



武夷药业
Wuyi Pharmaceutical

Wuyi International Pharmaceutical Company Limited

武夷國際藥業有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號 : 1889

Interim Report **2016** 中期報告

Life • Nature • Science
愛生命 • 愛自然 • 愛科學

BOARD OF DIRECTORS

Executive Directors

- Mr. Lin Ou Wen (*Chairman*)
Mr. Lin Qing Ping
(retired with effect from 2 June 2016 and appointed with effect from 30 June 2016)
Mr. Lin Min
(appointed with effect from 30 June 2016)
Mr. Xu Chao Hui
(retired with effect from 2 June 2016)

Non-executive Directors

- Mr. Tang Bin
(retired with effect from 2 June 2016)
Mr. John Yang Wang
(resigned with effect from 30 June 2016)
Mr. Wen Cyrus Jun-Ming
(resigned with effect from 3 March 2016)

Independent Non-executive Directors

- Mr. Zhang Jie
(appointed with effect from 30 June 2016)
Mr. Zhang Xue Wen
(appointed with effect from 30 June 2016)
Mr. Wu Cheng Han
(appointed with effect from 30 June 2016)
Mr. Liu Jun
(resigned with effect from 30 June 2016)
Mr. Lam Yat Cheong
(resigned with effect from 30 June 2016)
Mr. Du Jian
(resigned with effect from 30 June 2016)

COMPANY SECRETARY

- Mr. Luk Ting Fung
(appointed with effect from 13 June 2016)
Mr. Kung Wai Chiu, Marco
FCPA (Practising), FCCA, FTIHK, ACIS, ACS and CTA (HK)
(resigned with effect from 13 June 2016)

董事會

執行董事

- 林歐文先生 (*主席*)
林慶平先生
(由二零一六年六月二日起退任，並由二零一六年六月三十日起獲委任)
林敏先生
(由二零一六年六月三十日起獲委任)
許朝暉先生
(由二零一六年六月二日起退任)

非執行董事

- 唐彬先生
(由二零一六年六月二日起退任)
王陽先生
(由二零一六年六月三十日起辭任)
聞俊銘先生
(由二零一六年三月三日起辭任)

獨立非執行董事

- 張捷先生
(由二零一六年六月三十日起獲委任)
張學文先生
(由二零一六年六月三十日起獲委任)
吳成翰先生
(由二零一六年六月三十日起獲委任)
劉軍先生
(由二零一六年六月三十日起辭任)
林日昌先生
(由二零一六年六月三十日起辭任)
杜建先生
(由二零一六年六月三十日起辭任)

公司秘書

- 陸靈鋒先生
(由二零一六年六月十三日起獲委任)
孔維釗先生
FCPA (執業), FCCA, FTIHK, ACIS, ACS及CTA (香港)
(由二零一六年六月十三日起辭任)



AUTHORIZED REPRESENTATIVES

Mr. Lin Ou Wen

Mr. Luk Ting Fung

(appointed with effect from 13 June 2016)

Mr. Kung Wai Chiu, Marco

FCPA (Practising), FCCA, FTIHK, ACIS, ACS and CTA (HK)

(resigned with effect from 13 June 2016)

AUDIT COMMITTEE

Mr. Zhang Jie (Chairman)

(appointed with effect from 30 June 2016)

Mr. Zhang Xue Wen

(appointed with effect from 30 June 2016)

Mr. Wu Cheng Han

(appointed with effect from 30 June 2016)

Mr. Lam Yat Cheong (Chairman)

(resigned with effect from 30 June 2016)

Mr. Liu Jun

(resigned with effect from 30 June 2016)

Mr. Du Jian

(resigned with effect from 30 June 2016)

REMUNERATION COMMITTEE

Mr. Zhang Jie (Chairman)

(appointed with effect from 30 June 2016)

Mr. Lin Ou Wen

Mr. Zhang Xue Wen

(appointed with effect from 30 June 2016)

Mr. Wu Cheng Han

(appointed with effect from 30 June 2016)

Mr. Lam Yat Cheong (Chairman)

(resigned with effect from 30 June 2016)

Mr. Liu Jun

(resigned with effect from 30 June 2016)

Mr. Du Jian

(resigned with effect from 30 June 2016)

法定代表

林歐文先生

陸霆鋒先生

(由二零一六年六月十三日起獲委任)

孔維釗先生

FCPA (執業), FCCA, FTIHK, ACIS, ACS及CTA (香港)

(由二零一六年六月十三日起辭任)

審核委員會

張捷先生(主席)

(由二零一六年六月三十日起獲委任)

張學文先生

(由二零一六年六月三十日起獲委任)

吳成翰先生

(由二零一六年六月三十日起獲委任)

林日昌先生(主席)

(由二零一六年六月三十日起辭任)

劉軍先生

(由二零一六年六月三十日起辭任)

杜建先生

(由二零一六年六月三十日起辭任)

薪酬委員會

張捷先生(主席)

(由二零一六年六月三十日起獲委任)

林歐文先生

張學文先生

(由二零一六年六月三十日起獲委任)

吳成翰先生

(由二零一六年六月三十日起獲委任)

林日昌先生(主席)

(由二零一六年六月三十日起辭任)

劉軍先生

(由二零一六年六月三十日起辭任)

杜建先生

(由二零一六年六月三十日起辭任)

NOMINATION COMMITTEE

Mr. Lin Ou Wen (*Chairman*)
Mr. Lin Qing Ping
(*retired with effect from 2 June 2016 and
appointed with effect from 30 June 2016*)
Mr. Zhang Jie
(*appointed with effect from 30 June 2016*)
Mr. Zhang Xue Wen
(*appointed with effect from 30 June 2016*)
Mr. Wu Cheng Han
(*appointed with effect from 30 June 2016*)
Mr. Lam Yat Cheong
(*resigned with effect from 30 June 2016*)
Mr. Liu Jun
(*resigned with effect from 30 June 2016*)
Mr. Du Jian
(*resigned with effect from 30 June 2016*)

AUDITOR

Crowe Horwath (HK) CPA Limited
Certified Public Accountants

SOLICITOR

Gallant Y. T. Ho & Co.

PRINCIPAL BANKER

Bank of Communications Co., Ltd.

REGISTERED OFFICE

Floor 4, Willow House
Cricket Square, P.O. Box 2804
Grand Cayman KY1-1112
Cayman Islands

提名委員會

林歐文先生(*主席*)
林慶平先生
(*由二零一六年六月二日起退任，並由
二零一六年六月三十日起獲委任*)
張捷先生
(*由二零一六年六月三十日起獲委任*)
張學文先生
(*由二零一六年六月三十日起獲委任*)
吳成翰先生
(*由二零一六年六月三十日起獲委任*)
林日昌先生
(*由二零一六年六月三十日起辭任*)
劉軍先生
(*由二零一六年六月三十日起辭任*)
杜建先生
(*由二零一六年六月三十日起辭任*)

核數師

國富浩華(香港)會計師事務所有限公司
執業會計師

律師

何耀棟律師事務所

主要往來銀行

交通銀行股份有限公司

註冊辦事處

Floor 4, Willow House
Cricket Square, P.O. Box 2804
Grand Cayman KY1-1112
Cayman Islands



PLACE OF BUSINESS

Unit 1113, 11/F, North Tower
Concordia Plaza
1 Science Museum Road
Tsimshatsui East, Kowloon
Hong Kong

SHARE REGISTRARS AND TRANSFER OFFICES

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

Hong Kong branch share registrar and transfer office

Computershare Hong Kong Investor Services
Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

STOCK CODE

1889

WEBSITE

www.wuyi-pharma.com

營業地點

香港九龍
尖沙咀東部
科學館道1號
康宏廣場北座
11樓1113室

股份過戶登記處

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

股份過戶登記處香港分處

香港中央證券登記有限公司
香港灣仔
皇后大道東183號
合和中心17樓
1712-1716號舖

股份代號

1889

網址

www.wuyi-pharma.com



**TO THE BOARD OF DIRECTORS OF
WUYI INTERNATIONAL PHARMACEUTICAL
COMPANY LIMITED**

(Incorporated in the Cayman Islands with limited liability)

致：武夷國際藥業有限公司董事會

(於開曼群島註冊成立的有限公司)

INTRODUCTION

We have reviewed the interim financial statements of Wuyi International Pharmaceutical Company Limited (the “Company”) and its subsidiaries (together the “Group”) set out on pages 9 to 35, which comprise the condensed consolidated statement of financial position as at 30 June 2016 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these interim financial statements in accordance with HKAS 34.

Our responsibility is to express a conclusion on these interim financial statements based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

引言

本核數師已審閱載於第9至35頁之武夷國際藥業有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之中期財務報表，當中包括於二零一六年六月三十日的簡明綜合財政狀況表與截至該日止六個月期間的相關簡明綜合損益及其他全面收益表、簡明綜合權益變動表及簡明綜合現金流量表及其他說明附註。香港聯合交易所有限公司證券上市規則規定，中期財務報告的編製必須符合當中有關條文以及香港會計師公會頒佈的香港會計準則第34號「中期財務報告」(「香港會計準則第34號」)。貴公司董事須對根據香港會計準則第34號編製及呈列的該等中期財務報表負責。

本核數師的責任是根據吾等的審閱對中期財務報表作出結論，並按照委聘的協定條款僅向作為實體的閣下報告結論，並無其他目的。本核數師不會就本報告的內容向任何其他人士負上或承擔任何責任。



SCOPE OF REVIEW

Except as explained in the following paragraph, we conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BASIS FOR QUALIFIED CONCLUSION

As at 30 June 2016, the Group has paid a deposit of RMB52,875,000 for the acquisition of a subsidiary (the “Subsidiary”). The directors are of the opinion, based on the business valuation prepared by a PRC valuer engaged by the vendors, the market value of the Subsidiary as at 31 October 2015 was approximately RMB148,505,000 which exceeds the total consideration amount and that no impairment on deposit paid for the acquisition of a subsidiary is necessary.

審閱範圍

除下文所述外，本核數師已根據香港會計師公會頒佈的香港審閱委聘準則第2410號「由實體獨立核數師審閱中期財務資料」進行審閱。審閱中期財務報表包括主要向負責財務和會計事務的人員作出查詢，並應用分析性和其他審閱程序。審閱範圍遠少於根據香港核數準則進行審核的範圍，故不能令本核數師保證本核數師將知悉在審核中可能發現的所有重大事項。因此，本核數師不會發表審核意見。

保留結論的基準

於二零一六年六月三十日，貴集團已收購附屬公司（「附屬公司」）支付按金人民幣52,875,000元。董事認為，基於賣方委託的中國估值師所編製的業務估值，附屬公司於二零一五年十月三十一日的市值約為人民幣148,505,000元，超過總代價金額且就收購附屬公司所支付的按金並無減值。



BASIS FOR QUALIFIED CONCLUSION (CONTINUED)

The business development of the Subsidiary is still at the early stage and has not yet commenced any principal activities and generate sufficient operating cash flow associated with it. In the absence of information (a) used in the valuation as of 31 October 2015 provided by the vendors and their valuer and (b) update for changes up to date of deposit paid and at the end of the reporting period, we are unable to obtain sufficient reliable evidence to satisfy ourselves as to the (i) correctness of the calculation of the market value of the Subsidiary; (ii) reasonableness of the bases and assumptions used by the valuer in arriving at the business valuation; and (iii) any change considered necessary in the valuation from 31 October 2015 to the date of deposit paid and up to end of the reporting period and consequently as to whether the carrying amount of the deposit paid for the acquisition of a subsidiary is fairly stated and disclosed at the end of the reporting period. Given the inherent limitations in the scope of our review, which is by definition substantially less than an audit, we were unable to reach a conclusion as to whether the directors' judgement in this matter is appropriate. Any adjustments that might be found to be necessary in respect of the carrying amount of the deposit paid for the acquisition of a Subsidiary as at 30 June 2016 would affect the net assets of the Group as at 30 June 2016 and the Group's net loss for the six months ended 30 June 2016, and the related disclosures in the interim financial statements.

保留結論的基準 (續)

附屬公司的業務發展仍處於早期，且尚未開始任何主要業務及產生與之相關的足夠經營現金流量。在無(a)賣方及其估值師提供於二零一五年十月三十一日估值所用資料及(b)截至支付按金日期及報告期末變動之最新資料的情況下，吾等未能獲得充足可靠證據，以就(i)附屬公司市值計算的準確性；(ii)估值師於達至業務估值時所用基準及假設的合理性；及(iii)自二零一五年十月三十一日起至支付按金日期及截止報告期末於估值中被認為有必要的任何變動及其後於報告期末就收購附屬公司已付按金的賬面值是否屬公平呈列及披露令吾等信納。鑒於吾等審閱範圍之固有限制(按定義遠較審核為小)，吾等不能就董事有關該事項之判斷是否屬適當達致結論。於二零一六年六月三十日就收購附屬公司已付按金的賬面值如需任何調整，會對貴集團於二零一六年六月三十日的資產淨值、貴集團截至該日止六個月的淨虧損，以及該等中期財務報表的相關披露等方面產生影響。



Report on Review of Interim Financial Statements

未經審核中期財務報表附註

In our auditor's report dated 6 April 2016 on the consolidated financial statements for the year ended 31 December 2015, we reported on the same matter which resulted in a qualified opinion. Our conclusion on the current period's interim financial statements is also modified because of the effect of this matter on the comparative figures as at 31 December 2015 shown in these interim financial statements may not be comparable with the figures as at 30 June 2016.

CONCLUSION

Based on our review, except for the possible effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the interim financial statements as at 30 June 2016 are not prepared, in all material respects, in accordance with HKAS 34.

Crowe Horwath (HK) CPA Limited

Certified Public Accountants
Hong Kong, 30 August 2016

Sze Chor Chun, Yvonne

Practising Certificate Number P05049

於日期為二零一六年四月六日有關截至二零一五年十二月三十一日止年度之綜合財務報表之核數師報告內，吾等呈報相同事項，該事項引致保留意見。由於此事項對中期財務報表所載之截至二零一五年十二月三十一日的比較數字不可與截至二零一六年六月三十日的數字作比較產生影響，故吾等對本期間中期財務報表之結論亦已經修訂。

結論

按照本核數師的審閱，除保留結論的基準所述有關事宜的可能影響外，本核數師並無發現任何事項，令本核數師相信於二零一六年六月三十日之中期財務報表在各重大方面未有根據香港會計準則第34號編製。

國富浩華(香港)會計師事務所有限公司

執業會計師
香港，二零一六年八月三十日

史楚珍

執業證書編號P05049

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-month period ended 30 June 2016 截至二零一六年六月三十日止六個月期間

		Six months ended 30 June 截至六月三十日止六個月	
		2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2015 二零一五年 RMB'000 人民幣千元 (Unaudited) (未經審核)
	Note 附註		
Revenue	5	171,496	244,602
Cost of sales		(145,626)	(180,808)
Gross profit		25,870	63,794
Other revenue and net income		1,092	1,714
Net gain on disposal of property, plant and equipment and land use rights		-	34,962
Distribution costs		(9,146)	(22,094)
Administrative expenses		(25,424)	(23,435)
Finance costs	6a)	(899)	(1,105)
Impairment loss of land use rights	6c)	(12,786)	-
Impairment loss of property, plant and equipment	6c)	(186,454)	-
(Loss)/profit before tax	6	(207,747)	53,836
Income tax	7	48,643	(18,718)
(Loss)/profit for the period attributable to owners of the Company		(159,104)	35,118
Other comprehensive income for the period		-	-
Total comprehensive (loss)/ income for the period attributable to owners of the Company		(159,104)	35,118
(Loss)/earnings per share – Basic and diluted	9	RMB(8.5) cents 人民幣(8.5)分	RMB2.1 cents 人民幣2.1分

The notes on pages 15 to 35 form part of this interim report. Details of dividend payable to owners of the Company are set out in note 8.

第15至35頁的附註構成本財務報表之一部分。有關支付本公司擁有人股息的詳情載於附註8。



Condensed Consolidated Statement of Financial Position

簡明綜合財政狀況表

As at 30 June 2016 於二零一六年六月三十日

		30 June 六月三十日 2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 十二月三十一日 2015 二零一五年 RMB'000 人民幣千元 (Audited) (經審核)
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	571,953	796,531
Land use rights	土地使用權	39,209	52,632
Intangible assets	無形資產	-	-
Deferred tax assets	遞延稅項資產	114,342	64,478
Deposit paid for acquisition of a subsidiary	收購一間附屬公司 已付按金	52,875	52,875
		778,379	966,516
Current assets	流動資產		
Inventories	存貨	42,052	30,785
Trade and other receivables	貿易應收款項及 其他應收款項	65,506	142,384
	11	65,506	142,384
Cash and cash equivalents	現金及現金等價物	606,475	555,247
	12	606,475	555,247
		714,033	728,416
Current liabilities	流動負債		
Trade and other payables	貿易應付款項及 其他應付款項	54,557	94,800
	13	54,557	94,800
Secured bank loans	有抵押銀行貸款	35,000	35,000
	14	35,000	35,000
Current taxation	當期稅項	1,810	5,045
		1,810	5,045
		91,367	134,845
Non-current liabilities	非流動負債		
Deferred tax liabilities	遞延稅項負債	14,684	14,622
		14,684	14,622
Net assets	資產淨值	1,386,361	1,545,465

Condensed Consolidated Statement of Financial Position

簡明綜合財政狀況表



As at 30 June 2016 於二零一六年六月三十日

		30 June	31 December
		六月三十日	十二月三十一日
		2016	2015
		二零一六年	二零一五年
Note		RMB'000	RMB'000
附註		人民幣千元	人民幣千元
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
Equity	權益		
Share capital	股本	15	18,527
Reserves	儲備	1,367,834	1,526,938
Total equity attributable to owners of the Company	本公司擁有人應佔總權益	1,386,361	1,545,465

Approved and authorised for issue by the board of directors on 30 August 2016 and signed on its behalf by:

於二零一六年八月三十日經董事會批准及授權刊發，並由以下人士代表簽署：

Lin Ou Wen
林歐文

Chairman and Chief Executive Officer

主席及行政總裁

Lin Qing Ping
林慶平

Executive Director, General Manager and Chief Operating Officer

執行董事、總經理及營運總裁

The notes on pages 15 to 35 form part of this interim report.

第 15 至 35 頁的附註構成本財務報表之一部分。

Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

For the six-month period ended 30 June 2016 截至二零一六年六月三十日止六個月期間

		Attributable to owners of the Company							
		本公司擁有人應佔							
		Share capital	Share premium	Special reserve	Capital reserve	Statutory surplus reserve	Non-distributable reserve	Retained profits	Total
		股本	股份溢價	特別儲備	資本儲備	盈餘儲備	分派儲備	保留溢利	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2015 (audited)	於二零一五年一月一日 (經審核)	17,098	929,533	(124,106)	53,000	252,227	23,752	299,883	1,451,387
Profit and total comprehensive income for the period	期內溢利及全面總利益 (未經審核)	-	-	-	-	-	-	35,118	35,118
At 30 June 2015 (unaudited)	於二零一五年六月三十日 (未經審核)	17,098	929,533	(124,106)	53,000	252,227	23,752	335,001	1,486,505
At 1 January 2016 (audited)	於二零一六年一月一日 (經審核)	18,527	980,979	(124,106)	53,000	262,004	23,752	331,309	1,545,465
Loss and total comprehensive loss for the period	期內虧損及全面總虧損	-	-	-	-	-	-	(159,104)	(159,104)
At 30 June 2016 (unaudited)	於二零一六年六月三十日 (未經審核)	18,527	980,979	(124,106)	53,000	262,004	23,752	172,205	1,386,361

The notes on pages 15 to 35 form part of this interim report.

第 15 至 35 頁的附註構成本財務報表之一部分。

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表



For the six-month period ended 30 June 2016 截至二零一六年六月三十日止六個月期間

		Six months ended 30 June	
		截至六月三十日止六個月	
		2016	2015
		二零一六年	二零一五年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Operating activities	經營活動		
(Loss)/profit before tax	除稅前(虧損)/溢利	(207,747)	53,836
Adjustments for:	為下列各項調整：		
Interest income	利息收入	(1,053)	(914)
Finance costs	融資成本	899	1,105
Depreciation of property, plant and equipment	物業、廠房及設備的折舊	38,182	21,342
Amortisation of land use rights	土地使用權的攤銷	637	713
Net gain on disposal of land use rights and property, plant and equipment	出售土地使用權及物業、廠房及設備的收益淨額	-	(34,962)
Impairment loss of land use rights	土地使用權的減值虧損	12,786	-
Impairment loss of property, plant and equipment	物業、廠房及設備的減值虧損	186,454	-
		30,158	41,120
Changes in working capital	營運資金變動		
Increase in inventories	存貨增加	(11,267)	(19,694)
Decrease in trade and other receivables	貿易應收款項及其他應收款項減少	76,878	36,134
Decrease in trade and other payables	貿易應付款項及其他應付款項減少	(40,243)	(22,616)
		55,526	34,944
Cash generated from operations	經營活動產生的現金		
Income tax paid – The People's Republic of China (the "PRC")	已付所得稅—中華人民共和國(「中國」)	(4,394)	(6,025)
		51,132	28,919
Net cash generated from operating activities	經營活動產生的現金淨額		
		51,132	28,919
Investing activities	投資活動		
Interest received	已收利息	1,053	914
Payment for the purchase of property, plant and equipment	購買物業、廠房及設備的款項	(58)	(53,935)
Proceeds from disposal of land use rights and property, plant and equipment	出售土地使用權及物業、廠房及設備的所得款項	-	76,489



Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

For the six-month period ended 30 June 2016 截至二零一六年六月三十日止六個月期間

Six months ended 30 June

截至六月三十日止六個月

		2016	2015
		二零一六年	二零一五年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Net cash generated from investing activities	投資活動產生的現金淨額	995	23,468
Financing activities	融資活動		
Interest paid	已付利息	(899)	(1,105)
New bank loan raised	新取得的銀行貸款	-	20,000
Net cash generated (used in)/from financing activities	融資活動(所用)/產生的現金淨額	(899)	18,895
Net increase in cash and cash equivalents	淨現金及現金等價物增加	51,228	71,282
Cash and cash equivalents at 1 January	於一月一日的現金及現金等價物	555,247	480,461
Cash and cash equivalents at 30 June	於六月三十日的現金及現金等價物	606,475	551,743
Analysis of the balances of cash and cash equivalents	現金及現金等價物結餘分析		
Bank balances and cash	銀行結餘及現金	606,475	551,743

The notes on pages 15 to 35 form part of this interim report.

第 15 至 35 頁的附註構成本財務報表之一部分。



1. GENERAL

Wuyi International Pharmaceutical Company Limited (the “Company”) was incorporated and registered as an exempted company with limited liability under the Companies Law, Cap.22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and acts as an investment holding company. Its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 1 February 2007. The addresses of the registered office and principal place of business of the Company are 4/F., Willow House, Cricket Square, P.O. Box 2804, Grand Cayman KY1-1112, Cayman Islands and Unit 1113, 11th Floor, North Tower, Concordia Plaza, 1 Science Museum Road, Tsimshatsui East, Kowloon, Hong Kong respectively. The principal activities of its principal subsidiaries are the development, manufacturing, marketing and sales of pharmaceutical products.

The unaudited interim financial statements are presented in Renminbi (“RMB”), rounded to the nearest thousand except for per share data. RMB is the Company’s functional and the Group’s presentation currency.

1. 一般資料

武夷國際藥業有限公司(「本公司」)根據開曼群島公司法第22章(一九六一年第三條法例,經綜合及經修訂)註冊成立為受豁免有限公司並作為一家投資控股公司。其股份於二零零七年二月一日於香港聯合交易所有限公司(「聯交所」)主板上市。本公司的註冊辦事處及主要營業地點的地址分別為4/F., Willow House, Cricket Square, P.O. Box 2804, Grand Cayman KY1-1112, Cayman Islands及香港九龍尖沙咀東科學館道1號康宏廣場北座11樓1113室。本公司主要附屬公司的主要業務為從事醫藥產品開發、製造、市場推廣及銷售。

未經審核中期財務報表以人民幣(「人民幣」)呈列並四捨五入至千元,惟每股資料除外。人民幣為本公司之功能貨幣及本集團之呈列貨幣。



Notes to the Unaudited Interim Financial Statements

未經審核中期財務報表附註

For the six-month period ended 30 June 2016 截至二零一六年六月三十日止六個月期間

2. BASIS OF PREPARATION

The unaudited interim financial statements have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard (“HKAS”) 34 *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). It was authorised for issue on 30 August 2016.

The unaudited interim financial statements has been prepared in accordance with the same accounting policies adopted in the 2015 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2016 annual financial statements. Details of any changes in accounting policies are set out in note 3.

2. 編製基準

未經審核中期財務報表乃根據香港會計師公會（「香港會計師公會」）頒佈之香港會計準則（「香港會計準則」）第34號*中期財務報告*。本中期報告已於二零一六年八月三十日授權刊發。

除預期將於二零一六年年末財務報表反映的會計政策變動外，未經審核中期財務報表乃根據二零一五年之年度財務報表所採納相同會計政策編製。會計政策任何變動詳情載於附註3。



2. BASIS OF PREPARATION (CONTINUED)

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses on a year-to-date basis. Actual results may differ from these estimates. The unaudited interim financial statements contain condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of the events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2015 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

The interim financial report is unaudited, but has been reviewed by Crowe Horwath (HK) CPA Limited in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA. Crowe Horwath (HK) CPA Limited's independent review report to the Board of Directors is included on pages 5 to 8.

2. 編製基準(續)

根據香港會計準則第34號，管理層在編製中期財務報告時需要作出判斷、估計和假設，這些判斷、估計和假設會影響政策的應用、資產及負債和年度至該日止之收入和支出的匯報數額。實際結果可能有別於該等估計。未經審核中期財務報表包括簡明綜合財務報表及選定之解釋附註。附註包括自二零一五年之年度財務報表當日起對瞭解本集團財務狀況及表現之變動而言屬重要之事項及交易之解釋。本簡明綜合中期財務報表及其中所載附註並不包括所有根據香港財務報告準則（「香港財務報告準則」）而編製整份財務報表所需之一切資料。

中期財務報告雖未經審核，但已由國富浩華（香港）會計師事務所有限公司根據香港會計師公會頒佈之香港審閱委聘準則第2410號獨立核數師對中期財務信息的審閱進行審閱。致董事會之國富浩華（香港）會計師事務所有限公司的獨立審閱報告載於第5至8頁。



Notes to the Unaudited Interim Financial Statements

未經審核中期財務報表附註

For the six-month period ended 30 June 2016 截至二零一六年六月三十日止六個月期間

2. BASIS OF PREPARATION (CONTINUED)

The financial information relating to the financial year ended 31 December 2015 that is included in the unaudited interim financial statements as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. The statutory financial statements for the year ended 31 December 2015 are available from the Company's registered office. The auditor has expressed a qualified opinion on those financial statements in their report dated 6 April 2016.

3. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of amendments to HKFRSs that are first effective for the current accounting period of the Group. Of these, the following amendments are relevant to the Group:

- *Annual Improvements to HKFRSs 2012-2014 Cycle*
- *Amendments to HKAS 1, Presentation of financial statements: Disclosure initiative*

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

2. 編製基準(續)

未經審核中期財務報表所載關於截至二零一五年十二月三十一日止財政年度之財務資料(作為比較資料)並不構成本公司於該財政年度之法定年度綜合財務報表,惟乃摘錄自該等財務報表。截至二零一五年十二月三十一日止年度之法定財務報表於本公司註冊辦事處可供閱。核數師已於二零一六年四月六日刊發之報告對該等財務報表發表無保留意見。

3. 會計政策之變動

香港會計師公會已頒佈一系列於本集團本會計期間首次生效之香港財務報告準則之修訂,其中下列之修訂與本集團有關:

- *香港財務報告準則2012至2014週期年度改進*
- *香港會計準則第1號(修訂本)財務報表的呈列:披露計劃*

本集團於尚未應用於本會計期間尚未生效的任何新訂準則或詮釋。



3. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

Annual Improvements to HKFRSs 2012-2014 Cycle

This cycle of annual improvements contains amendments to four standards. Among them, HKAS 34, *Interim financial reporting*, has been amended to clarify that if an entity discloses the information required by the standard outside the interim financial statements by a cross-reference to the information in another statement of the interim financial report, then users of the interim financial statements should have access to the information incorporated by the cross-reference on the same terms and at the same time. The amendments do not have an impact on the Group's interim financial statements as the Group does not present the relevant required disclosures outside the interim financial statements.

Amendments to HKAS 1, Presentation of financial statements: Disclosure initiative

The amendments to HKAS 1 introduce narrow-scope changes to various presentation requirements. The amendments do not have a material impact on the presentation and disclosure of the Group's interim financial statements.

3. 會計政策之變動(續)

香港財務報告準則2012至2014週期的年度改進

年度改進週期包括四項準則的修訂。其中，修訂香港會計準則第34號*中期財務報告*，以說明倘一間實體以參照引用中期財務報告中另一報表資料的方式於中期財務報表以外披露該準則規定的資料，則中期財務報表的讀者應有途徑可按相同條款及於同一時間查閱參照引用所收錄的資料。由於本集團並無於中期財務報表以外呈列相關規定披露，故該等修訂對本集團的中期財務報告並無影響。

香港會計準則第1號(修訂本)，財務報表的呈列：披露計劃

香港會計準則第1號(修訂本)對各種呈列要求已進行窄幅修訂。該等修訂對本集團的中期財務報告的呈列及披露並無重大影響。



4. SEGMENT INFORMATION

The Group determines its operating segments based on the internal reports reviewed by the Group's chief executive officer, being the chief operating decision maker, that are used to make strategic decisions.

The Group manages its business by business lines. The Group has only one reportable operating segment which is the development, manufacturing, marketing and sales of pharmaceutical products. Therefore, there is no presentation of operating segment information. In addition, as the Group's revenue from external customers and the majority of the non-current assets of the Group are located in the PRC, no geographical information is presented.

During the six-month period ended 30 June 2016 and 2015, no revenue from transactions with a single external customer amounted to 10% or more of the Group's total revenue.

4. 分類資料

本集團根據本集團行政總裁(首席營運決策人)用作決策所審閱的內部報告釐訂其業務分類。

本集團按業務劃分管理其業務。本集團僅有一個須申報經營分類，即關於進行醫藥產品開發、製造、市場推廣及銷售，故並無呈列任何經營分類資料。此外，由於本集團來自外界客戶之收益及大部份非流動資產位於中國，故並無呈列任何地區資料。

截至二零一六年及二零一五年六月三十日止六個月期間內，概無與單一外部客戶進行之交易收益佔本集團總收入10%或以上。



5. REVENUE

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

Revenue represents the invoiced value of goods sold by the Group to external customers after deducting goods returned, trade discount and sales tax.

5. 收益

本集團的主要業務為藥品開發、製造、市場推廣及銷售。

收益指經由本集團銷售予對外客戶扣除退貨、貿易折扣及營業稅後貨品的發票價值。

Sales of pharmaceutical products

銷售藥品

Six months ended 30 June

截至六月三十日止六個月

2016	2015
二零一六年	二零一五年
RMB'000	RMB'000
人民幣千元	人民幣千元
(Unaudited)	(Unaudited)
(未經審核)	(未經審核)

171,496

244,602



Notes to the Unaudited Interim Financial Statements

未經審核中期財務報表附註

For the six-month period ended 30 June 2016 截至二零一六年六月三十日止六個月期間

6. (LOSS)/PROFIT BEFORE TAX

(Loss)/profit before tax is arrived at after charging/(crediting) the following:

6. 除稅前(虧損)/溢利

除稅前(虧損)/溢利已扣除/(計入)下列項目：

		Six months ended 30 June 截至六月三十日止六個月	
		2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2015 二零一五年 RMB'000 人民幣千元 (Unaudited) (未經審核)
a)	Finance costs		
	Interest on bank borrowing	899	1,105
a)	Staff costs		
	Directors' and chief executive officer's emoluments	1,574	1,537
	Other staff costs		
	– Contributions to defined contribution retirement plan	2,064	2,296
	– Salaries, wages and other benefits	14,050	18,088
	Total staff costs**	17,688	21,921
c)	Other items		
	Depreciation of property, plant and equipment**	38,182	21,343
	Amortisation of land use rights	637	713
	Exchange (gain)/loss, net	(12)	1,326
	Impairment loss on property, plant and equipment (note 10)	186,454	–
	Impairment loss on land use rights (note 10)	12,786	–
	Operating lease payments in respect of rented premises	505	677
	Research and development costs*	2,408	622
	Cost of inventories*	145,626	180,808
	Bank interest income	(1,053)	(914)



6. (LOSS)/PROFIT BEFORE TAX (CONTINUED)

- # Cost of inventories includes RMB35,678,000 (six-month period ended 30 June 2015: RMB23,778,000) relating to staff costs and depreciation which amount is also included in the respective total amounts disclosed separately above.
- * Research and development costs includes RMB2,338,000 (six-month period ended 30 June 2015: RMB596,000) relating to staff costs and depreciation, the amount of which is also included in the respective total amounts disclosed separately above.

6. 除稅前(虧損)/溢利(續)

- # 存貨成本包括與員工成本及折舊有關的人民幣35,678,000元(截至二零一五年六月三十日止六個月期間: 人民幣23,778,000元), 該金額亦包括於上文單獨披露的各項費用總金額。
- * 研發成本包括與員工成本及折舊有關的人民幣2,338,000元(截至二零一五年六月三十日止六個月期間: 人民幣596,000元), 該金額亦包括於上文單獨披露的各項費用總金額。

7. INCOME TAX

7. 所得稅

	Six months ended 30 June 截至六月三十日止六個月	
	2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2015 二零一五年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Current tax – PRC Enterprise Income Tax	1,159	13,815
Deferred taxation	(49,802)	4,903
	(48,643)	18,718

- a) PRC Enterprise Income Tax is calculated at 25% for the six-month period ended 30 June 2016 (six-month period ended 30 June 2015: 25%) in accordance with the relevant laws and regulations in the PRC.

- a) 截至二零一六年六月三十日止六個月期間, 中國企業所得稅乃根據中國相關法律及法規就應課稅溢利按適用稅率25%(截至二零一五年六月三十日止六個月期間: 25%)計算。



Notes to the Unaudited Interim Financial Statements

未經審核中期財務報表附註

For the six-month period ended 30 June 2016 截至二零一六年六月三十日止六個月期間

7. INCOME TAX (CONTINUED)

- b) No provision for Hong Kong profits tax has been made as the Group had no assessable profits in Hong Kong for the six-month period ended 30 June 2016 (six-month period ended 30 June 2015: Nil).

8. DIVIDENDS

The directors of the Company do not recommend the payment of an interim dividend for the six-month period ended 30 June 2016 (six-month period ended 30 June 2015: Nil).

9. (LOSS)/EARNINGS PER SHARE

a) Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share is based on the loss for the period attributable to owners of the Company of approximately RMB159,104,000 (six-month period ended 30 June 2015: profit of approximately RMB35,118,000) and the weighted average of 1,880,772,500 ordinary shares (six-month period ended 30 June 2015: 1,709,772,500 ordinary shares) in issue during the period.

7. 所得稅 (續)

- b) 由於本集團截至二零一六年六月三十日止六個月期間在香港並無應課稅溢利(截至二零一五年六月三十日止六個月期間：無)，故並無就香港利得稅作出撥備。

8. 股息

本公司董事建議不派發截至二零一六年六月三十日止六個月期間的中期股息(截至二零一五年六月三十日止六個月期間：無)。

9. 每股(虧損)/盈利

a) 每股基本(虧損)/盈利

每股基本(虧損)/盈利乃根據期內本公司擁有人應佔虧損約人民幣159,104,000元(截至二零一五年六月三十日止六個月期間：溢利約人民幣35,118,000元)以及期間內已發行普通股加權平均數1,880,772,500股(截至二零一五年六月三十日止六個月期間：1,709,772,500股普通股)計算。



9. (LOSS)/EARNINGS PER SHARE (CONTINUED)

b) Diluted (loss)/earnings per share

Diluted (loss)/earnings per share equals basic (loss)/earnings per share as there were no dilutive potential ordinary shares outstanding during both six-month periods ended 30 June 2016 and 2015.

10. IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND LAND USE RIGHTS

During the six-month period ended 30 June 2016, as a result of the drop in sales demand, suspension of production due to the upgrading and enhancement of existing production equipment for new GMP certification and the continuously deepening of the pharmaceutical system reform in China, the Group has experienced significant drop in turnover and gross profit during the period. The management of the Group therefore performed an impairment review of the recoverable amount related to the Group's production facilities of the factory located in Haixi Commercial Trading Development Zone in Jianyang City, Fujian Province, the PRC. For the purposes of impairment testing, property, plant and equipment and land use rights located at the above production facilities had been allocated to one cash-generating unit.

9. 每股(虧損)/盈利(續)

b) 每股攤薄(虧損)/盈利

由於截至二零一六年及二零一五年六月三十日止六個月兩個期間並無發行在外的攤薄潛在普通股，每股攤薄(虧損)/盈利等於每股基本(虧損)/盈利。

10. 物業、廠房及設備及土地使用權之減值

截至二零一六年六月三十日止六個月，由於銷售需求下跌、現有生產設備進行升級及提昇以取得藥品生產質量管理規範證書而停產，以及中國醫藥制度改革繼續深化，本集團的營業額及毛利率於期內大幅下跌。因此，本集團管理層對有關本集團於中國福建省建陽市海西工貿開發區之其中一個工廠的生產設備的可收回金額作出減值審查。就減值測試而言，位於上述生產設備之物業、廠房及設備以及土地使用權已分配至一個現金產生單位。



10. IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND LAND USE RIGHTS (CONTINUED)

The recoverable amount of the relevant cash-generating unit was determined on the basis of value-in-use calculations which was higher than its fair value less costs of disposal. Value-in-use calculations was based on the discount rate of 12% and cash flow projections prepared from financial forecasts approved by the management for the next five years. The cash-generating unit cash flows beyond the 5-year period were extrapolated using a growth rate of 2%. Other key assumptions for the value-in-use calculation related to the estimation of cash inflows/outflows which included budgeted sales and expected gross margins during the budget period and the same material price inflation during the budget period which had been determined based on past performance and management's expectations for the market development.

In performing the impairment testing, the directors of the Company had also made reference to a valuation performed by an independent professional valuer, APAC Assets Valuation and Consulting Limited.

During the six-month period ended 30 June 2016, impairment losses of RMB186,454,000 and RMB12,786,000 have been recognised in property, plant and equipment and land use rights respectively.

10. 物業、廠房及設備及土地使用權之減值(續)

相關現金產生單之可收回金額乃基於使用價值計算方式釐定，高於其公平值減出售成本之差額。使用價值乃基於折現率為12%及從財務預測編製並經由管理層批准的未來五年現金流量預測計算。超過五年期之現金產生單位現金流量乃採用2%增長率推算。有關使用價值計算的其他主要假設乃與預期期內預算銷售及預期毛利率包括的現金流入／流出估計及預期期內相同物料價格通脹有關，而預算期乃根據過往表現及管理層對市場發展的預測釐定。

在進行減值測試時，本公司董事亦已參考獨立專業估值師亞太資產評估有限公司進行的估值。

截至二零一六年六月三十日止六個月，減值虧損人民幣186,454,000元及人民幣12,786,000元已分別於物業、廠房及設備以及土地使用權內確認。



11. TRADE AND OTHER RECEIVABLES 11. 貿易應收款項及其他應收款項

		30 June 六月三十日 2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 十二月三十一日 2015 二零一五年 RMB'000 人民幣千元 (Audited) (經審核)
Trade receivables	貿易應收款項	54,639	131,417
Other receivables	其他應收款項	10,659	10,575
Loan and receivables	貸款及應收款項	65,298	141,992
Prepayments and deposits	預付款項及按金	208	392
		65,506	142,384

The Group normally grants credit terms of 60 days (2015: 60 days) to its customers. The ageing analysis of trade receivables, presented based on the invoice date and net of allowance for doubtful debts, is as follows:

本集團一般向其客戶授予60天(二零一五年: 60天)信貸期。按發票日期呈列及扣除呆賬撥備的貿易應收款項的賬齡分析如下:

		30 June 六月三十日 2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 十二月三十一日 2015 二零一五年 RMB'000 人民幣千元 (Audited) (經審核)
0 to 30 days	0至30日	29,160	65,372
31 to 60 days	31至60日	25,479	66,045
		54,639	131,417



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11. TRADE AND OTHER RECEIVABLES (CONTINUED)

Management closely monitors the credit quality of trade receivables and considers the trade receivables that are neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default. The Group does not hold any collateral over these balances.

All trade and other receivables are neither past due nor impaired as at 30 June 2016 and 31 December 2015.

12. CASH AND CASH EQUIVALENTS

Cash and cash equivalents of the Group comprise cash at bank and on hand. During the period, the bank deposits of the Group carried interest at rates ranging from Nil to 0.35% (2015: Nil to 0.35%) per annum.

11. 貿易應收款項及其他應收款項(續)

管理層緊密監察貿易應收款項的信貨質素，並認為並無逾期亦無減值的貿易應收款項與近期無拖欠歷史的多名客戶有關。本集團並未就該等結餘持有任何抵押品。

於二零一六年六月三十日及於二零一五年十二月三十一日，本集團並無貿易應收款項及其他應收款項逾期或減值。

12. 現金及現金等價物

本集團之現金及現金等價物包括銀行及手頭現金。期內，本集團銀行存款按年利率零至0.35%（二零一五年：零至0.35%）計息。



13. TRADE AND OTHER PAYABLES

13. 貿易應付款項及其他應付款項

		30 June 六月三十日 2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 十二月三十一日 2015 二零一五年 RMB'000 人民幣千元 (Audited) (經審核)
Trade payables	貿易應付款項		
– a related company (note (a))	– 一間關連公司(附註(a))	189	1,051
– others	– 其他	31,027	54,080
		31,216	55,131
Amount due to a related party (note (b))	應付一名關連人士款項(附註(b))	285	163
Amount due to a director (note (c))	應付一名董事款項(附註(c))	2,570	–
Payroll and welfare payables	應付的酬金及福利	1,285	8,481
Payable for acquisition of property, plant and equipment	收購物業、廠房及設備應付款項	–	1,500
Accrued charges	應計費用	2,833	6,506
Other payables	其他應付款項	1,031	1,341
Financial liabilities measured at amortised cost	按攤銷成本計算之金融負債	39,220	73,122
Other PRC tax payables	其他應付中國稅項	15,337	21,678
		54,557	94,800

Notes:

- (a) The related company is 福州宏宇包裝工業有限公司(Fuzhou Hongyu Packing Co., Limited) ("Fuzhou Hongyu"), a company controlled by Mr. Lin Ou Wen, who is a director, the chief executive officer and a shareholder of the Company. The balance is unsecured, interest-free and repayable on demand.

附註:

- (a) 關連公司為福州宏宇包裝工業有限公司(「福州宏宇」)，乃由林歐文先生控制的公司，而林歐文先生為本公司的董事、行政總裁及股東。相關淨額無抵押、免息及須按要求償還。



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13. TRADE AND OTHER PAYABLES (CONTINUED)

Notes: (Continued)

- (b) The related party is Mr. Lin Qing Xiang, who is a brother of Mr. Lin Ou Wen and Mr. Lin Qing Ping. Mr. Lin Ou Wen is the chief executive officer, a director and a shareholder of the Company, and Mr. Lin Qing Ping is a director and a shareholder of the Company. The balance is unsecured, interest-free and repayable on demand.
- (c) The amount is due to Mr. Lin Ou Wen, a director, the chief executive officer and a shareholder of the Company. The balance is unsecured, interest-free and repayable on demand.

The ageing analysis of trade payables presented based on the invoice date is as follows:

0 to 30 days	0至30日
31 to 60 days	31至60日

13. 貿易應付款項及其他應付款項(續)

附註：(續)

- (b) 該關連人士為林慶祥先生(林歐文先生及林慶平先生的胞兄/弟)。林歐文先生為本公司行政總裁、董事及股東，而林慶平先生為本公司董事及股東。相關淨額無抵押、免息及須按要求償還。
- (c) 為支付林歐文先生(本公司董事、行政總裁及股東)的款項。相關淨額無抵押、免息及須按要求償還。

以發票日期為基礎的貿易應付款項的賬齡分析如下：

	30 June 六月三十日 2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 十二月三十一日 2015 二零一五年 RMB'000 人民幣千元 (Audited) (經審核)
	16,736	41,102
	14,480	14,029
	31,216	55,131



14. SECURED BANK LOANS

The analysis of the carrying amount of secured bank loans is as follows:

	30 June 六月三十日 2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 十二月三十一日 2015 二零一五年 RMB'000 人民幣千元 (Audited) (經審核)
Secured bank loans	35,000	35,000

At 30 June 2016 and 31 December 2015, interest-bearing bank loans are due for repayment within 1 year and carried at amortised cost. The amounts due are based on the scheduled repayment date as stipulated in the respective loan agreements.

At 30 June 2016, land use rights with a net book value of approximately RMB30,718,000 (31 December 2015: RMB41,239,000) and property, plant and equipment with a net book value of approximately RMB37,709,000 (31 December 2015: RMB53,130,000) were pledged to a bank as collateral against the bank loans. Both bank loans carries interest at fixed rates of 5.00% (31 December 2015: 5.00% and 6.44% respectively) per annum and are repayable within 1 year. The security will be released upon full settlement of the loans.

14. 有抵押銀行貸款

有抵押銀行貸款的賬面值分析如下：

	30 June 六月三十日 2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 十二月三十一日 2015 二零一五年 RMB'000 人民幣千元 (Audited) (經審核)
有抵押銀行貸款	35,000	35,000

於二零一六年六月三十日及二零一五年十二月三十一日，計息銀行貸款須於一年內償還並按攤銷成本入賬。應付款項按相關貸款協議訂明的計劃償還日期償還。

於二零一六年六月三十日，賬面值淨額約為人民幣30,718,000元(二零一五年十二月三十一日：人民幣41,239,000元)的土地使用權及賬面淨值約為人民幣37,709,000元(二零一五年十二月三十一日：人民幣53,130,000元)的物業、廠房及設備已抵押予銀行作為銀行貸款的抵押。銀行貸款按固定年利率均為5.00%(二零一五年十二月三十一日：分別為5.00%及6.44%)計息及須於一年內償還。於全數償還貸款後，抵押將獲解除。



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15. SHARE CAPITAL

15. 股本

		30 June 六月三十日 2016 二零一六年		31 December 十二月三十一日 2015 二零一五年	
		No. of shares (‘000) 股份數目(千)	HK\$’000 千港元	No. of shares (‘000) 股份數目(千)	HK\$’000 千港元
Authorised:	法定：				
Ordinary shares of HK\$0.01 each	每股面值0.01港元 的普通股	3,200,000	32,000	3,200,000	32,000
Issued and fully paid:	已發行及繳足：				
Ordinary shares of HK\$0.01 each	每股面值0.01港元 的普通股				
At the beginning of the period/year	於期/年初	1,880,773	18,808	1,709,773	17,098
Issue of consideration shares (note (a))	發行代價 股份(附註(a))	-	-	171,000	1,710
At end of the period/year	於期/年末	1,880,773	18,808	1,880,773	18,808
				30 June 六月三十日 2016 二零一六年 RMB’000 人民幣千元 (Unaudited) (未經審核)	31 December 十二月三十一日 2015 二零一五年 RMB’000 人民幣千元 (Audited) (經審核)
Shown in the condensed consolidated statement of financial position	簡明綜合財政狀況表 顯示			18,527	18,527



15. SHARE CAPITAL (CONTINUED)

15. 股本(續)

Note:

附註:

a) Issue of consideration shares

(a) 發行代價股份

On 18 December 2015, an aggregate of 171,000,000 ordinary shares of the Company were issued at a consideration of HK\$63,270,000 (equivalent to approximately of RMB52,875,000) as deposit paid for acquisition of a subsidiary, of which RMB1,429,000 was credited to the share capital and the balance of RMB51,446,000 was credited to the share premium account.

於二零一五年十二月十八日，本公司以代價63,270,000港元(相當於約人民幣52,875,000元)共發行171,000,000股普通股，作為支付收購一間附屬公司的按金，其中人民幣1,429,000元列入股本，人民幣51,446,000元的結餘列入股份溢價賬。

The owners of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

普通股擁有人有權收取不時宣派的股息及有權於本公司大會上投一票。所有普通股在有關本集團剩餘資產方面均享有同等地位。

16. CAPITAL COMMITMENTS

16. 資本承擔

30 June 六月三十日 2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 十二月三十一日 2015 二零一五年 RMB'000 人民幣千元 (Audited) (經審核)
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Capital commitments
outstanding contracted for but
not provided for in the financial
statements in respect of:
– Acquisition of intangible
assets

已訂約但未於財務報表
撥備的未償還資本承擔：
– 收購無形資產

8,100

8,100



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17. MATERIAL RELATED PARTY TRANSACTIONS

a) In addition to the balances disclosed elsewhere in these financial statements, the Group entered into the following material related party transactions during the six-month period ended 30 June 2016.

17. 重大關連人士交易

a) 除於該等財務報表其他地方披露之結餘外，本集團於截至二零一六年六月三十日止六個月期間訂立下列重大關連人士交易。

Name of related party 關連人士名稱	Relationship with related party 與關連人士的關係	Nature of transaction 交易性質	Six-month period ended 30 June (unaudited) 截至六月三十日 止六個月(未經審核)	
			2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Fuzhou Hongyu 福州宏宇	A company controlled by Mr. Lin Ou Wen # 由林歐文先生#控制的公司	Purchase of packaging materials 購買包裝物料	799	2,881
Mr. Lin Qing Xiang 林慶祥先生	Brother of Mr. Lin Ou Wen # and Mr. Lin Qing Ping* 林歐文先生#及林慶平先生*的胞兄/弟	Property rentals paid 已付物業租金	286	286
#	Mr. Lin Ou Wen is the chief executive officer, a director and a shareholder of the Company.	#	林歐文先生為本公司行政總裁、董事及股東。	
*	Mr. Lin Qing Ping is a director and a shareholder of the Company.	*	林慶平先生為本公司董事及股東。	



17. MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

17. 重大關連人士交易(續)

- b) The details of remuneration of key management personnel represent amounts paid to the directors of the Company during the six-month period ended 30 June 2016 are set out as follows:

- b) 有關主要管理人員薪酬詳情(即本公司於二零一六年六月三十日止六個月期間向董事支付的金額)如下:

	30 June 六月三十日 2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)	30 June 六月三十日 2015 二零一五年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Salaries and other short-term employee benefits	1,501	1,463
Post-employment benefits	73	74
	1,574	1,537

- c) At the end of the reporting period, the Group committed Mr. Lin Qing Xiang to make the future minimum lease payments in respect of office premises under non-cancellable operating leases within 1 year of RMB571,000 (31 December 2015: RMB571,000) and after 1 year but within 5 years of RMB286,000 (31 December 2015: RMB571,000).

- c) 於報告期末，本集團在一年內不可撤銷經營租約下就辦公室物業承擔之應付林慶祥先生未來最低租金分別為人民幣571,000元(二零一五年十二月三十一日：人民幣571,000元)及於一年後但五年內為人民幣286,000元(二零一五年十二月三十一日：人民幣571,000元)。



BUSINESS REVIEW

Looking back in the first half of 2016, against the backdrop of the continuously deepening of the pharmaceutical system reform in China, pharmaceutical enterprises faced severe challenges in the tightening control over the medical insurance premiums, the quality confirmity assessment of generic drugs, and the introduction of Key Monitored Drug List by various provinces and cities. The entire industry underwent a painful period for reform. In April, the State Council published the “Notice on Issuing the Key Tasks in 2016 of Deepening Reform of the Pharmaceutical and Healthcare System”, which required public hospitals to implement the two-invoice system. The Notice stated which 11 provinces would roll out the policy at the initial stage before it was implemented nationwide. This spurred on distributors to start destocking, which had a direct impact on the sales in the industry. It is expected many pharmaceutical commercial wholesale enterprises will be eliminated or merged during this consolidation. In addition, the profits in the industry came under pressure because of the ever rising costs of package, raw materials and wages.

業務回顧

回顧二零一六年上半年，中國醫藥制度改革繼續深化，醫保控費從緊，仿製藥一致性評價，各省市出台重點監控藥品目錄，為藥企帶來嚴峻挑戰，行業迎來變革的陣痛期。國務院四月下發《關於印發深化醫藥衛生體制改革二零一六年重點工作任務通知》，要求在公立醫院推行兩票制，並明確在11個省份率先推行，其後逐步推向全國，促使分銷商紛紛去庫存，對行業銷售造成直接影響，預計不少醫藥商業批發企業將在行業整合過程中被淘汰或者兼併。同時，包裝、原材料、人工、銷售成本持續上升，行業利潤受壓。



BUSINESS REVIEW (CONTINUED)

Upon the expiry on 31 December 2015 of the Good Manufacturing Practice (“GMP”) certification granted to the new plant located in the Haixi Industrial and Trading Development Zone, certain parts of the plant were required to undergo upgrading and enhancement of their existing production equipment so as to obtain new GMP certification (the “Transformation”). During the period under review, a total of two production lines of the plant were involved in the Transformation and has suspended productions until completion of the Transformation (the “Suspension”). In order to reduce the effects to the operating income and profit of Wuyi International Pharmaceutical Company Limited (the “Company”, together with its subsidiaries, collectively, the “Group”) due to the Suspension, the Company had (1) expanded the production volume before suspending the relevant production and had prepared stocks in advance, especially the key products of the Group, Perilla Oil Capsule and Compound Chinese Angelica Injectable; and (2) enhanced the marketing efforts in respect of products manufactured on production lines which would not undergo the Transformation so as to improve sales revenue, including N(2)-L Alanyl-L Glutamine Injectable. Operation of the suspended production lines is expected to resume by the end of this year after the completion of the Transformation.

業務回顧(續)

於授予位於海西工貿開發區新廠房的藥品生產質量管理規範證書有效期於二零一五年十二月三十一日屆滿後，若干廠房部份須要為其現有生產設備進行升級及提升，以取得新的藥品生產質量管理規範證書(「改造」)。於回顧期內，廠房一共涉及改造的兩條生產線在改造完成前停止生產(「停產」)。為減低因停產而對武夷國際藥業有限公司(「本公司」，連同其附屬公司，統稱「本集團」)的營運收益及溢利所造成的影響，本公司經已(1)於相關產品停產前擴產並預先貯備存貨，尤其是本集團的主要產品蘇子油軟膠囊及複方當歸注射液；及(2)加大不會受改造所影響的產品(包括諾賽肽注射液)的營銷力度，以改善銷售收益。遭暫停的生產線預期於本年年底改造完成後恢復營運。



BUSINESS REVIEW (CONTINUED)

In the face of a multitude of challenges, the Group adhered to clear and effective strategies and adjusted in due course its sales tactics so as to maintain a stable and healthy financial position. For the six months ended 30 June 2016, the turnover of the Group recorded a year-on-year decrease of 29.9% to approximately RMB171.5 million. The overall gross profit margin recorded a year-on-year decrease of 11.0 percentage points to 15.1%, which was within expectation and was under control.

During the period, the loss attributable to the owners of the Company amounted to RMB159.1 million while for the same period last year, profit of approximately RMB35.1 million was recorded due to the disposal of the land and property by the Fuzhou Sanai.

業務回顧(續)

面對各方挑戰，本集團通過清晰有效的戰略，適時調整銷售部署，保持穩健的財務狀況。截至二零一六年六月三十日止六個月，本集團營業額按年下降29.9%至約人民幣171,500,000元。整體毛利率較去年同期下跌11.0個百分點至15.1%，惟跌幅屬預期之內且處於可控範圍。

期內，本集團權益持有人應佔虧損為人民幣159,100,000元，去年同期因福州三愛出售土地及物業，錄得溢利約為人民幣35,100,000元。



DEVELOPMENT OF MAJOR PRODUCTS

主要產品發展

Perilla Oil Capsule

蘇子油軟膠囊

The Group's Perilla Oil Capsule is effective in lowering cholesterol, reducing low-density lipoprotein and increasing high-density lipoprotein. In view of its efficacy and mild side effects, Perilla Oil Capsule, the key product of the Group, has long been the preferred Chinese prescription medicine among medical staff in treating hyperlipidemia. For the six months ended 30 June 2016, the sales of Perilla Oil Capsule was affected by the Suspension. Although the Company had expanded production and stocked up Perilla Oil Capsule in advance prior to the Suspension, the turnover still recorded a year-on-year decrease of approximately 29.2% to approximately RMB14.3 million, accounting for approximately 8.4% of the Group's turnover (for the same period in 2015: approximately RMB20.3 million, accounting for 8.3% of the total turnover). The Group will enhance the sales management and facilitate the sales of Perilla Oil Capsule through channels such as hospitals and distributors. It is believed that after the new plant resumes the suspended operations by the end of this year, the sales of Perilla Oil Capsule will improve significantly and fill the current sales gap. Furthermore, the Group will continue to seek to have Perilla Oil Capsule listed in the National Medical Insurance Catalog (the "Catalog"). Sales are expected to increase further after being included in the Catalog by the end of next year.

本集團的蘇子油軟膠囊，有助降低膽固醇，減少低密度脂蛋白並增加高密度脂蛋白，效果明確且副作用輕微，為醫護人員一直傾向使用的治療高脂血症中醫處方藥，亦是本集團的重點產品。惟截至二零一六年六月三十日止六個月期間，蘇子油軟膠囊的銷售受停產影響，雖然本公司於停產前已擴展生產及貯備蘇子油軟膠囊，但營業額比去年同期下降約29.2%至約人民幣14,300,000元，佔本集團營業額約8.4%（二零一五年同期：約人民幣20,300,000元，佔整體營業額約8.3%）。本集團將強化銷售管理，透過醫院及分銷商等管道，促進蘇子油軟膠囊的銷情；待新廠房於本年年底恢復投產後，蘇子油軟膠囊的銷售相信將有明顯改善，且彌補目前的銷售缺口。另外，本集團將繼續爭取蘇子油軟膠囊列入全國醫療保險藥品目錄（「醫保」），預計明年底列入全國醫保目錄後，銷量將更上一層樓。



DEVELOPMENT OF MAJOR PRODUCTS (CONTINUED)

N(2)-L Alanyl-L Glutamine Injectable

In the first half of 2016, the turnover of N(2)-L Alanyl-L Glutamine Injectable amounted to approximately RMB31.1 million, representing a year-on-year increase of approximately 108.5% (for the same period in 2015: approximately RMB14.9 million). During the period, despite the fierce competition in the N(2)-L Alanyl-L Glutamine Injectable market, the Group stepped up its sales effort, implementing a targeted sales strategy since its production was not affected by the Suspension. This resulted in an excellent sales of the product. Its turnover, as a percentage of total turnover, jumped to 18.1% (for the same period in 2015: approximately 6.1%), making the product the best-selling product of the Group.

Compound Chinese Angelica Injectable

Having remarkable curable effects on blood circulation and stimulating menstruation, removing blood stasis as well as relieving pain, Compound Chinese Angelica Injectable of the Group has been well-recognized in the market. Because of the Suspension, the inventory that the Group had stocked up was unable to meet market demand and led to a drastic decline in sales. The turnover was approximately RMB6.1 million, representing a year-on-year decrease of 45.5% and accounted for approximately 3.5% of the Group's turnover (for the same period in 2015: approximately RMB11.1 million, accounting for 4.5% of the total turnover).

主要產品發展(續)

諾賽肽注射液

諾賽肽注射液於二零一六年上半年營業額約人民幣31,100,000元，比去年同期上升約108.5%（二零一五年同期：約人民幣14,900,000元）。期內，諾賽肽注射液的市場競爭依然激烈，但由於其生產並未受停產影響，本集團加大其營銷力度，實施有效針對性的營銷策略，產品銷售表現優異，營業額相對總營業額的佔比躍升至18.1%（二零一五年同期：約6.1%），成為本集團銷售額最高的產品。

複方當歸注射液

本集團複方當歸注射液對活血通經，祛瘀止痛具有明顯療效，備受市場歡迎。受停產影響，本集團預先貯備的庫存未能滿足市場需求，故此銷量驟降，營業額約人民幣6,100,000元，比去年同期減少45.5%，佔本集團營業額約3.5%（二零一五年同期：約人民幣11,100,000元，佔整體營業額4.5%）。

DEVELOPMENT OF MAJOR PRODUCTS (CONTINUED)

Other products

In 2015, the Group launched four new products, which were all Western prescription injectables, including (plastic bottle) sodium chloride injectable, (plastic bottle) 5% glucoses injectable and two (plastic bottle) 10% glucose injectables of different volumes. As their prices were competitive, sales of these new products was good and their turnover for the period amounted to approximately RMB9.0 million, accounting for approximately 5.2% of total revenue.

In 2014, the Group introduced six Western prescription injectable products under the strategy of lower profit margin but higher turnover. Although their gross profit margins were lower than those of other products of the Group, sales remained stable. During the period, the turnover amounted to approximately RMB10.2 million, accounting for approximately 5.9% of total revenue.

主要產品發展(續)

其他產品

本集團於二零一五年新增四個西藥處方注射液新產品，包括(塑瓶)氯化鈉注射液、(塑瓶)5%葡萄糖注射液、及兩款不同容量的(塑瓶)10%葡萄糖注射液。由於價格具競爭力，該批產品銷情比較理想，並於期內錄得營業額約人民幣9,000,000元，佔整體營業額約5.2%。

本集團於二零一四年推出六個以薄利多銷為策略的西藥處方注射液產品，雖然相關毛利率較本集團的其他產品低，但其銷情保持穩定，於期內的營業額共約人民幣10,200,000元，佔整體營業額約5.9%。



DEVELOPMENT OF MAJOR PRODUCTS (CONTINUED)

Research and development of new medicines

Since the research of new medicines requires a vast of resources and since it takes time to go through the medicine approval procedures, the Group – in order to enhance the overall effectiveness of its resource allocation – focused its resources on promoting the ongoing research of new medical treatment results of Perilla Oil Capsule and conducting scientific research on the anti-hepatitis new compound drug liver & gall bladder tablets in cooperation with Fujian Sanai and the Department of Medicine of Peking University. During the period, these two projects progressed steadily and it is believed that a new source of income will be brought to the Group.

Another new product of the Group, Pazufloxacin Mesilate Injectable, was still undergoing approval procedures during the period.

Sales agency for drugs

Fujian Sanai Pharmaceutical Trading Co., Limited was the agency of seven types of drugs mainly sold during the period in the five provinces and cities of Fujian, Zhejiang, Jiangsu, Liaoning and Beijing. Sales revenue amounted to approximately RMB3.7 million during the period, accounting for approximately 2.2% of the Group's total turnover (for the same period in 2015: approximately RMB6.2 million, accounting for approximately 2.5% of the total turnover).

主要產品發展(續)

新藥研發

由於新藥研究需要投入的資源龐大，加上藥品審批需時，為了提升整體資源分配效益，本集團集中精力發展進行中的蘇子油軟膠囊新療效研究項目，以及福建三愛與北京大學醫學部合作的抗肝炎新藥複方肝膽片的科研項目。該兩個項目期內均取得穩定進展，相信將來會為集團帶來新收入來源。

本集團另一新產品甲磺酸帕珠沙星注射液，於期內仍然處於審批過程中。

藥品代理銷售

福建省三愛醫藥貿易有限公司於期內代理了七種藥品，主要在福建、浙江、江蘇、遼寧和北京五個省市進行銷售。期內實現銷售收入約人民幣3,700,000元，佔本集團整體營業額約2.2%（二零一五年同期：約人民幣6,200,000元，佔整體營業額約2.5%）。



SALES NETWORK AND MARKETING

The Group continued the integration of its sales resources and strived to optimize the experienced sales team. Currently, the Group has 58 medicine distributors covering 21 key provinces, cities and autonomous regions and municipalities around the country, mainly covering the more affluent coastal cities in the eastern region and the northeastern region of China, which was more or less the same as that of last year.

During the period, turnover in rural areas amounted to approximately 13.5% of our total turnover, or approximately RMB23.2 million (for the same period in 2015: approximately RMB34.3 million, accounting for approximately 14.0% of the total turnover).

During the period, the Group suspended its investment in advertising resources while focusing on more professional channels such as new medicine promotion seminars, academic seminars as well as medicine trade fairs to introduce the advantages of various medicines.

銷售網絡及市場推廣

本集團繼續整合營銷資源，銳意優化經驗豐富的銷售團。目前，擁有藥物經銷商58個，覆蓋全國的21個重點省、市、自治區及直轄市，主要為華東沿海富裕城市及東北部地區，情況與去年相若。

期內農村的營業額佔本集團總體約13.5%，約人民幣23,200,000元（二零一五年同期：約人民幣34,300,000元，佔整體營業額約14.0%）。

本集團期內暫停投放廣告，並集中資源在新藥推介會、學術專場推介會和藥交會等專業管道，來推廣各種藥品的優勢。



OUTLOOK

This is the first year of the 13th Five-Year Plan, when medical reform continues to be the nationwide focus. As the government cancels approving eligible designated retail pharmacies under its basic medical insurance, and in view of the hope that online platforms for selling prescription drugs will be liberalized, the expectation is that market demand will be stimulated and that the sales of prescription drugs will be boosted. In addition, an ever aging population and the full implementation of the two-child policy will keep on increasing the domestic market for medical care, further underpinning the inelastic demand.

“Internet + Pharmaceutical” has become vital in the future strategic plan of the industry. To keep pace with this trend, the traditional pharmaceutical industry is undergoing a transformation and upgrading. It will cover every field of medical and healthcare services on the back of an integration with the Internet industry, which includes stronger data analysis so as to provide personalized health management services and health solutions for health care and chronic disease management covering various medical and healthcare services. This will present immense business opportunities.

未來展望

今年正值「十三五」開局之年，醫療改革繼續成為全國關注焦點。隨政府取消基本醫保定點零售藥店資格審查，加上網上處方藥物銷售平台有望開放，預期有助刺激市場需求，並帶動處方藥物的銷售增長。此外，人口老化持續，加上二孩政策全面開放，國內醫療市場不斷擴大，剛性需求進一步突顯。

「互聯網+醫藥」成為行業未來戰略規劃中不可或缺的一環。為配合市場趨勢，傳統的醫藥產業正轉型升級，通過與互聯網產業的結合，包括加強大數據分析以提供更人性化、更優質的個人健康管理服務，提供保健、慢病管理的健康解決方案等，涵蓋各項醫療及健康服務領域，並帶來龐大商機。



OUTLOOK (CONTINUED)

Strengthening and enhancing core competitiveness

The Group's new plant in the Haixi Industrial and Trading Development Zone in Jianyang, Fujian is expected to put into full operation after the completion of the Transformation by the end of this year, bringing a substantial increase of the designed production capacity compared with before the Transformation, greatly increasing the scale of operation of the Group and clearly demonstrating its edge in lowering costs and increasing efficiencies.

The Group will strive for excellence in sales and marketing efforts. While strengthening the current sales team, the Group will continue to improve the sales network in rural areas, build its presence and boost sales with products that are competitively priced. This will further capture the opportunities in the drug consumption market driven by the development of new rural areas. The Group will also place emphasis on the promotion through professional channels in order to raise and consolidate the brand recognition of various products among medical professionals.

未來展望(續)

固本培元 提升核心競爭力

本集團位於福建省建陽市海西工貿開發區新廠房，預計今年底完成改造全面投入生產後，設計生產力將較之前大幅增加，更有利本集團的經營規模化，在降低成本，提升效益方面將更見優勢。

本集團亦將在營銷工作方面精益求精，在整固現有銷售隊伍的同時，繼續完善農村的銷售網絡，透過具價格優勢的產品加強滲透，提升銷量，進一步把握由新農村建設帶動的藥品消費市場機遇，同時強調專業渠道推廣，提高及加強各產品在專業人員間的品牌知名度。



OUTLOOK (CONTINUED)

The Plantation Plan for the Chinese herb, Perilla

Perilla Oil Capsule, a type of Chinese medicine produced exclusively in the country by the Group for the control of hyperlipidemia, through years of efforts, achieved recognition in most of the regions in China. However, its sales were unable to increase significantly as the medicine has not been included in the Catalog since its introduction. In view of the adjustment that will be made to the Catalog this year and the next, the Group is currently applying for the inclusion of the Perilla Oil Capsule in the Catalog in the course of next year's revisions. If successful, it is expected to have a breakthrough increase in sales. The demand of the Perilla Oil, the raw material for producing the medicine, will increase as well. It will become essential to commit to building a plantation base for Perilla in order to overcome the problems of quality control and high costs on raw medicinal herb brought from various remote regions in the country, to ensure that in future the quality of the Perilla is stable and under control, to lower the cost of raw material and to ensure the supply can satisfy the production demand.

未來展望(續)

中藥材紫蘇種植計劃

集團生產的治療高脂血症全國獨家中成藥蘇子油軟膠囊，經過幾年來的努力，在全國大部地區得到了認可，但是，由於該藥品自推出以來還沒有列入醫保中，銷售量無法顯著提升。有見今明兩年為醫保品種調整之年，目前集團正在申請蘇子油軟膠囊在明年調整期時列入醫保，如果成功列入醫保，銷量預計會有突破性的增長。屆時，生產該藥品的主要原料紫蘇子油需求量也將隨著增加，同時為克服以往向全國各地零星採購存在的原藥材品質差異大成本高的問題，並確保往後所採購藥材紫蘇子品質穩定可控、可降低原料成本、且供應量能滿足生產需求，投入中藥材紫蘇種植基地建設將會十分重要。



OUTLOOK (CONTINUED)

The Plantation Plan for the Chinese herb, Perilla (continued)

The Group is now exploring a plan to self fund the building of a Perilla plantation base in collaboration with enterprises experienced in planting Chinese medicinal herbs on areas which are suitable for the growth of Perilla. The advantage for a plantation base includes: (1) it matches an industry supported by the State and the risk is low; (2) the enormous market demand and the potential market capacity; (3) the control over the quality of Perilla medicine for the Group; and (4) a lower procurement cost and enhancement of the supply stability of raw medicinal herbs. If the investment crystallises, the plantation base investment will be a feasible project with quick return. We will comply with the applicable requirements of the Listing Rules (as defined hereinafter) by making the necessary announcement and where required, seeking the approval of our shareholders to the plantation base investment on the terms of such formal agreement for the plantation base investment.

未來展望 (續)

中藥材紫蘇種植計劃 (續)

集團正在論證規劃，擬透過自有資金在適應中藥材紫蘇生長的區域與具有中藥材種植經驗的企業合資共建紫蘇種植基地。基地種植好處包括：(1) 符合國家支援的產業，風險低；(2) 市場需求量及潛在市場容量龐大；(3) 能為本集團紫蘇子藥材提高品質統一的可控性；及(4) 降低採購成本、同時提高原材料供應的可靠性。如獲落實投資，投資基地種植將是一個見效快可行的項目。我們將遵守上市規則(見以下所定義)之適用規定，作出所需公佈及(倘需要)根據有關投資基地種植之正式協定之條款尋求我們之股東批准投資基地種植事項。



OUTLOOK (CONTINUED)

Encouraging innovation and development in modern pharmaceutical services

Keeping abreast with time, the Group is riding on the trend of integrating traditional medicines with the internet. It is seeking opportunities in the internet business to its traditional business of medicine production. Subsequent to the acquisition of the entire interests in Fujian Liumai Medical Services Co., Ltd. in the second half of last year, the Group will continue to actively prepare for engaging in the operation of modern pharmaceutical services. Liumai Medical is an enterprise with core business in digital medical and healthcare services. It is committed to serve pharmaceutical companies, participants in health insurance industry and medical practitioners in areas including analysis and application of healthcare information. As announced by the Company on 29 June 2016 and 26 July 2016, it is expected that the acquisition will be completed by the end of this year. The Group is confident in seizing the opportunities brought by “Internet + Pharmaceutical” while capitalizing on the operating model and data resources of Fujian Liumai Medical Services Co., Ltd..

Besides, through the merger of a series of quality projects that have effective relevance to the business of the Group and through acquisitions of integrated operations, the Group seeks to further optimize its industry strategies, to accelerate its various business revenue indicators so as to strengthen the overall competitiveness and risk-resistant capabilities of the Group.

未來展望 (續)

開拓創新 發展現代醫藥服務

本集團與時並進，迎合傳統醫藥與互聯網結合的大勢，積極在傳統藥品生產業務以外開拓互聯網業務商機。繼於去年下旬收購福建六脈醫療服務有限公司全部權益後，本集團將繼續積極籌備現代醫藥服務。六脈醫療的核心業務為數碼醫療及保健服務，致力為製藥公司、醫療保險行業人士及包括作醫療保年資料分析及應用的醫療從業員提供服務。誠如本公司於二零一六年六月二十九日及二零一六年七月二十六日之公佈，收購交易預計今年年底完成，本集團有信心憑藉福建六脈醫療服務有限公司的營運模式及數據資源，緊抓「互聯網+醫藥」的機遇。

本集團亦希望通過併購一系列與本集團業務有效相關的優質項目及收購整合的運作，繼續優化產業策略，加快提升公司各項營收指標，提升本集團的綜合競爭力和抗風險能力。

OUTLOOK (CONTINUED)

Encouraging innovation and development in modern pharmaceutical services (continued)

Faced with stricter operation entry barriers in the industry, increasing R&D expenses and the intensifying competition among the peers, the small-and-medium pharmaceutical enterprises have to overcome certain challenges. However, opportunities often come with challenges. The Group will carefully consider the circumstances, adjust its development directions, raise its operating efficiency and actively expand its business scope. It aims at making progress in a stable manner amidst the wave of industry consolidation and strives to gain more market shares so as to create better return for the shareholders in the long-run.

FINANCIAL REVIEW

1. Revenue (“Turnover”)

During the period under review, certain production lines of the plant located in Haixi Industrial and Trading Development Zone were suspended pending the completion of the Transformation, which had affected the revenue of the Group to a certain extent. The Group recorded an overall turnover of approximately RMB171.5 million (30 June 2015: approximately RMB244.6 million), representing a decrease of approximately 29.9% over the same period of last year.

未來展望 (續)

開拓創新 發展現代醫藥服務 (續)

面對行業營運門坎提高、研發開支上漲，加上同業競爭加劇，中小型醫藥企業正面對一定的挑戰。然而，機遇與挑戰並存，本集團審時度勢，調整發展方針，提升營運效率，積極開拓領域，目標在這個行業整合潮中，穩中求進，爭取更多市場份額，為股東帶來長遠回報。

財務回顧

1. 收益 (「營業額」)

於回顧期內，本集團位於海西工貿開發區之若干廠房生產線因改造未完成而停產，某程度上影響本集團收益。整體營業額錄得約人民幣171,500,000元(二零一五年六月三十日：約人民幣244,600,000元)，較去年同期下跌約29.9%。



FINANCIAL REVIEW (CONTINUED)

1. Revenue (“Turnover”) (continued)

Turnover for the first half of the year was still dominated by Western medicines, with a turnover of approximately RMB114.4 million, or approximately 66.7% of the overall turnover, representing a slight decrease of approximately 7.4% over the same period of last year (30 June 2015: approximately RMB123.5 million, representing approximately 50.5% of the overall turnover). Turnover of the Modern Chinese medicines amounted to approximately RMB53.4 million, representing approximately 31.1% of the overall turnover, representing a decrease of approximately 53.5% over the same period of last year (30 June 2015: approximately RMB114.9 million, representing approximately 47.0% of the overall turnover). The significant decrease in Modern Chinese medicines was mainly due to the Suspension, which in turn affected our productivity. The pharmaceutical trading revenue recorded a turnover of approximately RMB3.7 million, representing approximately 2.2% of overall turnover (30 June 2015: approximately RMB6.2 million, representing approximately 2.5% of the overall turnover), representing a decrease of approximately 39.7% over the same period of the previous year.

財務回顧(續)

1. 收益(「營業額」)(續)

上半年之營業額仍然由西藥產品帶動，西藥產品錄得營業額約人民幣114,400,000元，佔整體營業額約66.7%，較去年同期輕微下跌約7.4%（二零一五年六月三十日：約人民幣123,500,000元，佔整體營業額約50.5%）。中成藥產品之營業額約人民幣53,400,000元，佔整體營業額約31.1%，較去年同期下跌約53.5%（二零一五年六月三十日：約人民幣114,900,000元，佔整體營業額約47.0%），中成藥產品大幅下滑的原因主要由於停產，從而影響生產能力。而醫藥貿易業務之營業額錄得約人民幣3,700,000元，佔整體營業額約2.2%（二零一五年六月三十日：約人民幣6,200,000元，佔整體營業額約2.5%），較去年同期營業額下跌約39.7%。



FINANCIAL REVIEW (CONTINUED)

1. Revenue (“Turnover”) (continued)

Although our key product, Perilla Oil Capsule, has obtained approval from authorities in Fujian, Shanxi, Inner Mongolia and Xinjiang for listing in the provincial medical insurance directories and it is still in the monitoring period, it is yet to be listed in the Catalog and hence, its sales was affected to some extent. During the period under review, the sales of this product amounted to approximately RMB14.3 million, representing approximately 8.4% of the overall turnover, a decrease of approximately 29.2% over the same period of last year (30 June 2015: approximately RMB20.3 million, representing approximately 8.3% of the overall turnover). The percentage remains similar as compared with the same period of last year.

財務回顧(續)

1. 收益(「營業額」)(續)

本集團旗下重點產品蘇子油軟膠囊雖然已分別獲福建、山西、內蒙古及新疆省批准列入省醫保目錄及仍處於監測保護期內，然而，由於仍未獲批准列入醫保，銷售情況受到一定影響。於回顧期內，該產品錄得銷售約人民幣14,300,000元，佔整體營業額約8.4%，較去年同期下跌約29.2%（二零一五年六月三十日：約人民幣20,300,000元，佔整體營業額約8.3%），百分比與去年同期相約。



FINANCIAL REVIEW (CONTINUED)

1. Revenue (“Turnover”) (continued)

During the period under review, the highest sales volume was again achieved by Western medicine, N(2)-L Alanyl-L Glutamine Injectable, with a turnover of approximately RMB31.1 million, representing approximately 18.1% of the overall turnover (30 June 2015: approximately RMB14.9 million, representing approximately 6.1% of the overall turnover). Due to the reduction of productivity of certain products as a result of Suspension, the Group focused on N(2)-L Alanyl-L Glutamine Injectable and strengthened its promotion during the period. Therefore, the proportion of this product in the overall turnover of the Group increased by 108.5% as compared with the same period of last year. Turnover of the five top selling medicines amounted to approximately RMB80.5 million, representing approximately 46.9% of the overall turnover (30 June 2015: approximately RMB74.7 million, representing approximately 30.5% of the overall turnover).

2. Gross Profit and Gross Profit Margin

Gross profit of the Group decreased by approximately 59.4% over the same period of last year to approximately RMB25.9 million (30 June 2015: approximately RMB63.8 million). Gross profit margin significantly decreased by approximately 11.0 percentage points to approximately 15.1% (30 June 2015: approximately 26.1%).

財務回顧(續)

1. 收益(「營業額」)(續)

於回顧期內，本集團最高銷售額之產品仍然為西藥產品諾賽肽注射液，其營業額約為人民幣31,000,000元，佔整體營業額約18.1%（二零一五年六月三十日：約人民幣14,900,000元，佔整體營業額約6.1%）。由於若干產品因為停產而引致生產能下降，集團本期以該產品為主力並加強推廣，本產品的營業額比去年同期上升約108.5%。而五大最高銷售產品之營業額約為人民幣80,500,000元，佔整體營業額約46.9%（二零一五年六月三十日：約人民幣74,700,000元，佔整體營業額約30.5%）。

2. 毛利及毛利率

於回顧期內，本集團毛利較去年同期下滑約59.4%至約人民幣25,900,000元（二零一五年六月三十日：約人民幣63,800,000元），而毛利率較去年同期大幅下跌約11.0百分點，至約15.1%（二零一五年六月三十日：約26.1%）。



FINANCIAL REVIEW (CONTINUED)

2. Gross Profit and Gross Profit Margin (continued)

The decrease in gross profit margin was mainly due to the decrease in turnover which resulted in a decrease in purchase costs. Among the costs of sales, the fixed costs (in particular, depreciation charges) did not decrease as the turnover did, which caused an increase in the proportion of the fixed costs in the overall costs of sales, affecting to the overall gross profit margin.

Apart from the depreciation charges, the proportion of other cost of sales, including raw materials, packaging materials, energy and fuel costs, and direct labor costs, remained essentially the same, except that the related amounts decreased with the drop in sales as compared with the same period of last year.

3. Loss for the Period

Although the Group did not reduce its product prices in the first half of 2016, the Suspension during the period led to a decrease in both sales and gross profit. Also, impairment on the property, plant and equipment and the land use rights largely increased the Group's loss for the period under review. During the period under review, the Group recorded a loss of approximately RMB159.1 million (30 June 2015: profit amounted to approximately RMB35.1 million).

財務回顧(續)

2. 毛利及毛利率(續)

毛利率下跌之主要原因為營業額下跌導致採購成本下降。而銷售成本中之固定成本，尤其是折舊費用，並沒有隨營業額下降，以致固定成本佔整體銷售成本的比例增加，從而影響整體毛利率。

除折舊費用，其他銷售成本比例包括原材料、包裝物料、能源及燃料成本、直接勞動及其他較去年同期除因銷售下跌而令相關銷售成本金額下跌外，其所佔銷售成本比例比較均沒有重大變化。

3. 期內虧損

雖然集團於二零一六年上半年未下調旗下產品的價格，但本期停產導致銷售及毛利同步下跌。此外，於回顧期內，物業、廠房及設備、土地使用權之減值亦大幅擴大集團期內之虧損。於回顧期內，本集團錄得虧損約人民幣159,100,000元(二零一五年六月三十日：溢利約人民幣35,100,000元)。



FINANCIAL REVIEW (CONTINUED)

3. Loss for the Period (continued)

The distribution costs decreased by approximately 58.6% to approximately RMB9.1 million (30 June 2015: approximately RMB22.1 million). During the period under review, relevant advertising and marketing expenses of our three wholly-owned subsidiaries in the People's Republic of China (the "PRC") decreased by RMB9.3 million over the last year. Since last year, the Group further reduced its investment in advertising resources substantially and invested it in other areas with more apparent benefits. The Group will continue to participate in academic and new medicine promotion seminars, as well as medicine fairs to introduce the advantages of various medicines.

財務回顧(續)

3. 期內虧損(續)

分銷成本下調約58.6%約人民幣9,100,000元(二零一五年六月三十日:約人民幣22,100,000元)。於回顧期內,本集團於中華人民共和國(「中國」)的三所全資附屬公司相關廣告宣傳及推廣費用支出較去年減少人民幣9,300,000元,本集團從去年起進一步大幅縮減廣告資源投放,並投放到其他效益更顯著的地方。本集團仍然會持續參與新藥推介會、學術專場推介會和藥交會等,來推廣各種藥品的優勢。



FINANCIAL REVIEW (CONTINUED)

3. Loss for the Period (continued)

Furthermore, during the period under review, the board (the “Board”) of directors (the “Directors”) of the Company identified certain impairment indicators, among others, the turnover of the Group did not increase as anticipated and the gross profit deteriorated. In response to the impairment indicators identified, the Group performed an impairment review of the recoverable amount related to the Group’s production facilities in one of the factories located in Haixi Industrial and Trading Development Zone in Jianyang City, Fujian Province, the PRC.

For the purpose of impairment testing, the property, plant and equipment and the land use rights located at the above production factories had been allocated to one cash generating unit (“CGU”) and the recoverable amount of the Group’s production facilities is determined through determining the recoverable amount of the CGU.

The Group determined the recoverable amount of the CGU on the basis of value-in-use calculations, which adopted the discount cash flow method, an income approach technique. The calculation was based on, among others, the following:

財務回顧(續)

3. 期內虧損(續)

此外，於回顧期間內，本公司董事（「董事」）會（「董事會」）察覺若干減值跡象，（其中包括）本集團營業額增加未如預期，且毛利減少。有鑑於此，本集團因而對有關本集團於中國福建省建陽市海西工貿開發區之其中一個工廠的生產設備的可收回金額作出減值審查。

就減值測試而言，位於上述生產設備之物業、廠房及設備以及土地使用權已分配至一個現金產生單位（「現金產生單位」），而本集團生產設備之可收回金額乃透過釐定現金產生單位之可收回金額而定。

本集團的現金產生單位之可收回金額乃基於使用價值計算方式釐定，當中採用折現現金流方法（為一種收入法）。計算方式乃根據（其中包括）下列各項作出：



FINANCIAL REVIEW (CONTINUED)

3. Loss for the Period (continued)

- cash flow forecast for the next five years as approved by the management, which had taken into account of the following assumptions:
 - budgeted sales, expected gross profit margins and stable material price inflation rate during the next five-year period based on the Group's past performance, available market data and the management's reasonable expectations for the market development;
- cash flow forecast beyond the fifth year is extrapolated using a growth rate of 2% (31 December 2015: 2%) which is based on industry and firm specific forecast;
- discount rate of approximately 12% (31 December 2015: 12%) by adopting weighted average cost of capital; and
- reference to a valuation as at 30 June 2016 performed by an independent professional valuer, APAC Assets Valuation and Consulting Limited.

財務回顧(續)

3. 期內虧損(續)

- 由管理層經考慮下列假設後通過的未來五年現金流預測：
 - 根據本集團過往表現、可用市場數據以及管理層就市場發展的合理預期預測於未來五年期的預算銷售額、預期毛利率及穩定的原材料價格通漲率；
- 第五年後的現金流預測以增長率2%（二零一五年十二月三十一日：2%）推算，有關增長率乃根據行內及公司的具體預測而定；
- 加權平均資本成本的折現率約12%（二零一五年十二月三十一日：12%）；及
- 參照由獨立專業估值師亞太資產評估有限公司進行於二零一六年六月三十日的估值。



FINANCIAL REVIEW (CONTINUED)

財務回顧(續)

3. Loss for the Period (continued)

Based on the value-in-use calculation as above, the recoverable amount of the CGU as at 30 June 2016 was approximately RMB611.0 million, which was below the carrying amount of the CGU as at 30 June 2016, i.e. RMB810.2 million. Accordingly, the Group recognised an impairment loss of RMB199.2 million in total, including RMB186.4 million and RMB12.8 million in the property, plant and equipment and the land use rights respectively. Significant impairment loss was recognised as a result of the conservatively projected cash flow forecast due to the significant drop in turnover and gross profit of the Group during the period under review. Such impairment loss was mainly attributable to the non-cash accounting treatment on the impairment losses on these production facilities, and mainly to reflect the value in use of the assets. Accordingly, such impairment loss is a non-cash expense with no impact on the Group's cash flow or business and production operations. No such impairment loss was provided for the non-current assets including any production equipment for the same period of last year.

3. 期內虧損(續)

根據上述的使用價值計算方式，現金產生單位截至二零一六年六月三十日之可收回金額約為人民幣611,000,000元，較相關現金產生單位截至二零一六年六月三十日之賬面值(即人民幣810,200,000元)為低。因此，本集團確認減值虧損合共人民幣199,200,000元，包括物業、廠房及設備以及土地使用權分別為人民幣186,400,000元及人民幣12,800,000元的減值虧損。由於本集團於回顧期內的營業額及毛利大幅下降而導致作出保守估計的現金流預測，本集團因而確認重大減值虧損。該減值虧損主要由於該等生產設備減值虧損的非現金會計處理方法，以及反映該資產之使用價值所致，因此，該減值虧損為非現金開支，不會對本集團的現金流或業務及生產營運造成影響。去年同期則未需為任何生產設備等非流動資產進行減值虧損。



FINANCIAL REVIEW (CONTINUED)

3. Loss for the Period (continued)

During the period under review, administrative expenses increased approximately 8.5% over the same period of last year to RMB25.4 million (30 June 2015: approximately RMB23.4 million), which was mainly attributable to the increase in depreciation charges.

Finally, tax credit of the Group were approximately RMB48.6 million in total (30 June 2015: tax expenses of approximately RMB18.7 million). It mainly included withholding deferred income tax for the provision of undistributed profits for the three wholly-owned subsidiaries in the PRC and the deferred tax expenses amounted to approximately RMB0.1 million (30 June 2015: approximately RMB0.1 million), as well as the deductible temporary differences arising from the impairment of property, plant and equipment and land use rights amounted to approximately RMB49.8 million (30 June 2015: Nil).

財務回顧(續)

3. 期內虧損(續)

於回顧期內，行政費用跟去年同期比較上升約8.5%至約人民幣25,400,000元(二零一五年六月三十日：約人民幣23,400,000元)，主要因為折舊費用增加所致。

最後，本集團收入約人民幣48,600,000元(二零一五年六月三十日：稅項支出約人民幣18,700,000元)。主要包括需要為國內三間全資附屬公司就未分配利潤撥備預提遞延所得稅，該遞延所得稅支出約人民幣100,000元(二零一五年六月三十日：約人民幣100,000元)，以及計提物業、廠房及設備及土地使用權的減值導致可抵扣暫時性差異約為人民幣49,800,000元(二零一五年六月三十日：無)。



FINANCIAL REVIEW (CONTINUED)

財務回顧(續)

4. Liquidity, Financial Resources and Capital Structure

As at 30 June 2016, the Group had cash and cash equivalents of approximately RMB606.5 million (31 December 2015: approximately RMB555.2 million) and most cash and cash equivalents were denominated in Renminbi and Hong Kong dollars. As at 30 June 2016, the Group's secured bank loans which were secured by property, plant and equipment and land use rights, amounted to approximately RMB35.0 million (31 December 2015: approximately RMB35.0 million). The two loans involved were denominated in Renminbi, both carrying interest at fixed rates of 5.00% (31 December 2015: 5.00% and 6.44% respectively) per annum and were repayable within 1 year. The Group continued to maintain a stable financial position with low gearing ratio and healthy cash flows. The Group generated a net cash inflow from operating activities of approximately RMB51.1 million (for the six months ended 30 June 2015: approximately RMB28.9 million). During the period under review, the Group did not use any financial instruments for hedging purpose.

The Group reviewed the capital structure by using a gearing ratio. The gearing ratio represents the total debt, which includes trade and other payables, and secured bank loans of the Group, divided by total equity of the Group. The debt-to-equity ratio of the Group was approximately 6.5% as at 30 June 2016 (31 December 2015: approximately 8.4%).

4. 流動資金、財政資源及資本結構

於二零一六年六月三十日，本集團之現金及現金等價物約人民幣606,500,000元(二零一五年十二月三十一日：約人民幣555,200,000元)，而大部分現金及現金等價物以人民幣及港元計值。於二零一六年六月三十日，本集團有抵押銀行貸款約人民幣35,000,000元(二零一五年十二月三十一日：約人民幣35,000,000元)由物業、廠房及設備及土地使用權抵押。涉及的兩項貸款均以人民幣計值，按固定年利率5.00%(二零一五年十二月三十一日：分別為5.00%及6.44%)計息及須於一年內償還。本集團繼續維持穩健之財務狀況，同時保持低資產負債比率及穩健之現金流。本集團之經營活動產生現金流入淨額約人民幣51,100,000元(截至二零一五年六月三十日止六個月：約人民幣28,900,000元)。於回顧期內，本集團並無運用任何金融工具作對沖用途。

本集團運用資產負債比率檢討資本架構。資產負債比率指本集團之總負債(包括貿易應付款項及其他應付款項及有抵押銀行貸款)除本集團之總權益。本集團於二零一六年六月三十日之債項與股權比率為約6.5%(二零一五年十二月三十一日：約8.4%)。



FINANCIAL REVIEW (CONTINUED)

財務回顧(續)

5. Exposure to Fluctuation in Exchange Rates

During the period under review, the Group conducted its business transactions principally in Renminbi. The Group has not experienced any material difficulties or negative impacts on its operations as a result of fluctuations in currency exchange rates. Although the Group has certain bank balances denominated in Hong Kong dollars, the Group adopts a conservative financial policy and most of its bank deposits are in Renminbi and Hong Kong dollars. As at 30 June 2016, the Group did not have any bank liabilities, foreign exchange contracts, interest or currency swaps or other financial derivatives for hedging purpose. Therefore, the Group was not exposed to any material interest and exchange risks.

6. Significant Acquisitions and Disposal of Investments

During the period under review, the Group did not have any significant acquisition and disposal of investment, subsidiaries, associates or joint ventures. During the six months ended 30 June 2015, the Group disposed of land use rights and property, plant and equipment from one of its wholly-owned subsidiaries to an independent third party with an aggregate consideration and net gain on disposal of approximately RMB76.0 million and RMB35.0 million respectively. Further details of the disposal were disclosed in the announcement of the Company dated 2 February 2015.

5. 匯率波動風險

於回顧期間，本集團之業務交易主要以人民幣進行。本集團從未因貨幣匯率波動而遭遇重大困難或承受負面影響。儘管本集團有若干港元銀行結餘，但本集團實行審慎的理財政策，大部分銀行存款為人民幣及港元。於二零一六年六月三十日，本集團沒有任何銀行負債、外匯期貨合約、外匯利息或外匯掉期或其他用作對沖的金融衍生工具。因此，本集團並無任何重大利率及匯兌風險。

6. 重要收購及出售投資

於回顧期間，本集團並無任何重要收購及出售投資、附屬公司、聯營公司或合營公司。於截至二零一五年六月三十日止六個月期間，本集團自其其中一間全資附屬公司向獨立第三方出售土地使用權及物業、廠房及設備，代價總額及出售收益淨額分別約為人民幣76,000,000元及人民幣35,000,000元。有關出售的進一步詳情披露於本公司日期為二零一五年二月二日之公佈。



FINANCIAL REVIEW (CONTINUED)

財務回顧(續)

7. The Number and Remuneration of Employees

As at 30 June 2016, the Group employed approximately 382 employees (31 December 2015: 417 employees). For the six months ended 30 June 2016, the staff cost amounted to approximately RMB17.7 million (30 June 2015: approximately RMB21.9 million). The Group determines staff remuneration in accordance with prevailing market salary scales, individual qualifications and performance. Remuneration packages including performance bonuses and entitlements to share options are reviewed on regular basis. The Group provides directors and senior management with continuous professional training, including seminars and workshops, such that the latest changes of regulatory requirements and corporate governance practices can be introduced. The Group also organises various pre-employment and on-the-job trainings to deepen the employees' understanding of its business objectives and operation.

8. Charge on the Group's Assets

As at 30 June 2016, the Group charged certain assets including land use rights and property, plant and equipment amounted to approximately RMB68.4 million (31 December 2015: RMB94.4 million) in favour of secured bank loans of RMB35.0 million (31 December 2015: 35.0 million).

7. 僱員數目及薪酬

於二零一六年六月三十日，本集團聘用僱員約為382名(二零一五年十二月三十一日：417名僱員)。截至二零一六年六月三十日止六個月，員工成本約為人民幣17,700,000元(二零一五年六月三十日：約人民幣21,900,000元)。本集團按現行市場薪酬水平、個人資歷及表現釐定員工薪酬。薪酬待遇包括表現花紅及獲發購股權之權利，並作定期檢討。本集團向董事及高級管理層提供持續專業培訓，包括舉辦講座及工作坊，以介紹監管要求及企業管治常規的最新動態。本集團亦舉辦各項職前及在職培訓，加深員工對業務目標及營運的認識。

8. 本集團資產抵押

於二零一六年六月三十日，本集團將約人民幣68,400,000元(二零一五年十二月三十一日：人民幣94,400,000元)的若干資產包括土地使用權及物業、廠房及設備用作為本集團有抵押銀行貸款人民幣35,000,000元(二零一五年十二月三十一日：人民幣35,000,000元)之抵押。



FINANCIAL REVIEW (CONTINUED)

9. Contingent Liabilities

As at 30 June 2016, the Group did not have any contingent liabilities (31 December 2015: Nil).

10. Capital Expenditure

During the period under review, capital expenditure of the Group for property, plant and equipment for the construction and development of existing factory located in Fujian Province for its own use in ordinary and usual course of business amounted to approximately RMB58,000 (30 June 2015: approximately RMB50.4 million).

11. Capital Commitments

As at 30 June 2016, the Group's capital commitments outstanding contracted but not provided for in the financial statements amounted to approximately RMB8.1 million (31 December 2015: approximately RMB8.1 million).

財務回顧(續)

9. 或然負債

於二零一六年六月三十日，本集團並無任何或然負債(二零一五年十二月三十一日：無)。

10. 資本開支

於回顧期間，本集團有關物業、廠房及設備於日常及一般業務過程中就建設及開發位於福建省自用的現有工廠的資本開支約為人民幣58,000元(二零一五年六月三十日：約人民幣50,400,000元)。

11. 資本承擔

於二零一六年六月三十日，本集團有已訂約但尚未於財務報表中撥備的未償還資本承擔約人民幣8,100,000元(二零一五年十二月三十一日：約人民幣8,100,000元)。



INTERIM DIVIDEND

The Board does not recommend payment of any interim dividend for the six months ended 30 June 2016 (30 June 2015: Nil). Accordingly, no closure of the register of members of the Company is proposed.

SHARE OPTION SCHEME

The Company's share option scheme was adopted on 8 January 2007 by the way of passing resolutions by all the shareholders of the Company. For the six months ended 30 June 2016, no share option had been granted or exercised under the share option scheme.

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

As at 30 June 2016, the interests or short positions of the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO") as recorded in the register maintained by the Company pursuant to section 352 of the SFO or otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out 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:

中期股息

董事會並不建議就截至二零一六年六月三十日止六個月派發任何中期股息(二零一五年六月三十日：無)。因此，本公司並無建議暫停辦理股份登記手續。

購股權計劃

本公司的購股權計劃於二零零七年一月八日以本公司所有股東通過決議案方式採納。截至二零一五年六月三十日止六個月，並無根據購股權計劃授出或行使任何購股權。

董事及最高行政人員於本公司及其相聯法團股份、相關股份及債權證的權益及淡倉

於二零一六年六月三十日，各董事及本公司最高行政人員在本公司或其任何相聯法團擁有(香港法例第571章證券及期貨條例(「證券及期貨條例」)第XV部所界定)的股份、相關股份或債權證中，擁有根據證券及期貨條例第352條須列入本公司所存置登記冊內之權益或淡倉，或根據香港聯合交易所有限公司證券上市規則(「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」)規定須知會本公司及香港聯合交易所有限公司(「聯交所」)之權益或淡倉如下：



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

董事及最高行政人員於本公司及其相聯法團股份、相關股份及債權證的權益及淡倉(續)

Name of Directors 董事姓名	Company/name of associated corporation 公司／相聯 法團名稱	Capacity 身份	Number of shares (Note 1) 股份數目 (附註 1)	Approximate percentage of interest 概約權益 百分比
Mr. Lin Ou Wen 林歐文先生	The Company 本公司	Interest of controlled corporation (Note 2) 受控法團權益(附註 2)	447,202,900 (L) 447,202,900 (S)	23.78% 23.78%
Mr. Ling Qing Ping 林慶平先生	The Company 本公司	Interest of controlled corporation (Note 3) 受控法團權益(附註 3)	280,352,000 (L) 280,352,000 (S)	14.91% 14.91%



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

董事及最高行政人員於本公司及其相聯法團股份、相關股份及債權證的權益及淡倉 (續)

Notes:

1. The letter "L" and "S" denotes long position and short position in the shares respectively.
2. These shares are registered in the name of Thousand Space Holdings Limited, which is wholly owned by Mr. Lin Ou Wen, an executive Director and the Chairman, who is deemed to be interested in all the shares in which Thousand Space Holdings Limited is interested by virtue of the SFO. Ms. Xue Mei is the spouse of Mr. Lin Ou Wen and she owns as to 31.17% in Orient Day Management Limited.
3. These shares are registered in the name of Bright Elite Management Limited, which is wholly owned by Mr. Lin Qing Ping, an executive Director, who is deemed to be interested in all the shares in which Bright Elite Management Limited is interested by virtue of the SFO.
4. The percentage of shareholding is calculated on the basis of 1,880,772,500 issued shares of the Company as at 30 June 2016.

附註：

1. 「L」及「S」分別指於股份中之好倉及淡倉。
2. 該等股份以由執行董事兼主席林歐文先生全資擁有的Thousand Space Holdings Limited之名義登記。根據證券及期貨條例，林歐文先生被視為於Thousand Space Holdings Limited 擁有權益之全部股份中擁有權益。薛玫女士為林歐文先生之配偶，於Orient Day Management Limited 擁有31.17%。
3. 該等股份以由執行董事林慶平先生全資擁有的Bright Elite Management Limited之名義登記。根據證券及期貨條例，林慶平先生被視為於Bright Elite Management Limited 擁有權益之全部股份中擁有權益。
4. 股權百分比按二零一六年六月三十日本公司已發行股份1,880,772,500股作基準計算。

Save as disclosed above, none of the Directors or chief executive of the Company is aware of any other Director or chief executive of the Company who has any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporation which were required to be recorded in the register maintained by the Company pursuant to section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as at 30 June 2016.

除上文所披露者外，於二零一五年六月三十日，就各董事或本公司最高行政人員所知，任何本公司其他董事或最高行政人員並無於本公司或任何相聯法團的任何股份、相關股份以及債權證中擁有根據證券及期貨條例第352條須列入本公司所存置登記冊或根據標準守則須知會本公司及聯交所之任何權益或淡倉。



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

As at 30 June 2016, the following persons, other than a Director or chief executive of the Company, had an interest or a short position in the shares or underlying shares in the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

主要股東於本公司之股份及相關股份的權益及淡倉

於二零一六年六月三十日，以下人士（本公司董事或最高行政人員除外）於本公司股份或相關股份須記錄於根據證券及期貨條例第336條存置於本公司登記冊的權益及淡倉如下：

Name of shareholder 股東名稱／姓名	Capacity 身份	Number of shares	Approximate percentage of shareholding
		(Note 1) 股份數目 (附註1)	(Note 9) 概約股權 百分比 (附註9)
Bright Elite Management Limited	Beneficial owner (Note 2) 實益擁有人(附註2)	280,352,000 (L)	14.91%
		280,352,000 (S)	14.91%
Thousand Space Holdings Limited	Beneficial owner (Note 3) 實益擁有人(附註3)	447,202,900 (L)	23.78%
		447,202,900 (S)	23.78%
Orient Day Management Limited	Beneficial owner (Note 4) 實益擁有人(附註4)	136,951,000 (L)	7.28%
		136,951,000 (S)	7.28%
Mr. Liu Daohua 劉道花先生	Interest of controlled corporation (Note 4) 受控法團權益(附註4)	136,951,000 (L)	7.28%
		136,951,000 (S)	7.28%
Pope Investments LLC	Beneficial owner (Note 5) 實益擁有人(附註5)	102,400,000 (L)	5.44%
Wells William P.	Interest of controlled corporation (Note 5) 受控法團權益(附註5)	102,400,000 (L)	5.44%



SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES IN THE COMPANY (CONTINUED)

主要股東於本公司之股份及相關股份的權益及淡倉(續)

Name of shareholder 股東名稱/姓名	Capacity 身份	Approximate percentage of shareholding (Note 9)	
		Number of shares (Note 1) 股份數目 (附註1)	概約股權百分比 (附註9)
Credit Suisse (Hong Kong) Limited	Beneficial owner (Notes 6 & 7) 實益擁有人(附註6及7)	133,545,000 (L)	7.10%
		66,772,500 (S)	3.55%
Credit Suisse (International) Holding AG	Interest of controlled corporation (Notes 6 & 7) 受控法團權益(附註6及7)	133,545,000 (L)	7.10%
		66,772,500 (S)	3.55%
Credit Suisse	Interest of controlled corporation (Notes 6 & 7) 受控法團權益(附註6及7)	133,545,000 (L)	7.10%
		66,772,500 (S)	3.55%
Orient Credit Finance (Hong Kong) Limited	Person having a security interest (Note 8) 擁有抵押權益的人(附註8)	864,505,900 (L)	45.97%
Orient Finance Holdings (Hong Kong) Limited	Interest of controlled corporation (Note 8) 受控法團權益(附註8)	864,505,900 (L)	45.97%
Orient Securities Company Limited 東方證券股份有限公司	Interest of controlled corporation (Note 8) 受控法團權益(附註8)	864,505,900 (L)	45.97%
China Medical Service Investment Holding Limited	Beneficial Owner 實益擁有人	171,000,000 (L)	9.09%



SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES IN THE COMPANY (CONTINUED)

Notes:

- (1) The letters "L" and "S" denote long position and short position in the shares of the Company respectively.
- (2) These shares are registered in the name of Bright Elite Management Limited, which is wholly owned by Mr. Lin Qing Ping, an executive Director. Mr. Lin Qing Ping is deemed to be interested in all the shares in which Bright Elite Management Limited is interested by virtue of the SFO, as disclosed under the paragraph headed "Directors' and chief executive's interests and short positions in shares, underlying shares and debentures of the Company and its associated corporations" above.
- (3) These shares are registered in the name of Thousand Space Holdings Limited, which is wholly owned by Mr. Lin Ou Wen, an executive Director and the Chairman. Mr. Lin Ou Wen is deemed to be interested in all the shares in which Thousand Space Holdings Limited is interested by virtue of the SFO, as disclosed under the paragraph headed "Directors' and chief executive's interests and short positions in shares, underlying shares and debentures of the Company and its associated corporations" above. Ms. Xue Mei is the spouse of Mr. Lin Ou Wen and she owns as to 31.17% in Orient Day Management Limited.
- (4) These shares are registered in the name of Orient Day Management Limited, which is owned as to 23.38%, 45.45% and 31.17% of its entire share capital by Mr. Lin Qing Mei, Mr. Liu Daohua and Ms. Xue Mei, spouse of Mr. Lin Ou Wen, respectively. Therefore, Mr. Liu Daohua is deemed to be interested in all the shares in which Orient Day Management Limited is interested for the purpose of the SFO.

主要股東於本公司之股份及相關股份的權益及淡倉(續)

附註:

- (1) (L)及(S)分別指於股份中之好倉及淡倉。
- (2) 該等股份以由執行董事林慶平先生全資擁有的Bright Elite Management Limited之名義登記。誠如上文「董事及最高行政人員於本公司及其相聯法團股份、相關股份及債權證的權益及淡倉」段落所披露，根據證券及期貨條例，林慶平先生被視為於Bright Elite Management Limited擁有權益之全部股份中擁有權益。
- (3) 該等股份以執行董事兼主席林歐文先生全資擁有的Thousand Space Holdings Limited之名義登記。誠如上文「董事及最高行政人員於本公司及其相聯法團股份、相關股份及債權證的權益及淡倉」段落所披露，根據證券及期貨條例，林歐文先生被視為於Thousand Space Holdings Limited擁有權益之全部股份中擁有權益。薛玫女士為林歐文先生之配偶，於Orient Day Management Limited擁有31.17%。
- (4) 該等股份以由林慶美先生、劉道花先生及林歐文先生的配偶薛玫女士分別擁有其總股本23.38%、45.45%及31.17%的Orient Day Management Limited之名義登記。因此，根據證券及期貨條例，劉道花先生被視為於Orient Day Management Limited擁有權益的所有股份中擁有權益。



SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES IN THE COMPANY (CONTINUED)

主要股東於本公司之股份及相關股份的權益及淡倉(續)

Notes: (continued)

附註：(續)

(5) In accordance with the individual substantial shareholder notice on disclosure of interests of Wells William P. and the corporate substantial shareholder notice on disclosure of interests of Pope Investments LLC both filed on 7 February 2007, these shares are registered in the name of Pope Investments LLC, which is controlled by Pope Asset Management LLC, which is in turn controlled by Wells William P.. In accordance with the corporate substantial shareholder notice on disclosure of interests of Pope Asset Management LLC filed on 26 June 2013, Pope Asset Management LLC ceased to have a notifiable interest pursuant to the SFO since 26 June 2013.

(5) 根據Wells William P.於二零零七年二月七日提交有關披露權益的個人大股東通知及Pope Investments LLC於二零零七年二月七日提交有關披露權益的法團大股東通知，該等股份以Pope Asset Management, LLC控制之Pope Investments, LLC之名義登記，Pope Asset Management, LLC則由Wells William P.所控制。根據Pope Asset Management LLC於二零一三年六月二十六日提交有關披露權益的法團大股東通知，根據證券及期貨條例，Pope Asset Management LLC自二零一三年六月二十六日起不再擁有須具報權益。

(6) In accordance with the corporate substantial shareholder notices on disclosure of interests of Credit Suisse (Hong Kong) Limited, Credit Suisse (International) Holding AG and Credit Suisse all filed for the relevant event took place on 1 February 2007, these shares are registered in the name of Credit Suisse (Hong Kong) Limited, which is owned as to 94.75% by Credit Suisse (International) Holding AG, which is in turn wholly owned by Credit Suisse. Therefore, Credit Suisse (Hong Kong) Limited, Credit Suisse (International) Holding AG and Credit Suisse are deemed to be interested in all the shares in which Credit Suisse (Hong Kong) Limited is interested for the purpose of the SFO.

(6) 根據Credit Suisse (Hong Kong) Limited、Credit Suisse (International) Holding AG及Credit Suisse就於二零零七年二月一日發生的相關事件分別提交有關披露權益的法團大股東通知，該等股份乃以Credit Suisse (Hong Kong) Limited之名義登記，而Credit Suisse (Hong Kong) Limited由Credit Suisse (International) Holding AG擁有94.75%權益，而Credit Suisse (International) Holding AG則由Credit Suisse全資擁有。因此，根據證券及期貨條例，Credit Suisse (Hong Kong) Limited、Credit Suisse (International) Holding AG及Credit Suisse被視為於Credit Suisse (Hong Kong) Limited持有權益之所有股份中擁有權益。



SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES IN THE COMPANY (CONTINUED)

Notes: (continued)

- (7) In accordance with the corporate substantial shareholder notices on disclosure of interests of Credit Suisse (Hong Kong) Limited, Credit Suisse (International) Holding AG and Credit Suisse all filed for the relevant event took place on 1 February 2007, these shares are registered in the name of Credit Suisse (Hong Kong) Limited, which is owned as to 94.75% by Credit Suisse (International) Holding AG, which is in turn wholly owned by Credit Suisse. Therefore, Credit Suisse (Hong Kong) Limited, Credit Suisse (International) Holding AG and Credit Suisse are deemed to hold or hold a short position of 66,772,500 shares as defined under Part XV of the SFO.
- (8) In accordance with the corporate substantial shareholder notices on disclosure of interests of Orient Credit Finance (Hong Kong) Limited ("Orient Credit Finance"), Orient Finance Holdings (Hong Kong) Limited ("Orient Finance Holdings") and 東方證券股份有限公司 (Orient Securities Company Limited) ("Orient Securities") all filed for the relevant event dated 18 December 2015, (Orient Credit Finance is directly interested in 864,505,900 shares as person having a security interest.) Orient Credit Finance is wholly owned by Orient Finance Holdings, which is wholly owned by Orient Securities.
- (9) The percentage of shareholding is calculated on the basis of 1,880,772,500 issued shares of the Company as at 30 June 2016.

主要股東於本公司之股份及相關股份的權益及淡倉 (續)

附註：(續)

- (7) 根據 Credit Suisse (Hong Kong) Limited、Credit Suisse (International) Holding AG 及 Credit Suisse 就於二零零七年二月一日發生的相關事件分別提交有關披露權益的法團大股東通知，該等股份乃以 Credit Suisse (Hong Kong) Limited 之名義登記，而 Credit Suisse (Hong Kong) Limited 由 Credit Suisse (International) Holding AG 擁有 94.75% 權益，而 Credit Suisse (International) Holding AG 則由 Credit Suisse 全資擁有。因此，根據證券及期貨條例第 XV 部定義，Credit Suisse (Hong Kong) Limited、Credit Suisse (International) Holding AG 及 Credit Suisse 被視為持有或持有 66,772,500 股股份之淡倉。
- (8) 根據 Orient Credit Finance (Hong Kong) Limited (「Orient Credit Finance」)、Orient Finance Holdings (Hong Kong) Limited (「Orient Finance Holdings」) 及 東方證券股份有限公司 (「東方證券」) 於二零一五年十二月十八日就相關事件分別提交有關披露權益的法團大股東通知，Orient Credit Finance 作為擁有抵押權益的人於 864,505,900 股股份中直接擁有權益。Orient Credit Finance 由 Orient Finance Holdings 全資擁有，而 Orient Finance Holdings 由東方證券全資擁有。
- (9) 股權百分比按二零一六年六月三十日日本公司已發行股份 1,880,772,500 股作基準計算。



SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES IN THE COMPANY (CONTINUED)

Save for the disclosed above, other than the Directors and chief executive of the Company whose interests or short positions are set out in the paragraph headed "Directors' and chief executive's interests and short positions in shares, underlying shares and debentures of the Company and its associated corporations" above, the Company was not aware of any person who had an interest or a short position in the shares or underlying shares in the Company which were required to be recorded in the register to be kept by the Company under section 336 of the SFO as at 30 June 2016.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities of the Company during the six months ended 30 June 2016.

主要股東於本公司之股份及相關股份的權益及淡倉(續)

除上文所披露者外，(其權益或淡倉載於上文「董事及最高行政人員於本公司及其相聯法團股份、相關股份及債權證的權益及淡倉」一段的董事及最高行政人員除外)於二零一五年六月三十日，本公司並無獲知會任何人士擁有須記錄於根據證券及期貨條例第336條存置於本公司股東名冊的本公司股份或相關股份的權益或淡倉。

購買、出售或贖回本公司上市證券

截至二零一六年六月三十日止六個月，本公司或其任何附屬公司概無購買、出售或贖回任何本公司的上市證券。



COMPLIANCE OF THE CORPORATE GOVERNANCE CODE

The Company is committed to achieving a high standard of corporate governance practice, such that the interests of our shareholders, customers, employees as well as the long term development of the Company can be safeguarded.

The Company has complied with the code provisions as set out in the Corporate Governance Code (the “Code”) during the six months ended 30 June 2016 as contained in Appendix 14 to the Listing Rules ensuring that the Company is up to the requirements as being diligent, accountable and professional, except for deviation from provision A.2.1 of the Code in respect of the roles of Chairman and chief executive officer (“CEO”) of the Company. The Board considered that vesting the roles of Chairman and the CEO in the same person facilitates the execution of the Company’s business strategies and maximizes effectiveness of its operations. The Board shall nevertheless review the structure from time to time and shall consider the appropriate adjustment should suitable circumstance arise. There are three independent non-executive Directors in the Board, all of them possess adequate independence and therefore the Board considers the Company has achieved balance of and provided sufficient protection to its interests.

遵守企業管治常規守則

本公司承諾會達致高標準之企業管治常規，以使本公司股東、客戶、僱員以及本公司的長遠發展得到保障。

於截至二零一六年六月三十日止六個月期間，本公司已遵守上市規則附錄14所載企業管治守則（「該守則」）所載守則條文，確保本公司符合盡力、負責及專業之要求，惟偏離守則第A.2.1條有關本公司主席及行政總裁（「行政總裁」）的角色。董事會考慮到，由同一人士擔任主席及行政總裁職位，有助本公司執行業務策略，盡量提升其業務運作的效率。儘管如此，董事會須不時檢討有關架構，並於適當情況下考慮適當調整。董事會有三名獨立非執行董事，彼等均擁有足夠的獨立性，故董事會認為本公司已就其權益取得平衡及提供足夠保障。



DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as the Company's own code for securities transactions by its Directors. In addition, the Company made specific enquiries of all Directors and each Director confirmed that during the six months ended 30 June 2016, they had fully complied with the required standards as set out in the Model Code.

At no time during the first six months of 2016 were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate granted to any Director or their respective spouse or minor children, or were any such rights exercised by them; nor was the Company or any of its subsidiaries a party to any arrangement to enable the Directors, their respective spouses or minor children to acquire such rights in any other body corporate.

During the period under review, the Company has complied with Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules and appointed three independent non-executive Directors including one with financial management expertise.

董事進行證券交易

本公司已採納上市規則附錄10所載的標準守則，作為本公司董事進行證券交易之守則。此外，本公司已向所有董事作出具體查詢，各董事確認於截至二零一六年六月三十日止六個月內，已全面遵守標準守則所規定標準。

於二零一六年首六個月的任何時間，概無向任何董事或彼等各自的配偶或未成年子女授出可藉購買本公司或任何其他法人團體的股份或債權證而獲取利益之權利，或彼等並無行使任何有關權利；或本公司或其任何附屬公司亦無參與任何安排，致使董事、彼等各自的配偶或未成年子女獲得任何其他法人團體之有關權利。

於回顧期內，本公司已遵守上市規則第3.10(1)、3.10(2)及3.10A條之規定，委任三名獨立非執行董事，其中一名獨立非執行董事具有財務管理專長。



AUDIT COMMITTEE

The Company has established an audit committee (the "Audit Committee") in compliance with the Rule 3.21 of the Listing Rules. The Audit Committee, comprises three independent non-executive Directors, has reviewed the accounting principles and practices adopted by the Company and discussed auditing, internal control and financial reporting matters in relation to the unaudited interim results for the six months ended 30 June 2016. On 23 August 2016, a meeting of the Audit Committee was held and the Audit Committee reviewed the unaudited interim results for the six months ended 30 June 2016 at the meeting. The Audit Committee are of the opinion that the financial statements of the Company for the period ended 30 June 2016 comply with the applicable accounting standards and the requirements of the Listing Rules and that adequate disclosures have been made, and recommend the Board to approve such financial statements.

REMUNERATION COMMITTEE

The remuneration committee of the Company comprises three independent non-executive Directors and one executive Director, and is responsible for assisting the Board to oversee the Company's remuneration packages, bonus and other compensation payable to Directors and senior management and establishing a transparent procedure for developing policy on such remuneration.

審核委員會

為遵守上市規則第3.21條，本公司已成立審核委員會（「審核委員會」）。審核委員會由三名獨立非執行董事組成，已審閱本公司採納之會計原則及常規，以及討論審核、內部監控及財務申報等有關截至二零一六年六月三十日止六個月未經審核中期業績的事宜。於二零一六年八月二十三日，本公司召開審核委員會會議並於會上審閱截至二零一六年六月三十日止六個月期間未經審核中期業績。審核委員會認為，本公司截至二零一六年六月三十日止期間的財務報表符合適用之會計準則及上市規則的規定，且已作出適當的披露，並向董事會作出推薦建議以批准該等財務報表。

薪酬委員會

本公司薪酬委員會由三名獨立非執行董事及一名執行董事組成，負責協助董事會監督本公司的薪酬待遇、花紅及其他應付予董事及高級管理層的補償，並為制訂該等薪酬政策而設立正式且具透明度的程序。



NOMINATION COMMITTEE

The nomination committee (the “Nomination Committee”) of the Company, comprises three independent non-executive Directors and two executive Directors, is responsible for reviewing the structure, size and composition of the Board, identifying individuals who are suitably qualified to become members of the Board, and assessing the independence of the independent non-executive Directors. Having regard to the independence and quality of nominees, the Nomination Committee shall make recommendations to the Board so as to ensure that all nominations are fair and transparent. The Nomination Committee is also responsible for reviewing the succession planning for Directors, in particular the Chairman and the CEO.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

The 2016 interim report will be despatched to Shareholders as well as made available on our Company’s website at www.wuyi-pharma.com and the Stock Exchange’s website at www.hkexnews.hk.

提名委員會

本公司提名委員會（「提名委員會」）由三名獨立非執行董事及兩名執行董事組成，負責檢討董事會的架構、人數及組成部分、物色具適合資格出任董事會成員的人選、評估獨立非執行董事的獨立性。經考慮被提名人士的獨立性及資格後，提名委員會須向董事會提供推薦意見，以確保所有提名均公平及透明。提名委員會亦負責審閱董事繼任計劃，尤其是主席及行政總裁。

刊登中期業績公佈及中期報告

二零一六年中期報告將寄發予各位股東及刊登於本公司網站www.wuyi-pharma.com及聯交所網站www.hkexnews.hk。



ACKNOWLEDGEMENT

I would like to offer the Board's sincere gratitude to the management team and all other employees for their hard work and dedication. Their excellence and commitment are of vital importance in enhancing the Company's sustainability.

Finally, I would like to take this opportunity to thank our shareholders and all other stakeholders for their continuous support and confidence in us.

On behalf of the Board

LIN OU WEN

Chairman and Chief Executive Officer

Hong Kong, 30 August 2016

As at the date of this report, the Board comprises 3 Executive Directors, namely Mr. Lin Ou Wen (Chairman), Mr. Lin Qing Ping and Mr. Lin Min, and 3 Independent Non-executive Directors, namely Mr. Zhang Jie, Mr. Zhang Xue Wen and Mr. Wu Cheng Han.

致謝

本人謹代表董事會，對管理層團隊及所有其他僱員的努力及熱誠，致以真誠的謝意。彼等的卓越表現及承擔對提高本公司的持續發展起著關鍵作用。

最後，本人藉此機會感謝各股東及其他利益相關者一直以來的鼎力支持及信任。

代表董事會

主席兼行政總裁

林歐文

香港，二零一六年八月三十日

於本報告日期，董事會的董事包括3名執行董事，分別是林歐文先生(主席)、林慶平先生及林敏先生，以及3名獨立非執行董事，分別是張捷先生、張學文先生及吳成翰先生。



武夷药业
Wuyi Pharmaceutical

Wuyi International Pharmaceutical Company Limited

武夷國際藥業有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號：1889