



東瑞製藥(控股)有限公司

DAWNRAYS PHARMACEUTICAL (HOLDINGS) LIMITED

(在開曼群島註冊成立的有限公司)

(incorporated in the Cayman Islands with limited liability)

股份編號：2348 Stock Code：2348

2017 中期報告
INTERIM REPORT

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公司資料

EXECUTIVE DIRECTORS

Ms. LI Kei Ling (*Chairman*)

Mr. HUNG Yung Lai

Mr. LI Tung Ming

NON-EXECUTIVE DIRECTOR

Mr. LEUNG Hong Man

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. PAN Xue Tian (resigned on 1 July 2017)

Mr. CHOI Tat Ying Jacky

Mr. LO Tung Sing Tony

Mr. EDE, Ronald Hao Xi (re-designated as independent non-executive director from 1 July 2017)

CHIEF EXECUTIVE OFFICER

Mr. CHEN Shaojun

AUDITORS

Ernst & Young

Certified Public Accountants, Hong Kong

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Units 3001-02, 30/F, CNT Tower, 338 Hennessy Road, Wanchai, Hong Kong.

REGISTERED OFFICE

Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive, P.O. Box 2681,
Grand Cayman KY1-1111, Cayman Islands.

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

SHAREHOLDER'S CALENDAR

Closure of Register of Members

Wednesday, 20 September 2017 to Thursday, 21 September 2017 (both days inclusive)

Interim Dividend, payable

HK\$0.03 per share, payable on or about 28 September 2017

執行董事

李其玲女士(主席)

熊融禮先生

李東明先生

非執行董事

梁康民先生

獨立非執行董事

潘學田先生(於二零一七年七月一日辭任)

蔡達英先生

勞同聲先生

EDE, Ronald Hao Xi先生(於二零一七年七月一日起調任為獨立非執行董事)

總裁

陳紹軍先生

核數師

安永會計師事務所

執業會計師·香港

總辦事處及主要營業地點

香港灣仔軒尼詩道338號
北海中心30樓3001-02室

註冊辦事處

Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

主要股份過戶登記處

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive, P.O. Box 2681,
Grand Cayman KY1-1111, Cayman Islands.

香港股份過戶登記分處

卓佳雅柏勤有限公司
香港灣仔皇后大道東183號合和中心22樓

股東時間表

截止過戶日期

二零一七年九月二十日(星期三)至二零一七年九月二十一日(星期四)(首尾兩天包括在內)

中期股息(待派發)

每股港幣0.03元·約於二零一七年九月二十八日派發

The board (the “Board”) of directors (the “Directors”) of Dawnrays Pharmaceutical (Holdings) Limited (the “Company”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2017 (the “period”). These interim results have been reviewed by the audit committee of the Company.

RESULTS

The Group recorded revenue of approximately RMB491,056,000 for the six months ended 30 June 2017 (2016: RMB418,449,000), representing an increase of 17.4% compared to the same period of 2016. Profit attributable to the owners of the parent was approximately RMB148,968,000 (2016: RMB131,480,000), representing an increase of 13.3% over the same period of 2016.

The increase in turnover and profit was mainly due to the remained good trend of sales of the Group's specific medicines.

BUSINESS REVIEW AND PROSPECT

Upon rapid growth driven by the governmental medical reform in the early stage, recently, China's medical market witnessed a slow growth year by year; and only all economic indicators of the market remained a growth trend basically. In the first half of 2017, the Group business development maintained stable and the sales amount of all main varieties of the specific medicines met the targeted requirements. Among of them, the products needed to be taken back due to the cancellation of the master agency agreement as to “Leiyide” (Entecavir Dispersible Tablets) in the same period last year were sold out under the continuous efforts of the Group's marketing and sales team. In addition, the Group's marketing and sales management personnel also focused on adjustment of sales structure of such products, so as to expand the market more extensively and deeply.

東瑞製葯(控股)有限公司(「本公司」)之董事(「董事」)會(「董事會」)謹此提呈本公司及其附屬公司(統稱「本集團」)截至二零一七年六月三十日止六個月(「本期間」)之未經審核綜合中期業績。此等中期業績已經由本公司的審核委員會審閱。

業績

本集團截至二零一七年六月三十日止六個月錄得營業額約人民幣491,056,000元(二零一六年：人民幣418,449,000元)，比二零一六年同期增加約17.4%。母公司擁有人應佔溢利約人民幣148,968,000元(二零一六年：人民幣131,480,000元)，比二零一六年同期增加約13.3%。

營業額與利潤的增加主要是本集團專科藥物的銷售維持良好態勢所致。

業務回顧與展望

經歷早期因政府醫葯改革所帶動的高速增長後，中國醫葯市場近年的增長速度逐年放緩，惟市場的各項經濟指標仍基本維持增長態勢。於二零一七年上半年，本集團業務平穩發展，專科藥物各主要品種的銷售金額符合目標要求。其中，於去年同期因取消「雷易得」(恩替卡韋分散片)總代理協議而需收回的產品，於本集團營銷團隊的不斷努力下，已銷售完畢。此外，本集團營銷管理人員亦著力重整該產品銷售結構，以更深入廣泛發展其市場。

主席報告

Since China implemented Measures for Management of Clinical Application of Antibacterials (抗菌藥物臨床應用管理辦法) in 2011, China has witnessed a shrink in the market capacity of antibiotics, and a slow growth for several consecutive years. Compared to the peak period, although Cephalosporins remained the first major category in the anti-infective drugs market, there was a limited growth space for the total market amount, and market share dropped significantly. Driven by rigid demand, the Cephalosporins market was gradually stabilized, but market competition remained extremely fierce. During the period, the Group did not achieve an operation result in compliance with its expected requirements due to its production workshop stoppage for adjustment and reconstruction. In the first half of 2017, the Group still recorded a loss in its Cephalosporins intermediates and bulk medicines business, but the loss decreased when compared with the same period of last year.

During the review period, the Group constantly discussed the feasibility of related resolutions to respond to the change in the surrounding environment of individual factories, and would release details in an appropriate time upon determination of the resolutions.

AD Pharmaceuticals Co., Ltd. ("AD Pharma"), which was established by Dawnrays Biotechnology Capital (Asia) Limited, the Company's wholly-owned subsidiary, and Akeso Biopharma Inc., obtained approval for review from Center for Drug Evaluation of China Food and Drug Administration in May 2017 of AD Pharma's registration application of the first class new drug of monoclonal antibody drug — AK102, for lowering cholesterol levels. In addition, all work of AD Pharma's another drug — AK109 — under research was also actively underway.

Looking forward to China's medical market, under the overall layout of China's industrial development, its market will remain stable and the industry will still see a lot of development opportunities. However, in recent years, China's medical policies released and measures implemented as to medical bidding, fee growth control, medical insurance payment and many other aspects made the drug prices were under considerable pressures. On the other hand, pharmaceutical companies must assume all kinds of additional costs so as to meet the requirements of overall upgrade of China's pharmaceutical industry. Such contrast tendency between income and cost imposes a heavy financial burden on many companies. The Group, as to its business management, always implements a rigorous financial policy and is committed to maintain a healthy cash flow. Thus, the Group will have sufficient resources to respond to all challenges brought by China's pharmaceutical industry upgrades.

自政府於二零一一年實施《抗菌藥物臨床應用管理辦法》後，中國抗菌素市場容量收縮，增長連續數年放緩。與高峰時期比較，雖然抗感染藥物市場仍然以頭孢菌素為第一大分類，但市場總額增幅有限，份額佔比顯著下降。儘管在剛性需求下，頭孢菌素市場已漸趨穩定，惟市場競爭仍然異常激烈。於本期間，本集團因生產車間調整改造停產，導致經營效果未符合本集團預期要求。於二零一七年上半年，本集團頭孢菌素類中間體和原料藥業務仍然錄得虧損，但與去年同期比較虧損有所下降。

於回顧期內，本集團繼續就個別廠區周邊環境之變化，進行有關解決方案的可行性探討工作，並於決定方案後適時公佈詳情。

本公司之全資附屬公司東瑞生物投資發展(亞洲)有限公司與中山康方生物醫藥有限公司成立的康融東方(廣東)醫藥有限公司(「康融東方」)獲中國國家食品藥品監督管理總局藥品審評中心於二零一七年五月承辦康融東方的單抗藥物AK102的一類新藥註冊申請。AK102用於降低膽固醇水平。此外，康融東方另一支在研藥物AK109的各項工作亦在積極進行中。

展望中國醫藥市場，於政府產業發展的整體佈局下，市場將維持平穩發展，行業仍然充滿發展機遇。惟近年政府於醫藥招標、控制費用增長和醫療保險支付等方面頒佈的醫藥政策和實行的措施，令藥物銷售價格遭受相當壓力。另一方面，因應中國製藥產業全面升級的要求，製藥企業必須承擔各項額外成本。收入和支出的反差趨向，給不少企業造成沉重的財務負擔。本集團於業務管理上，一向實施嚴謹的財務政策，並致力維持健康的現金流，因此，本集團具備充足財務資源應對中國製藥產業升級所帶來的各項挑戰。

The market will see all kinds of challenges. Under such operation environment, in order to seek opportunities for sustainable development, as to the product structure updates and activation, the Group will invest more resources for innovation and R&D, so as to, on one hand, consolidate and keep improving the production technologies of the existing salable products to improve the product quality; and on the other hand, make every effort to accelerate the advancement of the R&D process of all varieties under research, so that new varieties will be launched into market in an appropriate time as scheduled to intensify the Group's profit base. Furthermore, as to the human resources, market construction, and many other aspects, the Group also will continue to implement different policies and programs and invest more resources to meet its development needs.

Meanwhile, the Group will allocate the funds and resources needed for business development with respect to its operation aspect. In addition, under the premise that the Directors think fit, the Group will also apply funds to increase the investment value of the shareholders. During the period, the Group used funds to repurchase the Company's shares in a move to reflect the Company's potential value and the Board's vision of the long-term development of the Group's business. The Group will continue to monitor related situations and repurchase the Company's shares in a premise it thinks fit, with an aim to create long-term value growth for its shareholders.

INTERIM DIVIDEND

The Board has resolved to declare an interim dividend of HK\$0.03 per share for the year ending 31 December 2017, approximately amounting to a total sum of HK\$23,805,000 (approximately equivalent to RMB20,373,000).

APPRECIATION

I would like to take this opportunity to express my appreciation for the support and coordination from the Company's shareholders, Directors and the Group's business partners, management personnel and all staff for my work.

By Order of the Board

Li Kei Ling

Chairman

Hong Kong, 22 August 2017

於市場充滿各種各樣挑戰的經營環境下，本集團為尋求可永續發展的機遇，將於產品結構的更新活化方面，加強創新與研發的各項資源投入，一方面鞏固現有暢銷產品的生產技術，精益求精，提高產品質量，另一方面全力加速推進在研品種的研發進程，以期新品種能按計劃適時投放市場，強化本集團之溢利基礎。此外，本集團於人力資源和市場建設等方面將繼續實施不同政策和方案，並投入資源以配合本集團發展需要。

與此同時，本集團除於營運方面配置必需資金和資源以發展業務外，於董事認為適當的前提下，亦會運用資金以增加股東投資價值。於本期間，本集團曾動用資金回購本公司股份，以反映本公司潛在價值及董事會對本集團業務長遠發展之願景。本集團將持續監察有關情況並於認為恰當的前提下回購本公司股份以為股東締造長遠價值增長。

中期股息

董事會決議宣派截至二零一七年十二月三十一日止年度中期股息每股港幣0.03元，合共約港幣23,805,000元（約相當於人民幣20,373,000元）。

感謝

藉此機會，本人衷心感謝本公司股東、董事及本集團業務夥伴、管理人員和員工在工作上的支持和配合。

承董事會命

李其玲

主席

香港，二零一七年八月二十二日

REVIEW OF OPERATIONS

During the six months ended 30 June 2017, the Group recorded a turnover of RMB491,056,000, with an increase of RMB72,607,000 over the same period of last year, representing an increase of 17.4%; of which, the sales amount of intermediates and bulk medicines was RMB65,652,000, representing a decrease of 30.5% compared with the same period of last year, mainly due to workshop stoppage for adding equipment for a preparation for producing high value added products. The sales amount of finished drugs reached approximately RMB425,404,000, representing an increase of 31.3% compared with the same period of last year, mainly attributable to further optimization of sales resources and further improvement of market control and management. During the period, the Group and chain pharmacy stores of China's top 100 achieved a breakthrough on mutual strategic cooperation on sales of "Anneizhen" (Amlodipine Besylate Tablets). Under the effective management of the management team, and via multi-channel and multi-level with multi-form of active promotion of academic promotion program of "Leiyide" (Entecavir Dispersible Tablets) across China, it has got another 500 more hospital terminals. It also has got another 200 more hospital terminals for "Anneixi" (Losartan Potassium and Hydrochlorothiazide Tablets), too, with a considerable growth in sales.

As at 30 June 2017, the Group's product research and development status is as follows:

- a total of 28 projects under research, covering therapeutic areas including circulatory system, digestive system, endocrine system and anti-virus drugs etc., of which, 16 projects were new product researches, and 6 projects had been put into clinical trial;
- quality consistency assessment was processing for 8 varieties, of which, 4 varieties had been put into bioequivalency (BE) clinical research;
- there was 1 Phase IV clinical research;
- supplementary research for production of Cefoperzone Sodium and Tazobactam Sodium for Injection was completed and declaration for production was submitted;
- supplementary research for production of Esomeprazole Sodium for Injection was completed and declaration for production was under preparation.

業務營運回顧

截至二零一七年六月三十日止六個月，本集團營業額約人民幣491,056,000元，比去年同期增加人民幣72,607,000元，增幅為17.4%。其中中間體和原料藥的銷售額為人民幣65,652,000元，較去年同期減少30.5%，主要是生產車間為準備生產高附加值產品須增加設備造成停產所致。成藥的銷售額約人民幣425,404,000元，較去年同期增長31.3%，主要是銷售資源進一步得到優化，市場管控更趨完善。於本期間，本集團與全國百強連鎖藥店於「安內真」（苯磺酸氨氯地平片）銷售的戰略性合作取得重大突破；「雷易得」（恩替卡韋分散片），在管理層的有效管理下，通過多渠道多層次多形式於全國範圍內積極推動學術推廣計劃，新增醫院終端500餘家；「安內喜」（氯沙坦鉀氫氯噻片）亦新增醫院終端200多家，銷售額增長可觀。

於二零一七年六月三十日，本集團產品研發的狀況如下：

- 在研項目28項，覆蓋治療領域包括循環系統、消化系統、內分泌系統和抗病毒藥物等。其中16項為新產品研究，6項已經啟動臨床；
- 進行質量一致性評價品種8個，其中4個已啟動生物等效性(BE)臨床研究；
- IV期臨床研究1項；
- 完成注射用頭孢哌酮鈉他唑巴坦鈉的報產補充研究，已經申報生產；
- 完成注射用艾司奧美拉唑鈉的報產補充研究，準備申報生產。

During the period, the Group kept a good production quality overall. In order to constantly improve risk control ability and the system as to quality management, ensure drug quality, safeguard the safety of drug use by human, and meet the needs of different domestic and foreign customers, the Group organized factories to conduct GMP self-inspection work and strengthen on-site round inspection and whole-process control with respect to quality management. Meanwhile, the Group also invested all kinds of resources to construct and complete lab network system, and further advance departmental management computerization, so as to ensure compliance with the strict requirements of China and international laws and regulations with respect to data completeness. As of 30 June 2017, the Group successfully passed the adverse drug reaction reporting and monitoring inspection and GMP certification tracking inspection by Jiangsu Provincial Food and Drug Administration. In addition, the Group also completed GMP inspection as per the requirements of PIC/S standards together with GSK with respect to the product as to which both sides cooperated for a long time.

As to the human resources, the Group has been attaching great importance to the talent pool construction and development and focusing on constructing a reliable, disciplined, energetic, cohesive and innovative team. Centered on the Group's development strategies and layout, during the period, the Group focused on talent system construction, especially development of talent standards and planning; and echelon building of talents, so as to implement a differentiated management mode.

NEW PRODUCTS AND PATENT LICENSING

- (1) During January to June of 2017, a total of 4 declarations for registration were filed with Jiangsu Provincial Food and Drug Administration (including 2 supplementary applications and 2 applications for re-registration); meanwhile, a total of 7 approval documents were obtained, including 2 re-registration approval documents and 5 approval documents for supplementary applications.
- (2) One patent certificate was obtained.

An invention patent notice was granted on 30 June 2017 as to a kind of Rosuvastatin Calcium Tablets and its preparation process (patent No.: 201510256312.3) and the invention patent certificate was obtained on 28 July 2017.

於本期間，本集團總體生產質量狀況保持良好。為不斷提高質量管理的風險管控能力與體系完善水平，保證藥品質量，保障人體用藥安全，並滿足國內外不同客戶需求，本集團除於本期間組織了各廠區的GMP自檢工作，強化質量管理的現場巡檢以及全過程控制，更同時投入各種資源構建完成實驗室網絡化體系，進一步推進部門管理電腦化，確保符合中國及國際法規對於數據完整性的嚴格要求。截至二零一七年六月三十日止，本集團順利通過江蘇省食品藥品監督管理局進行的不良反應報告和監測檢查、GMP認證跟蹤檢查。此外，本集團與GSK就雙方已長時間合作品種完成按照PIC/S標準要求的GMP檢查。

於人力資源方面，本集團一貫重視人才隊伍的建設和發展，致力於建設一支可信賴並且具備紀律、活力、凝聚力和創新力的工作團隊。圍繞着本集團的發展策略與佈局，於本期間本集團着重於人才體系建設工作，主要聚焦於建立人才標準和規劃，並建設人才梯隊，實行差異化的管理模式。

新產品和專利授權情況

- (1) 二零一七年一至六月份共有4個品種向江蘇省食品藥品監督管理局進行了註冊申報(其中補充申請2個，再註冊申請2個)；獲得批件7個，包括再註冊批件2個；補充批件5個。
- (2) 獲得一項專利證書

「一種瑞舒伐他汀鈣片及其製備工藝」於二零一七年六月三十日被授予發明專利權通知書(專利號：201510256312.3)，於二零一七年七月二十八日獲得發明專利證書。

管理層討論及分析

HONORS AWARDED IN 2017

1. Suzhou Dawnrays Pharmaceutical Co., Ltd. (R&D Center) was named as one of the first batch of foreign-funded R&D centers that meet the rebate policy as to purchase of domestically manufactured equipment and also meet the import tax policy in 2017.
2. Suzhou Dawnrays Pharmaceutical Co., Ltd. was named as “2016 Consumer’s Satisfactory Unit” by Suzhou City Consumer Rights and Interests Protection Committee.

FINANCIAL REVIEW

SALES AND GROSS PROFIT

For the six months ended 30 June 2017, the Group recorded a turnover of approximately RMB491,056,000, representing an increase of RMB72,607,000, or 17.4%, compared with the corresponding period of last year.

During the first half of 2017, sales of system specific medicines increased by approximately RMB87,571,000, representing an increase of 30.2% compared with the corresponding period of last year. Sales of the cephalosporin antibiotics product line decreased by approximately RMB16,967,000, representing a decrease of 13.3% compared with the corresponding period of last year; sales amount of intermediates and bulk medicines decreased by 30.5% compared with the corresponding period of last year.

Sales amount of finished drugs, comprising system specific medicines, powder for injection and tablets of cephalosporin and other oral solid-dosage-forms of antibiotics, reached approximately RMB425,404,000. Of which, sales amount of system specific medicines accounted for approximately 88.7% of sales of finished drugs. Sales amount of cephalosporin powder for injection increased by 54.5% compared with the corresponding period of last year, and sales amount of oral cephalosporin decreased by 10.9% compared with the corresponding period of last year.

Export sales amount accounted for approximately 14.8% of the total turnover. The export destinations mainly included countries and regions such as Hong Kong, Switzerland, South Korea and Russia etc.

Gross profit was approximately RMB340,832,000 which was increased by RMB85,129,000 compared with the corresponding period of last year. Gross profit margin was 69.4% which was increased by 8.3 percentage points compared with 61.1% as in the corresponding period of last year.

二零一七年獲得之榮譽

1. 蘇州東瑞製藥有限公司(研發中心)評為江蘇省二零一七年度第一批覆核通過的符合採購國產設備退稅政策及符合進口稅收政策的外資研發中心。
2. 蘇州東瑞製藥有限公司被蘇州市消費者權益保護委員會評為「消費者滿意單位(二零一六年度)」。

財務回顧

銷售及毛利

截至二零一七年六月三十日止六個月，本集團營業額約人民幣491,056,000元，比去年同期增加人民幣72,607,000元，上升了17.4%。

於二零一七年上半年，系統專科藥的銷售額增加約人民幣87,571,000元，較去年同期上升30.2%；頭孢菌素抗生素產品線銷售額減少約人民幣16,967,000元，較去年同期減少13.3%；中間體及原料藥的銷售金額較去年同期減少30.5%。

成藥包括系統專科藥、頭孢菌素的粉針劑、片劑及其他口服抗生素固型劑的銷售金額約人民幣425,404,000元。其中專科藥系列產品的銷售金額佔成藥銷售的比重約88.7%；頭孢菌素抗生素粉針劑的銷售金額較去年同期上升54.5%，口服頭孢菌素的銷售金額較去年同期減少10.9%。

出口銷售金額約佔總營業額的14.8%，出口的目的地主要包括香港、瑞士、南韓、俄羅斯等國家和地區。

毛利額約人民幣340,832,000元，較去年同期增加人民幣85,129,000元。毛利率為69.4%，較去年同期的61.1%上升了8.3個百分點。

TABLE OF TURNOVER ANALYSIS

營業額分析 — 按產品類別劃分

Product 產品	Turnover (RMB'000) 營業額 (人民幣千元)			Sales Breakdown (%) 銷售比例 (%)		
	For the six months ended 30 June 截至六月三十日止六個月			For the six months ended 30 June 截至六月三十日止六個月		
	2017 二零一七年	2016 二零一六年	Changes 變動	2017 二零一七年	2016 二零一六年	Changes 變幅(百分點)
Intermediates and Bulk Medicines 中間體及原料藥	65,652	94,406	-28,754	13.4	22.6	-9.2
Finished Drugs 成藥	425,404	324,043	101,361	86.6	77.4	9.2
Overall 總體	491,056	418,449	72,607	100.0	100.0	0.0

EXPENSES

During the period, the total expenses incurred were approximately RMB166,576,000, equivalent to 33.9% of turnover (2016: 24.4%), an increase of 9.5 percentage points compared with the corresponding period of last year. The total expenses increased by approximately RMB64,453,000 compared with the corresponding period of last year mainly attributed to the increase in distribution expenses and research and development costs.

SEGMENT PROFIT

For the six months ended 30 June 2017, segment results of intermediates and bulk medicines segment recorded losses of approximately RMB5,778,000 representing a decrease of loss of RMB1,015,000 compared with segment results loss of RMB6,793,000 as in the first half of 2016. The segment profit of finished drugs segment was approximately RMB246,831,000, which was increased by approximately RMB40,369,000 when compared with the segment profit of RMB206,462,000 as in the first half of 2016.

SHARE OF PROFITS AND LOSSES OF ASSOCIATE

During the period, Dawnrays Biotechnology Capital (Asia) Ltd. ("Dawnrays Biotech"), the Group's subsidiary, invested first lot registered capital of RMB50,330,000 into AD Pharma according to the joint venture agreement which proposed Dawnrays Biotech to invest totally RMB150,000,000 to have 35% share interest in AD Pharma. For the six months ended 30 June 2017, the Group's share of loss of AD Pharma was RMB1,660,000.

費用

本期間，費用支出共約人民幣166,576,000元，佔營業額的比例為33.9%（二零一六年：24.4%），比上年同期上升9.5個百分點。費用總金額較去年同期增加約人民幣64,453,000元，增加的主要原因是分銷費用及研發費的增加。

分類溢利

截至二零一七年六月三十日止六個月，中間體及原料藥分部的分類業績為虧損約人民幣5,778,000元，較二零一六年上半年分類業績虧損約人民幣6,793,000元同比减少虧損人民幣1,015,000元；成藥分部的分類溢利約人民幣246,831,000元，較二零一六年上半年分類溢利人民幣206,462,000元同比增加約人民幣40,369,000元。

應佔聯營公司之盈利及虧損

本期間，本集團附屬子公司東瑞生物投資發展(亞洲)有限公司(「東瑞生物」)按合資經營合同約定(東瑞生物擬投資總額為人民幣150,000,000元以持有康融東方35%股權)向康融東方投入第一期註冊資本金人民幣50,330,000元。截至二零一七年六月三十日止六個月，本集團應佔康融東方虧損人民幣1,660,000元。

PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT

For the six months ended 30 June 2017, profit attributable to owners of the parent amounted to approximately RMB148,968,000, equivalent to an increase of RMB17,488,000 or 13.3% compared with the corresponding period of last year. The increase was mainly attributed by the substantial growth in sales of finished products.

ANALYSIS ON THE RETURN ON ASSETS

As at 30 June 2017, net assets attributable to owners of the parent were approximately RMB1,706,244,000. The return on net assets, which is defined as the profit attributable to owners of the parent divided by net assets attributable to owners of the parent, was 8.7% (2016: 8.6%). The current ratio and quick ratio was 5.8 and 5.3 respectively. Turnover days for trade receivables were approximately 46 days. Turnover days for trade receivables including notes receivables were approximately 90 days. Turnover days for inventory were approximately 146 days. Turnover days for trade receivables and turnover days for inventory decreased when compared with the end of last year. It was mainly due to the trade receivables from increased sales were received on time and decrease in inventory.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2017, the Group held cash and bank balance approximately RMB534,453,000 (as at 31 December 2016: RMB663,296,000). In addition, in order to operate the idle funds more effectively and improve returns, the Group had placed total RMB370,000,000 on principal-preservation type of structured deposits with interest rates at 2.85%–4.10% p.a. to several creditworthy banks in Mainland China.

During the period, the net cash flows from operating activities was approximately RMB172,638,000 (2016: RMB182,820,000). Net cash flows used in investing activities was approximately RMB210,536,000 (2016: RMB11,093,000). Net cash flows used in financing activities was approximately RMB89,617,000 (2016: net cash flow in RMB30,848,000).

As at 30 June 2017, the Group had aggregate bank facilities of approximately RMB919,143,000 (as at 31 December 2016: RMB724,397,000), of which, bank facilities of HK\$22,000,000 were secured by corporate guarantee of the Company. As at 30 June 2017, the Group did not have any bank loans, the debt ratio (defined as sum of interest-bearing bank loans over total assets) of the Group was 0% (as at 31 December 2016: 0.5%).

母公司擁有人應佔溢利

截至二零一七年六月三十日止六個月，母公司擁有人應佔溢利約人民幣148,968,000元，比去年同期增加人民幣17,488,000元，增幅為13.3%。增加的主要原因是成藥銷售的大幅增長。

資產盈利能力分析

於二零一七年六月三十日，母公司擁有人應佔淨資產約人民幣1,706,244,000元，淨資產收益率(界定為母公司擁有人應佔溢利除以母公司擁有人應佔淨資產)為8.7%(二零一六年: 8.6%)。流動比率和速動比率分別為5.8和5.3，應收賬款周轉期約46日，應收賬款(含應收票據)周轉期約90日，存貨周轉期約146日。應收賬款周轉天數及存貨周轉天數較上年底都有所減少，主要是銷售額增長貨款回籠及時及存貨減少所致。

流動資金及財政資源

於二零一七年六月三十日，本集團持有現金及銀行存款約人民幣534,453,000元(於二零一六年十二月三十一日: 人民幣663,296,000元)。此外，為更有效運用閒置資金，提高回報，於多間國內信譽良好的銀行敘造年利率在2.85%–4.10%的保本類型結構性存款共人民幣370,000,000元。

本期間，經營業務的現金流入淨額約人民幣172,638,000元(二零一六年: 人民幣182,820,000元)；使用在投資活動的現金流出淨額約人民幣210,536,000元(二零一六年: 人民幣11,093,000元)；融資活動的現金流出淨額約人民幣89,617,000元(二零一六年: 流入淨額人民幣30,848,000元)。

於二零一七年六月三十日，本集團的銀行授信總額約人民幣919,143,000元(於二零一六年十二月三十一日: 人民幣724,397,000元)，其中港幣22,000,000元銀行信貸額度以本公司擔保。於二零一七年六月三十日，本集團沒有任何銀行貸款，負債比率(界定為計息銀行貸款除以資產總值)為0%(於二零一六年十二月三十一日: 0.5%)。

As at 30 June 2017, the Group had inventory balance approximately RMB118,944,000 (as at 31 December 2016: RMB124,746,000).

As at 30 June 2017, the Group's contracted but not provided capital commitments amounted to approximately RMB3,081,000 (as at 31 December 2016: RMB3,060,000), which mainly derived from the sewage treatment works of Dawnrays (Nantong) Pharmaceutical Science and Technology Co., Ltd. The Group has sufficient financial and internal resources to bear the capital expenditure.

Save as aforesaid disclosure and the investment in subsidiaries and associate company, the Group had no significant external investments or material acquisitions or disposal of subsidiaries and associated companies during the period.

FOREIGN EXCHANGE AND TREASURY POLICIES

The Group's substantial business activities, assets and liabilities are denominated in Renminbi, the risk derived from the foreign exchange to the Group is not high, except for the Group's pays dividends in Hong Kong dollars. Therefore, the foreign exchange risks are primarily with respect to Hong Kong Dollars.

The treasury policy of the Group is to manage any risk of foreign exchange or interest rate, if any, only if it will potentially impose a significant impact on the Group. The Group continues to observe the foreign exchange and interest rate market, and may hedge against foreign currency risk with foreign exchange forward contracts and interest rate risk with interest rate swap contracts if necessary.

STAFF AND REMUNERATION POLICY

As at 30 June 2017, the Group employed 842 employees and the total remuneration was approximately RMB56,490,000 (2016: RMB51,013,000). The Group regards human resources as the most valuable assets and truly understands the importance of attracting and retaining high-performance employees. The remuneration policy is generally based on the references of market salary index and individual qualifications. The Group provides its employees with other fringe benefits, including defined contribution retirement schemes, share option scheme and medical coverage. The Group also offers some of its employees stationed in the PRC with dormitory accommodation.

於二零一七年六月三十日，本集團存貨餘額約人民幣118,944,000元(於二零一六年十二月三十一日：人民幣124,746,000元)。

於二零一七年六月三十日，本集團的已訂約但未作撥備的資本承擔約人民幣3,081,000元(於二零一六年十二月三十一日：人民幣3,060,000元)，主要是東瑞(南通)醫藥科技有限公司的污水處理工程。本集團有充足的財政資源及內部資源以支付其資本開支。

本期間，除上述披露及投資附屬公司及聯營公司外，本集團並無對外作出重大投資、購入或出售附屬公司及聯營公司。

外幣及庫務政策

本集團大部份業務交易、資產、負債均主要以人民幣結算，故本集團所承受的外匯風險不大。惟本集團以港元派付股息，因此，外匯風險主要與港元有關。

本集團的庫務政策只會在外匯風險或利率風險(如有)對本集團有潛在重大影響時進行管理。本集團將繼續監察其外匯和利率市場狀況，並於有需要時以外匯遠期合約對沖外匯風險及利息掉期合約對沖利率風險。

僱員及薪酬政策

於二零一七年六月三十日，本集團有842名僱員，本期間員工費用總額約為人民幣56,490,000元(二零一六年：人民幣51,013,000元)。本集團視人力資源為最寶貴的財富，深明吸納及挽留表現稱職的員工的重要性。薪酬政策一般參考市場薪酬指標及個別員工的資歷而定。本集團為員工提供的其他福利包括定額供款退休計劃、購股權計劃及醫療福利。本集團並在中國為其若干中國的僱員提供宿舍。

管理層討論及分析

CHARGES ON ASSETS

As at 30 June 2017, the Group's assets with carrying amount of approximately RMB30,669,000 (as at 31 December 2016: RMB31,815,000) were pledged to bank to secure bank facilities granted to its subsidiary.

CONTINGENT LIABILITIES

As at 30 June 2017, the Group had no material contingent liabilities.

PLANS FOR SIGNIFICANT INVESTMENTS AND EXPECTED SOURCE OF FUNDING

Save for those disclosed above in connection with investment in associate under the section "Share of Profits and Losses of Associate" and capital commitments under the section "Liquidity and Financial Resources", the Group does not have any plan for material investments or acquisition of capital assets.

資產抵押

於二零一七年六月三十日，本集團以賬面值人民幣30,669,000元資產抵押予銀行獲取授予其附屬公司的授信額度（於二零一六年十二月三十一日：人民幣31,815,000元）。

或有負債

於二零一七年六月三十日，本集團並無重大或有負債。

未來重大投資及預期融資來源

除於上述「應佔聯營公司之盈利及虧損」一節所載有關投資聯營公司及「流動資金及財政資源」一節所載有關資本開支承擔所披露者外，本集團目前並無任何未來重大投資計劃或購入資本資產計劃。

DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2017, to the best knowledge, information and belief of the Company after making reasonable enquiry, the interests and short positions of the Directors and Chief Executive Officer of the Company in the shares or 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 (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 for Securities Transactions by Directors of Listed Issuers, were as follows:

Long positions in ordinary shares of the Company:

董事及總裁於股份及相關股份的權益及淡倉

於二零一七年六月三十日，經本公司作出一切合理查詢後所知、所得資料及所信，本公司董事及總裁於本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）的股本、相關股份及債券中，擁有記錄於本公司根據證券及期貨條例第352條存置的登記冊，或根據上市公司董事進行證券交易的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」）的權益及淡倉載列如下：

於本公司普通股中的好倉：

Name	Notes	Number of shares held, capacity and nature of interest			Total	Percentage of the Company's issued share capital 佔本公司 已發行股本的 百分比
		Directly beneficially owned	Share Option granted	Through controlled corporation		
名稱	附註	直接實益擁有	獲頒授的 購股權	通過控制公司 持有	總數	
Directors						
董事						
Ms. Li Kei Ling 李其玲女士	(a)	49,088,000	–	294,072,000	343,160,000	42.90
Mr. Hung Yung Lai 熊融禮先生	(a)	312,000	–	294,072,000	294,384,000	36.80
Mr. Li Tung Ming 李東明先生	(b)	112,000	–	40,000,000	40,112,000	5.01
Mr. Leung Hong Man 梁康民先生	(c)	–	–	50,000,000	50,000,000	6.25
Chief Executive Officer						
總裁						
Mr. Chen Shaojun 陳紹軍先生	(d)	2,452,000	8,000,000	–	10,452,000	1.31

Other Information

其他資料

Long positions in shares and underlying shares of associated corporation:

於相聯法團股份及相關股份中的好倉：

Name of Director	Name of associated corporation	Relationship with the Company	Number of Ordinary shares held	Capacity and nature of interest	Percentage of the associated corporation's issued share capital
董事名稱	相聯法團名稱	與本公司的關係	持有普通股的數目	身份及權益性質	佔相聯法團已發行股本的百分比
Ms. Li Kei Ling	Fortune United Group Limited	the Company's holding company	2	Through a controlled corporation	50
李其玲女士		本公司的控股公司		通過一間控制公司	
Mr. Hung Yung Lai	Fortune United Group Limited	the Company's holding company	2	Through a controlled corporation	50
熊融禮先生		本公司的控股公司		通過一間控制公司	

Notes:

附註：

- (a) 294,072,000 shares of the Company are held by Fortune United Group Limited, a company incorporated in the British Virgin Islands. Keysmart Enterprises Limited, which is wholly-owned by Ms. Li Kei Ling, and Hunwick International Limited, which is wholly-owned by Mr. Hung Yung Lai, are each beneficially interested in 50% of the share capital of Fortune United Group Limited.
- (a) 294,072,000 股本公司股份由一家於英屬維爾京群島註冊成立的公司 Fortune United Group Limited 所持有。Fortune United Group Limited 的股本由李其玲女士全資擁有的 Keysmart Enterprises Limited 及由熊融禮先生全資擁有的 Hunwick International Limited 各自實益擁有 50% 權益。
- (b) 40,000,000 shares of the Company are held by Time Lead Investments Limited, a company incorporated in the British Virgin Islands. The entire issued share capital of Time Lead Investments Limited is beneficially owned by Mr. Li Tung Ming.
- (b) 40,000,000 股本公司股份由一家於英屬維爾京群島註冊成立的公司 Time Lead Investments Limited 所持有。Time Lead Investments Limited 的全部已發行股本由李東明先生實益擁有。
- (c) 50,000,000 shares of the Company are held by Toyo International Investment Limited, a company incorporated in Hong Kong. Mr. Leung Hong Man and Mr. Leung Yiu Sing are each beneficially interested in 50% of the share capital of Toyo International Investment Limited.
- (c) 50,000,000 股本公司股份由香港註冊成立的公司東海國際投資有限公司所持有。東海國際投資有限公司的全部已發行股本由梁康民先生及梁耀成先生各自實益擁有 50% 權益。
- (d) 2,452,000 shares of the Company are directly beneficially owned by Mr. Chen Shaojun and 8,000,000 underlying shares are the share options granted to him under the share option scheme of the Company. Mr. Chen is deemed to be interested in the shares which will be issued to him upon his exercise of options, representing approximately 1.008% of the Company's issued share capital as at the date of this report. Details of Mr. Chen Shaojun's interests in the share options of the Company are disclosed in note 16 to the interim financial information.
- (d) 2,452,000 股本公司股份由陳紹軍先生直接實益擁有，8,000,000 股相關股份的權益為根據本公司購股權計劃授予他的購股權，陳先生被視為擁有當行使該批購股權時發行給彼之股份權益約佔本公司於本報告日已發行股份的 1.008%。有關陳紹軍先生購股權的詳情載列於中期財務資料附註 16。

Save as disclosed above, as at 30 June 2017, none of the Directors or Chief Executive Officer of the Company had any interest or short position in the shares or underlying shares or debentures of the Company or any of its associated corporations as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the heading "Directors' and Chief Executive Officer's interests and short positions in shares and underlying shares" above and in the share option scheme disclosures in Note 16 to the interim financial information, at no time during the period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

SHARE OPTION SCHEME

The detailed disclosures relating to the Company's share option scheme and valuation of options are set out in Note 16 to the interim financial information.

除上述者外，於二零一七年六月三十日，概無本公司董事或總裁於本公司或其任何相聯法團的股份、相關股份或債券中，擁有記錄於本公司根據證券及期貨條例第352條存置的登記冊，或根據上市公司董事進行證券交易的標準守則要求須知會本公司及聯交所的任何權益或淡倉。

董事購買股份或債券的權益

除於上述「董事及總裁於股份及相關股份的權益及淡倉」一節及中期財務資料附註16所載購股權計劃披露的事宜外，在本期間並無任何董事、彼等的配偶或未滿18歲的子女獲授可透過收購本公司股份或債券的方法收購權益的權利，或彼等行使任何該等權利，或本公司、其控股公司或其任何附屬公司訂立任何安排，以令董事可收購任何其他法人團體有關權利。

購股權計劃

有關本公司購股權計劃的詳情及購股權之估值載於中期財務資料附註16。

Other Information

其他資料

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 30 June 2017, to the best knowledge, information and belief of the Company after making reasonable enquiry, the interests or short positions of the following persons, other than persons who were Directors or Chief Executive Officer of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

主要股東及其他人士於股份及相關股份的權益

於二零一七年六月三十日，經本公司作出一切合理查詢後所知、所得資料及所信，根據證券及期貨條例第336條須於本公司存置的權益登記冊上記錄，以下人士(本公司董事及總裁除外)於本公司股份及相關股份的權益或淡倉載列如下：

Name	Notes	Nature of interest	Approximate percentage to the total number of shares of the Company (%)		Long position/ short position
			Number of Shares held	約佔本公司已發行股本的百分比	
名稱	附註	權益性質	持有的股份數目	股本的百分比	好倉/淡倉
Fortune United Group Limited	(a)	Directly Beneficially owned 直接實益擁有	294,072,000	36.77	Long Position 好倉
Keysmart Enterprises Limited	(a)	Through controlled corporation 通過控制公司持有	294,072,000	36.77	Long Position 好倉
Hunwick International Limited	(a)	Through controlled corporation 通過控制公司持有	294,072,000	36.77	Long Position 好倉
Mdm. lu Pun 姚彬女士	(b)	Family interest 家屬權益	294,072,000	36.77	Long Position 好倉
Time Lead Investments Limited	(c)	Directly Beneficially owned 直接實益擁有	40,000,000	5.00	Long Position 好倉
Toyo International Investment Limited 東海國際投資有限公司	(d)	Directly Beneficially owned 直接實益擁有	50,000,000	6.25	Long Position 好倉
Mdm. Lo Mei Sai 羅美茜女士	(e)	Family interest 家屬權益	50,000,000	6.25	Long Position 好倉

Name	Notes	Nature of interest	Approximate percentage to the total number		Long position/ short position
			Number of Shares held	of shares of the Company (%)	
名稱	附註	權益性質	持有的股份數目	約佔本公司已發行股本的百分比	好倉／淡倉
Mr. Leung Yiu Sing 梁耀成先生	(d) & (f)	Through controlled corporation 通過控制公司持有	52,000,000	6.50	Long Position 好倉
Ms. Chu Shuet Fong 朱雪芳女士	(f)	Through controlled corporation 通過控制公司持有	2,000,000	0.25	Long Position 好倉
	(g)	Family interest 家屬權益	50,000,000	6.25	Long Position 好倉
UBS Group AG		Person having a security interest in shares 對股份持有保證權益的人	1,176,000	0.15	Long Position 好倉
	(h)	Through controlled corporation 通過控制公司持有	43,053,200	5.37	Long Position 好倉
	(i)	Through controlled corporation 通過控制公司持有	735,000	0.09	Short Position 淡倉

Notes:

- (a) The issued share capital of Fortune United Group Limited is equally beneficially owned by Keysmart Enterprises Limited and Hunwick International Limited which are in turn, respectively, wholly-owned by Ms. Li Kei Ling and Mr. Hung Yung Lai, Executive Directors of the Company.
- (b) Mdm. lu Pun is the wife of Mr. Hung Yung Lai and is deemed to be interested in the shares of the Company held by Mr. Hung Yung Lai.
- (c) The issued share capital of Time Lead Investments Limited is beneficially owned by Mr. Li Tung Ming.
- (d) The issued share capital of Toyo International Investment Limited is equally beneficially owned by Mr. Leung Hong Man, the Non-executive Director of the Company and his father Mr. Leung Yiu Sing.
- (e) Mdm. Lo Mei Sai is the wife of Mr. Leung Hong Man and is deemed to be interested in the shares of the Company held by Mr. Leung Hong Man.
- (f) 2,000,000 shares of the Company are held by Dragon Asia Industrial (Holdings) Limited, a company incorporated in Hong Kong. Mr. Leung Yiu Sing and Mdm. Chu Shuet Fong, his wife, are each beneficially interested in 50% of the issued share capital of Dragon Asia Industrial (Holdings) Limited.

附註：

- (a) Fortune United Group Limited 的已發行股本由 Keysmart Enterprises Limited 及 Hunwick International Limited 平均實益擁有。Keysmart Enterprises Limited 及 Hunwick International Limited 分別由本公司的執行董事李其玲女士及熊融禮先生全資擁有。
- (b) 姚彬女士為熊融禮先生的配偶，故被視為於熊融禮先生持有的本公司股份中擁有權益。
- (c) Time Lead Investments Limited 的已發行股本由李東明先生實益擁有。
- (d) 東海國際投資有限公司的已發行股本分別由本公司的非執行董事梁康民先生及彼之父親梁耀成先生平均實益擁有。
- (e) 羅美茜女士為梁康民先生的配偶，故被視為於梁康民先生持有的本公司股份中擁有權益。
- (f) 2,000,000 股本公司股份由香港註冊成立的公司東龍實業集團有限公司所持有，東龍實業集團有限公司的全部已發行股本由梁耀成先生及其配偶朱雪芳女士各自實益擁有 50% 權益。

其他資料

- (g) Mdm. Chu Shuet Fong is the wife of Mr. Leung Yiu Sing and is deemed to be interested in the shares of the Company held by Mr. Leung Yiu Sing.
- (h) According to the corporate substantial shareholder notice of UBS Group AG filed for the relevant event dated 29 May 2017 as shown on the website of the Stock Exchange, UBS AG, UBS Asset Management (Hong Kong) Limited, UBS Asset Management (Singapore) Ltd., UBS Asset Management Trust Company, UBS Fund Management (Luxembourg) S.A. and UBS Fund Management (Switzerland) AG are directly interested in 735,200 shares, 10,540,000 shares, 1,596,000 shares, 24,000 shares, 30,150,000 shares and 8,000 shares respectively. Since they are all controlled by UBS Group AG, UBS Group AG is deemed to be interested in 43,053,200 shares for the purpose of the SFO.
- (i) According to the corporate substantial shareholder notice of UBS Group AG filed for the relevant event dated 29 May 2017 as shown on the website of the Stock Exchange, UBS AG directly holds a short position in 735,000 shares. Since UBS AG is controlled by UBS Group AG, UBS Group AG is deemed to hold a short position in 735,000 shares for the purpose of the SFO. Pursuant to the same notice, UBS Group AG is deemed to hold a short position in 735,000 shares through the holding of certain unlisted cash-settled equity derivatives.
- (g) 朱雪芳女士為梁耀成先生的配偶，故被視為於梁耀成先生持有的本公司股份中擁有權益。
- (h) 誠如聯交所網頁所示，根據UBS Group AG日期為二零一七年五月二十九日就相關事項存檔的公司主要股東通知，UBS AG、UBS Asset Management (Hong Kong) Limited、UBS Asset Management (Singapore) Ltd.、UBS Asset Management Trust Company, UBS Fund Management (Luxembourg) S.A. 及 UBS Fund Management (Switzerland) AG 分別直接於 735,200 股、10,540,000 股、1,596,000 股、24,000 股、30,150,000 及 8,000 股股份中擁有權益。由於彼等全部均由 UBS Group AG 所控制，故此就證券及期貨條例而言，UBS Group AG 被視為於 43,053,200 股股份中擁有權益。
- (i) 誠如聯交所網頁所示，根據 UBS Group AG 日期為二零一七年五月二十九日就相關事項存檔的公司主要股東通知，UBS AG 直接於 735,000 股股份中持有短倉。由於 UBS AG 由 UBS Group AG 所控制，故此就證券及期貨條例而言，UBS Group AG 被視為於 735,000 股股份中持有短倉。根據同一通知，UBS Group AG 被視為透過持有若干非上市現金結算股本衍生工具於 735,000 股股份中持有短倉。

Save as disclosed above, as at 30 June 2017, the Company had not been notified of any other persons (other than persons who were Directors or Chief Executive Officer of the Company, whose interests are set out under the heading "Directors' and Chief Executive Officer's interests and short positions in shares and underlying shares" above) who had an interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO .

除上文披露者外，於二零一七年六月三十日，並無其他人士知會本公司（本公司董事及總裁除外，有關彼等的權益載於上文「董事及總裁於股份及相關股份的權益及淡倉」一節）於本公司股份及相關股份中，擁有記錄於本公司根據證券及期貨條例第336條存置的登記冊之權益或淡倉。

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

For the six months period ended 30 June 2017, the Company repurchased 3,492,000 shares of the Company's listed securities on the Stock Exchange at an aggregate consideration of HK\$16,126,000 before expenses. The repurchases were effected by the Directors for the enhancement of shareholder value in the long term. During the period, 82,000 treasury shares and 2,444,000 repurchased shares were cancelled. The remaining 1,048,000 repurchased shares were cancelled on 31 July 2017.

The monthly breakdown of shares repurchased during the period was as follows:

Month of Repurchase	Number of shares repurchased	The highest price paid per share (HK\$) 每股已付最高價格 (港幣)	The lowest price paid per share (HK\$) 每股已付最低價格 (港幣)	Aggregate consideration (HK\$) 總代價(港幣)
January 2017 二零一七年一月份	420,000	4.74	4.45	1,918,000
June 2017 二零一七年六月份	<u>3,072,000</u>	5.02	4.34	<u>14,208,000</u>
Total 總計	<u>3,492,000</u>			<u>16,126,000</u>

Save as disclosed above, neither the Company, nor any of its subsidiaries purchased redeemed or sold any of the Company's listed securities for the six months ended 30 June 2017.

購買、贖回或出售本公司上市證券

截至二零一七年六月三十日止六個月期間，本公司在聯交所購回3,492,000股本公司上市證券，未計其他費用之總代價為港幣16,126,000元，股份回購是董事為提高股東長遠利益而作出。於本期間，82,000股庫存股份及2,444,000股購回股份被註銷，剩餘1,048,000股購回股份於二零一七年七月三十一日被註銷。

於本期間每月購回股份之詳情列載如下：

除上文披露者外，截至二零一七年六月三十日止六個月期間，本公司或其任何附屬公司概無購買、贖回或出售任何本公司上市證券。

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

To the best knowledge, information and belief of the Directors, the Company has complied with the code provisions of the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Ltd. (the “Listing Rules”) during the six months period ended 30 June 2017, except for the following deviation:

1. Code Provision A.6.7 of the CG Code - Attendance of Non-executive directors at general meeting

Other than one Independent Non-executive Director who was not in position to attend the annual general meeting of the Company held on 25 May 2017 (the “2017 AGM”) due to an overseas commitment, all Non-executive Directors (including Independent Non-executive Directors) attended the 2017 AGM.

UPDATES ON DIRECTORS’ INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

Mr. Pan Xue Tian, an independent non-executive director of the Company retired as the Company’s independent non-executive director, the chairman of Remuneration Committee and the member of Audit Committee and Nomination Committee with effect from 1 July 2017. Mr. Ede, Ronald Hao Xi was redesignated as the Company’s independent non-executive director, the chairman of Remuneration Committee and the member of Audit Committee and Nomination Committee. Details of the above change were set out in the announcement of the Company dated 29 June 2017.

Mr. Choi Tat Ying Jacky, an independent non-executive director of the Company, was an executive director of China Polymetallic Mining Limited (a company listed on the Main Board of the Stock Exchange of Hong Kong Limited) from 15 May 2017 to 6 June 2017.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in Appendix 10 of 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 all Directors, the Directors have complied with the required standard set out in the Model Code, throughout the six months period ended 30 June 2017.

遵守企業管治守則

就董事所知、所得資料及所信，截至二零一七年六月三十日止六個月期間內，本公司一直遵守香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四的企業管治守則（「管治守則」）所載之守則條文規定。惟下列偏離事項除外：

1. 管治守則條文第A.6.7條訂明非執行董事出席股東大會

除了一位獨立非執行董事因於海外處理事務而未能出席二零一七年五月二十五日舉行的本公司股東週年大會（「二零一七股東週年大會」）外，所有非執行董事（包括獨立非執行董事）均有出席二零一七股東週年大會。

根據上市規則第13.51B(1)條更新董事信息

本公司獨立非執行董事潘學田先生於二零一七年七月一日起退休辭任本公司獨立非執行董事、薪酬委員會主席、審核委員會及提名委員會成員，由EDE, Ronald Hao Xi先生調任為本公司獨立非執行董事、薪酬委員會主席、審核委員會及提名委員會成員，上述變動細節已刊登在本公司於二零一七年六月二十九日發佈之公佈中。

本公司獨立非執行董事蔡達英先生於二零一七年五月十五日至二零一七年六月六日期間為中國多金屬礦業有限公司（一間於香港聯合交易所有限公司主版上市的公司）擔任執行董事職務。

證券交易的標準守則

本公司已採納載於上市規則附錄十的上市發行人董事進行證券交易的標準守則（「標準守則」）作為董事買賣本公司證券的行為守則。根據對本公司董事作出的特定查詢後，截至二零一七年六月三十日止六個月期間，董事一直遵守標準守則所規定的準則。

AUDIT COMMITTEE

The Company has an Audit Committee which was established in compliance with Rule 3.21 of the Listing Rules to oversee the Group's financial reporting system, risk management and internal control systems. As at the date of this report, the Audit Committee's chairman was Mr. Choi Tat Ying Jacky, Mr. Lo Tung Sing Tony and Mr. Ede, Ronald Hao Xi were the committee's members, all of them are independent non-executive directors of the Company.

The unaudited interim condensed consolidated financial statements of the Company for the six months ended 30 June 2017 have been reviewed by the audit committee before making recommendation to the Board for approval.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 20 September 2017 to Thursday, 21 September 2017 (both days inclusive), for the purpose of ascertaining entitlement to the Company's interim dividend, during which period no transfer of shares will be registered.

The record date for the purpose of determining shareholders' entitlement to the interim dividend is Tuesday, 19 September 2017. In order to qualify for the interim dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Abacus Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 19 September 2017. Dividend warrants will be despatched to shareholders on or about Thursday, 28 September 2017.

By Order of the Board

Li Kei Ling

Chairman

Hong Kong, 22 August 2017

審核委員會

本公司遵照上市規則第3.21條成立審核委員會以監管本集團財務申報制度、風險管理及內部監控系統。於本報告日，審核委員會主席為蔡達英先生，勞同聲先生及Ede, Ronald Hao Xi先生為委員會成員，彼等均為本公司之獨立非執行董事。

本公司截至二零一七年六月三十日止六個月期間的未經審核簡明綜合中期財務報表於提呈董事會批准前由審核委員會審閱。

暫停辦理股份過戶登記

為確定獲派本公司中期股息的資格，本公司於二零一七年九月二十日(星期三)至二零一七年九月二十一日(星期四)(首尾兩天包括在內)，暫停辦理股份過戶登記手續。

釐定股東權利以收取中期股息的記錄日為二零一七年九月十九日(星期二)。為確保獲派中期股息，凡未過戶之股票必須連同填妥的股票轉讓書，於二零一七年九月十九日(星期二)下午四時半前，送達本公司香港股份過戶登記分處，香港灣仔皇后大道東183號合和中心22樓卓佳雅柏勤有限公司，辦理過戶登記手續。股息單將約於二零一七年九月二十八日(星期四)寄發予股東。

承董事會命

李其玲

主席

香港，二零一七年八月二十二日

Condensed Consolidated Statement of Profit or Loss

簡明綜合損益表

		For the six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年 (Unaudited) (未經審核) RMB'000 人民幣千元	2016 二零一六年 (Unaudited) (未經審核) RMB'000 人民幣千元
		Notes 附註	
REVENUE	收入	3	491,056
Cost of sales	銷售成本		(150,224)
Gross profit	毛利		340,832
Other income and gains	其他收入及收益	3	13,713
Selling and distribution expenses	銷售及分銷費用		(102,392)
Administrative expenses	行政費用		(40,012)
Other expenses	其他費用		(24,159)
Finance costs	財務費用	4	(13)
Share of profits and losses of: Associates	應佔聯營公司之盈利及虧損		(1,660)
Profit before tax	除稅前溢利	5	186,309
Income tax expense	所得稅	6	(37,341)
PROFIT FOR THE PERIOD	本期間溢利		148,968
Attributable to: Owners of the parent	以下各項應佔： 母公司擁有人		148,968
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	母公司普通股權益持有人 應佔每股盈利	8	
— basic, for profit for the period	— 基本，以本期間溢利計算		RMB0.1859
— diluted, for profit for the period	— 攤薄，以本期間溢利計算		RMB0.1859

The notes from pages 30 to 56 form an integral part of these interim condensed consolidated financial statements.

第30至56頁的附註構成此等簡明綜合中期財務報表的部份。

Condensed Consolidated Statement of Comprehensive Income

簡明綜合全面收益表

For the six months ended 30 June

截至六月三十日止六個月

		2017 二零一七年 (Unaudited) (未經審核) RMB'000 人民幣千元	2016 二零一六年 (Unaudited) (未經審核) RMB'000 人民幣千元
PROFIT FOR THE PERIOD	本期間溢利	148,968	131,480
Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods:	以後期間將被重分類至損益表的其他全面(虧損)/收益：		
Exchange differences	匯兌差額	(2,410)	649
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD, NET OF TAX	本期間除稅後其他全面(虧損)/收益總額	(2,410)	649
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	本期間除稅後全面收益總額	146,558	132,129
Attributable to:	以下各項應佔：		
Owners of the parent	母公司擁有人	146,558	132,129

The notes from pages 30 to 56 form an integral part of these interim condensed consolidated financial statements.

第30至56頁的附註構成此等簡明綜合中期財務報表的部份。

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

			30 June 2017 二零一七年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2016 二零一六年 十二月三十一日 (Audited) (已審核) RMB'000 人民幣千元
		Notes 附註		
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	9	544,976	566,321
Land use rights	土地使用權		39,650	40,175
Construction in progress	在建工程		7,869	5,776
Intangible assets	無形資產		25,205	24,909
Investments in associates	於聯營公司之投資		48,670	–
Deferred tax assets	遞延稅項資產		6,625	6,729
Total non-current assets	非流動資產總額		672,995	643,910
CURRENT ASSETS	流動資產			
Inventories	存貨	10	118,944	124,746
Trade and notes receivables	應收貿易及票據款項	11	265,239	225,660
Prepayments, deposits and other receivables	預付款、按金及其他應收款項	12	380,626	220,958
Equity investments at fair value through profit or loss	透過損益以公允值列賬之股權投資		8,154	7,794
Cash and bank	現金及銀行存款		534,453	663,296
Total current assets	流動資產總額		1,307,416	1,242,454
CURRENT LIABILITIES	流動負債			
Trade and notes payables	應付貿易及票據款項	13	93,227	87,938
Other payables and accruals	其他應付款及預提費用		110,996	98,104
Interest-bearing bank loans	計息銀行貸款		–	9,104
Income tax payable	應付所得稅		20,033	5,510
Total current liabilities	流動負債總額		224,256	200,656
Net current assets	淨流動資產		1,083,160	1,041,798
Total assets less current liabilities	資產總額減流動負債		1,756,155	1,685,708
NON-CURRENT LIABILITIES	非流動負債			
Government grants	政府撥款		2,248	2,248
Deferred tax liabilities	遞延稅項負債		47,663	46,704
Total non-current liabilities	非流動負債總額		49,911	48,952
Net assets	淨資產		1,706,244	1,636,756

Condensed Consolidated Statement of Financial Position (Cont'd)

簡明綜合財務狀況表(續)

			30 June 2017	31 December 2016
			二零一七年 六月三十日 (Unaudited) (未經審核)	二零一六年 十二月三十一日 (Audited) (已審核)
		Notes 附註	RMB'000 人民幣千元	RMB'000 人民幣千元
EQUITY	權益			
Equity attributable to owners of the parent	母公司擁有人應佔權益			
Issued capital	已發行股份	14	84,776	84,952
Treasury shares	庫存股份	15	(92)	(74)
Reserves	儲備	17	1,621,560	1,551,878
Total equity	權益總額		1,706,244	1,636,756

The notes from pages 30 to 56 form an integral part of these interim condensed consolidated financial statements.

第30至56頁的附註構成此等簡明綜合中期財務報表的部份。

Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

For the six months ended 30 June 2017

截至二零一七年六月三十日止六個月

(Unaudited)
(未經審核)

		Attributable to owners of the parent 母公司擁有人應佔權益									
		Issued capital 已發行股本	Treasury shares 庫存股份	Share premium account 股份溢價	Capital redemption reserve 購回儲備	Share option reserve 購股權儲備	Contributed surplus 繳入盈餘	Statutory surplus reserve 法定盈餘公積金	Exchange fluctuation reserve 匯兌波動儲備	Retained profits 保留溢利	Total equity 權益總額
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2016	於二零一六年一月一日	85,206	-	76,861	3,025	13,334	100,175	190,382	(10,419)	1,015,312	1,473,876
Profit for the period	本期間溢利	-	-	-	-	-	-	-	-	131,480	131,480
Other comprehensive income for the period:	本期間其他全面收益：										
Exchange differences	匯兌差額	-	-	-	-	-	-	-	649	-	649
Total comprehensive income for the period	本期間全面收益總額	-	-	-	-	-	-	-	649	131,480	132,129
Exercise of share options	行使購股權	5	-	313	-	(84)	-	-	-	-	234
Share repurchased and cancelled	購回公司股份及註銷	(207)	-	(10,398)	207	-	-	-	-	(207)	(10,605)
Final 2015 dividend declared	宣派二零一五年末期股息	-	-	-	-	-	-	-	-	(80,648)	(80,648)
Dividend on shares issued for employee share options exercised after 31 December 2015	二零一五年十二月三十一日後行使的僱員購股權所發行股份的股息	-	-	-	-	-	-	-	-	(5)	(5)
Equity-settled share option arrangements	以股權支付的購股權安排	-	-	-	-	6,009	-	-	-	-	6,009
At 30 June 2016	於二零一六年六月三十日	85,004	-	66,776	3,232	19,259	100,175	190,382	(9,770)	1,065,932	1,520,990
At 1 January 2017	於二零一七年一月一日	84,952	(74)	60,281	3,400	24,220	100,175	221,559	(6,046)	1,148,289	1,636,756
Profit for the period	本期間溢利	-	-	-	-	-	-	-	-	148,968	148,968
Other comprehensive loss for the period:	本期間其他全面虧損：										
Exchange differences	匯兌差額	-	-	-	-	-	-	-	(2,410)	-	(2,410)
Total comprehensive (loss)/income for the period	本期間全面(虧損)/收益總額	-	-	-	-	-	-	-	(2,410)	148,968	146,558
Exercise of share options	行使購股權	112	-	4,495	-	(1,100)	-	-	-	-	3,507
Share repurchased and cancelled	購回公司股份及註銷	(214)	-	(9,543)	214	-	-	-	-	(214)	(9,757)
Share repurchased and subsequently cancelled	購回公司股份及隨後註銷	-	(92)	(4,319)	92	-	-	-	-	(92)	(4,411)
Share repurchased in pervious year and cancelled this year	於上年度購回公司股份及本年度註銷	(74)	74	-	-	-	-	-	-	-	-
Final 2016 dividend declared	宣派二零一六年末期股息	-	-	-	-	-	-	-	-	(71,082)	(71,082)
Dividend on shares issued for employee share options exercised after 31 December 2016	二零一六年十二月三十一日後行使的僱員購股權所發行股份的股息	-	-	-	-	-	-	-	-	(70)	(70)
Equity-settled share option arrangements	以股權支付的購股權安排	-	-	-	-	4,743	-	-	-	-	4,743
At 30 June 2017	於二零一七年六月三十日	84,776	(92)	50,914	3,706	27,863	100,175	221,559	(8,456)	1,225,799	1,706,244

The notes from pages 30 to 56 form an integral part of these interim condensed consolidated financial statements.

第30至56頁的附註構成此等簡明綜合中期財務報表的部份。

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

For the six months ended 30 June
截至六月三十日止六個月

			2017 二零一七年 (Unaudited) (未經審核) RMB'000 人民幣千元	2016 二零一六年 (Unaudited) (未經審核) RMB'000 人民幣千元
CASH FLOWS FROM OPERATING ACTIVITIES	經營活動的現金流量			
Profit before tax	除稅前溢利		186,309	165,077
Adjustments for:	就下列調整：			
Finance costs	財務費用	4	13	77
Interest income	利息收入	3	(9,330)	(5,526)
Dividend income from equity investments at fair value through profit or loss	透過損益以公允價值列賬之 股權投資的股息收入	3	(30)	(29)
Loss on disposal of items of property, plant and equipment	出售物業、廠房及設備項目的虧損	5	668	159
Reversal of impairment of property, plant and equipment	物業、廠房、設備減值撥回	5	(566)	(262)
Depreciation	折舊	5	25,982	24,731
Amortisation of intangible assets	無形資產攤銷		68	409
Recognition of land use rights	土地使用權確認	5	525	521
Gain on disposal of equity investments at fair value through profit or loss	出售透過損益以公允價值列賬之 股權投資的收益	5	(99)	-
Fair value (gains)/losses, net:	公允價值(收益)/虧損，淨額：			
Equity investments at fair value through profit or loss	透過損益以公允價值列賬之 股權投資	5	(907)	408
Equity-settled share option expense	以股權支付的購股權開支	5	4,743	6,009
Share of profits and losses of: Associates	應佔聯營公司之盈利及虧損		1,660	-
Write-down of inventories to net realisable value	存貨撇減至可變現淨值	5	1,015	8,817
			210,051	200,391
Decrease/(increase) in inventories	存貨減少/(增加)		4,787	(22,032)
(Increase)/decrease in trade and notes receivables	應收貿易及票據款項(增加)/減少		(39,579)	24,507
(Increase)/decrease in prepayments	預付款(增加)/減少		(116)	1,590
Decrease in deposits and other receivables	按金及其他應收款項減少		448	1,467
Increase/(decrease) in trade and notes payables	應付貿易及票據款項增加/(減少)		5,289	(22,659)
Increase in other payables and accruals	其他應付款項及預提費用增加		13,513	46,316
Income tax paid	已付所得稅		(21,755)	(46,760)
Net cash flows from operating activities	經營活動產生的現金流量淨額		172,638	182,820

Condensed Consolidated Statement of Cash Flows (Cont'd)

簡明綜合現金流量表(續)

For the six months ended 30 June
截至六月三十日止六個月

		Notes 附註	2017 二零一七年 (Unaudited) (未經審核) RMB'000 人民幣千元	2016 二零一六年 (Unaudited) (未經審核) RMB'000 人民幣千元
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動的現金流量			
Interest received	已收利息		9,330	5,526
Dividend income from equity investments at fair value through profit or loss	已收透過損益以公允值列賬之股權投資的股息收入	3	30	29
Proceeds from disposal of items of property, plant and equipment	出售物業、廠房及設備項目的所得款項		84	439
Proceeds from disposal of equity investments at fair value through profit or loss	出售透過損益以公允值列賬之股權投資的所得款項		669	-
Purchases of items of property, plant and equipment and construction in progress	購置物業、廠房及設備項目及在建工程		(9,932)	(13,752)
Purchases of intangible assets	購置無形資產		(364)	(70)
Purchases of structured deposits	購買結構性存款		(390,000)	-
Release of structured deposits	釋放結構性存款		230,000	-
Investments in associates	於聯營公司之投資		(50,330)	-
Purchases of equity investments at fair value through profit or loss	購置透過損益以公允值列賬之股權投資		(23)	(3,265)
Net cash flows used in investing activities	投資活動使用的現金流量淨額		(210,536)	(11,093)

Condensed Consolidated Statement of Cash Flows (Cont'd)

簡明綜合現金流量表(續)

		For the six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年 (Unaudited) (未經審核) RMB'000 人民幣千元	2016 二零一六年 (Unaudited) (未經審核) RMB'000 人民幣千元
		Notes 附註	
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動的現金流量		
Proceeds from exercise of share option	行使購股權的所得款項		234
Repurchase of shares	購回公司股份		(10,605)
Repayment of bank loans	償還銀行貸款所支付的現金		(561)
Interest paid	已付利息	4	(77)
Dividends paid	已付股息		(80,653)
Release of bank deposits pledged for bank loans	釋放為取得銀行貸款而抵押之銀行存款		122,510
Net cash flows (used in)/from financing activities	融資活動(使用)/產生的現金流量淨額		30,848
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物(減少)/增加淨額		202,575
Cash and cash equivalents at 1 January	於一月一日的現金及現金等價物		563,280
Effect of foreign exchange rate changes, net	匯率變動之影響，淨額		(15)
Cash and cash equivalents as 30 June	於六月三十日的現金及現金等價物		765,840
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等價物結餘分析		
Cash and bank balances	現金及銀行結存		219,315
Short term deposits	短期銀行存款		546,525
			765,840

The notes from pages 30 to 56 form an integral part of these interim condensed consolidated financial statements.

第30至56頁的附註構成此等簡明綜合中期財務報表的部份。

1. CORPORATE INFORMATION AND BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

1.1 Corporate and Group Information

Dawnrays Pharmaceutical (Holdings) Limited (the “Company”) was incorporated as an exempted company with limited liability in the Cayman Islands on 20 September 2002 under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and the principal place of business is located at Units 3001-02, 30/F, CNT Tower, 338 Hennessy Road, Wanchai, Hong Kong.

The Company and its subsidiaries (collectively referred to as the “Group”) underwent a reorganisation on 21 June 2003 to rationalise the Group’s structure in preparation for the listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), pursuant to which the Company became the holding company of the Group (the “Group Reorganisation”).

The shares of the Company were listed on the Main Board of the Stock Exchange on 11 July 2003.

The Group was principally engaged in the development, manufacture and sale of non-patented pharmaceutical medicines including intermediate pharmaceutical, bulk medicines and finished drugs. In the opinion of the directors, Fortune United Group Limited, a company incorporated in the British Virgin Islands, is the ultimate holding company of the Company.

1. 公司資料、編製基準、會計政策的變動

1.1 公司及本集團資料

東瑞製葯(控股)有限公司(「本公司」)於二零零二年九月二十日根據開曼群島公司法(一九六一年第三卷，經綜合及修訂)第二十二章於開曼群島註冊成立為獲豁免有限公司。本公司之註冊辦事處地址是Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands，而主要營業地點之地址則是香港灣仔軒尼詩道338號北海中心30樓3001-02室。

通過集團重組優化本公司及其附屬公司(統稱「本集團」)的架構以籌備本公司的股份在香港聯合交易所有限公司(「聯交所」)主板上市，於二零零三年六月二十一日，本公司成為組成本集團的附屬公司的控股公司(「集團重組」)。

本公司股份於二零零三年七月十一日於聯交所主板上市。

本集團主要從事非專利藥物開發、製造及銷售，包括中間體、原料藥及成藥。董事認為，於英屬維爾京群島註冊成立的公司Fortune United Group Limited，是本公司的最終控股公司。

1. CORPORATE INFORMATION AND BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES (Cont'd)

1.2 Basis of Preparation

These unaudited interim condensed consolidated financial statements for the six months ended 30 June 2017 (collectively defined as the “interim financial information”) have been prepared in accordance with International Accounting Standards (“IAS”) 34 Interim financial reporting and applicable disclosure requirements of the Rules Governing the listing of securities on the Stock Exchange of Hong Kong Limited. They have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss which have been measured at fair value.

The interim condensed consolidated financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated. These interim condensed consolidated financial statements have not been audited. These interim condensed consolidated financial statements were approved and authorized for issue by the Board on 22 August 2017.

The interim financial information does not include all the information and disclosures required in the financial statements, and should be read in conjunction with the Group’s audited financial statements for the year ended 31 December 2016, which have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) (which include all International Financial Reporting Standards, International Accounting Standards and Interpretations) as issued by the International Accounting Standards Board (“IASB”).

1. 公司資料、編製基準、會計政策的變動 (續)

1.2 編製基準

該等截至二零一七年六月三十日止六個月期間的未經審核簡明綜合中期財務報表(統稱「中期財務資料」)乃根據國際會計準則(「國際會計準則」)第34號「中期財務報告」及所有適用的《香港聯合交易所有限公司證券上市規則》披露規定編製。除透過損益以公允值列賬之財務資產外，中期財務資料乃按歷史成本原則編製。

簡明綜合中期財務報表以人民幣列示，除另有指明外，所有金額均四捨五入至最接近千位。該等簡明綜合中期財務報表未經審核，該等簡明綜合中期財務報表已於二零一七年八月二十二日獲董事會批准及授權發行。

中期財務資料未包括年度會計報表所要求披露的所有資訊，因此閱讀時應結合本集團截至二零一六年十二月三十一日止的經審核綜合財務報表，該等綜合財務報表已根據國際會計準則理事會(「國際會計準則理事會」)頒佈的國際財務報告準則(「國際財務報告準則」)(包括所有國際財務報告準則，國際會計準則及詮釋)而編製。

中期財務資料附註

1. CORPORATE INFORMATION AND BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES (Cont'd)

1.3 Changes in Accounting Policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those in the Group's annual financial statements for the year ended 31 December 2016, except for the adoption of the revised standards effective on 1 January 2017, noted below:

(a) *Revised IFRSs adopted by the Group*

The Group has adopted the following revised IFRSs for the first time for the current year's financial statements.

Amendments to IAS 7	<i>Disclosure Initiative</i>
Amendments to IAS 12	<i>Recognition of Deferred Tax Assets for Unrealised Losses</i>
Amendments to IFRS 12 included in <i>Annual Improvements 2014–2016 Cycle</i>	<i>Disclosure of Interests in Other Entities</i>

The adoption of the revised IFRSs has had no significant financial effect on these financial statements.

1. 公司資料、編製基準、會計政策的變動 (續)

1.3 會計政策的變動

編製簡明綜合中期財務報表所採納的會計政策與編製本集團截至二零一六年十二月三十一日止年度的年度財務報表所採納者一致，惟採納下列於二零一七年一月一日生效經修訂的準則除外：

(a) *本集團採納之經修訂準則*

本集團於本年度財務報表首次採納下列經修訂的國際財務報告準則。

國際會計準則第7號(修訂本)	<i>披露動議</i>
國際會計準則第12號(修訂本)	<i>就未實現虧損確認遞延稅項資產</i>
二零一四年至二零一六年週期之年度改進所包括之國際財務報告準則第12號(修訂本)	<i>於其他實體權益之披露</i>

採納經修訂的國際財務報告準則對該等財務報表並無重大財務影響。

1. CORPORATE INFORMATION AND BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES (Cont'd)

1.3 Changes in Accounting Policies (Cont'd)

(b) Issued but not yet effective IFRSs

The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective, in these financial statements.

Amendments to IFRS 2	<i>Classification and Measurement of Share-based Payment Transactions</i> ¹
Amendments to IFRS 4	<i>Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts</i> ¹
IFRS 9	<i>Financial Instruments</i> ¹
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ⁴
IFRS 15	<i>Revenue from Contracts with Customers</i> ¹
Amendments to IFRS 15	<i>Clarifications to IFRS 15 Revenue from Contracts with Customers</i> ¹
IFRS 16	<i>Leases</i> ²
Amendments to IAS 40	<i>Transfers of Investment Property</i> ¹
IFRIC 22	<i>Foreign Currency Transactions and Advance Consideration</i> ¹
IFRIC 23	<i>Uncertainty over Income Tax Treatments</i> ²
IFRS 17	<i>Insurance Contracts</i> ³
Amendments to IFRS 1 included in Annual Improvements 2014–2016 Cycle	<i>First-time Adoption of International Financial Reporting Standards</i> ¹
Amendments to IAS 28 included in Annual Improvements 2014–2016 Cycle	<i>Investments in Associates and Joint Ventures</i> ¹

¹ Effective for annual periods beginning on or after 1 January 2018

² Effective for annual periods beginning on or after 1 January 2019

³ Effective for annual periods beginning on or after 1 January 2021

⁴ No mandatory effective date yet determined but available for adoption

1. 公司資料、編製基準、會計政策的變動 (續)

1.3 會計政策的變動 (續)

(b) 已頒佈但尚未生效的國際財務報告準則

本集團並未於該等財務報表中應用以下已頒佈但尚未生效的新訂及經修訂國際財務報告準則。

國際財務報告準則第2號 (修訂本)	以股份為基礎之付款交易之分類及計量 ¹
國際財務報告準則第4號 (修訂本)	一併應用國際財務報告準則第9號金融工具及國際財務報告準則第4號保險合約 ¹
國際財務報告準則第9號	金融工具 ¹
國際財務報告準則第10號及國際會計準則第28號 (修訂本)	投資者與其聯營或合營企業之間的資產出售或注資 ⁴
國際財務報告準則第15號	來自客戶合約之收入 ¹
國際財務報告準則第15號 (修訂本)	國際財務報告準則第15號來自客戶合約之收入之澄清 ¹
國際財務報告準則第16號	租賃 ²
國際會計準則第40號 (修訂本)	轉讓投資物業 ¹
國際財務報告詮釋委員會詮釋第22號	外匯交易及預付代價 ¹
國際財務報告詮釋委員會詮釋第23號	所得稅會計處理的不確定性 ²
國際財務報告準則第17號	保險合約 ³
二零一四年至二零一六年週期之年度改進所包括之國際財務報告準則第1號 (修訂本)	首次採納國際財務報告準則 ¹
二零一四年至二零一六年週期之年度改進所包括之國際會計準則第28號 (修訂本)	於聯營公司及合營企業之投資 ¹

¹ 於二零一八年一月一日或之後開始的年度期間生效

² 於二零一九年一月一日或之後開始的年度期間生效

³ 於二零二一年一月一日或之後開始的年度期間生效

⁴ 並無釐定強制生效日期惟可供採納

2. SEGMENT INFORMATION

For management purposes, the Group is organized into business units based on their products and has two reportable segments as follows:

- (a) Manufacture and sale of intermediates and bulk medicines (the “intermediates and bulk medicines” segment)
- (b) Manufacture and sale of finished drugs (including antibiotics finished drugs and non-antibiotics finished drugs) (the “finished drugs” segment)

Management monitors the operating results of these operating segments for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group’s profit before tax except that interest income, finance costs, government grants, dividend income, fair value gains/(losses) from the Group’s financial instruments as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude deferred tax assets, cash and bank, equity investments at fair value through profit or loss and other unallocated head office and corporate assets as these assets are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

2. 分類資料

為方便管理，本集團將業務單位按其產品劃分並由下列兩個可報告分類組成：

- (a) 製造及銷售中間體及原料藥(「中間體及原料藥」分類)
- (b) 製造及銷售成藥(包括抗生素製劑藥及非抗生素製劑藥)(「成藥」分類)

管理層監察經營分類之經營業績，以作出有關資源分配及表現評估的決策。分類表現乃根據可報告分類溢利(其為經調整除稅前溢利的計量)予以評估。經調整除稅前溢利乃貫徹以本集團的除稅前溢利計量，惟利息收入、財務費用、政府撥款、股息收入、來自本集團金融工具的公允值收益／(虧損)、以及總部及企業行政費用不包含於該計量。

分類資產不包括遞延稅項資產、現金及銀行存款、透過損益以公允值列賬之股權投資及其他未分配總部及企業資產，乃由於該等資產以集團為基準管理。

分類間的銷售與轉讓乃參照按當時售價向第三者出售時所用的市場價格進行。

2. SEGMENT INFORMATION (Cont'd)

2. 分類資料(續)

The following is an analysis of the Group's revenue and results by operating segment for the period:

以下為本集團於本期間以經營分類劃分之收入及業績分析：

		Intermediates and bulk medicines 中間體及原料藥 RMB'000 人民幣千元	Finished drugs 成藥 RMB'000 人民幣千元	Elimination of intersegment sales 抵銷分類間銷售 RMB'000 人民幣千元	Total 總數 RMB'000 人民幣千元
Six months ended 30 June 2017 (unaudited)	截至二零一七年六月三十日止六個月(未經審核)				
Segment Revenue:	分類收入：				
Sales to external customers	對外銷售	65,652	425,404	-	491,056
Intersegment sales	分類間銷售	13,068	2,521	(15,589)	-
		78,720	427,925	(15,589)	491,056
Segment Results	分類業績	(5,778)	246,831	-	241,053
<i>Reconciliation:</i>	<i>調整：</i>				
Unallocated gains	未分配收入				11,939
Corporate and other unallocated expenses	企業及其他未分配支出				(66,670)
Finance costs	財務費用				(13)
Profit before tax	除稅前溢利				186,309
Six months ended 30 June 2016 (unaudited)	截至二零一六年六月三十日止六個月(未經審核)				
Segment Revenue:	分類收入：				
Sales to external customers	對外銷售	94,406	324,043	-	418,449
Intersegment sales	分類間銷售	35,819	-	(35,819)	-
		130,225	324,043	(35,819)	418,449
Segment Results	分類業績	(6,793)	206,462	-	199,669
<i>Reconciliation:</i>	<i>調整：</i>				
Unallocated gains	未分配收入				11,329
Corporate and other unallocated expenses	企業及其他未分配支出				(45,844)
Finance costs	財務費用				(77)
Profit before tax	除稅前溢利				165,077

Notes to the Interim Financial Information

中期財務資料附註

2. SEGMENT INFORMATION (Cont'd)

The following is an analysis of the Group's assets by operating segment:

As at 30 June 2017 (unaudited) 於二零一七年六月三十日(未經審核)

Segment Assets:	分類資產：
<i>Reconciliation:</i>	<i>調整：</i>
Corporate and other unallocated assets	企業及其他未分配資產
Total assets	總資產

As at 31 December 2016 (audited) 於二零一六年十二月三十一日(經審核)

Segment Assets:	分類資產：
<i>Reconciliation:</i>	<i>調整：</i>
Corporate and other unallocated assets	企業及其他未分配資產
Total assets	總資產

2. 分類資料(續)

以下為本集團資產以經營分類劃分之分析：

Intermediates and bulk medicines	Finished drugs	Total
中間體及 原料藥	成藥	總數
RMB'000	RMB'000	RMB'000
人民幣千元	人民幣千元	人民幣千元
383,868	558,344	942,212
		1,038,199
		1,980,411

Intermediates and bulk medicines	Finished drugs	Total
中間體及 原料藥	成藥	總數
RMB'000	RMB'000	RMB'000
人民幣千元	人民幣千元	人民幣千元
368,763	531,042	899,805
		986,559
		1,886,364

3. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts.

An analysis of the Group's revenue, other income and gains is as follows:

3. 收入，其他收入及收益

收入(本集團營業額)指銷售貨品扣除退貨、貿易折扣的發票淨額。

本集團收入、其他收入及收益分析如下：

		For the six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年 (Unaudited) (未經審核) RMB'000 人民幣千元	2016 二零一六年 (Unaudited) (未經審核) RMB'000 人民幣千元
Revenue	收入		
Sale of goods	銷售貨品	491,056	418,449
Other income	其他收入		
Bank interest income	銀行利息收入	9,330	5,526
Dividend income from equity investments at fair value through profit or loss	透過損益以公允值列賬之 股權投資的股息收入	30	29
Government grants	政府撥款	1,389	1,376
Foreign exchange differences	匯兌差額	-	3,946
Others	其他	2,865	620
		13,614	11,497
Gains	收益		
Gain on disposal of equity investments at fair value through profit or loss	出售透過損益以公允值列賬之 股權投資的收益	99	-
		13,713	11,497

4. FINANCE COSTS

Interest on bank loans wholly repayable within five years

4. 財務費用

For the six months ended 30 June
截至六月三十日止六個月

	2017 二零一七年 (Unaudited) (未經審核) RMB'000 人民幣千元	2016 二零一六年 (Unaudited) (未經審核) RMB'000 人民幣千元
Interest on bank loans wholly repayable within five years	13	77

Notes to the Interim Financial Information

中期財務資料附註

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

5. 除稅前溢利

本集團的除稅前溢利乃經扣除/(計入)下列各項後釐定：

		For the six months ended 30 June	
		截至六月三十日止六個月	
		2017	2016
		二零一七年	二零一六年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Cost of inventories sold*	已售存貨成本*	150,224	162,746
Depreciation	折舊	25,982	24,731
Recognition of land use rights**	土地使用權確認**	525	521
Research and development costs:	研究及開發成本：		
Amortisation of intangible assets***	無形資產攤銷***	251	294
Current period expenditure	本期間支出	18,136	14,912
		18,387	15,206
Minimum lease payments under operating leases:	經營租約下之最低租金：		
Buildings	樓宇	438	551
Employee benefit expense (including directors' and chief executive officer's remuneration):	僱員福利開支 (包括董事及總裁酬金)：		
Wages and salaries	工資及薪金	39,762	33,915
Retirement benefits	退休福利	3,659	3,844
Accommodation benefits	住房福利	1,740	1,778
Other benefits	其他福利	6,586	5,467
Equity-settled share option expense	以股權支付的購股權開支	4,743	6,009
		56,490	51,013
Foreign exchange differences, net	匯兌差額，淨額	2,857	(3,946)
Reversal of impairment of property, plant and equipment	物業、廠房、設備減值撥回	(566)	(262)
Write-down of inventories to net realisable value	存貨撇減至可變現淨值	1,015	8,817
Fair value (gains)/losses, net:	公允價值(收益)/虧損，淨額：		
Equity investments at fair value through profit or loss	透過損益以公允價值列賬之股權投資	(907)	408
Bank interest income	銀行利息收入	(9,330)	(5,526)
Loss on disposal of items of property, plant and equipment	出售物業、廠房及設備等項目的虧損	668	159
Gain on disposal of equity investments at fair value through profit or loss	出售透過損益以公允價值列賬之股權投資的收益	(99)	-

5. PROFIT BEFORE TAX (Cont'd)

- * The depreciation of RMB21,161,000 (2016: RMB20,346,000) for the period is included in "Cost of inventories sold".
- ** The recognition of land use rights for the period is included in "Administrative expenses" on the face of the condensed consolidated statement of profit or loss.
- *** The amortisation of intangible assets for the period is included in "Other expenses" on the face of the condensed consolidated statement of profit or loss.

6. INCOME TAX

Current income tax	當期所得稅
Current income tax charge	當期所得稅支出
Adjustments in respect of current income tax in previous years	有關過往年度當期所得稅調整
Deferred income tax	遞延稅項
Total tax charge for the period	本期間稅項支出總額

No provision for Hong Kong profits tax has been made as the Group had no assessable profits arising in Hong Kong during the period. Taxation for the subsidiaries in Mainland China is calculated on the estimated assessable profits for the period at the rates of tax prevailing in the locations in which the Group's subsidiaries operate, based on existing legislation, interpretations and practices in respect thereof.

5. 除稅前溢利(續)

- * 本期間折舊其中人民幣21,161,000元(二零一六年: 人民幣20,346,000元)已計入「已售存貨成本」。
- ** 本期間的土地使用權確認計入簡明綜合損益表的「行政費用」。
- *** 本期間的無形資產攤銷計入簡明綜合損益表的「其他費用」。

6. 所得稅

For the six months ended 30 June
截至六月三十日止六個月

2017 二零一七年 (Unaudited) (未經審核) RMB'000 人民幣千元	2016 二零一六年 (Unaudited) (未經審核) RMB'000 人民幣千元
29,640	25,885
45	(9)
7,656	7,721
37,341	33,597

由於本集團於本期間在香港並無產生應課稅溢利，故並無就香港利得稅作出撥備。於中國大陸之附屬公司的稅項乃根據本期間估計應課稅溢利，按本集團附屬公司經營業務所在地之現行法律、釋義及慣例，以當地之適用稅率而計算。

7. DIVIDENDS

7. 股息

For the six months ended 30 June

截至六月三十日止六個月

	2017 二零一七年 (Unaudited) (未經審核) RMB'000 人民幣千元	2016 二零一六年 (Unaudited) (未經審核) RMB'000 人民幣千元
Dividend pertaining to the prior year declared in the six months ended 30 June	71,152	80,653
Interim — HK\$0.03 (2016: HK\$0.03) per ordinary share	20,373	20,673

Dividend pertaining to the prior year declared in the six months ended 30 June
Interim — HK\$0.03 (2016: HK\$0.03) per ordinary share

截至六月三十日止六個月宣派的
上年度股息
中期：每股普通股港幣0.03元
(二零一六年：港幣0.03元)

On 22 August 2017, the Company declared an interim dividend for the year ending 31 December 2017, at HK\$0.03 per share, amounting to a total sum of approximately HK\$23,805,000 (approximately equivalent to RMB20,373,000).

本公司於二零一七年八月二十二日宣派截至二零一七年十二月三十一日止年度的中期股息每股港幣0.03元，合共約港幣23,805,000元（約相當於人民幣20,373,000元）。

8. EARNINGS PER SHARE

8. 每股盈利

The calculation of basic earnings per share for the six months ended 30 June 2017 is based on the profit for the period attributable to ordinary equity holders of the parent of RMB148,968,000 (2016: RMB131,480,000) and the weighted average number of 801,329,912 ordinary shares (2016: 802,880,044 ordinary shares) in issue during the period.

截至二零一七年六月三十日止六個月的每股基本盈利乃按母公司普通股權益持有人應佔本期間溢利人民幣148,968,000元（二零一六年：人民幣131,480,000元）以及於本期間已發行普通股股份之加權平均股數801,329,912股（二零一六年：802,880,044股）而計算。

The calculation of diluted earnings per share for the period is based on the profit for the period attributable to ordinary equity holders of the parent of RMB148,968,000 (2016: RMB131,480,000) and the weighted average number of 801,329,912 ordinary shares (2016: 803,682,241 ordinary shares) in issue during the period after adjusting for the effect of dilutive options.

本期間攤薄後每股盈利乃按母公司普通股權益持有人應佔本期間溢利人民幣148,968,000元（二零一六年：人民幣131,480,000元）以及本期間已發行普通股股份之加權平均股數801,329,912股（二零一六年：803,682,241股）計算，並就具攤薄作用之購股權予以調整。

9. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the period, additions of property, plant and equipment amounted to approximately RMB2,033,000 (2016: approximately RMB919,000). During the period, items of plant and equipment with net carrying amount of approximately RMB186,000 (2016: approximately RMB598,000) were disposed of.

As at 30 June 2017, certain of the Group's leasehold land and building in Hong Kong with net carrying amount of approximately RMB30,669,000 (as at 31 December 2016: RMB31,815,000) were pledged to bank to secure bank facilities granted to its subsidiary.

10. INVENTORIES

At cost or net realisable value:

Raw materials	原材料
Work in progress	在製品
Finished goods	製成品

以成本或可變現淨值計價：

原材料
在製品
製成品

9. 物業、廠房及設備之變動

本期間，添置之物業、廠房及設備總值約為人民幣2,033,000元(二零一六年：約值人民幣919,000元)。本期間，出售之廠房及設備項目賬面淨值約為人民幣186,000元(二零一六年：約值人民幣598,000元)。

於二零一七年六月三十日，本集團若干香港租賃土地及樓宇賬面淨值約人民幣30,669,000元(於二零一六年十二月三十一日：人民幣31,815,000元)已抵押給銀行作為擔保銀行授予其子公司的銀行授信額度。

10. 存貨

30 June 2017 二零一七年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2016 二零一六年 十二月三十一日 (Audited) (已審核) RMB'000 人民幣千元
26,250	24,353
37,563	35,011
55,131	65,382
118,944	124,746

12. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

12. 預付款、按金及其他應收款項

		30 June	31 December
		2017	2016
		二零一七年	二零一六年
		六月三十日	十二月三十一日
		(Unaudited)	(Audited)
		(未經審核)	(已審核)
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Prepayments	預付款	2,884	7,760
Deposits and other receivables	按金及其他應收款項	7,742	3,198
Structured deposits	結構性存款	370,000	210,000
		380,626	220,958

None of the above assets is either past due or impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default.

上述資產未有逾期及並無減值。上述結餘包括之財務資產與近期並無違約歷史的應收款項有關。

Notes to the Interim Financial Information

中期財務資料附註

13. TRADE AND NOTES PAYABLES

An aged analysis of the trade payables and notes payable as at 30 June 2017 is as follows:

Outstanding balances with ages:	按賬齡劃分的尚欠餘額：
Within 90 days	90日內
Between 91 and 180 days	91至180日
Between 181 and 270 days	181至270日
Between 271 and 360 days	271至360日
Over one year	一年以上

The trade payables are non-interest-bearing and are normally settled on 90-day terms. The carrying amounts of the trade payables and notes payable approximate to their fair values.

13. 應付貿易及票據款項

於二零一七年六月三十日的應付貿易及應付票據款項賬齡分析如下：

30 June 2017 二零一七年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2016 二零一六年 十二月三十一日 (Audited) (已審核) RMB'000 人民幣千元
70,905	33,765
21,313	53,238
222	228
72	3
715	704
93,227	87,938

應付貿易款項乃不計利息及一般按九十日除賬期繳付。應付貿易及應付票據款項之賬面值與其公允值相若。

14. SHARE CAPITAL

14. 股本

		Number of shares		Amount	
		股份數目		金額	
		30 June 2017 二零一七年 六月三十日	31 December 2016 二零一六年 十二月三十一日	30 June 2017 二零一七年 六月三十日	31 December 2016 二零一六年 十二月三十一日
		HK\$'000 港幣千元		HK\$'000 港幣千元	HK\$'000 港幣千元
Ordinary shares of HK\$0.1 each	每股面值港幣一毫之普通股				
Authorised:	法定股本:	10,000,000,000	10,000,000,000	1,000,000	1,000,000
Issued and fully paid:	已發行及繳足股份:				
At the beginning of the period/year	於期初/年初	801,852,000	804,848,000	80,185	80,485
Shares issued upon exercise of share options (a)	行使購股權時發行股份 (a)	1,270,000	540,000	127	54
Share repurchased in 2016 and cancelled (b)	2016年股份購回及註銷 (b)	(820,000)	-	(82)	-
Share repurchased and cancelled (c)	股份購回及註銷 (c)	(2,444,000)	(3,536,000)	(244)	(354)
At end of the period/year	於期終/年終	799,858,000	801,852,000	79,986	80,185
Equivalent to RMB'000	等值人民幣千元			84,776	84,952

(a) During the period, 1,270,000 share options under the Company's share option scheme were exercised. Accordingly, 1,270,000 ordinary shares of HK\$0.1 each were issued as a result of the exercise of share options.

(a) 於本期間，1,270,000股根據本公司購股權計劃之購股權已獲行使。因此，1,270,000股每股面值港幣0.1元之普通股已因該等購股權獲行使而發行。

(b) The Company repurchased 820,000 of its ordinary shares on the Stock Exchange for a total consideration of HK\$3,801,000 before expenses in December 2016. The repurchased shares were subsequently cancelled on 26 January 2017.

(b) 二零一六年十二月，本公司在聯交所購回820,000股本公司普通股，未計費用之總代價為港幣3,801,000元，購回的股份其後於2017年1月26日註銷。

(c) The Company repurchased 2,444,000 of its ordinary shares on the Stock Exchange for a total consideration of HK\$11,109,000 before expenses. The repurchased shares were cancelled during the period. The nominal value of the cancelled shares of HK\$244,000 was transferred to the capital redemption reserve and the premium on repurchase, and the related costs incurred for share repurchase, HK\$10,915,000 in total, were charged against the share premium account of the Company.

(c) 本公司在聯交所購回2,444,000股本公司普通股股份，未計費用之總代價為港幣11,109,000元，購回的股份於本期間註銷。與註銷股份面值相等之數額港幣244,000元已撥往資本購回儲蓄，而股份購回所付之溢價及相關費用共港幣10,915,000元已記入本公司之股份溢價賬。

15. TREASURY SHARES

The Company repurchased 1,048,000 of its ordinary shares on the Stock Exchange for a total consideration of HK\$5,017,000 before expenses in June 2017. The repurchased shares were subsequently cancelled on 31 July 2017. The nominal value of those shares of HK\$104,800 was transferred to the capital redemption reserve and the premium on repurchase, and the related costs incurred for share repurchase, HK\$4,933,000 in total, were charged against the share premium account of the Company.

16. SHARE OPTION SCHEME

The Company adopted a share option scheme in 2003 (the “2003 Share Option Scheme”) for the purpose of providing incentives and rewards to eligible persons (including the Company’s directors, independent non-executive directors, employees of the Group and other eligible participants as defined under the 2003 Share Option Scheme) who contribute to the success of the Group’s operations. The 2003 Share Option Scheme was expired on 20 June 2013. All other respects of the provisions of the 2003 Share Option Scheme shall remain in full force and holders of all options granted under the 2003 Share Option Scheme prior to such expiry shall be entitled to exercise the outstanding options pursuant to the terms of the 2003 Share Option Scheme until expiry of the said options. As a result, a new share option scheme, which was approved by the shareholders at the annual general meeting on 24 May 2013, was effective on 21 June 2013 (the “2013 Share Option Scheme”), which was after the expiry of the 2003 Share Option Scheme and will remain in force for 10 years until 20 June 2023. The principal terms of the 2013 Share Option Scheme and the 2003 Share Option Scheme are similar and are collectively referred to as the “Scheme”.

15. 庫存股份

二零一七年六月，本公司在聯交所購回1,048,000股本公司普通股股份，未計費用之總代價為港幣5,017,000元，購回的股份其後於2017年7月31日註銷。與註銷股份面值相等之數額港幣104,800元已撥往資本購回儲蓄，而股份購回所付之溢價及相關費用共港幣4,933,000元已記入本公司之股份溢價賬。

16. 購股權計劃

本公司於二零零三年採納的購股權計劃（「二零零三購股權計劃」）旨在為對本集團業務成就作出貢獻的合資格參與者（包括本公司的董事、獨立非執行董事、本集團的僱員及根據二零零三購股權計劃所界定的其他合資格參與者）的激勵及獎勵。二零零三購股權計劃已於二零一三年六月二十日屆滿，所有二零零三購股權計劃條文之所有其他方面將繼續全面有效，於二零零三購股權計劃期限前，根據二零零三購股權計劃條款授出之所有購股權之持有人，將繼續有權行使未獲行使之購股權，直至前述購股權到期。因此，一項新購股權計劃已於二零一三年五月二十四日之股東週年大會上獲股東批准（「二零一三購股權計劃」），並於二零一三年六月二十一日（即二零零三購股權計劃屆滿後）立即生效，並將於十年內持續有效至二零二三年六月二十日。二零一三購股權計劃之主要條款與二零零三購股權計劃相類似，並統稱為（「該計劃」）。

16. SHARE OPTION SCHEME (Cont'd)

16. 購股權計劃(續)

Movements of Company's share options under the Scheme during the period were as follows:

本期間，該計劃中的本公司購股權變動如下：

Name or category of participant	參與者名稱或類別	Number of share options 購股權數目					Date of grant of share options (a) 授出購股權日期(a)	Exercise period of share options 購股權行使期間	Exercise price of share options (b) 購股權行使價(b)	Closing price of the Company's shares at immediate date before the grant (c) 緊接授出購股權前一天本公司股份收市價格(c)
		At 1 January 2017 於二零一七年一月一日	Granted during the period 本期間已授出	Exercised during the period 本期間已行使	Lapsed during the period (d) 本期間已失效(d)	At 30 June 2017 於二零一七年六月三十日				
Chief Executive Officer (e)	總裁(e)									
Mr. Chen Shaojun	陳紹軍先生	3,000,000	-	-	-	08/01/15	08/01/16-07/01/21	5.15	4.97	
		3,000,000	-	-	-	18/03/15	18/03/16-17/03/21	5.27	5.15	
		2,000,000	-	-	-	16/04/15	16/04/16-15/04/21	7.34	7.17	
		8,000,000	-	-	-					
Other employees	其他僱員									
In aggregate	總計	1,324,000	-	(1,270,000)	(54,000)	25/03/11	25/03/12-24/03/17	3.13	3.14	
		1,000,000	-	-	-	17/09/14	17/09/15-16/09/20	6.44	6.07	
		2,900,000	-	-	-	08/01/15	08/01/16-07/01/21	5.15	4.97	
		4,000,000	-	-	-	16/04/15	16/04/16-15/04/21	7.34	7.17	
		1,400,000	-	-	-	23/11/15	23/11/16-22/11/21	6.38	6.37	
		1,500,000	-	-	-	11/05/16	11/05/17-10/05/22	6.34	6.29	
		1,200,000	-	-	-	08/09/16	08/09/17-07/09/22	5.66	5.56	
		13,324,000	-	(1,270,000)	(54,000)					
		21,324,000	-	(1,270,000)	(54,000)					

16. SHARE OPTION SCHEME (Cont'd)

- (a) The vesting period of the share options is from the date of the grant until the commencement of the exercise period.
- (b) The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.
- (c) The price of the Company's shares disclosed as at immediate date before the grant of the share options is the Stock Exchange closing price on the trading day immediately prior to the date of grant of the options.
- (d) Options lapsed in accordance with the terms of the Scheme due to resignation of employees.
- (e) Mr. Chen Shaojun was appointed as chief executive officer of the Company on 18 April 2016. During 2015, Mr. Chen Shaojun was granted total 8,000,000 share options. The total number of share options granted to Mr. Chen representing approximately 1.008% of the issued share capital of the Company at the date of this report, which exceeds the rule "the maximum number of shares issuable under share options to each eligible person in the Scheme is limited to 1% of the shares of the Company issue at any time" of the Scheme. This is due to the Company repurchased shares and cancelled during the period, resulted in the issued share capital of the Company decreased.

The price of the Company's shares disclosed immediately before the exercise date of the share options is the weighted average of the Stock Exchange closing prices immediately before the dates on which the options were exercised over all of the exercise of options within the disclosure line. The weighted average closing price of Company's shares immediately before the dates on which the options were exercised by employees was HK\$4.61.

For the six months ended 30 June 2017, no share option was cancelled. As at 30 June 2017, the Company had 20,000,000 share options outstanding under the Scheme, which represented approximately 2.50% of the Company's shares in issue as at that date. The exercise in full of the remaining share options would, under the present capital structure of the Company, result in the issue of 20,000,000 additional ordinary shares of the Company, additional share capital of HK\$2,000,000 and share premium of HK\$119,909,000 (before share issue expenses).

16. 購股權計劃(續)

- (a) 購股權的歸屬期為授出日期至行使期開始為止。
- (b) 倘進行供股或發行紅股或本公司股本出現其他類似變動，則購股權的行使價須予以調整。
- (c) 於授予購股權前一天所披露的本公司股份價格為緊接授予購股權當日前一個交易日的聯交所收市價。
- (d) 基於僱員辭任職務，購股權根據計劃的條款而予以失效。
- (e) 陳紹軍先生於二零一六年四月十八日起被委任為本公司總裁。陳紹軍先生於二零一五年被授予共8,000,000股購股權。於本報告日，陳先生被授予的購股權約佔本公司已發行股份的1.008%，超過該計劃條款「該計劃每位合資格參與者之購股權的可予發行最高股份數目，以本公司於任何時間的已發行股份1%為限」的規定。此乃由於本公司於本期間購回股份並註銷，使本公司已發行股份減少所致。

於緊接購股權行使日期前披露的本公司股份價格為股份於緊接披露類別的所有購股權行使日期前一日的聯交所股份收市價的加權平均數。其他僱員已行使的購股權於緊接行使日期前一日之加權平均股份收市價為港幣四元六角一仙。

截至二零一七年六月三十日止六個月，本公司並無註銷任何購股權。於二零一七年六月三十日，本公司根據該計劃尚有20,000,000份購股權尚未行使，約相當於本公司於該日期已發行股份的2.50%。根據本公司現有資本架構，悉數行使餘下的購股權將導致本公司額外發行20,000,000股普通股以及產生港幣2,000,000元額外股本和港幣119,909,000元股份溢價（未計股份發行開支）。

16. SHARE OPTION SCHEME (Cont'd)

The fair value of equity-settled share options granted was estimated as at the date of grant, using a Black-Scholes-Merton valuation model, taking into account the terms and conditions upon which the options were granted. Such value is inherently subjective and uncertain due to the assumptions made and the limitation of the valuation model used. The following table lists the inputs to the model an each option's fair value at the date of grant:

Date of Grant	授出日期	25/03/2011	17/09/2014	08/01/2015	18/3/2015	16/4/2015	23/11/2015	11/5/2016	8/9/2016
Dividend yield (%)	股息率(%)	1.97	0.97	1.21	1.18	0.85	1.04	1.06	1.30
Expected volatility (%)	預期波幅(%)	40	42	43	43	43	43	43	43
Historical volatility (%)	過往波幅(%)	40	42	43	43	43	43	43	43
Risk-free interest rate (%)	無風險折現率(%)	1.970	1.584	1.365	1.290	1.065	1.183	0.969	0.694
Expected life of option (year)	購股權預計年期(年)	6	6	6	6	6	6	6	6
Fair value at the date of grant (HK\$)	於授出日期的公允值(港幣)	0.98	2.45	1.92	1.97	2.82	2.42	2.34	2.03

The expected life of the options is based on the historical data over the past five years and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

No other feature of the options granted was incorporated into the measurement of fair value.

The Group recognised share option expenses of RMB4,743,000 under the Scheme during the six months period ended 30 June 2017 (six months period ended 30 June 2016: RMB6,009,000).

17. RESERVES

The amounts of the Group's reserves and the movements therein for the six months periods are presented in the condensed consolidated statement of changes in equity on page 26 of the interim report.

(i) Contributed surplus

The contributed surplus of the Group represents the difference between the then consolidated net assets of the subsidiaries acquired pursuant to the group reorganisation, over the nominal value of the Company's shares issued in exchange thereof.

16. 購股權計劃(續)

授予以股本結算的購股權的公允值乃於授予購股權當日以柏力克-舒爾斯估值模式估計，並已考慮授予購股權的條款及條件。鑑於有關假設及所使用的估值模式存在限制，有關價值本身含主觀成分及不確定因素。下表列出該模式的輸入數值及每一股購股權於授出日的公允值：

購股權預計年期乃根據過去五年的歷史資料釐定，未必能顯示行使購股權的方式。預期波幅反映過往波幅可顯示未來趨勢的假設，惟未來趨勢未必是實際結果。

並無其他授予購股權的因素列入公允值的計算當中。

本集團於截至二零一七年六月三十日止六個月期間確認該計劃項下的購股權開支為人民幣4,743,000元(截至二零一六年六月三十日止六個月期間：人民幣6,009,000元)。

17. 儲備

於六個月期間的本集團儲備金額及變動已載於中期報告第26頁的簡明綜合權益變動表內。

(i) 繳入盈餘

本集團的繳入盈餘指集團重組所收購附屬公司當時的綜合資產淨值與本公司為換取有關資產而發行的本公司股份面值的差額。

Notes to the Interim Financial Information

中期財務資料附註

17. RESERVES (Cont'd)

(ii) Statutory surplus reserve (the "SSR")

In accordance with the Company Law of the PRC and the articles of association of the Mainland China subsidiaries, the Mainland China subsidiaries are each required to allocate 10% of their profit after tax, as determined in accordance with the PRC generally accepted accounting principles, to the SSR until this reserve reaches 50% of the registered capital of the Mainland China subsidiaries. Part of the SSR may be converted to increase the paid-up capital, provided that the remaining balance after the capitalisation is not less than 25% of the registered capital.

(iii) Exchange fluctuation reserve

The exchange fluctuation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

17. 儲備(續)

(ii) 法定盈餘公積金

根據中國公司法及中國附屬公司的公司章程，中國附屬公司各自須按中國公認會計準則，將其稅後溢利的10%分配至法定盈餘公積金，直至法定盈餘公積金達到中國附屬公司註冊資本的50%。部分法定盈餘公積金可轉為繳足股本以增加股本，惟資本化後的餘額不可低於註冊資本的25%。

(iii) 匯兌波動儲備

匯兌波動儲備乃用作記錄換算外地附屬公司的財務報表所產生的匯兌差額。

18. FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets

		30 June 2017 二零一七年六月三十日 (Unaudited) (未經審核)			31 December 2016 二零一六年十二月三十一日 (Audited) (已審核)		
	Equity investments at fair value through profit or loss	Loans and receivables	Total		Equity investments at fair value through profit or loss	Loans and receivables	Total
	透過損益以公允值列賬之股權投資	貸款及應收款項	總額		透過損益以公允值列賬之股權投資	貸款及應收款項	總額
	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
Trade and notes receivables	應收貿易及票據款項	265,239	265,239		225,660	225,660	
Financial assets included in prepayments, deposits and other receivables	計入預付款、按金及其他應收款之財務資產	377,742	377,742		213,198	213,198	
Equity investments at fair value through profit or loss	透過損益以公允值列賬之股權投資	—	8,154		7,794	—	7,794
Cash and bank	現金及銀行存款	534,453	534,453		663,296	663,296	
		8,154	1,177,434		7,794	1,102,154	1,109,948

18. 按類別劃分之金融工具

財務資產

		30 June 2017 二零一七年六月三十日 (Unaudited) (未經審核)			31 December 2016 二零一六年十二月三十一日 (Audited) (已審核)		
	Equity investments at fair value through profit or loss	Loans and receivables	Total		Equity investments at fair value through profit or loss	Loans and receivables	Total
	透過損益以公允值列賬之股權投資	貸款及應收款項	總額		透過損益以公允值列賬之股權投資	貸款及應收款項	總額
	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
Trade and notes receivables	應收貿易及票據款項	265,239	265,239		225,660	225,660	
Financial assets included in prepayments, deposits and other receivables	計入預付款、按金及其他應收款之財務資產	377,742	377,742		213,198	213,198	
Equity investments at fair value through profit or loss	透過損益以公允值列賬之股權投資	—	8,154		7,794	—	7,794
Cash and bank	現金及銀行存款	534,453	534,453		663,296	663,296	
		8,154	1,177,434		7,794	1,102,154	1,109,948

18. FINANCIAL INSTRUMENTS BY CATEGORY (Cont'd)

18. 按類別劃分之金融工具(續)

Financial liabilities

財務負債

		30 June	31 December
		2017	2016
		二零一七年	二零一六年
		六月三十日	十二月三十一日
		(Unaudited)	(Audited)
		(未經審核)	(已審核)
		Financial	Financial
		liabilities at	liabilities at
		amortised cost	amortised cost
		按攤銷成本計量	按攤銷成本計量
		之財務負債	之財務負債
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Trade and notes payables	應付貿易及票據款項	93,227	87,938
Financial liabilities included in other payables and accruals	計入其他應付款及預提費用之 財務負債	84,649	49,633
Interest-bearing bank loans	計息銀行貸款	—	9,104
		177,876	146,675

Notes to the Interim Financial Information

中期財務資料附註

19. FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value as at 30 June 2017:

Equity investments at fair value through profit or loss

透過損益以公允
值列賬之股權投資

During the period ended 30 June 2017, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3.

The carrying amounts of cash and bank, trade and notes receivables, trade and notes payables, financial assets included in prepayments, deposits and other receivables, financial liabilities included in other payables and accruals, approximate to their fair values.

19. 金融工具之公允價值層級

下表列明本集團金融工具的公允價值計量層級：

於二零一七年六月三十日按公允價值計量的資產：

Fair value measurement using 使用以下各項進行公允價值計量			
Quoted prices in active markets (Level 1) 於活躍 市場的報價 第一級 RMB'000 人民幣千元	Significant observable inputs (Level 2) 重大可 觀察輸入值 第二級 RMB'000 人民幣千元	Significant unobservable inputs (Level 3) 重大不可 觀察輸入值 第三級 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
8,154	-	-	8,154

截至二零一七年六月三十日止期間，第一級與第二級間並無公允價值計量轉移，亦無轉入或移出第三級。

現金及銀行存款、應收貿易及票據款項、應付貿易及票據款項、計入預付款，按金及其他應收款之財務資產、計入其他應付款及預提費用之財務負債的賬面值與其公允價值相若。

20. COMMITMENTS

(a) Operating lease commitments

At 30 June 2017, the Group had total future minimum lease rentals payable under non-cancellable operating leases falling due as follows:

Within one year	一年內
After one year but within five years	一年後至不多於五年

(b) Capital commitments

Contracted, but not provided for:	已訂約，但未作撥備：
Plant and machinery	廠房及機器
Land and building	土地及樓宇

20. 承擔

(a) 經營租賃承擔

截至二零一七年六月三十日，本集團根據不可撤銷經營租約於日後未來應付最低租賃款項總額如下：

30 June 2017 二零一七年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2016 二零一六年 十二月三十一日 (Audited) (已審核) RMB'000 人民幣千元
865	624
258	335
1,123	959

(b) 資本承擔

30 June 2017 二零一七年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元	31 December 2016 二零一六年 十二月三十一日 (Audited) (已審核) RMB'000 人民幣千元
2,249	3,060
832	—
3,081	3,060

Notes to the Interim Financial Information

中期財務資料附註

21. RELATED PARTY TRANSACTIONS

Compensation of key management personnel of the Group:

Salaries, allowances and benefits in kind	薪金、津貼及實物福利
Employee share option benefits	員工購股權福利
Pension scheme contributions	退休金計劃供款
Total compensation paid to key management personnel	主要管理人員酬金總額

21. 關連方交易

本集團主要管理人員酬金：

For the six months ended 30 June	
截至六月三十日止六個月	
2017	2016
二零一七年	二零一六年
(Unaudited)	(Unaudited)
(未經審核)	(未經審核)
RMB'000	RMB'000
人民幣千元	人民幣千元
2,393	2,123
1,458	2,385
46	29
3,897	4,537

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk, liquidity risk and interest rate risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Foreign currency risk

Except the office premises in Hong Kong, the Group does not have significant investment outside of Mainland China. However, the Group has transactional currency exposures. These exposures arise from sales of the Group's subsidiaries denominated in currencies other than the Group's subsidiaries' functional currency. Approximately 14.8% of the Group's sales for the six months ended 30 June 2017 (2016: 11.3%) were denominated in currencies other than the functional currency of the Mainland China subsidiaries. In general situation, upon receipt of currencies other than the functional currency, the Mainland China subsidiaries sell them to the banks immediately in order to convert them into functional currency.

22. 金融風險管理目標及對策

本集團擁有應收貿易款項及應付貿易款項等其他各種財務資產及負債，此乃由其經營直接產生。

本集團金融工具所涉及的主要風險為外匯風險、信貸風險、流動資金風險及利率風險。以下為董事會檢討並同意管理上述每項風險的政策之概要。

外匯風險

除香港辦公室外，本集團於中國大陸以外並無重大投資。然而，本集團仍面對交易貨幣風險。有關風險來自以本集團的中國大陸附屬公司以其功能貨幣以外之貨幣進行之銷售。截至二零一七年六月三十日止六個月，本集團約14.8%之銷售(二零一六年：11.3%)乃以本集團的中國大陸附屬公司功能貨幣以外之貨幣計值。一般情況下，於收到功能貨幣以外之貨幣後，本集團的中國大陸附屬公司會即時將該等貨幣售予銀行以兌換為功能貨幣。

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivables and balances are monitored on an ongoing basis and the Group's exposure to bad debt is not significant.

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and short-term deposits, other receivables and equity investments at fair value through profit or loss, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty. There are no significant concentrations of credit risk within the Group.

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade receivables) and projected cash flows from operations.

22. 金融風險管理目標及對策(續)

信貸風險

本集團僅與該等信譽可靠的第三者進行交易。按照本集團的政策，所有擬按信貸期進行交易的客戶，必須經過信貸核實程序後，方可落實。此外，本集團會持續監察應收款項及結餘的情況，而本集團的壞賬風險並不重大。

就有關本集團其他財務資產的信貸風險，其中包括現金及短期存款、其他應收款項及透過損益以公允值列賬之股權投資，本集團因對方違約所產生的信貸風險，上限相等於該等工具的賬面值。

由於本集團僅與該等享譽盛名兼信譽可靠的第三者進行交易，故不需要任何抵押。集中信貸風險由客戶／交易對手管理，因此本集團內並無任何重大集中信貸風險。

流動資金風險

本集團透過採用經常性流動資金計劃工具，監察其資金短缺的風險。此工具會考慮其金融工具及財務資產(如應收貿易賬款)的到期日以及來自經營業務的預期現金流量。

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

Interest rate risk

The Group's interest rate risk arises primarily from borrowings. Borrowings subject to variable rates expose the Group to cash flow interest rate risk. Borrowings subject to fixed rates economically expose the Group to fair value interest rate risk.

This risk is managed by considering the portfolio of interest bearing assets and liabilities. The net desired position is then managed by fixed rate borrowing or through the use of interest rate swaps, which have the economic effect of converting floating rate borrowings into fixed rate borrowings. The appropriate ratio of fixed/floating risk for the Group is reviewed periodically. The level of fixed rate debt is decided after taking into consideration the potential impact of higher interest rates on profit, interest cover and cash flow cycles of the Group's business and investments. If the current low interest rate environment is unlikely to persist due to inflationary concerns, the Group will consider to lock in fixed rate borrowings to reduce the impact of interest rate fluctuations.

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital for the six months ended 30 June 2017.

23. APPROVAL OF THE INTERIM FINANCIAL REPORT

The interim report was approved and authorised for issue by the board of directors on 22 August 2017.

22. 金融風險管理目標及對策(續)

利率風險

本集團的利率風險主要來自借貸。以浮動利率計息的借貸使本集團承擔現金流量利率風險。按定息借入的借貸則使本集團承擔公允價值變動的利率風險。

管理該利率風險時會考慮整體附息的資產及負債組合。按需要會以定息借貸或利用利率掉期管理，利率掉期具有把浮息借貸轉為定息借貸之經濟效益。本集團會定期檢討定息／浮息風險的合適比例。決定定息負債的水平時，會考慮較高利率對本集團業務及投資的溢利、利息倍數及現金流量週期的潛在影響。若因市場有通脹憂慮使目前的低息環境不可能持續，本集團會考慮使用定息借貸，降低利率波動的影響。

資本管理

本集團管理資本的首要目標是保障本集團的持續經營能力及維持穩健的資本比率，以支援其業務發展及盡量提升股東價值。

本集團會因應經濟環境變化管理其資本架構並對其作出調整。為維持或調整資本架構，本集團或會調整支付予股東的股息款額、返還資本予股東或發行新股份。於截至二零一七年六月三十日止六個月期間，有關資本管理的目標、政策及過程並無作出任何變動。

23. 中期財務報告的批准

本中期報告書已於二零一七年八月二十二日獲董事會批准及授權發行。

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