

Sihuan Pharmaceutical Holdings Group Ltd.
四環醫藥控股集團有限公司



中期報告 2011
INTERIM REPORT



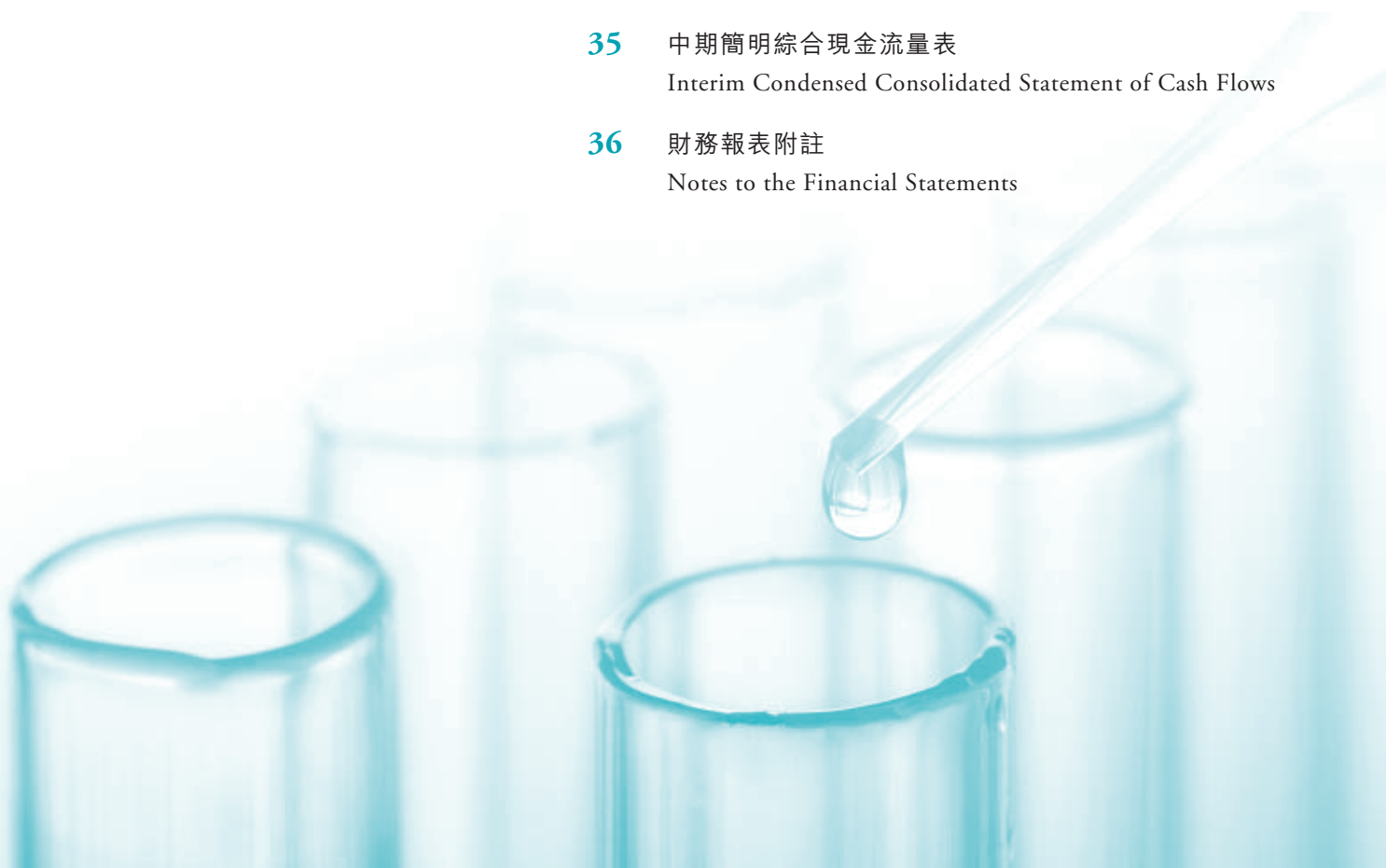
(incorporated in Bermuda with limited liability)
(於百慕達註冊成立之有限公司)
Stock Code 股份代號：0460



目錄

Contents

- 2** 公司資料
Corporate Information
- 4** 主席報告
Chairman's Statement
- 7** 管理層討論及分析
Management Discussion and Analysis
- 22** 其他資料
Other Information
- 30** 中期財務資料審閱報告
Report on Review of Interim Financial Information
- 31** 中期綜合資產負債表
Interim Consolidated Balance Sheet
- 33** 中期綜合全面收益表
Interim Consolidated Statement of Comprehensive Income
- 34** 中期綜合權益變動表
Interim Consolidated Statement of Changes in Equity
- 35** 中期簡明綜合現金流量表
Interim Condensed Consolidated Statement of Cash Flows
- 36** 財務報表附註
Notes to the Financial Statements



公司資料

Corporate Information

董事會

BOARD OF DIRECTORS

執行董事

EXECUTIVE DIRECTORS

車馮升醫生 (主席)
郭維城醫生 (副主席)
孟憲慧先生

Dr. Che Fengsheng (Chairman)
Dr. Guo Weicheng (Deputy Chairman)
Mr. Meng Xianhui

非執行董事

NON-EXECUTIVE DIRECTORS

張炯龍醫生
孫弘先生
黃翊先生

Dr. Zhang Jionglong
Mr. Homer Sun
Mr. Eddy Huang

獨立非執行董事

INDEPENDENT NON-EXECUTIVE DIRECTORS

辛定華先生
白慧良先生
徐康森先生

Mr. Patrick Sun
Mr. Bai Huiliang
Mr. Xu Kangsen

聯席公司秘書

JOINT COMPANY SECRETARIES

馬秀絹小姐
蔡耀忠先生

Ms. Ma Sau Kuen Gloria
Mr. Choi Yiau Chong

授權代表

AUTHORISED REPRESENTATIVES

蔡耀忠先生
馬秀絹小姐

Mr. Choi Yiau Chong
Ms. Ma Sau Kuen Gloria

審核委員會

AUDIT COMMITTEE

辛定華先生 (主席)
白慧良先生
徐康森先生
張炯龍醫生

Mr. Patrick Sun (Chairman)
Mr. Bai Huiliang
Mr. Xu Kangsen
Dr. Zhang Jionglong

薪酬委員會

REMUNERATION COMMITTEE

車馮升醫生 (主席)
辛定華先生
白慧良先生
徐康森先生

Dr. Che Fengsheng (Chairman)
Mr. Patrick Sun
Mr. Bai Huiliang
Mr. Xu Kangsen

提名委員會

NOMINATION COMMITTEE

郭維城醫生 (主席)
辛定華先生
白慧良先生
徐康森先生

Dr. Guo Weicheng (Chairman)
Mr. Patrick Sun
Mr. Bai Huiliang
Mr. Xu Kangsen

獨立核數師

INDEPENDENT AUDITOR

羅兵咸永道會計師事務所
香港
中環
太子大廈22樓

PricewaterhouseCoopers
22/F, Prince's Building
Central
Hong Kong

合規顧問

大和資本市場香港有限公司
香港
金鐘道88號
太古廣場1座28樓

COMPLIANCE ADVISER

Daiwa Capital Markets Hong Kong Limited
Level 28, One Pacific Place
88 Queensway
Hong Kong

註冊辦事處

Clarendon House, 2 Church Street,
P.O. Box HM1022,
Hamilton HM DX, Bermuda

REGISTERED OFFICE

Clarendon House, 2 Church Street,
P.O. Box HM1022,
Hamilton HM DX, Bermuda

總部

中國
海南省
海口市
濱海大道85號
天邑國際大廈27樓，
郵編570105

HEADQUARTER

27/F, Sky City International Tower,
No. 85 Binhai Avenue
Haikou City
Hainan
PRC, 570105

香港主要營業地點

香港
皇后大道中15號
置地廣場
告羅士打大廈8樓

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

8th Floor, Gloucester Tower
The Landmark,
15 Queen's Road Central,
Hong Kong

主要股份登記處

Codan Services Company Limited
Clarendon House, PO Box HM,
1022 Hamilton HM DX, Bermuda

PRINCIPAL SHARE REGISTRAR

Codan Services Company Limited
Clarendon House, PO Box HM,
1022 Hamilton HM DX, Bermuda

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1712-1716號舖

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

網址

www.sihuanpharm.com

WEBSITE

www.sihuanpharm.com

股份代號

0460

STOCK CODE

0460

主席報告

Chairman's Statement

「制勝策略驅動持續增長」

四環醫藥控股集團有限公司（「本公司」）從創立起一直保持著快速增長，十年來的年均復合增長率無論是銷售收入、還是利潤均高達50%以上。進入二零一一年上半年，本公司經營仍然保持二零一零年強勁的增長力，收入同比增長109%，本公司權益持有人應佔溢利達到49.4%的增長。縱觀整個中國製藥行業近十年收入21.2%、利潤25.8%（資料來源：中國醫藥企業管理協會）的平均增長水準，連續十年跑贏市場平均水平的四環，堪稱創造了中國製藥企業快速發展的奇跡！作為本公司的主席，我為四環人取得這樣的業績倍感自豪，也由衷地感謝我們員工的努力和貢獻，感謝各界朋友的支持。

二零一一年上半年四環不僅經營業績突出，而且對新購企業及產品專案的經營整合非常之成功。二零一一年上半年併購企業的經營突飛猛進，新併購藥品的市場銷售快速增長，充分體現了四環併購專案的發展潛力和四環強大的經營整合能力。更值得欣喜的是，「優化產品結構，增加產品多樣性」的目標也得以成功實現！憑藉更為廣泛多元的產品組合，我們得以獲得均衡多元的產品收入。在目前的產品組合中，預計今年銷售額超過人民幣1億元的產品有4個，而銷售額過人民幣5,000萬元的產品可達10個。憑藉這一堅實的基礎和多元的產品組合，我們得以進一步鞏固在中國心腦血管疾病（「心腦血管」）處方藥市場的領導地位，至二零一一年六月底，市場份額達9.0%（資料來源：IMS）。

“Winning Strategies Drive Continued Growth”

Since its founding a decade ago, Sihuan Pharmaceutical Holdings Group Ltd. (the “Company”) has consistently delivered superior performance with both sales and profit growing at a compound annual growth rate of over 50%. Emboldened by our record of strong growth in 2010, we continued our growth trajectory in the first half of 2011. For the first six months of 2011, the Company's revenue grew 109% over that of last year with profit attributable to equity holders of the company surging by 49.4%. Our remarkable ten-year growth trend surpasses the pharmaceutical industry averages which revenue and profit growth rates are at 21.2% and 25.8% (Source: China Pharmaceutical Enterprises Association) respectively. The Company's phenomenal growth is considered exceptionally successful amongst peers in the pharmaceutical sector. As Chairman of the Company, I am extremely proud of these achievements and appreciative of the efforts and contribution of our staff and the support we have received.

The operating performance for the first half of 2011 was outstanding which belies the success we have in integrating our newly acquired operations and products. The companies we acquired in the first half of 2011 recorded substantial growth while sales of the newly acquired drugs also rose satisfactorily. These demonstrate the Company's strong capability in integrating and extracting the commercial potential of our new acquisitions. On this positive note, we are proud that we have successfully attained our goal of “optimizing and diversifying our product structure”. Leveraging on broader and more diversified product portfolio, we have been able to achieve balanced and diverse revenue contributions from our different products. Out of our current portfolio, four products are expected to each generate over RMB100 million in sales in 2011 while a further ten are forecasted to each bring in sales of more than RMB50 million. With this solid foundation and enhanced product mix, we have further consolidated our leadership in China's cardio-cerebral vascular (“CCV”) prescription drugs market, dominating the market with a 9.0% (Source: IMS) share as at the end of June 2011.

強大的研發實力一直是四環成功的基石。回顧期內（「期內」），本公司新增加20多項新產品研發項目，獨家新藥甲磺酸桂哌齊特獲得臨床批件，多個新產品申報生產，研發工作穩步發展。本公司正進行生產設施升級以符合中國新訂的良好生產規範（「GMP」）標準。期內，廊坊四環高博製藥有限公司順利投產。北京新廠及中國北方生產基地建設取得良好進展。

為與本公司的快速發展和規模的不斷擴大保持同步，我們也更加關注內部的管理及人力資源的開發。在完善、健全各個業務板塊的管理體系的同時，不斷提升員工素質，提高各管理層級的管理能力，確保本公司及其附屬公司（合稱「本集團」）經營的高效運行。我們相信這是本公司經營健康發展的有力保障。

宏觀上講，近兩年政府政策導向對醫藥行業產生了一定的影響，同時也推動著醫藥行業的整合。本公司在政策環境的變化下，不僅仍保持著快速健康成長，還獲得了難得的市場發展機遇。這主要是基於本公司一直緊跟政府政策方針的方向，堅持創新，堅持向客戶提供一流的產品，從而培育了本公司獨特的競爭優勢。我們會繼續遵循這一指導方針拓展業務。

更重要的是，本公司能夠靈活進行有利併購，補足重要業務板塊。多菲製藥有限公司（「多菲製藥」）、萬生聯合製藥有限公司（「萬生聯合製藥」）的收購和其後與山東步長製藥有限公司（「山東步長」）的合作均十分成功。多菲製藥的貢獻已經顯現，而與步長製藥的合作也令我們興奮和期待！相信該等合作會進一步加快我們的發展步伐。

Our strong research and development expertise has been a cornerstone of our success over the years. During the period under review (the “Period”), the company’s research and development team kicked off over 20 new projects. The clinical trial approval for the exclusive new drug Cinepazide Mesilate (甲磺酸桂哌齊特) was granted. The Company also filed production applications for several new products, while research and development activities achieved sound progress to upgrade our production facilities in order to meet the new Good Manufacturing Practice (“GMP”) standards. Langfang Sihuan Gaobo Pharmaceutical Co., Ltd commenced its operation during the Period. Good progress has been made in relation to the construction of our new plant in Beijing and our production bases in Northern China.

To keep pace with the Company’s rapid development and expanding scale, we have dedicated efforts to strengthen our internal management and human resource development. While improving the management system in all business segments, we are constantly enhancing staff quality and management capacity on all levels to ensure the efficient operation of the Company and its subsidiaries (collectively, the “Group”). We believe this is key to the sustainable growth of the Company’s business.

On a macro-environment level, we have seen government policies evolving in the past two years leading to further industry consolidation. Against this backdrop, the Company has continued to excel and capitalized on favorable market opportunities to further grow its business. Setting us apart from our peers is our commitment to following government directives, to innovation and to providing best-in-class products to our customers, which will continue to be the guiding principles of our business development.

More importantly, the Company has been nimble in undertaking accretive acquisitions which are complementary to our business focus. The successful acquisitions of Dupromise Holdings Limited (“Dupromise”), Vinise Pharmaceutical Limited (“Vinise Pharmaceutical”) and subsequent cooperation with Shandong Buchang Pharmaceutical Co., Ltd. (“Shandong Buchang”) demonstrate the good progress we have made in this regard. We are already seeing contributions from Dupromise and we are excited about our future cooperation with Shandong Buchang. We are confident that these partnerships will further accelerate our pace of growth.

主席報告

Chairman's Statement

四環今年發展前景樂觀。快速城市化、老齡化、醫療改革和持續發展的經濟將繼續推動我們的業務發展。我相信，憑藉廣泛的產品組合、強大的產品管道、廣闊的市場覆蓋、高效的運營效率和領先的市場地位，本公司具備獨特優勢，可長期提高和創造股東價值。我們堅持創新和專業化發展，對社會、股東和員工負責，在股東持續的支持下，我相信我們能夠實現經營目標與可持續發展。

Looking ahead, we are optimistic about the remainder of 2011. Rapid urbanization, aging population, health care reform and a sustainable development of economy will continue to fuel our business growth. With our competitive advantages in a broader product portfolio, robust product pipeline, expanded footprint, increased operational efficiency and leading market position, I believe the Company is uniquely positioned to grow and create shareholder value over the long term. We are committed to our continued innovation and professionalism and will be responsible to our society, our shareholders and our staff. With the continual support of all shareholders, I am confident that we will attain our business objectives to deliver sustained growth.

車馮升

主席

二零一一年八月三十日

Che Fengsheng

Chairman

August 30, 2011

業務回顧

2011年上半年，雖然國家發展和改革委員會針對藥品價格控制等相關政策對中國醫藥行業產生了影響，但本公司仍然保持強勁增長。

期內，本公司收益大幅增至人民幣990.6百萬元，較去年同期增加109.2%。銷售額增加主要歸功於新推出產品與現有產品的多樣組合。本公司權益擁有人應佔溢利激增49.4%至人民幣380.7百萬元。

憑藉本公司強大的收購整合能力和市場開發能力，新購進產品的市場銷售快速增長，收入已超過本公司總收入的三分之一，使本公司產品組合成功優化，為本公司帶來更穩定收入流。此外，本公司與中藥領軍企業山東步長成功達成合作，開始踏足中藥市場。

(i) 心腦血管產品（「心腦血管產品」）

期內，心腦血管產品的銷售額是本公司收益快速增長的主要推動力。心腦血管產品銷售額達人民幣874.4百萬元，較去年同期增加122.5%，佔本公司總收益的88.3%。

優化產品組合後，本公司原有產品（如克林澳、安捷利等）和新購進產品的收益組合更加合理，徹底改變了以往單產品份額過高的局面。本公司新購進產品歐迪美、源之久及益脈寧的銷售額分別為人民幣344.1百萬元、人民幣27.0百萬元及人民幣23.5百萬元。尤其是歐迪美已經成為本公司繼克林澳及安捷利之後的另一旗艦產品，已經成為本公司主要收益來源之一。該產品已列入22個省的省級醫保藥品目錄，預期將錄得銷售增長。

BUSINESS REVIEW

In the first half of 2011, the Company delivered robust growth despite the policies promulgated by the National Development and Reform Commission to control the drug price this year which had affected China's pharmaceutical sector.

The Company recorded impressive revenue growth to reach RMB990.6 million during the Period, an increase of 109.2% over the same period last year. The increase in sales was largely attributable to a more diverse mix of new and existing products. Profit attributable to the Company's equity owners jumped 49.4% to RMB380.7 million.

Capitalizing on the Company's strong capabilities in integrating new acquisitions and developing new markets, sales of its newly acquired products recorded significant growth, exceeding one-third of the Company's total sales. The newly acquired products successfully optimised the Company's product mix and thereby bringing more stability to the Company's revenue streams. In addition, the Company further expanded its footprint in the traditional Chinese medicine ("TCM") market through close cooperation with Shandong Buchang, a leading player in China's TCM sector.

(i) Cardio-cerebral vascular products (the "CCV products")

During the Period, sales of CCV products were the key driver of the Company's rapid revenue growth. CCV sales reached RMB874.4 million, a 122.5% increase over the last corresponding period, and accounting for 88.3% of the Company's total revenue.

Due to a more optimized product mix, the Company achieved a more balanced revenue contribution from existing products (like Kelinao and Anjieli) and newly acquired products, without relying on any one single product's sales contribution. Sales of our newly acquired products, namely Oudimei, Yuanzhijiu and Yimaining, reached RMB344.1 million, RMB27.0 million and RMB23.5 million, respectively. In addition to Kelinao and Anjieli, Oudimei has now become another flagship product of the Company and a key revenue contributor. The product has been included in 22 provincial medicine catalogue and is expected to record further sales growth.

管理層討論及分析

Management Discussion and Analysis

在本公司原有心腦血管產品中，成熟品種克林澳的銷售額為人民幣223.7百萬元，同比增幅為3.6%，安捷利銷售額為人民幣72.3百萬元，增幅為26.8%，兩者（皆含馬來酸桂哌齊特）的銷售額合計人民幣296.0百萬元，同比增長8.5%；神經節苷脂（「GM1」）及清通的銷售額進一步攀升至人民幣58.9百萬元及人民幣16.9百萬元，分別增長88.4%及32.4%。

心腦血管產品的出色表現，證明本公司在開發具有巨大潛力的新產品方面的營銷及分銷能力。該等多樣的心腦血管產品進一步鞏固了本公司在中國心腦血管處方藥市場的領先地位。根據IMS的資料，至二零一一年六月底，本公司所佔中國心腦血管處方藥市場（不含中成藥）份額為9.0%。

本公司主要5種心腦血管產品的銷售額

Kelinao, one of our mature CCV products, recorded sales of RMB223.7 million, representing an increase of 3.6%. Anjieli recorded sales growth of 26.8% to reach RMB72.3 million. Kelinao and Anjieli (both contain cinpezide maleate (馬來酸桂哌齊特)) achieved sales of RMB296.0 million in total, an increase of 8.5% compared to the same period last year. Sales of Ganglioside (“GM1”) and Qingtong climbed further to RMB58.9 million and RMB16.9 million, representing 88.4% and 32.4% growth respectively.

The outstanding performance of our CCV products proves the Company’s marketing and distribution capabilities in developing new products with promising potential. With this line-up of diverse CCV products, the Company has further cemented its leading position in China’s CCV prescription drug market. According to IMS, the market share of the Company’s CCV drugs (excluding TCM) was 9.0% as at the end of June 2011.

Sales of the Top 5 CCV Products

		截至六月三十日止六個月		
		For the six months period ended June 30,		
		二零一一年	二零一零年	增減
		2011	2010	Change
		(人民幣千元)	(人民幣千元)	
		(RMB'000)	(RMB'000)	
毘迪美	Oudimei	344,103.1	不適用 N/A*	不適用 N/A*
克林澳	Kelinao	223,746.7	215,899.1	3.6%
安捷利	Anjieli	72,313.1	57,017.8	26.8%
GM1	GM1	58,922.8	31,276.6	88.4%
川青	Chuanqing	38,581.9	41,809.4	(7.7%)

* 二零一一年新收購產品

* newly acquired product in 2011

(ii) 非心腦血管產品（「非心腦血管產品」）

儘管國家限制部分抗感染藥物的臨床使用的政策已在部份醫院開始實行，但本公司抗感染藥物的銷售額於期內仍大幅增加70.6%至人民幣52.3百萬元，主要是由於磺卞西林鈉列入國家醫保藥品目錄後，銷售額快速增至人民幣22.8百萬元所致。另一主要抗感染藥品安捷健的銷售額亦於期內穩步增加27.0%至人民幣14.6百萬元。卓澳及洛安命（氨基酸注射液）等其他非心腦血管藥物的銷售額分別增加108.1%及71.3%。

(iii) 進軍中國中藥市場

二零一一年六月二十二日，本公司全資附屬公司耀忠與Congio訂立購股協議，耀忠有條件地同意購買，而Congio有條件地同意出售Smart Baskets的全部股權。Smart Baskets持有萬生聯合製藥100%的股權。此項收購於二零一一年六月二十七日交割，本集團由此新增四種市場潛力巨大的重要心腦血管產品，即燈盞花素氯化鈉注射液、燈盞花素葡萄糖注射液、丹參川芎嗪注射液及參芎葡萄糖注射液。

本公司於二零一一年七月十九日與山東步長訂立合作協議，向其有條件出售50%萬生聯合製藥的股權。本公司與山東步長將聯合推廣萬生聯合製藥現有四個重點產品的市場，未來雙方將聯合開發更多治療心腦血管疾病的中藥產品。本公司與山東步長的市場、研發、製造等資源互補，必將產生協同效應。與山東步長合作開發中藥市場，將大大加快本公司在中藥市場的發展步伐，也將進一步鞏固本公司在心腦血管疾病藥品市場的領先地位。

(ii) Non-cardio-cerebral vascular products (“non-CCV products”)

Despite the government's policies which impose restrictions on the clinical use of certain anti-infective drugs have been implemented in some hospitals, the Company's anti-infective products recorded impressive growth of 70.6% to RMB52.3 million during the Period. The increase was mainly attributable to the rapid growth of Sulbenicillin Sodium, which generated RMB22.8 million in sales following its listing in the National Medicine Catalogue. Anjiejian, another key anti-infective drug product, recorded steady growth of 27.0% to RMB14.6 million during the Period. Sales of other non-CCV products such as Zhuo'ao and Luoanming (Amino Acid Injection) posted 108.1% and 71.3% growth respectively.

(iii) Foray into China's TCM Market

On June 22, 2011, Sun Moral, a wholly-owned subsidiary of the Company, and Congio entered into a share purchase agreement pursuant to which Sun Moral has conditionally agreed to purchase and Congio has conditionally agreed to sell, the entire equity interests in Smart Baskets which holds 100% equity interests in Vinise Pharmaceutical. The acquisition was completed on June 27, 2011 and added four key CCV products with strong market potential to the Group's product portfolio, including Breviscapine and Sodium Chloride injections, Scutellarin Glucose injections, Salviae Miltiorrhizae and Lingustrazine injections, and Salviae Miltiorrhizae Ligustrazine Hydrochloride and Glucose injections.

On July 19, 2011, the Company entered into an arrangement with Shandong Buchang through an agreement to conditionally sell 50% equity interests in Vinise Pharmaceutical to Shandong Buchang. Incidental to the agreement for sale, the Company and Shandong Buchang will jointly market the existing four major products of Vinise Pharmaceutical as well as more TCM products for the treatment of CCV diseases. There will be significant synergistic benefits of this cooperation in areas including marketing, research and development and manufacturing for the Company and Shandong Buchang. The cooperation with Shandong Buchang to develop TCM market will expedite the Company's market expansion in the TCM sector and further consolidate the Company's leading position in the overall CCV market.

管理層討論及分析

Management Discussion and Analysis

(iv) 市場推廣力度

本公司進一步發展營銷隊伍及分銷網絡支援產品組合擴充。二零一一年上半年，本公司新增60多名營銷人員及500多名分銷商，亦於期內建立十個銷售辦事處。此外，為與專業團體及行業專家保持密切聯繫，以及進一步鞏固本公司在醫藥行業的領先地位，本公司組織學術推廣活動，包括全國、省市級學術會議。

(v) 研發

期內，本公司研發也取得良好進展。新增加20個新產品研發項目，在研項目總數超過70項。研發團隊還獲得了國家食品藥品監督管理局（「食品藥品監督管理局」）授出的新藥（獨家）甲磺酸桂哌齊特的臨床批件，同時還申報了多個仿製新產品的生產批件。此外，本公司還獲授46個新專利，有助增強長遠持續發展的能力。

(vi) 生產

本集團的原料藥（「原料藥」）廠廊坊四環高博製藥有限公司於二零一一年上半年開始生產。此外，為符合中國的新訂良好生產規範（「GMP」）標準，本公司正在升級中國北方生產設施（即吉林四環製藥有限公司、本溪恆康製藥有限公司及長春翔通藥業有限公司）及建設北京四環製藥有限公司新廠區，努力提高產能，確保符合最新GMP標準的高質素生產。

(iv) Marketing efforts

The Company further expanded its sales team and distribution network to support the expansion of its product mix. In the first half of 2011, the Company added over 60 staff to its marketing team and over 500 distributors to its distribution network. Ten sales offices were also established during the Period. Furthermore, academic promotion activities, including national, provincial and municipal seminars, were organized in order to maintain close ties with professional bodies and industry experts and to further consolidate our leading position in the pharmaceutical industry.

(v) Research and development

During the Period, the Company achieved demonstrable progress in its research and development activities. The Company's research and development team has commenced 20 new projects, bringing the total number of projects to more than 70. The clinical trial approval for Cinepazide Mesilate (甲磺酸桂哌齊特), a new exclusive drugs, was granted by State Food and Drug Administration ("SFDA"). The Company also filed production applications for several new generic products. In addition, the Company was granted 46 new patents, which have strengthened the Company's ability to achieve sustainable growth in the long run.

(vi) Production

Langfang Sihuan Gaobo Pharmaceutical Co., Ltd., one of the Company's Active Pharmaceutical Ingredient ("API") production plants, commenced production in the first half of 2011. In addition, as part of a requirement to fulfill China's new Good Manufacturing Practice ("GMP") requirements, the Company is in the process of upgrading its production facilities in Northern China, namely at Jilin Sihuan Pharmaceutical Co. Ltd., Benxi Hengkang Pharmaceutical Co., Ltd. and Changchun Xiangtong Pharmaceutical Co., Ltd. and the construction of the new factory of Beijing Sihuan Pharmaceutical Co., Ltd., in an effort to boost production capacity and to ensure high quality production that meets the latest GMP standards.

未來展望

本公司認為，在利好的宏觀環境推動下，醫藥行業仍將是中國增長最強勁的產業之一，前景樂觀。由於城鎮化加速、可支配收入增加、健康意識增強、人口老齡化加劇、慢性健康問題盛行、政府推行醫療保健改革及第十二個五年計劃，預期中國醫藥市場將會繼續蓬勃發展。

展望未來，本公司將加大研發及產品多樣化力度，鞏固其在醫藥行業的領先地位。通過收購及開發，本公司心腦血管領域產品組合已大為豐富，尤其是新購進的歐迪美、益脈寧、源之久等產品，期內銷售增長迅猛，歐迪美已成為本公司新的旗艦產品，銷售額增長潛力巨大。本公司計劃透過加大招標力度，同時發掘更多醫院及醫療部門等市場，提高該等產品的銷售額。

由於在二三線城市的進一步擴展，預計GM1、清通、安捷利及克林澳等較成熟的心腦血管產品將保持穩定發展。雖然燈盞花素氯化鈉注射液、燈盞花素葡萄糖注射液、丹參川芎嗪注射液及參芎葡萄糖注射液等其他新收購產品尚處於發展初期，但預計將於本年度下半年開始為本集團貢獻收益。安捷健、磺卞西林鈉、卓澳及洛安命等非心腦血管產品將繼續保持增長，是本公司收益的另一來源。本公司將增加該等產品的醫院覆蓋率，提高銷售額。

FUTURE PROSPECTS

The Company is optimistic that the pharmaceutical industry will continue to be one of the fastest-growing industries in the PRC, driven by the favorable macro environment. As a result of rapid urbanization, increasing disposable income, heightened health awareness, an ageing population, the prevalence of chronic health problems, the government's commitment to health care reform and the 12th Five-Year Plan, the PRC pharmaceutical market is expected to continue to experience a significant rate of growth.

Looking ahead, the Company will step up its efforts in research and development and product diversification to consolidate its leading position in the pharmaceutical industry. In the area of CCV products, the Company now offers a more diverse product portfolio via acquisitions and development. In particular, the newly acquired CCV products, namely, Oudimei, Yimaining and Yuanzhijiu, grew rapidly during the Period. Oudimei has become the Company's new flagship product with great sales potential. The Company plans to boost sales of these products through enhanced efforts in tendering while exploring the potential of more hospitals and medical departments.

The more mature CCV products, such as GM1, Qingtong, Anjieli and Kelinao, are expected to maintain steady growth as a result of further expansion in second and third-tier cities. Other newly acquired products, such as Breviscapine and Sodium Chloride injections, Scutellarin Glucose injections, Salviae Miltiorrhizae and Ligustrazine injections, and Salviae Miltiorrhizae Ligustrazine Hydrochloride and Glucose injections, though in their initial stage of growth, are expected to start contributing to the Group's revenue in the second half of the year. Non-CCV products, such as Anjiejian, Sulbenicillin Sodium, Zhuo'ao and Luoanming, will continue to maintain growth and be another source of the Company's revenue. The Company will enhance their sales by increasing their hospital coverage.

管理層討論及分析

Management Discussion and Analysis

此外，本公司將繼續擴大營銷隊伍及銷售網絡。產品經理及銷售經理人數將分別增至大約80人及500人。本公司將加強市場推廣力度，通過組織學術會議、學術論壇、專題研究等學術活動，以及媒體宣傳等手段，提升公司及產品品牌形象。本公司亦將加強招標工作，使公司核心產品獲得具有競爭力的中標價格。此外，本公司將進一步提高研發實力以維持日後發展。

憑藉廣泛的產品組合、強大的研發實力與豐富的銷售及營銷專業知識，本公司相信可於本年度下半年順利達致銷售目標，並取得長足發展。

財務回顧

收益

截至二零一一年六月三十日止首六個月，本公司繼續增強我們的心腦血管藥品業務，著重透過收購開拓新產品的市場；同時也通過增加其他具備快速增長潛力之治療領域的藥品銷量以提高公司銷售收益。收益總額由二零一零年同期的人民幣473.4百萬元增加109.2%至人民幣990.6百萬元。收益增加乃主要由於心腦血管藥物（特別是新收購產品）銷售額大幅增長所致。

Furthermore, the Company will continue to expand its marketing team and sales network. The number of product managers and sales managers will increase to approximately 80 and 500 respectively. The Company will strengthen its marketing efforts in organizing academic activities including academic conferences, academic forums, research discussions as well as conducting media campaigns in order to promote our brand and products. The Company will also seek to sell its core products through tender at competitive prices. In addition, the Company will further strengthen its research and development capabilities to sustain future growth.

Riding on a more extensive product portfolio, stronger research and development capabilities, sales and marketing expertise, the Company is confident that it is well on track to meet its sales targets and further its growth in the second half of the year.

FINANCIAL REVIEW

Revenue

For the first six months ended June 30, 2011, the Company continued to strengthen its CCV drug franchise and focused on expanding into new product markets through acquisitions. The Company's sales revenue was driven by increased sales of other therapeutic drugs with prospects for rapid growth. Total revenue increased by 109.2% to RMB990.6 million from RMB473.4 million in the corresponding period in 2010. The increase in revenue was mainly attributable to strong growth in sales of CCV drugs, particularly newly acquired products.

管理層討論及分析 Management Discussion and Analysis

本公司心腦血管藥物於二零一一年上半年的銷售收益約為人民幣874.4百萬元，較二零一零年同期增長約122.5%，約佔本集團收益總額的88.3%。增加的主要原因是透過本公司分銷網絡進行的大量促銷及營銷活動帶動了我們的歐迪美及源之久等新產品的強勁需求。我們亦透過設立新地區銷售辦事處以拓展長春及大連等城市的市場。心腦血管藥物的銷售收益增長主要來自新併購產品的貢獻，新併購產品帶來了人民幣425.0百萬元的銷售收益，佔期內總銷售收益的42.8%。我們的核心產品克林澳及安捷利的銷售額分別由二零一零年首六個月的人民幣215.9百萬元及人民幣57.0百萬元增長3.6%及26.8%至期內的人民幣223.7百萬元及人民幣72.3百萬元。GM1的銷售收益由二零一零年上半年的人民幣31.3百萬元於期內躍升88.4%至人民幣58.9百萬元。清通的銷售額亦由二零一零年同期的人民幣12.7百萬元增加32.4%至期內的人民幣16.9百萬元。

儘管中國政府出台限制使用抗感染藥物的措施，抗感染藥物的收益仍由去年同期的人民幣30.7百萬元增長約70.6%至期內的人民幣52.3百萬元，約佔本集團收益總額的5.3%。其他藥物的收益增加約20.9%至人民幣59.4百萬元，約佔本集團收益總額的6.0%。抗感染藥物及其他藥物的銷售額增加主要是由於二零一零年新引入的品種注射用磺苄西林鈉於期內產生收益人民幣22.8百萬元，以及氨基酸注射液的銷售總額由去年同期的人民幣8.1百萬元增長71.3%至期內的人民幣13.8百萬元。

Revenue from sales of the Company's CCV drugs amounted to approximately RMB874.4 million for the first half of 2011, representing approximately 122.5% growth over the corresponding period in 2010 and accounting for approximately 88.3% of the Group's total revenue. The increase was primarily due to the strong demand for our new products such as Oudimei and Yuanzhijiu after massive promotional and marketing activities undertaken through the Company's distribution network. Additional regional sales offices were also set up in order to penetrate into cities such as Changchun and Dalian. The increase of revenue from sales of CCV drugs was largely attributable to sales of newly acquired products, which contributed revenue of RMB425.0 million, or 42.8% of the total revenue during the Period. Sales of Kelinao and Anjieli, our core products, increased by 3.6% and 26.8% respectively from RMB215.9 million and RMB57.0 million in the first six months of 2010 to RMB223.7 million and RMB72.3 million during the Period. Revenue from sales of GM1 jumped by 88.4% from RMB31.3 million in the first half of 2010 to RMB58.9 million during the Period. Sales of Qingtong also rose 32.4% to RMB16.9 million in the Period from RMB12.7 million compared to the same period in 2010.

Compared to the same period of last year, our revenue derived from anti-infective drugs during the Period recorded approximately 70.6% growth to RMB52.3 million from RMB30.7 million, accounting for approximately 5.3% of the Group's total revenue, despite the introduction of PRC government measures that restrict the use of anti-infective drugs. Revenue of other drugs increased by approximately 20.9% to RMB59.4 million, accounting for approximately 6.0% of the Group's total revenue. The increase in sales of anti-infective and other drugs was primarily due to Pojia (Sulbencillin Sodium for Injection), a new product introduced in 2010, which brought in RMB22.8 million revenue during the Period, as well as a 71.3% increase in sales of our Amino Acid Injection, a total of RMB13.8 million in sales during the Period, compared to RMB8.1 million in the corresponding period of last year.

管理層討論及分析

Management Discussion and Analysis

銷售成本

銷售成本由去年同期的人民幣127.1百萬元增至期內的人民幣215.8百萬元。銷售成本對收益的百分比由去年同期的26.8%降至期內的21.8%，是由於我們自有生產設施製造之產品的銷售比例較高，以及嚴格控制生產成本及擴大營運規模所致。

毛利

我們的毛利增加123.7%至期內的人民幣774.7百萬元。整體毛利率由二零一零年上半年的73.2%上升至期內的78.2%，上升原因主要在於我們新收購公司的產品毛利率較高、所佔本公司產品組合的比例上升及生產成本較低。

其他收益淨額

其他收益淨額由二零一零年同期的人民幣19.4百萬元增加至期內的人民幣44.1百萬元。此乃主要由於本集團收取的政府補助增加所致。

分銷成本

分銷成本對收益總額的比例由二零一零年同期的5.6% (人民幣26.4百萬元) 增至期內的29.7% (人民幣294.4百萬元)。增加主要是由於期內本集團新收購的附屬公司的銷售額相關市場推廣成本所致，該等銷售及市場推廣活動相當依賴第三方服務供應商，且銷售人員及本集團市場推廣活動亦增多。

Cost of sales

Cost of sales rose to RMB215.8 million during the Period compared to RMB127.1 million in the same period last year. The percentage of cost of sales to revenue dropped from 26.8% in the same period of last year to 21.8% during the Period due to a higher proportion of sales of products manufactured in our own production facilities, as well as tightened control over production costs and larger scale in the Group's operations.

Gross profit

Our gross profit increased by 123.7% to RMB774.7 million during the Period. Overall gross profit margin improved to 78.2% in the Period from 73.2% in the first half of 2010, which was mainly due to an increased proportion in our product mix of higher gross profit margin products manufactured by our newly-acquired companies and lower costs of production.

Other gains - net

Other net gains increased from RMB19.4 million in the same period in 2010 to RMB44.1 million in the Period. This was mainly due to an increase in government grants received by the Group.

Distribution costs

The proportion of our distribution costs to total revenue surged to 29.7% or RMB294.4 million during the Period from 5.6% or RMB26.4 million in the same period in 2010. Such increase was mainly due to the marketing costs related to the sales in the subsidiaries newly acquired by the Group in the Period which sales and marketing activities highly relied on third party services providers, and a bigger sales force and intensive marketing activities conducted by the Group.

行政開支

行政開支由二零一零年首六個月的人民幣52.4百萬元增加49.1%至期內的人民幣78.2百萬元。增加乃主要由於本集團規模擴大，業務增長導致有關行政費用增加，以及期內發生的合併費用影響所致。

財務收入

財務收入淨額由二零一零年同期的人民幣3.1百萬元大幅上升至期內的人民幣45.9百萬元，主要是由於本集團所收取的利息收入增加所致。

稅前盈利總額

由於上述因素，我們的稅前盈利總額由二零一零年首六個月的人民幣290.1百萬元增加69.7%至二零一一年首六個月的人民幣492.2百萬元。

所得稅開支

我們期內的所得稅開支由人民幣42.7百萬元增加175.0%至人民幣117.4百萬元，主要是由於按中國稅收法規要求對應付股息計提額外預扣稅撥備所致。

二零一零年首六個月及二零一一年首六個月的實際稅率分別為14.7%及23.8%。實際稅率上升主要是由於新收購公司的企業所得稅率為25%以及於中國經濟特區成立的若干附屬公司所採用的適用企業所得稅率上升所致。

Administrative expenses

Administrative expenses increased by 49.1% from RMB52.4 million in the first six months of 2010 to RMB78.2 million in the Period. The increase was primarily due to the increase in administrative expenses related to business growth along with the expansion of the Group's business, and the integration expenses incurred during the Period.

Finance income

Our net finance income increased significantly from RMB3.1 million in the same period in 2010 to RMB45.9 million during the Period. The increase was mainly due to the increases in interest income received by the Group.

Profit before tax

As a result of the foregoing, our total profit before tax increased by 69.7% from RMB290.1 million in the first half of 2010 to RMB492.2 million in the first half of 2011.

Income tax expense

Our income tax expense increased by 175.0% from RMB42.7 million to RMB117.4 million during the Period. The increase in income tax expense was mainly attributable to the additional withholding tax provided for the dividends payable according to the PRC tax regulations.

Our effective tax rate for the first half of 2010 and the first half of 2011 were 14.7% and 23.8% respectively. The increase in our effective tax rate was mainly attributable to the combined effects of the corporate income tax rate of 25% applicable to the newly acquired companies and the increase in the applicable corporate income tax rate for some of our subsidiaries established in the special economic zones in the PRC.

管理層討論及分析

Management Discussion and Analysis

盈利淨額

由於上述因素，我們的盈利淨額由二零一零年首六個月的人民幣247.4百萬元增加51.5%至二零一一年首六個月的人民幣374.8百萬元。

本公司權益持有人應佔溢利

本公司權益持有人應佔純利由二零一零年首六個月的人民幣254.8百萬元增加49.4%至二零一一年首六個月的人民幣380.7百萬元。

非控股權益

非控股權益應佔虧損由去年同期的人民幣7.4百萬元減少21.2%至期內的人民幣5.9百萬元，主要是由於期內其他非全資附屬公司的盈利部分抵銷山東軒竹醫藥科技有限公司的虧損所致。

流動資金及財務資源

於二零一一年六月三十日，本集團現金及現金等價物為人民幣4,967.0百萬元（二零一零年十二月三十一日：人民幣5,851.4百萬元）。除貿易及其他應付款外，本集團並無任何其他負債。

董事認為，本集團的財務狀況穩健，有足夠的財務資源應付未來發展所需。

貿易及其他應收賬款

我們的貿易應收賬款包括我們的分銷商應支付我們產品的信貸銷售款。我們的其他應收賬款包括預付供應商款項、按金及其他應收賬款。於二零一一年六月三十日我們擁有的貿易及其他應收賬款為人民幣465.7百萬元，比二零一零年十二月三十一日貿易及其他應收賬款金額人民幣259.9百萬元增加了人民幣205.8百萬元，主要因銷售增加而使信貸銷售款增加，同時銷售的增加也使預付給供應商款項增加、及其他應收賬款增加。

Net profit

As a result of the foregoing, our net profit increased by 51.5% from RMB247.4 million in the first half of 2010 to RMB374.8 million in the first half of 2011.

Profit attributable to equity owners of the Company

Net profit attributable to equity owners of the Company increased by 49.4% from RMB254.8 million in the first half of 2010 to RMB380.7 million in the first half of 2011.

Non-controlling interests

The loss attributable to non-controlling interests decreased by 21.2% from RMB7.4 million in corresponding period last year to RMB5.9 million in the Period, which was mainly due to the loss contributed by KBP BioSciences Co., Ltd. was partly offset by the profit of other non-wholly owned subsidiaries during the Period.

Liquidity and financial resources

As at June 30, 2011, the Group's cash and cash equivalents amounted to RMB4,967.0 million (December 31, 2010: RMB5,851.4 million). Apart from trade and other payables, the Group did not have any other liabilities.

The Directors believe that the financial position of the Group is healthy and we have sufficient financial resources to meet our requirements for future development.

Trade and other receivables

Our trade receivables consist of the credit sales of our products to be paid by our distributors. Other receivables consist of prepayments to suppliers, deposits and other receivables. Our trade and other receivables increased by RMB205.8 million from RMB259.9 million as at December 31, 2010 to RMB465.7 million as at June 30, 2011. The increase in trade and other receivables was mainly due to the increases in credit sales, prepayments to suppliers and other receivables along with the increase in sales.

存貨

於二零一一年六月三十日，存貨增加約45.7%。由二零一零年十二月三十一日的人民幣53.3百萬元增加至二零一一年六月三十日的人民幣77.7百萬元，主要因為集團預期二零一一年下半年的銷售需求將有所增加。根據二零一一年六月三十日存貨類別分析，原材料、在製品及製成品分別佔存貨約27.2%、12.5%及60.3%（二零一零年十二月三十一日：分別為43.6%、13.0%及43.4%）。二零一一年首六個月製成品存貨周轉期為29.2日（二零一零年十二月三十一日：27.5日）。於二零一一年首六個月我們並無存貨減值。

物業、廠房及設備

我們的物業、廠房及設備包括樓宇、生產及電子設備、汽車及在建工程。於二零一一年六月三十日，物業、廠房及設備的賬面淨值為人民幣339.2百萬元較去年增加了人民幣86.0百萬元，上升約34.0%。此增長主要是由於二零一一年上半年進行收購的附屬公司物業、廠房及設備約為人民幣73.2百萬元，以及我們為我們的行政辦事處、現有及新投建的生產廠購置物業、廠房及設備，同時也購置了研發中心所用的若干實驗室設備。

無形資產

我們的無形資產主要包括商譽、客戶關係、專利權、遞延開發成本及進行中產品開發。我們的商譽產生自收購附屬公司。遞延開發成本及進行中產品開發主要指向外部研究機構收購若干藥品研發項目與我們自行開發的研發項目。於二零一一年六月三十日，無形資產淨值為人民幣2,731.9百萬元，比去年增加人民幣2,578.4百萬元，主要是增加了本集團上半年進行收購的附屬公司所擁有的無形資產及對該等附屬公司進行收購產生的商譽。

Inventory

Our inventory as at June 30, 2011 increased by approximately 45.7% from RMB53.3 million as at December 31, 2010 to RMB77.7 million, primarily due to the Group's anticipation of higher sales demand in the second half of 2011. As at June 30, 2011, in terms of classification of inventory, the inventories of raw material, work in progress and finished products accounted for approximately 27.2%, 12.5% and 60.3% of the inventories respectively (December 31, 2010: 43.6%, 13.0% and 43.4% respectively). In the first half of 2011, the turnover days of inventory of finished products was 29.2 days (December 31, 2010: 27.5 days). We had no inventory impairment in the first half of 2011.

Property, plant and equipment

Our property, plant and equipment consist of buildings, production and electronic equipment, motor vehicles and construction in progress. As at June 30, 2011, the net book value of property, plant and equipment amounted to RMB339.2 million, representing an increase of RMB86.0 million, or approximately 34.0%, as compared with the previous year. The increase was mainly attributable to the property, plant and equipment of subsidiaries acquired in the first half of 2011 amounted to approximately RMB73.2 million, and the purchase of property, plant and equipment for our administrative offices and existing and new production facilities and the purchase of certain laboratory equipment for our research centre.

Intangible assets

Our intangible assets mainly consist of goodwill, customer relationships, patents, deferred development costs and product development in progress. Our goodwill arises from the acquisitions of subsidiaries. Deferred development costs and product development in progress mainly represent the acquisitions of certain pharmaceutical research and development projects from external research institutions and the research and development projects developed by ourselves. As at June 30, 2011, net intangible assets amounted to RMB2,731.9 million, representing an increase of RMB2,578.4 million over the previous year, mainly resulting from the increase in the intangible assets obtained from the subsidiaries acquired by the Group in the first half of the year and the goodwill generated from the acquisitions of such subsidiaries.

管理層討論及分析

Management Discussion and Analysis

貿易及其他應付賬款

我們的貿易及其他應付賬款主要包括貿易應付賬款、來自客戶的墊款、其他應付賬款、應計開支及應付董事款項。於二零一一年六月三十日，貿易及其他應付賬款金額為人民幣1,670.6百萬元，比二零一零年十二月三十一日貿易及其他應付賬款金額增加了人民幣1,531.7百萬元。主要是上半年收購附屬公司應支付的收購餘款。

或然負債

本集團在二零一一年六月三十日結算時並沒有任何或然債務(二零一零年：無)。

資產負債表外安排及承擔

除所披露的或然負債外，我們並無訂立任何資產負債表外安排或承擔以為任何第三方的付款責任提供擔保。我們並無在為我們提供融資或流動資金、或引致市場風險或提供信貸支持、或從事向我們提供租賃或對沖或研發服務的任何非綜合實體擁有任何可變權益。

信貸風險

信貸風險指交易對手方違反其合約責任而導致我們財務損失的風險。我們並無重大信貸風險集中情況。信貸風險主要來自現金及現金等價物以及貿易及其他應收賬款。現金等價物、短期銀行存款以及貿易及其他應收賬款的賬面值乃我們所面臨有關我們的金融資產的最大信貸風險。

就現金及現金等價物而言，我們透過將銀行存款存放在並無重大信貸風險的中國大型國家控制銀行來管理中國的現金信貸風險。我們透過將銀行存款存放在高信貸質量的金融機構來管理中國以外的現金信貸風險。

Trade and other payables

Our trade and other payables primarily consist of trade payables, advances from customers, other payables, accrued expenses and amounts due to Directors. As at June 30, 2011, trade and other payables amounted to RMB1,670.6 million, representing an increase of RMB1,531.7 million as compared with December 31, 2010. The increase was mainly due to the remaining balance payable for the acquisitions of subsidiaries in the first half of the year.

Contingent liabilities

As of June 30, 2011, the Group had no material contingent liabilities or guarantees (2010: nil).

Off-balance sheet arrangements and commitments

Save as the contingent liabilities disclosed above, we have not entered into any off-balance sheet arrangements or commitments to provide guarantees for any payment liability of any third party. We did not have any variable interests in any unconsolidated entity that provides financing or liquidity, creates market risk or offers credit support to us or engages in the provision of leasing, hedging or research and development services to us.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in our financial loss. We have no significant concentration of credit risk. Credit risk arises mainly from cash and cash equivalents and trade and other receivables. The carrying amounts of cash equivalents, short-term bank deposits and trade and other receivables represent our maximum exposure to credit risk in relation to our financial assets.

With respect to cash and cash equivalents, we manage the credit risk of cash in the PRC by placing our bank deposits in large PRC state-owned banks without significant credit risk. We manage the credit risk of cash outside the PRC by placing our bank deposits in financial institutions that have high credit quality.

管理層討論及分析

Management Discussion and Analysis

就貿易及其他應收賬款而言，我們已制定政策確保在與客戶訂立相關銷售訂單協議後收取若干現金墊款。我們通過考慮交易對手方的財務狀況、信貸歷史及其他因素評估其信貸質量。我們亦進行若干監控程序以確保採取適當跟進行動收回逾期債務。我們定期進行賬齡分析，評估信貸風險及根據歷史數據及現金收回歷史估計面臨類似信貸風險的貿易應收賬款組別的可收回性。

並無其他金融資產面臨重大信貸風險。

財資政策

本集團以內部所得資源為一般營運供資。

外匯風險

我們的所有收益均源自中國的業務，而我們的功能貨幣為人民幣。我們的金融工具均以人民幣計值。我們並無以外幣計值的重大現金及現金等價物，故並無面臨重大貨幣風險。然而，將人民幣兌換成外幣以進行股息派付須遵守中國政府頒佈的外匯管制規則及法規。

截至二零一一年六月三十日止六個月，本集團並無購買任何外匯、利率衍生產品或相關對沖工具。

資本開支

我們的資本開支主要包括購買物業、廠房及設備、土地使用權、無形資產。於二零一一年首六個月，我們的資本開支為人民幣114.4百萬元，其中物業、廠房及設備的開支為人民幣26.2百萬元，購買及自研無形資產增加人民幣80.4百萬元，土地使用權的開支為人民幣7.8百萬元。

With respect to trade and other receivables, we have policies in place to ensure certain cash advances paid by customers upon the agreement of the related sales orders. We assess the credit quality of the counterparties by taking into account their financial position, credit history and other factors. We also undertake certain monitoring procedures to ensure that proper follow-up action is taken to recover overdue debts. We regularly perform ageing analysis, assess credit risks and estimate the recoverability of groups of trade receivables bearing similar credit risk based on historical data and cash collection history.

No other financial assets bear a significant exposure to credit risk.

Treasury policies

The Group finances its ordinary operations with internally generated resources.

Foreign exchange risk

All of our revenues are generated from the businesses in the PRC and Renminbi is our functional currency. Our financial instruments are denominated in Renminbi. We are not subject to material currency risk as we have no major cash and cash equivalents denominated in foreign currency. Nevertheless, dividend payment of foreign currency converted from Renminbi is subject to foreign exchange rules and regulations promulgated by the PRC government.

For the six months ended June 30, 2011, the Group did not purchase any foreign currencies, interest rate derivative products or relevant hedging tools.

Capital expenditure

Our capital expenditure primarily consists of the purchase of property, plant and equipment, land use rights and intangible assets. In the first half of 2011, our capital expenditures was RMB114.4 million, of which RMB26.2 million was spent on property, plant and equipment, RMB80.4 million was spent on purchasing and self-developing intangible assets, and with the remaining RMB7.8 million was spent on land use rights.

管理層討論及分析

Management Discussion and Analysis

資本承擔

於二零一一年六月三十日，本集團的資本承擔總額為人民幣615.6百萬元，主要撥作收購附屬公司以及物業、廠房及設備。

抵押資產

於二零一一年六月三十日，本集團概無抵押資產。

人力資源管理

人力資源是本集團在競爭中得以成功不可或缺的資產。本集團為全體僱員提供具競爭力的薪酬待遇。我們亦定期檢討自身人力資源及薪酬政策，以便我們能夠以最有效方式鼓勵全體僱員致力提升本公司價值及促進長期增長。

於二零一一年六月三十日，本集團僱用員工1,468人。本集團截至二零一一年六月三十日止六個月的薪金總額及相關成本約為人民幣37.2百萬元（二零一零年：人民幣28.9百萬元）。

按照本集團政策，本集團按僱員的表現、資歷及當時行業慣例釐定薪酬，並會定期檢討薪酬政策及待遇。花紅與本公司業績及僱員個人表現掛鉤，以表揚有關僱員的貢獻。本集團於期內亦為團隊成員舉辦培訓課程及研討會，藉以增進彼等的知識及技能。

Capital commitment

As of June 30, 2011, the Group had a total capital commitment of RMB615.6 million, mainly set aside to acquire a subsidiary and property, plant and equipment.

Pledge of assets

As at June 30, 2011, none of the Group's assets was pledged.

Human resources management

Human resources is indispensable asset to the success of the Group in a competitive environment. The Group provides competitive remuneration package to all employees. We also review our own human resources and remuneration policy regularly, so that we can best encourage all employees to work towards enhancing the value and promoting the long-term growth of the Company.

As at June 30, 2011, the Group had 1,468 employees. For the six months ended 30 June, 2011, the Group's total salary and related costs was approximately RMB37.2 million (2010: RMB28.9 million).

As a matter of policy, employees are remunerated based on their performance, experience and the prevailing industry practices, and compensation policies and packages are reviewed on a regular basis. Bonuses are linked to the performance of both the Company and the individual as recognition of value creation. Training courses and conferences aimed at improving team members' knowledge and skills were organised throughout the Period.

重大收購和出售

報告期間，本集團收購活動支出合計約人民幣2,576.8百萬元。其中，重大收購活動如下：1) 收購多菲製藥100%股權，收購代價約為人民幣2,400百萬元；2) 收購長春翔通藥業有限公司，收購代價約為人民幣140.6百萬元；3) 收購本溪恆康製藥有限公司，收購代價約為人民幣36.2百萬元；以上收購均由本集團向第三方收購。上述收購事項均已全部完成。

上述收購的收購價經公平磋商達成，符合第三方估值師的公平市場估值或收購目標的經審核資產價值。

報告期間，本集團並無重大出售活動。

Material acquisitions and disposals

The total acquisition expenses of the Group during the reporting period was approximately RMB2,576.8 million, including the following material acquisitions: 1) acquisition of 100% equity interests of Dupromise at the consideration of approximately RMB2,400 million; 2) acquisition of Changchun Xiangtong Pharmaceutical Co., Ltd. at the consideration of approximately RMB140.6 million; and 3) acquisition of Benxi Hengkang Pharmaceutical Co., Ltd. at the consideration of approximately RMB36.2 million, all of which were acquired from third parties of the Group. All of the above acquisitions were completed.

The considerations of the acquisitions above were determined after arm's length negotiation and conformed to the fair market valuation made by third party valuer or audited asset value of the acquisition targets.

During the reporting period, the Group had no material disposal.

其他資料 Other Information

董事及最高行政人員於本公司或其任何相聯法團的股份、相關股份及債券中之權益及淡倉

於二零一一年六月三十日，本公司各董事及最高行政人員於本公司或其任何相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份及債券中擁有記錄在本公司根據證券及期貨條例第352條規定須存置之登記冊，或根據上市發行人董事進行證券交易之標準守則(「標準守則」)知會本公司及香港聯合交易所有限公司(「聯交所」)之權益及淡倉如下：

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS

As at June 30, 2011, each of the Director and chief executive of the Company had the following interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (“Stock Exchange”) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”):

(i) 董事於本公司普通股份中的權益
(好倉)

(i) Directors' interests in ordinary shares of the Company
(Long position)

董事姓名 Name of Director	權益性質／股份數目 Nature of Interest/ Number of Shares	股份總數 Total Number of Shares	股權概約佔本公司 已發行股份百分比 Approximate Percentage of Shareholding in the Issued Shares of the Company
車馮升醫生 (附註 1) Dr. Che Fengsheng (Note 1)	實益擁有人 60,000,000 股 Beneficial owner 60,000,000 shares 受控法團權益 3,255,000,000 股 Interest in a controlled corporation 3,255,000,000 shares 信託財產授予人 33,750,000 股 Settler of a trust 33,750,000 shares	3,348,750,000	64.55%
郭維城醫生 Dr. Guo Weicheng	實益擁有人 31,800,000 股 Beneficial owner 31,800,000 shares	31,800,000	0.61%

附註：

- (1) 車馮升醫生為 Plenty Gold Enterprises Limited (「Plenty Gold」) 已發行股本51%的實益擁有人以及信託 (Sihuan Management (PTC) Limited (「受託人公司」) 為其受託人) 的財產授予人之一，被視為於 Plenty Gold 持有的本公司3,255,000,000股股份中擁有權益。由於 Plenty Gold 為受託人公司的唯一股東，而車馮升醫生為受託人公司所持有信託 (信託資產為本公司所持受託人公司的股份，而受託人公司為信託資產的受託人) 的財產授予人之一，故其亦被視為於受託人公司持有的33,750,000股股份中擁有權益。車馮升醫生亦直接持有本公司60,000,000股股份。

Note:

- (1) Dr. Che Fengsheng is the beneficial owner of 51% of the issued share capital of Plenty Gold Enterprises Limited ("Plenty Gold") and one of the settlers of a trust (which Sihuan Management (PTG) Limited (the "Trustee Co") is the trustee). He is deemed to be interested in the 3,255,000,000 shares held by Plenty Gold in the Company. Since Plenty Gold is the sole shareholder of the Trustee Co and that Dr. Che Fengsheng is one of the settlers of the trust (the trust asset being shares in the Trustee Co held by the Company) for which the Trustee Co is a trustee, he is also deemed to be interested in the 33,750,000 shares held by Trustee Co. Dr. Che Fengsheng also directly holds 60,000,000 shares in the Company.

(ii) 董事於相聯法團股份中的權益
(好倉)

(ii) Directors' interest in the shares of associated corporations
(Long position)

相聯法團名稱 Name of Associated Corporation	董事姓名 Name of Director	權益性質 Nature of Interest	股份數目 Number of Shares	股權概約佔 已發行股本百分比 Approximate Percentage of Shareholding in the Issued Shares
Plenty Gold	車馮升醫生 Dr. Che Fengsheng	實益權益 Beneficial interest	3,825,000	51%
Plenty Gold	郭維城醫生 Dr. Guo Weicheng	實益權益 Beneficial interest	1,875,000	25%
Plenty Gold	孟憲慧先生 Mr. Meng Xianhui	實益權益 Beneficial interest	825,000	11%
Plenty Gold	張炯龍醫生 Dr. Zhang Jionglong	實益權益 Beneficial interest	760,714	10.14%

除上文所披露者外，於二零一一年六月三十日，本公司各董事、最高行政人員或彼等之有聯繫者概無於本公司或其任何相聯法團 (定義見證券及期貨條例第XV部) 之股份、相關股本及債券中擁有記錄在本公司根據證券及期貨條例第352條須存置之登記冊之權益或淡倉，或根據標準守則須知會本公司及聯交所之權益或淡倉。

Save as disclosed above, as at June 30, 2011, none of the Directors, chief executive and their associates had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations, within the meaning of Part XV of the SFO, which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

其他資料 Other Information

董事購買股份或債券之權利

截至二零一一年六月三十日止六個月，本公司並無授予任何董事、最高行政人員或其配偶或未成年子女任何透過購買本公司股份或債券而獲取實益之權利；以上人士於本報告期間內亦無行使所述權利。本公司、其控股公司或其任何附屬公司亦無參與任何安排，令各董事於任何其他法人團體獲得此等權利。

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

During the six months ended June 30, 2011, the Company did not grant any rights to any Directors, chief executive or their respective spouse or children under 18 to acquire beneficial interests by means of the acquisition of shares in, or debentures of, the Company, and none of the above persons have exercised the said rights during the reporting period. The Company, its holding company or any of its subsidiaries were not a party to any arrangements to enable the Directors to acquire such rights in any other body corporate.

主要股東於本公司股份及相關股份中之權益及淡倉

於二零一一年六月三十日，根據證券及期貨條例第336條須存置本公司之登記冊記錄，以下股東（不包括本公司之董事或最高行政人員）於本公司已發行股本及相關股份中擁有5%或以上權益（包括淡倉）：

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at June 30, 2011, the following shareholders, other than the Directors or chief executive of the Company, which were recorded in the register required to be kept by the Company under Section 336 of the SFO, had interests in 5% or more (including short positions) in the issued share capital and underlying shares of the Company:

股東名稱 Name of Shareholder	權益性質／股份數目 Nature of Interest/ Number of Shares	股份總數（附註3） Total Number of Shares (Note 3)	股權概約百分比 Approximate Percentage of Shareholding
Plenty Gold (附註1) (Note 1)	實益擁有人 3,255,000,000 股 Beneficial owner 3,255,000,000 shares 信託財產授予人 33,750,000 股 Settler of a trust 33,750,000 shares	3,288,750,000 (L)	63.39%
MSPEA Pharma Holdings B.V. (附註2) (Note 2)	實益擁有人 375,000,000 股 Beneficial owner 375,000,000 shares	375,000,000 (L)	7.23%

股東名稱 Name of Shareholder	權益性質／股份數目 Nature of Interest/ Number of Shares	股份總數（附註 3） Total Number of Shares (Note 3)	股權概約百分比 Approximate Percentage of Shareholding
Morgan Stanley Private Equity Asia III Holdings (Cayman) Ltd (附註 2) (Note 2)	受控法團權益 375,000,000 股 Interest in a controlled corporation 375,000,000 shares	375,000,000 (L)	7.23%
Morgan Stanley Private Equity Asia III, Inc. (附註 2) (Note 2)	受控法團權益 375,000,000 股 Interest in a controlled corporation 375,000,000 shares	375,000,000 (L)	7.23%
Morgan Stanley Private Equity Asia III, L.L.C (附註 2) (Note 2)	受控法團權益 375,000,000 股 Interest in a controlled corporation 375,000,000 shares	375,000,000 (L)	7.23%
Morgan Stanley Private Equity Asia III, L.P. (附註 2) (Note 2)	受控法團權益 375,000,000 股 Interest in a controlled corporation 375,000,000 shares	375,000,000 (L)	7.23%
MSPEA III Holdings Cooperatief U.A. (附註 2) (Note 2)	受控法團權益 375,000,000 股 Interest in a controlled corporation 375,000,000 shares	375,000,000 (L)	7.23%

附註：

Notes:

(1) Plenty Gold 直接持有本公司 3,255,000,000 股股份。其亦為持有本公司 33,750,000 股股份的受託人公司的唯一股東，被視為於受託人公司持有的 33,750,000 股股份中擁有權益。

(1) Plenty Gold directly holds 3,255,000,000 shares in the Company. It is also the sole shareholder of the Trustee Co which holds 33,750,000 shares in the Company and is deemed to be interested in the 33,750,000 shares held by the Trustee Co.

其他資料

Other Information

(2) MSPEA Pharma Holdings B.V. (「MSPEA Pharma BV」) 為根據荷蘭法律成立的私人有限公司，由MSPEA III Holdings Cooperatief U.A. (「MSPEA III Coop」) 全資擁有。MSPEA III Coop為根據荷蘭法律成立的聯合體，由Morgan Stanley Private Equity Asia III Holdings (Cayman) Limited (「MSPEA III Cayman」) 全資擁有。MSPEA III Cayman為於開曼群島註冊成立的獲豁免有限公司，由Morgan Stanley Private Equity Asia III, L.P. (「MSPEA III」) (由摩根士丹利私募公司管理的基金) 控制。MSPEA III的普通合夥人為Morgan Stanley Private Equity Asia III, L.L.C. (「MSPEA III GP」)，而MSPEA III GP的管理成員為Morgan Stanley Private Equity Asia III, Inc. (「MSPEA III Inc.」) (於美國證券交易委員會註冊的投資顧問)。MSPEA III Coop、MSPEA III Cayman、MSPEA III、MSPEA III GP及MSPEA III Inc.各自被視為於MSPEA Pharma BV持有的股份中擁有權益。

(3) 「L」字母代表股東於該等股份的好倉。

除上文所披露者外，於二零一一年六月三十日，根據證券及期貨條例第336條須存置本公司之登記冊記錄，概無其他人士(除本公司董事或最高行政人員外)於本公司股份或相關股份中擁有根據證券及期貨條例第336條記錄之權益或淡倉。

購股權計劃

本公司並無施行購股權計劃。

(2) MSPEA Pharma Holdings B.V. (「MSPEA Pharma BV」) is a private limited liability company established under Dutch law which is wholly-owned by MSPEA III Holdings Cooperatief U.A. (「MSPEA III Coop」). MSPEA III Coop is a cooperative established under Dutch law and is wholly-owned by Morgan Stanley Private Equity Asia III Holdings (Cayman) Limited (「MSPEA III Cayman」). MSPEA III Cayman is an exempted company incorporated in Cayman Islands with limited liability and is controlled by Morgan Stanley Private Equity Asia III, L.P. (「MSPEA III」), a fund managed by the private equity arm of Morgan Stanley. The general partner of MSPEA III is Morgan Stanley Private Equity Asia III, L.L.C. (「MSPEA III GP」), the managing member of which is Morgan Stanley Private Equity Asia III, Inc. (「MSPEA III Inc.」), an investment advisor registered with the U.S. Securities and Exchange Commission. Each of MSPEA III Coop, MSPEA III Cayman, MSPEA III, MSPEA III GP and MSPEA III Inc. is deemed to be interested in the shares held by MSPEA Pharma BV.

(3) The letter “L” denotes the shareholder’s long position in such shares.

Save as disclosed above, according to the records in the register required to be kept by the Company under Section 336 of the SFO, no other parties (other than the Directors or chief executive of the Company) had an interest or a short position in the shares or underlying shares of the Company recorded under Section 336 of the SFO as at June 30, 2011.

SHARE OPTION SCHEME

The Company has not implemented any share option scheme.

購買、贖回或出售本公司上市證券

截至二零一一年六月三十日止六個月，本公司及其附屬公司概無購買、出售或贖回本公司之任何上市證券。

本公司分別於二零一一年七月十二日、七月十三日及七月十九日購回本公司普通股，詳情如下：

交易日期 Transaction Date	購回股份數目 Number of Shares Repurchased	每股最高價 Highest Price per Share	每股最低價 Lowest Price per Share	總計支付 Total Consideration	股份註銷日期 Date of Cancellation of Shares
二零一一年七月十二日 July 12, 2011	2,482,000 股 2,482,000 shares	3.45 港元 HKD3.45	3.42 港元 HKD3.42	8,506,558.60 港元 HKD 8,506,558.60	二零一一年七月二十九日 July 29, 2011
二零一一年七月十三日 July 13, 2011	957,000 股 957,000 shares	3.29 港元 HKD3.29	3.28 港元 HKD3.28	3,140,586.90 港元 HKD 3,140,586.90	二零一一年七月二十九日 July 29, 2011
二零一一年七月十九日 July 19, 2011	9,037,000 股 9,037,000 shares	3.45 港元 HKD3.45	3.22 港元 HKD3.22	30,491,741.70 港元 HKD 30,491,741.70	二零一一年七月二十九日 July 29, 2011

股息

董事會決議向二零一一年九月二十七日名列本公司股東名冊之股東宣派中期股息每股人民幣1.9分(二零一零年：無)及建議派發特別股息每股人民幣7.8分(二零一零年：無)。

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

The Company or any of its subsidiaries did not purchase, sell or redeem any listed securities of the Company during the six months ended June 30, 2011.

The Company repurchased its ordinary shares of the Company on July 12, July 13, and July 19, 2011 respectively. Details are as follows:

DIVIDENDS

The Board has resolved to declare an interim dividend of RMB1.9 cents per share (2010: nil) and recommend a payment of special dividend of RMB7.8 cents per share (2010: nil) to shareholders of the Company whose names appear on the register of members of the Company on September 27, 2011.

其他資料

Other Information

企業管治守則

本公司董事會致力遵循高水準企業管治常規管理本集團。本公司於截至二零一一年六月三十日止六個月內已全面遵守香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄十四所載企業管治常規守則（「企業管治守則」）的守則條文，惟並無按照企業管治守則條文第A.2.1條之規定將主席與行政總裁的角色區分開來。車馮升醫生身兼本公司主席及行政總裁兩職。董事會認為，車馮升醫生作為本公司主要創辦人之一，擁有豐富的醫藥行業知識及獨特的戰略視角，有能力帶領本公司制定有效策略靈敏應對市場變動及新挑戰，由其繼續兼任主席及行政總裁有利本公司穩定健康發展。然而，董事會會進行檢討，在情況合適時作出適當調整，提升企業管治水平。

董事進行證券交易之標準守則（「標準守則」）

本公司已採納上市規則附錄十所載之標準守則，作為本公司董事進行證券交易之行為準則。經本公司作出特定查詢後，所有董事均確認彼等於本中期報告所涵蓋之期間已完全遵守標準守則所定之標準。

審核委員會

本公司審核委員會由一名非執行董事張炯龍醫生及三名獨立非執行董事辛定華先生（主席）、白慧良先生及徐康森先生組成。審核委員會及本公司外聘核數師已審閱截至二零一一年六月三十日止六個月本集團未經審核財務報告，審核委員會亦已就有關內部監控及財務報告事項作出討論。

CORPORATE GOVERNANCE CODE

The Board of the Company is committed to maintaining a high standard of corporate governance practices within the Group. Throughout the six months ended June 30, 2011, the Company has fully complied with the code provisions set out in the Code on Corporate Governance Practices (the “Corporate Governance Code”) contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing Rules”), save and except from the deviation from code provision A.2.1 of the Corporate Governance Code, which is the roles of the chairman and chief executive officer have not been separated. Dr. Che Fengsheng held the roles of both Chairman and chief executive officer of the Company. The Board considers that Dr. Che Fengsheng, as one of the main founders of the Company and possessing extensive medical and pharmaceutical industry knowledge together with unique strategic perspective is suitably qualified to lead the Company and formulate effective strategies to react promptly to market changes and new challenges. His continual service in both roles would be beneficial to the stable and healthy development of the Company. However, the Board will review and make appropriate changes when necessary in order to enhance the level of corporate governance.

MODEL CODE FOR SECURITIES TRANSACTIONS BY THE DIRECTORS (THE “MODEL CODE”)

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as its own code of conduct for securities transactions by the Directors of the Company. Having made specific enquiry, all Directors confirmed that they had fully complied with the required standard set out in the Model Code throughout the reporting period of this interim report.

AUDIT COMMITTEE

The audit committee of the Company consists of one non-executive Director (Dr. Zhang Jionglong), and three independent non-executive Directors (Mr. Patrick Sun, the chairman, Mr. Bai Huiliang and Mr. Xu Kangsen). The audit committee and the external auditor of the Company had reviewed the unaudited financial report of the Group for the six months ended June 30, 2011. The audit committee had also discussed the issues regarding the internal control and financial reports.

董事及董事資料變動

於二零一一年六月三日，孫弘先生及黃翊先生辭任本公司非執行董事。於二零一一年八月十八日，孫弘先生及黃翊先生重新獲委任為本公司非執行董事，任期至本公司下屆股東大會。

根據上市規則第13.51B(1)條，自二零一零年年報日期以來，本公司董事資料變動如下：

本公司獲悉辛定華先生獲委任為中國泰凌醫藥集團有限公司之獨立非執行董事，該公司股份於二零一一年四月二十日在聯交所上市（股份代號：1011）。

本公司獲悉，白慧良先生獲委任為上海醫藥集團股份有限公司之獨立非執行董事，該公司股份於二零一一年五月二十日在聯交所上市（股份代號：2607）。

於本中期報告日期，董事會成員包括(1)執行董事：車馮升醫生（主席）、郭維城醫生及孟憲慧先生；(2)非執行董事：張炯龍醫生、孫弘先生及黃翊先生；及(3)獨立非執行董事：辛定華先生、白慧良先生及徐康森先生。

承董事會命
主席
車馮升

二零一一年八月三十日

CHANGES OF DIRECTORS AND DIRECTOR'S INFORMATION

Mr. Homer Sun and Mr. Eddy Huang resigned as the non-executive Directors of the Company on June 3, 2011, and were reappointed as the non-executive Directors of the Company on August 18, 2011, with their terms to expire on the next general meeting of the Company.

According to Rule 13.51B(1) of the Listing Rules, the changes in the information of Directors of the Company since the date of the 2010 annual report are as follows:

The Company was advised that Mr. Patrick Sun was appointed as an independent non-executive Director of China NT Pharma Group Company Limited, shares of which were listed on the Stock Exchange since April 20, 2011 (stock code: 1011).

The Company was advised that Mr. Bai Huiliang was appointed as an independent non-executive Director of Shanghai Pharmaceuticals Holding Co. Ltd., shares of which were listed on the Stock Exchange since May 20, 2011 (stock code: 2607).

As at the date of this interim report, members of the Board include (1) executive Directors: Dr. Che Fengsheng (Chairman), Dr. Guo Weicheng and Mr. Meng Xianhui; (2) non-executive Directors: Dr. Zhang Jionglong, Mr. Homer Sun and Mr. Eddy Huang; and (3) independent non-executive Directors: Mr. Patrick Sun, Mr. Bai Huiliang and Mr. Xu Kangsen.

By Order of the Board
Che Fengsheng
Chairman

August 30, 2011

中期財務資料審閱報告

Report on Review of Interim Financial Information

四環醫藥控股集團有限公司(「本公司」)董事會欣然公佈本公司及其附屬公司(統稱「本集團」)截至二零一一年六月三十日止六個月的未經審核綜合業績連同二零一零年比較數字。該等中期業績已由本公司外聘核數師羅兵咸永道會計師事務所(根據國際審計與鑒證準則理事會頒佈之國際審閱委聘準則第2410號「由實體的獨立核數師執行中期財務資料審閱」)及本公司審核委員會(「審核委員會」)審閱。

The board of directors of Sihuan Pharmaceutical Holdings Group Ltd. (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the six months ended June 30, 2011 together with the comparative figures for 2010. These interim results have been reviewed by the external auditors of the Company, PricewaterhouseCoopers, in accordance with the International Standard on Review Engagements 2410 “Review of interim financial information performed by the independent auditor of the entity” issued by the International Auditing and Assurance Standards Board, and by the audit committee of the Company (the “Audit Committee”).

中期綜合資產負債表

Interim Consolidated Balance Sheet

		附註 Note	於二零一一年 June 30, 六月三十日 2011 人民幣千元 RMB'000 未經審核 Unaudited	於二零一零年 December 31, 十二月三十一日 2010 人民幣千元 <i>RMB'000</i> 經審核 Audited
資產	Assets			
非流動資產	Non-current assets			
物業、廠房及設備	Property, plant and equipment	7	339,164	253,153
無形資產	Intangible assets	7	2,731,873	153,469
土地使用權	Land use rights	8	37,407	17,714
持有至到期金融資產	Held-to-maturity financial assets		36,243	36,252
遞延所得稅資產	Deferred income tax assets		97,689	41,020
其他非流動資產	Other non-current assets	9	225,000	236,199
非流動資產總額	Total non-current assets		3,467,376	737,807
流動資產	Current assets			
存貨	Inventories		77,730	53,346
貿易及其他應收賬款	Trade and other receivable	10	465,667	259,920
現金及現金等價物	Cash and cash equivalents		4,966,965	5,851,379
流動資產總額	Total current assets		5,510,362	6,164,645
資產總額	Total assets		8,977,738	6,902,452
權益及負債	Equity and liabilities			
本公司權益擁有人 應佔權益	Equity attributable to equity owners of the Company			
股本	Share capital	11	44,526	44,526
股份溢價	Share premium	11	5,608,947	5,608,947
其他儲備	Other reserves		110,876	111,876
保留盈利	Retained earnings		1,273,267	891,582
			7,037,616	6,656,931
非控股權益	Non-controlling interests		17,604	2,598
總權益	Total equity		7,055,220	6,659,529

中期綜合資產負債表

Interim Consolidated Balance Sheet

		附註 Note	於二零一一年 June 30, 六月三十日 2011 人民幣千元 RMB'000 未經審核 Unaudited	於二零一零年 December 31, 十二月三十一日 2010 人民幣千元 RMB'000 經審核 Audited
負債	Liabilities			
非流動負債	Non-current liabilities			
遞延所得稅負債	Deferred income tax liabilities		107,721	9,526
流動負債	Current liabilities			
貿易及其他應付賬款	Trade and other payables	12	1,670,558	138,907
即期所得稅負債	Current income tax liabilities		144,239	94,490
流動負債總額	Total current liabilities		1,814,797	233,397
總負債	Total liabilities		1,922,518	242,923
權益及負債總額	Total equity and liabilities		8,977,738	6,902,452
流動資產淨值	Net current assets		3,695,565	5,931,248
總資產減流動負債	Total assets less current liabilities		7,162,941	6,669,055

第36至58頁的附註為此等中期簡明綜合財務報表的組成部分。

The notes on pages 36 to 58 are an integral part of these interim condensed consolidated financial statements.

代表本公司董事會

On behalf of the board of directors of the Company

車馮升
董事

郭維城
董事

Che Fengsheng
Director

Guo Weicheng
Director

中期綜合全面收益表

Interim Consolidated Statement of Comprehensive Income

		截至六月三十日止六個月	
		Six months ended June 30,	
		二零一一年	二零一零年
		2011	2010
		人民幣千元	人民幣千元
		RMB'000	RMB'000
		未經審核	經審核
		Unaudited	Audited
收益	Revenue	990,568	473,437
銷售成本	Cost of sales	(215,838)	(127,074)
毛利	Gross profit	774,730	346,363
其他收益－淨額	Other gains - net	44,141	19,444
分銷成本	Distribution costs	(294,371)	(26,364)
行政開支	Administrative expenses	(78,174)	(52,420)
經營溢利	Operating profit	446,326	287,023
財務收入	Finance income	47,082	4,157
財務成本	Finance costs	(1,194)	(1,085)
財務收入－淨額	Finance income - net	45,888	3,072
除所得稅前溢利	Profit before income tax	492,214	290,095
所得稅開支	Income tax expense	(117,389)	(42,683)
期間溢利及全面收入總額	Profit and total comprehensive income for the period	374,825	247,412
以下應佔溢利：	Profit attributable to:		
本公司權益擁有人	Equity owners of the Company	380,685	254,849
非控股權益	Non-controlling interest	(5,860)	(7,437)
		374,825	247,412
本公司權益擁有人 應佔每股盈利	Earnings per share attributable to equity owners of the Company		
－每股基本及 攤薄盈利(人民幣分)	－ Basic and diluted earnings per share (RMB cents)	7.339	6.796
－股息	－ Dividends	501,997	—

第36至58頁的附註為此等中期簡明綜合財務報表的組成部分。

The notes on pages 36 to 58 are an integral part of these interim condensed consolidated financial statements.

中期綜合權益變動表

Interim Consolidated Statement of Changes in Equity

		本公司權益擁有人應佔						
		Attributable to equity owners of the Company					非控股權益	總權益
		股本	股份溢價	其他儲備	保留盈利	總計	Non-controlling interests	Total equity
		Share capital	Share premium	Other reserves	Retained earnings	Total	controlling interests	Total equity
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
未經審核	Unaudited							
於二零一一年一月一日結餘	Balance as at January 1, 2011	44,526	5,608,947	111,876	891,582	6,656,931	2,598	6,659,529
截至二零一一年六月三十日止期間的全面收入總額	Total comprehensive income for the period ended June 30, 2011							
期間溢利/(虧損)	Profit/(loss) for the period	—	—	—	380,685	380,685	(5,860)	374,825
與擁有人進行交易	Transactions with owners							
收購附屬公司	Acquisition of subsidiaries	—	—	—	—	—	20,866	20,866
出售附屬公司	Disposal of a subsidiary	—	—	(1,000)	1,000	—	—	—
於二零一一年六月三十日結餘	Balance as at June 30, 2011	44,526	5,608,947	110,876	1,273,267	7,037,616	17,604	7,055,220
經審核	Audited							
於二零一零年一月一日結餘	Balance as at January 1, 2010	69,262	182,909	109,585	545,747	907,503	16,684	924,187
截至二零一零年六月三十日止期間的全面收入總額	Total comprehensive income for the period ended June 30, 2010							
期間溢利/(虧損)	Profit/(loss) for the period	—	—	—	254,849	254,849	(7,437)	247,412
與擁有人進行交易	Transactions with owners							
收購附屬公司	Acquisition of a subsidiary	—	—	—	—	—	1,071	1,071
於二零一零年六月三十日結餘	Balance as at June 30, 2010	69,262	182,909	109,585	800,596	1,162,352	10,318	1,172,670

第36至58頁的附註為此等中期簡明綜合財務報表的組成部分。

The notes on pages 36 to 58 are an integral part of these interim condensed consolidated financial statements.

中期簡明綜合現金流量表

Interim Condensed Consolidated Statement of Cash Flows

		截至六月三十日止六個月	
		Six months ended June 30,	
		二零一一年 2011 人民幣千元 RMB'000 未經審核 Unaudited	二零一零年 2010 人民幣千元 <i>RMB'000</i> 經審核 Audited
經營活動產生的現金淨額	Net cash generated from operating activities	222,605	183,984
投資活動所用現金淨額	Net cash used in investing activities	(1,089,940)	(2,526)
融資活動所用現金淨額	Net cash used in financing activities	(17,079)	(173,939)
現金及現金等價物增加淨額	Net increase in cash and cash equivalents	(884,414)	7,519
期初現金及現金等價物	Cash and cash equivalents at beginning of period	5,851,379	612,859
期末現金及現金等價物	Cash and cash equivalents at end of period	4,966,965	620,378

第36至58頁的附註為此等中期簡明綜合財務報表的組成部分。

The notes on pages 36 to 58 are an integral part of these interim condensed consolidated financial statements.

財務報表附註

Notes to the Financial Statements

截至二零一一年六月三十日止六個月

For the Six Months end June 30, 2011

1. 一般資料

四環醫藥控股集團有限公司(「本公司」)根據百慕達公司法於百慕達註冊成立為獲豁免公司。

本公司為投資控股公司。本公司及其附屬公司(統稱「本集團」)的主要業務包括於中華人民共和國(「中國」)製造及銷售醫藥產品。

本公司的最終控股公司為Plenty Gold Enterprises Limited(「Plenty Gold」)，該公司根據英屬處女群島法律註冊成立為有限公司。

本公司註冊辦事處地址為Clarendon House, 2 Church Street, P.O. Box HM 1022, Hamilton HM DX, Bermuda。本集團主要營業地點地址為中國海南省海口市濱海大道85號天邑國際大廈26-27樓(郵編：570105)。

本公司於二零一零年十月二十八日在香港聯合交易所有限公司進行第一上市。

除另有說明外，本中期簡明綜合財務資料以人民幣(「人民幣」)千元為呈列單位。本簡明綜合中期財務資料二零一一年八月三十日經批准刊發。

1. GENERAL INFORMATION

Sihuan Pharmaceutical Holdings Group Ltd. (the “Company”) is incorporated in Bermuda under the Bermuda Companies Act as an exempted company.

The Company is an investment holding company. The principal activities of the Company and its subsidiaries (together, the “Group”) are manufacturing and sale of pharmaceutical products in the People’s Republic of China (the “PRC”).

The ultimate holding company of the Company is Plenty Gold Enterprises Limited (“Plenty Gold”), a limited liability company incorporated under the laws of the British Virgin Islands.

The address of the Company’s registered office is Clarendon House, 2 Church Street, P.O. Box HM 1022, Hamilton HM DX, Bermuda. The address of the principal place of business of the Group is 26th & 27th Floor, Sky City International Building, No. 85, Binhai Avenue, Haikou, Hainan, 570105, PRC.

The Company has its primary listing on The Stock Exchange of Hong Kong Limited on October 28, 2010.

This interim condensed consolidated financial information is presented in Renminbi (“RMB”) thousand Yuan, unless otherwise stated. This condensed consolidated interim financial information was approved for issue on August 30, 2011.

財務報表附註

Notes to the Financial Statements

截至二零一一年六月三十日止六個月
For the Six Months end June 30, 2011

1. 一般資料 (續)

本簡明綜合中期財務資料未經審核。

期間的重點經營活動是收購多菲控股有限公司(「多菲」、長春翔通藥業有限公司(「長春翔通」)及本溪恆康醫藥有限公司(「本溪恆康」,前稱本溪雷龍醫藥有限公司)的100%、80%及100%股權。該等公司的主要業務為製造及銷售醫藥產品。預期收購事項會通過經濟規模增加本集團的市場份額及降低成本。其他詳情載於附註17。

除以代價人民幣4,800,000元出售本集團附屬公司海南澳合醫藥有限公司(「海南澳合」)予獨立第三方外,本集團概無其他重大出售。

2. 編製基準

本截至二零一一年六月三十日止六個月的簡明綜合中期財務資料乃根據國際會計準則第34號「中期財務報告」編製,應與按照國際財務報告準則編製截至二零一零年十二月三十一日止年度的年度財務報表一併閱讀。

1. GENERAL INFORMATION (Continued)

This condensed consolidated interim financial information has not been audited.

The operational highlights of the period were the acquisitions of 100%, 80% and 100% equity interest in Dupromise Holdings Limited (“Dupromise”), Changchun Xiangtong Pharmacy Co., Ltd. (“Changchun Xiangtong”) and Benxi Hengkang Pharmaceutical Co., Ltd. (“Benxi Hengkang” formerly known as Benxi LeiLong Pharmaceical Co., Ltd.), respectively. The principle activities of these companies are manufacturing and sales of pharmaceutical products. The acquisition is expected to increase the Group’s market share and reduce cost through the economics of scale. Further details are given in Note 17.

The group has no other major disposal except the disposal of Hainan Ao He Pharmaceutical Co., Ltd. (“Hainan Ao He”), a subsidiary of the Group, to an independent third party at consideration of RMB 4,800,000.

2. BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended June 30, 2011 has been prepared in accordance with IAS 34, ‘Interim financial reporting’. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended December 31, 2010, which have been prepared in accordance with IFRs.

財務報表附註

Notes to the Financial Statements

截至二零一一年六月三十日止六個月

For the Six Months end June 30, 2011

3. 會計政策

除下文所述者外，已採用的會計政策與截至二零一零年十二月三十一日止年度之年度財務報表所採用者（載於該等年度財務報表）一致。

中期所得稅採用適用於預期年度盈利總額的稅率累計。

(a) 本集團已採納的新訂及經修訂準則

以下的新準則及對準則的修訂於二零一一年一月一日開始的財政年度首次強制採用。

- 國際會計準則第34號「中期財務報告」之修訂，於二零一一年一月一日或之後開始的年度期間生效。該修訂強調國際會計準則第34號的現有披露原則及增加其他指引以說明如何應用該等原則。其更加強調重大事件及交易的披露原則。額外規定涵蓋公平值計量變動（如重大）的披露及更新自最近期年報以來的相關資料的需要。會計政策變動僅會引致額外披露。

3. ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended December 31, 2010, as described in those annual financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

(a) New and amended standards adopted by the Group

The following new standard and amendment to standard are mandatory for the first time for the financial year beginning January 1, 2011.

- Amendment to IAS 34 'Interim financial reporting' is effective for annual periods beginning on or after January 1, 2011. It emphasises the existing disclosure principles in IAS34 and adds further guidance to illustrate how to apply these principles. Greater emphasis has been placed on the disclosure principles for significant events and transactions. Additional requirements cover disclosure of changes to fair value measurement (if significant), and the need to update relevant information from the most recent annual report. The change in accounting policy only results in additional disclosures.

3. 會計政策 (續)

(b) 於二零一一年生效但現時與本集團無關的現有準則之修訂及詮釋

- 國際會計準則第24號(經修訂)「關聯方披露」，於二零一一年一月或之後開始的年度期間生效。該準則提出豁免政府相關實體與政府交易的披露規定，但由於本集團並非政府相關實體，故並不適用於本集團。
- 國際會計準則第32號「供股分類」之修訂，於二零一零年二月一日或之後開始的年度期間生效，但由於本集團並未進行供股，故現時並不適用於本集團。
- 國際財務報告詮釋委員會－詮釋第14號「最低資金要求的預付款項」之修訂，於二零一一年一月一日或之後開始的年度期間生效，但由於本集團並無最低資金要求，故現時與本集團無關。
- 國際財務報告詮釋委員會－詮釋第19號「以股本工具抵銷金融負債」，於二零一零年七月一日或之後開始的年度期間生效，但由於本集團目前並無以股本工具抵銷金融負債，故現時與本集團無關。
- 第三次改進由國際會計準則理事會及香港會計師公會於二零一零年五月共同頒佈，惟附註3(a)所披露的國際會計準則第34號「中期財務報告」之修訂及允許按附註內項目呈列其他全面收入組成部分分析的說明(現時均與本集團無關)除外。所有改進於二零一一年財政年度生效。

3. ACCOUNTING POLICIES (Continued)

(b) Amendments and interpretations to existing standards effective in 2011 but not relevant to the Group

- IAS 24 (Revised), "Related Party Disclosures" is effective for annual period beginning on or after January 2011. It introduces an exemption from all of the disclosure requirements of IAS 24 for transactions among government related entities and the government. This is not applicable to the Group as it is not government related entity.
- Amendment to IAS 32 'Classification of rights issues' is effective for annual periods beginning on or after February 1, 2010. This is not currently applicable to the Group, as it has not made any rights issue.
- Amendment to IFRIC - Int-14 'Prepayments of a minimum funding requirement' is effective for annual periods beginning on or after January 1, 2011. This is not currently relevant to the Group, as it does not have a minimum funding requirement.
- IFRIC - Int 19 'Extinguishing financial liabilities with equity instruments' is effective for annual periods beginning on or after July 1, 2010. This is not currently applicable to the Group, as it has no extinguishment of financial liabilities replaced with equity instruments currently.
- Third improvements to IFRS were issued in May 2010 by both IASB and the HKICPA, except for amendment to IAS 34 'Interim financial reporting' as disclosed in note 3(a) and the clarification to allow the presentation of an analysis of the components of other comprehensive income by item within the notes, all are not currently relevant to the Group. All improvements are effective in the financial year of 2011.

財務報表附註

Notes to the Financial Statements

截至二零一一年六月三十日止六個月

For the Six Months end June 30, 2011

4. 估計

編製中期財務報表需要管理層作出判斷、估計及假設，有關判斷、估計及假設會影響會計政策的應用及資產與負債、收入與開支的呈報金額。實際結果可能有別於該等估計。

編製該等簡明綜合中期財務報表時，管理層在應用本集團的會計政策過程中所作出的重大判斷及估計不確定性之主要來源與截至二零一零年十二月三十一日止年度之綜合財務報表所採用者相同。

5. 財務風險管理

5.1 財務風險因素

本集團的業務活動承受多種財務風險：市場風險(包括貨幣風險、公平值利率風險、現金流量利率風險及價格風險)、信貸風險及流動資金風險。

中期簡明綜合財務報表並不包括所有財務風險管理資料及年度財務報表規定的披露資料，應與本集團二零一零年十二月三十一日之年度財務報表一併閱讀。

風險管理部門自年末以來或任何風險管理政策並無變動。

4. ESTIMATES

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended December 31, 2010.

5. FINANCIAL RISK MANAGEMENT

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The interim condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at December 31, 2010.

There have been no changes in the risk management department since year end or in any risk management policies.

5. 財務風險管理 (續)

5.2 流動資金風險

與年末相比，金融負債的合約未貼現現金流出並無重大變動。

5.3 公平值估計

並非於活躍市場買賣的金融工具的公平值採用估值技術釐定，例如估計貼現現金流量。本集團運用判斷選擇多種方法，並基於各結算日的當時市況作出假設。

貿易及其他應收賬款、持有至到期金融資產以及貿易及其他應付賬款的賬面值減去減值撥備後，與其公平值合理相若。就披露目的而言，金融資產及負債的公平值按以本集團就類似金融工具可得的現有市場利率貼現未來合約現金流量而估計。

於二零一一年六月三十日，本集團並無擁有按公平值計量的重大金融工具。

6. 分部資料

主要經營決策者已被認定為本公司董事會。董事會審閱本集團的內部報告，以評估績效及分配資源。管理層基於該等報告釐定經營分部。

董事會從產品角度考慮業務。本集團僅經營一項業務分部，即製造及銷售醫藥產品。

5. FINANCIAL RISK MANAGEMENT (Continued)

5.2 Liquidity risk

Compared to year end, there was no material change in the contractual undiscounted cash out flows for financial liabilities.

5.3 Fair value estimation

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques, such as estimated discounted cash flows. The Group uses its judgment to select a variety of methods and makes assumptions that are based on market conditions existing at the balance sheet date.

The carrying value less impairment provision of trade and other receivables, held-to-maturity financial assets and trade and other payables are a reasonable approximation of their fair values. The fair value of financial assets and liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

The Group did not have significant financial instruments that were measured at fair value as at June 30, 2011.

6. SEGMENT INFORMATION

The chief operating decision-maker has been identified as the board of directors of the Company. The board of directors review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The board of directors considers the business from product perspective. The Group is engaged in only one business segment, the manufacturing and sale of pharmaceutical products.

財務報表附註

Notes to the Financial Statements

截至二零一一年六月三十日止六個月

For the Six Months end June 30, 2011

7. 物業、廠房及設備以及無形資產

7. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

截至二零一零年 六月三十日止六個月	Six months ended June 30, 2010	物業、 廠房及設備 Property, plant and equipment 人民幣千元 RMB'000	無形資產 Intangible assets 人民幣千元 RMB'000
於二零一零年一月一日的 期初賬面淨值	Opening net book amount January 1, 2010	162,036	137,462
收購附屬公司	Acquisition of subsidiary	10	1,943
添置	Additions	18,580	20,122
出售	Disposals	(50)	—
折舊及攤銷	Depreciation and amortisation	(7,449)	(8,709)
於二零一零年六月三十日的 期末賬面淨值	Closing net book amount June 30, 2010	173,127	150,818
截至二零一一年六月三十日 止六個月	Six months ended June 30, 2011		
於二零一一年一月一日的 期初賬面淨值	Opening net book amount as at January 1, 2011	253,153	153,469
收購附屬公司(附註17)	Acquisition of subsidiaries (Note 17)	73,236	2,523,533
添置	Additions	26,236	80,417
出售附屬公司(附註a)	Disposals of a subsidiary (Note a)	(203)	(1,860)
折舊及攤銷	Depreciation and amortisation	(13,258)	(21,743)
減值(附註b)	Impairment (Note b)	—	(1,943)
於二零一一年六月三十日的 期末賬面淨值	Closing net book amount as at June 30, 2011	339,164	2,731,873

(a) 本集團以現金對價人民幣4,800,000元出售海南澳合醫藥有限公司全部股權，並撤銷相關商譽。出售引致的淨虧損人民幣1,829,000元於財務資料的其他收益扣除。

(b) 截至二零一一年六月三十日止六個月的減值支出人民幣1,943,000元與本集團附屬公司高端偉業醫藥科技有限公司的商譽有關，該公司乃本集團於二零一零年六月購入。

(a) The Group disposed 100% equity interest of Hainan Ao He Pharmaceutical Co. Ltd at cash consideration of RMB4,800,000 and the related goodwill was written off. The net loss arose from the disposal of RMB1,829,000 was charged to other gain of the financial information.

(b) The impairment charge of RMB1,943,000 in the six months ended June 30, 2011 is in relation to the goodwill of Gao Duan Wei Ye Pharmaceutical Technical Co., Ltd., one of the subsidiaries of the Group and was acquired by the Group in June 2010.

財務報表附註

Notes to the Financial Statements

截至二零一一年六月三十日止六個月
For the Six Months end June 30, 2011

8. 土地使用權

8. LAND USE RIGHTS

人民幣千元
RMB'000

於二零一零年一月一日	At January 1, 2010	
成本	Cost	22,320
累計攤銷	Accumulated amortisation	(3,477)
賬面淨值	Net book amount	18,843
截至二零一零年六月三十日 止六個月	Six months ended June 30, 2010	
期初賬面淨值	Opening net book amount	18,843
攤銷開支	Amortisation charge	(564)
期末賬面淨值	Closing net book amount	18,279
於二零一零年六月三十日	At June 30, 2010	
成本	Cost	22,320
累計攤銷	Accumulated amortisation	(4,041)
賬面淨值	Net book amount	18,279
截至二零一一年六月三十日 止六個月	Six months ended June 30, 2011	
期初賬面淨值	Opening net book amount	17,714
收購附屬公司	Acquisition of subsidiaries	12,803
添置	Additions	7,798
攤銷開支	Amortisation charge	(908)
期末賬面淨值	Closing net book amount	37,407
於二零一一年六月三十日	At June 30, 2011	
成本	Cost	42,921
累計攤銷	Accumulated amortisation	(5,514)
賬面淨值	Net book amount	37,407

土地使用權指中國境內租期為50年的土地
使用權。

The land use rights represent land use rights in the PRC with
a lease period of 50 years.

財務報表附註

Notes to the Financial Statements

截至二零一一年六月三十日止六個月

For the Six Months end June 30, 2011

9. 其他非流動資產

本集團於二零一一年六月三十日的有關款項指收購Smart Baskets Investments Limited (「Smart Baskets」) 的預付代價人民幣225,000,000元。該等收購的詳情於此等中期財務報表附註18披露。

10. 貿易及其他應收賬款

貿易及其他應收賬款(貿易應收賬款除外)不包括減值資產，無固定還款期且不計息。於二零一一年六月三十日及於二零一零年十二月三十一日，貿易應收賬款的賬齡分析如下：

9. OTHER NON-CURRENT ASSETS

These amounts for the Group as at June 30, 2011 represented prepaid consideration for the acquisition of Smart Baskets Investments Limited (“Smart Baskets”) of RMB225,000,000. Details of these acquisitions are disclosed in Note 18 to these interim financial statements.

10. TRADE AND OTHER RECEIVABLES

Trade and other receivables, other than trade receivables, do not contain impaired assets, have no fixed repayment term and bear no interest. At June 30, 2011 and December 31, 2010, the ageing analysis of the trade receivables were as follows:

		於	
		As at	
		二零一一年 六月三十日 June 30, 2011 人民幣千元 RMB'000	二零一零年 十二月三十一日 December 31, 2010 人民幣千元 RMB'000
貿易應收賬款	Trade Receivable		
3個月以內	Within 3 months	186,856	27,438
3至6個月	3 to 6 months	—	122
6至12個月	6 to 12 months	20	182
12個月以上	More than 12 months	493	21
		187,369	27,763

財務報表附註

Notes to the Financial Statements

截至二零一一年六月三十日止六個月
For the Six Months end June 30, 2011

11. 股本及股份溢價

11. SHARE CAPITAL AND SHARE PREMIUM

		股份數目 Number of shares (千股) (thousands)	股本 Share Capital 人民幣千元 RMB'000	股份溢價 Share Premium 人民幣千元 RMB'000	總計 Total 人民幣千元 RMB'000
於二零一零年一月一日及 二零一零年六月三十日	At January 1, 2010 and June 30, 2010	470,000	69,262	182,909	252,171
於二零一零年七月一日至 二零一零年十二月 三十一日間變動：	Movement during July 1, 2010 to December 31, 2010:				
轉換股份(附註(a))	Conversion of shares (Note (a))	—	(65,212)	65,212	—
股份溢價撥充資本 (附註(b))	Capitalisation of share premium (Note (b))	3,280,000	28,262	(28,262)	—
發行新股(附註(c))	Issue of new shares (Note (c))	1,437,500	12,214	5,606,259	5,618,473
股份發行成本(附註(d))	Share issue cost (Note (d))	—	—	(217,171)	(217,171)
於二零一一年一月一日及 二零一一年六月三十日	At January 1, 2011 and June 30, 2011		5,187,500	44,526	5,608,947
					5,653,473

(a) 於二零一零年十月七日，已通過股東決議案以批准將法定股本由每股面值0.02美元轉換為每股面值0.01港元。每股面值0.02美元的470,000,000股已繳足普通股乃轉換為每股面值0.02美元的470,000,000股已繳足普通股，而於轉換後的繳足股本差額人民幣65,212,000元已撥入股份溢價。

(b) 根據於二零一零年十月八日通過的本公司書面股東決議案，本公司的3,280,000,000股普通股已按面值繳足發行，以彼等當時於本公司的現有股權比例為準。有關數額已透過動用本公司股份溢價賬的進賬款額人民幣28,262,000元悉數繳足。

(c) 於二零一零年十月二十八日及二零一零年十月二十九日，當本公司於香港聯合交易所有限公司主板上市及相關超額配股權，本公司以每股現金代價4.60港元，發行每股面值0.01港元的1,437,500股新股，並募集所得款項總額約人民幣5,618,473,000元。

(d) 股份發行費用主要包括包銷佣金、律師費用、申報會計師費用及其他相關費用。發行新股直接應佔的遞增費用人民幣217,171,000元乃視作股份溢價的扣減。

(a) On October 7, 2010, shareholders' resolutions were passed to approve the conversion of the par value per share of authorised share capital from US\$ 0.02 each to HK\$0.01 each. The 470,000,000 fully paid ordinary shares at par value of US\$0.02 was converted into 470,000,000 fully paid ordinary shares at par value of US\$ 0.02 each and the related differences of the paid-in capital of RMB65,212,000 following the conversion was credited to share premium.

(b) Pursuant to the written resolution of shareholders of the Company passed on October 8, 2010, 3,280,000,000 ordinary shares of the Company were issued at par value as fully paid in proportion to their then existing shareholdings in the Company. The amount was paid up in full by applying an amount of RMB28,262,000 standing to the credit of the share premium account of the Company.

(c) On October 28, 2010 and October 29, 2010, upon its listing on the Main Board of The Stock Exchange of Hong Kong Limited and related over-allotment option, the Company issued 1,437,500 new shares at par value of HK\$0.01 per share for cash consideration of HK\$4.60 each respectively, and raised gross proceeds of approximately RMB5,618,473,000.

(d) Share issue cost mainly includes underwriting commission, lawyer's fees, reporting accountant's fee and other related costs. Incremental costs that are directly attributable to the issue of the new shares amounting RMB217,171,000 was treated as a deduction from share premium.

財務報表附註

Notes to the Financial Statements

截至二零一一年六月三十日止六個月

For the Six Months end June 30, 2011

12. 貿易及其他應付賬款

於二零一一年六月三十日，基於發票日期的貿易應付賬款之賬齡分析如下：

		於 As at	
		二零一一年 六月三十日 June 30, 2011 人民幣千元 RMB'000	二零一零年 十二月三十一日 December 31, 2010 人民幣千元 RMB'000
貿易應付賬款	Trade Payable		
6個月內	Within 6 months	37,617	29,315
6至12個月	6 to 12 months	76	154
12個月以上	More than 12 months	6,443	1,792
		44,136	31,261

13. 經營溢利

由於大小或性質屬重大或非經常產生的項目，在有關收益表類別內呈列，但在中期綜合收益表內單獨呈列。

以下為在財務資料內列為經營項目的金額分析。

12. TRADE AND OTHER PAYABLES

At June 30, 2011, the ageing analysis of the trade payables based on invoice date were as follows:

13. OPERATING PROFIT

Items that are material either because of their size or their nature, or which are non-recurring, are presented within their relevant income statement category but highlighted separately on the face of the interim consolidated income statement.

An analysis of the amounts presented as operating items in the financial information is given below.

		截至六月三十日止六個月 Six months ended June 30,	
		二零一一年 2011 人民幣千元 RMB'000	二零一零年 2010 人民幣千元 RMB'000
有關收購附屬公司的 交易成本 (附註17)	Transaction cost in relation to acquisition of subsidiaries (Note 17)	(3,617)	—
政府補助	Government grant	48,648	17,210
出售附屬公司損失 (附註7)	Loss on disposal of a subsidiary (Note 7)	(1,829)	—
有關無形資產的 減值支出 (附註7)	Impairment charge relating to intangible assets (Note 7)	(1,943)	—
		43,253	17,210

14. 所得稅開支

(a) 百慕達利得稅

本集團於二零一一年在該等司法權區毋須繳納任何稅項(二零一零年：無)。

(b) 香港利得稅

由於本集團於二零一一年並無在香港產生應課稅溢利，故並無計提香港利得稅撥備(二零一零年：無)。

(c) 中國企業所得稅(「中國企業所得稅」)

中國企業所得稅乃按本集團現時旗下各公司於中國產生的應課稅收入計提撥備，並就中國企業所得稅而言無需課稅或不可扣減項目作出調整。

自二零零八年一月一日起，本集團的中國附屬公司已按全國人民代表大會於二零零七年三月十六日通過的《中華人民共和國企業所得稅法》(「新企業所得稅法」)釐定及繳納企業所得稅。海南四環及北京四環符合高新技術企業資格，有權享受進一步稅率扣減。因此，海南四環及北京四環於二零一一年按15%的稅率計提企業所得稅。

海南四環及北京四環符合高新技術企業資格，有權享受進一步稅率扣減。因此，海南四環及北京四環於二零一一年按15%的稅率計提企業所得稅。

14. INCOME TAX EXPENSE

(a) Bermuda profits tax

The Group has not been subject to any taxation in these jurisdictions during 2011 (2010: nil).

(b) Hong Kong profits tax

No Hong Kong profits tax has been provided as the Group had no assessable profit arising in Hong Kong during 2011 (2010: nil).

(c) PRC corporate income tax ("PRC CIT")

PRC CIT is provided on the assessable income of the companies now comprising the Group derived from the PRC, adjusted for those items, which are not assessable or deductible for the PRC CIT purposes.

With effect from January 1, 2008, the PRC subsidiaries of the Group have determined and paid the corporate income tax in accordance with the Corporate Income Tax Law of the PRC ("new CIT Law"), as approved by the National People's Congress on March 16, 2007. Hainan Sihuan and Beijing Sihuan were qualified as high-tech enterprises and are entitled to a further reduction in tax rate. Accordingly, Hainan Sihuan's and Beijing Sihuan's corporate income tax for 2011 were provided at the rate of 15%.

Hainan Sihuan and Beijing Sihuan were qualified as high-tech enterprises and are entitled to a further reduction in tax rate. Accordingly, Hainan Sihuan's and Beijing Sihuan's corporate income tax for 2011 were provided at the rate of 15%.

財務報表附註

Notes to the Financial Statements

截至二零一一年六月三十日止六個月
For the Six Months end June 30, 2011

14. 所得稅開支 (續)

(d) 保留溢利之中國預扣稅

根據適用中國稅務法規，於中國成立的公司就自二零零八年一月一日後產生的溢利向外國投資者分派股息須繳納10%的預扣稅。倘外國投資者於香港註冊成立且滿足中國與香港訂立的雙重稅安排的條件或規定，則有關預扣稅率將由10%減至5%。

截至二零一一年六月三十日止六個月本集團的所得稅開支分析如下：

14. INCOME TAX EXPENSE (Continued)

(d) PRC withholding tax on retained profits

According to applicable PRC tax regulations, dividends distributed by a company established in the PRC to a foreign investor with respect to profits derived after January 1, 2008 are subject to a 10% withholding tax. If a foreign investor is incorporated in Hong Kong and meets the conditions or requirements under the double taxation arrangement entered into between the PRC and Hong Kong, the relevant withholding tax rate will be reduced to 5% from 10%.

The income tax expenses of the Group for the six months ended June 30, 2011 is analysed as follows:

		截至六月三十日止六個月	
		Six months ended June 30,	
		二零一一年	二零一零年
		2011	2010
		人民幣千元	人民幣千元
		RMB'000	RMB'000
即期稅項	Current tax	75,863	44,710
遞延稅項	Deferred tax	41,526	(2,027)
所得稅開支	Income tax expense	117,389	42,683

所得稅開支基於管理層對預期整個財政年度加權平均年度所得稅率的估計而確認。

Income tax expenses is recognised based on management's estimate of weighted average annual income tax rated expected for the full financial year.

財務報表附註

Notes to the Financial Statements

截至二零一一年六月三十日止六個月
For the Six Months end June 30, 2011

15. 每股盈利

(a) 基本

本年度，每股基本盈利按本公司權益持有人應佔溢利除以已發行普通股加權平均股數計算。附註11(a)所述二零一零年十月八日發行的與資本化發行有關的3,280,000,000股普通股視為於二零一零年一月一日已發行，因此，已重列比較數字。

15. EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year. The ordinary shares of 3,280,000,000 issued on October 8, 2010 related to the capitalization issue as disclosed in Note 11 (a) were deemed to have been issued at January 1, 2010 and accordingly, the comparative figures have been restated.

		截至六月三十日止六個月	
		Six months ended June 30,	
		二零一一年	二零一零年
		2011	2010
		人民幣千元	人民幣千元
		RMB'000	RMB'000
本公司權益持有人應佔溢利(人民幣千元)	Profit attributable to equity holders of the Company (RMB'000)	380,685	254,849
就每股基本盈利而言的已發行普通股加權平均股數(千股)	Weighted average number of ordinary shares in issue for basic earnings per share ('000)	5,187,500	3,750,000
每股基本盈利(每股人民幣分)	Basic earnings per share (RMB cents per share)	7.339	6.796

(b) 攤薄

於有關期間因並無存在潛在攤薄普通股，故並無每股盈利攤薄。每股攤薄盈利相等於每股基本盈利。

(b) Diluted

There is no dilution to earnings per share during the Relevant Periods because there were no potential dilutive ordinary shares existing during the Relevant Periods. The diluted earnings per share equal the basic earnings per share.

財務報表附註

Notes to the Financial Statements

截至二零一一年六月三十日止六個月
For the Six Months end June 30, 2011

16. 股息

截至二零一零年十二月三十一日止年度並無建議派付末期股息。

董事會於二零一一年八月三十日擬派中期股息每股人民幣1.9分(二零一零年：無)及特別股息每股人民幣7.8分(二零一零年：無)，約於二零一一年十月十一日支付予二零一一年九月二十七日名列股東名冊的股東，惟所擬派特別股息有待股東於二零一一年九月十九日舉行的股東特別大會上批准後方可作實。中期股息及特別股息分別人民幣98,325,000元及人民幣403,652,000元尚未於本中期財務資料確認為負債，但會確認為截至二零一一年十二月三十一日止年度之股東權益。

17. 業務合併

(a) 收購多菲

二零一一年一月，本集團收購多菲100%股權，總代價為現金人民幣2,400,000,000元，須待下文附註(ii)所述條件完成。

商譽人民幣2,145,142,000元歸因於多項因素，其中最重大因素為在競爭市場中經營已發展完善且佔據先機的業務產生的利益，其他重要因素包括通過合併銷售渠道及獲得經濟規模取得的預期協同效應。

預期已確認的商譽不會就所得稅目的而可扣除。下表概述就多菲支付的代價，以及於收購日期就所收購資產及所承擔負債確認的金額。

16. DIVIDENDS

No final dividend was proposed in respect of the year ended December 31, 2010.

An interim dividend of RMB1.9 cents per share (2010: nil) and a special dividend of RMB7.8cents per share (2010:nil) was proposed by the board on August 30, 2011. It is payable on or around October 11, 2011 to shareholders who are on the register on September 27, 2011. The special dividend proposal is subject to approval by the shareholders in special general meeting to be held on September 19, 2011. The interim dividend and special dividend, which amounted to RMB98,325,000 and RMB403,652,000respectively, has not been recognised as a liability in this interim financial information. It will be recognised in shareholders' equity in the year ending December 31, 2011.

17. BUSINESS COMBINATION

(a) Acquisition of Dupromise

In January 2011, the Group acquired 100% equity interest of Dupromise for a total cash consideration of RMB 2,400,000,000 contingent upon the condition as disclosed in Note (ii) below.

The goodwill of RMB2,145,142,000 arises from a number of factors. Most significant amongst these is the premium attributable to a pre-existing, well positioned business operating in a competitive market. Other important elements include expected synergies through combining sales channel and obtaining economies of scale.

None of the goodwill recognised is expected to be deductible for income tax purposes. The following table summarises the consideration paid for Dupromise, and the amounts of the assets acquired and liabilities assumed recognised at the acquisition date.

財務報表附註

Notes to the Financial Statements

截至二零一一年六月三十日止六個月
For the Six Months end June 30, 2011

17. 業務合併 (續)

17. BUSINESS COMBINATION (Continued)

(a) 收購多菲 (續)

(a) Acquisition of Dupromise (Continued)

		暫時公平值 (附註(i))
		Provisional fair value (Note (i))
		人民幣千元
		RMB'000
可識別資產及負債：	Identifiable assets and liabilities:	
現金及現金等價物	Cash and cash equivalents	27,327
貿易及其他應收賬款 (附註(iii))	Trade and other receivables (Note (iii))	30,392
存貨	Inventories	5,245
物業、廠房及設備	Property, plant and equipment	29,317
土地使用權	Land use rights	3,146
無形資產	Intangible assets	212,555
資產總值	Total assets	307,982
貿易及其他應付賬款	Trade and other payables	1,587
即期所得稅負債	Current income tax liabilities	(1,003)
遞延所得稅負債	Deferred income tax liabilities	52,540
負債總額	Total liabilities	53,124
可識別資產淨值	Identifiable net assets	254,858
商譽及現金流量：	Goodwill and cash flows:	
分佔所收購的可 識別資產淨值	Share of identifiable net assets acquired	100%
所收購的可識別資產淨值	Identifiable net assets acquired	254,858
商譽	Goodwill	2,145,142
總代價 (附註(ii))	Total consideration (Note (ii))	2,400,000
減：所收購附屬公司 的現金及現金等價物	Less: Cash and cash equivalents in the subsidiary acquired	(27,327)
預付代價	Prepaid consideration	(200,000)
未付代價	Unpaid consideration	(1,500,000)
截至二零一一年 六月三十日止六個月 收購的現金流出淨額	Net cash outflow on acquisition for the six months ended June 30, 2011	672,673

財務報表附註

Notes to the Financial Statements

截至二零一一年六月三十日止六個月
For the Six Months end June 30, 2011

17. 業務合併 (續)

(a) 收購多非 (續)

- i. 已確認之所收購資產及所承擔負債的暫定公平值

本集團已委聘外部估值師對已確認之所收購資產及所承擔負債的公平值進行評估。截至該等中期財務報表批准日期，估值報告尚未完結。編製該等財務報表所採用之公平值須待取得該等資產的最終估值後方可作實。

- ii. 或然代價

根據二零一零年十一月二十四日的股份轉讓協議，總代價為二零一一年淨收入乘以12及人民幣2,400,000,000元中的較低者。按照管理層的估計，多非的淨收入將超過人民幣200,000,000元，因此預期最終代價為人民幣2,400,000,000元。

- iii. 所獲得應收賬款

貿易及其他應收賬款的公平值為人民幣30,392,000元，包括公平值為人民幣18,374,000元的貿易應收賬款。到期貿易應收賬款的總合約金額為人民幣18,374,000元，預期並無貿易應收賬款不可收回。

- iv. 收益及溢利貢獻

二零一一年一月一日至二零一一年六月三十日期間，收購業務為本集團貢獻收益人民幣382,206,000元及純利人民幣105,971,000元。

(b) 收購長春翔通

二零一一年一月，本集團收購長春翔通的80%股權，總代價為現金人民幣140,600,000元。

商譽人民幣57,137,000元歸因於多項因素，其中最重大因素為在競爭市場中經營已發展完善且佔據先機的業務產生的利益，其他重要因素包括通過合併銷售渠道及獲得經濟規模取得的預期協同效應。

17. BUSINESS COMBINATION (Continued)

(a) Acquisition of Dupromise (Continued)

- i. Provisional fair value of the asset acquired and liability assumed recognised

The Group has engaged an external valuer to evaluate the fair value of asset acquired and liability assumed recognised. The valuation report is not finalised up to the approval date of these interim financial statements. The fair value adopted for preparation of these financial statements is provisional pending receipt of the final valuations for those assets.

- ii. Contingent consideration

Pursuant to the share transfer the agreement dated November 24, 2010, the total consideration is the lower of the 2011 net income multiplied by 12 and RMB2.4billion. Based on the estimation by management, the net income of Dupromis will exceed RMB200 million and accordingly the expected final consideration is RMB2.4billion.

- iii. Acquired receivables

The fair value of trade and other receivables is RMB30,392,000 and includes trade receivables with a fair value of RMB18,374,000. The gross contractual amount for trade receivables due is RMB18,374,000 and no trade receivables is expected to be uncollectible.

- iv. Revenue and profit contribution

The acquired business contributed revenues of RMB382,206,000 and net profit of RMB105,971,000 to the Group for the period from January 1, 2011 to June 30, 2011.

(b) Acquisition of Changchun Xiangtong

In January 2011, the Group acquired 80% equity interest of Changchun Xiangtong, at an total cash consideration of RMB140,600,000.

The goodwill of RMB57,137,000 arises from a number of factors. Most significant amongst these is the premium attributable to a pre-existing, well positioned business operating in a competitive market. Other important elements include expected synergies through combining sales channel and obtaining economies of scale.

財務報表附註

Notes to the Financial Statements

截至二零一一年六月三十日止六個月
For the Six Months end June 30, 2011

17. 業務合併 (續)

(b) 收購長春翔通 (續)

預期已確認的商譽不會就所得稅目的而可扣除。下表概述就長春翔通支付的代價，以及於收購日期就所收購資產及所承擔負債確認的金額。

17. BUSINESS COMBINATION (Continued)

(b) Acquisition of Changchun Xiangtong (Continued)

None of the goodwill recognised is expected to be deductible for income tax purposes. The following table summarises the consideration paid for Changchun Xiangtong, and the amounts of the assets acquired and liabilities assumed recognised at the acquisition date.

		暫時公平值 (附註(i)) Provisional fair value (Note (i))
		人民幣千元 RMB'000
可識別資產及負債：	Identifiable assets and liabilities:	
現金及現金等價物	Cash and cash equivalents	12,912
貿易及其他應收賬款 (附註(ii))	Trade and other receivables (Note (ii))	17,263
存貨	Inventories	2,475
物業、廠房及設備	Property, plant and equipment	15,289
土地使用權	Land use rights	6,184
無形資產	Intangible assets	77,830
資產總值	Total assets	131,953
貿易及其他應付賬款	Trade and other payables	5,563
即期所得稅負債	Current income tax liabilities	1,902
遞延所得稅負債	Deferred income tax liabilities	20,158
負債總額	Total liabilities	27,623
可識別資產淨值	Identifiable net assets	104,330
商譽及現金流量：	Goodwill and cash flows:	
分佔所收購的 可識別資產淨值	Share of identifiable net assets acquired	80%
所收購的可識別資產淨值	Identifiable net assets acquired	83,463
商譽	Goodwill	57,137
總代價	Total consideration	140,600
減：所收購附屬公司 的現金及現金等價物	Less: Cash and cash equivalents in the subsidiary acquired	(12,912)
未付代價	Unpaid consideration	(10,000)
截至二零一一年 六月三十日止六個月 收購的現金流出淨額	Net cash outflow on acquisition for the six months ended June 30, 2011	117,688

財務報表附註

Notes to the Financial Statements

截至二零一一年六月三十日止六個月
For the Six Months end June 30, 2011

17. 業務合併 (續)

(b) 收購長春翔通 (續)

- i. 已確認之所收購資產及所承擔負債的暫定公平值

本集團已委聘外部估值師對已確認之所收購資產及所承擔負債的公平值進行評估。截至該等中期財務報表批准日期，估值報告尚未完結。編製該等財務報表所採用之公平值須待取得該等資產的最終估值後方可作實。

- ii. 所獲得應收賬款

貿易及其他應收賬款的公平值為人民幣17,263,000元，包括公平值為人民幣44,000元的貿易應收賬款。到期貿易應收賬款的總合約金額為人民幣44,000元，預期並無貿易應收賬款不可收回。

- iii. 收益及溢利貢獻

二零一一年一月三十一日至二零一一年六月三十日期間，收購業務為本集團貢獻收益人民幣22,422,000元及純利人民幣5,069,000元。倘收購於二零一一年一月一日發生，則截至二零一一年六月三十日止半年度的綜合收益及綜合溢利將分別為人民幣28,290,000元及人民幣5,944,000元。

(c) 收購本溪恆康

二零一一年三月，本集團收購本溪恆康100%股權，總代價為現金人民幣36,199,172元。

商譽人民幣30,870,000元歸因於多項因素，其中最重大因素為在競爭市場中經營已發展完善且佔據先機的業務產生的利益，其他重要因素包括通過合併銷售渠道及獲得經濟規模取得的預期協同效應。

17. BUSINESS COMBINATION (Continued)

(b) Acquisition of Changchun Xiangtong (Continued)

- i. Provisional fair value of the asset acquired and liability assumed recognised

The Group has engaged an external valuer to evaluate the fair value of asset acquired and liability assumed recognised. The valuation report is not finalised up to the approval date of these interim financial statements. The fair value adopted for preparation of these financial statements is provisional pending receipt of the final valuations for those assets.

- ii. Acquired receivables

The fair value of trade and other receivables is RMB17,263,000 and includes trade receivables with a fair value of RMB44,000. The gross contractual amount for trade receivables due is RMB44,000 and no trade receivables is expected to be uncollectible.

- iii. Revenue and profit contribution

The acquired business contributed revenues of RMB22,422,000 and net profit of RMB5,069,000 to the Group for the period from January 31, 2011 to June 30, 2011. If the acquisition had occurred on January 1, 2011, consolidated revenue and consolidated profit for the half year ended June 30, 2011 would have been RMB28,290,000 and RMB5,944,000 respectively.

(c) Acquisition of Benxi Hengkang

In March 2011, the Group acquired 100% equity interest of Benxi Hengkang for a total cash consideration of RMB 36,199,172.

The goodwill of RMB30,870,000 arises from a number of factors. Most significant amongst these is the premium attributable to a pre-existing, well positioned business operating in a competitive market. Other important elements include expected synergies through combining sales channel and obtaining economies of scale.

財務報表附註

Notes to the Financial Statements

截至二零一一年六月三十日止六個月
For the Six Months end June 30, 2011

17. 業務合併 (續)

(c) 收購本溪恆康 (續)

預期已確認的商譽不會就所得稅目的而可扣除。下表概述就本溪恆康支付的代價，以及於收購日期就所收購資產及所承擔負債確認的金額。

17. BUSINESS COMBINATION (Continued)

(c) Acquisition of Benxi Hengkang (Continued)

None of the goodwill recognised is expected to be deductible for income tax purposes. The following table summarises the consideration paid for Benxi Hengkang, and the amounts of the assets acquired and liabilities assumed recognised at the acquisition date.

		暫時公平值 (附註(i)) Provisional fair value (Note (i)) 人民幣千元 RMB'000
可識別資產及負債：	Identifiable assets and liabilities:	
現金及現金等價物	Cash and cash equivalents	65
貿易及其他應收賬款 (附註(ii))	Trade and other receivables (Note (ii))	59,964
存貨	Inventories	3,253
物業、廠房及設備	Property, plant and equipment	28,630
土地使用權	Land use rights	3,473
資產總值	Total assets	95,385
短期貸款	Short term loans	17,079
貿易及其他應付賬款	Trade and other payables	72,977
負債總額	Total liabilities	90,056
可識別資產淨值	Identifiable net assets	5,329
商譽及現金流量：	Goodwill and cash flows:	
分佔所收購的可識別資產淨值	Share of identifiable net assets acquired	100%
所收購的可識別資產淨值	Identifiable net assets acquired	5,329
商譽	Goodwill	30,870
總代價	Total consideration	36,199
減：所收購附屬公司的現金及現金等價物	Less: Cash and cash equivalents in the subsidiary acquired	(65)
預付代價	Prepaid consideration	(36,199)
截至二零一一年六月三十日止六個月收購的現金流入淨額	Net cash inflow on acquisition for the six months ended June 30, 2011	(65)

財務報表附註

Notes to the Financial Statements

截至二零一一年六月三十日止六個月
For the Six Months end June 30, 2011

17. 業務合併 (續)

(c) 收購本溪恆康 (續)

- i. 已確認之所收購資產及所承擔負債的暫定公平值

本集團已委聘外部估值師對已確認之所收購資產及所承擔負債的公平值進行評估。截至該等中期財務報表批准日期，估值報告尚未完結。編製該等財務報表所採用之公平值須待取得該等資產的最終估值後方可作實。

- ii. 所獲得應收賬款

貿易及其他應收賬款的公平值為人民幣59,964,000元，包括公平值為人民幣2,305,000元的貿易應收賬款。到期貿易應收賬款的總合約金額為人民幣2,305,000元，預期並無貿易應收賬款不可收回。

- iii. 收益及溢利貢獻

二零一一年三月三十一日至二零一一年六月三十日期間，收購業務為本集團貢獻收益人民幣15,035,000元及純利人民幣8,973,000元。倘收購於二零一一年一月一日發生，則截至二零一一年六月三十日止半年度的綜合收益及綜合溢利將分別為人民幣16,441,000元及人民幣7,604,000元。

17. BUSINESS COMBINATION (Continued)

(c) Acquisition of Benxi Hengkang (Continued)

- i. Provisional fair value of the asset acquired and liability assumed recognised

The Group has engaged an external valuer to evaluate the fair value of asset acquired and liability assumed recognised. The valuation report is not finalised up to the approval date of these interim financial statements. The fair value adopted for preparation of these financial statements is provisional pending receipt of the final valuations for those assets.

- ii. Acquired receivables

The fair value of trade and other receivables is RMB59,964,000 and includes trade receivables with a fair value of RMB2,305,000. The gross contractual amount for trade receivables due is RMB2,305,000 and no trade receivables is expected to be uncollectible.

- iii. Revenue and profit contribution

The acquired business contributed revenues of RMB15,035,000 and net profit of RMB8,973,000 to the Group for the period from March 31, 2011 to June 30, 2011. If the acquisition had occurred on January 1, 2011, consolidated revenue and consolidated profit for the half year ended June 30, 2011 would have been RMB16,441,000 and RMB7,604,000 respectively.

18. 結算日後事項

(a) 收購Smart Baskets

二零一一年六月二十二日，本公司附屬公司耀忠國際(香港)有限公司(「耀忠」)與獨立第三方Congio Enterprises Limited(「Congio」)訂立購股協議，耀忠有條件地同意購買，且Congio有條件地同意出售Smart Baskets的全部股權。Smart Baskets持有萬生聯合製藥有限公司(「萬生製藥」)及海南李茲曼製藥有限公司(「海南李茲曼製藥」)100%的股權。收購的代價不會超過人民幣775,000,000元，須根據購股協議的條款及條件分期支付。於二零一一年六月三十日，收購的預付代價為人民幣225,000,000元。截至該等中期財務報表批准日期，是項交易尚未完成。本公司董事現正評估其未來財務影響。

(b) 出售萬生製藥50%股權

二零一一年七月十八日，本公司與中國著名傳統中藥製造商山東步長製藥有限公司(「山東步長」)訂立協議。根據協議，山東步長將有條件購買萬生製藥50%之股權，現金代價為人民幣637,500,000元。於該等中期財務資料的批准日期，此項交易尚未完成。本公司董事正評估未來財務影響。

18. SUBSEQUENT EVENT

(a) Acquisition of Smart Baskets

On June 22, 2011, Sun Moral International (HK) Limited (“Sun Moral”), one of the subsidiaries of the Company, and Congio Enterprises Limited (“Congio”), an independent third party, entered into a share purchase agreement pursuant to which Sun Moral has conditionally agreed to purchase, and Congio has conditionally agreed to sell, the entire equity interest in Smart Baskets. Smart Baskets holds 100% of the equity interests in Vinise Pharmaceutical Limited (“Vinise Pharmaceutical”) and Hainan Litzman Pharmaceutical Limited (“Hainan Litzman”). The consideration for the acquisition would not exceed RMB775,000,000 and is payable in instalments and in accordance with the terms and conditions of a share purchase agreement. The prepaid consideration of the acquisition was RMB225,000,000 as at June 30, 2011. This transaction has not been completed up to the approval date of these interim financial statements, and the directors of the Company are in the process of accessing the future financial impact.

(b) Disposal of 50% equity interest in Vinise Pharmaceutical

The company has entered into an agreement dated July 18, 2011 with one of a reputable Traditional Chinese Medicine manufacturer in China, Shandong Buchang Pharmaceutical Co., Ltd. (“Shandong Buchang”). Pursuant to the agreement, Shandong Buchang will conditionally purchase 50% equity interest in Vinise Pharmaceutical for a cash consideration of RMB637,500,000. This transaction has not been completed up to the approval date of these interim financial information and the directors of the Company are in the process of accessing the future financial impact.

財務報表附註

Notes to the Financial Statements

截至二零一一年六月三十日止六個月

For the Six Months end June 30, 2011

18. 結算日後事項 (續)

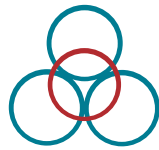
(c) 購回及註銷股份

二零一一年七月，本公司按每股3.22港元至3.45港元購回合共12,476,000股普通股，總代價為42,139,000港元（約人民幣34,849,000元）。普通股面值與上述代價的差額人民幣34,746,000元以本公司股份溢價賬扣除。購回股份已於二零一一年七月二十九日相應註銷。

18. SUBSEQUENT EVENT (Continued)

(c) Repurchase and cancel of shares

In July 2011, the Company repurchased its ordinary shares totalling 12,476,000 shares at a range of HKD3.22 to HKD3.45 per share, resulted in an aggregate consideration of HKD42,139,000 (approximately RMB34,849,000). The difference between the par value of the ordinary shares and the aforesaid consideration, totaling RMB34,746,000, is deducted against the share premium account of the Company. The repurchased shares were cancelled on July 29, 2011 accordingly.



四 环
SIHUAN

www.sihuanpharm.com