

Sinco Pharmaceuticals Holdings Limited
兴科蓉医药控股有限公司

(Incorporated under the laws of the Cayman Islands with limited liability)
(根據開曼群島法例註冊成立的有限公司)
Stock Code 股份代號 : 6833



2018
Interim Report
中期報告

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Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Huang Xiangbin (*Chairman and Co-Chief Executive Officer*)

Ms. Zhang Zhijie

Independent Non-executive Directors

Mr. Chow Siu Lui

Mr. Wang Qing

Mr. Liu Wenfang

Mr. Chen David Yu (appointed on 19 January 2018 and retired on 25 May 2018)

Mr. Philip Wong Yee Teng (appointed on 19 January 2018 and retired on 25 May 2018)

AUDIT COMMITTEE

Mr. Chow Siu Lui (*Chairman*)

Mr. Liu Wenfang

Mr. Wang Qing

REMUNERATION COMMITTEE

Mr. Wang Qing (*Chairman*)

Ms. Zhang Zhijie

Mr. Liu Wenfang

NOMINATION COMMITTEE

Mr. Huang Xiangbin (*Chairman*)

Mr. Liu Wenfang

Mr. Chow Siu Lui

INTERNAL CONTROL AND CORPORATE GOVERNANCE COMMITTEE

Mr. Chow Siu Lui (*Chairman*)

Mr. Wang Qing

Mr. Liu Wenfang

AUTHORISED REPRESENTATIVES

Mr. Huang Xiangbin

Ms. Wong Sau Ping (resigned on 30 August 2018)

Ms. Leung Suet Lun (appointed on 30 August 2018)

JOINT COMPANY SECRETARIES

Ms. Ko Wing Yu

Ms. Wong Sau Ping (resigned on 30 August 2018)

Ms. Leung Suet Lun (appointed on 30 August 2018)

REGISTERED OFFICE

PO Box 309

Ugland House

Grand Cayman, KY1-1104

Cayman Islands

董事會

執行董事

黃祥彬先生(*主席兼聯席行政總裁*)

張志傑女士

獨立非執行董事

鄒小磊先生

汪晴先生

劉文芳先生

陳宇先生(於2018年1月19日獲委任並於2018年5月25日退任)

黃已艇先生(於2018年1月19日獲委任並於2018年5月25日退任)

審核委員會

鄒小磊先生(*主席*)

劉文芳先生

汪晴先生

薪酬委員會

汪晴先生(*主席*)

張志傑女士

劉文芳先生

提名委員會

黃祥彬先生(*主席*)

劉文芳先生

鄒小磊先生

內部控制及企業管治委員會

鄒小磊先生(*主席*)

汪晴先生

劉文芳先生

授權代表

黃祥彬先生

黃秀萍女士(於2018年8月30日辭任)

梁雪綸女士(於2018年8月30日獲委任)

聯席公司秘書

高穎好女士

黃秀萍女士(於2018年8月30日辭任)

梁雪綸女士(於2018年8月30日獲委任)

註冊辦事處

PO Box 309

Ugland House

Grand Cayman, KY1-1104

Cayman Islands

CORPORATE HEADQUARTERS

E5-1805, Global Centre
No. 1700, North Section of Tianfu Avenue
High-Tech Zone, Chengdu
Sichuan
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 4408A, 44/F, Cosco Tower
183 Queen's Road Central
Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Maples Fund Services (Cayman) Limited
P.O. Box 1093, Boundary Hall
Cricket Square
Grand Cayman, KY1-1102
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

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

HONG KONG LEGAL ADVISER

Jones Day

AUDITOR

Ernst & Young
Certified Public Accountants

STOCK CODE ON THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED

6833

COMPANY'S WEBSITE

www.sinco-pharm.com

LISTING DATE

10 March 2016

公司總部

中國
四川省
成都市高新區
天府大道北段1700號
環球中心E5-1805室

香港主要營業地點

香港
皇后大道中183號
中遠大廈44樓4408A室

開曼群島證券登記總處及過戶代理

Maples Fund Services (Cayman) Limited
P.O. Box 1093, Boundary Hall
Cricket Square
Grand Cayman, KY1-1102
Cayman Islands

香港證券登記分處

香港中央證券登記有限公司
香港
灣仔
皇后大道東183號
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香港法律顧問

眾達國際法律事務所

核數師

安永會計師事務所
執業會計師

香港聯合交易所有限公司主板股份代號

6833

本公司網站

www.sinco-pharm.com

上市日期

2016年3月10日



Financial Highlights

財務摘要

- Revenue of the Group increased by 38.5% or RMB159.5 million to RMB573.9 million for the Reporting Period (six months ended 30 June 2017: RMB414.4 million), among which revenue from sales of Human Albumin Solution increased by approximately RMB100.6 million, and revenue from sales of antibiotics increased by approximately RMB60.9 million.
- Gross profit of the Group increased by RMB88.8 million to RMB114.9 million for the Reporting Period (six months ended 30 June 2017: RMB26.1 million), while gross profit margin increased from 6.3% to 20.0%. The increase was mainly generated by the selling price increase and purchase price deduction.
- During the Reporting Period, the Group recorded net loss of RMB48.7 million (six months ended 30 June 2017: RMB31.5 million), mainly because the increase in the Group's selling and distribution expenses was greater than the increase in gross profit, and finance cost also increased by approximately RMB11.8 million as compared with the corresponding period of 2017.
- During the Reporting Period, loss attributable to owners of the Company amounted to RMB48.7 million (six months ended 30 June 2017: RMB31.5 million), representing an increase in such loss by RMB17.2 million.
- Basic loss per share amounted to RMB0.029 for the Reporting Period (six months ended 30 June 2017: RMB0.020).
- The Board resolved not to declare any interim dividend for the Reporting Period (six months ended 30 June 2017: Nil).
- 報告期內，本集團收益增長38.5%或人民幣159.5百萬元至人民幣573.9百萬元(截至2017年6月30日止六個月：人民幣414.4百萬元)，其中人血白蛋白注射液銷售收益增長約人民幣100.6百萬元，抗生素銷售收益增長約人民幣60.9百萬元。
- 報告期內，本集團毛利增加人民幣88.8百萬元至人民幣114.9百萬元(截至2017年6月30日止六個月：人民幣26.1百萬元)，毛利率則由6.3%增加至20.0%。增幅主要來自於售價的增加及採購價格下降。
- 報告期內，本集團錄得虧損淨額人民幣48.7百萬元(截至2017年6月30日止六個月：人民幣31.5百萬元)，主要因為本集團銷售及經銷開支的增長幅度高於毛利的增長，同時財務成本亦較2017年同期增加約人民幣11.8百萬元。
- 報告期內，本公司擁有人應佔虧損為人民幣48.7百萬元(截至2017年6月30日止六個月：人民幣31.5百萬元)，有關虧損額增加人民幣17.2百萬元。
- 報告期內，每股基本虧損為人民幣0.029元(截至2017年6月30日止六個月：人民幣0.020元)。
- 董事會決議不就報告期宣派任何中期股息(截至2017年6月30日止六個月：零)。

		Six months ended 30 June 截至6月30日止六個月	
		2018 2018年 RMB'000 人民幣千元 (unaudited) (未經審核)	2017 2017年 RMB'000 人民幣千元 (unaudited) (未經審核)
Operating results	經營業績		
Revenue	收益	573,894	414,368
Gross profit	毛利	114,879	26,116
Loss before tax	除稅前虧損	(51,373)	(35,717)
Loss for the period	期間虧損	(48,737)	(31,521)
Loss attributable to owners of the Company	本公司擁有人應佔虧損	(48,736)	(31,520)
Profitability	盈利		
Gross margin (%)	毛利率	20.0%	6.3%
Net loss margin (%)	淨虧損率	-8.5%	-7.6%
		30 June 2018 2018年6月30日 RMB'000 人民幣千元 (unaudited) (未經審核)	31 December 2017 2017年12月31日 RMB'000 人民幣千元
Financial position	財務狀況		
Total assets	總資產	698,728	819,219
Total liabilities	總負債	444,235	546,489
Total equity	總權益	254,493	272,730
Equity attributable to owners of the Company	本公司擁有人應佔權益	255,399	273,635
Cash and cash equivalents*	現金及現金等價物*	79,756	75,651

* As stated in the consolidated statement of cash flows

* 如綜合現金流量表所列



Corporate Profile

公司簡介

As a leading marketing, promotion and channel management (“MPCM”) service provider with extensive experience in the distribution of pharmaceutical imports, the Group focuses on blood products and bases on nationwide marketing and promotion network, and provides comprehensive MPCM services for small and medium-sized overseas pharmaceutical manufacturers. The Group’s products are imported from well-known overseas pharmaceutical manufactures with product portfolio centres on blood products as well as anti-infective medicine and other prescription medicine.

The marketing and promotion services provided by the Group include: coordinating and cooperating with overseas pharmaceutical manufacturers in respect of import registration/re-registration and other matters required by regulatory authorities; establishing customized marketing and promotion strategies based on the consideration of the product’s therapeutic areas and characteristics, regulatory environment, market demand and other commercial factors; selecting, appointing and managing third-party service promoters; holding academic conferences, lectures, seminars, and other promotional activities; and informing doctors of the medical uses and effects of the Group’s products.

The channel management services provided by the Group include: product clearance and testing; cooperating with third parties on logistics and delivery; participating in tenders; confirming the purchase orders of, delivering products to and collecting payment from third-party commercial pharmaceutical delivery companies; collecting and analyzing sales data; and managing and improving the inventory level of commercial distribution channels.

The Group’s product portfolio covers multiple therapeutic areas, such as blood products and anti-infective products. We select quality products from overseas markets, to meet the unsatisfied medical demand of the domestic market, and secure high growth potential in the Chinese pharmaceutical industry with the outstanding clinical results of such products.

As at 30 June 2018, the Group had 55 internal staff members for marketing and sales. They cooperated with 686 distributors and promoters around China, covering approximately 1,200 Class-III hospitals, 1,500 Class-II hospitals, and over 1,000 Class-I hospitals, pharmacies and other medical institutions.

作為中國進口藥品領先的營銷、推廣及渠道管理的服務供應商，本集團憑藉豐富的醫藥分銷經驗，專注於血液製品，以覆蓋全中國的營銷及推廣網絡為基礎，為海外中小型藥商提供綜合優質的營銷、推廣及渠道管理服務。本集團的產品進口自知名的海外製藥廠商，主要涵蓋血液製品及抗感染藥物等處方藥品。

本集團提供的營銷及推廣服務涵蓋：協調和配合海外藥商開展進口註冊／再註冊工作和其他監管機構要求事宜；基於對產品治療領域、產品特性、監管環境、市場需求以及其他商業因素的考慮，制定定制化的市場推廣和營銷策略；甄選、委任和管理第三方服務推廣商；舉辦學術會議、講座、研討會及其他推廣性質的活動；及向醫師傳訊有關本集團產品的醫療用途等作用。

本集團提供的渠道管理服務包括：產品清關及檢驗；與第三方合作開展物流配送工作；參與投標程序；第三方商業配送醫藥公司的採購訂單確認、產品交付及收款工作；銷售數據的收集與分析；及管理改善商業配送渠道的存貨水平。

本集團的核心產品組合涵蓋血液製品及抗感染藥物等治療領域。我們從海外市場中篩選優質產品，以彌補國內市場的醫藥需求空缺；憑藉產品卓越的臨床效應，確保其在中國醫藥市場擁有強勁的增長潛力。

於2018年6月30日，本集團擁有55名內部營銷及銷售人員，與遍布全國的686名經銷商及推廣商合作，覆蓋約1,200家三級醫院、1,500家二級醫院及超過1,000家一級醫院、藥房和其他醫療機構。

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW

In recent years, with the implementation and execution of the spirit of the National Sanitation and Health Conference and the “13th Five-Year Plan” for healthcare system reform, China has gradually set up a systemic framework of basic medical and health system. Meanwhile, according to the State Council institutional restructuring plan approved in March 2018, a new regulatory framework has been formed, which aims to promote diversified development of the medical and healthcare industry, ensure more effective industry regulation, and further implement medical insurance cost control. In the pharmaceutical distribution industry, with the nationwide implementation of “Two-Invoice System”, the pharmaceutical sales channels are undergoing large scale adjustment and business integration.

Affected by industry policy adjustment, the Group’s business continues to face pressure and challenges. However, benefiting from the Group’s active response to policies such as the “Two-Invoice System” to expand sales channels and adjust the marketing model, the Group recorded total revenue of RMB573.9 million during the Reporting Period (six months ended 30 June 2017: RMB414.4 million), representing an increase of 38.5%. Gross profit during the Reporting Period reached RMB114.9 million (six months ending 30 June 2017: RMB26.1 million), representing an increase of approximately RMB88.8 million. The rapid increase in gross profit is mainly due to the new sales model adopted by the Group under the “Two-Invoice System”, which enables the sales price of antibiotic products to rise rapidly.

The Group regards industrial policies and business demands as its orientation, optimizes its product structure, adopts reasonable tendering strategies and fully explores product quality and brand advantages. Since 2017, the Group has sought to improve product sales by continuously strengthening its expenditure in marketing construction and development, enhancing product promotion activities, and exploring new sales channels to promote the sales volume of the products, which has laid a solid foundation for the Group’s mid-to-long-term development.

1. Core products

Human Albumin Solution

Dating back to the early 1940s, blood products have undergone decades of fast development. Such products have grown from Human Albumin at the very beginning to the current 20-plus categories in three series, encompassing sub-categories such as Human Albumin, immune globulin and blood coagulation factors. Given the approval granted to new indications and an improved rate of diagnosis, the Plasma Protein Therapeutics Association (PPTA) points out that the market demand for blood products is not yet saturated and predicts that the demand for blood products will continue to grow steadily in the future around the globe.

業務回顧

近年來，隨著全國衛生與健康大會精神和「十三五」醫療衛生體制改革政策的落實與執行，中國已逐步建立較為系統的基本醫療衛生框架制度。同時，根據2018年3月批准的國務院機構改革方案，新的醫藥監管架構初已成型，以推動醫療健康產業向多元化發展，實現更加有效的行業監管，以及進一步落實醫保控費。在醫藥流通行業，隨著各地「兩票制」政策的全面實施，藥品銷售渠道正在進行著大規模的調整和業務整合。

受到行業政策調整的影響，本集團的業務也面臨著壓力和挑戰。但得益於本集團對於「兩票制」等政策的積極響應，如對銷售渠道的建設投入及營銷模式的積極調整，於報告期內，本集團取得總收益人民幣573.9百萬元（截至2017年6月30日止六個月：人民幣414.4百萬元），增幅38.5%。報告期內實現毛利人民幣114.9百萬元（截至2017年6月30日止六個月：人民幣26.1百萬元），增長約人民幣88.8百萬元。毛利的快速增長則主要得益於本集團在「兩票制」下採用的新銷售模式使抗生素產品銷售價格得以快速的提升。

本集團堅持以行業政策和業務需求為導向，優化產品結構，採取合理的投標策略，充分發掘產品的質量和品牌優勢。2017年以來本集團持續加大對市場建設和開拓的投入，加強產品的推廣力度，配以開拓新的市場銷售渠道來進一步提升產品的銷量，為本集團業務的中長期發展奠定了牢固的基礎。

1. 核心產品

人血白蛋白注射液

血液製品起源於20世紀40年代初，經過幾十年的快速發展，產品品種已由最初的人血白蛋白發展細分到人血白蛋白、免疫球蛋白和凝血因子類等3大系列20多個品種。隨著新的適應症的獲批和診治率的提供，國際血液製品蛋白協會(PPTA)指出，目前全球血液製品市場尚未達到飽和狀態，並預計在未來全球市場上，血液製品的需求量將保持持續穩定的增長。

As the only kind of blood product allowed to be imported into the Chinese market at the present, Human Albumin has dominated the sales of blood products in the Chinese market for years. Meanwhile, the significant market demand also enables its lot release of both imported and domestic categories to maintain steady growth. During the Reporting Period, along with the strengthening of regulation on pharmaceutical distribution industry and the implementation of the medical reform policies, the growth rate of Human Albumin batch release has gradually stepped into a plateau, and imported Human Albumin still maintained a stable dominant position. During the Reporting Period, Human Albumin batch release amounted to approximately 28.15 million vials, among which the percentages of imported and domestic categories were 58% and 41% respectively. Manufactured by Octapharma AG (“**Octapharma**”), a global leading manufacturer of blood products, and included as a Category B product in the National Reimbursement Drug List, the Human Albumin Solution operated by the Group is used to remedy the shock caused by hypovolemia, remove edema and poisonous substances, and treat neonatal hyper-bilirubinemia. Based on the batch release of the Human Albumin Solution in the PRC during the Reporting Period, the market share of the Human Albumin Solution manufactured by Octapharma, the fourth largest manufacturer of blood products, was approximately 8% (the corresponding period of 2017: 7%).

Axetine (Cefuroxime Sodium for injection)

Manufactured by Medochemie Ltd. (“**Medochemie**”) from Cyprus, the Axetine operated by the Group is classified as the second generation of cephalosporin antibiotics. It is used to remedy bacterial infections caused by sensitive bacteria, including respiratory infection, urinary tract infection, and skin and soft tissue infections. The product has been included in the National Catalogue of Essential Pharmaceuticals and the Category A products of NRDL.

Medocef (Cefoperazone Sodium for injection)

Manufactured by Medochemie from Cyprus, the Medocef operated by the Group is classified as the third generation of cephalosporin antibiotics. It is used to remedy bacterial infections caused by sensitive lactamase, including respiratory infection, urinary tract infection, intestinal infection, abdominal infection, skin and soft tissue infections, pelvic infection and septicemia. The product is also effective in treating the brain infections caused by influenza and meningococcus.

人血白蛋白作為目前血液製品中唯一被開放允許進口到中國市場的品種，多年來在中國血液製品銷售市場上獨佔鰲頭，巨大的市場需求量也使得進口蛋白和國產蛋白的批發總量保持著穩定的增長。於報告期內，伴隨著國家對醫藥流通行業監管力度的加強和醫改政策的落地實施，人血白蛋白的批發總量的增速逐漸進入了平緩時期，其中進口人血白蛋白的批發總量仍保持著穩定的優勢。於報告期內，人血白蛋白的批發總量約為2,815萬支，其中進口和國產白蛋白比重分別為58%和41%。本集團經營的人血白蛋白注射液是由全球血液製品巨頭之一的奧克特珐瑪公司(「**奧克特珐瑪**」)生產，用於治療因血容量降低引起的休克、消除水腫和有毒物質、新生兒高膽紅素血症等，是國家醫保目錄乙類產品。以報告期內中國人血白蛋白注射液批發總量統計，作為全球前四大血液製品生產商，奧克特珐瑪人血白蛋白注射液市場佔有率約為8% (2017年同期：7%)。

安可欣(注射用頭孢呋辛鈉)

本集團經營的安可欣是由塞浦路斯麥道甘美大藥房(「**麥道甘美**」)生產，屬第二代頭孢類抗菌素。用於治療敏感細菌所造成的感染症，如呼吸道感染、生殖泌尿道感染、皮膚及軟組織感染等。該產品被納入國家基本藥物目錄、國家醫保目錄甲類品種。

麥道必(注射用頭孢呋喃鈉)

本集團經營的麥道必是由塞浦路斯麥道甘美生產，屬第三代頭孢類抗菌素。用於治療敏感細菌引起的感染症，如呼吸系統、生殖泌尿道感染、腸道、胸腹腔、皮膚及軟組織感染、盆腔感染及敗血症等。該產品對流感桿菌、腦膜炎球菌引起的腦內感染亦有較好療效。

Trifamox IBL (Amoxicillin Sodium and Sulbactam Sodium for injection)
Manufactured by Laboratorios Bago S.A. from Argentina, Trifamox IBL is a classic compound preparation of penicillin-amidase inhibitor, and an imported original product recommended by the relevant guideline for the empirical treatment of community acquired pneumonia (CAP) of children. With an extensive antibacterial range and a great effect of enzyme inhibition, safety and reliability, Trifamox IBL is a top choice of empirical medication in the early-stage antibacterial treatment of community-acquired infection and nosocomial infection. The product is used to remedy the respiratory infection, skin and soft tissue infections, pelvic infection, urinary system infection, oral cavity infection and severe systemic infection caused by β – lactamase generating bacteria resistant to β – lactam antibiotics and cephalosporin.

2. Marketing Network Development

The Group provides its marketing service through its internal teams and cooperation with third-party promoters. Hence, one of the Group's key development strategies is to continuously expand the marketing network and enhance distributor and promoter management. During the Reporting Period, the Group took "Flexible, Professional and Efficient" as its objective, and strove to develop its marketing team in respect of the ability of quickly responding to market environment changes and executing operational plans with high efficiency. The Group sorted out its human resources in each division, established a talent database, and optimized the marketing team structure. In addition, the Group further refined its performance management of the marketing team, optimized allocation of sales resources that are invested in each product, enhanced process supervision and control, and improved the business operation efficiency of the marketing team. As at 30 June 2018, the Group had an internal marketing team of 55 members.

特福猛(注射用阿莫西林鈉舒巴坦鈉)

本集團經營的特福猛是由阿根廷霸科製藥廠生產，是經典的青黴素酶抑制劑複方製劑，原研進口產品，其是指南推薦的用於治療兒童小區獲得性肺炎(CAP)經驗治療的推廣用藥。具有廣譜抗菌、強效抑酶、安全可靠的特點，是小區感染、院內感染早期抗菌治療的經驗性用藥首選。適用於對單獨使用 β – 內醯胺類抗生素和頭孢菌素耐藥的產 β – 內醯胺酶的微生物所致的呼吸道感染、皮膚和軟組織感染、盆腔感染、泌尿系統感染、口腔感染、嚴重系統性感染等。

2. 營銷推廣網絡發展

本集團的營銷網絡推廣服務通過內部團隊及與第三方推廣服務商合作而開展。因此，不斷拓展營銷推廣網絡，並持續強化對經銷商及推廣服務商的管理是本集團的重點發展戰略之一。於報告期內，本集團以「靈活應變」和「專業高效」為目標，著力打造營銷推廣服務隊伍快速應對市場環境變化以及高效執行運營方案兩方面的能力，對各部門進行人才盤點，建立人才數據庫，優化營銷推廣隊伍組織架構。同時，進一步細化營銷團隊績效管理，優化對各產品投入的銷售資源分配，加強過程監督與管控，提升營銷推廣隊伍對業務運營效率。於2018年6月30日，本集團擁有的內部營銷團隊55人。

Along with full implementation of “Two-Invoice System” in each province in 2018, the Group made adjustments to the existing structure of distributor network, established a distribution channel to manage the terminal flow of pharmaceuticals. Meanwhile, the Group further extended its sales channel to end markets through the continued cooperation on market development and marketing promotion between its internal sales team and local distributors. For market channel management, the Group’s promoters were allocated by region originally, and now matched with each hospital of the region concerned with end markets-oriented management, which enables the Group’s sales management and network channels to reach the end market. The coverage of the network has also been extended from major hospitals in large urban centers to hospitals in prefecture-level cities and tier 2 and tier 3 cities, to keep improving market penetration, thereby establishing a precise management system that each hospital will have its respective promoters. In addition, along with the reform of pharmaceutical sales in medical service organisations, the Group actively arranged for product coverage of pharmacies near major hospitals as well as chain pharmacies in different regions, carried out multi-level market development and market coverage, and formed diversified retail terminal channels.

In addition, the Group has further improved the direct participation of its internal marketing team in product marketing activities. In this regard, approaches include training third-party promoters on product knowledge, hosting or taking part in medical or pharmaceutical conferences, symposiums and product seminars as well as holding product branding forums for end markets, to directly partake in the academic promotion activities of products, develop and improve the academic information system, build and maintain the promotional platform and establish the expert network, which serve to ensure accurate and timely delivery of product information to doctors and patients. In addition to product promotion, the Group has taken the initiative to invite third party promoters from all over the country to discuss and interpret the major impact of national policies to increase the added value and attraction of the Group’s training. During the Reporting Period, the Group had over 686 promoters around China, covering approximately 1,200 Class-III hospitals, 1,500 Class-II hospitals, and over 1,000 Class-I hospitals, pharmacies and other medical institutions.

隨著2018年「兩票制」在各省市的全面落地，本集團對原有經銷商網絡結構進行調整，由本集團建立統一的商業配送渠道，掌握藥品終端流向；同時延續內部銷售隊伍與各地經銷商的市場開發及營銷推廣的服務合作方式，進一步推進銷售渠道向終端市場延伸。在市場渠道管理上，本集團也由原來按照地區區域統一管理的方式轉型到按照各個區域內的醫藥進行劃分和醫院終端化對應管理的方式，使本集團的銷售管理及網絡渠道均可直達終端市場，從大型中心城市的重點醫院逐漸往下覆蓋到地市以及二、三級城市的醫院，不斷加深市場滲透率，以達到建立每家醫院均有對應推廣服務商的精細化管理體系。此外，伴隨醫療服務機構的藥品銷售改革，本集團也積極布局各地區重點醫院的周邊院外藥房及各地區的連鎖藥房，進行多層次的市場開發和市場覆蓋，形成多元化的零售終端渠道。

另外，本集團進一步強化內部營銷團隊產品市場推廣活動的直接參與，包括向第三方推廣服務商提供產品知識培訓，通過舉辦或參與醫療或醫藥會議、座談會及產品研討會，向終端市場進行產品品牌宣講會等方式直接參與產品的學術性推廣活動，建設和完善學術資料體系，搭建維護宣傳平台，建立專家網絡，以保證產品信息準確及時地傳達到醫生及患者。除產品推介外，本集團還主動邀請全國第三方推廣服務商一同探討解讀國家政策的重要影響，提高集團培訓的附加值及吸引力。於報告期內，本集團擁有遍布中國市場約686名推廣服務商，銷售網絡覆蓋約1,200家三級醫院，1,500家二級醫院及超過1,000家一級醫院、藥房和其他醫療機構。

3. The Cold Chain Storage Facility

Considering the future demand for business expansion and the significant demand for pharmaceutical cold chains in the storage and delivery of blood products and bio-products, the Group has constructed a cold chain storage facility in Shuangliu District, Chengdu, Sichuan Province. The Group has completed the first phase of its cold chain storage facility (15,000 square meters), which can satisfy the Group's storage demand and bring better control over the quality and safety of the blood products in the product portfolio. Additionally, the Group will be able to provide third parties with high quality pharmaceutical cold-chain storage services upon completing the second-phase construction (which includes 25,000 square meters of cold chain storage and 47,000 square meters of research and development base), which will be a new business unit of the Group, and aims to be the pharmaceutical cold chain logistics hub in southwest China. Currently, the Group has applied to Shuangliu District Government for land transfer, with its procedures well under way.

4. Research and Development

The Group has entered into a collaboration agreement with the China Academy of Chinese Medical Sciences to develop "Sinco I", a new realgar-based chemical medicine for treating acute promyelocytic leukemia. The collaboration aims for the upstream extension of the Group's business and the future provision of a new medicine for patients in the therapeutic area. The Group is currently making efforts in designing and building a pilot plant for pilot experiments in the second half year. During the Reporting Period, the Group incurred RMB0.7 million as the research and development expenses for developing Sinco I.

3. 冷鏈倉儲設施

考慮到本集團今後業務擴張需求以及關於血液製品、生物製品在倉儲、運輸環節對於醫藥冷鏈的巨大需求，本集團在四川省成都市雙流區建設了冷鏈倉儲設施。已完工的第一期冷鏈倉設施(15,000平方米)可滿足本集團自身的倉儲需求，能夠更好地控制產品組合中血液製品的質量安全，待第二期建設(包括25,000平方米的冷鏈倉儲及47,000平方米的研發基地)竣工時可向第三方提供高質量的醫藥冷鏈倉儲服務，形成本集團新的業務單元，致力成為西南地區醫藥冷鏈物流的樞紐站。目前，本集團向雙流區政府提請辦理土地出讓手續正在積極進行中。

4. 研發

本集團與中國中醫科學院重要研究所訂立合作協議，開發以雄黃為原料的化學藥物「Sinco I」，是以雄黃為原料的用於治療急性早幼粒細胞白血病的新型藥物，以期將本集團業務向上游延伸的同時，未來將該治療領域的新藥提供給患者。目前正在設計建設中試車間並計劃於下半年開展中試實驗。於報告期內，本集團產生開發Sinco I的研發費用為人民幣0.7百萬元。

FUTURE AND OUTLOOK

In the second half of 2018, the domestic and global macro-economic environment remains uncertain. Under the top-level strategy for a “Healthy China”, the Chinese pharmaceutical and healthcare reform will enter a crucial year that features full implementation of multiple medical-reform policies, optimization of industrial structures, upgrade of technologies and facilities, and more support for international development. Meanwhile, there will be greater disparity in corporate and product landscape, together with accelerating industrial integrations, presenting both opportunities and challenges. Factors such as an aging population, greater health awareness, changes to disease spectrum and the application of new technologies will generate long-term rigid demand to support the development of the Chinese pharmaceutical industry. As an important sector in China relating to people’s livelihood, the pharmaceutical and healthcare industry still enjoys a strong growth momentum and huge rigid demand.

The Group will continue with its corporate development strategies of optimizing the marketing network and the product portfolio, and maintain the business of blood products and antibiotics as a core therapeutic area. By concentrating its advantageous resources, the Group spares no effort in further improving its sales model under the new policies for stabilizing its business development. In respect of expanding its marketing network, the Group will strengthen the control over its sales team, improve its incentive mechanism, continuously promote presence in the downstream of marketing network channels, and extend it to the end market by establishing multi-mode cooperation with hospitals and pharmacies, all in a bid to contribute higher profit to the Group, develop core marketing capabilities and build a terminal promotion network to accommodate more products.

In terms of business development, considering the special logistics and storage requirement for drug and food as compared with general logistics and storage, the Group intends to develop cold chain logistics of drug and food, and is committed to becoming the largest pharmaceutical cold chain logistics and storage centre in southwest China. The Group believes that cold chain logistics business would not only meet its own blood product demand but also fill the market vacancy. Such an expanding business segment will diversify the Group’s business, and strengthen the Group’s core competitiveness and profit stability.

Apart from the above, the Group will continue to enhance the development of its internal control system and risk management, pay much attention to and fulfill its corporate social responsibilities throughout the Group’s governance. The Group will offer its staff a great platform for career development, and keep working to create greater value for the shareholders.

前景及展望

2018年下半年，國內外宏觀經濟環境依然充滿不確定性因素。在「健康中國」的頂層戰略設計下，中國醫療生物體制改革將進入攻堅之年，多項醫改政策將全部實施，產業結構優化、技術設施升級、國際化發展會受到更多支持，企業格局和產品格局會更加分化，行業整合加速，機遇與挑戰並存。受人口老齡化、健康意識提高、疾病譜轉變、新興技術通用等因素驅動，推動中國醫藥行業發展的剛性需求將長期存在，醫藥健康行業作為中國的重要民生產業，仍具有強勁的增長動力和巨大的剛性需求。

本集團將繼續秉持優化營銷推廣網絡和產品組合的企業發展戰略，以血液製品和抗生素製品為業務發展的核心治療領域，集中優化資源，進一步完善在新政策下的銷售模式體系，穩定本集團的業務發展。在擴大營銷推廣網絡上，本集團將加強對營銷團隊的管控，完善激勵制度，不斷推進營銷推廣網絡渠道下沉，並通過開發與醫院、藥房的多模式合作方式向終端市場延伸，為本集團提升利潤貢獻，打造核心營銷能力和建立優質的終端推廣網絡以期載更多產品。

在業務發展方面，考慮到醫藥食品運輸存放較一般物流運輸存儲的特殊性，本集團有意發展醫藥食品冷鏈物流的業務，並致力於成為西南地區最大的醫藥冷鏈物流倉儲中心。本集團相信冷鏈物流業務能在滿足自身的血液製品安全運輸倉儲的需求之外填補市場空缺，拓寬業務板塊將促使本集團業務的多樣化發展，增強本集團的核心競爭力和盈利穩定性。

此外，本集團將繼續加強企業內部控制體系建設，強化風險管理，亦高度關注企業社會責任，並在本集團管治中踐行。本集團將為員工提供理想的職業發展平台，為股東創造價值而不懈努力。

FINANCIAL REVIEW**Revenue**

The Group recorded revenue of RMB573.9 million for the Reporting Period, representing an increase of RMB159.5 million, or 38.5% as compared to RMB414.4 million in the corresponding period of 2017. The increase could be further analysed as follows:

財務回顧**收益**

本集團於報告期內錄得收益人民幣573.9百萬元，較2017年同期的人民幣414.4百萬元增加人民幣159.5百萬元，增幅38.5%，可進一步分析如下：

		For the six months ended 30 June 截至6月30日止六個月			
		2018 2018年		2017 2017年	
		RMB million 人民幣百萬元	% of revenue 收益佔比	RMB million 人民幣百萬元	% of revenue 收益佔比
Human Albumin Solution	人血白蛋白注射液 1)	318.2	55.4	217.6	52.5
Antibiotics	抗生素 2)	207.3	36.1	146.4	35.3
Other products	其他產品 3)	48.4	8.5	50.4	12.2
Total	合計	573.9	100.0	414.4	100.0

1) Benefiting from the performance of the Group's marketing work, revenue from sales of Human Albumin Solution increased by RMB100.6 million, or approximately 46.2% for the Reporting Period as compared with the corresponding period in 2017, among which sales volume increased by approximately 61.2%. 2017 is the first year to implement the "Two-Invoice System" policy across the pharmaceutical circulation industry, and the Group had adjusted its market channels in response to the policy, which led to a certain extent of decline in sales volume in 2017. After more than a year's improvement and promotion, the Group's market channels of Human Albumin Solution has recovered effectively, so sales volume during the Reporting Period increased significantly as compared with the corresponding period of prior year. However, affected by the fall in the overall market price, the Group's average selling price of Human Albumin Solution decreased by approximately 9.3% as compared with the corresponding period of prior year. The main reason on one hand, was the growth in the overall supply of Human Albumin in the Chinese market since 2017; on the other hand, as Sweden-produced Human Albumin Solution has just entered the Chinese market, its selling price is relatively low at the market exploration stage.

1) 得益於本集團營銷工作的成效，報告期內來自於人血白蛋白注射液的銷售收益較2017年同期增長人民幣100.6百萬元，增幅約46.2%，其中銷量增長約61.2%。2017年為醫藥流通行業執行「兩票制」政策的第一年，本集團對市場渠道進行了調整以應對「兩票制」的執行，使得2017年的銷售量有一定程度的下滑。經過一年多的完善和推廣，本集團人血白蛋白注射液市場渠道已得到有效恢復，因此報告期內的銷量相比去年同期有了明顯提升。但是受市場整體銷售價格下行的影響，人血白蛋白注射液平均售價較去年同期下降約9.3%，其主要原因一方面是因為2017年以來中國人血白蛋白市場整體供應量的增加；另一方面是由於產地為瑞典的人血白蛋白注射液新進入中國市場，在市場開發階段銷售定價略低所致。

- 2) During the Reporting Period, revenue from sales of antibiotics increased by RMB60.9 million as compared with the corresponding period in 2017. The increase was mainly caused by the Group's active adjustment to its marketing model and sales channel in response to the implementation of "Two-Invoice System" policy, which led to an increase in average selling price of antibiotics.
 - 3) During the Reporting Period, the percentage of revenue from other products was relatively low. As the Group has concentrated its resources on the business of core products such as Human Albumin Solution and antibiotics, revenue from sales of these products decreased by approximately RMB2.0 million during the Reporting Period as compared with the corresponding period in 2017.
- 2) 報告期內來自於抗生素的銷售收益較2017年同期增長人民幣60.9百萬元。增長主要是因為本集團積極調整銷售模式和銷售渠道以適應「兩票制」政策的執行，使集團的抗生素產品銷售價格得到了提升。
 - 3) 報告期內其他產品貢獻銷售收益的比例較低。由於集團將主要資源集中在核心產品人血白蛋白注射液及抗生素產品的銷售上，因此報告期內其他產品銷售收益較2017年同期下降約人民幣2.0百萬元。

Cost of sales

The Group recorded cost of sales of RMB459.0 million for the Reporting Period, representing an increase of RMB70.7 million, or 18.2% as compared with RMB388.3 million in the corresponding period in 2017, mainly affected by the increase in sales volume.

Gross profit and gross profit margin

During the Reporting Period, the Group recorded gross profit of RMB114.9 million, representing an increase of RMB88.8 million as compared with RMB26.1 million in the corresponding period of 2017; while gross profit margin increased from 6.3% to 20.0% for the Reporting Period as compared with the corresponding period of 2017. The increase mainly reflected the Group's adjustment of sales model, which led to a rapid increase in selling price. Meanwhile, benefiting from the decline in purchase price and tariff, the Group's cost of product also declined during the Reporting Period.

Other income and gains

During the Reporting Period, other income and gains of the Group amounted to RMB2.9 million, representing a decrease of RMB0.1 million as compared with the corresponding period of 2017. Other income and gains for the Reporting Period mainly represented (i) foreign exchange gain of RMB2.5 million; and (ii) bank interest income of RMB0.4 million. The Group's bank interest income remained stable as compared with the corresponding period of 2017. Besides, the Group also recorded interest income on available-for-sale investment and government grants totaling RMB2.5 million during the corresponding period of 2017.

銷售成本

本集團於報告期內錄得銷售成本人民幣459.0百萬元，較2017年同期的人民幣388.3百萬元增加人民幣70.7百萬元，增幅18.2%，主要受產品銷售量增加的影響。

毛利及毛利率

於報告期內，本集團實現毛利人民幣114.9百萬元，較2017年同期的人民幣26.1百萬元增加人民幣88.8百萬元，和2017年同期相比，報告期內毛利率則由6.3%增加至20.0%。其主要反映為本集團對銷售模式的調整，使得本集團產品的銷售價格得到快速的增長。同時受益於採購價格及關稅稅率的下調，本集團的產品成本於報告期內也有所下降。

其他收入及收益

於報告期內，本集團錄得其他收入及收益人民幣2.9百萬元，較2017年同期減少人民幣0.1百萬元。報告期內其他收入及收益包括(i)匯兌收益人民幣2.5百萬元；及(ii)銀行利息收入人民幣0.4百萬元。本集團銀行利息收入與2017年同期基本持平。此外，2017年同期還有來自可供出售投資的利息收入及政府補助共計人民幣2.5百萬元。

Selling and distribution expenses

During the Reporting Period, the Group's selling and distribution expenses amounted to approximately RMB118.3 million, representing an increase of RMB107.2 million as compared with the corresponding period of 2017. The increase mainly resulted from the Group's marketing and promotion expenses of approximately RMB83.5 million relating to sales of products, and the market exploration and product promotion expenditure of approximately RMB21.3 million in key regions cooperating with distributors.

Administrative expenses

During the Reporting Period, the Group recorded administrative expenses of RMB27.2 million, representing a decrease of RMB1.9 million as compared with the corresponding period of 2017, mainly because the Group provided for impairment of the exclusive distribution right at the end of 2017, which led to the decrease in amortisation of RMB2.3 million during the Reporting Period.

Other expenses

During the Reporting Period, the Group recorded other expenses of RMB6.4 million, representing a decrease of RMB7.2 million as compared with the corresponding period of 2017, mainly due to the decrease in foreign exchange losses. Other expenses incurred during the Reporting Period mainly represented impairment loss on non-core products of RMB4.3 million provided for according to the market condition.

Finance costs

During the Reporting Period, the Group recorded finance costs of RMB20.7 million, representing an increase of RMB11.8 million as compared with the corresponding period of 2017, including (1) increase in the bond interest expense of RMB6.1 million; (2) increase in interest expenses on bank and other loans of RMB7.9 million; and (3) partially offset by the decrease in the interest on discounted bills receivable of RMB2.2 million.

Fair value gains on financial assets at fair value through profit or loss classified as held for trading

During the Reporting Period, the Group entered into a foreign currency option contract with a bank, and recognised fair value gain of RMB3.4 million according to the contract's fair value at the end of the Reporting Period.

Income tax credits

During the Reporting Period, the Group recorded income tax credit of RMB2.6 million as the operation result was in a loss position.

銷售及經銷開支

於報告期內，本集團銷售及經銷開支約人民幣118.3百萬元，較2017年同期增加人民幣107.2百萬元。增幅主要產生於本集團與銷售貨物相關的營銷推廣開支約人民幣83.5百萬元，以及與經銷商合作就重點區域市場開拓及產品推廣的支出約人民幣21.3百萬元。

行政開支

報告期內，本集團行政開支人民幣27.2百萬元，較2017年同期減少人民幣1.9百萬元，主要是因為本集團就特許經營權在2017年末已全額計提減值準備，報告期內攤銷金額減少人民幣2.3百萬元。

其他開支

於報告期內，本集團錄得其他開支人民幣6.4百萬元，較2017年同期減少人民幣7.2百萬元，主要體現為匯兌損失的減少。報告期內產生的其他開支主要指根據市場情況針對非核心產品計提跌價準備人民幣4.3百萬元。

財務成本

於報告期內，本集團產生財務成本人民幣20.7百萬元，較2017年同期增加人民幣11.8百萬元，其中(1)債券利息支出增加人民幣6.1百萬元；(2)銀行及其他貸款利息增加人民幣7.9百萬元；以及(3)部分被票據貼現利息減少人民幣2.2百萬元所抵消。

分類為持作買賣透過損益按公平值計量的金融資產公平值收益

於報告期內，本集團與一家銀行簽訂了外幣期權合約，並根據該合約在報告期末的公允價值確認收益人民幣3.4百萬元。

所得稅抵免

於報告期內，由於經營業績處於虧損狀態，本集團錄得所得稅抵免人民幣2.6百萬元。

Loss for the Reporting Period

As a result of the foregoing, the Group recorded a net loss of RMB48.7 million for the Reporting Period, representing an increase of RMB17.2 million as compared with the corresponding period of 2017.

Inventories

Inventory balances amounted to RMB170.4 million as of 30 June 2018 (31 December 2017: RMB291.2 million), representing a decrease of RMB120.8 million as compared with the year-end balance of 2017. The main reason for such decrease was because the Group enhanced the marketing and promotion of the products during the Reporting Period, which led to a drop in the inventory balance of Human Albumin Solution of RMB116.3 million, and the decline in inventory balance of antibiotics and other products of RMB4.5 million.

Due to the recovery of the sales volume of Human Albumin Solution during the Reporting Period, the Group's average inventory turnover days decreased by 19 days from 110 days in 2017 to 91 days for the Reporting Period.

Trade and bills receivables

The balance of trade receivables amounted to RMB84.2 million as of 30 June 2018 (31 December 2017: RMB26.5 million). The main reason for the increase of RMB57.7 million as compared with the year-end balance of 2017 was because the Group provided certain distributors and commercial pharmaceutical delivery companies with credit terms ranging from 45 to 360 days based on the sales conditions on the market to improve the sales performance of the products, which led to an increase in the balance of trade receivables.

There was no outstanding bills receivable as of 30 June 2018 (31 December 2017: RMB10.6 million).

Prepayments, deposits and other receivables

As of 30 June 2018, the current portion of prepayments, deposits and other receivables amounted to RMB95.3 million (31 December 2017: RMB146.7 million), representing a decrease of RMB51.4 million as compared with the year-end balance of 2017, mainly because: (1) prepaid value-added tax decreased by RMB28.3 million, as the increase in revenue led to the increase in output value-added tax; (2) amortisation of prepaid marketing and promotion service fee of RMB21.3 million was charged to profit or loss during the Reporting Period; (3) prepaid professional consultation fee of RMB3.3 million relating to issuance of USD bonds at the end of 2017 was recorded as expense during the Reporting Period; and (4) prepayment in relation to purchase of inventories declined by RMB2.4 million. The decrease was partially offset by the increase in deposits in relation to purchase of inventories of RMB5.2 million.

報告期內虧損

由於前述原因，報告期內，本集團錄得虧損淨額人民幣48.7百萬元，較2017年同期增加人民幣17.2百萬元。

存貨

於2018年6月30日，存貨餘額為人民幣170.4百萬元（2017年12月31日：人民幣291.2百萬元），較2017年末減少人民幣120.8百萬元。減少的主要原因是報告期內本集團加大了產品的銷售推廣力度，使得人血白蛋白注射液庫存餘額減少人民幣116.3百萬元，以及抗生素及其他產品庫存餘額減少人民幣4.5百萬元。

由於人血白蛋白注射液在報告期內的銷量有所回升，本集團於報告期內的平均存貨周轉天數為91天，較2017年的110天減少19天。

貿易應收款項及應收票據

於2018年6月30日，貿易應收款項餘額人民幣84.2百萬元（2017年12月31日：人民幣26.5百萬元），較2017年末增加人民幣57.7百萬元的主要是因為本集團於報告期內根據市場的銷售情況向某些經銷商及商業配送醫藥公司提供了45至360日不等的信用期以促進產品的銷售，增加了應收賬款餘額。

於2018年6月30日，應收票據餘額為零（2017年12月31日：人民幣10.6百萬元）。

預付款項、按金及其他應收款項

於2018年6月30日，流動資產中的預付款項、按金及其他應收款項餘額為人民幣95.3百萬元（2017年12月31日：人民幣146.7百萬元），較2017年末減少人民幣51.4百萬元的原因包括：(1)由於銷售收益增長導致增值稅銷項稅額增加，預繳增值稅餘額減少人民幣28.3百萬元；(2)預付市場推廣服務費人民幣21.3百萬元已於報告期內攤銷計入損益表；(3)2017年末預付美元債發行專業諮詢費人民幣3.3百萬元，已於報告期內確認為費用；以及(4)與購買存貨相關預付款項減少人民幣2.4百萬元。減少部分由購買存貨相關的按金增加人民幣5.2百萬元所抵銷。

Trade and bills payables

As of 30 June 2018, trade and bills payables amounted to RMB71.5 million (31 December 2017: RMB22.5 million), representing an increase of RMB49.0 million as compared with the year-end balance of 2017, among which payables for the purchase of Human Albumin Solution increased by RMB31.1 million, and payables for the purchase of antibiotics and other products increased by RMB17.9 million. The increase in trade payables was in line with the increase in business volume.

Other payables

As of 30 June 2018, other payables amounted to RMB63.8 million (31 December 2017: RMB70.0 million), representing a decrease of RMB6.2 million as compared with the year-end balance of 2017. On one hand, payables in relation to marketing, promotion and consulting service decreased by RMB5.1 million, and deposits received from distributors decreased by RMB2.9 million; on the other hand, interest payable on loans increased by RMB3.7 million.

Borrowings

As of 30 June 2018, the Group has borrowings of RMB297.9 million in total and repayable within one year, with details set out below:

貿易應付款項及應付票據

於2018年6月30日，貿易應付款項及應付票據餘額人民幣71.5百萬元(2017年12月31日：人民幣22.5百萬元)，較2017年末增加人民幣49.0百萬元，其中應付人血白蛋白注射液採購款增加約人民幣31.1百萬元，應付抗生素及其他產品採購款增加人民幣17.9百萬元。貿易應付款項的增加主要隨業務量的增長而增加。

其他應付款項

於2018年6月30日，其他應付款項餘額人民幣63.8百萬元(2017年12月31日：人民幣70.0百萬元)，較2017年末減少人民幣6.2百萬元，一方面是應付推廣服務費及諮詢費減少人民幣5.1百萬元，以及收到的經銷商保證金減少人民幣2.9百萬元；另一方面應付貸款利息增加人民幣3.7百萬元。

借款

於2018年6月30日，本集團的借款合計人民幣297.9百萬元，均須於一年內償還，詳情列示如下：

		30 June 2018 2018年6月30日 RMB'000 人民幣千元 (unaudited) (未經審核)	31 December 2017 2017年12月31日 RMB'000 人民幣千元
Interest-bearing bank loans	計息銀行貸款	98,000	157,713
Other interest-bearing loans	計息其他貸款	199,880	118,102
Bonds	債券	-	133,856
Total	合計	297,880	409,671

Other loans at the end of the Reporting Period included (1) the loan of RMB140.0 million borrowed from Mr. Gui Guoping, who is not a connected person of the Company, in April 2018 with an interest rate of 13.2% per annum for the repayment of principal and interest of the corporate bonds due in the same month; and (2) the loans borrowed from two independent third parties with principal of RMB59.9 million in aggregate, secured by the Group's inventories with a carrying amount of RMB18.3 million and at effective interest rates ranging from 8.1% to 26.0% per annum.

報告期末其他貸款包括(1)為2018年4月向Gui Guoping先生(非本公司的關連人士)借款人民幣1.4億元，年利率13.2%，所得款項已用於償還於同月到期的公司債券本金及利息；以及(2)以本集團賬面價值約人民幣18.3百萬元的存貨作為抵押，向兩名獨立第三方借款本金合計人民幣59.9百萬元，實際年利率介乎8.1%至26.0%之間。

Gearing ratio

At the end of the Reporting Period, the Group's gearing ratio was calculated as follows:

負債比率

於報告期末，本集團的負債比率計算如下：

		30 June 2018	31 December 2017
		2018年6月30日	2017年12月31日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(unaudited)	
		(未經審核)	
Interest-bearing bank and other loans	計息銀行及其他貸款	297,880	275,815
Trade and bills payables	貿易應付款項及應付票據	71,493	22,522
Other payables	其他應付款項	63,816	70,029
Tax payables	應付稅項	1,427	2,546
Bonds	債券	-	133,856
Less: Cash and cash equivalents	減：現金及現金等價物	(28,910)	(22,710)
Less: Pledged bank balances	減：已抵押銀行結餘	(50,846)	(52,941)
Net debt ^(a)	負債淨額^(a)	354,860	429,117
Equity	權益	254,493	272,730
Equity and net debt ^(b)	權益及負債淨額^(b)	609,353	701,847
Gearing ratio ^(a/b)	負債比率^(a/b)	58.2%	61.1%

Liquidity and capital resources

The following table sets out a condensed summary of the Group's consolidated statement of cash flows during the Reporting Period:

流動資金及資本來源

下表為本集團於報告期內綜合現金流量表的簡明摘要：

		For the six months ended 30 June 截至6月30日止六個月	
		2018 2018年 RMB'000 人民幣千元 (unaudited) (未經審核)	2017 2017年 RMB'000 人民幣千元 (unaudited) (未經審核)
Net cash from/(used in) operating activities	經營活動所得/(所用)現金淨額 1)	93,433	(88,157)
Net cash used in investing activities	投資活動所用現金淨額 2)	(670)	(39,392)
Net cash from/(used in) financing activities	融資活動所得/(所用)現金淨額 3)	(88,285)	107,190
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物增加/(減少)淨額	4,478	(20,359)
Effect of foreign exchange rate changes, net	外匯匯率變動影響淨額	(373)	(729)
Cash and cash equivalents at beginning of the period	期初現金及現金等價物 4)	75,651	154,079
Cash and cash equivalents at end of the period	期末現金及現金等價物 4)	79,756	132,991

1) Net cash from/(used in) operating activities

During the Reporting Period, the Group's net cash inflow from operating activities amounted to approximately RMB93.4 million (six months ended 30 June 2017: net cash outflow of RMB88.2 million), which was mainly due to the increase in cash from sales during the Reporting Period, and the decrease in cash used in payment for goods, import taxes and charges as compared with the corresponding period of prior year.

2) Net cash used in investing activities

The Group did not incur significant capital expenditure during the Reporting Period, and net cash outflow generated from investing activities amounted to RMB0.7 million (six months ended 30 June 2017: RMB39.4 million).

1) 經營活動所得/(所用)現金淨額

本集團報告期內經營活動產生現金淨流入約人民幣93.4百萬元(截至2017年6月30日止六個月：現金淨流出人民幣88.2百萬元)，主要是由於報告期內銷售帶來的現金流入增加，同時支付的貨款以及進口稅費所用現金較去年同期減少所致。

2) 投資活動所用現金淨額

本集團於報告期內無重大資本開支，投資活動產生現金淨流出人民幣0.7百萬元(截至2017年6月30日止六個月：人民幣39.4百萬元)。

3) *Net cash from/(used in) financing activities*

During the Reporting Period, the Group's net cash outflow from financing activities amounted to approximately RMB88.3 million (six months ended 30 June 2017: net cash inflow of RMB107.2 million), including (i) repayment of bonds of RMB129.1 million; and (ii) payment of interests of RMB16.9 million. The cash outflow was partially offset by (i) net proceeds from bank and other loans of RMB21.4 million; and (ii) net proceeds from issuance of convertible bonds of RMB30.6 million.

3) 融資活動所得／(所用)現金淨額

本集團報告期內融資活動產生現金淨流出約人民幣88.3百萬元(截至2017年6月30日止六個月：現金淨流入人民幣107.2百萬元)，其中(i)償還債券支出人民幣129.1百萬元；及(ii)利息支出人民幣16.9百萬元。現金流出部分由(i)銀行及其他貸款淨流入約人民幣21.4百萬元；及(ii)發行可轉債所得款淨額人民幣30.6百萬元所抵消。

4) The following table sets out the Group's cash and cash equivalents at the end of the Reporting Period:

4) 下表載列本集團於報告期末的現金及現金等價物：

		30 June 2018 2018年6月30日 RMB'000 人民幣千元 (unaudited) (未經審核)	31 December 2017 2017年12月31日 RMB'000 人民幣千元
Denominated in RMB	以人民幣計值	62,554	70,897
Denominated in US\$	以美元計值	15,728	3,303
Denominated in HK\$	以港元計值	1,467	1,451
Denominated in Singapore dollars	以新加坡元計值	7	-
		79,756	75,651

Foreign currency risk

Most of the Group's assets and liabilities are denominated in RMB, except for certain items below:

- Certain bank balances are denominated in US\$, HK\$ and Singapore dollars;
- Purchase of products from overseas suppliers and relevant trade payables are denominated in US\$; and
- Certain bank loans and bonds are denominated in US\$ and HK\$.

The Group manages the potential fluctuation in foreign currencies by foreign currency forward and option contracts, and does not enter into any hedging transactions.

外匯風險

本集團大部分資產及負債以人民幣計值，惟下列項目除外：

- 若干銀行結餘以美元、港幣及新加坡元計值；
- 向海外供應商購買產品及相關應付貿易款項以美元計值；以及
- 若干銀行借貸及債券以美元、港幣計值。

本集團主要通過外幣遠期及期權合約管理外匯潛在波動，並無訂立任何對沖交易。

Capital expenditure

The following table sets out the Group's capital expenditure for the periods indicated:

資本開支

下表載列本集團於所示期間的資本開支：

		For the six months ended 30 June 截至6月30日止六個月	
		2018 2018年 RMB'000 人民幣千元 (unaudited) (未經審核)	2017 2017年 RMB'000 人民幣千元 (unaudited) (未經審核)
Purchase of property, plant and equipment	購買物業、廠房及設備	670	5,998
Prepayment for the acquisition of a subsidiary	收購一間附屬公司預付款項	—	3,520
		670	9,518

Contingent liabilities

The Group had no material contingent liabilities as of 30 June 2018.

或然負債

於2018年6月30日，本集團概無任何重大或然負債。

Pledge of assets

As of 30 June 2018, the carrying amounts of the Group's pledged assets were set out as follows:

資產抵押

於2018年6月30日，本集團已抵押資產的賬面淨值載列如下：

		30 June 2018 2018年6月30日 RMB'000 人民幣千元 (unaudited) (未經審核)	31 December 2017 2017年12月31日 RMB'000 人民幣千元
For obtaining bank and other loans	用於獲得銀行及其他貸款		
– Buildings	– 樓宇	83,590	84,725
– Inventories	– 存貨	18,295	125,739
– Bank balances	– 銀行結餘	—	30,000
For issuance of letters of credit and billings	用於開立信用證及承兌匯票		
– Bank balances	– 銀行結餘	50,846	22,941

Dividend

The Directors resolved not to declare any interim dividend for the Reporting Period (six months ended 30 June 2017: Nil).

股息

董事會決議不會就報告期宣派任何中期股息(截至2017年6月30日止六個月：無)。

Additional Information

On 12 October 2017, the Company and Crede GG III Ltd. (the “Subscriber”) entered into a subscription agreement (the “Subscription Agreement”). On 6 December 2017, the Company and the Subscriber entered into an amended and restated subscription agreement (the “Amended and Restated Subscription Agreement”) to amend, restate, supersede and replace in its entirety the Subscription Agreement. Pursuant to the Amended and Restated Subscription Agreement, the Subscriber shall subscribe for, and the Company shall issue, the convertible bonds (the “Convertible Bonds”) with an aggregate principal amount of up to US\$150,000,000 (equivalent to approximately HK\$1,170,000,000) to be issued in up to 30 tranches, comprising the first part of the Convertible Bonds in the principal amount of up to US\$50,000,000 (equivalent to approximately HK\$390,000,000) (the “First Part CB”) and the second part of the Convertible Bonds in the principal amount of up to US\$100,000,000 (equivalent to approximately HK\$780,000,000). The maturity date of the Convertible Bonds is falling 36 months after the issue date of such tranche of the Convertible Bonds or, if that is not a business day, the first business day thereafter. The nominal interest rate is 4% per annum and the interest should be paid semi-annually.

On 17 January 2018, the first tranche of the First Part CB (the “First Tranche”) in the principal amount of US\$5,000,000 (equivalent to approximately HK\$39,000,000) has been issued to the Subscriber. The initial conversion price in respect of the First Tranche is HK\$0.50869, being 70% of the volume weighted average price of the shares of the Company in the 20 trading days prior to 17 January 2018.

On 17 January 2018, the conversion rights of the First Tranche had been fully exercised at a conversion price of HK\$0.50869 per share by the Subscriber. As a result, 76,670,585 conversion shares were issued to the Subscriber.

Due to the breach of the Amended and Restated Subscription Agreement by the Subscriber, the Company terminated the Amended and Restated Subscription Agreement by written notice to the Subscriber pursuant to the terms contained therein on 29 May 2018.

額外資料

於2017年10月12日，本公司與Crede GG III Ltd. (「認購方」) 訂立認購協議(「認購協議」)。於2017年12月6日，本公司與認購方訂立經修訂及重列認購協議(「經修訂及重列認購協議」)，以修訂、重列、取代及更換整份認購協議。根據經修訂及重列認購協議，認購方將認購而本公司將最多分30批發行最高本金總額為150,000,000美元(相當於約1,170,000,000港元)的可換股債券(「可換股債券」，其中包括最高本金總額為50,000,000美元(相當於約390,000,000港元)的第一部分可換股債券(「第一部分可換股債券」)及最高本金總額為100,000,000美元(相當於約780,000,000港元)的第二部分可換股債券)。可換股債券的到期日為可換股債券有關批次發行日期後36個月或倘當日並非營業日，則為此後的首個營業日。票面年利率為4%，而利息將半年支付一次。

於2018年1月17日，本金總額為5,000,000美元(相當於約39,000,000港元)的首批第一部分可換股債券(「首批」)已發行予認購方。首批的初步兌換價為0.50869港元，即本公司於2018年1月17日前20個交易日內股份成交量加權平均價的70%。

於2018年1月17日，認購方以每股股份兌換價0.50869港元悉數行使首批的兌換權。因此，已向認購方發行76,670,585股兌換股份。

因認購方違反經修訂及重列認購協議，本公司於2018年5月29日根據經修訂及重列認購協議的條款透過書面通知認購方終止該協議。

EMPLOYEE AND REMUNERATION POLICY

As of 30 June 2018, the Group had a total of 121 employees. For the Reporting Period, the total staff costs of the Group were RMB6.1 million as compared to RMB8.7 million for the six months ended 30 June 2017.

The Group's employee remuneration policy is determined by taking into account factors such as remuneration in respect of the local market, the overall remuneration standard in the industry, the inflation level, corporate operating efficiency and employee performance. The Group conducts performance appraisals once every year for its employees, the results of which are applied in annual salary reviews and promotional assessments. The Group's employees are considered for annual bonuses according to certain performance criteria and appraisals results. Social insurance contributions are made by the Group for its PRC employees in accordance with the relevant PRC regulations.

The Group also provides continuous learning and training programs to its employees to enhance their skills and knowledge, so as to maintain their competitiveness and improve the quality of customer service. The Group did not experience any major difficulties in recruitment, nor did it experience any material loss in manpower or suffer from any material labor dispute during the Reporting Period.

In addition, the Company adopted a share option scheme (the "**Share Option Scheme**") to recognize the contribution by certain employees of the Group, and to provide them with incentives in order to retain them for the continuing operation and development of the Group.

僱員及薪酬政策

截至2018年6月30日，本集團共有121名僱員。於報告期，本集團的員工成本總計人民幣6.1百萬元，而截至2017年6月30日止六個月為人民幣8.7百萬元。

本集團僱員薪酬政策乃考慮有關當地市場的薪酬、行業的整體薪酬標準、通脹水平、企業營運效率及僱員表現等因素而釐定。本集團每年為僱員作一次表現評核，年度薪金檢討及晉升評估時會考慮有關評核結果。本集團僱員根據若干績效條件及評核結果考慮其年度花紅。本集團根據相關中國法規為其中國僱員作出社會保險供款。

本集團亦為僱員提供持續學習及培訓計劃，以提升彼等的技能及知識，藉此維持彼等的競爭力並提高客戶服務的質量。本集團於報告期在招聘方面並無遇到任何重大困難，亦無出現任何嚴重人員流失或任何重大勞資糾紛。

此外，本公司採納購股權計劃(「**購股權計劃**」)以肯定本集團若干僱員的貢獻，及向彼等提供獎勵，以挽留彼等繼續協助本集團的營運及發展。

RISK MANAGEMENT

The principal risks and uncertainties identified by the Company which may have material and adverse impact on our performance or operation are summarized below. There may be other principal risks and uncertainties in addition to those shown below which are not known to the Company or which may not be material now but could turn out to be material in the future.

- Failure to maintain relationships with existing suppliers – The Group currently sources all the products in portfolio from limited suppliers, either directly or indirectly through their sales agents.
- Exchange rate fluctuation – The Group's purchase of products from the overseas suppliers is denominated in US\$, and certain items of bank balances, bank loans and bonds are denominated in US\$, HK\$ and Singapore dollars.
- Decrease in gross profits due to increase in cost and competition.
- Experience prolonged delays or significant disruptions to the supply of the products.

The Company believes that risk management is essential to the Group's efficient and effective operation. The Company's management assists the Board in evaluating material risk exposure existing in the Group's business, and participates in formulating appropriate risk management and internal control measures to ensure such measures are properly implemented in daily operational management.

風險管理

以下概述本公司所識別的主要風險及不明朗因素，該等風險及不明朗因素可能會對我們的表現或營運造成重大不利影響。除下文所示者外，可能還有其他為本公司未知或現時不重大但於未來可變為重大的主要風險及不明朗因素。

- 未能與現有供貨商維持關係—本集團現時向數目有限的供貨商直接或透過銷售代理間接採購所有產品組合。
- 匯率波動—本集團向海外供貨商購買的產品以美元計值，且若干銀行結餘項目、銀行貸款及債券以美元、港元及新加坡元計值。
- 成本增加及競爭加劇導致利潤率下跌。
- 產品供應遭遇長時間延誤或重大中斷。

本公司相信，風險管理對本集團的營運效率及效益十分重要。本公司的管理層協助董事會評估本集團業務所面對的重大風險，並參與制訂合適的風險管理及內部控制措施，以及確保在日常營運管理中妥善實施有關措施。

RELATIONSHIP WITH KEY STAKEHOLDERS

Human resources is one of the most important assets of the Group. The Group strives to motivate its employees by providing them with a clear career path as well as comprehensive and professional training courses. In addition, the Group also offers competitive remuneration packages to its employees, including basic salary, certain benefits and other performance-based incentives.

The Group purchases pharmaceutical products from overseas suppliers, either directly or indirectly through their sales agents, and generates revenue by on-selling them via distributors or commercial pharmaceutical delivery companies to hospitals and pharmacies. Our suppliers or their sales agents have granted us the rights to market, promote and manage sales channels for their products in China. The Group maintains a stable and long-term relationship with its suppliers by providing them access to the growing Chinese market with steady sales growth.

The Group sells pharmaceutical products to distributors and commercial pharmaceutical delivery companies, which on-sell the products to hospitals and pharmacies either directly or indirectly through their sub-distributors. The Group maintains stable and long-term relationship with the distributors by providing guidance, training and support to the distributors to carry out more targeted field marketing and promotion activities.

與主要利益相關者的關係

人力資源作為本集團的重要資產之一，本集團致力於以清晰的職業發展路徑以及完善專業的培訓課程激勵僱員。此外，本集團亦為僱員提供具有市場競爭力的薪酬待遇，包括基本薪金、若干福利及其他績效獎勵。

本集團從海外供貨商直接或透過銷售代理間接採購進口藥品，然後通過經銷商或商業配送醫藥公司轉售予醫院和藥房產生收益。供貨商或其銷售代理授予我們在中國營銷、推廣產品及管理銷售渠道的權利，我們與供貨商維持穩定長遠關係，讓供貨商可以進入不斷增長的中國市場，獲得穩定的銷售增長。

本集團將藥品售予經銷商及商業配送醫藥公司，再由其直接或經其分經銷商售予醫院和藥房。本集團與經銷商維持穩定長遠關係，為經銷商提供指引、培訓和支持，以在目標領域開展更多營銷及推廣活動。

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is primarily engaged in MPCM for imported pharmaceutical products, a line of business that does not have material impact on the environment. The key environmental impacts from the Group's operation are related to electricity, water and paper consumption. The Group is fully aware of the importance of sustainable environmental development, and has implemented the following measures to encourage environmental protection and energy conservation:

- Promoting paperless office
- Encouraging low-carbon commuting
- Ensuring reasonable energy consumption

During the Reporting Period, we did not incur any material cost of compliance with applicable environmental laws and regulations.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group's business and operations are subject to related laws and regulations of the Cayman Islands, the British Virgin Islands, Hong Kong and the PRC. During the Reporting Period, we have complied with all related laws and regulations of the Cayman Islands, the British Virgin Islands, Hong Kong and the PRC, which would have significant impact on the Group.

環境政策及表現

本集團主要從事進口藥品營銷、推廣及渠道管理，該類業務一般不會嚴重影響環境。本集團營運所造成的主要環境影響與電、水及紙張消耗有關。本集團深明環境可持續發展的重要性，並已實施以下措施，以推動環保及節能：

- 推行無紙化辦公
- 鼓勵低碳出行
- 確保合理利用能源

於報告期內，我們並無因遵守相關環境法律及法規而產生任何重大支出。

遵守法律法規

本集團的業務及營運須遵守開曼群島、英屬維爾京群島、香港及中國相關法律及法規。於報告期內，我們一直遵守對本集團有重大影響的開曼群島、英屬維爾京群島、香港及中國所有相關法律及法規。

Other Information 其他資料

CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 to the Listing Rules as its own code of corporate governance.

During the Reporting Period, the Company has complied with all applicable code provisions under the CG Code and adopted most of the best practices set out therein except for the following provision:

Under code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and performed by different individuals. Under the organization structure of the Company, Mr. Huang is the Chairman of the Board. Further, Mr. Huang and Mr. Wu Qingjiang jointly serve as the co-chief executive officers of the Company, sharing the responsibility of the Group’s overall business development, operation, and management work. With Mr. Huang’s extensive experience in the pharmaceutical industry, the Board considers that vesting the roles of chairman and co-chief executive officer in Mr. Huang is beneficial to the business prospects and management of the Group. The check and balance of power and authority is ensured by the operation of the senior management and the Board, which comprises experienced and high calibre individuals.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions of the Directors. Having made specific enquiry with the Directors, all of the Directors confirmed that they have complied with the required standard as set out in the Model Code throughout the Reporting Period.

企業管治守則

本集團致力於維持高水平的企業管治，以保障股東的利益並提高企業價值與問責性。本公司已採納上市規則附錄十四所載的企業管治守則（「企業管治守則」）作為其本身的企業管治守則。

於報告期內，本公司一直遵守企業管治守則的所有守則條文，並採納其中大部分最佳常規，惟下列條文除外：

根據企業管治守則守則條文第A.2.1條，主席及行政總裁的角色應予區分及由不同人士擔任。根據本公司的組織架構，黃先生為董事會主席。此外，黃先生與吳慶江先生共同擔任本公司聯席行政總裁，共同負責本集團整體業務發展、營運及管理的工作。黃先生於醫藥行業擁有豐富經驗，董事會認為由黃先生兼任主席及聯席行政總裁的角色有利於本集團的業務前景及管理。高級管理層及董事會由富有經驗及卓越才幹的人士組成，可確保權力與權限之間有所制衡。

證券交易的標準守則

本公司已採用上市規則附錄十所載標準守則作為其董事進行證券交易之操守守則。經向董事作出具體查詢後，全體董事確認彼等於報告期內一直遵守標準守則所載的規定標準。

INTERIM DIVIDEND

The Board resolved not to declare any interim dividend for the Reporting Period (six months ended 30 June 2017: Nil).

AUDIT COMMITTEE

The principal duties of the audit committee of the Company (“**Audit Committee**”) include the review and supervision of the Group’s financial reporting system, the preparation of financial statements and internal control procedures. It also acts as an important link between the Board and the external auditor in matters within the scope of the group audit.

The Audit Committee, together with management and external auditor of the Company, have reviewed the unaudited condensed interim results of the Group for the Reporting Period.

CHANGES TO DIRECTORS’ INFORMATION

Save as disclosed herein, the Directors confirm that no information is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the Reporting Period.

DIRECTORS’ AND CHIEF EXECUTIVE’S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2018, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the HKSE pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which were taken or deemed to have under such provisions of the SFO), or (ii) which were required, pursuant to section 352 of the SFO, to be entered into the register maintained by the Company, or (iii) which were required to be notified to the Company and the HKSE pursuant to Model Code as set out in Appendix 10 to the Listing Rules were as follows:

中期股息

董事會決議不會就報告期宣派任何中期股息(截至2017年6月30日止六個月:無)。

審核委員會

本公司審核委員會(「**審核委員會**」)主要職責包括審閱及監察本集團財務申報系統、編製財務報表及內部監控程序。其亦就集團審核範圍內的事宜作為董事會與外聘核數師之間的重要聯繫。

審核委員會與本公司管理層及外聘核數師已審閱本集團報告期內的未經審核簡明中期業績。

董事資料變更

除本報告所披露者外，董事確認並無任何資料根據上市規則第13.51B(1)條的規定須予披露。

購買、出售或贖回本公司上市證券

於報告期內，本公司及其附屬公司概無購買、出售或贖回本公司任何上市證券。

董事及主要行政人員於股份、相關股份及債券中之權益及淡倉

於2018年6月30日，董事及本公司主要行政人員於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份及債券中，擁有(i)根據證券及期貨條例第XV部第7及8分部須知會本公司及香港聯交所的權益及淡倉(包括根據證券及期貨條例有關條文，彼等被當作或被視為擁有的任何權益或淡倉)，或(ii)根據證券及期貨條例第352條須記錄於本公司存置的登記冊內的權益及淡倉，或(iii)根據上市規則附錄十所載的標準守則須知會本公司及香港聯交所的權益及淡倉如下：

(i) Interest in Shares or Underlying Shares of the Company (i) 於本公司股份或相關股份的權益

Name of Director and chief executive	Nature of Interest	Number of Shares or underlying Shares ⁽¹⁾ 股份或相關股份數目 ⁽¹⁾	Approximate percentage of shareholding interest ⁽³⁾ 股權概約百分比 ⁽³⁾
Mr. Huang ⁽²⁾ 黃先生 ⁽²⁾	Founder of a discretionary trust who can influence how the trustee exercises his discretion 可影響受託人如何行使其酌情權的酌情信託成立人	1,050,000,000 (L)	62.06%

Notes:

- (1) The letter "L" denotes the person's long position in the Shares.
- (2) Mr. Huang is the settlor of a trust in which Wickhams Cay Trust Company Limited is the trustee and holds the entire interest in Fullwealth Holdings Limited, which in turn holds the entire beneficial interest in Risun. Mr. Huang is deemed to be interested in the 1,050,000,000 Shares held by Risun.
- (3) The calculation is based on the total number of 1,691,890,585 Shares in issue as at 30 June 2018.

附註：

- (1) 字母「L」指該名人士於股份所持有的好倉。
- (2) 黃先生為一項信託的財產授予人，其中 Wickhams Cay Trust Company Limited 為該信託的受託人並持有 Fullwealth Holdings Limited 全部權益，而 Fullwealth Holdings Limited 持有 Risun 全部實益權益。黃先生被視作擁有 Risun 所持 1,050,000,000 股股份的權益。
- (3) 該百分比乃根據於 2018 年 6 月 30 日總數 1,691,890,585 股已發行股份而計算得出。

(ii) Interest in associated corporation

(ii) 於相聯法團的權益

Name of Director	Name of associated corporation	Nature of Interest	Amount of registered share capital 已註冊股本金額	Approximate percentage of shareholding interest 股權概約百分比
Ms. Zhang Zhijie 張志傑女士	Sichuan Sinco Biological Technology Co., Ltd. 四川興科蓉生物科技股份有限公司	Interest in controlled corporation ⁽¹⁾ 於受控法團的權益 ⁽¹⁾	RMB300,000 人民幣300,000元	30%

Note:

- (1) Sichuan Sinco Biotechnology Co., Ltd. is owned as to 30% by Beijing Kang Tai Yun Dao Technology Co., Ltd., which is in turn owned as to 60% by Ms. Zhang Zhijie.

附註：

- (1) 四川興科蓉生物科技股份有限公司由北京康泰運道科技有限公司擁有30%權益，而北京康泰運道科技有限公司由張志傑女士擁有60%權益。

Save as disclosed above, as at 30 June 2018, none of the Directors and the chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the HKSE pursuant to Divisions 7 and 8 of Part XV of the SFO, or recorded in the register of the Company required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the HKSE pursuant to the Model Code.

除上文所披露者外，於2018年6月30日，本公司董事及主要行政人員概無於本公司或其相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份或債券中擁有或被視為擁有須根據證券及期貨條例第XV部第7及8分部須知會本公司及香港聯交所的權益或淡倉，或記錄於本公司根據證券及期貨條例第352條規定須存置的登記冊內的權益或淡倉，或根據標準守則須另行知會本公司及香港聯交所的任何權益或淡倉。

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

As at 30 June 2018, to the best knowledge of the Directors, the following persons/entities (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares of the Company which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

主要股東於股份及相關股份中之權益及淡倉

於2018年6月30日，就董事所深知，根據本公司按照證券及期貨條例第336條須予存置的登記冊內所記錄，以下人士／實體（董事或本公司主要行政人員除外）於股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部的條文須向本公司披露的權益或淡倉：

(i) Interest in the Company

(i) 於本公司的權益

Name	Nature of Interest	Number of Shares ⁽¹⁾	Approximate percentage of shareholding interest ⁽⁵⁾
名稱	權益性質	股份數目 ⁽¹⁾	股權概約百分比 ⁽⁵⁾
Risun ⁽²⁾	Beneficial owner	1,050,000,000 (L)	62.06%
Risun ⁽²⁾	實益擁有人		
Fullwealth Holdings Limited ⁽²⁾	Interest in controlled corporation	1,050,000,000 (L)	62.06%
Fullwealth Holdings Limited ⁽²⁾	於受控法團的權益		
Wickhams Cay Trust Company Limited ⁽²⁾	Trustee	1,050,000,000 (L)	62.06%
Wickhams Cay Trust Company Limited ⁽²⁾	受託人		
Wisem Group Holding Limited ("Wisem") ⁽³⁾	Beneficial owner	90,000,000 (L)	5.32%
Wisem Group Holding Limited ("Wisem") ⁽³⁾	實益擁有人		
Mr. Liu Sichuan ⁽³⁾	Interest in controlled corporation	90,000,000 (L)	5.32%
劉思川先生 ⁽³⁾	於受控法團的權益		
Mr. Gui Guoping ⁽⁴⁾	Person having a security interest in shares	1,049,990,000 (L)	62.06%
Gui Guoping先生 ⁽⁴⁾	於股份擁有抵押權益人士		
	Interest in controlled corporation	20,915,000 (L)	1.24%
	於受控法團的權益		
	Total:	1,070,905,000 (L)	63.30%
	合計：		

Other Information (Continued) 其他資料(續)

Notes:

- (1) The letter "L" denotes the person's long position in the Shares.
- (2) Mr. Huang is the settlor of a trust in which Wickhams Cay Trust Company Limited is the trustee and holds the entire interest in Fullwealth Holdings Limited, which in turn holds the entire beneficial interest in Risun. Fullwealth Holdings Limited, Wickhams Cay Trust Company Limited and Mr. Huang are deemed to be interested in the 1,050,000,000 Shares beneficially held by Risun.
- (3) Wisen is owned as to 100% by Mr. Liu Sichuan. Therefore, Mr. Liu Sichuan is deemed to be interested in the 90,000,000 Shares held by Wisen.
- (4) Innovative Advertising Company Limited, a company wholly owned by Mr. Gui Guoping, held 20,915,000 Shares. Therefore, Mr. Gui Guoping was deemed to be interested in such Shares. Mr. Gui Guoping also had a security interest in 1,049,990,000 Shares held by Risun.
- (5) The calculation is based on the total number of 1,691,890,585 Shares in issue as at 30 June 2018.

Save as disclosed above, as at 30 June 2018, the Directors were not aware of any persons (who were not Directors or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed under Division 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

附註：

- (1) 字母「L」指該名人士於股份所持有的好倉。
- (2) 黃先生為一項信託的財產授予人，其中 Wickhams Cay Trust Company Limited 為該信託的受託人並持有 Fullwealth Holdings Limited 全部權益，而 Fullwealth Holdings Limited 持有 Risun 全部實益權益。Fullwealth Holdings Limited、Wickhams Cay Trust Company Limited 及黃先生均被視作擁有 Risun 實益所持 1,050,000,000 股股份的權益。
- (3) Wisen 由劉思川先生全資擁有。因此，劉思川先生被視作擁有 Wisen 所持 90,000,000 股股份的權益。
- (4) Gui Guoping 先生全資擁有的公司創作廣告有限公司持有 20,915,000 股股份。因此，Gui Guoping 先生被視為於該等股份中擁有權益。Gui Guoping 先生亦擁有 Risun 持有的 1,049,990,000 股股份中的抵押權益。
- (5) 該百分比乃根據於 2018 年 6 月 30 日總數 1,691,890,585 股已發行股份而計算得出。

除上文披露者外，於 2018 年 6 月 30 日，董事概不知悉任何人士（董事或本公司主要行政人員除外）於本公司股份或相關股份中，擁有根據證券及期貨條例第 XV 部第 2 及 3 分部須予披露的權益或淡倉，或根據證券及期貨條例第 336 條須記錄於該條文所指的登記冊內的權益或淡倉。

SHARE OPTION SCHEME

Pursuant to a resolution passed by the Shareholders, the Company had adopted the Share Option Scheme, which became effective on 10 March 2016 (the “**Listing Date**”).

1. Purpose

The purpose of the Share Option Scheme is to provide an incentive or reward for Eligible Participants (defined below) for their contribution or potential contribution to the Company and/or any of its subsidiaries.

2. Eligible participants

The Board may subject to and in accordance with the provisions of the Share Option Scheme and the Listing Rules, at its discretion grant options to any full-time or part-time employees, including executives, senior management or officers (including executive, non-executive and independent non-executive directors) of the Company, its subsidiaries or any entity in which the Group holds any equity interest, and to any company wholly owned by one or more persons belonging to any of the above classes of participants who, in the absolute discretion of the Board has contributed or will contribute to the Group (collectively, the “**Eligible Participants**”).

3. Life of the Share Option Scheme

The Share Option Scheme shall be valid and effective for a period of ten years from 1 February 2016, after which time no further option will be granted.

4. Total number of Shares available for issue

The maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme shall not, in aggregate, exceed 160,000,000, representing 9.46% of the issued share capital of the Company as at the date of this report.

5. Maximum entitlement of each participant

Unless approved by Shareholders, the total number of Shares issued and to be issued upon exercise of options granted to any participant (including exercised and outstanding options) under the Share Option Scheme in any 12-month period up to the date of grant shall not exceed 1% of the total Shares in issue.

購股權計劃

根據股東通過的一項決議案，本公司已採納購股權計劃，其已於2016年3月10日(「**上市日期**」)生效。

1. 目的

購股權計劃旨在向已經向本公司及／或其任何附屬公司作出貢獻或即將作出貢獻的合資格參與者(定義見下文)提供獎勵或回報。

2. 合資格參與者

董事會依循及遵照購股權計劃的條款及上市規則可全權酌情將購股權授予本公司、其附屬公司或本集團持有任何股權的任何實體的任何全職或兼職僱員(包括行政人員、高級管理人員或高級職員(包括執行董事、非執行董事及獨立非執行董事))，以及董事會全權酌情認為已向本集團作出貢獻或將作出貢獻的任何一名或多名上述類別參與人士(統稱「**合資格參與人士**」)全資擁有的任何公司。

3. 購股權計劃的期限

購股權計劃自2016年2月1日起計十年期間有效，之後不會進一步授出購股權。

4. 可供發行股份總數

因可能行使根據購股權計劃所授全部購股權而發行的股份總數，合共不得超過160,000,000股股份，佔本公司於本報告日期已發行股本的9.46%。

5. 每位參與者可享有的最高股份數目

除非經股東批准，於截至授出日期的任何12個月期間內因行使購股權計劃已授予各參與者之購股權(包括已行使及尚未行使的購股權)而發行及將發行的股份總數，不得超逾已發行股份總數的1%。

6. Offer period and amount payable for options

An option may be accepted by an Eligible Participant within 15 days from the date of the offer of grant of the option. A nominal consideration of HK\$1.00 is payable upon acceptance of the grant of option.

7. Minimum period for which an option must be held before it can be exercised

The period during which an option must be held before it can be exercised in accordance with the terms of the Share Option Scheme shall be one year after the date on which the option is granted. The Board may in its absolute discretion impose further restrictions on the exercise of the option.

8. Period within which the Share must be taken up

Subject to the discretion of the Board who may impose restrictions on the exercise of the option, any option may be exercised one year after the date on which the options is granted and shall expire on the earlier of the last day of (i) a six year period from the date of such grant and (ii) the expiration of the Share Option Scheme.

9. Basis of determining the subscription price

The price per Share at which a Grantee may subscribe for Shares upon exercise of an option (the “**Exercise Price**”) shall be a price determined by the Board but in any event shall be at least the highest of:

- (i) the closing price of the Shares as stated in the HKSE’s daily quotations sheets on the date on which the option is granted;
- (ii) the average closing price of the Shares as stated in the HKSE’s daily quotations sheets for the five business days immediately preceding the date of grant of that option; and

6. 購股權要約期及應付金額

合資格參與者可於要約授出購股權日期起計15日內接納購股權。於接納獲授購股權時須支付名義代價1.00港元。

7. 可行使購股權前必須持有的最短期限

根據購股權計劃的條款，可行使購股權前必須持有的最短期限自授出購股權當日起計為期一年。董事會可全權酌情對行使購股權施加進一步限制。

8. 必須接納股份的期限

在董事會可酌情限制行使購股權的規限下，購股權可於授出購股權日期後一年行使，並於下列較早期限的最後一日屆滿：(i)授出日期起計六年期限；及(ii)購股權計劃期滿。

9. 釐定認購價的基準

承授人行使購股權時可能認購股份的每股股份價格(「**行使價**」)乃由董事會釐定，惟於任何情況下不得低於下列三者中的最高者：

- (i) 股份於授出購股權日期在香港聯交所日報表所載的收市價；
- (ii) 股份於緊接授出購股權日期前五個營業日在香港聯交所日報表所報的平均收市價；及

Other Information (Continued)

其他資料(續)

(iii) the nominal value of the Shares.

(iii) 股份面值。

The summary of the options granted under the Share Option Scheme that were still outstanding as at 30 June 2018 are as follows:

根據購股權計劃授出而於2018年6月30日仍尚未行使的購股權概述如下：

Grantee's name 承授人姓名	On 1 January 2018 於2018年1月1日	Nature of Interest 權益性質			On 30 June 2018 於2018年6月30日	Exercise price ⁽¹⁾ 行使價 ⁽¹⁾	Date of grant 授出日期	Exercise period ⁽²⁾ 行使期 ⁽²⁾
		Granted 授出	Exercised 行使	Cancelled/Lapsed 註銷/失效				
Employees in aggregate 僱員合共	17,850,000	-	-	-	17,850,000	HK\$0.568 0.568港元	21 September 2016 2016年9月21日	21 September 2017- 20 September 2022 2017年9月21日至 2022年9月20日

Note:

附註：

- The exercise price represents not less than the highest of (i) the closing price of HK\$0.540 per Share as stated in the HKSE's daily quotation sheets on 21 September 2016, being the date of such grant; (ii) the average closing price of HK\$0.568 per Share as stated in the HKSE's daily quotation sheets for five business days immediately preceding the date of such grant; and (iii) the nominal value of the Share at HK\$0.0001 per Share.
- 40% of the options granted shall be vested and can be exercised upon one year commencing the date of such grant (i.e. 21 September 2017) and a continuous employment of one year. Another 30% of the options granted, shall be vested and can be exercised upon two years commencing the date of such grant (i.e. 21 September 2018) and a continuous employment of two years. The remaining 30% of the options granted, shall be vested and can be exercised upon three years commencing the date of such grant (i.e. 21 September 2019) and a continuous employment of three years.

- 行使價不低於以下三者中的最高者：(i) 股份於2016年9月21日(即有關授出日期)在香港聯交所日報表所報的收市價每股0.540港元；(ii) 股份於緊接有關授出日期前五個營業日在香港聯交所日報表所報的平均收市價每股0.568港元；及(iii) 股份面值每股0.0001港元。
- 授出購股權的40%將自有關授出日期起計一年(即2017年9月21日)且持續受僱一年後可予歸屬及行使。授出購股權的另外30%將自有關授出日期起計兩年(即2018年9月21日)且持續受僱兩年後可予歸屬及行使。授出購股權的餘下30%將自有關授出日期起計三年(即2019年9月21日)且持續受僱三年後可予歸屬及行使。

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed in this report, no rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company were granted to any Director or their respective spouse or children under 18 years of age, nor were any such rights exercised by them. Neither the Company nor any of its subsidiaries was a party to any arrangement to enable the Directors, or their respective spouse or children under 18 years of age, to acquire such rights in any other body corporate during the Reporting Period.

CONTINUING DISCLOSURE REQUIREMENTS PURSUANT TO RULE 13.21 OF THE LISTING RULES

Risun has charged 1,049,990,000 Shares (representing approximately 62.06% of the total issued share capital of the Company) in favour of Mr. Gui Guoping (the "Sinco Share Charge").

The loan in the sum of RMB140,000,000 with an interest rate of 13.2% per annum and maturity date of 30 April 2019 advanced by Mr. Gui Guoping to the Company is secured by the Sinco Share Charge and guaranteed by the personal guarantee from Mr. Huang, the controlling shareholder of the Company, for all payment obligations under the agreement for the said loan. Please refer to the announcement of the Company dated 23 April 2018 for further details.

董事收購股份或債券之權利

除本報告另有披露者外，概無授予任何董事或彼等各自的配偶或未滿18歲子女任何以收購本公司股份或債券方式獲得利益的權利，彼等亦無行使任何有關權利。於報告期內，本公司及其任何附屬公司概無訂立任何令董事或彼等各自的配偶或未滿18歲子女獲得任何其他法人團體有關權利的安排。

根據上市規則第13.21條的持續披露規定

Risun已將其所持有1,049,990,000股股份(佔本公司已發行股本總額約62.06%)以Gui Guoping先生為受益人作出押記(「興科蓉股份押記」)。

Gui Guoping先生向本公司提供的貸款金額人民幣140,000,000元(年利率13.2%，到期日為2019年4月30日)，該貸款協議中的所有付款義務由興科蓉股份押記作為抵押，並由本公司控股股東黃先生提供個人擔保。有關進一步詳情，請參閱本公司日期為2018年4月23日的公告。

REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL INFORMATION

中期簡明財務資料審閱報告

To the board of directors of
SINCO PHARMACEUTICALS HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the interim condensed financial information set out on pages 38 to 69, which comprises the consolidated statement of financial position of Sinco Pharmaceuticals Holdings Limited (the “Company”) as of 30 June 2018 and the related consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows for the six-month period then ended, and 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 condensed financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”).

The directors are responsible for the preparation and presentation of this interim condensed financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim condensed financial information based on our review. Our report is made 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.

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 Hong Kong Institute of Certified Public Accountants. A review of interim condensed financial information consists of making inquiries, 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed financial information is not prepared, in all material respects, in accordance with IAS 34.

致興科蓉醫藥控股有限公司董事會

(於開曼群島註冊成立的有限公司)

引言

吾等已審閱載於第38至第69頁的中期簡明財務資料，當中包括興科蓉醫藥控股有限公司(「貴公司」)於2018年6月30日的綜合財務狀況表及截至該日止六個月期間的有關綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表以及解釋附註。香港聯合交易所有限公司證券上市規則規定必須根據上市規則中的相關條文及國際會計準則第34號「中期財務報告」(「國際會計準則第34號」)編製中期簡明財務資料報告。

董事須負責根據國際會計準則第34號編製及呈列本中期簡明財務資料。吾等的責任是根據吾等的審閱對本中期簡明財務資料作出結論。吾等按照雙方協定的應聘條款，僅向全體董事會作出報告，除此之外，本報告並無其他用途。吾等不會就本報告的內容向任何其他人士負責或承擔任何責任。

審閱範圍

吾等已根據香港會計師公會頒佈的香港審閱委聘準則第2410號「由實體的獨立核數師審閱中期財務資料」進行審閱。中期簡明財務資料審閱工作包括主要向負責財務及會計事項的人員詢問，並作出分析和其他審閱程序。由於審閱的範圍遠較按照香港審計準則進行審核的範圍為小，所以不能保證吾等會注意到在審核中可能會被發現的所有重大事項。因此，吾等不會發表任何審核意見。

結論

根據吾等的審閱工作，吾等並沒有注意到任何事項，使吾等相信中期簡明財務資料在所有重大方面並無按照國際會計準則第34號的規定編製。

Material uncertainty related to going concern

We draw attention to note 2.1 to the financial statements, which indicates, as at 30 June 2018, the Group had accumulated losses of RMB59,258,000 and the Group's current liabilities exceeded its current assets by RMB11,145,000. As stated in note 2.1, these conditions, along with other matters as set forth in note 2.1, indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Ernst & Young

Certified Public Accountants

Hong Kong

30 August 2018

與持續經營有關的重大不確定性

吾等關注到財務報表附註2.1，其顯示 貴集團於2018年6月30日有累計虧損人民幣59,258,000元，而 貴集團的流動負債超出流動資產人民幣11,145,000元。據附註2.1所載，該等情況連同附註2.1所載其他事宜，顯示已存在重大不確定性可能對 貴集團繼續持續經營的能力產生重大疑問。吾等的結論並無就該事宜進行修訂。

安永會計師事務所

執業會計師

香港

2018年8月30日

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

中期綜合損益及其他全面收益表

For the six months ended 30 June 2018 截至2018年6月30日止六個月

		For the six months ended 30 June 截至6月30日止六個月	
		2018 2018年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2017 2017年 RMB'000 人民幣千元 (Unaudited) (未經審核)
	Notes 附註		
Revenue	3	573,894	414,368
Cost of sales		(459,015)	(388,252)
Gross profit		114,879	26,116
Other income and gains	4	2,920	3,025
Selling and distribution expenses		(118,301)	(11,114)
Administrative expenses		(27,190)	(29,120)
Other expenses		(6,357)	(13,508)
Finance costs	5	(20,675)	(8,859)
Fair value gains/(losses) on financial assets/(liabilities) at fair value through profit or loss classified as held for trading	17	3,351	(2,257)
LOSS BEFORE TAX	6	(51,373)	(35,717)
Income tax credit	7	2,636	4,196
LOSS AND TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(48,737)	(31,521)
Attributable to:			
Owners of the Company		(48,736)	(31,520)
Non-controlling interests		(1)	(1)
		(48,737)	(31,521)
Loss per share attributable to ordinary equity holders of the Company:			
– Basic and diluted (RMB)	8	(0,029)	(0.020)

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

中期綜合財務狀況表

30 June 2018 於2018年6月30日

			30 June 2018 2018年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2017 2017年 12月31日 RMB'000 人民幣千元
		Notes 附註		
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	9	187,162	191,767
Intangible assets	無形資產	9	168	223
Payments in advance	預付款項	10	39,084	40,736
Goodwill	商譽		23,701	23,701
Deposit	按金	10	3,000	3,000
Deferred tax assets	遞延稅項資產	11	12,523	9,159
Total non-current assets	非流動資產總值		265,638	268,586
CURRENT ASSETS	流動資產			
Inventories	存貨	12	170,410	291,193
Trade and bills receivables	貿易應收款項及應收票據	13	84,230	37,106
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	10	95,343	146,683
Financial assets at fair value through profit or loss classified as held for trading	分類為持作買賣透過損益按公平值計量的金融資產	17	3,351	-
Pledged bank balances	已抵押銀行結餘		50,846	52,941
Cash and cash equivalents	現金及現金等價物		28,910	22,710
Total current assets	流動資產總值		433,090	550,633
CURRENT LIABILITIES	流動負債			
Trade and bills payables	貿易應付款項及應付票據	14	71,493	22,522
Advances from customers	客戶墊款		-	41,053
Contract liabilities	合約負債	15	9,619	-
Other payables	其他應付款項		63,816	70,029
Interest-bearing bank and other loans	計息銀行及其他貸款	16	297,880	275,815
Tax payable	應付稅項		1,427	2,546
Financial liabilities at fair value through profit or loss classified as held for trading	分類為持作買賣透過損益按公平值計量的金融負債	17	-	218
Bonds	債券	18	-	133,856
Total current liabilities	流動負債總額		444,235	546,489
NET CURRENT ASSETS/(LIABILITIES)	流動資產/(負債)淨額		(11,145)	4,144
Total assets less current liabilities	總資產減流動負債		254,493	272,730
Net assets	資產淨值		254,493	272,730

Interim Consolidated Statement of Financial Position (Continued)

中期綜合財務狀況表(續)

30 June 2018 於2018年6月30日

		Note 附註	30 June 2018 2018年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2017 2017年 12月31日 RMB'000 人民幣千元
EQUITY	權益			
Equity attributable to owners of the Company	本公司擁有人應佔權益			
Issued capital	已發行股本	19	136	130
Reserves	儲備		255,263	273,505
			255,399	273,635
Non-controlling interests	非控股權益		(906)	(905)
Total equity	權益總額		254,493	272,730

Huang Xiangbin

黃祥彬

Director

董事

Liu Wenfang

劉文芳

Director

董事

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

中期綜合權益變動表

For the six months ended 30 June 2018 截至2018年6月30日止六個月

		Attributable to owners of the Company 本公司擁有人應佔									
		Share Issued capital 已發行 股本	Share premium account 溢價賬	Contributed surplus 實繳盈餘	Statutory reserve 法定儲備	Share option reserve 購股權 儲備	Changes in Non- controlling interests 非控股 權益變動	Retained profits/ (accumulated losses) 保留溢利/ (累計虧損)	Total	non- controlling interests 非控股 權益	Total equity 權益總額
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2017	於2017年1月1日	130	258,887	4,250	14,505	995	4,014	175,398	458,179	(904)	457,275
Loss and total comprehensive loss for the period	期內虧損及全面虧損總額	-	-	-	-	-	-	(31,520)	(31,520)	(1)	(31,521)
Equity-settled share option arrangement (note 20)	以股權結算的購股權安排 (附註20)	-	-	-	-	704	-	-	704	-	704
At 30 June 2017 (unaudited)	於2017年6月30日(未經審核)	130	258,887	4,250	14,505	1,699	4,014	143,878	427,363	(905)	426,458
At 1 January 2018	於2018年1月1日	130	258,887*	4,250*	14,529*	2,347*	4,014*	(10,522)*	273,635	(905)	272,730
Transfer of convertible bonds (note 19)	轉讓可換股債券 (附註19)	6	30,226	-	-	-	-	-	30,232	-	30,232
Loss and total comprehensive loss for the period	期內虧損及全面虧損總額	-	-	-	-	-	-	(48,736)	(48,736)	(1)	(48,737)
Equity-settled share option arrangement (note 20)	以股權結算的購股權安排 (附註20)	-	-	-	-	268	-	-	268	-	268
At 30 June 2018 (unaudited)	於2018年6月30日(未經審核)	136	289,113*	4,250*	14,529*	2,615*	4,014*	(59,258)*	255,399	(906)	254,493

* These reserve accounts comprise the consolidated reserves of RMB255,263,000 (31 December 2017: RMB273,505,000) in the consolidated statement of financial position.

* 該等儲備賬包括綜合財務狀況表內的綜合儲備人民幣255,263,000元(2017年12月31日:人民幣273,505,000元)。

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

中期綜合現金流量表

For the six months ended 30 June 2018 截至2018年6月30日止六個月

		For the six months ended 30 June 截至6月30日止六個月		
		2018 2018年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2017 2017年 RMB'000 人民幣千元 (Unaudited) (未經審核)	
CASH FLOWS FROM OPERATING ACTIVITIES	經營活動所得現金流量	Notes 附註		
Loss before tax	除稅前虧損		(51,373)	(35,717)
Adjustments for:	調整以下各項：			
Depreciation	折舊	9	5,264	5,173
Gain on disposal of items of property, plant and equipment	出售物業、廠房及設備項目收益		-	(101)
Amortisation of intangible assets	無形資產攤銷	9	55	2,350
Unrealised foreign exchange losses	未變現匯兌虧損		373	3,063
Equity-settled share option expense	以股權結算的購股權開支	20	268	704
Fair value losses/(gains) on financial liabilities/(assets) at fair value through profit or loss classified as held for trading	分類為持作買賣透過損益按公平值計量的金融負債/(資產)公平值虧損/(收益)	17	(3,351)	2,257
Interest income on an available-for-sale investment	來自可供出售投資的利息收入	4	-	(1,890)
Convertible bonds issue expenses	可換股債券發行開支		-	18
Finance costs	財務成本	5	20,675	8,859
Write-down of inventories to net realisable value	撇減存貨至可變現淨值	6	4,275	-
Foreign exchange gains, net, on bonds and bank loans	債券及銀行貸款的外匯收益淨額		(4,083)	-
Settlement of financial liabilities at fair value through profit or loss classified as held for trading	分類為持作買賣透過損益按公平值計量的金融負債結算	17	(218)	-
Bank interest income	銀行利息收入	4	(428)	(413)
			(28,543)	(15,697)
Increase in trade and bills receivables	貿易應收款項及應收票據增加		(47,124)	(29,462)
Decrease/(increase) in prepayments, deposits and other receivables	預付款項、按金及其他應收款項減少/(增加)		46,546	(47,209)
Decrease/(increase) in inventories	存貨減少/(增加)		116,508	(55,180)
Decrease in payments in advance	預付款項減少		306	-
Increase/(decrease) in trade and bills payables	貿易應付款項及應付票據增加/(減少)		48,971	(15,281)
Increase/(decrease) in other payables	其他應付款項增加/(減少)		(9,928)	21,703
Increase/(decrease) in advances from customers	客戶墊款增加/(減少)		(41,503)	63,100
Increase in contract liabilities	合約負債增加		9,619	-
Cash generated from/(used in) operations	營運所得/(所用)現金		94,852	(78,026)
Interest received	已收利息		428	193
Tax paid	已付稅項		(1,847)	(10,324)
Net cash flows from/(used in) operating activities	經營活動所得/(所用)現金流量淨額		93,433	(88,157)

Interim Consolidated Statement of Cash Flows (Continued)

中期綜合現金流量表(續)

For the six months ended 30 June 2018 截至2018年6月30日止六個月

		For the six months ended 30 June 截至6月30日止六個月	
		2018 2018年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2017 2017年 RMB'000 人民幣千元 (Unaudited) (未經審核)
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動所得現金流量		
Purchases of items of property, plant and equipment	購買物業、廠房及設備項目	(670)	(2,854)
Purchase of intangible assets	購買無形資產	—	(60)
Increase in payments in advance	預付款項增加	—	(3,084)
Proceeds from disposal of items of property, plant and equipment	出售物業、廠房及設備項目所得款項	—	126
Prepayment for the acquisition of a subsidiary	收購一間附屬公司預付款項	—	(3,520)
Placement of pledged deposits	存置已抵押存款	—	(30,000)
Net cash flows used in investing activities	投資活動所用現金流量淨額	(670)	(39,392)
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動所得現金流量		
Interest paid	已付利息	(16,949)	(8,773)
Net proceeds from issue of convertible bonds	發行可換股債券所得款項淨額	30,559	34,684
Net proceeds from issue of bonds	發行債券所得款項淨額	—	104,980
Repayment of bonds	償還債券	(129,145)	—
Proceeds from bank and other loans	銀行及其他貸款所得款項	354,224	142,682
Repayment of bank and other loans	償還銀行及其他貸款	(332,787)	(166,383)
Decrease in prepayments, deposits and other receivables	預付款項、按金及其他應收款項減少	4,467	—
Decrease in payments in advance	預付款項減少	1,346	—
Net cash flows from/(used in) financing activities	融資活動所得/(所用)現金流量淨額	(88,285)	107,190
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等價物增加/(減少)淨額	4,478	(20,359)
Effect of foreign exchange rate changes, net	外匯匯率變動影響淨額	(373)	(729)
Cash and cash equivalents at beginning of period	期初現金及現金等價物	75,651	154,079
CASH AND CASH EQUIVALENTS AT END OF PERIOD	期末現金及現金等價物	79,756	132,991
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等價物結餘分析		
Cash and cash equivalents as stated in the statement of financial position	財務狀況表所列現金及現金等價物	28,910	83,969
Time deposits with original maturity of less than three months when acquired, pledged as security for issuance of letters of credit and bills payables	取得時原到期日不超過三個月用作發行信用證及應付票據抵押的定期存款	50,846	49,022
Cash and cash equivalents as stated in the statement of cash flows	現金流量表所列現金及現金等價物	79,756	132,991

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

中期簡明財務資料附註

30 June 2018 於2018年6月30日

1. Corporate Information

The Company is a limited liability company incorporated in the Cayman Islands on 16 March 2015. The registered office address of the Company is P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The Company's principal place of business in Hong Kong is Unit 4408A, 44/F, Cosco Tower, 183 Queen's Road Central, Hong Kong.

During the Reporting Period, the Group were principally engaged in marketing, promotion and channel management services for improved human plasma-based pharmaceutical, antibiotics and other pharmaceuticals focused on therapeutic areas complementary to human plasma-based products and other fast-growing categories in China. There were no significant changes in the nature of the Group's principal activities during the Reporting Period.

In the opinion of the Directors, Risun Investments Limited ("Risun"), a company incorporated in the British Virgin Islands ("BVI"), is the parent and the ultimate holding company of the Company.

2.1 Basis of Preparation

The unaudited interim condensed financial information for the Reporting Period has been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting".

The unaudited interim condensed financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2017.

1. 公司資料

本公司為於2015年3月16日在開曼群島註冊成立的有限公司。本公司的註冊辦事處地址為P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands。香港主要營業地點為香港皇后大道中183號中遠大廈44樓4408A室。

報告期內，本集團主要於中國從事經改良人體血漿藥品、抗生素及專注於治療領域與人體血漿製品及其他快速增長類別互補的其他藥品的市場營銷、推廣及渠道管理服務。本集團主要業務的性質於報告期內並無重大變動。

董事認為，Risun Investments Limited(「Risun」)(在英屬維爾京群島(「英屬維爾京群島」)註冊成立的公司)為本公司的母公司及最終控股公司。

2.1 編製基準

報告期內的未經審核中期簡明財務資料按照國際會計準則(「國際會計準則」)第34號「中期財務報告」編製。

未經審核中期簡明財務資料不包括年度財務報表規定的全部資料及披露，並應連同本集團截至2017年12月31日止年度的年度財務報表一併閱讀。

2.1 Basis of Preparation (Continued)

Going concern basis

During the Reporting Period, the Group incurred a consolidated net loss of RMB48,737,000 (six months ended 30 June 2017: RMB31,521,000). As at 30 June 2018, the Group had net current liabilities of RMB11,145,000.

In view of these circumstances, the Directors have given consideration to the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern. In order to improve the Group's liquidity and cash flows to sustain the Group as a going concern, the Group has implemented or is in the process of implementing the following measures:

- (a) As at 30 June 2018, the Group had unused bank facilities in aggregate of RMB153.5 million; and
- (b) The Group has budgeted and laid out its business plan for the next twelve months, and seeks to attain profits and generate net cash inflows from the operating activities during the next twelve months with the efforts of actively developing new markets and a sophisticated marketing network to extend its sales channel to the end market.

2.1 編製基準(續)

持續經營基準

報告期內，本集團產生綜合虧損淨額人民幣48,737,000元(截至2017年6月30日止六個月：人民幣31,521,000元)。於2018年6月30日，本集團擁有流動負債淨額人民幣11,145,000元。

鑒於該等情況，董事於評估本集團是否擁有充足財務資源持續經營業務時，已考慮本集團的未來流動資金及表現以及其可動用財務資源。為改善本集團的流動資金及現金流量以維持本集團持續經營，本集團已經或正在實施以下措施：

- (a) 於2018年6月30日，本集團擁有尚未動用銀行融資合共人民幣153.5百萬元；及
- (b) 本集團已為未來十二個月制定預算及業務計劃，致力積極開發新市場及擴展成熟的營銷網絡以拓展達至終端市場的銷售渠道，藉此尋求於未來十二個月獲得溢利及自經營活動產生現金流量淨額。

2.1 Basis of Preparation (Continued)

Going concern basis (Continued)

The Directors of the Company have reviewed the Group's cash flow forecast prepared by management which covers a period of twelve months from the end of the Reporting Period. They are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due in the foreseeable future. Accordingly, the Directors are of the opinion that it is appropriate to prepare the interim condensed financial information of the Group for the six months ended 30 June 2018 on a going concern basis.

Should the going concern assumption be inappropriate, adjustments may have to be made to write down the values of assets to their recoverable amounts, to provide for any further liabilities that might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the interim condensed financial information.

The Group has actively implemented, or is actively implementing, all the improvement targets outlined above for the purposes of increasing profits and improving the cash flow position of the Group, in order to remove material uncertainties relating to the going concern of the Group for the next twelve months.

Throughout the next twelve months, the Audit Committee and the Board will monitor and review the Group's next twelve months business plan and cash flow projection timely and update deemed necessary and appropriate.

2.1 編製基準(續)

持續經營基準(續)

本公司董事已審閱管理層編製的本集團現金流量預測，其涵蓋報告期末起計十二個月期間。彼等認為，計及上述計劃及措施，本集團將擁有充足營運資金以撥付其營運及履行於可見未來到期的財務債務。因此，董事認為，按持續經營基準編製本集團截至2018年6月30日止六個月的中期簡明財務資料實屬恰當。

倘持續經營的假設並不恰當，則可能需要作出調整，以將資產價值撇減至其可收回金額，以為可能產生的任何其他負債計提撥備，並將非流動資產及非流動負債分別重新分類為流動資產及流動負債。該等調整的影響並未在中期簡明財務資料中反映。

本集團已經或正在積極落實上述所有改善目標，旨在增加溢利及改善本集團現金流量狀況，以消除本集團於未來十二個月與持續經營有關的重大不明朗因素。

於整個未來十二個月，審核委員會及董事會將適時監控及審閱本集團未來十二個月的業務計劃及現金流量預測，並於有需要時作出適當更新。

2.2 Changes in Accounting Policies and Disclosures

The accounting policies adopted in the preparation of this interim condensed financial information are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2017, except for the adoption of the following new standards, interpretations and amendments to a number of International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board for the first time for the financial year beginning 1 January 2018.

Amendments to IFRS 2	<i>Classification and Measurement of Share-based Payment Transactions</i>
Amendments to IFRS 4	<i>Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts</i>
IFRS 9	<i>Financial Instruments</i>
IFRS 15	<i>Revenue from Contracts with Customers</i>
Amendments to IFRS 15	<i>Clarifications to IFRS 15 Revenue from Contracts with Customers</i>
Amendments to IAS 40	<i>Transfers of Investment Property</i>
IFRIC 22	<i>Foreign Currency Transactions and Advance Consideration</i>
<i>Annual Improvements 2014-2016 Cycle</i>	Amendments to IFRS 1 and IAS 28

The adoption of these amendments to IFRSs has had no significant financial effect on the financial position or performance of the Group except IFRS 15 and IFRS 9.

The Group applies, for the first time, IFRS 15 *Revenue from Contracts with Customers* and IFRS 9 *Financial Instruments* using the modified retrospective method for adoption. For the adoption of IFRS 9, the Group has not restated comparative information and has not recognised any transition adjustments against the opening balance of equity at 1 January 2018. For the adoption of IFRS 15, the Group has applied the new requirements only to contracts that were not completed before 1 January 2018.

2.2 會計政策及披露事項變動

編製本中期簡明財務資料所採用會計政策與編製本集團截至2017年12月31日止年度的年度財務報表所依循者貫徹一致，惟自2018年1月1日開始的財政年度首次採納以下多項由國際會計準則理事會頒佈的國際財務報告準則(「國際財務報告準則」)新準則、詮釋及修訂本除外。

國際財務報告準則第2號(修訂本)	以股份為基礎付款的交易的分類及計量
國際財務報告準則第4號(修訂本)	與國際財務報告準則第4號保險合約一併應用國際財務報告準則第9號金融工具
國際財務報告準則第9號	金融工具
國際財務報告準則第15號	來自客戶合約的收益
國際財務報告準則第15號(修訂本)	對國際財務報告準則第15號來自客戶合約的收益的澄清
國際會計準則第40號(修訂本)	轉讓投資物業
國際財務報告詮釋委員會第22號	外幣交易及墊付代價
2014年至2016年週期年度改進	國際財務報告準則第1號及國際會計準則第28號的修訂

除國際財務報告準則第15號及國際財務報告準則第9號外，採納該等國際財務報告準則修訂本對本集團的財務狀況或表現並無重大財務影響。

本集團通過採用經修訂追溯法，首次採納國際財務報告準則第15號來自客戶合約的收益及國際財務報告準則第9號金融工具。就採納國際財務報告準則第9號而言，本集團並無重列比較資料，亦無對2018年1月1日期初權益結餘確認任何過渡調整。就採納國際財務報告準則第15號而言，本集團僅對於2018年1月1日之前尚未完成的合約應用新規定。

2.2 Changes in Accounting Policies and Disclosures (Continued)

The following table gives a summary of the opening balance adjustments recognised for each line item in the consolidated interim statement of financial position that has been impacted by IFRS 15:

		As at 31 December 2017	Impact on initial application of IFRS 15 初步應用國際 財務報告準則 第15號的影響	As at 1 January 2018
		於2017年 12月31日	於2018年 1月1日	於2018年 1月1日
Advances from customers	客戶墊款	41,503	(41,503)	–
Contract liabilities	合約負債	–	41,503	41,503

IFRS 15 Revenue from Contracts with Customers

The Group has performed an assessment on the impact of the adoption of IFRS 15 and concluded that no material financial impact exists, and therefore no adjustment to the opening balance of equity at 1 January 2018 was recognised. However, as the presentation and disclosure requirements in IFRS 15 are more detailed than those under IAS 18, as required for the condensed interim financial statements, the Group has disaggregated revenue recognised from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. Refer to note 3 for the disclosure of disaggregated revenue. In addition, upon adoption of IFRS 15, the Group recognised revenue-related contract liabilities for the unsatisfied performance obligation which were previously recognised as “Advances from customers (current)”, but no comparative information was restated.

IFRS 9 Financial Instruments

The Group has performed an assessment and concluded that no material financial impact exists, and therefore no adjustment to the opening balance of equity at 1 January 2018 was recognised.

2.2 會計政策及披露事項變動(續)

下表概述綜合中期財務狀況表中各項目受國際財務報告準則第15號影響而確認的期初結餘調整：

國際財務報告準則第15號來自客戶合約的收益

本集團已對採納國際財務報告準則第15號的影響進行評估，並認為概無存在重大財務影響，故並無對2018年1月1日期初權益結餘確認調整。然而，由於國際財務報告準則第15號的呈列及披露規定較國際會計準則第18號所列者更為詳細，根據簡明中期財務報表需要，本集團分拆就客戶合約確認的收益為不同類別，以描述收益及現金流量的性質、金額、時間及不確定性如何受經濟因素所影響。分拆收益的披露資料請參閱附註3。此外，於採納國際財務報告準則第15號後，本集團會就原先確認為「客戶墊款(流動)」的未達成履約責任確認收益相關合約負債，故並無重列比較資料。

國際財務報告準則第9號金融工具

本集團已進行評估並認為概無存在重大財務影響，故並無對2018年1月1日期初權益結餘確認調整。

3. Revenue and Operating Segment Information

Revenue represents the net invoiced value of goods sold.

The Group's revenue and contribution to profit are mainly derived from its sale of human albumin solution, antibiotics and other pharmaceutical products focused on therapeutic areas complementary to human plasma-based products and other fast-growing categories in China, which is regarded as a single reportable segment in a manner consistent with the way in which information is reported internally to the Group's senior management for the purposes of resource allocation and performance assessment. In addition, the principal non-current assets employed by the Group are located in China. Accordingly, no segment analysis is presented other than entity-wide disclosures.

Entity-wide disclosures

Information about products

The following table sets forth the total revenue from external customers by product and the percentage of total revenue by product during the Reporting Period:

		For the six months ended 30 June 截至6月30日止六個月			
		2018 2018年		2017 2017年	
		RMB'000	%	RMB'000	%
		人民幣千元	%	人民幣千元	%
		(Unaudited) (未經審核)		(Unaudited) (未經審核)	
Sales of goods:	銷售貨物：				
Human albumin solution	人血白蛋白注射液	318,194	55.4	217,555	52.5
Antibiotics*	抗生素*	207,339	36.1	146,409	35.3
Others#	其他#	48,361	8.5	50,404	12.2
		573,894	100.0	414,368	100.0

* Axetine, Medocef and Trifamox IBL

Taurolite, Esafosfina, Diphereline, Etiasa, Tanakan and Smecta

Geographical information

All external revenue of the Group during the Reporting Period was attributable to customers located in China, the place of domicile of the Group's operating entities. The Group's non-current assets are all located in China.

3. 收益及經營分部資料

收益指已售貨物的發票淨值。

本集團收益及對溢利的貢獻主要來自其於中國的人血白蛋白注射液、抗生素、專注於與人體血漿製品互補的其他治療藥品及其他快速增長類別的銷售額，我們將其列為單一可報告分部，與本集團內部向本集團高級管理層報告資料方式一致，以便進行資源分配及表現評估。此外，本集團使用的主要非流動資產均位於中國。因此，除以實體為單位的披露外，未有呈列分部分析。

以實體為單位的披露

產品資料

下表載列報告期內按產品劃分來自外部客戶的總收益及各產品所佔總收益百分比：

* 安可欣、麥道必及特福猛

滔羅特、愛賽福、達菲林、艾迪莎、達納康及思密達

地區資料

本集團於報告期內的所有外界收益均來自位於中國(本集團營運實體註冊地)的客戶。本集團所有非流動資產均位於中國。

3. Revenue and Operating Segment Information (Continued)

Entity-wide disclosures (Continued)

Information about major customers

Revenue derived from major customers accounting for 10% or more of the total revenue is set out below:

		For the six months ended 30 June 截至6月30日止六個月	
		2018 2018年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2017 2017年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Customer A	客戶A	90,161	*
Customer B	客戶B	86,840	85,117

* Less than 10% of the total revenue

* 少於總收益10%

4. Other Income and Gains

An analysis of other income and gains is as follows:

		For the six months ended 30 June 截至6月30日止六個月	
		2018 2018年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2017 2017年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Bank interest income	銀行利息收入	428	413
Government grants*	政府補助*	–	606
Foreign exchange gains, net	匯兌收益淨額	2,461	–
Interest income on an available-for-sale investment	來自可供出售投資的利息收入	–	1,890
Others	其他	31	116
		2,920	3,025

* There were no unfulfilled conditions or contingencies relating to the government grants.

* 並無有關政府補助的未履行條件或或然事項。

5. Finance Costs

5. 財務成本

		For the six months ended 30 June 截至6月30日止六個月	
		2018 2018年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2017 2017年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Interest on bank and other loans	銀行貸款及其他貸款利息	13,539	5,675
Interest on discounted bills receivable	應收票據貼現利息	934	3,098
Interest on bonds (note 18)	債券利息(附註18)	6,202	86
		20,675	8,859

6. Loss before Tax

The Group's loss before tax was arrived at after charging/(crediting):

6. 除稅前虧損

本集團的除稅前虧損乃經扣除/(計入)以下各項後得出：

		For the six months ended 30 June 截至6月30日止六個月	
		2018 2018年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2017 2017年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Cost of inventories sold	已售存貨成本	459,015	388,252
Employee benefit expense (including Directors' remuneration):	僱員福利開支 (包括董事薪酬):		
Wages and salaries	工資及薪金	4,749	6,484
Welfare and other benefits	福利及其他利益	212	518
Equity-settled share option expenses	以股權結算的購股權開支	268	704
Pension scheme contributions	退休金計劃供款		
– Defined contribution fund	– 一定額供款基金	588	704
Housing fund	住房公積金		
– Defined contribution fund	– 一定額供款基金	236	259
Total employee benefit expense	僱員福利開支總額	6,053	8,669

Notes to Interim Condensed Financial Information (Continued)

中期簡明財務資料附註(續)

30 June 2018 於2018年6月30日

6. Loss before Tax (Continued)

6. 除稅前虧損(續)

		For the six months ended 30 June 截至6月30日止六個月		
		2018 2018年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2017 2017年 RMB'000 人民幣千元 (Unaudited) (未經審核)	
	Notes 附註			
Depreciation of items of property, plant and equipment	物業、廠房及設備 項目折舊	9	5,264	5,173
Amortisation of intangible assets	無形資產攤銷	9	55	2,350
Write-down of inventories to net realisable value	存貨撇減至可變現淨值		4,275	-
Write-off of inventories to net realisable value	存貨撇銷至可變現淨值		971	-
Research expenses	研究開支		677	1,098
Operating lease rentals	經營租約租金		759	1,119
Foreign exchange losses/(gains), net	匯兌虧損/(收益)淨額		(2,461)	11,118
Gain on disposal of items of property, plant and equipment	出售物業、廠房及設備 項目的收益		-	(101)
Fair value gains on financial assets at fair value through profit or loss	透過損益按公平值計量的 金融資產公平值收益	17	(3,351)	-
Auditors' remuneration	核數師薪酬		750	750

7. Income Tax

The major components of income tax credit are as follows:

7. 所得稅

所得稅抵免的主要組成部分如下：

		For the six months ended 30 June 截至6月30日止六個月	
		2018 2018年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2017 2017年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Current tax:	即期稅項：		
Income tax in China for the Reporting Period	報告期內中國所得稅	728	817
Deferred tax:	遞延稅項：		
Deferred tax in China for the Reporting Period (note 11)	報告期內中國遞延稅項 (附註11)	(3,364)	(4,550)
Deferred tax in Hong Kong for the Reporting Period	報告期內香港遞延稅項	-	(463)
Total tax credit for the Reporting Period	報告期內稅項抵免總額	(2,636)	(4,196)

7. Income Tax (Continued)

Notes:

- (a) Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI.
- (b) No provision for Hong Kong profits tax has been made as the Group had no taxable profits derived from or earned in Hong Kong during the Reporting Period.
- (c) Sichuan Sinco Pharmaceuticals Co., Ltd. (“**Sichuan Sinco Pharmaceuticals**”) is entitled to a preferential tax rate of 15% according to the “Western Development Policy” until 31 December 2020. No provision for tax in respect of Sichuan Sinco Pharmaceuticals has been made as there were no taxable profits derived from or earned by Sichuan Sinco Pharmaceuticals during the Reporting Period.

Except for Sichuan Sinco Pharmaceuticals, the subsidiaries of the Group located in China were liable to the People’s Republic of China corporate income tax at a rate of 25% on the assessable profits generated for the Reporting Period.

8. Loss Per Share Attributable to Ordinary Equity Holders of the Company

The calculation of basic loss per share is based on the loss attributable to owners of the Company for the Reporting Period of RMB48,736,000 (for the six months ended 30 June 2017: RMB31,520,000), and the weighted average number of ordinary shares of 1,685,113,075 (for the six months ended 30 June 2017: 1,615,220,000) in issue during the Reporting Period.

The calculation of the diluted loss per share amount is based on the loss for the Reporting Period attributable to ordinary equity holders of the Company as used in the basic loss per share calculation. The weighted average number of ordinary shares used in the calculation is the weighted average number of ordinary shares in issue during the Reporting Period, as used in the basic loss per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

7. 所得稅(續)

附註：

- (a) 根據開曼群島及英屬維爾京群島的規則及法規，本集團毋須繳納開曼群島及英屬維爾京群島的任何所得稅。
- (b) 由於報告期內本集團並無源自香港或於香港賺取應課稅溢利，故並無就香港利得稅作出撥備。
- (c) 根據「西部大開發政策」，四川興科蓉藥業有限責任公司(「**四川興科蓉藥業**」)享有15%的優惠稅率，直至2020年12月31日。由於報告期內並無源自四川興科蓉藥業或在四川興科蓉藥業賺取的應課稅溢利，故未有就四川興科蓉藥業稅項計提撥備。

除四川興科蓉藥業外，本集團位於中國的附屬公司均須就報告期內產生的應課稅溢利繳納25%稅率的中華人民共和國企業所得稅。

8. 本公司普通股持有人應佔每股虧損

每股基本虧損是基於報告期內本公司擁有人應佔虧損人民幣48,736,000元(截至2017年6月30日止六個月：人民幣31,520,000元)，及報告期內已發行普通股的加權平均數1,685,113,075股(截至2017年6月30日止六個月：1,615,220,000股)計算。

每股攤薄虧損金額乃根據計算每股基本虧損所採用的本公司普通股持有人應佔報告期內虧損計算。如計算每股基本虧損時所採用，計算時所用普通股加權平均數為報告期內已發行普通股加權平均數，並假設所有潛在攤薄普通股乃於被視作行使或轉換為普通股時無償發行的普通股加權平均數。

8. Loss Per Share Attributable to Ordinary Equity Holders of the Company (Continued)

The calculations of basic and diluted loss per share are based on:

8. 本公司普通股持有人應佔每股虧損(續)

計算每股基本及攤薄虧損乃基於：

		For the six months ended 30 June 截至6月30日止六個月	
		2018 2018年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2017 2017年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Loss:	虧損：		
Loss attributable to ordinary equity holders of the Company used in the basic loss per share calculation	用於計算每股基本虧損的本公司普通股持有人應佔虧損	(48,736)	(31,520)

		For the six months ended 30 June 截至6月30日止六個月	
		Number of shares 股數	
		2018 2018年 (Unaudited) (未經審核)	2017 2017年 (Unaudited) (未經審核)
Shares:	股份：		
Weighted average number of ordinary shares in issue during the Reporting Period used in the basic loss per share calculation	用於計算每股基本虧損的報告期內已發行普通股加權平均數	1,685,113,075	1,615,220,000
Effect of dilution – weighted average number of ordinary shares:	攤薄影響		
Share options	— 普通股加權平均數： 購股權	3,450,177	—
		1,688,563,252	1,615,220,000

9. Property, Plant and Equipment and Intangible Assets

Movements in property, plant and equipment and intangible assets during the Reporting Period are as follows:

		Property, plant and equipment 物業、廠房 及設備 RMB'000 人民幣千元 (Unaudited) (未經審核)	Intangible assets 無形資產 RMB'000 人民幣千元 (Unaudited) (未經審核)
Carrying amount at 1 January 2018	於2018年1月1日的賬面值	191,767	223
Additions	添置	659	-
Depreciation/amortisation charged for the Reporting Period (note 6)	於報告期內扣除的折舊/攤銷(附註6)	(5,264)	(55)
Carrying amount at 30 June 2018	於2018年6月30日的賬面值	<u>187,162</u>	<u>168</u>

As of 30 June 2018, the Group's buildings with net carrying amounts of approximately RMB99,621,000 (31 December 2017: RMB100,506,000), were erected on the land where the Group is still in the process of applying for the land use rights certificate. The Directors are of the view that the Group is entitled to lawfully and validly occupy and use the above-mentioned land. The Directors are also of the opinion that the aforesaid matter will not have any significant impact on the Group's financial position as of 30 June 2018.

As of 30 June 2018, the Group's buildings with net carrying amounts of RMB83,590,000 (31 December 2017: RMB84,725,000) were pledged to secure its bank loans (note 16).

9. 物業、廠房及設備以及無形資產

報告期內物業、廠房及設備以及無形資產的變動如下：

於2018年6月30日，本集團賬面淨值約為人民幣99,621,000元(2017年12月31日：人民幣100,506,000元)的樓宇建於本集團仍在申請土地使用權證的土地上。董事認為本集團有權合法及有效佔用及使用上述土地。董事亦認為，上述事宜對本集團於2018年6月30日的財務狀況不會有任何重大影響。

於2018年6月30日，本集團賬面淨值為人民幣83,590,000元(2017年12月31日：人民幣84,725,000元)的樓宇已抵押以取得銀行貸款的擔保(附註16)。

10. Payments in Advance, Prepayments, Deposits and other Receivables

10. 預付款項、預付款項、按金及其他應收款項

	Notes 附註	30 June 2018 2018年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2017 2017年 12月31日 RMB'000 人民幣千元
<i>Current portion:</i>	<i>流動部分：</i>		
Prepayments in respect of:	以下項目的預付款項：		
– purchase of inventories	– 購買存貨	766	3,128
– financing consultation service fee	– 融資諮詢服務費	2,768	7,048
– marketing and promotion service fee	– 營銷及推廣服務費	(a) 53,354	74,608
– consultation service fee	– 諮詢服務費	189	397
– others	– 其他	153	61
Deposits	按金	7,009	1,818
Other receivables in respect of:	以下項目的其他應收款項：		
– value-added tax recoverable	– 可收回增值稅	29,505	57,763
– purchase rebate	– 購買回扣	542	1,048
– staff advances	– 員工墊款	1,057	214
– interest receivable for time deposits with original maturity of over three months	– 原到期三個月以上的 定期存款應收利息	–	514
– others	– 其他	–	84
		95,343	146,683
<i>Non-current portion:</i>	<i>非流動部分：</i>		
Prepayments in advance in respect of:	以下項目的預付款項：		
– prepaid long-term technique service fee	– 預付長期技術服務費	8,275	8,581
– prepaid financing long-term consultation service fee	– 預付融資長期 諮詢服務費	–	1,346
– construction of a warehouse	– 建設倉庫	30,809	30,809
		39,084	40,736
Deposit in respect of:	以下項目的按金：		
– construction in progress	– 在建工程	(b) 3,000	3,000
		137,427	190,419

10. Payments in Advance, Prepayments, Deposits and other Receivables (Continued)

Notes:

- (a) The balance as at 30 June 2018 represents a prepayment of RMB53,354,000 in relation to promotion service provided by ten independent third-party distributors. The total service prepayment amounted to RMB85,485,000, including RMB42,742,000 covering the period from 1 September 2017 to 31 October 2018. During the Reporting Period, RMB21,254,000 has been released to profit or loss.
- (b) The balance represents a deposit paid to an independent third party, which is controlled by State-owned Assets Supervision and Administration Office of Shuangliu District, in respect of the construction of the Group's warehouse.

11. Deferred Tax Assets

The movements in deferred tax assets, net, during the Reporting Period are as follows:

		Changes in fair value of financial liabilities/ (assets) at fair value through profit or loss classified as held for trading 分類為持作買賣透過損益按公平值計量的金融負債/(資產)公平值變動 RMB'000 人民幣千元	Losses available for offsetting against taxable profits 可用作抵銷應課稅溢利的虧損 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2018	於2018年1月1日	33	9,126	9,159
Deferred tax credited to profit or loss in China during the Reporting Period	報告期內計入中國損益的遞延稅項	(503)	3,900	3,397
Settlement of fair value of financial liabilities at fair value through profit or loss classified as held for trading during the Reporting Period	報告期內分類為持作買賣透過損益按公平值計量的金融負債公平值結算	(33)	-	(33)
At 30 June 2018 (unaudited)	於2018年6月30日(未經審核)	(503)	13,026	12,523

10. 預付款項、預付款項、按金及其他應收款項(續)

附註:

- (a) 於2018年6月30日的結餘指就十名獨立第三方分銷商提供的推廣服務預付人民幣53,354,000元。服務預付款項總額人民幣85,485,000元，包括涵蓋2017年9月1日至2018年10月31日期間的人民幣42,742,000元。於報告期內，其中人民幣21,254,000元已轉撥至損益。
- (b) 結餘指就建設本集團倉庫向一名由雙流區國有資產監督管理委員會控制的獨立第三方支付按金的按金。

11. 遞延稅項資產

報告期內遞延稅項資產淨額的變動如下:

11. Deferred Tax Assets (Continued)

As at 30 June 2018, the Group also had accumulated tax losses arising in China of RMB79,264,000 (31 December 2017: RMB53,267,000) that would expire in five years for offsetting against future taxable profits of the company in which the losses arose. Deferred tax assets have not been recognised in respect of the tax losses arisen in subsidiaries that have been loss making as it was not considered probable that tax profits would be available against which the tax losses can be utilised.

12. Inventories

At the end of the Reporting Period, all inventories represent purchased pharmaceutical products.

At 30 June 2018, the Group's inventories with a carrying amount of RMB18,295,000 (31 December 2017: RMB125,739,000) were pledged to secure the Group's other loans (note 16).

13. Trade and Bills Receivables

			30 June 2018	31 December 2017
			2018年 6月30日	2017年 12月31日
		Note 附註	RMB'000	RMB'000
			人民幣千元	人民幣千元
			(Unaudited)	
			(未經審核)	
Trade receivables	貿易應收款項	(a)	84,230	26,481
Bills receivable	應收票據		—	10,625
			84,230	37,106

(a) The Group granted credit terms ranging from 45 days to one year to customers after the delivery of goods, except for certain customers who make payments in advance prior to delivery of goods. The Group maintains strict control over the settlements of its outstanding receivables and has a credit control department to minimise credit risk. Trade receivables are non-interest-bearing and unsecured.

Based on the invoice date, all trade receivables of the Group as of 30 June 2018 were aged within one year and were neither past due nor impaired.

11. 遞延稅項資產(續)

於2018年6月30日，本集團亦於中國產生累計稅項虧損人民幣79,264,000元(2017年12月31日：人民幣53,267,000元)，將於五年內到期，可用作抵銷產生虧損的公司的未來應課稅溢利。並無就持續錄得虧損的附屬公司所產生的稅項虧損確認遞延稅項資產，原因為有關附屬公司被視為不可能有應課稅溢利可供抵銷稅項虧損。

12. 存貨

於報告期末，所有存貨指所購買的藥品。

於2018年6月30日，本集團以存貨賬面值人民幣18,295,000元(2017年12月31日：人民幣125,739,000元)作為本集團其他貸款的抵押(附註16)。

13. 貿易應收款項及應收票據

(a) 除若干客戶於交付貨品前預支款項外，本集團向客戶授出交付貨品後45天至一年的信貸期。本集團對其尚未收回的應收款項結算維持嚴格控制，並設有信貸控制部門，以將信貸風險降至最低。貿易應收款項為不計息及無抵押。

根據發票日期，本集團截至2018年6月30日的全部貿易應收款項賬齡均於一年內，且並無逾期或減值。

14. Trade and Bills Payables

An ageing analysis of the trade and bills payables as of 30 June 2018 and 31 December 2017, based on the invoice date or issuance date, where appropriate, is as follows:

		30 June 2018 2018年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2017 2017年 12月31日 RMB'000 人民幣千元
Within 3 months	三個月內	71,493	22,522

The trade and bills payables of the Group are non-interest-bearing and are normally settled within 90 days.

As at 30 June 2018, the Group's bills payable were secured by the pledged deposits amounting to RMB25,000,000 (31 December 2017: Nil).

15. Contract Liabilities

The Group recognised the following revenue-related contract liabilities, which represented the unsatisfied performance obligation as at 31 December 2017 and 30 June 2018. The balances of contract liabilities are expected to be recovered/settled within one year.

Movement in the contract liabilities balances during the six months ended 30 June 2018 is as follows:

		RMB'000 人民幣千元
Carrying amount at 31 December 2017	於2017年12月31日的賬面值	-
Reclassification from advances from customers	客戶墊款的重新分類	41,503
Carrying amount at 1 January 2018	於2018年1月1日的賬面值	41,503
Revenue recognised during the Period	期內確認收益	(36,458)
Consideration received from customers, excluding amounts recognised as revenue during the Period	向客戶收取的代價， 不包括於期內確認為收益的金額	4,574
Carrying amount at 30 June 2018 (unaudited)	於2018年6月30日的賬面值(未經審核)	9,619

14. 貿易應付款項及應付票據

根據發票日期或發行日期(倘適用)於2018年6月30日及2017年12月31日的貿易應付款項及應付票據的賬齡分析如下：

本集團的貿易應付款項及應付票據不計息，一般於90日內結算。

於2018年6月30日，本集團的應付票據以已抵押存款人民幣25,000,000元(2017年12月31日：零)作為抵押。

15. 合約負債

本集團確認以下與收益相關的合約負債，其指於2017年12月31日及2018年6月30日未達成的履約義務。合約負債結餘預期可於一年內收回/清償。

合約負債結餘於截至2018年6月30日止六個月的變動如下：

16. Interest-Bearing Bank and Other Loans

16. 計息銀行及其他貸款

		30 June 2018 2018年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2017 2017年 12月31日 RMB'000 人民幣千元
Bank loans repayable within one year:	須於一年內償還的銀行貸款：		
Secured and guaranteed	有抵押及有擔保	98,000	88,000
Secured	有抵押	-	58,500
Guaranteed	有擔保	-	11,213
		98,000	157,713
Other loans repayable within one year:	須於一年內償還的其他貸款：		
Secured	有抵押	199,880	118,102
		297,880	275,815

As at 30 June 2018, all the bank and other loans were denominated in RMB.

As at 30 June 2018, except for bank loans of RMB15,000,000 bearing interest at 40% above the one-year RMB benchmark loan interest rates for financial institutions and other loans of RMB59,880,000 bearing interest at effective interest rates ranging from 8.1% to 26.0% per annum, all bank and other loans bear interest at fixed rates ranging from 6.08% to 13.2% per annum.

As at 30 June 2018, the bank and other loans were secured by the Group's buildings with net carrying amounts of RMB83,590,000, inventories with carrying amount of RMB18,295,000, 1,049,990,000 shares of the Company held by Risun, 100% equity interest in Xizang Linzhi Ziguang Pharmaceutical Co., Ltd., 40% equity interest in Sichuan Sinco Pharmaceuticals and 9.09% equity interest in Chengdu Sinco Pharmaceutical Technology Co., Ltd.

於2018年6月30日，所有銀行及其他貸款以人民幣計值。

於2018年6月30日，除按高於金融機構一年期人民幣貸款基準利率40%計息的銀行貸款人民幣15,000,000元及按實際年利率介乎8.1%至26.0%計息的其他貸款人民幣59,880,000元外，全部銀行及其他貸款按固定年利率介乎6.08%至13.2%計息。

於2018年6月30日，有關銀行及其他貸款以本集團賬面淨值為人民幣83,590,000元的樓宇、賬面值為人民幣18,295,000元的存貨、Risun所持有的1,049,990,000股本公司股份、西藏林芝紫光藥業有限責任公司的全部股權、四川興科蓉藥業的40%股權及成都興科蓉醫藥有限公司的9.09%股權作為抵押。

17. Financial Assets/(Liabilities) at Fair Value Through Profit or Loss Classified as Held for Trading

17. 分類為持作買賣透過損益按公平值計量的金融資產/(負債)

		30 June 2018 2018年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2017 2017年 12月31日 RMB'000 人民幣千元
Currency option contract	貨幣期權合約	3,351	-
Currency forward contract	貨幣遠期合約	-	(218)

Financial assets at fair value through profit or loss classified as held for trading represented fair value gains on currency option contracts at fair value as of 30 June 2018.

As of 30 June 2018, the outstanding currency option contracts of US\$18,000,000 with maturity dates ranging from July 2018 to December 2018 were entered into by the Group and Standard Chartered Bank (China) Limited, and were designated by the Group as financial assets at fair value through profit or loss classified as held for trading upon initial recognition. The fair value of the currency option contract was estimated by an independent professional valuer by using the Black-Scholes option pricing model.

於2018年6月30日，分類為持作買賣透過損益按公平值計量的金融資產指按公平值計量的貨幣期權合約公平值收益。

於2018年6月30日，本集團與渣打銀行(中國)有限公司訂立到期日介乎2018年7月至2018年12月的尚未行使貨幣期權合約18,000,000美元，並由本集團於首次確認時指定為分類為持作買賣透過損益按公平值計量的金融資產。貨幣期權合約的公平值由獨立專業估值師按柏力克-舒爾斯期權定價模式估計。

18. Bonds

18. 債券

			30 June 2018 2018年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2017 2017年 12月31日 RMB'000 人民幣千元
		Notes 附註		
June 2017 Bonds	2017年6月債券	(a)	–	100,152
December 2017 Bonds	2017年12月債券	(b)	–	33,704
Carrying amount of bonds	債券賬面值		–	133,856

Notes:

- (a) On 27 June 2017, the Company issued unlisted bonds in the aggregate principal amount of HK\$120,000,000 (equivalent to RMB104,150,000) (the "June 2017 Bonds"). The Company's obligations under the bonds are unconditionally guaranteed by Mr. Huang Xiangbin, the Chairman, executive Director and Co-chief executive officer of the Company, and secured by (i) 1,049,990,000 shares of the Company held by Risun; and (ii) the entire issued share capital of Risun. Pursuant to the bond supplemental deeds, the nominal effective rate was finally amended to 15% per annum with the interest payable quarterly and the maturity date was finally extended to 30 April 2018. The June 2017 Bonds had been fully repaid by the Group in April 2018.

The interest expense of the June 2017 Bonds for the Reporting Period amounted to RMB1,319,000 (six months ended 30 June 2017: RMB86,000).

- (b) On 30 June 2017, the Company issued convertible bonds in the aggregate principal amount of HK\$40,000,000 (equivalent to RMB34,717,000). The Company's obligations under the convertible bonds are unconditionally guaranteed by Mr. Huang Xiangbin and secured by (i) 1,049,990,000 shares of the Company held by Risun; and (ii) the entire issued share capital of Risun. Pursuant to the convertible bond supplemental deed which took effective on 18 December 2017, all rights and obligations of the holder of the convertible bonds and the Company in relation to the conversion rights were deleted. Meanwhile, the maturity date was amended to 30 March 2018 and the interest rate was amended to 15% per annum with the interest payable quarterly. Management was of the view that the revised terms and conditions of the convertible bonds was substantially different and the modification was automatically required to be treated as an extinguishment. Hence, the Group derecognised the existing liability and recognised a new bond (the "December 2017 Bonds"). On 27 March 2018, the maturity date had been further extended to 30 April 2018. The Group had fully repaid the December 2017 Bonds in April 2018.

The related interest expense of the December 2017 Bonds for the Reporting Period amounted to RMB4,883,000 (six months ended 30 June 2017: Nil).

附註:

- (a) 於2017年6月27日，本公司發行本金總額為120,000,000港元(相當於人民幣104,150,000元)的非上市債券(「2017年6月債券」)。本公司就債券承擔的責任由本公司主席、執行董事兼聯席行政總裁黃祥彬先生無條件擔保，並以(i) Risun所持有的1,049,990,000股本公司股份；和(ii) Risun的全部已發行股本作為抵押。根據債券補充契據，賬面實際年利率最終改為15%而利息須按季支付，到期日最終延長至2018年4月30日。本集團已於2018年4月悉數清償2017年6月債券。

報告期內2017年6月債券的利息開支為人民幣1,319,000元(截至2017年6月30日止六個月：人民幣86,000元)。

- (b) 於2017年6月30日，本公司發行本金總額為40,000,000港元(相當於人民幣34,717,000元)的可換股債券。本公司就可換股債券承擔的責任由黃祥彬先生無條件擔保，並以(i) Risun所持有的1,049,990,000股本公司股份；和(ii) Risun的全部已發行股本作為抵押。根據於2017年12月18日生效的可換股債券補充契據，可換股債券持有人及本公司有關兌換權的所有權利及責任已刪除。同時，有關到期日改為2018年3月30日，年利率改為15%而利息須按季支付。管理層認為，可換股債券條款及條件的修訂大不相同，該修訂須自動視為失效。因此，本集團終止確認現有負債，並確認新債券(「2017年12月債券」)。於2018年3月27日，到期日進一步延長至2018年4月30日。本集團已於2018年4月悉數清償2017年12月債券。

報告期內2017年12月債券的相關利息開支為人民幣4,883,000元(截至2017年6月30日止六個月：零)。

19. Share Capital
Shares19. 股本
股份

		30 June 2018 2018年 6月30日 RMB'000 人民幣千元	31 December 2017 2017年 12月31日 RMB'000 人民幣千元
Authorised:	法定：		
10,000,000,000 (31 December 2017: 10,000,000,000) ordinary shares of HK\$0.0001 each	10,000,000,000股(2017年12月31日： 10,000,000,000股)每股面值 0.0001港元的普通股	822	822
Issued and fully paid:	已發行及繳足：		
1,691,890,585 (31 December 2017: 1,615,220,000) ordinary shares of HK\$0.0001 each	1,691,890,585股(2017年12月31日： 1,615,220,000股)每股面值 0.0001港元的普通股	136	130

A summary of movements in the Company's issued share capital is as follows:

本公司已發行股本變動概要如下：

		Note 附註	Number of ordinary shares 普通股數目	Nominal value of ordinary shares 普通股面值 RMB'000 人民幣千元
At 1 January 2018	於2018年1月1日		1,615,220,000	130
Issuance of new shares	發行新股份	(a)	76,670,585	6
At 30 June 2018	於2018年6月30日		1,691,890,585	136

19. Share Capital (Continued)

Shares (Continued)

- (a) On 12 October 2017, the Company and Crede GG III Ltd. (the “Subscriber”) entered into a subscription agreement (the “Subscription Agreement”). On 6 December 2017, the Company and the Subscriber entered into an amended and restated subscription agreement (the “Amended and Restated Subscription Agreement”) to amend, restate, supersede and replace in its entirety the Subscription Agreement. Pursuant to the Amended and Restated Subscription Agreement, the Subscriber shall subscribe for, and the Company shall issue, the convertible bonds (the “Convertible Bonds”) with an aggregate principal amount of up to US\$150,000,000 (equivalent to approximately HK\$1,170,000,000) to be issued in up to 30 tranches, comprising the first part of the Convertible Bonds in the principal amount of up to US\$50,000,000 (equivalent to approximately HK\$390,000,000) (the “First Part CB”) and the second part of the Convertible Bonds in the principal amount of up to US\$100,000,000 (equivalent to approximately HK\$780,000,000). The maturity date of the Convertible Bonds is falling 36 months after the issue date of such tranche of the Convertible Bonds or, if that is not a business day, the first business day thereafter. The nominal interest rate is 4% per annum and the interest should be paid semi-annually.

On 17 January 2018, the first tranche of the First Part CB (the “First Tranche”) in the principal amount of US\$5,000,000 (equivalent to approximately HK\$39,000,000) has been issued to the Subscriber. The initial conversion price in respect of the First Tranche is HK\$0.50869, being 70% of the volume weighted average price of the shares of the Company in the 20 trading days prior to 17 January 2018.

On 17 January 2018, the conversion rights of the First Tranche had been fully exercised at a conversion price of HK\$0.50869 per share by the Subscriber. As a result, 76,670,585 conversion shares were issued to the Subscriber.

19. 股本(續)

股份(續)

- (a) 於2017年10月12日，本公司與Crede GG III Ltd (「認購方」)訂立認購協議(「認購協議」)。於2017年12月6日，本公司與認購方訂立經修訂及重列認購協議(「經修訂及重列認購協議」)，以修訂、重列、取代及更換整份認購協議。根據經修訂及重列認購協議，認購方將認購而本公司將最多分30批發行最高本金總額為150,000,000美元(相當於約1,170,000,000港元)的可換股債券(「可換股債券」)，其中包括最高本金額為50,000,000美元(相當於約390,000,000港元)的第一部分可換股債券(「第一部分可換股債券」)及最高本金額為100,000,000美元(相當於約780,000,000港元)的第二部分可換股債券。可換股債券的到期日為可換股債券有關批次發行日期後36個月或倘當日並非營業日，則為此後的首個營業日。票面年利率為4%，而利息將半年支付一次。

於2018年1月17日，本金額為5,000,000美元(相當於約39,000,000港元)的首批第一部分可換股債券(「首批」)已發行予認購方。首批的初步兌換價為0.50869港元，即本公司於2018年1月17日前20個交易日內股份成交量加權平均價的70%。

於2018年1月17日，認購方以每股股份兌換價0.50869港元悉數行使首批的兌換權。因此，已向認購方發行76,670,585股兌換股份。

20. Share Option Scheme

The Company operates a share option scheme (the “**Share Option Scheme**”) for the purpose of providing incentives and rewards to eligible participants who contribute to the development of the Group. Eligible participants of the Share Option Scheme are employees (whether full time or part time) of the Company, its subsidiaries or any entity in which the Group holds any equity interest (the “**Invested Entity**”), including directors (including independent non-executive directors) and senior management of the Company, its subsidiaries and any Invested Entity. The Share Option Scheme was approved by the Company’s shareholders on 1 February 2016 and became effective upon the listing of the Company and, unless otherwise cancelled or amended, will remain in force for 10 years from 1 February 2016. Please refer to the 2016 annual report of the Company for details.

The following share options were outstanding under the Share Option Scheme during the Reporting Period:

			Weighted average exercise price	Number of options
		Notes	加權平均行使價	購股權數目
		附註	HK\$ per Share 每股股份港元	’000 千份
As at 1 January 2018	於2018年1月1日	(i)	0.568	17,850
Forfeited during the Reporting Period	報告期內沒收	(ii)	0.568	(1,000)
As at 30 June 2018	於2018年6月30日		<u>0.568</u>	<u>16,850</u>

Notes:

- (i) The share options outstanding as at 1 January 2018 represented 17,850,000 share options granted by the Company under the Share Option Scheme on 21 September 2016 at an exercise price of HK\$0.568 per share to certain eligible participants of the Company in respect of their contributions to the Group’s development.
- (ii) The share options granted to certain eligible participants under the Share Option Scheme were forfeited following their resignations during the Reporting Period.

20. 購股權計劃

本公司設有購股權計劃(「**購股權計劃**」)，旨在向對本集團發展作出貢獻的合資格參與者提供獎勵及回報。購股權計劃的合資格參與者為本公司、其附屬公司或本集團持有任何股權的實體(「**投資實體**」)的僱員(無論全職或兼職)，包括本公司、其附屬公司及任何投資實體的董事(包括獨立非執行董事)及高級管理層。購股權計劃已於2016年2月1日獲本公司股東批准並於本公司上市後生效，且除非另行取消或修訂，否則將由2016年2月1日起計十年內維持有效。詳情請參閱本公司2016年報。

以下為報告期內尚未根據購股權計劃行使的購股權：

附註：

- (i) 於2018年1月1日尚未行使的購股權指本公司已就本公司若干合資格參與者對本集團發展所作出的貢獻，根據購股權計劃按行使價每股0.568港元於2016年9月21日向彼等授出的17,850,000份購股權。
- (ii) 報告期內，根據購股權計劃向若干合資格參與者授出的購股權於彼等辭任後沒收。

20. Share Option Scheme (Continued)

The exercise prices and exercise periods of the share options outstanding as of 30 June 2018 and 31 December 2017 are as follows:

30 June 2018 2018年 6月30日			
Number of options 購股權數目	Exercise price per share 每股股份行使價	Exercise period	
'000 千份	HK\$ 港元	行使期	
6,740	0.568	From 21 September 2017 to 20 September 2022	2017年9月21日至2022年9月20日
5,055	0.568	From 21 September 2018 to 20 September 2022	2018年9月21日至2022年9月20日
5,055	0.568	From 21 September 2019 to 20 September 2022	2019年9月21日至2022年9月20日
16,850			

31 December 2017 2017年 12月31日			
Number of options 購股權數目	Exercise price per share 每股股份行使價	Exercise period	
'000 千份	HK\$ 港元	行使期	
7,140	0.568	From 21 September 2017 to 20 September 2022	2017年9月21日至2022年9月20日
5,355	0.568	From 21 September 2018 to 20 September 2022	2018年9月21日至2022年9月20日
5,355	0.568	From 21 September 2019 to 20 September 2022	2019年9月21日至2022年9月20日
17,850			

The Company recognised a share option expense of RMB268,000 during the Reporting Period (for the six months ended 30 June 2017: RMB704,000).

20. 購股權計劃(續)

於2018年6月30日及2017年12月31日，尚未行使的購股權的行使價及行使期如下：

報告期內，本公司確認購股權開支人民幣268,000元(截至2017年6月30日止六個月：人民幣704,000元)。

20. Share Option Scheme (Continued)

The fair value of equity-settled share options granted under the Share Option Scheme was estimated as of the date of grant, using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

Dividend yield (%)	Nil
Expected volatility (%)	48.75
Risk-free interest rate (%)	0.72

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

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

As at 30 June 2018, the Company had 16,850,000 share options outstanding under the Share Option Scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 16,850,000 additional ordinary shares of the Company and additional share capital of HK\$1,685 and share premium of at least HK\$9,569,115 (before issue expenses).

At the date of approval of these financial statements, the Company had 16,850,000 share options outstanding under the Share Option Scheme, which represented approximately 1.0% of the Company's shares in issue as of that date.

21. Commitments

The Group had the following capital commitments at the end of the Reporting Period:

	30 June 2018 2018年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2017 2017年 12月31日 RMB'000 人民幣千元
Contracted, but not provided for:		
– Construction of a cold chain storage facility	83,039	84,691

20. 購股權計劃(續)

根據購股權計劃所授出以股權結算的購股權的公平值乃於授出日期以二項式模式估計，並經計及所授出購股權的條款及條件。下表載列所採用的模式參數：

股息率(%)	零
預期波幅(%)	48.75
無風險利率(%)	0.72

預期波幅反映歷史波幅可標示未來趨勢的假設，但未必為實際結果。

計量公平值時概無納入已授出購股權的其他特徵。

於2018年6月30日，根據購股權計劃，本公司有16,850,000份尚未行使的購股權。根據本公司目前的資本架構，倘悉數行使尚未行使的購股權，將導致額外發行16,850,000股本公司普通股以及增加股本1,685港元及股份溢價至少9,569,115港元(未扣除發行開支)。

於批准該等財務報表當日，根據購股權計劃，本公司有16,850,000份尚未行使的購股權，佔本公司於當日已發行股份約1.0%。

21. 承擔

本集團於報告期末的資本承擔如下：

22. Related Party Transactions

(a) During the Reporting Period, the Group had the following material transactions with its related parties:

22. 關連方交易

(a) 本集團於報告期內與關連方進行的重大交易如下：

		30 June 2018 2018年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2017 2017年 12月31日 RMB'000 人民幣千元
Guaranteed by Mr. Huang Xiangbin:	由黃祥彬先生擔保：		
Interest-bearing other loans	其他計息貸款	140,000	–
Bonds	債券	–	133,856
Secured by Risun's shares over the Company	以Risun所持有的本公司股份作抵押		
Interest-bearing other loans	其他計息貸款	140,000	–
Bonds	債券	–	133,856

(b) Compensation of key management personnel of the Group:

(b) 本集團主要管理人員薪酬：

		For the six months ended 30 June 截至6月30日止六個月	
		2018 2018年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2017 2017年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	731	1,726
Pension scheme contributions	退休金計劃供款	64	11
		795	1,737

23. Dividends

At a meeting of the Directors held on 30 August 2018, the Directors of the Company resolved not to declare or pay any interim dividends for the Reporting Period to shareholders (for the six months ended 30 June 2017: Nil).

24. Fair Value and Fair Value Hierarchy of Financial Instruments

The carrying amounts of the Group's cash deposits and interest-bearing bank and other loans approximated to their fair values during the Reporting Period based on the prevailing borrowing rates available for deposits and loans with similar terms and maturities.

The fair values of financial assets at fair value through profit or loss classified as held for trading are estimated based on valuation techniques. The model incorporate observable inputs of certain foreign exchange rates and risk-free interest rates. The carrying amounts of financial assets at fair value through profit or loss classified as held for trading are the same as their fair values. The fair value measurement hierarchy of the Group's financial assets at fair value through profit or loss classified as held for trading measured at fair value required observable inputs (Level 2) as of 30 June 2018 (31 December 2017: Level 2).

The carrying amounts of the Group's other financial instruments approximated to their fair values due to the short term to maturity at the end of the reporting Reporting Period.

25. Approval of the Interim Condensed Financial Information

The interim condensed financial information was approved and authorised for issue by the Board on 30 August 2018.

23. 股息

於2018年8月30日舉行的董事會議上，本公司董事議決不會就報告期向股東宣派或派付任何的中期股息(截至2017年6月30日止六個月：零)。

24. 公平值與金融工具的公平值層級

根據設有類似條款及到期日的存款及貸款的現行借貸率計算，本集團於報告期內的現金存款及計息銀行及其他貸款的賬面值與其公平值相若。

分類為持作買賣透過損益按公平值計量的金融資產的公平值按估值方法估計。該模式包括若干外匯匯率的可觀察輸入數據及無風險利率。分類為持作買賣透過損益按公平值計量的金融資產的賬面值與其公平值一致。於2018年6月30日，本集團按公平值計量的分類為持作買賣透過損益按公平值計量的金融資產需要使用可觀察輸入數據(第二級)(2017年12月31日：第二級)計量其公平值計量層級。

於報告期末，本集團其他金融工具的賬面值與其公平值相若，原因為該等工具於短期內到期。

25. 批准中期簡明財務資料

中期簡明財務資料已於2018年8月30日獲董事會批准及授權刊發。

Definitions

釋義

“Board” 「董事會」	Board of Directors 董事會
“China” or “the PRC” 「中國」	the People’s Republic of China excluding, for the purpose of this prospectus, Hong Kong, Macau Special Administrative Region and Taiwan 中華人民共和國，招股書中不包括香港、澳門特別行政區及台灣
“Company” or “our Company” or “the Company” 「本公司」	Sinco Pharmaceuticals Holdings Limited (興科蓉醫藥控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 16 March 2015 興科蓉醫藥控股有限公司，於2015年3月16日在開曼群島註冊成立的獲豁免有限公司
“Director(s)” 「董事」	the director(s) of the Company 本公司董事
“Group”, “our Group”, “the Group”, “we”, “us”, or “our” 「本集團」、「我們」或「我們的」	the Company and its subsidiaries and, in respect of the period before we became the holding company of our present subsidiaries, the businesses operated by such subsidiaries or their predecessors (as the case may be) 本公司及其附屬公司以及(就我們成為現有附屬公司的控股公司前的期間而言)相關附屬公司或其前身(視情況而定)經營的業務
“HK\$” 「港元」	Hong Kong Dollars, the lawful currency of Hong Kong 港元，香港法定貨幣
“HKSE” 「香港聯交所」	The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司
“Hong Kong” 「香港」	the Hong Kong Special Administrative Region of the PRC 中國香港特別行政區
“Hong Kong Branch Share Registrar” 「香港證券登記分處」	Computershare Hong Kong Investor Services Limited 香港中央證券登記有限公司
“Human Albumin Solution” 「人血白蛋白注射液」	refers to Octapharma’s human albumin solution 20% (containing 200 grammes of total protein per litre) and human albumin solution 25% (containing 250 grammes of total protein per litre). The term Human Albumin Solution refers to both products or either one of them as the context requires 奧克特瑤瑪生產的20%人血白蛋白注射液(每升含總蛋白200克)及25%人血白蛋白注射液(每升含總蛋白250克)。人血白蛋白注射液表示兩種產品或其中一種(視乎文義)

Definitions (Continued)

釋義(續)

“Listing” 「上市」	the listing of the Shares on the Main Board of the HKSE 股份在香港聯交所主板上市
“Listing Rules” 「上市規則」	the Rules Governing the Listing of Securities on the HKSE, as amended or supplemented from time to time 香港聯交所證券上市規則，經不時修訂或補充
“Main Board” 「主板」	Main Board of the HKSE 香港聯交所主板
“Model Code” 「標準守則」	Model Code for Securities Transactions by Directors of Listed Issuer 上市發行人董事進行證券交易的標準守則
“Mr. Huang” 「黃先生」	Mr. Huang Xiangbin (黃祥彬), Chairman of the Board, Executive Director, Co-Chief Executive Officer and one of our controlling shareholders 黃祥彬先生，董事會主席、執行董事、聯席行政總裁兼控股股東之一
“Octapharma” 「奧克特瑛瑪」	Octapharma AG, a corporation limited by shares incorporated in the Swiss Confederation Octapharma AG，於瑞士聯邦註冊成立的股份有限公司
“Prospectus” 「招股書」	the prospectus issued by the Company dated 29 February 2016 本公司於2016年2月29日刊發的招股書
“Reporting Period” 「報告期」	six months ended 30 June 2018 截至2018年6月30日止六個月
“Risun” 「Risun」	Risun Investments Limited, a limited company incorporated under the laws of BVI on 16 January 2015, which is a wholly-owned subsidiary of Mr. Huang Risun Investments Limited，於2015年1月16日根據英屬維爾京群島法律註冊成立的有限公司，為黃先生的全資附屬公司
“RMB” 「人民幣」	Renminbi Yuan, the lawful currency of China 人民幣元，中國法定貨幣
“SFO” 「證券及期貨條例」	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time 香港法例第571章證券及期貨條例，經不時修訂或補充
“Share(s)” 「股份」	ordinary share(s) in the capital of the Company with nominal value of HK\$0.0001 each 本公司股本中每股面值0.0001港元的普通股

Definitions (Continued)

釋義(續)

“Shareholder(s)”

「股東」

holder(s) of Shares

股份持有人

“Share Option Scheme”

「購股權計劃」

the share option scheme conditionally adopted by our Company on 1 February 2016, the principal terms of which are summarised in “Statutory and General Information — D. Other Information — 1 Share Option Scheme” in Appendix VII to the Prospectus

本公司於2016年2月1日有條件採納的購股權計劃，其主要條款概述於招股書附錄七「法定及一般資料 — D. 其他資料 — 1 購股權計劃」

“U.S. dollars” or “US\$”

「美元」

U.S. dollars, the lawful currency of the United States of America

美元，美利堅合眾國法定貨幣

In this Interim Report, the terms “associate,” “close associate,” “connected person,” “connected transaction,” “controlling shareholder,” “core connected person,” “subsidiary” and “substantial shareholder” shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

在本中期報告中，除文義另有所指外，「聯繫人」、「緊密聯繫人」、「關連人士」、「關連交易」、「控股股東」、「核心關連人士」、「附屬公司」及「主要股東」具有上市規則所賦予的涵義。

The English translation of the PRC entities, enterprises, nationals, facilities, regulations in Chinese are translations of the Chinese names. To the extent there is any inconsistency between the Chinese names of the PRC entities, enterprises, nationals, facilities, regulations and their English translations, the Chinese names shall prevail.

中國實體、企業、國家機構、設施、法規的英文名為中文名的翻譯。倘中國實體、企業、國家機構、設施、法規的中文名稱與其英文譯名有任何歧義，概以中文名稱為準。

