



石四藥集團有限公司

SSY Group Limited

(formerly known as Lijun International Pharmaceutical (Holding) Co., Ltd.)
(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2005)

2015
Interim Report

CORPORATE INFORMATION STOCK CODE

2005

EXECUTIVE DIRECTORS

Mr. Qu Jiguang (*Chairman*)
Mr. Wang Xianjun
Mr. Su Xuejun

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Wang Yibing
Mr. Leung Chong Shun
Mr. Chow Kwok Wai

COMPANY SECRETARY

Mr. Chow Hing Yeung

REGISTERED OFFICE

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

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Rooms 4902-03, 49th Floor,
Central Plaza, 18 Harbour Road
Wanchai, Hong Kong

AUTHORISED REPRESENTATIVES

Mr. Wang Xianjun
Mr. Chow Hing Yeung

AUDIT COMMITTEE

Mr. Chow Kwok Wai (*Chairman*)
Mr. Wang Yibing
Mr. Leung Chong Shun

REMUNERATION COMMITTEE

Mr. Leung Chong Shun (*Chairman*)
Mr. Wang Yibing
Mr. Chow Kwok Wai

NOMINATION COMMITTEE

Mr. Wang Yibing (*Chairman*)
Mr. Leung Chong Shun
Mr. Chow Kwok Wai

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

PRINCIPAL BANKERS

Agricultural Bank of China
Bank of China
Bank of Communications
Bank of Hebei
China CITIC Bank
China CITIC Bank International
China Merchants Bank
China Minsheng Banking Corp., Ltd.
Hang Seng Bank
Hongkong and Shanghai Banking
Corporation
Industrial and Commercial Bank of China
Shanghai Pudong Development Bank

LEGAL ADVISER TO THE COMPANY AS TO HONG KONG LAW

DLA Piper Hong Kong

AUDITOR

PricewaterhouseCoopers

WEBSITE

<http://www.ssygroup.com.hk>

CHAIRMAN'S STATEMENT

On behalf of the board of directors (the "Board") of SSY Group Limited (the "Company"), I hereby present the unaudited interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2015.

I. RESULT AND DIVIDEND DISTRIBUTION

In the first half of the year, China has been promulgating key policies relating to the development of pharmaceutical industry, such as perfecting the centralized drug procurement in public hospitals and driving the reformation of drug prices. The pharmaceutical industry was in the critical period of transformation and upgrade. New policies in the industry have a relative large impact to the pharmaceutical market. Low price tender strategy continued, and the execution of tender was slower than expected. Moreover, the market demand was insufficient and competition continued to be intense. In the face of numbers of unprecedented difficulties, the Group sustained strong momentum of growth for its operating results through different measures including adjustment of tendering strategies, enhancement of product mix, development of new markets and acceleration of the research and development of new products. As a result, the Company has further expanded the market share, continued to improve the operation scale and innovation power and consequently achieved a hard-won result. In the first half of the year, the Group realized revenue of HK\$1,061 million, and net profit of HK\$251 million.

The Directors resolved to pay on 25 September 2015 an interim dividend of HK2.5 cents per share (amounting to a total of approximately HK\$70,463,000) for the six months ended 30 June 2015 to the shareholders named in the register of members of the Company on 15 September 2015.

II. BUSINESS REVIEW

(I) Sales of Products

We reinforce our business advantage and expand our market share. Under the influences of factors including the environment of macro-economy, delay in drug procurement tender in various regional governments, release of manufactures' production capacity under the new GMP certification and the continuous decrease in infusion solution price, the

Group adapted to the “new normal” from the changes in pharmaceutical market and adhered to the principle of seeking development through structural change. The monitoring and evaluation of marketing internal management is strengthened by readjusting the marketing resources. The timing and opportunity of winning the tender in centralized drug procurement in Anhui, Hainan, Zhejiang, Hunan, Hubei and Sichuan is captured. The marketing of infusion solution products which had higher additional value such as non-PVC soft bags, upright soft bags and therapeutic infusion solutions is focused. The Group also speeded up the improvement of quality and efficiency of the sales in key region markets; ensured sales growth and as the same time improved operating efficiency; effectively controlled account receivable and ensured the collection of fund. Moreover, based on the foundation of reinforcing and expanding the existing advantages in province and city end markets, the Group took advantage of its respected brand name; turned the focus to the lower end of the market; focused its resources to develop the grassroots healthcare market; and continued to expand the coverage of advantaged infusion solution products, so as to ensure the continuous growth of the sales of major products. Meanwhile, by entering into the centralized drug procurement tender in certain provinces and regions, the Group developed the traditional and emerging markets in Shaanxi, Shanxi, Yunnan and Heilongjiang, which lay a solid foundation for increasing production capacity. From January to June 2015, the sales volume of intravenous infusion solutions amounted to 481 million bottles /bags, representing a year-on-year increase of 11%; sales volume of soft bag infusion solution products reached 230 million, representing an increase of 21%, of which the sales volume of upright soft bag reached 35 million, representing a year-on-year increase of 473%; However, due to the impact of the decrease in selling prices of products, the sales revenue of infusion solution products only recorded a year-on-year increase of 3.5%. Under the influences of key factors such as the decrease in production utilization rate and the increase in expenses in new market development, both the gross profit margin and net profit margin recorded a decrease to a certain extent. The net profit decreased 3.6% during the period.

We speed up the implementation of “going overseas” strategy and continuously explore foreign markets. Currently 51 product specifications have completed registration procedures in 37 countries. However, as influenced by the tension in key market regions (particularly in Southeast Asia and Mid-Asia), export sales recorded a relatively sharp decline.

(II) Research and Development of New Products

The Company’s innovation capability and strength were further reinforced and the construction of the innovation platform was perfected. In the first half of the year, the Company completed the clinical research of Type 1.1 new drug Levornidazole and Type 3.1 new drug Blonanserin, and the relevant application of production registration will be summited in the second half of the year. The clinical research of Type 3.1 new drug Lacosamide is in good progress.

In the first half of the year, the Group obtained permits and approval for 30 products, including the production permits for transformations of compound Mannitol Injection into soft bags and 20ml: 10g glucose injection PP ampoule; as well as clinical approval for Levamlodipine Besylate Tablets. The Company also has 22 new products applications including Type 3 and Type 6 chemical medicines. Meanwhile, the Company also obtained 4 practical new patents and applied national invention patents for 13 items.

We proactively explored the path for R&D in strategic emerging industry and innovative system establishment. In the beginning of the year, the Company successfully cooperated with Hebei Hanlin Biotechnology Co., Ltd in commencing the clinical diagnosis and biochemical reagent of biological polypeptides and antibodies, which improved the capacity and level of innovative driver, and maintained the sustainable development of the Company. In the first half of the year, Hebei Hanlin obtained 6 production approvals on serum free media for stem cell.

(III) Key Projects

The construction works for infrastructure in the relocation and upgrade of the Shijiazhuang No. 4 Pharma headquarters has completed on schedule. The 8 infusion solution production lines developed in the early stages, which passed the national new GMP certification last year, has all reached designed capacities and efficiencies now. As a result, the total production capacity of the Group reached 1.5 billion bottles /bags, and the scale advantage of production and sales of the Company has been further manifested. The subsequent Chinese medicine extraction and production project and small liquid injections production project have entered commissioning and testing phases. It is expected that the application of national GMP certification will commence in the third quarter and a new production scale will be created, which will have positive influence to the promotion of growth of scale generally, and also to the optimization, integration and adjustment of product mix.

III. PROSPECTS FOR DEVELOPMENT

Looking forward to the second half of year 2015, pharmaceutical industry will still be significantly influenced by national and regional medical reformation policies. Opportunities and challenges will coexist. The Company will address to the difficulties; capitalize on its scale and own advantages; further optimize product mix and implement lean management; actively implement variety R&D and marketing measures; improve the profitability of infusion solution products; ensure the leading position of the Company in production and sales volumes of soft bags infusion solution products in the industry; and strive for realizing continuous and rapid growth of sales and profit.

We will focus on the follow-up works of the tender in bid-winning markets of non-PVC standard soft bags and upright soft bags infusion solution products; endeavor to excel in the marketing and operation of small liquid injections, soft bags rinsing solutions and therapeutic infusion solution products. Through the development of new markets and enhancement of market penetration in the existing markets, the Company will strive to ensure its advantages in the market.

We will actively enter competition in international market, accelerate the pace of international registration and certification of our products, and continuously expand the export channels and production scale of infusion solution, so as to maintain a steady growth of foreign trade sales.

We will also actively seek for opportunities for acquisition in the pharmaceutical industry. Under the intensified market competition and influence of national policy, industry merger and acquisition will become a major trend. The Company will capitalize on its own advantages; actively seek for acquisition, so as to strengthen the Company's market and product position.

In respect of new product development, the application of production permit of Type 1.1 new drug Levornidazole and Type 3.1 new drug Blonanserin has to be completed in the second half of the year. The clinical research of Type 3.1 new drug Lacosamide will continue, and the Company will strive for completing its application of production permit in next year. Currently, there are 17 Type 3 new chemical drugs of 39 different product specifications in the progress of approval by the State's Centre for Drug Evaluation.

The production permits for 2000ml glycine rinsing solution is expected to be obtained in 2015. It is planned to obtain 15 permits for packaging materials registration including three-layer co-extruding double-chamber infusion bags; 5 clinical approvals including Type 3 chemical drug Roflumilast material and tablets. With the aim of tracking the dynamics of development of innovation drugs in the international arena and thereby speeding up the launch of Type 3 new drugs as the first company in China, we will carry out drug type selection focusing on psychiatric and neurological diseases, respiratory diseases, infectious diseases (viral, fungal and drug resistant bacterial), dialysis and auxiliary treatment, rinsing solution and nutritious treatments. It is planned that around 14 product specifications of various drug types will be submitted for approval in the second half of 2015, with the objective of providing momentum for the Company's future development.

We will complete the GMP certification for PP ampoule production line, in order to ensure that it can commence production in 2016. We will commit to the development of antibodies and biotechnology, commence the preparation for construction of the production facilities for media for cells, so as to provide the infrastructure for the industrialization of the products of Hebei Hanlin, and propel the Company's variety and transformation in innovation.

Moreover, we will maintain advantage of the Company in terms of quality and management. We will take the opportunity of the production certification of small liquid injections, Chinese medicine extraction and oral preparation to improve our product quality. We will also commit to implement lean production and cost refined management. At the same time, we will pay attention to cost and expense, increase the use of self-produced packaging material in infusion solution production, maximize cost control and profitability, so as to lay a solid foundation and management for the Company's development.

In short, facing the tough market conditions, the Group will make active responses, use innovation to drive and use all means to expand the sales market. We will improve the quality and efficiency of our operation, and endeavor to generate satisfactory returns for investors. We are fully confident in the future development of the Company.

I would like to take this opportunity to express our gratitude to the investors and all staff in the Group for their support to the development of the Company.

Qu Jiguang
Chairman

Hong Kong, 31 August 2015

MANAGEMENT DISCUSSION AND ANALYSIS

REVENUE

For the six months ended 30 June 2015, the revenue of the Group from continuing operations increased from HK\$996,435,000 for the corresponding period last year by 6.5% to HK\$1,061,389,000.

	For the six months ended 30 June				
	2015		2014		Change %
	Sales	Percentage of sales	Sales	Percentage of sales	
HK\$'000	%	HK\$'000	%		
Intravenous infusion solution	963,115	90.7	930,876	93.4	3.5
(Including: Non-PVC soft bag & upright soft bag infusion solution	596,612	56.2	545,900	54.8	9.3
PP plastic bottle infusion solution	238,341	22.4	279,586	28.1	-14.8
Glass bottle infusion solution	128,162	12.1	105,390	10.5	21.6
Other products and services	98,274	9.3	65,559	6.6	49.9
Total	1,061,389	100	996,435	100	6.5

The Group's intravenous infusion solution products are mainly manufactured and sold by Shijiazhuang No. 4 Pharmaceutical Co., Ltd. ("Shijiazhuang No. 4 Pharma"), a wholly owned subsidiary. Starting from 2015, there are 4 forms of packing in intravenous infusion products, namely Non-PVC Soft Bag, Upright Soft Bag, PP Plastic Bottle and Glass Bottle.

The Group's revenue from sales of intravenous infusion solution products accounted for HK\$963,115,000 (30 June 2014: HK\$930,876,000), representing an increase of 3.5% as compared with corresponding period of last year. Among which, sales of Non-PVC Soft Bag and Upright Soft Bag Infusion Solution were HK\$540,200,000 and HK\$56,412,000 respectively, totalling HK\$596,612,000, an increase of 9.3% as compared with corresponding period of last year and accounted for 62.0% of total sales of intravenous infusion solution; sales of PP Plastic Bottle Infusion Solution was HK\$238,341,000, a decrease of 14.8% as compared with corresponding period of last year (mainly due to significant drop in average selling price) and accounted for 24.7% of total sales of intravenous infusion solution; sales of Glass Bottle Infusion Solution was HK\$128,162,000, an increase of 21.6% as compared with corresponding period of last year and accounted for 13.3% of total sales of intravenous infusion solution.

With the increasing demand in the high quality intravenous infusion solution products in the PRC, the Group will keep focusing its production in Non-PVC Soft Bag and Upright Soft Bag Infusion Solution.

COST OF SALES

The Group's cost of sales from continuing operations increased by 18.3% to HK\$567,681,000 for the six months ended 30 June 2015 as compared to the corresponding period last year of HK\$479,753,000. The cost of direct materials, direct labour and other costs represented approximately 58%, 16% and 26% of the total cost of sales respectively, while their comparative percentage for the corresponding period of 2014 were 65%, 14% and 21% respectively.

GROSS PROFIT MARGIN

For the six months ended 30 June 2015, the Group recorded a total gross profit of HK\$493,708,000 from continuing operation. Overall gross profit margin had decreased by 5.4 percentage point to 46.5% for the six months ended 30 June 2015, from 51.9% for the corresponding period last year. The decrease of gross profit margin was mainly due to a drop in average selling price of intravenous infusion products, of which that drop of PP Plastic Bottle Infusion Solution was the most significant.

OTHER INCOME AND OTHER GAINS

For the six months ended 30 June 2015, the Group's other income and other gains amounted to approximately HK\$38,114,000 (30 June 2014: HK\$16,844,000) which mainly represented government grants.

SELLING AND MARKETING COSTS

For the six months ended 30 June 2015, selling and marketing costs from continuing operation amounted to approximately HK\$116,640,000 (30 June 2014: HK\$95,834,000), which mainly consisted of transportation cost of approximately HK\$84,759,000 (30 June 2014: HK\$64,739,000), travelling and other disbursements of approximately HK\$8,963,000 (30 June 2014: HK\$15,430,000) and salary expenses of sales and marketing staff of approximately HK\$3,756,000 (30 June 2014: HK\$6,800,000).

Selling and marketing expenses increased by 21.7% for the six months ended 30 June 2015 as compared with that of the corresponding period last year mainly due to the increase in transportation cost as a result of an expanded sales coverage.

GENERAL AND ADMINISTRATIVE EXPENSES

For the six months ended 30 June 2015, general and administrative expenses from continuing operation was approximately HK\$98,256,000 (30 June 2014: HK\$96,439,000) which mainly comprised of salaries expenses for the administrative staff of approximately HK\$34,341,000 (30 June 2014: HK\$43,202,000), depreciation and amortisation of approximately HK\$23,533,000 (30 June 2014: HK\$19,492,000) and research and development expenses of approximately HK\$14,587,000 (30 June 2014: HK\$8,840,000).

The increase of 1.9% in general and administrative expense as compared to that of the corresponding period last year was the overall result of the expansion of the Group's operations and a continuous control on administrative expenses.

OPERATING PROFIT

For the six months ended 30 June 2015, the Group's operating profit from continuing operation amounted to HK\$316,926,000 representing a decrease of 7.1% as compared to HK\$341,253,000 of the corresponding period last year with operating profit margin (defined as operating profit divided by total revenue) decreased to 29.9% as compared to 34.2% of the corresponding period last year. The decrease in operating profit margin was mainly caused by the drop in average selling price of intravenous infusion products and the increase in selling and marketing costs due to expansion of sales coverage.

FINANCE COSTS

The Group's finance costs from continuing operations amounted to HK\$20,819,000 for the six months ended 30 June 2015 (30 June 2014: HK\$29,968,000), which are mainly related to bank borrowings. The decrease in finance costs was mainly due to the decrease in average bank loan balance as compared to that of the corresponding period last year.

INCOME TAX EXPENSE

Shijiazhuang No. 4 Pharma was qualified as the new high technology enterprise and entitled to a 15% preferential Mainland China Corporate Income Tax ("CIT") rate in both 2015 and 2014. For the six months ended 30 June 2015, the income tax expense from continuing operations decreased by 12.2% to HK\$47,271,000 (30 June 2014: HK\$53,830,000).

DISCONTINUED OPERATIONS

Last year the Group completed the disposal of Xi'an Lijun Pharmaceutical Co., Ltd ("Xi'an Lijun"), and discontinued the operation of Xi'an Lijun ("discontinued operations") since 31 October 2014. Hence, there was no profit from discontinued operations for the six months ended 30 June 2015 and the profit from discontinued operations for the corresponding period last year amounted to HK\$40,674,000.

PROFIT ATTRIBUTABLE TO EQUITY HOLDERS

The profit attributable to equity holders of the Company arises from continuing operations for the six months ended 30 June 2015 decreased slightly by 3.6% to HK\$250,501,000 (30 June 2014: HK\$259,953,000) and the net profit margin (defined as profit attributable to equity holders of the Company for the period divided by total revenue) decreased to 23.6% from 26.1% for the corresponding period last year.

LIQUIDITY AND FINANCIAL RESOURCES

The Group primarily finances its working capital and other capital requirements by net cash generated from operating activities and resorts to external financing including both long-term and short-term bank borrowings from time to time in case the operating cash flow is insufficient to meet the capital requirements.

As at 30 June 2015, the cash and cash equivalents aggregated to HK\$379,565,000 (31 December 2014: HK\$325,224,000) and the carrying amounts of the borrowings amounted to HK\$1,215,035,000 (31 December 2014: HK\$871,927,000).

Gearing ratio (defined as bank borrowings less cash and cash equivalents divided by total capital less non-controlling interests) increased from 14.4% as at 31 December 2014 to 21.8% as at 30 June 2015.

Current ratio (defined as current assets divided by current liabilities) decreased from 1.46 as at 31 December 2014 to 1.35 as at 30 June 2015.

FOREIGN EXCHANGE RISK

Majority of the Group's businesses are operated in the PRC and are denominated in Renminbi and Hong Kong dollars. The Group is of the opinion that its exposure to foreign exchange rate risk is limited. Hence, no financial instrument for hedging was employed. The Group is closely monitoring the financial market and would consider appropriate measures if required.

MATERIAL ACQUISITIONS AND DISPOSALS

There was no material acquisition or disposal of subsidiaries or associates during the six months ended 30 June 2015.

PLEDGE OF ASSETS

As at 30 June 2015, the net book amount of the Group's land use right of HK\$59,974,000 (31 December 2014: HK\$60,760,000) and the net book amount of the Group's buildings, plant and machineries of HK\$129,346,000 (31 December 2014: HK\$301,820,000) were pledged as collateral for the Group's bank borrowings.

CONTINGENT LIABILITIES

As at 30 June 2015, the Group did not have any significant contingent liabilities.

INTERIM DIVIDENDS

The Directors resolved to pay on 25 September 2015 an interim dividend of HK2.5 cents per share (amounting to a total of approximately HK\$70,463,000) for the six months ended 30 June 2015 to the shareholders named in the register of members of the Company on 15 September 2015.

EXCHANGE RATE

As at 2015 and 2014, the exchange rates of converting HK\$ into RMB (as calculated in HK\$) were:

1 January 2014	0.78623
30 June 2014	0.79375
31 December 2014	0.78887
30 June 2015	0.78861

PURCHASE, SALE OR REDEMPTION OF SECURITIES

Neither the Company nor any of its subsidiaries has redeemed, purchased or sold any of the Company's listed securities for the six months ended 30 June 2015.

SHARE OPTION SCHEME

Old Share Option Scheme

Pursuant to a share option scheme approved by a written resolution of all shareholders of the Company on 16 October 2005 ("Old Share Option Scheme"), the Company may grant options to, amongst others, the directors or employees of the Company or its subsidiaries, for the recognition of their contributions to the Group, to subscribe for the shares. The offer for grant of options ("Offer") must be taken up within 28 days from the date of Offer, with a payment of HK\$1.00 as consideration for the grant. The exercise price of the share option will be determined at the higher of (i) the average closing prices of shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of Offer; (ii) the closing price of shares as stated in the Stock Exchange's daily quotations sheet on the date of Offer; and (iii) the nominal value of the shares. The share options are exercisable at any time during a period of not more than 10 years from the date of Offer, subject to the terms and conditions of the Share Option Scheme and any conditions of grant as may be stipulated by the Board.

Unless terminated by the Company by resolution in general meeting, the Share Option Scheme shall be valid and effective for a period of 10 years commencing on the date on which the Share Option Scheme becomes unconditional.

The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other schemes shall not exceed 30% of the issued share capital of the Company from time to time. 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 schemes must not, in aggregate, exceed 10% of the number of shares in issue as at the date dealings in the shares first commence on the Stock Exchange unless further shareholders' approval has been obtained pursuant to the conditions set out in the Share Option Scheme. The total number of shares issued and to be issued upon exercise of all options granted under the Share Option Scheme and any other schemes (including both exercised or outstanding options) to each participant in any 12-month period shall not exceed 1% of the issued share capital of the Company.

As at 7 August 2008, the Company granted 100,000,000 share options to directors and senior management of the Group, representing about 4.93% of the issued share capital as at the date immediately before the options were granted. The exercise price was HK\$0.7. The exercisable period is from 7 August 2008 to 6 August 2018. As at 4 October 2010, all of the share options granted were exercised. The weighted average share price at the time of exercise was HK\$3.04 per share.

As at 3 May 2012, the Company granted 48,000,000 share options (being adjusted from 40,000,000 share options as a result of the issue of bonus shares on 16 October 2012) to two directors of the Group under Old Share Option Scheme, representing about 1.64% of the issued share capital as at the date immediately before the options were granted. The exercise price was HK\$1.48 (being adjusted from HK\$1.78 as a result of the issue of bonus shares on 16 October 2012). The exercisable period was from 3 May 2012 to 2 May 2022.

The Board proposed the termination of Old Share Option Scheme and the adoption of the existing share option scheme ("Existing Share Option Scheme") which were approved

by an ordinary resolution passed by the shareholders at the EGM held on 20 September 2012. The operation of Old Share Option Scheme was terminated such that no further share option could thereafter be offered under Old Share Option Scheme but in all other respects the provisions of Old Share Option Scheme shall remain in full force and effect.

On 24 June 2014, 24,000,000 share options (being adjusted from 20,000,000 share options as a result of the issuance of bonus shares on 16 October 2012) were exercised by a current director. And on 17 November 2014, 24,000,000 share options (being adjusted from 20,000,000 share options as a result of the issuance of bonus shares on 16 October 2012) were exercised by a ex-director of the Company who resigned on 6 June 2014. Options exercised in 2014 resulted in 48,000,000 ordinary shares being issued at HK\$0.02 each. The exercise price was HK\$1.48 per share (being adjusted from HK\$1.78 as a result of issuance of bonus share on 16 October 2012). The total cash received is HK\$71,200,000. The weighted average share price at the time of exercise was \$3.42 per share.

Movements in the number of share options outstanding is as follows:

	2014 (thousands)	2013 <i>(thousands)</i>
Outstanding at the beginning of the year	48,000	48,000
Granted during the year	—	—
Exercised during the year	(48,000)	—
Outstanding and exercisable at the end of the year <i>(Note)</i>	—	48,000

Note: As at 31 December 2013, the options outstanding had an weighted average exercise price of HK\$1.48 and a remaining contractual life of 8.5 years. As at 31 December 2014, all of the share options granted had been exercised and hence there was no outstanding nor exercisable share options under the Old Share Option Scheme.

Existing Share Option Scheme

Existing Share Option Scheme is valid and remains in force for a period of 10 years from 20 September 2012 (the "Scheme Period") unless terminated earlier by shareholders in general meeting. The purpose of Existing Share Option Scheme is to enable the Board to grant share options to the Eligible Person as defined in Existing Share Option Scheme including, among others, the directors, employee or proposed employee, consultants or advisers of or to the Company or its subsidiaries or any entity in which the Group holds an equity interest, as incentives or rewards for their contribution or potential contribution to the development and growth of the Group. The provisions of Existing Share Option Scheme comply with the requirements of Chapter 17 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

Pursuant to Existing Share Option Scheme, the offer for grant of options ("Offer") must be accepted within 30 days inclusive of the day on which such offer was made, with a payment of HK\$1.00 as consideration for the grant. The exercise price of the share option is to be determined by the Board provided always that it shall be at least the higher of (i) the closing price of the shares as stated in the daily quotations sheet issued by the Stock Exchange for the date of offer of grant, which must be a business day; and (ii) the average closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of offer of grant provided that the option price per share shall in no event be less than the nominal amount of one share. The share options are exercisable at any time during a period as the Board may determine in granting the share options but in any event shall not exceed 10 years from the date of Offer, subject to the terms and conditions of Existing Share Option Scheme and any conditions of grant as may be stipulated by the Board.

The aggregate number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under Existing Share Option Scheme and any other schemes shall not exceed 30% of the issued share capital of the Company from time to time. The maximum number of shares issuable upon exercise of all options to be granted Existing Share Option Scheme and any other schemes as from the commencement of the Scheme Period must not, in aggregate, exceed 10% of the shares in issue as at 20 September 2012 (the "Scheme Mandate"). The Scheme Mandate may be refreshed at any time by obtaining approval of the shareholders in general meeting provided that the new limit under the refreshed Scheme Mandate must not exceed 10% of the issued share capital of the Company at the date of the shareholders' approval. The maximum number of shares issued and to be issued upon exercise of the options granted under Existing Share Option Scheme and any other schemes to any of the Eligible Person (including cancelled, exercised and outstanding options) in any 12-month period up to the date of grant shall not exceed 1% of issued share capital of the Company unless shareholders' approval is obtained under the terms of Existing Share Option Scheme.

As at 30 June 2015, no option has been granted under Existing Share Option Scheme since its adoption.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2015, the Group had approximately 3,600 employees, most of whom were based in the PRC. The number of workers employed by the Group varies from time to time depending on its needs. The remuneration policy of employees other than executive Directors and senior management is based on industry practice and is periodically reviewed by executive Directors or senior management. Apart from social insurance and in-house training programmes, discretionary bonuses and share options may be awarded to employees according to the assessment of individual performance.

The remuneration policy of executive Directors and senior management are reviewed and recommended for the Board's approval by the Remuneration Committee. The remuneration package is reviewed with reference to the Board's corporate goals and objectives, prevailing market practice, duties and responsibilities of the individual executive Director or senior management and his/her contribution to the Group.

The total remuneration cost incurred by the Group from continuing operations for the six months ended 30 June 2015 was approximately HK\$123,155,000 (30 June 2014: HK\$102,676,000).

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN THE SHARES

The interests of the Directors in the share capital of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 to the Listing Rules once the shares are listed, were as follows:

As at 30 June 2015

Name of Director	Capacity	Long/short position	Number of shares held	Approximate percentage of the issued share capital of the Company
Mr. Qu Jiguang	Beneficial owner	Long	146,246,000	4.93%
	Interest in a controlled corporation (Note)	Long	733,856,000	24.72%

Note: These shares were registered in the name of and beneficially owned by China Pharmaceutical Company Limited ("CPCL"). CPCL is held as to 72.93% by Mr. Qu Jiguang and as to 27.07% by 39 other shareholders. By virtue of Part XV of the SFO, Mr. Qu Jiguang is deemed to be interested in the shares held by CPCL.

Save as disclosed above, as at 30 June 2015, none of the Directors or chief executives of the Company had an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company or the Stock Exchange pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (b) pursuant to the Model Code to be notified to the Company and the Stock Exchange.

DIRECTORS' RIGHTS TO ACQUIRE SHARES AND DEBENTURES

Save as disclosed under the sections headed "Directors' and chief executives' interests in the shares" and "Share option scheme", at no time during the year were rights to acquire benefits by means of the acquisition of shares or debentures of the Company granted to any Directors or their respective spouse or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors of the Company to acquire such rights in any other body corporate.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSON'S INTERESTS IN THE SHARES

The register of substantial shareholders required to be kept by the Company under section 336 of the SFO shows that the Company had been notified of the following interests, being 5% or more in the issued share capital and underlying shares of the Company.

As at 30 June 2015

Name of Shareholder	Capacity	Long/short position	Number of shares and underlying shares held	Approximate percentage of the issued share capital of the Company
CPCL (Note 1)	Beneficial owner	Long	733,856,000	24.72%
Mr. Qu Jiguang	Beneficial owner Interest in a controlled corporation (Note 1)	Long	146,246,000	4.93%
		Long	733,856,000	24.72%
UBS Group AG (Note 2)	Interest in a controlled corporation Person having a security interest in shares Interest in a controlled corporation	Long	176,400,554	5.95%
		Long	2,784,000	0.09%
		Short	1,912,000	0.06%

Notes:

- These shares were registered in the name of and beneficially owned by CPCL. CPCL is held as to 72.93% by Mr. Qu Jiguang and as to 27.07% by 39 other shareholders. By virtue of Part XV of the SFO, Mr. Qu Jiguang is deemed to be interested in the shares held by CPCL.
- Among the aggregate interests of UBS Group AG in the Company, 41,454 shares (long position) were held through physically settled derivatives (on exchange) and 1,912,000 shares (short position) were held through cash settled derivatives (off exchange).

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the “Model Code”). Having made specific enquiry with all Directors, the Directors confirmed that they had complied with the required standard set out in the Model Code during the six months ended 30 June 2015.

CORPORATE GOVERNANCE PRACTICES

The Board is committed to maintaining a high standard of corporate governance. The Board believes that good corporate governance practices are essential for the growth of the Group and for safeguarding and maximizing shareholders’ interests.

The Company has adopted the Corporate Governance Code (the “CG Code”) contained in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”). During the period ended 30 June 2015, the Company has complied with all applicable provisions of CG Code with deviation from code provision A.2.1 as set out below.

Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

The Board appointed Mr. Qu Jiguang as the Chairman, who was responsible for the leadership and effective running of the Board. Mr. Qu Jiguang has also assumed the role as the chief executive officer of the Company, who was delegated with the responsibilities to lead the management implementing the business strategies of the Group. The Company believes that vesting both roles in Mr. Qu Jiguang will allow for more effective planning and execution of business strategies. As all major decisions are made in consultation with members of the Board, the Company believes that there is adequate balance of power and authority in place.

INDEPENDENT REVIEW OF AUDITORS

The Interim Financial Information for the six months ended 30 June 2015 has been reviewed by the auditor of the Company, PricewaterhouseCoopers, 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.

AUDIT COMMITTEE

The Audit Committee has reviewed and approved the Interim Financial Information for the six months ended 30 June 2015.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 16 September 2015 to Friday, 18 September 2015 (both days inclusive), during which period, no transfer of shares will be registered.

In order to qualify for the interim dividend, all transfer documents, accompanied by the relevant share certificate(s) must be lodged with the Company's branch share registrar and transfer office of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by no later than 4:30 p.m., Tuesday, 15 September 2015.

On behalf of the Board

Qu Jiguang

Chairman

Hong Kong, 31 August 2015



羅兵咸永道

**REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION
TO THE BOARD OF DIRECTORS OF
SSY Group Limited**

(Previously named as Lijun International Pharmaceutical (Holding) Co., Ltd.)
(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 24 to 54, which comprises the interim condensed consolidated balance sheet of SSY Group Limited (the “Company”, previously named as Lijun International Pharmaceutical (Holding) Co., Ltd.) and its subsidiaries (together, the “Group”) as at 30 June 2015 and the related interim condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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PricewaterhouseCoopers, 22/F, Prince’s Building, Central, Hong Kong
T: +852 2289 8888, F: +852 2810 9888



羅兵咸永道

SCOPE OF REVIEW

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

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 31 August 2015

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2015

(All amounts in HK\$ unless otherwise stated)

	Note	Unaudited 30 June 2015 HK\$'000	Audited 31 December 2014 HK\$'000
ASSETS			
Non-current assets			
Land use rights	9	221,250	223,715
Property, plant and equipment	9	2,636,057	2,551,898
Intangible assets	9	341,509	338,834
Deferred income tax assets		3,294	2,591
Investments in a joint venture	8	24,974	—
Other non-current assets		26,629	—
Total non-current assets		3,253,713	3,117,038
Current assets			
Inventories		274,360	279,557
Trade and bills receivables	10	921,795	703,287
Prepayments, deposits and other receivables		91,051	372,549
Cash and cash equivalents		379,565	325,224
Total current assets		1,666,771	1,680,617
Total assets		4,920,484	4,797,655
EQUITY			
Equity attributable to equity holders of the Company			
Share capital	11	66,177	66,177
Reserves	12	70,463	510,587
— Proposed dividends		2,856,761	2,675,738
— Others			
		2,993,401	3,252,502
Non-controlling interests		706	668
Total equity		2,994,107	3,253,170

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2015

(All amounts in HK\$ unless otherwise stated)

	Note	Unaudited 30 June 2015 HK\$'000	Audited 31 December 2014 HK\$'000
LIABILITIES			
Non-current liabilities			
Borrowings	15	663,427	364,246
Deferred income tax liabilities		23,874	24,097
Deferred revenue		6,538	8,153
Post-employment benefit obligation	13	7	27
Total non-current liabilities		693,846	396,523
Current liabilities			
Borrowings	15	551,608	507,681
Trade and bills payables	14	316,620	287,720
Advanced receipts from customers		7,262	8,706
Accruals and other payables		326,233	320,109
Income tax payable		30,808	23,746
Total current liabilities		1,232,531	1,147,962
Total liabilities		1,926,377	1,544,485
Total equity and liabilities		4,920,484	4,797,655

The notes on pages 33 to 54 form an integral part of these interim condensed consolidated financial statements.

QU JIGUANG
DIRECTOR

WANG XIANJUN
DIRECTOR

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six month ended 30 June 2015

(All amounts in HK\$ unless otherwise stated)

		Unaudited	
		Six months ended 30 June	
	Note	2015	2014
		HK\$'000	HK\$'000
			(Represented)
Continuing operations			
Revenue	6	1,061,389	996,435
Cost of sales		(567,681)	(479,753)
Gross profit		493,708	516,682
Other income and other gains — net		38,114	16,844
Selling and marketing costs		(116,640)	(95,834)
General and administrative expenses		(98,256)	(96,439)
Operating profit	16	316,926	341,253
Finance income		1,702	2,509
Finance costs		(20,819)	(29,968)
Finance costs — net		(19,117)	(27,459)
Profit before income tax		297,809	313,794
Income tax expenses	17	(47,271)	(53,830)
Profit for the period from continuing operations		250,538	259,964
Discontinued operations			
Profit for the period from discontinued operations		—	40,674
Profit for the period		250,538	300,638
Other comprehensive income:			
<i>Items that may be reclassified to profit or loss</i>			
Currency translation differences		986	(26,603)
Total comprehensive income for the period		251,524	274,035

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2015

(All amounts in HK\$ unless otherwise stated)

	Note	Unaudited Six months ended 30 June	
		2015 HK\$'000	2014 HK\$'000 (Represented)
Profit attributable to:			
— Equity holders of the Company		250,501	300,627
— Non-controlling interests		37	11
		250,538	300,638
Profit attributable to equity holders of the Company arises from:			
— Continuing operations		250,501	259,953
— Discontinued operations		—	40,674
		250,501	300,627
Total comprehensive income attributable to:			
— Equity holders of the Company		251,486	274,030
— Non-controlling interests		38	5
		251,524	274,035
Total comprehensive income attributable to equity holders of the Company arises from			
— Continuing operations		251,486	233,356
— Discontinued operations		—	40,674
		251,486	274,030
Earnings per share from continuing and discontinued operations attributable to equity holders of the Company during the period (expressed in HK\$ per share)			
Basic earnings per share			
— From continuing operations	19	0.0844	0.0887
— From discontinued operations	19	—	0.0139
		0.0844	0.1026

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2015

(All amounts in HK\$ unless otherwise stated)

		Unaudited Six months ended 30 June	
	Note	2015 HK\$	2014 HK\$ (Represented)
Diluted earnings per share			
— From continuing operations	19	0.0844	0.0884
— From discontinued operations	19	—	0.0138
		0.0844	0.1022

The notes on page 33 to 54 form an integral part of this interim condensed consolidated financial statements.

		Unaudited Six months ended 30 June	
	Note	2015 HK\$'000	2014 HK\$'000
Dividends (proposed)	18	70,463	177,236

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2015

(All amounts in HK\$ unless otherwise stated)

	Unaudited				
	Attributable to equity holders of the Company			Non-controlling interests	Total equity
	Share capital	Reserves	Total		
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Balance at 1 January 2015	66,177	3,186,325	3,252,502	668	3,253,170
Comprehensive income					
Profit for the period	—	250,501	250,501	37	250,538
Other comprehensive income					
Currency translation differences	—	985	985	1	986
Total comprehensive income	—	251,486	251,486	38	251,524
Transactions with equity holders					
Dividends paid to equity holders of the Company	—	(510,587)	(510,587)	—	(510,587)
Total transactions with equity holders	—	(510,587)	(510,587)	—	(510,587)
Balance at 30 June 2015	66,177	2,927,224	2,993,401	706	2,994,107

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2015

(All amounts in HK\$ unless otherwise stated)

	Unaudited				
	Attributable to equity holders of the Company			Non-controlling interests	Total equity
	Share capital	Reserves	Total		
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Balance at 1 January 2014	65,405	2,800,864	2,866,269	627	2,866,896
Comprehensive income					
Profit for the period	—	300,627	300,627	11	300,638
Other comprehensive income					
Currency translation differences	—	(26,597)	(26,597)	(6)	(26,603)
Total comprehensive income	—	274,030	274,030	5	274,035
Transactions with equity holders					
Issuance of shares:					
— Exercise of share options	480	35,120	35,600	—	35,600
Dividends paid to equity holders of the Company	—	(58,599)	(58,599)	—	(58,599)
Total transactions with equity holders	480	(23,479)	(22,999)	—	(22,999)
Balance at 30 June 2014	65,885	3,051,415	3,117,300	632	3,117,932

The notes on page 33 to 54 form an integral part of this interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2015
(All amounts in HK\$ unless otherwise stated)

	Unaudited	
	Six months ended 30 June	
Note	2015 HK\$'000	2014 HK\$'000 (Represented)
Cash flows from operating activities		
Continuing operations		
Cash generated from operations	256,804	449,280
Interest paid	(25,233)	(23,596)
Income tax paid	(41,150)	(57,854)
Discontinued operations	—	41,121
Net cash generated from operating activities	190,421	408,951
Cash flows from investing activities		
Continuing operations		
Purchase of land use rights	(26,629)	—
Purchase of property, plant and equipment	(188,736)	(586,977)
Purchase of intangible assets	(4,790)	(8,006)
Proceeds from disposals of property, plant and equipment	3,945	36,548
Cash paid for the acquisition of equity interest in a joint venture	(25,357)	—
Proceeds from disposal of a subsidiary	272,000	—
Interest received	1,702	2,509
Discontinued operations	—	(38,590)
Net cash generated from/(used in) investing activities	32,135	(594,516)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS *(Continued)*

For the six months ended 30 June 2015

(All amounts in HK\$ unless otherwise stated)

		Unaudited	
		Six months ended 30 June	
	Note	2015	2014
		HK\$'000	HK\$'000
			(Represented)
Cash flows from financing activities			
Continuing operations			
Proceeds from exercise of share options		—	35,600
Proceeds from bank borrowings	15	669,454	352,194
Repayments of bank borrowings	15	(326,568)	(200,981)
Dividends paid to equity shareholders of the Company		(510,587)	(51,329)
Decrease of pledged bank deposits		—	82,517
Discontinued operations		—	101,748
Net cash (used in)/generated from financing activities		(167,701)	319,749
Net increase in cash and cash equivalents		54,855	134,184
Cash and cash equivalents at beginning of the period		325,224	336,928
Effect of foreign exchange rate changes on cash and cash equivalents		(514)	(2,946)
Cash and cash equivalents at end of the period		379,565	468,166

The notes on page 33 to 54 form an integral part of this interim condensed consolidated financial statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

(All amounts in HK\$ unless otherwise stated)

1 GENERAL INFORMATION

SSY Group Limited (the "Company") and its subsidiaries (together, the "Group") are engaged in the research, development, manufacturing and selling of a wide range of pharmaceutical products mainly intravenous infusion solution to hospital and distributors. The Group has manufacturing plants in Hebei Province, the People's Republic of China ("Mainland China"), and sells to customers mainly in the Mainland China. The Company's previous name was Lijun International Pharmaceutical (Holding) Co., Ltd., which changed to its current name in June 2015.

The Company is an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as combined and revised) of the Cayman Islands. The address of the Company's registered office is Century Yard, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company's shares have been listed on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 20 December 2005.

This interim condensed consolidated financial statements are presented in Hong Kong dollars ("HK\$"), unless otherwise stated. This interim condensed consolidated financial statements was approved for issue by the Company's Board of Directors on 31 August 2015.

This interim condensed consolidated financial statements has been reviewed, not audited.

2 BASIS OF PREPARATION

This interim condensed consolidated financial statements for the six months ended 30 June 2015 have been prepared in accordance with Hong Kong Accounting Standard 34, 'Interim financial reporting'. The interim condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2014, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

3 ACCOUNTING POLICIES

Except as described below, the accounting policies adopted are consistent with those of the annual consolidated financial statements for the year ended 31 December 2014, as described in those annual consolidated financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

(a) New and amended standards adopted by the Group

The following new and amended standards are mandatory for the first time for the financial year beginning 1 January 2015:

HKFRS 8 (Amendment) "Operating segments" is effective for annual periods beginning on or after 1 July 2014. This standard is amended to require disclosure of the judgements made by management in aggregating operating segments and a reconciliation of segment assets to the entity's assets when segment assets are reported.

HKAS 24 (Amendment) "Related Party Disclosures" is effective for annual periods beginning on or after 1 July 2014. This standard is amended to address that the reporting entity is not required to disclose the compensation paid by the management entity (as a related party) to the management entity's employee or directors, but it is required to disclose the amounts charged to the reporting entity by the management entity for services provided.

HKAS 39, 'Financial instruments – Recognition and measurement' are effective for annual periods beginning on or after 1 July 2014. This standard is amended to clarify that an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or as equity, on the basis of the definitions in HKAS 32, 'Financial instruments: Presentation'. All non-equity contingent consideration, both financial and non-financial, is measured at fair value at each reporting date, with changes in fair value recognised in profit and loss.

Amendments and interpretations as mentioned above are not expected to have a material effect on the Group's operating results, financial position or comprehensive income.

3 ACCOUNTING POLICIES (Continued)

(b) Standards, amendments and interpretations to existing standards effective in 2015 but not relevant to the Group

		Effective for annual periods beginning on or after
HKAS 19 (Amendment)	Defined benefit plans	1 July 2014
HKFRS 13	Fair value measurement	1 July 2014
HKAS 40	Investment property	1 July 2014
HKFRS 2 (Amendment)	Share-based payment	1 July 2014
HKFRS 3 (Amendment)	Business combinations	1 July 2014
HKAS 37	Provisions, contingent liabilities and contingent assets	1 July 2014
HKFRS 16 (Amendment)	Property, plant and equipment	1 July 2014
HKAS 38 (Amendment)	Intangible assets	1 July 2014

3 ACCOUNTING POLICIES *(Continued)*

(c) **The following new standards, new interpretations and amendments to standards and interpretations have been issued but are not effective for the financial year beginning on 1 January 2015 and have not been early adopted by the Group:**

		Effective for annual periods beginning on or after
HKFRS 14	Regulatory deferral accounts	1 January 2016
HKFRS 11	Accounting for acquisitions of interests in joint operation	1 January 2016
HKAS 16 and HKAS 38 (Amendments)	Clarification of acceptable methods of depreciation and amortisation	1 January 2016
HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer plants	1 January 2016
HKFRS 10 and HKAS 28 (Amendments)	Sale or contribution of assets between an investor and its associate or joint venture	1 January 2016
HKAS 27 (Amendment)	Equity method in separate financial statements	1 January 2016
HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment entities: Applying the consolidation exception	1 January 2016
HKAS 1 (Amendments)	Disclosure initiative	1 January 2016
HKFRS 5 (Amendment)	Non-current assets held for sale and discontinued operations	1 January 2016
HKFRS 7 (Amendments)	Financial instruments: Disclosures	1 January 2016
HKAS 19 (Amendment)	Employee benefits	1 January 2016
HKAS 34 (Amendment)	Interim financial reporting	1 January 2016
HKFRS 15	Revenue from contracts with customers	1 January 2017
HKFRS 9	Financial instruments	1 January 2018

4 ESTIMATES

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim condensed consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2014.

5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The interim condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2014.

There have been no changes in the risk management policies since year end.

5.2 Liquidity risk

Compared to previous year end, there was no material change in the contractual undiscounted cash out flows for financial liabilities.

5.3 Fair value estimation

The different levels of financial instruments carried at fair value, by valuation method, have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

As at 30 June 2015, the Group did not have any assets or liabilities that were measured at fair value.

The carrying values of receivables (net of impairment provision), payables and current borrowings are a reasonable approximation of their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

For the six months ended 30 June 2015, there were no significant changes in the business or economic circumstances that affect the fair value of the Group's financial assets and financial liabilities. Moreover, there were no significant reclassifications of financial assets.

6 SEGMENT INFORMATION

After the disposal of the product segments of antibiotics and others on 31 October 2014, the decision-makers consider that the Group's operations are operated and managed as a single segment of intravenous infusion and others, no segment information is presented accordingly.

	Unaudited			
	Continuing operations			Discontinued operations - Antibiotics and others HK\$'000
	Intravenous infusion solution and others HK\$'000	Unallocated HK\$'000	Total HK\$'000	
Six months ended 30 June 2015				
Revenue	1,061,389	—	1,061,389	—
Operating profit/(loss) segment results	325,338	(8,412)	316,926	—
Finance income	802	900	1,702	—
Finance costs	(20,728)	(91)	(20,819)	—
Profit/(loss) before income tax	305,412	(7,603)	297,809	—
Income tax expenses	(47,271)	—	(47,271)	—
Profit/(loss) for the period	258,141	(7,603)	250,538	—

6 SEGMENT INFORMATION (Continued)

	Unaudited			
	Continuing operations			Discontinued operations - Antibiotics and others
	Intravenous infusion solution and others <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>	
Six months ended 30 June 2014				
Revenue	996,435	—	996,435	530,730
Operating profit/(loss) segment results	349,673	(8,420)	341,253	54,094
Finance income	2,509	—	2,509	144
Finance costs	(29,446)	(522)	(29,968)	(7,017)
Profit/(loss) before income tax	322,736	(8,942)	313,794	47,221
Income tax expenses	(47,800)	(6,030)	(53,830)	(6,547)
Profit/(loss) for the period	274,936	(14,972)	259,964	40,674

6 SEGMENT INFORMATION *(Continued)*

	Unaudited			
	Continuing operations			
	Intravenous infusion solution and others <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>	Discontinued operations - Antibiotics and others <i>HK\$'000</i>
As at 30 June 2015				
Total assets	4,819,179	101,305	4,920,484	—
Total liabilities	1,914,009	12,368	1,926,377	—

	Audited			
	Continuing operations			
	Intravenous infusion solution and others <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>	Discontinued operations - Antibiotics and others <i>HK\$'000</i>
As at 31 December 2014				
Total assets	4,341,102	456,553	4,797,655	—
Total liabilities	1,532,119	12,366	1,544,485	—

7 DISCONTINUED OPERATIONS

On 31 October 2014, the Group disposed its 100% equity interest in Xi'an Lijun Pharmaceutical Co., Ltd., a former subsidiary of the Group, for a cash consideration of HK\$772,000,000. Its results are presented in this interim condensed consolidated financial statements as a discontinued operation.

The results of Xi'an Lijun Pharmaceutical Co., Ltd. are presented in the interim condensed consolidated financial statements as a discontinued operation in accordance with HKFRS 5 "Non-current Asset Held for Sale and Discontinued Operations". The interim condensed consolidated statement of comprehensive income and consolidated statement of cash flows distinguish discontinued operation from continuing operations. The presentation of certain comparatives has been restructured accordingly.

Profit from discontinued operation

	Unaudited Six months ended 30 June 2014 <i>HK\$'000</i>
Revenue	530,730
Expenses	(483,509)
Profit before income tax from discontinued operations	47,221
Income tax	(6,547)
<hr/>	
Profit after income tax from discontinues operations	40,674
<hr/>	
Profit from discontinued operations attributable to:	
— Equity holders of the Company	40,674
<hr/>	

8 INVESTMENTS IN A JOINT VENTURE

On 13 February 2015, Shijiazhuang No. 4 Pharmaceutical Co., Ltd., a subsidiary of the Group, acquired a 50% equity interest in a joint venture company named Hebei Hanlin Biotechnology Co., Ltd., at a consideration of RMB20,000,000. The joint venture company is engaged in the research and development of biotechnology and related products.

	Unaudited 30 June 2015 HK\$'000
Beginning of the period	—
Addition	25,357
Share of loss	(387)
Currency translation differences	4
End of the period	24,974

The Group's share of the results in Hebei Hanlin Biotechnology Co., Ltd. and its aggregated assets and liabilities are shown below:

	Six months ended 30 June 2015 HK\$'000
Assets	7,274
Liabilities	800
Revenues	6
Share of loss	(387)
Percentage held	50%

There is no impairment charge of investments in a joint venture for the six months ended 30 June 2015.

9 LAND USE RIGHTS, PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

	Unaudited				
	Land use rights	Property, plant and equipment	Goodwill	Other intangible assets	Total intangible assets
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Six months ended 30 June 2015					
Opening net book amount as at 1 January 2015	223,715	2,551,898	255,490	83,344	338,834
Additions	—	182,180	—	4,790	4,790
Disposals	—	(3,608)	—	—	—
Depreciation/Amortisation	(2,539)	(95,268)	—	(2,226)	(2,226)
Exchange differences	74	855	83	28	111
Closing net book amount as at 30 June 2015	221,250	2,636,057	255,573	85,936	341,509
Six months ended 30 June 2014					
Opening net book amount as at 1 January 2014	386,295	2,438,408	256,348	66,647	322,995
Additions	—	487,712	—	8,006	8,006
Disposals	—	(37,156)	—	—	—
Depreciation/Amortisation	(4,742)	(83,819)	—	(2,546)	(2,546)
Exchange differences	(3,638)	(25,153)	(2,429)	(657)	(3,086)
Closing net book amount as at 30 June 2014	377,915	2,779,992	253,919	71,450	325,369

As at 30 June 2015, the Group's land use rights and property, plant and equipment with net book amounts of HK\$59,974,000 (31 December 2014: HK\$60,760,000) and HK\$129,346,000 (31 December 2014: HK\$301,820,000) respectively were pledged as collateral for the Group's bank borrowings (Note 15).

During the period, the Group has capitalised borrowing costs, including interest expenses amounting to HK\$6,017,000 (six months ended 30 June 2014: HK\$9,229,000) on qualifying assets. Borrowing costs were capitalised at the weighted average rate of its borrowings of 3.88% (six months ended 30 June 2014: 6.48%).

10 TRADE AND BILLS RECEIVABLES

The Group generally requires its customers to settle sales invoices within 3 months. Ageing analysis of trade and bills receivables based on revenue recognition date is as follows:

	Unaudited 30 June 2015 HK\$'000	Audited 31 December 2014 HK\$'000
Within 3 months	807,038	622,886
4 to 6 months	96,923	67,093
7 to 12 months	18,788	14,791
1 to 2 years	1,955	1,097
	924,704	705,867
Less: Provision for impairment	(2,909)	(2,580)
	921,795	703,287

11 SHARE CAPITAL

	Number of shares '000	Ordinary shares HK\$'000
Authorised		
At 31 December 2014 and 30 June 2015 (ordinary shares with par value of HK\$0.02 each)	10,000,000	200,000
Issued and fully paid up		
At 1 January 2015 and 30 June 2015 (unaudited)	2,968,527	66,177
At 1 January 2014	2,929,925	65,405
Issuance of shares — exercise of share options	24,000	480
At 30 June 2014 (unaudited)	2,953,925	65,885

12 RESERVES

	Unaudited						
	Share premium <i>HK\$'000</i>	Capital reserve <i>HK\$'000</i>	Statutory reserves <i>HK\$'000</i>	Share-based payment reserve <i>HK\$'000</i>	Currency translation differences <i>HK\$'000</i>	Retained earnings <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 January 2015	1,313,850	176,819	176,049	—	146,197	1,373,410	3,186,325
Dividends paid to equity holders of the Company	(212,125)	—	—	—	—	(298,462)	(510,587)
Profit for the period	—	—	—	—	—	250,501	250,501
Currency translation differences	—	—	738	—	247	—	985
At 30 June 2015	1,101,725	176,819	176,787	—	146,444	1,325,449	2,927,224
At 1 January 2014	1,262,730	176,819	273,859	15,530	161,407	910,519	2,800,864
Dividends paid to equity holders of the Company	—	—	—	—	—	(58,599)	(58,599)
Profit for the period	—	—	—	—	—	300,627	300,627
Issuance of shares							
— exercise of share options	35,120	—	—	—	—	—	35,120
Currency translation differences	—	—	(2,644)	—	(23,953)	—	(26,597)
At 30 June 2014	1,297,850	176,819	271,215	15,530	137,454	1,152,547	3,051,415

13 POST-EMPLOYMENT BENEFIT OBLIGATION

The maturity profile of the post-employment benefit obligation is as follows:

	Unaudited 30 June 2015 HK\$'000	Audited 31 December 2014 <i>HK\$'000</i>
Within 1 year	21	40
Between 1 to 2 years	7	24
Between 2 to 5 years	—	3
	28	67
Less: Current portion included in current liabilities	(21)	(40)
	7	27

14 TRADE AND BILLS PAYABLES

Ageing analysis of trade and bills payables is as follows:

	Unaudited 30 June 2015 HK\$'000	Audited 31 December 2014 <i>HK\$'000</i>
Within 3 months	208,889	232,963
4 to 6 months	87,340	41,608
7 to 12 months	17,630	10,679
1 to 3 years	1,792	1,942
More than 3 years	969	528
	316,620	287,720

15 **BORROWINGS**

	Unaudited 30 June 2015 HK\$'000	Audited 31 December 2014 HK\$'000
Non-current		
Non-current portion of long-term bank borrowings	663,427	364,246
Current		
Current portion of long-term bank borrowings	162,604	190,772
Short-term bank borrowings	389,004	316,909
	551,608	507,681
Total borrowings	1,215,035	871,927
Representing:		
Unsecured (i)	873,052	554,981
Secured (ii)	341,983	316,946
	1,215,035	871,927

(i) As at 30 June 2015, the Group's bank borrowings of HK\$299,758,000 (31 December 2014: HK\$238,072,000) were guaranteed by the Company.

(ii) As at 30 June 2015, certain of the Group's borrowings were secured by the Group's land use rights with a net book amount of HK\$59,974,000 (31 December 2014: HK\$60,760,000), the Group's buildings, plant and machinery with a net book amount of HK\$129,346,000 (31 December 2014: HK\$301,820,000) (Note 9).

Interest expenses on bank borrowings for the six months ended 30 June 2015 were HK\$25,233,000 (six months ended 30 June 2014: HK\$38,645,670), including HK\$6,017,000 capitalised in construction-in-progress (six months ended 30 June 2014: HK\$9,228,670).

15 BORROWINGS (Continued)

Movements in borrowings were analysed as follows:

	Unaudited <i>HK\$'000</i>
Six months ended 30 June 2015	
As at 1 January 2015	871,927
Proceeds from borrowings	669,454
Repayments of borrowings	(326,568)
Exchange differences	222
As at 30 June 2015	1,215,035
Six months ended 30 June 2014	
As at 1 January 2014	1,187,793
Proceeds from borrowings	555,209
Repayments of borrowings	(302,248)
Exchange differences	(9,693)
As at 30 June 2014	1,431,061

16 OPERATING PROFIT ARISES FROM CONTINUING OPERATIONS

	Unaudited	
	Six months ended 30 June	
	2015	2014
	HK\$'000	<i>HK\$'000</i>
Gain on disposal of property, plant and equipment	(337)	(2,610)
Government grants	(38,165)	(16,844)
Depreciation of property, plant and equipment	95,268	67,414
Provision for impairment of receivables	329	—
Amortisation of intangible assets	2,226	1,723
Amortisation of land use rights	2,539	1,449
Foreign exchange (gain)/loss, net	(1,089)	5,870

17 INCOME TAX EXPENSES

The Company is incorporated in the Cayman Islands as an exempted company and, accordingly, is exempted from payment of the Cayman Islands income tax. The Company had no assessable profits in Hong Kong and, accordingly, no Hong Kong profits tax was provided.

New Orient Investments Pharmaceutical Holding (Hong Kong) Limited, the subsidiary of the Company, is subject to Hong Kong profits tax at the rate of 16.5% (2014: 16.5%) on its estimated assessable profit.

All subsidiaries of the Company established and operated in PRC are subject to Mainland China Corporate Income Tax ("CIT") at an applicable rate of 25%.

Shijiazhuang No. 4 Pharmaceutical Co., Ltd. has been recognised as a High and New Tech Enterprises in 2012 and is in the process of renewal in 2015. Based on the historical experience and the continuing investment in its research and development activities, the management of the Company makes a reasonable estimation that Shijiazhuang No. 4 Pharmaceutical Co., Ltd. will complete the renewal in the second half year of 2015. Hebei Guolong Pharmaceutical Co., Ltd. has been recognised as a High and New Tech Enterprise in 2014. According to the tax incentives rules of the Corporate Income Tax Law of the People's Republic of China (the "CIT Law") for High and New Tech Enterprises, these companies are subject to a reduced corporate income tax rate of 15% for three years.

According to the PRC CIT Law, the profits of the PRC subsidiaries of the Group derived since 1 January 2008 will be subject to withholding tax at a rate of 5% upon the distribution of such profits to foreign investors in Hong Kong. Deferred income tax liabilities have been provided for in this regard based on the expected dividends to be distributed from the Group's PRC subsidiaries in the foreseeable future in respect of the profits generated since 1 January 2008.

As at 30 June 2015, deferred income tax liabilities of HK\$95,013,000 (31 December 2014: HK\$82,154,000) have not been recognised for the withholding tax that would be payable on the unremitted earnings of certain subsidiaries that derived since 1 January 2008. Such amounts are permanently reinvested. Unremitted earnings totalled HK\$1,900,262,000 (31 December 2014: HK\$1,643,085,000) at 30 June 2015.

The amounts of taxation charged to the interim condensed consolidated statement of comprehensive income:

	Unaudited	
	Six months ended 30 June	
	2015	2014
	HK\$'000	HK\$'000
		(Represented)
PRC current income tax		
— CIT	48,203	41,893
— Withholding tax of profits distribution by the PRC subsidiaries	—	6,030
Deferred income tax	(932)	5,907
	47,271	53,830

18 DIVIDENDS

	Unaudited	
	Six months ended 30 June	
	2015	2014
	HK\$'000	HK\$'000
Dividend, proposed, of HK\$ 2.5 cents (six months ended 30 June 2014: HK\$ 6 cents) per ordinary share	70,463	177,236

At a meeting held on 31 August 2015, the directors recommended the payment of a dividend of totalling approximately HK\$70,463,000 in respect of the six months ended 30 June 2015, which is calculated based on HK\$2.5 cents per ordinary share, and 2,818,527,385 ordinary shares in issue following the completion of the Offer (the "Shares") (Note 22). The Shares are 2,968,527,385 ordinary shares in issue as at 30 June 2015, reduced by 150,000,000 ordinary shares repurchased assuming that there is full acceptance of the Offer by the qualifying shareholders up to the maximum number of ordinary share. The proposed dividend has not been reflected as a dividend payable in this interim condensed consolidated financial statements, but will be reflected as an appropriation of share premium for the year ending 31 December 2015.

19 EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	Unaudited	
	Six months ended 30 June	
	2015	2014
	HK\$'000	HK\$'000
		(Represented)
Profit attributable to equity holders of the Company arises from continuing operations	250,501	259,953
Profit attributable to equity holders of the Company arises from discontinued operations	—	40,674
	250,501	300,627
Weighted average number of ordinary shares in issue (thousands)	2,968,527	2,930,721
Basic earnings per share (HK\$ per share)		
Profit attributable to equity holders of the Company arises from continuing operations	0.0844	0.0887
Profit attributable to equity holders of the Company arises from discontinued operations	—	0.0139
	0.0844	0.1026

19 EARNINGS PER SHARE (Continued)

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The dilutive potential ordinary shares of the Company are share options. For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	Unaudited Six months ended 30 June	
	2015 HK\$'000	2014 HK\$'000 (Represented)
Profit attributable to equity holders of the Company arises from continuing operations	250,501	259,953
Profit attributable to equity holders of the Company arises from discontinued operations	—	40,674
	250,501	300,627
Weighted average number of ordinary shares in issue (thousands)	2,968,527	2,930,721
Adjustment for share options (thousands)	—	11,497
Weighted average number of ordinary shares for diluted earnings per share (thousands)	2,968,527	2,942,218
Diluted earnings per share (HK\$ per share)		
Profit attributable to equity holders of the Company arises from continuing operations	0.0844	0.0884
Profit attributable to equity holders of the Company arises from discontinued operations	—	0.0138
	0.0844	0.1022

20 RELATED-PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, control the other party or exercise significant influence over the other party in making financial and operation decisions. Parties are also considered to be related if they are subject to common control.

- (a) The directors are of the view that the following companies are related parties of the Group before 4 June 2014:

Name	Relationship
Rejoy Group Limited Liability Company ("Rejoy Group")	An entity significantly influenced by certain key management personnel of the Group
Xi'an Rejoy Technology Investment Co., Ltd. ("Rejoy Technology")	Majority owned by shareholders of Prime United Industries Limited ("PUI"), which owns approximately 26.28% interest in the Company
Xi'an Rejoy Packaging Materials Co., Ltd. ("Rejoy Packaging")	Subsidiary of Rejoy Technology
Xi'an Rejoy Medicine Co., Ltd. ("Rejoy Medicine")	Subsidiary of Rejoy Group

PUI sold all its shares of the Company at 4 June 2014. Meanwhile, certain key management personnel of the Group have resigned at the same day from the Group. Accordingly, Rejoy Group, Rejoy Technology, Rejoy Packaging and Rejoy Medicine are no longer considered to be related parties of the Group after 4 June 2014.

20 RELATED-PARTY TRANSACTIONS *(Continued)*

- (b) Except for related party transactions disclosed elsewhere in this interim condensed consolidated financial statements, the Group had the following significant transactions with related parties:

Nature of transactions	Name of related party	Unaudited	
		Six months ended 30 June	
		2015 HK\$'000	2014 HK\$'000
Purchasing of raw materials and packaging materials from	— Rejoy Packaging	—	676
Sales of finished goods to	— Rejoy Medicine	—	2,396
Provision of utilities to	— Rejoy Packaging	—	1,557

In the opinion of the Company's directors and the Group's management, the above related party transactions were carried out in the ordinary course of business, and in accordance with the terms of the underlying agreements and/or the invoices issued by the respective parties.

(c) **Key management compensation**

	Unaudited	
	Six months ended 30 June	
	2015 HK\$'000	2014 HK\$'000
Salaries and wages	3,175	3,801

The related party balances are unsecured, interest-free and have no pre-determined terms of repayment.

21 COMMITMENTS

(a) Capital commitments

Capital expenditure at the balance sheet dates contracted but not yet provided for is as follows:

	Unaudited 30 June 2015 HK\$'000	Audited 31 December 2014 HK\$'000
Property, plant and equipment	18,515	4,605

(b) Operating lease commitments

The future aggregate minimum lease rental expense in respect of office premises in the Mainland China and Hong Kong under non-cancellable operating leases are payable as follows:

	Unaudited 30 June 2015 HK\$'000	Audited 31 December 2014 HK\$'000
Not later than one year	3,682	2,407
Later than one year and not later than five years	5,349	1,568
More than five years	6,217	7,966
	15,248	11,941

22 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

There are no other significant events after the balance sheet date saved as those disclosed elsewhere in the interim condensed consolidated financial statements and these described below:

- (a) On 2 July 2015, the Board announced that a conditional cash offer would be made by BNP Paribas Securities (Asia) Limited on behalf of the Company to buy-back for cancellation, of up to 150,000,000 ordinary shares (the "Shares"), representing approximately 5.05% of the existing issued share capital of the Company, at the price of HK\$3.30 per Share (the "Offer"). An extraordinary general meeting was held and the ordinary resolution in connection with the Offer was approved on 17 August 2015. On 31 August 2015, the Offer was completed and 150,000,000 Shares have been bought-back, but not yet cancelled.

- (b) Details of the 2015 interim dividend proposed are described in Note 18.