China NT Pharma Group Company Limited
中國泰凌醫藥集團有限公司

Stock Code: 01011

2013
Interim Report

Contents

Board of Directors and Board Committees

BOARD OF DIRECTORS

Executive Director	Mr. NG Tit *(Chairman and Chief Executive Officer)*
Non-executive Directors	Ms. CHIN Yu Dr. QIAN Wei Mr. HUNG Leung Mr. WANG Fan
Independent Non-executive Directors	Mr. Patrick SUN Mr. Yue Nien Martin TANG Dr. Lap-Chee TSUI

BOARD COMMITTEES

Audit Committee	Mr. Patrick SUN *(Chairman)* Mr. Yue Nien Martin TANG Dr. Lap-Chee TSUI
Remuneration Committee	Mr. Yue Nien Martin TANG *(Chairman)* Mr. Patrick SUN Mr. NG Tit
Nomination Committee	Mr. NG Tit *(Chairman)* Mr. Patrick SUN Mr. Yue Nien Martin TANG

Corporate Information

COMPANY SECRETARY

Ms. MOK Ming Wai

AUDITORS

KPMG
Certified Public Accountants

LEGAL ADVISORS AS TO HONG KONG LAW

Freshfields Bruckhaus Deringer

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 1505, 15/F
Bank of East Asia Harbour View Centre
56 Gloucester Road, Wanchai
Hong Kong

PRINCIPAL PLACE OF BUSINESS AND HEADQUARTER IN CHINA

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45 Nanchang Road, Shanghai, China

REGISTERED OFFICE

Cricket Square, Hutchins Drive
PO Box 2681
Grand Cayman, KY1-1111
Cayman Islands

HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
26th Floor, Tesbury Centre
28 Queen's Road East
Wanchai, Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Codan Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
PO Box 2681
Grand Cayman, KY1-1111
Cayman Islands

PRINCIPAL BANKERS

Agricultural Bank of China Limited
Bank of Communications Limited
The Bank of East Asia, Limited
Bank of Shanghai Co., Limited
China CITIC Bank Corporation Limited
China Construction Bank Corporation
China Everbright Bank Co., Limited
China Merchants Bank Co., Limited
Shanghai Pudong Development Bank Co., Limited

INVESTOR RELATIONS

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COMPANY'S WEBSITE

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STOCK CODE

1011

Financial Highlights

A summary of the main financial data of China NT Pharma Group Company Limited ("NT Pharma" or the "Company") and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2013 is set out below:

	For the six months ended 30 June		
	2013	2012	**% Change**
	RMB'000	RMB'000	
	(Unaudited)	(Unaudited)	
Revenue	**526,264**	500,611	**+5.1%**
Gross profit	**190,643**	222,988	**-14.5%**
Loss from operations (Note 1)	**(424,396)**	(55,470)	**+665.1%**
Loss attributable to owners of the Company	**(432,086)**	(61,525)	**+602.3%**
Loss per share (RMB cents)			
Basic	**(39.94)**	(5.69)	**+601.9%**
Diluted	**(39.94)**	(5.69)	**+601.9%**

Note:

(1) Loss from operations for the six months ended 30 June 2013 is stated after business restructuring costs of RMB328.7 million (2012: nil).

The board of directors (the "Directors") of the Company (the "Board") did not recommend the payment of an interim dividend for the six months ended 30 June 2013.

1. OVERVIEW

NT Pharma is principally a third-party pharmaceutical promotion and sales services provider in the People's Republic of China ("China" or "PRC"). The Group's history dates back to 1995 and the Company's shares were listed on The Stock Exchange of Hong Kong Limited (the "HKSE") on 20 April 2011. NT Pharma has an extensive third-party promotion network covering approximately 4,000 hospitals in China. The Group also possesses manufacturing capabilities through its wholly-owned subsidiary, Suzhou First Pharmaceutical Co., Ltd. ("Suzhou First") which is Good Manufacturing Practice (the "GMP")-certified and has obtained approvals from the State Food and Drug Administration of China (the "SFDA") for 176 drug licences to manufacture and sell pharmaceutical products.

2013 has continued to be a challenging year for the Group as it is in the process of recovering from the significant financial losses incurred in the previous year. As described in the 2012 annual report, the Group underwent a major restructuring exercise which involved exiting from the low-margin vaccine business, downsizing its vaccine promotion and sales team and terminating certain dermatological products and the OTC business. Following its decision to focus on the higher margin third-party pharmaceutical promotion and sales business, the Group was able to devote its resources to specialized, high-end and high-growth therapeutic areas. The Group's two major products, Fortum and Libod, both reported notable growth in sales of 61.7% and 51.4%, respectively during the six months ended 30 June 2013 over those for the corresponding period in 2012. Fortum is an antibiotic manufactured by GlaxoSmithKline Plc ("GSK") which benefited from a general increase in demand for branded antibiotics by larger hospitals following the implementation of the strict regulations on the prescription of antibiotics issued by the Chinese Ministry of Health in late 2011. Libod is an oncology drug manufactured by Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Co., Ltd ("FDZH") which had experienced a shortage of supply during 2012 when FDZH upgraded its facilities to meet the new standards of the GMP. Since FDZH completed its upgrade and resumed normal production of Libod in the last quarter of 2012, sales performance of Libod has improved steadily in tandem with the lifting of supply constraints.

Whilst the third-party pharmaceutical promotion and sales business showed improvements during the six months ended 30 June 2013, certain outstanding issues relating to the major restructuring exercise in the previous year continued to pose challenges to the Group. Vaccine receivables remained the most significant outstanding issue. As at 30 June 2013, total vaccine receivables before any impairment provision amounted to RMB621.7 million, as compared with RMB 670.4 million as at 31 December 2012. In view of the on-going challenges in the debt collection process, the Group made an impairment provision of RMB589.6 million as at 30 June 2013, representing an increase of RMB245.7 million over that as at 31 December 2012. In addition, as reported in the 2012 annual report, the Group had largely ceased doing new businesses with the Centers for Disease Control and Prevention ("CDCs") and the residual vaccine business only represents a small portion of the overall business of the Group. Such residual vaccine business however requires the Group to fulfill certain contractual procurement obligations or risk losing the guarantee deposit of RMB26.5 million currently held by the supplier. As at 30 June 2013, based on the Group's assessment, the selling price of the related vaccine product would most likely need to be significantly discounted for it to be competitive in the market. As such, an additional impairment provision of RMB42.8 million was made for the vaccine inventory as at 30 June 2013. The Group is currently negotiating with the supplier to terminate the promotion and distribution contract concerned and has made a full provision against the guarantee deposit of RMB26.5 million as the potential penalty for terminating the contract. Besides the afore-mentioned, the Group currently has no other vaccine promotion and distribution business. Furthermore, as reported in the 2012 annual report, the Group terminated the promotion and sales business of several dermatological products before the end of that year. Based on the latest circumstances, significant discounts would be required to sell the remaining inventories of these products and therefore an additional impairment provision of RMB13.7 million was made for the inventories as at 30 June 2013. Besides the afore-mentioned, the Group did not have any other material inventory related to the terminated dermatological products as at 30 June 2013.

The overall revenue of the Group for the six months ended 30 June 2013 increased by RMB25.7 million or 5.1% to RMB526.3 million, as compared with RMB500.6 million for the corresponding period in 2012. However due to the increased impairment provisions made for vaccine receivables and slow-moving inventories described above, the net loss of the Group for the six months ended 30 June 2013 was RMB432.1 million, as compared with a net loss of RMB61.5 million for the corresponding period in 2012.

2. BUSINESS REVIEW

The Group currently operates three major business segments, namely (1) third-party pharmaceutical promotion and sales, (2) proprietary products production and sales, and (3) third-party vaccines and other pharmaceuticals.

Third-party Pharmaceutical Promotion and Sales

Third-party pharmaceutical promotion and sales represents the core business of the Group since the restructuring exercise described above.

During the six months ended 30 June 2013, revenue generated by the third-party pharmaceutical promotion and sales segment increased by RMB37.4 million or 8.9% to RMB457.4 million, as compared with RMB419.9 million for the corresponding period in 2012.

The revenue of Fortum increased by RMB124.3 million or 61.7% to RMB325.9 million, accounting for 71.3% of the segment's total sales for the six months ended 30 June 2013, as compared with RMB201.6 million or 48.0% of the segment's total sales for the corresponding period in 2012. Although during 2012 Fortum was impacted by the new regulations on prescription of antibiotics issued by the Chinese Ministry of Health in late 2011, which led to a sharp decline in the total sales of antibiotics in China, the new regulations proved to be an effective means of eliminating generic antibiotic products from the market, as many hospitals actually prefer to use products of known quality and reputation in the face of tighter regulations. As such, the sales of Fortum had benefited from the increase in demand for brand-name antibiotics products during the first half of 2013.

The revenue of Libod increased by RMB15.3 million or 51.4% to RMB45.1 million, accounting for 9.9% of the segment's total sales for the six months ended 30 June 2013, as compared with RMB29.8 million or 7.1% of the segment's total sales for the corresponding period in 2012. Libod's manufacturer, FDZH, had experienced certain production capacity constraints during 2012 when it upgraded its facilities to meet the new GMP standards. The upgrade had been completed in the last quarter of 2012 and the sales of Libod increased notably during the first half of 2013 after the resumption of normal supply.

As reported in the 2012 annual report, the Group has identified oncology, anti-infectives and central nervous systems ("CNS") as specialized therapeutic areas that will deliver sustainable growth in the long-run. At the beginning of 2013, the Group established a separate business unit under the pharmaceutical promotion and sales business for each of these therapeutic areas. With dedicated resources, the promotion and sales team will strive to continue to expand the size of sales network and hospital penetration rate. As at 30 June 2013, the Group's sales network comprised approximately 4,000 hospitals.

The Group underwent a critical review and re-assessment of its existing business lines and product portfolio during the second half of 2012 and as a result terminated the OTC business and several dermatological products at the end of that year. Based on the latest market conditions, the Group believed that significant discounts would be required to sell the remaining inventories of the dermatological products and therefore an additional impairment provision of RMB13.7 million was made as at 30 June 2013 for these inventories. Besides the afore-mentioned, the Group did not have any other material inventory related to the terminated dermatological products as at 30 June 2013.

Due to the additional inventories impairment provision described above as well as increased selling and distribution expenses, the operating loss of the segment amounted to RMB19.8 million for the six months ended 30 June 2013, as compared with an operating profit of RMB59.1 million for the corresponding period in 2012.

Proprietary Products Production and Sales

Proprietary products of the Group are produced by Suzhou First and comprise Shusi, an atypical antipsychotic drug, as well as a wide range of other drugs. The total revenue of the proprietary products production and sales segment increased by RMB4.6 million or 8.2% to RMB60.7 million for the six months ended 30 June 2013, as compared with RMB56.1 million for the corresponding period in 2012. Of the total segment revenue, the revenue of Shusi increased by RMB7.8 million or 61.2% to RMB20.7 million, accounting for 34.1% of the segment's total sales for the six months ended 30 June 2013, as compared with RMB12.9 million or 22.9% of the segment's total sales for the corresponding period in 2012.

Third-Party Vaccines and Other Pharmaceuticals

Third-party vaccines and other pharmaceuticals business segment includes sales from vaccine promotion, vaccine supply chain and pharmaceutical supply chain.

With a view to enhancing its competitiveness and improving its cash flow, the Group began to restructure its business model in the second quarter of 2012 by exiting from its low-margin vaccine business, downsizing its vaccine promotion and sales team and focusing on its third-party pharmaceutical promotion and sales business which has higher margins and returns. As a result, revenue from the third-party vaccines and other pharmaceuticals business segment decreased by RMB16.4 million or 66.8% to RMB8.2 million for the six months ended 30 June 2013, as compared with RMB24.6 million for the corresponding period in 2012. The restructuring exercise also incurred total costs of RMB288.5 million which comprised impairment provisions of vaccine receivables and inventories. As such the operating loss of the segment increased by RMB277.7 million or 406.5% to RMB346.0 million for the six months ended 30 June 2013, as compared with an operating loss of RMB68.3 million for the corresponding period in 2012.

The above restructuring costs and operating loss for the third-party vaccines and other pharmaceuticals segment included RMB245.7 million of impairment loss on trade receivables in relation to the vaccine business. Since deciding to exit from the low-margin vaccine business in the second quarter of 2012 and downsize the vaccine sales and promotion team, the Group has devoted considerable resources to collecting trade receivables related to the vaccine business. The Group currently has a team of approximately 30 employees involved in the collection of vaccine receivables. These employees regularly follow up with the debtors through physical visits, phone calls and other means of communication. The Group has also engaged one of the largest pharmaceutical logistics and distribution companies in China as agent to collect part of the vaccine receivables and is closely monitoring its performance. Furthermore, the Group has engaged a specialised debt collection company in China as collection agent since May 2013. The collection agent has thus far initiated legal actions against 26 debtors on behalf of the Group and is exploring the possibility of commencing legal action against other debtors in due course.

Despite the above attempts made by the Group, substantial difficulties were encountered in the debt collection process due to the reasons described in the 2012 annual report. The Group performed further individual credit evaluations on each vaccine debtor's background, financial strengths, repayment status and other specific circumstances as at 30 June 2013. It was noted that provincial and municipal CDCs had a better repayment ratio than those from counties and rural areas, as the former generally receive more funds under the current national healthcare funding system. It was also noted that the CDCs as a whole had a better repayment ratio than non-CDC distributors. Therefore, after making provision on certain debtor balances based on their specific circumstances, additional specific provision was provided based on the following:

Debtors	Repayment status during six months ended 30 June 2013	Ratio of bad debt provision
Provincial and municipal CDCs	No repayment	80% provision
Counties and rural areas CDCs	No repayment	100% provision
Non-CDC distributors	No repayment	100% provision

In addition, the specialised debt collection company engaged by the Group in May 2013 charges a success fee of around 20% based on actual collected amounts. Such success fee has also been taken into account in the Group's assessment of impairment provision.

Based on the above-mentioned methodology and factors and having considered the information available and prevailing circumstances, the Group provided the following impairment provision as at 30 June 2013:

RMB'000	Gross balance	Specific provision	Net balance	Provision rate
CDCs				
Provincial and municipal	224,431	(192,337)	32,094	85.7%
Counties and rural areas	77,234	(77,234)	–	100.0%
Subtotal	301,665	(269,571)	32,094	89.4%
Non-CDC distributors	320,063	(320,063)	–	100.0%
Total	**621,728**	**(589,634)**	**32,094**	**94.8%**

As a result of the above, the Group incurred an additional impairment provision for vaccine receivables of RMB245.7 million for the six months ended 30 June 2013.

The Group is using its best endeavours to resolve all the outstanding vaccine receivables before the end of 2013. The objective of the Group is to reduce the balance of vaccine debtors substantially throughout 2013, either through collection, outright sale of remaining receivables or reassessment of the impairment provision based on the latest debt collection status and other available information, so that it no longer constitutes a material item on the statement of financial position as at 31 December 2013.

In addition to impairment of accounts receivables, the business restructuring cost for the third-party vaccines and other pharmaceuticals segment for the six months ended 30 June 2013 also included a vaccine inventory provision of RMB42.8 million. The inventory relates to the residual vaccine business which pertains to the Group fulfiling certain contractual procurement obligations or risk losing the guarantee deposit of RMB26.5 million currently held by the supplier. As at 30 June 2013, based on the Group's assessment, the selling price of the related vaccine product would most likely need to be significantly discounted for it to be competitive in the market. An additional impairment provision of RMB42.8 million was therefore made for the inventory as at 30 June 2013. The Group is currently negotiating with the supplier in regard of terminating the promotion and distribution contract concerned and has made a full provision against the guarantee deposit of RMB26.5 million as the potential penalty for terminating the contract. Besides the afore-mentioned, the Group currently has no other vaccine promotion and distribution business.

3. PROSPECTS AND OUTLOOK OF THE GROUP

Going forward, the Group will continue to pursue its new strategy of focusing on the third-party pharmaceutical promotion and sales business as well as on more specialized, high-end and high-growth therapeutic areas. The Group believes that the specialized therapeutic areas of oncology, anti-infectives and CNS will deliver sustainable growth in the long-run. Therefore, the Group will search for new products to enrich its product portfolio in these therapeutic areas.

On 20 May 2013, the Group entered into a transfer agreement with Hefei Yongsheng Pharmaceutical Co., Ltd (合肥永生製藥有限公司) to acquire the intellectual property rights including patents, know-how and trademarks in relation to Xi Di Ke (喜滴克) for a consideration of RMB30.5 million from a pharmaceutical company in China which is unrelated to the Group. The acquisition was completed on 20 June 2013. Xi Di Ke is the commercial name of an uroacitides injection formula (尿多酸肽注射劑) and a unique national class 1 new drug approved by the SFDA for the treatment of malignant lung and breast tumors. In line with NT Pharma's strategic focus on the promotion and sales of oncology products, the Group believes that the acquisition of Xi Di Ke will complement and expand its existing product portfolio. The Group plans to launch the product in the market in the second half of 2013. In view of the expanding oncology drugs market due to the increasing prevalence of cancer in China, NT Pharma believes that the successful marketing of Xi Di Ke will provide long-term growth and increase profitability for the Group.

Besides the therapeutic areas described above, the Group is also constantly evaluating products in other therapeutic areas with a view to identifying potentially high-growth opportunities. Since the beginning of 2013, the Group has established a management committee (comprising the chief executive officer, chief financial officer, general manager of operations and other senior executives) which meets regularly to discuss and decide on key strategic matters and development of the Group, including new projects or products. Furthermore, the Group has recruited several new senior executives, including a marketing director and a clinical research director, who both have substantial industry experience with both multi-national and domestic pharmaceutical companies. These new management talents will strengthen the Company's capabilities of evaluating the commercial viability and clinical qualities of new products.

4. HUMAN RESOURCES

As at 30 June 2013, the Group had 749 full-time employees (2012: 1,015 employees). For the six months ended 30 June 2013, the Group's total cost on remuneration, welfare and social security amounted to RMB66.6 million (2012: RMB80.2 million).

The remuneration structure of the Group is based on employee performance, local consumption level and prevailing conditions in the human resources market. Directors' remuneration is determined with reference to each Director's experience, responsibilities and prevailing market standards.

5. FINANCIAL REVIEW

Revenue

Total revenue for the six months ended 30 June 2013 increased by RMB25.7 million or 5.1% to RMB526.3 million, as compared to RMB500.6 million for the six months ended 30 June 2012. The increase was primarily due to the increase in revenue from the third-party pharmaceutical promotion and sales business as well as the proprietary products production and sales business.

The following table sets forth a breakdown of the Group's revenue by reportable segment for the six months ended 30 June 2013:

Breakdown of Reportable Segment Revenue

	For the six months ended 30 June				
	2013		2012		
	Revenue RMB'000 (Unaudited)	**% of total revenue**	Revenue RMB'000 (Unaudited)	% of total revenue	**% Change**
Third-party pharmaceutical promotion and sales (Note)	**457,377**	**86.9%**	419,932	83.9%	**+8.9%**
Proprietary products production and sales	**60,727**	**11.5%**	56,112	11.2%	**+8.2%**
Third-party vaccines and other pharmaceuticals	**8,160**	**1.6%**	24,567	4.9%	**–66.8%**
Total	**526,264**	**100.0%**	500,611	100.0%	**+5.1%**

Note:

The service income for Libod for the six months ended 30 June 2012, which amounted to RMB23.0 million, has been reclassified from revenue to cost of sales to conform with the current period's presentation.

Revenue from third-party pharmaceutical promotion and sales increased by RMB37.4 million or 8.9% to RMB457.4 million, accounting for 86.9% of total revenue in the first six months of 2013, as compared with RMB419.9 million or 83.9% of the Group's total revenue for the six months ended 30 June 2012. The increase in revenue from third-party pharmaceutical promotion and sales was primarily due to increased usage of the Group's products by existing hospital customers, an increase in new hospital customers and strong performance of Fortum and Libod.

Revenue from proprietary products production and sales increased by RMB4.6 million or 8.2% to RMB60.7 million, accounting for 11.5% of total revenue in the first six months of 2013, as compared with RMB56.1 million or 11.2% of the Group's total revenue for the six months ended 30 June 2012. The increase in revenue from proprietary products production and sales was primarily due to an increase in sales of Shusi.

Revenue from third-party vaccines and other pharmaceuticals decreased by RMB16.4 million or 66.8% to RMB8.2 million, accounting for 1.6% of total revenue in the first six months of 2013, as compared with RMB24.6 million or 4.9% of the Group's total revenue for the six months ended 30 June 2012. The decrease in revenue from third-party vaccines and other pharmaceuticals was primarily due to the Group's decision to exit from the vaccine and pharmaceutical supply chain businesses as well as to downsize its vaccine sales and promotion team.

Cost of Sales

Cost of sales increased by RMB58.0 million or 20.9% to RMB335.6 million for the six months ended 30 June 2013, as compared to RMB277.6 million for the six months ended 30 June 2012. The increase in cost of sales was primarily due to an increase in cost of sales in the third-party pharmaceutical promotion and sales business.

Gross Profit and Gross Profit Margin

Gross profit decreased by RMB32.3 million or 14.5% to RMB190.6 million for the six months ended 30 June 2013, as compared to RMB223.0 million for the corresponding period in 2012.

Gross profit margin decreased by 8.3 percentage points to 36.2% for the six months ended 30 June 2013 as compared to 44.5% for the corresponding period in 2012. The decrease was mainly due to lower average selling price and higher logistics expenses.

Segment Operating (Loss) Profit

Total segment operating loss was RMB352.8 million for the six months ended 30 June 2013 as compared to the total segment operating loss of RMB4.3 million for the six months ended 30 June 2012.

The following table sets forth a breakdown of the Group's operating (loss) profit by reportable segment for the six months ended 30 June 2013:

Breakdown of Reportable Segment Operating (Loss) Profit

	For the six months ended 30 June		
	2013	2012	**% Change**
	RMB'000	RMB'000	
Third-party pharmaceutical promotion and sales	**(19,763)**	59,112	**–133.4%**
Proprietary products production and sales	**12,930**	4,885	**+164.7%**
Third-party vaccines and other pharmaceuticals	**(345,973)**	(68,300)	**+406.5%**
Total	**(352,806)**	(4,303)	**+8,099.1%**

The respective operating loss of the third-party pharmaceutical promotion and sales segment and of the third-party vaccines and other pharmaceuticals segment for the six months ended 30 June 2013 was stated after business restructuring costs of RMB13.7 million and RMB315.0 million. A breakdown of such costs is set forth in the table below:

	Third-party pharmaceutical promotion and sales RMB'000	Third-party vaccines and other pharmaceuticals RMB'000	Total RMB'000
Business restructuring costs:			
Write-down of inventories	(13,728)	(42,773)	(56,501)
Impairment of trade receivables	–	(245,700)	(245,700)
Impairment of deposits and prepayments	–	(26,500)	(26,500)
Total	(13,728)	(314,973)	(328,701)

Finance Costs

The Group's finance costs consist of interest on bank borrowings and bank charges. Finance costs increased by RMB9.5 million or 34.2% to RMB37.1 million for the six months ended 30 June 2013, as compared to RMB27.7 million for the same period in 2012. The increase was mainly due to an increase in long-term debt, which carries a higher interest rate, during the period.

Taxation

Income tax credit was RMB29.4 million for the six months ended 30 June 2013 as compared to an income tax credit of RMB21.6 million for the same period in 2012. The income tax credit was mainly due to the temporary differences arising from provisions made and deferred taxation assets recognized.

Loss Attributable to Owners of the Company

Loss attributable to owners of the Company was RMB432.1 million for the six months ended 30 June 2013 as compared to a loss of RMB61.5 million for the six months ended 30 June 2012. The loss was primarily attributable to the business restructuring costs described above.

Basic Loss Per Share

Basic loss per share was RMB39.94 cents for the six months ended 30 June 2013, as compared to basic loss per share of RMB5.69 cents for the corresponding period in 2012.

Capital Expenditure

Total capital expenditure decreased by RMB22.7 million or 66.8% to RMB11.2 million for the six months ended 30 June 2013, as compared to RMB33.9 million for the same period in 2012. The capital expenditure was used mainly for the purchase of production machinery by Suzhou First and intangible assets.

Use of Proceeds from Listing

The shares of the Company were listed on the HKSE on 20 April 2011. The net proceeds received by the Company from the listing amounted to approximately RMB933.8 million. In the prospectus of the Company dated 8 April 2011 (the "Prospectus"), it was stated that approximately 25% of the net proceeds would be used for upgrading and expanding its infrastructure, including further investments in the advanced cold chain technology and equipment. However, as the Group decided to exit from the vaccine supply chain business, there will be no further investment in cold chain technology and equipment. As a result, the Group intends to apply the unutilized amount to other areas of development including expanding product portfolio, purchasing imported pharmaceutical products and general working capital.

As at 30 June 2013, the balance of unutilized proceeds amounted to approximately RMB181.4 million and the use of proceeds can be summarized as follows:

	At 30 June 2013
	RMB'000
Expanding distribution network and promotion teams	98,120
Infrastructure, information technology and logistics	22,270
Product portfolio expansion	214,532
Purchasing imported vaccines or pharmaceutical products and general working capital	372,454
Loan settlement	45,000
Total	752,376

6. LIQUIDITY AND FINANCIAL RESOURCES

General Policies

The primary objective of the Group's capital management is to maintain the ability to continue as a going concern so that the Group can continue to provide returns for its shareholders and benefits for other stakeholders by pricing products appropriately and by securing access to financing at a reasonable cost. The Group actively and regularly reviews and manages its capital structure and makes adjustments by taking into consideration changes in economic conditions, its future capital requirements, prevailing and projected profitability and operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Group also closely monitors its debt-to-assets ratio, which is defined as total borrowings divided by total assets.

Foreign Currency Exposure

The Group is exposed to currency risks primarily through purchases made by the Group's PRC subsidiaries in Pounds Sterling. In addition, certain bank loans are denominated in Hong Kong dollars. During the six months ended 30 June 2013, the Group recorded a net exchange gain of RMB5.8 million, as compared to a net exchange loss of RMB6.4 million for the corresponding period in 2012. Presently, the Group does not employ any financial instruments for hedging against foreign currency exposures.

Interest Rate Exposure

The Group's interest rate risk arises primarily from bank loans, unsecured debenture and bank balances. Borrowings at variable rates expose the Group to cash flow interest rate risk. Presently, the Group does not employ any financial instruments to hedge against interest rate exposures.

Group Debt and Liquidity

	As at 30 June 2013 **RMB'000**	As at 31 December 2012 RMB'000
Total debt	**(762,957)**	(546,170)
Cash and cash equivalents	**548,253**	648,478
Net (debt) cash	**(214,704)**	102,308

In February 2013, the Group's PRC subsidiary, NT Pharma (Jiangsu) Co., Ltd. (泰凌醫藥（江蘇）有限公司), issued a RMB300 million local SME Private Debt, which is regulated and approved by the Shanghai Stock Exchange. The coupon interest rate of the debt is 9.5% per annum in the first two years from the date of the bond issuance. The debt has an maturity period of three years with the debt holder having an option to redeem the debt at face value after two years. The debt is guaranteed by a company controlled by municipal-level government in the PRC.

Debt-to-Assets Ratio

The Group closely monitors its debt-to-assets ratio to optimize its capital structure so as to ensure solvency and its ability to continue as a going concern.

	As at 30 June 2013	As at 31 December 2012
	RMB'000	RMB'000
Total debt	**762,957**	546,170
Total assets	**1,759,505**	2,224,992
Debt-to-assets ratio	**43.4%**	24.5%

Charges on the Group's Assets

As at 30 June 2013, bank deposits of the Group of RMB359.9 million (31 December 2012: RMB402.4 million) were pledged to banks to secure certain bank loans and bills payable amounting to a total of RMB643.5 million (31 December 2012: RMB831.7 million). As at 30 June 2013, certain banking facilities of the Group were also secured by the Group's fixed assets, inventories and trade and other receivables which amounted to RMB26.3 million (31 December 2012: RMB114.8 million).

Capital Commitments

(a) Capital commitments outstanding as at 30 June 2013 not provided for were as follows:

	As at 30 June 2013	As at 31 December 2012
	RMB'000	RMB'000
Contracted for	**1,430**	9,113

(b) As at 30 June 2013, the Group had total future minimum lease payments under non-cancellable operating leases payable as follows:

	As at 30 June 2013	As at 31 December 2012
	RMB'000	RMB'000
Within 1 year	**8,880**	11,033
After 1 year but within 5 years	**7,177**	8,781
	16,057	19,814

The Group is the lessee in respect of a number of properties held under operating leases. The leases typically run for an initial period of between one to three years. None of the leases include contingent rentals.

Contingent liabilities

As at 30 June 2013, the Group had no material contingent liabilities.

1. PRE-IPO SHARE OPTION SCHEME

The Company adopted a share option scheme ("Pre-IPO Share Option Scheme") on 7 April 2011. Under the Pre-IPO Share Option Scheme, the Company granted 50,027,881 options before the listing of the Company. Each option gives the holder the right to subscribe for one ordinary share in the Company. As at 30 June 2013, no further options have been granted under the Pre-IPO Share Option Scheme. A summary of the principal terms and conditions of the Pre-IPO Share Option Scheme is set out in the section headed "Pre-IPO Share Option Scheme" in Appendix VIII of the Prospectus. A total number of 4,663,050 options were lapsed during the six months ended 30 June 2013.

As at 30 June 2013, options to subscribe for an aggregate 15,918,085 shares of the Company were outstanding and these options relate to the options granted to the following grantees.

Employees of the Company working under continuous contracts other than the Directors

				Number of share options				
	Date of grant	Option period	Exercise price	Balance as at 1/1/2013	Exercised during the period	Lapsed/ cancelled during the period	Balance as at 30/6/2013	Approximate percentage to the issued share capital
Employees	18/9/2009	18/9/2009 –18/9/2019	US$0.20	12,395,075	–	3,598,997	8,796,078 *(Note 1)*	0.81%
	28/1/2010	28/1/2010 –28/1/2020	US$0.20	6,262,720	–	1,064,053	5,198,667 *(Note 2)*	0.48%
	1/3/2010	1/3/2010 –1/3/2020	US$0.20	100,000	–	–	100,000 *(Note 3)*	0.01%
	1/7/2010	1/7/2010 –1/7/2020	US$0.20	423,340	–	–	423,340 *(Note 4)*	0.04%
	1/9/2010	1/9/2010 –1/9/2020	US$0.20	800,000	–	–	800,000 *(Note 5)*	0.07%
	1/11/2010	1/11/2010 –1/11/2020	US$0.20	–	–	–	– *(Note 6)*	0.00%
	17/12/2010	17/12/2010 –17/12/2020	HK$3.178 *(Note 8)*	600,000	–	–	600,000 *(Note 7)*	0.06%

Note:

1) The options are vested in three tranches in the proportion of 1/3, 1/3 and 1/3 on 18/9/2010, 18/9/2011 and 18/9/2012, respectively.
2) The options are vested in three tranches in the proportion of 1/3, 1/3 and 1/3 on 28/1/2011, 28/1/2012 and 28/1/2013, respectively.
3) The options are vested in three tranches in the proportion of 1/3, 1/3 and 1/3 on 1/3/2011, 1/3/2012 and 1/3/2013, respectively.
4) The options are vested in three tranches in the proportion of 1/3, 1/3 and 1/3 on 1/7/2011, 1/7/2012 and 1/7/2013, respectively.
5) The options are vested in three tranches in the proportion of 1/3, 1/3 and 1/3 on 1/9/2011, 1/9/2012 and 1/9/2013, respectively.
6) The options are vested in three tranches in the proportion of 1/3, 1/3 and 1/3 on 1/11/2011, 1/11/2012 and 1/11/2013, respectively.
7) The options are vested in three tranches in the proportion of 1/3, 1/3 and 1/3 on 17/12/2011, 17/12/2012 and 17/12/2013, respectively.
8) The exercise price of the options is 70% of the Company's offer price at the initial public offering.

2. SHARE AWARD SCHEME

The Company adopted the share award scheme (the "Share Award Scheme") on 11 January 2012. The purposes of the Share Award Scheme are to recognize the contribution made by certain employees of the Group and to provide eligible employees with incentives in order to retain them for the continual operation and development of the Group and attract suitable personnel for the growth and further development of the Group.

As at 30 June 2013, the trustee of the Share Award Scheme held a total of nil shares and nil shares were granted under the Share Award Scheme.

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

As at 30 June 2013, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "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 HKSE under the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), were as follows:

1) Long positions in the ordinary shares of the Company

	Number of shares of the Company				
Name of Director	**Personal interests**	**Family interests**	**Corporate interests**	**Other interests**	**Approximate percentage of interest in the Company**
Ng Tit	500,000 *(Note 1)*	–	505,062,500 *(Note 2)*	–	46.68%
Chin Yu	500,000 *(Note 1)*	–	505,062,500 *(Note 2)*	–	46.68%

Notes:

1) Jointly owned by Mr. Ng Tit and his spouse, Ms. Chin Yu.

2) An aggregate of 505,062,500 shares is beneficially owned by Golden Base Investment Limited ("Golden Base"). Mr. Ng Tit and Ms. Chin Yu are the controlling shareholders of Golden Base.

2) Long positions in the underlying shares of the Company

Save as disclosed above, as at 30 June 2013, none of the Directors nor the chief executive of the Company or their associates (including their spouses and children under 18 years of age) had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations, recorded in the register required to be kept under Section 352 of the SFO or required to be notified to the Company and the HKSE under the Model Code contained in Appendix 10 to the Listing Rules.

4. SUBSTANTIAL SHAREHOLDERS

Substantial shareholders interests and short positions in shares and underlying shares of the Company

As at 30 June 2013, the interests and short positions of the substantial shareholders of the Company (other than the Directors and chief executive of the Company) in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of Part XV of the SFO were as follows:

Name	Nature of interest	Number of shares (long positions)	Approximate percentage of interest in the Company
Golden Base	Beneficial owner	505,062,500	46.68%
Bonderman David *(Note 1)*	Deemed interest, interest of controlled company	219,822,000	20.32%
Coulter James G. *(Note 1)*	Deemed interest, interest of controlled company	219,822,000	20.32%
TPG Group Holdings (SBS) Advisors, Inc. *(Note 1)*	Deemed interest, interest of controlled company	219,822,000	20.32%
TPG Group Holdings (SBS), L.P. *(Note 1)*	Deemed interest, interest of controlled company	219,822,000	20.32%
TPG Holdings I, L.P. *(Note 1)*	Deemed interest, interest of controlled company	219,822,000	20.32%
TPG Holdings I-A, LLC *(Note 1)*	Deemed interest, interest of controlled company	219,822,000	20.32%
TPG Star GenPar Advisors, LLC. *(Note 1)*	Deemed interest, interest of controlled company	146,549,000	13.54%
TPG Star GenPar. L.P. *(Note 1)*	Deemed interest, interest of controlled company	146,549,000	13.54%

Name	Nature of interest	Number of shares (long positions)	Approximate percentage of interest in the Company
TPG Star Jaguar Ltd. *(Note 1)*	Beneficial owner	146,549,000	13.54%
TPG Star. L.P. *(Note 1)*	Deemed interest, interest of controlled company	146,549,000	13.54%
TPG Biotech III Jaguar Ltd. *(Note 1)*	Beneficial owner	73,273,000	6.77%
TPG Biotechnology GenPar III Advisors, LLC *(Note 1)*	Deemed interest, interest of controlled company	73,273,000	6.77%
TPG Biotechnology GenPar III, L.P. *(Note 1)*	Deemed interest, interest of controlled company	73,273,000	6.77%
TPG Biotechnology Partners III, L.P. *(Note 1)*	Deemed interest, interest of controlled company	73,273,000	6.77%

Note:

1) Such shares refer to the same batch of shares.

Save as disclosed above, as at 30 June 2013, the Company has not been notified by any other parties (other than the Directors and chief executive of the Company) who had any interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of Part XV of the SFO.

5. CHANGES IN THE BOARD AND THE DIRECTOR'S INFORMATION

There were no changes in the Board and the information of the Directors since the date of the Company's 2012 annual report.

6. PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company during the six months ended 30 June 2013.

7. COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company is committed to ensuring high standards of corporate governance and has adopted the code provisions set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Listing Rules and certain recommended best practices. The Company has complied with all the applicable code provisions in the CG Code throughout the six months ended 30 June 2013 except for the deviation from code provision A.2.1 of the CG Code, which stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Ng Tit assumes both the roles of chairman and chief executive officer of the Company. Nevertheless, the division of responsibilities between the two roles is clearly defined. On the whole, the role of chairman is that of monitoring the duties and performance of the Board, whereas the role of chief executive officer is that of managing the Company's business. The Board believes that at the current stage of development of the Company, vesting the roles of both chairman and chief executive officer in the same person provides the Company with a strong and consistent leadership and allows for effective and efficient planning and implementation of business decisions and strategies.

The Board currently comprises one executive Director, four non-executive Directors and three independent non-executive Directors, with the independent non-executive Directors representing approximately 37.5% of the Board, which is higher than one third of the Board. Such percentage of independent non-executive Directors on the Board can ensure their views carry significant weight and reflect the independence of the Board.

8. COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code contained in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. On specific enquiries made, all Directors have confirmed that they have complied with the standard as stipulated in the Model Code throughout the six months ended 30 June 2013.

9. REVIEW OF INTERIM REPORT BY AUDIT COMMITTEE

The audit committee of the Company comprises Mr. Patrick Sun (Chairman), Mr. Yue Nien Martin Tang and Dr. Lap-Chee Tsui, who are all independent non-executive Directors of the Company. The audit committee has reviewed the unaudited interim report of the Group for the six months ended 30 June 2013 and has recommended its adoption by the Board.

By order of the Board
Ng Tit
Chairman

Hong Kong, 22 August 2013

Condensed Consolidated Income Statement

For the six months ended 30 June 2013
(Expressed in Renminbi)

	Note	Six months ended 30 June **2013** RMB'000 (Unaudited)	2012 RMB'000 (Unaudited) (Note 3a)
Revenue	3	**526,264**	500,611
Cost of sales		**(335,621)**	(277,623)
Gross profit		**190,643**	222,988
Other revenue	4	**10,054**	1,173
Other net loss	5	**(10,645)**	(6,570)
Selling and distribution expenses		**(240,516)**	(210,657)
Administrative expenses		**(45,231)**	(62,404)
Business restructuring costs	3(c)	**(328,701)**	–
Loss from operations		**(424,396)**	(55,470)
Finance costs		**(37,125)**	(27,664)
Loss before taxation	6	**(461,521)**	(83,134)
Income tax	7	**29,435**	21,609
Loss for the period		**(432,086)**	(61,525)
Attributable to:			
Owners of the Company		**(432,086)**	(61,525)
Non-controlling interests		**–**	–
Loss for the period		**(432,086)**	(61,525)
Loss per share	8		
Basic		**(39.94) cents**	(5.69) cents
Diluted		**(39.94) cents**	(5.69) cents

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2013
(Expressed in Renminbi)

	Six months ended 30 June	
	2013	2012
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
		(Note 3a)
Loss for the period	**(432,086)**	(61,525)
Other comprehensive income for the period		
Exchange differences on translation of financial statements of entities outside the People's Republic of China, net of nil tax	**(469)**	10,084
Total comprehensive income for the period	**(432,555)**	(51,441)
Attributable to:		
Owners of the Company	**(432,555)**	(51,441)
Non-controlling interests	**–**	–
Total comprehensive income for the period	**(432,555)**	(51,441)

Condensed Consolidated Statement of Financial Position

At 30 June 2013
(Expressed in Renminbi)

	Note	30 June 2013 RMB'000 (Unaudited)	31 December 2012 RMB'000 (Audited)
Non-current assets			
Fixed assets			
– Property, plant and equipment	9	**193,199**	233,749
– Interests in leasehold land held for own use under operating leases		**14,177**	30,950
		207,376	264,699
Prepayments		**–**	21,560
Intangible assets		**49,543**	23,014
Designated loans	12	**139,709**	–
Deferred tax assets	17	**120,274**	88,398
		516,902	397,671
Current assets			
Inventories	10	**148,438**	242,920
Trade and other receivables	11	**545,912**	935,923
Pledged bank deposits	13	**359,894**	402,448
Cash at bank and in hand		**188,359**	246,030
		1,242,603	1,827,321
Current liabilities			
Trade and other payables	14	**528,943**	781,299
Bank loans	15	**449,698**	526,170
Current taxation		**13,867**	11,476
		992,508	1,318,945
Net current assets		**250,095**	508,376

Condensed Consolidated Statement of Financial Position (Continued)

At 30 June 2013

(Expressed in Renminbi)

	Note	**30 June 2013 RMB'000 (Unaudited)**	31 December 2012 RMB'000 (Audited)
Total assets less current liabilities		**766,997**	906,047
Non-current liabilities			
Unsecured debenture	16	**313,259**	20,000
Deferred tax liabilities	17	**1,053**	1,053
NET ASSETS		**452,685**	884,994
CAPITAL AND RESERVES	18		
Share capital		**1**	1
Reserves		**452,684**	884,993
Total equity attributable to equity shareholders of the Company		**452,685**	884,994
Non-controlling interests		**–**	–
TOTAL EQUITY		**452,685**	884,994

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2013

(Expressed in Renminbi)

	Attributable to owners of the Company										
	Share capital RMB'000	Share premium RMB'000	Exchange reserve RMB'000	Statutory reserve RMB'000	Merger reserve RMB'000	Other reserve RMB'000	Capital reserve RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2012 (Audited)	1	933,786	39,744	88,003	8,256	383,379	38,950	548,058	2,040,177	15,130	2,055,307
Changes in equity for 2012:											
Loss for the year	–	–	–	–	–	–	–	(1,109,316)	(1,109,316)	–	(1,109,316)
Other comprehensive income	–	–	2,508	–	–	–	–	–	2,508	–	2,508
Total comprehensive income	–	–	2,508	–	–	–	–	(1,109,316)	(1,106,808)	–	(1,106,808)
Acquisition of non-controlling interests	–	–	–	–	–	(44,870)	–	–	(44,870)	(15,130)	(60,000)
Equity-settled share-based transactions	–	–	–	–	–	–	(3,553)	–	(3,553)	–	(3,553)
Share option exercised	–	86	–	–	–	–	(38)	–	48	–	48
Forfeiture of vested share options	–	–	–	–	–	–	(12,292)	12,292	–	–	–
Appropriation to statutory reserve	–	–	–	203	–	–	–	(203)	–	–	–
Balance at 31 December 2012	1	933,872	42,252	88,206	8,256	338,509	23,067	(549,169)	884,994	–	884,994
Balance at 1 January 2013 (Audited)	**1**	**933,872**	**42,252**	**88,206**	**8,256**	**338,509**	**23,067**	**(549,169)**	**884,994**	**–**	**884,994**
Changes in equity for 2013:											
Loss for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(432,086)**	**(432,086)**	**–**	**(432,086)**
Other comprehensive income	**–**	**–**	**(469)**	**–**	**–**	**–**	**–**	**–**	**(469)**	**–**	**(469)**
Total comprehensive income	**–**	**–**	**(469)**	**–**	**–**	**–**	**–**	**(432,086)**	**(432,555)**	**–**	**(432,555)**
Acquisition of non-controlling interests	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Equity-settled share-based transactions	**–**	**–**	**–**	**–**	**–**	**–**	**246**	**–**	**246**	**–**	**246**
Share option exercised	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Forfeiture of vested share options	**–**	**–**	**–**	**–**	**–**	**–**	**(1,271)**	**1,271**	**–**	**–**	**–**
Appropriation to statutory reserve	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Balance at 30 June 2013 (Unaudited)	**1**	**933,872**	**41,783**	**88,206**	**8,256**	**338,509**	**22,042**	**(979,984)**	**452,685**	**–**	**452,685**

Condensed Consolidated Statement of Cash Flow

For the six months ended 30 June 2013
(Expressed in Renminbi)

	Six months ended 30 June	
	2013	2012
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Net cash generated from (used in) operating activities	**(138,398)**	17,815
Investing activities		
Payment for purchases of property, plant and equipment	**(2,270)**	(33,361)
Payment for the purchase of intangible assets	**(8,975)**	(539)
Increase in designated loans	**(139,709)**	–
Decrease in pledged bank deposits	**42,554**	13,777
Interest received	**9,517**	2,473
Net cash used in investing activities	**(98,883)**	(17,650)
Financing activities		
Proceeds from new bank loans	**303,526**	728,579
Proceeds from issuance of unsecured debenture	**293,259**	–
Repayment of bank loans	**(379,998)**	(517,893)
Interest paid	**(37,125)**	(27,664)
Net cash generated from financing activities	**179,662**	183,022
Net (decrease)/increase in cash and cash equivalents	**(57,619)**	183,187
Cash and cash equivalents at 1 January	**246,030**	373,755
Effect of foreign exchange rate changes	**(52)**	(79)
Cash and cash equivalents at 30 June	**188,359**	556,863

1 PRINCIPAL ACTIVITIES OF REPORTING ENTITY

The Group is principally engaged in manufacturing, sales and distribution of pharmaceutical and vaccine products and the provision of marketing and promotion services to suppliers in the PRC.

With a view to enhancing the Group's competitiveness and improving its cash flow, the Group began to restructure its business model in 2012. In the second quarter of 2012, the Group decided to gradually exit from the low-margin vaccine business and downsized its vaccine sales and promotion team. In the last quarter of 2012, the Group further decided to terminate the OTC business and dermatological product line in light of a continuing decrease in gross margins of these products and challenging operating environment. Going forward, the Group will focus on promoting and distributing third-party and self-produced proprietary pharmaceutical products with higher margins and investment returns. The financial impact of the business restructuring exercise is summarised in note 3(c).

The unaudited condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with Hong Kong Accounting Standard 34 *Interim Financial Reporting*.

2 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the condensed consolidated financial statements for the six months ended 30 June 2013 are consistent with those followed in the preparation of the Company's consolidated financial statements for the year ended 31 December 2012.

Up to the date of issue of these financial statements, the Hong Kong Institute of Certified Public Accountants ("HKICPA") has issued a number of amendments, new standards and interpretations which are not yet effective for the six months ended 30 June 2013, and which have not been adopted in these financial statements.

The Directors anticipate that the application of these new or revised standards and amendments will have no material impact on the results and the financial position of the Group.

3 SEGMENT REPORTING

The Group manages its businesses by business lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following three reportable segments effective from 1 January 2012:

– Third-party pharmaceutical promotion and sales: pharmaceutical promotion and sales derives turnover from selling and marketing third-party manufactured pharmaceutical products to customers and providing marketing and promotion services.

– Proprietary products production and sales: NT branded products production and sales derives turnover from production and sales of NT branded products and generic drugs through the Company's subsidiary, Suzhou First Pharmaceutical Co., Ltd.

– Third-party vaccines and other pharmaceuticals: this segment includes sales from vaccine promotion, vaccine supply chain and pharmaceutical supply chain. For the supply chain business, turnover is derived from supply chain services for pharmaceutical/vaccine products sold through the Group's supply chain network. Promotion activities of such products are carried out by suppliers but not the Group.

(a) Segment results

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

– Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and expenses incurred specifically by those segments.

– The measure used for reporting segment operating profit/loss is "operating profit/loss" which is the profit/loss from operations adjusted for items not specifically attributed to individual segments, such as other revenue, other net income/loss, head office or corporate administration expenses.

3 SEGMENT REPORTING (CONTINUED)

(a) Segment results (continued)

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the six months ended 30 June 2013 and 2012 is set out below.

	Third-party pharmaceutical promotion and sales		Proprietary products production and sales		Third-party vaccines and other pharmaceutical		Total	
	Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June	
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012
	RMB'000	RMB'000	**RMB'000**	RMB'000	**RMB'000**	RMB'000	**RMB'000**	RMB'000
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)
Reportable segment revenue (Note)	**457,377**	419,932	**60,727**	56,112	**8,160**	24,567	**526,264**	500,611
Cost of sales	**(295,391)**	(204,928)	**(33,377)**	(35,499)	**(6,853)**	(37,196)	**(335,621)**	(277,623)
Reportable segment gross profit/(loss)	**161,986**	215,004	**27,350**	20,613	**1,307**	(12,629)	**190,643**	222,988
Reportable segment operating (loss)/profit	**(19,763)**	59,112	**12,930**	4,885	**(345,973)**	(68,300)	**(352,806)**	(4,303)

Note: The service income for Libod for the six months ended 30 June 2012, which amounted to RMB23,040,000, has been reclassified from revenue to cost of sales to conform with the current period's presentation.

(b) Reconciliations of reportable segment revenue and profit or loss

	Six months ended 30 June	
	2013	2012
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue		
Reportable segment revenue and consolidated revenue	**526,264**	500,611
Loss		
Reportable segment operating loss	**(352,806)**	(4,303)
Unallocated head office and corporate expenses	**(70,999)**	(45,770)
Other revenue	**10,054**	1,173
Other net loss	**(10,645)**	(6,570)
Finance costs	**(37,125)**	(27,664)
Consolidated loss before taxation	**(461,521)**	(83,134)

3 SEGMENT REPORTING (CONTINUED)

(c) Business restructuring costs for 2013

As described in note 1, the Group underwent a major business restructuring exercise during the year ended 31 December 2012. The restructuring exercise continued to impact the financial results of the Group for the six months ended 30 June 2013, a summary of which is as follows:

	Third-party pharmaceutical promotion and sales RMB'000 (Unaudited)	Third-party vaccines and other pharmaceuticals RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Reportable segment revenue	457,377	8,160	465,537
Cost of sales	(295,391)	(6,853)	(302,244)
Reportable segment gross profit	161,986	1,307	163,293
Other operating expenses	(168,021)	(32,307)	(200,328)
Business restructuring costs			
– write-down of inventories	(13,728)	(42,773)	(56,501)
– impairment of trade receivables	–	(245,700)	(245,700)
– impairment of deposits and prepayments	–	(26,500)	(26,500)
Subtotal	(13,728)	(314,973)	(328,701)
Total operating loss	(19,763)	(345,973)	(365,736)

4 OTHER REVENUE

	Six months ended 30 June	
	2013	2012
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Bank interest income	**9,517**	2,473
Subsidy income	**–**	1,677
Sundry income (loss)	**537**	(2,977)
	10,054	1,173

5 OTHER NET LOSS

	Six months ended 30 June	
	2013	2012
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Net loss on disposal of property, plant and equipment	**(16,437)**	(184)
Net exchange gain (loss)	**5,792**	(6,386)
	(10,645)	(6,570)

6 LOSS BEFORE TAXATION

	Six months ended 30 June	
	2013	2012
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Depreciation	**7,414**	7,917
Amortisation of interests in leasehold land held for own use under operating leases	**382**	382
Amortisation of intangible assets	**4,000**	4,682
Operating lease charges: minimum lease payments – property rental	**5,211**	5,411
Write-down of inventories in normal course of business	**2,177**	8,246
Write-down of inventories due to business restructuring (note 3c)	**56,501**	–
Impairment of trade receivables due to business restructuring (note 3c)	**245,700**	–
Impairment of deposit and prepayments due to business restructuring (note 3c)	**26,500**	–

7 INCOME TAX

	Six months ended 30 June	
	2013	2012
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current tax – Hong Kong Profits Tax		
Provision for the period	**–**	648
Current tax – PRC Income Tax		
Provision for the period	**2,441**	15,800
Under-provision in respect of prior years	**–**	923
	2,441	16,723
Deferred tax		
Origination and reversal of temporary differences	**(31,876)**	(38,980)
Income tax benefit	**(29,435)**	(21,609)

The provision for Hong Kong Profits Tax for the six months ended 30 June 2013 is calculated at 16.5% (2012: 16.5%) of the estimated assessable profits for that period. The payments of dividends by Hong Kong companies are not subject to withholding tax.

Taxation for the PRC operations is charged at the appropriate current rates of taxation ruling in the PRC. During the six months ended 30 June 2013, all PRC subsidiaries applied the national Enterprise Income Tax rate of 25% (2012: 25%).

8 LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to the equity shareholders of the Company for the six months ended 30 June 2013 of RMB432,086,000 (2012: Loss RMB61,525,000) and the weighted average number of 1,081,957,000 (2012: 1,081,943,000) ordinary shares of the Company in issue during the period.

8 LOSS PER SHARE (CONTINUED)

(b) Diluted loss per share

The calculation of diluted loss per share is based on the loss attributable to the equity shareholders of the Company for the six months ended 30 June 2013 of RMB432,086,000 (2012: Loss RMB61,525,000) and the diluted weighted average number of ordinary shares in the respective period, calculated as follows:

Weighted average number of ordinary shares (diluted)

	Six months ended 30 June	
	2013	2012
	Number of shares	Number of shares
	'000	'000
	(Unaudited)	(Unaudited)
Weighted average number of ordinary shares (basic) at 30 June	**1,081,957**	1,081,943
Effect of deemed issue of shares under the share option scheme for nil consideration	**–**	–
Weighted average number of ordinary shares (diluted) at 30 June	**1,081,957**	1,081,943

9 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2013, the Group disposed of buildings under construction and land use rights with total net book value of RMB49,962,000 (2012 : nil) and incurred RMB2,270,000 (2012: RMB2,003,000) on acquiring machineries and equipment.

As at 30 June 2013, certain banking facilities of the Group were secured by an office property of the Group held for its own use with a net book value amounting to RMB26,284,000 (2012: RMB26,756,400). Such property is located in Hong Kong under a medium-term land lease.

10 INVENTORIES

	At 30 June 2013	At 31 December 2012
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Raw materials	**11,809**	10,064
Work in progress	**1,539**	1,906
Finished goods	**135,035**	230,900
Low value consumables	**55**	50
	148,438	242,920

As at 30 June 2013, none (31 December 2012: RMB13,450,000) of the Group's inventories were secured for banking facilities.

11 TRADE AND OTHER RECEIVABLES

	At 30 June 2013 RMB'000 (Unaudited)	At 31 December 2012 RMB'000 (Audited)
Trade debtors and bills receivable	**903,874**	1,092,312
Less: Allowance for doubtful debts	**(595,955)**	(377,706)
	307,919	714,606
Deposits, prepayments and other receivables	**237,993**	221,317
	545,912	935,923

As at 30 June 2013, none (31 December 2012: RMB74,569,000) of the Group's trade and other receivables were secured for banking facility.

Trade debtors are due within 30 to 240 days from the date of billing. Included in trade and other receivables are trade debtors and bills receivable (net of allowance for doubtful debts) with the following ageing analysis, based on the date of invoice, as of the date of the statement of financial position:

	At 30 June 2013			At 31 December 2012		
	Non-vaccine RMB'000 (Unaudited)	Vaccine RMB'000 (Unaudited)	Total RMB'000 (Unaudited)	Non-vaccine RMB'000 (Audited)	Vaccine RMB'000 (Audited)	Total RMB'000 (Audited)
Within 3 months	**143,933**	**–**	**143,933**	267,254	11,282	278,536
More than 3 months but within 6 months	**6,051**	**–**	**6,051**	41,051	17,584	58,635
More than 6 months but within 1 year	**79,274**	**–**	**79,274**	53,554	42,714	96,268
More than 1 year but within 2 years	**45,743**	**32,094**	**77,837**	22,724	254,901	277,625
More than 2 years	**824**	**–**	**824**	3,542	–	3,542
	275,825	**32,094**	**307,919**	388,125	326,481	714,606

12 DESIGNATED LOANS

As at 30 June 2013, designated loans of RMB139,709,000 (31 December 2012: nil) represented the aggregate amount of loans made to Taizhou East China Medical City Holding Group., Ltd. by the Group through the Bank of Shanghai Co., Limited. The loans have a maturity date of 31 December 2014 and an interest rate of 10.97% per annum.

13 PLEDGED BANK DEPOSITS

Bank deposits of the Group of RMB359,894,000 (31 December 2012: RMB402,448,000) have been pledged to the banks to secure certain bank loans and bills payable amounting to a total of RMB 643,485,196 (31 December 2012: RMB831,699,514) as at 30 June 2013.

14 TRADE AND OTHER PAYABLES

All of the trade and other payables are expected to be settled within one year or are repayable on demand.

	At 30 June 2013 RMB'000 (Unaudited)	At 31 December 2012 RMB'000 (Audited)
Trade creditors	**74,866**	124,707
Bills payable	**291,979**	484,829
Other payables and accrued charges	**152,468**	129,362
Construction payables	**2,772**	8,627
Receipts in advance	**6,858**	33,774
	528,943	781,299

Included in trade and other payables are trade creditors and bills payable with the following ageing analysis, based on the date of invoice, as of the date of the statement of financial position:

	At 30 June 2013 RMB'000 (Unaudited)	At 31 December 2012 RMB'000 (Audited)
Within 3 months	**10,468**	538,031
More than 3 months but within 6 months	**292,643**	2,565
More than 6 months but within 1 year	**220**	4,340
More than 1 year	**63,514**	64,600
	366,845	609,536

15 BANK LOANS

	At 30 June 2013 RMB'000 (Unaudited)	At 31 December 2012 RMB'000 (Audited)
Bank loans repayable within 1 year or on demand		
– Secured	**351,506**	346,870
– Unsecured	**98,192**	179,300
	449,698	526,170

As at 30 June 2013, the banking facilities were secured by certain assets of the Group as follows:

	At 30 June 2013 RMB'000 (Unaudited)	At 31 December 2012 RMB'000 (Audited)
Fixed assets	**26,284**	26,756
Inventories	**–**	13,450
Trade and other receivables	**–**	74,569
Pledged bank deposits	**180,000**	180,000
	206,284	294,775

16 UNSECURED DEBENTURE

In April 2012, Suzhou First joined a "Small and Medium Enterprises of Suzhou Industrial Park Collective Bonds Issuance" project sponsored by a Chinese commercial bank. Under this project, Suzhou First issued an unsecured debenture of RMB20,000,000 (2012: nil) with a maturity period of three years from 27 April 2012 to 26 April 2015. The debenture carries a fixed annual interest rate of 7.5%. The interest is payable annually on 26 April.

In February 2013, the Group's PRC subsidiary, NT Jiangsu, issued a RMB300,000,000 local SME Private Debt, which is regulated and approved by the Shanghai Stock Exchange. The coupon interest rate of the debt is 9.5% per annum. The debt has an maturity period of three years with the debt holder having an option to redeem the debt at face value after two years. The debt is guaranteed by a company controlled by municipal-level government in the PRC.

17 DEFERRED TAXATION

The components of deferred tax assets/(liabilities) recognised in the consolidated statement of financial position and the movements during the year are as follows:

	Revaluation of assets arising from acquisition of business RMB'000	Provisions and impairment RMB'000	Tax losses RMB'000	Total RMB'000
At 1 January 2012 (Audited)	(2,486)	12,492	10,950	20,956
Credited to profit or loss	1,433	75,906	(10,950)	66,389
At 31 December 2012 (Audited)	(1,053)	88,398	–	87,345
At 1 January 2013 (Audited)	(1,053)	88,398	–	87,345
Credited to profit or loss	–	–	31,876	31,876
At 30 June 2013 (Unaudited)	(1,053)	88,398	31,876	119,221

Reconciliation to the consolidated statement of financial position

	At 30 June 2013 RMB'000 (Unaudited)	At 31 December 2012 RMB'000 (Audited)
Net deferred tax assets recognised in the consolidated statement of financial position	**120,274**	88,398
Net deferred tax liabilities recognised in the consolidated statement of financial position	**(1,053)**	(1,053)
	119,221	87,345

18 CAPITAL, RESERVES AND DIVIDENDS

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the condensed consolidated statement of changes in equity.

(b) Dividend

No dividend was declared or paid by the Company during the six months ended 30 June 2013.

(c) Share capital

A summary of movements in the Company's issued share capital during the period ended 30 June 2013 is as follows:

	No of shares	Amount
	'000	RMB'000
Ordinary shares of US$0.00000008 each:		
Authorised		
At 31 December 2012 (audited) and 30 June 2013 (unaudited)	626,250,000	50
Ordinary shares, issued and fully paid:		
At 31 December 2012 and 1 January 2013 (Audited)	1,081,957	1
Shares issued under pre-IPO share option scheme	–	–
At 30 June 2013 (unaudited)	1,081,957	1

19 EQUITY-SETTLED SHARE-BASED TRANSACTIONS

NT Pharma (Holdings) Company Limited ("NT Holdings") operated a share option scheme which was adopted on 18 September 2009 ("2009 Share Option Scheme"). Under the scheme, certain employees of the Group may be granted share options to acquire shares in NT Holdings. The options vest after one to three years from the date of grant and are exercisable within ten years after the date of grant. Each option gives the holder the right to subscribe for one ordinary share in NT Holdings.

On 7 April 2011, the directors of NT Holdings terminated the 2009 Share Option Scheme and the directors of the Company adopted the Pre-IPO Share Option Scheme under which each option gives the holder the right to subscribe for one ordinary share in the Company. Under the Pre-IPO Share Option Scheme, each grantee of options under the 2009 Share Option Scheme has exchanged his/her options under the 2009 Share Option Scheme for options under the Pre-IPO Share Option Scheme on a 2 for 1 basis. The exercise price payable by the grantees for each option granted under the Pre-IPO Share Option Scheme is double the exercise price payable by the grantees for their respective options granted under the 2009 Share Option Scheme (save for those options which have an exercise price of 70% of the price at which the Company offered its shares for subscription in the public offering on 20 April 2011 (the "Offer Price")). All other terms of the Pre-IPO Share Option Scheme are identical to the 2009 Share Option Scheme. The exchange of the share options was considered a modification to the 2009 Share Option Scheme. As the modification did not result in a material change in the value of the outstanding options at the date of modification, the modification had no impact on the profit or loss of the Group.

(a) The terms and conditions of the grants (after modification) are as follows:

Options granted to Directors	Number of instruments	Vesting conditions	Contractual life of options
On 1 March 2010	800,000	One year from the date of grant	10 years
On 1 March 2010	800,000	Two years from the date of grant	10 years
On 1 March 2010	800,000	Three years from the date of grant	10 years
On 1 July 2010	1,075,775	One year from the date of grant	10 years
On 1 July 2010	1,075,775	Two years from the date of grant	10 years
On 1 July 2010	1,075,775	Three years from the date of grant	10 years
	5,627,325		

19 EQUITY-SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

(a) The terms and conditions of the grants (after modification) are as follows: (continued)

Options granted to Directors	Number of instruments	Vesting conditions	Contractual life of options
On 18 September 2009	9,667,972	One year from the date of grant	10 years
On 18 September 2009	9,667,972	Two years from the date of grant	10 years
On 18 September 2009	9,667,971	Three years from the date of grant	10 years
On 28 January 2010	3,791,322	One year from the date of grant	10 years
On 28 January 2010	3,791,322	Two years from the date of grant	10 years
On 28 January 2010	3,791,322	Three years from the date of grant	10 years
On 1 March 2010	33,334	One year from the date of grant	10 years
On 1 March 2010	33,333	Two years from the date of grant	10 years
On 1 March 2010	33,333	Three years from the date of grant	10 years
On 1 July 2010	507,559	One year from the date of grant	10 years
On 1 July 2010	507,558	Two years from the date of grant	10 years
On 1 July 2010	507,558	Three years from the date of grant	10 years
On 1 September 2010	266,667	One year from the date of grant	10 years
On 1 September 2010	266,667	Two years from the date of grant	10 years
On 1 September 2010	266,666	Three years from the date of grant	10 years
On 1 November 2010	333,334	One year from the date of grant	10 years
On 1 November 2010	333,333	Two years from the date of grant	10 years
On 1 November 2010	333,333	Three years from the date of grant	10 years
On 17 December 2010	200,000	One year from the date of grant	10 years
On 17 December 2010	200,000	Two years from the date of grant	10 years
On 17 December 2010	200,000	Three years from the date of grant	10 years
	44,400,556		
	50,027,881		

19 EQUITY-SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

(b) The number and weighted average exercise prices of share options are as follows:

	At 30 June 2013		At 31 December 2012	
	Weighted average exercise price	**Number of options**	Weighted average exercise price	Number of options
Outstanding at the beginning of the year	**US$0.20**	**20,581,135**	US$0.20	39,555,187
Exercised during this period	**US$0.20**	**–**	US$0.20	(40,000)
Forfeited during this period				
– Unvested	**US$0.20**	**–**	US$0.20	(10,644,495)
– Vested	**US$0.20**	**(4,663,050)**	US$0.20	(8,289,557)
Outstanding at the end of the period	**US$0.20**	**15,918,085**	US$0.20	20,581,135
Exercisable at the end of the period	**US$0.20**	**15,310,305**	US$0.20	17,852,449

The share options outstanding at 30 June 2013 had a weighted average remaining contractual life of 6.5 years (2012: 7 years).

19 EQUITY-SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

(c) Fair value of share options and assumptions

The fair value of services received in return for share options granted is measured by reference to the fair value of share options. The estimate of the fair value of the share options granted is measured based on a Binomial lattice model. The contractual life of the share option is used as an input into this model. Expectations of early exercise are incorporated into the Binomial lattice model.

Fair value of share options and assumptions	Options granted on 18 September 2009	Options granted on 28 January 2010	Options granted on 1 March 2010	Options granted on 1 July 2010	Options granted on 1 September 2010	Options granted on 1 November 2010	Options granted on 17 December 2010
Fair value at measurement date	US$0.14	US$0.16	US$0.14	US$0.22	US$0.22	US$0.16	US$0.18
Share price	US$0.24	US$0.28	US$0.24	US$0.34	US$0.34	US$0.34	US$0.34
Exercise price	US$0.20	US$0.20	US$0.20	US$0.20	US$0.20	US$0.20	HK$3.18 (70% of the Offer Price)
Expected volatility	58.46%	58.23%	58.00%	59.51%	58.94%	53.10%	57.19%
Expected dividend yield	0%	0%	0%	0%	0%	0%	0%
Risk-free interest rate	4.297%	4.378%	4.293%	4.072%	3.415%	3.241%	3.858%

The expected volatility is based on the historical volatility of listed companies in similar industries (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility based on publicly available information. Expected dividends are based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

Share options were granted under a service condition. This condition has not been taken into account in the grant date fair value measurement of the services received. There were no market conditions associated with the share options granted.

20 COMMITMENTS

(a) Capital commitments outstanding at 30 June 2013 not provided for in the consolidated financial statements were as follows:

	The Group	
	At 30 June 2013 RMB'000 (Unaudited)	At 31 December 2012 RMB'000 (Audited)
Contracted for	**1,430**	9,113

(b) At 30 June 2013, the Group had total future minimum lease payments under non-cancellable operating leases payable as follows:

	The Group	
	At 30 June 2013 RMB'000 (Unaudited)	At 31 December 2012 RMB'000 (Audited)
Within 1 year	**8,880**	11,033
After 1 year but within 5 years	**7,177**	8,781
	16,057	19,814

The Group is the lessee in respect of a number of properties held under operating leases. The leases typically run for an initial period of one to three years. None of the leases includes contingent rentals.

21 CONTINGENT LIABILITIES

(a) Factored bank accepted bills

As at 30 June 2013, the Group had a total of RMB125,840,000 (31 December 2012: RMB245,015,000) undue bills receivables which were factored to banks. All the factored bills were issued and guaranteed by well-known financial institutions and the Group has not historically experienced losses caused by default of bills, therefore the bills had been derecognised in entirety from the statement of financial position and the Group does not have any continuing involvement in the transferred assets. The Directors are of the opinion that the risk of recourse associated with the derecognised bills receivable is remote and will not have a material adverse impact on the financial position, operating results or cash flow of the Group.

21 CONTINGENT LIABILITIES (CONTINUED)

(b) Contingent liabilities in respect of legal claims

(1) In January 2013, a subsidiary of the Group received a formal court notice that it is being sued by a former vaccine supplier for breach of contract in respect of transactions occurred in 2011. The former supplier lodged a claim for compensation and penalty of RMB6,206,000.

Based on legal advice, the Directors are of opinion that as the case is at a preliminary stage, it is not possible to estimate with reasonable certainty the outcome of the case.

(2) In 2011, a subsidiary of the Group was sued by a former vaccine distributor over a performance deposit and service fee. The plaintiff lodged a claim for compensation of RMB1,100,000. The Directors have assessed the likelihood of any unfavourable outcome of the legal case and believe that the outcome will not have a material adverse impact on the financial position, operating results or cash flow of the Group.

Apart from the above, the Group has no other outstanding litigations or contingent liabilities up to the date of this report.

22 RELATED PARTY TRANSACTIONS

During the six months ended 30 June 2013, transactions with the following parties were considered to be related party transactions:

Name of related party	**Relationship with the Group**
Mr. Ng Tit and Ms. Chin Yu	Directors of the Company, beneficial holders of the Company's 46.68% equity interest

Remuneration of Directors and key management personnel

	Six months ended 30 June	
	2013	2012
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Short-term employee benefits	**7,136**	5,596
Equity-settled share-based payment expenses	**29**	661
	7,165	6,257