



東瑞製藥(控股)有限公司

DAWNRAYS PHARMACEUTICAL (HOLDINGS) LIMITED

(在開曼群島註冊成立的有限公司)

(incorporated in the Cayman Islands with limited liability)

股份編號：2348 Stock Code：2348

2019

INTERIM REPORT 中期報告

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公司資料

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Ms. LI Kei Ling (*Chairman*)

Mr. HUNG Yung Lai

Mr. CHEN Shaojun

NON-EXECUTIVE DIRECTOR

Mr. LEUNG Hong Man

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. LO Tung Sing Tony

Mr. EDE, Ronald Hao Xi

Ms. LAM Ming Yee Joan

CHIEF EXECUTIVE OFFICER

Mr. CHEN Shaojun

AUDIT COMMITTEE

Mr. LO Tung Sing Tony (*Chairman*)

Mr. EDE, Ronald Hao Xi

Ms. LAM Ming Yee Joan

REMUNERATION COMMITTEE

Mr. EDE, Ronald Hao Xi (*Chairman*)

Ms. LI Kei Ling

Mr. LO Tung Sing Tony

Ms. LAM Ming Yee Joan

NOMINATION COMMITTEE

Ms. LI Kei Ling (*Chairman*)

Mr. LO Tung Sing Tony

Mr. EDE, Ronald Hao Xi

Ms. LAM Ming Yee Joan

AUDITORS

Ernst & Young

Certified Public Accountants, Hong Kong

董事會

執行董事

李其玲女士 (*主席*)

熊融禮先生

陳紹軍先生

非執行董事

梁康民先生

獨立非執行董事

勞同聲先生

EDE, Ronald Hao Xi 先生

林明儀女士

總裁

陳紹軍先生

審核委員會

勞同聲先生 (*主席*)

EDE, Ronald Hao Xi 先生

林明儀女士

薪酬委員會

EDE, Ronald Hao Xi 先生 (*主席*)

李其玲女士

勞同聲先生

林明儀女士

提名委員會

李其玲女士 (*主席*)

勞同聲先生

EDE, Ronald Hao Xi 先生

林明儀女士

核數師

安永會計師事務所

執業會計師，香港

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited, Hong Kong
 The Hong Kong and Shanghai Banking Corporation Limited, Hong Kong
 Industrial and Commercial Bank of China Suzhou Wuzhong Sub-Branch
 Agricultural Bank of China Suzhou Nanmen Sub-Branch
 Bank of China Suzhou Wuzhong Sub-Branch

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Units 3001-02, 30/F, CNT Tower, 338 Hennessy Road,
 Wanchai, Hong Kong

REGISTERED OFFICE

Cricket Square
 Hutchins Drive
 P. O. Box 2681
 Grand Cayman KY1-1111
 Cayman Islands

**PRINCIPAL SHARE REGISTRAR AND
TRANSFER OFFICE**

Conyers Trust Company (Cayman) Limited
 Cricket Square, Hutchins Drive, P.O. Box 2681,
 Grand Cayman KY1-1111, Cayman Islands

**HONG KONG BRANCH SHARE REGISTRAR AND
TRANSFER OFFICE**

Tricor Abacus Limited
 Level 54, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong

SHAREHOLDER'S CALENDAR**Closure of Register of Members for Interim Dividend**

Thursday, 26 September 2019 to Friday, 27 September 2019
 (both days inclusive)

**Record Date to determine Shareholder's entitlement to
the Interim Dividend**

Wednesday, 25 September 2019

Interim Dividend, payable

HK\$0.015 per share, payable on or about 10 October 2019

主要往來銀行

中國銀行(香港)有限公司·香港
 香港上海滙豐銀行有限公司·香港
 中國工商銀行蘇州市吳中支行
 中國農業銀行蘇州市南門支行
 中國銀行蘇州市吳中支行

總辦事處及主要營業地點

香港灣仔軒尼詩道338號
 北海中心30樓3001-02室

註冊辦事處

Cricket Square
 Hutchins Drive
 P.O. Box 2681
 Grand Cayman KY1-1111
 Cayman Islands

主要股份過戶登記處

Conyers Trust Company (Cayman) Limited
 Cricket Square, Hutchins Drive, P.O. Box 2681,
 Grand Cayman KY1-1111, Cayman Islands

香港股份過戶登記分處

卓佳雅柏勤有限公司
 香港灣仔皇后大道東183號合和中心54樓

股東時間表**中期股息截止過戶日期**

二零一九年九月二十六日(星期四)至二零一九年
 九月二十七日(星期五)(首尾兩天包括在內)

釐定股東權利以收取中期股息的記錄日

二零一九年九月二十五日(星期三)

中期股息(待派發)

每股港幣0.015元, 約於二零一九年十月十日派發

主席報告

The board (the “Board”) of directors (the “Directors”) of Dawnrays Pharmaceutical (Holdings) Limited (the “Company”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2019 (the “period”) together with the comparative figures in 2018. These interim results have been reviewed by the audit committee of the Company.

RESULTS

The Group recorded revenue of approximately RMB490,750,000 for the six months ended 30 June 2019 (2018: RMB496,927,000), representing a decrease of approximately 1.2% compared to the same period of 2018. Profit attributable to the owners of the parent was approximately RMB150,416,000 (2018: RMB166,193,000), representing a decrease of approximately 9.5% compared to the same period of 2018.

The decrease in revenue and profit was mainly due to the decrease in sales of Entecavir, a specific medicine of the Group, as well as the decrease in sales of cephalosporin powder for injection of the Group compared to the same period of 2018.

BUSINESS REVIEW AND PROSPECT

A series of medical and pharmaceutical policies implemented by the government in recent years continue to have various impacts on the pharmaceutical industry in China during the period. Price reduction through tendering, group purchasing, stricter quality systems and other matters lead to a slowdown in revenue and profit growth rates of the chemical pharmaceutical industry. In spite of continuous price reduction pressure on the pharmaceutical terminal market from various government policies including medical insurance fee control, reduction in the proportion of medicine prices, and group purchasing, the market continues to grow, as the overall demand for medicines is supported by social factors including the growth of China's population, the accelerated ageing of the population, the enhancement of health awareness, and the continuous improvement of citizens' affordability. Moreover, due to the homogenization of products, the competition among peer companies in the chemical pharmaceutical industry in China is becoming more and more fierce. Pharmaceutical enterprises must, in a timely and effective manner, adjust their operation strategies to adapt to the changing market, in order to create conditions to maintain the original business size.

東瑞製葯(控股)有限公司(「本公司」)之董事(「董事」)會(「董事會」)謹此提呈本公司及其附屬公司(統稱「本集團」)截至二零一九年六月三十日止六個月(「本期間」)之未經審核綜合中期業績，連同二零一八年的比較數字。此等中期業績已經由本公司的審核委員會審閱。

業績

本集團截至二零一九年六月三十日止六個月錄得收入約人民幣490,750,000元(二零一八年：人民幣496,927,000元)，比二零一八年同期減少約1.2%。母公司擁有人應佔溢利約人民幣150,416,000元(二零一八年：人民幣166,193,000元)，比二零一八年同期減少約9.5%。

收入與利潤的減少，主要是本集團專科藥物恩替卡韋銷售有所下降，同時，亦由於本集團頭孢菌素粉針劑銷售額與二零一八年同期比較有所下降所致。

業務回顧與展望

近年來政府實施的一系列醫療和醫藥政策繼續於本期間對中國製藥行業產生各種影響。其中招標降價、集體帶量採購、質量制度趨嚴等導致化學製藥行業收入及利潤增速有所放緩。儘管政府各種政策例如醫保控費、降低藥價佔比、集體採購等對藥品終端市場形成持續降價壓力，但中國人口數量增長、人口老齡化進程加快、健康意識提升、市民可支付能力持續改善等社會因素繼續支撐藥物總體需求，因而市場仍然有所增長。另一方面，由於產品同質化，中國化學製藥行業同業間競爭愈趨激烈，製藥企業必須適時有效調整營運策略，適應市場不斷轉變以創造條件維持原有的業務規模。

Details of the progress of the relocation compensation for Suzhou Dawnrays Pharmaceutical Co., Ltd., a subsidiary of the Group, are set out in the Management Discussion and Analysis in this report. In addition, in accordance with relevant legal requirements, clinical trials and pre-clinical preparations are conducted in an orderly manner for the application for Class 1 new drug registration of AK102 and AK109, both of which are monoclonal antibody agents developed by AD Pharmaceuticals Co., Ltd., a company jointly established by Dawnrays Biotechnology Capital (Asia) Ltd., a subsidiary of the Company, and Akeso Biopharma Inc.

During the period, the Group completed the acquisition of Top Field Limited which indirectly wholly owns Cinmed Pharmaceutical Company Limited ("Cinmed Pharmaceutical"). After the acquisition, the Group has gradually integrated various resources with good progress and prepared for the smooth launch of commercial sales of the atorvastatin calcium tablet, a major product of Cinmed Pharmaceutical. In addition, the Group has made efforts to accelerate the research into new products of Cinmed Pharmaceutical, with a view that each new product will become a new source of income of the Group within a reasonable time.

Looking forward to the future development of China's pharmaceutical market, the Group expects that China's chemical pharmaceutical industry will operate in a more challenging business environment, affected by two national policies, namely quality consistency evaluation for generic drugs and group purchasing. The Company will comprehensively integrate the existing human, technical and financial resources, make efforts to reduce corporate operating and production costs, maintain and expand the market share of the existing products to relieve the downward pressure on product prices. Meanwhile, the Group will strengthen the organizing capability and the policy implementation capacity of enterprises, and seek to develop new products that can meet the treatment demand, from the perspective of tolerable research and development risks of enterprises, through endogenous and exogenous approaches, so as to expand the Group's research and development pipeline assets and strengthen the structural combination of products launched.

The Company will, on the basis of years of successful experience, plan and manage research and development, production and sales work in an all-round way, and strive to promote the close combination of the three aspects to produce maximum effect, so as to fully unlock the potential value of the Group's industrial chain and continue to produce a reasonable return on investment for the Company's shareholders.

有關本集團附屬公司蘇州東瑞製藥有限公司的拆遷補償進展，在本報告之管理層討論與分析內報告。另外，本公司附屬公司東瑞生物投資發展(亞洲)有限公司與中山康方生物醫藥有限公司合資的康融東方(廣東)醫藥有限公司研發之單抗藥物AK102及AK109一類新藥註冊申請的臨床試驗及臨床前籌備工作正按照相關法定要求順序推進。

本期間本集團完成收購Top Field Limited，其間接全資擁有興安藥業有限公司(「興安藥業」)。於收購後，本集團已逐步整合各項資源進展良好，並順利打開興安藥業主要產品阿托伐他汀鈣片的商業銷售。此外，本集團亦已著力加速興安藥業新品種的在研工作，以期各新產品能於合理時間內成為本集團收入的新來源。

展望中國醫藥市場未來發展，在仿製藥質量一致性評價和集體帶量採購兩項國家政策疊加所產生的效應衝擊下，本集團預期中國化學製藥行業將面臨更為具挑戰性的經營環境。本公司將全面整合現有人力、技術和財務資源，全力降低企業營運和產品生產成本，維護並擴展現有產品的市場份額，舒緩產品價格下行的壓力。與此同時，本集團將加強企業組織能力和企業政策執行能力，從內生和外延的不同途徑，從企業可承受的研發風險角度尋求開發能滿足治療需求的新產品，以壯大本集團研發管線資產並強化上市產品的結構組合。

本公司將秉持過往多年來的成功經驗，全方位計劃和管理好研發、生產及銷售的工作，努力促使三者緊密結合以產生最大成效，以期能充分釋放本集團產業鏈條的潛在價值，繼續為本公司股東創造合理的投資回報。

主席報告

INTERIM DIVIDEND

The Board resolved to declare an interim dividend of HK\$0.015 per share for the year ending 31 December 2019, approximately amounting to a total sum of HK\$23,566,000 (equivalent to approximately RMB21,548,000).

APPRECIATION

Meanwhile, I would like to take this opportunity to express my appreciation for the support to me from the Company's shareholders and directors and the Group's business partners, management personnel and all staff.

By Order of the Board

Dawnrays Pharmaceutical (Holdings) Ltd.

Li Kei Ling

Chairman

Hong Kong, 27 August 2019

中期股息

董事會決議宣派截至二零一九年十二月三十一日止年度中期股息每股港幣0.015元，合共約港幣23,566,000元（約相當於人民幣21,548,000元）。

感謝

藉此機會，本人對本公司各位股東、董事及本集團所有業務夥伴、管理人員和員工的支持表達衷心謝意。

承董事會命

東瑞製藥(控股)有限公司

李其玲

主席

香港，二零一九年八月二十七日

REVIEW OF OPERATIONS

During the period, in a highly competitive market environment, sales of the Group's anti-hypertensive drug in "An" (安) series medicines, and anti-allergic drugs "Xikewei" (西可韋) and "Xikexin" (西可新), respectively increased by 12.0% and 14.5% compared with the corresponding period of 2018, continuing to make significant contribution to the profitability of the Group. However, "Leiyide" (雷易得) (Entecavir Dispersible Tablets) was affected by the failure to win the bid in Hong Kong and "4+7" centralized procurement, with a significant decrease of 47.4% in sales during the review period, compared with the corresponding period of last year. The competitiveness of cephalosporin intermediates and bulk medicines was enhanced significantly due to continuous improvement in product quality and production cost reduction by the Group. The turnover increased by 7.3%, while for the segment results, there was a small profit.

Since the Group acquired Cinmed Pharmaceutical Company Limited ("Cinmed Pharmaceutical") on 7 May 2019, with the efforts of the sales team, its lipid-lowering drug (Atorvastatin Calcium Tablets (阿托伐他汀鈣片)) has entered the market rapidly, which has also driven sales of other existing products of Cinmed Pharmaceutical. As at 30 June 2019, the products of Cinmed Pharmaceutical were sold in 27 provinces, municipalities and autonomous regions of China.

During the period, the Group's marketing management personnel closely reviewed the effectiveness of various business plans, properly adjusted the Group's product marketing ideas and strategies and strengthened resource allocation in response to rapid changes in the market, actively identified market gaps, deeply engaged in existing markets and developed new product markets to ensure a steady and stable condition in the Group's sales and eliminate the impact of "4+7" centralized procurement.

PRODUCT R&D

Apart from the description in the following section of "NEW PRODUCTS AND PATENT LICENSING", the Group's ongoing research projects cover the therapeutic areas of circulatory system, digestive system, endocrine system, antiviral drugs, etc.

The Group will continue investing more resources in production technology and product R&D and innovation, and seek after various forms of external cooperation opportunities so as to strengthen our product mix and profitability foundation.

業務營運回顧

本期間，在競爭激烈的市場環境下，本集團治療高血壓的「安」系列產品的銷售額與二零一八年度同期相比增長12.0%；抗過敏藥物「西可韋」「西可新」同比增長14.5%；繼續為本集團盈利作出重大貢獻。惟「雷易得」(恩替卡韋分散片)受香港落標和「4+7」集採的影響，於回顧期內銷售額比上年同期降幅較大，下跌47.4%。頭孢菌素中間體及原料藥由於本集團不斷提高產品品質，降低生產成本，中間體及原料藥產品競爭能力較大提高。銷售額增長7.3%，分類業績略有盈利。

本集團自二零一九年五月七日收購興安藥業有限公司(「興安藥業」)以來，在銷售團隊的努力下，其降血脂類藥物(阿托伐他汀鈣片)迅速切入市場，同時帶動其他原有興安藥業產品銷售。於二零一九年六月三十日興安藥業產品已在全國27個省市自治區銷售。

期內，本集團營銷管理人員緊密檢查各項業務計劃成效，因應市場急促變化，適當調整本集團產品營銷思路和營銷策略並加強資源配置，積極開拓空白市場，深耕現有市場，開拓新產品市場以確保本集團銷售額持續穩定的狀況，消除「4+7」集採帶來的影響。

產品研發

除於下列「新產品和專利授權情況」一節所述外，本集團在研項目覆蓋治療領域包括循環系統，消化系統，內分泌系統和抗病毒藥物等。

本集團將持續投入更多資源於生產技術和產品研發創新，並對外尋求各種形式合作機會，以加強產品結構和盈利基礎。

CONSISTENCY EVALUATION

In June 2019, the Group obtained the supplementary approval for the consistency evaluation registration of “Levocetirizine Dihydrochloride Tablets”. In addition, as at 30 June 2019, the Group carried out the quality consistency research of 18 varieties. Consistency evaluation applications for 3 of such varieties have been submitted to the Center for Drug Evaluation, National Medical Products Administration, while bioequivalence (BE) clinical trials of 2 of such varieties are carried out, and pharmaceutical research into 13 of such varieties is conducted.

PRODUCTION QUALITY

During the period, the Group’s production of intermediates and bulk medicines decreased by 28.0% compared with the corresponding period of last year, mainly due to the decrease in the number of Ceftriaxone Sodium export orders. The production of cephalosporin powder for injection decreased by 10.1%. The production of solid-dosage-forms increased by 2.9%. Due to the improvement of the Group’s production process and the enhancement of the quality control system, the product quality has been greatly improved, further enhancing the product market competitiveness of the Group.

OTHER MATTERS

During the period, the Group promoted corporate governance and other aspects in an orderly manner, and continued to improve the safety and environmental protection work. The employee training system was gradually improved. The development of corporate culture was carried out actively, thus further enhancing the cohesion of employees.

NEW PRODUCTS AND PATENT LICENSING

(1) During the period from January to June 2019, a total of 2 varieties were submitted to National Medical Products Administration for applying for drug registration and obtaining CDE acceptance number. Supplementary applications for 3 varieties were submitted to Jiangsu Drug Administration; 3 supplementary approvals were obtained.

(2) ONE INVENTION PATENT WAS OBTAINED IN 2019

The invention patent (Patent No.: ZL201510256115.1) was granted for “Cetirizine Hydrochloride Tablets and Preparation Process” on 11 June 2019.

一致性評價

本集團已於二零一九年六月取得「鹽酸左西替利嗪片」一致性評價註冊補充批件，此外，截至二零一九年六月三十日止，本集團進行質量一致性研究品種18個。其中3個品種已向國家藥品監督管理局藥品審評中心進行一致性評價申請，另有2個品種正在進行生物等效性(BE)臨床研究，13個品種在做藥學研究。

生產質量

與上年同期比較，於本期間本集團中間體及原料藥生產量下降28.0%，主要是頭孢曲松鈉出口訂單減少影響。頭孢菌素粉針劑生產量下降10.1%。固型劑的產量增長2.9%。由於本集團生產工藝的提升和質量管理體系的加強，產品質量狀況持續獲得較大提升，產品市場競爭力進一步增強。

其他事宜

本期間，本集團公司治理等各方面工作有序推進，安全、環保工作持續改善。員工培訓體系逐步完善。公司文化建設積極開展，員工凝聚力進一步增強。

新產品和專利授權情況

(1) 於二零一九年一月至六月期間，共有2個品種送國家藥品監督管理局申請藥品註冊及獲得CDE受理號；有3個品種向江蘇省藥品監督管理局進行了申報補充申請；獲補充批件3個。

(2) 二零一九年獲得一項發明專利

「一種鹽酸西替利嗪片及其制備工藝」於二零一九年六月十一日被授予發明專利(專利號ZL201510256115.1)。

(3) TWO UTILITY MODEL PATENT CERTIFICATES WERE OBTAINED IN 2019

A utility model patent certificate (Patent No.: ZL201820948153.2) was granted for “A Metformin Hydrochloride Tablet Tableting Device” on 18 January 2019.

A utility model patent certificate (Patent No.: ZL201821421660.7) was granted for “A Particle Screening Device for Preparation of Azithromycin Tablets” on 29 March 2019.

HONORS AWARDED IN 2019

In April 2019, the certificate of “Work Safety Standardization Grade II Enterprise” was granted to Suzhou Dawnrays Pharmaceutical Science and Technology Co., Ltd., a subsidiary of the Group.

In June 2019, Suzhou Dawnrays Pharmaceutical Co., Ltd. (research and development center), a subsidiary of the Group, was recognized as one of the “First Foreign-Invested Research and Development Centers Meeting the Import Tax Policy in 2019 in Jiangsu Province”.

FINANCIAL REVIEW**SALES AND GROSS PROFIT**

For the six months ended 30 June 2019, the Group recorded a turnover of approximately RMB490,750,000, representing a decrease of RMB6,177,000, or 1.2%, compared with that of RMB496,927,000 during the corresponding period of last year. Of which, sales of intermediates and bulk medicines was RMB118,979,000, representing an increase of RMB8,087,000, or 7.3%, compared with last year; sales of finished drugs was RMB371,771,000, representing a decrease of RMB14,264,000, or 3.7%, compared with last year.

Sales amount of finished drugs, comprising system specific medicines, powder for injection and tablets of cephalosporin and other oral solid-dosage-form of antibiotics, reached approximately RMB371,771,000. Taking into account of the total turnover, sales amount of finished drugs was approximately 75.8%, representing a decrease of 1.9 percentage points compared with last year, of which, sales amount of system specific medicines accounted for approximately 91.4% of sales of finished drugs.

Export sales amount accounted for approximately 9.1% of the total turnover. The export destinations mainly included countries and regions such as Italy, Russia, Pakistan and India etc.

(3) 二零一九年共獲得兩項實用新型專利證書

「一種鹽酸二甲雙胍片壓片裝置」於二零一九年一月十八日被授予實用新型專利(專利號ZL201820948153.2)。

「一種製備阿奇霉素片的顆粒過篩裝置」於二零一九年三月二十九日被授予實用新型專利(專利號ZL201821421660.7)。

二零一九年獲得之榮譽

二零一九年四月，本集團附屬公司蘇州東瑞醫藥科技有限公司取得「安全生產標準化二級企業」證書。

二零一九年六月，本集團附屬公司蘇州東瑞製藥有限公司(研發中心)被認定為「江蘇省2019年度第一批符合進口稅收政策外資研發中心」。

財務回顧**銷售及毛利**

截至二零一九年六月三十日止六個月，本集團營業額約人民幣490,750,000元，去年同期為人民幣496,927,000元，比去年同期減少人民幣6,177,000元，減幅為1.2%。其中中間體及原料藥銷售額人民幣118,979,000元，銷售額上升人民幣8,087,000元，比去年上升7.3%；成藥銷售額人民幣371,771,000元，銷售額減少人民幣14,264,000元，減幅為3.7%。

成藥包括系統專科藥、頭孢菌素的粉針劑、片劑及其他口服抗生素固型劑，銷售金額約人民幣371,771,000元。成藥的銷售金額佔總體銷售金額的比重約75.8%，較去年的銷售比重下降1.9個百分點。其中系統專科藥佔成藥銷售的比重約91.4%。

出口銷售金額約佔總營業額的9.1%，出口的目的地主要包括意大利、俄羅斯、巴基斯坦及印度等國家和地區。

Management Discussion and Analysis

管理層討論及分析

Gross profit was approximately RMB295,075,000, which was decreased by RMB17,597,000 compared with the corresponding period of last year. Gross profit margin was 60.1%, which was decreased by 2.8 percentage points compared with 62.9% as in the corresponding period of last year. It was mainly due to the decrease in sales of “Leiyide” (雷易得).

毛利額約人民幣295,075,000元，較去年同期減少人民幣17,597,000元。毛利率為60.1%，較去年同期的62.9%下降了2.8個百分點。主要是雷易得銷售下降影響。

TABLE OF TURNOVER ANALYSIS — by product category

營業額分析 — 按產品類別劃分

| PRODUCT 產品 | TURNOVER 營業額 | | | SALES BREAKDOWN 銷售比例 | | |
|--|--|---------------------------------------|---------------------------------------|--|----------------------|--|
| | For the six months ended 30 June 截至六月三十日止六個月 | | | For the six months ended 30 June 截至六月三十日止六個月 | | |
| | (RMB'000) (人民幣千元) 2019 二零一九年 | (RMB'000) (人民幣千元) 2018 二零一八年 | (RMB'000) (人民幣千元) changes 變幅 | (%) 2019 二零一九年 | (%) 2018 二零一八年 | Percentage points changes 百分點 變幅 |
| Intermediates and Bulk Medicines Finished Drugs | 118,979 371,771 | 110,892 386,035 | 8,087 -14,264 | 24.2 75.8 | 22.3 77.7 | 1.9 -1.9 |
| Overall | 490,750 | 496,927 | -6,177 | 100.0 | 100.0 | 0.0 |

EXPENSES

During the period, the total expenses incurred were approximately RMB123,146,000, equivalent to 25.1% of turnover (2018: 25.7%), a decrease of 0.6 percentage points compared with the corresponding period of last year. The total expenses decreased by approximately RMB4,450,000 compared with the corresponding period of last year, mainly attributed to the decrease in selling expenses and R&D costs.

費用

本期間，費用支出共約人民幣123,146,000元，佔營業額的比例為25.1%（二零一八年：25.7%），比上年同期下降0.6個百分點。費用總金額較去年同期減少約人民幣4,450,000元，主要是銷售費用和研發費減少。

SEGMENT PROFIT

For the six months ended 30 June 2019, the segment profit of finished drugs segment was approximately RMB236,737,000, which was decreased by approximately RMB16,944,000 when compared with the segment profit of RMB253,681,000 as in the first half of 2018. The segment profit of intermediates and bulk medicines segment was approximately RMB614,000, which was decreased by approximately RMB2,681,000 when compared with the profit of RMB3,295,000 as in the first half of 2018.

分類溢利

截至二零一九年六月三十日止六個月，成藥分部的分類溢利約人民幣236,737,000元，較二零一八年上半年分類溢利人民幣253,681,000元，同比減少約人民幣16,944,000元。中間體及原料藥分部的分類溢利約人民幣614,000元，較二零一八年上半年溢利人民幣3,295,000元減少約人民幣2,681,000元。

INTERESTS AND RIGHTS IN ASSOCIATE

During the period, AD Pharmaceuticals Co., Ltd., which was invested by the Group's subsidiary Dawnrays Biotechnology Capital (Asia) Ltd. (Dawnrays Biotechnology), has carried out Phase II clinical trials for AK102, a monoclonal antibody agent and received clinical trial approval document for AK109, a monoclonal antibody agent. Dawnrays Biotechnology invested RMB59,670,000 as Phase 2 registered capital according to the joint venture agreement and the aggregate invested capital amounted to RMB110,000,000. For the six months ended 30 June 2019, the R&D and administrative expenses occurred by that company have totaled approximately RMB15,693,000. As a result, the Group shared, in proportion to the investment percentage, an investment loss of approximately RMB5,514,000, as compared with that of RMB3,468,000 in the corresponding period of 2018.

PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT

For the six months ended 30 June 2019, profit attributable to owners of the parent amounted to approximately RMB150,416,000, representing a decrease of RMB15,777,000 or 9.5% compared with the corresponding period of last year. The decrease was mainly attributed to the decrease in sales of "Leiyide" (雷易得) and also the contribution improvement of both "An" (安) series medicines and "Xingan" (興安) series medicines.

ANALYSIS ON THE RETURN ON ASSETS

As at 30 June 2019, net assets attributable to owners of the parent were approximately RMB1,975,585,000. The return on net assets, which is defined as the profit attributable to owners of the parent divided by net assets attributable to owners of the parent, was 7.6% (2018: 8.7%). The current ratio and quick ratio was 3.0 and 2.7 respectively. Decrease in current ratio and quick ratio was mainly attributed to the impact of fund change due to acquisition of Cinmed Pharmaceutical. Turnover days for trade receivables were approximately 78 days. Turnover days for accounts receivable including trade and notes receivables were approximately 130 days. Turnover days for inventory were approximately 140 days. The turnover days for accounts receivable has increased mainly because the customer's payback period has been lengthened after the implementation of the "Two-invoice System". The increase of turnover days for inventory is mainly due to the stock up of bulk medicines at the end of June.

分佔於聯營公司之權益

本期間，本集團附屬公司東瑞生物投資發展(亞洲)有限公司(「東瑞生物」)投資的康融東方(廣東)醫藥有限公司已開展單抗藥物AK102二期臨床試驗並收到單抗藥物AK109的臨床批件。東瑞生物按合資協議投入第二期註冊資本人民幣59,670,000元合共投入資本人民幣110,000,000元。截至二零一九年六月三十日止六個月，該公司發生研發費及各項行政費用約人民幣15,693,000元，本集團按投資比例承擔投資損失約人民幣5,514,000元，二零一八年同期為人民幣3,468,000元。

母公司擁有人應佔溢利

截至二零一九年六月三十日止六個月，母公司擁有人應佔溢利約人民幣150,416,000元，比去年同期下降人民幣15,777,000元，減幅為9.5%。減少的主要原因是雷易得銷售下降及「安」系列和「興安」系列貢獻增加共同影響所致。

資產盈利能力分析

於二零一九年六月三十日，母公司擁有人應佔淨資產約人民幣1,975,585,000元，淨資產收益率(界定為母公司擁有人應佔溢利除以母公司擁有人應佔淨資產)為7.6%(二零一八年：8.7%)。流動比率和速動比率分別為3.0和2.7，流動比率和速動比率比上年減少主要是收購興安藥業帶來資金變化的影響。應收賬款周轉期約78日，應收賬款(含應收貿易及票據款項)周轉期約130日，存貨周轉期約140日。應收賬款周轉天數有所增加，主要是實行「兩票制」後客戶回款期加長；存貨周轉天數增加主要是六月底原料藥備貨。

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

As at 30 June, 2019, the Group had financial assets at fair value through profit or loss (comprising of certain listed shares investments) including:

- (i) invested in certain Hong Kong public listed shares amounted approximately RMB8,725,000 (31 December 2018: approximately RMB8,149,000);
- (ii) invested in one-year bonds issued by China Development Bank amounted RMB50,199,000 (31 December 2018: RMB70,000,000) with expected yield amounting approximately RMB120,000;
- (iii) purchased certain wealth management products of floating income principal-preservation type with annual interest rate from 3.45% to 4.3% of RMB345,000,000 (31 December 2018: RMB110,000,000) from five good credit worth banks in China including “Sui Xin E” (隨心E) with principal amount RMB30,000,000, “Hui Li Feng” (匯利豐) structured deposit of RMB100,000,000 and “Dan Wei Jie Gou Xing Cun Kuan” (單位結構性存款) of total RMB215,000,000 from three other banks. The expected yield would be approximately RMB4,331,000 in total. The wealth management products were mainly relatively lower risk of default. All principal and interests will be paid together on the maturity date. The Board believes that the investment in aforementioned wealth management products can strengthen the financial position of the Group and bring the fruitful contribution to the profit of the Group;
- (iv) during the period, the Group purchased foreign exchange forward contracts amounting to US\$800,000. As at 30 June 2019, a gain of approximately RMB41,000 was recorded in such forward contracts measured at fair value as at 30 June 2019.

以公允價值計量且其變動計入損益之財務資產

於二零一九年六月三十日，本集團持有以公允價值計量且其變動計入損益之財務資產(包括若干上市股票投資)包括：

- (i) 投資若干於香港公開上市股票約人民幣8,725,000元(於二零一八年十二月三十一日：約人民幣8,149,000元)；
- (ii) 投資國家開發銀行發行的一年期債券約人民幣50,199,000元(於二零一八年十二月三十一日：人民幣70,000,000元)，預期收益約人民幣120,000元；
- (iii) 從五間中國信用良好的銀行購買保本浮動收益理財產品約人民幣345,000,000元(於二零一八年十二月三十一日：人民幣110,000,000元)包括「隨心E」本金人民幣30,000,000元、「匯利豐」結構性存款人民幣100,000,000元、其他三間銀行單位結構性存款人民幣215,000,000元，年利率為3.45%–4.3%之間，預期收益共約人民幣4,331,000元。理財產品主要為違約風險相對較低，所有本金和利息於到期日一併支付。董事會認為投資上述理財產品能加強本集團財務狀況及為本集團帶來豐厚收益；
- (iv) 本期間購買外匯遠期合約美金800,000元，該等合約於二零一九年六月三十日按公允價值計算收益約人民幣41,000元。

The above mentioned financial assets at fair value through profit or loss amounted to approximately RMB408,416,000 (31 December 2018: approximately RMB189,393,000), representing approximately 15.4% (31 December 2018: 8.0%) of the total assets of the Group. For the year ended 30 June 2019, the Group recorded a total of realized gain of approximately RMB2,340,000 from the disposal of financial assets at fair value through profit or loss, and unrealized fair value gain (net) of approximately RMB4,069,000 for the financial assets at fair value through profit or loss. The Board believes that investing in equity investments and financial assets can diversify the Group's investment portfolio and achieve better returns in the future.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2019, the Group held cash and bank balance of approximately RMB444,543,000 (as at 31 December 2018: RMB645,363,000). For the purpose of operating the idle funds more effectively and improve returns, the Group has purchased principal-preservation type of wealth management products and bonds from several banks in Mainland China. In addition to the principal-preservation type of structured deposits and bonds issued by China Development Bank as mentioned above in "Financial asset at fair value through profit or loss", an amount of RMB220,000,000 in other receivables was fixed interest rate principal-preservation type of wealth management products with annual interest rate between 3.45% and 4.0%. The principal and interest of these principal-preservation type of wealth management products and bonds can be received on maturity date.

During the period, the net cash flows from operating activities was approximately RMB109,501,000 (2018: RMB118,280,000). Net cash flows used in investing activities was approximately RMB427,462,000 (2018: RMB137,149,000). Net cash flows from financing activities was approximately RMB106,040,000 (2018: RMB3,247,000). Cash and cash equivalents decreased by approximately RMB211,921,000 (2018: RMB15,622,000).

上述以公允價值計量且其變動計入損益之財務資產合共約人民幣408,416,000元(二零一八年十二月三十一日：約人民幣189,393,000元)，佔本集團總資產約15.4%(二零一八年十二月三十一日：8.0%)。截至二零一九年六月三十日止，本集團合共錄得已實現出售以公允價值計量且其變動計入損益之財務資產利潤約人民幣2,340,000元及未實現以公允價值計量且其變動計入損益之公允價值收益(淨額)約人民幣4,069,000元。董事會認為投資於股權投資及財務資產能為本集團投資組合多元化及未來取得更佳收益。

流動資金及財政資源

於二零一九年六月三十日，本集團持有現金及銀行存款約人民幣444,543,000元(於二零一八年十二月三十一日：人民幣645,363,000元)。此外，為更有效運用閒置資金及提高回報，本集團於多間國內銀行購買保本類型理財產品及債券。除上述「以公允價值計量且其變動計入損益之財務資產」提及的保本類型結構性存款及國家開發銀行債券外，其他應收款項中的人民幣220,000,000元為保本類固定利率類型理財產品，年利率為3.45%–4.0%之間。該等保本類理財產品及債券的本息可在到期日收回。

本期間，經營業務的現金流入淨額約人民幣109,501,000元(二零一八年：人民幣118,280,000元)；使用在投資活動的現金流出淨額約人民幣427,462,000元(二零一八年：人民幣137,149,000元)；融資活動的現金流入淨額約人民幣106,040,000元(二零一八年：人民幣3,247,000元)。現金及現金等價物減少約人民幣211,921,000元(二零一八年：人民幣15,622,000元)。

管理層討論及分析

As at 30 June 2019, the Group had aggregate bank facilities of approximately RMB1,316,069,000 (as at 31 December 2018: RMB1,402,762,000), of which, bank facilities of RMB216,069,000 were secured by corporate guarantee of the Company. The Group's short-term bank loans of RMB197,378,000 was arranged on the fixed interest rate, and the loan annual interest rate was 3.7%-3.75%. As at 30 June 2019, the debt ratio (defined as sum of interest-bearing bank loans over total assets) of the Group was 7.4% (as at 31 December 2018: 0%).

As at 30 June 2019, the Group had inventory balance approximately RMB155,405,000 (as at 31 December 2018: RMB148,043,000).

During the period, Dawnrays International Company Limited, a subsidiary of the Group, acquired Top Field Limited, at a consideration of HK\$436,470,000, thus indirectly wholly owns Cinmed (Hong Kong) Investment Limited and Cinmed Pharmaceutical Company Limited. The remaining amount of HK\$21,823,500 will be paid within 10 business days from a six-month period after completion date (i.e. 7 May 2019) (subject to there being no breach of warranties and undertakings under the sale and purchase agreement by Supper Fort Holdings Limited). Relevant details were set out in the announcements of the Company dated 27 February 2019 and 7 May 2019.

During the period, in order to develop new independently-operated research and development platforms and focus on developing new drug products by the use of new technologies of drug delivery systems for meeting the market demand for drugs in innovative dosage forms, Suzhou Dawnrays Pharmaceutical Co., Ltd. ("Suzhou Dawnrays Pharmaceutical"), a subsidiary of the Group, entered into a joint venture agreement with two independent third parties, to acquire 65% of the shares of Nanjing PharmaRays Science and Technology Ltd. (南京福美瑞信科技有限公司) ("Nanjing PharmaRays", a research and development enterprise). The registered capital of Nanjing PharmaRays is RMB50,000,000, and Suzhou Dawnrays Pharmaceutical has made a capital contribution of RMB10,000,000 for the first instalment, in accordance with the joint venture agreement.

於二零一九年六月三十日，本集團的銀行授信總額約人民幣1,316,069,000元(於二零一八年十二月三十一日：人民幣1,402,762,000元)，其中約人民幣216,069,000元銀行信貸額度以本公司擔保。本集團之短期銀行貸款人民幣197,378,000元是以固定利率安排，貸款年利率為3.7%至3.75%。於二零一九年六月三十日，本集團之負債比率(界定為計息銀行貸款除以資產總值)為7.4%(於二零一八年十二月三十一日：0%)。

於二零一九年六月三十日，本集團存貨餘額約人民幣155,405,000元(於二零一八年十二月三十一日：人民幣148,043,000元)。

本期間，本集團之附屬公司東瑞國際股份有限公司以港幣436,470,000元收購Top Field Limited從而間接全資擁有興安(香港)投資有限公司及興安藥業有限公司。尚有港幣21,823,500元餘款將於完成日(即二零一九年五月七日)後六個月期間屆滿的十個營業日內支付(須興安豐盛投資有限公司並無違反買賣協議中的保證及承諾)，有關詳情已刊載於本公司二零一九年二月二十七日及二零一九年五月七日之公告內。

本期間，為開闢新的獨立自主運營的研發平台，專注利用給藥系統新技術研發新的藥物產品以滿足市場對創新型劑型藥物的需求，本集團之附屬公司蘇州東瑞製藥有限公司(「蘇州東瑞製藥」)與兩家獨立第三方簽訂合資協議以獲得南京福美瑞信科技有限公司(「南京福美瑞信」一間研發型企業)之65%股份。南京福美瑞信之註冊資本為人民幣50,000,000元，蘇州東瑞製藥已根據合資協議投入第一期註冊資本人民幣10,000,000元。

Due to the urban planning adjustment of Wuzhong Economic Development District by Suzhou Municipal People's Government, Suzhou Dawnrays Pharmaceutical Co., Ltd., a wholly-owned subsidiary of the Group, entered into the Relocation Compensation Agreement with the government where it operates on 20 December 2017. Both parties agreed the relocation compensation amount was approximately RMB351,200,000. In January 2018, Suzhou Dawnrays Pharmaceutical Co., Ltd. received the first relocation compensation of RMB70,238,000. On 14 August 2019, through public auction by Suzhou Natural Resources and Planning Bureau (蘇州市自然資源和規劃局), Suzhou Dawnrays Pharmaceutical Co., Ltd. acquired the industrial land with an area of 100 mu located in Hedong Industrial Park in Suzhou Wuzhong Economic Development Zone, for the relocation project.

As at 30 June 2019, the Group's contracted but not provided for plant and machinery capital commitments and capital contributions payable to joint ventures amounted to approximately RMB72,569,000 (as at 31 December 2018: RMB84,130,000), which mainly derived from workshop transformation in Dawnrays (Nantong) Pharmaceutical Science and Technology Co. Ltd., the relocation project of Suzhou Dawnrays Pharmaceutical Co., Ltd. and capital investment in joint ventures.

The Group has sufficient financial and internal resources, but still may finance aforesaid capital expenditure with bank borrowing(s) or the Groups internal resources.

Save as aforesaid disclosure, the Group had no significant external investments or material acquisitions or disposal of subsidiaries and associated companies during the period.

FOREIGN EXCHANGE AND TREASURY POLICIES

During the period, to avoid the foreign exchange risk from export trade, the Group purchased foreign exchange forward contract of US\$800,000. The gain of the forward contract was approximately RMB41,000 at the fair value on 30 June 2019. The Group's substantial business activities, assets and liabilities are denominated in Renminbi, so the risk derived from the foreign exchange is not high. However, the Group pays dividends in Hong Kong dollars. Therefore, foreign exchange risk is mainly related to the Hong Kong dollar.

由於蘇州市人民政府對吳中經濟開發區城市規劃調整，本集團全資附屬公司蘇州東瑞製藥有限公司於二零一七年十二月二十日與所在地政府簽署拆遷補償協議，雙方協定之拆遷補償金額約人民幣351,200,000元，於二零一八年一月蘇州東瑞製藥有限公司已收到首批拆遷補償金人民幣70,238,000元。於二零一九年八月十四日，蘇州東瑞製藥有限公司通過蘇州市自然資源和規劃局以公開拍賣方式獲得位於蘇州吳中經濟開發區河東工業園100畝工業用地用於搬遷項目。

於二零一九年六月三十日，本集團已訂約但未作撥備的廠房及機器資本開支承擔及應付合資公司之資本投入共約人民幣72,569,000元（於二零一八十二月三十一日：人民幣84,130,000元），主要涉及東瑞（南通）醫藥科技有限公司的車間改造、蘇州東瑞製藥有限公司搬遷項目及合資公司投資款。

本集團有充足的財政及內部資源，但仍可能以銀行貸款或本集團內部資源支付上述資本開支承擔。

本期間，除上述披露外，本集團並無對外作出重大投資、購入或出售附屬公司及聯營公司。

外幣及庫務政策

本期間，為規避出口貿易的外匯風險，本集團購買外匯遠期合約美金800,000元，該等遠期合約於二零一九年六月三十日按公允價值計量收益約人民幣41,000元。本集團大部份業務交易、資產、負債均主要以人民幣結算，故本集團所承受的外匯風險不大。惟本集團以港元派付股息，因此，外匯風險主要與港元有關。

Management Discussion and Analysis

管理層討論及分析

The treasury policy of the Group is to manage any risk of foreign exchange or interest rate (if any), only if it will potentially impose a significant impact on the Group. The Group continues to observe the foreign exchange and interest rate market, and may hedge against foreign currency risk with foreign exchange forward contracts and interest rate risk with interest rate swap contracts if necessary.

STAFF AND REMUNERATION POLICY

As at 30 June 2019, the Group employed 966 employees and the total remuneration was approximately RMB64,833,000 (2018: RMB61,042,000). The Group regards human resources as the most valuable assets and truly understands the importance of attracting and retaining high-performance employees. The remuneration policy is generally based on the references of market salary index and individual qualifications. The Group provides its employees with other fringe benefits, including defined contribution retirement schemes, share option scheme and medical coverage. The Group also offers some of its employees stationed in the PRC with dormitory accommodation.

CHARGES ON ASSETS

As at 30 June 2019, the Group had not pledged any assets to banks to secure credit facilities granted to its subsidiaries (as at 31 December 2018: nil).

CONTINGENT LIABILITIES

As at 30 June 2019, the Group had no material contingent liabilities.

PLANS FOR SIGNIFICANT INVESTMENTS AND EXPECTED SOURCE OF FUNDING

Save for those disclosed above in connection with capital commitments under the section "Liquidity and Financial Resources" and increase of registered capital, capital for relocation plans and investments in joint ventures as mentioned in the Annual Report 2018, the Group does not have any plan for material investments or acquisition of capital assets.

SEGMENT INFORMATION

An analysis of the Group's segment information for the six months ended 30 June 2019 is set out in note 2 to the interim financial information.

本集團的庫務政策只會在外匯風險或利率風險(如有)對本集團有潛在重大影響時進行管理。本集團將繼續監察其外匯和利率市場狀況，並於有需要時以外匯遠期合約對沖外匯風險及利息掉期合約對沖利率風險。

僱員及薪酬政策

於二零一九年六月三十日，本集團有966名僱員，本期間員工費用總額約為人民幣64,833,000元(二零一八年：人民幣61,042,000元)。本集團視人力資源為最寶貴的財富，深明吸納及挽留表現稱職的員工的重要性。薪酬政策一般參考市場薪酬指標及個別員工的資歷而定。本集團為員工提供的其他福利包括定額供款退休計劃、購股權計劃及醫療福利。本集團並在中國為其若干中國的僱員提供宿舍。

資產抵押

於二零一九年六月三十日，本集團沒有資產抵押予銀行獲取授予其附屬公司的授信額度(於二零一八年十二月三十一日：無)。

或有負債

於二零一九年六月三十日，本集團並無重大或有負債。

未來重大投資及預期融資來源

除於上述「流動資金及財政資源」所載有關資本開支承擔及於二零一八年年報提及的增加註冊資本、搬遷計劃資本及於聯營公司的投資所披露者外，本集團並無任何未來重大投資計劃或購入資本資產計劃。

分類資料

本集團截至二零一九年六月三十日止六個月之分類資料分析載於中期財務資料附註2。

DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2019, to the best knowledge, information and belief of the Company after making reasonable enquiry, the interests and short positions of the Directors and Chief Executive Officer of the Company in the shares or 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 (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, were as follows:

董事及總裁於股份及相關股份的權益及淡倉

於二零一九年六月三十日，經本公司作出一切合理查詢後所知、所得資料及所信，本公司董事及總裁於本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）的股本、相關股份及債券中，擁有記錄於本公司根據證券及期貨條例第352條存置的登記冊，或根據上市公司董事進行證券交易的標準守則須知會本公司及香港聯合交易所有限公司（「聯交所」）的權益及淡倉載列如下：

LONG POSITIONS IN ORDINARY SHARES OF THE COMPANY:

於本公司普通股中的好倉：

| Name | Notes | Number of shares held, capacity and nature of interest | | | Total | Approximately percentage of the Company's issued share capital (%) |
|-----------------------------|-------|---|-------------------------|--------------------------------------|-------------|--|
| | | Directly beneficially owned | Share Option granted | Through controlled corporation | | |
| 名稱 | 附註 | 直接實益擁有 | 獲頒授的 購股權 | 通過控制公司 持有 | 總數 | 約佔本公司 已發行股本 的百分比 (%) |
| Directors | | | | | | |
| 董事 | | | | | | |
| Ms. Li Kei Ling 李其玲女士 | (a) | 103,036,000 | – | 588,144,000 | 691,180,000 | 43.57 |
| Mr. Hung Yung Lai 熊融禮先生 | (a) | 624,000 | – | 588,144,000 | 588,768,000 | 37.11 |
| Mr. Leung Hong Man 梁康民先生 | (b) | – | – | 100,000,000 | 100,000,000 | 6.30 |
| Mr. Chen Shaojun 陳紹軍先生 | (c) | 8,377,000 | 16,000,000 | – | 24,377,000 | 1.54 |

Other Information

其他資料

LONG POSITIONS IN SHARES AND UNDERLYING SHARES OF ASSOCIATED CORPORATION:

於相聯法團股份及相關股份中的好倉：

| Name of Director | Name of associated corporation | Relationship with the Company | Number of Ordinary shares held | Capacity and nature of interest | Percentage of the associated corporation's issued share capital (%) |
|----------------------------|--------------------------------|---|--------------------------------|--|---|
| 董事名稱 | 相聯法團名稱 | 與本公司的關係 | 持有普通股的數目 | 身份及權益性質 | 佔相聯法團已發行股本的百分比 (%) |
| Ms. Li Kei Ling 李其玲女士 | Fortune United Group Limited | the Company's holding company 本公司的控股公司 | 2 | Through a controlled corporation 通過一間控制公司 | 50 |
| Mr. Hung Yung Lai 熊融禮先生 | Fortune United Group Limited | the Company's holding company 本公司的控股公司 | 2 | Through a controlled corporation 通過一間控制公司 | 50 |

Notes:

附註：

- (a) 588,144,000 shares of the Company are held by Fortune United Group Limited, a company incorporated in the British Virgin Islands. Keysmart Enterprises Limited, which is wholly-owned by Ms. Li Kei Ling, and Hunwick International Limited, which is wholly-owned by Mr. Hung Yung Lai, are each beneficially interested in 50% of the share capital of Fortune United Group Limited.
- (a) 588,144,000 股本公司股份由一家於英屬維爾京群島註冊成立的公司 Fortune United Group Limited 所持有。Fortune United Group Limited 的股本由李其玲女士全資擁有的 Keysmart Enterprises Limited 及由熊融禮先生全資擁有的 Hunwick International Limited 各自實益擁有 50% 權益。
- (b) 100,000,000 shares of the Company are held by Toyo International Investment Limited, a company incorporated in Hong Kong. Mr. Leung Hong Man and Mr. Leung Yiu Sing are each beneficially interested in 50% of the share capital of Toyo International Investment Limited.
- (b) 100,000,000 股本公司股份由一家於香港註冊成立的公司東海國際投資有限公司所持有。東海國際投資有限公司的全部已發行股本由梁康民先生及梁耀成先生各自實益擁有 50% 權益。
- (c) 8,377,000 shares of the Company are directly beneficially owned by Mr. Chen Shaojun and interest of 16,000,000 underlying shares are the share options granted to him under the share option scheme of the Company. Mr. Chen is deemed to be interested in the shares which will be issued to him upon his exercise of options, representing approximately 1.02% of the Company's issued share capital as at the date of this report. Details of Mr. Chen Shaojun's interests in the share options of the Company are disclosed in note 20 to the interim financial information.
- (c) 8,377,000 股本公司股份由陳紹軍先生直接實益擁有，16,000,000 股相關股份的權益為根據本公司購股權計劃授予彼的購股權，陳先生被視為擁有當行使該批購股權時發行給彼之股份權益，約佔本公司於本報告日已發行股份的 1.02%。有關陳紹軍先生於本公司購股權權益的詳情載列於中期財務資料附註 20。

Save as disclosed above, as at 30 June 2019, none of the Directors or Chief Executive Officer of the Company had any interest or short position in the shares or underlying shares or debentures of the Company or any of its associated corporations as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

除上述者外，於二零一九年六月三十日，概無本公司董事或總裁於本公司或其任何相聯法團的股份、相關股份或債券中，擁有記錄於本公司根據證券及期貨條例第 352 條存置的登記冊，或根據上市公司董事進行證券交易的標準守則要求須知會本公司及聯交所的任何權益或淡倉。

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the heading "Directors' and Chief Executive Officer's interests and short positions in shares and underlying shares" above and in the share option scheme disclosures in note 20 to the interim financial information, at no time during the period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

SHARE OPTION SCHEME

The detailed disclosures relating to the Company's share option scheme and valuation of options are set out in note 20 to the interim financial information.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 30 June 2019, to the best knowledge, information and belief of the Company after making reasonable enquiry, the interests or short positions of the following persons, other than persons who were Directors or Chief Executive Officer of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

董事購買股份或債券的權益

除於上述「董事及總裁於股份及相關股份的權益及淡倉」一節及中期財務資料附註20所載購股權計劃披露的事宜外，在本期間並無任何董事、彼等的配偶或未滿18歲的子女獲授可透過收購本公司股份或債券的方法收購權益的權利，或彼等行使任何該等權利，或本公司、其控股公司或其任何附屬公司訂立任何安排，以令董事可收購任何其他法人團體有關權利。

購股權計劃

有關本公司購股權計劃的詳情及購股權之估值載於中期財務資料附註20。

主要股東及其他人士於股份及相關股份的權益

於二零一九年六月三十日，經本公司作出一切合理查詢後所知、所得資料及所信，根據證券及期貨條例第336條須於本公司存置的權益登記冊上記錄，以下人士(本公司董事及總裁除外)於本公司股份及相關股份的權益或淡倉載列如下：

Other Information

其他資料

| Name | Notes | Nature of interest | Number of Shares held | Approximate percentage to the total number of issued shares of the Company (%) | Long position/ short position |
|---|-----------|--|-----------------------|--|-------------------------------|
| 名稱 | 附註 | 權益性質 | 持有的股份數目 | 約佔本公司已發行股本的百分比 (%) | 好倉／淡倉 |
| Fortune United Group Limited | (a) | Directly Beneficially owned 直接實益擁有 | 588,144,000 | 37.07 | Long position 好倉 |
| Keysmart Enterprises Limited | (a) | Through controlled corporation 通過控制公司持有 | 588,144,000 | 37.07 | Long Position 好倉 |
| Hunwick International Limited | (a) | Through controlled corporation 通過控制公司持有 | 588,144,000 | 37.07 | Long Position 好倉 |
| Mdm. lu Pun 姚彬女士 | (b) | Family interest 家屬權益 | 588,768,000 | 37.11 | Long Position 好倉 |
| Li Tung Ming 李東明先生 | | Directly Beneficially owned 直接實益擁有 | 224,000 | 0.02 | Long Position 好倉 |
| | (c) | Through controlled corporation 通過控制公司 | 80,000,000 | 5.04 | Long Position 好倉 |
| Time Lead Investments Limited | (c) | Directly Beneficially owned 直接實益擁有 | 80,000,000 | 5.04 | Long Position 好倉 |
| Toyo International Investment Limited 東海國際投資有限公司 | (d) | Directly Beneficially owned 直接實益擁有 | 100,000,000 | 6.30 | Long Position 好倉 |
| Mdm. Lo Mei Sai 羅美茜女士 | (e) | Family interest 家屬權益 | 100,000,000 | 6.30 | Long Position 好倉 |
| Mr. Leung Yiu Sing 梁耀成先生 | (d) & (f) | Through controlled corporation 通過控制公司持有 | 104,330,000 | 6.58 | Long Position 好倉 |
| Mdm. Chu Shuet Fong 朱雪芳女士 | (f) | Through controlled corporation 通過控制公司持有 | 4,330,000 | 0.28 | Long Position 好倉 |
| | (g) | Family interest 家屬權益 | 100,000,000 | 6.30 | Long Position 好倉 |
| FMR LLC | (h) | Through controlled corporation 通過控制公司持有 | 95,236,817 | 6.00 | Long Position 好倉 |

Notes:

- (a) The issued share capital of Fortune United Group Limited is equally beneficially owned by Keysmart Enterprises Limited and Hunwick International Limited which are in turn, respectively, wholly-owned by Ms. Li Kei Ling and Mr. Hung Yung Lai, Executive Directors of the Company.
- (b) Mdm. Lu Pun is the wife of Mr. Hung Yung Lai and is deemed to be interested in the shares of the Company held by Mr. Hung Yung Lai.
- (c) The issued share capital of Time Lead Investments Limited is beneficially owned by Mr. Li Tung Ming.
- (d) The issued share capital of Toyo International Investment Limited is equally beneficially owned by Mr. Leung Hong Man, the Non-executive Director of the Company, and his father Mr. Leung Yiu Sing.
- (e) Mdm. Lo Mei Sai is the wife of Mr. Leung Hong Man and is deemed to be interested in the shares of the Company held by Mr. Leung Hong Man.
- (f) 4,330,000 shares of the Company are held by Dragon Asia Industrial (Holdings) Limited, a company incorporated in Hong Kong. Mr. Leung Yiu Sing and Mdm. Chu Shuet Fong, his wife, are each beneficially interested in 50% of the issued share capital of Dragon Asia Industrial (Holdings) Limited.
- (g) Mdm. Chu Shuet Fong is the wife of Mr. Leung Yiu Sing and is deemed to be interested in the shares of the Company held by Mr. Leung Yiu Sing.
- (h) According to the corporate substantial shareholder notice of FMR LLC filed for the relevant event dated 28 May 2019 as shown on the website of the Stock Exchange, the relevant interests of FMR LLC were held via FMR LLC and its subsidiaries.

Save as disclosed above, as at 30 June 2019, no person, other than Directors and Chief Executive Officer of the Company, whose interests are set out in the section "Directors' and Chief Executive Officer's interests and short positions in shares and underlying shares" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

附註：

- (a) Fortune United Group Limited的已發行股本由Keysmart Enterprises Limited及Hunwick International Limited平均實益擁有。Keysmart Enterprises Limited及Hunwick International Limited分別由本公司的執行董事李其玲女士及熊融禮先生全資擁有。
- (b) 姚彬女士為熊融禮先生的配偶，故被視為於熊融禮先生持有的本公司股份中擁有權益。
- (c) Time Lead Investments Limited的已發行股本由李東明先生實益擁有。
- (d) 東海國際投資有限公司的已發行股本分別由本公司的非執行董事梁康民先生及彼之父梁耀成先生平均實益擁有。
- (e) 羅美茜女士為梁康民先生的配偶，故被視為於梁康民先生持有的本公司股份中擁有權益。
- (f) 4,330,000股本公司股份由一間於香港註冊成立的公司東龍實業集團有限公司所持有，東龍實業集團有限公司的全部已發行股本由梁耀成先生及其配偶朱雪芳女士各自實益擁有50%權益。
- (g) 朱雪芳女士為梁耀成先生的配偶，故被視為於梁耀成先生持有的本公司股份中擁有權益。
- (h) 誠如聯交所網頁所示，根據FMR LLC日期為二零一九年五月二十八日就相關事項存檔的公司主要股東通知，FMR LLC的相關權益乃由FMR LLC及其附屬公司持有。

除上文披露者外，於二零一九年六月三十日，並無其他人士（本公司董事及總裁除外，有關彼等的權益載於上文「董事及總裁於股份及相關股份的權益及淡倉」一節）登記於本公司股份及相關股份中擁有的權益或淡倉（須根據證券及期貨條例第336條予以登記）。

Other Information

其他資料

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

For the six months period ended 30 June 2019, the Company repurchased 7,025,000 shares of the Company's listed securities on the Stock Exchange at an aggregate consideration of HK\$10,003,980 before expenses. The repurchases were effected by the Directors for the enhancement of shareholder value in the long term. 3,027,000 repurchased shares were cancelled on 5 July 2019 and 3,998,000 repurchased shares were cancelled on 16 July 2019.

The monthly breakdown of shares repurchased during the period was as follows:

| Month of Repurchase | Number of shares repurchased | The highest price paid per share (HK\$) | The lowest price paid per share (HK\$) | Aggregate consideration (HK\$) |
|-----------------------|------------------------------|---|--|--------------------------------|
| 購回月份 | 購回股份數目 | 每股已付最高價格 (港幣) | 每股已付最低價格 (港幣) | 總代價 (港幣) |
| May 2019 二零一九年五月份 | 1,156,000 | 1.42 | 1.35 | 1,596,270 |
| June 2019 二零一九年六月份 | 5,869,000 | 1.49 | 1.38 | 8,407,710 |
| Total 總計 | 7,025,000 | | | 10,003,980 |

Save as disclosed above, neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities for the six months ended 30 June 2019.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

To the best knowledge, information and belief of the Directors, the Company has complied with the code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Ltd. (the "Listing Rules") during the six months period ended 30 June 2019.

購買、贖回或出售本公司上市證券

截至二零一九年六月三十日止六個月期間，本公司在聯交所購回7,025,000股本公司上市證券，未計其他費用之總代價為港幣10,003,980元，股份回購是董事為提高股東長遠利益而作出。3,027,000股購回股份於二零一九年七月五日被註銷，3,998,000股購回股份於二零一九年七月十六日被註銷。

於本期間每月購回股份之詳情列載如下：

除上文披露者外，截至二零一九年六月三十日止六個月期間，本公司或其任何附屬公司概無購買、贖回或出售任何本公司上市證券。

遵守企業管治守則

就董事所知、所得資料及所信，截至二零一九年六月三十日止六個月期間內，本公司一直遵守香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四的企業管治守則（「管治守則」）所載之守則條文規定。

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in Appendix 10 of the Listing Rules as the Company’s code of conduct for dealings in securities of the Company by the Directors. Based on specific enquiry of all Directors, the Directors have complied with the required standard set out in the Model Code, throughout the six months period ended 30 June 2019.

EVENT AFTER THE REPORTING PERIOD

In August 2019, Cinmed Pharmaceutical Company Limited (“Cinmed Pharmaceutical”) (which became a wholly-owned subsidiary of the Group on 7 May 2019) and Suzhou Dawnrays Pharmaceutical Co., Ltd. (a wholly-owned subsidiary of the Group), as defendants received a writ whereby the plaintiffs (“Plaintiffs”) sought damages of RMB96.7 million in respect of the termination of the marketing agency service agreement (“市場推廣服務協議”) and the national distribution agreement (“全國總經銷配送協議”) between Cinmed Pharmaceutical and the Plaintiffs (the “Agreements”). In connection with such action, Fujian Putian Intermediate People’s Court issued an order dated 6 August 2019 that certain bank accounts and plant properties of Cinmed Pharmaceutical are to be temporarily frozen or attached. Such order does not have any material adverse effect on the financial position or operation of the Group. Based on the preliminary legal advice, the directors considered that no provision needs to be made. Further, under the formal sale and purchase agreement dated 29 March 2019 in respect of the acquisition of Top Field Limited (which indirectly wholly owns Cinmed Pharmaceutical), the seller has undertaken to undertake all costs and expenses (including but not limited to the settlement amount and costs incurred in legal proceedings) arising from or in connection with the termination of the Agreements.

證券交易的標準守則

本公司已採納載於上市規則附錄十的上市發行人董事進行證券交易的標準守則(「標準守則」)作為董事買賣本公司證券的行為守則。根據對本公司董事作出的特定查詢後，截至二零一九年六月三十日止六個月期間，董事一直遵守標準守則所規定的準則。

報告期後事項

於二零一九年八月，興安藥業有限公司(「興安藥業」)(其於二零一九年五月七日起成為本集團全資擁有的附屬公司)及本集團全資擁有的附屬公司蘇州東瑞製藥有限公司收到被列為被告人的起訴書，該起訴書原告人(「原告人」)就有關興安與原告人之市場推廣服務協議及全國總經銷配送協議(「該等協議」)之終止索償人民幣96.7百萬元。就此訴訟福建省莆田市中級人民法院發出日期為二零一九年八月六日的裁定書，頒令需暫時凍結及查封興安藥業若干銀行賬戶及廠房。該裁定書對本集團之財務狀況或營運沒有任何重大不良影響。根據初步法律意見，董事認為不需要作出撥備。更且，根據收購Top Field Limited(一間間接擁有興安藥業的公司)日期為二零一九年三月二十九日的正式買賣協議，賣方承諾承擔所有因終止該等協議而產生或引致的成本及費用(包括但不限於和解金額及法律程序產生的費用)。

其他資料

AUDIT COMMITTEE

The Company has an Audit Committee which was established in compliance with Rule 3.21 of the Listing Rules to oversee the Group's financial reporting system, risk management and internal control systems. As at the date of this report, the Audit Committee's chairman was Mr. Lo Tung Sing Tony, Mr. Ede, Ronald Hao Xi and Ms. Lam Ming Yee Joan were the committee's members, all of them are independent non-executive directors of the Company.

The unaudited interim condensed consolidated financial statements of the Company for the six months ended 30 June 2019 have been reviewed by the audit committee before making recommendation to the Board for approval.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 26 September 2019 to Friday, 27 September 2019 (both days inclusive), for the purpose of ascertaining entitlement to the Company's interim dividend, during which period no transfer of shares will be registered.

The record date for the purpose of determining shareholders' entitlement to the interim dividend is Wednesday, 25 September 2019. In order to qualify for the interim dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Abacus Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, 25 September 2019. Dividend warrants will be dispatched to shareholders on or about Thursday, 10 October 2019.

By Order of the Board

Li Kei Ling

Chairman

Hong Kong, 27 August 2019

審核委員會

本公司遵照上市規則第3.21條成立審核委員會以監管本集團財務申報制度、風險管理及內部監控系統。於本報告日期，審核委員會主席為勞同聲先生，EDE, Ronald Hao Xi先生及林明儀女士為委員會成員，彼等均為本公司之獨立非執行董事。

本公司截至二零一九年六月三十日止六個月期間的未經審核簡明綜合中期財務報表於提呈董事會批准前由審核委員會審閱。

暫停辦理股份過戶登記

為確定獲派本公司中期股息的資格，本公司於二零一九年九月二十六日(星期四)至二零一九年九月二十七日(星期五)(首尾兩天包括在內)，暫停辦理股份過戶登記手續。

釐定股東權利以收取中期股息的記錄日為二零一九年九月二十五日(星期三)。為確保獲派中期股息，凡未過戶之股票必須連同填妥的股票轉讓書，於二零一九年九月二十五日(星期三)下午四時半前，送達本公司之香港股份過戶登記分處，香港灣仔皇后大道東183號合和中心54樓卓佳雅柏勤有限公司，辦理過戶登記手續。股息單將約於二零一九年十月十日(星期四)寄發予股東。

承董事會命

李其玲

主席

香港，二零一九年八月二十七日

Condensed Consolidated Statement of Profit or Loss

簡明綜合損益表

For the six months ended 30 June

截至六月三十日止六個月

| | | | 2019 二零一九年 (Unaudited) (未經審核) RMB'000 人民幣千元 | 2018 二零一八年 (Unaudited) (未經審核) RMB'000 人民幣千元 |
|---|-----------------------|---|--|--|
| REVENUE | 收入 | 3 | 490,750 | 496,927 |
| Cost of sales | 銷售成本 | | (195,675) | (184,255) |
| Gross profit | 毛利 | | 295,075 | 312,672 |
| Other income and gains | 其他收入及收益 | 3 | 20,541 | 23,970 |
| Selling and distribution expenses | 銷售及分銷費用 | | (52,372) | (53,921) |
| Administrative expenses | 行政費用 | | (44,401) | (38,558) |
| Other expenses | 其他費用 | | (25,366) | (34,906) |
| Finance costs | 財務費用 | 4 | (1,007) | (211) |
| Share of profits and losses of an associate | 應佔一間聯營公司之盈利及虧損 | | (5,514) | (3,468) |
| Profit before tax | 除稅前溢利 | 5 | 186,956 | 205,578 |
| Income tax expense | 所得稅 | 6 | (36,540) | (39,385) |
| PROFIT FOR THE PERIOD | 本期間溢利 | | 150,416 | 166,193 |
| Attributable to: | 以下各項應佔： | | | |
| Owners of the parent | 母公司擁有人 | | 150,416 | 166,193 |
| EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT | 母公司普通股權益持有人 應佔每股盈利 | 8 | | |
| — basic, for profit for the period | — 基本，以本期間溢利計算 | | RMB0.09485 | RMB0.10476 |
| — diluted, for profit for the period | — 攤薄，以本期間溢利計算 | | RMB0.09485 | RMB0.10476 |

The notes from pages 34 to 72 form an integral part of these interim condensed consolidated financial statements.

第34至72頁的附註構成此等簡明綜合中期財務報表的部份。

Condensed Consolidated Statement of Comprehensive Income

簡明綜合全面收益表

| | | For the six months ended 30 June 截至六月三十日止六個月 | |
|---|----------------------------|--|--|
| | | 2019 二零一九年 (Unaudited) (未經審核) RMB'000 人民幣千元 | 2018 二零一八年 (Unaudited) (未經審核) RMB'000 人民幣千元 |
| PROFIT FOR THE PERIOD | 本期間溢利 | 150,416 | 166,193 |
| Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods: | 以後期間將被重分類至損益表的其他全面(虧損)/收益： | | |
| Exchange differences | 匯兌差額 | (8,882) | 24 |
| OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD, NET OF TAX | 本期間除稅後其他全面(虧損)/收益總額 | (8,882) | 24 |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX | 本期間除稅後全面收益總額 | 141,534 | 166,217 |
| Attributable to: | 以下各項應佔： | | |
| Owners of the parent | 母公司擁有人 | 141,534 | 166,217 |

The notes from pages 34 to 72 form an integral part of these interim condensed consolidated financial statements.

第34至72頁的附註構成此等簡明綜合中期財務報表的部份。

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

| | | | 30 June 2019 二零一九年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元 | 31 December 2018 二零一八年 十二月三十一日 (Audited) (已審核) RMB'000 人民幣千元 |
|---|---------------------|-------------|--|---|
| | | Notes 附註 | | |
| NON-CURRENT ASSETS | 非流動資產 | | | |
| Property, plant and equipment | 物業、廠房及設備 | 9 | 468,571 | 486,269 |
| Right-of-use assets | 使用權資產 | | 83,956 | – |
| Land use rights | 土地使用權 | | – | 38,093 |
| Construction in progress | 在建工程 | | 13,250 | 10,572 |
| Goodwill | 商譽 | | 241,158 | – |
| Other intangible assets | 其他無形資產 | | 124,385 | 63,706 |
| Investments in an associate | 於一間聯營公司之投資 | | 83,756 | 29,599 |
| Long-term prepayments | 長期預付款 | | – | 21,629 |
| Deferred tax assets | 遞延稅項資產 | | 7,304 | 5,823 |
| Total non-current assets | 非流動資產總額 | | 1,022,380 | 655,691 |
| CURRENT ASSETS | 流動資產 | | | |
| Inventories | 存貨 | 10 | 155,405 | 148,043 |
| Trade and notes receivables | 應收貿易及票據款項 | 11 | 361,798 | 346,802 |
| Prepayments, other receivables and other assets | 預付款、其他應收款項及其他資產 | 12 | 260,311 | 380,737 |
| Financial assets at fair value through profit or loss | 以公允值計量且其變動計入損益之財務資產 | | 408,416 | 189,393 |
| Cash and bank | 現金及銀行存款 | 13 | 444,543 | 645,363 |
| Total current assets | 流動資產總額 | | 1,630,473 | 1,710,338 |
| CURRENT LIABILITIES | 流動負債 | | | |
| Trade and notes payables | 應付貿易及票據款項 | 14 | 142,314 | 130,417 |
| Other payables and accruals | 其他應付款項及預提費用 | | 185,655 | 169,772 |
| Interest-bearing bank loans | 計息銀行貸款 | 16 | 197,378 | – |
| Income tax payable | 應付所得稅 | | 13,186 | 19,945 |
| Total current liabilities | 流動負債總額 | | 538,533 | 320,134 |
| Net current assets | 淨流動資產 | | 1,091,940 | 1,390,204 |
| Total assets less current liabilities | 資產總額減流動負債 | | 2,114,320 | 2,045,895 |

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

| | | | 30 June 2019 二零一九年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元 | 31 December 2018 二零一八年 十二月三十一日 (Audited) (已審核) RMB'000 人民幣千元 |
|--|-------------------|-------------|--|---|
| | | Notes 附註 | | |
| NON-CURRENT LIABILITIES | 非流動負債 | | | |
| Other liabilities | 其他負債 | 15 | 70,238 | 70,238 |
| Government grants | 政府撥款 | | 1,508 | 1,508 |
| Lease liabilities | 租賃負債 | | 2,660 | – |
| Deferred tax liabilities | 遞延稅項負債 | | 64,329 | 52,987 |
| | | | 138,735 | 124,733 |
| Total non-current liabilities | 非流動負債總額 | | 138,735 | 124,733 |
| Net assets | 淨資產 | | 1,975,585 | 1,921,162 |
| EQUITY | 權益 | | | |
| Equity attributable to owners of the parent | 母公司擁有人應佔權益 | | | |
| Issued capital | 已發行股本 | 18 | 84,197 | 84,197 |
| Treasury shares | 庫存股份 | | (310) | – |
| Reserves | 儲備 | | 1,891,698 | 1,836,965 |
| | | | 1,975,585 | 1,921,162 |
| Total equity | 權益總額 | | 1,975,585 | 1,921,162 |

The notes from pages 34 to 72 form an integral part of these interim condensed consolidated financial statements.

第34至72頁的附註構成此等簡明綜合中期財務報表的部份。

Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

FOR THE SIX MONTHS ENDED 30 JUNE 2019

截至二零一九年六月三十日止六個月

(Unaudited)
(未經審核)

| | | Attributable to owners of the parent 母公司擁有人應佔權益 | | | | | | | | | |
|--|-------------|--|-------------------------|-------------------------------|------------------------------------|-------------------------------|-----------------------------|---------------------------|--|--------------------------|----------------------|
| | | Issued capital 已發行股本 | Treasury shares 庫存股份 | Share premium account 股份溢價 | Capital redemption reserve 購回儲備 | Share option reserve 購股權儲備 | Contributed surplus 繳入盈餘 | Statutory reserve 法定盈餘 | Exchange fluctuation reserve 匯兌波動儲備 | Retained profits 保留溢利 | Total equity 權益總額 |
| | | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 |
| At 1 January 2018 | 於二零一八年一月一日 | 84,197 | - | 26,160 | 4,193 | 31,631 | 100,175 | 255,539 | (10,840) | 1,315,103 | 1,806,158 |
| Profit for the period | 本期間溢利 | - | - | - | - | - | - | - | - | 166,193 | 166,193 |
| Other comprehensive income for the period: | 本期間其他全面收益： | | | | | | | | | | |
| Exchange differences | 匯兌差額 | - | - | - | - | - | - | - | 24 | - | 24 |
| Total comprehensive income for the period | 本期間全面收益總額 | - | - | - | - | - | - | - | 24 | 166,193 | 166,217 |
| Final 2017 dividend declared | 宣派二零一七年末期股息 | - | - | - | - | - | - | - | - | (76,826) | (76,826) |
| Equity-settled share option arrangements | 以股權支付的購股權安排 | - | - | - | - | 3,800 | - | - | - | - | 3,800 |
| At 30 June 2018 | 於二零一八年六月三十日 | 84,197 | - | 26,160 | 4,193 | 35,431 | 100,175 | 255,539 | (10,816) | 1,404,470 | 1,899,349 |
| At 1 January 2019 | 於二零一九年一月一日 | 84,197 | - | 26,160 | 4,193 | 36,943 | 100,175 | 291,045 | (2,067) | 1,380,516 | 1,921,162 |
| Profit for the period | 本期間溢利 | - | - | - | - | - | - | - | - | 150,416 | 150,416 |
| Other comprehensive loss for the period: | 本期間其他全面虧損： | | | | | | | | | | |
| Exchange differences | 匯兌差額 | - | - | - | - | - | - | - | (8,882) | - | (8,882) |
| Total comprehensive income for the period | 本期間全面收益總額 | - | - | - | - | - | - | - | (8,882) | 150,416 | 141,534 |
| Share repurchased and subsequently cancelled | 購回公司股份及隨後註銷 | - | (310) | (8,579) | 310 | - | - | - | - | (310) | (8,889) |
| Final 2018 dividend declared | 宣派二零一八年末期股息 | - | - | - | - | - | - | - | - | (81,450) | (81,450) |
| Equity-settled share option arrangements | 以股權支付的購股權安排 | - | - | - | - | 3,228 | - | - | - | - | 3,228 |
| At 30 June 2019 | 於二零一九年六月三十日 | 84,197 | (310) | 17,581 | 4,503 | 40,171 | 100,175 | 291,045 | (10,949) | 1,449,172 | 1,975,585 |

The notes from pages 34 to 72 form an integral part of these interim condensed consolidated financial statements.

第34至72頁的附註構成此等簡明綜合中期財務報表的部份。

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

For the 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 |
| | | | (Unaudited) | (Unaudited) |
| | | | (未經審核) | (未經審核) |
| | | | RMB'000 | RMB'000 |
| | | | 人民幣千元 | 人民幣千元 |
| CASH FLOWS FROM OPERATING ACTIVITIES | 經營活動的現金流量 | | | |
| Profit before tax | 除稅前溢利 | | 186,956 | 205,578 |
| Adjustments for: | 就下列調整： | | | |
| Finance costs | 財務費用 | 4 | 1,007 | 211 |
| Interest income | 利息收入 | 3 | (9,498) | (15,205) |
| Dividend income from financial assets at fair value through profit or loss | 以公允值計量且其變動計入損益之財務資產的股息收入 | 3 | (199) | (42) |
| Loss on disposal of items of property, plant and equipment | 出售物業、廠房及設備項目的虧損 | 5 | 141 | 133 |
| Expense off intangible assets | 無形資產費用化 | | 164 | 9 |
| Depreciation | 折舊 | 5 | 23,895 | 26,232 |
| Amortisation of intangible assets | 無形資產攤銷 | | 1,062 | 324 |
| Recognition of right-of-use assets | 使用權資產確認 | 5 | 671 | - |
| Recognition of land use rights | 土地使用權確認 | 5 | - | 525 |
| Gain on disposal of financial assets at fair value through profit or loss | 出售以公允值計量且其變動計入損益之財務資產的收益 | 5 | (2,340) | (603) |
| Fair value (gains)/losses, net: | 公允值(收益)/虧損，淨額： | | | |
| Financial assets at fair value through profit or loss | 以公允值計量且其變動計入損益之財務資產 | 5 | (4,069) | 183 |
| Financial liabilities at fair value through profit or loss | 以公允值計量且其變動計入損益之財務負債 | 5 | - | 717 |

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

For the 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 |
| | | | (Unaudited) | (Unaudited) |
| | | | (未經審核) | (未經審核) |
| | | Notes | RMB'000 | RMB'000 |
| | | 附註 | 人民幣千元 | 人民幣千元 |
| CASH FLOWS FROM OPERATING ACTIVITIES (Cont'd) | 經營活動的現金流量(續) | | | |
| Equity-settled share option expense | 以股權支付的購股權開支 | 5 | 3,228 | 3,800 |
| Share of profits and losses of an associate | 應佔一間聯營公司之盈利及虧損 | | 5,514 | 3,468 |
| Gain on disposal of a subsidiary | 出售一間子公司的收益 | | - | (2,959) |
| Write-down of inventories to net realisable value | 存貨撇減至可變現淨值 | 5 | 5,257 | 4,690 |
| | | | 211,789 | 227,061 |
| Increase in inventories | 存貨增加 | | (8,830) | (22,147) |
| Increase in trade and notes receivables | 應收貿易及票據款項增加 | | (14,176) | (29,996) |
| (Increase)/decrease in prepayments | 預付款(增加)/減少 | | (93) | 1,415 |
| Increase in deposits and other receivables | 按金及其他應收款項增加 | | (1,220) | (31,269) |
| Increase in right-of-use assets | 使用權資產的增加 | | (2,880) | - |
| Increase in trade and notes payables | 應付貿易及票據款項增加 | | 11,761 | 9,987 |
| Decrease in other payables and accruals | 其他應付款項及預提費用減少 | | (40,383) | (7,587) |
| Increase in contract liabilities | 合約負債增加 | | - | 6,732 |
| Increase in lease liabilities | 租賃負債增加 | | 2,652 | - |
| Income tax paid | 已付所得稅 | | (49,119) | (35,916) |
| Net cash flows from operating activities | 經營活動產生的現金流量淨額 | | 109,501 | 118,280 |

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

For the six months ended 30 June

截至六月三十日止六個月

| | | | 2019 二零一九年 (Unaudited) (未經審核) RMB'000 人民幣千元 | 2018 二零一八年 (Unaudited) (未經審核) RMB'000 人民幣千元 |
|---|--------------------------------|----|--|--|
| CASH FLOWS FROM INVESTING ACTIVITIES | 投資活動的現金流量 | | | |
| Interest received | 已收利息 | | 9,062 | 14,854 |
| Dividend income from financial assets at fair value through profit or loss | 以公允值計量且其變動計入損益之 財務資產的股息收入 | 3 | 199 | 42 |
| Proceeds from disposal of items of property, plant and equipment | 出售物業、廠房及設備項目 所得款項 | | 1,256 | 89 |
| Proceeds from disposal of financial assets at fair value through profit or loss | 出售以公允值計量且其變動計入 損益之財務資產的所得款項 | | 72,932 | 6,074 |
| Proceeds from disposal of a subsidiary | 出售一間子公司所得款項 | | - | 2,900 |
| Proceeds from disposal of long-term equity investments | 出售長期股權投資所得款項 | | 1,588 | - |
| Purchases of items of property, plant and equipment and construction in progress | 購置物業、廠房及設備項目 及在建工程 | | (9,132) | (12,175) |
| Purchases of intangible assets | 購置無形資產 | | (3,051) | (6,320) |
| Purchases of wealth management products | 購買理財產品 | | (561,129) | (550,000) |
| Redemption of wealth management products | 贖回理財產品 | | 459,027 | 449,000 |
| Payment of a shareholding in an associate | 購買一間聯營公司的股權 | | (38,041) | - |
| Receipt of relocation compensation | 已收政府拆遷賠償款 | 15 | - | 70,238 |
| Increase in term deposits with maturity over three months | 增加到期日超過三個月之 定期存款 | | (20,000) | (80,000) |
| Purchases of financial assets at fair value through profit or loss | 購置以公允值計量且其變動 計入損益之財務資產 | | (53,444) | (31,851) |
| Acquisition of subsidiaries | 購置子公司 | 17 | (286,729) | - |
| Net cash flows used in investing activities | 投資活動使用的現金流量淨額 | | (427,462) | (137,149) |

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

For the six months ended 30 June

截至六月三十日止六個月

| | | | 2019 二零一九年 (Unaudited) (未經審核) RMB'000 人民幣千元 | 2018 二零一八年 (Unaudited) (未經審核) RMB'000 人民幣千元 |
|--|-------------|---------------------|--|--|
| | Notes 附註 | | | |
| CASH FLOWS FROM FINANCING ACTIVITIES | | 融資活動的現金流量 | | |
| Repurchase of shares | | 購回公司股份 | (8,889) | - |
| Proceeds from bank loans | 16 | 取得銀行貸款所收到的現金 | 197,378 | 80,284 |
| Interest paid | 4 | 已付利息 | (999) | (211) |
| Dividends paid | | 已付股息 | (81,450) | (76,826) |
| Net cash flows from financing activities | | 融資活動產生的現金流量淨額 | 106,040 | 3,247 |
| Net decrease in cash and cash equivalents | | 現金及現金等價物減少淨額 | (211,921) | (15,622) |
| Cash and cash equivalents at 1 January | | 於一月一日的現金及現金等價物 | 525,363 | 460,747 |
| Effect of foreign exchange rate changes, net | | 匯率變動之影響，淨額 | (8,899) | (329) |
| Cash and cash equivalents at 30 June | | 於六月三十日的現金及現金等價物 | 304,543 | 444,796 |
| ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS | | 現金及現金等價物結餘分析 | | |
| Cash and bank balances | | 現金及銀行結存 | 101,429 | 127,241 |
| Short-term deposits | | 短期銀行存款 | 203,114 | 317,555 |
| | | | 304,543 | 444,796 |

The notes from pages 34 to 72 form an integral part of these interim condensed consolidated financial statements.

第34至72頁的附註構成此等簡明綜合中期財務報表的部份。

1. CORPORATE INFORMATION AND BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

1.1 CORPORATE AND GROUP INFORMATION

Dawnrays Pharmaceutical (Holdings) Limited (the “Company”) was incorporated as an exempted company with limited liability in the Cayman Islands on 20 September 2002 under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and the principal place of business is located at Units 3001-02, 30/F, CNT Tower, 338 Hennessy Road, Wanchai, Hong Kong.

The Company and its subsidiaries (collectively referred to as the “Group”) underwent a reorganisation on 21 June 2003 to rationalise the Group’s structure in preparation for the listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), pursuant to which the Company became the holding company of the Group (the “Group Reorganisation”).

The shares of the Company were listed on the Main Board of the Stock Exchange on 11 July 2003.

The Group was principally engaged in the development, manufacture and sale of non-patented pharmaceutical medicines including intermediate pharmaceutical, bulk medicines and finished drugs. In the opinion of the directors, Fortune United Group Limited, a company incorporated in the British Virgin Islands, is the ultimate holding company of the Company.

1. 公司資料、編製基準、會計政策的變動

1.1 公司及本集團資料

東瑞製葯(控股)有限公司(「本公司」)於二零零二年九月二十日根據開曼群島公司法(一九六一年第三卷，經綜合及修訂)第二十二章於開曼群島註冊成立為獲豁免有限公司。本公司之註冊辦事處地址是Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands，而主要營業地點之地址則是香港灣仔軒尼詩道338號北海中心30樓3001-02室。

通過集團重組優化本公司及其附屬公司(統稱「本集團」)的架構以籌備本公司的股份在香港聯合交易所有限公司(「聯交所」)主板上市，於二零零三年六月二十一日，本公司成為組成本集團的附屬公司的控股公司(「集團重組」)。

本公司股份於二零零三年七月十一日於聯交所主板上市。

本集團主要從事非專利藥物開發、製造及銷售，包括中間體、原料藥及成藥。董事認為，於英屬維爾京群島註冊成立的公司Fortune United Group Limited，是本公司的最終控股公司。

1. CORPORATE INFORMATION AND BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES (Cont'd)

1.2 BASIS OF PREPARATION

These unaudited interim condensed consolidated financial statements for the six months ended 30 June 2019 (collectively defined as the “interim financial information”) have been prepared in accordance with International Accounting Standards (“IAS”) 34 Interim financial reporting and applicable disclosure requirements of the Rules Governing the listing of securities on the Stock Exchange of Hong Kong Limited. They have been prepared under the historical cost convention, except for financial assets and liabilities at fair value through profit or loss which have been measured at fair value.

The interim condensed consolidated financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated. These interim condensed consolidated financial statements have not been audited. These interim condensed consolidated financial statements were approved and authorized for issue by the Board on 27 August 2019.

The interim financial information does not include all the information and disclosures required in the financial statements, and should be read in conjunction with the Group’s audited financial statements for the year ended 31 December 2018, which have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) (which include all International Financial Reporting Standards, International Accounting Standards and Interpretations) as issued by the International Accounting Standards Board (“IASB”).

1. 公司資料、編製基準、會計政策的變動 (續)

1.2 編製基準

該等截至二零一九年六月三十日止六個月期間的未經審核簡明綜合中期財務報表(統稱「中期財務資料」)乃根據國際會計準則(「國際會計準則」)第34號「中期財務報告」及所有適用的香港聯合交易所有限公司證券上市規則披露規定編製。除以公允值計量且其變動計入損益之財務資產及負債外，中期財務資料乃按歷史成本原則編製。

簡明綜合中期財務報表以人民幣列示，除另有指明外，所有金額均四捨五入至最接近千位。該等簡明綜合中期財務報表未經審核，該等簡明綜合中期財務報表已於二零一九年八月二十七日獲董事會批准及授權發行。

中期財務資料未包括年度會計報表所要求披露的所有資訊，因此閱讀時應結合本集團截至二零一八年十二月三十一日止的經審核綜合財務報表，該等綜合財務報表已根據國際會計準則理事會(「國際會計準則理事會」)頒佈的國際財務報告準則(「國際財務報告準則」)(包括所有國際財務報告準則，國際會計準則及詮釋)而編製。

中期財務資料附註

1. CORPORATE INFORMATION AND BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES (Cont'd)

1.3 CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the Group's annual consolidated financial statements for the year ended 31 December 2018, except for the adoption of the new and revised IFRSs effective as of 1 January 2019.

| | |
|--|---|
| Amendments to IFRS 9 | <i>Prepayment Features with Negative Compensation</i> |
| IFRS 16 | <i>Leases</i> |
| Amendments to IAS 19 | <i>Plan Amendment, Curtailment or Settlement</i> |
| Amendments to IAS 28 | <i>Long-term Interest in Associates and Joint Venture</i> |
| IFRIC 23 | <i>Uncertainty over Income Tax Treatments</i> |
| <i>Annual Improvements 2015–2017 Cycle</i> | Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23 |

1. 公司資料、編製基準、會計政策的變動 (續)

1.3 會計政策的變動

編製本中期簡明綜合財務資料所採用的會計政策與編製本集團截至二零一八年十二月三十一日止年度的年度綜合財務報表所採用者一致，惟採納於二零一九年一月一日生效的新訂及經修訂國際財務報告準則除外。

| | |
|--------------------|--|
| 國際財務報告準則第9號(修訂本) | 具有負補償的預付款特性 |
| 國際財務報告準則第16號 | 租賃 |
| 國際會計準則第19號(修訂本) | 計劃修正、縮減或清償 |
| 國際會計準則第28號(修訂本) | 於聯營公司或合營企業之長期權益 |
| 國際財務報告詮釋委員會詮釋第23號 | 所得稅會計處理的不確定性 |
| 二零一五年至二零一七年週期之年度改進 | 對國際財務報告準則第3號、國際財務報告準則第11號、國際會計準則第12號及國際會計準則第23號的修訂 |

1. CORPORATE INFORMATION AND BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES (Cont'd)

1.3 CHANGES IN ACCOUNTING POLICIES (Cont'd)

Other than as explained below regarding the impact of IFRS 16 *Leases*, the new and revised standards are not relevant to the preparation of the Group's interim condensed consolidated financial information. The nature and impact of the new and revised IFRSs are described below:

IFRS 16 replaces IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC 15 *Operating Leases – Incentives* and SIC 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model.

The Group adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initial adoption as an adjustment to the opening balance of retained earnings at 1 January 2019, and the comparative information for 2018 was not restated and continues to be reported under IAS 17. Since the Group recognized the right-of-use assets at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments there was no impact to the retained earnings.

1. 公司資料、編製基準、會計政策的變動 (續)

1.3 會計政策的變動 (續)

除下文所述有關國際財務報告準則第16號租賃之影響外，新訂及經修訂準則與編製本集團中期簡明綜合財務資料不相關。新訂及經修訂國際財務報告準則的性質及影響載於下文：

國際財務報告準則第16號取代國際會計準則第17號租賃、國際財務報告詮釋委員會第4號釐定安排是否包括租賃、常務詮釋委員會第15號經營租賃－優惠及常務詮釋委員會第27號估計涉及租賃法律形式的交易實質。該準則載列確認、計量、呈列及披露租賃的原則，並要求承租人在單一資產負債表內模型中計算所有租賃。

本集團於二零一九年一月一日用經修訂追溯方式首次採納國際財務報告準則第16號。根據此方法，首次採納該準則之累計影響為於二零一九年一月一日對保留溢利期初結餘所作的調整，且二零一八年的比較資料不會重列，並繼續根據國際會計準則第17號予以呈報。由於本集團按預付或應計租賃款項調整後之租賃負債金額確認使用權資產，故對保留溢利並無影響。

1. CORPORATE INFORMATION AND BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES (Cont'd)

1.3 CHANGES IN ACCOUNTING POLICIES (Cont'd)

New definition of a Lease

Under IFRS 16, a contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed. Therefore, the definition of a lease under IFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

As a lessee — Leases previously classified as operating leases

Nature of the effect of adoption of IFRS 16

The Group has lease contracts for various items of property, machinery, vehicles and other equipment. As a lessee, the Group previously classified leases as either finance leases or operating leases based on the assessment of whether the lease transferred substantially all the rewards and risks of ownership of assets to the Group. Under IFRS 16, the Group applies a single approach to recognise and measure right-of-use assets and lease liabilities for all leases, except for two elective exemptions for leases of low value assets (elected on a lease by lease basis) and short-term leases (elected by class of underlying asset). The Group has elected not to recognise right-of-use assets and lease liabilities for (i) leases of low-value assets (e.g., laptop computers and telephones); and (ii) leases, that at the commencement date, have a lease term of 12 months or less. Instead, the Group recognises the lease payments associated with those leases as an expense on a straight-line basis over the lease term.

1. 公司資料、編製基準、會計政策的變動 (續)

1.3 會計政策的變動 (續)

租賃的新定義

根據國際財務報告準則第16號，倘一份合約在一段期間內為換取對價而讓渡一項可識別資產使用之控制權，則該合約為一項租賃或包含一項租賃。倘客戶有權從使用可識別資產中獲取絕大部分經濟利益及有權主導可識別資產之使用，則表示控制權已讓渡。本集團選擇使用過渡可行權宜方法，僅在首次應用日期對先前應用國際會計準則第17號及國際財務報告詮釋委員會第4號識別為租賃之合約應用該準則。根據國際會計準則第17號及國際財務報告詮釋委員會第4號未有識別為租賃之合約並未予以重新評估。因此，國際財務報告準則第16號之租賃定義僅應用於在二零一九年一月一日或之後訂立或變更之合約。

作為承租人 — 先前分類為經營租賃之租賃

採納國際財務報告準則第16號之影響之性質

本集團擁有多項物業、機器、車輛及其他設備之租賃合約。作為承租人，本集團先前將租賃（按該租賃是否評估為已將其資產所有權之絕大部分回報及風險轉予本集團）分類為融資租賃或經營租賃。根據國際財務報告準則第16號，本集團就所有租賃應用單一之方法確認及計量使用權資產及租賃負債，惟就低價值資產租賃（按個別租賃基準選擇）及短期租賃（按標的資產類別選擇）選擇豁免。本集團已選擇不就(i)低價值資產（如手提電腦及電話）租賃；及(ii)在開始日時租賃期為12個月或以下之租賃確認使用權資產及租賃負債。相反，本集團會將有關該等租賃之租賃付款額在租賃期內按直線法確認為開支。

1. CORPORATE INFORMATION AND BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES (Cont'd)

1.3 CHANGES IN ACCOUNTING POLICIES (Cont'd)

As a lessee — Leases previously classified as operating leases (Cont'd)

Impacts on transition

Lease liabilities at 1 January 2019 were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at 1 January 2019.

The right-of-use assets were measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position immediately before 1 January 2019. All these assets were assessed for any impairment based on IAS 36 on that date. The Group elected to present the right-of-use assets separately in the statement of financial position.

The impacts arising from the adoption of IFRS 16 as at 1 January 2019 are as follows:

Assets

Increase in right-of-use assets
Decrease in property, plant and equipment
Decrease in prepaid land lease payments

Increase in total assets

資產

使用權資產增加
物業、廠房及設備減少
預付土地租賃款項減少

總資產增加

**Increase/
(decrease)**
增加／(減少)
RMB'000
人民幣千元
(Unaudited)
(未經審核)

65,416

(27,323)

(38,093)

—

1. 公司資料、編製基準、會計政策的變動 (續)

1.3 會計政策的變動 (續)

作為承租人 — 先前分類為經營租賃之租賃 (續)

過渡影響

於二零一九年一月一日之租賃負債按剩餘租賃付款額之現值，使用二零一九年一月一日之增量借款利率貼現後予以確認。

使用權資產按就緊接二零一九年一月一日前財務狀況表內已確認租賃相關之任何預付或應計租賃付款額作出調整後之租賃負債金額計量。所有該等資產於該日均根據國際會計準則第36號就任何減值作出評估。本集團選擇於財務狀況表中單獨列示使用權資產。

於二零一九年一月一日採納國際財務報告準則第16號產生之影響如下：

中期財務資料附註

1. CORPORATE INFORMATION AND BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES (Cont'd)

1.3 CHANGES IN ACCOUNTING POLICIES (Cont'd)

As a lessee — Leases previously classified as operating leases (Cont'd)

Impacts on transition (Cont'd)

The lease liabilities as at 1 January 2019 reconciled to the operating lease commitments as at 31 December 2018 is as follows:

| | | |
|---|--|------|
| Operating lease commitments as at 31 December 2018 | 於二零一八年十二月三十一日的經營租賃承擔 | 42 |
| Less: Commitments relating to short-term leases and those leases with a remaining lease term ending on or before 31 December 2019 | 減：與短期租賃及剩餘租期截至二零一九年十二月三十一日或之前止的租賃有關的承擔 | (42) |
| Lease liabilities as at 1 January 2019 | 於二零一九年一月一日的租賃負債 | — |

Summary of new accounting policies

The accounting policy for leases as disclosed in the annual financial statements for the year ended 31 December 2018 is replaced with the following new accounting policies upon adoption of IFRS 16 from 1 January 2019:

Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of the estimated useful life and the lease term.

1. 公司資料、編製基準、會計政策的變動 (續)

1.3 會計政策的變動 (續)

作為承租人 — 先前分類為經營租賃之租賃 (續)

過渡影響 (續)

於二零一九年一月一日的租賃負債與於二零一八年十二月三十一日的經營租賃承擔之對賬如下：

RMB'000
人民幣千元
(Unaudited)
(未經審核)

新會計政策概要

截至二零一八年十二月三十一日止年度之年度財務報表所披露之租賃會計政策於二零一九年一月一日採納國際財務報告準則第16號時被以下新會計政策取代：

使用權資產

使用權資產於租賃開始日確認。使用權資產按成本減任何累計折舊及任何減值虧損計量，並就重新計量租賃負債作出調整。使用權資產成本包括已確認租賃負債金額、產生的初始直接成本以及於開始日或之前支付之租賃付款金額減已收取之任何租賃激勵。除非本集團可合理確定在租期屆滿時取得租賃資產之所有權，否則已確認之使用權資產在估計使用年期及租期（以較短者為準）內按直線法計提折舊。

1. CORPORATE INFORMATION AND BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES (Cont'd)

1.3 CHANGES IN ACCOUNTING POLICIES (Cont'd)

Summary of new accounting policies (Cont'd)

Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate (3.7%) at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in future lease payments arising from change in an index or rate, a change in the lease term, a change in the in-substance fixed lease payments or a change in assessment to purchase the underlying asset.

1. 公司資料、編製基準、會計政策的變動 (續)

1.3 會計政策的變動 (續)

新會計政策概要 (續)

租賃負債

於租賃開始日按租賃期內應付的租賃付款金額之現值確認租賃負債。租賃付款金額包括固定付款額(含實質固定付款額)減任何租賃激勵應收款項、取決於一項指數或利率的可變租賃付款額以及根據剩餘價值擔保預期應付的金額。租賃付款金額亦包括本集團合理確定行使的購買選擇權的行使價及倘租期反映本集團行使終止選擇權時，有關終止租賃的罰款。對於並非取決於指數或利率的可變租賃付款額，在出現觸發付款的事件或條件的期間內確認為開支。

於計算租賃付款金額的現值時，倘租賃內含利率無法確定，則本集團應用租賃開始日的增量借款利率(3.7%)計算。於開始日後，租賃負債金額的增加反映了利息的增加，其減少則關乎所作出的租賃付款。此外，倘存在修改、由指數或利率變動引起的未來租賃付款額變動以及租期變動、實質固定租賃付款額變動或購買標的資產的評估變動，則重新計量租賃負債的賬面值。

Notes to the Interim Financial Information

中期財務資料附註

1. CORPORATE INFORMATION AND BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES (Cont'd)

1.3 CHANGES IN ACCOUNTING POLICIES (Cont'd)

Amounts recognised in the interim condensed consolidated statement of financial position and profit or loss

The carrying amounts of the Group's right-of-use assets and the movement during the period are as follow:

1. 公司資料、編製基準、會計政策的變動 (續)

1.3 會計政策的變動 (續)

於中期簡明綜合財務狀況表及損益表中確認的金額

本集團的使用權資產的賬面值以及期內的變動如下：

| | | Right-of-use assets | | |
|-----------------------------|-------------|----------------------------|------------------|--------------------------|
| | | 使用權資產 | | |
| | | Land use rights | Buildings | Lease liabilities |
| | | 土地使用權 | 樓宇 | 租賃負債 |
| | | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| | | (Unaudited) | (Unaudited) | (Unaudited) |
| | | (未經審核) | (未經審核) | (未經審核) |
| As at 1 January 2019 | 於二零一九年一月一日 | 65,416 | - | - |
| Additions | 添置 | - | 2,880 | 2,652 |
| Acquisition of subsidiaries | 收購附屬公司 | 16,304 | - | - |
| Depreciation charge | 折舊費用 | (623) | (48) | - |
| Interest expense | 利息費用 | - | - | 8 |
| Exchange realignment | 匯兌調整 | 27 | - | - |
| As at 30 June 2019 | 於二零一九年六月三十日 | <u>81,124</u> | <u>2,832</u> | <u>2,660</u> |

The Group recognized rental expenses from short-term leases of RMB32,000 for the six months ended 30 June 2019.

截至二零一九年六月三十日止六個月，本集團確認短期租賃租金開支人民幣32,000元。

2. SEGMENT INFORMATION

For management purposes, the Group is organized into business units based on their products and has two reportable segments as follows:

- (a) Manufacture and sale of intermediates and bulk medicines (the “intermediates and bulk medicines” segment)
- (b) Manufacture and sale of finished drugs (including antibiotics finished drugs and non-antibiotics finished drugs) (the “finished drugs” segment)

Management monitors the operating results of these operating segments for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group’s profit before tax except that interest income, finance costs, government grants, dividend income, fair value gains/losses from the Group’s financial instruments as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude deferred tax assets, cash and bank, financial assets at fair value through profit or loss and other unallocated head office and corporate assets as these assets are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

2. 分類資料

為方便管理，本集團將業務單位按其產品劃分並由下列兩個可報告分類組成：

- (a) 製造及銷售中間體及原料藥（「中間體及原料藥」分類）
- (b) 製造及銷售成藥（包括抗生素製劑藥及非抗生素製劑藥）（「成藥」分類）

管理層監察經營分類之經營業績，以作出有關資源分配及表現評估的決策。分類表現乃根據可報告分類溢利（其為經調整除稅前溢利的計量）予以評估。經調整除稅前溢利乃貫徹以本集團的除稅前溢利計量，惟利息收入、財務費用、政府撥款、股息收入、來自本集團金融工具的公允值收益／虧損、以及總部及企業行政費用不包含於該計量。

分類資產不包括遞延稅項資產、現金及銀行存款、以公允值計量且其變動計入損益之財務資產及其他未分配總部及企業資產，乃由於該等資產以集團為基準管理。

分類間的銷售與轉讓乃參照按當時售價向第三者出售時所用的市場價格進行。

Notes to the Interim Financial Information

中期財務資料附註

2. SEGMENT INFORMATION (Cont'd)

The following is an analysis of the Group's revenue and results by operating segment for the period:

2. 分類資料(續)

以下為本集團於本期間以經營分類劃分之收入及業績分析：

| 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) | Intermediates and bulk medicines 中間體及 原料藥 RMB'000 人民幣千元 | Finished drugs 成藥 RMB'000 人民幣千元 | Elimination of intersegment sales 抵銷 分類間銷售 RMB'000 人民幣千元 | Total 總數 RMB'000 人民幣千元 |
|--|----------------------------|---|---|--|---------------------------------|
| Segment Revenue: | 分類收入： | | | | |
| Sales to external customers | 對外銷售 | 118,979 | 371,771 | - | 490,750 |
| Intersegment sales | 分類間銷售 | 17,469 | - | (17,469) | - |
| | | 136,448 | 371,771 | (17,469) | 490,750 |
| Segment Results | 分類業績 | | | | |
| <u>Reconciliation:</u> | <u>調整：</u> | | | | |
| Unallocated gains | 未分配收益 | 614 | 236,737 | - | 237,351 |
| Corporate and other unallocated expenses | 企業及其他未分配支出 | | | | (68,425) |
| Finance costs | 財務費用 | | | | (1,007) |
| Profit before tax | 除稅前溢利 | | | | 186,956 |

2. SEGMENT INFORMATION (Cont'd)

2. 分類資料(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) | Intermediates and bulk medicines 中間體及 原料藥 RMB'000 人民幣千元 | Finished drugs 成藥 RMB'000 人民幣千元 | Elimination of intersegment sales 抵銷 分類間銷售 RMB'000 人民幣千元 | Total 總數 RMB'000 人民幣千元 |
|--|----------------------------|---|---|--|---------------------------------|
| Segment Revenue: | 分類收入： | | | | |
| Sales to external customers | 對外銷售 | 110,892 | 386,035 | – | 496,927 |
| Intersegment sales | 分類間銷售 | 26,093 | – | (26,093) | – |
| | | 136,985 | 386,035 | (26,093) | 496,927 |
| Segment Results | 分類業績 | 3,295 | 253,681 | – | 256,976 |
| <i>Reconciliation:</i> | <i>調整：</i> | | | | |
| Unallocated gains | 未分配收益 | | | | 22,256 |
| Corporate and other unallocated expenses | 企業及其他未分配支出 | | | | (73,443) |
| Finance costs | 財務費用 | | | | (211) |
| Profit before tax | 除稅前溢利 | | | | 205,578 |

Notes to the Interim Financial Information

中期財務資料附註

2. SEGMENT INFORMATION (Cont'd)

The following is an analysis of the Group's assets by operating segment:

As at 30 June 2019
(unaudited)

於二零一九年六月三十日
(未經審核)

Segment Assets:

分類資產：

Reconciliation:

調整：

Corporate and other
unallocated assets

企業及其他未分配資產

Total assets

總資產

As at 31 December 2018
(audited)

於二零一八年十二月三十一日
(經審核)

Segment Assets:

分類資產：

Reconciliation:

調整：

Corporate and other
unallocated assets

企業及其他未分配資產

Total assets

總資產

2. 分類資料(續)

以下為本集團資產以經營分類劃分之分析：

| Intermediates and bulk medicines | Finished drugs | Total |
|--|-------------------|------------------|
| 中間體及 原料藥 | 成藥 | 總數 |
| RMB'000 | RMB'000 | RMB'000 |
| 人民幣千元 | 人民幣千元 | 人民幣千元 |
| 385,347 | 741,907 | 1,127,254 |
| | | 1,525,599 |
| | | 2,652,853 |

| Intermediates and bulk medicines | Finished drugs | Total |
|--|-------------------|-----------|
| 中間體及 原料藥 | 成藥 | 總數 |
| RMB'000 | RMB'000 | RMB'000 |
| 人民幣千元 | 人民幣千元 | 人民幣千元 |
| 369,428 | 639,193 | 1,008,621 |
| | | 1,357,408 |
| | | 2,366,029 |

3. REVENUE, OTHER INCOME AND GAINS

An analysis of the Group's revenue, other income and gains is as follows:

| | |
|---------------------------------------|-----------|
| Revenue | 收入 |
| Revenue from contracts with customers | 來自客戶合約之收入 |

REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregated revenue information

For the six months ended 30 June 2019

| Segments | 分類 |
|---|------------|
| Type of goods or services | 商品或服務類型 |
| Sale of goods | 商品銷售 |
| Rendering of pilot test services | 提供試驗測試服務 |
| Total revenue from contracts with customers | 來自客戶合約之總收入 |
| Geographical markets | 地區市場 |
| Mainland China | 中國大陸 |
| Other countries | 其他國家 |
| Total revenue from contracts with customers | 來自客戶合約之總收入 |
| Timing of revenue recognition | 收入確認時間 |
| Goods transferred at a point in time | 於某一時點轉讓貨物 |
| Services transferred over time | 於某一時段內提供服務 |
| Total revenue from contracts with customers | 來自客戶合約之總收入 |

3. 收入、其他收入及收益

本集團收入、其他收入及收益分析如下：

For the six months ended 30 June
截至六月三十日止六個月

| 2019 二零一九年 (Unaudited) (未經審核) RMB'000 人民幣千元 | 2018 二零一八年 (Unaudited) (未經審核) RMB'000 人民幣千元 |
|---|--|
| 490,750 | 496,927 |

來自客戶合約之收入

分拆收入資料

截至二零一九年六月三十日止六個月

| Intermediates and bulk medicines 中間體及原料藥 RMB'000 人民幣千元 | Finished drugs 成藥 RMB'000 人民幣千元 | Total 總數 RMB'000 人民幣千元 |
|---|--|---|
| 117,061 | 371,771 | 488,832 |
| 1,918 | - | 1,918 |
| 118,979 | 371,771 | 490,750 |
| 78,005 | 368,256 | 446,261 |
| 40,974 | 3,515 | 44,489 |
| 118,979 | 371,771 | 490,750 |
| 117,061 | 371,771 | 488,832 |
| 1,918 | - | 1,918 |
| 118,979 | 371,771 | 490,750 |

Notes to the Interim Financial Information

中期財務資料附註

3. REVENUE, OTHER INCOME AND GAINS (Cont'd)

REVENUE FROM CONTRACTS WITH CUSTOMERS (Cont'd)

Disaggregated revenue information (Cont'd)

For the six months ended 30 June 2018

3. 收入、其他收入及收益(續)

來自客戶合約之收入(續)

分拆收入資料(續)

截至二零一八年六月三十日止六個月

| Segments | 分類 | Intermediates | Finished | Total |
|---|----------------|--------------------------------------|------------------|------------------|
| | | and bulk medicines 中間體 及原料藥 | drugs 成藥 | |
| | | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 |
| Type of goods or services | 商品或服務類型 | | | |
| Sale of goods | 商品銷售 | 109,857 | 386,035 | 495,892 |
| Rendering of pilot test services | 提供試驗測試服務 | 1,035 | – | 1,035 |
| Total revenue from contracts with customers | 來自客戶合約之總收入 | 110,892 | 386,035 | 496,927 |
| Geographical markets | 地區市場 | | | |
| Mainland China | 中國大陸 | 73,444 | 351,112 | 424,556 |
| Other countries | 其他國家 | 37,448 | 34,923 | 72,371 |
| Total revenue from contracts with customers | 來自客戶合約之總收入 | 110,892 | 386,035 | 496,927 |
| Timing of revenue recognition | 收入確認時間 | | | |
| Goods transferred at a point in time | 於某一時點轉讓貨物 | 109,857 | 386,035 | 495,892 |
| Services transferred over time | 於某一時段內提供服務 | 1,035 | – | 1,035 |
| Total revenue from contracts with customers | 來自客戶合約之總收入 | 110,892 | 386,035 | 496,927 |

3. REVENUE, OTHER INCOME AND GAINS (Cont'd)

3. 收入、其他收入及收益(續)

For the six months ended 30 June
截至六月三十日止六個月

| | | 2019 二零一九年 (Unaudited) (未經審核) RMB'000 人民幣千元 | 2018 二零一八年 (Unaudited) (未經審核) RMB'000 人民幣千元 |
|--|--------------------------------------|--|--|
| Other income | 其他收入 | | |
| Bank interest income | 銀行利息收入 | 9,498 | 15,205 |
| Dividend income from financial assets at fair value through profit or loss | 以公允值計量且其變動計入損益 之財務資產的股息收入 | 199 | 42 |
| Government grants | 政府撥款 | 2,547 | 2,539 |
| Others | 其他 | 1,888 | 5,581 |
| | | 14,132 | 23,367 |
| Gains | 收益 | | |
| Gain on disposal of financial assets at fair value through profit or loss | 出售以公允值計量且其變動計入損益 之財務資產的收益 | 2,340 | 603 |
| Fair value gains, net: Financial assets at fair value through profit or loss | 公允值收益，淨額： 以公允值計量且其變動計入損益 之財務資產 | 4,069 | - |
| | | 20,541 | 23,970 |

4. FINANCE COSTS

4. 財務費用

For the six months ended 30 June
截至六月三十日止六個月

| | | 2019 二零一九年 (Unaudited) (未經審核) RMB'000 人民幣千元 | 2018 二零一八年 (Unaudited) (未經審核) RMB'000 人民幣千元 |
|--|-----------------------|--|--|
| Interest on bank loans wholly repayable within five years | 須於五年內悉數償還的 銀行貸款之利息 | 999 | 211 |
| Lease liability interest | 租賃負債利息 | 8 | - |
| | | 1,007 | 211 |

Notes to the Interim Financial Information

中期財務資料附註

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

5. 除稅前溢利

本集團的除稅前溢利乃經扣除/(計入)下列各項後釐定：

| | | For the six months ended 30 June 截至六月三十日止六個月 | |
|---|--------------------------|--|--|
| | | 2019 二零一九年 (Unaudited) (未經審核) RMB'000 人民幣千元 | 2018 二零一八年 (Unaudited) (未經審核) RMB'000 人民幣千元 |
| Cost of inventories sold * | 已售存貨成本 * | 195,675 | 184,255 |
| Depreciation | 折舊 | 23,895 | 26,232 |
| Recognition of right-of-use assets ** | 使用權資產確認 ** | 671 | – |
| Recognition of land use rights** | 土地使用權確認 ** | – | 525 |
| Research and development costs: | 研究及開發成本： | | |
| Amortisation of intangible assets*** | 無形資產攤銷 *** | 247 | 209 |
| Current period expenditure | 本期間支出 | 18,073 | 26,832 |
| | | 18,320 | 27,041 |
| Minimum lease payments under operating leases: | 經營租約下之最低租金： | | |
| Buildings | 樓宇 | 32 | 109 |
| Employee benefit expense (including directors' and chief executive officer's remuneration): | 僱員福利開支 (包括董事及總裁酬金)： | | |
| Wages and salaries | 工資及薪金 | 47,555 | 44,312 |
| Retirement benefits | 退休福利 | 3,820 | 3,839 |
| Accommodation benefits | 住房福利 | 1,988 | 1,874 |
| Other benefits | 其他福利 | 8,242 | 7,217 |
| Equity-settled share option expense | 以股權支付的購股權開支 | 3,228 | 3,800 |
| | | 64,833 | 61,042 |
| Foreign exchange differences, net | 匯兌差額，淨額 | (441) | 1,197 |
| Write-down of inventories to net realisable value | 存貨撇減至可變現淨值 | 5,257 | 4,690 |
| Fair value (gains)/losses, net: | 公允值(收益)/虧損，淨額： | | |
| Financial assets at fair value through profit or loss | 以公允值計量且其變動計入損益之財務資產 | (4,069) | 183 |
| Financial liabilities at fair value through profit or loss | 以公允值計量且其變動計入損益之財務負債 | – | 717 |
| Bank interest income | 銀行利息收入 | (9,498) | (15,205) |
| Loss on disposal of items of property, plant and equipment | 出售物業、廠房及設備等項目的虧損 | 141 | 133 |
| Gain on disposal of financial assets at fair value through profit or loss | 出售以公允值計量且其變動計入損益之財務資產的收益 | (2,340) | (603) |

5. PROFIT BEFORE TAX (Cont'd)

- * The depreciation of RMB18,837,000 (2018: RMB20,673,000) for the period is included in "Cost of inventories sold".
- ** The recognition of right-of-use assets/land use rights for the period is included in "Administrative expenses" on the face of the condensed consolidated statement of profit or loss.
- *** The amortisation of intangible assets for the period is included in "Other expenses" on the face of the condensed consolidated statement of profit or loss.

6. INCOME TAX

| | |
|--|---------------|
| Current income tax | 當期所得稅 |
| Current income tax charge | 當期所得稅支出 |
| Adjustments in respect of current income tax in previous years | 有關過往年度當期所得稅調整 |
| Deferred income tax | 遞延稅項 |
| Total tax charge for the period | 本期間稅項支出總額 |

No provision for Hong Kong profits tax has been made as the Group had no assessable profits arising in Hong Kong during the period. Taxation for the subsidiaries in Mainland China is calculated on the estimated assessable profits for the period at the rates of tax prevailing in the locations in which the Group's subsidiaries operate, based on existing legislation, interpretations and practices in respect thereof.

5. 除稅前溢利(續)

- * 本期間折舊其中人民幣18,837,000元(二零一八年:人民幣20,673,000元)已計入「已售存貨成本」。
- ** 本期間的使用權資產/土地使用權確認計入簡明綜合損益表的「行政費用」。
- *** 本期間的無形資產攤銷計入簡明綜合損益表的「其他費用」。

6. 所得稅

For the six months ended 30 June

截至六月三十日止六個月

| 2019 二零一九年 (Unaudited) (未經審核) RMB'000 人民幣千元 | 2018 二零一八年 (Unaudited) (未經審核) RMB'000 人民幣千元 |
|--|--|
| 30,706 | 32,014 |
| - | 15 |
| 5,834 | 7,356 |
| 36,540 | 39,385 |

由於本集團於本期間在香港並無產生應課稅溢利，故並無就香港利得稅作出撥備。於中國大陸之附屬公司的稅項乃根據本期間估計應課稅溢利，按本集團附屬公司經營業務所在地之現行法律、釋義及慣例，以當地之適用稅率而計算。

7. DIVIDENDS

7. 股息

For the 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 |
| | (Unaudited) | (Unaudited) |
| | (未經審核) | (未經審核) |
| | RMB'000 | RMB'000 |
| | 人民幣千元 | 人民幣千元 |
| Dividend pertaining to the prior year declared in the six months ended 30 June | 81,450 | 76,826 |
| Interim — HK\$0.015* (2018: HK\$0.015) per ordinary share | 21,548 | 20,713 |

* On 27 August 2019, the Company declared an interim dividend for the year ending 31 December 2019, at HK\$0.015 per share, amounting to a total sum of approximately HK\$23,566,000 (approximately equivalent to RMB21,548,000).

* 本公司於二零一九年八月二十七日宣派截至二零一九年十二月三十一日止年度的中期股息每股港幣0.015元，合共約港幣23,566,000元(約相當於人民幣21,548,000元)。

8. EARNINGS PER SHARE

8. 每股盈利

The calculation of basic earnings per share for the six months ended 30 June 2019 is based on the profit for the period attributable to ordinary equity holders of the parent of RMB150,416,000 (2018: RMB166,193,000) and the weighted average number of 1,585,767,000 shares (2018: 1,586,382,000 shares) in issue during the period.

截至二零一九年六月三十日止六個月的每股基本盈利乃按母公司普通股權益持有人應佔本期間溢利人民幣150,416,000元(二零一八年：人民幣166,193,000元)以及於本期間已發行普通股股份之加權平均股數1,585,767,000股份(二零一八年：1,586,382,000股份)而計算。

The calculation of diluted earnings per share for the period is based on the profit for the period attributable to ordinary equity holders of the parent of RMB150,416,000 (2018: RMB166,193,000) and the weighted average number of 1,585,767,000 shares (2018: 1,586,382,000 shares) in issue during the period after adjusting for the effect of dilutive options.

本期間攤薄後每股盈利乃按母公司普通股權益持有人應佔本期間溢利人民幣150,416,000元(二零一八年：人民幣166,193,000元)以及本期間已發行普通股股份之加權平均股數1,585,767,000股份(二零一八年：1,586,382,000股份)計算，並就具攤薄作用之購股權予以調整。

9. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the period, additions of property, plant and equipment amounted to approximately RMB1,383,000 (2018: approximately RMB789,000). During the period, items of plant and equipment with net book value of approximately RMB1,397,000 (2018: approximately RMB228,000) were disposed of.

10. INVENTORIES

9. 物業、廠房及設備之變動

本期間，添置之物業、廠房及設備總值約為人民幣1,383,000元(二零一八年：約值人民幣789,000元)。本期間，出售之廠房及設備項目賬面淨值約為人民幣1,397,000元(二零一八年：約值人民幣228,000元)。

10. 存貨

| | | 30 June 2019 二零一九年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元 | 31 December 2018 二零一八年 十二月三十一日 (Audited) (已審核) RMB'000 人民幣千元 |
|------------------|-------|--|---|
| Raw materials | 原材料 | 47,546 | 38,231 |
| Work in progress | 在製品 | 52,899 | 39,768 |
| Finished goods | 製成品 | 63,010 | 76,160 |
| | | 163,455 | 154,159 |
| Less: provision | 減少：撥備 | (8,050) | (6,116) |
| | | 155,405 | 148,043 |

Notes to the Interim Financial Information

中期財務資料附註

11. TRADE AND NOTES RECEIVABLES

An ageing analysis of the trade receivables and notes receivable as at 30 June 2019, based on invoice date and net of loss allowance, is as follows:

| Trade receivables | 應收貿易款項 |
|---------------------------------|-------------|
| Outstanding balances with ages: | 按賬齡劃分的尚欠餘額： |
| Within 90 days | 90日內 |
| Between 91 and 180 days | 91至180日 |
| Between 181 and 270 days | 181至270日 |
| Between 271 and 360 days | 271至360日 |
| Over one year | 1年以上 |
| Notes receivable | 應收票據款項 |

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally three months for major customers.

11. 應收貿易及票據款項

根據發票日期和扣除撥備淨額計算，於二零一九年六月三十日的應收貿易及票據款項賬齡分析如下：

| 30 June 2019 二零一九年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元 | 31 December 2018 二零一八年 十二月三十一日 (Audited) (已審核) RMB'000 人民幣千元 |
|--|---|
| | 170,203 |
| 186,258 | 20,030 |
| 28,575 | 7,621 |
| 7,625 | 1,742 |
| 4,790 | 18 |
| 589 | |
| 227,837 | 199,614 |
| 133,961 | 147,188 |
| 361,798 | 346,802 |

除新客戶一般需預繳款項外，本集團主要按信貸方式與客戶交易。而主要客戶信貸期一般為三個月。

12. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

12. 預付款、其他應收款項及其他資產

Current

| | |
|--------------------------------|-----------|
| Prepayments | 流動 預付款 |
| Deposits and other receivables | 按金及其他應收款項 |
| Wealth management products | 理財產品 |

Non-current

| | |
|-----------------------|---------------|
| Long-term prepayment* | 非流動 長期預付款* |
|-----------------------|---------------|

* Long-term prepayment represents the prepaid installment payment for investment in an associate.

None of the above assets is either past due or impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default.

The carrying amounts of the prepayments, other receivables and other assets approximate to their fair values.

| 30 June 2019 二零一九年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元 | 31 December 2018 二零一八年 十二月三十一日 (Audited) (已審核) RMB'000 人民幣千元 |
|--|---|
| 15,121 | 8,905 |
| 25,190 | 21,832 |
| 220,000 | 350,000 |
| 260,311 | 380,737 |
| - | 21,629 |

* 長期預付款指預付聯營公司分期投資款。

上述資產未有逾期及並無減值。上述結餘包括之財務資產與近期並無違約歷史的應收款項有關。

預付款、其他應收款項及其他資產之賬面價值與其公允價值相近。

Notes to the Interim Financial Information

中期財務資料附註

13. CASH AND BANK

| | |
|--|---------------|
| Cash and cash in banks | 現金及銀行存款 |
| Short-term deposits | 短期存款 |
| Term deposit with maturity over three months | 到期日超過三個月的定期存款 |
| Cash and cash equivalents | 現金及現金等價物 |

As at 30 June 2019, the cash and bank balances and short-term deposits of the Group denominated in RMB amounted to RMB370,711,000 (as at 31 December 2018: RMB618,364,000) in Mainland China. The RMB is not freely convertible into other currencies. However, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks (including term deposit with maturity over three months) earns interest at floating rates based on daily bank deposit rates. Short-term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term time deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default. The carrying amounts of the cash and cash equivalents approximate to their fair values.

13. 現金及銀行存款

| 30 June 2019 二零一九年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元 | 31 December 2018 二零一八年 十二月三十一日 (Audited) (已審核) RMB'000 人民幣千元 |
|--|---|
| 101,429 | 61,563 |
| 343,114 | 583,800 |
| 444,543 | 645,363 |
| (140,000) | (120,000) |
| 304,543 | 525,363 |

於二零一九年六月三十日，本集團於中國大陸有原幣為人民幣的現金及銀行結存與短期存款總值人民幣370,711,000元（於二零一八年十二月三十一日：人民幣618,364,000元）。人民幣並不可以自由兌換為其他貨幣。然而，根據中國大陸外匯管制法規及結匯、售匯與付匯管理法規，本集團獲准透過特許進行外匯業務的銀行將人民幣兌換為其他貨幣。

銀行存款（包括到期日超過三個月的定期存款）的利息基於每日銀行存款的浮動利率賺取。短期定期存款期限界乎一日至三個月不等，視乎本集團的現金需求而定，並以相應的短期定期存款利率賺取利息。銀行結餘已存入近期沒有不良拖欠、信譽良好的銀行中。現金和現金等價物的賬面值接近其公允值。

14. TRADE AND NOTES PAYABLES

An ageing analysis of the trade payables and notes payable as at 30 June 2019 is as follows:

| Outstanding balances with ages: | 按賬齡劃分的尚欠餘額: |
|---------------------------------|-------------|
| Within 90 days | 90日內 |
| Between 91 and 180 days | 91至180日 |
| Between 181 and 270 days | 181至270日 |
| Between 271 and 360 days | 271至360日 |
| Over one year | 一年以上 |

The trade payables are non-interest-bearing and are normally settled on 90-day terms. The carrying amounts of the trade and notes payables approximate to their fair values.

14. 應付貿易及票據款項

於二零一九年六月三十日的應付貿易及應付票據款項賬齡分析如下：

| 30 June 2019 二零一九年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元 | 31 December 2018 二零一八年 十二月三十一日 (Audited) (已審核) RMB'000 人民幣千元 |
|--|---|
| 91,059 | 83,169 |
| 49,974 | 46,661 |
| 115 | 114 |
| 46 | 34 |
| 1,120 | 439 |
| 142,314 | 130,417 |

應付貿易款項乃不計利息及一般按九十日賬期繳付。應付貿易及票據款項之賬面值與其公允值相若。

Notes to the Interim Financial Information

中期財務資料附註

15. OTHER LIABILITIES

Government relocation compensation received 取得的政府拆遷補償款

The government relocation compensation was part of the compensation received under the relocation compensation agreement entered between the People's Government of Wuzhong Economic Development District, Suzhou City and Suzhou Dawnrays Pharmaceutical Co., Ltd., a wholly-owned subsidiary of the Group.

15. 其他負債

| 30 June 2019 二零一九年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元 | 31 December 2018 二零一八年 十二月三十一日 (Audited) (已審核) RMB'000 人民幣千元 |
|--|---|
| 70,238 | 70,238 |

政府拆遷補償款為根據蘇州市吳中經濟開發區人民政府與本集團全資附屬公司蘇州東瑞製藥有限公司協定之拆遷補償協議收到的部份拆遷補償款。

16. INTEREST-BEARING BANK LOANS

Current 短期
Bank loan — secured 已抵押的銀行貸款

Effective interest rate (%)
實際利率 (%)

Maturity
到期日

30 June 2019
二零一九年
六月三十日
(Unaudited)
(未經審核)
RMB'000
人民幣千元

3.7–3.75%

2020

197,378^(a)

As at 30 June 2019, the Group had aggregate bank facilities of approximately RMB1,316,069,000 (as at 31 December 2018: RMB1,402,762,000), of which, bank facilities of approximately RMB216,069,000 (as at 31 December 2018: RMB102,762,000) were secured by corporate guarantee of the Company.

(a) The bank loan is secured by the corporate guarantee of the Company.

於二零一九年六月三十日，本集團的銀行信貸總額約人民幣1,316,069,000元（於二零一八年十二月三十一日：人民幣1,402,762,000元），其中人民幣216,069,000元（於二零一八年十二月三十一日：人民幣102,762,000元）銀行信貸額度以本公司作擔保。

(a) 該筆銀行貸款由本公司作公司擔保。

17. BUSINESS COMBINATION

On 7 May 2019, the Group acquired a 100% interest in Top Field Limited from Supper Fort Holdings Limited at a consideration of HK\$436,470,000 (approximately RMB376,132,000). Top Field Limited and its subsidiaries are principally engaged in the research, development, production and sale of drugs. The acquisition was made as part of the Group's strategy to expand its market share of cardiovascular medicine. The purchase consideration for the acquisition was in the form of cash. As at 30 June 2019, HK\$414,646,500 (approximately RMB357,326,000) was paid and the remaining balance of the consideration amounted to HK\$21,823,500 (approximately RMB18,806,000) will be paid within 10 business days from a six-month period after completion (subject to there being no breach of warranties and undertakings under the sale and purchase agreement by Supper Fort Holdings Limited).

The fair values of the identifiable assets and liabilities of Top Field Limited as at the date of acquisition were as follows:

17. 業務合併

於二零一九年五月七日，本集團出資港幣436,470,000元(約相等於人民幣376,132,000元)自興安豐盛投資有限公司收購Top Field Limited之100%股權。Top Field Limited及其附屬公司主要從事藥物的研究、開發、生產及銷售。本收購是為本集團策略的一部份以擴展心血管藥的市場份額。收購的代價是以現金支付。於二零一九年六月三十日，已付港幣414,646,500元(約相等於人民幣357,326,000元)，於完成後六個月期間屆滿的十個營業日內支付對價餘額港幣21,823,500元(約相等於人民幣18,806,000元)(須與興安豐盛投資有限公司並無違反買賣協議中的保證及承諾)。

於收購日期Top Field Limited的可識別資產及負債的公允價值如下：

| | | Fair value recognised on acquisition 收購時確認 的公允價值 RMB'000 人民幣千元 (Unaudited) (未經審核) |
|---|-------------------|--|
| Property, plant and equipment | 物業、廠房及設備 | 27,406 |
| Right-of-use assets | 使用權資產 | 16,304 |
| Intangible assets | 無形資產 | 58,850 |
| Long-term equity investment | 長期股權投資 | 1,588 |
| Inventories | 存貨 | 3,789 |
| Trade and notes receivables | 應收貿易及票據款項 | 820 |
| Cash and bank | 現金及銀行存款 | 70,597 |
| Prepayments, other receivables and other assets | 預付款、其他應收款項及其他資產 | 7,825 |
| Trade and notes payables | 應付貿易及票據款項 | (136) |
| Other payables and accruals | 其他應付款項及預提費用 | (35,407) |
| Deferred tax liabilities | 遞延稅項負債 | (16,251) |
| Income tax payable | 應付所得稅 | (411) |
| Total identifiable net assets at fair value | 以公允價值計量的可識別資產淨值總計 | 134,974 |
| Goodwill on acquisition | 因收購而產生的商譽 | 241,158 |
| Satisfied by cash | 以現金結算 | 376,132 |

Notes to the Interim Financial Information

中期財務資料附註

17. BUSINESS COMBINATION (Cont'd)

An analysis of the net outflow of cash and cash equivalents in respect of the acquisition of a subsidiary is as follows:

| | | |
|---|---------------------|------------------|
| | | RMB'000 人民幣千元 |
| Cash consideration paid | 已付現金代價 | 357,326 |
| Cash and bank balances acquired | 購入現金及銀行存款 | (70,597) |
| Net outflow of cash and cash equivalents included in cash flows from investing activities | 計入投資活動中現金及現金等價物流出淨額 | <u>286,729</u> |

18. SHARE CAPITAL

17. 業務合併(續)

有關收購一間附屬公司的現金及現金等價物流出淨額分析如下：

18. 股本

| | | Number of shares 股份數目 | | Amount 金額 | |
|-------------------------------------|-----------------|-----------------------------------|---|-----------------------------------|---|
| | | 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 | 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 |
| | | HK\$'000 港幣千元 | | HK\$'000 港幣千元 | HK\$'000 港幣千元 |
| Ordinary shares of HK\$0.05 each | 每股面值港幣0.05元之普通股 | | | | |
| Authorised: | 法定股本： | 20,000,000,000 | 20,000,000,000 | 1,000,000 | 1,000,000 |
| Issued and fully paid: | 已發行及繳足股份： | | | | |
| At the beginning of the period/year | 於期初／年初 | 1,586,382,000 | 1,586,382,000 | 79,319 | 79,319 |
| At end of the period/year | 於期終／年終 | 1,586,382,000 | 1,586,382,000 | 79,319 | 79,319 |
| Equivalent to RMB'000 | 等值人民幣千元 | | | 84,197 | 84,197 |

During the period, the Company repurchased 7,025,000 of its ordinary shares on the Hong Kong Stock Exchange for a total consideration of HK\$10,003,980 before expenses.

期內，本公司在聯交所購回7,025,000股本公司普通股，不含費用之總代價為港幣10,003,980元。

19. TREASURY SHARES

During the period, the Company repurchased 7,025,000 of its ordinary shares on the Hong Kong Stock Exchange for a total consideration of HK\$10,003,980 before expenses. The repurchased 3,027,000 shares were subsequently cancelled on 5 July 2019 and the repurchased 3,998,000 shares were subsequently cancelled on 16 July 2019. The nominal value of those shares of HK\$351,250 was transferred to the capital redemption reserve and the premium on repurchase, and the related costs incurred for share repurchase, HK\$9,726,000 in total, were charged against the share premium account of the Company.

20. SHARE OPTION SCHEME

After the expiry of the Company's 2003 share option scheme, the Company adopted another share option scheme which was approved by the shareholders at the annual general meeting on 24 May 2013 and was effective on 21 June 2013 (the "2013 Share Option Scheme" or "Scheme"). The Scheme will remain in force for 10 years from the effective date until 20 June 2023 with purpose of providing incentives and rewards to eligible persons (including the Company's directors, independent non-executive directors, employees of the Group and other eligible participants as defined under the 2013 Share Option Scheme) who contribute to the success of the Group's operations.

19. 庫存股份

於本期間，本公司在聯交所購回7,025,000股本公司普通股股份，未計費用之總代價為港幣10,003,980元，購回的3,027,000股股份其後於二零一九年七月五日註銷，3,998,000股股份於二零一九年七月十六日註銷。與註銷股份面值相等之數額港幣351,250元已撥往資本購回儲備，而股份購回所付之溢價及相關費用共港幣9,726,000元已記入本公司之股份溢價賬。

20. 購股權計劃

自本公司二零零三購股權計劃屆滿後，本公司採納另一個於二零一三年五月二十四日之股東週年大會上獲股東批准並於二零一三年六月二十一日生效的購股權計劃（「二零一三購股權計劃」或「該計劃」），該計劃由生效日起計十年內有效直至二零二三年六月二十日止，旨在對本集團業務成就作出貢獻的合資格參與者（包括本公司的董事、獨立非執行董事、本集團的僱員及根據二零一三購股權計劃所界定的其他合資格參與者）的激勵及獎勵。

Notes to the Interim Financial Information

中期財務資料附註

20. SHARE OPTION SCHEME (Cont'd)

Movements of Company's share options under the Scheme during the period were as follows:

20. 購股權計劃(續)

本期間，該計劃中的本公司購股權變動如下：

| Name or Category of participant | 參與者名稱或類別 | 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 of share options (a) 授出購股權日期(a) | Exercise period of share options 購股權行使期間 | Exercise price of share options (b) 購股權行使價(b) | Closing price of the Company's shares at immediate date before the grant(c) 緊接授出購股權前一天本公司股份收市價格(c) |
|---------------------------------|-------------------------|----------------------------------|-------------------------------------|---------------------------------------|---|--------------------------------|--|---|--|---|
| | | At 1 January 2019 於二零一九年一月一日 | Granted during the period 本期間已授出 | Exercised during the period 本期間已行使 | Lapsed during the period (d) 本期間已失效(d) | | | | | |
| Director^(a) | 董事^(a) | | | | | | | | | |
| Mr. Chen Shaojun ^(a) | 陳紹軍先生 ^(a) | 6,000,000 | - | - | - | 08/01/15 | 08/01/16-07/01/21 | 2.575 | 2.485 | |
| | | 6,000,000 | - | - | - | 18/03/15 | 18/03/16-17/03/21 | 2.635 | 2.575 | |
| | | 4,000,000 | - | - | - | 16/04/15 | 16/04/16-15/04/21 | 3.670 | 3.585 | |
| | | 16,000,000 | - | - | - | | | | | |
| Other employees | 其他僱員 | | | | | | | | | |
| In aggregate | 總計 | 2,000,000 | - | - | - | 17/09/14 | 17/09/15-16/09/20 | 3.220 | 3.035 | |
| | | 5,800,000 | - | - | - | 08/01/15 | 08/01/16-07/01/21 | 2.575 | 2.485 | |
| | | 7,800,000 | - | - | - | 16/04/15 | 16/04/16-15/04/21 | 3.670 | 3.585 | |
| | | 2,800,000 | - | - | - | 23/11/15 | 23/11/16-22/11/21 | 3.190 | 3.185 | |
| | | 3,000,000 | - | - | - | 11/05/16 | 11/05/17-10/05/22 | 3.170 | 3.145 | |
| | | 11,300,000 | - | - | - | 29/11/17 | 29/11/18-28/11/23 | 2.125 | 2.095 | |
| | | - | 16,000,000 | - | - | 09/01/19 | 09/01/20-08/01/25 | 1.500 | 1.460 | |
| | | 32,700,000 | 16,000,000 | - | - | | | | | |
| | | 48,700,000 | 16,000,000 | - | - | | | | | |

20. SHARE OPTION SCHEME (Cont'd)

- (a) The vesting period of the share options is from the date of the grant until the commencement of the exercise period.
- (b) The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.
- (c) The price of the Company's shares disclosed as at immediate date before the grant of the share options is the Stock Exchange closing price on the trading day immediately prior to the date of grant of the options.
- (d) Options lapsed in accordance with the terms of the Scheme due to resignation of employees.
- (e) Mr. Chen Shaojun was appointed as chief executive officer of the Company on 18 April 2016 and also was appointed as executive director of the Company on 8 January 2018. Mr. Chen Shaojun was granted total 8,000,000 share options in 2015. The total number of share options granted to Mr. Chen was adjusted to 16,000,000 share options after Share Sub-division. The number of shares to be issued upon exercise of share options granted to Mr. Chen exceeds 1% of the issued share capital of the Company as at the date of this report as a result of the repurchase and cancellation of the shares of the Company in 2017. On 18 June 2019, the Company proposed to grant 64,000,000 share options to Mr. Chen subject to shareholders' approval, which proposed grant was subsequently cancelled on 1 August 2019.

For the six months ended 30 June 2019, no options granted under 2013 Share Option Scheme were exercised by any director or any employees or were cancelled.

20. 購股權計劃(續)

- (a) 購股權的歸屬期為授出日期至行使期開始為止。
- (b) 倘進行供股或發行紅股或本公司股本出現其他類似變動，則購股權的行使價須予以調整。
- (c) 於授予購股權前一天所披露的本公司股份價格為緊接授予購股權當日前一個交易日的聯交所收市價。
- (d) 基於僱員辭任職務，購股權根據計劃的條款而予以失效。
- (e) 陳紹軍先生於二零一六年四月十八日起被委任為本公司總裁並於二零一八年一月八日被委任為本公司執行董事。陳紹軍先生於二零一五年被授予共8,000,000份購股權。陳先生被授予的購股權總數於股份拆細後調整為16,000,000份購股權。因本公司於二零一七年回購並註銷股份，致使於本報告日期，行使授予陳先生的購股權而可予發行的股份數目超過本公司已發行股份的1%。於二零一九年六月十八日，本公司計劃授予陳先生64,000,000份須獲股東批准方可作實的購股權，計劃隨後於二零一九年八月一日取消。

於截至二零一九年六月三十日止六個月期間，本公司沒有註銷，亦沒有任何董事或員工行使根據二零一三年購股權計劃授出之購股權。

20. SHARE OPTION SCHEME (Cont'd)

As at 30 June 2019, excluding the proposed 64,000,000 options which was subject to shareholders approval and cancelled subsequently, the Company had 64,700,000 share options outstanding under the Scheme, which represented approximately 4.08% of the Company's shares in issue as at that date. The exercise in full of the remaining share options would, under the present capital structure of the Company, result in the issue 64,700,000 additional ordinary shares of the Company, additional share capital of HK\$3,235,000 and share premium of HK\$159,160,500 (before share issue expenses).

The fair value of equity-settled share options granted was estimated as at the date of grant, using a Black-Scholes-Merton valuation model, taking into account the terms and conditions upon which the options were granted. Such value is inherently subjective and uncertain due to the assumptions made and the limitation of the valuation model used. The following table lists the inputs to the model an each option's fair value at the date of grant:

| Date of Grant | 授出日期 | 17/09/2014 | 08/01/2015 | 18/3/2015 | 16/4/2015 | 23/11/2015 | 11/5/2016 | 29/11/2017 | 09/01/2019 |
|--|----------------|------------|------------|-----------|-----------|------------|-----------|------------|------------|
| Dividend yield (%) | 股息率 (%) | 0.97 | 1.21 | 1.18 | 0.85 | 1.04 | 1.06 | 2.70 | 5.25 |
| Expected volatility (%) | 預期波幅 (%) | 42 | 43 | 43 | 43 | 43 | 43 | 41 | 42 |
| Historical volatility (%) | 過往波幅 (%) | 42 | 43 | 43 | 43 | 43 | 43 | 41 | 42 |
| Risk-free interest rate (%) | 無風險折現率 (%) | 1.584 | 1.365 | 1.290 | 1.065 | 1.183 | 0.969 | 1.586 | 1.845 |
| Expected life of option (year) | 購股權預計年期 (年) | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Fair value at the date of grant (HK\$) | 於授出日期的公允值 (港元) | 2.45 | 1.92 | 1.97 | 2.82 | 2.42 | 2.34 | 1.27 | 0.36 |

The expected life of the options is based on the historical data over the past five years and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

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

The Group recognised share option expenses of RMB3,228,000 under the Scheme during the six month period ended 30 June 2019 (six month period ended 30 June 2018: RMB3,800,000).

20. 購股權計劃 (續)

於二零一九年六月三十日，撇除需經股東批准及於期後取消的擬授予64,000,000份購股權，本公司根據該計劃尚有64,700,000份購股權尚未行使，約相當於本公司於該日期已發行股份的4.08%。根據本公司現時之資本架構，悉數行使餘下的購股權將導致本公司額外發行64,700,000股普通股以及產生港幣3,235,000元額外股本和約港幣159,160,500元股份溢價（未計股份發行開支）。

授予以股本結算的購股權的公允值乃於授予購股權當日以柏力克－舒爾斯估值模式估計，並已考慮授予購股權的條款及條件。鑑於有關假設及所使用的估值模式存在限制，有關價值本身含主觀成分及不確定因素。下表列出該模式的輸入數值及每一股購股權於授出日的公允值：

購股權預計年期乃根據過去五年的歷史資料釐定，未必能顯示行使購股權的方式。預期波幅反映過往波幅可顯示未來趨勢的假設，惟未來趨勢未必是實際結果。

並無其他授予購股權的因素列入公允值的計算當中。

本集團於截至二零一九年六月三十日止六個月期間確認該計劃項下的購股權開支為人民幣3,228,000元（截至二零一八年六月三十日止六個月期間：人民幣3,800,000元）。

21. RESERVES

The amounts of the Group's reserves and the movements therein for the first six months periods in 2019 and 2018 are presented in the condensed consolidated statement of changes in equity on page 29 of the interim report.

(I) CONTRIBUTED SURPLUS

The contributed surplus of the Group represents the difference between the then consolidated net assets of the subsidiaries acquired pursuant to the group reorganisation, over the nominal value of the Company's shares issued in exchange thereof.

(II) STATUTORY SURPLUS RESERVE (THE "SSR")

In accordance with the Company Law of the PRC and the articles of association of the Mainland China subsidiaries, the Mainland China subsidiaries are each required to allocate 10% of their profit after tax, as determined in accordance with the PRC generally accepted accounting principles, to the SSR until this reserve reaches 50% of the registered capital of the Mainland China subsidiaries. Part of the SSR may be converted to increase the paid-up capital, provided that the remaining balance after the capitalisation is not less than 25% of the registered capital.

(III) EXCHANGE FLUCTUATION RESERVE

The exchange fluctuation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

21. 儲備

於二零一九年及二零一八年首六個月期間的本集團儲備金額及變動已載於中期報告第29頁的簡明綜合權益變動表內。

(I) 繳入盈餘

本集團的繳入盈餘指集團重組所收購附屬公司當時的綜合資產淨值與本公司為換取有關資產而發行的本公司股份面值的差額。

(II) 法定盈餘公積金

根據中國公司法及中國附屬公司的公司章程，中國附屬公司各自須按中國公認會計準則，將其稅後溢利的10%分配至法定盈餘公積金，直至法定盈餘公積金達到中國附屬公司註冊資本的50%。部分法定盈餘公積金可轉為繳足股本以增加股本，惟資本化後的餘額不可低於註冊資本的25%。

(III) 匯兌波動儲備

匯兌波動儲備乃用作記錄換算外地附屬公司的財務報表所產生的匯兌差額。

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22. FINANCIAL INSTRUMENTS BY CATEGORY FINANCIAL ASSETS

22. 按類別劃分之金融工具 財務資產

| | | 30 June 2019 二零一九年六月三十日 (Unaudited) (未經審核) | | | | 31 December 2018 二零一八年十二月三十一日 (Audited) (已審核) | | | |
|--|------------------------|---|------------------------------------|---|------------------|--|------------------------------------|---|------------------|
| | | Financial assets at fair value through profit or loss | Financial assets at amortised cost | Financial assets at fair value through other comprehensive income | Total | Financial assets at fair value through profit or loss | Financial assets at amortised cost | Financial assets at fair value through other comprehensive income | Total |
| | | 以公允價值計量且其變動計入損益之財務資產 | 按攤銷成本計量之財務資產 | 以公允價值計量且其變動計入其他全面收益之財務資產 | 總額 | 以公允價值計量且其變動計入損益之財務資產 | 按攤銷成本計量之財務資產 | 以公允價值計量且其變動計入其他全面收益之財務資產 | 總額 |
| | | 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 |
| Trade and notes receivables | 應收貿易及票據款項 | - | 227,837 | 133,961 | 361,798 | - | 199,614 | 147,188 | 346,802 |
| Financial assets included in prepayments, other receivables and other assets | 計入預付款、其他應收款項及其他資產之財務資產 | - | 245,190 | - | 245,190 | - | 371,832 | - | 371,832 |
| Financial assets at fair value through profit or loss | 以公允價值計量且其變動計入損益之財務資產 | 408,416 | - | - | 408,416 | 189,393 | - | - | 189,393 |
| Cash and bank | 現金及銀行存款 | - | 444,543 | - | 444,543 | - | 645,363 | - | 645,363 |
| | | 408,416 | 917,570 | 133,961 | 1,459,947 | 189,393 | 1,216,809 | 147,188 | 1,553,390 |

FINANCIAL LIABILITIES

財務負債

| | | 30 June 2019 二零一九年六月三十日 (Unaudited) (未經審核) | 31 December 2018 二零一八年十二月三十一日 (Audited) (已審核) |
|---|--------------------|---|--|
| | | Financial liabilities at amortised cost | Financial liabilities at amortised cost |
| | | 按攤銷成本計量之財務負債 | 按攤銷成本計量之財務負債 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Trade and notes payables | 應付貿易及票據款項 | 142,314 | 130,417 |
| Financial liabilities included in other payables and accruals | 計入其他應付款項及預提費用之財務負債 | 139,584 | 107,171 |
| Interest-bearing bank loans | 計息銀行貸款 | 197,378 | - |
| Lease Liabilities | 租賃負債 | 2,660 | - |
| | | 481,936 | 237,588 |

23. FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

ASSETS MEASURED AT FAIR VALUE AS AT 30 JUNE 2019:

Financial assets at fair value through profit or loss

以公允值計量且其變動計入損益之財務資產

23. 金融工具之公允值層級

下表列明本集團金融工具的公允值計量層級：

於二零一九年六月三十日按公允值計量的資產：

| Fair value measurement using 使用以下各項進行公允值計量 | | | |
|---|---|--|---------------------------------|
| Quoted prices in active markets (Level 1) 於活躍 市場的報價 第一級 RMB'000 人民幣千元 | Significant observable inputs (Level 2) 重大可 觀察輸入值 第二級 RMB'000 人民幣千元 | Significant unobservable inputs (Level 3) 重大不可 觀察輸入值 第三級 RMB'000 人民幣千元 | Total 合計 RMB'000 人民幣千元 |
| 59,044 | 349,372 | - | 408,416 |

ASSETS MEASURED AT FAIR VALUE AS AT 31 DECEMBER 2018:

Financial assets at fair value through profit or loss

以公允值計量且其變動計入損益之財務資產

於二零一八年十二月三十一日按公允值計量的資產：

| Fair value measurement using 使用以下各項進行公允值計量 | | | |
|---|---|--|---------------------------------|
| Quoted prices in active markets (Level 1) 於活躍 市場的報價 第一級 RMB'000 人民幣千元 | Significant observable inputs (Level 2) 重大可 觀察輸入值 第二級 RMB'000 人民幣千元 | Significant unobservable inputs (Level 3) 重大不可 觀察輸入值 第三級 RMB'000 人民幣千元 | Total 合計 RMB'000 人民幣千元 |
| 78,627 | 110,766 | - | 189,393 |

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23. FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Cont'd)

During the period ended 30 June 2019 and the year ended 31 December 2018, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3.

The carrying amounts of cash and bank, trade and notes receivables, trade and notes payables, financial assets included in prepayments, other receivables and other assets, financial liabilities included in other payables and accruals, interest-bearing bank loans, and lease liabilities approximate to their fair values.

24. COMMITMENTS CAPITAL COMMITMENTS

Contracted, but not provided for:

| | |
|---|--------------|
| Plant and machinery | 廠房及機器 |
| Capital contributions payable to an associate | 應付一間聯營公司之投資款 |
| Capital contributions payable to a subsidiary | 應付一間子公司之投資款 |

23. 金融工具之公允價值層級(續)

截至二零一九年六月三十日止期間及截至二零一八年十二月三十一日止年度，第一級與第二級間並無公允價值計量轉移，亦無轉入或移出第三級。

現金及銀行存款、應收貿易及票據款項、應付貿易及票據款項、計入預付款、其他應收款項及其他資產之財務資產、計入其他應付款項及預提費用之財務負債、計息銀行貸款以及租賃負債的賬面值與其公允價值相若。

24. 承擔 資本承擔

| 30 June 2019 二零一九年 六月三十日 (Unaudited) (未經審核) RMB'000 人民幣千元 | 31 December 2018 二零一八年 十二月三十一日 (Audited) (已審核) RMB'000 人民幣千元 |
|--|---|
| 7,569 | 4,460 |
| 40,000 | 79,670 |
| 25,000 | — |
| 72,569 | 84,130 |

25. RELATED PARTY TRANSACTIONS

Compensation of key management personnel of the Group:

| | |
|---|------------|
| Salaries, allowances and benefits in kind | 薪金、津貼及實物福利 |
| Employee share option benefits | 員工購股權福利 |
| Pension scheme contributions | 退休金計劃供款 |
| Total compensation paid to key management personnel | 主要管理人員酬金總額 |

25. 關連方交易

本集團主要管理人員酬金：

For the six months ended 30 June
截至六月三十日止六個月

| 2019 二零一九年 (Unaudited) (未經審核) RMB'000 人民幣千元 | 2018 二零一八年 (Unaudited) (未經審核) RMB'000 人民幣千元 |
|--|--|
| 2,403 | 2,097 |
| 520 | 798 |
| 28 | 35 |
| 2,951 | 2,930 |

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk, liquidity risk and interest rate risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

FOREIGN CURRENCY RISK

The Group does not have significant investment outside of Mainland China. However, the Group has transactional currency exposures. These exposures arise from sales of the Group's subsidiaries denominated in currencies other than the Group's subsidiaries' functional currency. Approximately 9.1% of the Group's sales for the six months ended 30 June 2019 (2018: 14.6%) were denominated in currencies other than the functional currency of the Mainland China subsidiaries. Upon receipt of currencies other than the functional currency, the Mainland China subsidiaries sell them to the banks at suitable time in order to convert them into functional currency.

26. 金融風險管理目標及對策

本集團擁有應收貿易款項及應付貿易款項等其他各種財務資產及負債，此乃由其經營直接產生。

本集團金融工具所涉及的主要風險為外匯風險、信貸風險、流動資金風險及利率風險。以下為董事會檢討並同意管理上述每項風險的政策之概要。

外匯風險

本集團於中國大陸以外並無重大投資。然而，本集團仍面對交易貨幣風險。有關風險來自以本集團的中國大陸附屬公司以其功能貨幣以外之貨幣進行之銷售。截至二零一九年六月三十日止六個月，本集團約9.1%之銷售（二零一八年：14.6%）乃以本集團的中國大陸附屬公司功能貨幣以外之貨幣計值。於收到功能貨幣以外之貨幣後，本集團的中國大陸附屬公司會適時將該等貨幣售予銀行以兌換為功能貨幣。

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

CREDIT RISK

Credit risk is the risk of loss due to the inability or unwillingness of a counterparty to meet its contractual obligation. The Group has no concentration of credit risk from third party debtors. The carrying amounts of cash and bank balances, financial assets included in prepayments, other receivables and other assets in the consolidated statement of financial position represent the Group's maximum exposure to credit risk in relation to its financial assets.

All cash and bank balances were deposited in high-credit-quality financial institutions without significant credit risk.

The Group has established a policy to perform an assessment at 30 June 2019, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering to group its other receivables into Stage 1 and Stage 2, as described below:

- Stage 1 – When other receivables are first recognized, the Group records an allowance based on 12-month expected credit losses (“ECLs”).
- Stage 2 – When other receivables have shown a significant increase in credit risk since origination, the Group records an allowance for the lifetime ECLs.

Management also regularly reviews the recoverability of these receivables and follow up on the disputes or amounts overdue, if any. The management is of the opinion that the risk of default by counterparties is low.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as of the reporting date with the risk of default as of the date of initial recognition. It considers available reasonable and supportive forward-looking information.

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. The expected loss allowance provision for these balances was not material during the period ended 30 June 2019.

26. 金融風險管理目標及對策(續)

信貸風險

信貸風險指交易對手無法或不願履行其合約責任而帶來的虧損風險。本集團並無來自第三方債務人之集中信貸風險。現金及銀行結餘、計入預付款之財務資產、其他應收款項及綜合財務狀況表中其他資產的賬面值乃本集團就其財務資產承受的最大信貸風險。

所有現金及銀行結餘均存入無重大信貸風險之信貸良好的金融機構。

本集團已於二零一九年六月三十日制定政策，以透過考慮將其他應收款項分組為階段1及階段2來評估金融工具之信貸風險是否自初始確認起已大幅增加，詳情如下：

- 階段1 – 當其他應收款項獲初始確認時，本集團基於12個月預期信貸虧損（「預期信貸虧損」）確認撥備。
- 階段2 – 當其他應收款項自產生起顯示信貸風險大幅增加，本集團就存續期預期信貸虧損確認撥備。

管理層亦定期檢討該等應收款項的可收回性，並對有關糾紛或逾期款項（如有）進行跟進。管理層認為，交易對手違約的風險較低。

本集團於初始確認資產時考慮違約的可能性，及信貸風險有否於各報告期內按持續基準大幅增加。為評估信貸風險有否大幅增加，本集團比較資產於報告日期的違約風險與於初始確認日期的違約風險，並考慮所得合理及得到理據支持的前瞻性資料。

本集團採用簡化方法計提國際財務報告準則第9號所規定的預期信貸虧損，國際財務報告準則第9號允許使用存續期預期虧損計提應收貿易款項撥備。截至二零一九年六月三十日止期間，該等結餘的預期損失撥備金額並不重大。

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

CREDIT RISK (Cont'd)

As at 30 June 2019, the credit rating of other receivables were performing. The Group assessed that the expected credit losses for these receivables are not material under the 12-month expected loss method. Thus no loss allowance provision was recognised during the period ended 30 June 2019.

LIQUIDITY RISK

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade receivables) and projected cash flows from operations.

INTEREST RATE RISK

The Group's interest rate risk arises primarily from borrowings. Borrowings subject to variable rates expose the Group to cash flow interest rate risk. Borrowings subject to fixed rates economically expose the Group to fair value interest rate risk.

This risk is managed by considering the portfolio of interest bearing assets and liabilities. The net desired position is then managed by fixed rate borrowing or through the use of interest rate swaps, which have the economic effect of converting floating rate borrowings into fixed rate borrowings. The appropriate ratio of fixed/floating risk for the Group is reviewed periodically. The level of fixed rate debt is decided after taking into consideration the potential impact of higher interest rates on profit, interest cover and cash flow cycles of the Group's business and investments. If the current low interest rate environment is unlikely to persist due to inflationary concerns, the Group will consider to lock in fixed rate borrowings to reduce the impact of interest rate fluctuations.

26. 金融風險管理目標及對策(續)

信貸風險(續)

於二零一九年六月三十日，本集團其他應收款項信貸評級良好。本集團按12個月預計損失法評估該等應收款項的預期信貸虧損並不重大，故于截至二零一九年六月三十日止期間並未確認損失撥備金額。

流動資金風險

本集團透過採用經常性流動資金計劃工具，監察其資金短缺的風險。此工具會考慮其金融工具及財務資產(如應收貿易款項)的到期日以及來自經營業務的預期現金流量。

利率風險

本集團的利率風險主要來自借貸。以浮動利率計息的借貸使本集團承擔現金流量利率風險。按定息借入的借貸則使本集團承擔公允值變動的利率風險。

管理該利率風險時會考慮整體附息的資產及負債組合。按需要會以定息借貸或利用利率掉期管理，利率掉期具有把浮息借貸轉為定息借貸之經濟效益。本集團會定期檢討定息／浮息風險的合適比例。決定定息負債的水平時，會考慮較高利率對本集團業務及投資的溢利、利息倍數及現金流量週期的潛在影響。若因市場有通脹憂慮使目前的低息環境不可能持續，本集團會考慮使用定息借貸，降低利率波動的影響。

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

CAPITAL MANAGEMENT

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital for the six months ended 30 June 2019.

27. APPROVAL OF THE INTERIM FINANCIAL REPORT

The interim report was approved and authorised for issue by the board of directors on 27 August 2019.

26. 金融風險管理目標及對策(續)

資本管理

本集團管理資本的首要目標是保障本集團的持續經營能力及維持穩健的資本比率，以支援其業務發展及盡量提升股東價值。

本集團會因應經濟環境變化管理其資本架構並對其作出調整。為維持或調整資本架構，本集團或會調整支付予股東的股息款額、返還資本予股東或發行新股份。於截至二零一九年六月三十日止六個月期間，有關資本管理的目標、政策及過程並無作出任何變動。

27. 中期財務報告的批准

本中期報告書已於二零一九年八月二十七日獲董事會批准及授權發行。

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