RUI KANG PHARMACEUTICAL GROUP INVESTMENTS LIMITED
銳康藥業集團投資有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock code: 8037)

FURTHER INFORMATION IN RELATION TO INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2016

Reference is made to the interim results announcement ("**Interim Results Announcement**") dated 9 August 2016 and the interim report ("**Interim Report**") of Rui Kang Pharmaceutical Group Investments Limited ("**Company**") for the six months ended 30 June 2016. Unless the context otherwise specified, capitalised terms used in this announcement shall have the same meanings as those defined in the Interim Results Announcement.

As at 30 June 2016, the Group recorded the held for trading securities of approximately HK$75,675,000. Given that the Group has invested in various listed securities during the 2016 Interim Period, the Directors consider that investments with a market value that account for more than 5% of the Group's unaudited net assets as at 30 June 2016 as significant investments.

The Directors would like to provide additional information on the held for trading securities as at 30 June 2016 as follows:

Description of investment	Brief description of the principal business	Number of shares held as at 30 June 2016	Percentage held to the total issued share capital of the stock/ investment as at 30 June 2016	Investment cost/Capital owned as at 30 June 2016	Carrying amount/ Market value as at 30 June 2016	Carrying amount/ Market value as at 30 June 2015	Percentage to the Group's unaudited net assets as at 30 June 2016	Divided received during the six months ended 30 June 2016
				HK$'000	*HK$'000*	*HK$'000*		*HK$*
Significant investments								
Town Health International Medical Group Limited ("**Town Health**") (the shares of which are listed on the Main Board of the Stock Exchange (Stock code: 3886))	provision of healthcare and dental services; managed care business; beauty and cosmetic medicine business; and investments in securities and properties and treasury management	40,328,000	0.52%	61,227	51,217	30,694	16.00%	–
Dongfang Modern Agriculture Holding Group Limited ("**DFM**") (the shares of which are listed on the Australian Securities Exchange (Stock code: DFM))	cultivation and sales of various agricultural produce including citrus fruits tangerine, pomelo, navel oranges and also camellia fruit and related products in Ganzhou City District, Jiangxi Province of the PRC	1,823,863	0.46%	9,784	17,335	–	5.42%	–
Other investments								
Other listed shares*				4,580	7,123	27,511	2.23%	7,691
Grand total for the held for trading securities				75,591	75,675	58,205	23.65%	7,691

* Other listed shares represented the Group's investments in 5 companies, whose shares are listed on the Main Board and the Growth Enterprise Market of the Stock Exchange, as at 30 June 2016.

Performance of the Group's significant investments for the 2016 Interim Period

Town Health

As at 1 January 2016, the Group held 14,828,000 shares of Town Health. During the 2016 Interim Period, the Group purchased an aggregate of 25,500,000 shares of Town Health and did not sell any shares of Town Health. For the 2016 Interim Period, the Group recorded an unrealised loss on fair value changes of approximately HK$12,481,000 in its investment in Town Health.

As disclosed in the annual report of Town Health for the year ended 31 December 2015, it recorded a profit of approximately HK$260.9 million. It is also noted from the announcement of Town Health dated 19 August 2016 that Town Health and its subsidiaries recorded the unaudited consolidated profit of approximately HK$56.5 million during the six months ended 30 June 2016 (2015: approximately HK$259.9 million) and the decrease in profit was mainly attributable to the decrease in gain on fair value changes on held for trading investments from approximately HK$298 million for the six months ended 30 June 2015 to approximately HK$58,000 for the six months ended 30 June 2016.

DFM

As at 1 January 2016, the Group held 3,000,000 shares of DFM. During the 2016 Interim Period, the Group sold an aggregate of 1,219,064 shares of DFM and received 42,927 bonus shares of DFM. For the 2016 Interim Period, the Group recorded a realised loss on fair value changes of approximately HK$475,000 and an unrealised gain on fair value changes of approximately HK$4,651,000 in its investment in DFM.

As disclosed in the annual report of DFM for the year ended 31 December 2015, it recorded a profit of approximately RMB384,084,000 and DFM has implemented measures to expand product capacity through increasing plantation yield and efficiency, as well as improving fruit quality.

General

As disclosed in the Interim Report, the Group recognised a net loss on financial assets at fair value through profit and loss of approximately HK$13,283,000 for the 2016 Interim Period, which consists of (i) a net unrealised loss on fair value changes of approximately HK$7,863,000 (six months ended 30 June 2015: net unrealised gain on fair value changes of approximately HK$4,091,000) and (ii) a net realised loss of approximately HK$5,420,000 (six months ended 30 June 2015: net realised gain of approximately HK$14,073,000) for the six months ended 30 June 2016. Such turnaround of net gain for the 2015 Interim Period to net loss for the 2016 Interim Period was mainly due to the recent unstable global equity market and volatile financial market in Hong Kong as a result of the referendum of the United Kingdom for its withdrawal from the European Union in late June 2016.

The Directors expect that the stock markets in Hong Kong and Australia remain to be unstable in the year of 2016 which may affect the performance of the Group's significant investments. The Group will continuously remain cautious in the allocation of resources and the identification and seizure of appropriate securities investment opportunities and closely monitor the stock markets for mitigating the related risks.

By order of the Board
Rui Kang Pharmaceutical Group Investments Limited
LEUNG Pak Hou Anson
Executive Director

Hong Kong, 23 August 2016

As at the date of this announcement, the executive Directors are Mr. CHEUNG Hung (Chairman), Mr. LEUNG Pak Hou Anson and Ms. CHEN Miaoping (Chief Executive Officer); and the independent non-executive Directors are Mr. HO Fung Shan Bob, Mr. LEUNG Ka Fai and Mr. YUEN Chun Fai.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the "Latest Company Announcements" page of the GEM website at www.hkgem.com for at least 7 days from the date of its publication and on the website of the Company at www.ruikang.com.hk.