



康臣药業集團有限公司

CONSUN PHARMACEUTICAL GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立的有限公司)

Stock Code 股份代號：1681



對比劑
Contrast Medium



骨科藥物
Orthopedics Medicines



肝膽藥物
Hepatobiliary Medicines

中期報告 Interim Report 2020



消化系統藥物
Gastroenterology Medicines



皮膚科藥物
Dermatologic Medicines



婦兒藥物
Women and Children Medicines



腎科藥物
Kidney Medicines



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CONSUN PHARMACEUTICAL GROUP LIMITED

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DIRECTORS

Executive Directors

Mr. AN Yubao (*Chairman*)
Ms. LI Qian (*Vice Chairlady, Chief Executive Officer*)
Professor ZHU Quan
Mr. TANG Ning (resigned, effective from 29 May 2020)

Independent Non-Executive Directors

Mr. SU Yuanfu
Mr. FENG Zhongshi
Ms. CHEN Yujun

AUDIT COMMITTEE

Ms. CHEN Yujun (*Chairlady*)
Mr. FENG Zhongshi
Mr. SU Yuanfu

NOMINATION COMMITTEE

Mr. SU Yuanfu (*Chairman*)
Mr. AN Yubao
Ms. CHEN Yujun

REMUNERATION COMMITTEE

Mr. FENG Zhongshi (*Chairman*)
Ms. LI Qian
Mr. SU Yuanfu

COMPANY SECRETARY

Mr. YAU Chi Ming (*CPA*)

董事

執行董事

安郁寶先生 (*主席*)
黎倩女士 (*副主席、總裁*)
朱荃教授
唐寧先生 (已辭任，自2020年5月29日起生效)

獨立非執行董事

蘇元福先生
馮仲實先生
陳玉君女士

審核委員會

陳玉君女士 (*主席*)
馮仲實先生
蘇元福先生

提名委員會

蘇元福先生 (*主席*)
安郁寶先生
陳玉君女士

薪酬委員會

馮仲實先生 (*主席*)
黎倩女士
蘇元福先生

公司秘書

丘志明先生 (*執業會計師*)

**AUTHORISED REPRESENTATIVES FOR
THE PURPOSE OF THE LISTING RULES**

Mr. AN Yubao
Mr. YAU Chi Ming

AUDITOR

KPMG
Public Interest Entity Auditor registered in accordance
with the Financial Reporting Council Ordinance
8th Floor, Prince's Building
10 Chater Road, Central, Hong Kong

LEGAL ADVISER (AS TO HONG KONG LAW)

Li & Partners
22nd Floor
World-Wide House
19 Des Voeux Road Central
Hong Kong

REGISTERED ADDRESS

Clifton House
75 Fort Street
PO Box 1350
Grand Cayman KY 1-1108
Cayman Islands

HEADQUARTERS IN THE PRC

71, Dongpeng Avenue
Eastern section, Guangzhou Economic and
Technological Development District
Guangzhou, PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

22nd Floor
World-Wide House
19 Des Voeux Road Central
Hong Kong

就上市規則而言的授權代表

安郁寶先生
丘志明先生

核數師

畢馬威會計師事務所
於《財務匯報局條例》下的
註冊公眾利益實體核數師
香港中環遮打道10號
太子大廈8樓

法律顧問(香港法律)

李偉斌律師行
香港
德輔道中19號
環球大廈
22樓

註冊地址

Clifton House
75 Fort Street
PO Box 1350
Grand Cayman KY 1-1108
Cayman Islands

中國總部

中國廣州
廣州經濟技術開發區
東區東鵬大道71號

香港主要營業地點

香港
德輔道中19號
環球大廈
22樓

Corporate Information

公司資料

PRINCIPAL BANKERS

Bank of China
BNP Paribas
China Construction Bank
China Merchants Bank
DBS Bank
Industrial and Commercial Bank of China
Standard Chartered Bank (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Estera Trust (Cayman) Limited
Clifton House
75 Fort Street
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

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

COMPANY WEBSITE

www.chinaconsun.com

STOCK CODE

1681

主要往來銀行

中國銀行
法國巴黎銀行
中國建設銀行
招商銀行
星展銀行
中國工商銀行
渣打銀行(香港)有限公司
滙豐銀行

主要股份過戶登記總處

Estera Trust (Cayman) Limited
Clifton House
75 Fort Street
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

香港證券登記分處

香港中央證券登記有限公司
香港灣仔
皇后大道東183號
合和中心17樓1712-1716號舖

公司網站

www.chinaconsun.com

股份代號

1681

Financial Highlights

財務摘要

		For the six months ended 30 June 截至6月30日止六個月		
		2020 2020年 RMB' 000 人民幣千元	2019 2019年 RMB' 000 人民幣千元	Change 變化 (%) (%)
Results	業績			
Revenue	收入	765,856	941,036	(18.6%)
Gross profit	毛利	571,590	687,142	(16.8%)
Gross profit margin	毛利率	74.6%	73.0%	1.6%
Profit before taxation	稅前溢利	245,917	309,922	(20.7%)
Profit for the period attributable to equity shareholders of the Company	本公司權益股東應佔期內溢利	208,866	249,470	(16.3%)
Earnings per share (expressed in RMB Yuan per share)	每股盈利 (以每股人民幣元列示)			
Basic	基本	0.2527	0.2929	(13.7%)
Diluted	攤薄	0.2527	0.2872	(12.0%)
		30 June 2020 2020年 6月30日 RMB' 000 人民幣千元	31 December 2019 2019年 12月31日 RMB' 000 人民幣千元	Change 變化 (%) (%)
Financial Position	財務狀況			
Total assets	總資產	3,643,423	3,708,086	(1.7%)
Total equity attributable to equity shareholders of the Company	本公司權益股東應佔權益總額	2,026,603	1,994,084	1.6%
Net assets per share (expressed in RMB Yuan per share) (Note)	每股淨資產 (以每股人民幣元列示) (附註)	2.40	2.30	4.3%
Net debt (interest bearing liabilities less cash at bank and in hand) to equity ratio	淨債項(計息負債減銀行及手頭現金)權益比率	Net cash 淨現金	Net cash 淨現金	NA 不適用

Note: Net assets per share is calculated based on the total equity attributable to equity shareholders of the Company divided by the number of ordinary shares.

附註：每股淨資產以本公司權益股東應佔權益總額除以普通股數目計算。

Management Discussion and Analysis

管理層討論及分析

The following discussion and analysis should be read in conjunction with the unaudited interim financial report of the Group. The interim financial report of the Group has been prepared in accordance with HKAS 34, *Interim Financial Reporting*.

BUSINESS AND FINANCIAL REVIEW

Sales Revenue

For the six months ended 30 June 2020, the Group's revenue was RMB765,856,000, representing a decrease of approximately 18.6% as compared with RMB941,036,000 for the same period last year. Categorized by product lines, sales of kidney medicines recorded an increase of approximately 4.9% as compared with last year, among which, Uremic Clearance Granules remained as the Group's key product, maintained its leading position in the market of oral modern Chinese medicines for kidney diseases; although sales of medical contrast medium recorded a decrease of approximately 24.9% as compared with last year, still maintained a leading position in the domestic medical contrast medium market for magnetic resonance imaging; sales of orthopedics medicines recorded a decrease of approximately 45.6%; sales of dermatologic medicines recorded a decrease of approximately 79.2%; sales of women and children medicines recorded a decrease of approximately 15.6%; and sales of other medicines recorded a decrease of approximately 59.7%. The overall decrease in sales revenue was mainly due to impacts of COVID-19 pandemic causing decreases in sales revenue of medical contrast medium, women and children medicines and Yulin Pharmaceutical Segment.

Gross Profit and Gross Profit Margin

For the first half of 2020, the Group's gross profit was RMB571,590,000, representing a decrease of approximately 16.8% as compared with RMB687,142,000 for the same period of 2019. The decrease in gross profit was mainly attributable to the decrease in sales. For the first half of 2020, the Group's average gross profit margin was 74.6%, representing an increase of 1.6% as compared with the 73.0% for the same period of 2019, which was mainly due to changes in product mix of sales during the period.

以下討論及分析應與本集團的未經審核的中期財務報告一併閱覽。本集團的中期財務報告乃按香港會計準則第34號中期財務報告編製。

業務與財務回顧

銷售收入

本集團於截至2020年6月30日止六個月的收入為人民幣765,856,000元，較上年度同期的人民幣941,036,000元相比，減少約18.6%。按產品系列分類，腎科系列產品銷售較去年錄得增長約4.9%，其中尿毒清顆粒仍然是本集團的皇牌產品，維持在腎病口服現代中成藥市場的領先地位；醫用成像對比劑銷售雖然較去年減少約24.9%，仍然穩佔國內磁共振成像對比劑市場的前列；骨傷系列產品銷售下降約45.6%；皮膚系列產品銷售下降約79.2%；婦幼系列產品銷售減少約15.6%；及其他藥物銷售減少約59.7%。整體銷售收入的減少主要是由於期內受新冠肺炎疫情影響，醫用成像對比劑、婦幼系列產品及玉林製藥分部的銷售收入下跌所致。

毛利與毛利率

於2020年上半年，本集團的毛利為人民幣571,590,000元，與2019年同期的人民幣687,142,000元相比，減少約16.8%。毛利下降的原因主要是由於銷售下降。於2020年上半年，本集團的平均毛利率為74.6%，與2019年同期的73.0%相比，增加1.6%，主要是由於期內產品銷售結構變化所致。

Other Income

For the first half of 2020, the Group's other income was a net income of RMB12,161,000 which mainly included government grants, interest income and exchange losses. Compared with the net loss of RMB875,000 for the same period of 2019, the change was mainly due to the increase in interest income earned during the period.

Distribution Costs

For the first half of 2020, the Group's distribution costs were RMB224,042,000, representing a decrease of approximately 18.3% as compared with RMB274,276,000 for the same period of 2019, which was mainly due to the decrease in sale volume during the period.

Administrative Expenses

For the first half of 2020, the Group's administrative expenses were RMB87,790,000, representing an increase of approximately 8.7% as compared with RMB80,791,000 for the same period of 2019, which was mainly due to the increase in research and development expenses during the period.

Impairment loss on trade receivables and contract assets

For the first half of 2020, the Group's impairment loss on trade receivables and contract assets was RMB14,509,000, representing an increase of approximately 48.7% as compared with RMB9,759,000 for the same period of 2019, which was mainly due to the increase in ageing of trade receivables during the period.

Finance Costs

During the first half of 2020, the Group's finance costs were RMB11,493,000, representing a slight decrease of approximately 0.2% as compared with RMB11,519,000 for the same period of 2019.

其他收入

於2020年上半年，本集團的其他收入為淨收入人民幣12,161,000元，主要包括政府資助、利息收入及匯兌虧損。與2019年同期的淨虧損人民幣875,000元比較，改變的主要原因為期內利息收入增加所致。

分銷成本

於2020年上半年，本集團的分銷成本為人民幣224,042,000元，與2019年同期的人民幣274,276,000元相比減少約18.3%，主要是期內銷售規模減少所致。

行政開支

於2020年上半年，本集團的行政開支為人民幣87,790,000元，與2019年同期的人民幣80,791,000元相比增加約8.7%，主要是期內研發費用增加所致。

貿易應收款項及合約資產的減值虧損

於2020年上半年，本集團的貿易應收款項及合約資產的減值虧損為人民幣14,509,000元，與2019年同期的人民幣9,759,000元相比增加約48.7%，主要是應收賬款賬齡增加所致。

融資成本

於2020年上半年，本集團的融資成本為人民幣11,493,000元，與2019年同期的人民幣11,519,000元相比輕微減少約0.2%。

Management Discussion and Analysis

管理層討論及分析

Income Tax

For the first half of 2020, the Group's income tax expenses were RMB48,703,000, representing a decrease of approximately 2.6% as compared with RMB49,978,000 for the same period of 2019. The effective tax rate (income tax expenses divided by profit before taxation) increased by 3.7% from 16.1% for the first half of 2019 to 19.8% for the first half of 2020. The increase was mainly due to the relatively low effective tax rate during the first half of 2019 caused by the adjustment of provision for withholding tax as a result of the confirmation of the Group's entitlement to 5% dividend withholding tax preferential policy obtained during the period, while the Group continues to provide for withholding tax based on the preferential policy in the first half of 2020 and the effective tax rate resumed its normal level.

Profit for the Period and Earnings Per Share

For the first half of 2020, profit attributable to equity shareholders of the Company was RMB208,886,000, representing a decrease of approximately 16.3% as compared with the RMB249,470,000 for the same period of 2019. Basic and diluted earnings per share for the first half of 2020 amounted to RMB0.2527 and RMB0.2527 respectively, representing a decrease of 13.7% and 12.0% as compared with RMB0.2929 and RMB0.2872 of the same period of 2019 respectively.

所得稅

於2020年上半年，本集團的所得稅費用為人民幣48,703,000元，與2019年同期的人民幣49,978,000元相比，減少約2.6%。實質稅率（所得稅開支除以稅前溢利）從2019年上半年的16.1%，上升3.7%至2020年上半年的19.8%。上升的主要原因為2019年上半年因獲得確認可享受5%股息預扣稅的優惠政策而調整了滾存的預扣稅金額，以致該期內的實質稅率偏低，而2020年上半年繼續按照優惠政策計提新的預扣稅，實質稅率回復較正常水平。

期內溢利與每股盈利

於2020年上半年的本公司權益股東應佔溢利為人民幣208,886,000元，與2019年同期的人民幣249,470,000元相比減少約16.3%。2020年上半年的每股盈利（基本及攤薄）分別為人民幣0.2527元及0.2527元，比2019年同期的人民幣0.2929元及0.2872元分別減少13.7%及12.0%。

LIQUIDITY AND FINANCIAL RESOURCES

Inventories

As at 30 June 2020, the balance of inventories was RMB192,150,000, representing a decrease of approximately 8.8% as compared with the balance of RMB210,684,000 as at 31 December 2019. The Group's inventory turnover days in the first half of 2020 were 187.0 days, representing an increase of 22.0 days from 165.0 days in 2019, which was mainly due to the decrease in sales.

Trade Debtors and Bills Receivable

As at 30 June 2020, the balance of trade debtors and bills receivable was RMB596,773,000, representing a decrease of approximately 21.9%, as compared with the balance of RMB763,806,000 as at 31 December 2019. The trade receivable turnover days in the first half of 2020 were 159.9 days, representing a decrease of 12.0 days from 171.9 days in 2019, which was mainly due to the enhanced effort in collecting trade debtors. However, due to the impacts of COVID-19 pandemic, the collection of certain aged debtors was not as good as expected.

Trade Payable

As at 30 June 2020, the balance of trade payable was RMB36,662,000, representing a decrease of approximately 34.0% as compared with the balance of RMB55,520,000 as at 31 December 2019. The trade payable turnover days in the first half of 2020 were 42.7 days, representing a decrease of 15.3 days from 58.0 days in 2019, which was mainly due to the acceleration in processing trade payable.

Cash Flow from Operating Activities

The net cash generated from operating activities of the Group in the first half of 2020 was RMB323,758,000, representing an increase of 131.5% as compared with the RMB139,848,000 for the same period of 2019, which was mainly attributable to the enhanced effort in collecting trade debtors.

流動資金及財務資源

存貨

於2020年6月30日，存貨餘額為人民幣192,150,000元，相比於2019年12月31日的餘額人民幣210,684,000元減少約8.8%。本集團於2020年上半年的存貨周轉天數為187.0天，相比2019年度的165.0天增加22.0天，主要是銷售下降所致。

貿易應收賬款及應收票據

於2020年6月30日，貿易應收賬款及應收票據餘額為人民幣596,773,000元，相比於2019年12月31日的餘額人民幣763,806,000元減少約21.9%。於2020年上半年的貿易應收款項周轉天數為159.9天，相比2019年度的171.9天減少12.0天，主要是加大貿易應收賬款催收力度。但受新冠疫情等多方面因素影響，部分賬齡較長的貿易應收賬款收回不及預期。

貿易應付款項

於2020年6月30日，貿易應付款項餘額為人民幣36,662,000元，相比於2019年12月31日的餘額人民幣55,520,000元減少約34.0%。於2020年上半年的貿易應付款項周轉天數42.7天，相比2019年度的58.0天減少15.3天，主要是由於加快處理貿易應付款項所致。

經營活動現金流

於2020年上半年，本集團的經營活動淨現金流入為人民幣323,758,000元，相比2019年同期的人民幣139,848,000元增加約131.5%，主要是由於期內加大貿易應收賬款催收力度所致。

Management Discussion and Analysis

管理層討論及分析

Cash and Bank Balances and Borrowings

As at 30 June 2020, cash and bank balances of the Group were RMB1,521,163,000, representing an increase of approximately 10.0% as compared with the balance of RMB1,383,232,000 as at 31 December 2019. As at 30 June 2020, the Group's bank borrowings amounted to RMB585,158,000, representing an increase of approximately 5.7% as compared with the balance of RMB553,567,000 as at 31 December 2019.

Treasury Policies

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the period under review. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time. Cash and cash equivalents of the Group are mainly denominated in RMB and HKD.

Gearing Ratio

The gearing ratio of the Group, representing the total interest bearing borrowings divided by total equity attributable to equity shareholders of the Company, as at 30 June 2020 was approximately 28.9% (31 December 2019: 27.8%). The slight increase in gearing ratio by 1.1% was mainly due to the increase in bank borrowings during the period.

現金及銀行結餘及借款

於2020年6月30日，本集團的現金及銀行結餘為人民幣1,521,163,000元，相比2019年12月31日的餘額人民幣1,383,232,000元增加約10.0%。於2020年6月30日，本集團的銀行借款為人民幣585,158,000元，相比2019年12月31日的餘額人民幣553,567,000元增加約5.7%。

庫務政策

本集團在執行庫務政策上採取審慎的財務管理策略，因而於整段回顧期間內維持健全的流動資金狀況。本集團不斷評估其客戶的信貸狀況及財務狀況，務求降低信貸風險。為控制流動資金風險，董事會密切監察本集團的流動資金狀況，確保本集團的資產、負債及其他承擔的流動結構能應付不時的資金需要。本集團的現金及現金等值物主要以人民幣及港元計值。

資本負債比率

本集團於2020年6月30日的資本負債比率（總計息借款除以本公司權益股東應佔權益總額）約為28.9%（2019年12月31日：27.8%）。資本負債比率輕微上升1.1%，主要是由於期內銀行借款增加所致。

Management Discussion and Analysis

管理層討論及分析

Exchange Risks

The Group's transactions are mainly denominated in RMB and HKD. The majority of assets and liabilities are denominated in RMB and HKD, and there are no significant assets and liabilities denominated in other currencies. During the period, the Company recorded exchange losses in respect of HKD loans as a result of depreciation of RMB against HKD, and the Group will continue to face similar exchange rate risk in the future due to the fluctuation of exchange rates. During the six months ended 30 June 2020, the Group did not commit to any financial instruments to hedge its exposure to foreign currency risk.

Capital Structure

During the six months ended 30 June 2020, the Company repurchased 29,939,000 shares of its own ordinary shares through the Stock Exchange at a total consideration of approximately HKD117,847,000 (approximately RMB106,593,000). Among the 29,939,000 repurchased shares, 20,638,000 shares were cancelled during the six months ended 30 June 2020 and the remaining 9,301,000 shares were cancelled in July 2020.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2020.

Capital Commitments

As at 30 June 2020, the Group had capital commitments of RMB440,920,000 (31 December 2019: RMB463,879,000).

Capital Expenditure

During the first half of 2020, the Group had capital expenditure of RMB22,198,000 (same period of 2019: RMB121,674,000).

外匯風險

本集團的交易主要以人民幣及港元計值。大多數資產及負債以人民幣及港元計值，而以其他貨幣計值的資產及負債並不多。期內本公司為港元借款因人民幣兌換港元的匯率下降而錄得匯兌虧損，而本集團未來會因匯率波動而繼續面對同類匯率風險。於截至2020年6月30日止六個月，本集團並無利用任何財務工具對沖外幣風險。

資本結構

於截至2020年6月30日止六個月，本公司透過聯交所以總代價約117,847,000港元（約人民幣106,593,000元）購回其自身普通股中的29,939,000股股份。該29,939,000股回購股份中，20,638,000股已經於截至2020年6月30日止六個月內被註銷，及其餘9,301,000股已經於2020年7月被註銷。

除上文披露外，於截至2020年6月30日止六個月，本公司及其任何附屬公司均無購買、出售或贖回本公司任何上市證券。

資本承擔

於2020年6月30日，本集團資本承擔為人民幣440,920,000元（2019年12月31日：人民幣463,879,000元）。

資本開支

於2020年上半年，本集團資本開支為人民幣22,198,000元（2019年同期：人民幣121,674,000元）。

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Information on Employees

As at 30 June 2020, the Group employed 2,649 employees (31 December 2019: 2,662 employees). For the six months ended 30 June 2020, the total staff costs (including the Directors' remuneration) were RMB130,770,000 (same period of 2019: RMB155,345,000). The salaries of the employees were determined with reference to individual performance, work experience, qualification and current industry practices.

On top of basic salaries, bonuses may be paid by reference to the Group's performance as well as individual's performance. Other staff benefits include contributions to the Mandatory Provident Fund scheme in Hong Kong and various retirement benefits schemes including the provision of pension funds, medical insurance, unemployment insurance and other relevant insurance for employees who are employed by our Group pursuant to the PRC rules and regulations and the prevailing regulatory requirements of the PRC. The salaries and benefits of the Group's employees are kept at a competitive level and the employees are rewarded on a performance-related basis within the general framework of the Group's salary and bonus system, which is reviewed annually. The Group also operates a Share Option Scheme adopted by the Company on 2 December 2013, and a Share Award Scheme adopted on 21 July 2014, where options to subscribe for shares and share awards may be granted to the Directors and employees of the Group.

The Group made considerable efforts in continuing education and training programs for its staff, so as to continuously enhance their knowledge, skills and team spirit. The Group regularly provided internal and external training courses for relevant staff according to their needs.

Significant Investments Held

Except for investments in subsidiaries, as at 30 June 2020, the Group did not hold any significant investment in equity interest in any other company.

Future Plans for Material Investments and Capital Assets

The Group currently does not have other future plans for material investments and capital assets.

僱員資料

於2020年6月30日，本集團合共僱用2,649名僱員（2019年12月31日：2,662名僱員）。截至2020年6月30日止六個月的總員工成本（包括董事薪酬）為人民幣130,770,000元（2019年同期：人民幣155,345,000元）。僱員薪酬乃參考個人表現、工作經驗、資歷及當前行業慣例而釐定。

除基本薪金外，亦可視乎本集團的業績及個人表現獲發花紅。其他員工福利包括香港的強制性公積金計畫供款及各項退休福利計畫，包括提供退休金、醫療保險、失業保險及為根據中國規則及規例以及中國現行相關監管規定獲本集團聘用的僱員而設的其他相關保險。本集團僱員的薪金及福利均處於具競爭力的水準，僱員的待遇均在本集團就薪酬及花紅制度設定的整體框架內按表現釐定，而該框架每年進行檢討。本集團亦設有一項由本公司於2013年12月2日採納的購股權計畫及一項於2014年7月21日採納的股份獎勵計畫，據此，董事及本集團僱員可獲授予購股權以認購股份及股份獎勵。

本集團對員工的持續教育和培訓計畫有相當的投入，以不斷提升員工的知識、技能和協作精神。本集團經常根據需要給相關的工作人員提供內部及外部的培訓課程。

所持重大投資

除於附屬公司的投資外，於2020年6月30日，本集團並無於任何其他公司的股本權益中持有任何重大投資。

有關重大投資及資本資產的未來計畫

本集團目前並無其他有關重大投資及資本資產的未來計畫。

Management Discussion and Analysis

管理層討論及分析

Pledge of Assets

As at 30 June 2020, the Group did not have any pledged assets (31 December 2019: nil).

Contingent Liabilities

As at 30 June 2020, the Group did not have any material contingent liabilities (31 December 2019: nil).

CONNECTED TRANSACTION

During the first half of 2020, the Group did not enter into any transactions which constitute non-exempt connected transactions within the meaning of Rules Governing the Listing Securities on The Stock Exchange (the “**Listing Rules**”).

MATERIAL TRANSACTION

In May 2019, the Group entered into a principal agreement and a supplemental agreement (collectively the “**Cooperative Development Agreement**”) with Guangxi Huafa Real Estate Development Co., Ltd. and Yulin City Shunlang Real Estate Investment Co., Ltd. (collectively the “**Cooperative Parties**”) in relation to the development and reconstruction project of the old plant site of Guangxi Yulin Pharmaceutical Group Co., Ltd. (“**Yulin Pharmaceutical**”) located at No. 3, Jiangnan Road, Yulin City, Guangxi Province, the PRC and the intended disposals of the entire equity interests in Guangxi Yulin Yunxiang Real Estate Co., Ltd., (“**Yunxiang Real Estate**”) which is a subsidiary of Yulin Pharmaceutical serving as project company in the said project. Further details of the Cooperative Development Agreement and the transactions contemplated thereunder are set out in the Company’s circular dated 23 October 2019. In accordance with the Cooperative Development Agreement, Yulin Pharmaceutical has received RMB50,000,000 from the Cooperative Parties as security deposit and has transferred 5% equity interest of Yunxiang Real Estate to the Cooperative Parties at the consideration of RMB2,000,000. As at 30 June 2020, the development and reconstruction project was still in progress and remained at the initial stage, and the plant site was still being occupied and wholly owned by Yulin Pharmaceutical for its own use for production, office and storage purposes.

資產抵押

於2020年6月30日，本集團並無任何資產抵押（2019年12月31日：無）。

或然負債

於2020年6月30日，本集團並無任何重大或然負債（2019年12月31日：無）。

關連交易

於2020年上半年，本集團並無進行任何會構成聯交所證券上市規則（「**上市規則**」）所指的非豁免關連交易。

重大交易

於2019年5月，本集團與廣西華發房地產開發集團有限公司及玉林市順浪置業投資有限公司（統稱「**合作方**」）訂立主協議及補充協議（統稱「**合作開發協議**」），內容有關廣西玉林製藥集團有限責任公司（「**玉林製藥**」）位於中國廣西省玉林市江南路3號之老廠區之開發改造項目，以及擬出售廣西玉林雲香置業有限公司（「**雲香置業**」，玉林製藥之附屬公司，作為上述項目之項目公司）之全部股權。有關合作開發協議及其項下擬進行之交易之進一步詳情載於本公司日期為2019年10月23日之通函內。按照合作開發協議，玉林製藥已經從合作方收到人民幣50,000,000元作為保證金，以及已經以代價人民幣2,000,000元轉讓了雲香製藥的5%權益予合作方。於2020年6月30日，該開發改造項目仍然在進行中及處於較初步階段，有關廠區仍然為玉林製藥全資擁有，作生產、辦公室及倉儲用途。

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管理層討論及分析

PRINCIPAL RISKS AND UNCERTAINTIES

The management continues to manage the Group's key risk exposures, including operational risks (e.g. ensuring high quality of medicines products, safety in the production process and efficiency in the distribution processes), financial risks (e.g. through budget control and cash flow management) and compliance risks (ensuring the relevant rules and regulations are complied with) on a daily basis. The management also pays close attention to the recent developments of national policies in respect of the pharmaceutical industry, which is a key uncertainty facing by the Group, and formulates and adjusts the Group's relevant policies accordingly on a timely basis.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to achieving environmental sustainability and incorporating it in the Group's daily operations. Other than complying with all the relevant environmental rules and regulations, the management always encourage water, energy and materials saving and recycling practices which are considered in the performance appraisal process.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

During the first half of 2020, there was no incidence of significant non-compliance of laws and regulations that is relevant to the Group's operations.

主要風險及不明朗因素

管理層在日常的工作中一直管理本集團的主要風險，包括經營風險（例如確保高質量的藥物產品、安全的生產過程以及有效率的分銷過程），財務風險（例如透過預算控制及現金流管理）以及合規風險（確保符合相關規則及法規）。管理層亦一直密切留意醫藥行業國家政策的近期發展（為本集團面對的主要不明朗因素），並及時制定及調整本集團的相關政策。

環境政策及表現

本集團致力實現環境的可持續發展並將其納入本集團的日常運作。除了遵守所有相關環境規則及法規外，管理層一直鼓勵節省及循環再用水、能源與材料的行為，並在表現考核的過程中加以考慮。

遵守相關法律法規

於2020年上半年，並無發生與本集團運作有關的法律法規的重大違規情況。

CHANGES IN INDUSTRIAL POLICIES AND THEIR EFFECT

I. Effect on key drug catalogue under supervision

On 1 July 2019, National Health Commission published the Circular on Publishing the Catalogue of the First Batch of Key Drugs for Rational Use under National Supervision and Control (Chemical Drugs and Biological Products) (關於印發第一批國家重點監控合理用藥藥品目錄(化藥及生物製品)的通知) (Guo Wei Ban Yi Han No. 2019558) comprising a total of 20 products.

As major products currently sold by the Group (such as Uremic Clearance Granules) have not been included in the catalogue for key drugs under supervision and control of all levels of provincial medical institutions and the major product of Uremic Clearance Granules is a type of Chinese medicine that has completed evidence-based medicine based on Western medicine system, this kind of Chinese medicine is not included in the restriction list in several provinces.

With the sudden outbreak of the COVID-19 pandemic in 2020, traditional Chinese medicine and therapy, being an invaluable legacy of the traditional culture, has played a vital role in treatment of diseases. The public has again attached importance to its advantages, which has demonstrated the change of concept towards traditional Chinese medicine and therapy and its further recognition in the healthcare system.

Based on the above, the relevant policies are not expected to cause significant impact on the overall sales of the Group.

行業政策變化及影響

一、重點監控目錄的影響

2019年7月1日，國家衛健委公佈《關於印發第一批國家重點監控合理用藥藥品目錄(化藥及生物製品)的通知》(國衛辦醫函2019558號)，共計20個品種。

本集團目前銷售的主要產品(例如尿毒清顆粒)並沒有進入各省各級醫療機構的重點監控藥品目錄，加上主打產品尿毒清顆粒是按照西醫體系完成了循證醫學的中成藥品種，多省對此類中成藥品種並不納入受限範圍之列。

2020年突發新冠疫情，中醫中藥作為民族瑰寶在疾病治療上發揮了重要作用，致使其優勢再次回歸人們眼中，體現醫療體系對中醫中藥的觀念的轉變和進一步認可。

基於以上原因，相關政策對本集團的整體銷售不會帶來重大影響。

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II. Adjustments on the National Medical Insurance Drug Catalogue

On 20 August 2019, the National Healthcare Security Administration and the Ministry of Human Resources and Social Security of China published the new version of the “National Catalogue for Medical Insurance Drugs, Work-related Injury Insurance Drugs and Maternity Insurance Drugs (《國家基本醫療保險、工傷保險和生育保險藥品目錄》)” (the “**National Medical Insurance Drug Catalogue**”), which was officially implemented since 1 January 2020 as the standard for payment of drug fees for medical insurance, insurance for work-related injuries and maternity insurance fund. A number of products, including Uremic Clearance Granules and Gadopentetic Acid Dimeglumine Salt Injection, continued to remain enlisted in the National Medical Insurance Drug Catalogue. Iopamidol Injection is a new product of the Group, which remained in Class A of the National Medical Insurance Drug Catalogue. Moreover, the Group’s Yinnourishing and Lung-cooling Cream (養陰清肺膏) was upgraded from Class B to Class A (i.e. entitled for full reimbursement) of the National Medical Insurance Drug Catalogue, while three products, namely Kidney Repair and Edema Alleviation Granules, the Iron-Dextran Oral Solution and the Cetirizine Oral Solution, have been enlisted in the National Medical Insurance Drug Catalogue for the first time, which can be partly reimbursed in various provincial medical institutions subject to a specific reimbursement proportion determined by the provincial healthcare security administration based on the local medical insurance fund. These adjustments will have profound and positive impact on the Company’s strategic deployment and will be beneficial for the sales of such products in the long term.

二、國家醫保藥品目錄調整

中國國家醫療保障局、人力資源社會保障部於2019年8月20日發佈新版《國家基本醫療保險、工傷保險和生育保險藥品目錄》(「**國家醫保藥品目錄**」)，其為基本醫療保險、工傷保險和生育保險基金支付藥品費用的標準，自2020年1月1日起正式實施。尿毒清顆粒、釷噴酸葡胺注射液等多個產品繼續獲保留在國家醫保藥品目錄。碘帕醇注射液為本集團新投入生產的產品，其於國家醫保藥品目錄維持為甲類。另外，本集團的養陰清肺膏於國家醫保藥品目錄由乙類升為甲類(即可全數報銷)；及有三個產品(包括益腎化濕顆粒、右旋糖酐鐵口服溶液、西替利嗪口服液)首次進入國家醫保藥品目錄在各省醫療機構可以部分報銷，具體報銷比例由各省醫保局按照當地醫保基金的情況來確定。這將對本集團的戰略佈局產生深遠的積極影響，長遠會有利於該等產品的銷售。

III. New Drug Administration Law

The New Drug Administration Law has been effective since 1 December 2019. The principal changes of the New Drug Administration Law as compared with the previous version are: firstly, the research, innovation and production of new medicines are encouraged. For instance, the law encourages the approval of drugs with conditions, and sets up prioritized evaluation and approval channels for drugs in respect of children and rare diseases, so as to accelerate the launch of new drugs. Secondly, more efforts have been made to enhance the quality and safety systems for pharmaceutical products. Thirdly, the limitation for sales of prescription drugs online has been loosened. Fourthly, severe punishments will be imposed for illegal activities with a significant increase in the effort of enforcement of penalty for illegal acts. The system for civil compensation liabilities has also been improved, including requiring the agents of the holders of overseas drug marketing authorizations within China to assume joint liabilities with the holders. The New Drug Administration Law also specifically proposed the cancellation of the Good Manufacturing Practice (GMP) for Drugs certification and the Good Supply Practice (GSP) for Pharmaceutical Products certification, demanding the management requirements in respect of the certifications to be incorporated into the daily production and operation management of the enterprises, and to be available for inspection by the drug administrative departments at any time. The Group will continue to put great efforts in improving and enhancing the daily supervision over its production bases to ensure the quality and safety of its pharmaceutical products.

In general, the implementation of the New Drug Administration Law will encourage the Group to increase the efforts in research and development of innovative medicines (including chemical drugs, Chinese medicines and biological drugs). There will also be requirement for more professional research and development teams with more stringent, transparent, scientific management requirements on research and development. Higher standards of quality control over the research and development process will also be implemented. Accordingly, the standards for venues and equipment of research and development will be upgraded to satisfy the requirements for truthful, regulated, scientific and traceable work in relation thereto. As such, it is expected that the research and development cost for new medicines and generic drugs will increase.

三、新藥品管理法

新藥品管理法從2019年12月1日開始實施。新藥品管理法較之前的藥品管理法主要變化為：第一，鼓勵研究和創製新藥，例如鼓勵附條件藥品批准，或對兒童藥及罕見病藥開放優先審評審批通道等，以加快新藥上市；第二，加強完善藥品品安制度；第三，放寬網路銷售處方藥的限制；第四，嚴懲重處違法，大幅提升懲處的力度，對民事賠償責任亦進一步完善，包括規定境外藥品上市許可持有人在中國境內的代理人與持有人承擔連帶責任。新藥品管理法還明確提出了取消藥品生產品質管制規範(GMP)認證和藥品經營品質管制規範(GSP)認證，要求將認證管理的要求納入企業日常的生產經營管理中，藥品監督管理部門隨時進行檢查。本集團將繼續致力完善提高生產基地的日常監管，確保藥品品安。

總體上，新藥品管理法實施會促進本集團更加多的選擇創新藥(包括化學藥、中藥和生物藥的)研發；要求更加專業的研發團隊，研發管理要更加嚴格、透明、科學，將以更加高的標準對研發過程實施品質監管。相應的研發場地、設備也需提升標準，滿足真實、規範、科學及可溯源的要求。預期新藥研發和仿製藥的研發成本上升。

IV. Centralized Procurement Policy of the Government

On 14 November 2018, the Pilot Program for Nationally Organized Centralized Pharmaceutical Procurements (國家組織藥品集中採購試點方案) was passed and it was determined that the centralized pharmaceutical quantity procurement policy (the “**Centralized Pharmaceutical Procurement**”) will be implemented in the public medical institutions of eleven “4+7” pilot cities, namely Beijing, Tianjin, Shanghai, Chongqing, Shenyang, Dalian, Xiamen, Guangzhou, Shenzhen, Chengdu and Xi’an, by way of cross-region alliances, under which the principle of “quantity-price linked, volume-for-price” will be adopted. The office of pilot working group has been established in the National Healthcare Security Administration, and a joint procurement office has been formed to carry out the quantity procurement. In September 2019, Centralized Pharmaceutical Procurement was promoted nationwide and the joint procurement office published the Documents on Centralized Pharmaceutical Procurement in the Regions Covered by the Alliance (《聯盟地區藥品集中採購檔》). The alliance covers 25 provinces and regions (excluding the 4+7 cities). After the Centralized Pharmaceutical Procurement has been promoted nationwide, the Shanghai Joint Pharmaceutical Procurement Office released the Proposed Selection Results Arising from Pilot Nationwide Promotion for Nationally Organized Centralized Pharmaceuticals Procurements and Utilization (國家組織藥品集中採購和使用試點全國擴圍產生擬中選結果). Compared with the lowest procurement price in the regions covered by the alliance in 2018, the price decreased by 59% on average. In December 2019, the second batch of nationally organized Centralized Pharmaceutical Procurement was launched on a nationwide basis with 33 types of products involved. In January 2020, the proposed selection results of the second batch of national centralized procurements were released. Compared with the lowest procurement price in the alliance in 2018, the price of the proposed products selected decreased by 53% on average with a highest decrease of 93%. All of the drugs selected for nationally organized centralized procurement were generic drugs/non-exclusive products, and were mainly Western medicines. On 29 July 2020, the Documents on Centralized Pharmaceutical Procurement in China (《全國藥品集中採購檔》) was released, with 56 products covered in the third batch of national centralized procurements.

四、國家集中採購政策

2018年11月14日，《國家組織藥品集中採購試點方案》通過，確定於北京、天津、上海、重慶、瀋陽、大連、廈門、廣州、深圳、成都、西安11個「4+7」試點城市推行為該等城市之公立醫療機構進行通過跨區域聯盟的藥品集中帶量採購政策（「藥品集採」），實行「量價掛鉤、以量換價」。試點工作小組辦公室設在國家醫保局，成立聯採辦開展帶量採購。2019年9月，藥品集採向全國擴面，聯採辦發佈《聯盟地區藥品集中採購檔》，聯盟地區包含25個省區（4+7城市除外）。藥品集採向全國擴面後，上海市藥品聯合採購辦公室公佈了《國家組織藥品集中採購和使用試點全國擴圍產生擬中選結果》：與聯盟地區2018年最低採購價相比，平均降幅59%。2019年12月，第二批國家組織藥品集中採購啟動，範圍為全國，採購品種33個。2020年1月，第二批國家集中採購擬中標結果公佈，擬中標價格與聯盟地區2018年最低採購價相比平均降幅53%，最高降幅達到93%。國家集中採購中標藥品均為仿製藥／非獨家，並多為西藥。2020年7月29日發《全國藥品集中採購檔》，第三批國家集中採購品種涉及56個品種。

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The main products currently sold by the Group do not fall within the scope of the Centralized Pharmaceutical Procurement. Moreover, the targeted products of the government's quantity procurement in the next three years will mainly be generic drugs with at least over three suppliers passing the consistency evaluation. Furthermore, taking into account the rich product portfolio, the fact that Uremic Clearance Granules, the product accounting for the largest proportion of the portfolio, is an irreplaceable exclusive Chinese medicine and the unique status of our various products in the market. It is expected that the effect of the Centralized Pharmaceutical Procurement on the Group's operation, profitability or market competition faced will be minimal.

Centralized procurement is a double-edged sword. With development and implementation of the system, the impact of the approach of volume-for-price on enterprises will be diminished and we are optimistic towards the future.

Events after the Reporting Period

As at the date of this interim report, save as disclosed in this interim report, the Group has no significant events after the six months ended 30 June 2020 (reporting period) required to be disclosed.

OUTLOOK

Against the backdrop of a sophisticated, ever-changing and worsening external environment, the first mission of the management is to take the helm and pay attention to the direction of development of Consun, thereby maintaining steady development of the Group. Upholding the requirement of "targeted development made by a dedicated team of high caliber with commitment", the Group will adopt an approach of "achieving counter-cyclical business expansion", with a view to grasping the opportunities arising from the economic downturn, including exploring the sectors of e-commerce and new retailing, and stepping up its efforts in the "six securities and one stability", thereby achieving the goal of accelerating development with concerted efforts:

本集團目前銷售的產品，不在藥品集採範疇之列。再者，未來3年國家針對的帶量採購目標主要為通過一致性評價並至少有三家以上供應商的仿製藥。加上本集團主要產品尿毒清顆粒屬於中成藥獨家品種的不可替代性及各產品佔據市場的獨特性，預期藥品集採對本集團的營運、盈利或面對的市場競爭影響輕微。

集採是個雙刃劍，隨著制度的健全及落地，以量換價對企業的影響會縮小，對未來我們有信心。

報告期後的事件

於本中期報告日期，除了於本中期報告披露者外，截至2020年6月30日止六個月（報告期）後，本集團並無任何需要披露的重大事項。

展望

在這個複雜多變、外部環境日益惡化的時代，管理層首要的任務是掌好舵，把握好康臣的發展方向，讓康臣旗艦行駛得更穩。通過落實「精耕、精煉、精神」三精的要求，以「逆週期擴張思維」，把握住彼退我進中的錯位機會，包括探索電商和新零售等機會，在「六保、一穩」上下功夫，達到凝心聚力，提速前進的核心目的：

Management Discussion and Analysis 管理層討論及分析

In particular, six securities include 1) secure the ability to seize any potential business spin-off opportunities whenever available; 2) secure rapid development of the diagnostic imaging business; 3) secure the leading position of kidney medicines in the market of oral modern Chinese medicines for kidney diseases; 4) secure successful implementation of the reform proposal of Yulin Pharmaceutical; 5) secure continuous and enhancing efforts in research, development and innovation with the aim to have continuous provision of new “1+6” products; and 6) secure stable and sufficient cashflow of the Group, while one stability refers to achieving stable and continuous growth of the Group.

The result of “one stability” can be achieved through the implementation of measures in respect of the “six securities”. Since the Group has a long and challenging journey to go before achieving greater goals, the Consun team will take up the responsibility and strive for a brighter future of Consun, thereby creating fruitful returns for the shareholders!

INTERIM DIVIDEND

The Board is pleased to announce the distribution of an interim dividend (the “**Interim Dividend**”) of HKD0.08 per share in respect of the six months ended 30 June 2020 (2019 interim dividend: HKD0.1 per share), which amounted to approximately RMB58,458,000 (2019 interim dividend: approximately RMB75,640,000). It is expected that the Interim Dividend will be paid on or about Wednesday, 16 September 2020 to the shareholders whose names appear on the register of members of the Company on Wednesday, 9 September 2020.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining shareholders’ entitlement to the Interim Dividend, the register of members of the Company will be closed from Friday, 4 September 2020 to Wednesday, 9 September 2020 (both days inclusive) during which period no transfer of shares will be effected.

In order to qualify for the entitlements to the Interim Dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre 183 Queen’s Road East, Wan Chai, Hong Kong, not later than 4:30 pm on Thursday, 3 September 2020.

六保具體就是，1) 確保能把握隨時可能出現的業務分拆機會；2) 確保影像診斷業務快速發展；3) 確保腎科藥物維持在腎病口服現代中成藥的領先；4) 確保玉林製藥變革方案的成功落實；5) 確保研發創新力量的不斷壯大，務求以腎病藥物為主的「1+6」方面新產品源源不斷注入；6) 確保集團穩定而充足的現金流，而一穩就是實現集團穩定持續的增長。

通過「六保」的措施來達到「一穩」的結果，康臣團隊征程萬里風正勁，重任千鈞再奮蹄，康臣的未來，必將絢爛奪目！為股東提供豐碩的回報！

中期股息

董事局欣然宣佈就截至2020年6月30日止六個月派發每股0.08港元之中期股息（「**中期股息**」）（2019年中期股息：每股0.1港元），總額約人民幣58,458,000元（2019年中期股息：約人民幣75,640,000元）。預計中期股息將於2020年9月16日（星期三）或前後派付予於2020年9月9日（星期三）名列本公司股東名冊之股東。

暫停辦理股份過戶登記手續

為釐定股東可享中期股息之權利，本公司將於2020年9月4日（星期五）至2020年9月9日（星期三）（包括首尾兩天）暫停辦理股份過戶登記手續，期間將不會辦理任何股份過戶登記。

為符合領取中期股息之資格，所有過戶文件連同有關股票，必須於2020年9月3日（星期四）下午4時30分前交回本公司之證券登記分處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716號舖。

Consolidated Statement of Profit or Loss

綜合損益表

for the six months ended 30 June 2020 – unaudited (Expressed in Renminbi)
截至2020年6月30日止六個月 – 未經審核 (以人民幣列示)

		For the six months ended 30 June 截至6月30日止六個月		
		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元	
	Note 附註			
Revenue	收入	3 & 4	765,856	941,036
Cost of sales	銷售成本		(194,266)	(253,894)
Gross profit	毛利		571,590	687,142
Other income/(losses)	其他收入/(虧損)	5	12,161	(875)
Distribution costs	分銷成本		(224,042)	(274,276)
Administrative expenses	行政開支		(87,790)	(80,791)
Impairment loss on trade receivables and contract assets	貿易應收款項及合約資產的 減值虧損		(14,509)	(9,759)
Profit from operation	經營性溢利		257,410	321,441
Finance costs	融資成本	6(a)	(11,493)	(11,519)
Profit before taxation	稅前溢利	6	245,917	309,922
Income tax	所得稅	7	(48,703)	(49,978)
Profit for the period	期內溢利		197,214	259,944
Attributable to:	以下人士應佔：			
– Equity shareholders of the Company	– 本公司權益股東		208,886	249,470
– Non-controlling interests	– 非控股權益		(11,672)	10,474
Profit for the period	期內溢利		197,214	259,944
Earnings per share (RMB yuan)	每股盈利(人民幣元)			
– Basic	– 基本	8	0.2527	0.2929
– Diluted	– 攤薄	8	0.2527	0.2872

The notes on pages 29 to 53 form part of this interim financial report.

第29至53頁之附註為本中期財務報告的組成部份。

Consolidated Statement of Profit or Loss and Other Comprehensive Income 綜合損益及其他全面收益表

for the six months ended 30 June 2020 – unaudited (Expressed in Renminbi)
截至2020年6月30日止六個月 – 未經審核 (以人民幣列示)

		For the six months ended 30 June 截至6月30日止六個月	
		2020 2020年 RMB' 000 人民幣千元	2019 2019年 RMB' 000 人民幣千元
Profit for the period	期內溢利	197,214	259,944
Other comprehensive income for the period that may be reclassified subsequently to profit or loss:	其後可能重新分類至損益的 期內其他全面收益：		
Exchange differences on translation of financial statements of operations outside the mainland China	換算中國內地境外業務的 財務報表的匯兌差額	40	949
Total comprehensive income for the period	期內全面收益總額	197,254	260,893
Attributable to:	以下人士應佔：		
Equity shareholders of the Company	本公司權益股東	208,926	250,419
Non-controlling interests	非控股權益	(11,672)	10,474
Total comprehensive income for the period	期內全面收益總額	197,254	260,893

The notes on pages 29 to 53 form part of this interim financial report.

第29至53頁之附註為本中期財務報告的組成部份。

Consolidated Statement of Financial Position

綜合財務狀況表

at 30 June 2020 – unaudited (Expressed in Renminbi)
於2020年6月30日 – 未經審核 (以人民幣列示)

			At 30 June 2020 於2020年 6月30日 RMB'000 人民幣千元	At 31 December 2019 於2019年 12月31日 RMB'000 人民幣千元
Non-current assets	非流動資產			
Investment property	投資物業	9	16,383	16,651
Other property, plant and equipment	其他物業、廠房及設備	9	663,743	661,309
Land use rights	土地使用權		125,241	126,808
Intangible assets	無形資產	9	386,302	396,071
Other prepayment	其他預付款		54,285	51,657
Deferred tax assets	遞延稅項資產		60,501	45,942
Total non-current assets	非流動資產總值		1,306,455	1,298,438
Current assets	流動資產			
Inventories	存貨	10	192,150	210,684
Trade and other receivables	貿易及其他應收款項	11	623,655	815,732
Cash and cash equivalents	現金及現金等值項目		1,521,163	1,383,232
Total current assets	流動資產總值		2,336,968	2,409,648
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	12	570,421	654,015
Contract liabilities	合約負債		14,677	17,596
Loans and borrowings	貸款及借款	13	585,158	553,567
Deferred income	遞延收益		1,552	1,655
Current taxation	即期稅款		38,629	69,461
Total current liabilities	流動負債總額		1,210,437	1,296,294
Net current assets	流動資產淨值		1,126,531	1,113,354

The notes on pages 29 to 53 form part of this interim financial report.

第29至53頁之附註為本中期財務報告的組成部份。

Consolidated Statement of Financial Position

綜合財務狀況表

at 30 June 2020 – unaudited (Expressed in Renminbi)
於2020年6月30日 – 未經審核 (以人民幣列示)

		At 30 June 2020 於2020年 6月30日 RMB'000 人民幣千元	At 31 December 2019 於2019年 12月31日 RMB'000 人民幣千元
Total assets less current liabilities	資產總值減流動負債	2,432,986	2,411,792
Non-current liabilities	非流動負債		
Deferred income	遞延收益	16,051	16,739
Deferred tax liabilities	遞延稅項負債	89,393	88,292
Total non-current liabilities	非流動負債總額	105,444	105,031
NET ASSETS	資產淨值	2,327,542	2,306,761
Capital and reserves	資本及儲備		
Share capital	股本	66,410	68,033
Reserves	儲備	1,960,193	1,926,051
Total equity attributable to equity shareholders of the Company	本公司權益股東應佔權益總額	2,026,603	1,994,084
Non-controlling interests	非控股權益	300,939	312,677
TOTAL EQUITY	總權益	2,327,542	2,306,761

Approved and authorised for issue by the board of directors on 24 August 2020. 於2020年8月24日經董事局批准及授權刊發。

An Yubao
安郁寶
Chairman
主席

Li Qian
黎倩
Vice Chairlady
副主席

The notes on pages 29 to 53 form part of this interim financial report.

第29至53頁之附註為本中期財務報告的組成部份。

Consolidated Statement of Changes in Equity

綜合權益變動表

for the six months ended 30 June 2020 – unaudited (Expressed in Renminbi)
截至2020年6月30日止六個月 – 未經審核 (以人民幣列示)

		Attributable to equity shareholders of the Company 本公司權益股東應佔										Total Equity		
		Share capital	Share premium	Exchange reserve	Capital reserves	Other reserves	Share Award Scheme	Other treasury shares	People's Republic of China ("PRC") statutory reserve	Retained earnings	Total controlling interests		Non- controlling interests	
	Note	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	附註	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
As at 1 January 2019		68,782	187,906	351	125,805	80,769	(88,642)	-	101,028	1,681,220	2,157,219	339,793	2,497,012	
Changes in equity for the six months ended 30 June 2019:														
Profit for the period		-	-	-	-	-	-	-	-	249,470	249,470	10,474	259,944	
Other comprehensive income		-	-	949	-	-	-	-	-	-	949	-	949	
Total comprehensive income		-	-	949	-	-	-	-	-	249,470	250,419	10,474	260,893	
Purchase of own shares during the period	15(a)	-	-	-	-	-	-	(44,601)	-	-	(44,601)	-	(44,601)	
Cancellation of shares during the period	15(a)	(252)	(13,265)	-	-	-	-	13,517	-	-	-	-	-	
Dividends approved and paid to equity shareholders of the Company	15(b)	-	-	-	-	-	-	-	-	(145,979)	(145,979)	-	(145,979)	
Shares issued due to exercise of Share Option Scheme		15	763	-	(181)	-	-	-	-	-	597	-	597	
Recognition of Employees' Share Option Scheme	6(b)	-	-	-	12,607	-	-	-	-	-	12,607	-	12,607	
As at 30 June 2019		68,545	175,404	1,300	138,231	80,769	(88,642)	(31,084)	101,028	1,784,711	2,230,262	350,267	2,580,529	

The notes on pages 29 to 53 form part of this interim financial report.

第29至53頁之附註為本中期財務報告的組成部份。

Consolidated Statement of Changes in Equity

綜合權益變動表

for the six months ended 30 June 2020 – unaudited (Expressed in Renminbi)
截至2020年6月30日止六個月 – 未經審核 (以人民幣列示)

		Attributable to equity shareholders of the Company 本公司權益股東應佔												
		Treasury shares 本公司權益股東應佔		Other treasury shares 其他庫存股		PRC statutory reserve 中國法定儲備		Retained earnings 保留盈利		Non-controlling interests 非控股權益		Total Equity 權益總額		
		Share capital 股本	Share premium 股份溢價	Exchange reserve 匯兌儲備	Capital reserves 資本儲備	Other reserves 其他儲備	Share Award Scheme 根據股份獎勵計劃	Share held under 持有的庫存股	Other treasury shares 其他庫存股	PRC statutory reserve 中國法定儲備	Retained earnings 保留盈利	Total 總計	Non-controlling interests 非控股權益	Total Equity 權益總額
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
As at 1 July 2019	於2019年7月1日	68,545	175,404	1,300	138,231	80,769	(88,642)	(31,084)	101,028	1,784,711	2,230,262	350,267	2,580,529	
Changes in equity for the six months ended 31 December 2019:	截至2019年12月31日止六個月的權益變動：													
Loss for the period	期內虧損	-	-	-	-	-	-	-	-	(169,650)	(169,650)	(27,172)	(196,822)	
Other comprehensive income	其他全面收益	-	-	1,516	-	-	-	-	-	-	1,516	-	1,516	
Total comprehensive income	全面收益總額	-	-	1,516	-	-	-	-	-	(169,650)	(168,134)	(27,172)	(195,306)	
Appropriate to statutory reserve	轉撥至法定儲備	-	-	-	-	-	-	-	1,624	(1,624)	-	-	-	
Purchase of own shares during the period	期內購買自身股份	-	-	-	-	-	-	-	-	-	-	-	-	
Cancellation of shares during the period	期內註銷股份	(561)	(32,134)	-	-	-	-	(1,611)	-	-	(1,611)	-	(1,611)	
Dividends approved and paid to equity shareholders of the Company	批准及已付本公司權益股東的股息	-	-	-	-	-	-	32,695	-	-	-	-	-	
Dividends approved and paid to non-controlling interest holders of a subsidiary	批准及已付附屬公司非控股權益持有人的股息	-	-	-	-	-	-	-	-	(75,640)	(75,640)	-	(75,640)	
Recognition of Employees' Share Option Scheme	確認僱員購股權計劃	-	-	-	-	-	-	-	-	-	-	(10,418)	(10,418)	
Shares issued due to exercise of Share Option Scheme	因購股權計劃行權而發行的股份	49	2,132	-	(287)	-	-	-	-	-	7,313	-	7,313	
As at 31 December 2019	於2019年12月31日	68,033	145,402	2,816	145,257	80,769	(88,642)	-	102,652	1,537,797	1,994,084	312,677	2,306,761	

The notes on pages 29 to 53 form part of this interim financial report.

第29至53頁之附註為本中期財務報告的組成部份。

Consolidated Statement of Changes in Equity

綜合權益變動表

for the six months ended 30 June 2020 – unaudited (Expressed in Renminbi)
截至2020年6月30日止六個月 – 未經審核 (以人民幣列示)

		Attributable to equity shareholders of the Company 本公司權益股東應佔										Total Equity
		Share capital	Share premium	Exchange reserve	Capital reserves	Other reserves	Share Award Scheme	Other treasury shares	PRC statutory reserve	Retained earnings	Total interests	Total Equity
		RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000	RMB' 000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
As at 1 January 2020	於2020年1月1日	68,033	145,402	2,816	145,257	80,769	(88,642)	-	102,652	1,537,797	1,994,084	2,306,761
Changes in equity for the six months ended 30 June 2020:	截至2020年6月30日止六個月的權益變動：											
Profit for the period	期內溢利	-	-	-	-	-	-	-	-	208,886	208,886	197,214
Other comprehensive income	其他全面收益	-	-	40	-	-	-	-	-	-	40	40
Total comprehensive income	全面收益總額	-	-	40	-	-	-	-	-	208,886	208,926	197,254
Purchase of own shares during the period	期內購買自身股份	-	-	-	-	-	-	(106,593)	-	-	(106,593)	(106,593)
Cancellation of shares during the period	期內註銷股份	(1,623)	(71,854)	-	-	-	-	73,477	-	-	-	-
Dividends approved and paid to equity shareholders of the Company	批准及已付本公司權益股東的股息	-	-	-	-	-	-	-	-	(73,856)	(73,856)	(73,856)
Recognition of Employees' Share Option Scheme	確認僱員購股權計劃	-	-	-	1,976	-	-	-	-	-	1,976	1,976
Disposal of interests in subsidiary without a change in control	無改變控制之出售附屬公司權益	-	-	-	2,066	-	-	-	-	-	2,066	2,000
As at 30 June 2020	於2020年6月30日	66,410	73,548	2,856	149,299	80,769	(88,642)	(33,116)	102,652	1,672,827	2,026,603	2,327,542

The notes on pages 29 to 53 form part of this interim financial report.

第29至53頁之附註為本中期財務報告的組成部份。

Condensed Consolidated Cash Flow Statement

簡明綜合現金流量表

for the six months ended 30 June 2020 – unaudited (Expressed in Renminbi)
截至2020年6月30日止六個月 – 未經審核 (以人民幣列示)

		For the six months ended 30 June 截至6月30日止六個月	
		2020 2020年 RMB' 000 人民幣千元	2019 2019年 RMB' 000 人民幣千元
Operating activities	經營活動		
Cash generated from operations	經營活動所得現金	410,794	245,922
PRC income tax paid	已付中國所得稅	(87,036)	(106,074)
Net cash generated from operating activities	經營活動所得現金淨額	323,758	139,848
Investing activities	投資活動		
Interest received	已收利息	17,266	5,600
Payment for the purchase of property, plant and equipment	購買物業、廠房及設備的款項	(31,542)	(114,392)
Payment for intangible assets	支付無形資產的款項	(5,000)	–
Proceeds received from disposal of property, plant and equipment	已收出售物業、廠房及 設備所得款項	206	679
Net cash used in investing activities	投資活動所用現金淨額	(19,070)	(108,113)
Financing activities	融資活動		
Proceeds from bank loans	銀行貸款所得款項	213,757	453,313
Repayment of bank loans	償還銀行貸款	(188,020)	(133,473)
Proceeds from shares issued under the Share Option Scheme	根據購股權計劃發行股份所得款項	–	597
Dividends paid to equity shareholders of the Company	已付本公司權益股東的股息	(73,856)	(145,979)
Finance costs paid	已付財務成本	(11,493)	(9,510)
Payment for repurchase of shares which would be subsequently cancelled by the Company	購回其後將由本公司註銷的股份的 款項	(106,593)	(44,601)
Net cash (used in)/generated from financing activities	融資活動(所用)/所得現金淨額	(166,205)	120,347
Net increase in cash and cash equivalents	現金及現金等值項目增加淨額	138,483	152,082
Cash and cash equivalents at 1 January	於1月1日的現金及現金等值項目	1,383,232	1,269,746
Effect of foreign exchange rate changes	匯率變動的影響	(552)	(110)
Cash and cash equivalents at 30 June	於6月30日的現金及現金等值項目	1,521,163	1,421,718

The notes on pages 29 to 53 form part of this interim financial report.

第29至53頁之附註為本中期財務報告的組成部份。

Notes to the Unaudited Interim Financial Report

未經審核中期財務報告附註

for the six months ended 30 June 2020 – unaudited (Expressed in Renminbi unless otherwise indicated)
截至2020年6月30日止六個月 – 未經審核 (以人民幣列示，除非另有註明)

1 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard (“HKAS”) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). It was authorised for issue on 24 August 2020.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2019 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2020 annual financial statements. Details of the changes in accounting policies are set out in note 2.

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

The interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2019 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

1 編製基準

本中期財務報告乃根據香港聯合交易所有限公司證券上市規則之適用披露規定而編製(包括遵守香港會計師公會(「香港會計師公會」)頒佈之香港會計準則(「香港會計準則」)第34號,《中期財務報告》),並獲授權於2020年8月24日刊發。

中期財務報告乃按與2019年年度財務報表所採用之相同會計政策編製,惟預期將反映於2020年年度財務報表中之會計政策變動除外。會計政策變動詳情載於附註2。

編製符合香港會計準則第34號的中期財務報告要求管理層作出判斷、估計及假設,而有關判斷、估計及假設會影響政策的應用及由年初至今的資產與負債、收入及開支的呈報金額。實際結果可能有別於該等估計。

中期財務報告包括簡明綜合財務報表以及經選錄的解釋附註。附註包括對了解本集團自2019年年度財務報表以來的財務狀況及表現所出現的變動而言屬重要的事項及交易的解釋。簡明綜合中期財務報表及其附註並不包括根據香港財務報告準則(「香港財務報告準則」)所編製的完整財務報表所規定的一切資料。

Notes to the Unaudited Interim Financial Report

未經審核中期財務報告附註

for the six months ended 30 June 2020 – unaudited (Expressed in Renminbi unless otherwise indicated)
截至2020年6月30日止六個月 – 未經審核 (以人民幣列示，除非另有註明)

1 BASIS OF PREPARATION (Continued)

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA. KPMG's independent review report to the board of directors is included on pages 54 to 55.

The financial information relating to the financial year ended 31 December 2019 that is included in the interim financial report as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements.

2 CHANGES IN ACCOUNTING POLICIES

The Group has applied the following amendment to HKFRSs issued by the HKICPA to these financial statements for the current accounting period:

- Amendment to HKFRS 16, *Covid-19-Related Rent Concessions*

The Amendment does not have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this interim financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 REVENUE AND SEGMENT REPORTING

The Group manages its businesses by product lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has identified the following two reportable segments. No operating segments have been aggregated to form the following reportable segments.

1 編製基準 (續)

中期財務報告未經審核，但已由畢馬威會計師事務所根據香港會計師公會頒佈的香港審閱委聘準則第2410號，由實體之獨立核數師執行之中期財務資料審閱，進行審閱工作。畢馬威會計師事務所致董事局的獨立審閱報告載於第54至55頁。

有關截至2019年12月31日止財政年度並載入中期財務報告內作為比較資料的財務資料，並不構成本公司於該財政年度的法定年度綜合財務報表，惟乃摘錄自該等財務報表。

2 會計政策變動

本集團已於本會計期間對該等財務報表應用下列由香港會計師公會頒佈的香港財務報告準則的修訂：

- 香港財務報告準則第16號(修訂本)，*新型冠狀病毒肺炎相關租金減讓*

該修訂概無對本集團於本中期財務報告中有關現時或過往期間業績及財務狀況的編製或呈列方式造成重大影響。本集團並無應用任何於本會計期間尚未生效的新訂準則或詮釋。

3 收入及分部報告

本集團按產品線管理其業務。本集團已呈列下列兩個可申報分部，其列報方式與為分配資源及評估表現目的而向本集團最高行政管理人員內部報告資料的方式貫徹一致。並無合併經營分部以組成下列可呈報分部。

Notes to the Unaudited Interim Financial Report 未經審核中期財務報告附註

for the six months ended 30 June 2020 – unaudited (Expressed in Renminbi unless otherwise indicated)
截至2020年6月30日止六個月 – 未經審核 (以人民幣列示，除非另有註明)

3 REVENUE AND SEGMENT REPORTING

(Continued)

- Consun Pharmaceutical Segment: this segment manufactures and sells modern Chinese medicines and medical contrast medium.
- Yulin Pharmaceutical Segment: this segment manufactures and sells traditional Chinese medicines.

(a) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products is as follows:

3 收入及分部報告 (續)

- 康臣藥業分部：此分部生產及銷售現代中成藥及醫用成像對比劑。
- 玉林製藥分部：此分部生產及銷售傳統中成藥。

(a) 收入分拆

來自與客戶訂立之合約的收入按主要產品之分拆如下：

		For the six months ended 30 June 截至6月30日止六個月	
		2020 2020年 RMB' 000 人民幣千元	2019 2019年 RMB' 000 人民幣千元
Revenue from contracts with customers within the scope of HKFRS15	屬香港財務報告準則第15號範圍內之來自與客戶訂立之合約的收入		
Kidney medicines	腎科藥物	541,543	516,018
Contrast medium	對比劑	51,506	68,606
Orthopedics medicines	骨科藥物	51,228	94,231
Dermatologic medicines	皮膚科藥物	19,467	93,713
Women and children medicines	婦兒藥物	65,470	77,600
Others	其他	36,642	90,868
		765,856	941,036

Analysis of the Group's revenue and results by geographical market has not been presented as over 99% (six months ended 30 June 2019: 99%) of the revenue are generated from the PRC market.

Disaggregation of revenue from contracts with customers by the timing of revenue recognition is disclosed in note 3(b).

由於超過99%之收入(截至2019年6月30日止六個月：99%)來自中國市場，故並無按地區市場呈列本集團收入及業績之分析。

來自與客戶訂立之合約之收入按收入確認之時間之分拆披露於附註3(b)。

Notes to the Unaudited Interim Financial Report

未經審核中期財務報告附註

for the six months ended 30 June 2020 – unaudited (Expressed in Renminbi unless otherwise indicated)
截至2020年6月30日止六個月 – 未經審核 (以人民幣列示，除非另有註明)

3 REVENUE AND SEGMENT REPORTING

(Continued)

(b) Information about profit or loss, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets and current assets with the exception of deferred tax assets and other corporate assets. Segment liabilities include trade creditors and accruals attributable to the manufacturing and sales activities of the individual segments managed directly by the segments.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments. Assistance provided by one segment to another, including sharing of assets and technical know-how, is not measured.

The measure used for reporting segment profit is gross profit. The Group's senior executive management is provided with segment information concerning segment revenue and gross profit. Segment assets and liabilities are not reported to the Group's senior executive management regularly.

3 收入及分部報告 (續)

(b) 有關損益、資產及負債之資料

為評估分部表現及在分部間分配資源，本集團最高行政管理人員根據以下基準監察各可呈報分部應佔的業績、資產及負債：

分部資產包括所有有形、無形資產及流動資產，而遞延稅項資產及其他公司資產則除外。分部負債包括由各分部直接管理的個別分部生產及銷售活動應佔的貿易應付賬款及應計費用。

收入及開支乃經參照該等分部產生的銷售額及開支或該等分部應佔資產折舊或攤銷產生的開支，分配至可呈報分部。一個分部向另一個分部提供的支援（包括分享資產及技術專門知識）則不予以計量。

用於呈報分部溢利的指標為毛利。本集團資深管理層獲提供有關分部收入及毛利資料。分部資產及負債資料並無向本集團資深管理層定期匯報。

Notes to the Unaudited Interim Financial Report 未經審核中期財務報告附註

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截至2020年6月30日止六個月 – 未經審核 (以人民幣列示，除非另有註明)

3 REVENUE AND SEGMENT REPORTING

(Continued)

(b) Information about profit or loss, assets and liabilities (Continued)

Disaggregation of revenue from contracts with customers by the timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 30 June 2020 and 2019 is set out below.

3 收入及分部報告 (續)

(b) 有關損益、資產及負債之資料 (續)

下文載列來自與客戶訂立之合約之收入按收入確認之時間之分拆，以及截至2020年及2019年6月30日止年度為分配資源及評估分部表現而向本集團最高行政管理人員提供的本集團可呈報分部之資料。

		Consun Pharmaceutical Segment 康臣藥業分部		Yulin Pharmaceutical Segment 玉林製藥分部		Total 總計	
		2020 2020年 RMB' 000 人民幣千元	2019 2019年 RMB' 000 人民幣千元	2020 2020年 RMB' 000 人民幣千元	2019 2019年 RMB' 000 人民幣千元	2020 2020年 RMB' 000 人民幣千元	2019 2019年 RMB' 000 人民幣千元
For the six months ended 30 June	截至6月30日止 六個月						
Disaggregated by timing of revenue recognition	按收入確認之時間之分拆						
Point in time	時間點	664,252	681,087	101,604	259,949	765,856	941,036
Reportable segment revenue	可呈報分部收入						
Revenue from external customers	來自外部客戶的收入	664,252	681,087	101,604	259,949	765,856	941,036
Reportable segment profit	可呈報分部溢利						
Gross profit	毛利	540,951	544,107	30,639	143,035	571,590	687,142
As at 30 June/31 December	於6月30日/12月31日						
Reportable segment assets	可呈報分部資產	2,132,792	2,356,452	1,629,053	1,853,046	3,761,845	4,209,498
Reportable segment liabilities	可呈報分部負債	710,446	949,367	656,336	537,160	1,366,782	1,486,527

Notes to the Unaudited Interim Financial Report 未經審核中期財務報告附註

for the six months ended 30 June 2020 – unaudited (Expressed in Renminbi unless otherwise indicated)
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3 REVENUE AND SEGMENT REPORTING

(Continued)

(c) Reconciliations of reportable segment profit

3 收入及分部報告 (續)

(c) 可呈報分部溢利的對賬

		For the six months ended 30 June 截至6月30日止六個月	
		2020 2020年 RMB' 000 人民幣千元	2019 2019年 RMB' 000 人民幣千元
Reportable segment profit derived from the Group's external customers	來自本集團外部客戶 之可呈報分部溢利	571,590	687,142
Other income/(losses)	其他收入/(虧損)	12,161	(875)
Distribution costs	分銷成本	(224,042)	(274,276)
Administrative expenses	行政開支	(87,790)	(80,791)
Impairment loss on trade receivables and contract assets	貿易應收款項及合約資產的 減值虧損	(14,509)	(9,759)
Finance costs	財務成本	(11,493)	(11,519)
Consolidated profit before taxation	綜合稅前溢利	245,917	309,922

Notes to the Unaudited Interim Financial Report 未經審核中期財務報告附註

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4 SEASONALITY OF OPERATIONS

The Group generally experiences on average over 50% higher revenue in the fourth quarter as compared with other quarters in the year, because more sales of pharmaceutical products are made to distributors in the fourth quarter of the year prior to the new year holiday. The Group satisfies this higher demand by increasing its production so as to build up inventories during the second half of the year.

For the twelve months ended 30 June 2020, the Group reported revenue of RMB1,553,076,000 (twelve months ended 30 June 2019: RMB1,915,986,000), and gross profit of RMB1,145,853,000 (twelve months ended 30 June 2019: RMB1,419,528,000).

4 經營的季節性特徵

由於本集團一般在新年假期前的第四季度向經銷商銷售更多醫藥產品，本集團醫藥產品第四季度銷售額較年內其他季度平均高出50%。本集團通過於下半年度提高產量，增加庫存以應對該需求。

於截至2020年6月30日止十二個月，本集團錄得收入人民幣1,553,076,000元(截至2019年6月30日止十二個月：人民幣1,915,986,000元)及毛利人民幣1,145,853,000元(截至2019年6月30日止十二個月：人民幣1,419,528,000元)。

5 OTHER INCOME/(LOSSES)

5 其他收入／(虧損)

		For the six months ended 30 June 截至6月30日止六個月	
		2020 2020年 RMB' 000 人民幣千元	2019 2019年 RMB' 000 人民幣千元
Government grants	政府補助		
– Unconditional subsidies	– 無條件補貼	990	1,314
– Conditional subsidies	– 有條件補貼	851	802
Interest income	利息收入	17,266	5,599
Loss on disposal of property, plant and equipment	處置物業、廠房及設備 產生的虧損	(19)	(162)
Net exchange losses	淨匯兌虧損	(6,551)	(8,869)
Others	其他	(376)	441
		12,161	(875)

Notes to the Unaudited Interim Financial Report 未經審核中期財務報告附註

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6 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/
(crediting):

(a) Finance costs:

		For the six months ended 30 June 截至6月30日止六個月	
		2020 2020年 RMB' 000 人民幣千元	2019 2019年 RMB' 000 人民幣千元
Interest on bank loans	銀行貸款利息	7,652	7,131
Interest expenses on discounted bills	貼現票據利息開支	3,841	2,379
Finance charges on bank loans	銀行貸款財務費用	–	2,009
		11,493	11,519

(b) Staff costs:

		For the six months ended 30 June 截至6月30日止六個月	
		2020 2020年 RMB' 000 人民幣千元	2019 2019年 RMB' 000 人民幣千元
Salaries, wages, bonuses and benefits	薪金、工資、花紅及福利	124,943	137,207
Contribution to defined contribution retirement schemes	界定供款退休計劃供款	3,851	5,531
Equity settled share-based payments:	以股權結算並以股份為基礎 的付款：		
Share Option Scheme (note 14)	購股權計劃(附註14)	1,976	12,607
		130,770	155,345

6 稅前溢利

稅前溢利乃扣除／(計入)以下各項後得出：

(a) 財務成本：

(b) 員工成本：

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6 PROFIT BEFORE TAXATION (Continued)

(c) Other items:

		For the six months ended 30 June 截至6月30日止六個月	
		2020 2020年 RMB' 000 人民幣千元	2019 2019年 RMB' 000 人民幣千元
Depreciation charge	折舊費用		
– Investment property	– 投資物業	268	281
– Other property, plant and equipment	– 其他物業、廠房及設備	19,539	18,969
Amortisation	攤銷		
– Land use rights	– 土地使用權	1,567	1,574
– Intangible assets	– 無形資產	14,769	14,707
Leases charges	租賃費用	1,813	1,874

6 稅前溢利 (續)

(c) 其他項目：

7 INCOME TAX

Current tax

Provision for PRC income tax

即期稅項

中國所得稅撥備

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

		2020 2020年 RMB' 000 人民幣千元	2019 2019年 RMB' 000 人民幣千元
		62,162	71,557
Deferred tax	遞延稅項		
Origination and reversal of temporary differences	產生及撥回暫時性差額	(13,459)	(21,579)
		48,703	49,978

7 所得稅

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7 INCOME TAX (Continued)

- (i) Guangzhou Consun Pharmaceutical Company Limited (“**Guangzhou Consun**”) was qualified as an “Advanced and New Technology Enterprise” and entitled to the preferential income tax rate of 15% from 2017 to 2019. Guangzhou Consun is applying for the extension of “Advanced and New Technology Enterprise” and the entitlement of the preferential income tax rate for 2020 to 2022. In the opinion of the directors, Guangzhou Consun would be able to obtain an approval of the preferential income tax rate for 2020 to 2022. Therefore, the PRC income tax rate applicable to Guangzhou Consun was 15% for the six months ended 30 June 2020 (six months ended 30 June 2019: 15%).

Guangxi Yulin Pharmaceutical Group Co., Ltd (“**Yulin Pharmaceutical**”) and Guangxi Yulin Pharmaceutical Capsule Co., Limited (“**Yulin Capsule**”) were qualified as encouraged industry that operates in western China. Yulin Pharmaceutical and Yulin Capsule were entitled to the preferential income tax rate of 15% from 2011 to 2030.

7 所得稅(續)

- (i) 廣州康臣藥業有限公司(「廣州康臣」)獲認證為「高新技術企業」，可從2017年至2019年享受優惠所得稅稅率15%。廣州康臣正在申請延長「高新技術企業」及從2020年至2022年享受優惠所得稅稅率的權利。董事認為，廣州康臣將能取得2020年至2022年享受優惠所得稅稅率的批准。因此，截至2020年6月30日止六個月適用於廣州康臣的中國所得稅稅率為15% (截至2019年6月30日止六個月：15%)。

廣西玉林製藥集團有限責任公司(「玉林製藥」)及廣西玉林玉藥膠囊有限公司(「玉林膠囊」)獲認證為於中國西部營運的鼓勵性產業公司，玉林製藥及玉林膠囊均可從2011年至2030年享受優惠所得稅稅率15%。

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7 INCOME TAX (Continued)

- (ii) According to the relevant tax law and its implementation rules, dividends receivable by non-PRC-resident corporate investors from PRC-resident enterprises are subject to withholding tax at 10%, unless reduced by tax treaties or arrangements, for profits earned since 1 January 2008. In 2019, the Company obtained the Certificate of Resident Status of the Hong Kong Special Administrative Region (the “Certificate”) and has satisfied the “Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on income” and therefore has adopted the withholding tax rate at 5% for PRC withholding tax purposes for the calendar year 2017 and the two succeeding calendar years. In the opinion of the directors, the Company would be able to obtain an approval of the Certificate to adopt the withholding tax rate at 5% in 2020.

The Directors of the Group have determined that in determining the amounts of dividends to be distributed from PRC subsidiaries to the Hong Kong incorporated subsidiary in future, the amounts of dividends declared or to be declared by the Company, and the repayment schedule of loans and borrowings of the Company would be considered. As at 30 June 2020, deferred tax liabilities of RMB18,992,000 (31 December 2019: RMB15,208,000) have been provided based on the expected dividends to be distributed from Guangzhou Consun to the Company in the foreseeable future in respect of the profits generated since 1 January 2008.

7 所得稅(續)

- (ii) 根據有關稅法及其實施細則，除非自2008年1月1日起賺取的溢利獲稅務條例或安排寬減，否則非中國居民企業投資者應收中國居民企業的股息須按10%繳納預扣稅。於2019年，本公司獲得香港特別行政區居民身份證明書(該「證明書」)，並符合「內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排」的條件。因此，就中國預扣稅而言，本集團於2017曆年及其後兩個曆年已採用5%的預扣稅率。董事認為，本公司將能取得該證明書的批准，可於2020年採納5%的預扣稅率。

本集團董事已確定，在釐定中國附屬公司日後向於香港註冊成立的附屬公司分派的股息金額時，將考慮本公司已宣派或將宣派的股息金額及本公司貸款及借款的還款時間表。於2020年6月30日，根據於可預見的未來廣州康臣預期會就自2008年1月1日後產生的盈利向本公司派發股息，計提遞延稅項負債人民幣18,992,000元(2019年12月31日：人民幣15,208,000元)。

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8 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of RMB208,886,000 (six months ended 30 June 2019: RMB249,470,000) and the weighted average number of 826,472,000 ordinary shares (six months ended 30 June 2019: 851,824,000 shares) in issue during the interim period.

8 每股盈利

(a) 每股基本盈利

每股基本盈利乃根據中期期內本公司權益股東應佔溢利人民幣208,886,000元(截至2019年6月30日止六個月：人民幣249,470,000元)及已發行普通股的加權平均數826,472,000股(截至2019年6月30日止六個月：851,824,000股)計算。

		For the six months ended 30 June 截至6月30日止六個月	
		2020 2020年 '000 shares 千股	2019 2019年 '000 shares 千股
Issued ordinary shares at 1 January	於1月1日已發行普通股	865,532	875,191
Effect of share options exercised	已行使購股權的影響	–	25
Effect of treasury shares held under the Share Award Scheme	根據股份獎勵計劃持有的 庫存股的影響	(19,698)	(19,698)
Effect of shares repurchased and cancelled (note 15(a))	購回及註銷股份的影響 (附註15(a))	(16,123)	(3,024)
Effect of shares repurchased but not yet cancelled (note 15(a))	購回但未註銷股份的影響 (附註15(a))	(3,239)	(670)
Weighted average number of ordinary shares at 30 June	於6月30日普通股加權 平均數	826,472	851,824

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8 EARNINGS PER SHARE (Continued)

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to equity shareholders of the Company of RMB208,886,000 (six months ended 30 June 2019: RMB249,470,000) and the weighted average number of ordinary shares of 826,581,000 (six months ended 30 June 2019: 868,582,000 shares).

8 每股盈利(續)

(b) 每股攤薄盈利

每股攤薄盈利乃根據本公司權益股東應佔溢利人民幣208,886,000元(截至2019年6月30日止六個月: 人民幣249,470,000元)及普通股的加權平均數826,581,000股(截至2019年6月30日止六個月: 868,582,000股)計算。

		For the six months ended 30 June 截至6月30日止六個月	
		2020 2020年 '000 shares 千股	2019 2019年 '000 shares 千股
Weighted average number of ordinary shares at 30 June	於6月30日普通股加權平均數	826,472	851,824
Diluted effect of deemed issue of shares under the Share Option Scheme	購股權計劃項下視同發行股份的攤薄影響	109	16,758
Weighted average number of ordinary shares (diluted) at 30 June	於6月30日普通股加權平均數(攤薄)	826,581	868,582

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9 INVESTMENT PROPERTIES AND OTHER PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

(a) Acquisitions and disposals of owned assets

During the six months ended 30 June 2020, the Group acquired items of property, plant and machinery with a cost of RMB22,198,000 (six months ended 30 June 2019: RMB121,674,000). Items of plant and machinery with a net book value of RMB225,000 were disposed of during the six months ended 30 June 2020 (six months ended 30 June 2019: RMB3,641,000), resulting in a loss on disposal of RMB19,000 (six months ended 30 June 2019: RMB162,000).

(b) Intangible assets

Intangible assets represent trademark with a carrying amount of RMB250,744,000 (31 December 2019: RMB250,744,000) and patents with a carrying amount of RMB135,558,000 (31 December 2019: RMB145,327,000).

(c) Valuation of investment property

Investment property of the Group were stated in the consolidated statement of financial position at cost less accumulated depreciation and impairment losses. The carrying amounts of the investment property were not materially different from their fair value as at 30 June 2020 and 31 December 2019.

9 投資物業及其他物業、廠房及設備以及無形資產

(a) 購買及處置自有資產

截至2020年6月30日止六個月，本集團以成本人民幣22,198,000元（截至2019年6月30日止六個月：人民幣121,674,000元）購得物業、廠房及機器項目。於截至2020年6月30日止六個月，處置了賬面淨值為人民幣225,000元（截至2019年6月30日止六個月：人民幣3,641,000元）之廠房及機器項目，導致處置虧損人民幣19,000元（截至2019年6月30日止六個月：人民幣162,000元）。

(b) 無形資產

無形資產為賬面值人民幣250,744,000元的商標（2019年12月31日：人民幣250,744,000元）及賬面值人民幣135,558,000元的專利（2019年12月31日：人民幣145,327,000元）。

(c) 投資物業的估值

本集團投資物業於綜合財務狀況表內按成本減累計折舊及減值虧損列賬。投資物業的賬面值與其於2020年6月30日及2019年12月31日的公允值並無重大差異。

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10 INVENTORIES

10 存貨

		At 30 June 2020 於2020年 6月30日 RMB'000 人民幣千元	At 31 December 2019 於2019年 12月31日 RMB'000 人民幣千元
Raw materials	原材料	102,297	111,713
Work in progress	在製品	46,543	52,992
Finished goods	製成品	43,310	45,979
		192,150	210,684

11 TRADE AND OTHER RECEIVABLES

11 貿易及其他應收款項

As of the end of the reporting period, the aging analysis of trade debtors and bills receivable (which are included in trade and other receivables), based on the invoice date and net of allowance for doubtful debts, is as follows:

於報告期末，貿易應收賬款及應收票據（已計入貿易及其他應收款項）以發票日期為基準並扣除呆賬撥備的賬齡分析如下：

		At 30 June 2020 於2020年 6月30日 RMB'000 人民幣千元	At 31 December 2019 於2019年 12月31日 RMB'000 人民幣千元
Within 3 months	3個月內	282,743	338,030
3 to 12 months	3至12個月	47,447	213,791
Over 12 months	12個月以上	266,583	211,985
Trade debtors and bills receivable, net of loss allowance (i)	貿易應收賬款及應收票據， 扣除虧損撥備(i)	596,773	763,806
Other receivables	其他應收款項	10,031	28,439
Prepayments	預付款項	16,851	23,487
		623,655	815,732

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11 TRADE AND OTHER RECEIVABLES (Continued)

(i) Trade debtors and bills receivable, net of allowance for doubtful debts

Trade debtors and bills receivable are generally due within 30 to 90 days from the date of billing.

12 TRADE AND OTHER PAYABLES

As of the end of the reporting period, the aging analysis of trade creditors and bills payable (which are included in trade and other payables), based on the invoice date, is as follows:

11 貿易及其他應收款項 (續)

(i) 貿易應收賬款及應收票據，扣除呆賬撥備

貿易應收賬款及應收票據通常自發出賬單日期起30日至90日內到期。

12 貿易及其他應付款項

於報告期末，貿易應付賬款及應付票據(已計入貿易及其他應付款項)以發票日期為基準的賬齡分析如下：

		At 30 June 2020 於2020年 6月30日 RMB'000 人民幣千元	At 31 December 2019 於2019年 12月31日 RMB'000 人民幣千元
Within 1 month	一個月內	24,075	26,328
1 to 12 months	一至十二個月	11,959	28,845
Over 12 months	十二個月以上	628	347
Total trade payable	貿易應付款項總額	36,662	55,520
Refund liabilities	退還負債	63,428	71,358
Accrued expenses	應計開支	218,737	209,760
Employee benefits payable	應付僱員福利	104,986	154,837
Other payables	其他應付款項	96,608	112,540
Project development deposits	項目開發按金	50,000	50,000
		570,421	654,015

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13 LOANS AND BORROWINGS

As of the end of the reporting period, loans and borrowings were unsecured bank loans and were repayable as follows:

		At 30 June 2020 於2020年 6月30日 RMB'000 人民幣千元	At 31 December 2019 於2019年 12月31日 RMB'000 人民幣千元
Within 1 year	一年內	585,158	553,567

As at 30 June 2020, certain banking facilities of the Group amounted to RMB493,236,000 (31 December 2019: RMB279,160,000) are subject to the fulfilment of covenants relating to certain of the Group's or the subsidiaries' financial ratios, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants the drawn down loans would become payable on demand. The Group regularly monitors its compliance with these covenants. As at 30 June 2020, none of the covenants relating to drawn down loans had been breached (31 December 2019: nil).

13 貸款及借款

於報告期末，貸款及借款為無抵押銀行貸款，且須於下列期限償還：

於2020年6月30日，本集團金額為人民幣493,236,000元(2019年12月31日：人民幣279,160,000元)的部分銀行融資受制於對本集團或其附屬公司某些財務比率的約定(該等約定常見於金融機構的貸款安排中)。假若本集團違反了該等約定，已提取的貸款便會變成須按要求償還。本集團定期監察遵守該等約定的情況。於2020年6月30日，本集團並無違反任何與已提取貸款相關的約定(2019年12月31日：無)。

14 EQUITY SETTLED SHARE-BASED TRANSACTIONS

During the six months ended 30 June 2020, the Company granted 18,188,000 share options to certain directors and employees (the "2020 Grant"). The exercise price of these share options were HKD3.28 per share for the Tranche 1 ("2020 T1") and HKD3.44 per share for the Tranche 2 ("2020 T2"), and the aggregate fair value of these share options amounted to RMB17,438,000. The options vest after one year from the date of grant and are then exercisable on or before 1 April 2030.

14 以股權結算並以股份為基礎的交易

截至2020年6月30日止六個月，本公司已授出18,188,000份購股權予若干董事及僱員(「2020年授出」)。第1批購股權(「2020年第1批」)的行使價為每股3.28港元，第2批購股權(「2020年第2批」)的行使價為每股3.44港元，總公允值達人民幣17,438,000元。購股權自授出日期起一年內歸屬，其後可於2030年4月1日或之前行使。

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14 EQUITY SETTLED SHARE-BASED TRANSACTIONS (Continued)

(i) The terms and conditions of the 2020 Grant are as follows:

14 以股權結算並以股份為基礎的交易 (續)

(i) 2020年授出的條款及條件如下：

Date of grant 授出日期	Tranche number 批號	Number of options granted 已授出購 股權數目	Vesting period 歸屬期	Contractual life of options 購股權的 合約年期
Options granted to employees: 授予僱員的購股權：				
24 March 2020 2020年3月24日	Tranche 1 第1批	16,500,000	Exercisable on or after 24 March 2021 可於2021年3月24日或 之後行使	10 years 10年
Options granted to two directors: 授予兩名董事的購股權：				
18 June 2020 2020年6月18日	Tranche 2 第2批	1,688,000	Exercisable on or after 1 April 2021 可於2021年4月1日或 之後行使	10 years 10年
Total share options granted 授出購股權總數		18,188,000		

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14 EQUITY SETTLED SHARE-BASED TRANSACTIONS (Continued)

(ii) Fair value of share options under the 2020 Grant and assumptions:

The fair value of services received in return for the share options granted is measured by reference to the fair value of share options granted. The estimated fair value of the share options granted is measured based on a binomial tree model. The contractual life of the share options is used as an input into this model. Expectations of early exercise are incorporated into the binomial tree model. Set out below are the fair value of share options and assumptions.

14 以股權結算並以股份為基礎的交易 (續)

(ii) 2020年授出項下購股權的公允值及 假設：

用以換取授出購股權所獲服務的公允值乃參考所授出購股權之公允值計量。所授出購股權的估計公允值乃基於二叉樹模型計量。購股權合約年期在此模型中用作為一項輸入數據。提前行使的預期已納入此二叉樹模型。下文載列購股權的公允值及假設。

		Tranche number 批號	
		2020 T1 2020年第1批	2020 T2 2020年第2批
Fair value at measurement date (HKD)	計量日公允值(港元)	1.0260	1.0607
Share price (HKD)	股價(港元)	3.28	3.44
Exercise price (HKD)	行使價(港元)	3.28	3.44
Expected volatility	預期波幅	39.29%	39.20%
Expected option life	預期購股權年期	10 years 10年	10 years 10年
Dividend yield	股息率	3.29%	3.29%
Risk-free rate	無風險利率	1.28%	1.06%

During the six months ended 30 June 2020, no share option was exercised (six months ended 30 June 2019: 171,000).

截至2020年6月30日止六個月，概無購股權獲行使(截至2019年6月30日止六個月：171,000份)。

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15 CAPITAL, RESERVE AND DIVIDENDS

(a) Purchase of own shares

During the interim period, the Company repurchased 29,939,000 shares (the “Buy-back Shares”) of the Company on The Stock Exchange of Hong Kong Limited as follows:

Month/year 年 / 月	Number of shares repurchased 已回購 股份數目	Highest price paid per share 每股已付 最高價格 HKD 港元	Lowest price paid per share 每股已付 最低價格 HKD 港元	Aggregate price paid 已付 價格總額 HKD'000 千港元
January 2020 2020年1月	8,077,000	4.00	3.77	31,682
February 2020 2020年2月	9,705,000	4.20	3.90	39,737
March 2020 2020年3月	534,000	3.51	3.22	1,868
April 2020 2020年4月	7,541,000	4.00	3.48	28,300
May 2020 2020年5月	4,082,000	4.00	3.87	16,260
				117,847

The repurchase was governed by section 257 of the Hong Kong Companies Ordinance. The total amount paid on the repurchased shares of HKD117,847,000 (equivalent to approximately RMB106,593,000) was paid out of distributable reserves of the Company.

Up to 30 June 2020, 20,638,000 Buy-back Shares were cancelled and the remaining 9,301,000 Buy-back Shares were cancelled in July 2020.

15 資本、儲備及股息

(a) 購買自身股份

於中期期間，本公司於香港聯合交易所有限公司回購其自身29,939,000股股份（「購回股份」）如下：

回購乃受香港公司條例第257條規管。回購股份的已付總額117,847,000港元（相當於約人民幣106,593,000元）乃自本公司可供分派儲備撥付。

直至2020年6月30日，20,638,000股購回股份已被註銷，而其餘9,301,000股購回股份已經於2020年7月被註銷。

Notes to the Unaudited Interim Financial Report 未經審核中期財務報告附註

for the six months ended 30 June 2020 – unaudited (Expressed in Renminbi unless otherwise indicated)
截至2020年6月30日止六個月 – 未經審核 (以人民幣列示，除非另有註明)

15 CAPITAL, RESERVE AND DIVIDENDS

(Continued)

(b) Dividends

(i) *Dividends payable to equity shareholders attributable to the interim period*

15 資本、儲備及股息(續)

(b) 股息

(i) 中期期間應付權益股東股息

		For the six months ended 30 June 截至6月30日止六個月	
		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Interim dividend declared after the interim period ended 30 June 2020 of HKD0.08 per share (six months ended 30 June 2019: HKD0.1 per share)	於截至2020年6月30日止中期期間後宣派之中期股息每股0.08港元(截至2019年6月30日止六個月：每股0.1港元)	58,458	75,640

The interim dividend had not been recognised as a liability at the end of the reporting period.

於報告期末，中期股息並未被確認為負債。

Notes to the Unaudited Interim Financial Report 未經審核中期財務報告附註

for the six months ended 30 June 2020 – unaudited (Expressed in Renminbi unless otherwise indicated)
截至2020年6月30日止六個月 – 未經審核 (以人民幣列示，除非另有註明)

15 CAPITAL, RESERVE AND DIVIDENDS

(Continued)

(b) Dividends (Continued)

(ii) *Dividends payable to equity shareholders attributable to the previous financial year, approved and paid during the interim period*

15 資本、儲備及股息(續)

(b) 股息(續)

(ii) 上一財政年度應付權益股東的股息，已於中期期間批准及支付

		For the six months ended 30 June 截至6月30日止六個月	
		2020 2020年 RMB' 000 人民幣千元	2019 2019年 RMB' 000 人民幣千元
Final dividends in respect of the previous financial year, approved and paid during the interim period ended 30 June 2020 of HKD0.1 per share (six months ended 30 June 2019: HKD0.2 per share)	上一財政年度末期股息，已於截至2020年6月30日止中期期間獲批准及支付每股0.1港元(截至2019年6月30日止六個月：每股0.2港元)	74,689	146,288
Less: Dividends for Buy-back Shares	減：就購回股份支付的股息	(833)	(309)
		73,856	145,979

* The Company paid a final dividends of RMB73,856,000 for the year ended 31 December 2019 as adjusted to exclude the dividends for Buy-back Shares.

* 本公司截至2019年12月31日止年度的已付末期股息為人民幣73,856,000元，並已作出調整以扣除就購回股份支付的股息。

Notes to the Unaudited Interim Financial Report 未經審核中期財務報告附註

for the six months ended 30 June 2020 – unaudited (Expressed in Renminbi unless otherwise indicated)
截至2020年6月30日止六個月 – 未經審核 (以人民幣列示，除非另有註明)

15 CAPITAL, RESERVE AND DIVIDENDS

(Continued)

(c) Share capital

Issued share capital

15 資本、儲備及股息(續)

(c) 股本

已發行股本

		Six months ended 30 June 2020 截至2020年6月30日止六個月		
		Number of shares 股份數目 '000 千股	Nominal value of fully paid shares 繳足股份面值 HKD'000 千港元	Nominal value of fully paid shares 繳足股份面值 RMB'000 人民幣千元
As at 1 January 2020	於2020年1月1日	865,532	86,553	68,033
Cancellation of shares during the period (note 15(a))	期內註銷股份 (附註15(a))	(20,638)	(2,064)	(1,623)
As at 30 June 2020	於2020年6月30日	844,894	84,489	66,410

The ordinary shares of the Company have a par value of HKD0.10 per share.

本公司普通股面值為每股0.10港元。

Notes to the Unaudited Interim Financial Report 未經審核中期財務報告附註

for the six months ended 30 June 2020 – unaudited (Expressed in Renminbi unless otherwise indicated)
截至2020年6月30日止六個月 – 未經審核 (以人民幣列示，除非另有註明)

16 COMMITMENTS

**Capital commitments outstanding at 30 June 2020
not provided for in the interim financial report**

16 承擔

於2020年6月30日並未在中期財務報告撥備的未履行資本承擔

		At 30 June 2020 於2020年 6月30日 RMB' 000 人民幣千元	At 31 December 2019 於2019年 12月31日 RMB' 000 人民幣千元
Contracted for	已訂約	160,524	159,269
Authorised but not contracted for	已批准但未訂約	280,396	304,610
Total	總值	440,920	463,879

17 MATERIAL RELATED PARTY TRANSACTIONS

Key management personnel remuneration

17 重大關聯方交易

主要管理人員酬金

		Six months ended 30 June 截至6月30日止六個月	
		2020 2020年 RMB' 000 人民幣千元	2019 2019年 RMB' 000 人民幣千元
Salaries and other benefits	薪金及其他福利	15,093	16,494
Retirement scheme of defined contribution	界定供款退休計劃	30	66
Equity settled share-based payment expenses	以股權結算並以股份為基礎的支出	4,204	3,739
		19,327	20,299

Total remuneration is included in “staff costs” (see note 6(b)).

總酬金計入「員工成本」內(見附註6(b))。

Notes to the Unaudited Interim Financial Report

未經審核中期財務報告附註

for the six months ended 30 June 2020 – unaudited (Expressed in Renminbi unless otherwise indicated)
截至2020年6月30日止六個月 – 未經審核 (以人民幣列示, 除非另有註明)

18 IMPACTS OF COVID-19 PANDEMIC

The COVID-19 pandemic since early 2020 has adversely impacted on the Group's financial results in the first half of 2020, for example, the sales and certain distributors' repayment schedule.

The Group has been closely monitoring the impact of the developments on the Group's business and has put in place contingency measures. These contingency measures include: increasing options for logistics transportations; assessing suppliers' readiness and liaising with higher-risk suppliers; continuously monitoring the operations of the distributors and strengthening cost control. The Group will keep the contingency measures under review as the situation evolves. The Group's management has set a plan to improve the financial performance in the remaining financial year ending 2020.

As far as the Group's businesses are concerned, the pandemic brought negative impact to the Group's operations in a short-term within a controllable range.

18 新型冠狀病毒疫情的影響

自2020年初起出現的新型冠狀病毒疫情對本集團於2020年上半年的財務業績(例如銷售額及若干經銷商的還款時間表)造成不利影響。

本集團一直密切監察疫情發展對本集團業務的影響, 並已施行應急措施。該等應急措施包括: 在物流運輸方面提供更多選擇; 評估供應商是否準備就緒並與帶有較高風險的供應商聯絡; 持續監察經銷商的營運及加強成本控制。本集團將會因應情況變動持續檢討我們的應急措施。本集團管理層已制定計劃, 以改善截至2020年止財政年度餘下期間的財務表現。

就本集團業務而言, 疫情已對本集團的營運帶來短期及於可控範圍內的負面影響。

Review Report 審閱報告



**Review report to the board of directors of
Consun Pharmaceutical Group Limited**
(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial report set out on pages 21 to 53 which comprises the consolidated statement of financial position of Consun Pharmaceutical Group Limited (the “**Company**”) as of 30 June 2020 and the related consolidated statement of profit or loss, statement of profit or loss and other comprehensive income and statement of changes in equity and condensed consolidated cash flow statement for the six-month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of the interim financial report in accordance with Hong Kong Accounting Standard 34.

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

致康臣藥業集團有限公司
董事局的審閱報告
(於開曼群島註冊成立的有限責任公司)

引言

我們已審閱第21至53頁所載的中期財務報告，當中包括康臣藥業集團有限公司（「**貴公司**」）於2020年6月30日的綜合財務狀況表、截至該日止六個月期間的有關綜合損益表、綜合損益及其他全面收益表、綜合權益變動表及簡明綜合現金流量表及附註解釋。香港聯合交易所有限公司證券上市規則要求必須按照上市規則中的相關規定及香港會計師公會頒佈的香港會計準則第34號**中期財務報告**的規定編製中期財務報告。董事負責按照香港會計準則第34號編製及呈列本中期財務報告。

我們的責任是根據審閱結果對中期財務報告作出結論，並按照雙方協定的委聘條款，僅向閣下（作為整體）提呈。除此以外，本報告概不作其他用途。我們概不就本報告的內容對任何其他人士負責或承擔法律責任。

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2020 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34, *Interim financial reporting*.

KPMG

Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

24 August 2020

審閱範圍

我們已根據香港會計師公會頒佈的香港審閱委聘準則第2410號由實體之獨立核數師執行之中期財務資料審閱進行審閱工作。中期財務報告審閱工作包括主要向負責財務及會計事宜的人員作出詢問，並進行分析和其他審閱程序。由於審閱工作的範圍遠小於根據香港核數準則進行的審核，故我們不能保證已知悉在審核中可能發現的一切重大事項。因此，我們不會發表審核意見。

結論

根據我們的審閱結果，我們並無發現任何事項，令我們相信於2020年6月30日的中期財務報告在所有重大方面未有按照香港會計準則第34號中期財務報告的規定編製。

畢馬威會計師事務所

執業會計師
香港中環
遮打道10號
太子大廈八樓

2020年8月24日

Other Information 其他資料

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

Save as otherwise disclosed, there was no transaction, arrangement or contract of significance to which the Company or any of its subsidiaries was a party and in which a Director or an entity connected with a Director had a material interest subsisted at the end of the period under review or at any time during the period under review.

NON-COMPETITION UNDERTAKING BY CONTROLLING SHAREHOLDERS

Each of Mr. AN Yubao, the Chairman of the Board, Central Success Developments Limited, Ms. LI Qian, the Vice Chairlady of the Board and the chief executive officer of the Company, Double Grace International Limited, Mr. YOUNG Wai Po, Peter and Guido Limited (collectively, the “**Controlling Shareholders**” or “**Non-Competing Covenantors**”) entered into a deed of non-competition (the “**Deed of Non-Competition**”) on 2 December 2013, pursuant to which the Non-Competing Covenantors have irrevocably and severally (but not jointly and severally) undertaken to the Company (for itself and for the benefit of each of the members of the Group) that with effect from the date of Listing and for as long as the shares of the Company remain so listed on the Stock Exchange and the Controlling Shareholders are individually or collectively with any of his/her/its associates interested directly or indirectly in not less than 30.0% of the issued ordinary share capital of the Company (the “**Restricted Period**”), the Non-Competing Covenantors or their respective associates shall not, (i) directly or indirectly engage, participate or hold any right or interest in or render any services to or otherwise be involved in any business (whether as owner, director, operator, licensor, licensee, partner, shareholder, joint venturer, employee, consultant or otherwise) in competition with or likely to be in competition with the existing business carried on by the Group (the “**Restricted Business**”); and (ii) directly or indirectly take any action which constitutes an interference with or a disruption of the Restricted Business

董事於重大交易、安排及合約的權益

除另有披露者之外，董事或董事的關連實體概無任何於與本公司或其任何附屬公司所訂立且於回顧期末或回顧期內任何時間存續的重大交易、安排或合約中擁有重大權益。

控股股東之不競爭承諾

董事局主席安郁寶先生、中成發展有限公司、董事局副主席兼本公司總裁黎倩女士、Double Grace International Limited、楊惠波先生及 Guido Limited (統稱「**控股股東**」或「**不競爭契諾人**」)於2013年12月2日簽訂不競爭契據(「**不競爭契據**」)，據此，不競爭契諾人已向本公司(為其本身及為本集團各成員公司的利益)作出不可撤回及個別的(但非共同及個別的)承諾，自上市日期起及只要本公司股份仍於聯交所上市，以及控股股東個別或共同地與其任何聯繫人直接或間接擁有不少於本公司已發行普通股股本30.0%的權益(「**限制期間**」)，不競爭契諾人或彼等各自的聯繫人不應：(i)直接或間接從事、參與或持有任何權利或權益或提供任何服務或以其他方式涉及與本集團進行的現有業務競爭或可能競爭的任何業務(「**受限制業務**」)(不論作為擁有人、董事、經營者、發牌人、持牌人、合夥人、股東、合資經營人、僱員、諮詢人或其他身份)；及(ii)直接或間接採取對受限制業務構成干預或中斷的

including, but not limited to, (a) solicitation of any existing or then existing employees of the Group for employment by them or their associates (excluding the Group); (b) solicitation of any current or then current customers and/or suppliers and/or former customers and/or suppliers of the Group for the preceding 6 months at the relevant time away from the Group; and (c) without the consent from the Company, making use of any information pertaining to the business of the Group which may have come to their knowledge in their capacity as Substantial Shareholders for the purpose of engaging, investing or participating in any Restricted Business. Each of the Non-Competing Covenantors severally (but not jointly and severally) undertakes to the Company (for itself and for the benefit of each of the members of the Group) that, in respect of any order or any part of it undertaken or proposed to be undertaken by him/her or his/her associates for the Restricted Business, it shall and shall procure that his/her associates shall, unconditionally use reasonable endeavours to procure that such customer(s) to appoint or contract directly with any member of the Group for the Restricted Business under the relevant order.

Each of the Non-Competing Covenantors jointly and severally undertakes to indemnify and keep indemnified the Group against any damage, loss or liability suffered by the Company or any other member of the Group arising out of or in connection with any breach of its undertakings and/or obligations under the Deed of Non-Competition, including any costs and expenses incurred as a result of such breach provided that such indemnity shall be without prejudice to any other rights and remedies the Company is entitled to in relation to any such breach, including specific performance, and all such other things and remedies are hereby expressly reserved by the Company.

Each of the Controlling Shareholders has confirmed to the Company of his/her/its compliance with the Deed of Non-Competition provided to the Company until (i) the date on which the Company's shares cease to be listed on the Stock Exchange; or (ii) the date on which the relevant Covenantor and his/its associates cease to own 30% or more of the then issued share capital of the Company directly or indirectly; whichever occurs first.

任何行動，包括但不限於(a)招攬本集團任何現時或當時在職僱員受其或其聯繫人(本集團除外)僱用；(b)遊說本集團的任何現有或當時現有之客戶及／或供應商及／或於有關時間前六個月內為本集團的前客戶及／或供應商離開本集團；及(c)未經本公司同意，利用本身作為主要股東的身份而可能獲悉有關本集團業務的任何資料，用於從事、投資或參與任何受限制業務。各不競爭契諾人個別地(但非共同及個別地)向本公司(為其本身及為本集團各成員公司的利益)承諾，對於其或其聯繫人就受限制業務而承接或擬承接的任何訂單或訂單中任何部份，其會或會促使其聯繫人無條件合理地盡力安排該等客戶根據相關訂單就受限制業務委任本集團任何成員公司或直接與本集團任何成員公司訂約。

各不競爭契諾人共同及個別地承諾，就源於或有關不競爭契據下其承諾及／或責任的任何違反所導致本公司或本集團任何其他成員公司承受的任何損害、損失或責任(包括因該違反而產生的任何費用及開支)，其會對本集團作出彌償及使本集團不會受損，惟該彌償不會影響本公司就任何有關違反而可享有的任何其他權利及可採取的補救措施，包括特定履行救濟，以及本公司謹此就一切有關其他事項及補救行動明確表示保留的權利。

各控股股東已向本公司確認遵從其向本公司提供的不競爭契據，直至(i)本公司股份不再於聯交所上市的日期；或(ii)相關契諾人及其聯繫人不再直接或間接擁有本公司當時已發行股本30%或以上的日期(以較早日期為準)。

Other Information 其他資料

The independent non-executive Directors of the Company had reviewed the status of compliance as well as confirmation by the Controlling Shareholders of the Company and, on the basis of such confirmation, are of the view that such Controlling Shareholders have complied with their non-competition undertakings under the Deed of Non-Competition and these non-competition undertakings have been enforced by the Company in accordance with its terms.

SHARE OPTION SCHEME

The Company's existing Share Option Scheme was approved for adoption on 2 December 2013 ("**Adoption Date**") for the purpose to provide the Company with a flexible means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to eligible participants and for such other purposes as the Board approves from time to time. Subject to the terms of the Share Option Scheme, the Board may, at its absolute discretion, grant or invite any person belonging to any of the following classes to take up options to subscribe for shares: (a) any employee, supplier/service provider, customer, partner or joint-venture partner of the Group (including any director, whether executive and whether independent or not, of the Group) who is in full-time or part-time employment with the Company or any subsidiaries, (b) any person who have contributed or may contribute to the Group. The total number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company must not exceed 10% of the total number of shares in issue on the date of listing of the Company unless the Company seeks the approval of the shareholders in general meeting for refreshing the 10% limit under the Share Option Scheme provided that options lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company will not be counted for the purpose of calculating 10% limit.

本公司獨立非執行董事已審閱有關合規情況，並已得到本公司控股股東的確認，而基於此確認，彼等認為該等控股股東已遵守其於不競爭契據項下的不競爭承諾，且此等不競爭承諾亦已由本公司根據其條款執行。

購股權計劃

本公司現有購股權計劃於2013年12月2日（「**採納日期**」）獲准採納，旨在令本公司可以靈活的方式給予合資格參與人士獎勵、回報、酬金、補償及／或提供福利，及就董事局不時批准之有關其他目的。在購股權計劃的條款規限下，董事局可全權酌情授出或邀請任何屬以下任何組別的人士接納購股權以認購股份：(a)本公司或任何附屬公司旗下僱用的任何全職或兼職的本集團僱員、供應商／服務供應商、客戶、合作夥伴或合資企業合作夥伴，包括本集團不論是否屬執行及獨立與否的任何董事；(b)任何對本集團已經或可能作出貢獻的人士。根據購股權計劃及本公司任何其他購股權計劃將予授出的所有購股權獲行使時可能發行的股份總數，不得超過於本公司上市日期已發行股份總數的10%。除非本公司在股東大會上尋求股東批准更新購股權計劃的10%限額，惟在計算10%限額時，根據購股權計劃或本公司任何其他購股權計劃條款已失效的購股權將不會計算在內。

The principal terms of the Share Option Scheme are summarised as follows:

The exercise price per share of the Company for each option granted shall be determined by the Board in its absolute discretion but in any event shall be at least the higher of:

- (1) the closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of offer for the grant of option (“**Date of Grant**”) which must be a trading day;
- (2) the average closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange for the five trading days immediately preceding the Date of Grant; and
- (3) the nominal value of the shares on the Date of Grant.

Upon acceptance of the options, the grantee shall pay HKD1.00 to the Company as consideration for the grant. The acceptance of an offer of the grant of the option must be made within the date as specified in the offer letter issued by the Company. The exercise period of any option granted under the Share Option Scheme shall not be longer than 10 years commencing on the date of grant and expiring on the last day of such 10-year period subject to the provisions for early termination as contained in the Share Option Scheme. The maximum number of shares issued and to be issued upon exercise of the options granted and to be granted to each grantee under the Share Option Scheme (including exercised, cancelled and outstanding options) in any 12-month period shall not exceed 1% of the total number of shares in issue. Any further grant of options in excess of this 1% limit shall be subject to issuance of a circular by the Company and approved by its shareholders in accordance with the Listing Rules.

A grantee may be required to achieve any performance targets as the Board may specify in the grant before any share options granted under the Share Option Scheme can be exercised. Other than the performance targets, there is no minimum period for which share option must be held before it can be exercised pursuant to the terms of the Share Option Scheme.

購股權計劃的主要條款概述如下：

所授出每份購股權的本公司每股股份行使價將由董事局全權酌情釐定，但無論如何須至少為下列各項之較高者：

- (1) 股份於必須為交易日的提呈授出購股權當日（「授出日期」）在聯交所刊發日報表所載收市價；
- (2) 股份於緊接授出日期前五個交易日在聯交所刊發的日報表所載平均收市價；及
- (3) 股份於授出日期的面值。

接納購股權後，承授人須向本公司支付1.00港元作為授出的代價。提呈授出的購股權必須於本公司發出的提呈函件中所指定日期前獲接納。根據購股權計劃授出的任何購股權的行使期自授出日期起計不得超過10年，並於該10年期最後一天屆滿，且須受購股權計劃載列的提早終止條文所限。於任何12個月期間根據購股權計劃向每名承授人已授出及將予授出的購股權（包括已行使、註銷及尚未行使的購股權）獲行使而已發行及將予發行的最高股份數目，不得超過已發行股份總數1%。倘進一步授出的購股權超過該1%限額，則須待本公司刊發通函及根據上市規則獲其股東批准後方可作實。

承授人可能須達致董事局當時在根據購股權計劃授出任何購股權前可能列明的表現目標，始能行使有關購股權。除表現目標外，並無根據購股權計劃條款而必須於行使前持有購股權的最短期限。

Other Information 其他資料

Subject to earlier termination by the shareholders in general meeting or by the Board, the Share Option Scheme shall be valid and effective for a period of 10 years from the Adoption Date. As at 30 June 2020, the remaining life of the Share Option Scheme was 3 years 5 months.

除非經股東於股東大會或董事局提前終止，否則購股權計劃自採納日期起十年內有效。於2020年6月30日，購股權計劃的剩餘年期為3年零5個月。

Details of share options outstanding during the period are as follows:

期內購股權餘額資料如下：

Directors	Directors	Tranche number	Outstanding	Granted	Exercised	Expired	Reclassified	Outstanding
			as at 1 January 2020 於2020年1月1日 尚未行使	during the period 期內授出	during the period 期內行使	during the period 期內失效	due to resignation of a director 因董事辭任 而重新分類	as at 30 June 2020 於2020年6月30日 尚未行使
			'000 千股	'000 千股	'000 千股	'000 千股	'000 千股	'000 千股
Mr. AN Yubao ⁽¹⁾	安郁寶先生 ⁽¹⁾	2014 T3 ⁽²⁾						
		2014年第3批 ⁽²⁾	3,000	-	-	-	-	3,000
		2014 T4 ⁽²⁾						
		2014年第4批 ⁽²⁾	3,000	-	-	-	-	3,000
		2016 T7 ⁽²⁾						
		2016年第7批 ⁽²⁾	1,200	-	-	-	-	1,200
		2016 T8 ⁽²⁾						
		2016年第8批 ⁽²⁾	1,200	-	-	-	-	1,200
		2016 T9 ⁽²⁾						
		2016年第9批 ⁽²⁾	1,600	-	-	-	-	1,600
		2019 T4 ⁽²⁾						
		2019年第4批 ⁽²⁾	2,625	-	-	(2,625)	-	-
		2019 T5 ⁽²⁾						
		2019年第5批 ⁽²⁾	2,625	-	-	(292)	-	2,333
		2019 T6 ⁽²⁾						
		2019年第6批 ⁽²⁾	3,500	-	-	-	-	3,500
		2020 T2 ⁽³⁾						
		2020年第2批 ⁽³⁾	-	844	-	-	-	844
Sub-total	小計		18,750	844	-	(2,917)	-	16,677

Other Information 其他資料

		Outstanding as at 1 January 2020 於2020年1月1日 尚未行使	Granted during the period 期內授出	Exercised during the period 期內行使	Expired during the period 期內失效	Reclassified due to resignation of a director 因董事辭任 而重新分類	Outstanding as at 30 June 2020 於2020年6月30日 尚未行使
Tranche number 批號		'000 千股	'000 千股	'000 千股	'000 千股	'000 千股	'000 千股
Ms. Li Qian ⁽¹⁾	黎倩女士 ⁽¹⁾						
	2014 T3 ⁽²⁾						
	2014年第3批 ⁽²⁾	3,000	-	-	-	-	3,000
	2014 T4 ⁽²⁾						
	2014年第4批 ⁽²⁾	3,000	-	-	-	-	3,000
	2016 T7 ⁽²⁾						
	2016年第7批 ⁽²⁾	1,200	-	-	-	-	1,200
	2016 T8 ⁽²⁾						
	2016年第8批 ⁽²⁾	1,200	-	-	-	-	1,200
	2016 T9 ⁽²⁾						
	2016年第9批 ⁽²⁾	1,600	-	-	-	-	1,600
	2019 T4 ⁽²⁾						
	2019年第4批 ⁽²⁾	2,625	-	-	(2,625)	-	-
	2019 T5 ⁽²⁾						
	2019年第5批 ⁽²⁾	2,625	-	-	(292)	-	2,333
	2019 T6 ⁽²⁾						
	2019年第6批 ⁽²⁾	3,500	-	-	-	-	3,500
	2020 T2 ⁽³⁾						
	2020年第2批 ⁽³⁾	-	844	-	-	-	844
Sub-total	小計	18,750	844	-	(2,917)	-	16,677

Other Information 其他資料

		Outstanding as at 1 January 2020 於2020年1月1日 尚未行使	Granted during the period 期內授出	Exercised during the period 期內行使	Expired during the period 期內失效	Reclassified due to resignation of a director 因董事辭任 而重新分類	Outstanding as at 30 June 2020 於2020年6月30日 尚未行使
Tranche number 批號		'000 千股	'000 千股	'000 千股	'000 千股	'000 千股	'000 千股
Professor ZHU Quan 朱荃教授	2014 T1 ⁽²⁾ 2014年第1批 ⁽²⁾	720	-	-	-	-	720
	2014 T2 ⁽²⁾ 2014年第2批 ⁽²⁾	480	-	-	-	-	480
	2016 T4 ⁽²⁾ 2016年第4批 ⁽²⁾	600	-	-	-	-	600
	2016 T5 ⁽²⁾ 2016年第5批 ⁽²⁾	358	-	-	-	-	358
	2016 T6 ⁽²⁾ 2016年第6批 ⁽²⁾	330	-	-	-	-	330
	2019 T1 ⁽²⁾ 2019年第1批 ⁽²⁾	240	-	-	(240)	-	-
	2019 T2 ⁽²⁾ 2019年第2批 ⁽²⁾	240	-	-	-	-	240
	2019 T3 ⁽²⁾ 2019年第3批 ⁽²⁾	320	-	-	-	-	320
Sub-total	小計	3,288	-	-	(240)	-	3,048

Other Information 其他資料

		Outstanding as at 1 January 2020 於2020年1月1日 尚未行使	Granted during the period 期內授出	Exercised during the period 期內行使	Expired during the period 期內失效	Reclassified due to resignation of a director 因董事辭任 而重新分類	Outstanding as at 30 June 2020 於2020年6月30日 尚未行使
Tranche number 批號		'000 千股	'000 千股	'000 千股	'000 千股	'000 千股	'000 千股
Mr. TANG Ning	唐寧先生						
	2014 T1 ⁽²⁾						
	2014年第1批 ⁽²⁾	230	-	-	-	(230)	-
	2014 T2 ⁽²⁾						
	2014年第2批 ⁽²⁾	119	-	-	-	(119)	-
	2016 T1 ⁽²⁾						
	2016年第1批 ⁽²⁾	287	-	-	-	(287)	-
	2016 T2 ⁽²⁾						
	2016年第2批 ⁽²⁾	270	-	-	-	(270)	-
	2016 T3 ⁽²⁾						
	2016年第3批 ⁽²⁾	384	-	-	-	(384)	-
	2019 T1 ⁽²⁾						
	2019年第1批 ⁽²⁾	390	-	-	(390)	-	-
	2019 T2 ⁽²⁾						
	2019年第2批 ⁽²⁾	390	-	-	-	(390)	-
	2019 T3 ⁽²⁾						
	2019年第3批 ⁽²⁾	520	-	-	-	(520)	-
Sub-total	小計	2,590	-	-	(390)	(2,200)	-

Other Information 其他資料

		Outstanding as at 1 January 2020 於2020年1月1日 尚未行使	Granted during the period 期內授出	Exercised during the period 期內行使	Expired during the period 期內失效	Reclassified due to resignation of a director 因董事辭任 而重新分類	Outstanding as at 30 June 2020 於2020年6月30日 尚未行使
	Tranche number 批號	'000 千股	'000 千股	'000 千股	'000 千股	'000 千股	'000 千股
Employees	僱員						
In aggregate	總計						
	2014 T1 ⁽²⁾						
	2014年第1批 ⁽²⁾	3,266	-	-	-	230	3,496
	2014 T2 ⁽²⁾						
	2014年第2批 ⁽²⁾	3,266	-	-	-	119	3,385
	2016 T1 ⁽²⁾						
	2016年第1批 ⁽²⁾	5,968	-	-	-	287	6,255
	2016 T2 ⁽²⁾						
	2016年第2批 ⁽²⁾	5,968	-	-	-	270	6,238
	2016 T3 ⁽²⁾						
	2016年第3批 ⁽²⁾	7,958	-	-	-	384	8,342
	2019 T1 ⁽²⁾						
	2019年第1批 ⁽²⁾	11,904	-	-	(11,524)	-	380
	2019 T2 ⁽²⁾						
	2019年第2批 ⁽²⁾	11,904	-	-	(839)	390	11,455
	2019 T3 ⁽²⁾						
	2019年第3批 ⁽²⁾	15,872	-	-	(1,118)	520	15,274
	2020 T1 ⁽³⁾						
	2020年第1批 ⁽³⁾	-	16,500	-	-	-	16,500
Sub-total	小計	66,106	16,500	-	(13,481)	2,200	71,325
Total	總計	109,484	18,188	-	(19,945)	-	107,727

Notes:

1. A substantial shareholder of the Company
2. Share options granted before 1 January 2020:

附註：

1. 本公司主要股東
2. 於2020年1月1日前授出的購股權：

Tranche Number	Date of Grant as per Board's approval 按董事局批准的 授出日期	Vesting Period		Exercise Period		Exercise Price
		from	to	from	to	
批號	授出日期	由	至	由	至	行使價
	DD/MM/YYYY 日/月/年	DD/MM/YYYY 日/月/年	DD/MM/YYYY 日/月/年	DD/MM/YYYY 日/月/年	DD/MM/YYYY 日/月/年	HKD 港元
2014 T1 2014年第1批	24/03/2014	24/03/2014	23/03/2015	24/03/2015	23/03/2024	6.64
2014 T2 2014年第2批	24/03/2014	24/03/2014	23/03/2016	24/03/2016	23/03/2024	6.64
2014 T3 2014年第3批	24/03/2014	28/05/2014*	23/03/2015	24/03/2015	23/03/2024	6.64
2014 T4 2014年第4批	24/03/2014	28/05/2014*	23/03/2016	24/03/2016	23/03/2024	6.64
2016 T1 2016年第1批	01/04/2016	01/04/2016	31/03/2017	01/04/2017	31/03/2026	4.01
2016 T2 2016年第2批	01/04/2016	01/04/2016	31/03/2018	01/04/2018	31/03/2026	4.01
2016 T3 2016年第3批	01/04/2016	01/04/2016	31/03/2019	01/04/2019	31/03/2026	4.01
2016 T4 2016年第4批	01/04/2016	01/04/2016	31/03/2017	01/04/2017	31/03/2026	4.01
2016 T5 2016年第5批	01/04/2016	01/04/2016	31/03/2018	01/04/2018	31/03/2026	4.01
2016 T6 2016年第6批	01/04/2016	01/04/2016	31/03/2019	01/04/2019	31/03/2026	4.01
2016 T7 2016年第7批	01/04/2016	27/05/2016*	31/03/2017	01/04/2017	31/03/2026	4.01
2016 T8 2016年第8批	01/04/2016	27/05/2016*	31/03/2018	01/04/2018	31/03/2026	4.01
2016 T9 2016年第9批	01/04/2016	27/05/2016*	31/03/2019	01/04/2019	31/03/2026	4.01

Other Information 其他資料

Tranche Number 批號	Date of Grant as per Board's approval 按董事局批准的授出日期	Vesting Period 歸屬期		Exercise Period 行使期		Exercise Price 行使價
		from 由	to 至	from 由	to 至	
	DD/MM/YYYY 日/月/年	DD/MM/YYYY 日/月/年	DD/MM/YYYY 日/月/年	DD/MM/YYYY 日/月/年	DD/MM/YYYY 日/月/年	HKD 港元
2019 T1 2019年第1批	02/01/2019	02/01/2019	31/03/2020	01/04/2020	01/01/2029	4.476
2019 T2 2019年第2批	02/01/2019	02/01/2019	31/03/2021	01/04/2021	01/01/2029	4.476
2019 T3 2019年第3批	02/01/2019	02/01/2019	31/03/2022	01/04/2022	01/01/2029	4.476
2019 T4 2019年第4批	02/01/2019	31/05/2019*	31/03/2020	01/04/2020	01/01/2029	4.476
2019 T5 2019年第5批	02/01/2019	31/05/2019*	31/03/2021	01/04/2021	01/01/2029	4.476
2019 T6 2019年第6批	02/01/2019	31/05/2019*	31/03/2022	01/04/2022	01/01/2029	4.476

* the date on which the relevant shareholders' approval was granted

* 獲得相關股東批准的日期

3. Share options granted during the period:

3. 期內授出的購股權：

Tranche Number 批號	Date of Grant as per Board's approval 按董事局批准的授出日期	Vesting Period 歸屬期		Exercise Period 行使期		Prior Date Price * 過往日期價格*	Exercise Price 行使價	Option Value 購股權價值
		from 由	to 至	from 由	to 至			
	DD/MM/YYYY 日/月/年	DD/MM/YYYY 日/月/年	DD/MM/YYYY 日/月/年	DD/MM/YYYY 日/月/年	DD/MM/YYYY 日/月/年	HKD 港元	HKD 港元	HKD 港元
2020 T1 2020年第1批	24/03/2020	24/03/2020	31/03/2021	01/04/2021	23/03/2030	3.00	3.28	1.0260
2020 T2 2020年第2批	18/06/2020	18/06/2020	31/03/2021	01/04/2021	17/06/2030	3.36	3.44	1.0607

* the closing price of the Company's shares immediately before the date of grant

* 緊接授出日期前的本公司股份收市價

The share option value is measured based on a binomial tree model and the total value of share options granted during the six months ended 30 June 2020 is as follows:

購股權價值乃基於二叉樹模型計量，而於截至2020年6月30日止六個月授出的購股權總值如下：

Share options granted to:

授予以下人士的購股權：

		Total value of share options 購股權總值 HKD' 000 千港元
Directors	董事	
Mr. AN Yubao *	安郁寶先生 *	895
Ms. LI Qian *	黎倩女士 *	895
Employees	僱員	
In aggregate	總計	16,929
Total	總計	18,719

* A substantial shareholder of the Company

* 本公司主要股東

The total value of share options granted is charged to profit or loss as part of staff costs over the vesting period taking into account the probability that the share options will vest.

經考慮購股權將予歸屬的可能性，已授出的購股權總值於歸屬期內在損益中扣除，作為員工成本的一部分。

The share options outstanding at 30 June 2020 had a weighted average exercise price of HKD4.55 and a weighted-average remaining contractual life of 7.06 years.

於2020年6月30日，尚未行使購股權加權平均行使價為4.55港元，加權平均剩餘合約年期為7.06年。

Apart from the aforesaid Share Option Scheme, at no time during the six months ended 30 June 2020 was any of the Company and its subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors, or their spouses or children under the age of 18, had any right to subscribe for the shares in, or debentures of, the Company, or had exercised any such right.

除上述購股權計劃外，於截至2020年6月30日止六個月內任何時間，本公司及其附屬公司任何一方概無成為任何安排的訂約方，致使董事可透過收購本公司或任何其他法人團體的股份或債權證而獲利，亦無任何董事、其配偶或未滿18歲的子女擁有可認購本公司股份或債權證的任何權利或已行使任何有關權利。

Other Information 其他資料

Share Award Scheme

The Board of the Company had adopted a Share Award Scheme on 21 July 2014 as a means to recognise the contributions by the selected employees and provide them with incentives in order to retain them for the continual operation and development of the Group and attract suitable personnel for the further development of the Group.

Pursuant to the Share Award Scheme, the selected employees may be granted during the duration of the Share Award Scheme an award in the form of Awarded Shares. Awarded Shares will be purchased by the trustee of the Company (“**Trustee**”) on the market out of cash contributed by the Company and be held on trust for the selected employees until such shares are vested on them in accordance with the provisions of the Share Award Scheme. The Board shall not make any further award of Awarded Shares which will result in the nominal value of the shares awarded by the Board under the Share Award Scheme exceeding 10% of the issued share capital of the Company from time to time. The maximum number of shares which may be awarded to a selected employee under the Share Award Scheme shall not exceed 1% of the issued share capital of the Company from time to time.

As at 30 June 2020, 19,798,000 ordinary shares were held by the Trustee under the Share Award Scheme, among which 19,698,000 shares were held on behalf of the Company while the remaining 100,000 shares were held on behalf of certain employees.

股份獎勵計劃

本公司董事局於2014年7月21日採納了一項股份獎勵計劃，以嘉許獲選員工作出的貢獻並以資獎勵，從而挽留彼等為本集團持續經營及發展效力，並為本集團進一步發展吸引合適人才。

根據股份獎勵計劃，獲選僱員可於股份獎勵計劃期間獲授獎勵股份形式的獎勵。本公司受託人（「**受託人**」）可於市場以本公司的現金供款購買獎勵股份，並代表獲選僱員以信託形式持有獎勵股份，直至該等股份根據股份獎勵計劃條文歸屬予彼等為止。倘授出獎勵股份將導致董事局根據股份獎勵計劃授出的股份面值超出本公司不時之已發行股本的10%，則董事局不得增授獎勵股份。每一獲選僱員根據股份獎勵計劃可獲授的最大股份數目不得超出本公司不時之已發行股本的1%。

於2020年6月30日，受託人根據股份獎勵計劃持有19,798,000股普通股，其中19,698,000股股份為代表本公司持有，而其餘的100,000股股份則代表若干僱員持有。

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2020, the Directors and chief executives of the Company had the following interests or short positions in the shares, underlying shares and debentures of the Company, its group members and/or associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code:

董事及主要行政人員於股份、相關股份及債權證之權益或淡倉

於2020年6月30日，董事及本公司主要行政人員於本公司、其集團成員公司及／或相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）的股份、相關股份及債權證中，擁有已記入根據證券及期貨條例第352條規定存置的登記冊之權益或淡倉，或根據標準守則已另行知會本公司及聯交所的權益或淡倉如下：

the Company

本公司

Name of Director 董事姓名	Nature of Interest and Capacity 權益性質及身份	Number and Class of Securities⁽¹⁾ 證券數目及類別⁽¹⁾	Approximate Percentage of Shareholding 概約股權百分比
AN Yubao ⁽²⁾ 安郁寶 ⁽²⁾	Beneficial owner 實益擁有人	26,483,150 Shares (L) 26,483,150股(L)	3.14%(L) 3.14%(L)
AN Yubao ⁽³⁾ 安郁寶 ⁽³⁾	Founder of a discretionary trust 酌情信託成立人	197,324,000 Shares (L) 197,324,000股(L)	23.35%(L) 23.35%(L)
	Sub-total 小計	223,807,150 Shares (L) 223,807,150股(L)	26.49%(L) 26.49%(L)
LI Qian ⁽²⁾ 黎倩 ⁽²⁾	Beneficial owner 實益擁有人	23,787,594 Shares (L) 23,787,594股(L)	2.82%(L) 2.82%(L)
LI Qian ⁽⁴⁾ 黎倩 ⁽⁴⁾	Interest of controlled corporation 受控制法團權益	128,426,000 Shares (L) 128,426,000股(L)	15.20%(L) 15.20%(L)
	Sub-total 小計	152,213,594 Shares (L) 152,213,594股(L)	18.02%(L) 18.02%(L)
ZHU Quan ⁽²⁾ 朱荃 ⁽²⁾	Beneficial owner 實益擁有人	3,047,700 Shares (L) 3,047,700股(L)	0.36%(L) 0.36%(L)

Other Information 其他資料

Notes:

- (1) The letter "L" denotes the Directors' long position in the shares of the Company or the relevant associated corporation.
- (2) Including shares in relation to 16,677,333 share options, 16,677,333 share options and 3,047,700 share options granted to Mr. AN Yubao, Ms. LI Qian and Professor ZHU Quan respectively under the Share Option Scheme adopted on 2 December 2013.
- (3) The entire issued share capital of Central Success Developments Limited ("**Central Success**") is owned by Aali Resources Limited. Aali Resources Limited is held in the name of BOS Trustee Limited as a trustee of a discretionary trust, of which Mr. AN Yubao is the founder. Therefore, Mr. AN Yubao is deemed to be interested in all the Shares held by Central Success under the provisions of SFO.
- (4) The entire issued share capital of Double Grace International Limited ("**Double Grace**") is owned by Ms. LI Qian, therefore, Ms. LI Qian is deemed to be interested in all the Shares held by Double Grace under the provisions of SFO.

Save as disclosed above, as at 30 June 2020, none of the Directors and chief executives of the Company had any other interests or short positions in any shares, underlying shares or debentures of the Company, any of its group members or its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code.

附註：

- (1) 英文字母「L」代表董事於本公司或相關相聯法團的股份中的好倉。
- (2) 包括根據於2013年12月2日採納之購股權計劃分別授予安郁寶先生的16,677,333份購股權、授予黎倩女士的16,677,333份購股權及授予朱荃教授的3,047,700份購股權之相關股份。
- (3) 中成發展有限公司(「中成」)的全部已發行股本由Aali Resources Limited擁有。Aali Resources Limited由BOS Trustee Limited以一項酌情信託之信託人身份持有，而安郁寶先生為該酌情信託之成立人。因此，根據證券及期貨條例的條文，安郁寶先生被視為於中成所持全部股份中擁有權益。
- (4) Double Grace International Limited(「Double Grace」)的全部已發行股本由黎倩女士擁有，因此，根據證券及期貨條例的條文，黎倩女士被視為於Double Grace所持全部股份中擁有權益。

除上文披露者外，於2020年6月30日，董事及本公司主要行政人員概無於本公司、其任何集團成員公司或其相聯法團(定義見證券及期貨條例第XV部)任何股份、相關股份或債權證中，擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所的任何其他權益或淡倉(包括彼等根據證券及期貨條例有關條文被當作或視為擁有的權益或淡倉)，或根據證券及期貨條例第352條須記入該條文所述的登記冊內或根據標準守則規定的任何其他權益或淡倉。

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITION IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2020, so far as was known to the Directors, the following persons/entities (other than the Directors or chief executives of the Company) had, or were deemed to have, interests or short positions in the shares or underlying shares of the Company, its group members and/or associated corporations which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

主要股東於本公司股份及相關股份中之權益及／或淡倉

於2020年6月30日，就董事所知，以下人士／實體（董事及本公司主要行政人員除外）於本公司、其集團成員公司及／或相聯法團股份或相關股份中，擁有或被視為擁有根據證券及期貨條例第XV部第2及第3分部條文須向本公司披露的權益或淡倉，或已記入根據證券及期貨條例第336條本公司須存置的登記冊內的權益或淡倉：

Name of Shareholder 股東名稱／姓名	Nature of Interest and Capacity 權益性質及身份	Number and Class of Securities ⁽¹⁾ 證券數目及類別 ⁽¹⁾	Approximate Percentage of Shareholding 概約股權百分比
Guidoz Limited ⁽²⁾	Beneficial owner	110,050,000 Shares (L)	13.03%(L)
Guidoz Limited ⁽²⁾	實益擁有人	110,050,000股(L)	13.03%(L)
YOUNG Wai Po, Peter ⁽²⁾ 楊惠波 ⁽²⁾	Interest of controlled corporation 受控制法團權益	110,050,000 Shares (L) 110,050,000股(L)	13.03%(L) 13.03%(L)
BOS Trustee Limited ⁽³⁾	Trustee	197,324,000 Shares (L)	23.35%(L)
BOS Trustee Limited ⁽³⁾	信託人	197,324,000股(L)	23.35%(L)
Aali Resources Limited ⁽³⁾	Interest of controlled corporation	197,324,000 Shares (L)	23.35%(L)
Aali Resources Limited ⁽³⁾	受控制法團權益	197,324,000股(L)	23.35%(L)
Central Success ⁽³⁾ 中成 ⁽³⁾	Beneficial owner 實益擁有人	197,324,000 Shares (L) 197,324,000股(L)	23.35%(L) 23.35%(L)
Double Grace ⁽⁴⁾	Beneficial owner	128,426,000 Shares (L)	15.20%(L)
Double Grace ⁽⁴⁾	實益擁有人	128,426,000股(L)	15.20%(L)

Other Information 其他資料

Notes:

- (1) The letter "L" denotes the person's long position in the shares of the Company or the relevant group member. The letter "S" denotes the person's short position in the shares of the Company or the relevant group member.
- (2) The entire issued share capital of Guidoz Limited is owned by Mr. YOUNG Wai Po. By virtue of the SFO, Mr. YOUNG Wai Po is deemed to be interested in all the Shares held by Guidoz Limited.
- (3) The entire issued share capital of Central Success is owned by Aali Resources Limited. Aali Resources Limited is held in the name of BOS Trustee Limited as a trustee of a discretionary trust, of which Mr. AN Yubao is the founder. Therefore, Mr. AN Yubao is deemed to be interested in all the Shares held by Central Success under the provisions of SFO.
- (4) The entire issued share capital of Double Grace is owned by Ms. LI Qian. By virtue of the SFO, Ms. LI Qian is deemed to be interested in all the Shares held by Double Grace.

Save as disclosed above, as at 30 June 2020, the Directors were not aware of any other persons/entities (other than the Directors and chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company, its group members or associated corporations which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

COMPETITION AND CONFLICT OF INTERESTS

For the six months ended 30 June 2020, none of the Directors or Controlling Shareholders of the Company or any of their respective associates has engaged in any business that competes or may compete with the business of the Group or has any other conflict of interest with the Group.

附註：

- (1) 英文字母「L」代表有關人士於本公司或相關集團成員公司的股份中的好倉。英文字母「S」代表有關人士於本公司或相關集團成員公司的股份中的淡倉。
- (2) Guidoz Limited的全部已發行股本由楊惠波先生擁有。根據證券及期貨條例，楊惠波先生被視為於Guidoz Limited所持全部股份中擁有權益。
- (3) 中成的全部已發行股本由Aali Resources Limited擁有。Aali Resources Limited由BOS Trustee Limited以一項酌情信託之信託人身份持有，而安郁寶先生為該酌情信託之成立人。因此，根據證券及期貨條例，安郁寶先生被視為於中成所持全部股份中擁有權益。
- (4) Double Grace的全部已發行股本由黎倩女士擁有。根據證券及期貨條例，黎倩女士被視為於Double Grace所持全部股份中擁有權益。

除上文披露者外，於2020年6月30日，董事並不知悉任何其他人士／實體（董事及本公司主要行政人員除外）於本公司、其集團成員公司或相聯法團中，擁有根據證券及期貨條例第XV部第2及3分部之條文須向本公司披露之股份或相關股份之權益或淡倉，或已記入根據證券及期貨條例第336條本公司須存置的登記冊內的權益或淡倉。

競爭及利益衝突

於截至2020年6月30日止六個月，概無董事或本公司控股股東或任何彼等各自的聯繫人從事與本集團業務構成或可能構成競爭的任何業務或與本集團有任何其他利益衝突。

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

During the six months ended 30 June 2020, the Company repurchased 29,939,000 shares of its own ordinary shares through the Stock Exchange at a total consideration of approximately HKD117,847,000 (approximately RMB106,593,000). Among the 29,939,000 repurchased shares, 20,638,000 shares were cancelled during the six months ended 30 June 2020 and the remaining 9,301,000 shares were cancelled in July 2020.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2020.

PRE-EMPTIVE RIGHTS

There is no provision for the pre-emptive rights under the Company's Articles of Association, or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed public float under the Listing Rules during the six months ended 30 June 2020.

CORPORATE GOVERNANCE

Adapting and adhering to the recognised standards of corporate governance principles and practices has always been one of the top priorities of the Company. The Board believes that good corporate governance is one of the areas that lead to the success of the Company and in balancing the interests of shareholders, customers and employees, and the Board is devoted to ongoing enhancements of the efficiency and effectiveness of such principles and practices.

The Company has adopted and complied with the code provisions set out in Appendix 14, *Corporate Governance Code and Corporate Governance Report*, of the Listing Rules (the "Code Provisions") during the six months ended 30 June 2020.

購買、出售或贖回本公司上市證券

於截至2020年6月30日止六個月，本公司透過聯交所總代價約117,847,000港元（約人民幣106,593,000元）購回其自身普通股中的29,939,000股股份。該29,939,000股回購股份中，20,638,000股已經於截至2020年6月30日止六個月內被註銷，而其餘9,301,000股已經於2020年7月被註銷。

除上文披露外，於截至2020年6月30日止六個月，本公司及其任何附屬公司均無購買、出售或贖回本公司任何上市證券。

優先購股權

本公司組織章程細則或開曼群島法例並無有關優先購股權的條文致使本公司有責任按比例向現有股東發售新股份。

充足公眾持股量

根據本公司可公開取得的資料以及據董事所知，本公司於截至2020年6月30日止六個月期間一直維持上市規則所訂明的公眾持股量。

企業管治

配合及遵守企業管治原則及常規之公認標準一直為本公司最優先原則之一。董事局相信良好的企業管治是引領本公司走向成功及平衡股東、客戶以及僱員之間利益關係之因素之一，董事局致力於持續改善該等原則及常規之效率及有效性。

於截至2020年6月30日止六個月，本公司採納並遵守了列載於上市規則附錄十四企業管治守則及企業管治報告所載之守則條文（「守則條文」）的規定。

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules. The Company confirms that, having made specific enquiry of all Directors, all the Directors have complied with the required standards of dealing as set out in the Model Code during the six months ended 30 June 2020.

BOARD DIVERSITY POLICY

The Company recognizes and embraces the benefits of having a diverse Board to enhance the quality of its performance. With a view to achieving a sustainable and balanced development, the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development, and has adopted the Board Diversity Policy.

All Board appointments will be based on meritocracy, and candidates will be considered against appropriate criteria, having due regard for the benefits of diversity on the Board. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural background and ethnicity, in addition to educational background, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

遵守標準守則

本公司已採納上市規則附錄十所載上市發行人董事進行證券交易的標準守則（「**標準守則**」）。經向所有董事作出具體查詢後，本公司確認於截至2020年6月30日止六個月所有董事均已遵守標準守則所載有關買賣之規定標準。

董事局多元化政策

本公司明白並深信董事局成員多元化對提升公司的表現素質裨益良多。為達致可持續及均衡的發展，本公司視董事局層面日益多元化為支持其達到戰略目標及維持可持續發展的關鍵元素，並已採納董事局多元化政策。

董事局所有委任均以用人唯才為原則，並在考慮人選時以適當的條件充分顧及董事局成員多元化的裨益。甄選人選將按一系列多元化範疇為基準，除教育背景、專業經驗、技能、知識及服務任期外，亦包括但不限於性別、年齡、文化背景及種族。最終將按人選的長處及將為董事局提供的貢獻而作決定。

For the purpose of implementation of the Board Diversity Policy, the following measurable objectives were adopted:

(A) at least 40% of the members of the Board shall be non-executive Directors or independent non-executive Directors;

(B) at least 1/3 of the members of the Board shall be independent non-executive Directors;

(C) at least 1 of the members of the Board shall have obtained accounting or relevant financial management professional qualifications;

(D) at least 50% of the members of the Board shall have 7 years or more of experience in the industry he/she is specialised in; and

(E) at least 2 of the members of the Board shall have China-related work experience.

就實施董事局多元化政策，以下可計量目標已被採納：

(A) 至少40%董事局成員須為非執行董事或獨立非執行董事；

(B) 至少1/3董事局成員須為獨立非執行董事；

(C) 至少1名董事局成員須獲得會計或相關的財務管理專業資格；

(D) 至少50%董事局成員須於其專長的行業擁有7年或以上經驗；及

(E) 至少2名董事局成員須擁有中國相關工作經驗。

AUDIT COMMITTEE

The Company established the Audit Committee on 2 December 2013 with the written terms of reference in compliance with paragraph C.3.3 and C.3.7 of the Code Provisions. Its terms of reference were amended on 16 December 2015 and came into effective from 1 January 2016, which are available on the websites of the Company and the Stock Exchange.

The Audit Committee reports to the Board and has held regular meetings to review and make recommendations to improve the Group's financial reporting process and internal controls. The primary duties of the Audit Committee, among other things, are to make recommendation to the Board on the appointment, re-appointment and removal of external auditor, review the financial statements and advice in respect of financial reporting and oversee internal control procedures of the Group.

As at the date of this interim report, the Audit Committee consists of three members and all of them are independent non-executive Directors, namely Ms. CHEN Yujun (chairlady), Mr. FENG Zhongshi and Mr. SU Yuanfu.

審核委員會

本公司已於2013年12月2日成立審核委員會，並已遵照守則條文第C.3.3和C.3.7段以書面釐定其職權範圍。其職權範圍於2015年12月16日獲修訂及於2016年1月1日生效，於本公司及聯交所網站可供查閱。

審核委員會向董事局報告，並定期召開會議以檢討並提出推薦建議以改進本集團的財務報告程序及內部監控。審核委員會的主要職責是（其中包括）就外聘核數師的委任、重新委任和解聘向董事局提供推薦建議、審閱財務報表及就財務報告事宜提供建議和監察本集團的內部監控程序。

於本中期報告日期，審核委員會由三名成員組成，全部均為獨立非執行董事，分別為陳玉君女士（主席）、馮仲實先生以及蘇元福先生。

Other Information 其他資料

This interim report together with the unaudited interim results of the Group for the six months ended 30 June 2020 have been reviewed by the Audit Committee and the Company's external auditor, KPMG, in accordance with Hong Kong Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*, issued by the HKICPA.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

The interim results announcement and this interim report are published on the websites of the Company (www.chinaconsun.com) and the Stock Exchange (www.hkexnews.hk).

By order of the Board

Consun Pharmaceutical Group Limited

AN Yubao

Chairman of the Board

Hong Kong, 24 August 2020

本集團截至2020年6月30日止六個月之中期報告及未經審核中期業績已由審核委員會及本公司外聘核數師畢馬威會計師事務所根據香港會計師公會頒佈之香港審閱工作準則第2410號由實體之獨立核數師執行之中期財務資料審閱予以審閱。

刊發中期業績公告及中期報告

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承董事局命

康臣藥業集團有限公司

安郁寶

董事局主席

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康臣葯業集團有限公司

CONSUN PHARMACEUTICAL GROUP LIMITED

Headquarters in the PRC 中國總部：

71, Dongpeng Avenue, Eastern section, Guangzhou Economic and Technological Development District, Guangzhou, PRC
中國廣州廣州經濟技術開發區東區東鵬大道 71 號

Principal place of business in Hong Kong 香港主要營業地點：

22nd Floor, World-Wide House, No.19 Des Voeux Road Central, Hong Kong
香港德輔道中 19 號環球大廈 22 樓

Liaison office in Hong Kong 香港聯絡辦公室：

Room 1102, Wing On Plaza, 62 Mody Road, Tsimshatsui, Kowloon
九龍尖沙咀麼地道 62 號永安廣場 1102 室

Tel 電話：(86) 20-82264529

Fax 傳真：(86) 20-82261886

Website 網站：www.chinaconsun.com

E-mail 電子郵件：ir@chinaconsun.com