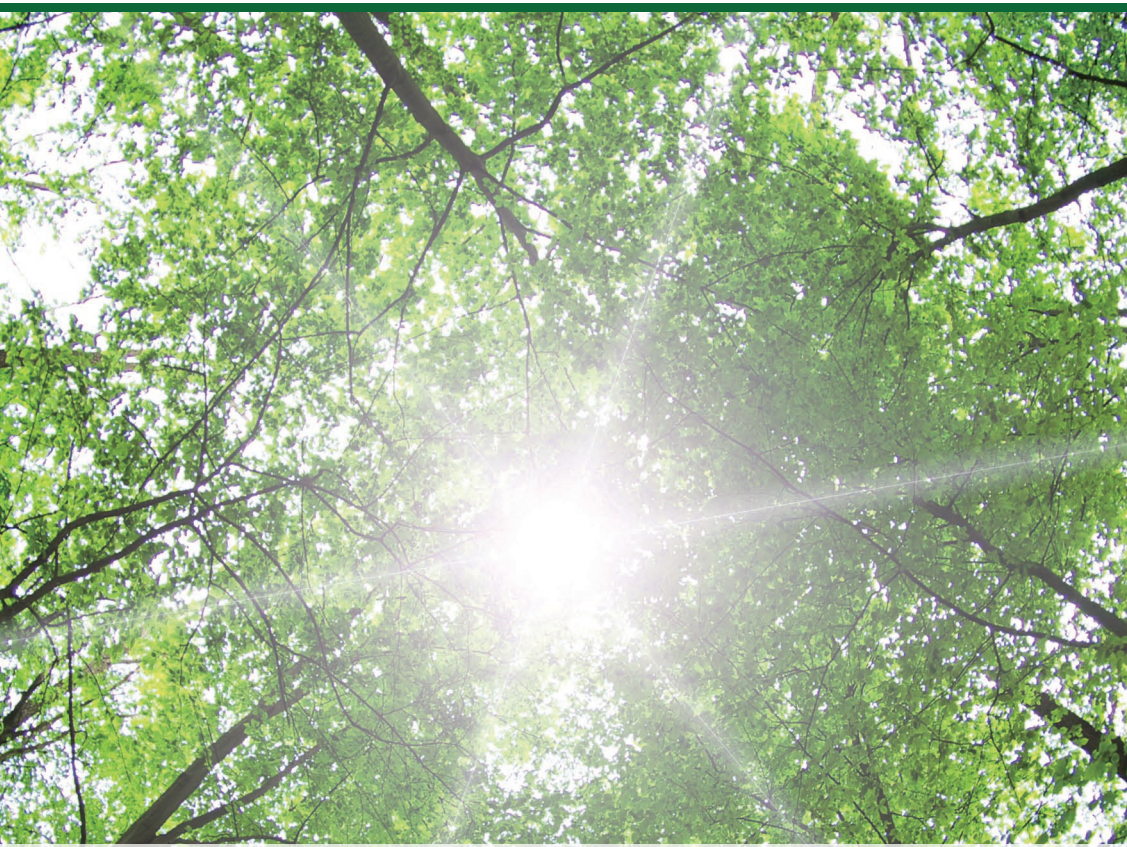
武夷药业
Wuyi Pharmaceutical

Wuyi International Pharmaceutical Company Limited
武夷國際藥業有限公司

(Incorporated in the Cayman Islands with limited liability) (於開曼群島註冊成立的有限公司)
Stock Code 股份代號：1889

Interim Report 中期報告 2014



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BOARD OF DIRECTORS / 董事會

Executive Directors / 執行董事

Mr. Lin Ou Wen *(Chairman)* 林歐文先生*(主席)*
Mr. Lin Qing Ping 林慶平先生
Mr. Xu Chao Hui 許朝暉先生

Non-executive Directors / 非執行董事

Mr. Tang Bin 唐彬先生
Mr. John Yang Wang 王陽先生

Independent Non-executive Directors / 獨立非執行董事

Mr. Liu Jun 劉軍先生
Mr. Lam Yat Cheong 林日昌先生
Mr. Du Jian 杜建先生

COMPANY SECRETARY / 公司秘書

Mr. Kung Wai Chiu, Marco 孔維釗先生
FCPA (Practising), FCCA, FTIHK, ACIS, ACS and CTA (HK) *FCPA(執業), FCCA, FTIHK, ACIS, ACS及CTA(香港)*

AUTHORIZED REPRESENTATIVES / 法定代表

Mr. Lin Ou Wen 林歐文先生
Mr. Kung Wai Chiu, Marco 孔維釗先生
FCPA (Practising), FCCA, FTIHK, ACIS, ACS and CTA (HK) *FCPA(執業), FCCA, FTIHK, ACIS, ACS及CTA(香港)*

AUDIT COMMITTEE / 審核委員會

Mr. Lam Yat Cheong *(Chairman)* 林日昌先生*(主席)*
Mr. Liu Jun 劉軍先生
Mr. Du Jian 杜建先生

REMUNERATION COMMITTEE / 薪酬委員會

Mr. Lam Yat Cheong *(Chairman)* 林日昌先生*(主席)*
Mr. Lin Ou Wen 林歐文先生
Mr. Liu Jun 劉軍先生
Mr. Du Jian 杜建先生

Corporate Information
公司資料

NOMINATION COMMITTEE

Mr. Lin Ou Wen *(Chairman)*
Mr. Lin Qing Ping
Mr. Liu Jun
Mr. Lam Yat Cheong
Mr. Du Jian

提名委員會

林歐文先生*(主席)*
林慶平先生
劉軍先生
林日昌先生
杜建先生

AUDITOR

Crowe Horwath (HK) CPA Limited
Certified Public Accountants

核數師

國富浩華(香港)會計師事務所有限公司
執業會計師

SOLICITOR

Gallant Y. T. Ho & Co.

律師

何耀棣律師事務所

PRINCIPAL BANKER

Bank of Communications Co., Ltd.

主要往來銀行

交通銀行股份有限公司

REGISTERED OFFICE

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

註冊辦事處

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

PLACE OF BUSINESS

Room 2805, 28th Floor
Central Plaza
18 Harbour Road
Wanchai
Hong Kong

營業地點

香港
灣仔
港灣道18號
中環廣場
28樓2805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, 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

股份過戶登記總處
Royal Bank of Canada Trust Company (Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road, George Town
Grand Cayman KY1-1110
Cayman Islands

股份過戶登記處香港分處
香港中央證券登記有限公司
香港灣仔
皇后大道東183號
合和中心17樓
1712-1716號舖

STOCK CODE

1889

股份代號

1889

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網址

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Report on Review of Interim Financial Statements
審閱中期財務報表之報告

TO THE BOARD OF DIRECTORS OF WUYI INTERNATIONAL PHARMACEUTICAL COMPANY LIMITED
(Incorporated in the Cayman Islands with limited liability)

致：武夷國際藥業有限公司董事會

（於開曼群島註冊成立的有限公司）

INTRODUCTION

We have reviewed the interim financial statements of Wuyi International Pharmaceutical Company Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 7 to 31, which comprise the condensed consolidated statement of financial position as at 30 June 2014 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The directors of the Company are responsible for the preparation and presentation of these interim financial statements in accordance with HKAS 34.

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

引言

本核數師已審閱載於第7至31頁之武夷國際藥業有限公司（「貴公司」）及其附屬公司（統稱「貴集團」）之中期財務報表，當中包括於二零一四年六月三十日的簡明綜合財政狀況表與截至該日止六個月期間的相關簡明綜合損益及其他全面收益表、簡明綜合權益變動表及簡明綜合現金流量表及其他說明附註。香港聯合交易所有限公司證券上市規則規定，中期財務資料報告的編製必須符合當中有關條文以及香港會計師公會（「香港會計師公會」）頒佈的香港會計準則第34號「中期財務報告」（「香港會計準則第34號」）。貴公司董事須對根據香港會計準則第34號編製及呈列的該等中期財務報表負責。

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

Report on Review of Interim Financial Statements
審閱中期財務報表之報告

SCOPE OF REVIEW

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

審閱範圍

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

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements as at 30 June 2014 are not prepared, in all material respects, in accordance with HKAS 34.

結論

按照本核數師的審閱，本核數師並無發現任何事項，令本核數師相信於二零一四年六月三十日之中期財務報表在各重大方面未有根據香港會計準則第34號編製。

Crowe Horwath (HK) CPA Limited
Certified Public Accountants
Hong Kong, 29 August 2014

Sze Chor Chun, Yvonne
Practising Certificate Number P05049

國富浩華（香港）會計師事務所有限公司
執業會計師
香港，二零一四年八月二十九日

史楚珍
執業證書編號P05049

Unaudited Interim Results
未經審核中期業績

The board (the "Board") of directors (the "Directors") of Wuyi International Pharmaceutical Company Limited ("Wuyi Pharmaceutical" or the "Company") is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively referred to the "Group") for the six-month period ended 30 June 2014, together with the comparative figures for the corresponding period in 2013.

武夷國際藥業有限公司(「武夷藥業」或「本公司」)董事(「董事」)會(「董事會」)謹此宣佈，本公司及其附屬公司(統稱為「本集團」)截至二零一四年六月三十日止六個月期間之未經審核中期業績，連同二零一三年同期之比較數字。

These interim financial statements have not been audited, but have been reviewed and agreed by the Company's audit committee and the Company's external auditor in accordance with the Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

該等中期財務報表未經審核，惟已由本公司審核委員會及本公司外聘核數師根據香港會計師公會(「香港會計師公會」)頒佈的香港審閱委聘準則第2410號「由實體獨立核數師審閱中期財務資料」進行審閱，且並無分歧。

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 2014 截至二零一四年六月三十日止六個月期間

		Note 附註	Six months ended 30 June 截至六月三十日止六個月 2014 RMB'000 人民幣千元 (Unaudited) (未經審核)	2013 RMB'000 人民幣千元 (Unaudited) (未經審核)
Turnover	營業額	4	**232,908**	227,852
Cost of sales	銷售成本		**(182,357)**	(160,904)
Gross profit	毛利		**50,551**	66,948
Other revenue and net income	其他收入及淨收益		**921**	1,129
Distribution costs	分銷成本		**(32,620)**	(40,042)
Administrative and other operating expenses	行政及其他經營費用		**(21,147)**	(21,575)
Finance costs	融資成本	5a)	**(501)**	–
(Loss)/profit before tax	除稅前(虧損)/溢利	5	**(2,796)**	6,460
Income tax	所得稅	6	**(298)**	(2,628)
(Loss)/profit for the period attributable to owners of the Company	本公司擁有人應佔期內(虧損)/溢利		**(3,094)**	3,832
Other comprehensive income for the period	期內其他全面收益		**–**	–
Total comprehensive (loss)/income for the period attributable to owners of the Company	期內本公司擁有人應佔全面總(虧損)/收益		**(3,094)**	3,832
(Loss)/earnings per share – Basic and diluted	每股(虧損)/盈利－基本及攤薄	8	**RMB(0.2) cents 人民幣(0.2)分**	RMB0.2 cents 人民幣0.2分

Condensed Consolidated Statement of Financial Position
簡明綜合財政狀況表

As at 30 June 2014 於二零一四年六月三十日

		Note 附註	30 June 六月三十日 2014 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 十二月三十一日 2013 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	9	**820,173**	849,540
Land use rights	土地使用權		**62,981**	63,696
Intangible assets	無形資產		**–**	–
Deferred tax assets	遞延稅項資產		**51,705**	49,330
			934,859	962,566
Current assets	**流動資產**			
Inventories	存貨		**39,640**	31,435
Trade and other receivables	貿易應收款項及其他應收款項	10	**106,221**	103,652
Cash and cash equivalents	現金及現金等價物	11	**520,036**	512,419
			665,897	647,506
Current liabilities	**流動負債**			
Trade and other payables	貿易應付款項及其他應付款項	12	**85,499**	87,858
Secured bank loan	有抵押銀行貸款	13	**15,000**	15,000
Tax payable	應付稅項		**1,068**	5,028
			101,567	107,886
Net current assets	**流動資產淨值**		**564,330**	539,620
Total assets less current liabilities	**總資產減流動負債**		**1,499,189**	1,502,186
Non-current liabilities	**非流動負債**			
Deferred tax liabilities	遞延稅項負債		**6,867**	6,770
Net assets	**資產淨值**		**1,492,322**	1,495,416

Condensed Consolidated Statement of Financial Position
簡明綜合財政狀況表

As at 30 June 2014 於二零一四年六月三十日

		Note 附註	30 June 六月三十日 2014 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 十二月三十一日 2013 RMB'000 人民幣千元 (Audited) (經審核)
Capital and reserves	**資本及儲備**			
Share capital	股本	14	**17,098**	17,098
Reserves	儲備		**1,475,224**	1,478,318
Total equity attributable to owners of the Company	**本公司擁有人應佔總權益**		**1,492,322**	1,495,416

Approved and authorised for issue by the board of directors on 29 August 2014 and signed on its behalf by:

於二零一四年八月二十九日經董事會批准及授權刊發，並由以下人士代表簽署：

Lin Ou Wen
林歐文
Chairman and Chief Executive Officer

主席及行政總裁

Lin Qing Ping
林慶平
Executive Director, General Manager and Chief operating Officer
執行董事、總經理兼營運總裁

Condensed Consolidated Statement of Changes in Equity
簡明綜合權益變動表

For the six-month period ended 30 June 2014 截至二零一四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 股本 RMB'000 人民幣千元	Share premium 股份溢價 RMB'000 人民幣千元	Special reserve 特別儲備 RMB'000 人民幣千元	Capital reserve 資本儲備 RMB'000 人民幣千元	Statutory surplus reserve 法定盈餘儲備 RMB'000 人民幣千元	Non-distributable reserve 不可分派儲備 RMB'000 人民幣千元	Retained profits 保留溢利 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2013 (audited)	於二零一三年一月一日（經審核）	17,098	929,533	(124,106)	53,000	236,523	23,752	363,171	1,498,971
Profit and total comprehensive income for the period	期內溢利及全面總收益	-	-	-	-	-	-	3,832	3,832
At 30 June 2013 (unaudited)	於二零一三年六月三十日（未經審核）	17,098	929,533	(124,106)	53,000	236,523	23,752	367,003	1,502,803
At 1 January 2014 (audited)	於二零一四年一月一日（經審核）	**17,098**	**929,533**	**(124,106)**	**53,000**	**247,374**	**23,752**	**348,765**	**1,495,416**
Loss and total comprehensive loss for the period	期內虧損及全面總虧損	**-**	**-**	**-**	**-**	**-**	**-**	**(3,094)**	**(3,094)**
At 30 June 2014 (unaudited)	於二零一四年六月三十日（未經審核）	**17,098**	**929,533**	**(124,106)**	**53,000**	**247,374**	**23,752**	**345,671**	**1,492,322**

Condensed Consolidated Statement of Cash Flows
簡明綜合現金流量表

For the six-month period ended 30 June 2014 截至二零一四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	
		2014	2013
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(Unaudited)	(Unaudited)
		（未經審核）	（未經審核）
Operating activities	**經營活動**		
(Loss)/profit before tax	除税前（虧損）／溢利	**(2,796)**	6,460
Adjustments for:	為下列各項調整：		
Interest income	利息收入	**(902)**	(1,157)
Finance costs	融資成本	**501**	–
Depreciation of property, plant and equipment	物業、廠房及設備的折舊	**29,523**	23,150
Amortisation of land use rights	土地使用權的攤銷	**715**	715
		27,041	29,168
Changes in working capital	**營運資金變動**		
Increase in inventories	存貨增加	**(8,205)**	(3,342)
(Increase)/decrease in trade and other receivables	貿易應收款項及其他應收款項（增加）／減少	**(2,569)**	6,896
Increase/(decrease) in trade and other payables	貿易應付款項及其他應付款項增加／（減少）	**2,015**	(9,294)
Cash generated from operations	**經營活動產生的現金**	**18,282**	23,428
Income tax paid – The People's Republic of China (the "PRC")	已付所得税 – 中華人民共和國（「中國」）	**(6,536)**	(6,159)
Net cash generated from operating activities	**經營活動產生的現金淨額**	**11,746**	17,269
Investing activities	**投資活動**		
Interest received	已收利息	**902**	1,157
Payment for the purchase of property, plant and equipment	購買物業、廠房及設備的款項	**(4,530)**	(225,731)
Net cash used in investing activities	**投資活動所用現金淨額**	**(3,628)**	(224,574)

Condensed Consolidated Statement of Cash Flows
簡明綜合現金流量表

For the six-month period ended 30 June 2014 截至二零一四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	
		2014	2013
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(Unaudited)	(Unaudited)
		（未經審核）	（未經審核）
Financing activities	**融資活動**		
Interest paid	已付利息	**(501)**	–
Net cash used in financing activities	**融資活動所用現金淨額**	**(501)**	–
Net increase/(decrease) in cash and cash equivalents	**淨現金及現金等價物增加／（減少）**	**7,617**	(207,305)
Cash and cash equivalents at 1 January	**於一月一日的現金及現金等價物**	**512,419**	725,141
Cash and cash equivalents at 30 June	**於六月三十日的現金及現金等價物**	**520,036**	517,836
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	**520,036**	517,836

1. GENERAL

Wuyi International Pharmaceutical Company Limited (the "Company") was incorporated and registered as an exempted company with limited liability under the Companies Law, Cap.22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and acts as an investment holding company. Its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 1 February 2007. The addresses of the registered office and principal place of business of the Company are 4/F., Willow House, Cricket Square, P.O. Box 2804, Grand Cayman KY1-1112, Cayman Islands and Room 2805, 28/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong respectively. The principal activities of its principal subsidiaries are the development, manufacturing, marketing and sales of pharmaceutical products.

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

1. 一般資料

武夷國際藥業有限公司(「本公司」)根據開曼群島公司法第22章(一九六一年第三條法例，經綜合及經修訂)註冊成立為受豁免有限公司並作為一家投資控股公司。其股份於二零零七年二月一日於香港聯合交易所有限公司(「聯交所」)主板上市。本公司的註冊辦事處及主要營業地點的地址分別為4/F., Willow House, Cricket Square, P.O. Box 2804, Grand Cayman KY1-1112, Cayman Islands及香港灣仔港灣道18號中環廣場28樓2805室。本公司主要附屬公司的主要業務為從事醫藥產品開發、製造、市場推廣及銷售。

未經審核中期財務報表以人民幣(「人民幣」)呈列並四拾五入至千元，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。

2. BASIS OF PREPARATION

The unaudited interim financial statements have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited including compliance with Hong Kong Accounting Standard ("HKAS") 34 "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). It was authorised for issue on 29 August 2014.

The unaudited interim financial statements has been prepared in accordance with the same accounting policies adopted in the 2013 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2014 annual financial statements. Details of these changes in accounting policies are set out in note 3.

2. 編製基準

未經審核中期財務報表乃根據香港聯合交易所有限公司證券上市規則之適用披露規定編製，包括遵守香港會計師公會(「香港會計師公會」)頒佈之香港會計準則(「香港會計準則」)第34 號「中期財務報告」。本中期報告已於二零一四年八月二十九日授權刊發。

除預期將於二零一四年年度財務報表反映的會計政策變動外，未經審核中期財務報表乃根據二零一三年之年度財務報表所採納相同會計政策編製。該等會計政策變動詳情載於附註3。

2. BASIS OF PREPARATION (CONTINUED)

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses on a year-to-date basis. Actual results may differ from these estimates. The unaudited interim financial statements contain condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of the events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2013 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a 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 2013 that is included in the unaudited interim financial statements as being previously reported information does not constitute the Company's statutory financial statements for the financial year but is derived from those financial statements. The statutory financial statements for the year ended 31 December 2013 are available from the Company's registered office. The auditor has expressed an unqualified opinion on those financial statements in their report dated 24 March 2014.

2. 編製基準(續)

根據香港會計準則第34號，管理層在編製中期財務報告時需要作出判斷、估計和假設，這些判斷、估計和假設會影響政策的應用、資產及負債和年度至該日止之收入和支出的匯報數額。實際結果可能有別於該等估計。未經審核中期財務報表包括簡明綜合財務報表及選定之解釋附註。附註包括自二零一三年之年度財務報表當日起對瞭解本集團財務狀況及表現之變動而言屬重要之事項及交易之解釋。本簡明綜合中期財務報表及其中所載附註並不包括所有根據香港財務報告準則(「香港財務報告準則」)而編製整份財務報表所需之一切資料。

未經審核中期財務報表所載關於截至二零一三年十二月三十一日止財政年度之財務資料(作為以往已申報之資料)並不構成本公司於該財政年度之法定財務報表，惟乃摘錄自該等財務報表。截至二零一三年十二月三十一日止年度之法定財務報表於本公司註冊辦事處可供取閱。核數師已於二零一四年三月二十四日刊發之報告對該等財務報表發表無保留意見。

3. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued the following amendments to HKFRSs and one new Interpretation that are first effective for the current accounting period of the Group:

- Amendments to HKFRS 10, HKFRS 12 and HKAS 27, *Investment entities*
- Amendments to HKAS 32, *Offsetting financial assets and financial liabilities*
- Amendments to HKAS 36, *Recoverable amount disclosures for non-financial assets*
- Amendments to HKAS 39, *Novation of derivatives and continuation of hedge accounting*
- HK(IFRIC) 21, *Levies*

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

Amendments to HKFRS 10, HKFRS 12 and HKAS 27, *Investment entities*

The amendments provide consolidation relief to those parents which qualified to be an investment entity as defined in the amended HKFRS 10. Investment entities are required to measure their subsidiaries at fair value through profit or loss. These amendments do not have an impact on the Group's interim financial report as the Company does not qualify to be an investment entity.

3. 會計政策之變動

香港會計師公會已頒佈下列於本集團本會計期間首次生效之香港財務報告準則之修訂及一項新詮釋：

- 香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第27號之修訂，*投資實體*
- 香港會計準則第32號之修訂，*抵銷金融資產及金融負債*
- 香港會計準則第36號之修訂，*非金融資產可收回金額披露*
- 香港會計準則第39號之修訂，*衍生工具更替及對冲會計法之延續*
- 香港（國際財務報告詮釋委員會）第21號，*徵稅*

本集團並無採用於本會計期間尚未生效的任何新準則或詮釋。

香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第27號之修訂，*投資實體*

該修訂本放寬符合經修訂香港財務報告準則第10號界定的投資實體的母公司的綜合入賬要求。投資實體須透過損益計量彼等的附屬公司的公平值。由於本公司並不符合投資實體的定義，故該等修訂對本集團的中期財務報告並無任何影響。

3. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

Amendments to HKAS 32, *Offsetting financial assets and financial liabilities*

The amendments to HKAS 32 clarify the offsetting criteria in HKAS 32. The amendments do not have an impact on the Group's interim financial report as they are consistent with the policies already adopted by the Group.

Amendments to HKAS 36, *Recoverable amount disclosures for non-financial assets*

The amendments to HKAS 36 modify the disclosure requirements for impaired non-financial assets. Among them, the amendments expand the disclosures required for an impaired asset or cash generating units ("CGU") whose recoverable amount is based on fair value less costs of disposal. The Group early adopted the amendments in the annual financial statements for the year ended 31 December 2013.

Amendments to HKAS 39, *Novation of derivatives and continuation of hedge accounting*

The amendments to HKAS 39 provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. The amendments do not have an impact on the Group's interim financial report as the Group has not novated any of its derivatives.

3. 會計政策之變動(續)

香港會計準則第32號之修訂，*抵銷金融資產及金融負債*

香港會計準則第32號之修訂釐清香港會計準則第32號的抵銷標準。由於該等修訂與本集團已採納的政策一致，故對本集團的中期財務報告並無任何影響。

香港會計準則第36號之修訂，*非金融資產可收回金額披露*

香港會計準則第36號之修訂修改已減值非金融資產的披露規定。其中，該等修訂擴大對可收回金額按公平值減出售成本計算的已減值資產或已減值現金產生單位(「現金產生單位」)的披露規定。本集團於截至二零一三年十二月三十一日止年度的年度財務報表提早採納該等修訂。

香港會計準則第39號之修訂，*衍生工具更替及對冲會計法之延續*

香港會計準則第39號之修訂放寬在符合若干標準並指定作為對沖工具的衍生工具進行更替時的終止對沖會計規定。由於本集團並無更替其任何衍生工具，故該等修訂對本集團的中期財務報告並無影響。

3. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

3. 會計政策之變動(續)

HK(IFRIC) 21, *Levies*

The interpretation provides guidance on when a liability to pay a levy imposed by a government should be recognised. The amendments do not have an impact on the Group's interim financial report as the guidance is consistent with the Group's existing accounting policies.

香港(國際財務報告詮釋委員會)第21號，*徵稅*

該詮釋指引何時確認支付政府徵費的負債。由於指引與本集團現時會計政策一致，該等修訂對本集團的中期財務報告並無影響。

4. SEGMENT INFORMATION

4. 分類資料

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

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

The Group has only one single segment being the development, manufacturing, marketing and sales of pharmaceutical products. In addition, the Group's revenue from external customers is derived solely from its operations in the PRC and all material non-current assets of the Group are located in the PRC. Accordingly, no analysis by product and geographical information is provided.

本集團僅有一個分類，主要是進行醫藥產品開發、製造、市場推廣及銷售。此外，本集團來自外界客戶之收益僅產生自其於中國之業務，而其所有重大非流動資產亦位於中國。因此，無需提供按產品及地域資料進行分類的分析。

During the six-month period ended 30 June 2014 and 2013, no revenue from transactions with a single external customer amounted to 10% or more of the Group's total revenue.

截至二零一四年及二零一三年六月三十日止六個月期間內，概無與單一外部客戶進行之交易收益佔本集團總收入10%或以上。

5. (LOSS)/PROFIT BEFORE TAX

5. 除稅前(虧損)/溢利

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

除稅前(虧損)/溢利已扣除/(計入)下列項目：

		Six months ended 30 June 截至六月三十日止六個月	
		2014	2013
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
a) Finance costs	**a) 融資成本**		
Interest on bank borrowing wholly repayable within five years	須於五年內悉數償還的銀行借貸利息	**501**	–
b) Staff costs	**b) 員工成本**		
Directors' and chief executive officer's emoluments	董事及行政總裁酬金	**1,528**	1,532
Other staff costs	其他員工成本		
– Contributions to defined contribution retirement benefits scheme	–定額供款退休福利計劃供款	**2,219**	2,215
– Salaries, wages and other benefits	–工資、薪資及其他福利	**16,321**	15,490
Total staff costs *#	員工成本總額 *#	**20,068**	19,237

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

5. 除稅前(虧損)/溢利(續)

		Six months ended 30 June 截至六月三十日止六個月	
		2014	2013
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
c) Other items	**c) 其他項目**		
Depreciation of property, plant and equipment *#	物業、廠房及設備折舊 *#	**29,523**	23,150
Amortisation of land use rights	土地使用權的攤銷	**715**	715
Exchange (gain)/loss, net	匯兑(收益)/虧損淨額	**(19)**	28
Operating lease payments in respect of rented premises	就租賃物業支付的經營租約租金	**584**	613
Research and development costs*	研發成本*	**946**	1,090
Cost of inventories#	存貨成本#	**182,357**	160,904
Bank interest income	銀行利息收入	**(902)**	(1,157)

Cost of inventories includes RMB33,369,000 (six-month period ended 30 June 2013: RMB25,962,000) relating to staff costs and depreciation which amount is also included in the respective total amounts disclosed separately above.

存貨成本包括與員工成本及折舊有關的人民幣33,369,000元(截至二零一三年六月三十日止六個月期間:人民幣25,962,000元),該金額亦包括於上文單獨披露的各項費用總金額。

* Research and development costs includes RMB902,000 (six-month period ended 30 June 2013: RMB1,040,000) relating to staff costs and depreciation which amount is also included in the respective total amounts disclosed separately above.

* 研發成本包括有關員工成本及折舊的人民幣902,000元(截至二零一三年六月三十日止六個月期間:人民幣1,040,000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 IN THE CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

6. 簡明綜合損益及其他全面收益表之所得稅

		Six months ended 30 June 截至六月三十日止六個月	
		2014	2013
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(Unaudited)	(Unaudited)
		（未經審核）	（未經審核）
Current tax – PRC corporate income tax	當期稅項－中國企業所得稅	**2,576**	5,766
Deferred taxation	遞延稅項	**(2,278)**	(3,138)
		298	2,628

a) PRC corporate income tax is calculated at the applicable rate of 25% on the assessable profits for the six-month period ended 30 June 2014 (six-month period ended 30 June 2013: 25%) in accordance with the relevant laws and regulations in the PRC.

a) 截至二零一四年六月三十日止六個月期間，中國企業所得稅乃根據中國相關法律及法規就應課稅溢利按適用稅率25%(截至二零一三年六月三十日止六個月期間：25%)計算。

b) No provision for Hong Kong profits tax has been made as the Group had no assessable profits in Hong Kong for the six-month period ended 30 June 2014 (six-month period ended 30 June 2013: Nil).

b) 由於本集團截至二零一四年六月三十日止六個月期間在香港並無應課稅溢利(截至二零一三年六月三十日止六個月期間：無)，故並無就香港利得稅作出撥備。

c) The Group had no significant unprovided deferred tax assets or liabilities at 30 June 2014 and 2013.

c) 於二零一四年及二零一三年六月三十日，本集團概無重大未撥備遞延稅項資產或負債。

7. DIVIDENDS

The directors do not recommend payment of an interim dividend for the six-month period ended 30 June 2014 (six-month period ended 30 June 2013: Nil).

7. 股息

董事建議不派發截至二零一四年六月三十日止六個月期間的中期股息(截至二零一三年六月三十日止六個月期間：無)。

8. (LOSS)/EARNINGS PER SHARE

a) Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share is based on the loss for the period attributable to owners of the Company of approximately RMB3,094,000 (six-month period ended 30 June 2013: profit of approximately RMB3,832,000) and the weighted average of 1,709,772,500 ordinary shares (six-month period ended 30 June 2013: 1,709,772,500 ordinary shares) in issue during the period.

b) Diluted (loss)/earnings per share

Diluted (loss)/earnings per share equals basic (loss)/earnings per share as there were no dilutive potential ordinary shares outstanding during both six-month periods ended 30 June 2014 and 2013.

8. 每股(虧損)／盈利

a) 每股基本(虧損)／盈利

每股基本(虧損)／盈利乃根據期內本公司擁有人應佔虧損約人民幣3,094,000元(截至二零一三年六月三十日止六個月期間：溢利約人民幣3,832,000元)以及期間內已發行普通股加權平均數1,709,772,500股(截至二零一三年六月三十日止六個月期間：1,709,772,500股普通股)計算。

b) 每股攤薄(虧損)／盈利

由於截至二零一四年及二零一三年六月三十日止六個月兩個期間並無發行在外的攤薄潛在普通股，每股攤薄(虧損)／盈利等於每股基本(虧損)／盈利。

9. MOVEMENT IN PROPERTY, PLANT AND EQUIPMENT

9. 物業、廠房及設備之變動

During the six-month period ended 30 June 2014, the Group has additions of property, plant and equipment of approximately RMB530,000, adjustment resulted from cost variation on construction in progress of approximately RMB374,000 and transfer of construction in progress of approximately RMB804,978,000 to property, plant and equipment (six-month period ended 30 June 2013: additions of property, plant and equipment of approximately RMB217,751,000).

截至二零一四年六月三十日止六個月期間，本集團添置物業、廠房及設備約人民幣530,000元、在建工程成本變動引致的調整約人民幣374,000元及轉撥在建工程約人民幣804,978,000元至物業、廠房及設備（截至二零一三年六月三十日止六個月期間：添置物業、廠房及設備約人民幣217,751,000元）。

10. TRADE AND OTHER RECEIVABLES

10. 貿易應收款項及其他應收款項

		30 June 六月三十日 2014 RMB'000 人民幣千元 (Unaudited) （未經審核）	31 December 十二月三十一日 2013 RMB'000 人民幣千元 (Audited) （經審核）
Trade receivables	貿易應收款項	**105,995**	103,436
Loan and receivables	貸款及應收款項	**105,995**	103,436
Deposits	按金	**226**	216
		106,221	103,652

10. TRADE AND OTHER RECEIVABLES (CONTINUED)

10. 貿易應收款項及其他應收款項(續)

The Group normally grants credit terms of 60 days to its customers. The ageing analysis of trade receivables, presented based on the invoice date, is as follows:

本集團一般向其客戶授予60天信貸期。按發票日期呈列的貿易應收款項的賬齡分析如下：

		30 June 六月三十日 2014 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 十二月三十一日 2013 RMB'000 人民幣千元 (Audited) (經審核)
Age	賬齡		
0 to 30 days	0至30日	**55,520**	53,336
31 to 60 days	31至60日	**50,475**	50,100
		105,995	103,436

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.

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。

There is no trade and other receivables that are past due or impaired as at 30 June 2014 and 31 December 2013.

於二零一四年六月三十日及於二零一三年十二月三十一日，本集團並無貿易應收款項及其他應收款項逾期或減值。

11. CASH AND CASH EQUIVALENTS

Cash and cash equivalents of the Group comprise cash at bank and on hand. During the period, the bank deposits of the Group carried interest at rates ranging from Nil to 0.35% (2013: Nil to 0.35%) per annum.

11. 現金及現金等價物

本集團之現金及現金等價物包括銀行及手頭現金。期內，本集團銀行存款按年利率零至0.35%（二零一三年：零至0.35%）計息。

12. TRADE AND OTHER PAYABLES

12. 貿易應付款項及其他應付款項

		30 June 六月三十日 2014 RMB'000 人民幣千元 (Unaudited) （未經審核）	31 December 十二月三十一日 2013 RMB'000 人民幣千元 (Audited) （經審核）
Trade payables	貿易應付款項		
– a related company *	－一間關連公司*	**863**	727
– others	－其他	**58,108**	47,032
		58,971	47,759
Payroll and welfare payables	應付的酬金及福利	**1,488**	9,453
Payable for acquisition of property, plant and equipment	收購物業、廠房及設備應付款項	**4,589**	8,963
Accrued charges	應計費用	**5,516**	7,251
Other payables	其他應付款項	**6,337**	6,186
Financial liabilities measured at amortised cost	按攤銷成本計算之金融負債	**76,901**	79,612
Other PRC tax payables	其他應付中國稅項	**8,598**	8,246
		85,499	87,858

12. TRADE AND OTHER PAYABLES (CONTINUED)

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

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

12. 貿易應付款項及其他應付款項(續)

* 關連公司為福州宏宇包裝工業有限公司，乃由林歐文先生控制的公司，而林歐文先生為本公司的董事、行政總裁及股東。

以發票日期為基礎的貿易應付款項的賬齡分析如下：

Age	賬齡	**30 June 六月三十日 2014 RMB'000 人民幣千元 (Unaudited) (未經審核)**	31 December 十二月三十一日 2013 RMB'000 人民幣千元 (Audited) (經審核)
0 to 30 days	0至30日	**24,912**	34,282
31 to 60 days	31至60日	**34,059**	13,477
		58,971	47,759

13. SECURED BANK LOAN

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

13. 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 2014 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 十二月三十一日 2013 RMB'000 人民幣千元 (Audited) (經審核)
Secured bank loan	有抵押銀行貸款	**15,000**	15,000

At 30 June 2014 and 31 December 2013, interest-bearing bank loan is 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 agreement.

於二零一四年六月三十日及二零一三年十二月三十一日，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。

At 30 June 2014 and 31 December 2013, land use rights with a net book value of approximately RMB40,696,000 (31 December 2013: RMB41,141,000) was pledged to a bank as collateral against the bank loan. The bank loan carries interest at fixed rate of 6.6% (31 December 2013: 6.6%) per annum and is repayable within 1 year. The security will be released upon full settlement of the loan.

於二零一四年六月三十日及二零一三年十二月三十一日，賬面值淨額約為人民幣40,696,000元（二零一三年十二月三十一日：人民幣41,141,000元）的土地使用權已抵押予銀行作為銀行貸款的抵押。銀行貸款按固定年利率6.6%（二零一三年十二月三十一日：6.6%）計息及須於一年內償還。於全數償還貸款後，抵押將獲解除。

14. SHARE CAPITAL 14. 股本

		Number of shares 股份數目	Amount 金額 HK$'000 千港元
Ordinary shares of HK$0.01 each	每股面值0.01港元的普通股		
Authorised:	法定：		
At 1 January 2013, 31 December 2013, 1 January 2014 and 30 June 2014	於二零一三年一月一日、二零一三年十二月三十一日、二零一四年一月一日及二零一四年六月三十日	3,200,000,000	32,000
Issued and fully paid:	已發行及繳足：		
At 1 January 2013, 31 December 2013, 1 January 2014 and 30 June 2014	於二零一三年一月一日、二零一三年十二月三十一日、二零一四年一月一日及二零一四年六月三十日	1,709,772,500	17,098

		30 June 六月三十日 2014 RMB'000 人民幣千元 (Unaudited) （未經審核）	31 December 十二月三十一日 2013 RMB'000 人民幣千元 (Audited) （經審核）
Shown in the condensed consolidated statement of financial position as at 30 June 2014 and 31 December 2013	於二零一四年六月三十日及二零一三年十二月三十一日的簡明綜合財政狀況表顯示	**17,098**	17,098

15. CAPITAL COMMITMENTS

15. 資本承擔

		30 June 六月三十日 2014 RMB'000 人民幣千元 (Unaudited) （未經審核）	31 December 十二月三十一日 2013 RMB'000 人民幣千元 (Audited) （經審核）
Capital expenditure contracted for but not provided for in the financial statements in respect of the acquisition of intangible assets	就收購無形資產已訂約但未於財務報表撥備的資本開支	**8,100**	8,100

16. MATERIAL RELATED PARTY TRANSACTIONS

16. 重大關連人士交易

a) In addition to the transactions and balances disclosed elsewhere in these financial statements, the Group entered into the following significant related party transactions, and had balances due to related parties in trade and other payables as at the end of the reporting period:

a) 除於該等財務報表其他地方披露之交易及結餘外，本集團訂立下列重大關連人士交易，且於報告期末貿易應付款項及其他應付款項中應付關連人士結餘如下：

16. MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

16. 重大關連人士交易（續）

a) (continued)

a) （續）

Name of related party 關連人士名稱	Relationship with related party 與關連人士的關係	Nature of transaction 交易性質	Transactions for the six-month period ended 30 June (unaudited) 截至六月三十日止六個月的交易（未經審核） **2014** **二零一四年** **RMB'000** **人民幣千元**	2013 二零一三年 RMB'000 人民幣千元	Balance as at 30 June 2014 (unaudited) 於二零一四年六月三十日結餘（未經審核） Trade payables 貿易應付款項 RMB'000 人民幣千元	Other payables 其他應付款項 RMB'000 人民幣千元	Balance as at 31 December 2013 (audited) 於二零一三年十二月三十一日的結餘（經審核） Trade payables 貿易應付款項 RMB'000 人民幣千元	Other payables 其他應付款項 RMB'000 人民幣千元
Fuzhou Hongyu 福州宏宇	A company controlled by Mr. Lin Ou Wen # 由林歐文先生#控制的公司	Purchase of packaging materials 購買包裝物料	**1,912**	2,386	863	-	727	-
Mr. Lin Qin Xiang 林慶祥先生	Brother of Mr. Lin Ou Wen # and Mr. Lin Qing Ping* 林歐文先生#及林慶平先生*的胞兄／弟	Property rentals paid 已付物業租金	**204**	204	-	204	-	-

Mr. Lin Ou Wen is the chief executive officer, director and shareholder of the Company.

林歐文先生為本公司行政總裁、董事及股東。

* Mr. Lin Qing Ping is the director and shareholder of the Company.

* 林慶平先生為本公司董事及股東。

16. MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

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

16. 重大關連人士交易(續)

b) 有關主要管理人員薪酬詳情(即本公司於六個月期間向董事支付的金額)如下：

		30 June 六月三十日 2014 RMB'000 人民幣千元 (Unaudited) (未經審核)	30 June 六月三十日 2013 RMB'000 人民幣千元 (Unaudited) (未經審核)
Salaries and other short-term employee benefits	薪金及其他短期僱員福利	**1,455**	1,459
Post-employment benefits	離職後福利	**73**	73
		1,528	1,532

BUSINESS REVIEW

In the first half of 2014, the sluggish recovery of the global economy continued and external environment for economic development in China remained complex but was stabilizing. As an important part of the Chinese economy, the Chinese pharmaceutical industry faced the same opportunities and challenges as the macro-economy. Together with the increase in costs such as raw materials and packaging materials, promotion fees and salary and also the impact brought by factors such as expectation of price reduction of Modern Chinese medicines and slow bidding progress, the growth of the Chinese pharmaceutical industry slowed down in the first half of 2014.

Despite the challenges, as an important area in the strategic emerging industry, the pharmaceutical industry furthered its reform with breadth and depth. Li Keqiang, Premier of the State Council, emphasized the directions and focus of medical reform in 2014 in his first report on the work of government, including reinforcing universal basic medical insurance, consolidating the basic medical insurance systems for urban and rural residents by reform, improving fund-raising mechanism of basic medical insurance to be shared reasonably by the government, units and individuals, financial subsidy standard of basic medical insurance for urban and rural residents to be increased to RMB320 per person, nationwide promotion of insurance for serious illnesses to urban and rural residents, strengthen urban and rural medical relief and emergency aid for illnesses, pilots of comprehensive reform of public hospital of the county level to be expanded to 1,000 counties covering 500 million rural population. The relevant policies will be gradually implemented and will continuously promote the health and sustainable development of the entire

業務回顧

二零一四年上半年，全球經濟延續緩慢復蘇，中國經濟發展的外部環境仍舊錯綜複雜，整體緩中趨穩。中國醫藥行業作為中國經濟的重要組成部分，宏觀經濟所面臨的一切機遇和挑戰對醫藥行業同樣存在，加之原材料及包裝物料、推廣費用及人工等成本增長，中成藥降價預期和招標進度較慢等因素的影響，二零一四年上半年中國醫藥行業整體增速放緩。

縱然面臨挑戰，作為戰略型新興產業重要領域之一，醫藥行業持續推進改革向縱深發展。國務院總理李克強在首份政府工作報告中強調二零一四年推動醫改的方向和重點，包括鞏固全民基本醫保，通過改革整合城鄉居民基本醫療保險制度；完善政府、單位和個人合理分擔的基本醫療保險籌資機制，城鄉居民基本醫保財政補助標準提高到人均320元；在全國推行城鄉居民大病保險；加強城鄉醫療救助、疾病應急救助；縣級公立醫院綜合改革試點擴大到1,000個縣，覆蓋農村5億人口等方面。相關政策的逐步落地，將不斷推動整個行業的健康可持續發展。與此同時，隨著《藥品生產質量管理規範(2010年修訂)》(「新版

industry. Meanwhile, as the Administrative Measures Governing the Production Quality of Pharmaceutical Products (2010 Revision) (the "New GMP") is implemented, the elimination of non-compliance pharmaceutical enterprises will further speed up, promoting the consolidation and standardization of the industry. The competitive edge of pharmaceutical enterprises with new GMP certificate is expected to become apparent gradually.

GMP」)的實施，進一步加速不合規醫藥企業的淘汰速度，推進行業的整合與規範，獲得新版GMP認證證書的醫藥企業，競爭優勢可望逐步顯現。

With the co-existence of both opportunities and challenges, the Group insisted on its principle of "reinforcing business and market of existing drugs and promoting development of new drugs steadily", striving to expand market share, maintaining competitiveness and improving operation efficiency. In the first half of 2014, the Group introduced new six Western medicine products (including two new injectible products in glass bottle and four new packaged injectible products), which are all of high market demand and less frequently produced by relevant production enterprises. This type of products not only effectively increases sales but also promotes a favourable advertising impact of the Group thereby driving the sales of other products.

在機遇與挑戰並存的複雜環境下，本集團堅持「鞏固現在藥品業務和市場，平穩推進新藥研發工作」的方針，努力擴大市場佔有率，保持競爭力，並提升經營效益。二零一四年上半年，本集團新增六個西藥產品(其中包括兩款新玻璃瓶裝注射液產品和四款新包裝注射液產品)，均為用市場需求量大，及相關生產企業較少生產的產品，此類產品不但能有效地提升銷售，同時也提升本集團良好的廣告效應，帶動其他產品的銷售。

In order to maintain the purchasing power in the market and market share, the prices of the Group's products generally remained stable in the period under review after the Group reduced the prices of medicines twice in 2013. Besides, as described above and disclosed in the profit warning of the Company dated 30 May 2014 ("the Profit Warning"), the Group's new plant in the Haixi Industrial and Trading Development Zone, Jianyang, Fujian Province, China (the "New Plant") obtained new GMP certification early this year and was issued the GMP certificate for large and small volume injectible medicines. The new plant could officially

為維持市場購買力及市場佔有率，本集團於二零一三年對藥品價格進行了兩次下調後，本集團產品的價格於回顧期內基本保持穩定。另外，正如本公司於二零一四年五月三十日之盈利警告公告(「盈利警告」)中披露，本集團位於中國福建省建陽市海西工貿開發區的新廠房(「新廠房」)已於本年初獲新GMP檢定且發出大、小容量注射劑容量注射劑藥品GMP證書，新廠房於本年二月起正式進行相關規格之藥品生產。惟折舊支出因此而大幅上升，於二零一四年六月三十日六個月止期間

produce medicines of relevant specification starting from February of this year. Since the depreciation expenses increased substantially, the unaudited depreciation expenses for the six months ended 30 June 2014 was approximately RMB29.5 million. Therefore, the Group's gross profit and profit for the period decreased. However, the Board of Directors is of the view that depreciation expenses is non-cash expenses and has no impact on the Group's cash flow and its business and production operation.

未經審核之折舊支出約人民幣29,500,000元，因而令本集團於期內的毛利和利潤下降。然而董事會認為折舊支出為非現金支出，並對本集團之現金流量及業務和生產營運並無影響。

For the six months ended 30 June 2014, the Group achieved a turnover of approximately RMB232.9 million, representing a rise of 2.2% compared with the same period last year (30 June 2013: approximately RMB227.9 million). It is mainly due to the introduction of new products and the stability of sales price. The overall gross profit was approximately RMB50.6 million, representing a decrease of approximately 24.4% compared to last period. The gross profit margin was approximately 21.7%, representing a fall of 7.7 percentage points compared to the same period last year. The major reasons for the decrease in gross profit are the continuous rise in the costs of raw materials and packaging raw materials and the new plant beginning production this year, which substantially increased depreciation expenses. However, the Group is of the view that the new plant is a necessary investment in the long run. Its value lies in facilitating better compliance of requirements and standard regulation for quality monitoring. The additional value of the new plant is expected to bring positive impact to the Group as a whole after achieving its full capacity. During the period under review, the Group recorded a loss of approximately RMB3.1 million (30 June 2013: profit of approximately RMB3.8 million).

截至二零一四年六月三十日止六個月，集團實現營業額約人民幣232,900,000元，較去年同期上升2.2%（二零一三年六月三十日：約人民幣227,900,000元），主要受惠於新產品的推出以及產品的銷售價格保持穩定。整體毛利約人民幣50,600,000元，較去年同期下跌約24.4%，毛利率約為21.7%，較去年同期下跌約7.7百分點。毛利下跌的原因主要是原材料及包裝原材料成本的持續上升，加上新廠房於本年度起投入生產，令折舊支出大幅上升。然而本集團認為，新廠房是一項長遠必要投資，其價值在於使本集團生產的產品更緊貼質量監管的要求及準則規範，預料新廠房達致全面產能後，其附加價值可為集團整體帶來正面影響。於回顧期內，集團錄得虧損，虧損約人民幣3,100,000元（二零一三年六月三十日：溢利約人民幣3,800,000元）。

Development of Major Products

Perilla Oil Capsule

With apparent effectiveness in controlling hyperlipidemia, Perilla Oil Capsule is one of the key products of the Group. For the six months ended 30 June 2014, the turnover of the product was approximately RMB21.1 million, representing an increase of approximately 1.9% compared to the same period last year and representing approximately 9.1% of the Group's turnover (30 June 2013: approximately RMB20.7 million, representing 9.1% of overall turnover). Since 2009 it has been listed in the medical insurance directory of Fujian Province, Perilla Oil Capsule was gradually listed in the medical insurance directory of Shaanxi, Shanxi, Inner Mongolia and Xinjiang. The Group is currently seeking to have Perilla Oil Capsule listed in the national medical insurance directory. The sales is expected to further increase after its listing in the national medical insurance directory.

N(2)-L Alanyl-LGlutamine Injectible

N(2)-L Alanyl-LGlutamine Injectible has been the Group's product with the highest sales turnover. Although the market competition of N(2)-L Alanyl-LGlutamine Injectible was still keen, the product continued to perform well in the first half of this year. The sales revenue was approximately RMB33.1 million, representing a substantial increase of approximately 32.9% compared to last year and representing approximately 14.2% of the Group's total sales revenue in the first half of the year (30 June 2013: approximately RMB24.9 million, representing approximately 10.9% of the total sales revenue).

主要產品發展

蘇子油軟膠囊

蘇子油軟膠囊在控制高血脂方面療效顯著，是本集團的重點產品。截至二零一四年六月三十日止六個月，營業額達到人民幣21,100,000元，比去年同期上升約1.9%，佔集團營業額約9.1%，（二零一三年六月三十日：約人民幣20,700,000元，佔整體營業額9.1%）。自二零零九年進入福建醫保目錄起，蘇子油軟膠囊陸續進入了陝西、山西、內蒙、及新疆的醫保目錄。集團目前正爭取蘇子油軟膠囊進入全國醫保目錄，期望進入全國醫保目錄後，帶動銷量的進一步提升。

諾賽肽注射液

諾賽肽注射液一直是集團最高營業額的產品。雖然諾賽肽注射液的市場競爭仍然激烈，但今年上半年，本產品繼續造出良好成績，營業額達到約人民幣33,100,000元，比去年大幅上升約32.9%，佔集團上半年總營業額約14.2%（二零一三年六月三十日：約人民幣24,900,000元，佔整體營業額約10.9%）。

Omeprazole Enteric-Coated Capsules

Omeprazole Enteric-Coated Capsules is a product for alleviating gastrointestinal malfunctions by inhibiting gastric acid secretion and helicobacter pylori reflux. Given its effectiveness, the product was welcomed by consumers and its sales was stable. Its sales revenue in the first half of the year was RMB6.1 million, representing approximately 2.6% of the total sales revenue. The sales revenue and its percentage was basically the same compared to the same period last year.

奧美拉唑腸溶膠囊

奧美拉唑腸溶膠囊是用於舒緩腸胃病的產品，其主要作用是抑制胃潰瘍及胃食管倒流。此產品由於療效良好，廣受消費者歡迎。因此銷量較穩定。上半年營業額為人民幣6,100,000元，佔整體營業額約2.6%，營業額及百分比與去年同期相若。

2ml Chaihu Zhusheye

Chaihu Zhusheye was introduced to the market in the second half of 2013. Its sales has remained stable. Its sales revenue reached RMB4.1 million in the first half of the year, representing approximately 1.8% of the total sales revenue.

二毫升柴胡注射液

柴胡注射液自二零一三年下半年推出市場，銷量一直保持穩定，上半年營業額達到人民幣4,100,000元，佔整體營業額約1.8%。

Newly Introduced Products

The Group made adjustments according to the market needs in the first half of the year and introduced six new products, which are Western prescription medicines. The operation strategy of lower profit in lieu of higher turnover was adopted to promote the advertising impact of other products. The sales revenue of these six products amounted to RMB17.2 million, representing approximately 7.4% of the total sales revenue. The increase in sales revenue in the first half of the year was due to these new products. Although their relevant gross profit margins were lower than that of other products produced by the Group, it is believed that this type of products can effectively increase sales, promote a favourable advertising effect for the Group and motivate the sales of other products.

新推出產品

集團上半年根據市場需要作出調整，推出新增六個產品，屬西藥處方藥品，以薄利多銷策略經營，用以帶動其他產品廣告效應。這六款產品的營業額約人民幣17,200,000元，佔整體營業額約7.4%。上半年營業額的上升，亦有賴於這些新產品。雖然相關毛利率效本集團生產其他產品較低，但相信此類產品能有效的提升銷售，推動本集團良好的廣告效應，帶動其他產品的銷售。

Among the six new products, two of the products are glucose and sodium chloride injectible (glass bottle) and sodium chloride injectible (glass bottle) and the other four products with soft bag package are also newly added to address the market needs, including 10% glucose injectible (soft bag), 5% glucose injectible (soft bag), sodium chloride injectible (soft bag) and glucose and sodium chloride injectible (soft bag). Currently, the market competition of soft bag package is still limited. The Group expects to further add plastic bottle package for these products in the second half of the year to meet the market needs further and increase the market share.

六款新產品之中有兩種產品分別為葡萄糖氯化鈉注射液(玻璃瓶裝)及氯化鈉注射液(玻璃瓶裝)，以及其他四種配合市場需要亦新增軟袋包裝的產品，包括10%葡萄糖注射液(軟袋裝)、5%葡萄糖注射液(軟袋裝)、氯化鈉注射液(軟袋裝)及葡萄糖氯化鈉注射液(軟袋裝)。目前軟袋包裝在市場上競爭仍然有限。集團期望在下半年再為這些產品追加塑瓶包裝，進一步貼近市場需要，及擴大市場佔有率。

Development of new medicines

新藥研發

In the first half of 2014, the Group continued the steady progress in research and development of new drugs and had stringent control on research and development expenses at the same time. The Group and the Faculty of Medicine of Fujian University jointly conducted the clinical study on Perilla Oil Capsule and fatty liver, which is currently getting positive progress. Fujian Sanai Pharmaceutical Co. Ltd. ("Fujian Sanai") and the Department of Medicine of Peking University co-operated in the research and development of anti-hepatitis Compound Drug Liver & Gall Bladder Tablets. Its efficacy test is very smooth.

二零一四的上半年，本集團繼續平穩推進新藥研發工作，同時嚴格控制研發開支。本集團與福建大學醫學院共同進行的蘇子油軟膠囊脂肪肝臨床研究目前正積極推進。福建三愛藥業有限公司(「福建三愛」)與北京大學醫學部合作的抗肝炎藥複方肝膽片的科研，藥效試驗相當順利。

Another new product of the Company, Pazufl oxacin Mesilate Injectible, was still undergoing approval procedures in the period.

公司另一新產品甲磺酸帕珠沙星注射液，於期內仍然處於審批過程中。

Sales agency for drugs

Fujian Sanai Pharmaceutical Trading Co., Limited was the agency of seven types of drugs mainly sold in the five provinces and cities of Fujian, Zhejiang, Jiangsu, Liaoning and Beijing during the period. Sales revenue amounted to approximately RMB6.1 million during the period, accounting for approximately 2.6% of the Group's total turnover.

藥品代理銷售

福建省三愛醫藥貿易有限公司於期內代理了七種藥品，主要在福建、浙江、江蘇、遼寧和北京五個省市進行銷售。期內實現銷售收入約人民幣6,100,000元，佔本集團整體營業額約2.6%。

Sales Network and Marketing

The Group's sales network covers 21 key provinces, cities, autonomous regions and municipalities around the country, mainly covering the more affluent coastal cities in the eastern region and the Northeastern region. Currently, the number of drug distributors for the Group amounted to 62, with 2 added compared to 2013. The Group will continue to aggressively exploit the rural market with potential in demand. In the first half of the year, the sales revenue from rural market represents approximately 9.6% of the Group as a whole, reaching RMB22.4 million, representing a decrease of approximately 10.0% compared to the same period of 2013. The main reason is that new GMP modification caused a delay of production which resumed in February this year. In turn, the inventory at the beginning of the year was only sufficient for distribution to cities and other larger distributors. There was not sufficient inventory for the rural market and it affected the income of the rural market for a short time.

銷售網絡及市場推廣

本集團的銷售網絡遍布全國的21個重點省、市、自治區及直轄市，主要覆蓋國內東部沿海富裕城市及東北部地區，目前藥物經銷商已有62個，比二零一三年去年增加2個。本集團未來將繼續積極開拓具需求增長潛力的農村市場。上半年農村的營業額佔集團總體約9.6%，達人民幣22,400,000元，比二零一三同期下跌約10.0%。其主要原因是新版GMP改造令生產延至至本年2月才能恢復，導致於年初的庫存僅能足夠分配至城市及其他較大經銷商，未能足夠派送至農村市場，短暫影響農村市場之收入。

At the end of last year, the Company chose a more efficient way to place advertising resources. Investment in advertising decreased from approximately RMB58.7 million for the entire year of 2013 to approximately RMB20.8 million for the first half of 2014 so that the Group can invest its resources in other areas with more apparent benefits. The Group will continue to participate in academic and new medicine promotion seminars, as well as medicine fairs to introduce the advantages of various medicines.

去年年底公司選擇更有效率地投放廣告資源，廣告投放由二零一三年全年的約人民幣58,700,000元減少至二零一四年上半年的約人民幣20,800,000元，令集團可把資源投放到其他效益更顯著的地方。本集團仍然會持續參與新藥推介會、學術專場推介會和藥交會等，來推廣各種藥品的優勢。

Regarding the termination of management and operation agreement and purchase agreement ("Two Agreements")

關於終止管理及營運協議以及採購兩份協議(「兩份協議」)

As disclosed in the announcement dated 30 May 2014 by the Company, pursuant to the Two Agreements both dated 20 February 2014, the Company originally intended to conduct two agreements of continuous connected transaction with Platinum Group Metals Corporation ("PGMC"), a company incorporated in the Philippines and owned by Mr. Lin Ou Wen as to 40% and by Independent Third Parties as to 60%, to expand the Group's business scope to mine management and trading of stone products and develop new business creating more opportunities to develop income sources for the Group. However, the conditions precedent of the Two Agreements were not fulfilled and were not expected to be fulfilled before the operation period of PGMC every year as required by the Listing Rules. To avoid operational delay in the business of PGMC in 2014, the Group and PGMC decided to sign two termination agreements and discontinue to conduct the relevant continuous connected transactions. Therefore, the Group did not receive any income or profit from these two businesses during the period.

正如本公司日期為二零一四年五月三十日之公告披露，根據兩份日期均為二零一四年二月二十日的協議，本公司原意擬與一所於菲律賓註冊成立之公司，由主席林歐文先生及獨立第三方分別擁有40%及60%權益Platinum Group Metals Corporation，(「PGMC」)進行兩份協議之持續關連交易，將本集團業務活動範圍拓展至管理礦場及買賣礦石產品，開展新業務創造更多商機，拓展本集團收入來源。唯兩份協議之先決條件未能及預計不能在PGMC每年營運期前按上市規則之要求達致，為避免令PGMC於二零一四年業務營運延誤，本集團及PGMC雙方決定簽署兩份終止協議並不繼續進行相關之持續關連交易，因此本集團期內未能從這兩項新業務獲得任何收入及利潤。

However, the Group will be dedicated in seeking and exploring business development opportunities to broaden sources of income and improve the financial performance of the Group both inside and outside the pharmaceuticals industry in order to improve shareholders' return.

然而，本集團仍將致力於尋求並挖掘在醫藥行業內外或外的擴闊收入來源及改善本集團財務表現的業務拓展機會，提升對股東的回報。

OUTLOOK AND FUTURE DEVELOPMENT

前景展望及未來發展

Looking forward, it is expected that the government will vigorously promote civilian organized medical institution, expanding the structure of pharmaceutical industry. In Key Mission in Deepening Reform of Pharmaceutical and Hygiene Mechanism in 2014, the government emphasized that civilian organized medical institution will be actively promoted and doctors will be allowed to practice at multiple locations. From the experience of the advanced countries, development towards civilian organized medical institution and doctor's practice at multiple locations is necessary. It will significantly improve the quality of medical services and enhance the demand for medical service and drugs. Currently the medical expenses in China are apparently lower than that of developed countries. In the medium to long run, the Chinese pharmaceutical industry has enormous room for development. As the economy and health awareness develops, medical expenses will rapidly increase. Besides, factors such as aging population will also increase the demand in the pharmaceutical industry.

展望未來，本集團預計政府將大力推進社會辦醫，擴大醫藥行業規模。政府在《深化醫藥衛生體制改革2014年重點工作任務》中明確強調積極推動社會辦醫和允許醫生多點執業等。從發達國家的經驗來看，社會辦醫和醫生多點執業是必然方向，將明顯提升醫療服務水平並提升醫藥需求。目前中國醫療支出明顯低於發達國家，中長期來看，中國醫藥行業擁有巨大發展空間。隨著經濟發展和健康意識的提高，醫療支出將迅速加大。另外，人口老齡化等原因也將繼續提升醫藥行業的需求。

Looking forward to the second half of 2014, the policy environment is expected to improve and the growth of pharmaceutical industry will also pick up. In the first half of the year, the progress of basic drug bidding was slower

展望二零一四年下半年，預期政策環境將回暖，醫藥行業增速將回升。上半年基藥招標進度慢於預期，但是基藥招標方案明顯趨向溫和，「唯低價是取」的方案未被推廣。預計二零一四年三、

than expected. However, the proposal for the basic drug bidding apparently has a mild tendency. The proposal of "the lowest bid" was not promoted. The pace for basic drug bidding in the third and fourth quarter of 2014 is expected to be faster, especially in provinces with high consumption of drugs. As the negative impact of the policy eases, the growth of pharmaceutical industry is expected to rebound in the second half of the year.

四季度基藥招標速度會加快，尤其是部分用藥大省的招標將提速。隨著政策負面影響的舒緩，預計醫藥行業下半年增速將回升。

Based on the judgment on the development trend of the pharmaceutical industry, the Group will continue to implement a prudent development strategy. While expanding its sales channels continuously, it will grasp the opportunity of primary medical services such as new rural co-operative medical service ("new rural co-operative") and sustain the in-depth exploration of markets of rural areas and small communities in cities. With the new GMP certificates, the Group has an edge over the other competitors in this highly competitive industry. Relying on this advantage, our position in the industry under the new industrial setup will be reinforced and more business opportunities will be created, expanding the base of the Group's income.

基於對醫藥行業發展態勢的判斷，集團將繼續實施穩健的發展策略，在持續擴充銷售管道的同時，把握新型農村合作醫療(「新農合」)等基層醫療服務的發展機遇，繼續深入拓展農村及城市小區市場。新版GMP認證證書令本集團在競爭異常激烈的行業中較其他競爭者享有優勢，本集團將憑藉此方面的優勢，在新的行業格局下鞏固行業地位及創造更多商機，拓寬本集團收入基礎。

Facilitate smooth operation of the new GMP plant after commencement Achieving maximum capacity of production line

推進新版GMP新廠房投產後順利營運　促進生產線達致產能最大化

Construction of the Group's new factory in Fujian Haixi Industrial and Trading Development Zone has been completed. The factory has begun production since February 2014. The Company will actively facilitate the adaptation after the new plant began production in order to achieve the highest capacity of the production line as soon as possible, promoting the sales of GMP certified drugs.

本集團於福建海西工貿開發區的新廠房已經完成，並已自二零一四年二月起投產。公司將積極推進新廠房投產後的磨合期，令生產線盡快達致最高產能，以推動GMP認證藥品銷售。

Improve product structure Facilitate sales collaboration

The Group will be more vigorous in promoting the key product Perilla Oil Capsule, seeking its listing in the medical insurance directory of more provinces to enlarge its market share. Meanwhile, after successful attempts in product type of high consumption and low profit but high turnover, the Group will continue to optimize its product structure, facilitating sales collaboration among various products. In addition, the Group will also further deepen its sales pipelines for more detail and depth through the nationwide distribution logistics network of Jointown Pharmaceutical Group Co., Ltd.

優化產品結構　促進協同銷售

本集團將加大力度推廣重點產品蘇子油膠囊，爭取進入更多省份的醫保目錄，從而進一步擴大產品市場份額。同時，在用量大、薄利多銷的產品品種上有了成功的嘗試後，本集團將持續在產品結構上的優化，促進產品間的協同銷售。另外，本集團亦將繼續透過九洲通集團公司的全國配送物流網絡進一步深化銷售，做細做深。

Deepen rural market penetration

With the second half of 2014 to the first half of 2015 being the bidding year of basic drugs for various provinces and cities in China, the bidding process will speed up. The Group will take advantage of this opportunity to actively seek listing in the basic drug directory of various provinces and cities by closely following the latest conditions of the national medical reform and new rural co-operative, and therefore, enhance the penetration of pharmaceutical companies of county level in small communities and rural market.

深化農村市場滲透率

展望二零一四下半年至二零一五年上半年，是中國各省市的基藥投標年，各地的招標正在加速。本集團將把握這個時機，緊跟國家醫改及新農合的最新形勢，努力爭取進入省市基藥目錄，藉此加強縣級醫藥公司對小區及農村市場的滲透。

Facing the future opportunities and challenges in the pharmaceutical industry, the Group will consider the situation, handle with flexibility and understand the market trends accurately. The Group will promote the development of new drugs while promoting existing products to maintain healthy and sustainable corporate development, striving for reasonable return for shareholders.

面對未來醫藥行業的機遇與挑戰，本集團將努力審時度勢，靈活應對，準確把握市場脈絡走向，在推廣現有產品的同時穩步推進新藥研發，以保持企業的健康可持續發展，為股東爭取合理回報。

FINANCIAL REVIEW

財務回顧

1. Turnover

During the period under review, the Group benefited from the addition of six new markets with high demand for Western medicines and the stability in sales price of products. The Group recorded an overall turnover of approximately RMB232.9 million (30 June 2013: approximately RMB227.9 million), representing a slight increase of approximately 2.2% over the same period of last year.

Turnover for the first half of the year was still dominated by Western medicines, with a turnover of approximately RMB125.8 million, or approximately 54.0% of the overall turnover, representing an increase of approximately 7.5% over the same period of last year (30 June 2013: approximately RMB117.0 million, representing approximately 51.3% of the overall turnover). Turnover of the Modern Chinese medicines amounted to approximately RMB101.0 million, representing approximately 43.4% of the overall turnover, representing a decrease of approximately 3.4%

1. 營業額

於回顧期內，本集團受惠於新增六個市場需求量大的西藥產品及產品的銷售價格保持穩定。本集團整體營業額錄得約人民幣232,900,000元（二零一三年六月三十日：約人民幣227,900,000元），較去年同期輕微上升約2.2%。

上半年之營業額仍然由西藥產品帶動，西藥產品錄得營業額約人民幣125,800,000元，佔整體營業額約54.0%，較去年同期上升約7.5%，（二零一三年六月三十日：約人民幣117,000,000元，佔整體營業額約51.3%）。中成藥產品之營業額約人民幣101,000,000元，佔整體營業額約43.4%，較去年同期下跌約3.4%（二零一三年六月三十日：約人民幣104,600,000元，佔整體營業額約45.9%）。西藥產品與中成藥產品營業額之相差之比例與去年比

over the same period of last year (30 June 2013: approximately RMB104.6 million, representing approximately 45.9% of the overall turnover). The difference in proportion of the turnover of Western medicines and Modern Chinese medicines was more or less the same as compared with last year. The pharmaceutical trading revenue recorded a turnover of approximately RMB6.1 million, representing approximately 2.6% of total turnover (30 June 2013: approximately RMB6.3 million, representing approximately 2.8% of the overall turnover), representing a decrease of approximately 3.2% over the same period of the previous year.

較相若。而醫藥貿易業務之營業額錄得約人民幣6,100,000元，佔整體營業額約2.6%。(二零一三年六月三十日：約人民幣6,300,000元，佔整體營業額約2.8%)，較去年同期營業額下跌約3.2%。

Although our key product, Perilla Oil Capsule, has obtained approval from authorities in Fujian, Shaanxi, Shanxi, Inner Mongolia and Xinjiang for listing in the medical insurance directory and it is still in the monitoring period, it is yet to be listed in the national medical insurance directory and hence, its sales were affected to some extent. During the period under review, the sales of this product amounted to approximately RMB21.1 million, representing approximately 9.1% of the overall turnover, an increase of approximately 1.9% over the same period of last year (30 June 2013: approximately RMB20.7 million, representing approximately 9.1% of the overall turnover). The percentage is essentially the same compared with the same period of last year.

本集團旗下重點產品蘇子油軟膠囊雖然已分別獲福建、陝西、山西、內蒙古及新疆省批准進入省醫保目錄及仍處於監測保護期內。然而，由於仍未獲批准進入國家醫保目錄，銷售情況受到一定影響。於回顧期內，該產品錄得銷售約人民幣21,100,000元，佔整體營業額約9.1%，較去年同期上升約1.9%(二零一三年六月三十日：約人民幣20,700,000元，佔整體營業額約9.1%)，百分比與去年同期相若。

During the period under review, the highest sales volume was again achieved by Western medicine, N(2)-L Alanyl-L Glutamine Injectible, with a turnover of approximately RMB33.1 million, representing approximately 14.2% of the overall turnover (30 June 2013: approximately RMB24.9 million, representing approximately 10.9% of the overall turnover). Turnover of the five top selling medicines amounted to approximately RMB91.6 million, representing approximately 39.3% of the overall turnover (30 June 2013: approximately RMB82.9 million, representing approximately 36.4% of the overall turnover). The Group had six new Western medicines in the first half of the year, with a turnover of approximately RMB17.2 million, representing approximately 7.4% of the overall turnover.

於回顧期內，本集團最高銷售額之產品仍然為西藥產品諾賽肽注射液，其營業額約為人民幣33,100,000元，佔整體營業額約14.2%（二零一三年六月三十日：約人民幣24,900,000元，佔整體營業額約10.9%）。而五大最高銷售產品之營業額約人民幣91,600,000元，佔整體營業額約39.3%（二零一三年六月三十日：約人民幣82,900,000元，佔整體營業額約36.4%）。集團上半年新增6個西藥產品，其營業額約為人民幣17,200,000元，佔整體營業額約7.4%。

2. Gross Profit and Gross Profit Margin

During the period under review, gross profit of the Group decreased to approximately RMB50.6 million, representing a decrease of approximately 24.4% over the same period of last year (30 June 2013: approximately RMB67.0 million). Gross profit margin decreased substantially by approximately 7.7 percentage points to approximately 21.7% (30 June 2013: approximately 29.4%). The main reasons for the decrease were in three aspects as follows:

2. 毛利及毛利率

於回顧期內，本集團毛利較去年同期下跌約24.4%至約人民幣50,600,000元（二零一三年六月三十日：約人民幣67,000,000元），而毛利率較去年同期大幅下跌約7.7百分點，至約21.7%（二零一三年六月三十日：約29.4%）。毛利率下跌之主要原因為以下三方面：

1) Cost of sales: The overall prices of raw materials and packaging materials rose continuously, and increased to approximately RMB74.4 million and RMB53.2 million, respectively, or by approximately 11.7% and 12.7%, respectively (30 June 2013: approximately RMB66.6 million and RMB47.2 million, respectively) over the same period of last year. The emerging costs pressure led to the increase in production costs;

2) Depreciation expenses in cost of sales: As described above and disclosed in the Profit Warning, the new plant of the Group obtained new GMP certification early this year and was issued the GMP certificate for large and small volume injectible medicines. The new plant could officially produce medicines of relevant specification starting from the beginning of this year. The new plant and relevant production facilities acquired greatly increased the depreciation expenses in the cost of sales to approximately RMB29.1 million, representing approximately 16.0% of the overall cost of sales (30 June 2013: approximately RMB21.7 million, representing approximately 13.5% of the overall cost), and an increase of 34.1% over the same period of last year; and

1) 銷售成本方面：整體原材料及包裝物料支出持續上漲，較去年同期增加分別至約人民幣74,400,000元及約人民幣53,200,000元，上升分別約11.7%及12.7%（二零一三年六月三十日：分別至約人民幣66,600,000元及約人民幣47,200,000元），成本壓力顯現令產品的生產成本增加；

2) 銷售成本內之折舊支出：正如上述及盈利警告中披露，本集團新廠房已於年初新GMP檢定並發出大、小容量注射劑容量注射劑藥品GMP證書，新廠房可進行向於本年初起正式可進行相關規格之藥品生產。新廠房及相關增加生產設備令銷售成本內折舊支出大幅上升至約人民幣29,100,000元，佔整體銷售成本約16.0%（二零一三年六月三十日：約人民幣21,700,000元，佔整體成本約13.5%），較去年同期上升34.1%；及

3) Turnover: As described above, with the impact on the pharmaceutical industry caused by pressure in cost brought by price reduction and resistance of medicines, strict regulation of quality of medicine and environmental protection, the business environment remained difficult. In order to maintain the purchasing power in the market and market share, the prices of the Group's products generally remained stable in the period under review after the Group reduced the prices of medicines twice in 2013. During the period, although the addition of six Western medicine products improved the turnover, the gross profit margins of the relevant products were lower than those of other products produced by the Group. Therefore, the overall gross profit margin of the Group was affected.

3) 銷售方面：如上所述，面對藥品降價、限抗、對藥品質量的嚴格監管、環保帶來的成本壓力對醫藥行業的影響，營商環境仍然困難。為維持市場購買力及市場佔有率，本集團於二零一三年對藥品價格進行了兩次下調後，本集團產品的價格於回顧期內基本保持穩定。期內因新增六個西藥產品雖令營業額有所改善，但有關產品毛利率較本集團生產其他產品較低。因此影響了集團的藥品整體毛利率水平。

The proportion of other costs of sales, including raw materials, packaging materials, energy and fuel costs, and direct labor cost remained essentially the same compared with the same period of last year, except that the related amounts increased with the rise in sales.

其他銷售成本比例包括原材料、包裝物料、能源及燃料成本、直接勞動及其他較去年同期除因銷售上升而令相關銷售成本金額上升外，其所佔銷售成本比例比較均沒有重大變化。

3. Loss for the Period

Although the Group did not reduce the prices of its products in the first half of the year, the continuous price inflation in Mainland China resulted in the increase in costs of raw materials, packaging materials, salary expenses, hence the profits of pharmaceutical enterprises

3. 期內虧損

雖然集團於上半年未下調旗下產品的價格，但內地物價持續上漲令原材料、包裝材料、工資費用等成本的上升，成本壓力顯現令製藥企業的利潤不可避免的受到影響。加上符合新GMP檢定的新廠房及相關增加生產設備令折舊支出大幅上升，

were inevitably affected by the costs pressure. Further, the new plant in compliance with new GMP certification and the relevant production facilities acquired greatly increased depreciation expenses. During the period under review, the Group recorded a loss of approximately RMB3.1 million (30 June 2013: profit of approximately RMB3.8 million), representing a decrease of approximately 181.6% compared to the same period of 2013.

於回顧期內，本集團錄得虧損約人民幣3,100,000元（二零一三年六月三十日：溢利約人民幣3,800,000元）。較二零一三年同期下跌約181.6%。

Although the Group recorded loss, distribution costs of the Group decreased approximately 18.5% to approximately RMB32.6 million (30 June 2013: approximately RMB40.0 million). It is mainly because in the period under review the relevant advertising and marketing expenses of our three wholly-owned subsidiaries in the PRC totaled approximately RMB20.8 million (30 June 2013: approximately RMB30.0 million), representing a decrease of approximately 30.7% as compared with that of last period. The main reasons for maintaining the advertising and marketing expenses were to increase the brand and product awareness of Sanai and achieve a wide recognition of our products by the public and patients. Advertising also helped in exploring new rural market and product promotion.

本集團雖然錄得虧損，但本集團分銷成本卻下調約18.5%至約人民幣32,600,000元（二零一三年六月三十日：約人民幣40,000,000元）。原因主要為於回顧期內，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合共約人民幣20,800,000元，較去年同期下跌約30.7%（二零一三年六月三十日：約人民幣30,000,000元）。維持有關廣告宣傳及推廣費用之主要原因為貫徹本集團提高三愛品牌和產品知名度的市場策略，使我們的產品得到社會和患者的廣泛認可。通過廣告宣傳也有助於新農村市場開拓及產品推廣。

During the period under review, administrative and other operating expenses amounted to approximately RMB21.1 million (30 June 2013: approximately RMB21.6 million), representing a slight decrease of approximately 2.3% compared to the same period of last year. The expenses were comparable with last year.

於回顧期內，行政及其他營運費用跟去年同期比較微跌約2.3%至約人民幣21,100,000元（二零一三年六月三十日：約人民幣21,600,000元），支出與去年相若。

Finally, tax expenses of the Group were approximately RMB298,000 (30 June 2013: approximately RMB2.7 million) in total and the effective tax rate was approximately (10.6%) (30 June 2013: approximately 40.7%). It included withholding deferred income tax for the provision of undistributed profits for the three wholly-owned subsidiaries in the PRC and the deferred tax credit amounted to approximately RMB2.3 million (30 June 2013: deferred tax expense approximately RMB3.1 million).

最後，本集團稅項支出共約人民幣298,000元（二零一三年六月三十日：約人民幣2,700,000元），實際稅率約(10.6%)（二零一三年六月三十日：約40.7%）。其中包括需要為國內三間全資附屬公司就未分配利潤撥備預提遞延所得稅，該遞延所得稅抵免約人民幣2,300,000元（二零一三年六月三十日：遞延所得稅支出約人民幣3,100,000元）。

4. Liquidity, Financial Resources and Capital Structure

As at 30 June 2014, the Group had cash and cash equivalents of approximately RMB520.0 million (31 December 2013: approximately RMB512.4 million). As as 30 June 2014, the Group's secured bank loan which is secured by land use right, amounted to approximately RMB15.0 million (31 December 2013: approximately RMB15.0 million). The loan was dominated in Renminbi, carried interest at fixed rate 6.6% (31 December 2013: 6.6%) per annum and repayable within 1 year. The Group continued to maintain a stable financial position with low gearing ratio and healthy cash flows. The Group generated a net cash inflow from operating activities of approximately RMB11.7 million (for the period ended 30 June 2013: approximately RMB17.3 million). During the period under review, the Group did not use any financial instruments for hedging purpose.

4. 流動資金、財政資源及資本結構

於二零一四年六月三十日，本集團之現金及現金等價物約人民幣520,000,000元（二零一三年十二月三十一日：約人民幣512,400,000元）。於二零一四年六月三十日，本集團有抵押銀行貸款約人民幣15,000,000元（二零一三年十二月三十一日：約人民幣15,000,000元）由土地使用權抵押。該貸款以人民幣計值、按固定年利率6.6%（二零一三年十二月三十一日：6.6%）計息及須於一年內償還。本集團繼續維持穩健之財務狀況，同時保持低資產負債比率及穩健之現金流。本集團之經營活動產生現金流入淨額約人民幣11,700,000元（截至二零一三年六月三十日止期間：約人民幣17,300,000元）。於回顧期內，本集團並無運用任何金融工具作對沖用途。

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 loan of the Group divided by total equity of the Group. The debt-to-equity ratio of the Group was approximately 6.7% as at 30 June 2014 (31 December 2013: approximately 6.9%).

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。本集團於二零一四年六月三十日之債項與股權比率為約6.7%(二零一三年十二月三十一日：約6.9%)。

5. Exposure to Fluctuation in Exchange Rates

5. 匯率波動風險

During the period under review, the Group conducted its business transactions principally in Renminbi. The Group has not experienced any material difficulties or negative impacts on its operations as a result of fluctuations in currency exchange rates. Although the Group has certain bank balances denominated in Hong Kong dollars, the Group adopts a conservative financial policy and most of its bank deposits are in Renminbi and Hong Kong dollars. As at 30 June 2014, the Group did not have any bank liabilities, foreign exchange contracts, interest or currency swaps or other financial derivatives for hedging purpose. Therefore, the Group was not exposed to any material interest and exchange risks.

於回顧期間，本集團之業務交易主要以人民幣進行。本集團從未因貨幣匯率波動而遭遇重大困難或承受負面影響。儘管本集團有若干港元銀行結餘，但本集團實行審慎的理財政策，大部分銀行存款為人民幣及港元。於二零一四年六月三十日，本集團沒有任何銀行負債、外匯期貨合約、外匯利息或外匯掉期或其他用作對沖的金融衍生工具。因此，本集團並無任何重大利率及匯兑風險。

6. Significant Acquisitions and Disposal of Investments

6. 重要收購及出售投資

During the period under review, the Group did not have any significant acquisition and disposal of investment.

於回顧期間，本集團並無任何重要收購及出售投資。

7. The Number and Remuneration of Employees

As at 30 June 2014, the Group employed approximately 453 employees (31 December 2013: 453 employees). The Group determines staff remuneration in accordance with prevailing market salary scales, individual qualifications and performance. Remuneration packages including performance bonuses and entitlements to share options are reviewed on regular basis.

7. 僱員數目及薪酬

於二零一四年六月三十日，本集團聘用僱員約為453名(二零一三年十二月三十一日：453名僱員)。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。

8. Charge on Group Assets

As at 30 June 2014, the Group charges on Group assets approximately RMB40.7 million (31 December 2013: RMB41.1 million) in favour of a secured bank loan of RMB15.0 million (31 December 2013: RMB15.0 million).

8. 本集團資產抵押

於二零一四年六月三十日，本集團將約人民幣40,700,000元(二零一三年十二月三十一日：人民幣41,100,000元)集團資產作為本集團有抵押銀行貸款人民幣15,000,000元(二零一三年十二月三十一日：人民幣15,000,000元)之抵押。

9. Contingent Liabilities

As at 30 June 2014, the Group did not have any contingent liabilities (31 December 2013: Nil).

9. 或然負債

於二零一四年六月三十日，本集團並無任何或然負債(二零一三年十二月三十一日：無)。

10. Capital Expenditure

During the period under review, capital expenditure of the Group for property, plant and equipment amounted to approximately RMB530,000 (30 June 2013: approximately RMB217.8 million).

10. 資本開支

於回顧期間，本集團有關物業、廠房及設備的資本開支約為人民幣530,000元(二零一三年六月三十日：約人民幣217,800,000元)。

11. Capital Commitments

As at 30 June 2014, the Group had capital expenditure contracted but not provided for in the financial statements amounted to approximately RMB8.1 million (31 December 2013: approximately RMB8.1 million).

11. 資本承擔

於二零一四年六月三十日，本集團有已訂約但尚未於財務報表中撥備的資本開支約人民幣8,100,000元（二零一三年十二月三十一日：約人民幣8,100,000元）。

12. Use of Proceeds

The net proceeds raised from the initial public offering after deducting relevant share issue expenses and the general working capital amounted to approximately RMB683.0 million.

For the year ended 31 December 2007, the Company applied approximately RMB230.0 million and approximately RMB114.7 million to the capital injection in our two major subsidiaries in the PRC, Fujian Sanai and Fuzhou Sanai Pharmaceutical Co. Ltd., respectively. The capital injected to these two subsidiaries was intended to be used in the construction and expansion of new plants and production lines in Fuzhou and Jianyang. An amount of approximately HK$62.0 million had been used for repayment of an interest-free shareholder's loan for the acquisition of a 40% interest in Fuzhou Sanai from Mr. Lin Ou Wen.

12. 所得款項用途

首次公開發售所得款項淨額，扣除有關發行股份支出及一般營運資金後約為人民幣683,000,000元。

截至二零零七年十二月三十一日止年度，本公司分別向兩間主要國內附屬公司福建三愛及福州三愛藥業有限公司注資約人民幣230,000,000元及約人民幣114,700,000元。注入該兩間附屬公司之資金擬用於興建及擴建福州及建陽之新廠房及生產線。約62,000,000港元已用作償還向林歐文先生收購福州三愛40%權益而授出之免息股東貸款。

For the year ended 31 December 2008, the Group spent approximately RMB37.0 million for promotion of our brand through advertisement in some major national TV channels in the PRC. In addition, approximately RMB113.1 million had been utilized in the construction and acquisition of manufacturing equipment in Jiangyang factory.

截至二零零八年十二月三十一日止年度，本集團已支出約人民幣37,000,000元通過在中國若干主要國家電視頻道投放廣告以推廣品牌。此外，約人民幣113,100,000元已用於建設及收購建陽工廠的製造設備。

For the year ended 31 December 2009, the Group spent approximately RMB60.7 million for promotion of our brand through advertisement in some major national TV channels in the PRC. In addition, approximately RMB41.4 million had been utilized in the construction and acquisition of manufacturing equipment in Jiangyang factory.

截至二零零九年十二月三十一日止年度，本集團支出約人民幣60,700,000元用於透過在中國某些主要國家電視頻道刊登廣告以推廣品牌。此外，約人民幣41,400,000元已用於建設及收購建陽工廠的製造設備。

For the year ended 31 December 2010, the Group spent approximately RMB1.3 million for the promotion of our brand through advertisement in some major national TV channels in the PRC. In addition, approximately RMB2.2 million had been utilized in the construction and acquisition of manufacturing equipment in Jiangyang factory. In addition, approximately RMB2.2 million has been utilized for research and development.

截至二零一零年十二月三十一日止年度，本集團已支出約人民幣1,300,000元用於透過在中國某些主要國家電視頻道刊登廣告以推廣品牌。此外，約人民幣2,200,000元已用於建設及收購建陽工廠的製造設備。另外，約人民幣2,200,000元已用於研發工作。

For the year ended 31 December 2011, the Group spent approximately RMB3.5 million for research and development.

截至二零一一年十二月三十一日止年度，本集團已支出約人民幣3,500,000元用於研發工作。

For the year ended 31 December 2012, the Group spent approximately RMB926,000 for research and development. In addition, as announced by the Company on 3 December 2012, the Board resolved to change the intended application of the remaining net

截至二零一二年十二月三十一日止年度，本集團已支出約人民幣926,000元用於研發工作。此外，誠如本公司於二零一二年十二月三日所公佈，董事會已議決變更全球發售所得淨款項餘額約人民幣360,000,000元(佔全球發售所得款項淨額

proceeds of approximately RMB360.0 million, representing approximately 53.0% of the net proceeds from the global offering, the Board believed that such change will facilitate efficient allocation of financial resources of the Company and strengthen the future development of the Group and is fair and reasonable and in the interests of the Company and its shareholders as a whole.

約53.0%)的擬定用途，董事會認為有關變更將促進本公司財務資源有效分配及強化本集團的未來發展，屬公平合理並符合本公司及其股東的整體利益。

For the year ended 31 December 2013, the Group spent approximately RMB270.3 million as capital expenditure for the new GMP certification manufacturing facilities in the self using new factory in the ordinary and usual course of business. In addition, approximately RMB58.7 million had been spent for promotion of our brand through advertisement in some major national TV channels in the PRC.

截至二零一三年十二月三十一日止年度，本集團於日常及一般業務過程中已支出約人民幣270,300,000元作為自用新工廠新版GMP認證生產設施的資本開支。此外，支出約人民幣58,700,000元通過在中國若干主要國家電視頻道投放廣告以推廣品牌。

For the six months ended 30 June 2014, the Group has spent approximately RMB11.8 million as capital expenditure for the new GMP certification manufacturing facilities in the self using new factory in the ordinary and usual course of business.

截至二零一四年六月三十日止六個月，本集團已支出約人民幣11,800,000元用於日常及一般業務過程中作自用的新工廠新版GMP認證生產設施的資本開支。

The remaining balance of proceeds of approximately RMB19.2 million which will be spent as capital expenditure for the new GMP certification manufacturing facilities in this new factory, was placed in short term deposits with licensed commercial banks in the PRC.

所得款項之餘額約人民幣19,200,000元將用作新工廠新版GMP認證生產設施的資本開支，已存入中國持牌商業銀行作短期存款。

INTERIM DIVIDEND

The Board does not recommend payment of any interim dividend for the six months ended 30 June 2014. Accordingly, no closure of the Register of Members of the Company is proposed.

中期股息

董事會並不建議就截至二零一四年六月三十日止六個月派發任何中期股息。因此，本公司並無建議暫停辦理股份登記手續。

SHARE OPTION SCHEME

The Company's share option scheme was adopted on 8 January 2007 by the way of passing resolutions by all the shareholders of the Company. For the six months ended 30 June 2014, no share option had been granted or exercised under the share option scheme.

購股權計劃

本公司的購股權計劃於二零零七年一月八日以本公司所有股東通過決議案方式採納。截至二零一四年六月三十日止六個月，並無根據購股權計劃授出或行使任何購股權。

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

As at 30 June 2014, the interests or short positions of the Directors and Chief Executives 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 as otherwise notified to the Company and 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 of 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

於二零一四年六月三十日，各董事及最高行政人員在本公司或其任何相聯法團（定義見香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部）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聯交所之權益或淡倉如下：

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

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

Name of Directors 董事姓名	Company/name of associated corporation 公司／相聯法團名稱	Capacity 身份	Number of Shares (Note 1) 股份數目（附註1）	Approximate percentage of interest 概約股權百分比
Mr. Lin Ou Wen 林歐文先生	The Company 本公司	Interest of controlled corporation (Note 2) 受控法團權益（附註2）	447,202,900 (L) 447,202,900 (S)	26.16% 26.16%
		Interest of spouse (Note 3) 配偶權益（附註3）	42,687,627 (L) 42,687,627 (S)	2.5% 2.5%
Mr. Lin Qing Ping 林慶平先生	The Company 本公司	Interest of controlled corporation (Note 4) 受控法團權益（附註4）	280,352,000 (L) 280,352,000 (S)	16.4% 16.4%

DIRECTORS' AND CHIEF EXECUTIVES' 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）

Note:

1. The letter "L" and "S" denotes long position and short position in the Shares respectively.

2. These Shares are registered in the name of Thousand Space Holdings Limited, which is wholly owned by Mr. Lin Ou Wen who is deemed to be interested in all the Shares in which Thousand Space Holdings Limited is interested by virtue of the SFO.

3. 136,951,000 Shares are registered in the name of Orient Day Management Limited, which is owned as to 23.38%, 45.45% and 31.17% by Mr. Lin Qing Mei, Mr. Liu Dao Hua and Ms. Xue Mei respectively. Mr. Lin Ou Wen is deemed to be interested in all the Shares in which Ms. Xue Mei, his spouse, is interested by virtue of the SFO.

4. These Shares are registered in the name of Bright Elite Management Limited, which is wholly owned by Mr. Lin Qing Ping, our Executive Director, who is deemed to be interested in all the Shares in which Bright Elite Management Limited is interested by virtue of the SFO.

Save as disclosed above, none of the Directors or Chief Executive of the Company aware of any other Director or Chief Executive of the Company who has any interests or short positions in any shares and underlying shares in, and debentures of the Company or any associated corporation as at 30 June 2014.

附註：

1. 「L」及「S」分別指於股份中之好倉及淡倉。

2. 該等股份以 Thousand Space Holdings Limited（由林歐文先生全資擁有）之名義登記。根據證券及期貨條例，林歐文先生被視為於 Thousand Space Holdings Limited 擁有權益之全部股份中擁有權益。

3. 136,951,000股股份以Orient Day Management Limited之名義登記，Orient Day Management Limited由林慶美先生、劉道花先生及薛玫女士分別擁有23.38%、45.45%及31.17%。根據證券及期貨條例，林歐文先生被視為於其配偶薛玫女士擁有權益的全部股份中擁有權益。

4. 該等股份以Bright Elite Management Limited（由執行董事林慶平先生全資擁有）之名義登記。根據證券及期貨條例，林慶平先生被視為於Bright Elite Management Limited擁有權益之全部股份中擁有權益。

除上文所披露者外，於二零一四年六月三十日，就各董事或本公司最高行政人員所知，任何本公司其他董事或最高行政人員並無於本公司或任何相聯法團的任何股份及相關股份以及債權證中擁有任何權益或淡倉。

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

主要股東於本公司及其相聯法團之股份、相關股份及債權證的權益及淡倉

As at 30 June 2014, the interests and short positions of the following shareholders, other than a Director or Chief Executive of the Company, in the shares or underlying shares or debentures of the Company which would have to be disclosed to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of the Part XV of the SFO or were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO are as follows:

於二零一四年六月三十日，以下股東(本公司董事或最高行政人員除外)於本公司股份、相關股份或債權證中擁有根據證券及期貨條例第XV部第2及3分部須向本公司及聯交所披露或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權益及淡倉如下：

Name of Shareholder 股東名稱／姓名	Company/name of subsidiary 公司／附屬公司名稱	Capacity 身份	Number of Shares (Note 1) 股份數目(附註1)	Approximate percentage of shareholding 概約股權百分比
Bright Elite Management Limited	The Company 本公司	Beneficial owner 實益擁有人	280,352,000 (L) 280,352,000 (S)	16.4% 16.4%
Mr. Lin Qing Ping 林慶平先生	The Company 本公司	Interest of controlled corporation (Note 2) 受控法團權益(附註2)	280,352,000 (L) 280,352,000 (S)	16.4% 16.4%
Thousand Space Holdings Limited	The Company 本公司	Beneficial owner 實益擁有人	447,202,900 (L) 447,202,900 (S)	26.16% 26.16%
Mr. Lin Ou Wen 林歐文先生	The Company 本公司	Interest of controlled corporation (Note 3) 受控法團權益(附註3)	447,202,900 (L) 447,202,900 (S)	26.16% 26.16%
		Interest of spouse (Note 4) 配偶權益(附註4)	42,687,627 (L) 42,687,627 (S)	2.5% 2.5%

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS (CONTINUED)

主要股東於本公司及其相聯法團之股份、相關股份及債權證的權益及淡倉(續)

Name of Shareholder 股東名稱／姓名	Company/name of subsidiary 公司／附屬公司名稱	Capacity 身份	Number of Shares (Note 1) 股份數目（附註1）	Approximate percentage of shareholding 概約股權百分比
Ms. Xue Mei 薛玫女士	The Company 本公司	Interest of spouse (Note 4) 配偶權益(附註4)	447,202,900 (L) 447,202,900 (S)	26.16% 26.16%
		Interest of controlled corporation (Note 4) 受控法團權益(附註4)	42,687,627 (L) 42,687,627 (S)	2.5% 2.5%
Orient Day Management Limited	The Company 本公司	Beneficial owner 實益擁有人	136,951,000 (L) 136,951,000 (S)	8.01% 8.01%
Mr. Liu Dao Hua 劉道花先生	The Company 本公司	Interest of controlled corporation (Note 4) 受控法團權益(附註4)	136,951,000 (L) 136,951,000 (S)	8.01% 8.01%
Pope Investments LLC	The Company 本公司	Beneficial owner (Note 5) 實益擁有人(附註5)	102,400,000 (L)	5.99%
Pope Asset Management, LLC	The Company 本公司	Interest of controlled corporation (Note 5) 受控法團權益(附註5)	136,652,500 (L)	7.99%
Wells William P.	The Company 本公司	Interest of controlled corporation (Note 5) 受控法團權益(附註5)	102,400,000 (L)	5.99%
Credit Suisse (Hong Kong) Limited	The Company 本公司	Beneficial owner (Note 6) 實益擁有人(附註6)	133,545,000 (L) 66,772,500 (S)	7.81% 3.90%

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS (CONTINUED)

主要股東於本公司及其相聯法團之股份、相關股份及債權證的權益及淡倉(續)

Name of Shareholder 股東名稱/姓名	Company/name of subsidiary 公司/附屬公司名稱	Capacity 身份	Number of Shares (Note 1) 股份數目(附註1)	Approximate percentage of shareholding 概約股權百分比
Credit Suisse (International) Holding AG	The Company 本公司	Interest of controlled corporation (Notes 6 & 7) 受控法團權益(附註6及7)	133,545,000 (L) 66,772,500 (S)	7.81% 3.90%
Credit Suisse	The Company 本公司	Interest of controlled corporation (Notes 6 & 7) 受控法團權益(附註6及7)	133,545,000 (L) 66,772,500 (S)	7.81% 3.90%
CCB Financial Holdings Limited 建行金融控股有限公司	The Company 本公司	Interest of controlled corporation (Note 8) 受控法團權益(附註8)	885,097,000 (L)	51.77%
CCB International (Holdings) Limited 建銀國際(控股)有限公司	The Company 本公司	Interest of controlled corporation (Note 8) 受控法團權益(附註8)	885,097,000 (L)	51.77%
CCB International Asset Management Limited 建銀國際資產管理有限公司	The Company 本公司	Interest of controlled corporation (Note 8) 受控法團權益(附註8)	885,097,000 (L)	51.77%
CCB International Group Holdings Limited 建行國際集團控股有限公司	The Company 本公司	Interest of controlled corporation (Note 8) 受控法團權益(附註8)	885,097,000 (L)	51.77%
Central Huijin Investment Ltd. 中央滙金投資有限責任公司	The Company 本公司	Interest of controlled corporation (Note 8) 受控法團權益(附註8)	885,097,000 (L)	51.77%

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS (CONTINUED)

主要股東於本公司及其相聯法團之股份、相關股份及債權證的權益及淡倉(續)

Name of Shareholder 股東名稱／姓名	Company/name of subsidiary 公司／附屬公司名稱	Capacity 身份	Number of Shares (Note 1) 股份數目（附註1）	Approximate percentage of shareholding 概約股權百分比
China Construction Bank Corporation 中國建設銀行股份有限公司	The Company 本公司	Interest of controlled corporation (Note 8) 受控法團權益(附註8)	885,097,000 (L)	51.77%
Huifu Holdings Limited	The Company 本公司	Person having a security interest in shares (Note 8) 擁有股份擔保權益的人(附註8)	885,097,000 (L)	51.77%

Notes:

(1) The letters "L" and "S" denote long position and short position in the Shares respectively.

(2) These Shares are registered in the name of Bright Elite Management Limited, which is wholly owned by Mr. Lin Qing Ping who is deemed to be interested in all the Shares in which Bright Elite Management Limited is interested in for the purpose of the SFO.

(3) These Shares are registered in the name of Thousand Space Holdings Limited, which is wholly owned by Mr. Lin Ou Wen who is deemed to be interested in all the Shares in which Thousand Space Holdings Limited is interested for the purpose of the SFO.

附註:

(1) (L)及(S)分別指於股份中之好倉及淡倉。

(2) 該等股份以由林慶平先生全資擁有的Bright Elite Management Limited 之名義登記。根據證券及期貨條例，林慶平先生被視為於Bright Elite Management Limited 擁有權益之全部股份中擁有權益。

(3) 該等股份以林歐文先生全資擁有的Thousand Space Holdings Limited之名義登記。根據證券及期貨條例，林歐文先生被視為於Thousand Space Holdings Limited擁有權益之全部股份中擁有權益。

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS (CONTINUED)

主要股東於本公司及其相聯法團之股份、相關股份及債權證的權益及淡倉(續)

Notes: (continued)

(4) These Shares are registered in the name of Orient Day Management Limited, which is owned as to 23.38%, 45.45% and 31.17% of its entire share capital by Mr. Lin Qing Mei, Mr. Liu Dao Hua and Ms. Xue Mei, spouse of Mr. Lin Ou Wen, respectively, therefore Mr. Liu Dao Hua is deemed to be interested in all the Shares in which Orient Day Management Limited is interested for the purpose of the SFO. Ms. Xue Mei is the spouse of Mr. Lin Ou Wen, therefore, she is deemed to be interested in all the Shares in which Mr. Lin Ou Wen is deemed to be interested in for the purpose of the SFO and vice versa.

(5) According to the information submitted by the shareholder, these Shares are registered in the name of Pope Investments LLC, which is controlled by Pope Asset Management LLC, which is in turn controlled by Wells William P..

(6) These Shares are registered in the name of Credit Suisse (Hong Kong) Limited, which is owned as to 94.75% by Credit Suisse (International) Holding AG, which is in turn wholly owned by Credit Suisse. Therefore, Credit Suisse (Hong Kong) Limited, Credit Suisse (International) Holding AG and Credit Suisse are deemed to be interested in all the Shares in which Credit Suisse (Hong Kong) Limited is interested for the purpose of the SFO.

(7) These Shares are registered in the name of Credit Suisse (Hong Kong) Limited, which is owned as to 94.75% by Credit Suisse (International) Holding AG, which is in turn wholly owned by Credit Suisse. Therefore, Credit Suisse (Hong Kong) Limited, Credit Suisse (International) Holding AG and Credit Suisse are deemed to hold or hold a short position of 66,772,500 Shares as defined under Part XV of the SFO.

附註：(續)

(4) 該等股份以由林慶美先生、劉道花先生及林歐文先生的配偶薛玫女士分別擁有其全部股本的23.38%、45.45%及31.17%之Orient Day Management Limited之名義登記。因此，根據證券及期貨條例，劉道花先生被視為於Orient Day Management Limited 擁有權益的所有股份中擁有權益。薛玫女士為林歐文先生的配偶，因此，根據證券及期貨條例，她被視為在林歐文先生被視為擁有權益的所有股份中擁有權益，反之亦然。

(5) 根據股東提交的資料，該等股份以Pope Asset Management, LLC控制之Pope Investments, LLC之名義登記，Pope Asset Management, LLC則由Wells William P.所控制。

(6) 該等股份乃以Credit Suisse (Hong Kong) Limited之名義登記，而Credit Suisse (Hong Kong) Limited由Credit Suisse (International) Holding AG擁有94.75%權益，而Credit Suisse (International) Holding AG則由Credit Suisse全資擁有。因此，根據證券及期貨條例，Credit Suisse (Hong Kong) Limited、Credit Suisse (International) Holding AG及Credit Suisse被視為於Credit Suisse (Hong Kong) Limited持有權益之所有股份中擁有權益。

(7) 該等股份乃以Credit Suisse (Hong Kong) Limited之名義登記，而Credit Suisse (Hong Kong) Limited由Credit Suisse (International) Holding AG擁有94.75%權益，而Credit Suisse (International) Holding AG則由Credit Suisse全資擁有。因此，根據證券及期貨條例第XV部定義，Credit Suisse (Hong Kong) Limited、Credit Suisse (International) Holding AG及Credit Suisse被視為持有或持有66,772,500股股份之淡倉。

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS (CONTINUED)

主要股東於本公司及其相聯法團之股份、相關股份及債權證的權益及淡倉(續)

Notes: (continued)

(8) According to the information submitted by the shareholder, Huifu Holdings Limited is interested in these Shares due to its security interest. Huifu Holdings Limited is wholly owned by CCB International Asset Management Limited, which is in turn wholly owned by CCB International Assets Management (Cayman) Limited, which is in turn wholly owned by CCB International (Holdings) Limited, which is in turn wholly owned by CCB Financial Holdings Limited, which is in turn wholly owned by CCB International Group Holdings Limited, which is in turn wholly owned by China Construction Bank Corporation, which is in turn owned as to 57.1% by Central Huijin Investment Ltd.

附註：(續)

(8) 根據股東提交的資料，Huifu Holdings Limited因其擔保權益而於該等股份中擁有權益。Huifu Holdings Limited由建銀國際資產管理有限公司全資擁有，而建銀國際資產管理有限公司則由建銀國際資產管理(開曼群島)有限公司全資擁有。建銀國際(控股)有限公司全資擁有建銀國際資產管理(開曼群島)有限公司，而建銀國際(控股)有限公司由建行金融控股有限公司全資擁有。建行金融控股有限公司乃由建行國際集團控股有限公司全資擁有，而中國建設銀行股份有限公司則全資擁有建行國際集團控股有限公司。中央滙金投資有限責任公司持有中國建設銀行股份有限公司57.1%的權益。

Save for the disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company which would have to be disclosed to the Company and the Stock Exchange pursuant to Division 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under 336 by the SFO as at 30 June 2014.

除上文所披露者外，於二零一四年六月三十日，本公司並無獲知會任何其他須根據證券及期貨條例第XV部第2及3分部規定向本公司及聯交所披露或記錄於根據證券及期貨條例第336節存置於本公司股東名冊的本公司已發行股本的相關權益或淡倉。

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

購買、出售或贖回本公司上市證券

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of its listed shares during the six months ended 30 June 2014.

截至二零一四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股份。

COMPLIANCE OF THE CORPORATE GOVERNANCE CODE

遵守企業管治守則

The Company is committed to achieve 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.

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。

The Company has complied with the Code Provisions as set out in the Corporate Governance Code (the "Code") contained in Appendix 14 of the Listing Rules during the six months ended 30 June 2014 ensuring that the Company is up to the requirements as being diligent, accountable and professional.

本公司於截至二零一四年六月三十日止六個月期間已遵守上市規則附錄十四所載之企業管治守則(「該守則」)之守則條文，確保本公司符合盡職、問責及專業要求。

In the opinion of the Board, the Company has complied with the Code since listing of the shares of the Company on 1 February 2007 except for deviation from provision A.2.1 in respect of the roles of chairman and chief executive officer ("CEO") of the Company. The Board considered that vesting the roles of Chairman and the CEO in the same person facilitates the execution of the Company's business strategies and maximizes effectiveness of its operations. The Board shall nevertheless review the structure from time to time and shall consider the appropriate adjustment should suitable circumstance arise. There are three independent non-executive Directors in the Board, all of them possess adequate independence and therefore the Board considers the Company has achieved balance of and provided sufficient protection to its interests.

董事會認為，除本公司主席及行政總裁(「行政總裁」)的角色偏離條文第A.2.1條外，本公司自二零零七年二月一日本公司股份上市起一直遵守該守則。董事會認為，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 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") as the Company's own code for securities transactions by its Directors. In addition, the Company has made specific enquiries of all Directors and each Director confirms that during the six months ended 30 June 2014, they have fully complied with the required standards as set out in the Model Code.

At no time during the first six months of 2014 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.

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, details of their biographies were set out in the 2013 Annual Report of the Company.

董事進行證券交易

本公司已採納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」)，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，各董事確認於截至二零一四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。

於二零一四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。

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，彼等之履歷載於本公司二零一三年年報。

AUDIT COMMITTEE

The Company has established an audit committee in compliance with the Rule 3.21 of the Listing Rules. The audit committee comprises three Independent Non-executive Directors, has reviewed the accounting principles and practices adopted by the Company as well as auditing, internal control and financial reporting matters, including the review of the unaudited interim results for the six months ended 30 June 2014. The financial statements of the Company for the period ended 30 June 2014 have been reviewed and approved by the audit committee, who are of the opinion that such statements comply with the applicable accounting standards, and the Listing Rules and legal requirements, and that adequate disclosures have been made. On 26 August 2014, a meeting of the audit committee was held and the unaudited interim results for the six months ended 30 June 2014 were reviewed, and with recommendation to the Board for further approval at such meeting.

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，以及審核、內部監控及財務申報等事宜，包括審閱截至二零一四年六月三十日止六個月之未經審核中期業績。審核委員會已審閱並批准本公司截至二零一四年六月三十日止期間之財務報表，彼等認為該等報表符合適用會計準則、上市規則及法律要求，並已作出充分披露。於二零一四年八月二十六日，本公司召開審核委員會會議並於會上審閱截至二零一四年六月三十日止六個月期間未經審核中期業績及向董事會作出推薦建議以待進一步批准。

REMUNERATION COMMITTEE

The remuneration committee comprises three Independent Non-executive Directors and one Executive Director, is responsible for reviewing and determining the appropriate remuneration polices of the Directors and senior management and making recommendations to the Board from time to time.

薪酬委員會

薪酬委員會由三名獨立非執行董事及一名執行董事組成，負責審閱及釐定董事及高級管理層之適當薪酬政策，及不時向董事會提供推薦建議。

NOMINATION COMMITTEE

The nomination committee comprises three Independent Non-executive Directors and two Executive Directors, is responsible for determining the criteria for identifying candidates suitably qualified, reviewing nominations for the appointment of Directors to the Board and making recommendations to the Board regarding any proposed changes.

提名委員會

提名委員會由三名獨立非執行董事及兩名執行董事組成，負責釐定物色具適合資格之候選人之基準、審閱董事會之董事委任提名及就任何建議之變動向董事會作出推薦建議。

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

The 2014 interim report will be dispatched to Shareholders as well as made available on our Company's website at www.wuyi-pharma.com and the Stock Exchange's website www.hkexnews.hk.

刊登中期業績公佈及中期報告

二零一四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.

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。

On behalf of the Board
LIN OU WEN
Chairman

代表董事會
主席
林歐文

Hong Kong, 29 August, 2014

香港，二零一四年八月二十九日

As at the date of this report, the Board comprises 3 Executive Directors, namely Mr. Lin Ou Wen (Chairman), Mr. Lin Qing Ping and Mr. Xu Chao Hui, 2 Non-executive Directors, namely Mr. Tang Bin and Mr. John Yang Wang, and 3 Independent Non-executive Directors, namely Mr. Liu Jun, Mr. Lam Yat Cheong and Mr. Du Jian.

於本報告日期，董事會的董事包括3名執行董事，分別是林歐文先生(主席)、林慶平先生及許朝暉先生，2名非執行董事，分別是唐彬先生及王陽先生以及3名獨立非執行董事，分別是劉軍先生、林日昌先生及杜建先生。

武夷药业
Wuyi Pharmaceutical

Wuyi International Pharmaceutical Company Limited
武夷國際藥業有限公司