



2016/17

INTERIM REPORT 中期報告

Extrawell Pharmaceutical Holdings Limited
精優藥業控股有限公司

(Incorporated in Bermuda with limited liability)
(於百慕達註冊成立之有限公司)

Stock code 股份代號 : 858

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The board of directors (the “Board”) of Extrawell Pharmaceutical Holdings Limited (the “Company”) announces the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 September 2016 together with the comparative figures as follows:

精優藥業控股有限公司(「本公司」)董事會(「董事會」)宣佈，本公司及其附屬公司(「本集團」)截至二零一六年九月三十日止六個月之未經審核綜合業績連同比較數字如下：

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

		At 30 September 2016 於二零一六年 九月三十日 (Unaudited) (未經審核) HK\$'000 千港元	At 31 March 2016 於二零一六年 三月三十一日 (Audited) (經審核) HK\$'000 千港元
	Notes 附註		
Non-current assets			
Investment properties		1,526	1,556
Property, plant and equipment	4	153,513	161,911
Prepaid lease payments		9,713	10,155
Intangible assets		1,807	1,807
Investments in convertible bonds	5,18	349,159	362,960
Available-for-sale investments		—	—
Interest in an associate	3	333,950	333,866
Amount due from an associate		15,082	13,199
		864,750	885,454
Current assets			
Inventories		5,316	5,924
Trade receivables	6	56,876	57,019
Deposits, prepayments and other receivables		8,074	8,393
Available-for-sale investments	18	2,907	3,012
Pledged bank deposits		20,118	20,053
Bank balances and cash		216,341	180,998
		309,632	275,399
Total assets		1,174,382	1,160,853

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

		At 30 September 2016 於二零一六年 九月三十日 (Unaudited) (未經審核) HK\$'000 千港元	At 31 March 2016 於二零一六年 三月三十一日 (Audited) (經審核) HK\$'000 千港元
		Notes 附註	
Capital and reserves	資本及儲備		
Share capital	股本	23,900	23,900
Reserves	儲備	993,704	993,349
Equity attributable to owners of the Company	本公司擁有人應佔權益	1,017,604	1,017,249
Non-controlling interests	非控股權益	(3,455)	(1,350)
Total equity	權益總額	1,014,149	1,015,899
Non-current liabilities	非流動負債		
Deferred tax liabilities	遞延稅項負債	102	102
Convertible bonds	可換股債券	32,335	29,670
		32,437	29,772
Current liabilities	流動負債		
Trade and bills payables	貿易應付賬款及 應付票據	7	11,093
Accruals and other payables	預提費用及其他 應付款項	73,421	68,614
Amount due to an associate	應付一間聯營公司款項	19,780	19,780
Tax payable	應付稅項	15,120	15,695
		127,796	115,182
Total equity and liabilities	總權益及負債	1,174,382	1,160,853
Net current assets	流動資產淨值	181,836	160,217
Total assets less current liabilities	總資產減流動負債	1,046,586	1,045,671

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

簡明綜合損益及其他全面收益表

		For the six months ended 30 September 截至九月三十日止六個月		
		2016 二零一六年 (Unaudited) (未經審核) HK\$'000 千港元	2015 二零一五年 (Unaudited) (未經審核) HK\$'000 千港元	
		Notes 附註		
Revenue	收益	8	64,196	81,634
Cost of sales	銷售成本		(35,918)	(41,943)
Gross profit	毛利		28,278	39,691
Other income	其他收入	9	37,492	32,503
Other gains and losses, net	其他收益及虧損淨額	10	(28,730)	(68,128)
Selling and distribution expenses	銷售及分銷費用		(18,086)	(22,958)
Administrative expenses	行政費用		(13,698)	(14,717)
Share of results of an associate	應佔一間聯營公司業績		84	(102)
Effective interest expense on convertible bonds	可換股債券之實際利息開支		(2,664)	(2,244)
Profit (loss) before taxation	除稅前溢利(虧損)	11	2,676	(35,955)
Taxation	稅項	12	(61)	(62)
Profit (loss) for the period	期內溢利(虧損)		2,615	(36,017)
Other comprehensive expense	其他全面開支			
Item that may be reclassified subsequently to profit or loss	其後可能重新分類至損益的項目			
— Exchange differences arising on translation of foreign operations	— 換算海外業務產生之匯兌差額		(4,365)	(5,405)
Total comprehensive expense for the period	期內全面開支總額		(1,750)	(41,422)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

簡明綜合損益及其他全面收益表

		For the six months ended 30 September	
		截至九月三十日止六個月	
		2016	2015
		二零一六年	二零一五年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Notes		HK\$'000	HK\$'000
附註		千港元	千港元
Profit (loss) for the period attributable to	以下人士應佔期內溢利 (虧損)		
Owners of the Company	本公司擁有人	4,720	(33,593)
Non-controlling interests	非控股權益	(2,105)	(2,424)
		2,615	(36,017)
Total comprehensive income (expense) for the period attributable to	以下人士應佔期內全面收入(開支)總額		
Owners of the Company	本公司擁有人	355	(38,824)
Non-controlling interests	非控股權益	(2,105)	(2,598)
		(1,750)	(41,422)
Interim dividends	中期股息	13	—
		HK cents	HK cents
		港仙	港仙
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Earnings (loss) per share for the period attributable to owners of the Company	本公司擁有人應佔期內每股盈利(虧損)	14	
— Basic	— 基本	0.20	(1.41)
— Diluted	— 攤薄	0.20	(1.41)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合權益變動表

Attributable to owners of the Company
本公司擁有人應佔

		Share	Share	Capital	Contributed	Foreign	Convertible	Accumulated	Total	Non-	Total
		capital	premium	reserve	surplus	currency	bonds				
		股本	股份溢價	資本儲備	繳入盈餘	匯兌外幣儲備	券權益可換股價儲備	累計溢利	合計	非控股權益	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 April 2015 (Audited)	於二零一五年四月一日 (經審核)	23,900	191,738	6,542	4,839	38,794	512,359	213,718	991,890	4,489	996,379
Loss for the period (Unaudited)	期內虧損(未經審核)	-	-	-	-	-	-	(33,593)	(33,593)	(2,424)	(36,017)
Exchange differences on translation of foreign operations	換算海外業務產生之匯兌差額	-	-	-	-	(5,231)	-	-	(5,231)	(174)	(5,405)
Total comprehensive income (expense)	全面收入(開支)總額	-	-	-	-	(5,231)	-	(33,593)	(38,824)	(2,598)	(41,422)
At 30 September 2015 (Unaudited)	於二零一五年九月三十日 (未經審核)	23,900	191,738	6,542	4,839	33,563	512,359	180,125	953,066	1,891	954,957
At 1 April 2016 (Audited)	於二零一六年四月一日 (經審核)	23,900	191,738	6,542	4,839	31,372	512,359	246,499	1,017,249	(1,350)	1,015,899
Profit (loss) for the period (Unaudited)	期內溢利(虧損) (未經審核)	-	-	-	-	-	-	4,720	4,720	(2,105)	2,615
Exchange differences on translation of foreign operations	換算海外業務產生之匯兌差額	-	-	-	-	(4,365)	-	-	(4,365)	-	(4,365)
Total comprehensive income (expense)	全面收入(開支)總額	-	-	-	-	(4,365)	-	4,720	355	(2,105)	(1,750)
At 30 September 2016 (Unaudited)	於二零一六年九月三十日 (未經審核)	23,900	191,738	6,542	4,839	27,007	512,359	251,219	1,017,604	(3,455)	1,014,149

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

簡明綜合現金流量表

For the six months ended
30 September

截至九月三十日止六個月

	2016	2015
	二零一六年	二零一五年
	(Unaudited)	(Unaudited)
	(未經審核)	(未經審核)
	HK\$'000	HK\$'000
	千港元	千港元

Net cash generated from (used in) operating activities	經營活動產生(使用)之現金淨額	9,347	(16,527)
Net cash generated from investing activities	投資活動產生之現金淨額	24,949	25,182
Net increase in cash and cash equivalents	現金及現金等值項目增加淨額	34,296	8,655
Effect on foreign exchange rate changes	外幣匯率變動之影響	1,047	(316)
Cash and cash equivalents at beginning of the period	期初之現金及現金等值項目	180,998	152,227
Cash and cash equivalents at end of the period — represented by bank balances and cash	期終之現金及現金等值項目 — 以銀行結餘及現金列示	216,341	160,566

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

簡明綜合財務資料附註

1. GENERAL INFORMATION

The Company is a limited liability company incorporated in Bermuda whose shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The address of its principal place of business is Suites 2206–08, 22/F, Devon House, Taikoo Place, 979 King’s Road, Quarry Bay, Hong Kong.

This unaudited condensed consolidated interim financial information of the Group (the “**Interim Financial Information**”) was approved for issue by the Board on 29 November 2016.

1. 一般資料

本公司乃於百慕達註冊成立之有限公司，其股份於香港聯合交易所有限公司（「聯交所」）主板上市。其註冊辦事處地址位於Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda。其主要營業地點位於香港鰂魚涌英皇道979號太古坊德宏大廈22樓2206–08室。

此份本集團之未經審核簡明綜合中期財務資料（「中期財務資料」）於二零一六年十一月二十九日獲董事會批准刊發。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

簡明綜合財務資料附註

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The Interim Financial Information has been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Stock Exchange, and the Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

This Interim Financial Information should be read in conjunction with the Group’s audited financial statements for the year ended 31 March 2016 (the “**2016 Audited Financial Statements**”), which have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”).

2. 編製基準及主要會計政策

中期財務資料已遵照聯交所證券上市規則(「上市規則」)附錄十六之適用披露規定及香港會計師公會(「香港會計師公會」)頒佈的香港會計準則(「香港會計準則」)第34號「中期財務報告」而編製。

此中期財務資料應與本集團按照香港財務報告準則(「香港財務報告準則」)編製之截至二零一六年三月三十一日止年度經審核財務報表(「二零一六年經審核財務報表」)一併閱讀。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

簡明綜合財務資料附註

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES (Continued)

The Group has adopted, for the first time, the following new amendments to HKFRSs issued by the HKICPA that are relevant for the current interim period, and the application of which has no material impact on the Interim Financial Information:

Amendments to HKFRS 11	Accounting for acquisitions of interests in joint operations
Amendments to HKAS 1	Disclosure initiative
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment entities: Applying the consolidation exception
Amendments to HKAS 27	Equity method in separate financial statements
Amendments to HKFRSs	Annual improvements to HKFRSs 2012–2014 cycle
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation

2. 編製基準及主要會計政策(續)

本集團首次採用以下由香港會計師公會頒佈有關本中期期間的香港財務報告準則之新修訂本，其應用對中期財務資料並無重大影響：

香港財務報告準則第11號修訂本	收購合營業務權益之會計處理
香港會計準則第1號修訂本	披露動議
香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第28號修訂本	投資實體：應用綜合入賬的例外情況
香港會計準則第27號修訂本	個別財務報表之權益法
香港財務報告準則修訂本	二零一二年至二零一四年週期香港財務報告準則之年度改進
香港會計準則第16號及香港會計準則第38號修訂本	折舊及攤銷之可接受方法之澄清

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION 簡明綜合財務資料附註

3. EMPHASIS OF MATTER — 2016 AUDITED FINANCIAL STATEMENTS

In the 2016 Audited Financial Statements, an emphasis of matter paragraph was included in the Independent Auditors' Report in relation to the Group's interest in an associate, which is now reproduced as below:

"As explained in note 23 to the consolidated financial statements, the carrying amount of interest in an associate, representing interest in Smart Ascent Limited and its subsidiaries (the "**Smart Ascent Group**"), is HK\$333,866,000 as at 31 March 2016. The major asset held by the Smart Ascent Group is the intangible asset in relation to an in-process research and development project (the "**In-process R&D**") involving an oral insulin product (the "**Product**"). The carrying amount of interest in the associate is highly dependent upon further research and development work required to be carried out, results of the clinical trials, the successful launching of the Product and key assumptions to be applied in preparing cash flow projection from the Product. Should the outcome of the clinical trials and the launching of the Product be unsuccessful, or the key assumptions applied in preparing the cash flow projection from the Product turn out to be unrealised, material adjustments may be required and consequently have an adverse effect on the net assets and the results of the Group."

3. 強調事項 — 二零一六年經審核 財務報表

於二零一六年經審核財務報表中，於獨立核數師報告內載入有關本集團於一間聯營公司之權益之強調事項段落現轉載如下：

「誠如綜合財務報表附註23所闡述，於二零一六年三月三十一日，於一間聯營公司之權益（即於進生有限公司及其附屬公司（「**進生集團**」）之權益）之賬面值為333,866,000港元。進生集團持有之主要資產為有關涉及口服胰島素產品（「**產品**」）之進行中之研發項目（「**進行中之研發**」）的無形資產。於聯營公司之權益之賬面值高度視乎須進行之進一步研發工作、產品之臨床測試結果、能否成功推出及編製產品之現金流量預測時將應用之主要假設。倘產品之臨床測試結果及推出不成功，或編製產品之現金流量預測時應用之主要假設並無實現，可能須作出重大調整並因此對貴集團資產淨值及業績構成不利影響。」

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

簡明綜合財務資料附註

4. PROPERTY, PLANT AND EQUIPMENT

In the period under review, there were no material additions and disposals, and the net change mainly related to depreciation, amortisation and exchange difference arising on translation.

5. INVESTMENTS IN CONVERTIBLE BONDS

Net change mainly related to receipt of interest income, accrual of effective interest income from and decrease in fair value of derivative component of the investments in convertible bonds of HK\$25,025,000, HK\$34,954,000 and HK\$23,730,000 respectively in the period under review.

4. 物業、廠房及設備

回顧期內，概無重大添置及出售，而變動淨額主要有關折舊、攤銷及換算產生之匯兌差額。

5. 可換股債券投資

變動淨額主要與回顧期間就可換股債券投資所收取的利息收入25,025,000港元、累計的實際利息收入34,954,000港元及衍生工具部分的公平值減少23,730,000港元有關。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION 簡明綜合財務資料附註

6. TRADE RECEIVABLES

The Group's trading terms with its customers are mainly based on credit, except for new customers, where payment in advance is normally required. The credit period is generally ranging from 120 to 180 days, extending up to one year for some major customers.

The aging analysis of trade receivables, net of allowance for bad and doubtful debts is as follows:

6. 貿易應收賬款

本集團客戶之貿易條款主要為賒銷，惟新客戶一般需要預先付款。一般情況下，客戶可獲得為期120日至180日之信貸期，而若干主要客戶可延期至最多一年。

貿易應收賬款(扣除呆壞賬撥備)之賬齡分析如下：

	At 30 September 2016 於二零一六年 九月三十日 (Unaudited) (未經審核) HK\$'000 千港元	At 31 March 2016 於二零一六年 三月三十一日 (Audited) (經審核) HK\$'000 千港元
0-90 days	0日至90日 34,829	19,467
91-180 days	91日至180日 12,418	26,658
181-365 days	181日至365日 9,629	10,894
	56,876	57,019

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

簡明綜合財務資料附註

7. TRADE AND BILLS PAYABLES

The aging analysis of trade and bills payables is as follows:

7. 貿易應付賬款及應付票據

貿易應付賬款及應付票據之賬齡分析如下：

		At 30 September 2016 於二零一六年 九月三十日 (Unaudited) (未經審核) HK\$'000 千港元	At 31 March 2016 於二零一六年 三月三十一日 (Audited) (經審核) HK\$'000 千港元
0–90 days	0日至90日	16,451	8,725
91–180 days	91日至180日	1,716	1,363
181–365 days	181日至365日	553	156
1–2 years	1年至2年	249	325
Over 2 years	2年以上	506	524
		19,475	11,093

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION 簡明綜合財務資料附註

8. REVENUE AND SEGMENT INFORMATION

The Group's revenue comprises the following:

8. 收益及分類資料

本集團收益包括以下各項：

		For the six months ended 30 September	
		截至九月三十日止六個月	
		2016	2015
		二零一六年	二零一五年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		千港元	千港元
Manufacturing of pharmaceutical products	製造藥品	23,802	21,879
Trading of pharmaceutical products	藥品貿易	40,394	59,755
		64,196	81,634

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

簡明綜合財務資料附註

8. REVENUE AND SEGMENT INFORMATION (Continued)

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the products they provide. Each of the Group's operating segments represents a strategic business unit that offers products which are subject to risks and returns that are different from those of the other business segments. Summarised details of the reportable and operating segments are as follows:

- (a) the manufacturing segment engages in the development, manufacture and sales of pharmaceutical products;
- (b) the trading segment engages in the marketing and distribution of imported pharmaceutical products;
- (c) the gene development segment engages in the commercial exploitation and development of genome-related technology.

8. 收益及分類資料 (續)

本集團之經營業務乃按照其業務性質及所提供之產品獨立分類及管理。本集團各經營分類乃提供產品之策略性業務單位，各經營分類之風險及回報不盡相同。可呈報經營分類之概要詳情如下：

- (a) 製造分類從事開發、製造及銷售醫藥產品；
- (b) 貿易分類從事推廣及經銷進口醫藥產品；
- (c) 基因開發分類從事基因相關技術之商業開發及研發。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION 簡明綜合財務資料附註

8. REVENUE AND SEGMENT INFORMATION (Continued)

The following is an analysis of the Group's revenue and results by reportable and operating segment for the six months ended 30 September 2016:

8. 收益及分類資料 (續)

以下為於截至二零一六年九月三十日止六個月按可呈報經營分類劃分之本集團收益及業績分析：

		Unaudited – For the six months ended 30 September 未經審核—截至九月三十日止六個月							
		Manufacturing 製造		Trading 貿易		Gene Development 基因開發		Total 總計	
		2016	2015	2016	2015	2016	2015	2016	2015
		二零一六年	二零一五年	二零一六年	二零一五年	二零一六年	二零一五年	二零一六年	二零一五年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Revenue	收益								
Sales to external customers	向外間客戶銷售	23,802	21,879	40,394	59,755	–	–	64,196	81,634
Segment results	分類業績	(8,577)	(11,525)	3,741	12,072	(38)	(38)	(4,874)	509
Unallocated other income	未分配之其他收入							37,492	32,503
Unallocated other gains and losses, net	未分配之其他收益及虧損淨額							(23,730)	(63,191)
Corporate expenses	企業開支							(3,632)	(3,430)
Effective interest expense on convertible bonds	可換股債券之實際利息開支							(2,664)	(2,244)
Share of results of an associate	應佔一間聯營公司業績							84	(102)
Profit (loss) before taxation	除稅前溢利(虧損)							2,676	(35,955)
Taxation	稅項							(61)	(62)
Profit (loss) for the period	期內溢利(虧損)							2,615	(36,017)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

簡明綜合財務資料附註

9. OTHER INCOME

9. 其他收入

		For the six months ended 30 September 截至九月三十日止六個月	
		2016 二零一六年 (Unaudited) (未經審核) HK\$'000 千港元	2015 二零一五年 (Unaudited) (未經審核) HK\$'000 千港元
Interest income	利息收入	552	376
Rental income	租金收入	54	114
Sundry income	雜項收入	49	2
Effective interest income from investments in convertible bonds	可換股債券投資 之實際利息收 入	34,954	30,568
Imputed interest income from amount due from an associate	應收一間聯營公 司款項之估算 利息收入	1,883	1,443
		37,492	32,503

**NOTES TO THE CONDENSED CONSOLIDATED
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簡明綜合財務資料附註

10. OTHER GAINS AND LOSSES, NET **10. 其他收益及虧損淨額**

		For the six months ended 30 September	
		截至九月三十日止六個月	
		2016	2015
		二零一六年	二零一五年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		千港元	千港元
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	—	28
Impairment on property, plant and equipment	物業、廠房及設備減值	—	(74)
Impairment on deposits, prepayments and other receivables	按金、預付款項及其他應收款項減值	(982)	(662)
Allowance for bad and doubtful debts, net	呆壞賬撥備淨額	(4,018)	(4,229)
Change in fair value loss of derivative component of investments in convertible bonds	可換股債券投資之衍生工具部分之公平值虧損變動	(23,730)	(63,191)
		(28,730)	(68,128)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

簡明綜合財務資料附註

11. PROFIT (LOSS) BEFORE TAXATION

The Group's profit (loss) before taxation has been arrived at after charging:

11. 除稅前溢利(虧損)

本集團之除稅前溢利(虧損)已扣除以下各項：

For the six months ended
30 September

截至九月三十日止六個月

	2016 二零一六年 (Unaudited) (未經審核) HK\$'000 千港元	2015 二零一五年 (Unaudited) (未經審核) HK\$'000 千港元	
Amortisation of prepaid lease payments	預付租賃付款攤銷	117	124
Depreciation of investment properties	投資物業折舊	30	29
Depreciation of property, plant and equipment	物業、廠房及設備折舊	3,419	3,172
Cost of inventories recognised as expenses	確認為費用之存貨成本	35,918	41,943
Including: Provision for allowance for inventories	包括：計提存貨撥備	—	1,406
Operating lease charges in respect of land and buildings	有關土地及樓宇之經營租賃費用	894	1,034
Staff cost (including directors' emoluments)	員工成本(包括董事薪酬)		
Salaries, bonus and allowances	薪金、花紅及津貼	10,606	9,469
Retirement benefits scheme contributions	退休福利計劃供款	1,838	2,091

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION 簡明綜合財務資料附註

12. TAXATION

12. 稅項

For the six months ended
30 September

截至九月三十日止六個月

	2016	2015
二零一六年	二零一五年	
(Unaudited)	(Unaudited)	
(未經審核)	(未經審核)	
HK\$'000	HK\$'000	
千港元	千港元	

Current tax:	即期稅項：		
Hong Kong	香港	36	37
Other jurisdictions	其他司法權區	25	25
Taxation	稅項	61	62

Hong Kong Profits Tax has been provided at the rate of 16.5% of the estimated assessable profits for both periods.

於該兩段期間，香港利得稅乃按估計應課稅溢利以稅率16.5%作出撥備。

Under the Law of the People's Republic of China (the "PRC" or "China") on Enterprise Income Tax (the "EIT") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

根據中華人民共和國(「中國」)企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例，由二零零八年一月一日起，中國附屬公司之稅率為25%。

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

於其他司法權區產生之稅項乃按有關司法權區現行稅率計算。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

簡明綜合財務資料附註

13. INTERIM DIVIDENDS

The directors do not recommend the payment of an interim dividend in respect of the six months ended 30 September 2016 (six months ended 30 September 2015: HK\$ Nil).

14. EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share are calculated by dividing the profit attributable to owners of the Company of HK\$4,720,000 (2015: loss: HK\$33,593,000) by 2,390,000,000 ordinary shares in issue.

Diluted earnings (loss) per share are calculated by dividing the basic profit for the current period, which does not require adjustments for the effects of dilutive potential ordinary shares and adjusted loss of the corresponding period for the effective interest expense on convertible bonds of HK\$2,244,000 where there is no anti-dilutive effect, by the weighted average number of 3,290,000,000 ordinary shares outstanding.

13. 中期股息

董事不建議派付截至二零一六年九月三十日止六個月之中期股息(截至二零一五年九月三十日止六個月：零港元)。

14. 每股盈利(虧損)

每股基本盈利(虧損)的計算方法為將本公司擁有人應佔溢利4,720,000港元(二零一五年：虧損：33,593,000港元)除以2,390,000,000股已發行普通股。

每股攤薄盈利(虧損)的計算方法為將本期間的基本溢利(就具有攤薄性的潛在普通股之影響及相應期間之不具反攤薄效應的經調整虧損(該調整為可換股債券之實際利息開支2,244,000港元)毋須作出調整)除以3,290,000,000股已發行在外的普通股加權平均數。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION 簡明綜合財務資料附註

15. CONTINGENT LIABILITIES

At 30 September 2016, corporate guarantees totaling HK\$18 million were given by the Group to a bank in connection with banking facilities provided to certain of the Company's subsidiaries, and approximately HK\$5.7 million (31 March 2016: HK\$2.2 million) of the facilities had been utilised.

16. COMMITMENTS

At the end of reporting period, the Group had future aggregate minimum lease rental expenses in respect of office premises in Hong Kong under non-cancellable operating leases are payable as follows:

15. 或然負債

於二零一六年九月三十日，本集團就本公司若干附屬公司獲授銀行融資向一間銀行提供公司擔保合共18,000,000港元，其中約5,700,000港元（二零一六年三月三十一日：2,200,000港元）的融資已獲動用。

16. 承擔

於報告期末，本集團於不可撤銷經營租賃下就香港辦公場地之日後最低應付租金開支總額如下：

	At	At
	30 September	31 March
	2016	2016
	於二零一六年	於二零一六年
	九月三十日	三月三十一日
	(Unaudited)	(Audited)
	(未經審核)	(經審核)
	HK\$'000	HK\$'000
	千港元	千港元
Within one year	670	1,564
一年內	670	1,564

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

簡明綜合財務資料附註

17. CONNECTED AND RELATED PARTY TRANSACTIONS

In addition to the disclosures elsewhere in this Interim Financial Information, the Group had the following transactions with its related parties during the period ended 30 September 2016:

Compensation for key management personnel, including amounts paid to the Company's directors is as follows:

17. 關連及關聯方交易

除本中期財務資料其他部分所披露者外，於截至二零一六年九月三十日止期間，本集團與其關聯方有以下交易：

主要管理人員之補償(包括向本公司董事支付之款項)如下：

For the six months ended
30 September

截至九月三十日止六個月

2016	2015
二零一六年	二零一五年
(Unaudited)	(Unaudited)
(未經審核)	(未經審核)
HK\$'000	HK\$'000
千港元	千港元

Salaries, fees and other benefits	薪金、袍金及其他福利	2,440	2,360
Pension scheme contributions	退休金計劃供款	18	18
		2,458	2,378

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION 簡明綜合財務資料附註

18. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

There was no transfer between different levels of the fair value hierarchy during the period ended 30 September 2016, and there was no change in valuation techniques for the following Group's financial assets that are measured at fair value on a recurring basis at the end of the reporting period:

18. 財務工具之公平值 計量

截至二零一六年九月三十日止期間，不同公平值架構級別之間概無任何轉移，於報告期末，對以下根據經常性基準按公平值計量之本集團金融資產之估值技術亦概無變動：

			Fair value as at 30 September 2016 於二零一六年 九月三十日之 公平值 HK\$'000 千港元
Fair value hierarchy	公平值架構		
Available-for-sale investment	可供出售投資	Level 2 第二級	2,907
Conversion options embedded in investments in convertible bonds	可換股債券投資 有關嵌入之換 股權	Level 3 第三級	30,745

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

簡明綜合財務資料附註

18. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

The reconciliation of level 3 fair value measurements of derivative financial instruments included in investments in convertible bonds is set out below:

18. 財務工具之公平值 計量(續)

計入可換股債券投資之衍生金融工具之第三級公平值計量對賬載列如下：

		HK\$'000
		千港元
<hr/>		
Fair value as at 1 April 2016 (Audited)	於二零一六年四月一日之 公平值(經審核)	54,475
Change in fair value loss (Note 10)	公平值虧損變動(附註10)	(23,730)
<hr/>		
Fair value as at 30 September 2016 (Unaudited)	於二零一六年九月三十日 之公平值(未經審核)	30,745
<hr/>		

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate their fair values.

董事認為，按攤銷成本於簡明綜合財務報表入賬之金融資產及金融負債之賬面值與其公平值相若。

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Overall Performance

The global economy has remained fragile in 2016, and China, in the start of its 13th Five-Year Plan (2016–2020), was facing tough challenges with falling exports, rising debts levels, eroding foreign reserves, volatile stock market and currency markets. Despite turbulence and uncertainties in global and local economic environments, China's economy had posted a positive note of stabilisation in the third and second quarters of 2016 with its economic growth maintained at a stable development trend of 6.7%. Against the backdrop of a slowing economy under the new normal state and the sustained deepening of the healthcare reform as a nationwide focus, China's pharmaceutical industry also saw a decline in growth impacted by tightening control on medical expenditure, lowering drug prices in the tender system and in-depth structural reforms in hospitals, which intensified market competition and added challenges to pharmaceutical enterprises.

管理層討論及分析

業務回顧

整體表現

二零一六年全球經濟依然脆弱，中國在第十三個五年規劃（二零一六年至二零二零年）的開初就面臨出口下降、債務水平上升、外匯儲備縮減、股市及貨幣市場波動等嚴峻挑戰。儘管全球及當地經濟環境動盪且存在不確定性，中國經濟已於二零一六年第三及第二季發出正面的穩定信息，其經濟增長維持於6.7%的平穩發展趨勢。在新常態下經濟放緩及作為全國重點的醫療改革持續深化的背景下，中國醫藥行業亦因醫療費用受到加強監控、招標制度下藥物價格下降及醫院的深入結構改革的影響以致增速減慢，這些情況同時加劇了市場競爭，並為醫藥企業增添挑戰。

In the period under review, the Group faced considerable challenges of price erosion caused by sustained decrease in tender prices, which impacted its revenue and gross profit. For the six months ended 30 September 2016 (the “**2016 Interim Period**”), the Group’s revenue and gross profit were about HK\$64.2 million and HK\$28.3 million as compared to the six months ended 30 September 2015 (the “**2015 Interim Period**”) of about HK\$81.6 million and HK\$39.7 million, representing a decrease of about HK\$17.4 million or 21.3% in revenue and about HK\$11.4 million or 28.7% in gross profit, although the Group managed to maintain the overall gross margin at 44.1% when compared to 48.6% in the 2015 Interim Period.

The Group’s administrative, selling and distribution expenses were in aggregate of about HK\$31.8 million in the 2016 Interim Period, representing a decrease by about HK\$5.9 million or 15.6% when compared to about HK\$37.7 million in the 2015 Interim Period. The decrease primarily reflected the decrease in sales and the related marketing and promotion expenses.

於回顧期間，本集團面臨巨大挑戰，招標價格持續下降以致價格下跌，令其收益及毛利受到影響。於截至二零一六年九月三十日止六個月（「**二零一六年中期**」），本集團的收益及毛利約為64,200,000港元及28,300,000港元，而於截至二零一五年九月三十日止六個月（「**二零一五年中期**」）則約為81,600,000港元及39,700,000港元，收益減少約17,400,000港元或21.3%，而毛利則減少約11,400,000港元或28.7%，儘管本集團得以將整體毛利率維持於44.1%（二零一五年中期則為48.6%）。

本集團於二零一六年中期的行政、銷售及分銷費用合共約為31,800,000港元，減幅約為5,900,000港元或15.6%，而二零一五年中期則約為37,700,000港元。有關減少主要反映銷售及相關營銷及推廣費用減少。

The Group's profit attributable to the owners of the Company improved to about HK\$4.7 million when compared to loss of about HK\$33.6 million in the 2015 Interim Period. Such turnaround from loss to profit was mainly the result of decrease in loss on fair value change of derivative component of the Group's investments in convertible bonds which was down from about HK\$63.2 million to HK\$23.7 million.

Revenue and Operating Results

Imported Pharmaceutical Sector

The sales of the Group's products declined both in term of volume and selling prices as a result of intensified competition from competing products of local manufacturers and the launch of a wave of new policies alongside the comprehensively deepening of healthcare reforms. The severe market conditions have become more visible due to increasing pressure for the lowering of drug tender prices, which was exacerbated by tightening government control on medical expenditure. As a result, revenue and segment profit for the 2016 Interim Period decreased to about HK\$40.4 million and HK\$3.7 million, representing decrease of 32.4% and 69.0% respectively as compared to about HK\$59.8 million and HK\$12.1 million in the 2015 Interim Period.

Confronted with the immense challenges and intensifying competition, the Group would continue to reinforce its marketing efforts to alleviate the impact and strive to recapture market share.

本公司擁有人應佔本集團的溢利升至約4,700,000港元，而二零一五年中期則錄得虧損約33,600,000港元。有關轉虧為盈乃主要由於本集團於可換股債券投資的衍生工具部分公平值變動虧損由約63,200,000港元減少至23,700,000港元所致。

收益及經營業績

進口藥品業務

由於來自本地製造商競爭產品的競爭加劇，且在醫療改革全面深化的同時推出一系列新政策，本集團的產品銷售在數量及售價方面均有所下降。隨著政府加強監控醫療費用，藥物招標價格下降的壓力越來越大，嚴峻的市況亦變得更明顯。因此，二零一六年中期的收益及分類溢利減少至約40,400,000港元及3,700,000港元，減幅分別為32.4%及69.0%，而二零一五年中期則約為59,800,000港元及12,100,000港元。

面對巨大的挑戰及激烈的競爭，本集團將繼續加強其營銷工作，以減輕影響及致力重奪市場份額。

Manufactured Pharmaceutical Sector

The decision made last year to consolidate manufacturing facilities in Changchun was proved to deliver results. In response to the headwinds in the market, management had made decisive actions to adjust its marketing strategies with access to new distribution channels. And by leveraging the advantages of the new GMP compliant factory in Jiu Tai, Changchun, sales grew to about HK\$23.8 million, notwithstanding the lack of sales contribution from JECP's manufacturing operation upon its closure last year. However, the increase in sales contribution was largely offset by the impact for the lowering of drug prices and increase in selling and distribution expenses to boost sales amid the highly competitive landscape.

Segment loss reduced by about HK\$2.9 million to HK\$8.6 million in the 2016 Interim Period, which was mainly due to the absence of operating loss from JECP's manufacturing operation during the period under review and the management's continued efforts to extend market coverage and strengthen cost control. The Group will continue to put efforts on managing costs and enhance operational efficiency to further improve its performance.

自產藥品業務

去年就整合長春製造設施的決定已取得成果。為應對市場逆境，管理層已採取果斷行動，調整其營銷策略以獲得新分銷渠道。儘管去年關閉吉林精優的製造業務後缺少來自該業務的銷售貢獻，惟通過利用長春九台的新GMP合規工廠的優勢，銷售仍增長至約23,800,000港元。然而，在競爭十分激烈的環境下，由於受到藥品價格下降以及為促銷而增加銷售及分銷費用的影響，大部分由銷售增加所帶來的貢獻被抵銷。

於二零一六年中期，分類虧損減少約2,900,000港元至8,600,000港元，主要由於回顧期內缺少吉林精優的製造業務的經營虧損，且管理層不斷致力擴大市場覆蓋及加強成本控制。本集團將繼續努力管控成本，並提高經營效率以進一步改善其表現。

Gene Development Sector

In the period under review, gene development remained inactive and no revenue was recorded.

Other Income and Gains and Losses, Net

Other income and gains and losses, net were in total a gain of about HK\$8.8 million, which mainly came from allowance for bad and doubtful debts of about HK\$4.0 million, effective interest income of HK\$35.0 million and change in fair value of derivative component of HK\$23.7 million (loss) from investments in convertible bonds. This represents an increase in gain of about HK\$44.4 million when compared to a total loss of HK\$35.6 million in the 2015 Interim Period with corresponding amounts of HK\$4.2 million, HK\$30.6 million and HK\$63.2 million (loss) respectively.

Selling and Distribution Expenses

Selling and distribution expenses decreased to about HK\$18.1 million as compared to HK\$23.0 million in the 2015 Interim Period, representing a decrease of HK\$4.9 million or 21.2%. This was primarily due to the decrease in marketing and promotion expenses in connection with the sales of the imported product. In term of percentage to sales, the expenses were maintained at similar level as in the corresponding period.

基因開發業務

回顧期內，基因開發仍未開展，故並無錄得任何收益。

其他收入及收益及虧損淨額

其他收入及收益及虧損淨額合計錄得收益約8,800,000港元，主要來自呆壞賬撥備約4,000,000港元、實際利息收入35,000,000港元及可換股債券投資的衍生工具部分公平值變動23,700,000港元(虧損)。這相當於較二零一五年中期的總虧損35,600,000港元(相應金額分別為4,200,000港元、30,600,000港元及63,200,000港元(虧損))增加收益約44,400,000港元。

銷售及分銷費用

銷售及分銷費用較二零一五年中期的23,000,000港元下跌至約18,100,000港元，減幅為4,900,000港元或21.2%，主要由於有關銷售進口產品的營銷及推廣費用減少所致。就銷售百分比而言，費用於同期維持於相近水平。

Administrative Expenses

Administrative expenses decreased by about HK\$1.0 million or 6.8% from HK\$14.7 million in the 2015 Interim Period to HK\$13.7 million in the 2016 Interim Period. The decrease was primarily due to the inclusion of one-time expenses of about HK\$0.9 million for closure of JECP's manufacturing operation in the 2015 Interim Period.

Seasonal or Cyclical Factors

The Group's business operations were not significantly affected by any seasonal and cyclical factors, except extended statutory holidays in the PRC that may lead to lower Group's revenue and profit for the months in which these holidays are declared. There is no seasonal and cyclical factor for its borrowing requirements.

Financial Review

The Group generally finances its operations with internally generated cash flow and facilities granted by its principal banker in Hong Kong, Industrial and Commercial Bank of China (Asia) Limited. As at 30 September 2016, the Group had total cash and bank balances (including pledged bank deposits of HK\$20.1 million) of HK\$236.5 million (31 March 2016: HK\$201.1 million), representing an increase by approximately 17.6%.

行政費用

行政費用由二零一五年中期的14,700,000港元減少約1,000,000港元或6.8%至二零一六年中期的13,700,000港元。減少主要由於二零一五年中期就關閉吉林精優的製造業務計入一次性費用約900,000港元。

季節性或週期性因素

除中國較長的法定假期可能導致本集團於此等假期所屬月份的收益及溢利下降外，本集團的業務營運並無受到任何季節性及週期性因素的重大影響，其借款需求亦無涉及任何季節性及週期性因素。

財務回顧

本集團一般以內部產生之現金流量及其香港主要往來銀行中國工商銀行(亞洲)有限公司所提供融資撥付其營運所需資金。於二零一六年九月三十日，本集團之現金及銀行結餘總額(包括已抵押銀行存款20,100,000港元)為236,500,000港元(二零一六年三月三十一日：201,100,000港元)，上升約17.6%。

The Group did not have bank borrowings as at 30 September 2016 (31 March 2016: HK\$ Nil) but had banking facilities on trade finance, which were supported by the pledge of the Group's fixed deposits of about HK\$20.1 million (31 March 2016: HK\$20.1 million) and corporate guarantees from the Company and certain subsidiaries of the Company. In general, there is no significant seasonality fluctuation on trade finance requirement of the Group.

The Group's total borrowing over total assets ratio as at 30 September 2016 was 0.044 (31 March 2016: 0.043), calculated based on the Group's total assets of HK\$1,174.4 million (31 March 2016: HK\$1,160.9 million) and total debts of about HK\$52.1 million (31 March 2016: HK\$49.5 million), comprising convertible bonds of HK\$32.3 million (31 March 2016: HK\$29.7 million) and amount due to an associate of HK\$19.8 million (31 March 2016: HK\$19.8 million).

本集團於二零一六年九月三十日並無銀行借款(二零一六年三月三十一日: 零港元), 惟擁有以本集團的定期存款約20,100,000港元(二零一六年三月三十一日: 20,100,000港元)以及本公司與其若干附屬公司提供之公司擔保作抵押就貿易融資之銀行信貸融資。一般而言, 本集團之貿易融資需求並無重大季節性波動。

於二零一六年九月三十日, 本集團總借款與總資產之比率為0.044(二零一六年三月三十一日: 0.043), 乃按本集團總資產1,174,400,000港元(二零一六年三月三十一日: 1,160,900,000港元)及總債項約52,100,000港元(二零一六年三月三十一日: 49,500,000港元)(包括可換股債券32,300,000港元(二零一六年三月三十一日: 29,700,000港元)及應付一間聯營公司款項19,800,000港元(二零一六年三月三十一日: 19,800,000港元))計算。

Foreign Exchange Exposure

Save for certain purchases are denominated in Euro, the Group's business transactions, assets and liabilities are principally denominated in Hong Kong dollars, United States dollars and Renminbi. The Group manages the foreign currency exposure by closely monitoring the foreign currency movements and may purchase foreign currencies at spot rate, when and where appropriate for meeting its payment obligation. No hedge on foreign currencies was made during the period but the Group will use financial instruments for hedging purpose when considered appropriate.

Outlook

The global volatility and China's slowing economic growth tend to compound the uncertainties to the growth of China's pharmaceutical industry ahead, as the industry has witnessed a slower growth under the highly complicated landscape. Despite the unsettled global and local economic environments, the Group believes that the China's pharmaceutical market will continue to grow under the 13th Five-Year Plan, which the government promises to deepen healthcare reform and bring higher-quality healthcare services to all Chinese citizens in the development of healthy China strategy. It is anticipated rigorous regulations will be forged thereby accelerating technological innovation and consolidation in the industry while the sustained deepening of healthcare reforms will make China's healthcare system more regulated, which in turn would facilitate sustainable growth of the industry in the long run.

外匯風險

除部分採購是以歐元計價外，本集團之業務交易、資產及負債主要以港元、美元及人民幣列值。本集團以密切監察外幣波動及可適時購買即期外匯以履行付款責任等措施進行外匯風險管理。本集團於期內並無進行外幣對沖活動，然而，本集團在認為合適時，將會以金融工具作風險對沖用途。

前景

全球波動及中國經濟增長減慢勢將加劇中國醫藥行業往後增長的不確定性，而行業在非常複雜的態勢下經歷增長放緩。儘管全球及當地經濟環境尚未穩定，在第十三個五年規劃下政府承諾於發展健康的中國策略中，深化醫療改革，並為所有中國公民帶來更高質的醫療服務，故本集團相信中國醫藥市場將繼續有所增長。預期多項嚴格法規將會陸續推行，因而加快技術創新及行業整合，而醫療改革的持續深化將令中國醫療保健系統更為正規，從而促進行業的長遠可持續增長。

Facing with the ongoing operating pressures and fierce price competition, the Group remains committed to deploying its internal resources in product research and development, reinforcing internal management to enhance operational efficiency and exerting additional efforts to deepen market penetration of its products to withstand the headwinds of challenges in the years to come and maintain a stable financial position to cater for future development of the Group.

EMPLOYMENT AND REMUNERATION POLICY

As at 30 September 2016, the Group had 238 employees (30 September 2015: 265). Staff costs (including directors' emoluments) for the six months ended 30 September 2016 amounted to approximately HK\$12.4 million (six months ended 30 September 2015: approximately HK\$11.6 million). The increase was mainly due to salary adjustment.

The Group remunerates its employees based on industry practices. Its staff benefits, welfare and statutory contributions, if any, are made in accordance with prevailing labour laws of its operating entities.

面對持續的經營壓力及激烈的價格競爭，本集團仍致力調配其內部資源投入產品研發，加強內部管理以提高經營效率，同時加大力度深化其產品的市場滲透，以迎接未來數年的逆境挑戰，並維持穩定的財務狀況，務求迎合本集團的未來發展。

僱傭和薪酬政策

於二零一六年九月三十日，本集團共聘用238名僱員（二零一五年九月三十日：265名）。截至二零一六年九月三十日止六個月之員工成本（包括董事薪酬）約為12,400,000港元（截至二零一五年九月三十日止六個月：約11,600,000港元）。成本增加主要由於薪金調整所致。

本集團根據行業慣例向其僱員發放薪酬。其員工利益、福利和法定供款（如有）乃按照其營運實體的現行勞動法而提供。

On 24 August 2012, shareholders of the Company had approved the adoption of a share option scheme (the “**Scheme**”), which became effective on 29 August 2012 after obtaining approval from the Listing Committee of the Stock Exchange and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The Scheme will enable the Group to reward the employees, the directors and other selected participants for their contribution to the Group and will also assist the Group in its recruitment and retention of high caliber professionals, executives and employees who are instrumental to the growth of the Group.

During the period ended 30 September 2016, no share option has been granted under the Scheme.

於二零一二年八月二十四日，本公司股東已批准採納購股權計劃（「計劃」）。於獲得聯交所上市委員會批准後，該計劃已於二零一二年八月二十九日生效，除非被另行註銷或修訂，否則將自該日起計10年內維持有效。

該計劃將讓本集團可獎勵為本集團作出貢獻的僱員、董事及其他經挑選之參與者，亦有助本集團招聘及挽留有利本集團增長的優秀專才、主管及僱員。

於截至二零一六年九月三十日止期間，概無根據該計劃授出購股權。

CORPORATE GOVERNANCE

The Group recognises the importance of achieving and monitoring the high standard of corporate governance consistent with the need and requirements of its business and the best interest of all its shareholders. The Group is fully committed to doing so.

In the opinion of the directors, the Company has complied with the code provisions of the Corporate Governance Code and Corporate Governance Report (“**Code Provisions**”) as set out in Appendix 14 of the Listing Rules throughout the six months ended 30 September 2016, except for certain deviations from Code Provisions (i) A.1.3 and A.7.1 (notice, agenda as well as accompanying board papers should be given to directors in a timely manner for committee’s and board’s meeting), (ii) A.2.1 (the roles of chairman and chief executive officer should be separate and should not be performed by the same person), (iii) A.4.1 (non-executive directors should be appointed for a specific term), and (iv) A.4.2 (all directors should be appointed for a specific term and subject to retirement by rotation, and directors appointed to fill a casual vacancy be subject to election at the first general meeting after appointment). Details of deviations and considered reasons in relation thereof have been duly set out in the corporate governance report contained in the 2016 annual report of the Company published in July 2016.

企業管治

本集團一直認同高水平企業管治之重要性，並監察企業管治水平，務求符合其商業需要及規定以及其全體股東之最佳利益。本集團承諾竭盡所能達至高水平之企業管治。

董事認為，於截至二零一六年九月三十日止六個月整段期間，本公司已遵守上市規則附錄十四所載之企業管治守則及企業管治報告之守則條文（「**守則條文**」），惟偏離若干守則條文外：(i) 第A.1.3及A.7.1條（委員會及董事會會議的通告、議程連同相關董事會文件應適時送交董事）；(ii) 第A.2.1條（主席與行政總裁之角色應分開，且不應由同一人兼任）；(iii) 第A.4.1條（非執行董事應按特定任期委任）；及(iv) 第A.4.2條（所有董事應按特定任期委任並須輪席告退，為填補空缺而獲委任的董事須於獲委任後首個股東大會上選出）。偏離的詳情以及所考慮的相關因素已妥為載於本公司於二零一六年七月刊發的二零一六年年報所載之企業管治報告內。

The Company will continue to review and monitor the situation as stated above, and to improve the practices as and when the circumstances demand.

本公司將繼續審閱及監控上述情況，如情況需要，將會對有關常規作出改善。

MODEL CODE FOR SECURITIES TRANSACTIONS

證券交易標準守則

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules as the Company’s code of conduct for dealings in securities of the Company by the directors. Based on specific enquiry of the Company’s directors, the directors have complied with the required standards set out in the Model Code throughout the interim period.

本公司已採納上市規則附錄十所載之上市發行人董事進行證券交易的標準守則（「**標準守則**」）作為本公司有關董事買賣本公司證券之操守守則。經向本公司董事作出特定查詢後，董事於整段中期期間一直遵照標準守則所載之規定準則。

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

At 30 September 2016, the interests and short positions of the directors in the shares, underlying shares or debentures of the Company or its associated corporations within the meaning of Part XV of the Securities and Future Ordinance (the "SFO"), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code were as follows:

董事於股份、相關股份及債權證之權益及淡倉

於二零一六年九月三十日，董事於本公司或其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份或債權證中，擁有須記錄於本公司根據證券及期貨條例第352條所存置之登記冊之權益及淡倉，或根據標準守則須知會本公司及香港聯合交易所有限公司（「聯交所」）之權益及淡倉如下：

Long positions in the ordinary shares of the Company

於本公司普通股之好倉

Name of director	Notes	Capacity and nature of interest	Number of ordinary shares of HK\$0.01 each held 所持每股面值0.01港元之普通股數目	Approximate percentage of interests held 所持之權益概約百分比
董事姓名	附註	身份及權益性質		
Xie Yi 謝毅	(a)	Through controlled corporations 透過受控制公司	80,000,000	3.35%
Cheng Yong 程勇	(b)	Directly beneficially owned 直接實益擁有	830,000	0.03%
		Through a controlled corporation 透過一間受控制公司	1,060,000	0.05%
		Held by spouse 由配偶持有	5,090,000	0.21%
			6,980,000	0.29%

Notes:

- (a) The entire issued share capital of JNJ Investments Ltd is owned by Biowindow Gene Development (Hong Kong) Limited (“**HK Biowindow**”), and the entire issued share capital of HK Biowindow is owned by United Gene Group Ltd (a company incorporated in the British Virgin Islands). The issued share capital of United Gene Group Ltd is owned as to 33% by Ease Gold Investments Limited, which is wholly owned by Dr. Xie Yi.
- (b) The shares are held by Merchandise Holdings Limited (a company incorporated in the British Virgin Islands) which is wholly owned by Mr. Cheng Yong.

Save as disclosed above, as at 30 September 2016, none of the directors had registered an interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

附註：

- (a) JNJ Investments Ltd之全部已發行股本由香港博德基因開發有限公司(「**香港博德**」)擁有，而香港博德之全部已發行股本則由United Gene Group Ltd(一間於英屬處女群島註冊成立之公司)擁有。United Gene Group Ltd之已發行股本由Ease Gold Investments Limited擁有33%，而Ease Gold Investments Limited則由謝毅博士全資擁有。
- (b) 該等股份由Merchandise Holdings Limited(一間於英屬處女群島註冊成立之公司)持有，而Merchandise Holdings Limited則由程勇先生全資擁有。

除上文所披露者外，於二零一六年九月三十日，概無任何董事於本公司或其任何相聯法團之股份、相關股份及債權證中，登記擁有根據證券及期貨條例第352條須予記錄之權益或淡倉，或根據標準守則須知會本公司及聯交所之權益或淡倉。

DIRECTORS' RIGHTS TO ACQUIRE SHARES AND DEBENTURES

At no time during the period 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 directors or their respective spouses or minor children, or were any such rights exercised by them, or 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.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

At 30 September 2016, the following interests and short positions of 5% or more of the shares and underlying shares of the Company were recorded

董事購入股份及債權證之權利

於期內任何時間，任何董事或彼等各自之配偶或未成年子女概無獲授可藉購入本公司或任何其他法團之股份或債權證而獲益之權利，或彼等並無行使任何該等權利，或本公司或其任何附屬公司亦無訂立任何安排，致使董事、彼等各自之配偶或未成年子女可於任何其他法團獲得該等權利。

主要股東及其他人士於股份、相關股份及債權證之權益及淡倉

於二零一六年九月三十日，根據本公司按照證券及期貨條例第336條須予保存之登記冊所

in the register required to be kept by the Company pursuant to Section 336 of the SFO:

記錄於本公司股份及相關股份5%或以上的權益及淡倉如下：

Name of substantial shareholder	Capacity and nature of interest	Number of ordinary shares held/entitled	Long (L) or Short (S) position	Approximate percentage of interest held
主要股東名稱	身份及權益性質	所持／有權持有之普通股數目	好倉(L)或淡倉(S)	所持權益概約百分比
Innovative Pharmaceutical Biotech Limited ("Innovative Pharmaceutical") (Note) 領航醫藥及生物科技有限公司(「領航醫藥」) (附註)	Directly beneficially owned 直接實益擁有	1,357,510,000	L	56.80%

Note: Innovative Pharmaceutical is a listed company on the Main Board of the Stock Exchange and its interest in 1,357,510,000 shares of the Company represents (i) 457,510,000 shares or 19.14% of the Company's shares in issue and (ii) 900,000,000 shares to be allotted and issued to Innovative Pharmaceutical upon exercise in full by Innovative Pharmaceutical of the conversion rights at conversion price of HK\$0.6413 per share under the Company's 20-year zero coupon convertible bonds issued on 16 July 2013 with principal amount of HK\$577,170,000 outstanding. At 30 September 2016, there was a total of 2,390,000,000 shares issued by the Company, and assuming the exercise in full of the conversion rights attaching to the Company's convertible bonds, Innovative Pharmaceutical will hold approximately 41.26% of the enlarged share capital of the Company.

附註：領航醫藥為一間於聯交所主板上市的公司，而其於本公司1,357,510,000股股份之權益相當於(i)457,510,000股或19.14%之本公司已發行股份及(ii)根據本公司於二零一三年七月十六日發行之20年零息可換股債券(尚未償還之本金額為577,170,000港元)·於領航醫藥按換股價每股股份0.6413港元悉數行使換股權後，將向領航醫藥配發及發行之900,000,000股股份。於二零一六年九月三十日，本公司已發行股份合共為2,390,000,000股。假設悉數行使附於本公司之可換股債券之換股權，領航醫藥將持有本公司經擴大股本約41.26%。

Save as disclosed above, as at 30 September 2016, the register as maintained by the Company pursuant to Section 336 of the SFO recorded no other interests or short positions in the shares or underlying shares of the Company.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

During the six months ended 30 September 2016, the Company and its subsidiaries did not purchase, redeem or sell any of the Company's listed securities.

AUDIT COMMITTEE

The Audit Committee, which comprises three independent non-executive directors ("INEDs") with terms of reference in compliance with Code Provision C.3.3, has reviewed the unaudited condensed consolidated interim financial information of the Group for the six months ended 30 September 2016, and was content that the accounting principles and practices adopted by the Group were in conformity with the current practices in Hong Kong.

除上文所披露者外，於二零一六年九月三十日，本公司根據證券及期貨條例第336條存置的登記冊並無記錄於本公司股份或相關股份中的其他權益或淡倉。

購買、贖回或出售上市證券

截至二零一六年九月三十日止六個月內，本公司及其附屬公司概無購買、贖回或出售本公司之任何上市證券。

審核委員會

審核委員會由三名獨立非執行董事（「獨立非執董」）組成，職權範圍乃遵照守則條文第C.3.3條制定。審核委員會已審閱本集團截至二零一六年九月三十日止六個月之未經審核簡明綜合中期財務資料，並認為本集團所採納之會計原則及慣例與香港現行慣例相符。

REMUNERATION COMMITTEE

The Remuneration Committee, which comprises three INEDs and Dr. Xie Yi, was formed with terms of reference in compliance with Code Provision B.1.2 to oversee the remuneration policies of the Group during the six months ended 30 September 2016.

NOMINATION COMMITTEE

The Nomination Committee consists of four members including Dr. Xie Yi, Chairman of the Board and Chief Executive Officer and three INEDs, which was formed with terms of reference in compliance with Code Provision A.5.2 to formulate and implement the policy for nominating candidates for election by shareholders, and to assess the independence of non-executive directors.

By Order of the Board

Extrawell Pharmaceutical Holdings Limited

Xie Yi

Chairman

Hong Kong, 29 November 2016

薪酬委員會

由三名獨立非執董及謝毅博士組成的薪酬委員會已告成立，並遵照守則條文第B.1.2條制定職權範圍，以監督本集團截至二零一六年九月三十日止六個月的薪酬政策。

提名委員會

提名委員會由四名成員組成，包括董事會主席兼行政總裁謝毅博士及三名獨立非執董，並遵照守則條文第A.5.2條制定職權範圍，以制定及實施有關提名董事人選供股東選任之政策，以及評估非執行董事之獨立性。

承董事會命

精優藥業控股有限公司

主席

謝毅

香港，二零一六年十一月二十九日

CORPORATE INFORMATION

Board of Directors

(As at the date of this interim report on
29 November 2016)

Executive Directors

Dr. XIE Yi (*Chairman and Chief Executive Officer*)
Dr. LOU Yi
Mr. CHENG Yong
Ms. WONG Sau Kuen
Mr. LIU Kwok Wah

Independent Non-executive Directors

Mr. FANG Lin Hu
Mr. XUE Jing Lun
Ms. JIN Song

Audit Committee

Mr. FANG Lin Hu (*Chairman*)
Mr. XUE Jing Lun
Ms. JIN Song

Remuneration Committee

Mr. FANG Lin Hu (*Chairman*)
Mr. XUE Jing Lun
Ms. JIN Song
Dr. XIE Yi

公司資料

董事會

(於本中期報告日期二零一六年十一月二十九日)

執行董事

謝毅博士 (*主席兼行政總裁*)
樓屹博士
程勇先生
王秀娟女士
廖國華先生

獨立非執行董事

方林虎先生
薛京倫先生
金松女士

審核委員會

方林虎先生 (*主席*)
薛京倫先生
金松女士

薪酬委員會

方林虎先生 (*主席*)
薛京倫先生
金松女士
謝毅博士

Nomination Committee

Dr. XIE Yi (*Chairman*)
Mr. FANG Lin Hu
Mr. XUE Jing Lun
Ms. JIN Song

Joint Company Secretaries

Mr. LIU Kwok Wah
Ms. WONG Sau Kuen

Hong Kong Legal Advisers

Chiu & Partners Solicitors

Independent Auditors

East Asia Sentinel Limited
Certified Public Accountants

Registered Office

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

提名委員會

謝毅博士(*主席*)
方林虎先生
薛京倫先生
金松女士

聯席公司秘書

廖國華先生
王秀娟女士

香港法律顧問

趙不渝 • 馬國強律師事務所

獨立核數師

衛亞會計師事務所有限公司
執業會計師

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head Office and Principal Place of Business in Hong Kong

Suites 2206–08, 22/F
Devon House, Taikoo Place
979 King's Road, Quarry Bay
Hong Kong

Principal Bankers

Industrial and Commercial Bank of
China (Asia) Limited
Malayan Banking Berhad
The Bank of East Asia, Limited

Principal Share Registrar and Transfer Office

Codan Services Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Hong Kong Branch Share Registrar and Transfer Office

Tricor Tengis Limited
Level 22, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

總辦事處及香港主要營業地點

香港
鰂魚涌英皇道979號
太古坊德宏大廈
22樓2206–08室

主要往來銀行

中國工商銀行(亞洲)有限公司
馬來亞銀行
東亞銀行有限公司

股份過戶登記處總處

Codan Services Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

股份過戶登記處香港分處

卓佳登捷時有限公司
香港
灣仔
皇后大道東183號
合和中心22樓

Website

<http://www.extrawell.com.hk>

Stock Code

The Stock Exchange of Hong Kong
Limited: 00858

網站

<http://www.extrawell.com.hk>

股份代號

香港聯合交易所有限公司：
00858



Extrawell Pharmaceutical Holdings Limited
精優藥業控股有限公司

(Incorporated in Bermuda with limited liability)
(於百慕達註冊成立之有限公司)

Stock code 股份代號 : 858

