



武夷药业
Wuyi Pharmaceutical

Wuyi International Pharmaceutical Company Limited

武夷國際藥業有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號: 1889



Life • Nature • Science

愛生命 • 愛自然 • 愛科學



INTERIM REPORT 2017 中期報告

BOARD OF DIRECTORS

Executive Directors

- Mr. Chen Chengqing (Chairman)
(appointed with effect from 17 February 2017)
- Ms. Hung Hoi Lan
(appointed with effect from 17 February 2017)
- Mr. Lin Ouwen
(Chairman and Chief Executive Officer)
(retired with effect from 16 June 2017)
- Mr. Lin Min
(resigned with effect from 17 February 2017)

Independent Non-executive Directors

- Mr. Tu Fangkui
(appointed with effect from 16 June 2017)
- Mr. Wang Zihao
(appointed with effect from 16 June 2017)
- Professor Zhang Rongqing
(appointed with effect from 16 June 2017)
- Mr. Zhang Jie
(retired with effect from 16 June 2017)
- Mr. Zhang Xuewen
(retired with effect from 16 June 2017)
- Mr. Wu Chenghan
(retired with effect from 16 June 2017)

COMPANY SECRETARY

- Mr. Lock Kwong Hang, Simon
CPA (Practising), ACIS and ACS
(appointed with effect from 8 May 2017)
- Mr. Luk Ting Fung
(resigned with effect from 8 May 2017)

董事會

執行董事

- 陳成慶先生(主席)
(由二零一七年二月十七日起獲委任)
- 洪海瀾女士
(由二零一七年二月十七日起獲委任)
- 林歐文先生
(主席及行政總裁)
(由二零一七年六月十六日起退任)
- 林敏先生
(由二零一七年二月十七日起辭任)

獨立非執行董事

- 屠方魁先生
(由二零一七年六月十六日起獲委任)
- 王子豪先生
(由二零一七年六月十六日起獲委任)
- 張榮慶教授
(由二零一七年六月十六日起獲委任)
- 張捷先生
(由二零一七年六月十六日起退任)
- 張學文先生
(由二零一七年六月十六日起退任)
- 吳成翰先生
(由二零一七年六月十六日起退任)

公司秘書

- 駱廣恒先生
CPA (執業) · ACIS 及 ACS
(由二零一七年五月八日起獲委任)
- 陸霆鋒先生
(由二零一七年五月八日起辭任)



AUTHORIZED REPRESENTATIVES

- Mr. Chen Chengqing
(appointed with effect from 16 June 2017)
- Mr. Lock Kwong Hang, Simon
CPA (Practising), ACIS and ACS
(appointed with effect from 8 May 2017)
- Mr. Lin Ouwen
(retired with effect from 16 June 2017)
- Mr. Luk Ting Fung
(resigned with effect from 8 May 2017)

AUDIT COMMITTEE

- Mr. Wang Zihao (Chairman)
(appointed with effect from 16 June 2017)
- Mr. Tu Fangkui
(appointed with effect from 16 June 2017)
- Professor Zhang Rongqing
(appointed with effect from 16 June 2017)
- Mr. Zhang Jie (Chairman)
(retired with effect from 16 June 2017)
- Mr. Zhang Xuewen
(retired with effect from 16 June 2017)
- Mr. Wu Chenghan
(retired with effect from 16 June 2017)

REMUNERATION COMMITTEE

- Mr. Wang Zihao (Chairman)
(appointed with effect from 16 June 2017)
- Mr. Chen Chengqing
(appointed with effect from 16 June 2017)
- Mr. Tu Fangkui
(appointed with effect from 16 June 2017)
- Professor Zhang Rongqing
(appointed with effect from 16 June 2017)
- Mr. Zhang Jie (Chairman)
(retired with effect from 16 June 2017)
- Mr. Lin Ouwen
(retired with effect from 16 June 2017)
- Mr. Zhang Xuewen
(retired with effect from 16 June 2017)
- Mr. Wu Chenghan
(retired with effect from 16 June 2017)

法定代表

- 陳成慶先生
(由二零一七年六月十六日起獲委任)
- 駱廣恒先生
CPA (執業) · ACIS 及 ACS
(由二零一七年五月八日起獲委任)
- 林歐文先生
(由二零一七年六月十六日起退任)
- 陸霆鋒先生
(由二零一七年五月八日起辭任)

審核委員會

- 王子豪先生(主席)
(由二零一七年六月十六日起獲委任)
- 屠方魁先生
(由二零一七年六月十六日起獲委任)
- 張榮慶教授
(由二零一七年六月十六日起獲委任)
- 張捷先生(主席)
(由二零一七年六月十六日起退任)
- 張學文先生
(由二零一七年六月十六日起退任)
- 吳成翰先生
(由二零一七年六月十六日起退任)

薪酬委員會

- 王子豪先生(主席)
(由二零一七年六月十六日起獲委任)
- 陳成慶先生
(由二零一七年六月十六日起委任)
- 屠方魁先生
(由二零一七年六月十六日起獲委任)
- 張榮慶教授
(由二零一七年六月十六日起獲委任)
- 張捷先生(主席)
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(由二零一七年六月十六日起退任)
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(由二零一七年六月十六日起退任)
- 吳成翰先生
(由二零一七年六月十六日起退任)

NOMINATION COMMITTEE

Mr. Chen Chengqing (Chairman)
(appointed with effect from 16 June 2017)
Mr. Tu Fangkui
(appointed with effect from 16 June 2017)
Mr. Wang Zihao
(appointed with effect from 16 June 2017)
Professor Zhang Rongqing
(appointed with effect from 16 June 2017)
Mr. Lin Ouwen (Chairman)
(retired with effect from 16 June 2017)
Mr. Zhang Jie
(retired with effect from 16 June 2017)
Mr. Zhang Xuewen
(retired with effect from 16 June 2017)
Mr. Wu Chenghan
(retired with effect from 16 June 2017)

AUDITOR

Crowe Horwath (HK) CPA Limited
Certified Public Accountants

SOLICITOR

Gallant

PRINCIPAL BANKER

Bank of China (Hong Kong) Limited
Bank of Communications Co., Ltd.

REGISTERED OFFICE

Grand Pavilion,
Hibiscus Way,
802 West Bay Road,
P.O. Box 31119,
KY1-1205,
Cayman Islands

提名委員會

陳成慶先生(主席)
(由二零一七年六月十六日起獲委任)
屠方魁先生
(由二零一七年六月十六日起獲委任)
王子豪先生
(由二零一七年六月十六日起獲委任)
張榮慶教授
(由二零一七年六月十六日起獲委任)
林歐文先生(主席)
(由二零一七年六月十六日起退任)
張捷先生
(由二零一七年六月十六日起退任)
張學文先生
(由二零一七年六月十六日起退任)
吳成翰先生
(由二零一七年六月十六日起退任)

核數師

國富浩華(香港)會計師事務所有限公司
執業會計師

律師

何耀棟律師事務所

主要往來銀行

中國銀行(香港)有限公司
交通銀行股份有限公司

註冊辦事處

Grand Pavilion,
Hibiscus Way,
802 West Bay Road,
P.O. Box 31119,
KY1-1205,
Cayman Islands



PLACE OF BUSINESS IN HONG KONG

Unit 1309, 13/F, West Tower
Shun Tak Centre
Sheung Wan
Hong Kong

香港營業地點

香港上環
信德中心西座
13樓1309室

SHARE REGISTRARS AND TRANSFER OFFICES

Principal share registrar and transfer office

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

股份過戶登記處

股份過戶登記總處

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

Hong Kong branch share registrar and transfer office

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

股份過戶登記處香港分處

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

STOCK CODE

1889

股份代號

1889

WEBSITE

www.wuyi-pharma.com

網址

www.wuyi-pharma.com

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

簡明綜合損益及其他全面收益表



For the six-month period ended 30 June 2017 截至二零一七年六月三十日止六個月期間

		Six months ended 30 June		
		截至六月三十日止六個月		
		2017	2016	
		二零一七年	二零一六年	
		RMB'000	RMB'000	
		人民幣千元	人民幣千元	
		(Unaudited)	(Unaudited)	
		(未經審核)	(未經審核)	
		Note		
		附註		
Revenue	收益	4	38,000	171,496
Cost of sales	銷售成本		(63,233)	(145,626)
Gross (loss)/profit	毛(虧)/利		(25,233)	25,870
Other revenue and net (loss)/income	其他收入及淨(虧損)/收益		(2,399)	1,092
Distribution costs	分銷成本		(2,776)	(9,146)
Administrative expenses	行政費用		(13,192)	(25,424)
Finance costs	融資成本	5a)	(3,073)	(899)
Impairment loss on land use rights	土地使用權的減值虧損	5c)	(14,213)	(12,786)
Impairment loss on property, plant and equipment	物業、廠房及設備的減值虧損	5c)	(348,787)	(186,454)
Impairment loss on goodwill	商譽減值虧損		(83,670)	–
Written off of property, plant and equipment	物業、廠房及設備撇銷		(69)	–
Share of results of an associate	應佔聯營公司業績		–	–
Loss before tax	除稅前虧損	5	(493,412)	(207,747)
Income tax	所得稅	6	(85)	48,643
Loss for the period attributable to owners of the Company	本公司擁有人應佔期內虧損		(493,497)	(159,104)
Other comprehensive loss for the period	期內其他全面虧損			
Items that may be reclassified subsequently to profit or loss:	將可能會重新分類至損益之項目：			
Exchange differences on translation of financial statements of foreign operations	換算財務報表至呈列貨幣產生之匯兌差額		(252)	–
Total comprehensive loss for the period attributable to owners of the Company	期內本公司擁有人應佔全面總虧損		(493,749)	(159,104)
Loss per share – Basic and diluted	每股虧損 – 基本及攤薄	8	RMB(21.7) cents 人民幣(21.7)分	RMB(8.5) cents 人民幣(8.5)分

The notes on pages 11 to 34 form part of this interim report. Details of dividend payable to owners of the Company are set out in note 8.

第11至34頁的附註構成本財務報表之一部分。有關支付本公司擁有人股息的詳情載於附註8。



Condensed Consolidated Statement of Financial Position

簡明綜合財政狀況表

As at 30 June 2017 於二零一七年六月三十日

		30 June 六月三十日 2017 二零一七年 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 十二月三十一日 2016 二零一六年 RMB'000 人民幣千元 (Audited) (經審核)
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	525,906	750,373
Land use rights	土地使用權	21,430	36,137
Goodwill	商譽	23,385	107,055
Other intangible assets	其他無形資產	3,519	3,918
Deferred tax assets	遞延稅項資產	169,736	169,736
Finance lease receivables	應收融資租賃款項	45,512	-
Interests in an associate	於聯營公司權益	4,795	4,795
		794,283	1,072,014
Current assets	流動資產		
Inventories	存貨	15,132	14,133
Trade and other receivables	貿易應收款項及 其他應收款項	122,613	112,280
Tax recoverable	可收回稅項	336	336
Finance lease receivables	應收融資租賃款項	21,815	-
Financial assets at fair value through profit or loss	按公平值計入損益 之金融資產	-	41,977
Cash and cash equivalents	現金及現金等價物	89,758	147,547
		249,654	316,273
Current liabilities	流動負債		
Trade and other payables	貿易應付款項及 其他應付款項	14,681	49,546
Secured bank loans	有抵押銀行貸款	240,100	85,600
Current taxation	當期稅項	1,073	988
		255,854	136,134

Condensed Consolidated Statement of Financial Position

簡明綜合財政狀況表



As at 30 June 2017 於二零一七年六月三十日

		30 June 六月三十日 2017 二零一七年 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 十二月三十一日 2016 二零一六年 RMB'000 人民幣千元 (Audited) (經審核)
Non-current liabilities	非流動負債		
Deposit received	已收按金	6,950	-
Deferred tax liabilities	遞延稅項負債	13,736	13,736
		20,686	13,736
Net assets	淨資產	767,397	1,238,417
Equity	資本及儲備		
Share capital	股本	22,473	21,762
Reserves	儲備	744,924	1,216,655
Total equity attributable to owners of the Company	本公司擁有人應佔總權益	767,397	1,238,417

The notes on pages 11 to 34 form part of this interim report.

第 11 至 34 頁的附註構成本財務報表之一部分。



Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

For the six-month period ended 30 June 2017 截至二零一七年六月三十日止六個月期間

		Attributable to owners of the Company									
		本公司擁有人應佔									
		Share capital	Share premium	Share option reserve	Special reserve	Capital reserve	Statutory surplus reserve	Non-distributable reserve	Translation reserve	Retained profits	Total
		股本	股份溢價	儲蓄	特別儲備	資本儲備	盈餘儲備	分派儲備	匯兌儲備	保留溢利	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2016 (audited)	於二零一六年一月一日 (經審核)	18,527	980,979	-	(124,106)	53,000	262,004	23,752	-	331,309	1,545,465
Loss and total comprehensive loss for the period	期內虧損及全面總虧損	-	-	-	-	-	-	-	-	(159,104)	(159,104)
At 30 June 2016 (unaudited)	於二零一六年六月三十日 (未經審核)	18,527	980,979	-	(124,106)	53,000	262,004	23,752	-	172,205	1,386,361
At 1 January 2017 (audited)	於二零一七年一月一日 (經審核)	21,762	1,047,038	19,916	(124,106)	53,000	264,197	23,752	-	(67,142)	1,238,417
Loss for the period	期內虧損	-	-	-	-	-	-	-	-	(493,497)	(493,497)
Other comprehensive loss for the period	期內其他全面虧損	-	-	-	-	-	-	-	(252)	-	(252)
Total comprehensive loss for the period	期內全面總虧損	-	-	-	-	-	-	-	(252)	(493,497)	(493,749)
Shares issued upon exercise of share options	行使購股權後 已發行股份	711	31,976	(9,958)	-	-	-	-	-	-	22,729
At 30 June 2017 (unaudited)	於二零一七年六月三十日 (未經審核)	22,473	1,079,014	9,958	(124,106)	53,000	264,197	23,752	(252)	(560,639)	767,397

The notes on pages 11 to 34 form part of this interim report.

第 11 至 34 頁的附註構成本財務報表之一部分。

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表



For the six-month period ended 30 June 2017 截至二零一七年六月三十日止六個月期間

		Six months ended 30 June	
		截至六月三十日止六個月	
		2017	2016
		二零一七年	二零一六年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Operating activities	經營活動		
Loss before tax	除稅前虧損	(493,412)	(207,747)
Adjustments for:	為下列各項調整：		
Interest income	利息收入	(179)	(1,053)
Finance costs	融資成本	3,073	899
Depreciation of property, plant and equipment	物業、廠房及設備的折舊	38,616	38,182
Amortisation of land use rights	土地使用權的攤銷	494	637
Amortisation of other intangible assets	其他無形資產的攤銷	399	-
Impairment loss of land use rights	土地使用權的減值虧損	14,213	12,786
Impairment loss of property, plant and equipment	物業、廠房及設備的減值虧損	348,787	186,454
Impairment loss of goodwill	商譽的減值虧損	83,670	-
Written off on property, plant and equipment	物業、廠房及設備撇銷	69	-
Loss on disposal of financial asset at fair value through profit or loss	出售按公平值計入損益之金融資產虧損	2,157	-
Foreign exchange loss	外幣兌換虧損	1,357	-
		(756)	30,158
Changes in working capital	營運資金變動		
Increase in inventories	存貨增加	(999)	(11,267)
(Increase)/decrease in trade and other receivables	貿易應收款項及其他應收款項(增加)/減少	(10,514)	76,878
Increase in finance lease receivables	應收融資租賃款增加	(67,327)	-
Decrease in trade and other payables	貿易應付款項及其他應付款項減少	(34,865)	(40,243)
Increase in deposit received	已收按金增加	6,950	-
Cash (used in)/generated from operations	經營活動(所用)/產生的現金	(107,511)	55,526
Income tax paid – The People's Republic of China (the "PRC")	已付所得稅 – 中華人民共和國(「中國」)	-	(4,394)
Net cash (used in)/generated from operating activities	經營活動(所用)/產生的現金淨額	(107,511)	51,132



Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

For the six-month period ended 30 June 2017 截至二零一七年六月三十日止六個月期間

		Six months ended 30 June	
		截至六月三十日止六個月	
		2017	2016
		二零一七年	二零一六年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Investing activities	投資活動		
Interest received	已收利息	179	1,053
Payment for the purchase of property, plant and equipment	購買物業、廠房及設備的款項	(163,005)	(58)
Proceeds from disposal of financial asset at fair value through profit or loss	出售金融資產的所得款項	39,409	-
Net cash (used in)/generated from investing activities	投資活動(所用)/產生的現金淨額	(123,417)	995
Financing activities	融資活動		
Interest paid	已付利息	(3,073)	(899)
New bank loan raised	新取得的銀行貸款	154,500	-
Proceeds from exercise of share options	行使購股權所得款項	22,729	-
Net cash generated from/(used in) financing activities	融資活動產生/(所用)的現金淨額	174,156	(899)
Net (decrease)/increase in cash and cash equivalents	淨現金及現金等價物(減少)/增加	(56,772)	51,228
Cash and cash equivalents at 1 January	於一月一日的現金及現金等價物	147,547	555,247
Effect of foreign exchange rate changes	外匯匯率變動之影響淨額	(1,017)	-
Cash and cash equivalents at 30 June	於六月三十日的現金及現金等價物	89,758	606,475
Analysis of the balances of cash and cash equivalents	現金及現金等價物結餘分析		
Bank balances and cash	銀行結餘及現金	89,758	606,475

The notes on pages 11 to 34 form part of this interim report. 第11至34頁的附註構成本財務報表之一部分。



1. GENERAL INFORMATION AND BASIS OF PREPARATION

Wuyi International Pharmaceutical Company Limited (the “Company”) was incorporated and registered as an exempted company with limited liability under the Companies Law, Cap.22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and acts as an investment holding company. Its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 1 February 2007. The addresses of the registered office and principal place of business of the Company are Grand Pavilion, Hibiscus Way, 802 West Bay Road, P.O. Box 31119, KY1-1205, Cayman Islands and Unit 1309, 13/F., West Tower, Shun Tak Centre, Sheung Wan, Hong Kong respectively. The principal activities of its principal subsidiaries are the development, manufacturing, marketing and sales of pharmaceutical products, sales of pharmaceutical related software, provision of consultancy services, trading of electronic components and provision of finance leasing services.

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

1. 一般資料及編製基準

武夷國際藥業有限公司(「本公司」)根據開曼群島公司法第22章(一九六一年第三條法例,經綜合及經修訂)註冊成立為受豁免有限公司並作為一家投資控股公司。其股份於二零零七年二月一日於香港聯合交易所有限公司(「聯交所」)主板上市。本公司的註冊辦事處及主要營業地點的地址分別為Grand Pavilion, Hibiscus Way, 802 West Bay Road, P.O. Box 31119, KY1-1205, Cayman Islands及香港上環信德中心西座13樓1309室。本公司主要附屬公司的主要業務為從事醫藥產品開發、製造、市場推廣及銷售、銷售醫療相關軟件、提供顧問服務、電子元件貿易及融資租賃服務。

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



1. GENERAL INFORMATION AND BASIS OF PREPARATION (CONTINUED)

The unaudited interim condensed consolidated financial statements for the six months ended 30 June 2017 have been prepared in accordance with the applicable disclosure provision of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and in compliance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2016 annual financial statements, except for the changes in accounting policies that are expected to be reflected in the 2017 annual financial statements. Details of these changes in accounting policies are set out in note 2 below.

The interim condensed consolidated financial statements are unaudited, do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2016.

1. 一般資料及編製基準(續)

截至二零一七年六月三十日止六個月之未經審核中期簡明綜合財務報表乃根據香港聯合交易所有限公司證券上市規則(「上市規則」)之適用披露規定及香港會計師公會所頒佈之香港會計準則(「香港會計準則」)第34號「中期財務報告」所編製。

中期財務報告乃根據於二零一六年年末財務報表所採納之相同會計政策編製，惟預期於二零一七年年末財務報表反映之會計政策變動除外。有關該等會計政策變動之詳情於財務報表附註2載列。

本中期簡明綜合財務報表為未經審核，並無收錄年度財務報表規定之所有資料及披露資料，因此應與本集團截至二零一六年十二月三十一日止年度之年度財務報表一併閱讀。



1. GENERAL INFORMATION AND BASIS OF PREPARATION (CONTINUED)

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2016 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

The financial information relating to the financial year ended 31 December 2016 that is included in the interim financial report as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that financial year but is derived from those financial statements. The statutory financial statements for the year ended 31 December 2016 are available from the Company’s registered office. The auditor has expressed an unqualified opinion on those financial statements in their report dated 13 April 2017.

1. 一般資料及編製基準（續）

編製符合香港會計準則第34號之中期財務報告要求管理層作出判斷、估計及假設，而有關判斷、估計及假設會影響政策之應用及本年迄今為止所呈報資產及負債、收益及開支之金額。實際結果可能與該等估計有所差異。

本中期財務報告載有簡明綜合財務報表及經挑選之解釋附註。該等附註包括解釋對本集團自二零一六年全年財務報表刊發以來之財務狀況及表現所出現之變動而言屬重要之事件及交易。簡明綜合中期財務報表及其附註並不包括根據適用香港財務報告準則而編製之完整財務報表所規定之一切資料。

有關截至二零一六年十二月三十一日止財政年度並載入中期財務報告內作為可資比較資料之財務資料，並不構成本公司於該財政年度之法定年度簡明財務報表，惟摘錄自該等財務報表。截至二零一六年十二月三十一日止年度之法定財務報表在本公司之註冊辦事處可供索閱。核數師在日期為二零一七年四月十三日之報告內已對該等財務報表作出無保留意見。



2. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of amendments to HKFRSs that are first effective for the current accounting period of the Group.

Amendments to HKAS 7
香港會計準則第7號的修訂本

Amendments to HKAS 12
香港會計準則第12號的修訂本

Amendments to HKFRSs
年度改進項目

None of these amendments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

2. 會計政策之變動

香港會計師公會已頒佈數項香港財務報告準則的修訂本。該等修訂本自本集團本會計期間首次生效。

Disclosure Initiative
主動披露

Recognition of Deferred Tax Assets for Unrealised Losses
就未變現虧損確認遞延稅項資產

Annual Improvements to HKFRSs 2014-2016 Cycle
香港財務報告準則二零一四年至二零一六年週期的年度改進：香港會計準則第12號的修訂本

該等變動對本集團本會計期間及過往會計期間的業績及財務狀況之編製或呈列方式並無重大影響。本集團並未就本會計期間應用尚未生效的任何新訂準則或詮釋。



3. SEGMENT INFORMATION

The Group manages its businesses by divisions, which are organised by business lines. In a manner consistent with the way in which information is reported internally to the Board (the chief operating decision maker) for the purposes of resources allocation and performance assessment, the Group has presented the following three reportable segments. No operating segments have been aggregated to form the following reportable segments.

- (a) Pharmaceutical products: development, manufacturing, marketing and sales of pharmaceutical products, sales of pharmaceutical related software and provision of consultancy services;
- (b) Finance leasing: provision of finance leasing services; and
- (c) Other general trading: trading of goods other than pharmaceutical products.

As an effort to diversify the business of the Group, the Group has commenced the business of finance leasing and other general trading during the six months ended 30 June 2017 and thus the results of these two new segments are included in the segment reporting.

3. 分類資料

本集團以分部管理業務，而分部則以業務範圍劃分。按與董事會（主要經營決策者）就資源分配和表現評估作內部報告資料一致的方式，本集團已呈列下列三個可呈報分部。本集團並無將營運分部合併以組成以下之可呈報分部。

- (a) 醫藥產品：開發、製造、市場推廣及銷售醫藥產品，銷售醫療相關軟件及提供顧問服務；
- (b) 融資租賃：提供融資租賃服務；及
- (c) 其他一般貿易：買賣醫藥產品以外之商品。

為致力多元化發展本集團之業務，截至二零一七年六月三十日止六個月期間，本集團展開融資租賃服務以及其他一般貿易業務，因而產生上述兩個新分部，並已納入分部報告。



Notes to the Unaudited Interim Financial Statements

未經審核中期財務報表附註

For the six-month period ended 30 June 2017 截至二零一七年六月三十日止六個月期間

3. SEGMENT INFORMATION (CONTINUED)

Information regarding the Group's reportable segments as provided to the Board for the purposes of resources allocation and assessment of segment performance for the six months ended 30 June 2017 and 2016 is set out below:

3. 分類資料(續)

提供予董事會以進行資源分配及對截至二零一七年及二零一六年六月三十日止六個月之分部表現進行評估之本集團之可呈報分部資料載列如下：

		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)			
		Pharmaceutical products	Finance leasing	Other general trading	Total
		醫藥產品	租賃服務	一般貿易	總額
		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
Reportable segment revenue from external customers	來自外部客戶之 可呈報分部收益	19,123	1,125	17,752	38,000
Reportable segment profit/(loss)	可呈報分部 溢利/(虧損)	(487,680)	412	844	(486,424)
		Six months ended 30 June 2016 (unaudited) (re-presented) 截至二零一六年六月三十日止六個月(未經審核)(重列)			
		Pharmaceutical products	Finance leasing	Other general trading	Total
		醫藥產品	租賃服務	一般貿易	總額
		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
Reportable segment revenue from external customers	來自外部客戶之 可呈報分部收益	171,496	N/A(不適用)	N/A(不適用)	171,496
Reportable segment loss	可呈報分部虧損	(204,347)	N/A(不適用)	N/A(不適用)	(204,347)



3. SEGMENT INFORMATION (CONTINUED)

There are no inter-segment sales for the six-month period ended 30 June 2017.

The measure used for reporting segment profit/(loss) is earnings and loss of each segment without allocation of other income, central administration costs and other operating expenses.

Reconciliation of reportable segment profit or loss:

3. 分類資料(續)

截至二零一七年六月三十日止六個月，本集團並無分部間銷售。

呈報分部溢利／(虧損)之計量方法為各分部在未分配其他收入、中央行政開支及營業外支出的情況下之盈利及虧損。

可呈報分部溢利或虧損的對賬：

		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
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Total reportable segment loss derived from the Group's external customers	本集團外部客戶衍生之可呈報分部虧損總額	(486,424)	(204,347)
Unallocated head office and corporate other revenue and net (loss)/income	未分配總辦事處及公司其他營業外收入及淨(虧損)／收入	(2,857)	31
Unallocated head office and corporate expenses	未分配總辦事處及公司開支		
– Staff costs (including directors' emoluments)	– 員工成本(包括董事酬金)	(1,643)	(1,935)
– Written off of property, plant and equipment	– 物業、廠房及設備撇銷	(69)	–
– Others	– 其他	(2,419)	(1,496)
Consolidated loss before tax	綜合稅前虧損	(493,412)	(207,747)



Notes to the Unaudited Interim Financial Statements

未經審核中期財務報表附註

For the six-month period ended 30 June 2017 截至二零一七年六月三十日止六個月期間

3. SEGMENT INFORMATION (CONTINUED)

The following table presents segment assets and segment liabilities of the Group's operating segments as at 30 June 2017 and 31 December 2016:

3. 分類資料(續)

下表載列本集團經營分部於二零一七年六月三十日及二零一六年十二月三十一日之分部資產及分部負債：

		At 30 June 2017 (unaudited) 於二零一七年六月三十日(未經審核)			
		Pharmaceutical products 醫藥產品 RMB'000 人民幣千元	Finance leasing 融資租賃服務 RMB'000 人民幣千元	Other general trading 其他一般貿易 RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
Reportable segment assets	可呈報分部資產	942,322	79,616	19,320	1,041,258
Reportable segment liabilities	可呈報分部負債	268,128	7,152	-	275,280

		At 31 December 2016 (audited) (re-presented) 於二零一六年十二月三十一日(經審核)(重列)			
		Pharmaceutical products 醫藥產品 RMB'000 人民幣千元	Finance leasing 融資租賃服務 RMB'000 人民幣千元	Other general trading 其他一般貿易 RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
Reportable segment assets	可呈報分部資產	1,306,318	N/A(不適用)	N/A(不適用)	1,306,318
Reportable segment liabilities	可呈報分部負債	147,179	N/A(不適用)	N/A(不適用)	147,179



4. REVENUE

The principal activities of the Group are the development, manufacturing, marketing and sales of pharmaceutical products, sales of pharmaceutical related software, provision of consultancy services, trading of electronic components and provision of finance leasing services.

The amount of each significant category of revenue is as follows:

4. 收益

本集團的主要業務為藥品開發、製造、市場推廣及銷售、銷售醫療相關軟件，提供顧問服務、電子元件貿易及融資租賃服務。

確認收入之各項主要類別如下：

		Six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Sales of pharmaceutical products	銷售藥品	15,159	171,496
Trading of electronic components	電子元件貿易	17,752	—
Provision of consultancy services	提供顧問服務	3,964	—
Finance leasing interest income	融資租賃利息收入	1,125	—
		38,000	171,496



Notes to the Unaudited Interim Financial Statements

未經審核中期財務報表附註

For the six-month period ended 30 June 2017 截至二零一七年六月三十日止六個月期間

5. LOSS BEFORE TAX

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

5. 除税前虧損

除税前虧損已扣除/(計入)下列項目：

		Six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)
a)	Finance costs	a)	融資成本
	Interest on bank borrowing	3,073	899
b)	Staff costs	b)	員工成本
	Directors' and chief executive officer's emoluments	788	1,574
	Other staff costs		
	– Contributions to defined contribution retirement benefits scheme	1,074	2,064
	– Salaries, wages and other benefits	5,272	14,050
	Total staff costs **	7,134	17,688
c)	Other items	c)	其他項目
	Depreciation of property, plant and equipment **	38,616	38,182
	Amortisation of land use rights	494	637
	Amortisation of other intangible assets	399	–
	Exchange loss/(gain), net	743	(12)
	Impairment loss on property, plant and equipment	348,787	186,454
	Impairment loss on land use rights	14,213	12,786
	Impairment loss on goodwill	83,670	–
	Operating lease payments in respect of rented premises	746	505
	Research and development costs*	1,097	2,408
	Cost of inventories*	62,940	145,626
	Bank interest income	(179)	(1,053)
	Written off of property, plant and equipment	69	–
	Loss on disposal of financial asset at fair value through profit or loss	2,157	–



5. LOSS BEFORE TAX (CONTINUED)

- # Cost of inventories includes RMB36,694,000 (six-month period ended 30 June 2016: RMB35,678,000) relating to staff costs and depreciation, the amount of which is also included in the respective total amounts disclosed separately above.
- * Research and development costs includes RMB1,049,000 (six-month period ended 30 June 2016: RMB2,338,000) relating to staff costs and depreciation, the amount of which is also included in the respective total amounts disclosed separately above.

5. 除稅前虧損(續)

- # 存貨成本包括與員工成本及折舊有關的人民幣36,964,000元(截至二零一六年六月三十日止六個月期間: 人民幣35,678,000元), 該金額亦包括於上文單獨披露的各項費用總金額。
- * 研發成本包括與員工成本及折舊有關的人民幣1,049,000元(截至二零一六年六月三十日止六個月期間: 人民幣2,338,000元), 該金額亦包括於上文單獨披露的各項費用總金額。

6. INCOME TAX

6. 所得稅

		Six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Current tax	當期稅項		
– PRC Enterprise Income Tax (“PRC EIT”)	– 中國企業所得稅	85	1,159
– Hong Kong Profits Tax	– 香港利得稅	–	–
Deferred taxation	遞延稅項	–	(49,802)
		85	(48,643)



6. INCOME TAX (CONTINUED)

- a) In accordance with the relevant laws and regulations in the PRC, one of the PRC subsidiaries of the Group, Fujian Liumai Medical Services Co., Ltd. ("Fujian Liumai") is exempted from PRC EIT for two years ended 31 December 2016 and 2017, followed by a 50% reduction for the next three years ended 31 December 2018 to 31 December 2020.

Also, another subsidiary, Union Development Financial Leasing (Shenzhen) Company Limited, met the criteria to apply for preferential income tax rate granted to small-sized and low profit-making enterprises in the PRC. The taxable income amount shall be computed based on 50% of its income and subject to PRC EIT based on 20% tax rate for the three years ended 31 December 2017 to 2019.

For other PRC subsidiaries of the Group, PRC EIT is calculated at 25% (2016: 25%) in accordance with the relevant laws and regulations in the PRC.

- b) The provision for Hong Kong Profits Tax for 2017 is calculated at 16.5% of estimated assessable profits for the period.

6. 所得稅 (續)

- a) 根據中國相關法律及法規，本集團的其中一間國內附屬公司，福建六脈醫療服務有限公司，享有截至二零一六年及二零一七年十二月三十一日止兩個年度企業所得稅全免及截至二零一八年十二月三十一日至二零二零年十二月三十一日止未來三個年度企業所得稅減半徵收的稅務優惠。

並且另一間附屬公司，聯合發展融資租賃(深圳)有限公司符合國內所定小型微利企業因而享有稅務寬減優惠。截至二零一七年至二零一九年十二月三十一日止三個年度企業所得稅率為20%而應課稅溢利為其收入之50%計算。

就本集團其他國內附屬公司而言，中國企業所得稅乃根據中國相關法律法規按25% (二零一六年：25%) 計算。

- b) 香港利得稅按香港產生之估計應課稅溢利以16.5%稅率計提。



7. DIVIDENDS

The directors of the Company do not recommend the payment of an interim dividend for the six-month period ended 30 June 2017 (six-month period ended 30 June 2016: Nil).

7. 股息

本公司董事(「董事」)建議不派發截至二零一七年六月三十日止六個月期間的中期股息(二零一六年同期：無)。

8. LOSS PER SHARE

a) Basic loss per share

The calculation of basic loss per share is based on the loss for the period attributable to owners of the Company of approximately RMB493,497,000 (six-month period ended 30 June 2016: RMB159,104,000) and the weighted average of 2,273,534,931 ordinary shares (six-month period ended 30 June 2016: 1,880,772,500 ordinary shares) in issue during the period.

b) Diluted loss per share

For the six-month period ended 30 June 2017, no adjustment has been made to the basic loss per share amount presented as the impact of the share options had an anti-dilutive effect on the basic loss per share amount presented. Therefore, the calculation of diluted loss per share is based on the loss for the period attributable to owners of the Company of RMB493,497,000 and the weighted average number of 2,273,534,931 ordinary shares in issue during the period.

8. 每股虧損

a) 每股基本虧損

每股基本虧損乃根據期內本公司擁有人應佔虧損約人民幣493,497,000元(二零一六年同期：約人民幣159,104,000元)以及已發行加權平均2,273,534,931股普通股(二零一六年同期：1,880,772,500股普通股)計算。

b) 每股攤薄虧損

截至二零一七年六月三十日止六個月期間，由於購股權對每股基本虧損列值金額具有反攤薄影響，故並未對每股基本虧損列值金額作出調整。因此，每股基本攤薄虧損乃根據期內本公司擁有人應佔虧損人民幣493,497,000元以及已發行權平均2,273,534,931股普通股計算。



8. LOSS PER SHARE (CONTINUED)

b) Diluted loss per share (continued)

For the six-month period ended 30 June 2016, diluted loss per share equals basic loss per share as there is no dilutive potential ordinary shares outstanding.

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

During the six-month period ended 30 June 2017, as a result of the drop in sales demand, suspension of production due to the delay in obtaining new GMP certification and the continuously deepening of the pharmaceutical system reform in China, the Group has experienced significant drop in turnover and resulted in gross loss during the period. The management of the Group therefore performed an impairment review of the recoverable amount related to the Group's production facilities of the factory located in Haixi Commercial Trading Development Zone in Jianyang City, Fujian Province, the PRC. For the purposes of impairment testing, property, plant and equipment and land use rights located at the above production facilities had been allocated to one cash-generating unit ("CGU").

8. 每股盈利虧損(續)

b) 每股攤薄虧損(續)

截至二零一六年六月三十日止六個月期間，由於並無已發行攤薄潛在普通股，故每股攤薄虧損等於每股基本虧損。

9. 物業、廠房及設備及土地使用權之減值

截至二零一七年六月三十日止六個月，由於銷售需求下跌、因藥品生產質量管理規範證書未能如期取得而停產，以及中國醫藥制度改革繼續深化，本集團的營業額於期內大幅下跌並錄得毛虧。因此，本集團管理層對有關本集團於中國福建省建陽市海西工貿開發區之其中一個工廠的生產設備的可收回金額作出減值審查。就減值測試而言，位於上述生產設備之物業、廠房及設備以及土地使用權已分配至一個現金產生單位。



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

The recoverable amount of the relevant CGU was determined on the basis of value-in-use calculations which was higher than its fair value less costs of disposal. Value-in-use calculations was based on the discount rate of 13.5% and cash flow projections prepared from financial forecasts approved by the management for the next five years. The cash-generating unit cash flows beyond the 5-year period were extrapolated using a growth rate of 3%. Other key assumptions for the value-in-use calculation related to the estimation of cash inflows/outflows which included budgeted sales and expected gross margins during the budget period and the same material price inflation during the budget period which had been determined based on past performance and management's expectations for the market development.

During the six-month period ended 30 June 2017, impairment losses of RMB348,787,000 and RMB14,213,000 have been recognised in property, plant and equipment and land use rights respectively.

10. IMPAIRMENT OF GOODWILL

The carrying amount of goodwill was allocated to a CGU relating to sales of pharmaceutical related software and provision of consultancy services.

During the six-month period ended 30 June 2017, as a result of the drop in sales demand, the CGU containing goodwill has experienced significant drop in turnover during the period. The management of the Group therefore performed an impairment review of the recoverable amount of the relevant CGU.

9. 物業、廠房及設備及土地使用權之減值(續)

相關現金產生單位之可收回金額乃基於使用價值計算方式釐定，高於其公平值減出售成本之差額。使用價值乃基於折現率為13.5%及從財務預測編製並經由管理層批准的未來五年現金流量預測計算。超過五年期之現金產生單位現金流量乃採用3%增長率推算。有關使用價值計算的其他主要假設乃與預期期內預算銷售及預期毛利率包括的現金流入／流出估計及預期期內相同物料價格通脹有關，而預算期乃根據過往表現及管理層對市場發展的預測釐定。

截至二零一七年六月三十日止六個月，減值虧損人民幣348,787,000元及人民幣14,213,000元已分別於物業、廠房及設備以及土地使用權內確認。

10. 商譽之減值

商譽之賬面值已分配至銷售軟件及提供顧問服務。

截至二零一七年六月三十日止六個月，由於銷售需求下跌，該包含商譽的現金產生單位的營業額於期內大幅下跌。因此，本集團管理層對該現金產生單位的可收回金額作出減值審查。



10. IMPAIRMENT OF GOODWILL (CONTINUED)

The recoverable amount is determined based on value-in-use calculation. This calculation is made with the use of discounted cash flow model based on the discount rate of 12.5% and financial budget approved by management covering a 5-year period. Cash flow beyond the 5-year period is extrapolated using a growth rate of 3%.

Other key assumptions included estimated gross margin, applicable corporate income tax rate and capital expenditure. Management determines estimated gross margin based on past performance and its expectation of market development.

10. 商譽之減值(續)

可收回金額以使用價值計算方法釐定。此計算乃運用以覆蓋五年期並獲得管理層批准之財務預算方案以折現率為12.5%為基準的折現現金流量模式作出。超過五年期之現金流量乃採用3%增長率推算。

其他主要假設包括估計毛利率、適用的企業所得稅率及資本開支。管理層基於過往表現及其對於市場發展的預期釐定估計毛利率。

11. TRADE AND OTHER RECEIVABLES

11. 貿易應收及其他應收款項

		30 June 六月三十日 2017 二零一七年 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 十二月三十一日 2016 二零一六年 RMB'000 人民幣千元 (Audited) (經審核)
Trade receivables	貿易應收款項	20,424	3,414
Bills receivables	應收票據	14	-
Other receivables	其他應收款項	11,184	18,713
Amount due from an associate	應收聯營公司款項	89,915	89,915
Loan and receivables	貸款及應收款項	121,537	112,042
Prepayments and deposits	預付款項及按金	1,076	238
		122,613	112,280



11. TRADE AND OTHER RECEIVABLES (CONTINUED)

The Group normally grants credit terms of 60-90 days (31 December 2016: 60 days) to its customers. The ageing analysis of trade receivables, presented based on the invoice date and net of allowance for doubtful debts, is as follows:

0 to 30 days	0 至 30 日
31 to 60 days	31 至 60 日
61 to 90 days	61 至 90 日
Over 90 days	超過 90 日

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

As at the end of the reporting period, the ageing analysis of bills receivables based on the bills issued date is as follows:

0-30 days	0 至 30 日
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11. 貿易應收及其他應收款項 (續)

本集團一般向其客戶授予 60-90 天 (截至二零一六年十二月三十一日止年度: 60 天) 信貸期。按發票日期呈列並經扣除呆壞賬撥備的貿易應收款項的賬齡分析如下:

30 June 六月三十日 2017 二零一七年 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 十二月三十一日 2016 二零一六年 RMB'000 人民幣千元 (Audited) (經審核)
10,837	1,648
2,792	1,766
4,878	-
1,917	-
20,424	3,414

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

於報告期末，按票據發出日呈列的應收票據的賬齡分析如下:

30 June 六月三十日 2017 二零一七年 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 十二月三十一日 2016 二零一六年 RMB'000 人民幣千元 (Audited) (經審核)
14	-



Notes to the Unaudited Interim Financial Statements

未經審核中期財務報表附註

For the six-month period ended 30 June 2017 截至二零一七年六月三十日止六個月期間

12. CASH AND CASH EQUIVALENTS

12. 現金及現金等價物

		30 June 六月三十日 2017 二零一七年 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 十二月三十一日 2016 二零一六年 RMB'000 人民幣千元 (Audited) (經審核)
Bank balances and cash	銀行結餘及現金	89,758	55,542
Cash held under trust arrangement	根據信託安排持有的現金	-	53,000
Cash held by financial institution	金融機構持有的現金	-	39,005
		89,758	147,547

13. TRADE AND OTHER PAYABLES

13. 貿易應付及其他應付款項

		30 June 六月三十日 2017 二零一七年 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 十二月三十一日 2016 二零一六年 RMB'000 人民幣千元 (Audited) (經審核)
Trade payables	貿易應付款項	1,592	22
		1,592	22
Payroll and welfare payables	應付的酬金及福利	1,193	893
Accrued charges	應計費用	1,382	2,693
Other payables	其他應付款項	1,420	991
Financial liabilities measured at amortised cost	按攤銷成本計算之金融負債	5,587	4,599
Other PRC tax payables	其他應付中國稅項	9,095	304
Contingent consideration payable	應付或然代價	-	44,643
		14,682	49,546



13. TRADE AND OTHER PAYABLES (CONTINUED)

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

0 to 30 days	0 至 30 日
31 to 60 days	31 至 60 日
61 to 90 days	61 至 90 日
Over 90 days	超過 90 日

13. 貿易應付及其他應付款項 (續)

以發票日期為基礎的貿易應付款項的賬齡分析如下：

30 June 六月三十日 2017 二零一七年 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 十二月三十一日 2016 二零一六年 RMB'000 人民幣千元 (Audited) (經審核)
485	22
379	–
309	–
419	–
1,592	22

14. SECURED BANK LOANS

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

Secured bank loans	有抵押銀行貸款
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14. 有抵押銀行貸款

有抵押銀行貸款的賬面值分析如下：

30 June 六月三十日 2017 二零一七年 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 十二月三十一日 2016 二零一六年 RMB'000 人民幣千元 (Audited) (經審核)
240,100	85,600



14. SECURED BANK LOANS (CONTINUED)

At 30 June 2017 and 31 December 2016, interest-bearing bank loans are due for repayment within 1 year and carried at amortised cost. The amount due is based on the scheduled repayment date as stipulated in the respective loan agreements.

At 30 June 2017, land use rights with a net book value of approximately RMB16,784,000 (31 December 2016: RMB28,308,000) and property, plant and equipment with a net book value of approximately RMB86,728,000 (31 December 2016: RMB138,834,000) were pledged to a bank as collateral against the bank loans.

Also, the bank loans were secured by personal guarantees from Mr. Lin Ou Wen, Ms. Xue Mei, Mr. Lin Qing Xiang, Mr. Lin Qing Liang, Mr. Xu Chao Hui and Ms. Lin Xue Fang and corporate guarantees from Fuzhou Hongyu Packing Co., Limited ("Fuzhou Hongyu"). Mr. Lin Ou Wen and Mr. Xu Chao Hui are the key management personnel of principal subsidiaries of the Group. Ms. Xue Mei and Ms. Lin Xue Fang are the spouse of Mr. Lin Ou Wen and Mr. Xu Chao Hui respectively. Mr. Lin Qing Xiang and Mr. Lin Qing Liang are the brothers of Mr. Lin Ou Wen. Fuzhou Hongyu is controlled by Mr. Lin Ou Wen.

The bank loans carries interest at fixed rates ranging from 4.57% to 6.53% (31 December 2016: from 4.57% to 4.79%) per annum and are repayable within 1 year. The security will be released upon full settlement of the loans.

14. 有抵押銀行貸款(續)

於二零一七年六月三十日及二零一六年十二月三十一日，計息銀行貸款須於一年內償還並按攤銷成本入賬。應付款項按相關貸款協議訂明的計劃償還日期償還。

於二零一七年六月三十日，賬面值淨額約為人民幣16,784,000元(二零一六年十二月三十一日：人民幣28,308,000元)的土地使用權及賬面淨值約為人民幣86,728,000元(二零一六年十二月三十一日：人民幣138,834,000元)的物業、廠房及設備已抵押予銀行作為銀行貸款的抵押。

此外，銀行貸款均由來自林歐文先生、薛玫女士、林慶祥先生、林慶良先生、許朝輝先生及林雪芳女士提供之個人擔保及來自福州宏宇包裝有限公司(「福州宏宇」)提供之公司擔保。林歐文先生及許朝輝先生為本集團主要附屬公司之主要管理人員，薛玫女士及林雪芳女士分別為林歐文先生及許朝輝先生之配偶。林慶祥先生及林慶良先生為林歐文先生之兄弟，福州宏宇為林歐文先生所控制。

銀行貸款按固定年利率均為介乎4.57%至6.53%(二零一六年十二月三十一日：介乎4.57%至4.79%)計息及須於一年內償還。於全數償還貸款後，抵押將獲解除。

Notes to the Unaudited Interim Financial Statements 未經審核中期財務報表附註



For the six-month period ended 30 June 2017 截至二零一七年六月三十日止六個月期間

15. SHARE CAPITAL

15. 股本

		30 June 六月三十日 2017 二零一七年		31 December 十二月三十一日 2016 二零一六年	
		No. of shares (‘000)	HK\$‘000 千港元	No. of shares (‘000)	HK\$‘000 千港元
		股份數目(千)	千港元	股份數目(千)	千港元
Authorised:	法定：				
Ordinary shares of HK\$0.01 each	每股面值0.01港元 的普通股				
At the beginning of the period/year	於期/年初	3,200,000	32,000	3,200,000	32,000
Increase in authorised share capital	增加法定股本	6,800,000	68,000	-	-
At end of the period/year	於期/年末	10,000,000	100,000	3,200,000	32,000
Issued and fully paid:	已發行及繳足：				
Ordinary shares of HK\$0.01 each	每股面值0.01港元 的普通股				
At the beginning of the period/year	於期/年初	2,256,773	22,568	1,880,773	18,808
Shares issued under placement	根據配售發行的 股份	-	-	376,000	3,760
Shares issued upon exercise of share options (note a)	行使購股權後 已發行股份 (附註 a)	82,000	820	-	-
At end of the period/year	於期/年末	2,338,773	23,388	2,256,773	22,568



15. SHARE CAPITAL (CONTINUED)

15. 股本(續)

	30 June 六月三十日 2017 二零一七年 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 十二月三十一日 2016 二零一六年 RMB'000 人民幣千元 (Audited) (經審核)
Shown in the condensed consolidated statement of financial position	22,473	21,762

簡明綜合財政
狀況表顯示

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

普通股擁有人有權收取不時宣派的股息及有權於本公司股東大會上按其所持每一股股份投一票。所有普通股在有關本公司剩餘資產方面均享有同等地位。

Note:

- a) Shares issued upon exercise of share options

During the period, share options under the share option scheme were exercised to subscribe for 82,000,000 ordinary shares of the Company at a consideration of HK\$37,720,000 (equivalent to approximately RMB32,687,000, of which HK\$820,000 (equivalent to approximately RMB711,000) was credited to the share capital and the balance of HK\$36,900,000 (equivalent to approximately RMB31,976,000) was credited to the share premium account). An amount of HK\$11,480,000 (equivalent to approximately RMB9,958,000) was transferred from share option reserve to the share premium account in accordance with the Group's accounting policies.

附註：

- a) 行使購股權後已發行股份

期內，行使購股權計劃項下的購股權以代價37,720,000港元(相當於約32,687,000人民幣，當中820,000港元(相當於約711,000人民幣)計入股本，而餘下36,900,000港元(相當於約31,976,000人民幣)計入股份溢價)認購本公司82,000,000股普通股。根據本集團會計政策，11,480,000港元(相當於約9,958,000人民幣)由購股權儲蓄轉至股份溢價。



16. CAPITAL COMMITMENTS

16. 資本承擔

		30 June 六月三十日 2017 二零一七年 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 十二月三十一日 2016 二零一六年 RMB'000 人民幣千元 (Audited) (經審核)
Contracted for	已簽約		
- Acquisition of intangible assets	- 收購無形資產	8,100	8,100
- Share of capital commitment in the associate	- 於聯營公司資本承擔之份額	22,785	22,785
- Acquisition of property, plant and equipment	- 收購物業、廠房及設備	8,600	-
		39,485	30,885

17. MATERIAL RELATED PARTY TRANSACTIONS

17. 重大關聯人士交易

a) In addition to the balances disclosed elsewhere in these financial statements, the Group entered into the following material related party transactions during the six-month period ended 30 June 2017.

a) 除於該等財務報表其他地方披露之結餘外，本集團於截至二零一七年六月三十日止六個月期間訂立下列重大關聯人士交易。

Name of related party 關聯人士名稱	Relationship with related party 與關聯人士的關係	Nature of transaction 交易性質	Six-month period ended 30 June (unaudited) 截至六月三十日 止六個月(未經審核)	
			2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Fuzhou Hongyu 福州宏宇	A company controlled by Mr. Lin Ouwen* 由林歐文先生*控制的公司	Purchase of packaging materials 購買包裝物料	-	799

* Mr. Lin Ouwen is the key management personnel of principal subsidiaries of the Group.

* 林歐文先生為本集團主要子公司的主要管理人員。



17. MATERIAL RELATED PARTY
TRANSACTIONS (CONTINUED)

- b) At the end of the reporting period, included in other receivables was amount due from a related party of RMB2,540,000 (31 December 2016: RMB2,540,000). The related party is the key management personnel of a subsidiary of the Group.
- c) The details of remuneration of key management personnel, representing amounts paid to the Directors of the Company during the six-month period ended 30 June 2017, are set out as follows:

17. 重大關聯人士交易(續)

- b) 於報告期末，於其他應收款中之應收關聯人士款項為人民幣2,540,000元(二零一六年十二月三十一日：人民幣2,540,000元)。此關聯人士為本集團子公司之主要管理人員。
- c) 有關主要管理人員薪酬詳情(即本公司於二零一七年六月三十日止六個月期間向董事支付的金額)如下：

	30 June 六月三十日 2017 二零一七年 RMB'000 人民幣千元 (Unaudited) (未經審核)	30 June 六月三十日 2016 二零一六年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Salaries and other short-term employee benefits	788	1,501
Post-employment benefits	-	73
	788	1,574

BUSINESS REVIEW

Looking back at the first half of 2017, the implementation of a series of policies in the pharmaceutical industry by the Chinese government demonstrated its unswerving determination to promote the medical and healthcare reform, which mainly focused on controlling the expense of medical insurance, improving the utilization efficiency of the medical insurance fund, and reducing the public's burden on medical expenses. The implementation of policies such as the "Two-Invoice System", "Quality Consistency Evaluation of Generic Drugs", and zero-price difference for sale of drugs between hospitals and pharmacies has made a major difference to the industry landscape. At the same time, the requirements for environmental protection were increased in China, resulting in a decrease of suppliers, a surge in cost of raw materials and even depletion of individual raw material, which in turn put significant pressure on the sales of drugs and profits of the Group.

業務回顧

回顧二零一七上半年，中國政府關於醫藥行業的政策頻頻出台，國家表明堅定不移推進醫藥衛生改革，其重點是在醫保控費，提高醫保資金利用效率，降低民眾的就醫費用壓力，兩票制、仿製藥一致性評價，醫院藥房零差價銷售等政策不斷落地，讓行業格局產生重大變化。與此同時，國家對環保的要求提升，使得供應商數量減少，原材料持續上漲甚至個別原材料斷貨更令到本集團的藥品銷售規模和利潤面對重大壓力。



BUSINESS REVIEW (CONTINUED)

In such an unfavorable environment, the Group's sales performance in the first half of 2017 was also adversely affected by internal factors. At the beginning of the reporting period, the operations of the production plant in the Haixi Industrial and Trading Development Zone were still temporarily suspended as a result of a rupture of the underground steam pipelines in November last year. Although the repair work was completed at the end of February this year, the supply of Perilla Oil Capsule, a key product of the Group, had been in short supply for a long time and thus the sales decreased significantly. In addition, with the implementation of the "Two-Invoice System", the distribution mode of pharmaceutical products changed dramatically and the Group needed to reintegrate its sales network, which expanded the sales gap. Due to the prolonged application period of GMP certification, part of the production lines and workshops newly established by the Group obtained new GMP certifications only in July, which also contributed to the pressure on the performance of the Group.

The speed of decision making and the progress of business operations of the Group were also affected to a certain degree by the change and replacement of management personnel of the Group.

For the six months ended 30 June 2017, the turnover of the Group recorded a year-on-year decrease of 77.8% to approximately RMB38.0 million. The Group recorded an overall gross loss, and the gross profit margin decreased by 81.5 points from 15.1% for the corresponding period of last year, and turned to a gross loss margin of 66.4%. The loss attributable to the owners of the Group amounted to RMB493.4 million.

業務回顧(續)

在不利的大環境下，本集團於二零一七上半年之銷售同時受到內部的不利因素影響。報告期初，海西工貿開發區廠房仍受去年十一月地下蒸氣管道破裂事件影響，車間生產暫停，儘管維修工程於今年二月底完成，但重點產品如蘇子油軟膠囊斷貨多時，銷售大幅下跌，加上兩票制落實，藥品分銷模式大改革，本集團需要重新整合銷售網絡，進一步加大銷售缺口。本集團新投入的部分生產線和生產車間由於GMP認證周期較長的原因，在7月份才取得新的GMP認證，也是本集團業績承壓的一部分原因。

集團管理層的更替和交接也在一定程度上影響了本集團決策的速度和運營事務的推進。

截至二零一七年六月三十日止六個月，本集團營業額按年下降77.8%至約人民幣38,000,000元。整體出現毛虧，毛利率從去年同期15.1%下跌81.5個百分點至毛虧率66.4%。本集團權益持有人應佔虧為人民幣493,400,000元。

BUSINESS REVIEW (CONTINUED)

Data and analysis of major business segments:

Pharmaceutical products: For the six-month period ended 30 June 2017, turnover amounted to approximately RMB19.1 million (for the six months ended 30 June 2016: approximately RMB171,496,000). The Group's principal business is still involved in the development, manufacturing, marketing and sales of pharmaceutical products. The pharmaceutical industry is in a restructuring period, during which the Group's marketing channel was negatively affected by the "Two-Invoices System". At the same time, the new GMP certificate was not issued in the reporting period, leading to a halt in production and sale. Therefore, the turnover generated from pharmaceutical products decreased significantly during the period.

Finance leasing business: The Group commenced its finance leasing business in China in February this year. For the six-month period ended 30 June 2017, turnover amounted to approximately RMB1.1 million. The Group strived to increase the financial return to the Group. During the reporting period the Group targeted industrial manufacturers, hospitals and health industry related entities as its customers to expand finance lease business. During the reporting period, the business commenced generating profit to the Group. With the state's encouragement and promotion of the finance leasing industry in the PRC, and since the Group's target customers gradually accepted the finance lease business, the management believed that the Group's finance leasing business will have better prospects for development.

業務回顧(續)

主要業務板塊數據及分析：

藥業產品：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19,100,000元(二零一六年六月三十日止六個月：約人民幣171,496,000元)。本集團依然以從事醫藥產品開發、製造、市場推廣及銷售為本公司的主營業務。由於醫藥行業正處於洗牌期，本集團的銷售渠道因為兩票制而受到負面影響；同時，在報告期內新的GMP認證未及下發而導致停產停售，藥業產品的營業額因而於期內大幅下跌。

融資租賃業務：本集團在今年二月份開始在國內開展融資租賃業務，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1,100,000元。公司管理層致力提升本集團的財務收益，於期內以工業客戶，醫院，健康產業相關客戶為對象，開拓融資租賃業務。於本報告期內，該業務已經開始為集團產生利潤。隨著國家對融資租賃行業的鼓勵和推動，本集團目標客戶對融資租賃模式的逐漸接受，相信本集團的融資租賃業務會有更好的發展前景。



BUSINESS REVIEW (CONTINUED)

The Group has established a finance leasing company in Qianhai, Shenzhen this year. In addition to the sale and leaseback business, the Group will also carry out direct leasing business by bulk purchasing equipment and leasing them to users in return for deposits and lease charges. The pre-market survey of the leasing business has been carried out smoothly. At present, the Group is actively optimizing the equipment portfolio and integrating resources. It is expected that the new business will bring sustained and stable return to the Group and facilitate the stable cash flow to support the Group's continuous exploration of new business and extend business advantage.

Other general trading: The Group commenced general trading in April this year. For the six months ended 30 June 2017, turnover amounted to approximately RMB17.752 million. The Group strived to increase the financial return to the Group, under the controlled risk and scale, the Group used its idle funding to initiate other general trading businesses. Other than the trading of electronic components, the Group will try to expand into the trading of health care products. The management expects that a diversified combination of businesses will avoid the results of one single business being affected by the business cycle and policies relating to that one single industry. Further, new business opportunities and business models may be developed from the new businesses, which may improve the Company's performance.

業務回顧(續)

本集團於今年在深圳前海設立融資租賃公司，除售後回租業務以外，該公司還將開展直接租賃業務，即批量買入設備，以租賃的方式提供給使用者，收取保證金和租金。租賃業務的前期市場調查工作已順利開展，目前積極優化設備組合，整合資源，預計新業務開展後能為本集團帶來持續穩定的收入回報，有利穩定現金流以支持本集團持續發掘新業務及擴大經營優勢。

其他一般貿易：本集團在今年四月份開始一般貿易，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17,752,000元。公司管理層為提升本集團的財務收益，在控制風險和規模的前提下，利用公司閒置資金拓展了其他一般貿易業務。除買賣電子元件以外，本集團將嘗試把業務拓展至買賣健康保健產品。管理層相信多元化的業務組合，將可以平緩單一業務受到單一行業週期及政策的影響，並且在新的業務中發現商機和新商業模式，改善公司的業績表現。

SALES NETWORK AND MARKETING

With the implementation of the “Two-Invoice System” in various provinces and cities, a large number of drug agents were eliminated and the business mode of two pharmaceutical factories of the Group located in Fujian Province has gradually changed from, originally, distribution by its distributors to the management of the business channels by the Group itself. The Group actively participated in the procurement and tendering of pharmaceutical products in communities with its ordinary medicines, engaged specialized distributors with wide network coverage to deliver medicines and organized professional medical seminars to expand the base of end users of our products. With the commencement of the construction of the Group’s own network, the Group will no longer be subject to the channels of intermediate suppliers but can directly contact pharmaceutical factories and medical institutions to timely obtain market information and conveniently promote the sales of new drugs. Given that the transition period is lengthy, new specialized operation team needs to be built and new partners have to be secured nationwide, it is expected that the sales performance of the Group will experience a long period of down time.

OUTLOOK

The management of the Company believes that 2017 is the year for the Group to actively seek the transformation while the pharmaceutical industry is in a restructuring period. After the restructuring, the concentration of the industry will be heightened, which brings both challenges and opportunities to the Group. The Group, as a whole, will continuously consolidate its existing pharmaceutical business, make structural adjustment to its product lines to focus its manpower and resources on key products, and abandon drugs with insufficient efficacy. At the same time, the Group will step into the healthcare industry with great potential, explore new business opportunities, and well prepare for its long-term development.

銷售網絡及市場推廣

隨著各個省市的兩票制新政落實，大量藥品代理商面臨淘汰，本集團位於福建的兩家藥廠由原來的經銷商分銷模式逐步向本集團自行管理商業渠道轉變。本集團的普藥產品積極參與地區的藥品採購招標，委託網絡覆蓋廣的專業配送商進行藥品配送，同時開展專業化的學術推廣活動以增加本集團產品的終端用量。隨著本集團自有網絡的建設開展，本集團將不再受限於中間商的渠道控制，將實現藥廠與用藥單位的直接聯繫，更及時的獲得市場信息和更便捷的推動新產品的銷售。惟該轉變過程較為漫長，需要新的專業運營團隊的搭建和全國範圍的協定新合作方，本集團將經歷一段藥品銷售業績的低谷期。

未來展望

本公司管理層認為，二零一七年是本集團主動轉型的一年，醫藥行業正處於洗牌期，經歷洗牌後，行業的集中度將更加集中，對於本集團來說，既是挑戰，也是機遇。本集團上下將一如以往夯實現有藥業業務，對本集團產品線做結構調整，集中人力物力做好優勢品種，放棄一些療效不明顯的藥品品種，同時將視野放在更寬廣的健康領域，積極探索新業務機會，為更長遠的發展做好準備。



OUTLOOK (CONTINUED)

Modernization of Chinese medicine

China has the most abundant resources of traditional Chinese medicine in the world. The promulgation of “The Law on Traditional Chinese Medicine” expressly demonstrates China’s new height of emphasis on Chinese medicine. Traditional Chinese medicine has many unique features compared with modern medicine. For example, Chinese medicine is mainly used as the biological information modifier. Its discovery path is also totally different from the research and development model of modern medicine, which proceeds from molecular design to tests on small animals and finally, human tests. Chinese medicine itself is based on the accumulation of clinical practices in human beings. It pays more attention to the individual characteristics and the overall regulation of patients, and administering drugs to patients on a case-by-case basis is the basic principle of traditional Chinese medicine. The water-soluble active ingredients of Chinese medicine, with decoction as main dosage form, provide a new thought and approach to the research and development of drugs. However, since the active ingredients of Chinese herbal medicines, mechanism of action and side effects are uncertain, the quality of Chinese medicine is difficult to control due to its raw materials. Therefore, exploring the effective ingredients of Chinese herbal medicines and defining their mechanism of action by modern scientific and technological means will make a difference. Artemisinin found by Tu Yoyo, a Nobel Prize winner, is also extracted from the Chinese herbal medicine, which is another important contribution of Chinese medicine to mankind. The Group will jointly research and develop innovative modern Chinese medicine with scientific research institutions and clinical institutions in order to provide safe and reliable traditional Chinese medicine for the people.

未來展望(續)

中藥現代化

中國是世界上中藥資源最豐富的國家，《中醫藥法》的推出更顯出中國對中醫藥的重視程度提高到了新的高度。中藥相對於現代藥物有著許多獨特之處：中藥更多扮演著生物信息調節劑的功能；其發現途徑也大異於現代藥物從分子設計到小動物直至人體試驗的研發模式，中藥本身即是人類臨床實踐的積累；它更注重病人的個體特性和整體調節，按人施劑是中醫用藥的基本方針；以湯劑為主的中藥劑型表現出的水溶性活性成分等都為藥物研發提供了新的思路和途徑。但中藥材也面臨著自身活性成分不明確，作用機理不明確，副作用不明確等問題，質量控制也由於原材料的因素而難以把控。故致力於以現代科學技術為手段，發掘中藥材的有效成分，明確中藥材成分的作用機理等領域將大有作為。諾貝爾獎得獎者屠呦呦發現的青蒿素也來自於中藥材，是中藥對人類的又一重要貢獻。本集團將聯合科研機構和臨床機構共同研發創新現代化中藥，為國民提供安全可靠的中成藥。

OUTLOOK (CONTINUED)

Layout of precision medicine

Since the implementation of the national “13th Five Years Plan”, precision medicine has been an important development direction for the medical and healthcare industry, and for the scientific and technological innovation and advancement. The relevant policies have been introduced to accelerate the development of precision medicine. Precision medicine is characterized by individualized medical treatment. With the rapid development of gene sequencing, gene editing, functional medical detection, wearable medical testing equipment, big data analysis, cellular immunotherapy and other technologies, doctors can easily design personalized health care and treatment plan for patients based on their individual body condition, state of illness, living habit and life style. At present, the most prominent application of precision medicine is the combined application of gene detection, targeted drugs and immunotherapy on some particular cancer patients, and the cure rate of precision medicine is several times higher than that of traditional treatment, which is a new era of the medical industry.

未來展望 (續)

佈局精準醫療

國家十三五規劃實施之後，精準醫療被列為醫療健康，科技創新進步的重要發展方向，並出台了相關政策來加快精準醫療發展落地。精準醫療是以個體化醫療為基礎，基因測序，基因編輯，功能醫學檢測，可穿戴醫療檢測設備，大數據分析，細胞免疫治療等技術的快速發展，針對個人的不同體質，病情，生活習慣，醫生可以更加容易的為病人設計個性化的保健和治療方案。目前精準醫療最為突出的表現是通過基因檢測和靶向藥物以及免疫療法的綜合應用，對某些特定的癌症患者，精準醫療的治癒率比傳統手段提高數倍。這是一個醫療新時代的開啟。



OUTLOOK (CONTINUED)

Layout of precision medicine (continued)

Especially in the field of immunotherapy, the marketing of CAR-T products of Novartis was approved by the US FDA this year, which means that the efficacy of cellular immunotherapy has won official recognition, and more companies will change from the wait-and-see attitude to devoting themselves to the research of immunotherapy. We believe that in the near future, people will no longer need to take too much medicine, take stopgap measures when getting ill, and will have more treatment options for cancers other than chemotherapy and radiotherapy treatment. More medical resources will be put into improving the human immune system and long-term health management. The Group will look for opportunities for mergers and acquisitions in the field of immunotherapy and biotechnology, and will actively enter the field as a major growth point for the future of the Group.

未來展望 (續)

佈局精準醫療 (續)

特別是免疫療法領域，今年美國FDA批准了諾華公司CAR-T產品上市，意味著細胞免疫療法的療效贏得了官方的認可，眾多公司將從觀望態度轉變為全身心的投入到免疫治療的研究。我們相信不久的未來，人們將不再吃過多的藥品，不再頭痛醫頭，腳痛醫腳，癌症的治療也不再只有化療和放療手段，更多的醫療資源將投入到如何提高人體免疫能力，投入到長期的健康管理中去。本集團將尋找免疫療法和生物科技領域中收購兼並的機會，積極進入這個領域，並作為本集團未來的主要增長點。

OUTLOOK (CONTINUED)

Expand the source of business income

The Group will take full advantage of the international capital market to expand its business in the field of medical device by finance leasing. With the large-scale construction of primary medical institutions and private medical institutions in China, the demand for leasing medical device will indisputably increase. Therefore, the management of the Group is optimistic about the long-term development prospect of the medical device leasing, and in the future, the Group will actively use its established cooperation network with various medical institutions to seek business opportunities in the leasing of medical devices, nursing devices and bulk production equipment, to expand the source of its business income. In addition, the Group will conduct medical device leasing and service businesses for individuals through the network platform, which will strengthen the interaction between the Group and customers. Once access to the medical data of the customers is obtained and their needs are understood, the Company will be able to provide customers with personalized medical services and rehabilitation products.

未來展望 (續)

擴大業務收入來源

本集團將充分發揮國際資本市場的優勢，以融資租賃的方式拓展醫療器械領域的業務。中國基層醫療機構以及民營醫療機構的大規模建設，對醫療設施租賃需求持續增加是無可爭議的趨勢，故管理層看好醫療器械租賃的長遠發展前景，有賴一直以來與各大醫療機構的合作已經建立厚實關係及互信，本集團於未來將積極利用原有的合作網絡尋求開展醫療器材、護理器材及大宗生產裝備等租賃業務以擴大業務收入來源。同時本集團也將利用網絡平台開展針對個人的醫療器械產品的租賃和服務。該業務將加強集團與顧客之間的互動，獲得顧客的醫療數據和需求，為顧客提供個性化的醫療服務方案和康復產品。



OUTLOOK (CONTINUED)

Expand the source of business income (continued)

The Group has established a finance leasing company in Qianhai, Shenzhen this year, which will serve as a platform to conduct the leasing business of the Group. The preliminary market survey of the leasing business has been carried out smoothly. At present, the Group has been actively optimizing the equipment portfolio and integrating resources. It is expected that the new business will bring sustainable and stable income return to the Group, and the stable cash flow will facilitate the Group to continuously explore new businesses and expand its business advantages.

Despite the increasingly fierce competition of the industry, the Group is still confident that it will be able to improve the business performance in the future based on its diversified business portfolio and following the lead of its experienced management team. On the one hand, we will continue to put our resources into strengthening sales and marketing activities of existing products. On the other hand, we will speed up the development of new business and improve the business mode.

未來展望 (續)

擴大業務收入來源 (續)

本集團於今年在深圳前海設立融資租賃公司，以該公司為平台開展公司的各項租賃業務。租賃業務的前期市場調查工作已順利開展，目前積極優化設備組合，整合資源，預計新業務開展後能為本集團帶來持續穩定的收入回報，有利穩定現金流以支持本集團持續發掘新業務及擴大經營優勢。

雖然行業競爭日趨激烈，本集團仍有充分信心憑藉多元化的業務組合，以及在經營經驗豐富的管理團隊帶領下，能在未來提高各項業務表現。我們一方面會繼續集中資源強化現有產品的銷售推廣，一方面加快新業務的開展及成熟經營模式。

OUTLOOK (CONTINUED)

Expand the source of business income (continued)

A resolution was passed in the extraordinary general meeting of the Company held on 25 August 2017 to approve the change of the name of the Company to “Sanai Health Industry Group Company Limited”. The management believes that such a change will better reflect the direction of strategic development of the Company. China’s economy will continue to grow at a high rate and begin to lead the global economy. With the increase of economic income, people’s investment in health will increase continuously and the healthcare industry will maintain high-speed growth. Using the pharmaceutical business as a foundation, the Group will embrace the new economy and new technologies and focus on the layout of health-related sectors with the objective of developing the Group into a comprehensive health industry group within three years. The “3A” brand of the Company has been in the pharmaceutical industry for decades, and has been deeply trusted by the public in view of its persistence on quality. The Group respectively adopts “Sanai” and “3A” as the company name and brand of the Company, and defines the core concept of the brand as “love life, love nature, love society”. The Group will conduct its business based on the core concept, and spread the concept to its employees, customers, and business partners. The Group is a business organization prioritizing social values. Our supply system will do its utmost to protect the natural environment. Our mission is to integrate global resources, develop new technologies and new products to achieve the improvement of people’s quality of life.

未來展望 (續)

擴大業務收入來源 (續)

本公司於二零一七年八月二十五日舉行的股東特別大會中通過決議，批准改名為「三愛健康產業集團有限公司」，管理層相信這將更好的體現本公司的戰略發展方向。中國的經濟仍將保持較高速增长並開始領導全球經濟，隨著經濟收入的提升，國民在健康上的投入會持續增加，健康產業將保持高速增长。本集團將以藥業為基礎，積極擁抱新經濟和新技術，在健康相關領域重點佈局，目標是在三年內將本集團打造為綜合性的健康產業集團。「三愛」為本公司藥業數十年的品牌，由於堅持品質第一的原則，深受群眾信任。本集團採用「三愛」做為公司的公司名稱和品牌，並將品牌核心理念定義為「愛生命，愛自然，愛社會」，集團將以該核心理念為行動的準則，並將該理念傳播給我們的員工，我們的顧客，我們的商業夥伴。本集團將是以創造社會價值為第一位的商業組織，我們的供應體系將盡最大努力保護自然環境，我們的使命是整合全球資源，開發新技術和新產品來實現人們生活品質的提升。



FINANCIAL REVIEW

1. Revenue (“Turnover”)

During the period under review, the Group recorded an overall turnover of approximately RMB38.0 million (for the six months ended 30 June 2016: approximately RMB171.5 million), representing a decrease of approximately 77.8% over the same period of last year.

Turnover generated for the first half of the year was still dominated by that from pharmaceutical products, which was approximately RMB19.1 million and amounted to approximately 50.3% of the overall turnover, representing a decrease of approximately 88.9% over the same period of last year (for the six months ended 30 June 2016: approximately RMB171.5 million). The two new businesses of finance leasing and other general trading generated turnover of approximately RMB1.1 million and RMB17.8 million respectively, amounting to approximately 3.0% and 46.7% of the overall turnover respectively.

2. Gross Loss and Gross Loss Margin

Gross loss of the Group increased by approximately 197.5% over the same period of last year to approximately RMB25.2 million (for the six months ended 30 June 2016: gross profit of approximately RMB25.9 million). Gross loss margin significantly increased by approximately 81.5 points to approximately 66.4% (for the six months ended 30 June 2016: gross profit margin approximately 15.1%).

財務回顧

1. 收益(「營業額」)

於回顧期內，本集團整體營業額錄得約人民幣38,000,000元(二零一六年六月三十日止六個月：約人民幣171,500,000元)，較去年同期下跌約77.8%。

上半年之營業額仍然由醫藥產品帶動，醫藥產品錄得營業額約人民幣19,123,000元，佔整體營業額約50.3%，較去年同期下跌約88.9%(二零一六年六月三十日止六個月：約人民幣171,500,000元)。融資租賃服務及其他一般貿易兩個新業務分別錄得營業額約人民幣1,100,000元及人民幣17,800,000元，分別佔整體營業額約3.0%及46.7%。

2. 毛虧及毛虧率

於回顧期內，本集團毛虧較去年同期上升約197.5%至約人民幣25,200,000元(二零一六年六月三十日止六個月：毛利約人民幣25,900,000元)，而毛虧率較去年同期大幅上升約81.5個百分點，至約66.4%(二零一六年六月三十日止六個月：毛利率約15.1%)。

FINANCIAL REVIEW (CONTINUED)

財務回顧(續)

2. Gross Loss and Gross Loss Margin (continued)

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

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

3. Loss for the Period

Although the Group did not reduce its product prices in the first half of 2017, the suspension of production during the period led to a decrease in sales and increase in gross loss. Also, impairment on property, plant and equipment, land use rights and goodwill largely increased the Group's loss for the period under review. During the period under review, the Group recorded a loss of approximately RMB493.4 million (for the six months ended 30 June 2016: approximately RMB159.1 million).

2. 毛虧及毛虧率(續)

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

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

3. 期內虧損

雖然集團於二零一七年上半年未下調旗下產品的價格，但本期停產導致銷售下跌及毛虧上升。此外，於回顧期內，物業、廠房及設備、土地使用權及商譽之減值亦大幅擴大集團期內之虧損。於回顧期內，本集團錄得虧損約人民幣493,400,000元(二零一六年六月三十日止六個月：約人民幣159,100,000元)。



FINANCIAL REVIEW (CONTINUED)

3. Loss for the Period (continued)

The distribution costs decreased by approximately 69.7% to approximately RMB2.8 million (for the six months ended 30 June 2016: approximately RMB9.1 million). During the period under review, relevant advertising and marketing expenses of our three wholly-owned subsidiaries in the PRC decreased by RMB8.1 million over the last year. Since last year, the Group further reduced its investment in advertising resources substantially and invested it in other areas with more apparent benefits. The Group will continue to participate in academic symposiums and new medicine promotion seminars, as well as medicine fairs to introduce the advantages of various medicines.

財務回顧(續)

3. 期內虧損(續)

分銷成本下調約69.7%至約人民幣2,800,000元(二零一六年六月三十日止六個月:約人民幣9,100,000元)。於回顧期內,本集團國內三所全資附屬公司相關廣告宣傳及推廣費用支出較去年減少人民幣8,100,000元,集團從去年起進一步大幅縮減廣告資源投放,並投放到其他效益更顯著的地方。本集團仍然會持續參與學術專場推介會、新藥推介會和藥交會等,來推廣各種藥品的優勢。

FINANCIAL REVIEW (CONTINUED)

財務回顧(續)

3. Loss for the Period (continued)

Furthermore, during the period under review, the Board was aware that the turnover of the Group did not increase as anticipated. The Group therefore performed an impairment review of the recoverable amount related to the Group's production facilities in one of the factories located in Haixi Industrial and Trading Development Zone in Jianyang City, Fujian Province, the PRC. An impairment loss of approximately RMB363.0 million (30 June 2016: approximately RMB199.2 million) in total has been recognised. The Group also performed an impairment review of the recoverable amount related to the goodwill of a subsidiary acquired by the Group last year. An impairment loss of approximately RMB83.7 million has been recognized. Such impairment losses were mainly attributable to the non-cash accounting treatment on the impairment losses on these production facilities and goodwill, and mainly to reflect the value in use of the assets. Accordingly, such impairment losses are non-cash expenses with no impact on the Group's cash flow or business and production operations.

3. 期內虧損(續)

另外，於回顧期內，董事察覺本集團營業額未如預期般增加，因此本集團對本集團其中一間位於福建省建陽市海西工貿開發區之部份生產設備進行可收回金額減值測試。減值虧損合共約人民幣363,000,000元已獲確認(二零一六年六月三十日止六個月：約人民幣199,200,000元)。本集團也對本集團於去年收購的一間附屬公司之商譽進行可收回金額減值測試。減值虧損約人民幣83,700,000元已獲確認。此減值虧損主要由於該等生產設備及商譽減值虧損的非現金會計處理方法，以及反映該資產之使用價值所致，故此，此減值虧損為非現金支出，不會影響本集團之現金流量及生產營運。



FINANCIAL REVIEW (CONTINUED)

3. Loss for the Period (continued)

During the period under review, administrative expenses decreased by approximately 48.1% over the same period of last year to RMB13.2 million (for the six months ended 30 June 2016: approximately RMB25.4 million), which was mainly attributable to the decrease in depreciation charges.

Finally, tax credit of the Group was approximately RMB87.9 million in total (for the six months ended 30 June 2016: approximately RMB48.6 million). It mainly included current tax expenses for a wholly-owned subsidiary in the PRC amounting to approximately RMB0.1 million (for the six months ended 30 June 2016: approximately RMB0.1 million), as well as the deductible temporary differences arising from the impairment of property, plant and equipment and land use rights amounting to approximately RMB88.0 million (for the six months ended 30 June 2016: approximately RMB49.8 million).

財務回顧(續)

3. 期內虧損(續)

於回顧期內，行政費用跟去年同期比較減少約48.1%至約人民幣13,200,000元(二零一六年六月三十日止六個月：約人民幣25,400,000元)，主要原因為折舊費用減少所致。

最後，本集團的稅務抵免約人民幣87,900,000元(二零一六年六月三十日止六個月：約人民幣48,600,000元)。主要包括國內一間全資附屬公司當期稅項約人民幣100,000元(二零一六年六月三十日止六個月：約人民幣100,000元)，以及計提物業、廠房及設備及土地使用權的減值導致可抵扣暫時性差異約為人民幣88,000,000元(二零一六年六月三十日止六個月：人民幣49,800,000元)。

FINANCIAL REVIEW (CONTINUED)

財務回顧(續)

4. Liquidity, Financial Resources and Capital Structure

As at 30 June 2017, the Group had cash and cash equivalents of approximately RMB89.8 million (31 December 2016: approximately RMB147.5 million) and most cash and cash equivalents were denominated in Renminbi and Hong Kong dollars. As at 30 June 2017, the Group's secured bank loans which are secured by property, plant and equipment and land use rights, amounted to approximately RMB240.1 million (31 December 2016: approximately RMB85.6 million). The loans involved were denominated in Renminbi, both carrying interest at fixed rates of 4.57% to 6.53% (31 December 2016: 4.57% and 4.79% respectively) per annum and were repayable within 1 year. The Group continued to maintain a stable financial position with low gearing ratio and healthy cash flows. During the period under review, the Group did not use any financial instruments for hedging purposes.

The Group reviewed the capital structure by using a gearing ratio. The gearing ratio represents the total debt, which includes trade and other payables, and secured bank loans of the Group, divided by total equity of the Group. The debt-to-equity ratio of the Group was approximately 33.2% as at 30 June 2017 (31 December 2016: approximately 10.9%).

4. 流動資金、財政資源及資本結構

於二零一七年六月三十日，本集團之現金及現金等價物約人民幣89,800,000元(二零一六年十二月三十一日：約人民幣147,500,000元)，而大部分現金及現金等價物以人民幣及港元計值。於二零一七年六月三十日，本集團有抵押銀行貸款約人民幣240,100,000元(二零一六年十二月三十一日：約人民幣85,600,000元)，由物業、廠房及設備及土地使用權抵押。涉及的貸款均以人民幣計值、按固定年利率為4.57%至6.53%(二零一六年十二月三十一日：分別為4.57%及4.79%)計息及須於一年內償還。本集團繼續維持穩健之財務狀況，同時保持低資產負債比率及穩健之現金流。於回顧期內，本集團並無運用任何金融工具作對沖用途。

本集團運用資產負債比率檢討資本架構。資產負債比率指本集團之總負債(包括貿易應付款項及其他應付款項及有抵押銀行貸款)除本集團之總權益。本集團於二零一七年六月三十日之債項與股權比率為約33.2%(二零一六年十二月三十一日：約10.9%)。



FINANCIAL REVIEW (CONTINUED)

財務回顧(續)

5. Exposure to Fluctuation in Exchange Rates

During the period under review, the Group conducted its business transactions principally in Renminbi and Hong Kong dollars. The Group has not experienced any material difficulties or negative impacts on its operations as a result of fluctuations in currency exchange rates. Although the Group has certain bank balances denominated in Hong Kong dollars, the Group adopts a conservative financial policy and most of its bank deposits are in Renminbi and Hong Kong dollars. As at 30 June 2017, the Group did not have any foreign exchange contracts, interest or currency swaps or other financial derivatives for hedging purposes. Therefore, the Group was not exposed to any material interest and exchange risks.

6. Significant Acquisitions and Disposal of Investments

During the six months ended 30 June 2017, the Group disposed of its financial assets at fair value through profit or loss with an aggregate consideration and net loss on disposal of approximately RMB39.8 million and RMB2.2 million respectively. During the period under review, the Group had a construction in progress related to property, plant and equipment amounting to approximately RMB163 million.

5. 匯率波動風險

於回顧期間，本集團之業務交易主要以人民幣及港元進行。本集團從未因貨幣匯率波動而遭遇重大困難或承受負面影響。儘管本集團有若干港元銀行結餘，但本集團實行審慎的理財政策，大部分銀行存款為人民幣及港元。於二零一七年六月三十日，本集團沒有任何外匯期貨合約、外匯利息或外匯掉期或其他用作對沖的金融衍生工具。因此，本集團並無任何重大利率及匯兌風險。

6. 重要收購及出售投資

於二零一七年六月三十日期間，本集團出售按公平值計入損益之金融資產，代價總額及出售虧損淨額分別約為人民幣39,800,000元及人民幣2,200,000元。於回顧期間，本集團有一關於物業、廠房及設備之在建工程金額約為人民幣163,000,000元。

FINANCIAL REVIEW (CONTINUED)

財務回顧(續)

7. The Number and Remuneration of Employees

As at 30 June 2017, the Group employed approximately 322 employees (31 December 2016: 355 employees). For the six months ended 30 June 2017, the staff cost amounted to approximately RMB7.1 million (for the six months ended 30 June 2016: approximately RMB17.7 million). The Group determines staff remuneration in accordance with prevailing market salary scales, individual qualifications and performance. Remuneration packages including performance bonuses and entitlements to share options are reviewed on a regular basis. The Group provides directors and senior management with continuous professional training, including seminars and workshops, such that the latest changes of regulatory requirements and corporate governance practices can be introduced. The Group also organises various pre-employment and on-the-job trainings to deepen the employees' understanding of its business objectives and operation.

8. Charges on the Group's Assets

As at 30 June 2017, the Group charged certain assets including land use rights and property, plant and equipment amounted to approximately RMB103.5 million (31 December 2016: RMB167.1 million) in favour of secured bank loans of RMB240.1 million (31 December 2016: RMB85.6 million).

7. 僱員數目及薪酬

於二零一七年六月三十日，本集團聘用僱員約為322名(二零一六年十二月三十一日：355名僱員)。截至二零一七年六月三十日止六個月，員工成本約為人民幣7,100,000元(二零一六年六月三十日止六個月：人民幣17,700,000元)。本集團按現行市場薪酬水平、個人資歷及表現釐定員工薪酬。薪酬待遇包括表現花紅及獲發購股權之權利，並作定期檢討。本集團向董事及高級管理層提供持續專業培訓，包括舉辦講座及工作坊，以介紹監管要求及企業管治常規的最新動態。本集團亦舉辦各項職前及在職培訓，加深員工對業務目標及營運的認識。

8. 本集團資產抵押

於二零一七年六月三十日，本集團將約人民幣103,512,000元(二零一六年十二月三十一日：人民幣167,100,000元)的若干資產包括土地使用權及物業、廠房及設備用作為本集團有抵押銀行貸款人民幣240,100,000元(二零一六年十二月三十一日：人民幣85,600,000元)的抵押品。



FINANCIAL REVIEW (CONTINUED)

9. Contingent Liabilities

As at 30 June 2017, the Group did not have any contingent liabilities (31 December 2016: Nil).

10. Capital Expenditure

During the period under review, capital expenditure of the Group for property, plant and equipment for the construction and development of existing factory located in Fujian Province for its own use in the ordinary and usual course of business amounted to approximately RMB136.0 million (for the six months ended 30 June 2016: approximately RMB58,000).

11. Capital Commitments

As at 30 June 2017, the Group had contracted capital commitments outstanding but not provided for in the financial statements amounting to approximately RMB39.5 million (31 December 2016: approximately RMB30.9 million).

12. Events after the Reporting Period

On 31 July 2017, 82,000,000 shares options of the share option scheme, which was adopted on 8 January 2007 (the "Old Scheme"), were exercised and gross proceeds of HK\$26,240,000 were received.

財務回顧(續)

9. 或然負債

於二零一七年六月三十日，本集團並無任何或然負債(二零一六年十二月三十一日：無)。

10. 資本開支

於回顧期間，本集團有關物業、廠房及設備於日常及一般業務過程中就建設及開發位於福建省自用的現有工廠的資本開支約為人民幣136,000,000元(二零一六年六月三十日止六個月：約人民幣58,000元)。

11. 資本承擔

於二零一七年六月三十日，本集團有已訂約但尚未於財務報表中撥備的未償還資本承擔約人民幣39,500,000元(二零一六年十二月三十一日：約人民幣30,900,000元)。

12. 報告期後事項

於二零一七年七月三十一日，本公司所有股東於二零零七年一月八日以通過決議案方式採納之購股權計劃(「舊計劃」)中，82,000,000股購股權被行使並因而收取款項港幣26,240,000元。

INTERIM DIVIDEND

The Board does not recommend payment of any interim dividend for the six months ended 30 June 2017 (30 June 2016: Nil). Accordingly, no closure of the register of members of the Company is proposed.

SHARE OPTION SCHEME

The Old Scheme which was adopted on 8 January 2007 expired on 31 January 2017. As at 14 October 2016, under the Old Scheme, the Company granted 164,000,000 ordinary share options at the par value of HK\$0.01 to certain grantees. As at 30 June 2017, 82,000,000 share options were exercised, and the Company received HK\$26,240,000 from the exercise of these options. There are 82,000,000 share options which have not been exercised. The Company passed a resolution to adopt a new share option scheme (the “New Scheme”) on 16 June 2017 for the purpose of providing incentives and rewards to eligible participants for their contribution to the Company. For the six months ended 30 June 2017, no share option had been granted or exercised under the New Scheme.

中期股息

董事會並不建議就截至二零一七年六月三十日止六個月派發任何中期股息(二零一六年六月三十日：無)。因此，本公司並無建議暫停辦理股份登記手續。

購股權計劃

於二零零七年一月八日採納的舊計劃已於二零一七年一月三十一日到期。於二零一六年十月十四日，本公司根據舊計劃向若干承授人授出164,000,000股每股面值0.01港元之普通股之購股權。截至二零一七年六月三十日，已有82,000,000股之購股權獲行使，本公司因行使期權所得資金總額為港幣26,240,000元，另外尚有82,000,000股之購股權未獲行使。本公司於二零一七年六月十六日通過決議案方式採納本公司之購股權計劃(「新計劃」)，旨在為符合條件的參與者提供鼓勵及獎勵其對本公司作出之貢獻。截至二零一七年六月三十日止六個月，並無根據新計劃授出或行使任何購股權。



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

As at 30 June 2017, the interests or short positions of the directors of the Company (the "Directors") and chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO")) as recorded in the register maintained by the Company pursuant to section 352 of the SFO or otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the "Model Code for Securities Transactions by Directors of Listed Issuers" (the "Model Code") as set out in Appendix 10 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), were as follows:

董事及最高行政人員於本公司及其相聯法團股份、相關股份及債權證的權益及淡倉

於二零一七年六月三十日，本公司董事及最高行政人員在本公司或其任何相聯法團擁有（香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部所界定）的股份、相關股份或債權證中，擁有根據證券及期貨條例第352條須列入本公司所存置登記冊內之權益或淡倉，或根據香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十所載《上市發行人董事進行證券交易的標準守則》（「標準守則」）規定須知會本公司及香港聯合交易所有限公司（「聯交所」）之權益或淡倉如下：

Name of Directors 董事姓名	Company/name of associated corporation 公司／相聯 法團名稱	Capacity 身份	Number of shares (Note 1) 股份數目 (附註1)	Approximate percentage of interest 概約權益 百分比
Mr. Chen Chengqing 陳成慶先生	The Company 本公司	Interest in controlled corporation (Note 2) 受控法團權益(附註2)	508,303,000 (L)	21.73%

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

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

Notes:

1. The letter "L" denotes long position in the shares.
2. According to the disclosure of interest form submitted by Mr. Chen Chengqing on 30 June 2017 in accordance with Part XV of the SFO, these shares are registered in the name of Cyber Success Global Investments Limited, which is wholly owned by Mr. Chen Chengqing, an executive director. By virtue of the SFO, Mr. Chen Chengqing is deemed to be interested in all the shares in which Cyber Success Global Investments Limited is interested.
3. The percentage of shareholding is calculated on the basis of 2,338,772,500 issued shares of the Company as at 30 June 2017.

Save as disclosed above, none of the Directors or chief executive of the Company is aware of any other Director or chief executive of the Company who has any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporation which were required to be recorded in the register maintained by the Company pursuant to section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as at 30 June 2017.

附註：

1. 「L」指於股份中之好倉。
2. 根據由陳成慶先生於二零一七年六月三十日提交的證券及期貨條例第XV部披露權益表格，該等股份以由執行董事陳成慶先生全資擁有的Cyber Success Global Investments Limited之名義登記。根據證券及期貨條例，陳成慶先生被視為於Cyber Success Global Investments Limited擁有權益之全部股份中擁有權益。
3. 股權百分比按二零一七年六月三十日本公司已發行股份2,338,772,500股作基準計算。

除上文所披露者外，於二零一七年六月三十日，就本公司董事或最高行政人員所知，任何本公司其他董事或最高行政人員並無於本公司或任何相聯法團的任何股份、相關股份以及債權證中擁有根據證券及期貨條例第352條須列入本公司所存置登記冊或根據標準守則須知會本公司及聯交所之任何權益或淡倉。



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

As at 30 June 2017, the following persons, other than a director or chief executive of the Company, had an interest or a short position in the shares or underlying shares in the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

主要股東於本公司之股份及相關股份的權益及淡倉

於二零一七年六月三十日，以下人士（本公司董事或最高行政人員除外）於本公司股份或相關股份須記錄於根據證券及期貨條例第336條存置於本公司登記冊的權益或淡倉如下：

Name of shareholder 股東名稱／姓名	Capacity 身份	Number of shares (Note 1) 股份數目 (附註1)	Approximate percentage of shareholding (Note 3) 概約股權百分比 (附註3)
Cyber Success Global Investments Limited	Beneficial owner (Note 2) 實益擁有人(附註2)	508,303,000 (L)	21.73%
China Medical Service Investment Holding Limited	Beneficial owner 實益擁有人	171,000,000 (L)	7.31%

Notes:

附註：

(1) The letter "L" denotes long position in the shares of the Company.

(1) (L) 指於股份中之好倉。

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

Notes: (CONTINUED)

- (2) As disclosed under the paragraph headed "Directors' and chief executive's interests and short positions in shares, underlying shares and debentures of the Company and its associated corporations" above, these shares are registered in the name of Cyber Success Global Investments Limited, which is wholly owned by Mr. Chen Chengqing, an executive Director. Mr. Chen Chengqing is deemed to be interested in all the shares in which Cyber Success Global Investments Limited is interested by virtue of the SFO. According to the disclosure of interest form submitted by Cyber Success Global Investments Limited on 30 June 2017 in accordance with Part XV of the SFO, Cyber Success Global Investments Limited is accustomed to act in accordance with the directions of Mr. Chen Chengqing.
- (3) The percentage of shareholding is calculated on the basis of 2,338,772,500 issued shares of the Company as at 30 June 2017.

Save as disclosed above, the Company was not aware of any person, other than the Directors of the Company whose interests or short positions are set out in the paragraph headed "Directors' and chief executive's interests and short positions in shares, underlying shares and debentures of the Company and its associated corporations" above, who had an interest or a short position in the shares or underlying shares in the Company which were required to be recorded in the register to be kept by the Company under section 336 of the SFO as at 30 June 2017.

主要股東於本公司之股份及相關股份的權益及淡倉(續)

附註：(續)

- (2) 誠如上文「董事及最高行政人員於本公司及其相聯法團股份、相關股份及債權證的權益及淡倉」段落所披露，該等股份以由執行董事陳成慶先生全資擁有的 Cyber Success Global Investments Limited 之名義登記，根據證券及期貨條例，陳成慶先生被視為於 Cyber Success Global Investments Limited 擁有權益之全部股份中擁有權益。根據由 Cyber Success Global Investments Limited 於二零一七年六月三十日提交的證券及期貨條例第XV部披露權益表格，Cyber Success Global Investments Limited 慣於按照陳成慶先生的指令行事。
- (3) 股權百分比按二零一七年六月三十日本公司已發行股份 2,338,772,500 股作基準計算。

除上文所披露者外，於二零一七年六月三十日，本公司並無獲知會任何人士（其權益或淡倉載於上文「董事及最高行政人員於本公司及其相聯法團股份、相關股份及債權證的權益及淡倉」一段的董事除外）擁有須記錄於根據證券及期貨條例第336條存置於本公司股東名冊的本公司股份或相關股份的權益或淡倉。



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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities of the Company during the six months ended 30 June 2017.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

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

The Company has complied with the code provisions as set out in the "Corporate Governance Code" (the "Code") as contained in Appendix 14 to the Listing Rules during the six months ended 30 June 2017, ensuring that the Company is up to the requirements as being diligent, accountable and professional, except for a deviation from provision A.2.1 of the Code in respect of the roles of chairman and chief executive of the Company. The Board considered that vesting the roles of chairman and chief executive in the same person facilitates the execution of the Company's business strategies and maximizes effectiveness of its operations. The Board shall nevertheless review the structure from time to time and shall consider the appropriate adjustment should suitable circumstances arise. There are three independent non-executive Directors in the Board, and all of them possess adequate level of independence and therefore the Board considers the Company has achieved a balance of and provided sufficient protection to its interests.

購買、出售或贖回本公司上市證券

截至二零一七年六月三十日止六個月，本公司或其任何附屬公司概無購買、出售或贖回任何本公司的上市證券。

遵守企業管治常規守則

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

於截至二零一七年六月三十日止六個月期間，本公司已遵守上市規則附錄14所載《企業管治守則》（「該守則」）所載守則條文，確保本公司符合盡力、負責及專業之要求，惟偏離該守則第A.2.1條有關本公司主席及行政總裁的角色。董事會考慮到，由同一人士擔任主席及行政總裁職位，有助本公司執行業務策略，盡量提升其業務運作的效率。儘管如此，董事會須不時檢討有關架構，並於適當情況下考慮適當調整。董事會有三名獨立非執行董事，彼等均擁有足夠的獨立性，故董事會認為本公司已就其權益取得平衡及提供足夠保障。

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as the Company's own code for securities transactions by its Directors. In addition, the Company made specific enquiries of all Directors and each Director confirmed that during the six months ended 30 June 2017, they had fully complied with the required standards as set out in the Model Code.

At no time during the first six months of 2017 were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate granted to any Director or their respective spouse or minor children, or were any such rights exercised by them; nor was the Company or any of its subsidiaries a party to any arrangement to enable the Directors, their respective spouses or minor children to acquire such rights in any other body corporate.

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

董事進行證券交易

本公司已採納上市規則附錄10所載的標準守則，作為本公司董事進行證券交易之守則。此外，本公司已向所有董事作出具體查詢，各董事確認於截至二零一七年六月三十日止六個月內，已全面遵守標準守則所規定標準。

於二零一七年首六個月的任何時間，概無向任何董事或彼等各自的配偶或未成年子女授出可藉購買本公司或任何其他法人團體的股份或債權證而獲取利益之權利，或彼等並無行使任何有關權利；或本公司或其任何附屬公司亦無參與任何安排，致使董事、彼等各自的配偶或未成年子女獲得任何其他法人團體之有關權利。

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



AUDIT COMMITTEE

The Company has established an audit committee (the "Audit Committee") in compliance with Rule 3.21 of the Listing Rules. The Audit Committee, which comprises three independent non-executive Directors, has reviewed the accounting principles and practices adopted by the Company and discussed auditing, internal control and financial reporting matters in relation to the unaudited interim results for the six months ended 30 June 2017. On 30 August 2017, a meeting of the Audit Committee was held and the Audit Committee reviewed the unaudited interim results for the six months ended 30 June 2017 at the meeting. The Audit Committee are of the opinion that the financial statements of the Company for the period ended 30 June 2017 comply with the applicable accounting standards and the requirements of the Listing Rules and that adequate disclosures have been made, and recommend the Board to approve such financial statements.

REMUNERATION COMMITTEE

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

審核委員會

為遵守上市規則第3.21條，本公司已成立審核委員會（「審核委員會」）。審核委員會由三名獨立非執行董事組成，已審閱本公司採納之會計原則及常規，以及討論審核、內部監控及財務申報等有關截至二零一七年六月三十日止六個月未經審核中期業績的事宜。於二零一七年八月三十日，審核委員會舉行會議並於會上審閱截至二零一七年六月三十日止六個月期間未經審核中期業績。審核委員會認為，本公司截至二零一七年六月三十日止期間的財務報表符合適用之會計準則及上市規則的規定，且已作出適當的披露，並向董事會作出推薦建議以批准該等財務報表。

薪酬委員會

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

NOMINATION COMMITTEE

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

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

The 2017 interim report will be despatched to shareholders as well as made available on our Company’s website at www.wuyi-pharma.com and the Stock Exchange’s website at www.hkexnews.hk.

提名委員會

本公司提名委員會（「提名委員會」）由三名獨立非執行董事及一名執行董事組成，負責檢討董事會的架構、人數及組成部分、物色具適合資格出任董事會成員的人選、評估獨立非執行董事的獨立性。經考慮被提名人士的獨立性及資格後，提名委員會須向董事會提供推薦意見，以確保所有提名均公平及透明。提名委員會亦負責審閱董事繼任計劃，尤其是主席及行政總裁。

刊登中期業績公佈及中期報告

二零一七年年中期報告將寄發予各位股東及刊登於本公司網站www.wuyi-pharma.com及聯交所網站www.hkexnews.hk。



ACKNOWLEDGEMENT

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

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

On behalf of the Board

CHEN CHENGQING

Chairman

Hong Kong, 30 August 2017

As at the date of this report, the Board comprises 2 executive Directors, namely Mr. Chen Chengqing (Chairman) and Ms. Hung Hoi Lan, and 3 independent non-executive Directors, namely Mr. Wang Zihao, Mr. Tu Fangkui and Professor Zhang Rongqing.

致謝

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

最後，本人藉此機會感謝各股東及其他利益相關者一直以來的鼎力支持及信任。

代表董事會

主席

陳成慶

香港，二零一七年八月三十日

於本報告日期，董事會的董事包括2名執行董事，分別是陳成慶先生(主席)及洪海瀾女士，以及3名獨立非執行董事，分別是王子豪先生、屠方魁先生及張榮慶教授。



武夷药业
Wuyi Pharmaceutical

Wuyi International Pharmaceutical Company Limited

武夷國際藥業有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號：1889