遜於同仁堂集團公司願意向其他人士出售的條款收購所持北京同仁堂香港藥業管理有限公司、北京同仁堂（英國）有限公司及北京同仁堂太豐股份有限公司的權益。

Directors’ Report
董事會報告

In this connection, the Group adopted the following corporate governance measures to manage any potential conflicts of interest arising from any future potential competing business and to safeguard the interests of the shareholders of the Company:

- (i) the independent non-executive Directors shall review, at least on an annual basis, the compliance with and enforcement of the terms of the Deed of Non-competition by the Controlling Shareholders; and
- (ii) the Company will disclose the review by the independent non-executive Director with basis on the compliance with and enforcement of the terms of the Deed of Non-competition in its annual report.

In monitoring the competing business of the Parent Group (refer to Tong Ren Tang Holdings, Tong Ren Tang Ltd., Tong Ren Tang Technologies and their respective subsidiaries, other than the Group and their respective predecessors), an executive committee (the “Competition Executive Committee”) comprising two disinterested Directors, namely Mr. Zhang Huan Ping and Ms. Lin Man, has been established with the following major responsibilities:

- (a) conduct quarterly inspection of the distribution channels of the Parent Group, including retail stores and wholesale customers, to check whether any products containing ganoderma lucidum or ganoderma lucidum spores as raw materials (other than GLSPC manufactured by the Group) is sold in Non-PRC Markets; and
- (b) conduct quarterly communications with representatives of the Parent Group to confirm whether their research and development portfolio has any products which contain ganoderma lucidum or ganoderma lucidum spores as raw materials.

A supervisory committee (the “Competition Supervisory Committee”), comprising three independent non-executive Directors, namely, Ms. Leung, Oi Sie Elsie, Mr. Zhao Zhong Zhen and Mr. Chan Ngai Chi, has been established with the following major responsibilities:

- (a) meet quarterly and review the quarterly inspection record and daily communication records by the Competition Executive Committee (if applicable); and
- (b) report findings during its review of the records provided by the Competition Executive Committee to the Board which will be published in the Company’s annual report.

To the best knowledge of the Competition Executive Committee, they are not aware of the distribution channels of the Parent Group selling any products containing ganoderma lucidum or ganoderma lucidum spores as raw materials (other than GLSPC manufactured by the Group) in Non-PRC Markets for the year ended 31 December 2016.

有見及此，本集團採取下列企業管治措施應對任何日後潛在競爭業務可能引致的利益衝突以保障本公司股東權益：

- (i) 獨立非執行董事須至少每年審閱控股股東有否遵守及履行不競爭契據的條款；及
- (ii) 本公司將於年報披露獨立非執行董事基於遵守及履行不競爭契據條款進行的審閱。

本公司為監察母集團（即同仁堂集團公司、同仁堂股份、同仁堂科技及其各自的附屬公司，本集團及各自的前身除外）的競爭業務而成立執行委員會（「競爭執行委員會」），由張煥平先生及林曼女士兩名無權益董事組成，主要職責如下：

- (a) 每季檢查母集團零售終端及批發客戶等分銷渠道，以核實有否於非中國市場銷售含靈芝或靈芝孢子為原材料的任何產品（本集團製造的破壁靈芝孢子粉膠囊除外）；及
- (b) 每季與母集團代表溝通，確認彼等的研發產品組合有否含靈芝或靈芝孢子為原材料的任何產品。

本公司成立監察委員會（「競爭監察委員會」），由3名獨立非執行董事梁愛詩女士、趙中振先生及陳毅馳先生組成，主要職責如下：

- (a) 每季開會並審閱競爭執行委員會的季度檢查紀錄及每日通訊紀錄（如適用）；及
- (b) 向董事會報告對競爭執行委員會所提供紀錄的審閱結果，該結果亦會於本公司年報刊登。

就競爭執行委員會所知悉，截至2016年12月31日止年度，母集團並無於非中國市場設立分銷渠道銷售任何以靈芝或靈芝孢子為原材料的產品（本集團製造的破壁靈芝孢子粉膠囊除外）。

Substantial Shareholders

At 31 December 2016, the interest of the persons, other than Directors or chief executive of the Company, in the shares and underlying shares of the Company which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO and entered in the register maintained by the Company pursuant to Section 336 of the SFO, or otherwise notified to the Company were as follows:

Long position in shares

Name of shareholder 股東名稱	Capacity 身份	Number of shares 股份數目	Approximate percentage of issued share capital
			佔已發行股本的 概約百分比
Tong Ren Tang Technologies 同仁堂科技	Beneficial owner 實益擁有人	318,540,000	38.05%
Tong Ren Tang Ltd. 同仁堂股份 ⁽¹⁾	Beneficial owner 實益擁有人	281,460,000	33.62%
	Interest of a controlled corporation 受控制公司的權益	318,540,000	38.05%
Tong Ren Tang Holdings 同仁堂集團公司 ⁽²⁾	Interest of a controlled corporation 受控制公司的權益	600,000,000	71.67%
Greenwoods Asset Management Holdings Limited ⁽³⁾	Interest of a controlled corporation 受控制公司的權益	45,936,000	5.49%
Greenwoods Asset Management Limited ⁽³⁾	Interest of a controlled corporation 受控制公司的權益	45,936,000	5.49%
Jiang Jinzhi ⁽³⁾	Interest of a controlled corporation 受控制公司的權益	45,936,000	5.49%
Unique Element Corp. ⁽³⁾	Interest of a controlled corporation 受控制公司的權益	45,936,000	5.49%

Notes:

- (1)

Tong Ren Tang Ltd. directly holds 46.85% of the issued share capital of Tong Ren Tang Technologies. Accordingly, Tong Ren Tang Ltd. is deemed to be interested in 318,540,000 shares of the Company held by Tong Ren Tang Technologies.
- (2)

Tong Ren Tang Holdings directly holds 52.45% of the issued share capital of Tong Ren Tang Ltd. which in turn directly holds 46.85% of the issued share capital of Tong Ren Tang Technologies. Tong Ren Tang Holdings also directly holds 0.74% of the issued share capital of Tong Ren Tang Technologies. Accordingly, Tong Ren Tang Holdings is deemed to be interested in 318,540,000 shares of the Company and 281,460,000 shares of the Company held by Tong Ren Tang Technologies and Tong Ren Tang Ltd., respectively.
- (3)

According to the disclosure forms filed by Greenwoods Asset Management Holdings Limited, Greenwoods Asset Management Limited, Jiang Jinzhi and Unique Element Corp. on 8 December 2016, the following interests in shares of the Company were held by Greenwoods Asset Management Holdings Limited, Greenwoods Asset Management Limited, Jiang Jinzhi and Unique Element Corp. as follows:

主要股東

於2016年12月31日，在本公司股份及相關股份中擁有根據證券及期貨條例第XV部第2及3分部已知會本公司及聯交所及根據證券及期貨條例第336條載入本公司備存登記冊或知會本公司的權益之人士（本公司董事或主要行政人員除外）如下：

股份好倉

附註：

- (1)

同仁堂股份直接持有同仁堂科技已發行股本的46.85%。因此，同仁堂股份視為擁有同仁堂科技所持318,540,000股股份的權益。
- (2)

同仁堂集團公司直接持有同仁堂股份已發行股本的52.45%，而同仁堂股份又直接持有同仁堂科技已發行股本的46.85%。同時，同仁堂集團公司直接持有同仁堂科技已發行股本的0.74%。因此，同仁堂集團公司視為擁有同仁堂科技及同仁堂股份分別所持318,540,000股股份及281,460,000股股份的權益。
- (3)

根據Greenwoods Asset Management Holdings Limited, Greenwoods Asset Management Limited, Jiang Jinzhi及Unique Element Corp.於2016年12月8日遞交的披露權益表格，由Greenwoods Asset Management Holdings Limited, Greenwoods Asset Management Limited, Jiang Jinzhi及Unique Element Corp.持有本公司權益如下：

Name of controlled corporation 受控法團的名稱	Name of controlling shareholder 控權股東的姓名或名稱	Direct interest (Y/N)		Number of shares 股份數目
		% control 控制百分率 %	直接權益 (是 / 否)	
Unique Element Corp.	Jiang Jinzhi	100.00	N 否	Long position 好倉 45,936,000
Greenwoods Asset Management Holdings Limited	Unique Element Corp.	81.00	N 否	Long position 好倉 45,936,000
Greenwoods Asset Management Limited	Greenwoods Asset Management Holdings Limited	100.00	N 否	Long position 好倉 45,936,000
Golden China Master Fund	Jiang Jinzhi	100.00	Y 是	Long position 好倉 7,685,000
Greenwoods Asset Management Limited	Greenwoods Asset Management Holdings Limited	100.00	N 否	Long position 好倉 14,004,000
Greenwoods China Alpha Master Fund	Greenwoods Asset Management Limited	100.00	Y 是	Long position 好倉 19,545,000
Golden China Plus Master Fund	Jiang Jinzhi	100.00	Y 是	Long position 好倉 1,700,000
Greenwoods China Healthcare Master Fund	Greenwoods Asset Management Limited	100.00	Y 是	Long position 好倉 3,002,000

Save as disclosed above, the Company had not been notified by any persons (other than Directors or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall under the provisions of Divisions 2 and 3 of Part XV of the SFO to be disclosed to the Company, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

Related Party Transactions

Details of related party transactions of the Group during the year ended 31 December 2016 are set out in note 30 to the consolidated financial statements, certain of these transactions (as set out below) also constitute connected transactions/continuing connected transactions under Chapter 20 of the GEM Listing Rules. The Company confirmed that it has complied with the disclosure requirements in accordance with Chapter 20 of the GEM Listing Rules.

除上文所披露者外，本公司並無獲任何人士（本公司董事或主要行政人員除外）知會擁有根據證券及期貨條例第XV部第2及3分部條文須向本公司披露或根據證券及期貨條例第336條本公司須予備存的登記冊所記錄的本公司股份或相關股份權益或淡倉。

關聯方交易

本集團截至2016年12月31日止年度的關聯方交易詳情載於合併財務報表附註30，其中若干交易（下文所列者）亦為創業板上市規則第20章規定的關連交易／持續關連交易。本公司確認一直遵守創業板上市規則第20章的披露規定。

Continuing Connected Transactions

The Group has entered into a number of connected transactions/continuing connected transactions with the connected persons (as defined in the GEM Listing Rules) of the Company. The Directors confirmed that the Company has complied with the disclosure requirements in accordance with Chapter 20 of the GEM Listing Rules. Details of the non-exempted continuing connected transactions of the Group during the year ended 31 December 2016 are as follows:

(1) PRC Distribution Framework Agreement

On 10 April 2014, the Company and Tong Ren Tang Holdings entered into a supplemental agreement to the PRC distribution framework agreement dated 3 October 2013 (the “PRC Distribution Framework Agreement”) that the Tong Ren Tang Group (collectively refer to Tong Ren Tang Holdings, its subsidiaries, its joint ventures and its associates, other than Tong Ren Tang Technologies and its subsidiaries) was act as a non-exclusive distributor of the Group and would purchase the Owned Products (as defined in the announcement of the Company dated 10 April 2014) from the Group and then distribute the same to retailer or end users in the PRC for a period from 1 January 2014 to 31 December 2016.

Tong Ren Tang Holdings is the ultimate controlling shareholder of the Company and is therefore a connected person of the Company under the GEM Listing Rules. The annual caps for the transactions contemplated under the PRC Distribution Framework Agreement for the years ended 31 December 2014, 2015 and 2016 are HK\$185,000,000 (exclusive of value-added tax in the PRC), HK\$220,000,000 (exclusive of value-added tax in the PRC) and HK\$260,000,000 (exclusive of value-added tax in the PRC), respectively.

As the PRC Distribution Framework Agreement expired on 31 December 2016, on 14 December 2016, the Company entered into the new PRC distribution framework agreement with Tong Ren Tang Holdings for renewal of the continuing connected transactions thereunder for the period from 1 January 2017 to 31 December 2019. The annual caps in respect of the transactions under the new PRC distribution framework agreement for the years ending 31 December 2017, 2018 and 2019 are HK\$200,000,000 (exclusive of value-added tax in the PRC), HK\$230,000,000 (exclusive of value-added tax in the PRC) and HK\$270,000,000 (exclusive of value-added tax in the PRC) respectively. As one or more of the applicable percentage ratios (other than the profits ratio) of the annual caps exceed 5% and the annual caps is more than HK\$10,000,000, the new PRC distribution framework agreement and the transactions contemplated thereunder are subject to reporting, announcement and annual review requirements as well as the requirement of independent shareholders’ approval under the GEM Listing Rules.

The new PRC distribution framework agreement were approved by the independent shareholders of the Company in the extraordinary general meeting held on 6 January 2017.

(2) Procurement of Angong Niuhuang Wan Powder from Tong Ren Tang Ltd.

On 28 October 2015, the Company entered into a Angong Niuhuang Wan Powder master purchase agreement with Tong Ren Tang Ltd. (the “Angong Niuhuang Wan Powder Master Purchase Agreement”) whereby the Company would purchase Angong Niuhuang Wan Powder, being the raw materials for production of Angong Niuhuang Wan, from Tong Ren Tang Ltd for the period from 1 January 2016 to 31 December 2018.

Tong Ren Tang Ltd. is our controlling shareholder of the Company and hence a connected person of the Company for the purpose of the GEM Listing Rules.

As the market demand for the Angong Niuhuang Wan exceeds the original projection, the amount of Angong Niuhuang Wan Powder procured by the Group from Tong Ren Tang Ltd. Group under the Angong Niuhuang Wan Powder Master Purchase Agreement is expected to exceed the original annual caps during the remaining term of the Angong Niuhuang Wan Powder Master Purchase Agreement. In view of the above, the Company and Tong Ren Tang Ltd. entered into a supplemental agreement on 8 August 2016 (the “Supplemental Agreement”) to revise the annual caps for the each of the three years ending 31 December 2018 in order to comply with Rule 20.52 of the GEM Listing Rules.

持續關連交易

本集團與本公司關連人士（定義見創業板上市規則）訂立多項關連交易／持續關連交易。董事確認本公司已遵守創業板上市規則第20章的相關條款。截至2016年12月31日止年度，本集團非豁免持續關連交易的詳情如下：

(1) 中國分銷框架協議

於2014年4月10日，本公司與同仁堂集團公司對於2013年10月3日訂立之中國分銷框架協議（「中國分銷框架協議」）訂立補充協議，同仁堂集團（指同仁堂集團公司、其附屬公司、合營企業及聯繫人（同仁堂科技及其附屬公司除外））於2014年1月1日至2016年12月31日作為本集團非獨家分銷商，向本集團購買自有產品（於本公司2014年4月10日之公告所定義），然後分銷予中國的零售商或終端用戶。

同仁堂集團公司乃本公司的最終控股股東，故根據創業板上市規則屬本公司的關連人士。截至2014年、2015年及2016年12月31日止年度，中國分銷框架協議所涉交易的年度上限分別為185,000,000港元（不含中國增值稅）、220,000,000港元（不含中國增值稅）及260,000,000港元（不含中國增值稅）。

由於中國分銷框架協議已於2016年12月31日到期，本公司於2016年12月14日與同仁堂集團公司訂立新中國分銷框架協議，以繼續持續關連交易，期限為2017年1月1日至2019年12月31日。截至2017年、2018年及2019年12月31日止年度根據新中國分銷框架協議項下之交易的年度上限分別為200,000,000港元（不含中國增值稅）、230,000,000港元（不含中國增值稅）及270,000,000港元（不含中國增值稅）。由於年度上限的一項或多項適用百分比率（利潤比率除外）均超過5%且年度上限超過10,000,000港元，因此新中國分銷框架協議及所涉交易均須遵守創業板上市規則的申報、公佈、年度審核及獨立股東批准規定。

此新中國分銷框架協議已於2017年1月6日舉行的股東特別大會上獲本公司獨立股東批准。

(2) 自同仁堂股份採購安宮牛黃丸粉

本公司於2015年10月28日與同仁堂股份訂立安宮牛黃丸粉總採購協議（「安宮牛黃丸粉總採購協議」），以從同仁堂股份購買生產安宮牛黃丸的原材料安宮牛黃丸粉，期限為2016年1月1日至2018年12月31日。

同仁堂股份為本公司控股股東，因此屬創業板上市規則所指本公司關連人士。

由於安宮牛黃丸的市場需求超過原有之預測，安宮牛黃丸粉總採購協議項下本集團向同仁堂股份採購之安宮牛黃丸粉金額預期於安宮牛黃丸粉總採購協議餘下年期將會超過原訂之年度上限。鑑於上述情況，本公司及同仁堂股份已於2016年8月8日簽訂一份補充協議（「補充協議」）以修訂截至2018年12月31日止3個年度各自之年度上限，以遵守創業板上市規則規則20.52條之規定。

The new annual caps in respect of the transactions under the Supplemental Agreement for the year ended 31 December 2016 and years ending 31 December 2017 and 2018 are HK\$17,400,000, HK\$23,200,000 and HK\$26,500,000, respectively. As one or more of the applicable percentage ratios (other than the profits ratio) of the annual caps exceed 0.1% but less than 5% on an annual basis, the transactions contemplated under the Existing Angong Niu Huang Powder Master Purchase Agreement are subject to reporting, announcement and annual review requirements but exempt from the independent shareholders’ approval requirements under the GEM Listing Rules.

(3) Exclusive Distributorship Framework Agreements with Tong Ren Tang Technologies and Tong Ren Tang Ltd.

On 28 October 2014, the Company entered into the exclusive distributorship framework agreement (the “Exclusive Distributorship Framework Agreements”) with each of Tong Ren Tang Technologies and Tong Ren Tang Ltd. whereby Beijing Tong Ren Tang International Natural-Pharm Co., Ltd. (“TRT International Natural-Pharm”), a wholly-owned subsidiary of the Company, was appointed by each of Tong Ren Tang Technologies Group (refer to Tong Ren Tang Technologies, its subsidiaries and its associates (other than the Group)) and Tong Ren Tang Ltd. Group (refer to Tong Ren Tang Ltd., its subsidiaries and its associates (other than Tong Ren Tang Technologies Group and the Group)) as the sole distributor of Tong Ren Tang branded products in Non-PRC Markets for the period from 1 January 2015 to 31 December 2017. TRT International Natural-Pharm would purchase Tong Ren Tang branded products from Tong Ren Tang Technologies Group and Tong Ren Tang Ltd. Group and distribute them to Non-PRC Markets.

The annual caps in respect of the transactions under the Exclusive Distributorship Framework Agreements for the years ended 31 December 2015 and 2016 and year ending 31 December 2017 are HK\$90,300,000, HK\$106,400,000 and HK\$125,200,000, respectively.

Tong Ren Tang Technologies and Tong Ren Tang Ltd. are both the controlling shareholders of the Company and hence are connected persons of the Company for the purpose of the GEM Listing Rules.

As one or more of the applicable percentage ratios (other than the profits ratio) of the annual caps exceed 5% and the annual caps is more than HK\$10,000,000, the new exclusive distributorship framework agreements and the transactions contemplated thereunder are subject to reporting, announcement and annual review requirements as well as the requirement of independent shareholders’ approval under the GEM Listing Rules.

The Exclusive Distributorship Framework Agreements were approved by the independent shareholders of the Company in the extraordinary general meeting held on 27 November 2014.

截至2016年、2017年及2018年12月31日止年度根據補充協議進行之交易的相關年度上限分別為17,400,000港元、23,200,000港元及26,500,000港元。由於年度上限的一項或多項適用百分比率(利潤比率除外)超過0.1%且低於5%，因此現有安宮牛黃丸粉總採購協議及所涉交易均須遵守創業板上市規則的申報、公佈、年度審核但不需要獨立股東批准。

(3) 與同仁堂科技及同仁堂股份訂立獨家經銷框架協議

2014年10月28日，本公司與同仁堂科技及同仁堂股份分別訂立獨家經銷框架協議（「獨家經銷框架協議」），同仁堂科技集團（指同仁堂科技、其附屬公司及其聯繫人（不包括本集團））及同仁堂股份集團（指同仁堂股份、其附屬公司及其聯繫人（不包括同仁堂科技集團及本集團））均委任本公司全資附屬公司北京同仁堂國際藥業有限公司（「同仁堂國際藥業」）於2015年1月1日至2017年12月31日為非中國市場同仁堂品牌產品的獨家經銷商。同仁堂國際藥業從同仁堂科技集團及同仁堂股份集團購買同仁堂品牌產品並分銷至非中國市場。

截至2015年、2016年及2017年12月31日止年度根據獨家經銷框架協議進行之交易的相關年度上限分別為90,300,000港元、106,400,000港元及125,200,000港元。

同仁堂科技及同仁堂股份均為本公司控股股東，因此屬創業板上市規則所指本公司關連人士。

由於年度上限的1項或多項適用百分比率(利潤比率除外)均超過5%且年度上限超過10,000,000港元，因此新獨家經銷框架協議及所涉交易均須遵守創業板上市規則的申報、公佈、年度審核及獨立股東批准規定。

新獨家經銷框架協議已於2014年11月27日舉行的股東特別大會上獲本公司獨立股東批准。

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Details of the above continuing connected transactions are further summarised as follows:

Name of connected party 關連方名稱	Nature of transaction 交易性質	Transaction amount for the year ended 31 December 2016 截至2016年 12月31日 止年度交易額 HK\$‘000 千港元	Annual cap for the year ended 31 December 2016 截至2016年 12月31日 止年度之年度上限 HK\$‘000 千港元
(1) Tong Ren Tang Holdings 同仁堂集團公司	Sales of the Owned Products 銷售自有產品	151,780	260,000
(2) Tong Ren Tang Ltd. 同仁堂股份	Purchase of Angong Niuhuang Wan Powder 購買安宮牛黃丸粉	15,525	17,400
(3) Tong Ren Tang Technologies and Tong Ren Tang Ltd. 同仁堂科技及同仁堂股份	Purchase of Tong Ren Tang branded products for distribution 購買用於分銷的同仁堂品牌產品	72,387	106,400

The price and the terms of the above transactions have been determined in accordance with the pricing policies and guideline set out in the relevant announcements.

Confirmation of independent non-executive Directors:

The independent non-executive Directors have reviewed the above continuing connected transactions and confirmed that these continuing connected transactions have been entered into by the Group:

- (1) in the ordinary and usual course of business of the Group;
- (2) on normal commercial terms or better; and
- (3) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

PricewaterhouseCoopers, the Company’s auditor, was engaged to report on the Group’s continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” and with reference to Practice Note 740 “Auditor’s Letter on Continuing Connected Transactions under the Hong Kong Listing Rules” issued by the Hong Kong Institute of Certified Public Accountants. The Company’s auditor has issued their unqualified letter containing their findings and conclusions in respect of the continuing connected transactions disclosed above by the Group on pages 48 to 53 of this annual report in accordance with Rule 20.54 of the GEM Listing Rules. A copy of the auditor’s letter has been provided by the Company to the Stock Exchange.

Contracts of Significance

Saved as disclosed above, there is no contract of significance between the Company or any of its subsidiaries, and the Controlling Shareholders or any of its subsidiaries. There is no contract of significance for the provision of services to the Company or any of its subsidiaries by the Controlling Shareholders or any of its subsidiaries.

Directors’ Interests in Transaction, Arrangement or Contracts of Significance

Details of Directors’ interests in contracts of significance in relation to the Group’s business are set out in the section headed “Continuing Connected Transactions” in this annual report.

Other than as disclosed above, there was no transaction, arrangement or contract of significance to which the Company or its subsidiaries, or its holding companies or any of its fellow subsidiaries was a party, and in which a Director or a entity connected with the Director was materially interested, whether directly or indirectly, subsisting during or at the end of the year ended 31 December 2016.

上述持續關連交易詳情進一步概述如下：

上述交易的價格與條款已根據相關公告所載定價政策與指引釐定。

獨立非執行董事確認：

獨立非執行董事已審閱上述持續關連交易，並確認該等持續關連交易乃本集團：

- (1) 於本集團日常及一般業務過程中訂立；
- (2) 按一般商業條款或更佳條款訂立；及
- (3) 按條款公平合理且符合本公司股東整體利益的有關協議進行。

本公司核數師羅兵咸永道會計師事務所獲委任根據香港會計師公會頒佈的香港核證聘用準則第3000號「歷史財務資料審核或審閱以外之核證工作」，並參照實務說明第740號「關於香港上市規則所述持續關連交易的核數師函件」就本集團的持續關連交易作出報告。本公司核數師已根據創業板上市規則第20.54條發出函件，對載於本年報第48至53頁所披露本集團持續關連交易的相關結果及結論無保留意見。本公司已向聯交所呈交核數師函件。

重大合約

除上文所披露者外，本公司或其任何附屬公司概無與控股股東或其任何附屬公司訂立重大合約。控股股東或其任何附屬公司概無向本公司或其任何附屬公司提供服務而訂立重大合約。

董事所擁有交易、安排或重大合約的權益

董事所擁有與本集團業務相關的重大合約權益詳情載於本年報「持續關連交易」一節。

除上文所披露者外，截至2016年12月31日止年度期間或於截至該日，本公司或其附屬公司或控股公司或任何同系附屬公司概無訂立任何董事或其關聯實體直接或間接於其中擁有重大權益的交易、安排或重大合約。

Interests of the Compliance Advisor

The Company’s compliance advisor, Kim Eng Securities (Hong Kong) Limited (the “Compliance Advisor”) entered into the Compliance Advisor agreement (the “Compliance Advisor Agreement”) with the Company dated 6 May 2013 effective on 7 May 2013, the date of the listing (the “Listing Date”) of the Company’s shares on the Stock Exchange. As at 31 December 2015, the engagement of the Compliance Advisor has covered the second full financial year commencing after the Listing Date, which has been satisfied with the Rule 6A.19 of the GEM Listing Rules. As at 30 March 2016, the engagement of the Compliance Advisor has expired.

As at 30 March 2016, as notified by the Compliance Advisor, except for the Compliance Advisor Agreement, neither the Compliance Advisor nor its directors, employees or close associates had any interests in relation to the Company which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

Purchase, Sale or Redemption of the Listed Securities of the Company

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the year ended 31 December 2016.

Indemnity of Directors

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 corporate activities. A permitted indemnity provision (as defined in section 469 of the Hong Kong Companies Ordinance) for the benefit of the Directors is currently in force and was in force throughout this year.

Environmental Policies and Performance

The Group considers the importance of environmental affairs and believes business development and environment affairs are highly related. This year, the Group implemented certain environmental protection measures to save energy and reduce the consumption of resources. These policies were supported by our staff and were implemented effectively.

Compliance with Laws and Regulations

As a listed company engages business in Hong Kong, the Group is subject to various laws and regulations including Companies Ordinance (Chapter 622), Business Registration Ordinance (Chapter 310), Inland Revenue Ordinance (Chapter 112) and Employment Ordinance (Chapter 57). Our Group has put in place internal controls to ensure compliance of the same. In addition, as the Group also engages business in certain jurisdictions, compliance procedures are in place to ensure adherence to applicable laws, rules and regulations in particular, those have significant impact on the Group. Any changes in the applicable laws, rules and regulations are brought to the attention of relevant employees and relevant operation units in the Company and subsidiaries from time to time.

Sufficiency of Public Float

As at the latest practicable date prior to the issue of this report, based on information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirm that the Company maintained the amount of public float as required under the GEM Listing Rules.

Auditor

PricewaterhouseCoopers will retire, and being eligible, offer themselves for re-appointment at the forthcoming annual general meeting. A resolution for their re-appointment as auditor of the Company will be proposed at the forthcoming annual general meeting. The Company has not changed its auditor in any of the preceding three years.

Mei Qun
Chairman

Hong Kong, 14 March 2017

合規顧問的權益

本公司的合規顧問金英證券(香港)有限公司(「合規顧問」)與本公司於2013年5月6日訂立合規顧問協議，並於本公司的股份在聯交所上市當日生效，即2013年5月7日(「上市日期」)。於2015年12月31日，合規顧問的聘任已涵蓋在上市日期起計的第二個完整財政年度，符合創業板上市規則第6A.19條。故於2016年3月30日，合規顧問的聘任已經期滿。

於2016年3月30日，本公司獲合規顧問知會，除合規顧問協議外，合規顧問及其董事、僱員或緊密聯繫人士概無擁有根據創業板上市規則第6A.32條須知會本公司的與本公司有關的任何權益。

購買、出售或贖回本公司上市證券

截至2016年12月31日止年度，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

董事彌償

本公司已為董事及高級人員購買適當保險，保障彼等因履行職務而可能承擔之法律訴訟責任。惠及董事的獲准許的彌償條文(根據公司條例第469節)均於現時及貫穿本年生效。

環境政策及表現

本集團重視環境保護，認為企業業務發展與環境事務高度相關。於本年，本集團制定了一定的環境保護措施，努力節約能源及減少耗用資源。此等政策獲得我們員工支持並有效實施。

遵守法律及法規

作為一家在香港經營的上市公司，本集團受多項法律及法規規管，包括公司條例(第622章)、商業登記條例(第310章)、稅務條例(第112章)及僱傭條例(第57章)。本集團已制定內部控制，以確保符合規定。此外，本集團亦在某些司法權區從事經營，已制定合規程序以確保遵守適用的法律、條例及規則，特別是對本集團有顯著影響的法律、條例及規則。相關僱員及公司和子公司經營單位不時檢視適用的法律、條例及規則的任何更改。

足夠公眾持股量

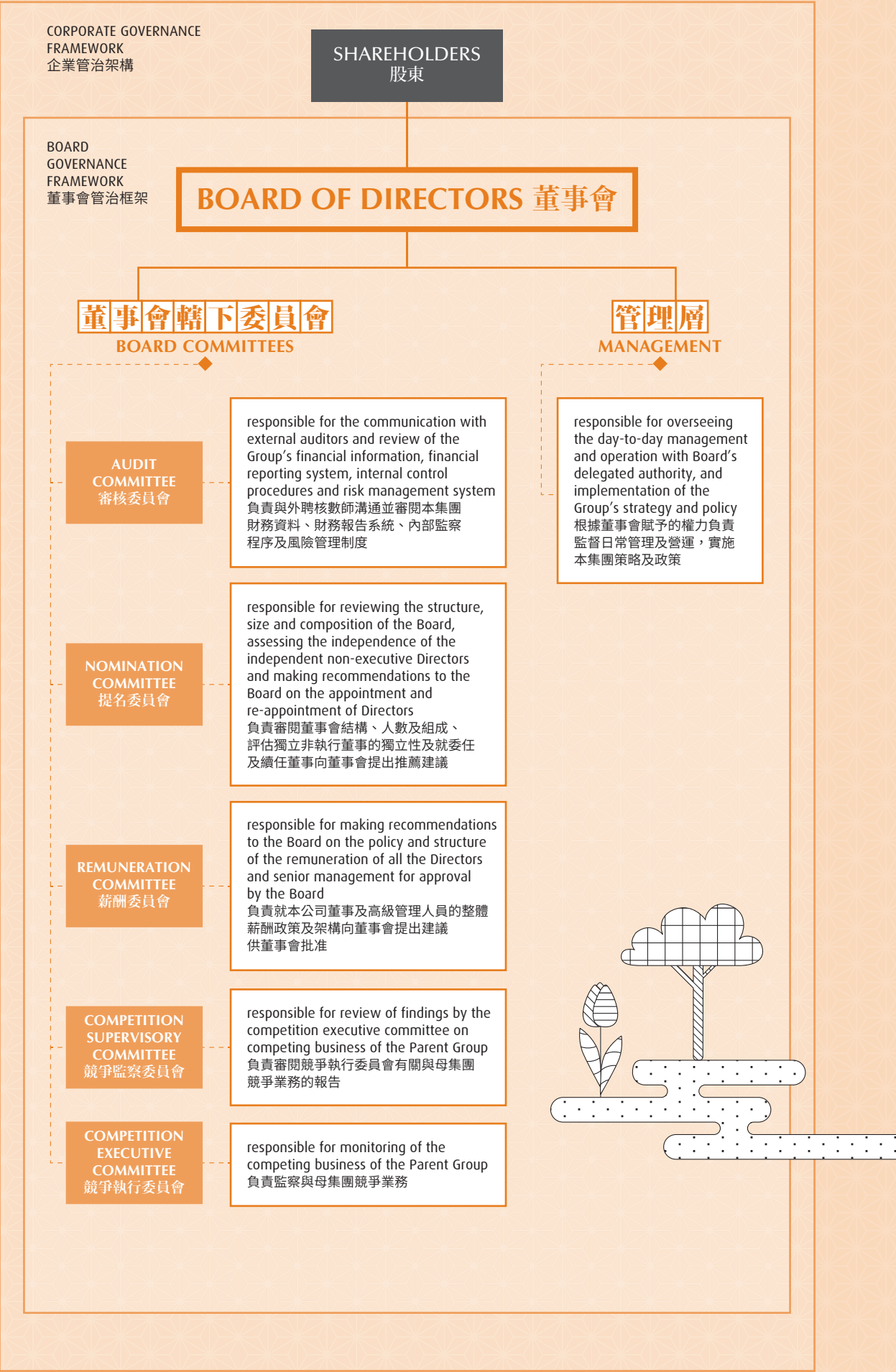
在發出本報告之前盡可能最近的日期，根據本公司公開所得信息及據董事所知，董事確認本公司維持創業板上市規則所規定的公眾持股量。

核數師

羅兵咸永道會計師事務所即將退任，惟符合資格於應屆股東週年大會重選連任。本公司將於應屆股東週年大會提呈續聘羅兵咸永道會計師事務所為本公司核數師的決議案。本公司過往3年並無更換核數師。

梅群
主席

香港，2017年3月14日



Corporate Governance Practices

The Board as a whole and the management of the Company are committed to the maintenance of good corporate governance practices and procedures. The Group firmly believes that strict corporate governance can enhance the Group's credibility and transparency, thus strengthening the confidence of the shareholders and investors in the Group.

For the year ended 31 December 2016, the Group had complied with all applicable provisions of the Corporate Governance Code (the "Code") as set out in Appendix 15 of the GEM Listing Rules. The Group is committed to the principles of good corporate governance as set out in the Code.

Compliance with the Required Standard of Dealings in Securities Transactions by Directors of Listed Issuers

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiries of all the Directors, all the Directors confirmed that they had complied with the required standard of dealings and the code of conduct regarding securities transactions by Directors adopted by the Company.

企業管治常規

董事會全體董事及本公司管理層致力維持良好的企業管治常規與程序。本集團堅信，嚴格的企業管治有利於加強本集團的信譽及透明度，從而提升股東及投資者對本集團的信心。

截至2016年12月31日止年度，本集團一直遵守創業板上市規則附錄15所載企業管治守則（「守則」）的所有適用條文。本集團一直堅守守則所載的良好企業管治原則。

遵守上市發行人董事買賣證券交易必守標準的情況

本公司已採納與創業板上市規則第5.48條至5.67條所規定交易標準相若的董事進行證券交易的行為守則條文。經特定查詢後，全體董事確認一直遵守本公司董事進行證券交易的交易規定和行為守則。

Directors
Board composition

Details of the composition of the Board and the Directors’ biographical information are set out on pages 32 to 35 of the annual report, respectively. The Board consists of seven Directors, comprising one non-executive Director, three executive Directors and three independent non-executive Directors. One-third of the Board are independent non-executive Directors of which more than one have appropriate professional qualifications, or accounting or related financial management expertise. The structure, size, composition and diversity of the Board are reviewed from time to time to ensure that it has a balance of expertise, skills and experience appropriate for the requirements of the business of the Company. The independence of the independent non-executive Directors is assessed according to the relevant rules and requirements under the GEM Listing Rules.

The composition of the Board, by category and position of Directors including the names of the Chairman, the executive Directors, the non-executive Directors and the independent non-executive Directors, is disclosed in all corporate communications. The Company maintains on its website and on the website of the Stock Exchange, (i) an updated list of its Directors identifying their respective roles and functions together with their biographical information and whether they are independent non-executive Directors; and (ii) the terms of reference of the Board committees to enable the shareholders to understand the roles played by those independent non-executive Directors who serve on the relevant Board committees.

Board and Committee Meetings

Regular Board meetings are usually scheduled towards the end of the immediately preceding year to give all Directors adequate time to plan their schedules to attend the meetings. At least 14 days formal notice would be given before each regular meeting. Board meeting documents including supporting analysis and related background information are normally sent to the Directors at least three days before regular Board meetings. According to the Articles of Association of the Company (the “Articles of Association”), a Director may waive notice of any meeting.

The Board meets regularly each year and held meetings in March, April, August and October during the Year. In consultation with members of the Board, the company secretary of the Company (the “Company Secretary”) assists the Chairman in preparing the meeting agenda, where applicable, matters proposed by other Directors are included in the agenda. The senior management members are invited to join Board meetings if necessary, to enhance the Board and management communication. During the year ended 31 December 2016, the Directors actively participated in meetings and a summary of the Directors’ attendance records in 2016 are as follows:

Members of the Board 董事會成員	Attendance/Number of Meetings 出席次數／會議次數				
	Board 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會	Annual General Meeting 股東週年大會
Non-executive Director 非執行董事					
Mei Qun 梅群	4/4	-	-	-	1/1
Executive Directors 執行董事					
Ding Yong Ling 丁永玲	4/4	-	1/1	1/1	1/1
Zhang Huan Ping 張煥平	4/4	4/4	-	-	1/1
Lin Man 林曼	4/4	4/4	1/1	1/1	1/1
Independent Non-executive Directors 獨立非執行董事					
Leung, Oi Sie Elsie 梁愛詩	4/4	4/4	-	1/1	0/1
Zhao Zhong Zhen 趙中振	4/4	4/4	1/1	-	1/1
Chan Ngai Chi 陳毅馳	4/4	4/4	1/1	1/1	1/1

董事
董事會組成

董事會組成及各董事履歷詳情分別載於本年報第32至第35頁。董事會由7名董事組成，包括1名非執行董事、3名執行董事及3名獨立非執行董事。董事會三分之一的成員為獨立非執行董事，不止1名成員具備相關專業資格、會計或相關財務管理專業知識。本公司不時檢討董事會的架構、人數、組成及多元化，確保維持本公司業務所需專業知識、技能及經驗的平衡。本公司根據創業板上市規則的相關規則與規定評估獨立非執行董事的獨立性。

已於所有公司通訊按董事類別及職務（包括主席、執行董事、非執行董事及獨立非執行董事的姓名）披露董事會的組成。本公司分別在其網站及聯交所網站存置(i)一份最新董事名單，列明董事角色、職能與履歷並註明是否獨立非執行董事；及(ii)董事委員會書面職權範圍，以便股東了解獨立非執行董事於相關董事委員會擔任的職務。

董事會及委員會會議

董事會定期會議的召開時間通常於前一年度結束前安排，以便全體董事有充足時間規劃出席。各定期會議召開前應發出至少14天正式通知。董事會文件（包括分析證明及相關背景資料）通常於董事會定期會議召開前至少3天發出。根據本公司章程細則（「章程」），董事可豁免任何會議通知。

董事會每年定期召開會議，而本年內分別於3月、4月、8月及10月召開會議。與董事會成員協商後，本公司公司秘書（「公司秘書」）協助主席制訂會議議程，其他董事提議的事項亦列入議程（如適用）。如有需要會邀請高級管理人員參加董事會會議以加強董事會與管理層的交流。截至2016年12月31日止年度，各董事積極參加會議，彼等於2016年出席會議的紀錄概述如下：

Corporate Governance Report
企業管治報告

The Company Secretary prepares written resolutions or minutes and keeps records of substantive matters discussed and decisions resolved at all Board and Board committee meetings. These meetings minutes/resolutions:

- contain sufficient detail the matters considered by the Board/Board committees and decisions reached;
- are sent to the Directors for their comments;
- are sent to all Directors/Board committee members within a reasonable time (generally within 14 days) after such meeting; and
- are available for inspection by Directors/Board committee members.

Important matters are dealt with by a physical Board meeting. If a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter will be dealt with in accordance with applicable rules and regulations and, if appropriate, an independent Board committee will be set up to deal with the matter. Directors must declare his/her interest in the matters to be passed in the resolution, if applicable.

The Company has arranged for appropriate liability insurance to indemnify its Directors for their liabilities arising out of corporate activities undertaken for the Company. During the year ended 31 December 2016, no claim was made against the Directors.

Chairman and Chief Executive

Our Chairman, Mr. Mei Qun, acts as a non-executive Director in the Company and leads the Board in terms of formulating policies. The Chairman of the Board determines the board strategic direction of the Group in consultation with the Board and is responsible for the high-level oversight of the management. With the support of the executive Directors and the Company Secretary, the Chairman ensures that all Directors are properly briefed on all key and appropriate issues in a timely manner. The Chairman promotes a culture of openness and encourages Directors with different views to voice their opinion and be fully engaged in the Board’s affairs so as to contribute to the Board’s functions, and he may meet and/or communicate with the independent non-executive Directors without the presence of the executive Directors.

While our chief executive officer, Ms. Ding Yong Ling, is responsible for business strategic planning and day-to-day management and operation of the Group. The Board believes this segregation of duties helps to supervise and balance the power and authority of the Board and enhances the independence and accountability of the Board.

Appointment, Re-election and Removal

The procedures for appointing and re-electing directors are set out in the Articles of Association. The appointment of a new director must be approved by the Board. The Nomination Committee is responsible for making recommendations to the Board on the selection of individuals nominated for directorship taking into account factors such as appropriate professional knowledge, industry experience, personal ethics, integrity, personal skills, gender, age, cultural and educational background.

Pursuant to Article 97 of the Articles of Association, at each annual general meeting one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation and shall be eligible for re-election. The Directors to retire by rotation will be those Directors who have been Directors longest in office since their last re-election or appointment.

By virtue of Article 97 of the Articles of Association, Mr. Mei Qun, Mr. Zhang Huan Ping and Mr. Chan Ngai Chi will retire at the forthcoming annual general meeting, and being eligible, would offer themselves for re-election at the annual general meeting.

The Company has entered into service agreements with non-executive Director and each executive Director, and appointment letters with independent non-executive Directors. The tenure of all Directors is 3 years.

公司秘書擬寫書面決議案或會議紀錄並記錄所有董事會會議及董事委員會會議討論的實質問題及議決的事項，該等會議紀錄／決議：

- 包括董事會／董事委員會所審議事項詳情及所作決定；
- 送交各董事以作評論；
- 於相關會議後合理時間內（一般為 14 日內）送交全體董事／董事委員會成員；及
- 可供各董事／董事委員會成員查閱。

重要事項應舉行現場董事會會議處理。倘董事對董事會將審議且董事會認為重大之事項存在利益衝突，則有關事項根據相關規則與法規處理，如有需要，則設立獨立董事委員會處理。董事須聲明其於決議案將通過事項的權益（如適用）。

本公司已安排適當的責任保險，用以彌償董事為本公司業務活動所承擔的責任。截至 2016 年 12 月 31 日止年度，董事概無遭受任何索償。

董事會主席及最高行政人員

董事會主席梅群先生擔任本公司非執行董事，領導董事會制定決策。董事會主席與董事會磋商後釐定本集團董事會策略方向，負責高層次督導管理層。在執行董事與公司秘書的協助下，主席確保全體董事及時妥善地了解所有重要及相關問題。主席提倡開明文化，鼓勵持不同見解的董事提出意見及全面參與董事會事務，進而對董事會的職能作出貢獻。主席亦可在並無執行董事出席的情況下會見及／或與獨立非執行董事溝通。

首席執行官丁永玲女士則負責本集團業務策略規劃及日常管理與營運。董事會認為職責獨立有利於監督及平衡董事會權力和權限，亦可增強董事會的獨立性和問責性。

委任、重選及罷免

本公司章程載有委任及重選董事的程序。委任新董事必須經董事會批准。提名委員會負責考慮適當專業知識、行業經驗、個人道德、誠信、個人技能、性別、年齡、文化和教育背景等因素，就挑選提名董事的個別人士向董事會提出推薦意見。

根據章程第 97 條，每屆股東週年大會須有三分之一的董事（如人數並非 3 或 3 的倍數則為最接近但不少於三分之一的人數）退任，惟彼等可重選連任。須退任的董事為自上次重選或委任以來任期最長的董事。

根據章程第 97 條，梅群先生、張煥平先生及陳毅馳先生將於應屆股東週年大會退任並合資格於股東週年大會重選連任。

本公司已與非執行董事及各執行董事訂立服務協議，亦與獨立非執行董事訂立委任函，任期均為 3 年。

Roles and Responsibilities of the Board

The Board is accountable to the shareholders for sustainable development of the Group. The Board is responsible for formulating the overall strategies as well as monitoring and evaluating the operation and financial performance of the Group. The Board reserved for its decision or consideration matters covering overall Group strategy, major acquisitions and disposals, annual, interim and quarterly results, recommendations on Directors’ appointment or reappointment, approval of major capital transactions and other significant operational and financial matters. All the Directors carry out their duties in good faith and in compliance with applicable laws and regulations and pursue excellence in the interests of the shareholders at all times.

Our non-executive Director together with our independent non-executive Directors offer diverse industry expertise, serve the important function of advising the management on strategies and ensuring that the Board fulfils high standards of financial and other mandatory reporting requirements as well as providing adequate checks and balances for safeguarding the interests of the shareholders and the Company as a whole.

The non-executive Directors not only exercise their independent judgment and advise on the future business direction and strategic plans of the Company, they also review the financial information and operational performance of the Company on a regular basis.

Every executive Director has hands-on knowledge and expertise in the areas and operation in which he/she is charged with. Appropriate attention to the affairs of the Company is measured in terms of time as well as the quality of such attention and the ability of the Directors to contribute with reference to his/her area of knowledge and expertise, and his/her global perspective. There is satisfactory attendance at Board meetings during the Year.

The Directors have disclosed to the Company at the time of their appointment and from time to time thereafter the number and nature of offices held in public companies or organisations and other significant commitments, identifying the public companies or organisations involved.

Continuous Professional Development of the Directors

All Directors receive comprehensive information on appointment, so as to ensure understanding of the business and operations of the Group and Directors’ responsibilities and obligations under the GEM Listing Rules and relevant regulatory requirements.

The Company also updates the Directors on the latest developments and changes of the GEM Listing Rules and the applicable legal and regulatory requirements in the discharge of their duties.

During the Year, all the Directors actively participated in continuous professional development, by attending external training or seminars, attending in-house training and/or reading materials on the various topics covering regulations, corporate governance, finance and business, to develop and refresh their knowledge and skills, which ensure that their contribution to the Board remains informed and relevant. The Directors have provided records of training to the Company.

Independence of the independent non-executive Directors

During the Year, the Company has complied with Rules 5.05(1) and (2) and 5.05A of the GEM Listing Rules relating to the appointment of at least three independent non-executive directors representing more than one-third of the Board and the non-executive directors possess professional qualification and experience in the three areas of financial accounting, law and Chinese medicine industry, respectively. All independent non-executive Directors also meet the guidelines for assessment of their independence pursuant to Rule 5.09 of the GEM Listing Rules. Each of the independent non-executive Directors makes an annual confirmation of independence pursuant to the requirements of the GEM Listing Rules. The Company is of that view that all the independent non-executive Directors meet the independence guidelines set out in the relevant requirements of the GEM Listing Rules and are independent in accordance with the terms of the guidelines.

董事會角色及職責

董事會對股東負責，維持本集團可持續發展。董事會負責制定整體策略及監督和評估本集團之營運及財務表現。須經董事會決定或考慮的事務包括本集團整體策略、主要收購及出售、年度、中期及季度業績、董事任命或續聘推薦、批准主要資本交易與其他重大經營及財務事宜。全體董事均盡忠職守，並遵守適用的法律及法規，一直致力為股東爭取最大利益。

本公司非執行董事及獨立非執行董事具備多元化的行業專業知識，主要負責就發展策略向管理層提出意見，確保董事會嚴格遵守財務與其他法定報告要求，以及提供充分監督與制衡以保障股東及本公司的整體利益。

非執行董事不僅就本公司之未來業務方向及策略規劃提供獨立判斷及意見，亦定期審閱本公司的財務資料及營運表現。

各執行董事均具備所負責業務範疇及運作方面的實際知識及相關專長。董事對本公司業務的關注程度，按所投入的時間、服務的質素、基於本身知識及專長作出貢獻之能力和環球視野衡量。本年內董事會會議出席率良好。

董事於獲委任時及其後不時向本公司披露所擔任上市公司或組織之職位的數目及性質和其他重大職務，指明涉及的上市公司或組織。

董事的持續專業發展

所有董事獲委任時均獲得全面資料，確保了解本集團業務營運及創業板上市規則和相關監管規定的董事責任與義務。

本公司亦向董事提供創業板上市規則及彼等履行職責所適用的法律及監管規定的最新發展及更新。

本年內，全體董事積極參與持續專業發展，參加外界培訓或研討會，參加內部培訓及／或閱讀有關規管、企業管治、財務及業務等各類議題的資料，發展並更新其知識及技能，以確保其繼續在具備全面資訊及切合所需的情況下對董事會作出貢獻。董事已向本公司提供培訓紀錄。

獨立非執行董事的獨立性

本年內，本公司已遵照創業板上市規則第 5.05(1)、(2) 條及第 5.05A 條的規定，委任至少 3 名獨立非執行董事且佔董事會至少三分之一，有關獨立非執行董事均具備財務會計、法律與中醫藥 3 方面的專業資格和經驗。所有獨立非執行董事亦符合創業板上市規則第 5.09 條評估獨立非執行董事獨立性的指引。根據創業板上市規則的規定，各獨立非執行董事每年就獨立性發出確認。本公司認為所有獨立非執行董事均符合創業板上市規則相關規定所載獨立性指引，根據指引條款屬獨立。

Supply of and access to information

Board/Board committee meeting documents with adequate and reliable information are circulated not less than three days before the regular Board/Board committee meetings to enable the Directors/Board committee members in making informed decisions on matters to be raised at the Board/Board committee meetings.

All Directors have full and timely access to all relevant information as well as the advice and services of the Company Secretary and senior management of the Company, with a view to ensuring compliance with the Board procedures and all applicable laws and regulations.

The Company Secretary acts as the bridge between the Directors and business units of the Group to ensure that queries raised and clarification sought by the Directors are dealt with and that further supporting information is provided, as appropriate.

Directors have been advised that the Company Secretary can arrange independent professional advice at the expense of the Company should such advice be considered necessary by any Director or any Board committee.

Delegation to Management

Executive Directors are in charge of different businesses and functional divisions in accordance with their respective areas of expertise.

For matters or transactions of a material nature, the same will be referred to the Board for approval. For matters or transactions of a magnitude requiring disclosure under the GEM Listing Rules or other applicable rules or regulations appropriate disclosure will be made and where necessary, circular will be prepared and shareholders’ approval will be obtained in accordance with the requirements of the applicable rules and regulations. Specially, the Board has had in place Guidelines for Investments stating the authority approval limits and procedures.

The Board led by the Chairman, is responsible for the Group’s future development directions; overall strategies and policies; evaluation of the performance of the Group and the management and approval of matters that are of a material or substantial nature. Under the leadership of the chief executive officer, management is responsible for the day-to-day operations of the Group.

Corporate Governance Duties

The Board has delegated the responsibility of performing the corporate governance duties to the audit committee (the “Audit Committee”). Such function is responsible for performing the corporate governance duties according to the Code Provision D.3.1, which includes:

- (1) developing and reviewing the policies and practices on corporate governance of the Group;
- (2) reviewing and monitoring the training and continuous professional development of Directors and senior management;
- (3) reviewing and monitoring the Group’s policies and practices on compliance with legal and regulatory requirements;
- (4) developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to Directors and employees; and
- (5) reviewing the Company’s compliance with the Code and disclosure in the corporate governance report of the Company.

提供及查閱資料

董事會／董事委員會定期會議召開前不少於3天開始傳閱包含充足可靠信息的董事會／董事委員會文件，以便董事／董事委員會成員就董事會／董事委員會會議擬議事宜作出知情決定。

全體董事均可全面及時取得所有相關資料，亦可獲得公司秘書及高級管理人員提供的意見和協助，確保遵守董事會程序及所有適用法律和法規。

公司秘書擔當董事與本集團各部門之間的橋樑，確保董事提出的查詢及疑問得以處理，並提供進一步證明文件（如適用）。

董事獲悉，倘董事或董事委員會認為有必要徵求獨立建議，公司秘書可安排獲取獨立專業意見，費用由本公司承擔。

委派管理層

執行董事根據各自專長負責不同業務及職能部門的事務。

一切重大事項或交易均交由董事會審批。根據創業板上市規則或其他適用的規則或規例而須披露之重要事項或交易，均會作出適當披露，並於必要時根據適用規則及規例要求，刊發通函及取得股東批准。董事會制定專門的投資指引列明審批權限及程序。

董事會由主席領導，負責制定本集團未來發展方向、整體策略與政策，評估本集團及管理層表現及審批重要或重大事項。在首席執行官的領導下，管理層負責本集團日常營運。

企業管治職責

董事會已委派審核委員會（「審核委員會」）履行企業管治職責的責任。該部門負責根據守則條文第D.3.1條執行企業管治職責，包括：

- (1) 制訂及審閱本集團的企業管治政策及常規；
- (2) 審閱及監督董事和高級管理人員的培訓及持續專業發展；
- (3) 審閱及監督本集團有關遵守法律及監管要求的政策和常規；
- (4) 制訂、審閱及監察董事和僱員適用的行為守則及合規手冊（如有）；及
- (5) 審閱本公司遵守守則的情況及本公司企業管治報告所披露的資料。

Board Committees

The Board established an Audit Committee, a remuneration committee (the “Remuneration Committee”) and a nomination committee (the “Nomination Committee”) on 28 March 2013 with written terms of reference which are available for viewing on the websites of the Company and the Stock Exchange. Board committees report to the Board of their decisions and recommendations at the Board meetings.

Audit Committee

The Board established the Audit Committee with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules and the Code. The Audit Committee has three members (all of them are the independent non-executive Directors) comprising Chan Ngai Chi (Chairman), Leung, Oi Sie Elsie and Zhao Zhong Zhen.

The primary duties of the Audit Committee are mainly to communicate with external auditor; to review the remuneration, terms of engagement, independence and objectivity of the external auditor; to review the accounting policy, financial position, the financial reporting system, internal control procedures and risk management system of the Company and making recommendations thereof.

Minutes drafted by the Company Secretary are circulated to members of the Audit Committee within a reasonable time after each meeting. Audit Committee meetings were held in March, April, August and October of 2016.

The following is a summary of the work of the Audit Committee during 2016:

1. Review the financial reports for 2015 annual results, 2016 first quarterly results, 2016 interim results and 2016 third quarterly results;
2. Review the findings and recommendations of the internal audit department on the work of various departments and related companies;
3. Review the effectiveness of the internal control and risk management systems;
4. Review the external auditor’s audit findings;
5. Review the auditor’s remuneration;
6. Review the control mechanisms for the risks of different business units and advising on action plans for improvement of the situations;
7. Perform the corporate governance functions and review the corporate governance policies and practices; and
8. Review the connected transactions with the Parent Group.

On 6 March 2017, the Audit Committee met to review the Group’s 2016 consolidated financial statements, including the accounting principles and practices adopted by the Group, in conjunction with the Company’s external auditor. After review and discussions with the management, internal auditor and external auditor, the Audit Committee endorsed the accounting treatment adopted by the Company, and the Audit Committee had to the best of its ability assured itself that the disclosure of the financial information in the Annual Report 2016 complied with the applicable accounting standards and the GEM Listing Rules.

The Group’s annual report for the year ended 31 December 2016 has been reviewed by the Audit Committee. The Audit Committee therefore resolved to recommend for the Board’s approval the consolidated financial statements for the year ended 31 December 2016. The Audit Committee also recommended to the Board the re-appointment of PricewaterhouseCoopers as the Company’s external auditor for 2017 and that the related resolution shall be put forth for shareholders’ consideration and approval at the 2017 annual general meeting.

No member of the Audit Committee is a former partner of the existing auditing firm of the Company during the one year after he/she ceased to be a partner of the auditing firm.

董事會轄下委員會

董事會於2013年3月28日設立審核委員會、薪酬委員會（「薪酬委員會」）和提名委員會（「提名委員會」），並訂立相關書面職權範圍，可於本公司和聯交所網站查閱。董事委員會於董事會會議向董事會報告其決定及建議。

審核委員會

董事會根據創業板上市規則第5.28至5.33條和守則設立審核委員會，並訂立書面職權範圍。審核委員會由3名成員組成，包括陳毅馳（主席）、梁愛詩及趙中振，均為獨立非執行董事。

審核委員會主要負責與外聘核數師溝通，檢討其薪酬、聘用條款與外聘核數師是否獨立客觀，審閱本公司的會計政策、財務狀況、財務報告系統、內部控制程序及風險管理系統並提出相關建議。

會議紀錄由公司秘書草擬，於每次會議後一段合理時間內發送給各審核委員會成員。審核委員會於2016年3月、4月、8月及10月召開會議。

審核委員會於2016年的工作概述如下：

1. 審閱2015年年度業績、2016年第一季度業績、2016年中期業績及2016年第三季度業績之財務報告；
2. 審閱內審部提交有關各部門及相關公司工作的審核結果及建議；
3. 檢討內部監控及風險管理系統的成效；
4. 審閱外聘核數師的審計結果；
5. 審閱核數師酬金；
6. 審閱不同業務部門之風險監控機制，並就改善有關狀況之行動計劃提出意見；
7. 履行企業管治職責及審閱企業管治政策與常規；及
8. 審閱與母集團的關連交易。

於2017年3月6日，審核委員會舉行會議，聯同本公司外聘核數師審閱本集團2016年度的合併財務報表，包括本集團採納的會計原則及實務準則。審閱並與管理層、內審部及外聘核數師討論後，審核委員會贊同本公司所採納的會計處理方式，並已盡力確保2016年年報披露的財務資料符合適用的會計準則及創業板上市規則之規定。

審核委員會已審閱本集團截至2016年12月31日止年度之年報。因此，審核委員會決議建議董事會批准通過截至2016年12月31日止年度的合併財務報表。審核委員會亦向董事會建議，續聘羅兵咸永道會計師事務所為本公司2017年度的外聘核數師，並建議將有關決議案於2017年度股東週年大會上提交予股東考慮及通過。

本公司現任核數公司概無任何前任合夥人於離任核數公司合夥人日期起計1年內，擔任本公司審核委員會成員。

Remuneration Committee

The Company established the Remuneration Committee with written terms of reference in compliance with Rules 5.34 to 5.35 of the GEM Listing Rules and the Code. The Remuneration Committee has three members comprising Mr. Zhao Zhong Zhen (Chairman, the independent non-executive Director), Mr. Chan Ngai Chi (the independent non-executive Director) and Ms. Ding Yong Ling (the executive Director).

The primary duties of the Remuneration Committee are mainly to make recommendations to the Board and review the terms of the remuneration package of each Director and member of senior management and making recommendations to the Board regarding any adjustment thereof in accordance with the Group’s corporate goals and objectives; and to review and evaluate the performance of individual Directors. No Director shall participate in any discussion about his or her own remuneration.

The Remuneration Committee did consult the Chairman and/or the executive Director about proposals relating to the remuneration packages and other human resources issues of the Directors and senior management, including but not limited to, succession plan and key personnel movements as well as policies for recruiting and retaining qualified personnel. The human resources department provides administrative support and implements the approved remuneration packages and other human resources related decisions approved by the Remuneration Committee.

The remuneration of the Directors was determined with reference to their respective experiences, responsibilities with the Group and general market conditions. During the Year, the Remuneration Committee had held a meeting to review the remuneration package of the Directors and senior management of the Company.

Details of the remuneration payable to the Directors are set out in note 8 to the consolidated financial statements.

Nomination Committee

The Company established the Nomination Committee with written terms of reference in compliance with the Code Provisions A.5.1 and A.5.2 as set out in the Code. The Nomination Committee has three members comprising Ms. Leung, Oi Sie Elsie (Chairman, the independent non-executive Director), Mr. Chan Ngai Chi (the independent non-executive Director) and Ms. Ding Yong Ling (the executive Director). During the Year, the Nomination Committee had held meeting to review the structure of the Board.

The primary duties of the Nomination Committee are mainly to review the structure, size and composition (including the skills, knowledge, experience and diversity of perspectives) of the Board at least annually and to make recommendations on any proposed changes to the Board to complement the Company’s corporate strategy; to identify individuals suitably qualified to become the Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships of the Company and to assess the independence of independent non-executive Directors. In reviewing and recommending the appointment of new directors, the Nomination Committee would seek to identify the competencies required to enable the Board to fulfill its responsibilities. The resume or document of the nominee or candidate will be given to the Nomination Committee for consideration.

The Board adopted a board diversity policy setting out the approach to diversity of members of the Board and the Nomination Committee shall review such policy periodically. The Company recognises and embraces the benefits of diversity of Board members. It endeavours to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company’s business. All Board appointments will continue to be made on a merit basis with due regard for the benefits of diversity of the Board members.

薪酬委員會

本公司根據創業板上市規則第5.34至5.35條和守則設立薪酬委員會，並訂立書面職權範圍。薪酬委員會由3名成員組成，包括趙中振先生（主席兼獨立非執行董事）、陳毅馳先生（獨立非執行董事）及丁永玲女士（執行董事）。

薪酬委員會主要負責審閱各董事及高級管理人員的薪酬待遇條款並向董事會提出建議、根據本集團的企業目標向董事會提出有關調整薪酬待遇條款的建議以及審閱和評估個別董事的表現。董事不得參與討論本身的薪酬。

薪酬委員會就有關董事及高級管理人員的薪酬待遇及其他人力資源事宜（包括但不限於連任計劃、主要人員變動及招募與留任合資格人員的政策）的議案諮詢主席及／或執行董事。人力資源部提供行政支持並實施經批准薪酬待遇及薪酬委員會批准的其他人力資源相關決定。

董事薪酬參考彼等各自的經驗、於本集團承擔的職責及整體市況釐定。本年內，薪酬委員會已舉行一次會議審閱本公司董事及高級管理人員的薪酬待遇。

應付董事薪酬詳情載於合併財務報表附註8。

提名委員會

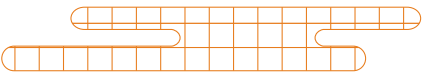
本公司根據守則所載守則條文第A.5.1和A.5.2條設立提名委員會，並訂立書面職權範圍。提名委員會由3名成員組成，包括梁愛詩女士（主席兼獨立非執行董事）、陳毅馳先生（獨立非執行董事）及丁永玲女士（執行董事）。本年內，提名委員會已召開會議審閱董事會的架構。

提名委員會主要負責至少每年審閱1次董事會的架構、人數和組成（包括技能、知識、經驗及多元化的觀點），並就任何為配合本公司的公司策略而擬對董事會作出的變動提出建議，亦負責物色具備合適資格可擔任董事的人士，並挑選有關人士出任本公司董事或就此向董事會提供意見，以及評估獨立非執行董事的獨立性。審核及建議委任新董事時，提名委員會會鑑定相關人士是否具備履行董事會職責所需能力。候選人的簡歷或文件會報送提名委員會審議。

董事會依循董事會成員多元化政策，使董事會有來自不同背景的成員，提名委員會須定期審閱該政策。本公司亦十分認同且重視董事會成員多元化的益處，因此會盡力確保董事會成員具備本公司業務所需的各方面技能、經驗及觀點多樣性。董事會將繼續沿才授職，充分發揮董事會成員多元化的益處。

Board Diversity

Selection and appointment of new directors will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, qualifications, skills, knowledge, business and related experience, commitment, ability to contribute to the Board process and such qualities and attributes that may be required by the Board. The ultimate decision will be made upon the merits and contribution that the selected candidates will bring to the Board.



Accountability and Audit

Directors are provided with a review of the Group’s major business activities and key financial information on a quarterly basis and the management provide all members of the Board with monthly updates of the Company’s performance.

The Board has included the separate statement containing a discussion and analysis of the Group’s sustainable development strategy in the section headed “Management Discussion and Analysis” of this annual report.

Company Secretary

The appointment and removal of the Company Secretary is subject to Board approval in accordance with the Articles of Association. The Company Secretary reports to the Board and also to the Chief Executive Officer on day-to-day duties and responsibilities. Company Secretary is responsible for supporting and advising the Board on governance matters. All Directors have access to the advice and service of the Company Secretary to ensure that board procedures, all applicable rules and regulations are followed.

Communications with Shareholders

The Board aims to present a clear, balanced and understandable assessment of the Group’s performance and position in all shareholder communications. The Board is aware of and updated with the requirements under the applicable rules and regulations about timely disclosure of inside information or matters regarding the Company and will authorise the publication of such announcements as and when the occasion arises.

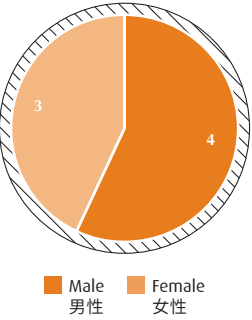
Effective Communications

The Board adopted a Shareholder’s Communication Policy on 8 May 2013 which provides that the Board should endeavour to maintain an ongoing dialogue with the shareholders and in particular, use annual general meetings or other general meetings to communicate with the shareholders and encourage their participation. Such policy is being reviewed from time to time to ensure its effectiveness. The Company establishes different communication channels with shareholders and investors, including:

- (i) printed copies of corporate communications (including but not limited to financial reports, notices of meetings, circulars and proxy forms) required under the GEM Listing Rules;
- (ii) the annual general meeting and other shareholders meetings provides a forum for shareholders to raise comments and exchange views with the Board;
- (iii) updated and key information on the Group is available on the website of the Company;
- (iv) the Company’s website offers a communication channel between the Company and its shareholders and stakeholders;
- (v) briefing meetings with analysts are arranged from time to time to update on the performance of the Group;
- (vi) the Company’s Registrar deals with shareholders for share registration and related matters; and
- (vii) the investor relations department of the Company handles enquires from shareholders and investors generally.

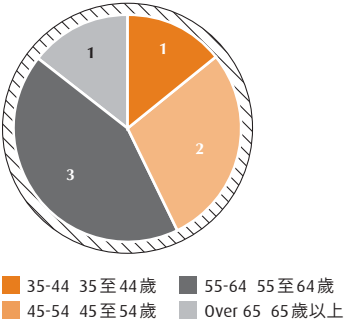
By Gender

按性別劃分



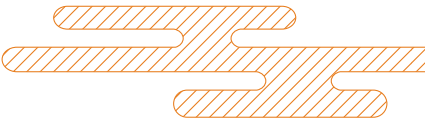
By Age Group

按年齡劃分



董事會多元化

提名委員會將基於多元化的考慮因素選任新董事，包括但不限於性別、年齡、文化及教育背景、資質、技能、知識、業務及相關經驗、承擔、向董事會作出貢獻的能力與董事會可能要求的相關資格及能力，並將根據相關候選人可為董事會帶來的價值及貢獻作出最後決定。



問責及審核

管理層按季向董事報告本集團主要業務活動及重要財務資料的審查結果，並每月向全體董事會成員報告本公司業績。

董事會已在本年報「管理層討論及分析」一節載入討論及分析本集團可持續發展策略的獨立陳述。

公司秘書

根據章程相關規定，公司秘書的任免須經董事會批准。公司秘書向董事會匯報，並向首席執行官匯報日常職責及責任。公司秘書負責就管治事宜向董事會提供支持及意見。所有董事均可獲得公司秘書之意見和服務，以確保董事會程序及所有適用規則和規例均獲得遵守。

與股東溝通

董事會致力於全體股東交流會上簡明綜合評估本集團的表現和情況。董事會知悉及了解適時披露本公司內幕消息或事宜相關規則及規例的最新規定，並於相關情況出現時授權刊發相關公告。

有效溝通

董事會於2013年5月8日採納股東溝通政策，規定董事會應盡量與股東保持溝通，特別是利用股東週年大會或其他股東大會與股東溝通，鼓勵股東參與。本公司不時檢討該政策，以確保有效。本公司設有多種溝通渠道與股東及投資者交流，包括：

- (i) 依照創業板上市規則的要求刊發企業通訊印刷本（包括但不限於財務報告、會議通告、通函及代表委任表格）；
- (ii) 召開股東週年大會及其他股東會議，提供論壇供股東提出意見與董事會交流；
- (iii) 於本公司網站發佈本集團最新及重要信息；
- (iv) 於本公司網站開闢溝通渠道供本公司與股東和持份者溝通；
- (v) 不時召開分析師簡報會公佈本集團表現；
- (vi) 設立登記處處理股東的股份登記及相關事宜；及
- (vii) 設立投資者關係部統一處理股東與投資者的詢問。

Corporate Governance Report
企業管治報告

In 2016, the Board members, the Company’s senior management, external auditor and legal advisor attended the annual general meeting, and were available to answer questions. The Company’s notice to shareholders for the 2016 annual general meeting of the Company was sent at least 20 clear business days before the meeting.

Voting by Poll

At the annual general meeting held in 2016, the Chairman of the meeting (i) explained the detailed procedures for conducting a poll, and answered questions from shareholders; (ii) exercised his power under the Company’s Articles of Association to put each resolution set out in the notice to be voted by way of a poll.

Representatives of the Share Registrar of the Company were appointed as scrutineers to monitor and count the poll votes cast at the annual general meeting held in 2016. Poll results were then posted on the websites of the Company and the Stock Exchange.

Directors’ Responsibility for the Consolidated Financial Statements

The Board, supported by the finance department, is responsible for the preparation of the financial statements of the Company and the Group. The Board has prepared the financial statements in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants. Appropriate accounting policies have also been used and applied consistently. The Directors were not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group’s ability to continue as a going concern.

The statement by the auditors of the Company and the Group is set out in the Independent Auditor’s Report on pages 80 to 87 of this annual report.

Directors’ Interests in Shares

Details of Directors’ interests in the shares of the Company are set out in the section headed “Directors’ Report” on pages 40 to 41 of this annual report.

Auditor’s Remuneration

The remuneration paid/payable to the Company’s external auditor, PricewaterhouseCoopers for the year ended 31 December 2016 is set out as follows:

Serviced rendered 所提供服務	Amount 金額 HK\$’000 千港元
Audit services 核數服務	2,480
Non-audit services 非核數服務	790
Total 總計	3,270

Fee paid to other auditors were approximately HK\$444,000.

Non-audit services include consultancy services on internal control procedures and corporate governance.

Internal Control and Risk Management
Risk Management

In light of the updated requirements of Appendix 15 Corporate Governance Code and Corporate Governance Report of the GEM Listing Rules, this year, the Group has set up a risk management system to establish a clear structure and procedures for risk management with a systematic and rigorous approach. The Group’s risk management system is aligned with the internal control framework of international body consisting of the five elements, namely, the control environment, risk assessment, control activities, information and communication, and monitoring. The Group’s risk governance structure is based on the “3 lines of defense” model comprised of day-to-day operational management and control, risk and compliance oversight, and independent assurance.

2016年，董事會成員、本公司高級管理人員、外聘核數師及法律顧問出席股東週年大會並回答問題。本公司2016年股東週年大會通告是提前至少20個完整營業日寄予股東。

以投票方式表決

於2016年召開的股東週年大會，會議主席(i)闡述了表決的詳細程序，並回答股東提問；(ii)行使本公司章程賦予之權力要求以投票方式表決通知所載各項決議案。

本公司證券登記處代表獲委任為於2016年召開的股東週年大會的監票員，負責監察投票及點算票數。投票表決結果其後於本公司及聯交所網站登載。

董事對合併財務報表的責任

財務部協助董事會編製本公司及本集團的財務報表。董事會已根據香港會計師公會頒佈之香港財務報告準則（「香港財務報告準則」）編製財務報表，亦已貫徹應用相應的會計政策。就董事所知，並無任何重大不確定事件或狀況引致本集團持續營運能力可能受重大質疑。

本公司及本集團核數師的聲明載於本年報第80至87頁的獨立核數師報告。

董事所持股份權益

董事所持本公司股份權益詳情載於本年報第40至41頁的「董事會報告」一節。

核數師薪酬

截至2016年12月31日止年度已付／應付本公司的外聘核數師羅兵咸永道會計師事務所的薪酬載列如下：

已付其他核數師的費用為約444,000港元。

非審核服務包括內控流程及企業管治諮詢服務。

內部控制及風險管理
風險管理

就創業板上市規則附錄十五《企業管治守則》及《企業管治報告》的最新要求，本年本集團已設立風險管理制度，以採納系統性及嚴格的方法，為風險管理建立清晰的架構及程序。本集團之風險管理系統符合國際組織之內部監控框架，由五項元素（即監控環境、風險評估、監控活動、資訊與溝通及監督）組成。本集團之風險管治架構以「三道防線」模式為基礎，包括日常運作管理及監控、風險及合規監察以及獨立保證。

Corporate Governance Report
企業管治報告

The Board is responsible for overseeing the Group’s risk management and internal control systems and reviewing its effectiveness. The management is responsible for implementing and maintaining a robust internal control system to protect the Group’s assets and interests of stakeholders. The system is designed to manage rather than eliminate the risk of failing to achieve business objectives and to provide a reasonable but not an absolute assurance against misstatements or loss. The Board annually reviews the financial, operating and compliance affairs of the Group and discuss and formulate strategies or measures to address those risks corresponding to the changes in the Group’s business after considering the adequacy of resources, staff qualifications and experience, training programmes and etc.

The Board is responsible for determining the Group’s risk profile within the acceptable tolerance levels for key risks, overseeing the Group’s risk management framework, reviewing the Group’s key existing and potential risks and their respective mitigation strategies and ensuring risk management effectiveness. The Company has set up a risk management committee, which is composed of the management of the Company. The risk management committee holds regular meetings to review the management of these risks and effectiveness of mitigation strategies and controls and constantly monitor the changes in risks.

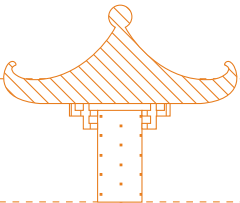
Risk assessment is the identification and analysis of existing and emerging risks which identifies, filters and prioritizes the key risks faced by the Group by the likelihood and impact of the risks to identify significant risks. The Group has adopted a top-down approach to review and assess if risks are comprehensively identified and prioritised, and properly addressed by the management to accomplish the Group’s objectives. This Year, the Group identified top 10 risks, which are categorized as business and strategic risk, operational risk, regulatory compliance risk and financial & reporting risk, and developed a risk register to document the Group’s key risks and their respective risk ratings. The Group also identified the mitigating measures for the identified key risks and the person in charge to monitor and follow up the implementation progress of the mitigating measures.

The Group’s risk management approach is a structured mechanism and a continuous process of identifying, evaluating, prioritizing, managing and monitoring of the risks that the Group faces. The key process of the Group’s risk management is illustrated below:

According to the risk assessment conducted in 2016, top risks affecting the Group and relevant controls are set out as below:

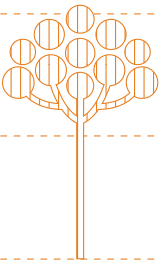
1 Risk Identification
風險識別

Identify potential risks of key processes at least annually
最少每年識別主要範疇之潛在風險



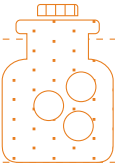
2 Risk Assessment
風險評估

Evaluate and prioritise the risks at least annually
最少每年對風險作出評估及安排優先處理次序



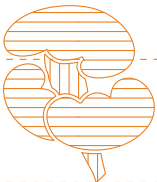
3 Risk Response
風險應對

Formulate risk mitigation plan for the significant risks identified
就所辨識之重大風險制訂風險減緩計劃



4 Risk Monitoring
風險監控

Implement and review of the identified risks regularly in order to confirm the risk handling strategy can be operated effectively
實施及定期監測識別出的風險以確保風險應對策略可以有效的運行

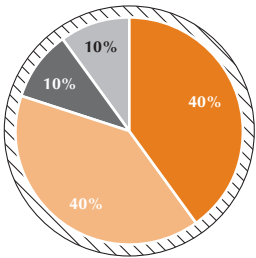


5 Risk Reporting
風險匯報

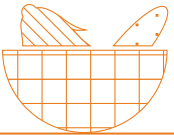
To summarize the results of risk assessment, set up the action plan and to report to the management
總結風險評估分析的結果，制定行動計劃並向集團管理層匯報

Distribution of the Top 10 Identified Risks

十大已識別風險分佈



Business and strategic risk
商業風險及戰略風險
Financial and reporting risk
財務及報告風險
Operation risk
運營風險
Compliance and regulatory risk
合規及監管風險



Top Risks of the Group 本集團主要風險		Impact 影響	Control Measure(s) 控制措施
Investment Strategic Risk 投資決策風險	The Group may not precisely forecast the market condition during investment. The project may fail to meet the future market demand and the investment cost may not be recovered, resulting in the project may fail and the profit of the Group may be affected. 本集團在從事投資業務時進行的市場預測可能不準確，項目投入未能與未來市場的需求相匹配，或投資成本與收益不匹配，造成項目後期運作失敗，影響本集團的盈利。		<ul style="list-style-type: none">The Group should prepare feasibility study in various aspects, and the investment must be approved by management or the Board在投資項目時，本集團會作多方面進行可行性分析，並由管理層或董事會審批Review of the results of investment project is conducted regularly. Follow up work and adjustment are performed from time to time定期進行投資項目業績檢討，並作出適時的跟進和調整
Raw Material Procurement, Safety and Relevant Regulations Risk 原材料採購、安全及法規相關風險	Some of the raw materials used in pharmaceutical section are plant and animal, of which some of them are rare chinese medicine or endangered species and are governed by relevant laws and regulations. If the laws or regulations relating to the usage of raw materials are changed, or the suppliers cannot provide the materials on time, or there is a change in the price or the quality of raw materials, the product research and development, manufacture, operation and reputation of the Group will be affected. 本集團製藥部份原材料是動植物材料，其中更是稀有中藥或瀕危品種，受相關法律法規監管。若法律法規修改原材料使用條件，供應商無法及時提供材料，或原材料的價格、質量發生變化，本集團的產品研發、生產營運及聲譽均會受到影響。		<ul style="list-style-type: none">Strictly monitor relevant regulations and assess their impacts on the manufacture and operations嚴密監察相關法規及評估相關法規對生產營運的影響The Group performs quality control inspection on materials from the suppliers to ensure that their quality can meet the Group's requirement本集團會定時進行供貨商材料質量檢查，確保其質量達到本集團的要求Follow "GMP" certification to ensure the quality of raw materials透過 GMP 認證，以確認原料的質量有所保證
Change of Worldwide Economy and Commercial Environment Risk 全球經濟及商業環境變化風險	The Group's business covers Hong Kong, Mainland China and other overseas areas. If there are changes in economies, social environment, politics, laws and regulations of the relevant areas, the Group's business, operating results and financial condition may be affected. 本集團的業務覆蓋香港、中國內地及其他海外地區，若相關區域的經濟、社會環境、政治、法律法規等出現變動，可能影響本集團的業務、經營業績及財務狀況。		<ul style="list-style-type: none">The Group assesses the changes of economy and business environment of the relevant areas and their impacts on the Group's business本集團透過探討有關區域的經濟和營商環境的轉變，以檢討其轉變對本集團業務的影響

Internal Control

The Company has set up an independent internal audit department which regularly report directly to the Audit Committee. The internal audit department is responsible for reviewing all aspects of the Group's activities, risk management, corporate governance processes and constantly supervising the work flow and risk assessment of each department of the Group, and assists the Board to independently assess the effectiveness of the internal control systems and risk management process in order to seek continuous improvement.

Being an integral part of the risk management to provide assurance on the effectiveness of the Group's risk management process and system of internal control, the internal audit department regularly carries out assessment on the risk management progress and risk responses submitted by risk owners. When developing the annual audit plan, the internal audit department identifies, prioritises and formulates the audit works by a continuous risk assessment of the Group's business activities with significant risks. The Audit Committee reviews and approves the annual audit plan and approve all subsequent major changes during the quarterly meeting. In the individual audit project, the internal audit department will further assess the key areas of financial, operational, compliance and fraud risk to evaluate the control effectiveness and the mitigation measures adopted by management.

The internal audit department reports significant risks, material changes and the associated mitigating actions and highlights to the Audit Committee quarterly to enhance the accountability and quality of the risk management process. The internal audit department will communicate with management in details on all findings and recommendations on internal control deficiencies identified from each audit work. Management will establish remedial plans to improve those internal control deficiencies within a reasonable time period. The internal audit department will report significant deficiencies of individual engagement to the Audit Committee.

During the Year, the Audit Committee held four meetings with the internal audit department. The Audit Committee reviewed and discussed the works done and planning reports submitted by the internal audit department and reported the results of review and discussion to the Board. The Audit Committee has annually reviewed the adequacy of resources, qualifications, experience and training programmes of the Group's internal audit, accounting and financial report functions and considered that staffing is adequate and that all staff are of sufficient competence to carry out their roles and responsibilities.

Through the Audit Committee, the Board has conducted annual review of the effectiveness of the Group's risk management and internal control systems for the year ended 31 December 2016, covering all material financial, operational and compliance controls, and it has considered the Group's risk management and internal control system to be effective and adequate.

內部監控

本公司設有獨立的內審部門，定期直接向審核委員會匯報。內審部負責審閱本集團的活動、風險管理及企業管治過程等各方面的資料，持續監察本集團各部門的工作流程及風險評估，協助董事會獨立評核內部監控制度及風險管理程序的成效，以致力推動持續的改善。

內審部乃風險管理不可或缺的一部分，對本集團的風險管理流程及內部監控系統的成效作出保證，定期評估風險負責人提交的風險管理程序及風險應對措施。內審部對本集團中有重大風險的業務活動，進行持續的風險評估，繼而識別、排序及制定審核工作，從而制定年度審核計劃。審核委員會審閱及批准年度審核計劃，並在季度會議內審批其後的一切重大變動。在個別審核項目中，內審部會進一步評估財務、營運、合規及欺詐風險等重點範疇，從而評核監控成效及管理層所採取的緩解措施。

內審部每季向審核委員會報告重大風險、重要變動，以及相關緩解行動之摘要，提升風險管理程序的問責性及質素。各審核項目所得出有關內部監控不足的調查結果及建議，內審部均與管理層詳細討論，並由管理層制訂改善計劃，務求於合理時間內改善內部監控的不足。如遇個別審核項目的重大不足，內審部會向審核委員會匯報。

本年，審核委員會與內審部共舉行 4 次會議。審核委員會審閱及討論內審部的工作及所提交的計劃報告，並向董事會報告審閱及討論結果。審核委員會已就本集團內審、會計及財務匯報職能方面的資源、員工資歷、經驗及培訓計劃是否足夠作年度檢討，並認為員工數目足夠及足以勝任其職務及履行職責。

截至 2016 年 12 月 31 日止年度，董事會已透過審核委員會就本集團風險管理及內部監控制度的成效作年度檢討，其涵蓋所有重大財務、經營及合規監控，並認為本集團的風險管理及內部監控制度已然奏效。

Disclosure of Inside Information

The Group acknowledges its responsibilities under the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong and the GEM Listing Rules that inside information should be announced to the public as soon as reasonably practicable.

The procedures and internal controls for the handling and dissemination of inside information are as follows:

- The Board shall take reasonable precautions for preserving the confidentiality of Inside Information and the relevant announcement (if applicable) before publication;
- Before the relevant information is fully disclosed to the public, the Group should ensure that all Inside Information must be treated strictly confidential; and
- Disclosure must be made in a manner that provides the public with an equal, timely and effective access to the inside information disclosed, such as through the electronic publication system operated by The Stock Exchange of Hong Kong Limited.

Shareholders’ Rights

The general meetings of the Company provide an opportunity for communication between the shareholders and the Board. An annual general meeting of the Company shall be held in each year and at the place as may be determined by the Board. Any general meeting other than an annual general meeting shall be referred to as an extraordinary general meeting.

Subject to applicable laws and regulations, including the GEM Listing Rules and the Articles of Association, an extraordinary general meeting can be convened to consider proposals in accordance with the following provisions:

The Board may, whenever it thinks fit, convene an extraordinary general meeting, and extraordinary general meetings shall also be convened on such requisition, or in default may be convened by such requisitionist(s), holding at least 5% of the total voting rights of all the members having a right to vote at general meetings. If at any time there are not sufficient Directors capable of acting to form a quorum, any Director or any 2 shareholders who are entitled to attend and vote at a general meeting may convene an extraordinary general meeting in the same manner as nearly as possible as that in which a meeting may be convened by the Directors.

The requirements and procedures as set out in sections 566 to 569 of the Companies Ordinance are summarised as follows:

- The requisition must state the general nature of the business to be dealt with at the meeting, and may include the text of a resolution that may properly be moved and is intended to be moved at the meeting, and must be signed by the requisitionists and deposited at the registered office of the Company, and may consist of several documents in like form, each signed by one or more requisitionists.
- If the Directors do not within 21 days from the date of the deposit of the requisition proceed duly to convene a meeting for a day not more than 28 days after the date on which the notice convening the meeting is given, the requisitionists, or any of them representing more than one-half of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of 3 months from the said date.
- Any reasonable expenses incurred by the requisitionists by reason of the failure of the Directors duly to convene a meeting shall be repaid to the requisitionists by the Company.

In addition, shareholders are requested to follow section 615 of the Companies Ordinance for including a resolution at an annual general meeting. The requirements and procedures are set out below:

- (i) Any number of shareholders representing not less than 25% of the total voting rights of all shareholders having at the date of the requisition a right to vote at the annual general meeting to which the requisition relates, or not less than 50 shareholders who have a right to vote on the resolution at the annual general meeting to which the requests relate, may submit a requisition in writing to put forward a resolution which may properly be moved and is intended to be moved at an annual general meeting.
- (ii) The Company shall not be bound by the Companies Ordinance to give notice of the proposed resolution to shareholders of the Company entitled to receive notice of an annual general meeting unless a request (a) is sent to the Company in hard copy form or in electronic form; (b) the resolution of which notice is to be given is identified; (c) is authenticated by the person or persons making it; and (d) is received by the Company not later than (i) 6 weeks before the annual general meeting to which the requests relate; or (ii) if later, the time at which notice is given of that meeting.

Articles of Association

During the year under review, no change has been made to the Articles of Association.

披露內幕消息

本集團知悉其根據香港法例第571章證券及期貨條例及創業板上市規則所應履行的責任，內幕消息必須在合理切實可行的範圍內向公眾作出公佈。

處理及發佈內幕消息的程序及內部監控措施如下：

- 董事會將採取合理措施將內幕消息及有關公佈(如適用)保密，直至公開刊發為止；
- 本集團在向公眾全面披露有關消息前，所有內幕消息均須絕對保密；及
- 披露的方式，須使公眾能平等、適時及有效地取得所披露的內幕消息，如於香港聯合交易所有限公司之電子登載系統刊登。

股東權利

本公司股東大會提供機會讓股東與董事會溝通交流。本公司須每年召開1次股東週年大會，地點由董事會決定。任何並非股東週年大會的股東大會均為股東特別大會。

在符合相關法律及法規（包括創業板上市規則及章程）的情況下，股東特別大會可按下述規定召開以審閱議案：

董事會可於其認為適合時召開股東特別大會，另外亦須應要求召開股東特別大會，如董事會未能應要求召開股東特別大會，則由持有有權於股東大會表決的所有股東之總表決權至少5%的人士召開。倘於任何時間董事人數不足法定人數，則任何1名董事或有權出席股東大會並於會上投票之2名股東可按盡量近似由董事召開大會之方式召開股東特別大會。

公司條例第566至569條的要求及程序概述如下：

- 請求書必須列明大會所處理事項的一般性質，包括擬於大會動議之可恰當動議的決議案文本，經請求人士簽署後，遞交至本公司的註冊辦事處。請求書可由經1名或多名請求人士簽署之1式多份文件組成。
- 倘董事並未於請求遞交日期起計21日內正式召開大會（大會日期須為發出召開會議通告日期後28日內），則所有請求人士或個別持有所有請求人士總投票權一半以上的請求人士可自行召開大會，惟任何以此方式召開的大會舉行日期不可遲於上述日期起計3個月屆滿當日。
- 請求人士因董事未應前述要求舉行會議而自行召集並舉行會議所涉及的合理費用，由本公司承擔。

此外，股東於本公司股東週年大會上提呈決議案須遵照公司條例第615條的規定。相關要求及程序載列如下：

- (i) 在遞交請求書當日，持有不少於有權在與請求相關的股東週年大會上表決的總表決權25%的相關數目股東，或不少於50名有權在與請求相關的股東週年大會上就決議案表決的股東，可遞交一份書面請求，列明擬於股東週年大會上動議之可恰當動議的決議案。
- (ii) 除非(a)以硬拷貝形式或電子形式向本公司發出請求書；(b)確認所發出通知當中的決議案；(c)經提出請求的人士簽名證實；及(d)本公司不遲於(i)與請求相關之股東週年大會前6個星期；或(ii)大會通知發出的較後時間收到請求書，否則本公司毋須根據公司條例向有權接收股東週年大會通告的本公司股東發出任何建議決議案的通知。

章程

回顧年內，章程並無任何變更。

Independent Auditor’s Report

獨立核數師報告



To the Members of Beijing Tong Ren Tang Chinese Medicine Company Limited
(incorporated in Hong Kong with limited liability)

Opinion

What we have audited

The consolidated financial statements of Beijing Tong Ren Tang Chinese Medicine Company Limited (the “Company”) and its subsidiaries (the “Group”) set out on pages 88 to 191, which comprise:

- the consolidated balance sheet as at 31 December 2016;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Our opinion

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 2016, 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 Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code.

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Independent Auditor’s Report

獨立核數師報告



致北京同仁堂國藥有限公司成員
(於香港註冊成立的有限公司)

意見

我們已審計的內容

北京同仁堂國藥有限公司（以下簡稱「貴公司」）及其附屬公司（以下統稱「貴集團」）列載於第88至191頁的合併財務報表，包括：

- 於2016年12月31日的合併資產負債表；
- 截至該日止年度的合併收益表；
- 截至該日止年度的合併綜合收益表；
- 截至該日止年度的合併權益變動表；
- 截至該日止年度的合併現金流量表；及
- 合併財務報表附註，包括主要會計政策概要。

我們的意見

我們認為，該等合併財務報表已根據香港會計師公會頒布的《香港財務報告準則》真實而中肯地反映了 貴集團於2016年12月31日的合併財務狀況及其截至該日止年度的合併財務表現及合併現金流量，並已遵照香港《公司條例》妥為擬備。

意見的基礎

我們已根據香港會計師公會頒布的《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「核數師就審計合併財務報表承擔的責任」部分中作進一步闡述。

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。

獨立性

根據香港會計師公會頒布的《專業會計師道德守則》（以下簡稱「守則」），我們獨立於 貴集團，並已履行守則中的其他專業道德責任。

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Independent Auditor’s Report

獨立核數師報告

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, 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.

Key audit matter identified in our audit is impairment of goodwill.

Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment of goodwill	We evaluated management’s impairment assessment including cash flow forecast, and the process by which they were drawn up, and tested the underlying calculations.
Refer to note 4 (Critical accounting estimates and judgments) and note 16 to the consolidated financial statements.	Specific work we performed over the impairment assessment included:
As at 31 December 2016, the Group had a goodwill of HK\$49,419,000 and it was significant to the consolidated financial statements.	<ul style="list-style-type: none">comparing management’s short-term forecasted sales and profit margins with historical performance;comparing the management’s key assumptions for discount rate and long-term growth rate in the forecast with industry data; andobtaining management’s sensitivity analysis over the key assumptions of the cash flow forecast to analyse the potential impact of a range of possible outcomes.
Management prepared the value-in-use calculation based on cash flow forecast of the cash-generating unit that included this goodwill to determine whether there was any impairment. We focused on this area due to the size of the goodwill balance and the significant judgments and assumptions the management used in preparation of value-in-use calculation.	We found management’s assessments that there was no impairment of goodwill is supportable by the evidence we gathered and consistent with our expectation.
Management has concluded that there is no impairment of goodwill.	

Other Information

The directors of the Company are responsible for the other information. The other information comprises all of 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.

Independent Auditor’s Report

獨立核數師報告

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期合併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合併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。

我們在審計中識別的關鍵審計事項概述為商譽減值。

關鍵審計事項	我們的審計如何處理關鍵審計事項
商譽減值	我們檢視了管理層的減值評估，包括現金流量預測及其制定流程，並且測試了相關計算。
請參閱合併財務報表附註4（重大會計估計及判斷）及附註16。	我們對減值評估執行了如下的具體工作：
商譽為 貴集團本年度合併財務報表的重大項目。截至2016年12月31日，其餘額為49,419,000 港元。	<ul style="list-style-type: none">將管理層對短期銷售預測及利潤率與歷史業績作比較；將該等預測中管理層對折現率及長期增長率的關鍵假設與行業數據進行比較；及取得了管理層對現金流預測的敏感性分析，以分析有可能的潛在影響。
管理層根據此商譽所屬之現金產出單元的現金流預測來準備其使用價值模型，以確認是否存在減值需要。我們集中於此事項皆因其重大餘額及使用價值模型涉及重大的管理層判斷和假設。	我們發現，根據我們所得的憑證，管理層就商譽並不需要減值的評估，與我們的預期一致。
管理層的結論是，商譽沒有減值的需要。	

其他信息

貴公司董事須對其他信息負責。其他信息包括年報內的所有信息，但不包括合併財務報表及我們的核數師報告。

我們對合併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。

結合我們對合併財務報表的審計，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合併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。

Independent Auditor’s Report

獨立核數師報告

Responsibilities of Directors and the Audit Committee for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and 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 Audit Committee is responsible for overseeing the Group’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. We report our opinion solely to you, as a body, in accordance with Section 405 of the Hong Kong Companies Ordinance 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 HKSAAs 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 HKSAAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

Independent Auditor’s Report

獨立核數師報告

董事及審核委員會就合併財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒布的《香港財務報告準則》及香港《公司條例》擬備真實而中肯的合併財務報表，並對其認為為使合併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。

在擬備合併財務報表時，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。

審核委員會須負責監督 貴集團的財務報告過程。

核數師就審計合併財務報表承擔的責任

我們的目標，是對合併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。我們僅按照香港《公司條例》第 405 條向 閣下（作為整體）報告我們的意見，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。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滙總起來可能影響合併財務報表使用者依賴合併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合併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。
- 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合併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。
- 評價合併財務報表的整體列報方式、結構和內容，包括披露，以及合併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，以便對合併財務報表發表意見。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。

Independent Auditor’s Report

獨立核數師報告

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

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

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

The engagement partner on the audit resulting in this independent auditor’s report is Lo Kai Leung, Thomas.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 14 March 2017

Independent Auditor’s Report

獨立核數師報告

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。

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合併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盧啟良。

羅兵咸永道會計師事務所
執業會計師

香港，2017年3月14日

Consolidated Income Statement

合并收益表

For the year ended 31 December 2016 截至2016年12月31日止年度

2016				2015
	Note 附註	HK\$'000 千港元	HK\$'000 千港元	
Revenue 收入	5	1,084,280	970,477	
Cost of sales 銷售成本	6	(289,193)	(289,600)	
Gross profit 毛利		795,087	680,877	
Distribution and selling expenses 分銷及銷售開支	6	(161,901)	(141,930)	
General and administrative expenses 一般及行政開支	6	(109,611)	(90,080)	
Other net gains 其他利得 — 淨額		3,924	3,608	
Operating profit 經營利潤		527,499	452,475	
Finance income 財務收益	9	7,913	8,749	
Finance costs 財務支出	9	(43)	(215)	
Finance income, net 淨財務收益		7,870	8,534	
Share of losses of investments accounted for using the equity method 應佔按權益法入賬之投資虧損	10	(1,809)	(4,395)	
Impairment loss on an investment accounted for using the equity method 按權益法入賬之投資之減值計提	10	(1,290)	—	
Profit before income tax 除所得稅前利潤		532,270	456,614	
Income tax expense 所得稅開支	11	(92,390)	(82,036)	
Profit for the year 年度利潤		439,880	374,578	
Profit attributable to: 以下人士應佔利潤：				
Owners of the Company 本公司擁有人		420,315	354,249	
Non-controlling interests 非控股權益		19,565	20,329	
		439,880	374,578	
Earnings per share attributable to owners of the Company for the year (expressed in HK\$ per share)				
年內本公司擁有人應佔每股盈利 (以每股港元列示)				
Basic and diluted earnings per share 每股基本及攤薄盈利	12	0.50	0.42	

The notes on pages 100 to 191 are an integral part of these consolidated financial statements.

第 100 至 191 頁的附註為該等合併財務報表的組成部分。

Consolidated Statement of Comprehensive Income

合併綜合收益表

For the year ended 31 December 2016 截至2016年12月31日止年度

	2016	2015	
	Note 附註	HK\$'000 千港元	HK\$'000 千港元
Profit for the year 年度利潤		439,880	374,578
Other comprehensive losses: 其他綜合虧損：			
Item that may be reclassified to profit or loss 其後可能重新分類至損益的項目			
Change in value of available-for-sale financial asset 可供出售金融資產價值變動	17	(475)	-
Currency translation differences 貨幣兌換差額		(4,721)	(16,119)
Other comprehensive loss for the year 年度其他綜合虧損		(5,196)	(16,119)
Total comprehensive income for the year 年度綜合收益總額		434,684	358,459
Attributable to: 以下人士應佔：			
Owners of the Company 本公司擁有人		415,656	342,155
Non-controlling interests 非控股權益		19,028	16,304
Total comprehensive income for the year 年度綜合收益總額		434,684	358,459

The notes on pages 100 to 191 are an integral part of these consolidated financial statements.

第 100 至 191 頁的附註為該等合併財務報表的組成部分。

Consolidated Statement of Comprehensive Income

合併綜合收益表

For the year ended 31 December 2016 截至2016年12月31日止年度

Consolidated Balance Sheet

合併資產負債表

As at 31 December 2016 於2016年12月31日

		2016	2015	
		Note 附註	HK\$'000 千港元	HK\$'000 千港元
Assets 資產				
Non-current assets 非流動資產				
Leasehold land 租賃土地	14	16,551	17,094	
Property, plant and equipment 物業、廠房及設備	15	256,012	262,430	
Intangible assets 無形資產	16	81,279	61,336	
Investments accounted for using the equity method 按權益法入賬之投資	10	19,810	23,081	
Available-for-sale financial asset 可供出售金融資產	17	13,313	–	
Deposits paid for purchase of property, plant and equipment 購買物業、廠房及設備的已付按金		1,221	334	
Deferred income tax assets 遞延所得稅資產	18	9,990	8,520	
		398,176	372,795	
Current assets 流動資產				
Inventories 存貨	19	178,539	160,259	
Trade receivables and other current assets 貿易應收款項及其他流動資產	20	194,506	213,665	
Short-term bank deposits 短期銀行存款	21	786,044	520,406	
Cash and cash equivalents 現金及現金等價物	21	797,557	759,860	
		1,956,646	1,654,190	
Total assets 總資產		2,354,822	2,026,985	
Equity and liabilities 權益及負債				
Equity attributable to owners of the Company 本公司擁有人應佔權益				
Share capital 股本	22	938,789	938,789	
Reserves 儲備	23			
— Other reserves 其他儲備		(26,301)	(22,807)	
— Retained earnings 未分配利潤		1,210,053	899,726	
		2,122,541	1,815,708	
Non-controlling interests 非控股權益		104,696	93,207	
Total equity 權益總額		2,227,237	1,908,915	
Liabilities 負債				
Non-current liabilities 非流動負債				
Borrowing 借貸	24	556	561	
Deferred income tax liabilities 遞延所得稅負債	18	4,138	4,791	
		4,694	5,352	
Current liabilities 流動負債				
Trade and other payables 貿易及其他應付款項	25	88,372	76,984	
Current income tax liabilities 當期所得稅負債		34,519	35,734	
		122,891	112,718	
Total liabilities 總負債		127,585	118,070	
Total equity and liabilities 權益及負債總額		2,354,822	2,026,985	

The notes on pages 100 to 191 are an integral part of these consolidated financial statements.

The financial statements on pages 88 to 191 were approved by the Board of Directors on 14 March 2017 and were signed on its behalf.

Consolidated Balance Sheet

合併資產負債表

As at 31 December 2016 於2016年12月31日

第 100 至 191 頁的附註為該等合併財務報表的組成部分。

第 88 至 191 頁的財務報表於 2017 年 3 月 14 日獲董事會批准，並由以下代表簽署。

Ding Yong Ling

Director

Lin Man

Director

丁永玲

董事

林曼

董事

Consolidated Statement of Changes in Equity
合併權益變動表

For the year ended 31 December 2016 截至2016年12月31日止年度

	Note 附註	Attributable to owners of the Company 本公司擁有人應佔						Non-controlling interests 非控股權益	Total equity 權益總額
		Share capital 股本	Merger reserve 合併儲備	Other reserves 其他儲備	Statutory reserve 法定儲備	Exchange reserve 匯兌儲備	Retained earnings 保留收益	Total 總額	
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2015 於2015年1月1日		867,363	(13,124)	742	2,927	(2,549)	630,390	1,485,749	51,112 1,536,861
Comprehensive income 綜合收益									
Profit for the year 年度利潤		-	-	-	-	-	354,249	354,249	20,329 374,578
Other comprehensive loss 其他綜合虧損									
Currency translation differences 貨幣兌換差額									
— Group 本集團		-	-	-	-	(9,985)	-	(9,985)	(4,025) (14,010)
— Joint ventures and associates 合營企業及聯營公司		-	-	-	-	(2,109)	-	(2,109)	- (2,109)
Total comprehensive income 綜合收益總額		-	-	-	-	(12,094)	354,249	342,155	16,304 358,459
Transactions with owners in their capacity as owners 與權益所有者以其所有者的身份進行的交易									
Transfer of retained earnings to statutory reserve 轉撥保留收益至法定儲備		-	-	-	1,203	-	(1,203)	-	- -
Dividends relating to 2014 2014年相關股息		-	-	-	-	-	(83,710)	(83,710)	(6,087) (89,797)
Issue of ordinary shares relating to business combination 企業合併發行的普通股	28	71,426	-	-	-	-	-	71,426	- 71,426
Non-controlling interests arising from acquisition of a subsidiary 從收購附屬公司所產生的非控股權益	28	-	-	-	-	-	-	-	21,144 21,144
Capital injections into subsidiaries 向附屬公司注資		-	-	-	-	-	-	-	10,844 10,844
Capital deduction of a subsidiary 附屬公司資金減少		-	-	-	-	-	-	-	(1,031) (1,031)
Changes in ownership interests in a subsidiary without change of control 無控制權改變的附屬公司權益變動	29	-	-	88	-	-	-	88	921 1,009
Total transactions with owners in their capacity as owners 與權益所有者以其所有者的身份進行的交易的總額		71,426	-	88	1,203	-	(84,913)	(12,196)	25,791 13,595
At 31 December 2015 於2015年12月31日		938,789	(13,124)	830	4,130	(14,643)	899,726	1,815,708	93,207 1,908,915

The notes on pages 100 to 191 are an integral part of these consolidated financial statements.

第 100 至 191 頁的附註為該等合併財務報表的組成部分。

Consolidated Statement of Changes in Equity
合併權益變動表

For the year ended 31 December 2016 截至2016年12月31日止年度

Consolidated Statement of Changes in Equity
合併權益變動表

For the year ended 31 December 2016 截至2016年12月31日止年度

	Attributable to owners of the Company 本公司擁有人應佔							Non-controlling interests 非控股權益	Total equity 權益總額
	Share capital 股本	Merger reserve 合併儲備	Other reserves 其他儲備	Statutory reserve 法定儲備	Exchange reserve 匯兌儲備	Retained earnings 保留收益	Total 總額		
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2016 於2016年1月1日	938,789	(13,124)	830	4,130	(14,643)	899,726	1,815,708	93,207	1,908,915
Comprehensive income 綜合收益									
Profit for the year 年度利潤	-	-	-	-	-	420,315	420,315	19,565	439,880
Other comprehensive loss 其他綜合虧損									
Change in value of available-for-sale financial asset 可供出售金融資產價值變動	-	-	(475)	-	-	-	(475)	-	(475)
Currency translation differences 貨幣兌換差額									
— Group 本集團	-	-	-	-	(4,012)	-	(4,012)	(537)	(4,549)
— Joint ventures 合營企業	-	-	-	-	(172)	-	(172)	-	(172)
Total comprehensive income 綜合收益總額	-	-	(475)	-	(4,184)	420,315	415,656	19,028	434,684
Transactions with owners in their capacity as owners 與權益所有者以其所有者的身份進行的交易									
Transfer of retained earnings to statutory reserve 轉撥保留收益至法定儲備	-	-	-	1,165	-	(1,165)	-	-	-
Dividends relating to 2015 2015年相關股息	-	-	-	-	-	(108,823)	(108,823)	(19,239)	(128,062)
Capital injections into subsidiaries 向附屬公司注資	-	-	-	-	-	-	-	11,700	11,700
Total transactions with owners in their capacity as owners 與權益所有者以其所有者的身份進行的交易的總額	-	-	-	1,165	-	(109,988)	(108,823)	(7,539)	(116,362)
At 31 December 2016 於2016年12月31日	938,789	(13,124)	355	5,295	(18,827)	1,210,053	2,122,541	104,696	2,227,237

The notes on pages 100 to 191 are an integral part of these consolidated financial statements.

第 100 至 191 頁的附註為該等合併財務報表的組成部分。

Consolidated Statement of Changes in Equity
合併權益變動表

For the year ended 31 December 2016 截至2016年12月31日止年度

Consolidated Statement of Cash Flows

合併現金流量表

For the year ended 31 December 2016 截至2016年12月31日止年度

		2016	2015
	Note 附註	HK\$'000 千港元	HK\$'000 千港元
Cash flows from operating activities 經營活動所產生的現金流量			
Cash generated from operations 經營所產生的現金	26(a)	563,642	427,365
Interest paid 已付利息		(43)	(215)
Income tax paid 已付所得稅		(95,878)	(73,574)
Net cash generated from operating activities 經營活動所產生的現金淨額		467,721	353,576
Cash flows from investing activities 投資活動所產生的現金流量			
Interest received 已收利息		7,913	8,749
Dividends received from a joint venture 已收合營企業股息		-	203
Increase in short-term bank deposits with original maturities exceeding three months 原期限為三個月以上之短期銀行存款增加		(265,638)	(49,877)
Investment in an associate 於聯營公司的投資		-	(3,930)
Purchase of property, plant and equipment 購買物業、廠房及設備		(13,915)	(26,189)
Purchase of intangible assets 購買無形資產		(21,660)	-
Acquisition of a subsidiary, net of cash acquired 收購附屬公司	26(c)	-	3,197
Purchase of available-for-sale financial asset 購買可供出售金融資產		(13,788)	-
Deposit paid for purchase of property, plant and equipment 購買物業、廠房及設備的已付按金		(2,689)	(784)
Net cash used in investing activities 投資活動所用現金淨額		(309,777)	(68,631)
Cash flows from financing activities 融資活動所產生的現金流量			
Capital injection by non-controlling interests 非控股權益注資		11,700	8,308
Drawdown of borrowing 借貸增加		-	8,132
Repayment of borrowing 借貸還款		-	(7,557)
Proceeds from disposal of interest in a subsidiary without loss of control 在不失控制權下出售附屬公司權益之所得款項	26(d)	-	1,009
Cash paid to non-controlling interests due to reduction in share capital of a subsidiary 附屬公司資本減少		-	(1,031)
Dividends paid to the Company's shareholders 已付本公司股東的股息	13	(108,823)	(83,710)
Dividends paid to non-controlling interests 已付非控股權益的股息		(19,239)	(6,087)
Net cash used in financing activities 融資活動所用現金淨額		(116,362)	(80,936)
Net increase in cash and cash equivalents 現金及現金等價物增加淨額		41,582	204,009
Cash and cash equivalents at beginning of year 年初之現金及現金等價物		759,860	563,383
Exchange losses on cash and cash equivalents 現金及現金等價物匯兌損失		(3,885)	(7,532)
Cash and cash equivalents at end of year 年終之現金及現金等價物		797,557	759,860

The notes on pages 100 to 191 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

合併現金流量表

For the year ended 31 December 2016 截至2016年12月31日止年度

第 100 至 191 頁的附註為該等合併財務報表的組成部分。

1 General information

Beijing Tong Ren Tang Chinese Medicine Company Limited (the “Company”) and its subsidiaries (together the “Group”) are engaged in manufacturing, retail and wholesale of Chinese medicine products and healthcare products and provision of Chinese medical consultation and treatments. The immediate holding company of the Company is Tong Ren Tang Technologies Co., Ltd. (“Tong Ren Tang Technologies”) which is a joint stock limited company established in the People’s Republic of China (the “PRC”) and is listed on the Main Board of The Stock Exchange of Hong Kong Limited. The intermediate holding company of the Company is Beijing Tong Ren Tang Co., Ltd. (“Tong Ren Tang Ltd.”) which is a joint stock limited company incorporated in the PRC and is listed on the Shanghai Stock Exchange. The ultimate holding company of the Company is China Beijing Tong Ren Tang (Holdings) Corporation (“Tong Ren Tang Holdings”) which is a company incorporated in the PRC.

The Company is a limited liability company incorporated in Hong Kong. The address of its registered office is Room 1405–1409, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong.

The Company is listed on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited.

These consolidated financial statements are presented in Hong Kong dollars (HK\$), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 14 March 2017.

2 Summary of significant accounting policies

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

(a) Basis of preparation

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRS”) and requirements of the Hong Kong Companies ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial asset, which is carried at fair value.

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

(i) Adoption of improvements, new and amendments to standards

The Group has adopted the following improvements, new and amendments to existing standards which are relevant to the Group’s operations and are mandatory for the financial year beginning on or after 1 January 2016:

Annual Improvements Project (Amendment)	Annual Improvements 2012–2014 Cycle
HKAS 1 (Amendment)	Disclosure Initiative
HKAS 16 and HKAS 38 (Amendment)	Clarification of Acceptable Methods of Depreciation and Amortisation
HKAS 27 (Amendment)	Equity Method in Separate Financial Statements
HKFRS 10, HKFRS 12 and HKAS 28 (Amendment)	Investment Entities: Applying the Consolidation Exception
HKFRS 14	Regulatory Deferral Account
HKFRS 11 (Amendment)	Accounting for Acquisition of Interests in Joint Operations

The adoption of the above improvements, new and amendments to standards did not have any significant financial impact on these consolidated financial statements.

1 一般資料

北京同仁堂國藥有限公司(「本公司」)及其附屬公司(統稱「本集團」)從事中藥產品和保健品的生產、零售及批發並提供中醫診療。本公司直接控股公司北京同仁堂科技發展股份有限公司(「同仁堂科技」)為於中華人民共和國(「中國」)成立的股份有限公司，於香港聯合交易所有限公司主板上市。本公司中間控股公司北京同仁堂股份有限公司(「同仁堂股份」)為於中國成立的股份有限公司，於上海證券交易所上市。本公司最終控股公司中國北京同仁堂(集團)有限責任公司(「同仁堂集團公司」)為於中國註冊成立的公司。

本公司為在香港註冊成立的有限公司，註冊辦事處地址為香港灣仔港灣道1號會展廣場辦公大樓1405–1409室。

本公司的股份在香港聯合交易所有限公司創業板(「創業板」)上市。

除另有註明外，該等合併財務報表以港元(「港元」)列賬。該等合併財務報表已於2017年3月14日獲董事會批准刊發。

2 主要會計政策概要

編製該等合併財務報告所採用的主要會計政策如下。除另有註明外，該等政策貫徹應用於呈列的所有年度。

(a) 編製基準

合併財務報表已按香港財務報告準則(「香港財務報告準則」)及香港《公司條例》(第622章)編製。合併財務報表根據歷史成本法編製，並已就按公平值計量的可供出售金融資產的重估作出修訂。

編製符合香港財務報告準則的財務報表需採用若干關鍵會計估計。此亦需管理人員在應用本集團的會計政策時行使判斷。涉及高度判斷或複雜性的範疇，或涉及對合併財務報表屬重大假設及估計的範疇已於附註4披露。

(i) 採納年度改進、新準則及現有準則之修訂

本集團所採納與本集團業務相關且於2016年1月1日或之後開始之財政年度須強制採用的年度改進，新準則及現有準則之修訂如下：

年度改進項目(修訂本)	2012年至2014年週期之年度改進
香港會計準則第1號(修訂本)	信息披露計劃
香港會計準則第16號及香港會計準則第38號(修訂本)	澄清折舊和攤銷的可接受方法
香港會計準則第27號(修訂本)	獨立財務報表中使用權益法
香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第28號(修訂本)	關於投資性主體：應用合併的例外規定
香港財務報告準則第14號	價格監管遞延賬戶
香港財務報告準則第11號(修訂本)	收購共同經營權益的會計法

採納上述新準則、現有準則之修訂及年度改進對該等合併財務報表並無任何重大財務影響。

2 Summary of significant accounting policies (Continued)

(a) Basis of preparation (Continued)

(ii) New standards and amendments to standards which are not yet effective

The following are new standards and amendments to existing standards that have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2017 or later periods, but have not been early adopted by the Group.

HKAS 7 (Amendment)	Disclosure Initiative ⁽¹⁾
HKAS 12 (Amendment)	Recognition of Deferred Tax Assets for Unrealised Losses ⁽¹⁾
HKFRS 2 (Amendment)	Classification and Measurement of Share-based Payment Transactions ⁽²⁾
HKFRS 9	Financial Instruments ⁽²⁾
HKFRS 10 and HKAS 28 (Amendment)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁽⁴⁾
HKFRS 15	Revenue from Contracts with Customers ⁽²⁾
HKFRS 15 (Amendment)	Clarifications to HKFRS 15 ⁽²⁾
HKFRS 16	Leases ⁽³⁾

⁽¹⁾ Effective for the accounting period beginning on 1 January 2017

⁽²⁾ Effective for the accounting period beginning on 1 January 2018

⁽³⁾ Effective for the accounting period beginning on 1 January 2019

⁽⁴⁾ Effective date to be determined

The Group will apply the above new standards and amendments to standards when they become effective. The Group is in the process of making an assessment of the impact of the above new standards and amendments to standards.

(b) Subsidiaries

(i) Consolidation

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, 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. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Business combinations

Except for business combination under common control, the Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

2 主要會計政策概要 (續)

(a) 編製基準 (續)

(ii) 尚未生效的新訂準則及現有準則之修訂

下列新訂準則及現有準則之修訂與本集團於2017年1月1日或之後開始的會計期或較後期間強制實行，惟本集團並無提早採納。

香港會計準則第7號(修訂本)	披露計劃 ⁽¹⁾
香港會計準則第12號(修訂本)	確認未實現損失的遞延稅項資產 ⁽¹⁾
香港財務報告準則第2號(修訂本)	股份支付交易的分類和計量 ⁽²⁾
香港財務報告準則第9號	金融工具 ⁽²⁾
香港財務報告準則第10號及香港會計準則第28號(修訂本)	投資者及其聯營或合營企業的資產出售或投入 ⁽⁴⁾
香港財務報告準則第15號	客戶合約收益 ⁽²⁾
香港財務報告準則第15號(修訂本)	澄清香港財務報告準則第15號 ⁽²⁾
香港財務報告準則第16號	租賃 ⁽³⁾

⁽¹⁾ 於2017年1月1日開始的會計期間生效

⁽²⁾ 於2018年1月1日開始的會計期間生效

⁽³⁾ 於2019年1月1日開始的會計期間生效

⁽⁴⁾ 生效日期待定

當上述新訂準則及現有準則之修訂生效時，本集團將應用此等準則及準則之修訂。本集團正在評估上述新訂準則及準則之修訂的影響。

(b) 附屬公司

(i) 合併

附屬公司為本集團對其有控制權的實體(包括結構實體)。當本集團具有承擔或享有參與有關實體所得之可變回報的風險或權利，並能透過其在該實體的權力影響該等回報，則本集團對該實體具有控制權。附屬公司自控制權轉至本集團當日起合併計算，並自該控制權終止當日起不再合併計算。

業務合併

除共同控制下的業務合併外，收購法用作本集團業務合併的入賬方法。就收購附屬公司所轉讓的代價為所轉讓資產、被收購方前擁有者產生的負債及本集團所發行股權的公允價值。所轉讓的代價包括或有代價安排產生的任何資產或負債的公允價值。業務合併中所收購可識別資產與所承擔負債及或有負債，初步以彼等於收購日期的公允價值計量。

2 Summary of significant accounting policies (Continued)

(b) Subsidiaries (Continued)

(i) Consolidation (Continued)

Business combinations (Continued)

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRS.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated income statement.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

Changes in ownership interests in subsidiaries without change of control

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

Disposal of subsidiaries

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

(ii) Separate financial statements

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

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

2 主要會計政策概要 (續)

(b) 附屬公司 (續)

(i) 合併 (續)

業務合併 (續)

本集團按逐項收購基準確認被收購方的任何非控股權益。屬現時所有權權益且賦予持有人權利於清盤時按比例享有實體資產淨值的被收購方非控股權益按公允價值或現時所有權權益按比例應佔被收購方可識別資產淨值的確認金額計量。除非香港財務報告準則要求採用其他計量基準，否則其他所有非控股權益部份均按收購日期的公允價值計量。

收購相關成本在產生時支銷。

倘業務合併分階段進行，則收購方先前所持被收購方股權於收購日期的賬面值按收購日期的公允價值重新計量，重新計量所產生的任何收益或虧損於損益確認。

商譽按所轉撥代價、被收購方非控股權益金額及被收購方先前股權於收購日的公允價值超出所收購可識別資產淨值公允價值的部分計量。倘所轉讓代價、已確認非控股權益及計量的先前所持權益總額低於議價購買所收購附屬公司資產淨值之公允價值，則差額直接於合併收益表確認。

集團內交易、結餘及集團及公司間交易所得未變現收益予以對銷。未變現虧損亦予以對銷。必要時，附屬公司之呈報數額已予以調整，以與本集團會計政策保持一致。

不導致控制權變動之附屬公司所有權權益變動

不導致失去控制權之非控股權益交易入賬列作權益交易 — 即以彼等為擁有人之身份與附屬公司擁有人進行交易。任何已付代價的公允價值與應佔所收購附屬公司資產淨值賬面值相關部分的差額於權益列賬。向非控股權益出售的收益或虧損亦於權益列賬。

出售附屬公司

倘本集團不再有控制權，則其於該實體之任何保留權益按失去控制權當日之公允價值重新計量，而賬面值變動則於損益確認。對於其後入賬列作聯營公司、合營企業或金融資產的保留權益，公允價值指初始賬面值。此外，先前於其他綜合收益確認與該實體有關的任何金額按猶如本集團已直接出售相關資產或負債的方式入賬。這可能意味著先前於其他綜合收益確認的金額重分類至損益。

(ii) 獨立財務報表

於附屬公司的投資以成本扣除減值入賬。成本包括投資的直接應佔成本。本公司將來自附屬公司的業績按已收及應收股息入賬。

倘投資附屬公司收取之股息超過附屬公司於股息宣派期之綜合收益總額或獨立財務報表之投資賬面值超過合併財務報表被投資公司資產淨值 (包括商譽) 之賬面值，則須對該等投資進行減值測試。

2 Summary of significant accounting policies (Continued)

(c) Associates

An associate is an entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investments in associates include goodwill identified on acquisition. Upon the acquisition of the ownership interest in an associate, any difference between the cost of the associate and the group's share of the net fair value of the associate's identifiable assets and liabilities is accounted for as goodwill.

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

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

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

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

Gain or losses on dilution of equity interest in associates are recognised in the income statement.

In the balance sheet of the Company, its investments in associates are stated at cost less provision for any impairment losses. Income from associates is recognised by the Company on the basis of dividends received and receivable.

In the balance sheet of the Company, impairment testing of the investments in associates is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the associates in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

(d) Joint arrangements

The Group has applied HKFRS 11 to all joint arrangements. Under HKFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. The Group's investments in joint ventures include goodwill identified on acquisition. Upon the acquisition of the ownership interest in a joint venture, any difference between the cost of the joint venture and the Group's share of the net fair value of the joint venture's identifiable assets and liabilities is accounted for as goodwill. When the Group's share of losses in joint ventures equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

2 主要會計政策概要 (續)

(c) 聯營公司

聯營公司指本集團對其有重大影響力但並無控制權的實體，一般附帶擁有其 20% 至 50% 投票權的股權。於聯營公司的投資採用權益會計法列賬。根據權益法，投資初始以成本確認，於收購日期後，賬面值增加或減少，確認投資者應佔被投資方利潤或虧損。本集團於聯營公司的投資包括收購時識別的商譽。收購聯營公司的所有權權益後，聯營公司的成本與本集團應佔聯營公司可識別資產及負債的公允價值淨額的任何差額入賬列作商譽。

倘於聯營公司的所有權權益減少但仍保留重大影響力，則僅須將過往按比例於其他綜合收益確認金額的部份，於適當情況下重新劃分至損益入賬。

本集團應佔收購後的利潤或虧損於收益表確認，而應佔收購後的其他綜合收益變動在其他綜合收益確認，並相應調整投資的賬面值。本集團應佔聯營公司虧損等於或超過所持聯營公司權益（包括任何其他無抵押應收款項）時，本集團不再確認虧損，除非本集團因此產生法定或推定責任或代聯營公司支付款項。

本集團於各報告日釐定有否客觀證據顯示於聯營公司的投資出現減值。倘證實為減值，則本集團會計算出減值金額（於聯營公司可收回金額與其賬面值之差額）並於收益表的「應佔按權益法入賬之投資利潤／虧損」確認該金額。

本集團及其聯營公司間之上下游交易所產生利潤及虧損於本集團財務報表確認，惟僅以非關連投資方於聯營公司的權益為限。除非有證據顯示交易中所轉讓的資產出現減值，否則未變現虧損亦應予以對銷。聯營公司會計政策已於必要時變更，以確保與本集團採納的政策一致。

於聯營公司股權的攤薄收益或虧損於收益表確認。

在本公司的資產負債表中，於聯營公司的投資按成本減任何減值虧損撥備列賬。本公司按已收及應收股息確認來自聯營公司的收益。

在本公司的資產負債表中，如投資聯營企業收取之股息超過宣派股息期內聯營公司的綜合收益總額，或獨立財務報表的投資賬面值超過合併財務報表被投資公司資產淨值（包括商譽）的賬面值，則必須對聯營公司投資作減值測試。

(d) 合營安排

本集團已對所有合營安排應用香港財務報告準則第 11 號。根據香港財務報告準則第 11 號，於合營安排的投資視乎各投資方的合約權利及責任分類為合營業務或合營企業。本集團已評估合營安排的性質，將其釐定為合營企業。合營企業按權益法入賬。

根據權益會計法，於合營企業之權益初步按成本確認，隨後調整以確認本集團應佔收購後利潤或虧損及其他綜合收益之變動。本集團於合營企業的投資包括收購時產生的商譽。收購合營企業的所有權權益時，合營企業的成本與本集團應佔合營企業可識別資產及負債的公允價值淨額的任何差額入賬列作商譽。倘本集團應佔合營企業之虧損等於或超過所持合營企業之權益（包括實際屬於本集團於合營企業投資淨額之任何長期權益），本集團不再確認虧損，除非本集團產生責任或代合營企業付款，則作別論。

2 Summary of significant accounting policies (Continued)

(d) Joint arrangements (Continued)

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interests in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the balance sheet of the Company, its investments in joint ventures are stated at cost less provision for any impairment losses. Income from joint ventures is recognised by the Company on the basis of dividends received and receivable.

In the balance sheet of the Company, impairment testing of the investments in joint ventures is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the joint ventures in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

(e) Segment reporting

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

(f) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Hong Kong dollars ("HK\$"), which is the Company's functional and the Group's presentation currency.

(ii) Transactions and balances

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

(iii) Group companies

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

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

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

2 主要會計政策概要 (續)

(d) 合營安排 (續)

本集團與其合營企業交易之未變現收益會對銷，以本集團所持合營企業之權益為限。除非有證據顯示交易中所轉讓資產出現減值，否則未變現虧損亦會對銷。合營企業的會計政策如有需要已改變以符合集團採納的政策。

在本公司的資產負債表中，於合營企業的投資按成本減任何減值虧損撥備列賬。本公司按已收及應收股息確認來自合營企業的收益。

在本公司的資產負債表中，如投資合營企業收取之股息超過宣派股息期內合營企業的綜合收益總額，或獨立財務報表的投資賬面值超過合併財務報表被投資公司資產淨值（包括商譽）的賬面值，則必須對合營企業投資作減值測試。

(e) 分部報告

營運分部的呈報方式與向主要經營決策者提供的內部報告一致。主要經營決策者負責分配資源及評估營運分部表現，已確定為作出策略決定的本公司執行董事及非執行董事。

(f) 外幣換算

(i) 功能及呈報貨幣

本集團旗下各實體之財務報表所列項目均採用有關實體營業所在主要經濟環境之貨幣（「功能貨幣」）為計算單位。合併財務報表以港元（「港元」）列賬。港元乃本公司之功能貨幣及本集團之呈報貨幣。

(ii) 交易及結餘

外幣交易按交易當日或項目重新計量估值當日通行之匯率換算為功能貨幣。該等交易結算和以外幣計值的貨幣資產及負債按年結匯率換算產生之外幣匯兌損益，於收益表確認。

(iii) 集團公司

所有集團實體（並無惡性通貨膨脹經濟的貨幣）的業績及財務狀況的功能貨幣如有別於呈報貨幣，均按以下方式換算為呈報貨幣：

- 於各資產負債表呈列的資產及負債按有關資產負債表結算日的收市匯率換算；
- 各收益表的收支按平均匯率換算（除非該平均匯率並非在有關交易當日通行的匯率累積影響的合理估計內，在該情況下，收支按有關交易當日的匯率換算）；及
- 所有因此而產生的貨幣兌換差額於其他綜合收益確認。

因收購海外實體而產生的商譽及公允價值調整，均視作有關海外實體的資產與負債，並按收市匯率換算。所產生的貨幣兌換差額在其他綜合收益確認。

2 Summary of significant accounting policies (Continued)

(f) Foreign currency translation (Continued)

(iv) Disposal of foreign operation

On the disposal of a foreign operation (that is, a disposal of the Group’s entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the currency translation differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

(g) Property, plant and equipment

Land and buildings comprise mainly a factory, offices and retail shops. Leasehold land classified as finance lease and all other property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Freehold land is not depreciated. Leasehold land classified as finance lease commences amortisation from the time when the land interest becomes available for its intended use. Amortisation on leasehold land classified as finance lease and depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

— Leasehold land held under finance lease	Over the lease term of 34 to 47 years
— Buildings	33 to 50 years
— Leasehold improvement	Shorter of remaining lease term or useful life
— Plant and machinery	3 to 12 years
— Motor vehicles	5 to 8 years
— Furniture and equipment	2.5 to 12 years

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

An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount (Note 2(i)).

(h) Intangible assets

(i) Goodwill

Goodwill arises on the acquisition of subsidiaries represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identified net assets acquired.

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

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

2 主要會計政策概要 (續)

(f) 外幣換算 (續)

(iv) 出售海外業務

對於出售海外業務 (即出售本集團一項海外業務的全部權益、或涉及失去對一間附屬公司 (包括一項海外業務) 之控制權的出售、涉及失去對一間合營企業 (包括一項海外業務) 之共同控制權的出售、或涉及失去對一間聯營公司 (包括一項海外業務) 之重大影響力的出售)，本公司擁有人就該業務於權益累計的所有貨幣兌換差額均重新分類至損益。

(g) 物業、廠房及設備

土地及樓宇主要為廠房、辦公室及零售商舖。分類為融資租賃的租賃土地與所有其他物業、廠房及設備按歷史成本減折舊列賬。歷史成本包括收購該等項目直接引致的開支。

其後成本僅在與該項目有關的未來經濟利益可能流入本集團而且該項目成本能可靠計量時，方會計入資產賬面值或確認為獨立資產 (如適用)。已更換零件的賬面值會終止入賬。所有其他維修及保養支出在其發生的財政期內於收益表支銷。

永久業權土地並無計提折舊。分類為融資租賃的租賃土地由土地權益可供用作擬定用途時開始攤銷。分類為融資租賃的租賃土地攤銷及其他資產的折舊以直線法計算，以於估計可使用年期將其成本分配至剩餘價值，有關估計可使用年期如下：

— 根據融資租賃持有的租賃土地	介乎 34 至 47 年的租期內
— 樓宇	33 至 50 年
— 租賃物業裝修	剩餘租期或可使用年期的較短者
— 廠房及機器	3 至 12 年
— 汽車	5 至 8 年
— 傢俱及設備	2.5 至 12 年

資產的剩餘價值及可使用年期均在各報告期末檢討及調整 (如適用)。

倘資產的賬面值高於其估計可收回金額，其賬面值將即時撇減至可收回金額 (附註 2(i))。

(h) 無形資產

(i) 商譽

商譽產生自收購子公司，並相當於所轉讓對價，被收購方的非控制性權益金額以及享有的被收購方過往的權益在收購日的公允價值超過本集團獲得的被收購方的可辨認淨資產公允價值的數額。

就減值測試而言，在業務合併中購入的商譽會分配至每個現金產出單元或現金產出單元組 (預期可從合併中獲取協同利益)。商譽被分配的每個單元或單元組指在主體內商譽被監控作內部管理用途的最底層次。商譽在經營分部層次進行監控。

對商譽的減值檢討每年進行，或如事件或情況轉變顯示可能存在減值，則更頻密地檢討。包含商譽的現金產出單元的賬面值與可收回數額 (使用價值與公允價值減處置成本較高者) 比較。任何減值須即時確認及不得在之後期間撥回。

2 Summary of significant accounting policies (Continued)

(h) Intangible assets (Continued)

(ii) Customer relationships

Customer relationships acquired in a business combination are recognised at fair value at the acquisition date. The customer relationships have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected life of the customer relationships of ten years.

(iii) Other intangible assets

Within the Group there are two types of other intangible assets: management contract and exclusive supply contract. These intangible assets acquired have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over their expected useful lives within 20 years.

(i) Impairment of non-financial assets

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

(j) Financial assets

(i) Classification

The Group classifies its financial assets as loans and receivables and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its investments at initial recognition depending on the purpose for which the investments are acquired.

(a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for the amounts that are settled or expected to be settled more than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise "trade receivables and other current assets", "short-term bank deposits" and "cash and cash equivalents" in the consolidated balance sheet (Notes 2(m) and 2(n)).

(b) Available-for-sale financial assets

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

(ii) Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade-date — the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership.

Loans and receivables are subsequently carried at amortised cost using the effective interest method. Available-for-sale financial assets are subsequently carried at fair value.

Changes in the fair value of available-for-sale financial assets are recognised in other comprehensive income. When the available-for-sale financial assets are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the consolidated income statement as gains or losses from financial assets.

Dividends on available-for-sale equity instruments are recognised in the consolidated income statement as part of other income when the Group's right to receive payments is established.

2 主要會計政策概要 (續)

(h) 無形資產 (續)

(ii) 客戶合同關係

在業務合併中購入的客戶合同關係按購買日的公允價值列賬。客戶合同關係有限定的可使用年期，並按成本減累計攤銷列賬。攤銷利用直線法分攤至客戶關係的十年預計可使用年期計算。

(iii) 其他無形資產

本集團的其他無形資產中，管理合同及獨家供貨合同均有限定的可使用年期，並按成本減累計攤銷列賬。攤銷利用直線法分攤二十年預計可使用年期計算。

(i) 非金融資產的減值

無確定使用年期的資產或尚未可供使用的無形資產毋須作攤銷，並每年進行減值測試。當有事件出現或情況改變顯示賬面值可能無法收回時，則須檢討須攤銷的資產有否減值。倘資產的賬面值高於其可收回金額，則按差額確認減值虧損。可收回金額以資產的公允價值扣除銷售成本或使用價值兩者之較高者為準。評估減值時，資產按可分開識別現金流量的最低層次組合（現金產生單元）分組。除商譽外，已減值的非金融資產均在每個報告日檢討減值是否可以撥回。

(j) 金融資產

(i) 分類

本集團將金融資產分為貸款及應收款項、及可供出售金融資產。管理層在初步確認時視乎購入投資目的而釐定其投資的分類。

(a) 貸款及應收款項

貸款及應收款項為並無活躍市場報價但付款金額固定或可確定的非衍生金融資產。此等款項計入流動資產，但已經或預期於報告期末起計12個月後結算者則分類為非流動資產。本集團貸款及應收款項包括合併資產負債表中的「貿易應收款項及其他流動資產」，「短期銀行存款」及「現金及現金等價物」（附註2(m)及附註2(n))。

(b) 可供出售金融資產

可供出售金融資產為非衍生工具，被指定為此類別或並無列為任何其他類別。除非管理層有意在報告期末日後12個月內出售該項投資，否則此等資產列在非流動資產內。

(ii) 確認及計量

以常規方式購入及出售金融資產投資；乃在交易日確認，交易日指本集團承諾購入或出售該資產之日。對於並非按公平值透過損益列賬的所有金融資產，投資初步按公平值加交易成本確認。按公平值透過損益列賬金融資產初步按公平值確認，而交易成本則於綜合收益表支銷。當從投資收取現金流量的權利經已到期或經已轉讓，而本集團已將擁有權的大部份風險和回報轉讓時，即終止確認該金融資產。

貸款及應收賬以及持至到期日投資利用實際利率法按攤銷成本列賬。可供出售金融資產其後按公平值列賬。

可供出售金融資產的公平值變動在其他全面收益中確認。當可供出售金融資產被售出或減值時，於權益累計公平值調整則列入綜合收益表作為金融資產的盈虧。

可供出售金融資產的股利收益在收取款項的權利確定時確認在合併收益表的其他利得。

2 Summary of significant accounting policies (Continued)

(j) Financial assets (Continued)

(iii) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

(k) Impairment of financial assets

(i) Assets carried at amortised cost

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

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

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

(ii) Assets classified as available for sale

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired.

For equity investments, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists the cumulative loss — measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss — is reclassified from equity and recognised in profit or loss. Impairment losses recognised in the consolidated statement of profit or loss on equity instruments are not reversed through the consolidated statement of profit or loss.

(l) Inventories

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

(m) Trade receivables and other current assets

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

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

2 主要會計政策概要 (續)

(j) 金融資產 (續)

(iii) 抵銷金融工具

當有法定可執行權利抵銷金融資產與金融負債的已確認金額，且有意以淨額基準結算或同時變現資產及結清負債，則可將金融資產與金融負債互相抵銷，並在資產負債表呈報淨額。法定可執行權利不得視乎未來事件而定且於日常業務過程中及公司或交易對手違約、無力償債或破產時須可執行。

(k) 金融資產減值

(i) 以攤銷成本列賬的資產

本集團於各報告期末評估有否客觀證據顯示金融資產或一組金融資產出現減值。僅於資產首次確認後發生一宗或多宗事件導致出現減值（「虧損事件」）的客觀證據，而該宗（或該等）虧損事件對金融資產或該組金融資產的估計未來現金流量有可合理估計的影響，該金融資產或該組金融資產則已減值及產生減值虧損。

減值的證據可能包括以下指標：債務人或一組債務人正處於重大財政困難，違約或拖欠利息或本金付款，彼等可能會進入破產程序或進行其他財務重組，以及當有可觀察數據顯示，估計未來現金流量有可計量的減少，例如欠款變動或與違約相關的經濟狀況。

若在其後期間，減值虧損的金額減少，而該減少是可客觀地與確認減值後發生的事件有關連（例如債務人信貸評級改善），則之前確認的減值虧損的撥回於合併收益表確認。

(ii) 可供出售資產

本集團在每個報告期末評估是否有客觀證據證明某一金融資產或某一金融資產組已經減值。

至於權益投資，證券公允價值的大幅度或長期跌至低於其成本值，亦是證券已經減值的證據。若存在此等證據，累計虧損 — 按購買成本與當時公允價值的差額，減該金融資產之前在損益確認的任何減值虧損計算 — 自權益中重分類並在損益中記賬。在合併損益表中就權益工具確認的減值虧損，不得透過合併損益表轉回。

(l) 存貨

存貨按成本與可變現淨值兩者之較低者入賬。成本按加權平均法釐定。製成品及在製品成本包括原材料、直接勞工、其他直接成本及相關生產費用（以正常產能計算），而不包括借貸成本。可變現淨值按日常業務過程中的估計售價減適用浮動銷售開支計算。

(m) 貿易應收款項及其他流動資產

貿易應收款項為日常業務過程中就已出售商品或所履行服務應收客戶的款項。其他流動資產包括預付款項、按金及其他應收款項。倘預期於一年或以內（倘時間較長，則於業務的正常運營週期內）追收貿易應收款項及其他流動資產，則該等款項分類為流動資產，否則呈列為非流動資產。

貿易應收款項及其他流動資產，預付款項除外，初步以公允價值確認，其後按攤銷成本以實際利率法計量，並扣除減值撥備。

2 Summary of significant accounting policies (Continued)

(n) Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts (if any).

(o) Share capital

Ordinary shares are classified as equity.

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

(p) Trade and other payables

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

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

(q) Borrowings

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

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

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

(r) Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(s) Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

2 主要會計政策概要 (續)

(n) 現金及現金等價物

合併現金流量表中，現金及現金等價物包括庫存現金、銀行活期存款、其他原期限為三個月或以內之短期高流動性投資。

(o) 股本

普通股分類為權益。

直接歸屬於發行新股份的新增成本於權益列賬為所得款項的扣減（已扣除稅項）。

(p) 貿易及其他應付款項

貿易應付款項為在日常業務過程中就自供應商購入貨品或服務的付款責任。倘預期貿易及其他應付款項於一年或以內（倘時間較長，則於業務的正常營運週期內）到期，則該等款項分類為流動負債，否則呈列為非流動負債。

貿易及其他應付款項初步以公允價值確認，其後按攤銷成本以實際利率法計量。

(q) 借款

一般及特定借款按公允價值並扣除產生的交易費用為初始確認。借款其後按攤銷成本列賬；所得款（扣除交易成本）與贖回價值的任何差額利用實際利率法於借款期間內在利潤表確認。

設立融資額度時支付的費用倘部份或全部融資將會很可能提取，該費用確認為貸款的交易費用。在此情況下，費用遞延至貸款提取為止。如沒有證據證明部份或全部融資額度將會很可能被提取，則該費用資本化作為流動資金服務的預付款，並按有關的融資額度期間攤銷。

除非本集團可無條件將負債的結算遞延至結算日後最少12個月，否則借款分類為流動負債。

(r) 借款成本

直接歸屬於收購、興建或生產合資格資產（指必須經一段長時間處理以作其預定用途或銷售的資產）的借款成本，加入該等資產的成本內，直至資產大致上備妥供其預定用途或銷售為止。

就特定借款，因有待合資格資產的支出而臨時投資賺取的投資收入，應自合資格資本化的借款成本中扣除。

所有其他借款成本在產生期內的損益中確認。

(s) 即期及遞延所得稅

期內稅項支出包括即期及遞延所得稅。稅項於收益表確認，惟與在其他綜合收益或直接於權益確認的項目有關者除外。於此情況下，稅項亦分別於其他綜合收益或直接於權益確認。

2 Summary of significant accounting policies (Continued)

(s) Current and deferred income tax (Continued)

(i) Current income tax

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

(ii) Deferred income tax

Inside basis differences

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

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

Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates. Only when there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference in the foreseeable future, deferred tax liability in relation to taxable temporary differences arising from the associate's undistributed profits is not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

(iii) Offsetting

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

(t) Employee benefits

The Group operates various post-employment schemes which are defined contribution plans and are generally funded through payments to insurance companies or trustee-administered funds. The Group has adopted a provident fund scheme for its employees in Hong Kong as required under the Mandatory Provident Fund Schemes Ordinance, and has also participated in employee pension schemes organised and governed by the relevant local authorities for its employees in the PRC and overseas countries/regions. Details of employer's pension costs are set out in note 7 to the consolidated financial statements.

2 主要會計政策概要 (續)

(s) 即期及遞延所得稅 (續)

(i) 即期所得稅

即期所得稅支出根據本公司附屬公司及聯營公司營運及產生應課稅收益的國家於結算日已頒佈或實質頒佈的稅務法律計算。管理人員就相關稅務法規詮釋所規限的情況定期評估報稅表狀況，並在適用情況下根據預期須向稅務機關支付的稅款作出撥備。

(ii) 遞延所得稅

內部基礎差額

遞延所得稅以負債法就資產及負債的稅基與合併財務報表所示賬面值的暫時差額確認。然而，若遞延所得稅負債來自商譽之初步確認，則不予確認，倘遞延所得稅從於交易（業務合併除外）時初次確認資產或負債產生而於交易時不影響會計或應課稅損益，則不會入賬。遞延所得稅按於結算日已頒佈或實質頒佈的稅率（及稅法）釐定，並預期應用於實現相關遞延所得稅資產或償還遞延所得稅負債。

在可能有未來應課稅利潤的情況下，而暫時差額可用以抵銷，方會確認遞延所得稅資產。

外部基礎差額

遞延所得稅負債就附屬公司、聯營公司及合營安排投資產生的應課稅暫時差額計提撥備，惟本集團可控制暫時差額的轉回時間，而暫時差額在可預見將來可能不會轉回的遞延所得稅負債除外。一般而言，本集團無法控制聯營公司暫時差額的轉回。僅當訂有協議讓本集團於可預見未來可控制暫時差額的轉回，則不會就聯營公司未分配利潤引致的應課說暫時差額確認遞延所得稅負債。

遞延所得稅資產就附屬公司、聯營公司及合營安排投資產生的可扣稅暫時差額確認，惟以日後可能轉回暫時差額且有足夠應課稅利潤用以抵銷暫時差額為限。

(iii) 抵銷

當有法定可執行權利將即期稅項資產與即期稅項負債抵銷，且遞延所得稅資產和負債涉及由同一稅務機關對應課稅實體或不同應課稅實體但有意向以淨額基準結算所得稅結餘時，則可將遞延所得稅資產與負債互相抵銷。

(t) 僱員福利

本集團公司實施多項退休後計劃，該等計劃為定額供款計劃，一般透過向保險公司或受託人管理基金付款而獲得資金。本集團已根據強制性公積金計劃條例為香港僱員訂立強積金計劃，及亦為中國及海外國家／地區的僱員參與當地相關部門組織及規管的僱員退休金計劃。

2 Summary of significant accounting policies (Continued)

(t) Employee benefits (Continued)

(i) Pension obligations

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

(ii) Bonus plans

The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(u) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

(v) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied and services rendered, stated net of discounts, returns, rebates and value added taxes and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below. The Group bases its estimates of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(i) Sales of goods

The Group sells healthcare products and Chinese medicine to wholesalers and individual customers. Sales of goods are recognised when a group entity has delivered products to the wholesaler or customer.

For wholesales, the wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery does not occur until the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied. Sales are recorded based on the price specified in the sales contracts.

For retail sales, the Group operates a chain of retail outlets for selling products. Sales of goods are recognised when a Group entity sells a product to the customer. Retail sales are usually in cash or by credit card.

(ii) Service income

The Group provides Chinese medical consultation and treatments in retail outlets. Service income is recognised in the accounting period in which the service is provided to the customer and it is settled in cash or by credit card.

2 主要會計政策概要 (續)

(t) 僱員福利 (續)

(i) 退休金責任

定額供款計劃為本集團向獨立實體支付固定供款的退休金計劃。倘基金並無持有足夠資產以於本期間及過往期間就僱員服務向全體僱員支付福利，則本集團並無作出進一步供款的法定或推定責任。

(ii) 獎金計劃

本集團於合約規定或因過往慣例產生推定責任時確認撥備。

(u) 撥備

倘本集團因過往事件而須承擔現有法定或推定責任，資源很可能流出以履行有關責任，而相關金額能可靠估計，則會確認撥備。未來的營運虧損則不會確認撥備。

倘出現多項類似責任，經考慮整體責任類別釐定是否須支出資金以解除責任。即使同類責任內任何一個項目支出資金的可能不大，仍會確認撥備。

撥備按照預期須償付有關責任的開支以稅前利率貼現的現值計量，該利率反映當時市場對貨幣時間價值和有關責任特定風險的評估。隨時間流逝而增加的撥備確認為利息開支。

(v) 收入確認

收入根據已收或應收代價之公允價值計量，指提供貨品及服務的應收款項，扣除折扣、退貨、回佣及增值稅以及對銷本集團內部銷售後列賬。

當收入金額能可靠計量、未來經濟利益會流入有關實體，而本集團各項活動均符合下述指定條件時，本集團便確認該等收入。本集團根據往績並考慮客戶類別、交易種類及每項安排的特點估計退貨。

(i) 銷售貨品

本集團銷售保健品及中藥予批發商及個別客戶。銷售貨品於集團實體向批發商或客戶交付產品時確認。

批發方面，批發商對出售產品的渠道及價格有充分酌情權，且並無未履行的責任可影響批發商接受產品。在產品到達指定地點、陳舊過時及虧損風險已轉嫁批發商，而批發商已根據銷售合約接受產品、接納規定已失效或本集團有客觀證據顯示符合接納的所有標準時，方會確認交付。銷售按銷售合約指定的價格入賬。

零售方面，本集團透過連鎖零售商舖銷售產品。銷售貨品於集團實體向客戶銷售產品時確認。零售通常以現金或信用卡結付。

(ii) 服務收益

本集團於其零售商舖提供中醫診療。服務收益於向客戶提供服務的會計期間確認，以現金或信用卡結付。

2 Summary of significant accounting policies (Continued)

(v) Revenue recognition (Continued)

(iii) Royalty fee income

Royalty fee income is based on pre-determined rates on the total turnover of overseas entities for them to use the “Tong Ren Tang” brand name. Royalty fee is recognised in the income statement on an accrual basis upon sales recognised by the overseas entities.

(iv) Interest income

Interest income is recognised using the effective interest method.

(v) Dividend income

Dividend income is recognised when the right to receive payment is established.

(w) Leases

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

(x) Dividend distribution

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

3 Financial risk management

(a) Financial risk factors

The Group’s activities expose it to a variety of financial risks: market risk (including currency risk and cash flow interest rate risk), credit risk and liquidity risk. The Group’s overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group’s financial performance. Risk management is carried out by management of each individual entity within the Group.

(i) Market risk

1 Foreign exchange risk

Each individual group entity has its own functional currency. Foreign exchange risk to each individual group entity arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the group entity’s functional currency.

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Renminbi. The Group currently does not have a foreign currency hedging policy. The Group manages its foreign currencies risk by closely monitoring the movement of the foreign currency rates.

At 31 December 2016, if Renminbi had strengthened/weakened by 5% against Hong Kong dollar, with all other variables held constant, the profit before income tax for the year ended 31 December 2016 would have been HK\$3,012,000 (2015: HK\$4,621,000) higher/lower, mainly as a result of foreign exchange gains/losses on translation of Hong Kong dollar-denominated trade payables held by a PRC subsidiary whose functional currency is Renminbi. Whereas, the exposure arising from the other foreign currencies is not significant to the Group.

2 Cash flow interest rate risk

Other than short-term bank deposits and bank balances, the Group does not have significant interest-bearing assets or liabilities. The Group’s exposure to interest rate risk associated with the effects of fluctuations in the prevailing levels of the market interest rates on its cash flows are not deemed to be substantial in the view of the Directors based on the nature of the assets and liabilities.

At 31 December 2016, if the interest rates on bank deposits had been 50 basis-points higher/lower with all other variables held constant, profit before income tax for the year would have been HK\$7,907,000 (2015: HK\$6,369,000) higher/lower, respectively, mainly as a result of higher/lower interest income on bank deposits.

2 主要會計政策概要 (續)

(v) 收入確認 (續)

(iii) 品牌使用費收益

品牌使用費收益乃就海外實體使用「同仁堂」品牌名稱根據總營業額按預定費率收取。品牌使用費於海外實體確認銷售時按應計基準於收益表確認。

(iv) 利息收益

利息收益採用實際利率法確認。

(v) 股利收益

股利收益在收取款項的權利確定時確認。

(w) 租賃

出租人保留所有權大部分風險及回報的租賃歸類為經營租賃。根據經營租賃作出的付款 (扣除自出租人收取的任何獎勵金) 於租期內以直線法在收益表支銷。

(x) 股息分派

向本公司股東分派的股息在股息獲本公司股東或董事 (如適用) 批准的期間於本集團及本公司財務報表確認為負債。

3 財務風險管理

(a) 財務風險因素

本集團業務面對多項財務風險：市場風險 (包括貨幣風險及現金流利率風險)、信貸風險及流動資金風險。本集團的整體風險管理方案專注於金融市場的不可預測性，致力減低對本集團財務表現的潛在不利影響。風險管理由本集團內各個別實體的管理人員進行。

(i) 市場風險

1 外匯風險

各個別集團實體擁有自身的功能貨幣。各個別集團實體的外匯風險來自以非集團實體功能貨幣的貨幣計值的未來商業交易或已確認資產或負債。

本集團經營國際業務，故面對不同貨幣產生的外匯風險，主要涉及人民幣。本集團現時並無任何外幣對沖政策。本集團通過嚴密監控外幣匯率波動控制外匯風險。

2016年12月31日，倘人民幣兌港元升值／貶值5%，而所有其他變量保持不變，則截至2016年12月31日止年度的除所得稅前利潤增加／減少3,012,000港元 (2015年：4,621,000港元)，主要是由於換算中國附屬公司 (其功能貨幣為人民幣) 所持港元計值的貿易應付款項的外匯收益／損失所致。管理層認為其他外幣產生的風險對本集團並不重大。

2 現金流利率風險

除短期銀行存款及銀行結餘外，本集團並無重大計息資產或負債。基於資產及負債的性質，董事認為本集團因現金流的當前市場利率波動而須承擔的利率風險並不重大。

於2016年12月31日，倘銀行存款利率上升／下降50個基點，而所有其他變量保持不變，則主要由於銀行存款利息收益增加／減少，年度除所得稅前利潤將增加／減少7,907,000港元 (2015年：6,369,000港元)。

3 Financial risk management (Continued)

(a) Financial risk factors (Continued)

(ii) Credit risk

Credit risk arises from bank deposits and trade receivables (including trade receivables from fellow subsidiaries and joint ventures) and other current assets.

All the bank deposits are placed with banks with good credit ratings to mitigate the risk. For trade receivables (including trade receivables from group companies) and other current assets, the Group assesses the credit quality of the counter parties by taking into account their financial position, credit history and other factors. Management also regularly reviews the recoverability of these receivables and follows up on the disputes or amounts overdue, if any. The management is of the opinion that the risk of default by counterparties is low. The Group does not hold any collateral as security.

Majority of the Group's trade receivables are due within 90 days from the date of billings. As at 31 December 2016, 89.6% of the Group's trade receivables were due within 90 days (2015: 89.9%). The maximum exposure to credit risk is represented by the carrying amount of trade receivables in the consolidated balance sheet.

(iii) Liquidity risk

The Group's policy is to maintain sufficient cash and cash equivalents to meet its working capital requirements. The Group has steady cash inflow from operations and has adequate financial resources to fund its operations and future expansions. As at 31 December 2016, the Group's financial liabilities were mainly trade and other payables amounting to HK\$88,372,000 (2015: HK\$76,984,000), which were due within 12 months and equal their carrying balance as the impact of discounting is not significant.

(b) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Total capital is calculated as 'equity' as shown in the balance sheet. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

(c) Fair value estimation

The Group's available-for-sale financial asset is carried at fair value as at 31 December 2016 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The Group's available-for-sale financial asset is included in level 1.

Details on the fair value measurement for available-for-sale financial asset are set out in Note 17 to the consolidated financial statements.

The rest of the Group's financial assets are classified as loans and receivables and are measured at amortised cost. The carrying amounts of the Group's financial assets, including short-term bank deposits, cash and cash equivalents and trade receivables and other current assets, approximate their fair values due to their short maturities.

The carrying amounts of the Group's financial liabilities, including trade and other payables and borrowing are measured at amortised cost.

3 財務風險管理 (續)

(a) 財務風險因素 (續)

(ii) 信貸風險

信貸風險來自銀行存款、貿易應收款項 (包括來自同系附屬公司及合營企業的貿易應收款項) 及其他流動資產。

所有銀行存款均存放於具有良好信貸評級的銀行以減低風險。對於貿易應收款項 (包括來自集團公司的貿易應收款項) 及其他流動資產，本集團考慮對手方的財務狀況、信貸歷史及其他因素評估其信貸質素。管理人員亦定期審查該等應收款項可否收回，並跟進有關糾紛或逾期款項 (如有)。管理人員認為，對手方拖欠款項的風險較低。本集團並無持有任何抵押品作為擔保。

本集團大部分貿易應收款項於開具發票之日起90天內到期。於2016年12月31日，本集團89.6% (2015年：89.9%) 的貿易應收款項於90天內到期。所面對最大信貸風險為合併資產負債表所示貿易應收款項之賬面值。

(iii) 流動資金風險

本集團的政策是維持充裕的現金及現金等價物以滿足其營運資金需求。本集團有穩定的經營業務現金流入及充足財務資源，可為其業務及未來擴張提供資金。於2016年12月31日，本集團的金融負債主要為88,372,000港元 (2015年：76,984,000港元) 於12個月內到期的貿易及其他應付款項，由於貼現影響不重大，故負債金額相等於其賬面結餘。

(b) 資本管理

本集團管理資本旨在保障本集團有能力按持續經營基準繼續營運，為股東帶來回報，同時令其他權益持有人獲益，並維持優化的資本結構以減少資金成本。

資本總額為資產負債表所示「權益」。為維持或調整資本架構，本集團或會調整向股東派付的股息金額、向股東退還資本、發行新股份或出售資產以減少債務。

(c) 公允價值估計

本集團於2016年12月31日的可供出售金融資產按照估值技術中所運用到的輸入的層級歸類為如下三層：

- 相同資產或負債在活躍市場的報價 (未經調整) (第1層)。
- 除了第1層所包括的報價外，該資產和負債的可觀察的其他輸入，可為直接 (即例如價格) 或間接 (即源自價格) (第2層)。
- 資產和負債並非依據可觀察市場數據的輸入 (即非可觀察輸入) (第3層)。

本集團的可供出售金融資產歸類為第1層。

可供出售金融資產的公允價值詳情載列於附註17。

本集團的金融資產分類為貸款及應收款項，按攤銷成本計量。因短期內屆滿，本集團金融資產 (包括短期銀行存款、現金及現金等價物以及貿易應收款項與其他流動資產) 賬面值與其公允價值相若。

本集團金融負債 (包括貿易及其他應付款項及借款) 的賬面值按攤銷成本計量。

4 Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Goodwill

The Group tests annually whether goodwill has suffered any impairment according to their recoverable amounts determined by the cash-generating units based on value in use calculations. These calculations require the use of estimates which are subject to change of economic environment in future. Details are set out in Note 16.

(b) Other intangible assets

The Group tests whether the other intangible assets have suffered any impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable in accordance with the accounting policy stated in Note 2(h). The recoverable amount of the other intangible assets has been determined as its value in use.

5 Segment information

The chief operating decision maker has been identified as the executive directors and non-executive director of the Company (the “Executive Directors” and the “Non-executive Director”). The Executive Directors and Non-executive Director review the Group’s internal reporting in order to assess performance and allocate resources and have determined the operating segments based on these reports.

The Executive Directors and Non-executive Director consider the Group’s business from a geographic perspective and have determined that the Group has three reportable operating segments.

The geographical location of revenue is analysed based on location where goods are sold and services are provided. The details are set out as follows:

- (i) Hong Kong — sale of Chinese medicine products and healthcare products and provision of Chinese medical consultation and treatments through retail outlets as well as wholesale of Chinese medicine products in Hong Kong. In addition, it includes the royalty fee income received from overseas entities for using “Tong Ren Tang” brand name.
- (ii) Mainland China — wholesale of healthcare products in Mainland China and the sole distribution of Tong Ren Tang branded products of Tong Ren Tang Technologies and Tong Ren Tang Ltd. to customers outside Mainland China.
- (iii) Overseas — retail and wholesale of Chinese medicine products and healthcare products and provision of Chinese medical consultation and treatments in other overseas countries, including Macao.

Unallocated items comprise mainly corporate expenses.

Sales between segments are carried in accordance with terms agreed by the parties involved.

The Executive Directors and Non-executive Director assess the performance of the operating segments based on revenue and segment results of each segment. Management has determined the operating segments based on the location of the entities and the information reviewed by the Group’s chief operating decision maker for the purposes of allocating resources and assessing performance.

Segment assets include leasehold land, property, plant and equipment, intangible assets, investments accounted for using equity method, available-for-sale financial asset, deferred tax assets, deposits paid for purchase of property, plant and equipment, inventories, trade receivables and other current assets, short-term bank deposits and cash and cash equivalents. Segment liabilities include borrowing, trade and other payables, current and deferred income tax liabilities.

4 重大會計估計及判斷

估計及判斷根據過往經驗及其他因素（包括在當時情況下對未來事件相信為合理的預測）持續評估。

本集團對未來作出估計及假設，而所得會計估計將難免偏離相關實際結果。該等估計及假設存在相當風險，足以導致須於下一個財政年度對資產及負債的賬面值作出如下重大調整。

(a) 商譽

本集團每年根據現金產生單元的使用價值確定可收回金額，測試商譽是否蒙受任何減值。這些計算中需使用的估計或會受將來經濟環境而改變。詳情載於附註 16。

(b) 其他無形資產

根據附註 2(h) 的會計政策，本集團將按發生的事件或情況變化，對其他無形資產進行減值測試以確定可收回金額。其他無形資產的可收回金額以資產的使用價值來釐定。

5 分部資料

主要經營決策者已被確認為本公司的執行董事及非執行董事（「執行董事」及「非執行董事」）。執行董事及非執行董事審閱本集團內部報告以評估表現並分配資源，同時根據該等報告釐定營運分部。

執行董事及非執行董事從地域角度考慮本集團的業務並釐定本集團有 3 個呈報營運分部。

收入來源地區按銷售貨品及提供服務所在地分析。相關詳情如下：

- (i) 香港 — 在香港透過零售店鋪銷售中藥產品及保健品並提供中醫診療服務，以及批發中藥產品。此外，該分部包括來自使用「同仁堂」品牌名稱的海外實體的品牌使用費收益。
- (ii) 中國內地 — 於中國內地批發保健品及向非中國內地客戶獨家分銷同仁堂科技及同仁堂股份的同仁堂品牌產品。
- (iii) 海外 — 於其他海外國家（包括澳門）零售及批發中藥產品及保健品以及提供中醫診療服務。

未分配項目主要包括企業開支。

分部間銷售根據相關方協定之條款進行。

執行董事及非執行董事根據各個營運分部的收入及分部業績評估分部表現。管理層根據實體的位置及本集團主要經營決策者為分配資源及評估表現所審閱的資料釐定營運分部。

分部資產包括租賃土地、物業、廠房及設備、無形資產、按權益法入賬之投資、可供出售金融資產、遞延所得稅資產、購置物業、廠房及設備的已付按金、存貨、貿易應收款項及其他流動資產、短期銀行存款於現金及現金等價物，分部負債包括借貸、貿易及其他應付款項、當期及遞延所得稅負債。

5 Segment information (Continued)
(a) Analysis of consolidated income statements

	Hong Kong 香港	Mainland China 中國內地	Overseas 海外	Total 合計
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Year ended 31 December 2016 截至2016年12月31日止年度				
Segment revenue 分部收入	826,109	316,892	252,842	1,395,843
Inter-segment revenue 分部間收入	(229,022)	(82,187)	(354)	(311,563)
Revenue from external customers 來自外部客戶之收入	597,087	234,705	252,488	1,084,280
Contribution to segment results 分部業績之貢獻	530,060	15,918	24,646	570,624
Depreciation and amortisation 折舊及攤銷	(15,183)	(605)	(6,670)	(22,458)
Amortisation of intangible assets 無形資產攤銷	(1,300)	-	(417)	(1,717)
Write-off of inventories 存貨撇減	(730)	(17)	(115)	(862)
Segment results 分部業績	512,847	15,296	17,444	545,587
Inter-segment elimination 分部間對銷				(18,088)
Operating profit 經營利潤				527,499
Finance income 財務收益	7,494	180	239	7,913
Finance cost 財務支出	(12)	-	(31)	(43)
Share of losses of investments accounted for using the equity method 應佔按權益法入賬之投資虧損				(1,809)
Impairment loss on an investment accounted for using the equity method 按權益法入賬之投資之減值計提				(1,290)
Profit before income tax 除所得稅前利潤				532,270
Income tax expense 所得稅開支	(85,648)	(2,502)	(4,240)	(92,390)
Profit for the year 年度利潤				439,880

	Hong Kong 香港	Mainland China 中國內地	Overseas 海外	Total 合計
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Year ended 31 December 2015 截至2015年12月31日止年度				
Segment revenue 分部收入	740,130	242,701	232,452	1,215,283
Inter-segment revenue 分部間收入	(181,643)	(63,163)	-	(244,806)
Revenue from external customers 來自外部客戶之收入	558,487	179,538	232,452	970,477
Contribution to segment results 分部業績之貢獻	449,381	18,308	30,068	497,757
Depreciation and amortisation 折舊及攤銷	(15,796)	(557)	(5,779)	(22,132)
Amortisation of intangible assets 無形資產攤銷	(1,083)	-	-	(1,083)
Write-off of inventories 存貨撇減	(1,136)	(7)	(85)	(1,228)
Segment results 分部業績	431,366	17,744	24,204	473,314
Inter-segment elimination 分部間對銷				(20,839)
Operating profit 經營利潤				452,475
Finance income 財務收益	8,074	138	537	8,749
Finance cost 財務支出	(9)	-	(206)	(215)
Share of losses of investments accounted for using the equity method 應佔按權益法入賬之投資虧損				(4,395)
Profit before income tax 除所得稅前利潤				456,614
Income tax expense 所得稅開支	(72,541)	(5,228)	(4,267)	(82,036)
Profit for the year 年度利潤				374,578

5 分部資料 (續)
(a) 合併收益表分析

5 Segment information (Continued)

(b) Analysis of consolidated balance sheets

	Hong Kong 香港	Mainland China 中國內地	Overseas 海外	Total 合計
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 31 December 2016 於2016年12月31日				
Segment assets and liabilities 分部資產及負債				
Total assets 總資產	1,976,634	122,994	255,194	2,354,822
Investments accounted for using the equity method 按權益法入賬之投資	11,467	–	8,343	19,810
Additions to non-current assets ⁽¹⁾ 非流動資產之增加 ⁽¹⁾	4,430	263	34,150	38,843
Total liabilities 總負債	(73,863)	(28,653)	(25,069)	(127,585)
At 31 December 2015 於2015年12月31日				
Segment assets and liabilities 分部資產及負債				
Total assets 總資產	1,670,019	152,002	204,964	2,026,985
Investments accounted for using the equity method 按權益法入賬之投資	13,282	–	9,799	23,081
Additions to non-current assets ⁽¹⁾ 非流動資產之增加 ⁽¹⁾	65,465	1,553	22,319	89,337
Total liabilities 總負債	(69,362)	(27,922)	(20,786)	(118,070)

⁽¹⁾ In this analysis, additions to non-current assets exclude investments accounted for using the equity method, available-for-sale financial asset and deferred tax assets.

⁽¹⁾ 本分析中，非流動資產之增加不包括按權益法入賬之投資、可供出售金融資產和遞延所得稅資產。

(c) Revenue

The analysis of revenue by category is as follows:

	2016	2015
	HK\$'000 千港元	HK\$'000 千港元
Sales of products 銷售產品	1,044,886	935,218
Service income 服務收入	38,519	34,475
Royalty fee income 品牌使用費收益	875	784
	1,084,280	970,477

(d) Information about major customers

For the year ended 31 December 2016, revenue from three (2015: three) customers each accounted for more than ten percent of the Group's total revenue. These revenues are attributable to the Hong Kong segment and the Mainland China segment. The revenues from these customers are summarised below:

	2016	2015
	HK\$'000 千港元	HK\$'000 千港元
Revenue from: 來自以下人士的收入：		
— Customer A 客戶A	227,517	148,991
— Entities under the control of the ultimate holding company ⁽¹⁾ (Note 30(a)) 最終控股公司所控制的實體 ⁽¹⁾ (附註30(a))	151,780	124,946
— Customer B 客戶B	142,603	150,035
	521,900	423,972

⁽¹⁾ It represents a group of entities under common control considered as a single customer.

There are no customers of other segments individually accounted for ten percent or more of the Group's total revenue for the year ended 31 December 2016 (2015: nil).

5 分部資料 (續)

(b) 合併資產負債表的分析

	Hong Kong 香港	Mainland China 中國內地	Overseas 海外	Total 合計
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 31 December 2016 於2016年12月31日				
Segment assets and liabilities 分部資產及負債				
Total assets 總資產	1,976,634	122,994	255,194	2,354,822
Investments accounted for using the equity method 按權益法入賬之投資	11,467	–	8,343	19,810
Additions to non-current assets ⁽¹⁾ 非流動資產之增加 ⁽¹⁾	4,430	263	34,150	38,843
Total liabilities 總負債	(73,863)	(28,653)	(25,069)	(127,585)
At 31 December 2015 於2015年12月31日				
Segment assets and liabilities 分部資產及負債				
Total assets 總資產	1,670,019	152,002	204,964	2,026,985
Investments accounted for using the equity method 按權益法入賬之投資	13,282	–	9,799	23,081
Additions to non-current assets ⁽¹⁾ 非流動資產之增加 ⁽¹⁾	65,465	1,553	22,319	89,337
Total liabilities 總負債	(69,362)	(27,922)	(20,786)	(118,070)

⁽¹⁾ In this analysis, additions to non-current assets exclude investments accounted for using the equity method, available-for-sale financial asset and deferred tax assets.

⁽¹⁾ 本分析中，非流動資產之增加不包括按權益法入賬之投資、可供出售金融資產和遞延所得稅資產。

(c) 收入

按類別劃分的收入分析如下：

	2016	2015
	HK\$'000 千港元	HK\$'000 千港元
Sales of products 銷售產品	1,044,886	935,218
Service income 服務收入	38,519	34,475
Royalty fee income 品牌使用費收益	875	784
	1,084,280	970,477

(d) 有關主要客戶的資料

截至2016年12月31日止年度，來自三名(2015年：三名)客戶的收入各佔本集團總收入百分之十以上。該等收入來自香港分部及中國內地分部。來自該等客戶的收入概述如下：

	2016	2015
	HK\$'000 千港元	HK\$'000 千港元
Revenue from: 來自以下人士的收入：		
— Customer A 客戶A	227,517	148,991
— Entities under the control of the ultimate holding company ⁽¹⁾ (Note 30(a)) 最終控股公司所控制的實體 ⁽¹⁾ (附註30(a))	151,780	124,946
— Customer B 客戶B	142,603	150,035
	521,900	423,972

⁽¹⁾ 指受共同控制的一組實體，視為單一客戶。

截至2016年12月31日止年度，其他分部概無客戶(2015年：無)個別佔本集團總收入的百分之十或以上。

(e) Information about geographical areas

The Company is domiciled in Hong Kong. An analysis of revenue from external customers and non-current assets of the Group by geographical area is set out below:

(i) Revenue⁽¹⁾

	2016	2015
	HK\$'000 千港元	HK\$'000 千港元
Hong Kong 香港	597,087	558,487
Mainland China 中國內地	234,705	179,538
Macao 澳門	110,190	98,260
Australia 澳大利亞	45,353	40,983
Canada 加拿大	33,320	32,611
Singapore 新加坡	23,945	23,540
New Zealand 新西蘭	17,023	14,967
Other countries 其他國家	22,657	22,091
	1,084,280	970,477

(ii) Non-current assets⁽²⁾

	2016	2015
	HK\$'000 千港元	HK\$'000 千港元
Hong Kong 香港	263,883	275,937
Mainland China 中國內地	2,000	2,485
Macao 澳門	9,500	9,724
Australia 澳大利亞	36,296	37,179
Canada 加拿大	4,828	3,431
Singapore 新加坡	759	864
New Zealand 新西蘭	5,555	4,718
United States 美國	24,868	-
Other countries 其他國家	7,374	6,856
	355,063	341,194

⁽¹⁾ The geographical location of revenue is analysed based on the location where goods are sold and services are provided.

⁽²⁾ The geographical location of non-current assets is analysed based on where the assets are located or held. In this analysis, the total of non-current assets excludes investments accounted for using the equity method, available-for-sale financial asset and deferred tax assets.

(e) 有關地區的資料

本公司於香港營運。本集團按地區劃分的來自外界客戶之收入及非流動資產的分析如下：

(i) 收入⁽¹⁾

(ii) 非流動資產⁽²⁾

⁽¹⁾ 收入來源地區按銷售貨品及提供服務所在地分析。

⁽²⁾ 非流動資產按地區分析是根據該資產的所在地或持有地釐定。本分析中，非流動資產總額不包括按權益法入賬之投資、可供出售金融資產和遞延所得稅資產。

6 Expenses by nature

	2016	2015
	HK\$'000 千港元	HK\$'000 千港元
Cost of inventories sold (Note 19) 出售存貨成本 (附註 19)	226,757	230,025
Employee benefit expenses (Note 7) 僱員福利開支 (附註 7)	155,636	137,597
Operating leases payments 經營租賃付款	61,890	55,739
Amortisation of prepaid operating lease payments (Note 14) 預付經營租賃款項攤銷 (附註 14)	543	543
Amortisation of intangible assets (Note 16) 無形資產攤銷 (附註 16)	1,717	1,083
Depreciation of property, plant and equipment (Note 15) 物業、廠房及設備折舊 (附註 15)	21,915	21,589
Loss on disposal of property, plant and equipment 出售物業、廠房、設備之虧損	35	444
Write-off of inventories (Note 19) 存貨撇減 (附註 19)	862	1,228
Auditors' remuneration 核數師酬金		
— Audit services 核數服務	2,924	3,084
— Non-audit services 非核數服務	790	402
Utilities 水電費	5,904	5,261
Repair and maintenance 維修及保養	4,077	3,356
Research and development 研發	4,273	5,155
Net exchange loss 匯兌虧損淨額	76	86
Promotion and advertising expenses 宣傳及廣告開支	15,943	8,141
Legal and professional expenses 法律及專業開支	6,758	6,423
Transportation expenses 運輸開支	7,809	5,298
Bank charges 銀行手續費	3,685	3,615
Store supplies 店鋪用品	8,406	8,334
Other taxes and levies 其他稅項及徵費	5,252	4,664
Other expenses 其他開支	25,453	19,543
Total cost of sales, distribution and selling expenses and general and administrative expenses 銷售成本、分銷及銷售開支和一般及行政開支總額	560,705	521,610

6 按性質分類的開支

7 Employee benefit expenses, including directors’ emoluments

	2016	2015
	HK\$’000 千港元	HK\$’000 千港元
Salaries, wages and bonuses 薪金、工資及花紅	137,082	122,650
Pension costs — defined contribution plans 退休金成本 — 定額供款計畫	8,999	7,295
Other benefits 其他福利	9,555	7,652
	155,636	137,597

(a) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include two (2015: three) directors whose emoluments are reflected in the analysis presented in Note 8(a). The emoluments paid or payable to the remaining three (2015: two) individuals during the year are as follows:

	2016	2015
	HK\$’000 千港元	HK\$’000 千港元
Basic salaries and other benefits 基本薪金及其他福利	1,559	1,430
Bonuses 花紅	2,519	1,246
Pension costs — defined contribution plans 退休金成本 — 定額供款計畫	36	36
	4,114	2,712

The emoluments fell within the following bands:

	Number of individuals 人數	
	2016	2015
Emolument bands 酬金範圍		
HK\$ 港元 1,000,001 – HK\$ 港元 1,500,000	3	2

(b) Senior management’s emoluments

The emoluments paid or payable to senior management for the year ended 31 December 2016 fell within the following bands:

	Number of individuals 人數	
	2016	2015
Emolument bands 酬金範圍		
HK\$ 港元 0 – HK\$ 港元 1,000,000	–	2
HK\$ 港元 1,000,001 – HK\$ 港元 1,500,000	3	2

- (c) For the year ended 31 December 2016, no emoluments (2015: nil) were paid by the Group to any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office, and no arrangement under which any of the highest paid individuals waived or agreed to waive any of the emoluments.

7 僱員福利開支，包括董事酬金

(a) 五名最高薪人士

本集團年內的五名最高薪人士包括兩位（2015 年：三位）董事，其酬金於附註 8(a) 分析中反映。年內已付或應付餘下三位（2015 年：兩位）人士的酬金如下：

	2016	2015
	HK\$’000 千港元	HK\$’000 千港元
Basic salaries and other benefits 基本薪金及其他福利	1,559	1,430
Bonuses 花紅	2,519	1,246
Pension costs — defined contribution plans 退休金成本 — 定額供款計畫	36	36
	4,114	2,712

酬金介乎以下範圍：

(b) 高級管理人員酬金

截至2016年12月31日止年度已付或應付高級管理人員的酬金介乎以下範圍：

- (c) 截至2016年12月31日止年度，本集團並無向五名最高薪人士支付任何酬金（2015 年：無），作為吸引其加入或加入本集團時的獎勵或離職補償，亦無最高薪人士放棄或同意放棄任何酬金的安排。

8 Benefits and interests of directors (disclosures required by section 383 of the Hong Kong Companies Ordinance (Cap. 622), Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap. 622G) and HK Listing Rules)

(a) Directors’ emoluments

The remuneration of every director for the years ended 31 December 2016 and 2015 are set out below:

Emoluments paid or receivable in respect of a person’s services as a director, whether of the Company or its subsidiary undertaking 作為董事 (不管是本公司或其附屬公司企業) 提供服務而支付或應收的酬金					
Employer’s contribution to a retirement benefit scheme 僱主之退休金計劃供款					
Year ended 31 December 2016 截至2016年12月31日止年度	Fees 袍金	Salary 薪金	Discretionary bonuses 酌情花紅	Total 合計	
	HK\$’000 千港元	HK\$’000 千港元	HK\$’000 千港元	HK\$’000 千港元	HK\$’000 千港元
Non-executive Director: 非執行董事：					
Mr. Mei Qun 梅群先生	-	-	-	-	-
Executive Directors: 執行董事：					
Ms. Ding Yong Ling ⁽¹⁾ 丁永玲女士 ⁽¹⁾	-	400 ⁽²⁾	-	6	406
Mr. Zhang Huan Ping 張煥平先生	-	715	1,011	18	1,744
Ms. Lin Man 林曼女士	-	715	1,011	18	1,744
Independent Non-executive Directors: 獨立非執行董事：					
Ms. Leung, Oi Sie Elsie 梁愛詩女士	240	-	-	-	240
Mr. Zhao Zhong Zhen 趙中振先生	240	-	-	-	240
Mr. Chan Ngai Chi 陳毅馳先生	240	-	-	-	240
	720	1,830	2,022	42	4,614

8 董事的利益和權益 (香港《公司條例》(第622章)第383條及《公司(披露董事利益資料)規例》(第622G章)規定的披露及上市規則規定的披露)

(a) 董事酬金

截至2016年及2015年12月31日止年度的本公司各董事薪酬如下：

8 Benefits and interests of directors (disclosures required by section 383 of the Hong Kong Companies Ordinance (Cap. 622), Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap. 622G) and HK Listing Rules)

(Continued)

(a) Directors’ emoluments (Continued)

Year ended 31 December 2015 截至2015年12月31日止年度	Emoluments paid or receivable in respect of a person’s services as a director, whether of the Company or its subsidiary undertaking 作為董事 (不管是本公司或其附屬公司企業) 提供服務而支付或應收的酬金				
	Fees 袍金	Salary 薪金	Discretionary bonuses 酌情花紅	Employer’s contribution to a retirement benefit scheme 僱主之退休金 計劃供款	Total 合計
	HK\$’000 千港元	HK\$’000 千港元	HK\$’000 千港元	HK\$’000 千港元	HK\$’000 千港元
Non-executive Director: 非執行董事：					
Mr. Mei Qun 梅群先生	-	-	-	-	-
Executive Directors: 執行董事：					
Ms. Ding Yong Ling ⁽¹⁾ 丁永玲女士 ⁽¹⁾	-	1,300 ⁽²⁾	1,577	18	2,895
Mr. Zhang Huan Ping 張煥平先生	-	715	1,011	18	1,744
Ms. Lin Man 林曼女士	-	715	1,011	18	1,744
Independent Non-executive Directors: 獨立非執行董事：					
Ms. Leung, Oi Sie Elsie 梁愛詩女士	240	-	-	-	240
Mr. Zhao Zhong Zhen 趙中振先生	240	-	-	-	240
Mr. Chan Ngai Chi 陳毅馳先生	240	-	-	-	240
	720	2,730	3,599	54	7,103

⁽¹⁾ Ms. Ding Yong Ling is also the Chief Executive of the Company.

⁽²⁾ Ms. Ding Yong Ling returned salary of HK\$818,000 for the year ended 31 December 2015 and salary of HK\$272,000 for the year ended 31 December 2016 to the Company in 2016.

Except for the disclosure for director’s emolument made in foot note (2) above, no directors of the Company waived any emoluments and no emoluments were paid by the Group to any of the directors of the Company as an inducement to join or upon joining the Group or as a compensation for loss of office as a director.

(b) Directors’ retirement benefits

No retirement benefits were paid to or receivable by any directors in respect of their other services in connection with the management of the affairs of the Company or its subsidiary undertaking during the year ended 31 December 2016 (2015: Nil).

(c) Directors’ termination benefits

No payment was made to any directors as compensation for the early termination of the appointment during the year ended 31 December 2016 (2015: Nil).

(d) Consideration provided to third parties for making available directors’ services

No payment was made to the former employer of any directors for making available the services of them as a director of the Company during the year ended 31 December 2016 (2015: Nil).

8 董事的利益和權益 (香港《公司條例》(第622章)第383條及《公司(披露董事利益資料)規例》(第622G章)規定的披露及上市規則規定的披露) (續)

(a) 董事酬金 (續)

Year ended 31 December 2015 截至2015年12月31日止年度	Emoluments paid or receivable in respect of a person’s services as a director, whether of the Company or its subsidiary undertaking 作為董事 (不管是本公司或其附屬公司企業) 提供服務而支付或應收的酬金				
	Fees 袍金	Salary 薪金	Discretionary bonuses 酌情花紅	Employer’s contribution to a retirement benefit scheme 僱主之退休金 計劃供款	Total 合計
	HK\$’000 千港元	HK\$’000 千港元	HK\$’000 千港元	HK\$’000 千港元	HK\$’000 千港元
Non-executive Director: 非執行董事：					
Mr. Mei Qun 梅群先生	-	-	-	-	-
Executive Directors: 執行董事：					
Ms. Ding Yong Ling ⁽¹⁾ 丁永玲女士 ⁽¹⁾	-	1,300 ⁽²⁾	1,577	18	2,895
Mr. Zhang Huan Ping 張煥平先生	-	715	1,011	18	1,744
Ms. Lin Man 林曼女士	-	715	1,011	18	1,744
Independent Non-executive Directors: 獨立非執行董事：					
Ms. Leung, Oi Sie Elsie 梁愛詩女士	240	-	-	-	240
Mr. Zhao Zhong Zhen 趙中振先生	240	-	-	-	240
Mr. Chan Ngai Chi 陳毅馳先生	240	-	-	-	240
	720	2,730	3,599	54	7,103

⁽¹⁾ 丁永玲女士亦為本公司最高行政人員。

⁽²⁾ 丁永玲女士於2016年退還截至2015年12月31日止年度的薪金818,000港元及截至2016年12月31日止年度的薪金272,000港元予本公司。

除了以上披露於附註(2)的董事酬金外，本公司並無董事放棄任何酬金，本集團亦無董事放棄任何酬金，作為吸引加入本集團之獎勵或在加入時獎勵或作為離職補償。

(b) 董事退休福利

本年度內並無已付或應付董事退休福利，作為其提供本公司或其附屬單位事務管理相關其他服務之酬勞(2015年：無)。

(c) 董事辭退福利

本年度內並無向董事支付任何酬金，作為其提前辭任的離職補償(2015年：無)。

(d) 聘任第三方人員為董事應支付的代價

本年度內並無因聘任第三方人員為本公司董事而應支付給該等人員前任僱主的代價(2015年：無)。

8 Benefits and interests of directors (disclosures required by section 383 of the Hong Kong Companies Ordinance (Cap. 622), Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap. 622G) and HK Listing Rules)

(Continued)

- (e) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors
- There are no loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors during the year ended 31 December 2016 (2015: Nil).
- (f) Directors’ material interests in transactions, arrangements or contracts
- No significant transactions, arrangements and contracts in relation to the Group’s business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 December 2016 (2015: Nil).

9 Finance income and costs

	2016	2015
	HK\$’000 千港元	HK\$’000 千港元
Finance income 財務收益	7,913	8,749
Finance costs 財務支出	(43)	(215)
Finance income, net 淨財務收益	7,870	8,534

10 Investments accounted for using the equity method

- (a) The amounts recognised in the consolidated balance sheet are as follows:

	2016	2015
	HK\$’000 千港元	HK\$’000 千港元
Joint ventures 合營企業	19,810	23,081
Associates 聯營公司	-	-
At 31 December 於 12 月 31 日	19,810	23,081

- (b) The amounts recognised in the consolidated income statement are as follows:

	2016	2015
	HK\$’000 千港元	HK\$’000 千港元
Joint ventures 合營企業	(3,099)	(476)
Associates 聯營公司	-	(3,919)
For the year ended 31 December 截至 12 月 31 日止年度	(3,099)	(4,395)

8 董事的利益和權益(香港《公司條例》(第 622 章)第 383 條及《公司(披露董事利益資料)規例》(第 622G 章)規定的披露及上市規則規定的披露)(續)

- (e) 董事、董事控制企業、董事關聯實體之貸款、準貸款以及其他交易相關信息

本年度內並無董事、董事控制企業、董事關聯實體之貸款、準貸款以及其他交易相關信息(2015 年：無)。

- (f) 董事在本集團訂立的交易、安排或合同中的重大權益

本年度內或年結時，本集團概無簽訂任何涉及本集團之業務而本公司之董事直接或間接在其中擁有重大權益之重要交易、安排或合同(2015 年：無)。

9 財務收益及支出

10 按權益法入賬之投資

- (a) 於合併資產負債表確認的金額如下：

	2016	2015
	HK\$’000 千港元	HK\$’000 千港元
Joint ventures 合營企業	19,810	23,081
Associates 聯營公司	-	-
At 31 December 於 12 月 31 日	19,810	23,081

- (b) 於合併收益表確認的數額如下：

	2016	2015
	HK\$’000 千港元	HK\$’000 千港元
Joint ventures 合營企業	(3,099)	(476)
Associates 聯營公司	-	(3,919)
For the year ended 31 December 截至 12 月 31 日止年度	(3,099)	(4,395)

10 Investments accounted for using the equity method *(Continued)*

(c) Interests in joint ventures

The Group has interests in a number of individually immaterial joint ventures. The following table analyses, in aggregate, the movement of the carrying amount of the Group's interests in these joint ventures, and its share of results, other comprehensive income and commitments of these joint ventures.

	2016	2015
	HK\$'000 千港元	HK\$'000 千港元
At 1 January 於1月1日	23,081	25,858
Share of losses for the year 應佔年度虧損	(1,809)	(476)
Share of other comprehensive losses 應佔其他綜合虧損		
— Currency translation differences 貨幣兌換差額	(172)	(2,098)
Impairment loss 減值計提	(1,290)	—
Dividends 股息	—	(203)
At 31 December 於12月31日	19,810	23,081
The Group's share of joint ventures' commitments 本集團應佔合營企業承擔	5,424	2,864

Notes:

- (a) The joint ventures are private companies and there are no quoted market prices available for their shares.
- (b) There are no contingent liabilities relating to the Group's interests in the joint ventures.
- (c) Details of the joint ventures are set out in Note 31.

(d) Interest in associates

The Group has interests in a number of individually immaterial associates.

	2016	2015
	HK\$'000 千港元	HK\$'000 千港元
At 1 January 於1月1日	—	—
Addition 增加	—	3,930
Share of loss for the year 應佔年度虧損	—	(3,919)
Share of other comprehensive loss 應佔其他綜合虧損		
— Currency translation difference 貨幣兌換差額	—	(11)
At 31 December 於12月31日	—	—

Notes:

- (a) The associates are private companies and there are no quoted market prices available for their shares.
- (b) There are no contingent liabilities relating to the Group's interest in the associates.
- (c) At 31 December 2016 and 2015, the Group's investment in one of the associates which is still under the process of being wound up, was fully impaired.
- (d) In 2016, the Group has not recognised its share of loss of one of its associates as its share of accumulated loss has exceeded its investment cost.

10 按權益法入賬之投資 *(續)*

(c) 於合營企業之權益

本集團擁有若干個別不重大的合營企業的權益。下表分析本集團合共所持該等合營企業的權益賬面值變動和應佔該等合營企業的業績、其他綜合收益及承擔。

	2016	2015
	HK\$'000 千港元	HK\$'000 千港元
At 1 January 於1月1日	23,081	25,858
Share of losses for the year 應佔年度虧損	(1,809)	(476)
Share of other comprehensive losses 應佔其他綜合虧損		
— Currency translation differences 貨幣兌換差額	(172)	(2,098)
Impairment loss 減值計提	(1,290)	—
Dividends 股息	—	(203)
At 31 December 於12月31日	19,810	23,081
The Group's share of joint ventures' commitments 本集團應佔合營企業承擔	5,424	2,864

附註：

- (a) 合營企業為私人公司，其股份並無市場報價。
- (b) 並無有關本集團所持合營企業權益的或有負債。
- (c) 合營企業詳情載於附註31。

(d) 於聯營公司之權益

本集團擁有若干個別不重大的聯營公司的權益。

	2016	2015
	HK\$'000 千港元	HK\$'000 千港元
At 1 January 於1月1日	—	—
Addition 增加	—	3,930
Share of loss for the year 應佔年度虧損	—	(3,919)
Share of other comprehensive loss 應佔其他綜合虧損		
— Currency translation difference 貨幣兌換差額	—	(11)
At 31 December 於12月31日	—	—

附註：

- (a) 聯營公司為私人公司，其股份並無市場報價。
- (b) 並無有關本集團所持聯營公司權益的或有負債。
- (c) 於2016年及2015年12月31日，本集團其中一間聯營公司的投資已悉數減值，此聯營公司尚在清盤中。
- (d) 因本集團應佔一間聯營公司的虧損超過本集團於該聯營公司之投資成本，故於2016年並無確認其應佔的虧損。

11 Income tax expense

Hong Kong profits tax has been provided for at the rate of 16.5% (2015: 16.5%) on the estimated assessable profit for the year. PRC corporate income tax has been provided at the rate of 25% (2015: 25%) on the estimated assessable profits for the year of the subsidiaries operating in the PRC. Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

	2016	2015
	HK\$'000 千港元	HK\$'000 千港元
Current income tax 當期所得稅		
— Current year 本年度	95,400	85,058
— (Over)/under provision in prior years 往年(多計)/少計撥備	(745)	507
	94,655	85,565
Deferred income tax (Note 18) 遞延所得稅(附註18)	(2,265)	(3,529)
Income tax expense 所得稅支出	92,390	82,036

The income tax on the Group’s profit before income tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

	2016	2015
	HK\$'000 千港元	HK\$'000 千港元
Profit before income tax 除所得稅前利潤	532,270	456,614
Tax calculated at domestic tax rates applicable to profits in the respective countries 按個別國家利潤相關的國內稅率計算之稅項	90,035	77,999
Tax effects of: 以下的稅務影響		
— Income not subject to tax 免稅收益	(4,097)	(2,801)
— Expenses not deductible for tax purposes 不可扣稅開支	2,404	1,237
— Tax losses for which no deferred income tax asset was recognised 未確認遞延所得稅資產的稅項虧損	3,018	4,289
— Withholding income tax on royalty fee from overseas entities 自海外實體品牌使用費代扣所得稅	247	287
— (Over)/under provision in prior years 往年(多計)/少計撥備	(745)	507
— Others 其他	1,528	518
Tax charge 稅項開支	92,390	82,036

The weighted average applicable tax rate was 16.9% (2015: 17.1%). The decrease is caused by a change in the profitability of the Group’s subsidiaries in the respective countries.

11 所得稅支出

就年內估計應課稅利潤按16.5%（2015年：16.5%）的稅率計提香港利得稅。就中國營運附屬公司年內估計應課稅利潤按25%（2015年：25%）的稅率計提中國企業所得稅。海外利潤的稅項基於年內估計應課稅利潤按本集團經營所在國家的現行稅率計算。

本集團除稅前利潤的所得稅與採用適用於合併入賬實體利潤的加權平均稅率計算的理論金額差異如下：

適用的加權平均稅率為16.9%（2015年：17.1%）。稅率下跌是因為本集團附屬公司在有關國家的盈利能力改變。

12 Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary share in issue during the year.

	2016	2015
	HK\$'000 千港元	HK\$'000 千港元
Profit attributable to owners of the Company 本公司擁有人應佔利潤	420,315	354,249
Weighted average number of ordinary shares in issue (thousands) 已發行普通股加權平均數 (千股)	837,100	835,991
Earnings per share (HK\$) 每股盈利 (港元)	0.50	0.42

For the years ended 31 December 2016 and 2015, diluted earnings per share is the same as basic earnings per share as there were no potential dilutive shares.

13 Dividends

The dividends paid in 2016 and 2015 were HK\$108,823,000 (HK\$0.13 per share) and HK\$83,710,000 (HK\$0.10 per share) respectively. A dividend in respect of the year ended 31 December 2016 of HK\$0.16 per share, amounting to a total dividend of HK\$133,936,000, is to be proposed at the annual general meeting on 8 May 2017. These financial statements do not reflect this dividend payable.

	2016	2015
	HK\$'000 千港元	HK\$'000 千港元
Interim dividend paid of HK\$nil (2015: HK\$nil) per ordinary share 已付每股普通股中期股息零港元 (2015 年：零港元)	-	-
Proposed final dividend of HK\$0.16 (2015:HK\$0.13) per ordinary share 建議每股普通股末期股息 0.16 港元 (2015 年：0.13 港元)	133,936	108,823
	133,936	108,823

14 Leasehold land

The Group’s interest in leasehold land represents prepaid operating lease payments and its net book value is analysed as follows:

	2016	2015
	HK\$'000 千港元	HK\$'000 千港元
In Hong Kong, held on: 於香港所持：		
Lease of between 10 and 50 years 租期為 10 至 50 年	16,551	17,094
At 1 January 於 1 月 1 日	17,094	17,637
Amortisation of prepaid operating lease payments 預付經營租賃款項攤銷	(543)	(543)
At 31 December 於 12 月 31 日	16,551	17,094

12 每股盈利

每股基本盈利乃按本公司擁有人應佔利潤除以年內已發行普通股的加權平均數計算。

13 股息

2016 年及 2015 年的已付股息分別為 108,823,000 港元（每股 0.13 港元）及 83,710,000 港元（每股 0.10 港元）。截至 2016 年 12 月 31 日止年度的股息每股 0.16 港元（股息總額為 133,936,000 港元）將於本公司在 2017 年 5 月 8 日舉行的股東週年大會上提呈。該等財務報表並無反映該應付股息。

14 租賃土地

本集團租賃土地的權益指預付經營租賃款項，其賬面淨值分析如下：

15 Property, plant and equipment

	Freehold land and leasehold land held under finance lease 永久業權土地 及根據融資 租賃持有的 租賃土地	Buildings 樓宇	Leasehold improvement 租賃物業 裝修	Plant and machinery 廠房及機器	Furniture and equipment 傢俱及設備	Motor vehicles 汽車	Total 合計
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Year ended 31 December 2015 截至2015年12月31日止年度							
Opening net book amount 期初帳面淨值	98,898	99,183	37,608	15,059	8,714	901	260,363
Additions 增加	4,250	8,008	6,203	2,028	8,006	264	28,759
Acquisition of a subsidiary (Note 28) 收購附屬公司 (附註28)	-	-	-	-	23	361	384
Disposals (Note 26(b)) 出售 (附註26(b))	-	-	(5)	-	(439)	-	(444)
Depreciation charge (Note 6) 折舊支出 (附註6)	(2,127)	(2,505)	(10,346)	(3,547)	(2,560)	(504)	(21,589)
Currency translation differences 貨幣兌換差額	(505)	(2,373)	(1,612)	-	(533)	(20)	(5,043)
Closing net book amount 期末帳面淨值	100,516	102,313	31,848	13,540	13,211	1,002	262,430
At 31 December 2015 於2015年12月31日							
Cost 成本	107,292	121,613	63,396	49,781	22,807	2,972	367,861
Accumulated depreciation and impairment 累計折舊及減值	(6,776)	(19,300)	(31,548)	(36,241)	(9,596)	(1,970)	(105,431)
Net book amount 帳面淨值	100,516	102,313	31,848	13,540	13,211	1,002	262,430
Year ended 31 December 2016 截至2016年12月31日止年度							
Opening net book amount 期初帳面淨值	100,516	102,313	31,848	13,540	13,211	1,002	262,430
Additions 增加	-	-	9,446	54	6,280	516	16,296
Disposals (Note 26(b)) 出售 (附註26(b))	-	-	(16)	-	(19)	-	(35)
Depreciation charge (Note 6) 折舊支出 (附註6)	(2,127)	(2,779)	(9,671)	(3,594)	(3,258)	(486)	(21,915)
Currency translation differences 貨幣兌換差額	(66)	(212)	(93)	-	(391)	(2)	(764)
Closing net book amount 期末帳面淨值	98,323	99,322	31,514	10,000	15,823	1,030	256,012
At 31 December 2016 於2016年12月31日							
Cost 成本	107,227	121,385	70,270	49,835	28,363	3,477	380,557
Accumulated depreciation and impairment 累計折舊及減值	(8,904)	(22,063)	(38,756)	(39,835)	(12,540)	(2,447)	(124,545)
Net book amount 帳面淨值	98,323	99,322	31,514	10,000	15,823	1,030	256,012

15 物業、廠房及設備

15 Property, plant and equipment *(Continued)*

The net book value of the interests in freehold land and leasehold land classified as finance lease are analysed as follows:

	2016	2015
	HK\$'000 千港元	HK\$'000 千港元
In Hong Kong, held on: 於香港所持：		
Leases of between 10 and 50 years 租期為 10 至 50 年	89,596	91,723
Outside Hong Kong, held on: 於香港境外所持		
Freehold 永久業權	8,727	8,793

As at 31 December 2016, bank borrowing is secured by a freehold land and building amounted to HK\$11,585,000 (2015: HK\$12,258,000) (Note 24).

Depreciation expenses were charged to the consolidated income statements as follows:

	2016	2015
	HK\$'000 千港元	HK\$'000 千港元
Cost of sales 銷售成本	6,671	6,649
Distribution and selling expenses 分銷及銷售開支	9,731	10,562
General and administrative expenses 一般及行政開支	5,513	4,378
	21,915	21,589

16 Intangible assets

The net book value of the Group's intangible assets is analysed as follows:

	Goodwill 商譽	Other intangible assets 其他無形資產	Total 總額
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2015 於 2015 年 1 月 1 日	-	-	-
Acquisition of a subsidiary (Note 28) 收購附屬公司 (附註 28)	49,419	13,000	62,419
Amortisation (Note 6) 攤銷 (附註 6)	-	(1,083)	(1,083)
At 31 December 2015 於 2015 年 12 月 31 日	49,419	11,917	61,336
Additions 增加	-	21,660	21,660
Amortisation (Note 6) 攤銷 (附註 6)	-	(1,717)	(1,717)
At 31 December 2016 於 2016 年 12 月 31 日	49,419	31,860	81,279

Note:

Other intangible assets represent customer relationships, a management contract and an exclusive supply contract.

Customer relationships were acquired in a business combination in 2015 (Note 28).

Pursuant to the management contract and the exclusive supply contract acquired in 2016, the Group is appointed to provide non-medical management service and as an exclusive supplier of Chinese Medicine products to an acupuncture clinic based in New York, the United States. The Group is entitled to receive management fee income and profits from supplying Chinese Medicine products in return to its services rendered.

15 物業、廠房及設備 *(續)*

分類為永久業權土地及根據融資租賃持有的租賃土地的權益的賬面淨值分析如下：

	2016	2015
	HK\$'000 千港元	HK\$'000 千港元
於 2016 年 12 月 31 日，銀行借款以賬面值 11,585,000 港元（2015 年：12,258,000 港元）的永久業權土地及樓宇作為抵押（附註 24）。		
	89,596	91,723
於 2016 年 12 月 31 日，銀行借款以賬面值 11,585,000 港元（2015 年：12,258,000 港元）的永久業權土地及樓宇作為抵押（附註 24）。		
	8,727	8,793

於 2016 年 12 月 31 日，銀行借款以賬面值 11,585,000 港元（2015 年：12,258,000 港元）的永久業權土地及樓宇作為抵押（附註 24）。

自合併收益表支銷的折舊開支如下：

	2016	2015
	HK\$'000 千港元	HK\$'000 千港元
Cost of sales 銷售成本	6,671	6,649
Distribution and selling expenses 分銷及銷售開支	9,731	10,562
General and administrative expenses 一般及行政開支	5,513	4,378
	21,915	21,589

16 無形資產

本集團的無形資產的賬面淨值分析如下：

	Goodwill 商譽	Other intangible assets 其他無形資產	Total 總額
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2015 於 2015 年 1 月 1 日	-	-	-
Acquisition of a subsidiary (Note 28) 收購附屬公司 (附註 28)	49,419	13,000	62,419
Amortisation (Note 6) 攤銷 (附註 6)	-	(1,083)	(1,083)
At 31 December 2015 於 2015 年 12 月 31 日	49,419	11,917	61,336
Additions 增加	-	21,660	21,660
Amortisation (Note 6) 攤銷 (附註 6)	-	(1,717)	(1,717)
At 31 December 2016 於 2016 年 12 月 31 日	49,419	31,860	81,279

附註：

其他無形資產分別為客戶關係、管理合同及獨家供貨合同。

客戶關係於 2015 年的企業合併中確認（附註 28）。

按 2016 年取得的管理合同及獨家供貨合同，本集團會為一家於美國紐約的針灸診所提供非醫療的管理服務及獨家供應中藥產品。在供應中藥產品及管理服務的時，本集團會收到管理服務費及利潤。

16 Intangible assets (Continued)
Impairment test for goodwill

Goodwill is monitored by management at the operating segment level. For the purpose of impairment testing, the goodwill arising on acquisition is allocated to the Group’s cash generating units (“CGU”) within the Hong Kong segment.

The recoverable amount of the CGU is determined by management based on value-in-use calculation. The key assumptions adopted in the value-in-use calculation are based on management’s best estimates and past experience.

The value-in-use calculation is based on a five-year financial budget approved by management. Cash flows beyond the five-year period are extrapolated using the estimated growth rate of 3%. A pre-tax discount rate of 16% (2015: 20%) is used which reflects the specific risks relating to the relevant operating segment.

The Group recognised a goodwill of HK\$49,419,000 during the year ended 31 December 2015 as a result of the acquisition of the equity interest in Honour Essence Trading Limited, which is principally engaged in the distribution of Chinese Medicine products in Hong Kong. The goodwill has been allocated for impairment testing to Honour Essence Trading Limited’s cash-generating unit within the Hong Kong segment.

An increase in discount rate to 22.2% or a decrease in forecast sales growth rate to -1.4% and terminal growth rate to -1.4%, all changes taken in isolation, would remove the remaining headroom.

17 Available-for-sale financial asset

	2016	2015
	HK\$’000 千港元	HK\$’000 千港元
At 1 January 於1月1日	-	-
Addition 增加	13,788	-
Loss transfer to equity (Note 23) 虧損轉撥至權益 (附註23)	(475)	-
At 31 December 於12月31日	13,313	-

The available-for-sale financial asset represents a Hong Kong listed equity security which is denominated in Hong Kong dollars. The fair value is within level 1 of the fair value hierarchy.

18 Deferred income tax

The analysis of deferred income tax assets and liabilities is as follows:

	2016	2015
	HK\$’000 千港元	HK\$’000 千港元
Deferred income tax assets 遞延所得稅資產		
— to be recovered after more than 12 months 將於12個月後收回	-	-
— to be recovered within 12 months 將於12個月內收回	9,990	8,520
	9,990	8,520
Deferred income tax liabilities 遞延所得稅負債		
— to be settled after more than 12 months 將於超過12個月後結算	(2,627)	(2,999)
— to be settled within 12 months 將於12個月內結算	(1,511)	(1,792)
	(4,138)	(4,791)
Deferred income tax assets, net 遞延所得稅資產淨額	5,852	3,729

16 無形資產 (續)
商譽減值測試

管理層在經營分部層面監測商譽。為了減值測試的目的，商譽已分配至本集團之香港地區內的已辨識的現金產生單位。

現金產生單位的可收回金額是管理層根據使用價值計算法而釐定。用於計算使用價值的關鍵假設是基於管理層的最佳估計和過去的經驗而釐定。

使用價值計算是基於管理層通過的五年財政預算。五年期以後之財政預算乃使用3%的估計增長率推算。所用之稅前貼現率為16%（2015：20%），亦反映有關營運分部之特定風險。

本集團於2015年收購大宏貿易有限公司（其主要業務為於香港從事分銷中藥產品）時確認其商譽為49,419,000港元。商譽被分配至香港分部大宏貿易有限公司的現金產出單元中進行減值測試。

貼現率上升至22.2%或預期銷售增長率下跌至-1.4%及最終增長率至-1.4%（全部視為獨立變動）將消除此剩餘空間。

17 可供出售金融資產

可供出售金融資產為以港元結算的香港上市公司證券，其公允價值為公允值層級的第一層。

18 遞延所得稅

遞延所得稅資產及負債的分析如下：

18 Deferred income tax (Continued)

The net movement in the deferred income tax account is as follows:

	2016	2015
	HK\$'000 千港元	HK\$'000 千港元
At 1 January 於1月1日	3,729	2,182
Acquisition of a subsidiary 收購附屬公司	-	(1,840)
Credited to the income statement (Note 11) 計入收益表(附註11)	2,265	3,529
Currency translation differences 貨幣兌換差額	(142)	(142)
At 31 December 於12月31日	5,852	3,729

The gross movements in deferred income tax assets and liabilities, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

	Accelerated accounting depreciation 加速會計折舊	Unrealised profit 未變現利潤	Provision 撥備	Total 總計
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Deferred income tax assets 遞延所得稅資產				
At 1 January 2015 於2015年1月1日	-	3,806	3,051	6,857
Credited to the income statement 計入收益表	284	1,527	38	1,849
Currency translation differences 貨幣兌換差額	-	(6)	(180)	(186)
At 31 December 2015 於2015年12月31日	284	5,327	2,909	8,520
At 1 January 2016 於2016年1月1日	284	5,327	2,909	8,520
Credited/(charged) to the income statement 計入／(扣自) 收益表	(237)	3,049	(1,202)	1,610
Currency translation differences 貨幣兌換差額	(6)	-	(134)	(140)
At 31 December 2016 於2016年12月31日	41	8,376	1,573	9,990

18 遞延所得稅 (續)

遞延所得稅賬目淨變動如下：

在不考慮同一稅務司法權區內結餘抵銷的情況下，遞延所得稅資產及負債總變動如下：

18 Deferred income tax (Continued)

	Accelerated tax depreciation 加速稅項折舊	Other 其他	Total 總額
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Deferred income tax liabilities 遞延所得稅負債			
At 1 January 2015 於2015年1月1日	(4,204)	(471)	(4,675)
Credited to the income statement 計入收益表	191	1,489	1,680
Acquisition of a subsidiary 收購附屬公司	-	(1,840)	(1,840)
Currency translation differences 貨幣兌換差額	44	-	44
At 31 December 2015 於2015年12月31日	(3,969)	(822)	(4,791)
At 1 January 2016 於2016年1月1日	(3,969)	(822)	(4,791)
Credited to the income statement 計入收益表	378	277	655
Currency translation differences 貨幣兌換差額	(2)	-	(2)
At 31 December 2016 於2016年12月31日	(3,593)	(545)	(4,138)

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group did not recognise deferred income tax assets of approximately HK\$6,333,000 (2015: HK\$7,550,000) in respect of tax losses amounting to approximately HK\$33,845,000 (2015: HK\$42,655,000) at 31 December 2016 that can be carried forward against future taxable income. These tax losses have no expiry dates except for the tax losses of HK\$18,858,000 (2015: HK\$13,652,000) which will expire between 2017 and 2036 (2015: expire between 2016 and 2020).

The Group did not recognise the deferred income tax liabilities of HK\$2,713,000 (2015: HK\$2,003,000) in respect of the withholding tax that would be payable on the unremitted earnings of certain subsidiaries amounting to HK\$46,271,000 (2015: HK\$33,636,000) at 31 December 2016, as the Group can control the dividend policies of these subsidiaries and these unremitted earnings will not be distributed in the foreseeable future.

19 Inventories

	2016	2015
	HK\$'000 千港元	HK\$'000 千港元
Raw materials 原材料	65,474	61,872
Work in progress 在製品	5,107	4,350
Finished goods and trading merchandise 製成品及貿易商品	107,958	94,037
	178,539	160,259

The cost of inventories recognised as expense and included in “cost of sales” amounted to HK\$226,757,000 (2015: HK\$230,025,000) and the write-off of inventories included in the “cost of sales” amounted to HK\$862,000 (2015: HK\$1,228,000) for the year ended 31 December 2016.

18 遞延所得稅 (續)

倘可通過未來應課稅利潤變現相關稅項優惠，則就稅項虧損結轉確認遞延所得稅資產。本集團並沒就可結轉以抵銷未來應課稅收益的虧損約33,845,000港元(2015年：42,655,000港元)確認遞延所得稅資產約6,333,000 港元(2015年：7,550,000港元)。除稅項虧損18,858,000港元(2015年：13,652,000港元)惟於2017至2036年間到期(2015年：2016年至2020年間到期)，該等稅項虧損並無屆滿日期。

於2016年12月31日，本集團並無就若干附屬公司未結匯之盈利46,271,000港元(2015年：33,636,000港元)計提應付之代扣稅項之遞延所得稅負債2,713,000港元(2015年：2,003,000港元)，此乃由於集團能夠控制這些附屬公司的股息政策，並且這些未結匯的利潤不會在可預見的未來分配。

19 存貨

截至2016年12月31日止年度，確認為開支並計入「銷售成本」的存貨成本為226,757,000 港元(2015年：230,025,000港元)，計入「銷售成本」的存貨撇銷為862,000港元(2015年：1,228,000港元)。

20 Trade receivables and other current assets

20 貿易應收款項及其他流動資產

	2016	2015
	HK\$'000 千港元	HK\$'000 千港元
Trade receivables 貿易應收款項		
— fellow subsidiaries 同系附屬公司	45,797	52,422
— joint ventures 合營企業	162	669
— associate 聯營公司	–	507
— third parties 第三方	98,618	117,517
Trade receivables 貿易應收款項	144,577	171,115
Prepayments and other receivables 預付款項及其他應收款項	29,863	25,168
Deposits 按金	18,952	16,268
Amount due from a joint venture (Note b) 應收合營企業款項 (附註b)	1,114	1,114
	194,506	213,665

Notes:	附註：
(a) The fair values of trade receivables and other currents assets approximate their carrying amounts.	(a) 貿易應收款項及其他流動資產的公允價值與其賬面值相若。
(b) The amount is repayable on demand, unsecured in nature and bears no interest.	(b) 該款項須於要求時償還、無抵押及免息。
(c) Retail sales at the Group's stores are usually made in cash or by debit or credit cards. For wholesales to distributors (including fellow subsidiaries, joint ventures and an associate), the Group normally grants credit periods ranging from 30 to 90 days.	(c) 本集團零售業務通常以現金、借記卡或信用卡進行。而就批發予分銷商 (包括同系附屬公司、合營企業及聯營公司) 而言，本集團通常授出的信貸期為30至90日。
At 31 December 2016 and 2015, the aging analysis of trade receivables based on invoice date (including amounts due from related parties of trading in nature) is as follows:	於2016年及2015年12月31日，根據發票日期的貿易應收款項 (包括應收關連方的貿易款項) 的賬齡分析如下：

	2016	2015
	HK\$'000 千港元	HK\$'000 千港元
Up to 3 months 三個月或以內	129,603	153,842
3 to 6 months 三至六個月	12,193	11,009
6 months to 1 year 六個月至一年	382	3,806
Over 1 year 一年以上	2,399	2,458
	144,577	171,115

(d) At 31 December 2016, the Group's trade receivables of HK\$36,360,000 (2015: HK\$68,943,000) were past due but not impaired. These trade receivables relate to a number of customers, including fellow subsidiaries and joint ventures, for whom there is no recent history of default.	(d) 於2016年12月31日，本集團的貿易應收款項36,360,000港元 (2015年：68,943,000港元) 已逾期但未減值。該等貿易應收款項與多位客戶 (包括同系附屬公司及合營企業) 有關，彼等近期並無無力償還的記錄。
The aging analysis of these trade receivables is as follows:	該等貿易應收款項的賬齡分析如下：

	2016	2015
	HK\$'000 千港元	HK\$'000 千港元
Past due less than 3 months 逾期少於三個月	22,823	55,545
Past due within 3 to 6 months 逾期三至六個月	10,818	10,940
Past due over 6 months 逾期六個月以上	2,719	2,458
	36,360	68,943

20 Trade receivables and other current assets (Continued)

Notes: (Continued)

- (e)At 31 December 2016, no trade receivables of the Group were impaired (2015: nil).
- (f)The carrying amounts of the Group’s trade receivables and other current assets are denominated in the following currencies:

	2016	2015
	HK\$’000 千港元	HK\$’000 千港元
Hong Kong dollar 港元	112,409	127,013
Renminbi 人民幣	52,405	69,959
South Korea won 韓元	8,809	4,409
United States dollar 美元	7,767	1,415
Euro 歐元	3,037	1,090
Canadian dollar 加元	2,762	647
Australian dollar 澳元	2,618	1,309
Other currencies 其他貨幣	4,699	7,823
	194,506	213,665

- (g)At 31 December 2016, the Group does not hold any collateral as security (2015: nil).

21 Cash and bank balances

	2016	2015
	HK\$’000 千港元	HK\$’000 千港元
Cash and cash equivalents 現金及現金等價物		
— Cash at bank and on hand 銀行及庫存現金	740,325	547,284
— Short-term bank deposits with original maturities within three months 原期限為三個月或以內之短期銀行存款	57,232	212,576
	797,557	759,860
Short-term bank deposits with original maturities exceeding three months 原期限為三個月以上之短期銀行存款	786,044	520,406
Total 總計	1,583,601	1,280,266

- At 31 December 2016, the Group has no bank overdraft (2015: nil).

20 貿易應收款項及其他流動資產 (續)

附註：(續)

- (e)於2016年12月31日，本集團並無貿易應收款項已減值(2015年：無)。
- (f)本集團的貿易應收款項及其他流動資產的賬面值以下列貨幣計值：

- (g)本集團並無持有任何抵押品作為擔保(2015年：無)。

21 現金及銀行結餘

- 於2016年12月31日，本集團並無銀行透支(2015年：無)。

21 Cash and bank balances (Continued)

At 31 December 2016, the Group’s cash and cash equivalents and short-term bank deposits included balances of HK\$30,348,000 (2015: HK\$33,089,000), which were deposits with banks in the PRC. The remittance of such balances out of the PRC is subject to the rules and regulations of foreign exchange control promulgated by the PRC government.

The carrying amounts of the Group’s cash and cash equivalents and short-term bank deposits are denominated in the following currencies:

	2016	2015
	HK\$’000 千港元	HK\$’000 千港元
Hong Kong dollar 港元	1,454,549	1,164,908
Renminbi 人民幣	31,498	33,292
Macao pataca 澳門元	22,842	19,073
Singapore dollar 新加坡元	19,520	18,930
Canadian dollar 加元	16,507	10,318
United States dollar 美元	12,486	8,246
Australian dollar 澳元	10,477	6,464
New Zealand dollar 新西蘭元	5,136	6,203
Other currencies 其他貨幣	10,586	12,832
	1,583,601	1,280,266

22 Share capital

	Number of shares 股份數目	Share capital 股本
		HK\$’000 千港元
Ordinary shares issued and fully paid: 已發行及繳足普通股		
At 1 January 2015 於2015年1月1日	830,000,000	867,363
Issue of ordinary shares relating to business combination (Note 28) 企業合併發行的普通股 (附註28)	7,100,000	71,426
At 31 December 2015 於2015年12月31日	837,100,000	938,789
At 31 December 2016 於2016年12月31日	837,100,000	938,789

21 現金及銀行結餘 (續)

於2016年12月31日，本集團的現金及現金等價物以及短期銀行存款包括30,348,000港元（2015年：33,089,000港元），該等款項屬在中國開設之銀行的存款。將該等結餘匯出中國須受中國政府頒佈的外匯管制規則及法規監管。

本集團的現金及現金等價物以及短期銀行存款的賬面值以下列貨幣計值：

	2016	2015
	HK\$’000 千港元	HK\$’000 千港元
Hong Kong dollar 港元	1,454,549	1,164,908
Renminbi 人民幣	31,498	33,292
Macao pataca 澳門元	22,842	19,073
Singapore dollar 新加坡元	19,520	18,930
Canadian dollar 加元	16,507	10,318
United States dollar 美元	12,486	8,246
Australian dollar 澳元	10,477	6,464
New Zealand dollar 新西蘭元	5,136	6,203
Other currencies 其他貨幣	10,586	12,832
	1,583,601	1,280,266

22 股本

	Number of shares 股份數目	Share capital 股本
		HK\$’000 千港元
Ordinary shares issued and fully paid: 已發行及繳足普通股		
At 1 January 2015 於2015年1月1日	830,000,000	867,363
Issue of ordinary shares relating to business combination (Note 28) 企業合併發行的普通股 (附註28)	7,100,000	71,426
At 31 December 2015 於2015年12月31日	837,100,000	938,789
At 31 December 2016 於2016年12月31日	837,100,000	938,789

23 Reserves

23 儲備

	Merger reserve (Note a) 合併儲備 (附註 a)	Other reserves 其他儲備	Statutory reserve (Note b) 法定儲備 (附註 b)	Exchange reserve 匯兌儲備	Retained earnings 保留收益	Total 總計
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2015 於2015年1月1日	(13,124)	742	2,927	(2,549)	630,390	618,386
Comprehensive income 綜合收益						
Profit for the year 年度利潤	-	-	-	-	354,249	354,249
Other comprehensive losses 其他綜合虧損						
Currency translation differences 貨幣兌換差額						
— Group 本集團	-	-	-	(9,985)	-	(9,985)
— Joint ventures and associates 合營企業及聯營公司	-	-	-	(2,109)	-	(2,109)
Total comprehensive income 綜合收益總額	-	-	-	(12,094)	354,249	342,155
Transactions with owners in their capacity as owners 與權益所有者以其所有者的身份進行的交易的總額						
Transfer of retained earnings to statutory reserve 轉撥保留收益至法定儲蓄	-	-	1,203	-	(1,203)	-
Dividends relating to 2014 (Note 13) 2014年相關股息 (附註13)	-	-	-	-	(83,710)	(83,710)
Changes in ownership interests in a subsidiary without change of control 無控制權改變的附屬公司權益變動	-	88	-	-	-	88
Total transactions with owners in their capacity as owners 與權益所有者以其所有者的身份進行的交易的總額	-	88	1,203	-	(84,913)	(83,622)
At 31 December 2015 於2015年12月31日	(13,124)	830	4,130	(14,643)	899,726	876,919
At 1 January 2016 於2016年1月1日	(13,124)	830	4,130	(14,643)	899,726	876,919
Comprehensive income 綜合收益						
Profit for the year 年度利潤	-	-	-	-	420,315	420,315
Other comprehensive loss 其他綜合虧損						
Change in value of available-for-sale financial asset 可供出售金融資產價值變動	-	(475)	-	-	-	(475)
Currency translation differences 貨幣兌換差額						
— Group 本集團	-	-	-	(4,012)	-	(4,012)
— Joint ventures and associates 合營企業及聯營公司	-	-	-	(172)	-	(172)
Total comprehensive income 綜合收益總額	-	(475)	-	(4,184)	420,315	415,656
Transactions with owners in their capacity as owners 與權益所有者以其所有者的身份進行的交易的總額						
Transfer of retained earnings to statutory reserve 轉撥保留收益至法定儲蓄	-	-	1,165	-	(1,165)	-
Dividends relating to 2015 (Note 13) 2015年相關股息 (附註13)	-	-	-	-	(108,823)	(108,823)
Total transactions with owners in their capacity as owners 與權益所有者以其所有者的身份進行的交易的總額	-	-	1,165	-	(109,988)	(108,823)
At 31 December 2016 於2016年12月31日	(13,124)	355	5,295	(18,827)	1,210,053	1,183,752

Notes:	附註：
(a) Merger reserve of the Group represents the difference between the net book value of the entities that had been acquired and the investment consideration paid by the Company to effect a reorganisation that took place in 2010.	(a) 本集團的合併儲備指已收購實體的賬面淨值與本公司為於2010年進行重組所支付的投資代價的差額。
(b) The PRC laws and regulations require companies registered in the PRC to provide for certain statutory reserves, which are to be appropriated from the net profit (after offsetting accumulated losses from prior years) as reported in their respective statutory financial statements, before profit distributions to equity holders. All statutory reserves are created for specific purposes. PRC company is required to appropriate 10% of statutory net profits to statutory reserves, upon distribution of its post-tax profits of the current year. A company may discontinue the contribution when the aggregate sum of the statutory reserve is more than 50% of its registered capital. The statutory reserves shall only be used to make up losses of the companies, to expand the companies’ production operations, or to increase the capital of the companies. In addition, a company may make further contribution to the statutory reserve using its post-tax profits in accordance with resolutions of the board of directors.	(b) 中國法律及法規規定，在中國註冊的公司向股權持有人分派利潤前，須從各自法定財務報表所呈報的淨利潤（抵銷以往年度的累計虧損後）中，分配款項以提撥若干法定儲備。所有法定儲備均為特定用途而設立。中國公司於分派當年度的除稅後利潤時，須向法定儲備分配法定淨利潤的10%。當公司法定儲備的總和超過其註冊資本的50%時，公司可停止分配。法定儲備只可用作彌補公司的虧損、擴大公司的生產營運或增加公司的資本。此外，按照董事會決議案，公司可使用其除稅後利潤向法定儲備作出進一步供款。

24 Borrowing

		2016	2015
		HK\$'000 千港元	HK\$'000 千港元
Secured bank borrowing 有抵押銀行貸款		556	561
Notes:		附註：	
(a)	The bank borrowing is secured by the land and building of the Group amounted to HK\$11,585,000 (2015: HK\$12,258,000) (Note 15).	(a) 銀行借款由本集團為 11,585,000 港元的土地及樓宇做抵押 (2015 年：12,258,000 港幣) (附註 15)。	
(b)	The bank borrowing bears interest at 1.5% plus the bank bill rate of the day in Australia per annum and is wholly repayable in 2020. The Group has HK\$7,300,000 (2015: HK\$7,637,000) undrawn borrowing facility with floating rate expiring beyond one year.	(b) 銀行借款按澳大利亞的銀行票據利率加 1.5% 按年計算，並且銀行借款應於 2020 年全部償還。本集團有 7,300,000 港元 (2015 年：7,637,000 港元) 未動用的浮動利率借貸額度到期時間超過一年。	
(c)	The bank borrowing is denominated in Australian dollar and its carrying amount approximates its fair values.	(c) 銀行借款以澳元計值，且其賬面值與公允價值相若。	

25 Trade and other payables

		2016	2015
		HK\$'000 千港元	HK\$'000 千港元
Trade payables 貿易應付款項			
— fellow subsidiaries 同系附屬公司		–	122
— intermediate holding company 中間控股公司		15,793	4,422
— immediate holding company 直接控股公司		2,962	89
— third parties 第三方		17,489	30,716
Trade payables (Note a) 貿易應付款項 (附註 a)		36,244	35,349
Accruals and other payables 應計費用及其他應付款項		52,128	41,635
		88,372	76,984
Notes:		附註：	
(a)	At 31 December 2016 and 2015, the aging analysis of the trade payables (including amounts due to the related parties of trading in nature) based on invoice date is as follows:	(a) 於 2016 年及 2015 年 12 月 31 日，根據發票日期的貿易應付款項 (包括應付關連方的貿易款項) 的賬齡分析如下：	

		2016	2015
		HK\$'000 千港元	HK\$'000 千港元
Up to 3 months 三個月或以內		34,260	34,094
3 to 6 months 三至六個月		1,604	232
6 months to 1 year 六個月至一年		217	449
1 to 2 years 一至兩年		163	574
		36,244	35,349

25 Trade and other payables (Continued)

Notes: (Continued)

(b) The carrying amounts of the Group’s trade and other payables are denominated in the following currencies:

	2016	2015
	HK\$’000 千港元	HK\$’000 千港元
Hong Kong dollar 港元	40,566	32,880
Renminbi 人民幣	27,871	27,956
Australian dollar 澳元	3,497	3,305
Singapore dollar 新加坡元	2,140	1,885
Macao pataca 澳門元	1,706	1,588
Korean Won 韓元	1,686	2,580
Canadian dollar 加元	3,508	1,503
Other currencies 其他貨幣	7,398	5,287
	88,372	76,984

26 Notes to consolidated statement of cash flows

(a) Cash generated from operations

	2016	2015
	HK\$’000 千港元	HK\$’000 千港元
Profit before income tax 除所得稅前利潤	532,270	456,614
Adjustments for: 就以下項目調整：		
— Amortisation of prepaid operating lease payments (Note 6) 預付經營租賃款項攤銷 (附註6)	543	543
— Depreciation of property, plant and equipment (Note 6) 物業、廠房及設備折舊 (附註6)	21,915	21,589
— Amortisation of intangible assets (Note 6) 無形資產攤銷 (附註6)	1,717	1,083
— Write-off of inventories (Note 6) 存貨撤銷 (附註6)	862	1,228
— Loss on disposal of property, plant and equipment (Note 6) 出售物業、廠房及設備之虧損 (附註6)	35	444
— Finance income, net (Note 9) 淨財務收益 (附註9)	(7,870)	(8,534)
— Share of loss of investments accounted for using the equity method (Note 10) 應佔按權益法入賬之投資虧損 (附註10)	1,809	4,395
— Impairment loss on an investment accounted for using the equity method (Note 10) 按權益法入賬之投資減值計提 (附註10)	1,290	-
	552,571	477,362
Changes in working capital: 營運資金變動：		
— Inventories 存貨	(22,256)	(11,545)
— Trade receivables and other current assets 貿易應收款項及其他流動資產	13,590	(23,618)
— Trade and other payables 貿易及其他應付款項	19,737	(14,834)
Cash generated from operations 經營所產生之現金	563,642	427,365

25 貿易及其他應付款項 (續)

附註：(續)

(b) 本集團貿易及其他應付款項的賬面值以下列貨幣計值：

26 合併現金流量表附註

(a) 經營所產生之現金

26 Notes to consolidated statement of cash flows (Continued)

(b) In the consolidated statement of cash flows, proceeds from disposal of property, plant and equipment comprise:

	2016	2015
	HK\$'000 千港元	HK\$'000 千港元
Net book amount (Note 15) 賬面淨值 (附註 15)	35	444
Loss on disposal of property, plant and equipment (Note 6) 出售物業、廠房及設備之虧損 (附註 6)	(35)	(444)
Proceeds from disposal of property, plant and equipment 出售物業、廠房及設備所得款項	-	-

(c) Acquisition of a subsidiary (Note 28)

The analysis of net cash flow in respect of acquisition of a subsidiary is as follows:

	2015
	HK\$'000 千港元
Cash consideration settled in cash 以現金償付之現金代價 ⁽¹⁾	-
Cash and cash equivalents acquired 所收購之現金及現金等價物	3,197
Total cash inflow from the acquisition 來自收購之現金流入總額	3,197

(1) The consideration for the acquisition of the subsidiary was settled by issue of ordinary shares of the Company.

(d) Disposal of interest in a subsidiary without loss of control (Note 29)

The analysis of net cash flow in respect of the disposal of interest in a subsidiary is as follows:

	2015
	HK\$'000 千港元
Cash consideration, net of direct costs 現金代價，已扣除直接成本	1,009
Cash and bank balances disposed of 所出售之現金及銀行結餘	-
Total cash inflow from the disposal 來自出售之現金流入總額	1,009

26 合併現金流量表附註 (續)

(b) 合併現金流量表中，出售物業、廠房及設備所得款項包括：

(c) 收購附屬公司 (附註 28)

收購附屬公司的淨現金流分析如下：

(1) 本公司發行股份作為收購附屬公司的代價。

(d) 在不失控制權下出售附屬公司 (附註 29)

有關出售附屬公司權益的淨現金流分析如下：

27 Commitments

(a) Capital commitments

	2016	2015
	HK\$'000 千港元	HK\$'000 千港元
Contracted but not provided for 已訂約但未撥備		
— property, plant and equipment 物業、廠房及設備	2,761	490

(b) Operating lease commitments

The Group leases various retail outlets, warehouses and staff quarters under non-cancellable operating lease agreements. The lease terms are between 1 and 10 years and certain lease agreements are renewable at the end of the lease period at market rate.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	2016	2015
	HK\$'000 千港元	HK\$'000 千港元
No later than 1 year 1 年內	52,591	42,157
Later than 1 year and no later than 5 years 1 年以上至 5 年以內	75,730	67,389
Later than 5 years 5 年以上	8,433	3,274
	136,754	112,820

28 Business combination

On 27 February 2015, the Company acquired 51% of the issued share capital of Honour Essence Trading Limited, a limited company incorporated in Hong Kong which is principally engaged in the distribution of Chinese medicine products in Hong Kong, at the total consideration of HK\$71,426,000 which was settled by the issue of 7,100,000 ordinary shares of the Company to the vendor. As a result, Honour Essence Trading Limited became a subsidiary of the Company and goodwill of HK\$49,419,000 arose from the acquisition.

29 Disposal of interest in a subsidiary without loss of control

On 2 March 2015, the Company disposed of 9% of interest in a subsidiary, Beijing Tong Ren Tang (Auckland) Limited (“TRT (Auckland)”), to an independent third party at a consideration of 180,000 New Zealand dollars (equivalent to HK\$1,009,000). After the date of disposal, the Company remains to own 51% equity interest in TRT Auckland. The carrying amount of the non-controlling interests in TRT (Auckland) on the date of disposal was HK\$921,000. The Group recognised an increase in non-controlling interests of HK\$921,000 and an increase in equity attributable to owners of the Company of HK\$88,000. The effect of changes in the ownership interest of TRT (Auckland) on the equity attributable to owners of the Company for the year ended 31 December 2016 is summarised as follows:

	2015
	HK\$'000 千港元
Carrying amount of non-controlling interests disposed of 出售非控股權益的賬面值	(921)
Consideration received from non-controlling interests 自非控股權益收取的對價	1,009
Gain on disposal recognised within equity 在權益中確認出售利得	88

27 承擔

(a) 資本承擔

	2016	2015
	HK\$'000 千港元	HK\$'000 千港元
Contracted but not provided for 已訂約但未撥備		
— property, plant and equipment 物業、廠房及設備	2,761	490

(b) 經營租賃承擔

本集團根據不可撤銷經營租約租用多個零售店鋪、倉庫及員工宿舍。租期介乎 1 至 10 年，若干租約可於租期結束時按市場租金續約。

根據不可撤銷經營租賃的未來最低租賃付款總額如下：

28 業務合併

於 2015 年 2 月 27 日，本公司向賣方發行 7,100,000 股普通股的方式支付代價 71,426,000 港元收購大宏貿易有限公司（於香港註冊成立之公司，主要在香港從事分銷中藥產品）51% 的已發行股本。因此，大宏貿易有限公司成為本公司的附屬公司，而此收購產生的商譽為 49,419,000 港元。

29 在不失控制權下出售附屬公司

2015 年 3 月 2 日，本公司以代價 180,000 紐西蘭元（相等於 1,009,000 港元）向一位獨立第三方出售一家附屬公司北京同仁堂（奧克蘭）有限公司（「同仁堂（奧克蘭）」）的 9% 股權。於出售后，本公司仍持有同仁堂（奧克蘭）51% 股權。同仁堂（奧克蘭）的非控股權益於出售日的賬面值為 921,000 港元。本集團確認非控股權益增加 921,000 港元，歸屬於本公司擁有人的權益增加 88,000 港元。同仁堂（奧克蘭）的權益變動對截至 2015 年 12 月 31 日止年度歸屬於本公司擁有人的權益的影響摘要如下：

30 Significant related party transactions

At 31 December 2016, two subsidiaries of Tong Ren Tang Holdings, namely Tong Ren Tang Technologies and Tong Ren Tang Co., Ltd. directly owned 38.05% and 33.62% of shareholding in the Company respectively. Tong Ren Tang Co., Ltd. is also the controlling shareholder of Tong Ren Tang Technologies. Tong Ren Tang Co., Ltd. effectively owns 71.67% equity interest in the Company. The remaining 28.33% of the shares are widely held.

The Board of Directors of the Company regards Tong Ren Tang Technologies as the immediate holding company, Tong Ren Tang Co., Ltd. as the intermediate holding company and Tong Ren Tang Holdings as the ultimate holding company, all of which are companies incorporated in the PRC.

In addition to those disclosed in other sections of these consolidated financial statements, the following transactions were carried out with related parties:

(a) Sales and purchases of products

		2016	2015
	Note 附註	HK\$'000 千港元	HK\$'000 千港元
Sales of products to: 銷售產品予：			
Joint ventures 合營企業	(i)	3,973	2,809
Fellow subsidiaries 同系附屬公司	(i)	151,780	124,946
An associate 聯營公司	(i)	-	773
		155,753	128,528
Purchases of products from: 自以下公司購買產品			
Immediate holding company 直接控股公司	(i)	27,103	15,835
Intermediate holding company 中間控股公司	(i)	58,797	47,325
Fellow subsidiaries 同系附屬公司	(i)	2,012	1,745
		87,912	64,905

(b) Royalty fee income

		2016	2015
	Note 附註	HK\$'000 千港元	HK\$'000 千港元
Royalty fee income from joint ventures 來自合營企業之品牌使用費收益	(ii)	875	784

30 重大關聯方交易

於2016年12月31日，同仁堂集團公司的兩間附屬公司同仁堂科技及同仁堂股份有限公司分別直接持有本公司38.05%及33.62%權益。同仁堂股份有限公司亦為同仁堂科技的控股股東。同仁堂股份有限公司實際持有本公司71.67%股權。餘下28.33%的股份被廣泛持有。

本公司董事會視同仁堂科技為直接控股公司、同仁堂股份有限公司為中間控股公司及同仁堂集團公司為最終控股公司，該等公司均於中國註冊成立。

除該等合併財務報表其他章節所披露者外，下列交易乃與關連方進行：

(a) 銷售及購買產品

		2016	2015
	Note 附註	HK\$'000 千港元	HK\$'000 千港元
Sales of products to: 銷售產品予：			
Joint ventures 合營企業	(i)	3,973	2,809
Fellow subsidiaries 同系附屬公司	(i)	151,780	124,946
An associate 聯營公司	(i)	-	773
		155,753	128,528
Purchases of products from: 自以下公司購買產品			
Immediate holding company 直接控股公司	(i)	27,103	15,835
Intermediate holding company 中間控股公司	(i)	58,797	47,325
Fellow subsidiaries 同系附屬公司	(i)	2,012	1,745
		87,912	64,905

(b) 品牌使用費收益

		2016	2015
	Note 附註	HK\$'000 千港元	HK\$'000 千港元
Royalty fee income from joint ventures 來自合營企業之品牌使用費收益	(ii)	875	784

30 Significant related party transactions *(Continued)*

(c) Rental expenses

		2016	2015
	Note 附註	HK\$’000 千港元	HK\$’000 千港元
Rental expense to: 向以下公司支付之租金開支：			
Ultimate holding company 最終控股公司	(i)	104	–
Fellow subsidiaries 同系附屬公司	(i)	2,210	1,800
		2,314	1,800

(d) Key management compensation:

Key management includes directors (executive and non-executive) and senior management. The emoluments paid or payable to key management for employee services is as follows:

	2016	2015
	HK\$’000 千港元	HK\$’000 千港元
Salaries and other short-term employee benefits 薪金和其他短期僱員福利	8,082	11,402
Pension costs — defined contribution plans 退休金成本 — 定額供款計劃	169	180
	8,251	11,582

Notes:

- (i)

These transactions were conducted in the normal course of business at prices and terms mutually agreed between the parties involved.
- (ii)

The royalty fee is charged annually by the Company at predetermined rates ranging from 1% to 3% on turnover of its joint ventures in accordance with the royalty agreements. Pursuant to these agreements, these joint ventures are allowed to trade under “Tong Ren Tang” brand name.

30 重大關聯方交易 *(續)*

(c) 租金開支

(d) 主要管理人員薪酬：

主要管理人員包括執行及非執行董事和高級管理人員。就僱員服務向主要管理人員支付或應付的酬金如下：

附註：

- (i)

該等交易於一般業務過程中按雙方協定的價格及條款進行。
- (ii)

品牌使用費乃本公司根據品牌使用權協議以事先釐定介乎該等合營企業營業額的1%至3%按年收取。根據該等協議，該等合營企業獲准以「同仁堂」品牌名稱交易。

31 Principal subsidiaries and joint ventures

The following is a list of principal subsidiaries and joint ventures at 31 December 2016 and 2015:

Name 名稱	Place of incorporation and kind of legal entity 註冊成立的地點及 法人實體類型	Principal activities and place of operation 主要業務及經營地點	Particulars of issued share capital 已發行股本詳情	Effective equity interest held 所持實際權益	
				2016	2015
(a) Subsidiaries 附屬公司					
(i) Directly held by the Company 本公司直接持有					
Beijing Tong Ren Tang International Natural-Pharm Co., Ltd. 北京同仁堂國際藥業有限公司 ⁽¹⁾	PRC, limited liability company 中國，有限公司	Wholesale of Chinese medicine and healthcare products 批發中藥產品與保健品 Beijing, PRC 中國，北京	HK\$10,000,000 10,000,000 港元	100%	100%
Beijing Tong Ren Tang Australia Pty. Ltd. 北京同仁堂（澳大利亞）有限公司	Australia, limited liability company 澳大利亞，有限公司	Wholesale and retail of Chinese medicine and healthcare products and provision of Chinese medical consultation and treatments 批發及零售中藥產品與保健品 以及提供中醫診療服務 Sydney, Australia 澳大利亞，悉尼	AUD1,000,000 1,000,000 澳元	75%	75%
Beijing Tong Ren Tang Science Arts (Singapore) Co Pte. Ltd. 北京同仁堂新加坡（科藝）私人 有限公司	Singapore, limited liability company 新加坡，有限公司	Wholesale and retail of Chinese medicine and healthcare products and provision of Chinese medical consultation and treatments 批發及零售中藥產品與保健品 以及提供中醫診療服務 Singapore 新加坡	SGD857,000 857,000 新加坡元	51%	51%
Beijing Tong Ren Tang (Toronto) Inc. 北京同仁堂（多倫多）有限公司	Canada, limited liability company 加拿大，有限公司	Retail of Chinese medicine and healthcare products and provision of Chinese medical consultation and treatments 零售中藥產品與保健品以及 提供中醫診療服務 Toronto, Canada 加拿大，多倫多	CAD100 100 加拿大元	51%	51%
Beijing Tong Ren Tang Canada Co. Ltd. 北京同仁堂（加拿大）有限公司	Canada, limited liability company 加拿大，有限公司	Retail of Chinese medicine and healthcare products and provision of Chinese medical consultation and treatments 零售中藥產品與保健品及 提供中醫診療服務 Vancouver, Canada 加拿大，溫哥華	CAD1,000,000 1,000,000 加拿大元	51%	51%
Beijing Tong Ren Tang Gulf FZ-LLC 北京同仁堂海灣有限公司	United Arab Emirates, limited liability company 阿拉伯聯合酋長國， 有限公司	Retail of Chinese medicine and healthcare products and provision of Chinese medical consultation and treatments 零售中藥產品與保健品及 提供中醫診療服務 Dubai, United Arab Emirates 阿拉伯聯合酋長國，迪拜	AED1,920,000 1,920,000 阿聯酋迪拉姆	51%	51%

31 主要附屬公司及合營企業

下文載列於2016年及2015年12月31日的附屬公司及合營企業：

31 Principal subsidiaries and joint ventures (Continued)

31 主要附屬公司及合營企業 (續)

Name 名稱	Place of incorporation and kind of legal entity 註冊成立的地點及 法人實體類型	Principal activities and place of operation 主要業務及經營地點	Particulars of issued share capital 已發行股本詳情	Effective equity interest held 所持實際權益	
				2016	2015
(a) Subsidiaries (Continued) 附屬公司 (續)					
(i) Directly held by the Company (Continued) 本公司直接持有 (續)					
Beijing Tong Ren Tang (Macau) Company Limited 北京同仁堂 (澳門) 有限公司	Macao, limited liability company 澳門，有限公司	Wholesale and retail of Chinese medicine and healthcare products and provision of Chinese medical consultation and treatments 批發及零售中藥產品與保健品 及提供中醫診療服務 Macao 澳門	MOP1,000,000 1,000,000 澳門元	51%	51%
Beijing Tong Ren Tang Poland sp.zo.o. 北京同仁堂 (波蘭) 有限公司	Poland, limited liability company 波蘭，有限公司	Retail of Chinese medicine and healthcare products and provision of Chinese healthcare treatments 零售中藥產品與保健品及 提供中醫診療服務 Warsaw, Poland 波蘭，華沙	Zloty50,000 50,000 茲羅提	100%	100%
Beijing Tong Ren Tang (Seoul) Company Limited 北京同仁堂 (首爾) 株式會社	South Korea, limited liability company 韓國，有限公司	Wholesale of Chinese medicine and healthcare products 批發中藥產品與保健品 Seoul, Korea 韓國，首爾	WON1,052,000,000 1,052,000,000 韓元	51%	51%
Beijing Tong Ren Tang (Auckland) Company Limited 北京同仁堂 (奧克蘭) 有限公司	New Zealand, limited liability company 新西蘭，有限公司	Retail of Chinese medicine and healthcare products and provision of Chinese medical consultation and treatments 零售中藥產品與保健品及 提供中醫診療服務 Auckland, New Zealand 新西蘭，奧克蘭	NZD2,000,000 2,000,000 新西蘭元	51%	51%
Beijing Tong Ren Tang Tong Xin Tong Le Company Limited 北京同仁堂同心同樂有限公司	Hong Kong, limited liability company 香港，有限公司	Retail of Chinese medicine and healthcare products and provision of Chinese medical consultation and treatments 零售中藥產品與保健品及 提供中醫診療服務 Hong Kong 香港	HK\$10,000 10,000 港元	100%	100%
Honour Essence Trading Limited 大宏貿易有限公司	Hong Kong, limited liability company 香港，有限公司	Wholesale of Chinese medicine and healthcare products 批發中藥產品與保健品 Hong Kong 香港	HK\$2,000 2,000 港元	51%	51%
Beijing Tong Ren Tang Vancouver Co., Ltd 北京同仁堂溫哥華養生中心 有限公司	Canada, limited liability company 加拿大，有限公司	Retail of Chinese medicine and healthcare products and provision of Chinese medical consultation and treatments 零售中藥產品與保健品及 提供中醫診療服務 Vancouver, Canada 加拿大，溫哥華	CAD750,000 750,000 加元	51%	51%

31 Principal subsidiaries and joint ventures (Continued)

Name 名稱	Place of incorporation and kind of legal entity 註冊成立的地點及 法人實體類型	Principal activities and place of operation 主要業務及經營地點	Particulars of issued share capital 已發行股本詳情	Effective equity interest held 所持實際權益	
				2016	2015
(a) Subsidiaries (Continued) 附屬公司 (續)					
(ii) Indirectly held by the Company 本公司間接持有					
Beijing Tong Ren Tang Melbourne Pty Limited 北京同仁堂 (墨爾本) 有限公司	Australia, limited liability company 澳大利亞，有限公司	Retail of Chinese medicine and healthcare products and provision of Chinese medical consultation and treatments 零售中藥產品與保健品及 提供中醫診療服務 Melbourne, Australia 澳大利亞，墨爾本	AUD100,000 100,000 澳元	38%	38%
Beijing Tong Ren Tang Pudu Health Centre B.V. 北京同仁堂普度健康中心有限公司	The Netherlands, limited liability company 荷蘭，有限公司	Retail of healthcare products and provision of Chinese medical consultation treatment 零售保健品及提供中醫診療服務 Den Haag, the Netherlands 荷蘭，海牙	Euro650,000 650,000 歐元	45%	45%
Beijing Tong Ren Tang Czech Republic SE 北京同仁堂 (捷克) 有限公司	The Czech Republic, limited liability company 捷克，有限公司	Retail of Chinese medicine and healthcare products and provision of Chinese medical consultation and treatment 零售中藥產品與保健品及 提供中醫診療服務 Prague, Czech Republic 捷克，布拉格	Euro 120,000 120,000 歐元	45%	45%
Beijing Tong Ren Tang Sweden AB 北京同仁堂 (瑞典) 有限公司	Sweden, limited liability company 瑞典，有限公司	Retail of Chinese medicine and healthcare products and provision of Chinese medical consultation and treatment 零售中藥產品與保健品及 提供中醫診療服務 Stockholm, Sweden 瑞典，斯德哥爾摩	SEK 50,000 50,000 瑞典克朗	45%	45%
Beijing Tong Ren Tang Ming Qi Group, LLC 北京同仁堂鳴岐有限公司	United States, limited liability company 美國，有限公司	Wholesale and retail of Chinese medicine and healthcare products 批發及零售中藥產品與 保健品 New York, United States 美國，紐約	US\$1,000 1,000 美元	60%	—
Beijing Tong Ren Tang Concord New York LLC 北京同仁堂協和紐約有限公司	United States, limited liability company 美國，有限公司	Retail of Chinese medicine and healthcare products 零售中藥產品與保健品 New York, United States 美國，紐約	US\$800,000 800,000 美元	51%	—
Beijing Tong Ren Tang Los Angeles Healthcare Center LLC 北京同仁堂洛杉磯醫療中心 有限公司	United States, limited liability company 美國，有限公司	Retail of healthcare products and provision of Chinese medical consultation and treatments 零售保健品及提供中醫診療服務 Los Angeles, United States 美國，洛杉磯	US\$600,000 600,000 美元	51%	51%

31 Principal subsidiaries and joint ventures (Continued)

Name 名稱	Place of incorporation and kind of legal entity 註冊成立的地點及 法人實體類型	Principal activities and place of operation 主要業務及經營地點	Particulars of issued share capital 已發行股本詳情	Effective equity interest held 所持實際權益	
				2016	2015
(b) Joint ventures 合營企業					
(i) Directly held by the Company 本公司直接持有					
Peking Tongrentang (M) SDN. BHD 北京同仁堂(馬來西亞)有限公司 ⁽²⁾	Malaysia, limited liability company 馬來西亞，有限公司	Retail of Chinese medicine and healthcare products and provision of Chinese medical consultation and treatments 零售中藥產品與保健品以及 提供中醫診療服務 Kuala Lumpur, Malaysia 馬來西亞，吉隆坡	MYR1,900,000 1,900,000 馬幣	60%	60%
Beijing Tong Ren Tang (Thailand) Co., Ltd. 北京同仁堂(泰國)有限公司 ⁽²⁾	Thailand, limited liability company 泰國，有限公司	Wholesale and retail of Chinese medicine and healthcare products and provision of Chinese medical consultation and treatments 批發及零售中藥產品與保健品 以及提供中醫診療服務 Bangkok, Thailand 泰國，曼谷	THB38,000,000 38,000,000 泰銖	49%	49%
Union Health International Limited 耀康國際有限公司	Hong Kong, limited liability company 香港，有限公司	Retail of Chinese medicine and healthcare products and provision of Chinese medical consultation and treatments 零售中藥產品與保健品以及 提供中醫診療服務 Hong Kong 香港	HK\$10,000 10,000 港元	50%	50%

- (1)

The English names of the group companies incorporated in the PRC represent the best effort by the management of the Group in translating from their Chinese names as they do not have official English names.
- (2)

Although the Company owns more or less than 50% of the equity interests in these entities, the directors of the Company consider that these entities are joint ventures of the Company because their strategic operating, investing and financing activities are jointly controlled by the Company and the joint venture partners in accordance with the joint venture agreements rather than under the unilateral control or significant influence of the Company.
- (3)

The non-controlling interests of all non-wholly owned subsidiaries are individually not material to the Group.
- (1)

於中國註冊成立的集團公司無正式英文名稱，其英文名稱是本集團管理層根據中文名稱翻譯而成。
- (2)

儘管本公司持有該等實體多於或少於50%股權，惟由於根據合營協議，該等實體的策略經營、投資及融資活動均由本公司及合營夥伴共同控制，而非由本公司單方面控制或發揮重大影響，故本公司董事認為該等實體乃本公司合營企業。
- (3)

所有的非全資附屬公司之非控股權益個別而言對集團沒有重大影響。

32 Balance sheet of the Company

32 公司資產負債表

	2016	2015
	Note 附註	
Assets 資產		
Non-current assets 非流動資產		
Leasehold land 租賃土地	16,551	17,094
Property, plant and equipment 物業、廠房及設備	177,410	185,413
Investments in subsidiaries 於附屬公司之投資	265,531	229,799
Investments in joint ventures 於合營企業之投資	26,942	31,307
Investments in associates 於聯營公司之投資	3,930	3,930
Available-for-sale financial asset 可供出售金融資產	13,313	-
Deposits paid for purchase of property, plant and equipment 購買物業、廠房及設備的已付按金	1,221	334
	504,898	467,877
Current assets 流動資產		
Inventories 存貨	120,283	70,374
Trade receivables and other current assets 貿易應收款項及其他流動資產	187,600	224,350
Short-term bank deposits 短期銀行存款	769,528	512,790
Cash and cash equivalents 現金及現金等價物	644,713	626,346
	1,722,124	1,433,860
Total assets 資產總額	2,227,022	1,901,737
Equity and liabilities 權益及負債		
Equity attributable to owners of the Company 本公司擁有人應佔權益		
Share capital 股本	938,789	938,789
Reserves 儲備	33	
— Available-for-sale financial asset reserve 可供出售金融資產儲備	(475)	-
— Retained earnings 保留收益	1,220,410	900,472
Total equity 權益總額	2,158,724	1,839,261
Liabilities 負債		
Non-current liabilities 非流動負債		
Deferred income tax liabilities 遞延所得稅負債	3,306	3,542
Current liabilities 流動負債		
Trade and other payables 貿易及其他應付款項	35,413	28,012
Current income tax liabilities 當期所得稅負債	29,579	30,922
	64,992	58,934
Total liabilities 負債總額	68,298	62,476
Total equity and liabilities 權益及負債總額	2,227,022	1,901,737

The balance sheet of the Company was approved by the Board of Directors on 14 March 2017 and was signed on its behalf.

公司的財務報表於 2017 年 3 月 14 日獲董事會批准，並由以下代表簽署。

Ding Yong Ling
Director

Lin Man
Director

丁永玲
董事

林曼
董事

33 Reserves of the Company

33 公司儲備

	Retained earnings 保留收益	Available-for-sale financial asset reserve 可供出售 金融資產儲備	Total equity 總權益
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2015 於2015年1月1日	621,896	-	621,896
Profit for the year 年度利潤	362,286	-	362,286
Dividends relating to 2014 (Note 13) 2014年相關股息 (附註13)	(83,710)	-	(83,710)
At 31 December 2015 於2015年12月31日	900,472	-	900,472
At 1 January 2016 於2016年1月1日	900,472	-	900,472
Profit for the year 年度利潤	428,761	-	428,761
Dividends relating to 2015 (Note 13) 2015年相關股息 (附註13)	(108,823)	-	(108,823)
Change in value of available-for-sale financial asset 可供出售金融資產價值變動	-	(475)	(475)
At 31 December 2016 於2016年12月31日	1,220,410	(475)	1,219,935

Information for Investors

投資者資料

Investor Calendar

27 April 2016	2016 first quarterly results announcement
8 August 2016	2016 interim results announcement
27 October 2016	2016 third quarterly results announcement
14 March 2017	2016 annual results announcement
8 May 2017	Annual General Meeting
2 to 8 May 2017 (Both days inclusive)	Closure of Register of Members (for determination of shareholders who are entitled to attend and vote at annual general meeting)
12 to 16 May 2017 (Both days inclusive)	Closure of Register of Members (for determination of shareholders who qualify for the final dividend)
16 May 2017	Record Date (for determination of shareholders who qualify for the final dividend)
On or before 31 May 2017	Payment of final dividend

Share Information

Company Name	Beijing Tong Ren Tang Chinese Medicine Company Limited
Listing	The Growth Enterprise Market of The Stock Exchange of Hong Kong Limited
Stock Code	8138
Listing Date	7 May 2013
Board Lot Size	1,000 shares
Issued Share Capital as at 31 December 2016	837,100,000

Investor Relations Department

Room 1405-09, Convention Plaza Office Tower
1 Harbour Road, Wanchai, Hong Kong
Tel: (852) 2881 7989
Fax: (852) 2881 0839
Email: ir@tongrentangcm.com
Website: www.tongrentangcm.com

Shareholders Service and Enquiries

For enquiries about your shareholding including change of name or address, transfer of shares, loss of share certificates or dividend cheques, registrations and requests for annual/interim/quarterly report copies, please contact the Company's share registrar and transfer office:

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor, Hopewell Centre
183 Queen's Road East, Wanchai, Hong Kong
Tel: (852) 2862 8555
Fax: (852) 2865 0990/2529 6087
Email: hkinfo@computershare.com.hk
Website: www.computershare.com

投資者日曆

2016年4月27日	2016年第一季度業績公告
2016年8月8日	2016年中期業績公告
2016年10月27日	2016年第三季度業績公告
2017年3月14日	2016年年度業績公告
2017年5月8日	股東週年大會
2017年5月2日至8日 (包括首尾兩日)	暫停辦理股份過戶登記手續(確定有權出席股東週年大會並於會上投票之股東)
2017年5月12日至16日 (包括首尾兩日)	暫停辦理股份過戶登記手續(確定合資格收取末期股息的股東)
2017年5月16日	記錄日期(確定合資格收取末期股息的股東)
2017年5月31日或之前	派付末期股息

股份資料

公司名稱	北京同仁堂國藥有限公司
上市	香港聯合交易所有限公司創業板
股份代號	8138
上市日期	2013年5月7日
每手買賣單位	1,000 股股份
截至2016年12月31日 之已發行股本	837,100,000 股

投資者關係部

香港灣仔港灣道1號
會展廣場辦公大樓1405-09室
電話：(852) 2881 7989
傳真：(852) 2881 0839
電郵： ir@tongrentangcm.com
網址： www.tongrentangcm.com

股東服務及查詢

有關 閣下股權(包括姓名或地址變更、股份轉讓、遺失股票或股息支票和登記及索取年度／中期／季度報告)的查詢，請聯繫本公司股份登記及過戶處：

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
電話：(852) 2862 8555
傳真：(852) 2865 0990/2529 6087
電郵： hkinfo@computershare.com.hk
網址： www.computershare.com

Corporate Information

公司資料

Directors

Non-executive Director
Mei Qun (*Chairman*)

Executive Directors
Ding Yong Ling
Zhang Huan Ping
Lin Man

Independent Non-executive Directors
Leung, Oi Sie Elsie
Zhao Zhong Zhen
Chan Ngai Chi

Audit Committee

Chan Ngai Chi (*Chairman*)
Leung, Oi Sie Elsie
Zhao Zhong Zhen

Nomination Committee

Leung, Oi Sie Elsie (*Chairman*)
Chan Ngai Chi
Ding Yong Ling

Remuneration Committee

Zhao Zhong Zhen (*Chairman*)
Chan Ngai Chi
Ding Yong Ling

Company Secretary

Lin Man

Compliance Officer

Ding Yong Ling

Authorised Representatives

Ding Yong Ling
Lin Man

Stock Code

8138

Hong Kong Share Registrar

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

Company’s Website

www.tongrentangcm.com

Registered Address

Room 1405-1409, Office Tower
Convention Plaza, 1 Harbour Road
Wanchai
Hong Kong

Legal Adviser

DLA Piper Hong Kong
17th Floor, Edinburgh Tower
The Landmark, 15 Queen’s Road Central
Hong Kong

Auditor

PricewaterhouseCoopers
Certified Public Accountants
22nd Floor, Prince’s Building
Central
Hong Kong

董事

非執行董事
梅群 (*主席*)

執行董事
丁永玲
張煥平
林曼

獨立非執行董事
梁愛詩
趙中振
陳毅馳

審核委員會

陳毅馳 (*主席*)
梁愛詩
趙中振

提名委員會

梁愛詩 (*主席*)
陳毅馳
丁永玲

薪酬委員會

趙中振 (*主席*)
陳毅馳
丁永玲

公司秘書

林曼

監察主任

丁永玲

授權代表

丁永玲
林曼

股份代碼

8138

香港證券登記處

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

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註冊地址

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灣仔
港灣道1號會展廣場
辦公大樓1405-1409室

法律顧問

歐華律師事務所
香港
皇后大道中15號置地廣場
公爵大廈17樓

核數師

羅兵咸永道會計師事務所
執業會計師
香港
中環
太子大廈22樓



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