



YiChang HEC ChangJiang Pharmaceutical Co., Ltd.

宜昌東陽光長江藥業股份有限公司

(A joint stock limited company incorporated in the People's Republic of China)

Stock Code : 1558



Our Mission:

For Everyone's Health

Interim Report **2016**



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FINANCIAL HIGHLIGHTS

(RMB'000)	Six months ended 30 June 2016	Six months ended 30 June 2015	Year ended 31 December		
			2015	2014	2013
Revenue	555,629	382,864	692,910	440,904	316,429
Gross profit	419,312	283,868	514,576	321,075	200,461
Profit from operations	268,556	197,663	339,605	205,445	119,124
Profit before taxation	264,444	183,154	314,706	163,115	70,180
Profit attributable to equity shareholders of the Company	214,985	153,248	265,750	135,343	57,800
Basic/diluted earnings per share (RMB cent)	48	50	79	45	N/A
Total assets	2,781,904	1,627,179	2,577,415	949,531	1,658,116
Total liabilities	489,709	679,582	434,566	672,276	1,179,195
Net assets	2,292,185	947,597	2,142,849	277,255	478,921
Profitability					
Gross profit margin	75.5%	74.1%	74.3%	72.8%	63.4%
Operating profit margin	48.3%	51.6%	49.0%	46.6%	37.6%
Net profit margin	38.7%	40.0%	38.4%	30.7%	18.3%



CORPORATE PROFILE

YiChang HEC ChangJiang Pharmaceutical Co., Ltd. (hereinafter referred to as the “**Company**”, with its subsidiaries, collectively referred to as the “**Group**” or “**we**” or “**us**”) is one of China’s leading pharmaceutical manufacturing companies focusing on anti-virus medicine and covering the development, manufacture and sales of pharmaceutical products in three major therapeutic areas of anti-virus, endocrine and metabolic diseases as well as cardiovascular diseases. It is the domestic pharmaceutical manufacturing platform under Shenzhen HEC Industrial Development Co., Ltd. and its subsidiaries.

We have a total of 33 pharmaceutical products, of which 25 products have been included in the national drug reimbursement list. Our top five products, including Kewei (oseltamivir phosphate) granules and capsules, Ertongshu (benzbromarone tablets), Oumeining (telmisartan tablets), Xinhaining (amlodipine besylate tablets) and Xining (cetirizine tablets), all ranked top positions among similar products in terms of sales in 2015, with our key product Kewei (oseltamivir phosphate) dominating the anti-influenza virus market in China.

We have a sale network sprawling across China, with a high market penetration rate. In future, we will expand our coverage to hospitals and other medical institutions throughout the PRC.

In August 2001, Yichang Changjiang Pharmaceutical Co., Ltd., the predecessor of the Group, was established in Hubei Province and formally entered into China’s pharmaceutical industry. In 2006, the Group was licensed by oseltamivir phosphate licensor to manufacture oseltamivir phosphate products in the PRC. In 2008, following the registration of its patent-protected Kewei granule product with the Food and Drug Administration of China, the Group became the only oseltamivir phosphate granule manufacturer in China and entered the domestic pediatric pharmaceutical market. In the following year, the Group’s anti-influenza virus product, oseltamivir phosphate, was selected into Central Medical Reserve (中央醫藥儲備基地). In 2013, Kewei product dominated the largest market share of oseltamivir phosphate products in China. In 2015, the Group was transformed into a joint stock limited company by means of reorganization, and established strategic cooperation relationship with Shenzhen HEC Industrial Development Co., Ltd. (深圳市東陽光實業發展有限公司), one of its controlling shareholders, and acquired the pre-emptive right to purchase products developed by the HEC Research Group (東陽光藥研究院)¹ owned by its substantial shareholder. With the continuous expansion of our business, shares of the Group were successfully listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 29 December 2015.

Since its incorporation, the Group has been adhering to the development strategies of professionalism, branding and differentiation. Since 2014, the Group has been committed to building a professional marketing team, maintaining steady and innovative market operation and implementing strategic integration of resources, so as to develop unique brand characteristics and core competitiveness in the industry and create maximized value for our consumers and partners. In future, the Group will further enrich its product lines, expand its markets, enhance international production standards and quality of its products and continue to expand the coverage of marketing and sales in order to promote further growth of our operations and profitability, and endeavour to create more value for the investors.

¹ HEC Research Group (東陽光藥研究院) has three major specific institutes, being innovative drugs, biologics and generic drugs institutes. After 10 years of development, with the establishment of a research and development (R&D) system which can meet the research standards of the FDA and in Europe in relation to new drugs, the institute has become a R&D base for new drugs, biologics and generic drugs with international first-class R&D strength.



MANAGEMENT DISCUSSION AND ANALYSIS

I. INDUSTRY OVERVIEW

In recent years, China's economy entered into a "new normal" with structural adjustment, improvement of overcapacity situation and comprehensively deepening reform, and China's economy growth gradually slowed down. However, pharmaceutical industry is partially supported by rigid demand. With a rapidly aging population and the implementation of the two-child policy by the central government, we expect the pharmaceutical industry still has broad room for growth.

According to the Report on Current Market Development and Investment Prospects Forecast of China's Pharmaceutical Industry for the Years of 2016-2022 (《2016-2022年中國醫藥行業市場發展現狀及投資前景預測報告》) published by Zhiyan Consulting, in 2015, China's pharmaceutical industry realized an operating income of RMB2,553.71 billion, representing an increase of 9.1% as compared with the previous year, and the total profit of the pharmaceutical industry amounted to RMB262.73 billion, representing an increase of 12.9% as compared with the previous year. Although the growth rate was lower compared with last couple of years, it still remained at a relatively high level. Looking back to the first half of 2016, China's pharmaceutical industry maintained an overall development trend of continuous and steady growth.

2016 is the first year of the "13th Five-year Plan". During the year, various significant policies, in particular, the policies in respect of medical services, pharmaceuticals, and medical devices were promulgated. With the introduction of relevant healthcare reform policies, such as the implementation of health insurance for serious diseases (大病醫保) and multi-level medical system (分級診療制度), strengthening of investment and construction in pediatric departments, and consistency evaluation of generic drugs (仿制藥一致性評價), the overall pharmaceutical industry will be directed to develop in a more efficient and reasonable manner, catalyzing the deepening reform of the pharmaceutical industry.

According to "The Outlines of the 13th Five-year Plan for the National Economic and Social Development of the People's Republic of China" 《中華人民共和國國民經濟和社會發展第十三個五年規劃綱要》 promulgated by the State Council, innovation and upgrading of the pharmaceutical industry has become one national strategy, and the term of innovation has become a keyword in the "13th Five-year Plan" for the pharmaceutical industry. Innovation is the key to make the large pharmaceutical industry to grow much stronger. The "13th Five-year Plan" period will be a critical period for the development of the pharmaceutical industry as well as a promising period with strategic opportunity.

Under such new circumstances, we will continue to focus on the enhancement of quality and economic benefits of our products, to further consolidate and enhance our leading market position of existing products based on the current solid foundation, to further expand our market share by leveraging on the first-mover advantages brought by our key products, and focusing on academic promotion, to enrich alternative marketing efforts and to expand marketing channels based on the overall guidance of the macroeconomic policy. Meanwhile, we will continue to expand our product portfolio by diversifying our product lines in therapeutic areas of anti-virus, endocrine, metabolic and digestive diseases.



MANAGEMENT DISCUSSION AND ANALYSIS

II. BUSINESS REVIEW

Overall sales performance

With respect to the sales contribution, there was no significant change in the core product portfolio of the Group, and the leading products in terms of the sales volume are still Kewei, Ertongshu, Xinhaining, Xining and Oumeining. In spite of the national macro economy and the deepened reform of the medical system, the Group still managed to achieve a strong growth in revenue through construction of sales team, expanding sales channels and diversifying its product lines.

In the first half of 2016, our revenue has reached RMB555.6 million, representing an increase of 45.1% as compared to the same period of 2015. Revenue from Kewei products has reached RMB460.8 million, representing an increase of 70.1% as compared to the same period of 2015, maintaining a high growth rate.

In the future, with further implementation of healthcare reform policies such as the multi-level medical system and children's medical and health reform, coupled with the strategies formulated by the Group to continuously expand its academic promotion team, increase market penetration rate and enhance its brand influence, we are confident about the Group's future sales performance.

Marketing team development and the launch of sales campaigns

In the first half of 2016, the Company successfully rolled out its promotional campaigns by holding various academic promotional activities, establishing a number of academic platforms and organising various kinds of academic activities. In March 2016, the Company successfully held China's First Flu Summit (中國首屆流感高峰論壇) under the theme of "Standardized Diagnosis and Treatment for Flu" as the sponsor and organizer, and invited authoritative experts and scholars in disease control and prevention in China to deliver speeches and make suggestions, with a view to setting up a domestic communication platform for flu prevention and treatment in China, advocating the latest concept of flu prevention and treatment in our country and raising concern from doctors and the public on and attention to flu diseases, especially children's flu.

With respect to the construction of the sales team, the Group constantly strengthened staff training to enhance their capabilities in academic promotion, and expanded the scale of our sales team. We planned to recruit additional sales staff of the Group so as to build a fresh troop for the new products promotion and market expansion plans in the future.



MANAGEMENT DISCUSSION AND ANALYSIS

Research and development

- **Anti-virus therapeutic area: Yimitasvir Phosphate**

Leveraging on our operation experience on oseltamivir phosphate, we are devoted to the anti-virus therapeutic area and expand our product portfolio. In 2015, we entered into an agreement with Sunshine Lake Pharma Co., Ltd. pursuant to which we have acquired the right to use the relevant proprietary technologies and patent of yimitasvir phosphate products and follow-up direct anti-viral agent compounds, and the right to produce and sell the aforementioned products worldwide subject to the approval from relevant governments. Yimitasvir phosphate is an NS5A inhibitor used for the treatment of Hepatitis C viral (HCV) infections. It is anticipated to be a National Class 1.1 drug and we believe it will be the first anti-Hepatitis C direct antiviral agent (DAA) drug wholly developed by a PRC company. We believe that this will be an important drug for the treatment of HCV infections in the PRC in the future. Currently, the phase I clinical trial of yimitasvir phosphate was accomplished, and the application for phase II and III clinical trials has been submitted and is currently pending for approval. In February 2016, we signed a memorandum of understanding for novel all-oral interferon-free treatment for chronic HCV infection with TaiGen Biotechnology Holdings Limited.

- **Treatment of endocrine and metabolic diseases: the full spectrum of insulin products**

In the area of endocrine and metabolic diseases, we focus on developing a series of insulin products for the treatment of diabetes. We are currently developing three types of insulin active pharmaceutical ingredients (APIs), which will be produced into a number of forms of insulin finished products. In 2015, we filed an application for clinical trials for Insulin Glargine Injection, Insulin Aspart Injection and Insulin Aspart 30 Injection. As at the date of this report, we have successfully obtained the approvals of the clinical trials for Isophane Protamine Recombinant Human Insulin Injection, Isophane Protamine Recombinant Human Insulin Injection (Pre-mixed 30R) and Insulin Glargine Injection.



MANAGEMENT DISCUSSION AND ANALYSIS

III. OPERATING RESULTS AND ANALYSIS

1. Overview

(RMB'000)	Six months ended 30 June		
	2016	2015	Change
Revenue	555,629	382,864	45.1%
Gross profit	419,312	283,868	47.7%
Profit from operations	268,556	197,663	35.9%
Profit before taxation	264,444	183,154	44.4%
Profit attributable to equity shareholders of the Company	214,985	153,248	40.3%
Basic/diluted earnings per share (RMB cent)	48	50	-4.0%
Profitability			
Gross profit margin	75.5%	74.1%	1.4%
Operating profit margin	48.3%	51.6%	-3.3%
Net profit margin	38.7%	40.0%	-1.3%

2. Revenue

For the six months ended 30 June 2016, the Group recorded a revenue of RMB555.6 million, representing an increase of 45.1% as compared with RMB382.9 million for the six months ended 30 June 2015. Our revenue from Kewei products was RMB460.8 million, representing an increase of 70.1% as compared with the six months ended 30 June 2015. The significant growth in revenue from Kewei products was mainly due to the increased brand awareness and strengthened market competitive advantages of Kewei products as a result of the continuous academic promotion activities carried out by us for Kewei products.

MANAGEMENT DISCUSSION AND ANALYSIS

The table below sets forth the revenue of the Group by therapeutic area and as a percentage of total revenue:

(RMB'000)	Six months ended 30 June		2015	Percentage of total revenue	Change
	2016	Percentage of total revenue			
Anti-viral drugs	462,384	83.2%	272,461	71.2%	69.7%
Core product Kewei	460,810	82.9%	270,889	70.7%	70.1%
– Kewei granules	317,755	57.2%	176,585	46.1%	79.9%
– Kewei capsules	143,055	25.7%	94,304	24.6%	51.7%
Cardiovascular drugs	40,225	7.2%	50,310	13.1%	-20.0%
Endocrine and metabolic drugs	18,188	3.3%	15,919	4.2%	14.3%
Others	34,832	6.3%	44,174	11.5%	-21.1%
Total	555,629	100.0%	382,864	100.0%	

3. Cost of Sales

Our cost of sales consists of (i) cost of raw materials, primarily including cost of API, ancillary materials and packaging materials, (ii) labour cost, primarily including salaries and welfare benefits of our staff directly involved in the manufacture of our products, (iii) manufacturing overhead, primarily including depreciation cost of machinery and facilities and cost of labour protection materials, fuel, machine oil and maintenance, and (iv) royalty fee paid to third parties in relation to various patent licences. Our cost of sales increased from RMB99.0 million for the six months ended 30 June 2015 to RMB136.3 million for the six months ended 30 June 2016. The increase in our cost of sales was mainly due to an increase in sales volume for the six months ended 30 June 2016 as compared with the corresponding period of 2015.



MANAGEMENT DISCUSSION AND ANALYSIS

The table below sets forth the cost of sales of the Group by therapeutic areas and as a percentage of total cost of sales:

(RMB'000)	Six months ended 30 June		2015	Percentage of total cost of sales	Change
	2016	Percentage of total cost of sales			
Anti-viral drugs	113,292	83.1%	66,831	67.5%	69.5%
Core product Kewei	112,773	82.7%	61,855	62.5%	82.3%
– Kewei granules	69,553	51.0%	36,271	36.6%	91.8%
– Kewei capsules	43,220	31.7%	25,583	25.8%	68.9%
Cardiovascular drugs	5,964	4.4%	9,052	9.1%	-34.1%
Endocrine and metabolic drugs	1,898	1.4%	2,160	2.2%	-12.2%
Others	15,163	11.1%	20,953	21.2%	-27.6%
Total	136,317	100.0%	98,996	100.0%	37.7%

4. Gross Profit

For the six months ended 30 June 2016, the Group recorded a gross profit of RMB419.3 million, representing an increase of 47.7% as compared with RMB283.9 million for the six months ended 30 June 2015, which was mainly due to our strong performance achieved from anti-viral drugs in the market. Our increase in gross profit was substantially in line with the increase in revenue.

The table below sets forth the gross profit of the Group by therapeutic areas and as a percentage of gross profit:

(RMB'000)	Six months ended 30 June		2015	Percentage of gross profit	Change
	2016	Percentage of gross profit			
Anti-viral drugs	349,092	83.2%	205,630	72.4%	69.8%
Core product Kewei	348,037	83.0%	209,035	73.6%	66.5%
– Kewei granules	248,202	59.2%	140,314	49.4%	76.9%
– Kewei capsules	99,835	23.8%	68,721	24.2%	45.3%
Cardiovascular drugs	34,260	8.2%	41,258	14.5%	-17.0%
Endocrine and metabolic drugs	16,290	3.9%	13,759	4.8%	18.4%
Others	19,670	4.7%	23,221	8.3%	-15.3%
Total	419,312	100.0%	283,868	100.0%	47.7%

MANAGEMENT DISCUSSION AND ANALYSIS

5. Other Revenues

Our other revenue primarily consists of (i) government subsidies, primarily including amortisation of government subsidies for our construction of the production line of Kewei by instalment in accordance with accounting standards, and other subsidies and awards granted by local authorities, and (ii) interest income and other miscellaneous income. For the six months ended 30 June 2016, the Group's other revenue amounted to RMB6.4 million, representing an increase of RMB1.7 million as compared to RMB4.7 million of the six months ended 30 June 2015. The increase was mainly due to a subsidy of RMB2.0 million granted by Yidu Government to the Group for the Company's successful listing on the Main Board of the Stock Exchange and the increase in interest income on bank deposits of the Group.

6. Expense Analysis

For the six months ended 30 June 2016, the Group's total expense amounted to RMB171.4 million, representing an increase of 63.0% as compared to RMB105.1 million for the six months ended 30 June 2015. The Group's main expense comprises the following:

(RMB'000)	For the six months ended 30 June		
	2016	2015	Change
Distribution Costs	110,118	40,794	169.9%
Administrative Expenses	57,139	49,835	14.7%
Finance Costs	4,112	14,509	-71.7%
Total	171,369	105,138	63.0%

Distribution costs mainly consist of (i) marketing expenses relating to conducting academic promotion activities and other marketing activities, (ii) travelling expenses for marketing purposes, (iii) labour cost, and (vi) other expenses. The increase in distribution costs was mainly attributable to our increased promotional activities and recruitment of new staff for market expansion in light of the reduced positive guidance towards Kewei from the government.

Administrative expenses mainly consist of (i) research and development cost, (ii) salary and welfare expenses for management and administrative personnel, (iii) depreciation and amortisation costs relating to our office facilities and land use rights, and (vi) other miscellaneous expenses. Increase in administrative expenses was mainly due to the increase in salary and research and development expenditure.



MANAGEMENT DISCUSSION AND ANALYSIS

Finance costs mainly represented interests on bank loans. The decrease in finance costs was mainly due to the Company's sufficient funding available for the settlement of matured bank loans, resulting in a decrease in interest expenses.

7. Other Net Income

For the six months ended 30 June 2016, other net income of the Group was RMB10.1 million, which mainly includes the foreign exchange gains resulting from the fluctuation of exchange rates between USD and RMB and between HKD and RMB.

8. Profit Before Taxation

For the six months ended 30 June 2016, the profit before taxation of the Group was RMB264.4 million, representing an increase of 44.4% as compared to RMB183.2 million of the six months ended 30 June 2015.

9. Income Tax

For the six months ended 30 June 2016, the income tax expense of the Group was RMB49.5 million, representing an increase of 65.4% as compared to RMB29.9 million of the six months ended 30 June 2015, which was mainly due to the increase in the profit before taxation. The effective tax rates for the six months ended 30 June 2016 and the same period in 2015 were 18.7% and 16.3% respectively. The increase in the effective tax rate was mainly due to the increase of marketing entertainment expenses, which were considered non-deductible before taxation.

10. Profit for the First Half of the Year

For the six months ended 30 June 2016, the net profit of the Group was RMB215.0 million, representing an increase of 40.3% as compared to RMB153.2 million during the six months ended 30 June 2015.

11. Total Comprehensive Income Attributable to Equity Shareholders of the Company

For the six months ended 30 June 2016, total comprehensive income attributable to equity shareholders of the Company was RMB215.0 million, representing an increase of 40.3% as compared to RMB153.2 million during the six months ended 30 June 2015.

IV. FINANCIAL POSITION

1. Overview

As at 30 June 2016, the Group's total assets increased substantially. The Group's total assets amounted to RMB2,781.9 million, total liabilities amounted to RMB489.7 million and total equity amounted to RMB2,292.2 million.

MANAGEMENT DISCUSSION AND ANALYSIS

2. Net Current Assets

The following table illustrates the current assets, current liabilities and net current assets of the Group as of the date indicated.

(RMB'000)	As at 30 June 2016	As at 31 December 2015
Current Assets		
Inventories	115,954	154,628
Trade and Other Receivables	357,485	260,568
Time Deposits	–	33,000
Pledged Deposits	10,549	8,077
Cash and Cash Equivalents	1,470,018	1,353,651
Total Current Assets	1,954,006	1,809,924
Current Liabilities		
Trade and Other Payables	250,007	155,961
Bank loans	32,500	105,000
Deferred Income	4,379	4,379
Current tax Payable	41,612	5,826
Total Current Liabilities	328,498	271,166
Net Current Assets	1,625,508	1,538,758

As at 30 June 2016, the net current assets of the Group were approximately RMB1,625.5 million as compared to RMB1,538.8 million as at 31 December 2015. During the reporting period, the current assets including trade and other receivables and cash and cash equivalent increased by RMB144.1 million due to the significant increase of the sales, and trade and other payables and current tax payable increased by RMB57.3 million, resulting in an increase of the Group's net current assets of RMB86.8 million and a slightly decrease of the Group's current ratio from 6.7 on 31 December 2015 to 5.9 on 30 June 2016.



MANAGEMENT DISCUSSION AND ANALYSIS

3. Gearing Ratio and Quick Ratio

Gearing ratio represents total loans and borrowings as at a record date divided by total equity as at the same record date. Quick ratio represents current assets excluding inventories as at a record date divided by current liabilities as at the same record date. As at 30 June 2016, the gearing ratio and quick ratio of the Group decreased from 9.1% and 6.1 times on 31 December 2015 to 5.3% and 5.6 times respectively. The decrease in gearing ratio was attributable to the decrease of bank loans of our Group, and the decrease in quick ratio was mainly due to the increase in trade and other payables and current tax payable resulting from the increase in sales of the Group.

4. Cash Flow Analysis

The Group's cash flow is shown in the following table:

(RMB'000)	Six months ended 30 June	
	2016	2015
Net cash generated from operating activities	237,616	140,063
Net cash used in investing activities	(23,902)	(14,140)
Net cash (used in)/generated from financing activities	(97,347)	477,171
Net increase in cash and cash equivalents	116,367	603,094

In the first half of 2016, the Group's net cash generated from operating activities was RMB237.6 million, representing an increase of RMB97.6 million as compared with the same period of 2015. The increase was mainly due to the increase in sales. The Group's net cash flow used in investing activities was RMB23.9 million, representing an increase of RMB9.8 million as compared with the same period in 2015, which was mainly due to the milestone payment made by us according to the agreement entered into between the Group and Sunshine Lake Pharma Co., Ltd. on 22 July 2015 in relation to the right to use all the relevant knowhow and patents relating to yimitasvir phosphate and the compounds of yimitasvir phosphate.

In the first half of 2016, the Group's net cash outflow in financing activities was RMB97.3 million, while in the same period of 2015, the Group's net cash generated from financing activities was RMB477.2 million. The decrease of RMB574.5 million was mainly due to the proceeds of RMB517.1 million raised from certain investors prior to the initial public offering in June 2015 and the Group made payments of listing expenses and repayments of bank loans during the first half of 2016.

MANAGEMENT DISCUSSION AND ANALYSIS

5. Analysis of Trade and Other Receivables

	As at 30 June 2016 RMB'000	As at 31 December 2015 RMB'000
Trade and Other Receivables	357,485	260,568

Trade and other receivables increased from RMB260.6 million as at 31 December 2015 to RMB357.5 million as at 30 June 2016, which is mainly attributable to substantial increase of sales in the first half of 2016.

The ageing analysis of trade and bills receivables is as follows (net of allowance for doubtful debts):

	As at 30 June 2016 RMB'000	As at 31 December 2015 RMB'000
Within 3 months	255,798	193,214
Over 3 months but within 1 year	70,193	56,880
Total	325,991	250,094

6. Analysis of Trade and Other Payables

	As at 30 June 2016 RMB'000	As at 31 December 2015 RMB'000
Trade and other payables	250,007	155,961

Trade and other payables recorded a significant increase in the first half of 2016 as compared with the year ended 31 December 2015, representing an increase of 60.3%, which is mainly attributable to the increase in purchasing driven by the increase in sales.

MANAGEMENT DISCUSSION AND ANALYSIS

The ageing analysis of the trade payables is as follows:

	As at 30 June 2016 RMB'000	As at 31 December 2015 RMB'000
Within 1 month	20,365	10,467
Over 1 month but within 3 months	1,834	8,123
Over 3 months but within 1 year	2,473	10,600
Over 1 year	1,513	2,068
Total	26,185	31,258

7. Bank Loans

As at 30 June 2016, the Group's bank loan balance was RMB122.5 million, representing a decrease of 37.2% as compared to RMB195.0 million as at 31 December 2015. The Group is in good liquidity position with sufficient funding and has no repayment risk. In the first half of 2016, the Group currently has no demand or intention to renew the matured bank loans. All bank loans of the Group are loans dominated in RMB and borrowed from domestic banks in the PRC.

8. Capital Structure

The Group's total equity increased by RMB149.4 million from RMB2,142.8 million as at 31 December 2015 to RMB2,292.2 million as at 30 June 2016. The increase was mainly due to the increase in net assets resulting from the increase in capital and operating profit, which was partially offset by the 2015 final dividends declared during the reporting period. On 17 January 2016, the Company exercised the partial over-allotment option and further issued 163,400 H Shares. As at 30 June 2016, the total share capital was 450,822,850 shares, of which 225,000,000 Domestic Shares and 225,822,850 H Shares, representing 49.91% and 50.09% of the total share capital of the Company respectively.

9. Capital Expenditure

The Group's capital expenditure mainly included the construction costs of Yidu No 2 new API production plant and the purchase of new machineries and equipments, as well as the progress payment for the development and approval of yimitasvir phosphate products.

10. Contingent Liabilities

As at 30 June 2016, the Group did not have any contingent liability to any external party.



MANAGEMENT DISCUSSION AND ANALYSIS

11. Pledge of the Group's Assets

Except for bank deposits pledged to secure certain bills payable as at 30 June 2016, we had no other pledged assets.

12. Foreign Exchange and Exchange Rate Risk

The Group mainly operates in the PRC. Other than the foreign currency denominated bank deposits, the Group does not have any other material direct exposure to foreign exchange fluctuations. Despite the depreciation of RMB against the U.S. dollar and the Hong Kong dollar during the six months ended 30 June 2016, the board of directors of the Company (the “**Board**”) expected that the fluctuation of the RMB exchange rate will not have a material adverse effect on the operation of the Group.

13. Employee and Remuneration Policies

As at 30 June 2016, the Group employed a total of 1,177 employees, as compared to a total of 946 employees as at 31 December 2015. The staff costs, including directors' emoluments but excluding any contributions to pension scheme, were approximately RMB34.3 million for the six months ended 30 June 2016. The objective of the Group's remuneration policy is to motivate and retain talented employees to achieve the Group's long-term corporate goals and objectives. The Group's employee remuneration policy is determined by taking into account factors such as remuneration in respect of the overall remuneration standard in the industry and employee's performance. The management reviews the Group's employee remuneration policy and arrangements on a regular basis. Moreover, the social insurance contributions are made by the Group for its PRC employees in accordance with the relevant PRC regulations.

14. Hedging Activities

During the six months ended 30 June 2016, the Group did not enter into any hedging transactions in respect of foreign currency risk or interest rate risk.

15. Future Plans for Material Investments or Capital Assets

As of the date of this report, the Group does not have any current plans for material investments or capital assets.

V. OTHER SIGNIFICANT EVENTS

1. Extension of Oseltamivir Phosphate Limited Agreement

In August 2015, Shenzhen HEC Industrial Development Co., Ltd. (“**Shenzhen HEC Industrial**”) entered into a licence agreement with Oseltamivir Phosphate Licensor in respect of the use of the relevant oseltamivir phosphate patents, which expired on 26 February 2016, and Shenzhen HEC Industrial exercised the option on 26 February 2016 to extend the term of the licence agreement till 31 December 2017. Therefore, the Group were authorized to produce, manufacture and sell oseltamivir phosphate products in the PRC till 31 December 2017.

2. Approvals of clinical trials for three self-developed insulin injections

We have successfully obtained the approvals of clinical trials issued by the China Food and Drug Administration for the therapeutic biological products of isophane protamine recombinant human insulin injection, isophane protamine recombinant human insulin injection (Pre-mixed 30R) and insulin glargine injection self-developed by our research and development team. As at the date of this report, the Group has a total of four therapeutic biological products treating diabetes that have received approvals of clinical trials, which will help improve the Group’s production line of insulins, make us well-positioned in the diabetes market and successfully generate new sources of profit growth.

3. Signing of cooperation memorandum regarding research and development with TaiGen

On 17 February 2016, the Group signed cooperation memorandum with TaiGen Biopharmaceuticals Holdings Limited (stock code: 4157TW) (“**TaiGen**”) for collaboration in research and development of a novel all-oral interferon-free treatment for chronic hepatitis C virus (HCV) infection in both mainland China and Taiwan.

4. Donation of RMB2.0 million to Yidu Government

In the course of its development, the Group has actively participated in social welfare undertakings, aiming to generously contribute to society and promote social harmony. On 13 June 2016, the Group donated RMB2.0 million to Yidu Government to support the development of education and health undertakings of Yidu City.

5. Receipt of certificates of two patents

During the reporting period, the Group received two patent certificates, namely “a synthesis method of fudosteine” and “a feeding and filling device for granular packing machine”.



MANAGEMENT DISCUSSION AND ANALYSIS

VI. BUSINESS PROSPECT FOR THE SECOND HALF OF THE YEAR

In the short term, the governments at all levels will gradually increase their financial support for the medical reform, and such increase in government investment will significantly boost up the demand for pharmacies and medical care in the future. The promotion of graded diagnosis and treatment system will increase the popularity of more medical products among primary county and city-level hospitals. Pharmaceutical companies will face pressure from both tightening cost control over health insurance and decreasing percentage of drug income in total hospitals' income, and the drug prices will generally decline, with expensive drugs facing the risk of significant decrease in price.

In the middle and long term, the pharmaceutical industry shows a high level of certainty in its general development trend: demand for pharmaceutical products will continue to rise driven by the aging population, urbanization, enhanced awareness of health and expanded spectrum of diseases; further development of bio-technologies ensures the innovative research and development of pharmaceutical products to meet the demand of medicines; and the government's increased spending on medical care guarantees sufficient availability of the required funding.

Based on science and technology innovations, the Group has managed to establish rich product pipelines for innovative drugs and biological drugs. Benefiting from relevant policies, such as the national policy to encourage innovations, it is believed that the Group will obtain approval from the government for more high-quality drugs in the coming few years to better serve the public. Meanwhile, the Group will continue to enhance brand building for its existing products, expand sales network, actively explore new markets with development potentials and consolidate its leading position in the market. Leveraging on its competitive edges and wide sales network, the Group has established a variety of academic platforms, laying a solid foundation for its new product lines in the future.

In the future, we will set more sales records with our product coverage expanding to more disease therapeutic areas. Amid the major revolution of the pharmaceutical industry, the Group will seize opportunities and leverage on its resource advantages in the industry to gradually expand its existing businesses and develop more drugs that see strong demand and offer a high profit margin. The Group is committed to its sustainable development in an effort to grow into a leading pharmaceutical company in China.



CORPORATE GOVERNANCE AND OTHER INFORMATION

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company, being listed on the Stock Exchange, always strives to maintain a high level of corporate governance, and complied with all the code provisions as set out in the Corporate Governance Code contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) for the six months ended 30 June 2016.

COMPLIANCE WITH CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix 10 of the Listing Rules as the code of conduct regarding securities transactions of the Company by the Directors and supervisors of the Company. Upon making specific enquiries to all of the Directors and supervisors of the Company, all Directors and supervisors of the Company confirmed that during the six months ended 30 June 2016, each of the Directors and supervisors of the Company had fully complied with the required standards set out in the Model Code.

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) has formulated terms of reference in written form in accordance with the requirements of the Listing Rules. It comprises three members, namely, Mr. TANG Jianxin (independent non-executive director), Mr. LEE Chi Ming (independent non-executive director) and Mr. TANG Xinfa (non-executive director). Mr. TANG Jianxin currently serves as the chairman of the Audit Committee.

The Audit Committee of the Company has reviewed the Group’s 2016 interim results announcement, interim report and the unaudited interim financial statements for the six months ended 30 June 2016 prepared in accordance with the IFRSs.

SHARE CAPITAL

As of 30 June 2016, the total share capital of the Company was RMB450,822,850, divided into 450,822,850 shares of RMB1.00 each (including 225,000,000 Domestic Shares and 225,822,850 H Shares). Details of movements in the share capital of the Company during the six months ended 30 June 2016 are set out in note 15(b) to the unaudited interim financial report.

CORPORATE GOVERNANCE AND OTHER INFORMATION

INTERESTS AND SHORT POSITIONS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2016, the interests and short positions of the Directors, supervisors and member of senior management of the Company in the shares, underlying shares or debentures of the Company and any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including those taken or deemed as their interests and short position in accordance with such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register kept by the Company referred to therein, or which were required, pursuant to the Model Code to be notified to the Company and the Stock Exchange were as follows:

Name of Director	Types of shares	Capacity	Number of shares/ underlying shares held (shares)	Approximate percentage of relevant class of share capital (%)	Approximate percentage of total share capital (%)
Mr. Mo Kit ¹	H Shares	Interest in controlled corporation	75,000,000 (L)	33.21%	16.64%

(L) – Long position

The calculation is based on the total number of 450,822,850 shares in issue of the Company as at 30 June 2016, comprising 225,000,000 Domestic Shares and 225,822,850 H Shares.

Note:

1. Mr. Mo Kit owned 100% equity interest in North & South Brother Investment Holdings Limited and is deemed to be interested in the Shares which are interested by North & South Brother Investment Holdings Limited.

Save as disclosed above, as at 30 June 2016, so far as is known to the Directors, none of the Directors, supervisors or members of senior management of the Company had any interests or short positions 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 to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including those taken or deemed as their interest and/or short position in accordance with such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register kept by the Company referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.



CORPORATE GOVERNANCE AND OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at 30 June 2016, to the knowledge of the directors of the Company, the persons (other than a director, supervisor or member of the senior management of the Company) who have an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name of shareholders	Types of shares	Capacity	Number of shares/ underlying shares held (shares)	Approximate percentage of relevant class of share capital (%)	Approximate percentage of total share capital (%)
HEC Pharm Co., Ltd. ("Parent Company") *	Domestic Shares	Beneficial owner	225,000,000 (L)	100.00%	49.91%
Linzhi HEC Pharmaceutical Investment Co., Ltd. ^{1*}	Domestic Shares	Interest in controlled corporation	225,000,000 (L)	100.00%	49.91%
Shenzhen HEC Industrial Development Co., Ltd. ^{1*}	Domestic Shares	Interest in controlled corporation	225,000,000 (L)	100.00%	49.91%
Ruyuan Yao Autonomous County Yuneng Electric Industrial Co., Ltd. ¹	Domestic Shares	Interest in controlled corporation	225,000,000 (L)	100.00%	49.91%
Ruyuan Yao Autonomous County Xinjing Technology Development Co., Ltd. ¹	Domestic Shares	Interest in controlled corporation	225,000,000 (L)	100.00%	49.91%
Mr. Zhang Zhongneng ²	Domestic Shares	Interest in controlled corporation	225,000,000 (L)	100.00%	49.91%
Ms. Guo Meilan ³	Domestic Shares	Interest in controlled corporation	225,000,000 (L)	100.00%	49.91%

CORPORATE GOVERNANCE AND OTHER INFORMATION

Name of shareholders	Types of shares	Capacity	Number of shares/ underlying shares held (shares)	Approximate percentage of relevant class of share capital (%)	Approximate percentage of total share capital (%)
North & South Brother Pharmacy Investment Company Limited	H Shares	Beneficial owner	75,000,000 (L)	33.21%	16.64%
North & South Brother Investment Holdings Limited ⁴	H Shares	Interest in controlled corporation	75,000,000 (L)	33.21%	16.64%
Ample Market Investment Limited	H Shares	Beneficial owner	23,847,914 (L)	10.56%	5.29%
Silver Knight Investment Ltd. (Cayman) ⁵	H Shares	Interest in controlled corporation	23,847,914 (L)	10.56%	5.29%
New Horizon Master IV Investment Ltd. (Cayman) ⁵	H Shares	Interest in controlled corporation	23,847,914 (L)	10.56%	5.29%
Apsif Investment Ptd Ltd ⁵	H Shares	Interest in controlled corporation	23,847,914 (L)	10.56%	5.29%
Champion Zone Investment Limited	H Shares	Beneficial owner	11,959,765 (L)	5.30%	2.65%
Kingsley Investment Ltd. (Cayman) ⁶	H Shares	Interest in controlled corporation	11,959,765 (L)	5.30%	2.65%
Raisson Capital. L.P. (Cayman) ⁶	H Shares	Interest in controlled corporation	11,959,765 (L)	5.30%	2.65%

CORPORATE GOVERNANCE AND OTHER INFORMATION

Name of shareholders	Types of shares	Capacity	Number of shares/ underlying shares held (shares)	Approximate percentage of relevant class of share capital (%)	Approximate percentage of total share capital (%)
Pinpoint Asset Management Limited	H Shares	Investment manager	11,368,000 (L)	5.03%	2.52%
Pinpoint Capital Management Group ^{7,8}	H Shares	Interest in controlled corporation	11,368,000 (L)	5.03%	2.52%
Wealth Ocean Holdings Limited ⁷	H Shares	Interest in controlled corporation	11,368,000 (L)	5.03%	2.52%
Mr. Bao Jiarong ⁷	H Shares	Interest in controlled corporation	11,368,000 (L)	5.03%	2.52%
EJ Holdings Ltd. ⁸	H Shares	Interest in controlled corporation	11,368,000 (L)	5.03%	2.52%
Mr. Wang Qiang ⁸	H Shares	Interest in controlled corporation	11,368,000 (L)	5.03%	2.52%
Sanxing Electric (Hong Kong) Company Limited	H Shares	Beneficial owner	15,503,000 (L)	6.87%	3.44%
Ningbo Sanxing Medical Electric Co., Ltd. ⁹	H Shares	Interest in controlled corporation	15,503,000 (L)	6.87%	3.44%
AUX Holdings Co., Ltd. ⁹	H Shares	Interest in controlled corporation	15,503,000 (L)	6.87%	3.44%
Mr. Zheng Jianjiang ⁹	H Shares	Interest in controlled corporation	15,503,000 (L)	6.87%	3.44%

CORPORATE GOVERNANCE AND OTHER INFORMATION

Name of shareholders	Types of shares	Capacity	Number of shares/ underlying shares held (shares)	Approximate percentage of relevant class of share capital (%)	Approximate percentage of total share capital (%)
Ms. He Yiju ¹⁰	H Shares	Interest of spouse	15,503,000 (L)	6.87%	3.44%
中金智德股權投資管理有限公司	H Shares	Other	11,705,490 (L)	5.18%	2.60%
China International Capital Corporation Limited ¹¹	H Shares	Interest in controlled corporation	11,705,490 (L)	5.18%	2.60%

(L) – Long position

The calculation is based on the total number of 450,822,852 shares in issue of the Company as at 30 June 2016, comprising 225,000,000 Domestic Shares and 225,822,850 H Shares.

Notes:

* Mr. Tang Xinfu is a director of the Parent Company, Linzhi HEC Pharmaceutical Investment Co., Ltd., and Shenzhen HEC Industrial Development Co., Ltd.. Mr. Zhu Yingwei is a director of the Parent Company and Linzhi HEC Pharmaceutical Investment Co., Ltd..

1. Linzhi HEC Pharmaceutical Investment Co., Ltd. owned 44.63% equity interest in the Parent Company, therefore Linzhi HEC Pharmaceutical Investment Co., Ltd. is deemed to be interested in the Shares held by the Parent Company. Shenzhen HEC Industrial Development Co., Ltd. owned 100% equity interest in Linzhi HEC Pharmaceutical Investment Co., Ltd., therefore Shenzhen HEC Industrial Development Co., Ltd. is deemed to be interested in the Shares which are interested by Linzhi HEC Pharmaceutical Investment Co., Ltd.. Ruyuan Yao Autonomous County Yuneng Electric Industrial Co., Ltd. owned 58% equity interest in Shenzhen HEC Industrial Development Co., Ltd., therefore Ruyuan Yao Autonomous County Yuneng Electric Industrial Co., Ltd. is deemed to be interested in the Shares which are interested by Shenzhen HEC Industrial Development Co., Ltd.. Ruyuan Yao Autonomous County Xinjing Technology Development Co., Ltd. owned 42% equity interest in Shenzhen HEC Industrial Development Co., Ltd., therefore Ruyuan Yao Autonomous County Xinjing Technology Development Co., Ltd. is deemed to be interested in the Shares which are interested by Shenzhen HEC Industrial Development Co., Ltd..



CORPORATE GOVERNANCE AND OTHER INFORMATION

2. *Mr. Zhang Zhongneng owned 99.69% equity interest in Ruyuan Yao Autonomous County Yuneng Electric Industrial Co., Ltd., therefore Mr. Zhang Zhongneng is deemed to be interested in the Shares which are interested by Ruyuan Yao Autonomous County Yuneng Electric Industrial Co., Ltd..*
3. *Ms. Guo Meilan owned 99.51% equity interest in Ruyuan Yao Autonomous County Xinjing Technology Development Co., Ltd., therefore Ms. Guo Meilan is deemed to be interested in the Shares which are interested by Ruyuan Yao Autonomous County Xinjing Technology Development Co., Ltd.. Ms. Guo Meilan is the spouse of Mr. Zhang Zhongneng and is deemed to be interested in the Shares which are interested by Mr. Zhang Zhongneng under the SFO.*
4. *North & South Brother Investment Holdings Limited owned 100% equity interest in North & South Brother Pharmacy Investment Company Limited and is deemed to be interested in the Shares which are interested by North & South Brother Pharmacy Investment Company Limited.*
5. *Silver Knight Investment Ltd. (Cayman) owned 100% equity interest in Ample Market Investment Limited and is deemed to be interested in the Shares which are interested by Ample Market Investment Limited. New Horizon Master IV Investment Ltd. (Cayman) owned 45% equity interest in Silver Knight Investment Ltd. (Cayman) and is deemed to be interested in the Shares which are interested by Silver Knight Investment Ltd. (Cayman). Apsif Investment Ptd Ltd owned 50.2% equity interest in Silver Knight Investment Ltd. (Cayman) and is deemed to be interested in the Shares which are interested by Silver Knight Investment Ltd. (Cayman).*
6. *Kingsley Investment Ltd. (Cayman) owned 100% equity interest in Champion Zone Investment Limited and is deemed to be interested in the Shares which are interested by Champion Zone Investment Limited. Raisson Capital. L.P. (Cayman) owned 100% equity interest in Kingsley Investment Ltd. (Cayman) and is deemed to be interested in the Shares which are interested by Kingsley Investment Ltd. (Cayman).*
7. *Pinpoint Capital Management Group owned 100% equity interest in Pinpoint Asset Management Limited and is deemed to be interested in the Shares which are interested by Pinpoint Asset Management Limited. Wealth Ocean Holdings Limited, which is wholly owned by Mr. Bao Jiarong, owned 35.5% equity interest in Pinpoint Capital Management Group and therefore, Wealth Ocean Holdings Limited and Mr. Bao Jiarong are deemed to be interested in the Shares which are interested by Pinpoint Capital Management Group.*
8. *EJ Holdings Ltd. owned 64.5% equity interest in Pinpoint Capital Management Group and is deemed to be interested in the Shares which are interested by Pinpoint Capital Management Group. Mr. Wang Qiang owned 100% equity interest in EJ Holdings Ltd. and is deemed to be interested in the Shares which are interested by EJ Holdings Ltd..*



CORPORATE GOVERNANCE AND OTHER INFORMATION

9. *Ningbo Sanxing Medical Electric Co., Ltd. owned 100% equity interest in Sanxing Electric (Hong Kong) Company Limited and is deemed to be interested in the Shares which are interested by Sanxing Electric (Hong Kong) Company Limited. AUX Holdings Co., Ltd. and Mr. Zheng Jianjiang owned 37.54% and 19.61% equity interest in Ningbo Sanxing Medical Electric Co., Ltd., respectively. Mr. Zheng Jianjiang owned 70% equity interest in AUX Holdings Co., Ltd.. Therefore, AUX Holdings Co., Ltd. and Mr. Zheng Jianjiang are deemed to be interested in the Shares which are interested by Ningbo Sanxing Medical Electric Co., Ltd..*
10. *Ms. He Yiju is the spouse of Mr. Zheng Jianjiang and is deemed to be interested in the Shares which are interested by Mr. Zheng Jianjiang under the SFO.*
11. *China International Capital Corporation Limited owned 100% equity interest in 中金智德股權投資管理有限公司 and is deemed to be interested in the Shares which are interested by 中金智德股權投資管理有限公司 .*

Save as disclosed above, as at 30 June 2016, the Directors are not aware of any other person (other than Directors, supervisors or member of senior management of the Company) have any interest or short position in the Shares or underlying shares of the Company which would fall to be disclosed to the Company pursuant to Division 2 and 3 of Part XV of the SFO, or as recorded in the register required to be kept by the Company under section 336 of the SFO.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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 2016.

INTERIM DIVIDEND

The Board did not recommend the distribution of an interim dividend of the Company for the six months ended 30 June 2016.

CHANGE IN INFORMATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

There has been no change in the information of Directors, supervisors and senior management of the Company that is required to be disclosed under Rules 13.51(2) and 13.51(B) of the Listing Rules since the publication of the 2015 annual report of the Company.



REVIEW REPORT



**Review report to the board of directors of
YiChang HEC ChangJiang Pharmaceutical Co., Ltd.**

(A joint stock company incorporated in the People's Republic of China)

Introduction

We have reviewed the interim financial report set out on pages 29 to 50 which comprises the consolidated statement of financial position of YiChang HEC ChangJiang Pharmaceutical Co., Ltd. (the “**Company**”) as of 30 June 2016 and the related consolidated 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 International Accounting Standard 34, *Interim financial reporting*, issued by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of this interim financial report in accordance with International 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.

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.



REVIEW REPORT

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 2016 is not prepared, in all material respects, in accordance with International Accounting Standard 34, *Interim financial reporting*.

KPMG

Certified Public Accountants

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

14 August 2016

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2016 – unaudited (Expressed in Renminbi)

	Note	Six months ended 30 June	
		2016 RMB'000	2015 RMB'000
Revenue	4	555,629	382,864
Cost of sales		(136,317)	(98,996)
Gross profit		419,312	283,868
Other revenue		6,418	4,678
Distribution costs		(110,118)	(40,794)
Administrative expenses		(57,139)	(49,835)
Other net income/(losses)		10,083	(254)
Profit from operations		268,556	197,663
Finance costs	6(a)	(4,112)	(14,509)
Profit before taxation	6	264,444	183,154
Income tax	7	(49,459)	(29,906)
Profit for the period attributable to equity shareholders of the Company		214,985	153,248
Total comprehensive income for the period attributable to equity shareholders of the Company		214,985	153,248
Basic and diluted earnings per share	8	0.48	0.50

The notes on pages 34 to 50 form part of this interim financial report. Details of dividends payable to equity shareholders of the Company are set out in note 15.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2016 – unaudited (Expressed in Renminbi)

	Note	At 30 June 2016 RMB'000	At 31 December 2015 RMB'000
Non-current assets			
Fixed assets			
– Property, plant and equipment	9	387,741	378,801
– Interests in leasehold land held for own use under operating leases		82,734	83,699
		470,475	462,500
Prepayments	10	339,817	294,599
Deferred tax assets		17,606	10,392
Total non-current assets		827,898	767,491
Current assets			
Inventories	11	115,954	154,628
Trade and other receivables	12	357,485	260,568
Time deposits		–	33,000
Pledged deposits		10,549	8,077
Cash and cash equivalents	13	1,470,018	1,353,651
Total current assets		1,954,006	1,809,924
Current liabilities			
Trade and other payables	14	250,007	155,961
Bank loans		32,500	105,000
Deferred income		4,379	4,379
Current tax payable		41,612	5,826
Total current liabilities		328,498	271,166
Net current assets		1,625,508	1,538,758
Total assets less current liabilities		2,453,406	2,306,249



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2016 – unaudited (Expressed in Renminbi)

	<i>Note</i>	At 30 June 2016 RMB'000	At 31 December 2015 RMB'000
Non-current liabilities			
Bank loans		90,000	90,000
Deferred income		71,211	73,400
Total non-current liabilities		161,211	163,400
Net assets		2,292,195	2,142,849
Capital and reserves			
Share capital	15(b)	450,823	450,659
Reserves		1,841,372	1,692,190
Total equity		2,292,195	2,142,849

The notes on pages 34 to 50 form part of this interim financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2016 – unaudited (Expressed in Renminbi)

Note	Share capital RMB'000	Capital reserve RMB'000	Statutory reserve RMB'000	Retained earnings RMB'000	Total equity RMB'000
Balance at 1 January 2015	170,800	8,064	97,726	665	277,255
Changes in equity for the six months ended 30 June 2015:					
Total comprehensive income for the period	–	–	–	153,248	153,248
Conversion to joint stock limited liability company	129,200	(635)	(97,722)	(30,843)	–
Capital injection	60,527	456,567	–	–	517,094
Balance at 30 June 2015 and 1 July 2015	360,527	463,996	4	123,070	947,597
Changes in equity for the six months ended 31 December 2015:					
Total comprehensive income for the period	–	–	–	112,502	112,502
Shares issued upon initial public offering	90,132	992,618	–	–	1,082,750
Appropriation to statutory reserve	–	–	26,567	(26,567)	–
Balance at 31 December 2015	450,659	1,456,614	26,571	209,005	2,142,849
Balance at 1 January 2016	450,659	1,456,614	26,571	209,005	2,142,849
Changes in equity for the six months ended 30 June 2016:					
Total comprehensive income for the period	–	–	–	214,985	214,985
Dividends approved in respect of the previous year	15(a)	–	–	(67,623)	(67,623)
Shares issued upon initial public offering	15(b)	164	1,820	–	1,984
Balance at 30 June 2016	450,823	1,458,434	26,571	356,367	2,292,195

The notes on pages 34 to 50 form part of this interim financial report.



CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2016 – unaudited (Expressed in Renminbi)

	Six months ended 30 June	
	2016 RMB'000	2015 RMB'000
Operating activities		
Cash generated from operations	258,503	164,886
The People's Republic of China (the "PRC") income tax paid	(20,887)	(24,823)
Net cash generated from operating activities	237,616	140,063
Investing activities		
Interest received	2,111	1,310
Payment for purchase of property, plant and equipment	(19,013)	(15,450)
Payment for purchase of intangible assets	(40,000)	–
Decrease of time deposits	33,000	–
Net cash used in investing activities	(23,902)	(14,140)
Financing activities		
Proceeds from issuance of shares	1,984	517,094
Payment of listing expenses	(22,535)	–
Proceeds of bank loans	–	50,000
Repayments of bank loans	(72,500)	(45,000)
Advances to related parties	–	(31,110)
Interest paid	(4,296)	(13,813)
Net cash (used in)/generated from financing activities	(97,347)	477,171
Net increase in cash and cash equivalents	116,367	603,094
Cash and cash equivalents at 1 January	1,353,651	86,554
Cash and cash equivalents at 30 June	1,470,018	689,648

The notes on pages 34 to 50 form part of this interim financial report.



NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

1 BASIS OF PREPARATION

The 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 International Accounting Standard (“IAS”) 34, *Interim Financial Reporting*, issued by the International Accounting Standard Board (“IASB”). It was authorised for issue on 14 August 2016.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2015 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2016 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 IAS 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.

This 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 2015 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with International Financial Reporting Standards (“IFRSs”).

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 27 to 28.

The financial information relating to the financial year ended 31 December 2015 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.

The Company’s auditor has reported on those financial statements. The auditor’s report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report.



NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

2 CHANGES IN ACCOUNTING POLICIES

The IASB has issued the following amendments to IFRSs that are first effective for the current accounting period of the Group and the Company:

- Annual Improvements to IFRSs 2012-2014 Cycle
- Amendments to IAS 1, *Presentation of financial statements: Disclosure initiative*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

Annual Improvements to IFRSs 2012-2014 Cycle

This cycle of annual improvements contains amendments to four standards. Among them, IAS 34, *Interim financial reporting*, has been amended to clarify that if an entity discloses the information required by the standard outside the interim financial statements by a cross-reference to the information in another statement of the interim financial report, then users of the interim financial statements should have access to the information incorporated by the cross-reference on the same terms and at the same time. The amendments do not have an impact on the Group's interim financial report as the Group does not present the relevant required disclosures outside the interim financial statements.

Amendments to IAS 1, Presentation of financial statements: Disclosure initiative

The amendments to IAS 1 introduce narrow-scope changes to various presentation requirements. The amendments do not have a material impact on the presentation and disclosure of the Group's interim financial report.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

3 SEGMENT REPORTING

Management has determined operating segments with reference to the reports reviewed by the chief operating decision maker of the Group that are used to assess the performance and allocate resources.

The chief operating decision maker of the Group assesses the performance and allocates the resources of the Group as a whole, as all of the Group's activities are considered to be primarily dependent on the performance of sales of pharmaceutical products. Therefore, the Group's management considers that there is only one operating segment under the requirements of IFRS 8, *Operating Segments*. In this regard, no segment information is presented for the period.

No geographic information is presented as the Group's operating profit is entirely derived from its business activities in the PRC.

4 REVENUE

The principal activities of the Group are manufacturing and sales of pharmaceuticals.

Revenue represents the sales value of goods supplied to customers. Revenue excludes sales tax and surcharges and is after deduction of any trade discount. The amount of each significant category of revenue is as follows:

	Six months ended 30 June	
	2016	2015
	RMB'000	RMB'000
Anti-viral drugs	462,384	272,461
Endocrine and metabolic drugs	18,188	15,919
Cardiovascular drugs	40,225	50,310
Others	34,832	44,174
	555,629	382,864

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

5 SEASONALITY OF OPERATIONS

The Group's key product Kewei, is a type of anti-viral drugs for the treatment and prevention of influenza. The Group experiences a higher sales in first and fourth quarter of a year due to the fact that outbreaks of influenza tend to be a seasonal nature and is more prevalent in the spring and winter.

For the twelve months ended 30 June 2016, the Group reported revenue of RMB865,675,000 (twelve months ended 30 June 2015: RMB581,461,000), and gross profit of RMB650,020,000 (twelve months ended 30 June 2015: RMB433,760,000).

6 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

(a) Finance cost

	Six months ended 30 June	
	2016	2015
	RMB'000	RMB'000
Interest expenses	4,112	14,509

(b) Staff costs:

	Six months ended 30 June	
	2016	2015
	RMB'000	RMB'000
Salaries, wages, bonuses and benefits	34,287	22,259
Contribution to retirement schemes	2,334	1,915
	36,621	24,174

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

6 PROFIT BEFORE TAXATION (continued)

(c) Other items:

	Six months ended 30 June	
	2016 RMB'000	2015 RMB'000
Depreciation	13,214	12,796
Auditor's remuneration	600	100
Impairment losses on trade and other receivables	3,687	7,919
Operating lease charges	83	74
Research and development costs (i)	25,858	21,185
Cost of inventories (ii)	86,328	69,093
Listing expenses	—	5,134

(i) During the six months ended 30 June 2016, research and development costs include RMB12,379,000 (six months ended 30 June 2015: RMB9,966,000) relating to staff costs, depreciation and operating lease charges, which amount is also included in the respective total amounts disclosed separately above or in the Note 6(b) for each of these types of expenses.

(ii) During the six months ended 30 June 2016, cost of inventories include RMB16,143,000 (six months ended 30 June 2015: RMB12,840,000) relating to staff costs, depreciation and operating lease charges, which amount is also included in the respective total amounts disclosed separately above or in the Note 6(b) for each of these types of expenses.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

7 INCOME TAX

	Six months ended 30 June	
	2016 RMB'000	2015 RMB'000
Current tax		
Provision for PRC corporate income tax for the period	56,949	33,686
Over-provision for PRC income tax in respect of prior years	(276)	–
	56,673	33,686
Deferred tax		
Origination and reversal of temporary differences	(7,214)	(3,780)
	49,459	29,906

- (i) The PRC corporate income tax rate is 25%.
- (ii) The PRC Corporate Income Tax Law allows enterprises to apply for the certificate of “High and New Technology Enterprise” (“**HNTE**”) which entitles the qualified companies to a preferential income tax rate of 15%. The qualification is valid for three years from 2014 to 2016. Therefore, the Company was entitled to a preferential income tax rate of 15% for the six months ended 30 June 2016 and 2015.

YiChang HEC Pharmaceutical Co., Ltd. (宜昌東陽光醫藥有限公司), a PRC subsidiary of the Group, is qualified as a Small Micro-Size Enterprise (小微企業), which entitled to a preferential income tax rate of 10% for the six months ended 30 June 2016 and 2015.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

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 RMB214,985,000 (six months ended 30 June 2015: RMB153,248,000) and the weighted average number of 450,806,600 ordinary shares (six months ended 30 June 2015: 308,694,551 shares) in issue during the interim period.

	Six months ended 30 June	
	2016 shares	2015 shares
Shares issued as at 1 January	450,659,450	–
Effect of capitalisation issue	–	300,000,000
Effect of shares issued upon certain new investors	–	8,694,551
Effect of shares issued upon the over-allotment option of initial public offering	147,150	–
Weighted average number of ordinary shares	450,806,600	308,694,551

(b) Diluted earnings per share

There were no dilutive potential ordinary shares during the six months ended 30 June 2016 and 2015, and therefore, dilutive earnings per share is the same as the basic earnings per share.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

9 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2016, the Group acquired items of property, plant and machinery with a cost of RMB21,257,000 (six months ended 30 June 2015: RMB10,736,000).

Items of buildings, plant and equipment with a net book value of RMB70,000 were disposed of during the six months ended 30 June 2016 (six months ended 30 June 2015: RMB5,140,000) resulting in a loss of RMB70,000 (six months ended 30 June 2015: a gain of RMB13,000).

As at 30 June 2016, the Group was applying for certificates of ownership for certain properties, with carrying value of RMB8,657,000 (31 December 2015: RMB13,226,000). The directors of the Company are of the opinion that the use of and the conduct of operating activities at the properties referred to above are not affected by the fact that the Group has not yet obtained the relevant property title certificates.

10 PREPAYMENTS

	At 30 June 2016 RMB'000	At 31 December 2015 RMB'000
Prepayments for intangible assets (i)	330,000	290,000
Others	9,817	4,599
	339,817	294,599



NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

10 PREPAYMENTS (continued)

- (i) On 22 July 2015, the Group entered into an agreement with Sunshine Lake Pharma Co., Ltd. (廣東東陽光藥業有限公司, “**Sunshine Lake Pharma**”) which is a related party of the Group. Pursuant to the agreement, the Group have acquired the right to use all the relevant knowhow and patents relating to yimitasvir phosphate and follow-up direct anti-viral agent compounds (the “**Compounds**”) and, upon obtaining the necessary government approvals, the right to manufacture and sell worldwide for a consideration of RMB700,000,000. The consideration comprised a down payment of RMB250,000,000 and eight milestone payments totalling RMB450,000,000 payable upon each stage of development or approval of yimitasvir phosphate or the Compounds. The agreement expires on 31 December 2030 or the date when the first patent mentioned above expires, whichever is earlier.

Up to 30 June 2016, the Group had made payment of RMB330,000,000 to Sunshine Lake Pharma. During the six months ended 30 June 2016, the Group paid RMB40,000,000 to Sunshine Lake Pharma in connection with the second payment milestone according to the agreement, upon which the patents relating to yimitasvir phosphate have been granted to the Group.

The yimitasvir phosphate is in the process of clinical trials. Phase I clinical trial of yimitasvir phosphate was accomplished by 30 June 2016, and the application for phase II and III clinical trials application has been submitted and is currently pending for approval. Sunshine Lake Pharma is targeting to obtain the necessary approvals and permits for yimitasvir phosphate on or before 2019 and begin commercial introduction of relevant products in 2019. The necessary approvals and permits for the Compounds are expected to be obtained in 2020 and onwards.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

11 INVENTORIES

	At 30 June 2016 RMB'000	At 31 December 2015 RMB'000
Raw materials	77,598	110,684
Work in progress	19,378	17,140
Finished goods	18,978	26,804
	115,954	154,628

The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

	Six months ended 30 June 2016 RMB'000	2015 RMB'000
Cost of inventories sold	84,807	69,093
Write-down of inventories	1,521	–
	86,328	69,093

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

12 TRADE AND OTHER RECEIVABLES

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:

	At 30 June 2016 RMB'000	At 31 December 2015 RMB'000
Within 3 months	255,798	193,214
Over 3 months but within one year	70,193	56,880
Trade and bills receivable, net of allowance for doubtful debts	325,991	250,094
Prepayments for inventories	7,295	7,393
Other receivables	24,199	3,081
	357,485	260,568

Trade receivables are generally due within 30-90 days from the date of billing. Bills receivable is due in 3 or 6 months from the date of billing. All of the trade and other receivables of the Group and the Company are expected to be recovered within one year.

13 CASH AND CASH EQUIVALENTS

	At 30 June 2016 RMB'000	At 31 December 2015 RMB'000
Cash at bank and in hand	1,470,018	1,353,651

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

14 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:

	At 30 June 2016 RMB'000	At 31 December 2015 RMB'000
Within 1 month	20,365	10,467
Over 1 month but within 3 months	1,834	8,123
Over 3 months but within 1 year	2,473	10,600
Over 1 year	1,513	2,068
Total trade payables	26,185	31,258
Bills payables	10,517	2,153
Receipts in advance	7,532	5,934
VAT and other taxes payable	5,915	16,357
Accrual payroll and benefits	8,924	12,397
Dividends payable	67,623	–
Other payables and accruals	123,311	87,862
	250,007	155,961

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

15 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

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

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2016 and 2015.

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

	Six months ended 30 June	
	2016 RMB'000	2015 RMB'000
Final dividends in respect of the previous financial year, approved during the following interim period of RMB0.15 per share (six months ended 30 June 2015: nil)	67,623	–

(b) Share capital

Ordinary shares, issued and fully paid

	At 30 June 2016		At 31 December 2015	
	Number of shares	RMB'000	Number of shares	RMB'000
At 1 January	450,659,450	450,659	–	–
Shares issued upon reorganisation	–	–	300,000,000	300,000
Shares issued to certain new investors	–	–	60,527,450	60,527
Shares issued upon initial public offering (i)	163,400	164	90,132,000	90,132
As at 30 June	450,822,850	450,823	450,659,450	450,659

- (i) On 20 January 2016, 163,400 additional ordinary shares of RMB1.00 each issued at a price of HK\$15.00 per share by the Company as the over-allotment option had been partially exercised. Proceeds of RMB163,400 representing the par value of these ordinary shares, were credited to the Company's share capital and the excess of the proceeds over the nominal value of the total number of ordinary shares issued after offsetting share issuance costs of RMB1,820,000 were credited to the share premium account of the Company.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

16 CAPITAL COMMITMENTS

Capital commitments outstanding at 30 June 2016 not provided for in the interim financial report were as follows:

	At 30 June 2016 RMB'000	At 31 December 2015 RMB'000
Contracted for		
– Acquisition of fixed assets	22,149	13,266
– Acquisition of intangible assets	370,000	410,000
	392,149	423,266

17 MATERIAL RELATED PARTY TRANSACTIONS

During the six months ended 30 June 2016 and 2015, the directors are of the view that related parties of the Group include the following:

Name of related party	Relationship with the Group
HEC Pharm Co., Ltd. (宜昌東陽光藥業股份有限公司) (“HEC Pharm”)	the immediate controlling shareholder
Shenzhen HEC Industrial Development Co., Ltd. (深圳市東陽光實業發展有限公司)	the intermediate controlling shareholder
Ruyuan Yao Autonomous County Yuneng Electric Industrial Co., Ltd. (乳源瑤族自治縣寓能電子實業有限公司)	the ultimate controlling shareholder
Sunshine Lake Pharma	effectively owned by the controlling shareholder
Dongguan HEC Medicine Development and Research Co., Ltd. (東莞東陽光藥物研發有限公司) (“Dongguan HEC Research”)	effectively owned by the controlling shareholder



NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

17 MATERIAL RELATED PARTY TRANSACTIONS (continued)

<u>Name of related party</u>	<u>Relationship with the Group</u>
Shaoguan HEC Packaging and Printing Co., Ltd. (韶關東陽光包裝印刷有限公司) (“Shaoguan HEC Printing”)	associate of the intermediate Controlling shareholder
Yichang HEC Power Plant Co., Ltd. (宜昌東陽光火力發電有限公司) (“HEC Power Plant”)	effectively owned by the controlling shareholder
Yidu Shanchengshuidu Project Construction Co., Ltd. (宜都山城水都建築工程有限公司) (“Yidu Construction”)	effectively owned by the ultimate shareholder

* *The English translation of the above companies' names is for reference only. The official names of these companies are in Chinese.*

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

17 MATERIAL RELATED PARTY TRANSACTIONS (continued)

(a) Transactions with related parties

During the six months ended 30 June 2016 and 2015, the Group entered into the following material related party transactions:

	Six months ended 30 June	
	2016 RMB'000	2015 RMB'000
(i) Purchase of goods from:		
HEC Pharm	6,461	9,894
Shaoguan HEC Printing	4,482	4,199
HEC Power Plant	1,838	1,724
	12,781	15,817
(ii) Sales of fixed assets to:		
Dongguan HEC Research	–	5,189
(iii) Processing service received from:		
Sunshine Lake Pharma	–	2,194
(iv) Research and development services provided to:		
Dongguan HEC Research	–	1,129
(v) Other services received from:		
Yidu Construction	1,096	1,706

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

17 MATERIAL RELATED PARTY TRANSACTIONS (continued)

(b) Balances with related parties

	At 30 June 2016 RMB'000	At 31 December 2015 RMB'000
Prepayment for intangible assets: Sunshine Lake Pharma	330,000	290,000

(c) Key management personnel compensation

Key management personnel compensation comprised:

	Six months ended 30 June	
	2016 RMB'000	2015 RMB'000
Salaries, wages, bonuses and benefits	750	592
Contribution to retirement schemes	56	47
	806	639



CORPORATE INFORMATION

Registered Name

YiChang HEC ChangJiang Pharmaceutical Co., Ltd.

Directors

Executive Directors

Mr. JIANG Juncai

Mr. WANG Danjin

Mr. CHEN Yangui

Non-executive Directors

Mr. TANG Xinfu (*Chairman*)

Mr. ZHU Yingwei

Mr. MO Kit

Independent Non-executive Directors

Mr. TANG Jianxin

Mr. FU Hailiang

Mr. LEE Chi Ming

Remuneration and Appraisal Committee

Mr. FU Hailiang (*Chairman*)

Mr. JIANG Juncai

Mr. TANG Jianxin

Audit Committee

Mr. TANG Jianxin (*Chairman*)

Mr. LEE Chi Ming

Mr. TANG Xinfu

Nomination Committee

Mr. LEE Chi Ming (*Chairman*)

Mr. ZHU Yingwei

Mr. FU Hailiang

Supervisors

Ms. HUANG Fangfang (*Chairman*)

Ms. XUE Lian

Mr. LIN Jian

Joint Company Secretaries

Mr. PAN Sanxiong

Ms. NG Wing Shan (FCS, FCIS)

Authorized Representatives

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Guangdong Province, the PRC

Ms. NG Wing Shan

18/F, Tesbury Centre

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Wanchai, Hong Kong

Registered Office

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Yidu, Yichang

Hubei Province

the PRC



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Principal Banker

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PRC Legal Advisors

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H Share Registrar

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Stock Code

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Company's Website

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Listing Place

The Stock Exchange of Hong Kong Limited