



Dragonite International Limited

叁龍國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

(Stock Code : 329) (股份代號: 329)

/ 2013

Interim Report

中期報告

		Page 頁次
Corporate Information	公司資料	2
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	簡明綜合損益及其他全面收益表	4
Condensed Consolidated Statement of Financial Position	簡明綜合財務狀況表	5
Condensed Consolidated Statement of Changes in Equity	簡明綜合權益變動表	6
Condensed Consolidated Statement of Cash Flows	簡明綜合現金流量表	8
Notes to the Condensed Consolidated Financial Statements	簡明綜合財務報表附註	9
Management Discussion and Analysis	管理層討論及分析	34
Other Disclosure Information	其他資料披露	39

Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Wong Yin Sen (*Chairman*)

Mr. Gary Drew Douglas (*Managing Director*)

Mr. Hon Lik

Ms. Chan Mee Sze

Mr. Lam Suk Ping

Independent Non-executive Directors

Mr. Chung Yuk Lun

Mr. Liu Kwong Sang

Mr. Lam Man Sum, Albert

Mr. Ho Tak Fun

AUDIT COMMITTEE

Mr. Chung Yuk Lun

Mr. Liu Kwong Sang

Mr. Lam Man Sum, Albert

Mr. Ho Tak Fun

COMPANY SECRETARY

Ms. Chan Mee Sze

AUDITOR

Deloitte Touche Tohmatsu

REGISTERED OFFICE

Cricket Square, Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

董事會

執行董事

王彥宸先生(主席)

Gary Drew Douglas 先生(董事總經理)

韓力先生

陳美思女士

林叔平先生

獨立非執行董事

鍾育麟先生

廖廣生先生

林聞深先生

何德芬先生

審核委員會

鍾育麟先生

廖廣生先生

林聞深先生

何德芬先生

公司秘書

陳美思女士

核數師

德勤 • 關黃陳方會計師行

註冊辦事處

Cricket Square, Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE HONG KONG SPECIAL ADMINISTRATIVE REGION OF THE PEOPLE'S REPUBLIC OF CHINA ("HONG KONG")

Room 1101, 11th Floor
China United Centre
28 Marble Road
North Point
Hong Kong

於中華人民共和國香港特別行政區(「香港」)之總辦事處及主要營業地點

香港
北角
馬寶道28號
華匯中心
11樓1101室

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Royal Bank of Canada Trust
Company (Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road, George Town
Grand Cayman KY1-1110
Cayman Islands

股份過戶登記總處

Royal Bank of Canada Trust
Company (Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road, George Town
Grand Cayman KY1-1110
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, Hopewell Centre
183 Queen's Road East
Hong Kong

香港股份過戶登記分處

香港中央證券登記有限公司
香港
皇后大道東183號
合和中心1712-1716室

PRINCIPAL BANKERS

in Hong Kong:

The Hong Kong and Shanghai Banking Corporation Limited

主要往來銀行

於香港:

香港上海滙豐銀行有限公司

in the PRC:

China Construction Bank
Shengyang Economic and Technology Development Zone Branch

於中國:

中國建設銀行
瀋陽經濟技術開發區分行

STOCK CODE

0329

股份代號

0329

COMPANY WEBSITE

www.dragonite.com.hk

公司網站

www.dragonite.com.hk

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

簡明綜合損益及其他全面收益表

For the six months ended 30 June 2013 截至二零一三年六月三十日止六個月

		NOTES 附註	Six months ended 截至下列日期止六個月	
			30.6.2013 二零一三年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	30.6.2012 二零一二年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)
Turnover	營業額			
Sales of goods	銷售貨品		8,955	9,755
Cost of goods sold	銷貨成本		(5,519)	(5,936)
			3,436	3,819
Dividend income	股息收入		292	43
Rental income	租金收入		2,460	2,220
Interest income from loan receivables	應收貸款之利息收入		1,077	—
Change in fair value of financial assets at fair value through profit or loss	按公平值計入損益之 金融資產的公平值變動		(30,503)	(16,578)
			(23,238)	(10,496)
Other income	其他收入		327	1,309
Other gains and losses	其他損益		(973)	(10,674)
Distribution costs	經銷費用		(2,647)	(3,404)
Administrative expenses	行政支出		(25,462)	(28,679)
Other expenses	其他支出		(4,580)	(3,430)
Finance costs	財務費用		(800)	(824)
Loss before tax	稅前虧損		(57,373)	(56,198)
Income tax expense	所得稅支出	4	(592)	(188)
Loss for the period	期內虧損	5	(57,965)	(56,386)
Other comprehensive income/(expense) for the period:	期內其他全面收入／(支出)：			
Item that will not be reclassified to profit or loss:	將不會重新分類至損益的項目：			
Exchange differences arising on translation to presentation currency	換算為呈列貨幣引致的 匯兌差額		616	(136)
Total comprehensive expense for the period	期內全面支出總額		(57,349)	(56,522)
				(Restated) (經重列)
Loss per share	每股虧損			
Basic and diluted	基本及攤薄	7	HK\$29.27 cents港仙	HK\$85.68 cents港仙

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

At 30 June 2013 於二零一三年六月三十日

		NOTES 附註	30.6.2013 二零一三年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	31.12.2012 二零一二年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	8	27,748	27,652
Investment property	投資物業		175,600	175,600
Loan receivables	應收貸款	10	5,664	—
Prepaid lease payments	預付租賃款項		2,644	2,622
			<u>211,656</u>	<u>205,874</u>
Current assets	流動資產			
Inventories	存貨		8,209	8,555
Trade receivables	應收貿易賬項	9	1,382	1,764
Loan receivables	應收貸款	10	7,083	—
Financial assets at fair value through profit or loss	按公平值計入損益 之金融資產	11	165,296	129,828
Deposits, prepayment and other receivables	按金、預付款項及 其他應收賬項		5,626	14,006
Prepaid lease payments	預付租賃款項		82	82
Bank balances and cash	銀行結餘及現金		38,866	34,881
			<u>226,544</u>	<u>189,116</u>
Current liabilities	流動負債			
Trade payables	應付貿易賬項	12	5,199	6,096
Accruals and other payables	應計款項及其他應付賬項		33,027	34,397
Derivative financial instruments	衍生金融工具	13	18,305	17,332
Borrowings	借款		24,822	25,676
Taxation payable	應付稅項		768	1,044
			<u>82,121</u>	<u>84,545</u>
Net current assets	流動資產淨值		<u>144,423</u>	<u>104,571</u>
NET ASSETS	資產淨值		<u>356,079</u>	<u>310,445</u>
Capital and reserves	資本及儲備			
Share capital	股本	14	2,120	1,060
Reserves	儲備		353,959	309,385
TOTAL EQUITY	權益總額		<u>356,079</u>	<u>310,445</u>

Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

For the six months ended 30 June 2013 截至二零一三年六月三十日止六個月

		Share capital	Share premium account	Shareholders' contribution	Translation reserve	Non- distributable reserves	Share option reserve	Merger reserves	Special reserves	Retained earnings (accumulated losses)	Total equity attributable to owners
		股本	股份溢價賬	股東出資	換算儲備	非供分派儲備	購股權儲備	合併儲備	特別儲備	留存盈利 (累積虧損)	擁有人應佔 權益總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
				(note a) (附註 a)		(note b) (附註 b)		(note c) (附註 c)	(note d) (附註 d)		
At 1 January 2012 (audited)	於二零一二年一月一日(經審核)	271,731	1,433,173	21,780	93,991	24,737	8,716	(1,016,738)	3,142	(604,680)	235,852
Loss for the period	期內虧損	—	—	—	—	—	—	—	—	(56,386)	(56,386)
Other comprehensive expense for the period	期內其他全面支出	—	—	—	(136)	—	—	—	—	—	(136)
Total comprehensive expense for the period	期內全面支出總額	—	—	—	(136)	—	—	—	—	(56,386)	(56,522)
Capital Reorganisation	股本重組	(266,296)	(1,433,173)	—	—	—	—	—	—	1,699,469	—
Issue of shares upon rights issue	於供股後發行股份	10,869	97,823	—	—	—	—	—	—	—	108,692
Issue of shares upon placing	於配售後發行股份	3,261	18,260	—	—	—	—	—	—	—	21,521
Transaction costs attributable to issue of shares	發行股份的交易成本	—	(3,799)	—	—	—	—	—	—	—	(3,799)
At 30 June 2012 (unaudited)	於二零一二年六月三十日(未經審核)	19,565	112,284	21,780	93,855	24,737	8,716	(1,016,738)	3,142	1,038,403	305,744
At 1 January 2013 (audited)	於二零一三年一月一日(經審核)	1,060	123,744	21,780	95,160	24,737	8,716	(1,016,738)	3,142	1,048,844	310,445
Loss for the period	期內虧損	—	—	—	—	—	—	—	—	(57,965)	(57,965)
Other comprehensive income for the period	期內其他全面收入	—	—	—	616	—	—	—	—	—	616
Total comprehensive income (expense) for the period	期內全面收入總額	—	—	—	616	—	—	—	—	(57,965)	(57,349)
Issue of shares upon rights issue	於供股後發行新股	1,060	104,915	—	—	—	—	—	—	—	105,975
Transaction costs attributable to the issue of shares	發行股份的交易成本	—	(2,992)	—	—	—	—	—	—	—	(2,992)
Transfer upon forfeiture of share options	沒收購股權時轉讓	—	—	—	—	—	(109)	—	—	109	—
At 30 June 2013 (unaudited)	於二零一三年六月三十日(未經審核)	2,120	225,667	21,780	95,776	24,737	8,607	(1,016,738)	3,142	990,988	356,079

Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

For the six months ended 30 June 2013 截至二零一三年六月三十日止六個月

Notes:

附註：

- | | |
|--|---|
| (a) Shareholders' contribution represents the amounts contributed by shareholders of Ruyan Investment (Holdings) Limited ("RIHL") during the year ended 31 December 2007. | (a) 股東出資指Ruyan Investment (Holdings) Limited(「RIHL」)於截至二零零七年十二月三十一日止年度之股東出資金額。 |
| (b) The non-distributable reserve represents statutory reserves appropriated from profit after tax of the Company's subsidiary in the People's Republic of China (the "PRC") under the PRC laws and regulations. | (b) 非供分派儲備指本公司於中華人民共和國(「中國」)之附屬公司根據中國法律及法規從除稅後溢利中撥出之法定儲備。 |
| (c) The merger reserve represents (i) the share capital of RIHL; (ii) the carrying amount of equity interest in RIHL held by the non-controlling parties; and (iii) the fair value of the consideration paid for acquisition of RIHL during the year ended 31 December 2007. | (c) 合併儲備指(i)RIHL股本；(ii)無控制權人士持有之RIHL股權之賬面值；及(iii)就於截至二零零七年十二月三十一日止年度收購RIHL支付代價之公平值。 |
| (d) The special reserve of the Group represents reserve arising pursuant to group reorganisation on the basis that the group reorganisation had been affected on 1 January 2000. | (d) 本集團之特別儲備指集團重組於二零零零年一月一日生效時因集團重組產生之儲備。 |

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

For the six months ended 30 June 2013 截至二零一三年六月三十日止六個月

		Six months ended 截止以下日期止六個月	
		30.6.2013 二零一三年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	30.6.2012 二零一二年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)
Net cash used in operating activities	經營業務所用現金淨額	(74,984)	(25,256)
Investing activities	投資活動		
Purchase of property, plant and equipment	購入物業、廠房及設備	(521)	(54)
Purchase of financial assets at fair value through profit or loss	購入按公平值計入損益之金融資產	(40,100)	(93,925)
Proceeds from disposal of financial assets at fair value through profit or loss	出售按公平值計入損益之金融資產所得款項	17,975	72,077
Net cash used in investing activities	投資活動所用現金淨額	(22,646)	(21,902)
Financing activities	融資活動		
New borrowings raised	新增借款	—	50,000
Repayment of borrowings	償還借款	(854)	(115,826)
Interest paid	已付利息	(800)	(1,406)
Issue of new shares	發行新股	105,975	130,213
Expenses on issue of shares	發行股份之開支	(2,992)	(3,799)
Net cash from financing activities	融資活動所得現金淨額	101,329	59,182
Net increase in cash and cash equivalents	現金及現金等值項目增加淨額	3,699	12,024
Cash and cash equivalents at beginning of the period	期初之現金及現金等值項目	34,881	55,970
Effect of foreign exchange rate changes	匯率變動之影響	286	52
Cash and cash equivalents at end of the period	期末之現金及現金等值項目	38,866	68,046
Analysis of the balances of cash and cash equivalents	現金及現金等值項目之結餘分析		
Bank balances and cash	銀行結餘及現金	38,866	68,046

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2013 截至二零一三年六月三十日止六個月

I. GENERAL INFORMATION

Dragonite International Limited (the "Company") was incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited.

The Company acts as an investment holding company. Its subsidiaries are principally engaged in production and sales of a series of health care products, pharmaceutical products, Ruyan atomizing cigarettes, securities trading and investments, property investments and money lending in Hong Kong.

The functional currency of the Company is Hong Kong dollars ("HKD"). For the purposes of presenting the condensed consolidated financial statements, the Group adopted HKD as its presentation currency for the convenience of the readers. The directors consider HKD can provide more meaningful information to the Company's shareholders.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for certain property and financial instruments, which are measured at their fair values.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2013 (the "Period") are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2012.

I. 一般資料

叁龍國際有限公司(「本公司」)於開曼群島註冊成立為獲豁免有限公司，其股份於香港聯合交易所有限公司上市。

本公司為一間投資控股公司，其附屬公司之主要業務為生產及銷售一系列保健產品、醫藥產品、如烟霧化煙、證券買賣及投資、於香港進行物業投資以及貸款。

本公司的功能貨幣為港元(「港元」)。為方便讀者閱讀，本集團呈列簡明綜合財務報表時採用港元為其呈列貨幣。董事認為港元可為本公司股東提供更有意義的資料。

2. 主要會計政策

簡明綜合財務報表乃根據歷史成本法編製，惟按公平值計量之若干物業及金融工具除外。

除下述者外，截至二零一三年六月三十日止六個月(「本期間」)之簡明綜合財務報表所採用之會計政策及計算方法與編製本集團截至二零一二年十二月三十一日止年度之綜合財務報表所依循者貫徹一致。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2013 截至二零一三年六月三十日止六個月

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

In the current period, the Group has applied, for the first time, the following new or revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA that are relevant for the preparation of the Group's condensed consolidated financial statements:

HKFRSs (Amendments) Annual improvements to HKFRSs 2009 - 2011 cycle

HKFRS 7 (Amendments) Disclosures - Offsetting financial assets and financial liabilities

HKFRS 10, HKFRS 11 and HKFRS 12 (Amendments) Consolidated financial statements, joint arrangements and disclosure of interests in other entities: Transition guidance

HKFRS 10 Consolidated financial statements

HKFRS 11 Joint arrangements

HKFRS 12 Disclosure of interests in other entities

HKFRS 13 Fair value measurement

HKAS 1 (Amendments) Presentation of items of other comprehensive income

HKAS 19 (as revised in 2011) Employee benefits

HKAS 28 (as revised in 2011) Investments in associates and joint ventures

HK (IFRIC)-INT 20 Stripping costs in the production phase of a surface mine

2. 主要會計政策(續)

本期間，本集團首次應用以下由香港會計師公會頒佈並與編製本集團簡明綜合財務報表有關之新訂或經修訂香港財務報告準則（「香港財務報告準則」）。

香港財務報告準則（修訂本） 香港財務報告準則二零零九年至二零一一年週期之年度改進

香港財務報告準則第7號（修訂本） 披露－抵銷金融資產及金融負債

香港財務報告準則第10號、香港財務報告準則第11號及香港財務報告準則第12號（修訂本） 綜合財務報表、合營安排及披露其他實體之權益：過渡性指引

香港財務報告準則第10號 綜合財務報表

香港財務報告準則第11號 合營安排

香港財務報告準則第12號 披露其他實體之權益

香港財務報告準則第13號 公平值計量

香港會計準則第1號（修訂本） 呈列其他全面收益項目

香港會計準則第19號（二零一一年經修訂） 僱員福利

香港會計準則第28號（二零一一年經修訂） 於聯營公司及合營企業之投資

香港（國際財務報告詮釋委員會）－詮釋第20號 地表礦生產階段之剝離成本

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2013 截至二零一三年六月三十日止六個月

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

HKFRS 13 Fair value measurement

The Group has applied HKFRS 13 for the first time in the current period. HKFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements, and replaces those requirements previously included in various HKFRSs. Consequential amendments have been made to HKAS 34 to require certain disclosures to be made in the interim condensed consolidated financial statements.

The scope of HKFRS 13 is broad, and applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, subject to a few exceptions. HKFRS 13 contains a new definition for 'fair value' and defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, HKFRS 13 includes extensive disclosure requirements.

In accordance with the transitional provisions of HKFRS 13, the Group has applied the new fair value measurement and disclosure requirements prospectively. Disclosures of fair value information are set out in note 17.

2. 主要會計政策(續)

香港財務報告準則第13號公平值計量

本集團於本期間首次應用香港財務報告準則第13號。香港財務報告準則第13號就公平值計量及有關公平值計量之披露事項確立單一指引，並取代過往載於其他香港財務報告準則之規定。香港會計準則第34號已作出相應修訂，規定在中期簡明綜合財務報表作出若干披露。

香港財務報告準則第13號之範圍廣泛，適用於其他香港財務報告準則規定或容許以公平值計量及披露公平值計量資料之金融工具項目及非金融工具項目，惟少數情況例外。香港財務報告準則第13號載有「公平值」之新定義，界定公平值為在計量日之現行市況下，並在主要(或最有利)市場進行之有序交易中，出售資產所收取或轉讓負債所付出之價格。香港財務報告準則第13號項下之公平值為平倉價，無論該價格是否可直接觀察或利用其他估值方法估算得出。此外，香港財務報告準則第13號包含廣泛之披露規定。

根據香港財務報告準則第13號之過渡性條文，本集團已預先應用新公平值計量及披露規定。公平值資料之披露事項載於附註17。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2013 截至二零一三年六月三十日止六個月

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Amendments to HKAS 1 Presentation of items of other comprehensive income

The amendments to HKAS 1 introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to HKAS 1, a statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income and an income statement is renewed as a statement of profit or loss. The amendments to HKAS 1 also require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes.

Except as described above, the application of the other new or revised HKFRSs in the current financial information period has had no material effect on the amounts reported and/or disclosures set out in these condensed consolidated financial statements.

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective. The following new or revised standards have been issued after the date the consolidated financial statements for the year ended 31 December 2012 were authorised for issuance and are not yet effective:

Amendments to HKAS 36	Recoverable amount disclosures for non-financial assets ¹
Amendments to HKAS 39	Novation of derivatives and continuation of hedge accounting ¹
HK (IFRIC)-INT 21	Levies ¹

¹ Effective for accounting periods beginning on or after 1 January 2014.

2. 主要會計政策(續)

香港會計準則第1號之修訂本呈列其他全面收益項目

香港會計準則第1號之修訂本引入了全面收益表及收益表之新術語。根據香港會計準則第1號之修訂本，「全面收益表」重新命名為「損益及其他全面收益表」，而收益表重新命名為「損益表」。此外，香港會計準則第1號之修訂本規定須於其他全面收益章節中作出額外之披露，因而將其他全面收益項目劃分為兩類：(a) 其後不會重新分類至損益之項目；及(b) 於達成特定條件時，其後可重新分類至損益之項目。其他全面收益項目之所得稅須按相同基準予以分配。此等修訂已追溯應用，因而已對其他全面收益項目之呈列作出修訂以反映有關變動。

除上文所述者外，於本財務資料期間應用其他新訂或經修訂香港財務報告準則對於該等簡明綜合財務報表中呈報金額及／或所載披露事項並無造成重大影響。

本集團並無提前應用以下已頒佈但尚未生效之新訂及經修訂香港財務報告準則。以下新訂或經修訂準則已於獲授權刊發截至二零一二年十二月三十一日止年度綜合財務報表之日後予以頒佈，但尚未生效：

香港會計準則	非金融資產之
第36號之修訂本	可收回金額披露 ¹
香港會計準則	衍生工具更替及
第39號之修訂本	對沖會計法之延續 ¹
香港(國際財務報告	徵稅 ¹
詮釋委員會)	
—詮釋第21號	

¹ 於二零一四年一月一日或之後開始之會計期間生效。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2013 截至二零一三年六月三十日止六個月

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

The directors anticipate that the application of these new and revised HKFRSs will have no material impact on the results and the financial position of the Group.

3. SEGMENTAL INFORMATION

The Group's executive directors are the chief operating decision makers as they collectively make strategic decisions towards the Group's operations. During the second half of the year ended 31 December 2012, the Group started money lending business and the executive directors considered this is a separate reportable and operating segment to the Group.

The Group's reportable and operating segments under HKFRS 8 are therefore as follows:

- (a) health care products, which are represented by ginseng products
- (b) pharmaceutical products, which are mainly represented by licensed medicines
- (c) Ruyan atomizing cigarettes
- (d) securities trading and investments
- (e) property investment in Hong Kong
- (f) money lending

2. 主要會計政策(續)

董事預期，應用該等新訂及經修訂香港財務報告準則將不會對本集團之業績及財務狀況造成重大影響。

3. 分類資料

由於本集團執行董事共同對本集團營運作出策略決定，故彼等為主要經營決策者。截至二零一二年十二月三十一日止年度下半年，本集團開始進行貸款業務，執行董事認為該業務為本集團的獨立呈報及營運分類。

因此本集團根據香港財務報告準則第8號之呈報及營運分類如下：

- (a) 保健產品，為人參產品
- (b) 醫藥產品，主要為持牌藥物
- (c) 如烟霧化煙
- (d) 證券買賣及投資
- (e) 於香港從事物業投資
- (f) 貸款

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2013 截至二零一三年六月三十日止六個月

3. SEGMENTAL INFORMATION (Continued)

The following is an analysis of the Group's turnover and results by reportable and operating segments.

For six months ended 30 June 2013

3. 分類資料(續)

以下是按呈報及營運分類劃分的本集團營業額及業績分析。

截至二零一三年六月三十日止六個月

		Health care products	Pharmaceutical products	Ruyan atomizing cigarettes 如烟 霧化煙	Securities trading and investments 證券買賣 及投資	Property investment in Hong Kong 於香港從事 物業投資	Money lending 貸款	Consolidated
		保健產品 HK\$'000 千港元	醫藥產品 HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	綜合 HK\$'000 千港元
Segment turnover	分類營業額							
Sales of goods	銷售貨品	—	8,241	714	—	—	—	8,955
Change in fair value of financial assets at fair value through profit or loss	按公平值計入損益之 金融資產的公平值變動	—	—	—	(30,503)	—	—	(30,503)
Dividend income	股息收入	—	—	—	292	—	—	292
Rental income	租金收入	—	—	—	—	2,460	—	2,460
Interest income from loan receivables	應收貸款之利息收入	—	—	—	—	—	1,077	1,077
		—	8,241	714	(30,211)	2,460	1,077	(17,719)
Segment (loss) profit	分類(虧損)溢利	(1,698)	1,195	(14,715)	(30,227)	2,274	1,060	(42,111)
Other income	其他收入							327
Change in fair value of derivative financial instruments	衍生金融工具之公平值變動							(973)
Unallocated corporate expenses	未分配公司支出							(13,816)
Finance costs	財務費用							(800)
Loss before tax	稅前虧損							(57,373)

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2013 截至二零一三年六月三十日止六個月

3. SEGMENTAL INFORMATION (Continued)

For six months ended 30 June 2012

3. 分類資料(續)

截至二零一二年六月三十日止六個月

		Health care products	Pharmaceutical products	Ruyan atomizing cigarettes	Securities trading and investments	Property investment in Hong Kong 於香港	Consolidated
		保健產品	醫藥產品	如烟 霧化煙	證券買賣 及投資	從事 物業投資	綜合
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Segment turnover	分類營業額						
Sales of goods	銷售貨品	—	8,891	864	—	—	9,755
Change in fair value of financial assets at fair value through profit or loss	按公平值計入損益之 金融資產的公平值變動	—	—	—	(16,578)	—	(16,578)
Dividend income	股息收入	—	—	—	43	—	43
Rental income	租金收入	—	—	—	—	2,220	2,220
		—	8,891	864	(16,535)	2,220	(4,560)
Segment (loss) profit	分類(虧損)溢利	(2,833)	(581)	(13,427)	(16,537)	1,268	(32,110)
Other income	其他收入						1,309
Change in fair value of derivative financial instruments	衍生金融工具之公平值變動						(10,674)
Unallocated corporate expenses	未分配公司支出						(13,899)
Finance costs	財務費用						(824)
Loss before tax	稅前虧損						(56,198)

Segment turnover includes proceeds from sales of goods, dividend income, rental income and interest income from loan receivables. In addition, the chief operation decision maker also considers change in fair value of financial assets at fair value through profit or loss (excluding derivative financial instruments) as segment turnover.

Segment (loss) profit represents the loss from/profit earned by each segment without allocation of central administration costs, other income, change in fair value of derivative financial instruments and finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

分類營業額包括銷售貨物所得款項、股息收入、租金收入及應收貸款利息收入。此外，主要經營決策者亦考慮按公平值計入損益之金融資產(不包括衍生金融工具)公平值變動作為分類營業額。

分類(虧損)溢利指各分類產生之虧損／溢利，惟並無計入中央管理成本、其他收入、衍生金融工具之公平值變動及財務費用。此乃向主要營運決策者呈報之計量方式，以便分配資源及評估表現。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2013 截至二零一三年六月三十日止六個月

4. INCOME TAX EXPENSE

4. 所得稅支出

		Six months ended	
		截至下列日期止六個月	
		30.6.2013	30.6.2012
		二零一三年	二零一二年
		六月三十日	六月三十日
		HK\$'000	HK\$'000
		千港元	千港元
Income Tax in the PRC	中國所得稅	592	188

No Hong Kong Profits Tax is payable by the Company or its subsidiaries operating in Hong Kong since they had no assessable profit for both periods.

本公司或其於香港營運之附屬公司於兩個期間並無任何應課稅溢利，故並無任何應付之香港利得稅。

PRC Enterprise Income Tax is calculated at the rate prevailing in the relevant districts of the PRC taking relevant tax incentives into account.

中國企業所得稅於計及有關稅務優惠後，按中國有關地區適用稅率計算。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2013 截至二零一三年六月三十日止六個月

5. LOSS FOR THE PERIOD

5. 期內虧損

		Six months ended 截至下列日期止六個月	
		30.6.2013 二零一三年 六月三十日 HK\$'000 千港元	30.6.2012 二零一二年 六月三十日 HK\$'000 千港元
Loss for the Period has been arrived at after charging (crediting):	期內虧損已扣除(計入)下列項目：		
Allowance for obsolete inventories (included in cost of sales)	廢棄存貨準備(計入銷售成本)	1,000	458
Cost of inventories recognised as an expense	確認為開支之存貨成本	4,519	5,478
Amortisation of prepaid lease payments	預付租賃款項之攤銷	42	48
Change in fair value of derivative financial instruments	衍生金融工具公平值變動	973	10,674
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	1,075	2,904
Impairment losses recognised in respect of other receivables (included in other expenses)	就其他應收款項(計入其他支出)所確認之減值虧損	4,580	—
Staff costs (including directors' emoluments and share-based payment expenses)	員工開支(包括董事酬金及以股份為基礎之付款開支)	8,083	8,879
Bank interest income	銀行利息收入	(5)	(10)

6. DIVIDEND

No dividends were paid, declared or proposed during both periods.

6. 股息

於兩個期間內並無支付、宣派或擬派任何股息。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2013 截至二零一三年六月三十日止六個月

7. LOSS PER SHARE

The calculation of basic and diluted loss per share attributable to the owners of the Company is based on the following data:

		Six months ended 截至下列日期止六個月	
		30.6.2013 二零一三年 六月三十日 HK\$'000 千港元	30.6.2012 二零一二年 六月三十日 HK\$'000 千港元
Loss for the purpose of basic and diluted loss per share attributable to the owners of the Company	用作計算本公司擁有人應佔每股基本及攤薄虧損之虧損	(57,965)	(56,386)

		Six months ended 截至下列日期止六個月	
		30.6.2013 二零一三年 六月三十日 '000 千股	30.6.2012 二零一二年 六月三十日 '000 千股 (Restated) (經重列)
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	用作計算每股基本及攤薄虧損之普通股加權平均數	198,010	65,813

The computation of diluted loss per share does not assume the conversion of the Company's share options since the assumed conversion would result in a decrease in loss per share.

The weighted average number of ordinary shares adopted in the calculation of the basic and diluted loss per shares for the six months ended 30 June 2013 and 2012 have been adjusted to reflect the impact of the rights issue during the Period.

7. 每股虧損

本公司擁有人應佔每股基本及攤薄虧損乃根據以下數據計算：

每股攤薄虧損之計算並無假設本公司購股權獲轉換，原因是假設轉換會導致每股虧損減少。

計算截至二零一三年及二零一二年六月三十日止六個月每股基本及攤薄虧損所採用的普通股加權平均數已調整，以反映本期間供股的影響。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2013 截至二零一三年六月三十日止六個月

8. MOVEMENT IN PROPERTY, PLANT AND EQUIPMENT

During the Period, additions to the Group's property, plant and equipment amounted to approximately HK\$521,000 (six months ended 30 June 2012: approximately HK\$54,000). There was no disposal of property, plant and equipment for both periods.

9. TRADE RECEIVABLES

The Group allows an average credit period from 60 days to 270 days to its trade customers. The following is an aged analysis of trade receivables net of allowance of doubtful debts presented based on invoice date.

8. 物業、廠房及設備之變動

本期間內，本集團添置物業、廠房及設備之金額約為521,000港元(截至二零一二年六月三十日止六個月：約為54,000港元)。兩個期間均無出售物業、廠房及設備。

9. 應收貿易賬項

本集團授予其貿易客戶之平均信貸期由60日至270日不等。以下為按發票日期呈列之應收貿易賬項(經扣除呆賬準備)之賬齡分析。

		30.6.2013 二零一三年 六月三十日 HK\$'000 千港元	31.12.2012 二零一二年 十二月三十一日 HK\$'000 千港元
0 - 60 days	0-60 日	785	1,195
61 - 90 days	61-90 日	246	100
91 - 180 days	91-180 日	156	343
181 - 270 days	181-270 日	195	126
		1,382	1,764

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2013 截至二零一三年六月三十日止六個月

10. LOAN RECEIVABLES

Non-current:	非即期：
Interest bearing bond (Note a)	計息債券(附註a)
Current:	即期：
Fixed-rate loan receivable (Note b)	定息應收貸款(附註b)

	12,747	—
--	--------	---

Notes:

- (a) Details of the interest bearing bond are set out in note 11.
- (b) As at 30 June 2013, the unsecured loan receivable represented a loan provided to a borrower with effective interests 5% per annum and was fully repaid subsequently.

Loan receivables at the end of reporting period are neither past due nor impaired. The Group did not provide impairment loss to loan receivables.

10. 應收貸款

30.6.2013	31.12.2012
二零一三年	二零一二年
六月三十日	十二月三十一日
HK\$'000	HK\$'000
千港元	千港元

5,664 —

7,083 —

12,747 —

附註：

- (a) 計息債券之詳情載於附註11。
- (b) 於二零一三年六月三十日，無抵押應收貸款指向一名借款人提供之實際年利率為5%之貸款，且已於其後悉數償還。

應收貸款於報告期末並無逾期亦無減值。本集團並無就應收貸款作出減值虧損撥備。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2013 截至二零一三年六月三十日止六個月

II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

II. 按公平值計入損益之金融資產

		30.6.2013 二零一三年 六月三十日 HK\$'000 千港元	31.12.2012 二零一二年 十二月三十一日 HK\$'000 千港元
Financial assets at fair value through profit or loss ("FVTPL") comprise:	按公平值計入損益(「按公平值計入損益」)之金融資產包括：		
Investment in convertible investments designated at fair value through profit or loss	指定按公平值計入損益之可換股工具投資	4,206	—
Held-for-trading investments	持作交易用途之投資	161,090	129,828
		165,296	129,828

Held-for-trading investments comprise of equity securities listed in Hong Kong and their fair values are based on quoted market bid price.

持作交易用途之投資包括於香港上市之股本證券，彼等之公平值乃基於市場所報買入價釐定。

An unlisted zero interest convertible bond was initially recognized as financial assets at FVTPL. Subsequent to the variations of its terms and conditions during the Period, it was equally divided into interest bearing portion without conversion rights attached thereto and a convertible portion. Therefore, the interest bearing portion at fair value of HK\$5,383,000 at the date of modification is reclassified to loans and receivables and included in loan receivables as non-current assets as at the date of variation of terms and 30 June 2013.

一份非上市零息可換股債券初步確認為按公平值計入損益之金融資產。其條款及條件於本期間內作出修訂後，該可換股債券平分為不附帶換股權之計息部分及可換股部分。因此，修訂當日計息部分之公平值5,383,000港元重新分類為貸款及應收賬項，並於修訂條款當日及二零一三年六月三十日作為非流動資產於應收貸款內入賬。

The fair value of the convertible bonds as at 30 June 2013 is estimated by an independent professional valuer using valuation techniques based on the discounted cash flow analysis using discount rate from observable current market transaction as inputs on debt portion and Binomial Option Pricing Model is used for valuation of conversion option of convertible bonds. Details of the inputs of the valuation are disclosed in note 17.

二零一三年六月三十日，可換股債券之公平值由獨立專業估值師採用折現現金流分析估值法，以可獲取之現行市場交易作為債務部分參數之折現率進行估算，而可換股債券之兌換權則採用二項式期權定價模式進行估算。有關估值之參數詳情於附註17披露。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2013 截至二零一三年六月三十日止六個月

12. TRADE PAYABLES

The aged analysis of trade payables presented based on the invoice date at the end of the reporting period is as follows:

		30.6.2013 二零一三年 六月三十日 HK\$'000 千港元	31.12.2012 二零一二年 十二月三十一日 HK\$'000 千港元
0 - 30 days	0-30 日	234	477
31 - 60 days	31-60 日	—	874
61 - 90 days	61-90 日	—	41
Over 90 days but less than 1 year	超過90日但少於1年	214	23
Over 1 year	超過1年	4,751	4,681
		5,199	6,096

13. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments consist of:
Call Option/Put Option

衍生金融工具包括：
認購期權／認沽期權

		30.6.2013 二零一三年 六月三十日 HK\$'000 千港元	31.12.2012 二零一二年 十二月三十一日 HK\$'000 千港元
		18,305	17,332

The terms of the option agreement are that (i) an independent third party (the "Vendor") granted a call option to Nation Wealth Holdings Limited ("NWHL") to require the Vendor to sell entire equity interest of Apex Corporate Investments Limited (the "Chinese Medical Clinic") ("Option Shares") and to assign the shareholders loans of Chinese Medical Clinic ("Option Shareholders Loans") to NWHL (collectively known as "Call Option"); and (ii) NWHL granted a put option to the Vendor to require NWHL to purchase the Option Shares and Option Shareholders Loans (collectively known as "Put Option"). Chinese Medical Clinic is currently a wholly-owned subsidiary of the Vendor.

12. 應付貿易賬項

以下為按發票日期呈列的呈報期末之應付貿易賬項之賬齡分析：

13. 衍生金融工具

期權協議之條款為(i)獨立第三方(「賣方」)向Nation Wealth Holdings Limited (「NWHL」)授出認購期權，可要求賣方向NWHL出售Apex Corporate Investments Limited(「中藥坊」)之全部股權(「期權股份」)並轉讓中藥坊之股東貸款(「期權股東貸款」)(統稱「認購期權」)；及(ii) NWHL向賣方授出認沽期權，可要求NWHL購買期權股份及期權股東貸款(統稱「認沽期權」)。中藥坊現為賣方之全資附屬公司。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2013 截至二零一三年六月三十日止六個月

13. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

The Call Option and Put Option are exercisable within 5 years from the effective date of the option agreement conditional upon the completion of the Vendor's contribution of an interest free loan or by way of equity of HK\$25 million to Chinese Medical Clinic. As at 31 December 2012 and 2011, the Vendor's interest free loan to Chinese Medical Clinic is less than HK\$25 million and both Call Option and Put Option are not exercisable as at 31 December 2012 and 2011. The option exercise price is determined with the following conditions:

- if Chinese Medical Clinic's audited results for the year ending 31 March 2012 or any accounting period subsequent thereto has not been released and issued, the option exercise price will be HK\$25,000,000; and
- if Chinese Medical Clinic's audited results for the year ending 31 March 2012 or any accounting period subsequent thereto has been released and issued,
 - in the case of the exercise of the Call Option, the option exercise price will be the higher of: (i) HK\$25 million; or (ii) the lower of 10 times earnings before interest, taxes, depreciation and amortisation ("EBITDA") or HK\$75 million; and
 - in the case of the exercise of the Put Option, the option exercise price will be the higher of: (i) HK\$25 million; or (ii) the lower of 5 times EBITDA or HK\$75 million.

13. 衍生金融工具(續)

認購期權及認沽期權可於期權協議生效日期起計5年內行使，惟須待賣方向中藥坊注入25,000,000港元不計息貸款或以股本形式注入該金額完成後方可作實。於二零一二年及二零一一年十二月三十一日，賣方向中藥坊注入之不計息貸款不足25,000,000港元，因此截至二零一二年及二零一一年十二月三十一日認購期權及認沽期權均不可行使。期權行使價按下列條件釐定：

- 倘中藥坊截至二零一二年三月三十一日止年度或任何其後會計期之經審核業績尚未發佈及刊發，則期權行使價為25,000,000港元；及
- 倘中藥坊截至二零一二年三月三十一日止年度或任何其後會計期之經審核業績已發佈及刊發，則
 - 在行使認購期權情況下，期權行使價為以下兩者之較高者：(i) 25,000,000港元；或(ii) 除利息、稅項、折舊及攤銷前盈利("EBITDA") 10倍或75,000,000港元之較低者；及
 - 在行使認沽期權情況下，期權行使價為以下兩者之較高者：(i) 25,000,000港元；或(ii) EBITDA 5倍或75,000,000港元之較低者。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2013 截至二零一三年六月三十日止六個月

13. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

During the Period, the fair value change in Call Option and Put Option of approximately HK\$973,000 (six months ended 30 June 2012: approximately HK\$10,674,000) is charged to profit or loss.

The fair value of Call Option and Put Option are calculated using the Black Scholes Option Pricing Model at the 30 June 2013 and 31 December 2012. The inputs into the model were disclosed in note 17.

14. SHARE CAPITAL

Ordinary shares of HK\$0.01 each
Authorised:
At 1 January 2013 and 30 June 2013

每股面值0.01港元之普通股
法定：
於二零一三年一月一日及
二零一三年六月三十日

Issued:
At 1 January 2013
Rights issue (note)

已發行：
於二零一三年一月一日
供股（附註）

At 30 June 2013

於二零一三年六月三十日

Number of shares 股份數目 '000 千股	Share capital 股本 HK\$'000 千港元
---	---

100,000,000	1,000,000
-------------	-----------

105,975	1,060
---------	-------

105,975	1,060
---------	-------

211,950	2,120
---------	-------

Note: On 7 February 2013, the Company allotted and issued 105,974,992 shares by way of rights issue at a subscription price of HK\$1 per rights share on the basis of one rights share for every one share held on 15 January 2013.

All the shares issued during the Period rank pari passu with the existing shares of the Company in all respect.

13. 衍生金融工具(續)

於本期間內，認購期權及認沽期權之公平值變動約為973,000港元(截至二零一二年六月三十日止六個月：約為10,674,000港元)已自損益扣除。

認購期權及認沽期權之公平值於二零一三年六月三十日及二零一二年十二月三十一日採用柏立克－舒爾斯期權定價模式計算。輸入模式之參數於附註17披露。

14. 股本

附註：二零一三年二月七日，本公司以供股方式按二零一三年一月十五日每持有一股股份可獲發一股供股股份之基準以認購價每股供股股份1港元配發及發行105,974,992股股份。

本期間所有已發行股份在所有方面與本公司現有股份享有同等地位。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2013 截至二零一三年六月三十日止六個月

15. SHARE-BASED PAYMENTS

The Company has a share option scheme for eligible participants of the Group.

Details of the share options outstanding during the Period are as follows:

15. 以股份為基礎之付款

本公司為本集團合資格參與者設有購股權計劃。本期間尚未行使之購股權詳情如下：

		Number of share options 購股權數目
Outstanding at 30 June 2013	於二零一三年六月三十日尚未行使	20,073

The following table discloses movements in the Company's share options during the Period:

下表披露本公司於本期間內之購股權變動：

Category of participants 參與者分類	Date of share options granted 授出購股權日期 (note i) (附註i)	No. of share options as at 1 January 2013 於二零一三年 一月一日之 購股權數目	No. of share options adjusted during the Period 本期間 調整之 購股權數目 (note iv) (附註iv)	No. of share options lapsed/ cancelled during the Period 本期間 失效／註銷之 購股權數目	No. of share options outstanding as at 30 June 2013 於二零一三年 六月三十日 尚未行使之 購股權數目	Exercise period 行使期間	Exercise price per share option 每份購股權 行使價
Directors 董事							
Wong Yin Sen 王彥宸	9 January 2008 二零零八年一月九日	3,259	—	(3,259)	—	11 January 2008 to 10 January 2013 二零零八年一月十一日 至二零一三年一月十日	275.958
Hon Lik 韓力	9 January 2008 二零零八年一月九日	3,259	—	(3,259)	—	4 February 2008 to 3 February 2013 二零零八年二月四日 至二零一三年二月三日	275.958
Pang Hong (note ii) 龐鴻(附註ii)	9 January 2008 二零零八年一月九日	2,172	—	(2,172)	—	14 January 2008 to 13 January 2013 二零零八年一月十四日 至二零一三年一月十三日	275.958

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2013 截至二零一三年六月三十日止六個月

15. SHARE-BASED PAYMENTS (Continued)

15. 以股份為基礎之付款(續)

Category of participants 參與者分類	Date of share options granted 授出購股權日期 (note i) (附註 i)	No. of share options as at 1 January 2013 於二零一三年一月一日之購股權數目	No. of share options adjusted during the Period 本期間調整之購股權數目 (note iv) (附註 iv)	No. of share options lapsed/ cancelled during the Period 失效／註銷之購股權數目	No. of share options outstanding as at 30 June 2013 於二零一三年六月三十日尚未行使之購股權數目	Exercise period 行使期間	Exercise price per share option 每份購股權行使價
Cheung Kwan Hung (note ii) 張鈞鴻 (附註 ii)	9 January 2008 二零零八年一月九日	2,172	—	(2,172)	—	11 January 2008 to 10 January 2013 二零零八年一月十一日 至二零一三年一月十日	275.958
Ding Xun (note ii) 丁迅 (附註 ii)	9 January 2008 二零零八年一月九日	2,172	—	(2,172)	—	22 January 2008 to 21 January 2013 二零零八年一月二十二日 至二零一三年一月二十一日	275.958
		13,034			—		

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2013 截至二零一三年六月三十日止六個月

15. SHARE-BASED PAYMENTS (Continued)

15. 以股份為基礎之付款(續)

Category of participants 參與者分類	Date of share options granted 授出購股權日期 (note i) (附註 i)	No. of share options as at 1 January 2013 於二零一三年 一月一日之 購股權數目	No. of share options adjusted during the Period 本期間 調整之 購股權數目	No. of share options lapsed/ cancelled during the Period 本期間 失效／註銷之 購股權數目	No. of share options outstanding as at 30 June 2013 於二零一三年 六月三十日 尚未行使之 購股權數目	Exercise period 行使期間	Exercise price per share option 每份購股權 行使價
Employees (in aggregate) 僱員(總計)	9 January 2008 二零零八年一月九日	38,233	—	(38,233)	—	6 February 2008 to 5 February 2013 二零零八年二月六日 至二零一三年二月五日	275.958
	18 February 2008 二零零八年二月十八日	2,172	695	(2,867)	—	17 March 2008 to 16 March 2013 二零零八年三月十七日 至二零一三年三月十六日	244.215 (note v) (附註 v)
	28 February 2008 二零零八年二月二十八日	4,345	1,390	(5,735)	—	27 March 2008 to 26 March 2013 二零零八年三月二十七日 至二零一三年三月二十六日	244.215 (note v) (附註 v)
	5 June 2008 二零零八年六月五日	4,345	1,390	—	5,735	3 July, 2008 to 2 July, 2013 二零零八年七月三日 至二零一三年七月二日	216.018 (note v) (附註 v)
	20 November 2009 二零零九年十一月二十日	10,862	3,476	—	14,338	20 November 2009 to 19 November 2013 二零零九年十一月二十日 至二零一三年十一月十九日	58.392 (note v) (附註 v)
		59,957			20,073		

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2013 截至二零一三年六月三十日止六個月

15. SHARE-BASED PAYMENTS (Continued)

15. 以股份為基礎之付款(續)

Category of participants 參與者分類	Date of share options granted 授出購股權日期 (note i) (附註i)	No. of share options as at 1 January 2013 於二零一三年一月一日之購股權數目	No. of share options adjusted during the Period 本期間調整之購股權數目 (note iv) (附註iv)	No. of share options lapsed/ cancelled during the Period 失效／註銷之購股權數目	No. of share options outstanding as at 30 June 2013 於二零一三年六月三十日尚未行使之購股權數目	Exercise period 行使期間	Exercise price per share option 每份購股權行使價
Others (note iii) 其他(附註iii)	6 May 2008 二零零八年五月六日	4,345	1,390	(5,735)	—	3 June 2008 to 2 June 2013 二零零八年六月三日 至二零一三年六月二日	212.751 (note v) (附註v)
	30 March 2009 二零零九年三月三十日	32,586	10,428	(43,014)	—	30 March 2009 to 29 March 2013 二零零九年三月三十日 至二零一三年三月二十九日	139.655 (note v) (附註v)
		36,931			—		
Total 總額		109,922			20,073		

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2013 截至二零一三年六月三十日止六個月

15. SHARE-BASED PAYMENTS (Continued)

Notes:

- (i) There is no vesting period for the share options granted except for 21,600,000 share options granted during 2008 are subject to a vesting period of three stages with 33.33% of such options granted becoming exercisable on the first anniversary, another 33.33% becoming exercisable on the second anniversary and the remaining 33.34% becoming exercisable on the third anniversary of the respective dates on which the options were accepted.
- (ii) Mr. Cheung Kwan Hung and Mr. Ding Xun resigned as independent non-executive director on 28 June 2010. Mr. Pang Hong resigned as an independent non-executive director on 29 February 2012.
- (iii) These are individuals who rendered consultancy services in respect of management of the Ruyan atomizing cigarettes and securities investments to the Group. The Group granted share options to them for recognising their services similar to those rendered by other employees. The consultancy services rendered by the consultants include, among others, coordination of potential investment projects and advise on potential acquisition and corporate exercises. In the opinion of the directors, the consultancy services rendered by the consultants are similar to those rendered by the employees. Therefore, the fair value of the share options granted to the consultants was measured by the same accounting policies as that of the employees in accordance with HKFRS 2.
- (iv) The number of share options was adjusted immediately after the completion of the rights issue on 7 February 2013.
- (v) The exercise price per share option was adjusted upon the completion of rights issue on 7 February 2013.

There is no share-based payment expenses in respect of its share options recognised in the profit or loss for both periods.

16. RELATED PARTY TRANSACTIONS

The remuneration of key management during the Period was approximately HK\$2,545,000 (six months ended 30 June 2012: approximately HK\$2,370,000).

15. 以股份為基礎之付款(續)

附註：

- (i) 所授購股權並無歸屬期，惟於二零零八年授出之21,600,000份購股權於購股權獲接納之各自日期起分三期行使：33.33%授出之有關購股權於第一週年可行使，另外33.33%授出之有關購股權於第二週年可行使，而其餘33.34%於第三週年可行使。
- (ii) 張鈞鴻先生及丁迅先生於二零一零年六月二十八日辭任獨立非執行董事。龐鴻先生於二零一二年二月二十九日辭任獨立非執行董事。
- (iii) 該等為就如煙霧化煙管理及證券投資向本集團提供諮詢服務之人士，本集團確認彼等提供類似其他僱員之服務而向彼等授出購股權。該等顧問提供之諮詢服務包括協調潛在投資項目以及就潛在收購及企業活動提供意見。董事認為，顧問提供之諮詢服務類似僱員提供之服務。因此，授予顧問之購股權之公平值根據香港財務報告準則第2號按照適用於僱員之相同會計政策計量。
- (iv) 購股權數目於二零一三年二月七日緊隨供股完成後調整。
- (v) 每份購股權行使價於二零一三年二月七日供股完成後調整。

兩個期間均無於損益內確認購股權以股份為基礎付款之支出。

16. 關連人士交易

本期間內，主要管理層酬金約為2,545,000港元(截至二零一二年六月三十日止六個月：約為2,370,000港元)。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2013 截至二零一三年六月三十日止六個月

17. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

17. 金融工具之公平值計量

按經常性基準以公平值計量之本集團金融資產及金融負債之公平值

本集團部份金融資產及金融負債於各呈報期末按公平值計量。下表提供有關根據公平值計量之參數之可觀察程度如何釐定該等金融資產及金融負債之公平值（特別是所使用之估值方法及參數），及公平值計量所劃分之公平值級別水平（第一至三級）之資料。

- 第一級公平值計量指以在活躍市場就相同資產或負債取得之報價（未經調整）進行之計量；
- 第二級公平值計量指以第一級報價以外之資產或負債之可觀察數據（無論是直接（即價格）或間接（即按價格推算））進行之計量；及
- 第三級公平值計量指透過運用並非基於可觀察市場數據之資產或負債參數（不可觀察參數）之估值方法進行之計量。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2013 截至二零一三年六月三十日止六個月

17. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

17. 金融工具之公平值計量(續)

(Continued)

		Fair value as at 於下列日期之公平值		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value 無法觀察參數 與公平值之關係
		30.6.2013 二零一三年 六月三十日	31.12.2012 二零一二年 十二月三十一日				
Financial assets	金融資產			公平值級別	估值方法及主要參數	重大無法觀察參數	
1)	Investment in unlisted convertible bonds classified as investments held for trading in the condensed consolidated statement of financial position	Assets - HK\$4,206,000 資產 - 4,206,000 港元	N/A 不適用	Level 3 第三級	Discounted cash flow and Binomial Option Pricing Model 折現現金流及 二項式期權定價模式 Future cash flows are estimated based on convertible bond agreement and discounted at a rate that investor's the credit risk 未來現金流乃根據可換股債券協議估計得出並根據投資者信貸風險之利率折現	Discount rate, determined based on prevailing market rate of interest for similar instruments 折現率，根據相似工具之當前市場利率釐定	The lower the discount rate, the higher the fair value 折現率越低，則公平值越高
1)	投資在簡明綜合財務狀況表中分類為持作交易用途之投資之非上市可換股債券				Binomial Option Pricing Model's key inputs: Volatility of 55.74%; Risk-free rate of 0.673%; Spot price: HK\$0.115 二項式期權定價模式之主要參數： 波幅 55.74%； 無風險利率 0.673%； 現貨價 0.115 港元	Volatility determined based on historical volatility of the listed entity 波幅按上市實體的歷史波幅釐定	The higher the volatility, the higher the fair value 波幅越高，則公平值越高
2)	Investments in listed equity securities classified as investments held for trading in the condensed consolidated statement of financial position	Listed equity securities: - Hong Kong HK\$161,090,000 上市股本證券： — 香港	Listed equity securities in: - Hong Kong HK\$129,828,000 上市股本證券： — 香港	Level 1 第一級	Quoted bid prices in an active market 於活躍市場之買入報價	N/A 不適用	N/A 不適用
2)	投資在簡明綜合財務狀況表中分類為持作交易用途之投資之上市股本證券	161,090,000 港元	129,828,000 港元				

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2013 截至二零一三年六月三十日止六個月

17. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(Continued)

17. 金融工具之公平值計量(續)

	Fair value as at 於下列日期之公平值		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value 無法觀察參數 與公平值之關係
	30.6.2013 二零一三年 六月三十日	31.12.2012 二零一二年 十二月三十一日				
Financial assets 金融資產						
3) Call Option/Put Option classified as derivative financial instruments in the condensed consolidated statement of financial position	Liabilities - HK\$18,305,000 負債— 18,305,000 港元	Liabilities - HK\$17,332,000 負債— 17,332,000 港元	Level 3 第三級	Black Scholes Option Pricing Model and key inputs: 柏立克—舒爾斯期權定價模式 及主要參數：		
3) 於簡明綜合財務狀況表中分類為衍生金融工具之認購期權／認沽期權				Equity value of HK\$6,695,000; Volatility of 31.58%; Risk-free rate of 0.57% 資本值 6,695,000 港元； 波幅 31.58%； 無風險利率 0.57%	Equity value determined based on business value of Chinese Medicine Clinic 資本值按中藥坊之商業價值釐定	The lower the equity value, the higher the fair value 資本值越低，則公平值越高

Reconciliation of Level 3 fair value measurements of financial assets

金融資產之第三級公平值計量之對賬

	Call Option/ Put Option 認購期權／ 認沽期權 HK\$'000 千港元	Investment in convertible instruments 投資 可換股工具 HK\$'000 千港元
At 1 January 2013	(17,332)	—
Purchase	—	20,000
Transfer to loan receivables upon change in terms by the counterparty	—	(5,383)
Loss in profit or loss	(973)	(10,411)
At 30 June 2013	(18,305)	4,206

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 June 2013 截至二零一三年六月三十日止六個月

17. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(Continued)

Reconciliation of Level 3 fair value measurements of financial assets (Continued)

Of the total loss for the Period included in profit or loss, HK\$10,411,000 relates to investment in convertible instruments classified as investment held for trading at the end of the current reporting period and included in 'change in fair value of financial assets at fair value through profit or loss'.

Loss of HK\$973,000 relates to the loss incurred on Call Option/Put Option included in 'other gains and losses'.

The chief financial officer of the Company is responsible to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engaged third party qualified valuers to perform the valuation. The chief financial officer works closely with qualified external valuers to establish the appropriate valuation techniques and inputs to the model. Chief financial officer reports to executive directors semi-annually to explain the cause of fluctuations in the fair value of the assets.

Information about the valuation techniques and inputs used in determining the fair value of various assets are disclosed above.

18. EVENT AFTER THE REPORTING PERIOD

On 14 August 2013, the Group entered into the Assets Sale Agreement ("ASA") for the disposal of certain assets at a total consideration of US\$75 million (approximately HK\$581,250,000) payable to the Group in the aggregate of (a) the initial purchase price of US\$50 million (approximately HK\$387,500,000) and (b) the deferred purchase price of US\$25 million (approximately HK\$193,750,000) in aggregate. The ASA is subject to certain conditions precedent including the shareholders' approval at an Extraordinary General Meeting to be held by the Company.

17. 金融工具之公平值計量(續)

金融資產之第三級公平值計量之對賬(續)

計入損益內之期內虧損總值中，10,411,000港元涉及於本呈報期末分類為持作交易用途之投資之可換股工具之投資，並計入「按公平值計入損益之金融資產之公平值變動」。

認購期權／認沽期權產生之虧損973,000港元計入「其他盈虧」。

本公司之財務總監負責釐定公平值計量適用之估值方法及參數。

在估計資產或負債之公平值時，本集團盡可能使用可觀察市場數據。在並無第一級之參數之情況下，本集團委聘第三方估值師進行估值。財務總監與合資格外聘估值師緊密合作設立模式適用之估值方法及參數。財務總監每半年向執行董事進行匯報，解釋資產公平值波動之原因。

有關釐定多項資產公平值所用估值方法及參數之資料於上文披露。

18. 呈報期結算日後事項

於二零一三年八月十四日，本集團訂立資產銷售協議（「資產銷售協議」）出售若干資產，應付本集團之總代價75,000,000美元（約581,250,000港元）為下列兩者之和：(a) 初步購買價50,000,000美元（約387,500,000港元）；及(b) 遞延購買價合共25,000,000美元（約193,750,000港元）。資產銷售協議須待達成若干先決條件（包括經股東於本公司將會舉行之股東特別大會上批准）後，方可作實。

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW

The Group recorded an unaudited consolidated net loss of approximately HK\$57,965,000 for the Period (six months ended 30 June 2012: approximately HK\$ 56,386,000). Turnover for the Period was a negative amount of approximately HK\$23,238,000 (six months ended 30 June 2012: negative turnover of approximately HK\$10,496,000). The net asset value of the Group increased from approximately HK\$310,445,000 as at 31 December 2012 to approximately HK\$356,079,000 as at 30 June 2013, representing a 14.7% increment.

Loss for the Period was mainly attributable to the following factors:

1. The Group's securities portfolio suffered the net realized and unrealized losses of approximately HK\$30,503,000 (six months ended 30 June 2012: net loss of approximately HK\$16,578,000) on change in fair value of financial assets at fair value through profit or loss ("FAFVPL") in the income statement.
2. Provision for doubtful debts on long outstanding other receivable amounted to HK\$4,580,000 (six months ended 30 June 2012: NIL) was made for the Period.
3. Sales of electronic cigarette products remained sluggish during the Period.

Health Care and Pharmaceutical Products

The Group improved its manufacturing plant in Shenyang during the Period and approval was granted for the sales and production of Chenlong Baoling Longevity Ginseng product. During the Period, the Group refined the new packaging of the ginseng products and is expected to resume sales and production in the second half of 2013.

Azithromycin Granules (II) (「阿奇霉素顆粒 (II)」) and Rosiglitazone Hydrochloride Capsules (「鹽酸吡格列酮膠囊」) remained as the Group's two key sales products during the Period. Trading of pharmaceutical products was stable during the Period. Turnover of pharmaceutical products for the Period was approximately HK\$8,241,000, representing a slight decrease of 7.3% from approximately HK\$8,891,000 as compared to the corresponding period last year.

業務回顧

本集團於本期間錄得未經審核綜合虧損淨額約 57,965,000 港元(截至二零一二年六月三十日止六個月：約 56,386,000 港元)。本期間營業額約為負 23,238,000 港元(截至二零一二年六月三十日止六個月：營業額約為負 10,496,000 港元)。本集團之資產淨值由二零一二年十二月三十一日約 310,445,000 港元增至二零一三年六月三十日約 356,079,000 港元，增幅為 14.7%。

本期間出現虧損主要由於下列因素：

1. 本集團之證券組合錄得收益表內按公平值計入損益之金融資產(「按公平值計入損益之金融資產」)之公平值變動已變現及未變現虧損淨額約 30,503,000 港元(截至二零一二年六月三十日止六個月：虧損淨額約 16,578,000 港元)。
2. 本期間就長期未收回其他應收款項計提呆賬撥備 4,580,000 港元(截至二零一二年六月三十日止六個月：零)。
3. 本期間電子煙產品之銷售持續低迷。

保健及醫藥產品

本集團於本期間改良其位於瀋陽之製造工廠，並獲准銷售及生產辰龍保齡參產品。於本期間，本集團改良人參產品新包裝，並預計將於二零一三年下半年恢復生產和銷售。

阿奇霉素顆粒(II)及鹽酸吡格列酮膠囊於本期間仍是本集團銷售的兩種主要產品。本期間醫藥產品交易穩定。本期間醫藥產品之營業額約為 8,241,000 港元，較去年同期約 8,891,000 港元微降 7.3%。

Electronic Cigarettes and Intellectual Property

In the first half of 2013, the Group consolidated distribution of electronic cigarettes in the People's Republic of China (the "PRC") while international sales were minimal and orders for overseas markets like United Kingdom, France etc. were pending for lab test results of new products, resulting in a decrease in turnover of electronic cigarettes from approximately HK\$864,000 in 2012 to approximately HK\$714,000 in 2013 as compared with the corresponding period in the previous year.

Continued improvements in the atomization technology to deliver nicotine more efficiently and at a sustained level over the life of the atomizer. RUYAN emphasizes on the reliability of the design and manufacturing of its products. RUYAN provides an encased stainless steel and leak-resistant cartomizer that houses the atomizer. During the Period, Ruyan continued to develop and perform tests on several methods to ensure there were no leakage and droplets inhaled through the mouth — a common problem within the e-cigarette industry.

The last of the cases filed in 2011 for complaints of patent infringement of US Patent No. 7,832,410 has been closed during the Period. A division of U.S. Patent No. 8,156,944, the Group's patent for the "Aerosol Electronic Cigarette," has been issued by the United States Patent and Trademark Office as United States Patent No. 8,365,742, (the "'742 Patent"). United States Patent No. 8,375,957 (the "'957 Patent") for an "Electronic Cigarette" was also issued during the Period. In addition, a continuation of the '410 Patent (the patent for the "Aerosol Electronic Cigarette") has been successfully issued in the United States by the United States Patent and Trademark Office as United States Patent No. 8,393,331, (the "'331 Patent").

Trading of Securities

Securities trading and investments remain the principal business of the Group and as a treasury function, the Group invests its surplus cash in the Hong Kong securities market with an aim to capture future appreciation of share price. The net realized gain on change in fair value of FAFVPL amounted to approximately HK\$5,517,000, (six months ended 30 June 2012: approximately HK\$3,082,000). The net realized and unrealized losses incurred by securities trading increased to approximately HK\$30,503,000 for the Period (six months ended 30 June 2012: approximately HK\$16,578,000). As the deposit rate offered by licensed banks in Hong Kong are minimal, the Group will continue to utilize the surplus cash for short term securities investments and to diversify its investment portfolio.

電子煙及知識產權

二零一三年上半年，本集團鞏固中華人民共和國（「中國」）之電子煙分銷業務，而國際銷售較少，且英國、法國等海外市場之訂單有待新產品實驗室測試結果，使電子煙營業額由二零一二年同期之約864,000港元減至二零一三年之約714,000港元。

不斷改進之霧化技術可於噴霧器使用期內更有效率及持久釋出尼古丁。如烟產品之設計及製造極注重安全性能。如烟用密封不鏽鋼及防漏之霧化器裝載噴霧器。本期間，如烟繼續採用幾種技術開發及測試，確保不會出現洩漏以及將液滴吸入嘴中這類電子煙行業常見之問題。

本期間，於二零一一年送交存案有關美國專利第7,832,410號之最後一宗專利侵權訴訟案件已結案。美國專利號8,156,944（本集團一種「霧化電子煙」之專利）之分支專利申請獲美國專利及商標局發出美國專利號8,365,742（「742專利」）。本期間，本集團亦獲發出有關「電子煙」之專利美國專利號8,375,957（「957專利」）。此外，410專利（一種「霧化電子煙」專利）之延續已獲美國專利及商標局於美國成功發出美國專利號8,393,331（「331專利」）。

證券買賣

本集團繼續以證券買賣及投資為其主要業務，並將其現金盈餘投資於香港證券市場作為財資功能，旨在獲取未來股價升值。按公平值計入損益之金融資產之公平值變動已變現收益淨額約為5,517,000港元（截至二零一二年六月三十日止六個月：約3,082,000港元）。於本期間證券買賣產生之已變現及未變現虧損淨額增加至約30,503,000港元（截至二零一二年六月三十日止六個月：約16,578,000港元）。由於香港持牌銀行提供之存款利率極低，本集團將繼續把現金盈餘用作短期證券投資及使其投資組合多樣化。

Management Discussion and Analysis

管理層討論及分析

Property Investment

The Group has fully leased out the entire area (except the common area for public access) of the premises situated at the basement of China United Centre, 28 Marble Road, North Point, Hong Kong to a Chinese clinic and a western pharmacy, generating a monthly rent of HK\$410,000. Attributable to such rental income, the Group recorded a segment turnover of HK\$2,460,000 for the Period (six months ended 30 June 2012: HK\$2,220,000).

Money Lending

During the Period, the Group utilized part of its surplus cash to provide short-term financing to certain individual borrowers. Interest income generated from money lending business amounted to approximately HK\$1,077,000 for the Period (six months ended 30 June 2012: NIL).

LIQUIDITY, FINANCIAL ANALYSIS AND CAPITAL STRUCTURE

As at 30 June 2013, the Group maintained a secured bank borrowing of approximately HK\$24,822,000 (31 December 2012: approximately HK\$25,676,000). Such borrowing was denominated in HKD, and thus, there was no exposure to fluctuations in exchange rate. Gearing ratio of the Group decreased from approximately 8.27% as at 31 December 2012 to approximately 6.97% as at 30 June 2013. This calculation is based on net borrowings mentioned above and shareholders' funds of approximately HK\$356,079,000 (31 December 2012: approximately HK\$310,445,000). Cash and bank balances amounted to approximately HK\$38,866,000 (31 December 2012: approximately HK\$34,881,000) and total assets were approximately HK\$438,200,000 (31 December 2012: approximately HK\$394,990,000). Net current assets of the Group on the same date amounted to approximately HK\$144,423,000 (31 December 2012: approximately HK\$104,571,000). As at 30 June 2013, inventories amounted to approximately HK\$8,209,000, representing a slight decrease of approximately HK\$346,000 when compared with the amount as at 31 December 2012. The Group had no material capital commitment as at 30 June 2013.

物業投資

本集團將位於香港北角馬寶道28號華匯中心地庫之物業全部(除供公眾進出之公共範圍外)租予一間中醫診所及一間西藥店,帶來每月租金410,000港元。因有關租賃收入,本集團於本期間錄得分類營業額2,460,000港元(截至二零一二年六月三十日止六個月:2,220,000港元)。

貸款

於本期間,本集團利用其部分現金盈餘向若干個人借款人提供短期融資。本期間貸款業務所得利息收入約1,077,000港元(截至二零一二年六月三十日止六個月:零)。

流動資金、財務分析及資本結構

於二零一三年六月三十日,本集團尚有抵押銀行借貸約24,822,000港元(二零一二年十二月三十一日:約25,676,000港元)。該等借貸以港元計值,因此無匯率波動之風險。本集團之資本與負債比率由二零一二年十二月三十一日約8.27%減至二零一三年六月三十日約6.97%。此乃根據上述借貸淨額及股東資金約356,079,000港元(二零一二年十二月三十一日:約310,445,000港元)計算。現金及銀行結餘約38,866,000港元(二零一二年十二月三十一日:約34,881,000港元)及資產總額約438,200,000港元(二零一二年十二月三十一日:約394,990,000港元)。本集團於同日之流動資產淨額約144,423,000港元(二零一二年十二月三十一日:約104,571,000港元)。於二零一三年六月三十日,存貨約8,209,000港元,相對二零一二年十二月三十一日之存貨略減約346,000港元。本集團於二零一三年六月三十日並無重大資本承擔。

In order to improve the financial position of the Group, the Company completed a rights issue on 7 February 2013 on the basis of one rights share for every share held on the record date at the subscription price of HK\$1.00 per rights share. Net subscription price per rights share was approximately HK\$0.961 and net proceeds of approximately HK\$101.83 million were raised. The funds raised during the Period were used to strengthen the Group's financial position and provide working capital for its existing businesses.

Pursuant to the option agreement dated 8 August 2011 relating to the possible acquisition of Apex Corporate Investments Limited ("Apex"), the holding company of HON Chinese Medicine Company Limited ("Clinic"), the exercise price of the call/put options is capped at HK\$75 million and the minimum is HK\$25 million. The Group will keep itself apprised of any future fund raising opportunities for investing in Apex and the Clinic if and when the option is exercised.

FOREIGN EXCHANGE RISKS

The Group's operations in the PRC are mainly settled in Renminbi. However, securities trading and investments, money lending, property investment and all corporate activities such as rights issue are conducted in HKD. Therefore, the Group is exposed to fluctuations in foreign exchange rate to a certain extent. Currently, the Group has no formal hedging policies in place. The Group has not entered into any foreign currency exchange contracts or derivatives to hedge against the Group's currency risks.

PROSPECTS FOR THE YEAR 2013 AND DEVELOPMENT PLAN

On 14 August 2013, the Company (as guarantor) and four of its wholly-owned subsidiaries (as sellers) entered into an assets sale agreement (the "ASA") for the disposal (the "Disposal") of certain assets, including all intellectual property rights relating to the Group's electronic cigarette business at the consideration of US\$75 million. The closing of the Disposal is subject to certain conditions precedent. Further details of the Disposal were disclosed in the announcement of the Company dated 21 August 2013.

為改善本集團之財務狀況，本公司於二零一三年二月七日以認購價每股供股股份1.00港元按於記錄日期每持有一股股份獲發一股供股股份之基準完成供股。每股供股股份之淨認購價約為0.961港元，而籌集所得款項淨額約101,830,000港元。本期間所籌集資金用於強化本集團之財務狀況及為現有業務提供營運資金。

根據有關可能收購漢坊中醫藥業有限公司(「診所」)之控股公司Apex Corporate Investments Limited(「Apex」)於二零一一年八月八日所訂立的期權協議，認購／認沽期權的行使價上下限分別為75,000,000港元及25,000,000港元。本集團會繼續留意日後的集資機會，以便行使期權時用於投資Apex及診所。

外匯風險

本集團之國內業務主要以人民幣結算，而證券買賣及投資、貸款、物業投資以及所有企業活動(如供股)則以港元進行。因此，本集團有一定程度之匯率波動風險。現時，本集團並無正式對沖政策，亦無訂立任何外匯合約或衍生工具，以對沖本集團之貨幣風險。

二零一三年展望及發展計劃

於二零一三年八月十四日，本公司(作為擔保人)及其四間全資附屬公司(作為賣方)訂立資產銷售協議(「資產銷售協議」)，以出售若干資產，包括與本集團電子煙業務有關之所有知識產權，代價為75,000,000美元(「出售事項」)。出售事項須待若干先決條件獲達成後方告完成。有關出售事項之進一步詳情披露於本公司日期為二零一三年八月二十一日之公佈。

Management Discussion and Analysis

管理層討論及分析

The net proceeds of the Disposal will be used to provide working capital for the existing principal activities. The Board will utilize the net proceeds of the Disposal to fund research and development of novel technologies, principally in the areas of alternative pharmaceutical solutions and health care options. In addition, the Board will seek to identify suitable projects in the health care sector, and consider any new investment opportunities when opportunities arise. Following closing of the Disposal, the Group will continue to focus on its existing principal activities, including but not limited to the sales and production of health care and pharmaceutical products, money lending, securities and property investment.

DETAILS OF MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES

There were no material acquisitions or disposals of subsidiaries during the Period.

PLEDGE OF ASSETS

At 30 June 2013, margin facilities of approximately HK\$78,995,000 (31 December 2012: approximately HK\$64,914,000) from regulated securities broker were granted to the Group which were secured by the Group's FAFVPL with the carrying amount of approximately HK\$165,296,000 (31 December 2012: approximately HK\$129,828,000).

At 30 June 2013, the Group pledged its investment property to secure its bank borrowing of approximately HK\$24,822,000 (31 December 2012: approximately HK\$25,676,000).

CONTINGENT LIABILITIES

As at 30 June 2013, the Group did not provide any form of guarantees for any external party and was not liable to any material legal proceedings of which provision for contingent liabilities was required.

EMPLOYEE POLICY

As at 30 June 2013, the Group employed approximately 142 employees in the PRC and Hong Kong. Employee remuneration packages are determined with reference to their performance, experience, roles, duties and responsibilities in the Group.

出售事項所得款項淨額將用於為現有主要業務提供營運資金。本集團亦將出售事項所得款項淨額用於撥付革新技術之研發，特別是在替代醫藥解決方案及保健選擇領域。此外，董事會亦會尋求保健行業之適當項目，並會於出現機遇時考慮新投資機遇。出售事項結束後，本集團將繼續專注現有主要業務，包括但不限於生產及銷售保健及醫藥產品、貸款、證券及物業投資。

重大收購及出售附屬公司詳情

本期間內並無重大收購或出售附屬公司。

資產抵押

於二零一三年六月三十日，本集團獲受規管證券經紀商授予保證金信貸額約78,995,000港元（二零一二年十二月三十一日：約64,914,000港元），以本集團賬面值約165,296,000港元（二零一二年十二月三十一日：約129,828,000港元）之按公平值計入損益之金融資產擔保。

於二零一三年六月三十日，本集團已抵押其投資物業，以取得銀行借貸約24,822,000港元（二零一二年十二月三十一日：約25,676,000港元）。

或然負債

於二零一三年六月三十日，本集團並無對外為其他公司作出任何形式之擔保，亦無涉及重大訴訟事項而需要作出或然負債撥備。

僱員政策

於二零一三年六月三十日，本集團在中國和香港僱有員工約142名。僱員薪酬待遇參考其表現、經驗及在本集團之職位、職責及責任而釐定。

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend in respect of the six months ended 30 June 2013 (six months ended 30 June 2012: NIL).

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITION IN SHARES AND UNDERLYING SHARES

As at 30 June 2013, the interests and short positions of the directors and the chief executive of the Company in the shares, underlying shares and debt securities of the Company or any of its subsidiaries or associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which are required (i) to be notified to the Company and the The Stock Exchange of Hong Kong Limited ("Stock Exchange") pursuant to Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the The Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") to be notified to the Company and the Stock Exchange were as follows:-

中期股息

董事會不建議派付截至二零一三年六月三十日止六個月之中期股息(截至二零一二年六月三十日止六個月：零)。

董事及主要行政人員於股份及相關股份之權益及短倉

於二零一三年六月三十日，本公司董事及主要行政人員於本公司或其任何附屬公司或相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份及債券中，擁有(i)根據證券及期貨條例第XV部須知會本公司及香港聯合交易所有限公司(「聯交所」)之權益及短倉(包括根據證券及期貨條例有關規定當作或視作擁有之權益或短倉)；或(ii)須載入根據證券及期貨條例第352條之規定存置之登記冊內之權益及短倉；或(iii)根據聯交所證券上市規則(「上市規則」)附錄十所載上市發行人董事進行證券交易的標準守則(「標準守則」)須知會本公司及聯交所之權益及短倉載列如下：

Other Disclosure Information

其他資料披露

Long positions in ordinary shares and underlying shares of the Company as at 30 June 2013:

於二零一三年六月三十日，本公司普通股及相關股份中的長倉載列如下：

Name of Director 董事姓名	Capacity 身份	Number of issued ordinary shares of the Company 本公司已發行 普通股數目	Approximate percentage of the issued share capital of the Company 本公司已 發行股本 之概約百分比 (Note 1) (附註1)
Mr. Wong Yin Sen 王彥宸先生	Interest of controlled corporation 受控制法團權益	1,672,650 (Note 2) (附註2)	0.79%
Mr. Hon Lik 韓力先生	Interest of controlled corporation 受控制法團權益	1,672,650 (Note 2) (附註2)	0.79%

Notes:

- The percentage of shareholding in the Company is calculated by reference to 211,949,984 shares in issue as at 30 June 2013.
- These represent the interests in the 1,672,650 shares of the Company directly held by Absolute Target Limited which is controlled as to 46.25%, 42.5% and 11.25% by Mr. Wong Yin Sen, Mr. Hon Lik and Mr. Wong Hei Lin respectively.

附註：

- 所持本公司股權百分比乃參考於二零一三年六月三十日已發行211,949,984股股份計算。
- 由Absolute Target Limited直接持有的本公司1,672,650股之權益。王彥宸先生、韓力先生及王希年先生分別擁有Absolute Target Limited 46.25%、42.5%及11.25%權益。

Save as disclosed above, as at 30 June 2013, none of the directors and chief executive of the Company had any interests or short positions in the shares, underlying shares and debt securities of the Company or any of its subsidiaries or associated corporations that are required to be recorded pursuant to section 352 of the SFO, or otherwise notified to the Company or the Stock Exchange pursuant to the Model Code.

除上文披露者外，於二零一三年六月三十日，概無任何本公司董事及主要行政人員於本公司或其任何附屬公司或相聯法團的股份、相關股分及債券中擁有須根據證券及期貨條例第352條之規定登記之權益及短倉或須根據標準守則知會本公司或聯交所之權益或短倉。

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES OF THE COMPANY

Save as disclosed under "Share-Based Payments" relating to the share options granted by the Company in note 15 to the condensed consolidated financial statements, at no time during the Period was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of acquisition of shares in, or debt securities (including debentures) of, the Company or any associated corporations, and none of the directors of the Company, or their spouses or children under age of 18, had any right to subscribe for the shares or debt securities of the Company or had exercised any such right during the Period.

DIRECTORS' INTERESTS IN CONTRACTS

There was no contract of significance to which the Company, its holding company, subsidiaries or fellow subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the Period or at any time during the Period.

SUBSTANTIAL SHAREHOLDERS

So far as is known to directors of the Company, as at 30 June 2013, the persons or companies (other than directors or chief executive of the Company) who had interests or short positions in the shares and underlying shares of the Company which fall to be disclosed to the Company under Part XV of the SFO, or which were recorded in the register of substantial shareholders required to be kept by the Company under section 336 of the SFO were as follows:

Long positions in the ordinary shares of the Company as at 30 June 2013:

Name of Shareholder 股東名稱	Capacity 身份	Number of shares of the Company 本公司股份數目	Approximate percentage of shareholding 股權概約百分比 (Note 1) (附註1)
Unity Investments Holdings Limited (Note 2) 合一投資控股有限公司 (附註2)	Interests of controlled corporation 受控制法團權益	20,020,000	9.45%

董事購買本公司股份或債券之權利

除簡明綜合財務報表附註15「以股份為基礎之付款」披露有關本公司授出的購股權外，於本期間任何時間，本公司或其任何附屬公司概無訂立任何安排，致使本公司董事透過收購本公司或任何相聯法團之股份或債券（包括公司債券）而獲得利益，且於本期間，本公司董事或彼等配偶或十八歲以下子女並無認購本公司股份或債券的權利，亦無行使任何相關權利。

董事於合約之權益

於本期間末或本期間內任何時間，本公司、其控股公司、附屬公司或其同系附屬公司概無訂立任何本公司董事於其中直接或間接擁有重大利益關係之重大合約。

主要股東

就本公司董事所知，於二零一三年六月三十日，於本公司股份及相關股份中擁有須根據證券及期貨條例第XV部向本公司披露，或須載入本公司根據證券及期貨條例第336條之規定存置之主要股東登記冊的權益或短倉的人士或公司（除本公司董事或主要行政人員外）載列如下：

於二零一三年六月三十日，本公司普通股的長倉載列如下：

Other Disclosure Information

其他資料披露

Notes:

1. The percentage of shareholding in the Company is calculated by reference to 211,949,984 shares in issue as at 30 June 2013.
2. These shares are held by Great Panorama International Limited which is a wholly-owned subsidiary of Unity Investments Holdings Limited.

Save as disclosed above, as at 30 June 2013, no person, other than the directors of the Company, whose interests are set out herein this report, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to section 336 of the SFO.

SHARE OPTION SCHEME

At an extraordinary general meeting of the Company held on 17 December 2012, an ordinary resolution was duly passed to adopt a new share option scheme. The old share option scheme adopted by the Company on 30 May 2003 was terminated upon passing of the ordinary resolution to adopt the new share option scheme.

Details and the movement of the share option scheme of the Company are disclosed in "Share-based Payments" in note 15 to the condensed consolidated financial statements.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the directors of the Company. Having made specific enquiries of all directors of the Company, they all confirmed that they have complied with the required standard set out in the Model Code during the Period.

附註：

1. 所持本公司股權百分比乃參考於二零一三年六月三十日已發行211,949,984股股份計算。
2. 有關股份由合一投資控股有限公司全資附屬公司Great Panorama International Limited持有。

除上文披露者外，於二零一三年六月三十日，概無任何人士（於本報告中載有其權益的本公司董事除外）於本公司股份或相關股份中擁有須根據證券及期貨條例第336條登記之權益或短倉。

購股權計劃

本公司於二零一二年十二月十七日舉行之股東特別大會上正式通過一項普通決議案以採納新購股權計劃。本公司於二零零三年五月三十日採納之舊購股權計劃已於通過普通決議案以採納新購股權計劃時終止。

本公司購股權計劃之詳情及變動於簡明綜合財務報表附註15「以股份為基礎之付款」披露。

購買、出售或贖回證券

於本期間，本公司或其任何附屬公司概無購買、出售或贖回本公司之任何上市證券。

董事進行證券交易的標準守則

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守則。經向本公司所有董事作出具體查詢後，彼等均已確認於本期間內一直遵守標準守則載列之所須標準。

CORPORATE GOVERNANCE

The Board is responsible for performing the corporate governance duties with written terms of reference. Save as disclosed below, the Company has complied with all code provisions of the Corporate Governance Code (the "Code") during the Period as set out in Appendix I4 to the Listing Rules.

Code Provision A.4.1 stipulated that non-executive directors should be appointed for a specific term and be subject to re-election. The non-executive directors of the Company are not appointed for a specific term of office, which constitutes a deviation from A.4.1 of the Code. However, all non-executive directors of the Company are subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the Company's Articles of Association. As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the Code.

AUDIT COMMITTEE

The interim results for the Period have been reviewed by the audit committee of the Company. The audit committee comprises four independent non-executive directors of the Company, namely Mr. Chung Yuk Lun, Mr. Liu Kwong Sang, Mr. Lam Man Sum, Albert and Mr. Ho Tak Fun.

REMUNERATION COMMITTEE

The duties of the remuneration committee of the Company include making recommendations on the Group's policy and structure for remuneration package of the directors and senior management, evaluation and making recommendation on other employees' benefit arrangements. The remuneration committee comprises four independent non-executive directors of the Company, namely Mr. Chung Yuk Lun, Mr. Liu Kwong Sang, Mr. Lam Man Sum, Albert and Mr. Ho Tak Fun.

NOMINATION COMMITTEE

The primary duties of the nomination committee include (i) reviewing the structure, size and composition of the Board; (ii) selection of individuals nominated for directorships; (iii) assess the independence of independent non-executive directors; and (iv) make recommendations to the Board. The nomination committee comprises the managing director and four independent non-executive directors of the Company, namely, Mr. Gary Drew Douglas, Mr. Chung Yuk Lun, Mr. Liu Kwong Sang, Mr. Lam Man Sum, Albert and Mr. Ho Tak Fun.

企業管治

董事會具有書面職權範圍，負責履行所列企業管治職責。除下文所披露者外，本公司於期內一直遵守上市規則附錄十四所載企業管治守則（「守則」）之所有守則條文。

第A.4.1條守則條文規定，非執行董事應以特定年期委任，可重選連任。本公司非執行董事並非以特定年期委任，故偏離守則第A.4.1條。然而，本公司所有非執行董事須根據本公司之章程細則於本公司股東週年大會上輪席告退及重選連任。因此，本公司認為已採取足夠措施保障本公司的企業管治常規執行不遜於守則所制定者。

審核委員會

本期間之中期業績已由本公司審核委員會審閱。審核委員會由本公司四名獨立非執行董事（即鍾育麟先生、廖廣生先生、林聞深先生及何德芬先生）組成。

薪酬委員會

本公司薪酬委員會職責包括對本集團政策以及董事及高級管理層薪酬方案架構提供意見，並對其他僱員福利安排進行評估及提供意見。薪酬委員會由本公司四名獨立非執行董事（即鍾育麟先生、廖廣生先生、林聞深先生及何德芬先生）組成。

提名委員會

提名委員會主要職責包括(i)審閱董事會之架構、規模及組成；(ii)甄選提名為董事的人士；(iii)評估獨立非執行董事的獨立性；及(iv)向董事會提出建議。提名委員會由本公司董事總經理及四名獨立非執行董事（即Gary Drew Douglas先生、鍾育麟先生、廖廣生先生、林聞深先生及何德芬先生）組成。

Other Disclosure Information

其他資料披露

BOARD OF DIRECTORS

As at the date of this report, the members of the Board are as follows:

Executive Directors

Mr. Wong Yin Sen (*Chairman*)

Mr. Gary Drew Douglas
(*Managing Director*)

Mr. Hon Lik

Ms. Chan Mee Sze

Mr. Lam Suk Ping

Independent non-executive Directors

Mr. Chung Yuk Lun

Mr. Liu Kwong Sang

Mr. Lam Man Sum, Albert

Mr. Ho Tak Fun

董事會成員

於本報告日期，董事會成員如下：

執行董事

王彥宸先生(主席)

Gary Drew Douglas 先生
(董事總經理)

韓力先生

陳美思女士

林叔平先生

獨立非執行董事

鍾育麟先生

廖廣生先生

林聞深先生

何德芬先生

The Board has approved the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2013.

董事會已通過本集團截至二零一三年六月三十日止六個月未經審核簡明綜合財務報表。

APPRECIATION

The Board would like to express our gratitude and sincere appreciation to its business partners, management and staff members, and shareholders for their continuous support.

感謝

董事會衷心感謝其業務夥伴、管理層、員工及股東一直以來的支持。

By order of the Board

Dragonite International Limited

Wong Yin Sen

Chairman

28 August 2013

承董事會命

叁龍國際有限公司

主席

王彥宸

二零一三年八月二十八日