



Sanai Health Industry Group Company Limited 三愛健康產業集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號：1889



BOARD OF DIRECTORS

Executive Directors

Mr. Chen Chengqing (Chairman)
Mr. Gao Borui (appointed on 26 July 2019)
Mr. Yuan Chaoyang (appointed on 26 July 2019)
Professor Zhang Rongqing
Mr. Cheng Hok Kai, Frederick
(appointed on 9 May 2019)
Ms. Hung Hoi Lan (resigned on 26 July 2019)

Non-executive Director

Mr. Xiu Yuan

Independent Non-executive Directors

Mr. Tu Fangkui
Mr. Wang Zihao
Mr. Long Jun
Mr. Chan Chun Yin, Victor
(resigned on 3 April 2019)

COMPANY SECRETARY

Mr. Wong Yu Kit (appointed on 31 July 2019)
Mr. Zhou Chen (appointed on 11 January 2019
and resigned on 31 July 2019)
Mr. Lock Kwong Hang, Simon (resigned on 11
January 2019)

AUTHORIZED REPRESENTATIVES

Mr. Chen Chengqing
Mr. Wong Yu Kit (appointed on 31 July 2019)
Mr. Zhou Chen (appointed on 11 January 2019
and resigned on 31 July 2019)
Mr. Lock Kwong Hang, Simon (resigned on 11
January 2019)

董事會

執行董事

陳成慶先生(主席)
高伯瑞先生(自二零一九年七月二十六日委任)
袁朝陽先生(自二零一九年七月二十六日委任)
張榮慶教授
鄭學啟先生
(自二零一九年五月九日委任)
洪海瀾女士(自二零一九年七月二十六日辭任)

非執行董事

修遠先生

獨立非執行董事

屠方魁先生
王子豪先生
隆軍先生
陳仲然先生(自二零一九年四月三日辭任)

公司秘書

黃儒傑先生(自二零一九年七月三十一日委任)
周晨先生(自二零一九年一月十一日委任並
於二零一九年七月三十一日辭任)
駱廣恒先生(自二零一九年一月十一日辭任)

法定代表

陳成慶先生
黃儒傑先生(自二零一九年七月三十一日委任)
周晨先生(自二零一九年一月十一日委任並
於二零一九年七月三十一日辭任)
駱廣恒先生(自二零一九年一月十一日辭任)

Corporate Information

公司資料

AUDIT COMMITTEE

Mr. Wang Zihao (*Chairman*)
Mr. Long Jun
Mr. Tu Fangkui

REMUNERATION COMMITTEE

Mr. Wang Zihao (*Chairman*)
Mr. Chen Chengqing
Mr. Long Jun
Mr. Tu Fangkui
Professor Zhang Rongqing

NOMINATION COMMITTEE

Mr. Chen Chengqing (*Chairman*)
Mr. Long Jun
Mr. Tu Fangkui
Mr. Wang Zihao
Professor Zhang Rongqing

AUDITOR

Crowe (HK) CPA Limited
Certified Public Accountants

PRINCIPAL BANKER

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

REGISTERED OFFICE

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

審核委員會

王子豪先生(*主席*)
隆軍先生
屠方魁先生

薪酬委員會

王子豪先生(*主席*)
陳成慶先生
隆軍先生
屠方魁先生
張榮慶教授

提名委員會

陳成慶先生(*主席*)
隆軍先生
屠方魁先生
王子豪先生
張榮慶教授

核數師

國富浩華(香港)會計師事務所有限公司
執業會計師

主要往來銀行

中國銀行(香港)有限公司
交通銀行股份有限公司

註冊辦事處

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

PLACE OF BUSINESS IN HONG KONG

Unit 5, 7/F
Nanyang Plaza
57 Hung To Road
Kwun Tong, Kowloon
Hong Kong

香港營業地點

香港
九龍觀塘
鴻圖道57號
南洋廣場
7樓5室

SHARE REGISTRARS AND TRANSFER OFFICES

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

股份過戶登記處

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

Hong Kong branch share registrar and transfer office
Computershare Hong Kong Investor Services
Limited
Shops 1712–1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

股份過戶登記處香港分處

香港中央證券登記有限公司

香港灣仔
皇后大道東183號
合和中心
17樓1712–1716號舖

STOCK CODE

1889

股份代號

1889

WEBSITE

www.1889hk.com

網址

www.1889hk.com

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

簡明綜合損益及其他全面收益表

For the six-month period ended 30 June 2019 截至二零一九年六月三十日止六個月期間

| | | Six months ended 30 June | |
|---|-------------------|--------------------------|-------------|
| | | 截至六月三十日止六個月 | |
| | | 2019 | 2018 |
| | | 二零一九年 | 二零一八年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| | | (Unaudited) | (Unaudited) |
| | | (未經審核) | (未經審核) |
| Revenue | 收益 | 26,690 | 50,104 |
| Cost of sales | 銷售成本 | (23,770) | (52,032) |
| Gross profit/(loss) | 毛利／(虧) | 2,920 | (1,928) |
| Other revenue and net income | 其他收入及淨收入 | 404,912 | 2,963 |
| Distribution costs | 分銷成本 | (68) | (453) |
| Administrative expenses | 行政費用 | (10,677) | (20,140) |
| Finance costs | 融資成本 | (4,504) | (2,540) |
| Impairment loss on finance lease receivables | 融資租賃應收款項減值虧損 | (1,034) | — |
| Impairment loss on trade receivables | 貿易應收款項減值虧損 | (1,664) | — |
| Impairment loss on other receivables | 其他應收款項減值虧損 | (320) | — |
| Profit/(loss) before tax | 除稅前溢利／(虧損) | 389,565 | (22,098) |
| Income tax credit/(expense) | 所得稅抵免／(開支) | 4,690 | (282) |
| Profit/(loss) for the period | 期內溢利／(虧損) | 394,255 | (22,380) |
| Other comprehensive (loss)/ income for the period | 期內其他全面(虧損)／收益 | | |
| Item that may be reclassified subsequently to profit or loss: | 期後或會重新分類至損益之項目： | | |
| Exchange differences on translation of financial statements of foreign operations | 換算海外業務財務報表產生之匯兌差額 | (242) | 73 |
| Total comprehensive income/(loss) for the period | 期內全面收益／(虧損)總額 | 394,013 | (22,307) |

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

簡明綜合損益及其他全面收益表

For the six-month period ended 30 June 2019 截至二零一九年六月三十日止六個月期間

| | | Six months ended 30 June | |
|--|----------------------|-------------------------------|--------------------------------|
| | | 截至六月三十日止六個月 | |
| | | 2019 | 2018 |
| | | 二零一九年 | 二零一八年 |
| Notes | 附註 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| | | (Unaudited) | (Unaudited) |
| | | (未經審核) | (未經審核) |
| Profit/(loss) for the period attributable to: | 期內以下人士應佔溢利／(虧損)： | | |
| — Owners of the Company | — 本公司擁有人 | 394,009 | (22,380) |
| — Non-controlling interests | — 非控股權益 | 246 | — |
| | | 394,255 | (22,380) |
| Total comprehensive income/(loss) for the period attributable to: | 期內以下人士應佔全面收益／(虧損)總額： | | |
| — Owners of the Company | — 本公司擁有人 | 393,767 | (22,307) |
| — Non-controlling interests | — 非控股權益 | 246 | — |
| | | 394,013 | (22,307) |
| Earnings/(loss) per share | 每股盈利／(虧損) | | |
| — Basic and diluted | — 基本及攤薄 | 8 | |
| | | RMB人民幣 12.8 cents分 | RMB人民幣 (0.8) cents分 |

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

As at 30 June 2019 於二零一九年六月三十日

| | | 30 June 2019 二零一九年 六月三十日 | | 31 December 2018 二零一八年 十二月三十一日 |
|--|-------------------|-----------------------------------|---|---|
| | | Notes 附註 | RMB'000 人民幣千元 (Unaudited) (未經審核) | RMB'000 人民幣千元 (Audited) (經審核) |
| Non-current assets | 非流動資產 | | | |
| Property, plant and equipment | 物業、廠房及設備 | 9 | 10,045 | 30,489 |
| Land use rights | 土地使用權 | | 4,724 | 3,827 |
| Goodwill | 商譽 | 10 | 20,027 | — |
| Intangible assets | 無形資產 | | 28,523 | 28,507 |
| Deposits for acquisition of non-current assets | 收購非流動資產的按金 | 11 | 12,340 | 59,100 |
| Financial asset at fair value through other comprehensive income | 按公平值計入其他全面收益之金融資產 | | 88 | — |
| Deposit paid for acquisition of a subsidiary | 收購一間附屬公司已付按金 | | 3,306 | — |
| Finance lease receivables | 融資租賃應收款項 | | 8,386 | 9,027 |
| | | | 87,439 | 130,950 |
| Current assets | 流動資產 | | | |
| Inventories | 存貨 | | 10,752 | 10,914 |
| Trade and other receivables | 貿易應收款項及其他應收款項 | 11 | 65,644 | 108,127 |
| Tax recoverable | 可收回稅項 | | 52 | 302 |
| Finance lease receivables | 融資租賃應收款項 | | 90,542 | 91,305 |
| Financial assets at fair value through profit or loss | 按公平值計入損益之金融資產 | | 1,415 | 6,387 |
| Cash and cash equivalents | 現金及現金等價物 | 12 | 7,420 | 17,745 |
| | | | 175,825 | 234,780 |

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

As at 30 June 2019 於二零一九年六月三十日

| | | | 30 June 2019 二零一九年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核) | 31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核) |
|---|-------------------|----|--|---|
| Current liabilities | 流動負債 | | | |
| Trade and other payables | 貿易應付款項及其他應付款項 | 13 | 29,152 | 48,437 |
| Secured bank loans | 有抵押銀行貸款 | 16 | — | 233,792 |
| Current taxation | 當期稅項 | | 1,106 | 1,221 |
| | | | 30,258 | 283,450 |
| Net current assets/(liabilities) | 淨流動資產／(負債) | | 145,567 | (48,670) |
| Total assets less current liabilities | 總資產減流動負債 | | 233,006 | 82,280 |
| Non-current liabilities | 非流動負債 | | | |
| Deposits received | 已收按金 | 13 | 5,722 | 5,722 |
| Deferred tax liabilities | 遞延稅項負債 | | 178 | 5,031 |
| Long-term borrowings | 長期借貸 | | 2,000 | — |
| | | | 7,900 | 10,753 |
| Net assets | 淨資產 | | 225,106 | 71,527 |
| Capital and reserves | 資本及儲備 | | | |
| Share capital | 股本 | 17 | 28,601 | 28,601 |
| Reserves | 儲備 | | 193,308 | 42,926 |
| Equity attributable to owners of the Company | 本公司擁有人應佔權益 | | 221,909 | 71,527 |
| Non-controlling interests | 非控股權益 | | 3,197 | — |
| Total equity | 總權益 | | 225,106 | 71,527 |

Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

For the six-month period ended 30 June 2019 截至二零一九年六月三十日止六個月期間

| | | Attributable to owners of the Company | | | | | | | | | | | |
|--|-----------------------|---------------------------------------|---------------|----------------------|-----------------|-----------------|---------------------------|---------------------------|---------------------|--------------------|-----------|---------------------------|-----------|
| | | 本公司擁有人應佔 | | | | | | | | | | | |
| | | Share capital | Share premium | Share option reserve | Special reserve | Capital reserve | Statutory surplus reserve | Non-distributable reserve | Translation reserve | Accumulated losses | Total | Non-controlling interests | Total |
| | | 股本 | 股份溢價 | 購股權儲備 | 特別儲備 | 資本儲備 | 法定盈餘儲備 | 不可分派儲備 | 匯兌儲備 | 累計虧損 | 總計 | 非控股權益 | 總計 |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| At 1 January 2018 (audited) | 於二零一八年一月一日 | | | | | | | | | | | | |
| | (經審核) | 27,009 | 1,195,575 | — | (124,106) | 53,000 | 263,411 | 23,752 | (530) | (1,218,886) | 219,225 | — | 219,225 |
| Loss for the period | 期內虧損 | — | — | — | — | — | — | — | — | (22,380) | (22,380) | — | (22,380) |
| Other comprehensive loss for the period | 期內其他全面虧損 | — | — | — | — | — | — | — | 73 | — | 73 | — | 73 |
| Total comprehensive loss for the period | 期內全面總虧損 | — | — | — | — | — | — | — | 73 | (22,380) | (22,307) | — | (22,307) |
| Equity-settled share-based transactions | 以權益結算以股份為基礎之交易 | — | — | 10,481 | — | — | — | — | — | — | 10,481 | — | 10,481 |
| Shares issued upon exercise of share options | 於行使購股權後發行之股份 | 1,582 | 59,379 | (8,767) | — | — | — | — | — | — | 52,204 | — | 52,204 |
| At 30 June 2018 (unaudited) | 於二零一八年六月三十日 (未經審核) | 28,601 | 1,254,954 | 1,714 | (124,106) | 53,000 | 263,411 | 23,752 | (457) | (1,241,266) | 259,603 | — | 259,603 |
| At 1 January 2019 (audited) | 於二零一九年一月一日 | | | | | | | | | | | | |
| | (經審核) | 28,601 | 1,254,954 | 1,714 | (78,256) | 53,000 | 237,029 | 23,752 | (263) | (1,449,004) | 71,527 | — | 71,527 |
| Profit for the period | 期內溢利 | — | — | — | — | — | — | — | — | 394,009 | 394,009 | 246 | 394,225 |
| Other comprehensive loss for the period | 期內其他全面虧損 | — | — | — | — | — | — | — | (242) | — | (242) | — | (242) |
| Total comprehensive income/(loss) for the period | 期內全面總收入/(虧損) | — | — | — | — | — | — | — | (242) | 394,009 | 393,767 | 246 | 394,013 |
| Acquisition of a subsidiary (note 15) | 收購一間附屬公司(附註15) | — | — | — | — | — | — | — | — | — | — | 2,951 | 2,951 |
| Disposal of subsidiaries (note 14) | 出售附屬公司(附註14) | — | — | — | 67,840 | (53,000) | (234,473) | (23,752) | — | — | (243,385) | — | (243,385) |
| At 30 June 2019 (unaudited) | 於二零一九年六月三十日(未經審核) | 28,601 | 1,254,954 | 1,714 | (10,416) | — | 2,556 | — | (505) | (1,054,995) | 221,909 | 3,197 | 225,106 |

The notes on pages 10 to 58 form part of this interim report.

第10至58頁的附註構成本中期報告之一部分。

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

For the six-month period ended 30 June 2019 截至二零一九年六月三十日止六個月期間

| | | Six months ended 30 June 截至六月三十日止六個月 | |
|--|-----------------------|--|--|
| | | 2019 二零一九年 RMB'000 人民幣千元 (Unaudited) (未經審核) | 2018 二零一八年 RMB'000 人民幣千元 (Unaudited) (未經審核) |
| Cash generated from operations | 經營活動所得現金 | 15,561 | 17,354 |
| Income tax paid — The People's Republic of China (the "PRC") | 已付所得稅 — 中華人民共和國(「中國」) | (243) | (444) |
| Net cash generated from operating activities | 經營活動所得現金淨額 | 15,318 | 16,910 |
| Net cash generated from investing activities | 投資活動所得現金淨額 | 46,738 | 20,929 |
| Financing activities | 融資活動 | | |
| Interest paid | 已付利息 | (4,504) | (2,540) |
| Repayment of bank loans | 償還銀行貸款 | (67,803) | (2,844) |
| Proceeds from exercise of share options | 購股權獲行使之所得款項 | — | 52,204 |
| Net cash (used in)/generated from financing activities | 融資活動(所用)/所得現金淨額 | (72,307) | 46,820 |
| Net (decrease)/increase in cash and cash equivalents | 現金及現金等價物(減少)/增加淨額 | (10,251) | 84,659 |
| Cash and cash equivalents at 1 January | 於一月一日的現金及現金等價物 | 17,745 | 61,725 |
| Effect of foreign exchange rate changes | 外匯變動之影響 | (74) | 47 |
| Cash and cash equivalents at 30 June | 於六月三十日的現金及現金等價物 | 7,420 | 146,431 |
| Analysis of the balances of cash and cash equivalents | 現金及現金等價物結餘分析 | | |
| Bank balances and cash | 銀行結餘及現金 | 7,420 | 146,431 |

The notes on pages 10 to 58 form part of this interim report. 第10至58頁的附註構成本中期報告之一部分。

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

For the six-month period ended 30 June 2019 截至二零一九年六月三十日止六個月期間

1. GENERAL INFORMATION AND BASIS OF PREPARATION

Sanai Health Industry Group Company Limited (the “Company”) was incorporated in the Cayman Islands on 21 March 2006 and registered as an exempted company with limited liability under the Companies Law, Cap.22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and acts as an investment holding company. Its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 1 February 2007. The addresses of the registered office and principal place of business of the Company are Grand Pavilion, Hibiscus Way, 802 West Bay Road, P.O. Box 31119, KY1-1205, Cayman Islands and Unit 5, 7/F, Nanyang Plaza, 57 Hung To Road, Kwun Tong, Kowloon, Hong Kong respectively. The principal activities of its principal subsidiaries are the development, manufacturing, marketing and sales of pharmaceutical products, provision of genetic testing and molecular diagnostic services, general trading and provision of finance leasing services.

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

1. 一般資料及編製基準

三愛健康產業集團有限公司(「本公司」)根據開曼群島公司法第22章(一九六一年第三條法例，經綜合及經修訂)於二零零六年三月二十一日在開曼群島註冊成立為受豁免有限公司並作為一家投資控股公司。其股份於二零零七年二月一日於香港聯合交易所有限公司(「聯交所」)主板上市。本公司的註冊辦事處及主要營業地點的地址分別為Grand Pavilion, Hibiscus Way, 802 West Bay Road, P.O. Box 31119, KY1-1205, Cayman Islands及香港九龍觀塘鴻圖道57號南洋廣場7樓5室。本公司主要附屬公司的主要業務為從事醫藥產品開發、製造、市場推廣及銷售，提供基因檢測及分子生物診斷服務以及一般貿易及融資租賃服務。

未經審核簡明綜合財務報表以人民幣(「人民幣」)呈列並四捨五入至千元，惟每股數據除外。人民幣為本公司之功能貨幣及本集團之呈列貨幣。

1. GENERAL INFORMATION AND BASIS OF PREPARATION (CONTINUED)

The unaudited condensed consolidated financial statements for the six months ended 30 June 2019 have been prepared in accordance with the applicable disclosure provision of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) including compliance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The unaudited condensed consolidated financial statements were authorised for issue on 30 August 2019.

The unaudited condensed consolidated financial statements for the six months ended 30 June 2019 have been prepared in accordance with the same accounting policies adopted in the 2018 annual audited financial statements, except for the changes in accounting policies that are expected to be reflected in the 2019 annual audited financial statements. Details of these changes in accounting policies are set out in note 2 below.

1. 一般資料及編製基準(續)

截至二零一九年六月三十日止六個月之未經審核簡明綜合財務報表乃根據香港聯合交易所有限公司證券上市規則(「上市規則」)之適用披露規定，包括香港會計師公會(「香港會計師公會」)所頒佈之香港會計準則(「香港會計準則」)第34號「中期財務報告」所編製。未經審核簡明綜合財務報表於二零一九年八月三十日獲授權刊發。

截至二零一九年六月三十日止六個月之未經審核簡明綜合財務報表乃根據於二零一八年經審核年度財務報表所採納之相同會計政策編製，惟預期於二零一九年經審核年度財務報表反映之會計政策變動除外。有關該等會計政策變動之詳情於下文附註2載列。

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

For the six-month period ended 30 June 2019 截至二零一九年六月三十日止六個月期間

1. GENERAL INFORMATION AND BASIS OF PREPARATION (CONTINUED)

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

The notes to the unaudited condensed consolidated financial statements include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2018 annual audited financial statements. The unaudited condensed consolidated financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), and should be read in conjunction with the Group's 2018 annual audited financial statements.

1. 一般資料及編製基準 (續)

按照香港會計準則第34號編製未經審核簡明綜合財務報表時，管理層必須作出影響政策應用及本年度截至現在為止所呈報資產、負債、收入及開支數額之判斷、估計及假設。實際結果可能有別於此等估計數字。

未經審核簡明綜合財務報表附註包括對了解本集團自二零一八年經審核年度財務報表刊發以來財務狀況及業績變動而言屬重大的事件及交易的說明。未經審核簡明綜合財務報表及其附註並不包括根據香港財務報告準則（「香港財務報告準則」）編製整套財務報表所需的所有資料，並應與本集團二零一八年經審核年度財務報表一併閱讀。

1. GENERAL INFORMATION AND BASIS OF PREPARATION (CONTINUED)

The financial information relating to the financial year ended 31 December 2018 that is included in the unaudited condensed consolidated financial statements for the six months ended 30 June 2019 as comparative information does not constitute the Company's statutory financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31 December 2018 are available from the Company's registered office. The auditor has expressed a disclaimer opinion on those financial statements in their report dated 31 March 2019.

1. 一般資料及編製基準(續)

有關截至二零一八年十二月三十一日止財政年度並載入截至二零一九年六月三十日止六個月之未經審核簡明綜合財務報表內作為比較資料之財務資料，並不構成本公司於該財政年度之法定財務報表，惟摘錄自該等財務報表。截至二零一八年十二月三十一日止年度之法定財務報表在本公司之註冊辦事處可供索閱。核數師在其日期為二零一九年三月三十一日之報告內表示對該等財務報表不發表意見。

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

For the six-month period ended 30 June 2019 截至二零一九年六月三十日止六個月期間

2. CHANGES IN ACCOUNTING POLICIES

In the current interim period, the Group has applied, for the first time, the following new and amendments to HKFRSs and an interpretation issued by the HKICPA which are mandatorily effective for the annual period beginning on or after 1 January 2019 for the preparation of the Group's unaudited condensed consolidated financial statements:

| | |
|-----------------------|--|
| HKFRS 16 | Leases |
| HK(IFRIC)-Int 23 | Uncertainty over Income Tax Treatments |
| Amendments to HKFRS 9 | Prepayment Features with Negative Compensation |
| Amendments to HKAS 19 | Plan Amendment, Curtailment or Settlement |
| Amendments to HKAS 28 | Long-term Interests in Associates and Joint Ventures |
| Amendments to HKFRSs | Annual Improvements to HKFRSs 2015–2017 Cycle |

Except as disclosed below, the application of the amendments to HKFRSs and the interpretation in the current period has had no material impacts on Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

2. 會計政策之變動

於本中期期間，本集團已首次應用以下由香港會計師公會頒佈並於二零一九年一月一日或之後開始之年度期間強制生效之新訂香港財務報告準則及香港財務報告準則之修訂本及詮釋，以編製本集團之未經審核簡明綜合財務報表：

| | |
|------------------------|----------------------------|
| 香港財務報告準則第16號 | 租賃 |
| 香港（國際財務報告詮釋委員會）—詮釋第23號 | 所得稅處理之不確定性 |
| 香港財務報告準則第9號修訂本 | 具有負補償之預付款特性 |
| 香港會計準則第19號修訂本 | 計劃修訂、縮減或結清 |
| 香港會計準則第28號修訂本 | 於聯營公司及合資企業之長期權益 |
| 香港財務報告準則修訂本 | 香港財務報告準則二零一五年至二零一七年週期之年度改進 |

除下文所披露者外，於本期間應用香港財務報告準則之修訂本及詮釋對本期間及過往期間本集團之財務表現及狀況及／或此等簡明綜合財務報表所載列之披露並無重大影響。

2. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

2.1 Impacts and changes in accounting policies of application on HKFRS 16 Leases ("HKFRS 16")

The Group has applied HKFRS 16 for the first time in the current interim period. HKFRS 16 superseded HKAS 17 Leases ("HKAS 17"), and the related interpretations.

2.1.1 Key changes in accounting policies resulting from application of HKFRS 16

The Group applied the following accounting policies in accordance with the transition provisions of HKFRS 16.

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception or modification date. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

2. 會計政策之變動(續)

2.1 應用香港財務報告準則第16號(「香港財務報告準則第16號」)租賃而產生的會計政策影響及變動

本集團於本中期期間首次應用香港財務報告準則第16號。香港財務報告準則第16號取代香港會計準則第17號(「香港會計準則第17號」)租賃及相關詮釋。

2.1.1 應用香港財務報告準則第16號導致的會計政策重要變動

本集團已根據香港財務報告準則第16號所載之過渡性條文應用下列會計政策。

租賃的定義

倘合約為換取代價而給予在一段時間內控制可識別資產使用的權利，則該合約是租賃或包含租賃。

就於首次應用日期或之後訂立或修改的合約而言，本集團根據香港財務報告準則第16號的定義於初始或修改日期評估該合約是否為租賃或包含租賃。除非合約的條款及條件其後出現變動，否則有關合約將不予重新評估。

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

For the six-month period ended 30 June 2019 截至二零一九年六月三十日止六個月期間

2. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

2.1 Impacts and changes in accounting policies of application on HKFRS 16 Leases (“HKFRS 16”) (continued)

2.1.1 Key changes in accounting policies resulting from application of HKFRS 16 (continued)

As a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

As a practical expedient, leases with similar characteristics are accounted on a portfolio basis when the Group reasonably expects that the effects on the financial statements would not differ materially from individual leases within the portfolio.

2. 會計政策之變動(續)

2.1 應用香港財務報告準則第16號(「香港財務報告準則第16號」)租賃而產生的會計政策影響及變動(續)

2.1.1 應用香港財務報告準則第16號導致的會計政策重要變動(續)

作為承租人

分配代價至合約各組成部分

就包含一項租賃組成部分及一項或以上額外租賃或非租賃組成部分之合約而言，本集團以租賃組成部分之相關獨立價格及非租賃組成部分之匯總獨立價格為基準將合約代價分配至各租賃組成部分。

作為切實可行的權宜之計，當本集團合理預期以組合為基礎計量對財務報表的影響與組合內的獨立租賃並無重大分別時，則擁有類似特點的租賃以組合為基礎計量。

2. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

2.1 Impacts and changes in accounting policies of application on HKFRS 16 Leases ("HKFRS 16") (continued)

2.1.1 Key changes in accounting policies resulting from application of HKFRS 16 (continued)

As a lessor

Allocation of consideration to components of a contract

Effective on 1 January 2019, the Group applies HKFRS 15 Revenue from Contracts with Customers ("HKFRS 15") to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

Refundable rental deposits

Refundable rental deposits received are accounted under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

Lease modification

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

2. 會計政策之變動(續)

2.1 應用香港財務報告準則第16號(「香港財務報告準則第16號」)租賃而產生的會計政策影響及變動(續)

2.1.1 應用香港財務報告準則第16號導致的會計政策重要變動(續)

作為出租人

分配代價至合約組成部分

自二零一九年一月一日起，本集團應用香港財務報告準則第15號來自客戶合約之收益(「香港財務報告準則第15號」)分配合約的代價至租賃及非租賃組成部分。非租賃組成部分與租賃組成部分根據各自的獨立售價區分。

可退回租賃按金

已收可退回租賃按金根據香港財務報告準則第9號入賬，並按公平值初始計量。初始確認時之公平值調整視為承租人作出的額外租賃付款。

租賃修訂

本集團將經營租賃之修訂自修訂日期起按新租賃入賬，並認為任何與原來租賃相關的預付或應計租賃付款為新租賃之租賃付款的一部分。

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For the six-month period ended 30 June 2019 截至二零一九年六月三十日止六個月期間

2. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

Transition and summary of effects arising from initial application of HKFRS 16

Definition of a lease

The Group has elected the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4. Determining whether an Arrangement contains a Lease and not apply this standard to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

For contracts entered into or modified on or after 1 January 2019, the Group applies the definition of a lease in accordance with the requirements set out in HKFRS 16 in assessing whether a contract contains a lease.

2. 會計政策之變動(續)

初次應用香港財務報告準則第16號的過渡及其產生的影響概要

租賃定義

本集團已選擇切實的權宜方案，對先前於香港會計準則第17號及香港(國際財務報告詮釋委員會)詮釋第4號釐定安排是否包含租賃項下確定為租賃之合約，應用香港財務報告準則第16號，反之，過往並無確認為包含租賃的合約則並無應用本準則。因此，本集團並無對已於初次應用日期前已存在的合約進行重新評估。

就二零一九年一月一日或之後訂立或修訂的合約而言，本集團於評估合約是否包含租賃時，應用與香港財務報告準則第16號所載規定一致之租賃定義。

2. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

Transition and summary of effects arising from initial application of HKFRS 16 (continued)

As a lessee

The Group has applied HKFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 January 2019. Any difference at the date of initial application is recognised in the opening accumulated losses and comparative information has not been restated.

When applying the modified retrospective approach under HKFRS 16 at transition, the Group applied the following practical expedients to leases previously classified as operating leases under HKAS 17, on lease by-lease basis, to the extent relevant to the respective lease contracts:

- relied on the assessment of whether leases are onerous by applying HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets* as an alternative of impairment review;
- elected not to recognise right-of-use assets and lease liabilities for leases with lease term ends within 12 months of the date of initial application;
- excluded initial direct costs from measuring the right-of-use assets at the date of initial application;

2. 會計政策之變動(續)

初次應用香港財務報告準則第16號的過渡及其產生的影響概要(續)

作為承租人

本集團已追溯應用香港財務報告準則第16號，累計影響於首次應用日期(二零一九年一月一日)確認。於首次應用日期的任何差額於期初累計虧損確認且比較資料不予重列。

於過渡時應用香港財務報告準則第16號項下的經修訂追溯方法時，本集團按逐項租賃基準就先前根據香港會計準則第17號分類為經營租賃且與各租賃合約相關的租賃應用以下可行權宜方法：

- 依據香港會計準則第37號撥備、或然負債及或然資產評估該租賃是否有虧損性作為減值審查之替代方法；
- 選擇不就租賃期於首次應用日期起計12個月內結束的租賃確認使用權資產及租賃負債；
- 於首次應用日期排除初始直接成本以計量使用權資產；

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For the six-month period ended 30 June 2019 截至二零一九年六月三十日止六個月期間

2. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

Transition and summary of effects arising from initial application of HKFRS 16 (continued)

As a lessee (continued)

- applied a single discount rate to a portfolio of leases with a similar remaining term for similar class of underlying assets in similar economic environment; and
- used hindsight based on facts and circumstances as at date of initial application in determining the lease term for the Group's leases with extension and termination options.

There is no material impact on the adoption of HKFRS 16 as a lessee.

As a lessor

In accordance with the transitional provisions in HKFRS 16, the Group is not required to make any adjustment on transition for leases in which the Group is a lessor but account for these leases in accordance with HKFRS 16 from the date of initial application and comparative information has not been restated.

2. 會計政策之變動(續)

初次應用香港財務報告準則第16號的過渡及其產生的影響概要(續)

作為承租人(續)

- 對類似經濟環境下類似相關資產類別具有類似剩餘年期之租賃組合，應用單一折現率；及
- 倘本集團租賃包含延期或終止租賃選擇權，則事後於首次應用日期根據事實及情況釐定租賃期限。

作為承租人，採納香港財務報告準則第16號對其並無重大影響。

作為出租人

根據香港財務報告準則第16號之過渡性條文，本集團無須於過渡時就本集團作為出租人之租賃作出任何調整，惟須由初次應用日期起按香港財務報告準則第16號就該等租賃入賬，並無重列比較資料。

2. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

Transition and summary of effects arising from initial application of HKFRS 16 (continued)

As a lessor (continued)

Upon application of HKFRS 16, new lease contracts entered into but commence after the date of initial application relating to the same underlying assets under existing lease contracts are accounted as if the existing leases are modified as at 1 January 2019. The application has had no impact on the Group's condensed consolidated statement of financial position at 1 January 2019. However, effective from 1 January 2019, lease payments relating to the revised lease term after modification are recognised as income on straight-line basis over the extended lease term.

Before application of HKFRS 16, refundable rental deposits received were considered as rights and obligations under leases to which HKAS 17 applied. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right-of-use assets and were adjusted to reflect the discounting effect at transition. The discounting effect had no material impact on the condensed consolidated financial statements of the Group.

2. 會計政策之變動(續)

初次應用香港財務報告準則第16號的過渡及其產生的影響概要(續)

作為出租人(續)

應用香港財務報告準則第16號後，於初始應用日期後訂立但尚未生效，且與現有租賃合約項下相同相關資產有關的新租賃合約，按猶如現有租賃合約於二零一九年一月一日修訂之方式入賬。應用該準則對本集團於二零一九年一月一日的簡明綜合財務狀況表並無影響。然而，與修改後的經修訂租期相關的租賃付款於經延長租期內以直線基準確認為收入，自二零一九年一月一日起生效。

應用香港財務報告準則第16號前，本集團視已收可退回租賃按金為香港會計準則第17號所應用租賃項下的權利及責任。根據香港財務報告準則第16號項下租賃付款的定義，該等按金並非有關使用權資產之付款，且予以調整以反映過渡時的貼現影響。該貼現影響對本集團的簡明綜合財務報表並沒構成重大影響。

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2. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

Transition and summary of effects arising from initial application of HKFRS 16 (continued)

As a lessor (continued)

Effective on 1 January 2019, the Group has applied HKFRS 15 to allocate consideration in the contract to each lease and non-lease components. The change in allocation basis has had no material impact on the condensed consolidated financial statements of the Group for the current period.

3. SEGMENT INFORMATION

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

- (a) Pharmaceutical products: development, manufacturing, marketing and sales of pharmaceutical products and sales of health care products;
- (b) Finance leasing: provision of finance leasing services;

2. 會計政策之變動(續)

初次應用香港財務報告準則第16號的過渡及其產生的影響概要(續)

作為出租人(續)

自二零一九年一月一日起，本集團應用香港財務報告準則第15號分配合約的代價至租賃及非租賃組成部分。該分配基準之改變對本集團本期間的簡明綜合財務報表並沒構成重大影響。

3. 分部資料

本集團以分部管理業務，而分部則以業務範圍及地區劃分。按與董事會(主要經營決策者)就資源分配和表現評估作內部報告資料一致的方式，本集團已呈列下列四個可呈報分部。本集團並無將營運分部合併以組成以下之可呈報分部。

- (a) 醫藥產品：開發、製造、市場推廣及銷售醫藥產品及銷售保健品；
- (b) 融資租賃：提供融資租賃服務；

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3. SEGMENT INFORMATION (CONTINUED)

- (c) Other general trading: trading of goods other than pharmaceutical products; and
- (d) Genetic testing and molecular diagnostic services: provision of genetic testing and molecular diagnostic services.

Information regarding the Group's reportable segments as provided to the Board for the purposes of resources allocation and assessment of segment performance for the six months ended 30 June 2019 and 2018 is set out below:

3. 分部資料(續)

- (c) 其他一般貿易：買賣醫藥產品以外之商品；及
- (d) 基因檢測及分子生物診斷服務：提供基因檢測及分子生物診斷服務。

提供予董事會以進行資源分配及對截至二零一九年及二零一八年六月三十日止六個月之分部表現進行評估之本集團之可呈報分部資料載列如下：

| | | Six months ended 30 June 2019 (unaudited) 截至二零一九年六月三十日止六個月(未經審核) | | | | |
|--|----------------|---|--------------------------|----------------------------|--|--------|
| | | Pharmaceutical products | Finance leasing | Other general trading | Genetic testing and molecular diagnostic services 基因檢測及分子生物診斷服務 | Total |
| | | 醫藥產品 RMB'000 人民幣千元 | 融資租賃 RMB'000 人民幣千元 | 其他一般貿易 RMB'000 人民幣千元 | 總計 RMB'000 人民幣千元 | |
| Reportable segment revenue from external customers | 來自外部客戶之可呈報分部收益 | 3,130 | 3,239 | 18,951 | 1,370 | 26,690 |
| Reportable segment profit/(loss) | 可呈報分部溢利/(虧損) | 36,489 | 797 | (562) | 29 | 36,753 |

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3. SEGMENT INFORMATION (CONTINUED)

3. 分部資料 (續)

| | | Six months ended 30 June 2018 (unaudited) 截至二零一八年六月三十日止六個月 (未經審核) | | | |
|--|----------------|--|-----------------|-----------------------|----------|
| | | Pharmaceutical products | Finance leasing | Other general trading | Total |
| | | 醫藥產品 | 融資租賃 | 其他一般貿易 | 總計 |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| Reportable segment revenue from external customers | 來自外部客戶之可呈報分部收益 | 24,098 | 1,496 | 24,510 | 50,104 |
| Reportable segment (loss)/profit | 可呈報分部(虧損)/溢利 | (13,859) | 672 | (876) | (14,063) |

There are no inter-segment sales for the six-month periods ended 30 June 2019 and 2018.

截至二零一九年及二零一八年六月三十日止六個月，本集團並無分部間銷售。

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

呈報分部(虧損)/溢利乃按各分部之盈利及虧損計算，惟未分配其他收入，主要行政費用及其他運營開支。

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3. SEGMENT INFORMATION (CONTINUED)

(i) Revenue from external customers

The following sets out information about the geographical location of the Group's revenue from external customers, based on the location at which the services were provided or the goods delivered.

3. 分部資料 (續)

(i) 來自外部客戶之收益

下表載列有關本集團來自外部客戶之收益的所在地區之資料。客戶所在地區按提供服務或貨品付運地點劃分。

| | | Revenues from external customers | |
|-------------------------|----------|----------------------------------|-------------|
| | | 外部客戶產生之收益 | |
| | | Six months ended 30 June | |
| | | 截至六月三十日止六個月 | |
| | | 2019 | 2018 |
| | | 二零一九年 | 二零一八年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| | | (Unaudited) | (Unaudited) |
| | | (未經審核) | (未經審核) |
| Hong Kong | 香港 | 1,977 | 24,340 |
| PRC (place of domicile) | 中國 (所在地) | 24,713 | 25,764 |
| | | 26,690 | 50,104 |

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3. SEGMENT INFORMATION (CONTINUED)

3. 分部資料 (續)

Reconciliation of reportable segment profit or loss:

可呈報分部溢利或虧損的對賬：

| | | Six months ended 30 June 截至六月三十日止六個月 | |
|---|--------------------------|--|--|
| | | 2019 二零一九年 RMB'000 人民幣千元 (Unaudited) (未經審核) | 2018 二零一八年 RMB'000 人民幣千元 (Unaudited) (未經審核) |
| Total reportable segment profit/ (loss) derived from the Group's external customers | 本集團外部客戶衍生之可呈報分部溢利／(虧損)總額 | 36,753 | (14,063) |
| Unallocated head office and corporate other revenue and net income | 未分配總辦事處及公司其他營業外收入及淨收入 | 356,691 | 4,200 |
| Unallocated head office and corporate expenses | 未分配總辦事處及公司開支 | | |
| – Staff costs (including directors' emoluments) | – 員工成本(包括董事酬金) | (1,321) | (840) |
| – Written off of property, plant and equipment | – 物業、廠房及設備撇銷 | — | — |
| – Others | – 其他 | (2,558) | (11,395) |
| Consolidated profit/(loss) before tax | 綜合稅前溢利／(虧損) | 389,565 | (22,098) |

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3. SEGMENT INFORMATION (CONTINUED)

The following table presents segment assets and segment liabilities of the Group's operating segments as at 30 June 2019 and 31 December 2018:

3. 分部資料 (續)

下表載列本集團經營分部於二零一九年六月三十日及二零一八年十二月三十一日之分部資產及分部負債：

| | | At 30 June 2019 (unaudited) 於二零一九年六月三十日 (未經審核) | | | | |
|-----------------------------------|---------|--|----------------------------|----------------------------|---|------------------------|
| | | Pharmaceutical products | Finance leasing | Other general trading | Genetic Testing and molecular diagnostic services 基因檢測及分子 生物診斷服務 | Total |
| | | 醫藥產品 RMB'000 人民幣千元 | 融資租賃服務 RMB'000 人民幣千元 | 其他一般貿易 RMB'000 人民幣千元 | 生物診斷服務 RMB'000 人民幣千元 | 總額 RMB'000 人民幣千元 |
| Reportable segment assets | 可呈報分部資產 | 26,769 | 105,361 | 67,312 | 17,667 | 217,109 |
| Reportable segment liabilities | 可呈報分部負債 | (13,557) | (4,864) | (17,814) | (627) | (36,862) |
| | | At 31 December 2018 (audited) 於二零一八年十二月三十一日 (經審核) | | | | |
| | | Pharmaceutical products | Finance leasing | Other general trading | | Total |
| | | 醫藥產品 RMB'000 人民幣千元 | 融資租賃服務 RMB'000 人民幣千元 | 其他一般貿易 RMB'000 人民幣千元 | | 總額 RMB'000 人民幣千元 |
| Reportable segment assets | 可呈報分部資產 | 106,286 | 101,307 | 49,052 | | 256,645 |
| Reportable segment liabilities | 可呈報分部負債 | (265,373) | (6,785) | (1,142) | | (273,300) |

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4. REVENUE

The amount of each significant category of revenue recognised during the period are as follows:

Disaggregation of revenue

4. 收益

期內確認之各重大類別之收益之金額如下：

收益細分

| | | Genetic testing and molecular diagnostic services | | | | | | | | | |
|--|----------------------------|---|-------------|-----------------|-------------|-----------------------|-------------|---------------------|-------------|-------------|-------------|
| | | Pharmaceutical products | | Finance leasing | | Other general trading | | diagnostic services | | Total | |
| | | 醫藥產品 | | 融資租賃 | | 其他一般貿易 | | 基因檢測及分子生物診斷服務 | | 總計 | |
| | | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| | | 二零一九年 | 二零一八年 | 二零一九年 | 二零一八年 | 二零一九年 | 二零一八年 | 二零一九年 | 二零一八年 | 二零一九年 | 二零一八年 |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| | | (unaudited) | (unaudited) | (unaudited) | (unaudited) | (unaudited) | (unaudited) | (unaudited) | (unaudited) | (unaudited) | (unaudited) |
| | | (未經審核) | (未經審核) | (未經審核) | (未經審核) | (未經審核) | (未經審核) | (未經審核) | (未經審核) | (未經審核) | (未經審核) |
| | | | | | | | | | | | |
| Types of goods and services | 貨品及服務類型 | | | | | | | | | | |
| Revenue from contracts with customers within the scope of HKFRS 15 | 於香港財務報告準則第15號範圍內的來自客戶合約之收益 | | | | | | | | | | |
| Sales of goods | 銷售貨品 | | | | | | | | | | |
| – Pharmaceutical products | – 醫藥產品 | 3,130 | 3,139 | – | – | – | – | – | – | 3,130 | 3,139 |
| – Other goods for general trading | – 其他一般貿易產品 | – | – | – | – | 2,619 | 21,613 | – | – | 2,619 | 21,613 |
| – Medical equipment | – 醫療設備 | – | – | – | – | 2,768 | – | – | – | 2,768 | – |
| – Electric appliances | – 電器 | – | – | – | – | 13,564 | 23,281 | – | – | 13,564 | 23,281 |
| – Other software | – 其他軟件 | – | – | – | – | – | 575 | – | – | – | 575 |
| Provision of genetic services and molecular diagnostic services | 提供基因服務及分子生物診斷服務 | – | – | – | – | – | – | 1,370 | – | 1,370 | – |
| Revenue from other sources | 來自其他來源之收益 | | | | | | | | | | |
| Finance leasing interest income | 融資租賃利息收入 | – | – | 3,239 | 1,496 | – | – | – | – | 3,239 | 1,496 |
| | | 3,130 | 3,139 | 3,239 | 1,496 | 18,951 | 45,469 | 1,370 | – | 26,690 | 50,104 |
| Timing of revenue recognition | 收益確認時間 | | | | | | | | | | |
| A point in time | 某一時間點 | 3,130 | 3,139 | – | – | 18,951 | 45,469 | 1,370 | – | 23,451 | 48,608 |
| Over time | 隨時間 | – | – | 3,239 | 1,496 | – | – | – | – | 3,239 | 1,496 |
| | | 3,130 | 3,139 | 3,239 | 1,496 | 18,951 | 45,469 | 1,370 | – | 26,690 | 50,104 |

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For the six-month period ended 30 June 2019 截至二零一九年六月三十日止六個月期間

5. PROFIT/(LOSS) BEFORE TAX

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

5. 除税前溢利／(虧損)

除税前溢利／(虧損)已扣除／(計入)下列項目：

| | | Six months ended 30 June | |
|--|------------------------------|--------------------------|-------------|
| | | 截至六月三十日止六個月 | |
| | | 2019 | 2018 |
| | | 二零一九年 | 二零一八年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| | | (Unaudited) | (Unaudited) |
| | | (未經審核) | (未經審核) |
| a) Finance costs | a) 融資成本 | | |
| Interest on bank borrowing and other borrowing | 銀行及其他借貸利息 | 4,504 | 2,540 |
| b) Other items | b) 其他項目 | | |
| Gain on disposal of subsidiaries (note 14) | 出售附屬公司之盈利(附註14) | (350,345) | — |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | 520 | 7,462 |
| Amortisation of land use rights | 土地使用權攤銷 | 220 | 790 |
| Equity-settled share-based payment expenses | 以權益結算以股份為基礎的付款支出 | — | 10,481 |
| Exchange gain, net | 匯兌收益淨額 | (5,194) | (2,863) |
| Operating lease payments in respect of rented premises | 就租賃物業支付的經營租約付款 | 1,000 | 682 |
| Research and development costs | 研發成本 | — | 151 |
| Cost of inventories | 存貨成本 | 21,759 | 52,026 |
| Net realised and unrealised (gain)/loss on financial assets at fair value through profit or loss | 按公平值計入損益之金融資產實現和未實現之淨(收益)／虧損 | (186) | 1,793 |

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6. INCOME TAX (CREDIT)/EXPENSE

6. 所得稅(抵免)/開支

| | | Six months ended 30 June 截至六月三十日止六個月 | |
|---|-----------------------|--|--|
| | | 2019 二零一九年 RMB'000 人民幣千元 (Unaudited) (未經審核) | 2018 二零一八年 RMB'000 人民幣千元 (Unaudited) (未經審核) |
| Current tax | 當期稅項 | | |
| — PRC Enterprise Income Tax (“PRC EIT”) | — 中國企業所得稅 (「中國企業所得稅」) | 128 | 262 |
| — Hong Kong Profits Tax | — 香港利得稅 | — | 20 |
| Deferred taxation | 遞延稅項 | (4,818) | — |
| | | (4,690) | 282 |

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

For other PRC subsidiaries of the Group, PRC EIT is calculated at 25% for the six-month period ended 30 June 2019. (For the six-month period ended 30 June 2018: 25%) in accordance with the relevant laws and regulations in the PRC.

- a) 根據中國相關法律及法規，本集團的其中一間國內附屬公司，福建六脈醫療服務有限公司，享有截至二零一六年及二零一七年十二月三十一日止兩個年度中國企業所得稅全免及截至二零一八年十二月三十一日止年度、截至二零二零年十二月三十一日止未來兩個年度中國企業所得稅減半徵收的稅務優惠。

就本集團其他國內附屬公司而言，截至二零一九年六月三十日止六個月中國企業所得稅乃根據中國相關法律法規按25%(截至二零一八年六月三十日止六個月：25%)計算。

6. INCOME TAX (CREDIT)/EXPENSE (CONTINUED)

- b) On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.
- c) Pursuant to the rules and regulations of the Cayman Islands, the Group is not subject to any income tax in the Cayman Islands.

6. 所得稅(抵免)/開支(續)

- b) 二零一八年三月二十一日，香港立法委員會通過二零一七年稅務(修訂)(第7號)條例草案(「條例草案」)，引入利得稅兩級制。該條例草案於二零一八年三月二十八日獲簽署成為法律，並於翌日在憲報刊登。根據利得稅兩級制，合資格集團實體的首個200萬港元利潤將按8.25%的稅率徵稅，高於200萬港元的利潤將按16.5%的稅率徵稅。不符合利得稅兩級制的集團實體之利潤將繼續按16.5%的固定稅率徵稅。
- c) 根據開曼群島之規則及規例，本集團毋須於開曼群島繳付任何所得稅。

7. DIVIDENDS

The directors of the Company do not recommend the payment of an interim dividend for the six-month period ended 30 June 2019 (six-month period ended 30 June 2018: Nil).

7. 股息

本公司董事建議不派發截至二零一九年六月三十日止六個月期間的中期股息(截至二零一八年六月三十日止六個月期間：無)。

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8. EARNINGS/(LOSS) PER SHARE

a) Basic earnings/(loss) per share

The calculation of basic earnings/(loss) per share is based on the profit attributable to owners of the Company of approximately RMB394,009,000 (six-month period ended 30 June 2018: loss attributable to owners of the Company of approximately RMB22,380,000) and the weighted average of 3,067,222,500 ordinary shares (six-month period ended 30 June 2018: 2,891,948,466 ordinary shares) in issue during the period.

b) Diluted earnings/(loss) per share

No adjustment has been made to the basis profit/(loss) per share amount presented as for the six-month period ended 30 June 2018 as the impact of the share options had an anti-dilutive effect on the basic loss per share amount presented. Regarding of the basic earnings per share for the six-month period ended 30 June 2019, no adjustment has been made as the exercise price of the Company's outstanding share options were higher than the average market price of the Company's shares for the period, which anticipated that no share option to subscribe the Company's shares will be exercised.

8. 每股盈利／(虧損)

a) 每股基本盈利／(虧損)

每股基本盈利／(虧損)乃根據期內本公司擁有人應佔溢利約人民幣394,009,000元(截至二零一八年六月三十日止六個月：本公司擁有人應佔虧損約人民幣22,380,000元)以及已發行加權平均3,067,222,500股普通股(截至二零一八年六月三十日止六個月：2,891,948,466股普通股)計算。

b) 每股攤薄盈利／(虧損)

由於購股權對每股基本虧損列值金額具有反攤薄影響，並未對截至二零一八年六月三十日止六個月期間的每股基本盈利／(虧損)列值金額作出調整。而由於本公司尚未行使購股權的行使價高於本公司期內股份平均市值，預計將不會行使認購本公司股份的購股權，故並未對截至二零一九年六月三十日止六個月的每股基本盈利作出調整。

9. PROPERTY, PLANT AND EQUIPMENT AND LAND USE RIGHTS

In 2018, Agricultural Bank of China initiated legal actions against the overdue bank loans (note 16), and certain property, plant and equipment and land use rights which were pledged to the bank were mandatorily auctioned through the local court in Jianyang City, Fujian Province, China (the "Court"). Two auctions were successfully held in 2018, and one auction was further held on 15 March 2019 for the remaining pledged property, plant and equipment and land use rights. During the period under review, the Agricultural Bank of China received net auction proceeds of RMB77,629,000 (being the gross proceeds of RMB78,000,000 minus of the relevant professional fees). The remaining bank loans were released through the disposal of subsidiaries (note 16).

9. 物業、廠房及設備及土地使用權

於二零一八年，中國農業銀行對逾期銀行貸款採取法律行動(附註16)，且若干抵押予銀行的物業、廠房及設備以及土地使用權透過中國福建省建陽市地方法院(「法院」)強制拍賣。兩起拍賣於二零一八年成功舉行，此外，就剩餘抵押物業、廠房及設備以及土地使用權的一起拍賣於二零一九年三月十五日舉行。於回顧期內，中國農業銀行收到拍賣所得款項淨額為人民幣77,629,000元(即所得款項總額人民幣78,000,000元減有關專業費)。剩餘銀行貸款通過出售附屬公司而解除(附註16)。

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

For the six-month period ended 30 June 2019 截至二零一九年六月三十日止六個月期間

10. GOODWILL

10. 商譽

| | | RMB'000 人民幣千元 |
|-------------------|-------------|------------------|
| Cost | 成本 | |
| At 1 January 2019 | 於二零一九年一月一日 | — |
| Addition | 新增 | 20,027 |
| At 30 June 2019 | 於二零一九年六月三十日 | 20,027 |

Details of acquisition of companies are disclosed in note 15. Approximately RMB15,449,000 of goodwill was contributed by the completion of acquisition of Zentrogene Bioscience Laboratory Limited while approximately RMB4,578,000 of goodwill was contributed by the completion of acquisition of Fujian Yongchun Pharmaceutical Company Limited.

有關收購公司的詳情於附註15中披露。完成收購Zentrogene Bioscience Laboratory Limited貢獻商譽約人民幣15,449,000元，而完成收購福建永春製藥有限公司貢獻商譽約人民幣4,578,000元。

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11. TRADE AND OTHER RECEIVABLES 11. 貿易應收款項及其他應收款項

| | | As at 30 June 2019 二零一九年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核) | As at 31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核) |
|--|-----------------|---|--|
| Trade receivables (net of loss allowance) | 貿易應收款項 (扣除虧損撥備) | 12,365 | 22,902 |
| Other receivables | 其他應收款項 | 7,186 | 49,322 |
| Investment in bond issued by a private company | 投資私營公司發行之債券 | 11,429 | 11,390 |
| Amount due from a related company | 應收一間關連公司款項 | — | 2 |
| Financial assets measured at amortised cost | 按攤銷成本計量之金融資產 | 30,980 | 83,616 |
| Prepayments and deposits | 預付款項及按金 | 46,904 | 82,565 |
| Other PRC tax receivables | 其他中國應收稅項 | 100 | 1,046 |
| | | 77,984 | 167,227 |
| Represented by: | 指： | | |
| Current | 即期 | 65,644 | 108,127 |
| Non-current | 非即期 | 12,340 | 59,100 |
| | | 77,984 | 167,227 |

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

For the six-month period ended 30 June 2019 截至二零一九年六月三十日止六個月期間

11. TRADE AND OTHER RECEIVABLES (CONTINUED)

The Group normally grants credit terms of 30 to 180 days (31 December 2018: 30 to 180 days) to its customers. Included in trade and other receivables are trade receivables (net of impairment) of approximately RMB12,365,000 (31 December 2018: approximately RMB22,902,000) and their ageing analysis (net of impairment) at the end of the reporting period, presented based on the invoice date is as follows:

11. 貿易應收款項及其他應收款項(續)

本集團一般向其客戶授予30至180天(二零一八年十二月三十一日:30至180天)信貸期。貿易應收款項及其他應收款項包括貿易應收款項約人民幣12,365,000元(二零一八年十二月三十一日:約人民幣22,902,000元)(扣除減值)及其於報告期末按發票日期呈列的賬齡分析(扣除減值)如下:

| | | 30 June 2019 二零一九年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核) | 31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核) |
|-----------------|----------|--|---|
| 0 to 30 days | 0至30日 | 1,879 | 305 |
| 31 to 60 days | 31至60日 | 1,823 | 4,835 |
| 61 to 90 days | 61至90日 | 1,652 | 256 |
| 91 to 120 days | 91至120日 | 648 | 721 |
| 121 to 365 days | 121至365日 | 6,363 | 15,377 |
| Over 365 days | 超過365日 | — | 1,408 |
| | | 12,365 | 22,902 |

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For the six-month period ended 30 June 2019 截至二零一九年六月三十日止六個月期間

12. CASH AND CASH EQUIVALENTS

12. 現金及現金等價物

| | 30 June 2019 二零一九年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核) | 31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核) |
|--------------------------------|--|---|
| Bank balances and cash 銀行結餘及現金 | 7,420 | 17,745 |

Notes to the Unaudited Condensed Consolidated Financial Statements

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For the six-month period ended 30 June 2019 截至二零一九年六月三十日止六個月期間

13. TRADE AND OTHER PAYABLES

13. 貿易應付及其他應付款項

| | | 30 June 2019 二零一九年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核) | 31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核) |
|--|--------------|--|---|
| Trade payables | 貿易應付款項 | 3,417 | 1,159 |
| Payroll and welfare payables | 應付薪金及福利 | 645 | 744 |
| Accrued charges and other payables | 應計費用及其他應付款項 | 24,401 | 45,448 |
| Financial liabilities measured at amortised cost | 按攤銷成本計算之金融負債 | 28,463 | 47,351 |
| Other PRC tax payables | 其他應繳中國稅項 | 82 | 189 |
| Receipt in advance | 預收款項 | 607 | 897 |
| Deposits received | 已收保證金 | 5,722 | 5,722 |
| | | 34,874 | 54,159 |
| Analysed as: | 分析： | | |
| Non-current | 非流動 | 5,722 | 5,722 |
| Current | 流動 | 29,152 | 48,437 |
| | | 34,874 | 54,159 |

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For the six-month period ended 30 June 2019 截至二零一九年六月三十日止六個月期間

13. TRADE AND OTHER PAYABLES (CONTINUED)

Included in trade and other payables are trade payables of approximately RMB3,417,000 (31 December 2018: approximately RMB1,159,000) and their ageing analysis of trade payables, presented based on the invoice date is as follows:

13. 貿易應付款項及其他應付款項(續)

貿易應付款項及其他應付款項包括貿易應付款項約人民幣3,417,000元(二零一八年十二月三十一日：約人民幣1,159,000元)及按發票日期呈列的貿易應付款項的賬齡分析如下：

| | | 30 June 2019 二零一九年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核) | 31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核) |
|-----------------|----------|--|---|
| 0 to 30 days | 0至30日 | 1,616 | 55 |
| 31 to 60 days | 31至60日 | 435 | — |
| 61 to 90 days | 61至90日 | 106 | — |
| 91 to 120 days | 91日至120日 | 451 | — |
| 121 to 365 days | 121至365日 | 809 | 146 |
| Over 365 days | 超過365日 | — | 958 |
| | | 3,417 | 1,159 |

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For the six-month period ended 30 June 2019 截至二零一九年六月三十日止六個月期間

14. DISPOSAL OF SUBSIDIARIES

For the six months period ended 30 June 2019

On 30 April 2019, the Group disposed of Wuyi International Pharmaceutical (Hong Kong) Company Limited ("Wuyi HK") and Fujian Sanai Pharmaceutical Company Limited* ("Fujian Sanai") where Wuyi HK engaged in investment holding and Fujian Sanai engaged in investment holding, develop, manufacture, marketing and sales of pharmaceutical products. Wuyi HK did not carried out any business during the period.

14. 出售附屬公司

截至二零一九年六月三十日止六個月

於二零一九年四月三十日，本集團出售武夷國際藥業(香港)有限公司(「武夷香港」)(其從事投資控股)及福建三愛藥業有限公司(「福建三愛」)(其從事投資控股，醫藥產品的開發、製造、營銷及銷售)。於本期間，武夷香港未開展任何業務。

| | | On completion RMB'000 人民幣千元 |
|---|-----------------------|--------------------------------------|
| Consideration received in cash and cash equivalents | 已收取代價(現金及現金等價物) | 9 |
| Total consideration received | 已收取總代價 | 9 |
| Analysis of assets and liabilities over which control was lost | 已喪失控制權之資產及負債分析 | |
| <i>Non-Current assets</i> | <i>非流動資產</i> | |
| — Property, plant and equipment | — 物業、廠房及設備 | 8 |
| <i>Current assets</i> | <i>流動資產</i> | |
| — Inventories | — 存貨 | 2,032 |
| — Trade receivables | — 貿易應收款項 | 350 |
| — Prepayments, deposits and other receivables | — 預付款、按金及其他應收款項 | 84,120 |
| — Tax recoverable | — 可收回稅項 | 302 |
| — Other tax recoverable | — 其他可收回稅項 | 18 |
| — Cash and cash equivalents | — 現金及現金等價物 | 30 |
| — Amount due from group companies | — 應收集團公司款項 | 2,239 |
| <i>Current liabilities</i> | <i>流動負債</i> | |
| — Trade payables | — 貿易應付款項 | (1,104) |
| — Other payables | — 其他應付款項 | (28,664) |
| — Receipt in advance | — 預收款項 | (293) |
| — Secured bank loans | — 有抵押銀行貸款 | (165,989) |

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For the six-month period ended 30 June 2019 截至二零一九年六月三十日止六個月期間

14. DISPOSAL OF SUBSIDIARIES (CONTINUED)

For the six months period ended 30
June 2019 (continued)

14. 出售附屬公司 (續)

截至二零一九年六月三十日止六個月
(續)

| | | On completion 於完成後 RMB'000 人民幣千元 |
|---|------------------------------|--|
| Net liabilities disposed of | 已出售之負債淨值 | (106,951) |
| Release of reserves upon disposal | 出售時撥回儲備 | (243,385) |
| | | <u>(350,336)</u> |
| Gain on disposal of subsidiaries | 出售附屬公司之收益 | |
| Consideration receivable | 應收代價 | 9 |
| Net liabilities disposed of | 已出售之負債淨值 | 106,951 |
| Release of reserves upon disposal | 出售時撥回儲備 | 243,385 |
| | | <u>350,345</u> |
| Gain on disposal | 出售收益 | |
| | | <u>350,345</u> |
| The gain on disposal is included in the loss for the year. | 出售收益包括於本年度虧損內。 | |
| Net cash outflow on disposal of subsidiaries | 出售附屬公司時產生之 現金流出淨額 | |
| Consideration received in cash and cash equivalents | 已收取代價(現金及 現金等價物) | 9 |
| Less: Cash and cash equivalent balances disposed of | 減: 已出售之現金及 現金等價物結餘 | (30) |
| | | <u>(21)</u> |

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

For the six-month period ended 30 June 2019 截至二零一九年六月三十日止六個月期間

15. ACQUISITION OF SUBSIDIARIES

(I) Acquisition of Fujian Yongchun Pharmaceutical Company Limited ("Fujian Yongchun")

On 25 October 2018, the Group entered into an agreement with an independent third party (the "First Vendor") to acquire 51% equity interest in Fujian Yongchun at a consideration of RMB7,650,000 which shall be settled by cash. The principal activities of Fujian Yongchun are production, development and sales of pharmaceutical products. The management considers that such acquisition will enable the Group to increase new manufacturing bases of pharmaceutical products and enrich product categories as well as expand sales network. Due to the time required for changing the management of Fujian Yongchun, the acquisition was completed on 28 March 2019.

15. 收購附屬公司

(I) 收購福建永春製藥有限公司(「福建永春」)

於二零一八年十月二十五日，本集團與獨立第三方(「第一賣方」)訂立協議，以代價人民幣7,650,000元收購福建永春51%股權，並以現金結清。福建永春的主要業務為醫藥產品的生產、開發及銷售。管理層認為此項收購將使本集團增加新的醫藥產品生產基地，豐富產品類別及擴大銷售網絡。由於需要時間對福建永春的管理作出改變，此項收購於二零一九年三月二十八日完成。

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15. ACQUISITION OF SUBSIDIARIES (CONTINUED)

(I) Acquisition of Fujian Yongchun Pharmaceutical Company Limited ("Fujian Yongchun") (continued)

The following summarises the total consideration and the amounts of the assets acquired and liabilities assumed and goodwill arising from the acquisition recognized at 28 March 2019 (the date of completion):

15. 收購附屬公司 (續)

(I) 收購福建永春製藥有限公司 (「福建永春」) (續)

總代價及所收購資產及所承擔負債的金額，以及於二零一九年三月二十八日 (完成日期) 確認的因收購產生的商譽概述如下：

| | | RMB'000 人民幣千元 |
|---|----------------------|------------------|
| Property, plant and equipment | 物業、廠房及設備 | 9,280 |
| Land use rights | 土地使用權 | 4,756 |
| Inventories | 存貨 | 679 |
| Trade receivables | 貿易應收款項 | 1,087 |
| Bank balances and cash | 銀行結餘及現金 | 487 |
| Trade payables | 貿易應付款項 | (172) |
| Other payables | 其他應付款項 | (8,037) |
| Tax payable | 應付稅項 | (57) |
| Long-term borrowings | 長期借貸 | (2,000) |
| | | 6,023 |
| Less: non-controlling interests | 減：非控股權益 | (2,951) |
| Identifiable net assets at fair value acquired | 所收購可識別資產淨值， 按公平值計 | 3,072 |
| Goodwill arising on acquisition | 收購產生的商譽 | 4,578 |
| Total consideration | 總代價 | 7,650 |
| Total consideration at acquisition date: | 於收購日期之總代價： | |
| Payable to vendor (to be settled by cash) | 應付賣方款項 (以現金結算) | 7,650 |

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15. ACQUISITION OF SUBSIDIARIES (CONTINUED)

(I) Acquisition of Fujian Yongchun Pharmaceutical Company Limited ("Fujian Yongchun") (continued)

The fair values and gross contractual amount of accounts receivable and other receivables as at the date of acquisition amounted to RMB1,087,000 and RMB1,087,000 respectively. No accounts receivable and other receivables were expected to be uncollectible.

15. 收購附屬公司(續)

(I) 收購福建永春製藥有限公司(「福建永春」)(續)

於收購日期，應收賬款及其他應收款項的公平值及總合約金額分別為人民幣1,087,000元及人民幣1,087,000元。概無應收賬款及其他應收款項預期不可收回。

RMB'000
人民幣千元

Net cash inflow on acquisition
Net cash acquired from the subsidiary

收購之現金流入淨額
自附屬公司所得之現金淨額

487

15. ACQUISITION OF SUBSIDIARIES (CONTINUED)

(I) Acquisition of Fujian Yongchun Pharmaceutical Company Limited ("Fujian Yongchun") (continued)

The goodwill arising from the acquisition of Fujian Yongchun is attributable to the future growth and profitability in relation to the pharmaceutical products market in the PRC. None of the goodwill recognised is expected to be deductible for income tax purposes.

Fujian Yongchun contributed approximately RMB3,101,000 to the Group's total revenue and approximately RMB502,000 profit to the Group's profit after tax, for the period between the date of completion and the end of the reporting period.

If the acquisition of Fujian Yongchun had been completed on 1 January 2019, the Group's total revenue and profit after tax for the period would have been RMB27,755,000 and RMB394,055,000 respectively. The proforma information is for illustrative purposes only and is not necessarily an indication of the total revenue and income and loss after tax of the Group that actually would have been achieved had the acquisition been completed on 1 January 2019, nor is intended to be a projection of future results.

15. 收購附屬公司(續)

(I) 收購福建永春製藥有限公司(「福建永春」)(續)

因收購福建永春產生的商譽來自有關中國醫藥產品市場的未來增長及盈利能力。所確認的商譽預期概不可就所得稅進行扣除。

於收購完成日期至報告期末期間，福建永春為本集團總收益貢獻約人民幣3,101,000元，並為本集團除稅後溢利貢獻溢利約人民幣502,000元。

倘於二零一九年一月一日已完成收購福建永春，則本集團的期內總收益及除稅後溢利分別為人民幣27,755,000元及人民幣394,055,000元。備考資料僅用作說明，並不一定作為本集團在收購已於二零一九年一月一日完成的情況下實際錄得之總收益及除稅後收入及虧損之象徵，亦不擬作為未來業績之預測。

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15. ACQUISITION OF SUBSIDIARIES (CONTINUED)

(II) Acquisition of Fujian Zhixin Medicine Co., Limited ("Fujian Zhixin")

On 29 March 2019, the Group entered into an agreement with an independent third party (the "Second Vendor") to acquire entire equity interest in Fujian Zhixin at a consideration of RMB2,000,000 which shall be settled by cash. The principal activities of Fujian Zhixin are sales of pharmaceutical products. The management considers that such acquisition will enable the Group to enrich product categories as well as expand sales network. The acquisition was completed on 1 April 2019.

15. 收購附屬公司(續)

(II) 收購福建至信醫藥有限公司(「福建至信」)

於二零一九年三月二十九日，本集團與獨立第三方(「第二賣方」)訂立協議，以代價人民幣2,000,000元收購福建至信全部股權，並以現金結清。福建至信主要從事醫藥產品的銷售。管理層認為此項收購將使本集團得以豐富產品類別及擴大銷售網絡。此項收購於二零一九年四月一日完成。

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

For the six-month period ended 30 June 2019 截至二零一九年六月三十日止六個月期間

15. ACQUISITION OF SUBSIDIARIES (CONTINUED)

(II) Acquisition of Fujian Zhixin Medicine Co., Limited ("Fujian Zhixin") (continued)

The following summarises the total consideration and the amounts of the assets acquired and liabilities assumed and goodwill arising from the acquisition recognised at 1 April 2019 (the date of completion):

15. 收購附屬公司(續)

(II) 收購福建至信醫藥有限公司(「福建至信」)(續)

總代價及所收購資產及所承擔負債的金額，以及於二零一九年四月一日(完成日期)確認的因收購產生的商譽概述如下：

| | | RMB'000 人民幣千元 |
|---|----------------------|------------------|
| Property, plant and equipment | 物業、廠房及設備 | 105 |
| Intangible assets | 無形資產 | 16 |
| Inventories | 存貨 | 176 |
| Trade receivables | 貿易應收款項 | 4,807 |
| Other receivables | 其他應收款項 | 10 |
| Bank balances and cash | 銀行結餘及現金 | 35 |
| Trade payables | 貿易應付款項 | (1,542) |
| Accrued charges and other payables | 應計費用及其他應付款項 | (1,553) |
| Other tax payables | 其他應付稅項 | (54) |
| | | <hr/> |
| | | 2,000 |
| | | <hr/> |
| Total identifiable net assets at fair value and total consideration | 按公平值列賬之可識別資產淨值總額及總代價 | 2,000 |
| | | <hr/> |
| Total consideration at acquisition date: | 於收購日期之總代價： | |
| Bank balance and cash | 銀行結餘及現金 | 2,000 |
| | | <hr/> |

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

For the six-month period ended 30 June 2019 截至二零一九年六月三十日止六個月期間

15. ACQUISITION OF SUBSIDIARIES (CONTINUED)

(II) Acquisition of Fujian Zhixin Medicine Co., Limited ("Fujian Zhixin") (continued)

The fair values and gross contractual amount of accounts receivable and other receivables as at the date of acquisition amounted to RMB4,817,000 and RMB4,817,000 respectively. No accounts receivable and other receivables were expected to be uncollectible.

Net cash outflow on acquisition
Cash consideration
Net cash acquired from the subsidiary

The transaction costs of RMB89,000 have been excluded from the consideration transferred and included in "administrative expenses" in the unaudited condensed consolidated statement of comprehensive income.

15. 收購附屬公司(續)

(II) 收購福建至信醫藥有限公司(「福建至信」)(續)

於收購日期，應收賬款及其他應收款項的公平值及總合約金額分別為人民幣4,817,000元及人民幣4,817,000元。概無應收賬款及其他應收款項預期不可收回。

| | |
|--------------|------------------|
| | RMB'000 人民幣千元 |
| 收購之現金流出淨額 | |
| 現金代價 | (2,000) |
| 自附屬公司所得之現金淨額 | 35 |
| | (1,965) |

交易成本人民幣89,000元已從所轉讓代價中排除，並計入未經審核簡明綜合全面收益表中的「行政開支」。

15. ACQUISITION OF SUBSIDIARIES (CONTINUED)

(II) Acquisition of Fujian Zhixin Medicine Co., Limited ("Fujian Zhixin") (continued)

Fujian Zhixin did not contribute to the Group's total revenue and the Group's profit after tax, for the period between the date of completion and the end of the reporting period.

If the acquisition of Fujian Zhixin had been completed on 1 January 2019, the Group's total revenue and profit after tax for the year would have been RMB28,977,000 and RMB394,227,000 respectively. The proforma information is for illustrative purposes only and is not necessarily an indication of the total revenue and income and loss after tax of the Group that actually would have been achieved had the acquisition been completed on 1 January 2019, nor is intended to be a projection of future results.

15. 收購附屬公司(續)

(II) 收購福建至信醫藥有限公司(「福建至信」)(續)

於收購完成日期至報告期末期間，福建至信對本集團總收益及本集團除稅後收益並無貢獻。

倘於二零一九年一月一日已完成收購福建至信，則本集團的年內總收益及除稅後收益分別為人民幣28,977,000元及人民幣394,227,000元。備考資料僅用作說明，並不一定作為本集團在收購已於二零一九年一月一日完成的情況下實際錄得之總收益及除稅後收入及虧損之象徵，亦不擬作為未來業績之預測。

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

For the six-month period ended 30 June 2019 截至二零一九年六月三十日止六個月期間

15. ACQUISITION OF SUBSIDIARIES (CONTINUED)

(III) Acquisition of Zentrogene Bioscience Laboratory Limited ("Zentrogene")

On 29 March 2019, the Group entered into an agreement with an independent third party (the "Third Vendor") to acquire entire equity interest in Zentrogene at a consideration of HKD19,500,000 (approximately RMB17,129,000) which shall be settled by cash. The principal activities of Zentrogene are provision of genetic testing and molecular diagnostic services. The management considers that such acquisition will enable the Group to develop its precision medicine. The acquisition was completed on 1 April 2019.

15. 收購附屬公司(續)

(III) 收購Zentrogene Bioscience Laboratory Limited (「Zentrogene」)

於二零一九年三月二十九日，本集團與獨立第三方(「第三賣方」)訂立協議，以代價19,500,000港元(約人民幣17,129,000元)收購Zentrogene的全部股權，並以現金結清。Zentrogene的主要業務為提供基因檢測及分子生物診斷服務。管理層認為此項收購將使本集團發展其精準醫學業務。此項收購於二零一九年四月一日完成。

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

For the six-month period ended 30 June 2019 截至二零一九年六月三十日止六個月期間

15. ACQUISITION OF SUBSIDIARIES (CONTINUED)

(III) Acquisition of Zentrogene Bioscience Laboratory Limited ("Zentrogene") (continued)

The following summarises the total consideration and the amounts of the assets acquired and liabilities assumed and goodwill arising from the acquisition recognised at 1 April 2019 (the date of completion):

15. 收購附屬公司(續)

(III) 收購Zentrogene Bioscience Laboratory Limited (「Zentrogene」)(續)

總代價及所收購資產及所承擔負債的金額，以及於二零一九年四月一日(完成日期)確認的因收購產生的商譽概述如下：

| | | RMB'000 人民幣千元 |
|---|------------------|------------------|
| Property, plant and equipment | 物業、廠房及設備 | 696 |
| Trade receivables | 貿易應收款項 | 782 |
| Deposit, prepayments and other receivables | 按金、預付款及其他應收款項 | 71 |
| Tax recoverable | 可收回稅項 | 52 |
| Bank balances and cash | 銀行結餘及現金 | 370 |
| Trade payables | 貿易應付款項 | (276) |
| Accrued charges and other payables | 應計費用及其他應付款項 | (15) |
| | | <hr/> |
| | | 1,680 |
| | | <hr/> |
| Total identifiable net assets at fair value | 按公平值列賬之可識別資產淨值總額 | 1,680 |
| Goodwill arising on acquisition | 收購產生的商譽 | 15,449 |
| | | <hr/> |
| Total consideration | 總代價 | 17,129 |
| | | <hr/> |
| Total consideration at acquisition date: | 於收購日期之總代價： | |
| Bank balance and cash | 銀行結餘及現金 | 2,840 |
| Non-cash settlement | 非現金結算 | 14,289 |
| | | <hr/> |
| Total consideration | 總代價 | 17,129 |
| | | <hr/> |

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

For the six-month period ended 30 June 2019 截至二零一九年六月三十日止六個月期間

15. ACQUISITION OF SUBSIDIARIES (CONTINUED)

(III) Acquisition of Zentrogene Bioscience Laboratory Limited ("Zentrogene") (continued)

The fair values and gross contractual amount of accounts receivable and other receivables as at the date of acquisition amounted to RMB782,000 and RMB782,000 respectively. No accounts receivable and other receivables were expected to be uncollectible.

15. 收購附屬公司 (續)

(III) 收購Zentrogene Bioscience Laboratory Limited (「Zentrogene」) (續)

於收購日期，應收賬款及其他應收款項的公平值及總合約金額分別為人民幣782,000元及人民幣782,000元。概無應收賬款及其他應收款項預期不可收回。

| | | RMB'000 人民幣千元 |
|---------------------------------------|--------------|------------------|
| Net cash outflow on acquisition | 收購之現金流出淨額 | |
| Cash consideration | 現金代價 | (2,840) |
| Net cash acquired from the subsidiary | 自附屬公司所得之現金淨額 | 370 |
| | | (2,470) |

15. ACQUISITION OF SUBSIDIARIES (CONTINUED)

(III) Acquisition of Zentrogene Bioscience Laboratory Limited ("Zentrogene") (continued)

The goodwill arising from the acquisition of Zentrogene is attributable to the future growth and profitability in relation to the provision of genetic testing and molecular diagnostic services. None of the goodwill recognised is expected to be deductible for income tax purposes.

Zentrogene contributed approximately RMB1,370,000 to the Group's total revenue and approximately RMB157,000 loss to the Group's loss after tax, for the period between the date of completion and the end of the reporting period.

If the acquisition of Zentrogene had been completed on 1 January 2019, the Group's total revenue and loss after tax for the year would have been RMB33,938,000 and RMB394,091,000 respectively. The proforma information is for illustrative purposes only and is not necessarily an indication of the total revenue and income and loss after tax of the Group that actually would have been achieved had the acquisition been completed on 1 January 2019, nor is intended to be a projection of future results.

15. 收購附屬公司(續)

(III) 收購Zentrogene Bioscience Laboratory Limited (「Zentrogene」)(續)

因收購Zentrogene產生的商譽來自有關提供基因檢測及分子生物診斷服務的未來增長及盈利能力。所確認的商譽預期概不可就所得稅進行扣除。

於收購完成日期至報告期末期間，Zentrogene為本集團總收益貢獻約人民幣1,370,000元，並為本集團除稅後虧損貢獻虧損約人民幣157,000元。

倘於二零一九年一月一日已完成收購Zentrogene，則本集團的年內總收益及除稅後虧損分別為人民幣33,938,000元及人民幣394,091,000元。備考資料僅用作說明，並不一定作為本集團在收購已於二零一九年一月一日完成的情況下實際錄得之總收益及除稅後收入及虧損之象徵，亦不擬作為未來業績之預測。

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

For the six-month period ended 30 June 2019 截至二零一九年六月三十日止六個月期間

15. ACQUISITION OF SUBSIDIARIES (CONTINUED)

(IV) Acquisition of Shenzhen Century Rongtai Guarantee Co. Limited ("Shenzhen Century")

On 17 April 2019, the Group entered into an agreement with an independent third party (the "Forth Vendor") to acquire entire equity interest in Shenzhen Century at a consideration of RMB3,300,000 which shall be settled by cash. The principal activities of Shenzhen Century are provision of financial guarantee services. The management considers that such acquisition will enable the Group to enjoy the synergy effect between finance leasing and financial guarantee businesses. Up to the date of this report, this acquisition is not yet completed.

15. 收購附屬公司(續)

(IV) 收購深圳市世紀融泰融資擔保有限公司 (「深圳世紀」)

於二零一九年四月十七日，本集團與獨立第三方(「第四賣方」)訂立協議，以代價人民幣3,300,000元收購深圳世紀的全部股權，並以現金結清。深圳世紀的主要業務為提供融資擔保服務。管理層認為此項收購將使本集團取得融資租賃與融資擔保業務的協同效應。截至本報告日期，此項收購尚未完成。

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

For the six-month period ended 30 June 2019 截至二零一九年六月三十日止六個月期間

16. SECURED BANK LOANS

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

16. 有抵押銀行貸款

有抵押銀行貸款的賬面值分析如下：

| | 30 June 2019 二零一九年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核) | 31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核) |
|----------------------------|--|---|
| Secured bank loans 有抵押銀行貸款 | — | 233,792 |

At 31 December 2018, land use rights with a net book value of approximately RMB3,827,000 and property, plant and equipment with a net book value of approximately RMB27,431,000 were pledged to a bank as collateral against the bank loans. The bank loans carry interests at fixed rates of 4.57% to 6.31%.

於二零一八年十二月三十一日，賬面淨值約為人民幣3,827,000元的土地使用權及賬面淨值約為人民幣27,431,000元的物業、廠房及設備已抵押予銀行作為銀行貸款的抵押。銀行貸款按4.57%至6.31%的固定利率計息。

At 31 December 2018, the Group defaulted in the repayment of all of its secured bank loans and repayment of loan principals and payment of related interests totaling to approximately RMB248,311,000 were not made in accordance with the agreed repayment schedules pursuant to the loan agreements. One of the banks had disposed of certain assets pledged by the Group as security for its facilities under mandatory auction. The proceeds from the auction approximately to RMB32,895,000 were set-off against certain overdue bank loans. Remaining pledged assets were sold at RMB78,000,000 in another auction conducted in March 2019. In April 2019, all of the outstanding bank loans were released upon the disposal of the relevant subsidiary.

於二零一八年十二月三十一日，本集團拖欠償還其全部已抵押銀行存貸款，且未能根據貸款協議之議定還款計劃償還貸款本金及支付相關利息總額約人民幣248,311,000元。其中一間銀行強制拍賣出售本集團作為抵押品抵押以取得其融資之若干資產。拍賣所得款項約人民幣32,895,000元經用作抵銷若干逾期銀行貸款。餘下已抵押資產於二零一九年三月進行之另一宗拍賣中以人民幣78,000,000元之價格出售。於二零一九年四月，所有未償還銀行貸款於出售相關附屬公司後獲解除。

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

For the six-month period ended 30 June 2019 截至二零一九年六月三十日止六個月期間

17. SHARE CAPITAL

17. 股本

| | | 30 June 2019 二零一九年六月三十日 | | 31 December 2018 二零一八年十二月三十一日 | |
|---|-----------------|--|-----------------|---|-----------------|
| | | Number of shares 股份數目 (‘000) (千股) | HK\$’000 千港元 | Number of shares 股份數目 (‘000) (千股) | HK\$’000 千港元 |
| Authorised: | 法定： | | | | |
| Ordinary shares of HK\$0.01 each | 每股面值0.01港元的普通股 | | | | |
| At the beginning of and the end of the period/year | 於期／年初及於期／年末 | 10,000,000 | 100,000 | 10,000,000 | 100,000 |
| Issued and fully paid: | 已發行及繳足： | | | | |
| Ordinary shares of HK\$0.01 each | 每股面值0.01港元的普通股 | | | | |
| At the beginning of the period/year | 於期／年初 | 3,067,223 | 30,672 | 2,872,123 | 28,721 |
| Shares issued upon exercise of share options | 因行使購股權而發行之股份 | — | — | 195,100 | 1,951 |
| At the end of the period/year | 於期／年末 | 3,067,223 | 30,672 | 3,067,223 | 30,672 |
| | | | | | |
| | | 30 June 2019 二零一九年 六月 三十日 RMB’000 人民幣千元 (Unaudited) (未經審核) | | 31 December 2018 二零一八年 十二月 三十一日 RMB’000 人民幣千元 (Audited) (經審核) | |
| Shown in the unaudited condensed consolidated statement of financial position | 未經審核簡明綜合財務狀況表顯示 | 28,601 | | 28,061 | |

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

For the six-month period ended 30 June 2019 截至二零一九年六月三十日止六個月期間

17. SHARE CAPITAL (CONTINUED)

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

17. 股本(續)

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

18. CAPITAL COMMITMENTS

18. 資本承擔

| | | 30 June 2019 二零一九年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核) | 31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核) |
|---|--------------|--|---|
| Contracted for | 已簽約 | | |
| — Acquisition of intangible assets | — 收購無形資產 | — | 8,100 |
| — Acquisition of a subsidiary | — 收購一間附屬公司 | — | 7,650 |
| — Purchase of property, plant and equipment | — 購買物業、廠房及設備 | — | 12,395 |
| — Capital injection in an associate | — 於一間聯營公司的注資 | — | 9,800 |
| | | — | 37,945 |

Notes to the Unaudited Condensed Consolidated Financial Statements

未經審核簡明綜合財務報表附註

For the six-month period ended 30 June 2019 截至二零一九年六月三十日止六個月期間

19. MATERIAL RELATED PARTY TRANSACTIONS

The details of remuneration of key management personnel, representing amounts paid to the Directors of the Company during the six-month period ended 30 June 2019, are set out as follows:

19. 重大關聯人士交易

有關主要管理人員薪酬詳情(即本公司於截至二零一九年六月三十日止六個月期間向董事支付的金額)如下：

| | 30 June 2019 二零一九年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核) | 30 June 2018 二零一八年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核) |
|---|--|--|
| Salaries and other short-term employee benefits 薪金及其他短期僱員福利 | 627 | 342 |

The board (the “Board”) of directors (the “Directors”) of Sanai Health Industry Group Company Limited (“Sanai Health Industry” or the “Company”) hereby presents the unaudited condensed consolidated financial statements of the Company and its subsidiaries (collectively referred to the “Group”) for the six-month period ended 30 June 2019 (the “period under review”).

REVIEW OF RESULTS

In the first half of 2019, the global environment continued to be uncertain. The China-United States (“U.S.”) trade tension and geopolitical risks in various regions exacerbated global instability. At the same time, the People’s Republic of China (“PRC”) pharmaceutical industry was still confronted with tremendous challenges. Despite the growing demand for medical services in the mainland, there was tightened price control over the medicines covered by medical insurance. The ever-changing national policies on medicines brought significant changes to the pharmaceutical industry in terms of its development trend and the competition therein. The Group has made drastic changes to its business and assets since October last year.

The Group has been proactively engaged in various measures to improve its cash position. Among which, the auctioned properties of Fujian Sanai Pharmaceutical Company Limited* (福建三愛藥業有限公司) (“Fujian Sanai”) have been sold during an auction conducted by the People’s Court of Jianyang District, Nanping City* (南平市建陽區人民法院) on 15 March 2019 (the “Auction”). For further details, please refer to the announcements of the Company dated 8 January 2019 and 22 March 2019 respectively. Besides that, the Group has entered into a sale and purchase agreement on 30 April 2019 to dispose an indirectly wholly-owned subsidiary namely Wuyi International Pharmaceutical (Hong

三愛健康產業集團有限公司(「三愛健康產業」或「本公司」)董事(「董事」)會(「董事會」)特此公佈本公司及其附屬公司(統稱「本集團」或「集團」)截至二零一九年六月三十日止六個月期間(「回顧期」)的未經審核簡明綜合財務報表。

業績回顧

於二零一九年上半年，全球局勢持續不明朗，中美貿易關係緊張以及各地區出現地緣政治風險，增加了全球不穩定的因素。同時，中華人民共和國(「中國」)醫藥行業仍極具挑戰。國內醫療服務需求雖然保持增長，但醫保控費日趨嚴格，國家醫藥政策多變，使得醫藥行業發展趨勢及競爭發生巨大變化。自去年十月以來，本集團已對業務及資產作出重大改變。

集團積極採取各類舉措提升資金狀況。其中包括，於南平市建陽區人民法院於二零一九年三月十五日舉行之拍賣中出售福建三愛藥業有限公司(「福建三愛」)的被拍賣資產(「拍賣事項」)。詳情請參閱本公司日期分別為二零一九年一月八日及二零一九年三月二十二日的公告。此外，集團在二零一九年四月三十日簽署買賣協議出售一間間接全資附屬

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REVIEW OF RESULTS (CONTINUED)

Kong) Company Limited* (武夷國際藥業(香港)有限公司) (“Wuyi HK”) and Fujian Sanai, which is wholly-owned by Wuyi HK (the “Disposal”). Prior to completion of the Auction and the Disposal, both of them had contributed significant loss to the Group and had outstanding short-term loan liabilities of approximately RMB233.8 million. Both of the Auction and the Disposal were completed during the period under review. Immediately upon completion of the Auction and the Disposal, the Group no longer recorded a net loss and all of the outstanding bank borrowings were released upon the completion of the Disposal. As a result, the Group’s debt-to-asset ratio has been significantly improved given that the Group no longer bear the short-term obligation for repayment of bank borrowings that was originally incurred by the disposed companies.

For further details, please refer to the announcement of the Company dated 30 April 2019.

At the same time, the Group has acquired and launched a new pharmaceutical business in the health industry. In March 2019, the Company had acquired Fujian Zhixin Pharmaceutical Co., Ltd.* (福建至信醫藥有限公司) (“Fujian Zhixin”) and Zentrogene Bioscience Laboratory Limited (“Zentrogene”). In April 2019, the Group has invested in a Cannabidiol (“CBD”) product manufacturer, Dr. Adams Laboratories Ltd (“Dr. Adams”) and began to distribute a number of CBD products, including products of Dr. Adams in Hong Kong. These series of measures had diversified the Group’s pharmaceutical business, which enable the Group to run a pharmaceutical manufacturing business mainly operated by Fujian Yongchun Pharmaceutical Co., Ltd.* (福建永春製藥有限公司) (“Fujian Yongchun”), a

業績回顧(續)

公司，即武夷國際藥業(香港)有限公司(「武夷香港」)及武夷香港的全資附屬公司福建三愛(「出售事項」)。完成拍賣事項及出售事項前，兩者均為集團帶來重大虧損以及約人民幣233.8百萬元的未償還短期貸款責任。拍賣事項及出售事項已於回顧期內完成。緊接拍賣事項及出售事項完成後，集團便不再錄得淨虧損，且全部未償還銀行借貸於出售事項完成後獲解除。由於集團無需在短期內償還最初由已出售公司曾產生的銀行借貸，本集團的資產負債比率得到極大改善。

詳情請參閱本公司日期為二零一九年四月三十日的公告。

同時，集團在健康產業收購和開展了新的醫藥類業務。於二零一九年三月，公司收購了福建至信醫藥有限公司(「福建至信」)和Zentrogene Bioscience Laboratory Limited(「Zentrogene」)，於二零一九年四月集團投資了大麻二酚(「CBD」)產品製造商Dr. Adams Laboratories Ltd. (「Dr. Adams」)，並開始在香港分銷包括Dr. Adams產品在內的多款CBD產品。這一系列的舉措使集團的醫藥類業務更加多元化，使集團能夠經營主要由福建永春

REVIEW OF RESULTS (CONTINUED)

pharmaceutical distribution business mainly operated by Fujian Zhixin whereas the acquisition was completed in April 2019, and a precision medical business operated by Zentrogene. Sana International Trade Co., Ltd. is a main center to run CBD business.

During the reporting period under review, the Group's total revenue was RMB26.7 million, and the total profit after tax was RMB394.3 million. The profit was mainly due to the one-off gain on the Disposal of RMB350.3 million and the one-off gain on disposal of property, plant and equipment of approximately RMB44.7 million.

Pharmaceutical products business: The turnover for the period under review was approximately RMB3.1 million, and the segment profit was RMB36.5 million, which included a one-off gain on disposal of property, plant and equipment of approximately RMB44.7 million. The income of RMB3.1 million was mainly derived from Fujian Yongchun. Since Fujian Yongchun was officially merged into the group on 1 April 2019, the Group is only entitled to the three-month results of Fujian Yongchun during the period under review. During the reporting period, the Fujian Yongchun's performance was improved through the optimization of product lines and improvement of marketing. Looking forward, the Group will continue to monitor its marketing strategies in order to cater for the local appetite and sentiment for the pharmaceutical products market.

業績回顧(續)

製藥有限公司(「福建永春」)運營的製藥業務，主要由福建至信(該收購於二零一九年四月完成)經營的醫藥分銷業務，以及Zentrogene運營的精準醫學業務。三愛國際貿易有限公司為經營CBD業務的主要營運中心。

於回顧期內，本集團總收益為人民幣26.7百萬元，除稅後總盈利人民幣394.3百萬元，盈利主要由於出售的一次性盈利人民幣350.3百萬元，及出售物業、廠房及設備的一次性盈利約為人民幣44.7百萬元。

醫藥產品業務：於回顧期內錄得營業額約人民幣3.1百萬元，分部盈利為人民幣36.5百萬元，其中包括出售物業、廠房及設備的一次性盈利約人民幣44.7百萬元。人民幣3.1百萬元收入主要來自於福建永春，由於福建永春於二零一九年四月一日開始正式併入本集團，集團僅合併福建永春於回顧期內三個月的業績。在報告期內，福建永春的業績通過優化產品線和增強市場推廣等舉措得到提升。展望未來，本集團將繼續監控其市場策略，以迎合當地醫藥產品市場的需求。

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Finance leasing business: The turnover for the reporting period under review was approximately RMB3.2 million, and the profit was RMB0.8 million. Due to the increased uncertainty in the economic environment, the Group will not further invest in this business, but will continue to maintain its existing scale and optimise its customer portfolio.

Precision Medicine Business: For the reporting period under review, the turnover at the precision medicine business was approximately RMB1.4 million, and the profit was RMB29,000.

Zentrogene was officially merged into the Group on 1 April 2019, the Group is only entitled to the three-month results of Zentrogene during the period under review. On the basis of maintaining existing customers, Zentrogene is integrating its resources with the Group and converting some of its original outsourcing business to reduce costs accordingly. The Group has full of expectations on the huge potential of this business.

Other general trade: For the period under review, the turnover was approximately RMB19.0 million, and the loss was RMB0.6 million.

業績回顧(續)

融資租賃業務：於回顧期內錄得營業額約人民幣3.2百萬元，盈利人民幣0.8百萬元。由於金融環境的不確定性增加，集團對該業務將不再增加投入，但將繼續維持現有規模和優化客戶組合。

精準醫療業務：於回顧期內精準醫療業務錄得營業額約人民幣1.4百萬元，盈利人民幣29,000元。

Zentrogene於二零一九年四月一日正式併入本集團，本集團僅合併該公司於回顧期內三個月的業績。Zentrogene在維持現有客戶的基礎上，正將其資源整合入本集團，並轉化其部分原外包業務以降低相應成本，集團對此業務的巨大潛力充滿期待。

其他一般貿易：於回顧期內錄得營業額約人民幣19.0百萬元，虧損人民幣0.6百萬元。

BUSINESS PROSPECTS

Pharmaceutical Products Business

Although all of the land, plants and most of the production equipment of Fujian Sanai were disposed of in an auction in March 2019, the pharmaceutical products is still the principal business of the Group and continues to develop. Fujian Yongchun is a high-tech enterprise in Fujian Province which is located in Yongchun County, Quanzhou City, Fujian Province, occupying an area of 32,330 square metres with a gross floor area for the plants of approximately 8,311.58 square metres, in which the GMP workshop has an area of 3,581 square metres. Fujian Yongchun owns 5 drug registration series (藥品批准文號) and produces 5 types of oral medicine, including Yangpi San (養脾散), Sanqi panax notoginseng capsules (三七膠囊) and phentolamine mesylate tablets (甲磺酸酚妥拉明片). Fujian Yongchun will become a new base for pharmaceutical production of the Group.

The Group aims to increase its market share by the core products and other products of Fujian Yongchun. To achieve its goal, the Group plans to redirect its current market position. In particular, the Group plans to enhance its sales and promotional strategies in different channels so as to strengthen its market penetration. The Group will also further expand its sales team to further explore the market traditional medicine by focusing on drugstore chains as well. The Group will also fully leverage its existing sales team to increase its sales through distributors.

業務展望

醫藥產品業務

儘管福建三愛的所有土地、廠房和大部分生產設備已於二零一九年三月的拍賣會上出售，集團仍會將醫藥產品作為主營業務，並持續發展。福建永春位於福建省泉州市永春縣，是福建省的高新技術企業，福建永春佔地32,330平方米，廠房建築面積約8,311.58平方米，其中GMP車間3,581平方米。福建永春擁有5個藥品批准文號並生產5種口服藥品，包括養脾散、三七膠囊、甲磺酸酚妥拉明片等。福建永春將成為本集團藥品生產的新基地。

本集團旨在通過福建永春的核心產品和其他產品提升市場佔有率。為了實現這一目標，集團計劃調整其當前市場定位。特別是，集團計劃強化其不同渠道的銷售和促銷策略，增加市場滲透，擴張營銷團隊，從而通過重點著手藥店連鎖進一步探索傳統醫藥市場。集團還充分利用其現有營銷團隊通過經銷商提升其銷售額。

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BUSINESS PROSPECTS (CONTINUED)

業務展望(續)

Distribution of Healthcare and Pharmaceutical Products

保健及醫藥產品分銷

On 29 March 2019, the Group obtained the Medical Operations Permit (Wholesale), Medical Operation Quality Management System Certifications (GSP) and Food Operations Permit through the acquisition of Fujian Zhixin. In the future, the Group will act as a sales agent nationwide for the herbal medical materials, Chinese herbal medicine, Chinese patent medicine, chemical drug preparations, antibiotic preparations, biochemical pharmaceuticals, biological products, healthcare products and food products. The capacity of the Group on pharmaceutical sales will be stepped up by the acquisition of Fujian Zhixin. Not only the Group can sell the pharmaceuticals products through the sales network of Fujian Zhixin, it can also act as a sales agent to sell pharmaceuticals and healthcare products from other pharmaceutical companies.

集團於二零一九年三月二十九日通過收購福建至信獲得藥品經營的批發許可證、醫療營運質量管理系統證書(GSP)及食品經營許可證。本集團未來可以在全國範圍內代理銷售中藥材、中藥飲片、中成藥、化學藥製劑、抗生素制劑、生化藥品、生物製品、保健品、食品等。收購福建至信將增強集團的藥品銷售能力，本集團可以透過福建至信的銷售網絡銷售醫藥產品，並作為代理銷售其他藥業公司的藥品和保健品。

Prior to the acquisition of Fujian Zhixin, Fujian Zhixin has been engaging in the wholesale of Chinese herb medicine. Upon completion of the acquisition, the Group has reviewed the business prospects in relation to the wholesale of Chinese herb medicine and decided to downsize the wholesale of Chinese herb medicine going forward. At the same time, the Group will shift its focus and exert its effort to other type of pharmaceutical products.

在收購福建至信前，福建至信一直從事中草藥批發。完成收購後，集團對中草藥批發相關業務進行了前景評估，決定未來將縮小中草藥批發的規模。同時，集團將轉移重心，著力於其他類型的醫藥產品。

BUSINESS PROSPECTS (CONTINUED)

Precision Medicine Business

Genetic testing and molecular diagnostic services: The Group has cooperated with Yangtze Delta Region Institute of Tsinghua University in Zhejiang for a precision medicine research and development centre. The Group is committed to developing in the realms of precision testing, genome editing, cell therapy, regenerative medicine and the research and development of targeted drugs to conduct research and product development, and provision of services. In addition, the Group believes that biotechnology and precision medicine are the main ways and tools to cure human disease in the future, thus, the Group acquired Zentogene which is primarily engaged in the provision of services including genetic testing and molecular diagnostic testing in March 2019. Zentogene operates a laboratory with a legal business license in Hong Kong, providing services comprising non-invasive prenatal diagnosis (NIPD), tumor genetic screening, DNA testing and paternity testing. Genetic testing is a prerequisite for precision medicine. On this basis, the Group will further expand its businesses in the field of precision medicine.

CBD Business

On 6 May 2019, Sanai International Trading Company Limited* (三愛國際貿易有限公司) (“Sanai International”), a subsidiary of the Company had entered into an exclusive distribution agreement with a CBD supplier. Pursuant to the exclusive distribution agreement Sanai International would have the right to purchase, promote and re-sell essential oil, pills, capsules, gummies and topicals that infused CBD. The Group believes that these products will have prosperous market prospects in the PRC.

業務展望 (續)

精準醫學業務

基因檢測及分子生物診斷服務：本集團與浙江清華長三角研究院合作有精準醫學研發中心，本集團致力於在精準檢測，基因編輯，細胞治療，再生醫學，靶向藥物研發等領域開展研究和產品開發，服務提供等。另外，本集團相信未來生物科技及精準醫學是治療人類疾病的主要方式和工具，因此，本集團於二零一九年三月收購了Zentogene，其主要從事基因檢測，分子生物診斷檢測等服務。Zentogene在香港運營一家持有合法經營執照的化驗所，提供唐氏篩查(NIPD)，腫瘤基因篩查，遺傳基因檢測，親子鑒定等服務。基因檢測是精準醫療的必要前提，本集團將以此為基礎，在精準醫療領域拓展更多的業務。

CBD業務

本集團之附屬公司三愛國際貿易有限公司(「三愛國際」)於二零一九年五月六日與一家CBD供應商訂立獨家分銷協議。根據該協議，三愛國際有權購買、推廣及轉售注入CBD的精油、藥片、膠囊、軟糖及外用藥。本集團認為該等產品於中國將擁有繁榮的市場前景。

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BUSINESS PROSPECTS (CONTINUED)

CBD Business (continued)

For further details, please refer to the announcement of the Company dated 6 May 2019.

On 10 June 2019, Sanai International had entered into a subscription agreement and an exclusive distribution agreement with Dr. Adams for expanding its CBD distribution business. Pursuant to the exclusive distribution agreement, Sanai International would gain exclusive rights to distribute and sell the product, which are mainly CBD oil, dietary supplements and cosmetics, including hemp oil infused with CBD, capsules as dietary supplements, CBD tincture oil, CBD vape oil and other CBD infused products (e.g. facial serums, lotions, creams and balms infused with CBD). The Group has commenced to promote and sell the CBD products in August 2019.

For further details, please refer to the announcement of the Company dated 10 June 2019.

Finance Leasing Business

Due to the increased uncertainty in the financial environment, the Group intends to continue the finance leasing business at a scale similar to the existing business and upon expiry of the existing finance lease contracts, the Group will gradually diminish the scale of the finance leasing business. Additional financial resource that was previously allocated for the development of the finance leasing business may be re-allocated to the pharmaceutical products business as and when appropriate.

業務展望 (續)

CBD業務 (續)

有關此分銷協議之詳情，請參閱本公司日期為二零一九年五月六日之公告。

於二零一九年六月十日，三愛國際與Dr. Adams公司訂立了一項認購協議及一項獨家分銷協議，以擴展其CBD分銷業務。根據獨家分銷協議，三愛國際將獲得產品的獨家分銷和銷售權，產品主要為CBD油、膳食補充劑及化妝品，包括注入CBD的工業大麻油、作為膳食補充劑的膠囊、CBD酊油、CBD蒸汽機油及其他含有CBD的產品（如含有CBD的面部精華液、乳液、面霜及香膏）。本集團於二零一九年八月開始推廣及銷售CBD產品。

詳情請參閱本公司日期為二零一九年六月十日的公告。

融資租賃業務

由於融資環境中的不明朗因素增加，本集團計劃以現有經營規模繼續經營融資租賃業務，且在融資租賃合同到期時，集團將逐漸縮減融資租賃業務的規模。先前為發展融資租賃業務而分配的額外金融資源可能在適當時候重新分配給醫藥產品業務。

FINANCIAL REVIEW

For the period under review, the Group had achieved a total revenue of RMB26.7 million, decreasing by 46.7% as compared to RMB50.1 million for the corresponding period in 2018, and gross profit margin was 10.9% (gross loss margin for the corresponding period in 2018: 3.8%). The Group recorded a profit attributable to owners of the Company of RMB394.0 million (loss attributable to owners of the Company for the corresponding period in 2018: RMB22.4 million). The basic earnings per share was RMB12.8 cents during the period under review (basic loss per share for the corresponding period in 2018: RMB0.8 cents).

Liquidity, Financial Resources and Capital Structure

As at 30 June 2019, the Group has cash and cash equivalents of approximately RMB7.4 million (as at 31 December 2018: approximately RMB17.7 million) and most cash and cash equivalents were denominated in Renminbi and Hong Kong dollars. As at 30 June 2019, the Group has no secured bank loans which are to be secured by land use rights and property, plant and equipment (as at 31 December 2018: RMB233.8 million). During the period under review, the Group did not use any financial instruments for hedging purpose.

The Group had reviewed the capital structure by using gearing ratio. The gearing ratio represents the total debts, which include trade and other payables, secured bank loans and long-term borrowings of the Group, divided by total equity of the Group. The gearing ratio of the Group was approximately 13.8% as at 30 June 2019 (As at 31 December 2018: approximately 394.6%).

財務回顧

於回顧期內，本集團實現總收益人民幣26.7百萬元，較二零一八年同期的人民幣50.1百萬元減少46.7%，毛利率為10.9%（二零一八年同期毛損率：3.8%）。本集團錄得本公司擁有人應佔溢利人民幣394.0百萬元（二零一八年同期本公司擁有人應佔虧損：人民幣22.4百萬元）。回顧期內的每股基本盈利為人民幣12.8分（二零一八年同期每股基本虧損：人民幣0.8分）。

流動資金、財政資源及資本結構

於二零一九年六月三十日，本集團之現金及現金等價物約為人民幣7.4百萬元（二零一八年十二月三十一日：約人民幣17.7百萬元）及大部分現金及現金等價物以人民幣及港元計值。於二零一九年六月三十日，本集團概無有抵押銀行貸款（二零一八年十二月三十一日：人民幣233.8百萬元）將以土地使用權以及物業、廠房及設備抵押。於回顧期內，本集團並無運用任何金融工具作對沖用途。

本集團運用資產負債比率檢討資本架構。資產負債比率指本集團之總負債（包括貿易應付款項及其他應付款項、有擔保銀行貸款及長期借款）除以本集團之總權益。本集團於二零一九年六月三十日之資產負債比率為約13.8%（二零一八年十二月三十一日：約394.6%）。

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FINANCIAL REVIEW (CONTINUED)

Exposure to Fluctuation in Exchange Rates

For the period under review, the Group had conducted its business transactions principally in Renminbi. The Group has not experienced any material difficulties or negative impacts on its operations as a result of fluctuations in currency exchange rates. As at 30 June 2019, the Group did not have any foreign exchange contracts, interest or currency swaps or other financial derivatives for hedging purpose. Therefore, the Group was not exposed to any material interest and exchange risks.

財務回顧 (續)

匯率波動風險

於回顧期內，本集團之業務交易主要以人民幣進行。本集團之業務經營從未因貨幣匯率波動而遭遇重大困難或承受負面影響。於二零一九年六月三十日，本集團無任何外匯合約、外匯利息或外匯掉期或其他用作對沖的金融衍生工具。因此，本集團並無任何重大利率及匯兌風險。

THE STOCK EXCHANGE'S NOTICE TO SUSPEND TRADING IN THE COMPANY'S SHARES

The Company has received a letter dated 24 May 2019 from The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), which serves a notice that the Stock Exchange considered that the Company has failed to maintain a sufficient level of operations or have tangible assets of sufficient value and/or intangible assets for which a sufficient potential value can be demonstrated under Rule 13.24 of the rules governing the listing of securities on the Stock Exchange (the "Listing Rules") to warrant the continued listing of the shares of the Company (the "Shares"). The Stock Exchange has therefore decided to suspend trading in the Shares under Rule 6.01(3) of the Listing Rules and proceed with cancellation of the Company's listing under Rule 6.01A(1) of the Listing Rules (the "Decision").

聯交所通知暫停買賣本公司股份

本公司已收到香港聯合交易所有限公司（「聯交所」）於二零一九年五月二十四日發出的函件，當中載述聯交所認為本公司未能維持足夠的營運水平或擁有足夠價值的有形資產及／或根據聯交所證券上市規則（「上市規則」）第13.24條所指足夠潛在價值的無形資產以保證本公司股份（「股份」）得以繼續上市。因此，聯交所決定根據上市規則第6.01(3)條暫停買賣股份，並根據上市規則第6.01A(1)條將本公司除牌（「該決定」）。

**THE STOCK EXCHANGE'S NOTICE
TO SUSPEND TRADING IN THE
COMPANY'S SHARES (CONTINUED)**

The Company is required to re-comply with Rule 13.24 of the Listing Rules and will have a remedial period of 18 months to re-comply with the Listing Rules. If the Company fails to do so by the expiry of the 18-month period (i.e. 23 November 2020), the Stock Exchange will proceed with cancellation of the Company's listing.

After seeking professional advice, on 4 June 2019, the Company had submitted a written request to the listing committee (the "Listing Committee") of the Stock Exchange for the Decision to be referred to the Listing Committee for review pursuant to Rule 2B.06(1) of the Listing Rules.

The Board emphasizes that the Group is undergoing a period of transformation. The Group has terminated its business with continued losses and disposed its assets with substantial net liabilities for the interests of the company and shareholders as a whole. The Board will use its best efforts to improve the Group's overall performance in the future. The Company is in the process of requesting a review by the Listing Committee of the Stock Exchange as at the date of this report.

For further details, please refer to the announcements of the Company dated 26 May 2019, 28 May 2019 and 4 June 2019 respectively.

聯交所通知暫停買賣本公司股份(續)

本公司須重新遵守上市規則第13.24條，並將於18個月糾正期間重新遵守上市規則。倘本公司未能於18個月期間屆滿(即二零二零年十一月二十三日)前達成上述要求，則聯交所將對本公司進行除牌。

尋求專業意見後，本公司於二零一九年六月四日根據上市規則第2B.06(1)條向聯交所上市委員會(「上市委員會」)提出書面申請，要求將該決定提交上市委員會覆核。

董事會強調本集團正處於轉型期。為維護本公司及股東的整體利益，本集團已終止經營持續虧損的舊業務，並已出售錄得重大負債淨額的資產。董事會日後將竭力改善本集團的整體表現。截至本報告日期，本公司正在申請聯交所上市委員會審閱除牌事宜。

更多詳情請參閱本公司日期分別為二零一九年五月二十六日、二零一九年五月二十八日及二零一九年六月四日的公告。

Management Discussion and Analysis

管理層討論與分析

SIGNIFICANT ACQUISITIONS AND DISPOSAL OF INVESTMENTS

Disposal of Wuyi HK

On 30 April 2019, the Group entered into the sale and purchase agreement with KBS Advisory Pte. Ltd. (the Purchaser) in regard to the disposal of the entire issued share capital of an indirectly wholly-owned subsidiary company, namely Wuyi HK (the “Disposal”) at a consideration of HKD10,000. Wuyi HK is wholly-owned by Sanai International Investment Company Limited (三愛國際投資有限公司) (“Sanai International”), Sanai International is a wholly-owned subsidiary of the Group. Fujian Sanai is wholly-owned by Wuyi HK. As the operation results of Wuyi HK and Fujian Sanai are unsatisfactory and have net liabilities issues, the Disposal will enable the Group to reduce its liabilities and improve its financial position. The Company will apply the net proceeds from the Disposal for general working capital of the Group.

For further details, please refer to the announcement of the Company dated 30 April 2019.

Acquisition of companies

(i) Zentrogene

On 28 March 2019, Sanai International had entered into the sale and purchase agreement with Allstar Fast Ltd. in regard of the acquisition of the entire issued share capital of Zentrogene at a consideration of HKD19.5 million. The acquisition was completed during the period under review.

重要收購及出售投資

出售武夷香港

於二零一九年四月三十日，本集團與KBS Advisory Pte. Ltd. (買方) 簽訂買賣協議，協定按10,000港元的代價出售間接全資附屬公司武夷香港的全部已發行股本(「出售事項」)。武夷香港由三愛國際投資有限公司(「三愛國際」)全資擁有，三愛國際為本集團的全資附屬公司。福建三愛由武夷香港全資擁有，由於武夷香港及福建三愛的經營業績不盡人意，且錄得負債淨額，出售事項可使本集團減少負債，改善財務狀況。本公司擬將出售事項所得款項淨額用作本集團的一般營運資金。

更多詳情請參閱本公司日期為二零一九年四月三十日的公告。

收購公司

(i) Zentrogene

於二零一九年三月二十八日，三愛國際與Allstar Fast Ltd. 簽訂買賣協議，協定按19.5百萬港元的代價收購Zentrogene的全部已發行股本。該收購已於回顧期內完成。

**SIGNIFICANT ACQUISITIONS AND
DISPOSAL OF INVESTMENTS
(CONTINUED)**

重要收購及出售投資(續)

Acquisition of companies (continued)

收購公司(續)

(i) Zentrogene (continued)

(i) Zentrogene (續)

For further details, please refer to the announcement of the Company dated 28 March 2019.

更多詳情請參閱本公司日期為二零一九年三月二十八日的公告。

(ii) Fujian Zhixin

(ii) 福建至信

On 28 March 2019, the Group entered into the sale and purchase agreement with Mr. Meng Fan Feng and Mr. Meng Fan Jie in regard to the acquisition to the entire issued share capital of Fujian Zhixin at a consideration of RMB2.0 million. The acquisition was completed during the period under review.

於二零一九年三月二十八日，本集團與孟凡鋒先生及孟凡杰先生簽訂買賣協議，協定按人民幣2.0百萬元的代價收購福建至信的全部已發行股本。此項收購已於回顧期內完成。

For further details, please refer to the announcement of the Company dated 28 March 2019.

更多詳情請參閱本公司日期為二零一九年三月二十八日的公告。

(iii) Shenzhen Century Rongtai Guarantee Co. Ltd

(iii) 深圳市世紀融泰融資擔保有限公司

On 17 April 2019, the Group entered into the sale and purchase agreement with Shenzhen Keming Enterprises Co., Ltd.* (深圳市科銘實業有限公司) in regard to the acquisition of the entire issued share capital of Shenzhen Century Rongtai Guarantee Co. Ltd* (深圳市世紀融泰融資擔保有限公司) at a consideration of RMB3.3 million. Up to the date of this report, this acquisition is not yet completed.

於二零一九年四月十七日，本集團與深圳市科銘實業有限公司簽訂買賣協議，協定按人民幣3.3百萬元的代價收購深圳市世紀融泰融資擔保有限公司的全部已發行股本。截至本報告日期，此項收購尚未完成。

Management Discussion and Analysis

管理層討論與分析

SIGNIFICANT ACQUISITIONS AND DISPOSAL OF INVESTMENTS (CONTINUED)

Acquisition of companies (continued)

For further details, please refer to the announcement of the Company dated 17 April 2019.

Subscription Agreement and Exclusive Distribution Agreement

On 10 June 2019, Sanai International had entered into a subscription agreement with Mr. Wang Zhengjie, the sole shareholder of Dr. Adams. On the same date, Sanai International and Dr. Adams also entered into an exclusive distribution agreement regarding the CBD products.

For further details, please refer to the announcement of the Company dated 10 June 2019.

CONTINUING CONNECTED TRANSACTION

On 23 May 2019, Fujian Zhixin, an indirect wholly-owned subsidiary of the Company, had entered into the sales and distribution agreement with Hangzhou Biaopu Pharmaceutical Company Limited* (杭州標普醫藥有限公司) (“Hangzhou Biaopu”) for the sales and distribution of Hangzhou Biaopu’s pharmaceutical products by Fujian Zhixin within the PRC during the contractual period which will be expired on 31 December 2021.

重要收購及出售投資(續)

收購公司(續)

更多詳情請參閱本公司日期為二零一九年四月十七日的公告。

認購協議及獨家分銷協議

於二零一九年六月十日，三愛國際與Dr. Adams的唯一股東Wang Zhengjie先生訂立認購協議。同日，三愛國際亦與Dr. Adams訂立CBD產品獨家分銷協議。

更多詳情請參閱本公司日期為二零一九年六月十日的公告。

持續關連交易

於二零一九年五月二十三日，福建至信(本公司的間接全資附屬公司)與杭州標普醫藥有限公司(「杭州標普」)就福建至信在中國銷售及分銷杭州標普的醫藥產品訂立銷售及分銷協議，協議期限於二零二一年十二月三十一日屆滿。

CONTINUING CONNECTED TRANSACTION (CONTINUED)

The transactions under the Sales and Distribution Agreement will be carried out on a continuing or recurring basis in the ordinary and usual course of business of the Group, and therefore, constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Details of the continuing connected transactions of the Company will be disclosed in the Company's published annual report and accounts in accordance with Rule 14A.49 of the Listing Rules.

For further details, please refer to the announcements of the Company dated 23 May 2019 and 28 May 2019 respectively.

PLACING OF SHARES

On 15 April 2019, the Group had entered into a placing agreement with a placing agent to issue the placing shares to not less than six placees. The placing agreement has not been proceeded as the condition precedent for obtaining the listing approval from the Stock Exchange is not completed or fulfilled on or before the completion date on 30 June 2019.

For further details, please refer to the announcements of the Company dated 15 April 2019 and 28 May 2019 respectively.

持續關連交易(續)

銷售及分銷協議項下的交易將在本集團的日常業務過程中持續經常展開，因此根據上市規則第14A章構成本公司的持續關連交易。有關本公司持續關連交易的詳情將根據上市規則第14A.49條於本公司公佈的年度報告及賬目中披露。

詳情請參閱本公司日期分別為二零一九年五月二十三日及二零一九年五月二十八日的公告。

股份配售

二零一九年四月十五日，本公司與配售代理訂立配售協議，以向不少於六名承配人發行配售股份。由於完成日期(二零一九年六月三十日)或之前獲聯交所批准上市的先決條件尚未達成或滿足，因此，配售協議尚未進行。

更多詳情請參閱本公司日期分別為二零一九年四月十五日及二零一九年五月二十八日的公告。

Management Discussion and Analysis

管理層討論與分析

THE NUMBER AND REMUNERATION OF EMPLOYEES

As at 30 June 2019, the Group employed approximately 74 employees (31 December 2018: 230 employees) with a staff cost of approximately RMB3.0 million during the period under review (six months ended 30 June 2018: approximately RMB4.2 million). The Group determines staff remuneration in accordance with prevailing market salary scales, individual qualifications and performance. Remuneration packages including performance bonuses and entitlements to share options are reviewed on a regular basis.

僱員數目及薪酬

於二零一九年六月三十日，本集團聘用僱員約74名(二零一八年十二月三十一日：230名僱員)，於回顧期內，員工成本約為人民幣3.0百萬元(截至二零一八年六月三十日止六個月：約人民幣4.2百萬元)。本集團乃按現行市場薪酬水平、個人資歷及表現釐定員工薪酬。薪酬待遇包括表現花紅及獲發購股權之權利，並作定期檢討。

CONTINGENT LIABILITIES

As at 30 June 2019, the Group did not have any contingent liabilities (31 December 2018: Nil).

或然負債

於二零一九年六月三十日，本集團並無任何或然負債(二零一八年十二月三十一日：無)。

CAPITAL EXPENDITURE

For the period under review, the capital expenditure of the Group amounted to approximately RMB0.8 million for property, plant and equipment and for the construction has been made (six months ended 30 June 2018: Nil).

資本開支

於回顧期內，本集團就物業、廠房及設備及建設作出的資本開支約為人民幣0.8百萬元(截至二零一八年六月三十日止六個月：無)。

INTERIM DIVIDEND

The Board does not recommend a payment of any interim dividend for the period under review (six months ended 30 June 2018: Nil).

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as the Company's own code for securities transactions by its Directors. In addition, the Company has made specific enquiries with the Directors and all Directors confirmed that they had fully complied with the required standards as set out in the Model Code during the period under review.

SHARE OPTIONS SCHEME

On 24 May and 30 May 2018, 115,400,000 share options of the Company (the "Share Options") and 118,000,000 Share Options were granted to certain grantees respectively. On 7 June, 8 June, 14 June and 19 June 2018, an aggregate of 195,100,000 Share Options were exercised by certain grantees under the share option scheme adopted by the Company on 16 June 2017. The following table discloses movements in the Share Options during the period under review:

中期股息

董事會並不建議就回顧期派發任何中期股息（截至二零一八年六月三十日止六個月：無）。

董事進行證券交易

本公司已採納上市規則附錄十所載《上市發行人董事進行證券交易的標準守則》（「標準守則」），作為本公司董事進行證券交易之守則。此外，本公司已向董事作出具體查詢，各董事均確認於回顧期內，已全面遵守標準守則所規定標準。

購股權計劃

於二零一八年五月二十四日及五月三十日，若干承授人分別獲授予本公司115,400,000及118,000,000份購股權（「購股權」）。於二零一八年六月七日、六月八日、六月十四日及六月十九日，若干承授人行使合計195,100,000份購股權，該購股權是根據本公司於二零一七年六月十六日採納的購股權計劃授出。下表披露於回顧期內購股權之變動：

Corporate Governance and Other Information

企業管治及其他資料

SHARE OPTIONS SCHEME (CONTINUED)

購股權計劃 (續)

| Category of participant 參與人士類別 | Number of share options 購股權數目 | | | | | At 30 June 2019 於二零一九年 六月三十日 | Date of grant 授出日期 | Exercise period 行使期 | Exercise price (HK\$) (港元) | Closing price of the shares immediately before the date of grant 緊接授出 日期前 股份收市價 (HK\$) (港元) |
|--|---|---|---|---|------------|---|--|---------------------------|-------------------------------------|---|
| | At 1 January 2019 於二零一九年 一月一日 | Granted during the period 期內授出 | Cancelled or lapsed during the period 期內注銷 或失效 | Exercised during the period 期內行使 | | | | | | |
| Employees in aggregate 僱員總數 | 36,300,000 | - | - | - | 36,300,000 | 24 May 2018 and 30 May 2018 二零一八年 五月二十四日 及二零一八年 五月三十日 | 24 May 2018 to 29 May 2023 (Note) 二零一八年 五月二十四日 至二零二三年 五月二十九日 (附註) | 0.32 and 0.335 及 | 0.32 and 0.335 及 | |
| Non-employees in aggregate 非僱員總數 | 2,000,000 | - | - | - | 2,000,000 | 30 May 2018 二零一八年 五月三十日 | 30 May 2018 to 29 May 2023 (Note) 二零一八年 五月三十日至 二零二三年 五月二十九日 (附註) | 0.335 | 0.335 | |
| | 38,300,000 | - | - | - | 38,300,000 | | | | | |

Note: The Share Options are not subject to any vesting period.

附註：購股權並不受任何待歸屬期所限。

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

董事及最高行政人員於本公司及其相聯法團股份、相關股份及債權證的權益及淡倉

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

於本報告日期，本公司董事（「董事」）及最高行政人員於本公司或其任何相聯法團（香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部所界定）的股份、相關股份或債權證中，擁有根據證券及期貨條例第352條須列入本公司所存置登記冊，或根據香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十所載標準守則規定須知會本公司及香港聯合交易所有限公司（「聯交所」）之權益或淡倉如下：

| Name of Directors 董事姓名 | Company/name of associated corporation 公司／相聯 法團名稱 | Capacity 身份 | Number of shares (Note 1) 股份數目 (附註1) | Approximate percentage of interest 概約權益 百分比 |
|--|---|---|---|---|
| Mr. Chen Chengqing ("Mr. Chen") 陳成慶先生（「陳先生」） | The Company 本公司 | Interest in controlled corporation (Note 2) 受控法團權益（附註2） | 836,735,000 (L) | 27.28% |
| | | Beneficial owner (Note 2) 實益擁有人（附註2） | 2,800,000 (L) | 0.09% |
| Professor Zhang Rongqing 張榮慶教授 | The Company 本公司 | Beneficial Owner 實益擁有人 | 22,000,000 (L) | 0.72% |
| Mr. Wang Zihao 王子豪先生 | The Company 本公司 | Beneficial Owner 實益擁有人 | 2,800,000 (L) | 0.09% |
| Mr. Long Jun 隆軍先生 | The Company 本公司 | Beneficial Owner 實益擁有人 | 2,600,000 (L) | 0.08% |

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

Notes:

1. The letter "L" denotes long position in the shares.
2. According to the disclosure of interest form submitted by Mr. Chen Chengqing ("Mr. Chen") on 30 May 2018 in accordance with Part XV of the SFO, 836,753,000 of these shares are registered in the name of Cyber Success Global Investments Limited ("Cyber Success"), which is wholly owned by Mr. Chen. By virtue of the SFO, Mr. Chen is deemed to be interested in all the shares in which Cyber Success is interested. Mr. Chen is also beneficially interested in 2,800,000 shares of the Company.
3. The percentage of shareholding is calculated on the basis of 3,067,222,500 issued shares of the Company as at the date of this report.

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

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

附註：

1. 「L」指於股份中之好倉。
2. 根據由陳成慶先生（「陳先生」）於二零一八年五月三十日提交的證券及期貨條例第XV部披露權益表格，該等股份中之836,753,000股以陳先生全資擁有的Cyber Success Global Investments Limited（「Cyber Success」）之名義登記。根據證券及期貨條例，陳先生被視為於Cyber Success擁有權益之全部股份中擁有權益。陳先生亦於本公司2,800,000股股份中擁有實際權益。
3. 股權百分比按本報告日期之本公司已發行股份3,067,222,500股作基準計算。

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

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

主要股東於本公司之股份及相關股份的權益及淡倉

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

於本報告日期，以下人士（本公司董事或最高行政人員除外）於本公司股份或相關股份擁有根據證券及期貨條例第336條須列入本公司所存置登記冊的權益或淡倉如下：

| Name of shareholder 股東名稱／姓名 | Capacity 身份 | Number of shares (Note 1) 股份數目 (附註1) | Approximate percentage of shareholding (Note 2) 概約股權 百分比 (附註2) |
|---|--|--|--|
| Mr. Chen Chengqing ("Mr. Chen") 陳成慶先生(「陳先生」) | Interest in controlled corporation (Note 2) 受控法團權益(附註2) Beneficial owner (Note 2) 實益擁有人(附註2) | 836,753,000 (L) | 27.28% |
| | | 2,800,000 (L) | 0.09% |
| Cyber Success | Beneficial owner(Note 2) 實益擁有人(附註2) | 836,753,000 (L) | 27.28% |
| China Medical Service Investment Holding Limited | Beneficial owner 實益擁有人 | 171,000,000 (L) | 5.58% |

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

Notes:

- (1) The letter "L" denotes long position in the shares of the Company.
- (2) According to the disclosure of interest form submitted by Mr. Chen Chengqing ("Mr. Chen") on 30 May 2018 in accordance with Part XV of the SFO, 836,753,000 of these shares are registered in the name of Cyber Success Global Investments Limited ("Cyber Success"), which is wholly owned by Mr. Chen. By virtue of the SFO, Mr. Chen is deemed to be interested in all the shares in which Cyber Success is interested. Mr. Chen is also beneficially interested in 2,800,000 shares of the Company.
- (3) The percentage of shareholding is calculated on the basis of 3,067,222,500 issued shares of the Company as at 30 June 2019.

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

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities of the Company during the period under review.

主要股東於本公司之股份及相關股份的權益及淡倉(續)

附註：

- (1) (L)指於股份中之好倉。
- (2) 根據由陳成慶先生(「陳先生」)於二零一八年五月三十日提交的證券及期貨條例第XV部披露權益表格，該等股份中之836,753,000股以陳先生全資擁有的Cyber Success Global Investments Limited(「Cyber Success」)之名義登記。根據證券及期貨條例，陳先生被視為於Cyber Success擁有權益之全部股份中擁有權益。陳先生亦於本公司2,800,000股股份中擁有實際權益。
- (3) 股權百分比按二零一九年六月三十日本公司已發行股份3,067,222,500股作基準計算。

除上文所披露者外，於本報告日期，本公司並無知悉任何人士(其權益或淡倉載於上文「董事及最高行政人員於本公司及其相聯法團股份、相關股份及債權證的權益及淡倉」一段的董事除外)於本公司股份或相關股份擁有根據證券及期貨條例第336條須列入本公司所存置登記冊的權益或淡倉。

購買、出售或贖回本公司上市證券

於回顧期內，本公司或其任何附屬公司概無購買、出售或贖回本公司的任何上市證券。

COMPLIANCE OF THE CORPORATE GOVERNANCE CODE

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

The Company has complied with the provisions as set out in the Corporate Governance Code contained in Appendix 14 to the Listing Rules (the "CG Code") during the period under review to ensure that the Company is up to the requirements as being diligent, accountable and professional, except for deviation from provision A.2.1 of the CG Code in respect of separation of the roles of chairman and chief executive officer ("CEO") of the Company. The Board considered that vesting the roles of chairman and the CEO in the same person facilitates the execution of the Company's business strategies and maximizes effectiveness of its operations. On the other hand, there are three independent non-executive Directors (INEDs) in the Board, all of them possess adequate independence and therefore the Board considers the Company has achieved balance and provided sufficient protection to its interests and the interests of its shareholders. The Board shall review the structure from time to time and shall consider the appropriate adjustment should suitable circumstances arise.

遵守企業管治守則

本公司致力於達致高標準之企業管治常規，以使本公司股東、客戶、僱員的利益以及本公司的長遠發展得到保障。

除本公司主席及行政總裁（「行政總裁」）的角色未有區分，從而偏離企業管治守則第A.2.1條外，於回顧期內，本公司已全面遵守上市規則附錄十四所載《企業管治守則》（「企業管治守則」）所載條文，確保本公司符合盡力、負責及專業之要求。董事會認為，由同一人士擔任主席及行政總裁職位，有助於本公司執行業務策略，實現經營效率最大化。另一方面，董事會有三名獨立非執行董事（「獨立非執行董事」），彼等均擁有足夠的獨立性，故董事會認為本公司已就其權益及其股東權益取得平衡及提供足夠保障。董事會須不時檢討有關架構，並於適當情況下考慮適當調整。

Corporate Governance and Other Information

企業管治及其他資料

AUDIT COMMITTEE REVIEW

The Company has established an audit committee which is accountable to the Board and the primary duties of which include the review and supervision of the Group's financial reporting process and internal control measures. For the period under review, the audit committee comprised three INEDs of the Company, namely, Mr. Tu Fangkui, Mr. Wang Zihao and Mr. Long Jun. Mr. Wang Zihao serves as the chairman of the audit committee of the Company, who has the professional qualification and experience in financial matters in compliance with the requirements of the Listing Rules. The audit committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters including the review of the unaudited condensed consolidated interim financial statements of the Group for the period under review. They considered that the unaudited interim financial statements of the Group for the period under review are in compliance with the relevant accounting standards, rules and regulations and that appropriate disclosures have been made.

REMUNERATION COMMITTEE

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

審核委員會審閱

本公司已成立審核委員會，審核委員會對董事會負責，主要職責包括審閱及監督本集團的財務報告流程及內部控制措施。於回顧期內，審核委員會由本公司三名獨立非執行董事組成，即屠方魁先生、王子豪先生及隆軍先生。王子豪先生擔任本公司審核委員會主席，其具備上市規則要求的財務事務相關專業資格和經驗。審核委員會與管理層已審閱本集團採納的會計政策及常規，討論了內部控制和財務報告事宜，包括審閱本集團回顧期內的未經審核簡明綜合中期財務報表。彼等認為，本集團回顧期內的未經審核中期財務報表符合相關會計準則、規則及規例，且已作適當披露。

薪酬委員會

本公司的薪酬委員會由三名獨立非執行董事及兩名執行董事組成，負責協助董事會監督本公司的薪酬待遇、花紅及其他應付予董事及高級管理層的補償，並為制訂該等薪酬政策而設立正式且具透明度的程序。

NOMINATION COMMITTEE

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

PUBLICATION OF INTERIM REPORT

The 2019 interim report containing all the information required by the Listing Rules will be despatched to shareholders as well as made available on our Company’s website at www.1889hk.com and the Stock Exchange’s website at www.hkexnews.hk respectively in due course.

提名委員會

本公司的提名委員會(「提名委員會」)由三名獨立非執行董事及兩名執行董事組成，負責檢討董事會的架構、人數及組成部分、物色具適合資格出任董事會成員的人選、評估獨立非執行董事的獨立性。經考慮被提名人士的獨立性及品格後，提名委員會須向董事會提供推薦意見，以確保所有提名均為公平及透明。提名委員會亦負責審閱董事繼任計劃，尤其是主席及行政總裁。

刊發中期報告

二零一九年中期報告(載有上市規則所規定的所有資料)將寄發予股東，並將分別載於本公司網站www.1889hk.com及聯交所網站www.hkexnews.hk以供閱覽。

ACKNOWLEDGEMENT

I would like to offer the Board's sincere gratitude to the management team and all other employees for their hard work and dedication. Their excellence and commitment are of vital importance in enhancing the Company's sustainability. Finally, I would like to take this opportunity to thank our shareholders and all other stakeholders for their continuous support and confidence in us.

On behalf of the Board
CHEN CHENGQING
Chairman

Hong Kong, 30 August 2019

致謝

本人謹代表董事會，對管理層團隊及所有其他僱員的努力及熱誠，致以衷心感謝。彼等的卓越表現及承擔對提高本公司的持續發展起著關鍵作用。最後，本人藉此機會感謝各股東及其他利益相關者一直以來的鼎力支持及信任。

代表董事會
主席
陳成慶

香港，二零一九年八月三十日



Sanai Health Industry Group Company Limited
三愛健康產業集團有限公司