



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)
(在中華人民共和國註冊成立之股份有限公司)

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INTERIM
REPORT
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Our Mission:
For Everyone's
Health



Content

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FINANCIAL HIGHLIGHTS

財務摘要

(RMB'000)	(人民幣千元)	Six months ended	Six months ended	Year ended 31 December		
		30 June 2017	30 June 2016	截至 12 月 31 日止年度		
		截至 2017 年 6 月 30 日止六個月	截至 2016 年 6 月 30 日止六個月	2016	2015	2014
Revenue	營業額	662,253	555,629	941,504	692,910	440,904
Gross profit	毛利	540,611	419,312	727,270	514,576	321,075
Profit from operations	經營溢利	360,491	268,556	460,299	339,605	205,445
Profit before taxation	除稅前溢利	358,233	264,444	453,066	314,706	163,115
Profit attributable to equity shareholders of the Company	本公司權益股東應佔溢利	301,860	214,985	380,597	265,750	135,343
Basic/diluted earnings per share (RMB cent)	每股基本/攤薄盈利 (人民幣分)	67	48	84	79	45
Total assets	總資產	3,491,092	2,781,904	2,831,109	2,577,415	949,531
Total liabilities	總負債	580,782	489,709	373,302	434,566	672,276
Net assets	淨資產	2,910,310	2,292,185	2,457,807	2,142,849	277,255
Profitability	盈利能力					
Gross profit margin	毛利率	81.6%	75.5%	77.2%	74.3%	72.8%
Operating profit margin	經營溢利率	54.4%	48.3%	48.9%	49.0%	46.6%
Net profit margin	淨利潤率	44.6%	38.7%	40.4%	38.4%	30.7%

YiChang HEC Changjiang Pharmaceutical Co., Ltd. (hereinafter referred to as the “Company”, with its subsidiaries, collectively referred to as the “Group” or “we”) is one of the leading pharmaceutical manufacturing companies in China 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. (“Shenzhen HEC Industrial”) and its subsidiaries.

As at 30 June 2017, the Group has a pharmaceutical portfolio of 33 pharmaceutical products in total of which 25 products have been listed in the national reimbursement drug list. Our top five products, namely Kewei (oseltamivir phosphate) granules and capsules, Ertongshu (benzbromarone tablets), Oumeining (telmisartan tablets), Xinhaining (amlodipine besylate tablets) and Xining (cetirizine hydrochloride dispersible 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 level. In future, we will expand our coverage to hospitals and other medical institutions throughout China.

宜昌東陽光長江藥業股份有限公司(以下簡稱「本公司」, 連同其附屬公司統稱「本集團」或「我們」)是一家以抗病毒為核心, 涵蓋抗病毒、內分泌與代謝疾病、心血管疾病三個主要治療領域的藥品的開發、生產及銷售的中國領先製藥企業, 是深圳市東陽光實業發展有限公司(「深東實」)及其附屬公司旗下的國內製劑平台。

截至2017年6月30日, 本集團的醫藥產品組合共計33種產品, 其中25種產品被列入國家醫保目錄中。前五大品種, 即可威(磷酸奧司他韋)顆粒劑及膠囊劑、爾同舒(苯溴馬隆片)、歐美寧(替米沙坦片)、欣海寧(苯磺酸氨氯地平片)、喜寧(鹽酸西替利嗪分散片)以2015年銷售額計均躋身同類單品的前列, 其核心產品可威(磷酸奧司他韋)在中國抗流感病毒市場佔據主導地位。

本集團的銷售網絡遍佈全中國, 市場滲透程度深, 未來將業務覆蓋面拓展至全中國的醫院及其他醫療機構。

CORPORATE PROFILE

公司簡介

In August 2001, Yichang Changjiang Pharmaceutical Co., Ltd., the predecessor of the Company, was established in Hubei Province and formally entered into China pharmaceutical industry. In 2006, the Company was licensed by oseltamivir phosphate licensor to manufacture oseltamivir phosphate products in the PRC. In 2008, following the registration of its exclusive patent-protected Kewei granule product with the China Food and Drug Administration of (the “CFDA”), the Company became the only oseltamivir phosphate granule manufacturer in China and entered the domestic pediatric pharmaceutical market. In the following year, the Company’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 Company was transformed into a joint stock limited company by means of reorganization, and established strategic cooperation relationship with Shenzhen HEC Industrial, our controlling shareholder, 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 our controlling shareholder. With the continuous expansion of our business, shares of the Company were successfully listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 29 December 2015.

Since its establishment, the Company has been adhering to the development strategies of professionalism, branding and differentiation. Since 2014, the Company 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 “HEC Pharm” in the industry and create maximized value for our consumers and partners. In future, the Company 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 over 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.

2001年8月，本公司前身「宜昌長江藥業有限公司」在湖北省成立，並正式進入中國醫藥行業。於2006年，本公司獲得磷酸奧司他韋許可方許可在中國生產磷酸奧司他韋產品。於2008年，可威顆粒劑獨家專利產品於中國國家食品藥品監督管理總局（「國家藥監總局」）登記註冊，本公司成為中國唯一一家磷酸奧司他韋顆粒劑生產商，進軍兒科醫藥市場。次年，抗流感病毒藥物磷酸奧司他韋產品列入中央醫藥儲備基地。於2013年，可威產品佔據中國磷酸奧司他韋產品市場最大份額。於2015年，本公司重組改制成為股份有限公司，並與控股股東深東實建立戰略合作關係，獲其下屬東陽光藥研究院¹研發成果的優先購買權。隨著本集團業務不斷擴展，本公司股份於2015年12月29日在香港聯合交易所有限公司（「聯交所」）正式掛牌交易。

自成立以來，本公司始終堅持實施專業化、品牌化、差異化的發展戰略，2014年起本公司致力於自營銷售團隊的專業性打造、穩健創新的市場運作、戰略性的資源整合，在行業內創造東陽光藥獨有的品牌特色和核心競爭力，為消費者、合作夥伴創造最大的價值。在未來，本公司將進一步豐富產品線，開拓市場，提升產品的國際化生產標準及產品質量，繼續擴大市場推廣及銷售範圍，以促進我們業務及盈利能力的進一步增長，為廣大投資者創造更大的價值。

¹ 東陽光藥研究院下設專利新藥、生物藥、仿製藥三大研究所。經過10餘年的發展，建立了符合美國FDA和歐洲新藥標準的研發體系，是一個具備國際級的研發水平的新藥、生物藥、仿製藥研發基地。

I. INDUSTRY

In recent years, the adjustment of the pharmaceutical industry by the PRC government has reached the stage of rectification of the circulation process and optimization of the resources allocation. The implementation of “Replace business tax with value-added tax” (營改增) and “two invoice system” (兩票制) aims to promote the regulated developments and industrial upgrades of the pharmaceutical industry.

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 Group, in 2016, China's pharmaceutical industry realized an operating income of RMB2,806.3 billion, representing a year-on-year increase of 9.7%, and the total profit of the pharmaceutical industry amounted to RMB300.29 billion, representing a year-on-year increase of 13.9%.

2017 is the second year of the “13th Five-year Plan”. The State Council of the PRC issued the reform plan for deepening the medical and health system under the “13th Five-year Plan”. A more systematic policy framework for basic medical and health system will be formed by 2017. In the future, the policy system for multilevel healthcare will be gradually optimized. The establishment of the modern hospital management system and the comprehensive regulation system is accelerated. The universal medical insurance system will become more effective and the drug production, circulation and utilization policy will be further enhanced. The PRC government will continue to deepen the reform of drug circulation system and promote the merger and restructuring of drug circulation enterprises; promote the integration of medical care and pension and develop a health pension industry; encourage social forces to operate in the business of health services, expand the scale of the health services-related support industries and optimize the development environment of the health service industry.

Under the above systems and the general environment, we would, on the basis of maintaining excellent development strategies, further clarify the production direction of products, regulate the production quality of products, optimize the production stage of products and increase the production efficiency of products so as to further consolidate and increase the market share of the Company's major products amidst the intense market competition.

一、行業

近年，中國政府對醫藥行業的調控進入整治流通環節，優化資源配置的階段，「營改增」和「兩票制」的推行，旨在促進醫藥行業的規範發展和產業升級。

根據智研諮詢集團發佈的《2016-2022年中國醫藥行業市場發展現狀及投資前景預測報告》，2016年中國醫藥製造業實現主營業務收入人民幣28,063億元，同比增長9.7%，利潤總額人民幣3,002.9億元，同比增長13.9%。

2017年是「十三五規劃」的第二年，中國國務院印發了「十三五」深化醫藥衛生體制改革規劃，到2017年，基本形成較為系統的基本醫療衛生制度政策框架。未來，分級診療政策體系將逐步完善，現代醫院管理制度和綜合監管制度建設加快推進，全民醫療保障制度更加高效，藥品生產流通使用政策進一步健全。中國政府將繼續深化藥品流通體制改革，推動藥品流通企業兼併重組，促進醫療與養老融合，發展健康養老產業，鼓勵社會力量興辦健康服務業，擴大健康服務相關支撐產業規模，優化健康服務業發展環境。

在以上制度和大環境下，我們要在保持卓越的發展策略的基礎上，進一步明確產品的生產方向，規範產品的生產質量，優化產品的生產環節，提高產品的生產效率，使本公司的主打產品的市場佔有率在激烈的市場競爭中得以進一步鞏固和提高。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

We would continue adhering to academic promotion as the core and further enrich and expand marketing channels. Meanwhile, we will also further enrich our product lines and continuously enhance the internal driver and competitiveness in respect of the development of the Company, so that we can have broader space for development and greater development benefits in anti-virus, endocrine, metabolic and digestive diseases and cardiovascular diseases prevention and treatment and other areas.

II. BUSINESS REVIEW

Overall sales performance

In the first half of 2017, our revenue reached RMB662.3 million, representing an increase of 19.2% as compared to the same period of 2016. Revenue from Kewei products reached RMB556.7 million, representing an increase of 20.8% as compared to the same period of 2016. Our profit and total comprehensive income for the period attributed to equity shareholders of the Company reached RMB301.9 million, representing an increase of 40.4% as compared to the same period of 2016.

In the future, with the steady advancement of the “supply side reform”, the deepening of the reform in the circulation field and the improvement of medical insurance, pension medical care and other policies, the Group will seize the opportunity to meet the needs from of policy development, continue to strengthen the building of the sales team, broaden product sales channels, increase market coverage, enhance the brand influence of the Group and enrich the variety of products so that our sales performance will continue to reach new heights.

我們依然要堅持以學術推廣為核心，進一步豐富和拓展營銷渠道。與此同時，我們也要進一步豐富產品線，不斷提升本公司發展的內部驅力和競爭力，使我們在抗病毒、內分泌、代謝類和消化類疾病及心血管疾病预防等及其以外的領域能夠有更廣闊的發展空間和更大的發展效益。

二、業務回顧

總體銷售成績

2017年上半年，我們的收入為人民幣662.3百萬元，較2016年同期增長19.2%，可威產品銷售額為人民幣556.7百萬元，較2016年同期增長20.8%，本公司的權益股東應佔期內溢利及全面收益總額為人民幣301.9百萬元，較去年同期增長40.4%。

未來隨著「供給側改革」的穩步推進、流通領域改革的不斷深化，以及醫療保障、養老醫療等政策的完善，本集團將抓住機遇，迎合政策發展的需要，繼續加強銷售隊伍建設，拓寬產品銷售渠道，提高市場覆蓋率，提升本集團品牌影響力，豐富產品品種，從而使我們的銷售業績不斷邁上新的階梯。

Sales team development and the launch of sales campaigns

In the first half of 2017, the Company held various types of academic conferences and activities through specialized academic promotions, achieved effective brand operation, and successfully held the second China Influenza Forum (中國流感高峰論壇) as the organizer on 25 March 2017. The forum's academic purpose was "being led by public welfare, exchange, dissemination" and it gathered a number of domestic and foreign authoritative experts to discuss the latest developments in influenza prevention and control. The forum continued to pay attention to the current status of influenza in China, increased the level of domestic influenza prevention and control, and propelled experts and the general public to form a correct perception of and put sufficient emphasis on influenza.

With respect to the building of the sales team, the Group has been focusing on enhancing the overall quality of the sales team. The Group enhanced the practical capability of its sales team through academic promotion activities, product marketing activities and external expansion activities while enhancing theoretical quality of the sales team. Meanwhile, the Group was also constantly diversifying the sales methods means and improving the sales strategy of the sales team. In the future, the Group would recruit more sales talents and build a sales team with higher quality and stronger capability so as to create more value for the promotion and marketing of the Group's products and the further development of the market.

銷售團隊建設和銷售活動開展

2017年上半年，本公司通過專業化的學術推廣，舉行各類學術會議活動，實現了卓有成效的品牌運營，並於2017年3月25日作為主辦方成功舉辦了第二屆中國流感高峰論壇。論壇以「公益引領、交流、傳播」為學術宗旨，聚集了許多國內外權威專家，交流最新的流感防治動態，持續關注中國流感的現狀，提升國內流感防治水平，推動專家和普通大眾對流感形成正確的認知和足夠的重視。

在銷售團隊建設方面，本集團一直以提升銷售團隊的整體素養為核心，並在提升銷售團隊理論素質的同時，通過學術推廣活動，產品的營銷活動和對外拓展活動來提升團隊的實踐能力。同時，本集團也在不斷豐富團隊的銷售手段，改進團隊的銷售策略。未來，本集團還會擴充更多的銷售人才，建設質量更高，能力更強的銷售團隊，為本集團的產品的宣傳和推廣，市場的進一步開發創造更多的價值。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Research and Development

- *Anti-virus therapeutic area: Yimitasvir Phosphate*

Yimitasvir Phosphate (磷酸依米他韋) is an NS5A inhibitor and a National Class I innovative drug for treatment of Hepatitis C virus infection. The Group continued to further develop the anti-virus therapeutic area with a view to launch the first self-researched and developed Direct Anti-viral Agent (DAA) drug for Hepatitis C in the China. In 2015, we entered into an agreement with Sunshine Lake Pharma Co., Ltd. (廣東東陽光藥業有限公司) and obtained the right to use Yimitasvir Phosphate and all relevant technical know-how and patents of the follow-up DAA compounds and the right of global production and sales after the relevant government approvals were granted. In February 2016, we entered a memorandum of cooperation with TaiGen Biotechnology Holdings Limited (太景生物科技股份有限公司) of Taiwan with the objective to jointly develop a novel all-oral interferon-free chronic treatment for Hepatitis C.

On 10 January 2017, cooperation was formally commenced through the establishment of Dongguan HEC TaiGen Biopharmaceuticals Co. Ltd. (東莞東陽光太景醫藥研發有限責任公司) (the "JV Company") by the Group to jointly conduct clinical development with the two National Class I.1 innovative anti-Hepatitis C drugs held by both parties to form an all-oral interferon-free combo treatment for Hepatitis C. In this cooperation, the product from the Group was NS5A inhibitor Yimitasvir Phosphate, which had completed Phase I clinical trial and obtained approvals from the CFDA for Phase II/III clinical trials in December 2016. The product from TaiGen Biopharmaceuticals Co. (Beijing), Ltd. ("TaiGen Biopharmaceuticals") was Furaprevir (伏拉瑞韋), an NS3/4A protease inhibitor, which had successfully completed Phase II clinical trial in Taiwan in February 2017.

研發

- *抗病毒領域：磷酸依米他韋*

磷酸依米他韋是一種NS5A抑制劑，是國家I類新藥，用於治療丙型肝炎病毒感染。本集團繼續深耕抗病毒領域，有望推出中國首個自主研發的丙肝直接抗病毒(DAA)藥物。2015年，我們與廣東東陽光藥業有限公司訂立協議，獲得使用磷酸依米他韋及後續直接抗病毒化合物所有相關專有技術及專利的權利以及待取得相關政府批准後在全球生產及銷售的權利。2016年2月，我們與台灣太景生物科技股份有限公司簽訂合作備忘錄，旨在合作開發新型全口服免干擾素慢性丙型肝炎療法。

2017年1月10日，本集團通過成立東莞東陽光太景醫藥研發有限責任公司(「合資公司」)正式開展合作，將雙方持有的兩個國家I.1類抗丙肝新藥聯合進行臨床開發，組成全口服免干擾素治癒丙肝的藥物組合。其中，本集團的產品NS5A抑制劑磷酸依米他韋，已完成臨床I期試驗，並於2016年12月獲得國家藥監總局頒發的II/III期臨床試驗批件。太景醫藥研發(北京)有限公司(「太景醫藥」)的產品是NS3/4A蛋白酶抑制劑伏拉瑞韋，其於2017年2月完成台灣II期臨床試驗並獲得成功。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

- ***Therapeutic area of endocrine and metabolic diseases: full range of insulin products***

In the area of endocrine and metabolic diseases, we focused on developing insulin products for treatment of diabetes. We are currently developing three types of active pharmaceutical ingredients (APIs) of insulin and the various types of corresponding insulin preparations. In 2015, we submitted applications for clinical trials of Insulin Glargine Injection(甘精胰島素注射液), Insulin Aspart Injection (門冬胰島素注射液) and Insulin Aspart 30 Injection (門冬胰島素30注射液). In 2016, we successfully obtained the clinical trial approvals from the CFDA for Isophane Protamine Recombinant Human Insulin Injection (精蛋白重組人胰島素注射液), Isophase Protamine Recombinant Human Insulin Injection (Pre-mixed 30R) (精蛋白重組人胰島素注射液 (預混30R)) and Insulin Glargine Injection (甘精胰島素注射液). On 30 March 2017, we successfully obtained the clinical trial approvals for Insulin Aspart APIs (門冬胰島素原料藥) and Insulin Aspart Injection (門冬胰島素注射液). On 13 April 2017, we successfully obtained the clinical trial approval for Insulin Aspart 30 Injection (門冬胰島素30注射液). These were advantageous for the Group to further enhance the insulin product range and become a pharmaceutical enterprise in China providing a comprehensive portfolio of diabetes treatment pharmaceuticals to offer all-around therapeutic solutions to diabetes patients in China, and to establish an advantageous position in the fast-growing market and development new profit engines successfully.

- ***Treatment of digestive diseases***

Since the beginning of the current year, we have made certain progress in the research and development of drugs for the treatment of digestive diseases. At present, our four major research and development projects in the digestive areas comprise of esomeprazole sodium for injection (注射用埃索美拉唑鈉), lansoprazole for injection (注射用蘭索拉唑), pantoprazole sodium for injection (注射用泮托拉唑鈉) and rabeprazole sodium for injection (注射用雷貝拉唑鈉), which are used as alternative treatments for acute gastropathy such as gastroesophageal reflux disease when oral treatment is not applicable.

- ***治療內分泌及代謝類疾病領域：胰島素全系列產品***

我們在內分泌以及代謝疾病領域，重點開發胰島素系列產品用以治療糖尿病。我們當前正在開發三種胰島素類原料藥，以及對應的多種不同的胰島素類製劑。2015年，我們已經遞交甘精胰島素注射液、門冬胰島素注射液、門冬胰島素30注射液的臨床試驗申請。2016年，我們已成功獲得國家藥監總局頒發的精蛋白重組人胰島素注射液、精蛋白重組人胰島素注射液(預混30R)、甘精胰島素注射液臨床試驗批件。於2017年3月30日，我們成功獲得門冬胰島素原料藥、門冬胰島素注射液臨床試驗批件。於2017年4月13日，我們成功獲得門冬胰島素30注射液臨床試驗批件。這有利於本集團進一步完善胰島素的產品線，成為一家在中國擁有齊全抗糖尿病藥產品組合的製藥企業，向中國的糖尿病患者提供全方位的治療方案，以及在快速增長的市場中佔據有利地位並成功培育新的利潤增長點。

- ***消化類疾病治療領域***

今年以來，我們在消化類疾病治療領域藥品的研發也有了一定的進展。目前注射用埃索美拉唑鈉、注射用蘭索拉唑、注射用泮托拉唑鈉、注射用雷貝拉唑鈉是我們在消化領域的四個主要研發項目，它們主要是在口服療法不適用時，用作胃食管反流病等急性胃病的替代療法。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Production

With respect to the production management, the Group has adhered to the principle of “safety first, prevention focused, comprehensive management” and the scientific development concept of “people-oriented”, and has always stressed the standardization, rationalization and legalization of the safety production of enterprises. The Group has also continued to enhance the education and guidance on safety, so that the concept of safe production can be complied in all aspects of production. With respect to the environmental protection and resource development, the Group has always laid equal stress on resource production, development and ecological protection, and has achieved a low-carbon, environmentally friendly development. In addition, the Group has strengthened the recycling and economical use of water resources, and strived to maximize the development and utilization of resources, so as to minimize the environmental damages during the production process.

生產

在生產管理方面，本集團堅持「安全第一、預防為主、綜合治理」的方針和「以人為本」的科學發展觀的理念，一直強調企業安全生產的規範化、合理化、法制化，並不斷加大安全方面的教育和引導，使安全生產的理念貫徹各個生產領域。在環保和資源開發方面，本集團始終做到資源生產、開發與生態保護並重，走低碳環保之路，並且加強水資源的循環和節約利用，努力使資源得到最大程度的開發和利用，環境損失在生產的同時降到最低。

OPERATION RESULTS AND ANALYSIS

經營業績及分析

I. Overview

I. 概覽

(RMB'000)	(人民幣千元)	For the six months ended		Growth as Compared with Same Period of 2016 較2016年 同期增長
		30 June 截至6月30日止六個月	2016	
Revenue	營業額	662,253	555,629	19.2%
Gross profit	毛利	540,611	419,312	28.9%
Operating profit	經營溢利	360,491	268,556	34.2%
Profit before taxation	除稅前溢利	358,233	264,444	35.5%
Profit for the period	期內溢利	295,272	214,985	
Attributable to:	以下人士應佔：			
Equity shareholders of the Company	本公司權益股東	301,860	214,985	
Non-controlling interests	非控股權益	(6,588)	—	
		295,272	214,985	
Basic/diluted earnings per share (RMB cents)	每股基本／攤薄溢利 (人民幣分)	67	48	
Profitability (%)	盈利能力 (%)			
Gross profit margin	毛利率	81.6%	75.5%	6.1%
Operating profit margin	經營溢利率	54.4%	48.3%	6.1%
Net profit margin	淨利潤率	44.6%	38.7%	5.9%

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

2. Revenue

For the six months ended 30 June 2017, the revenue of the Group amounted to RMB662.3 million, representing an increase of 19.2% as compared to RMB555.6 million for the six months ended 30 June 2016. The revenue from Kewei products amounted to RMB556.7 million, representing an increase of 20.8% as compared to the six months ended 30 June 2016. The significant growth in the revenue from Kewei products was mainly due to the continuous academic promotional activities conducted for Kewei products, which in turn had increasingly enhanced the reputation and market competitiveness of such products.

The following table illustrates the revenue from products of each therapeutic area and as a percentage of the total revenue of the Group:

2. 營業額

截至2017年6月30日止六個月，本集團實現營業額人民幣662.3百萬元，較截至2016年6月30日止六個月的人民幣555.6百萬元增加了19.2%。本集團來自可威產品的銷售收入為人民幣556.7百萬元，較截至2016年6月30日止六個月增長20.8%。可威產品銷售收入劇增乃主要由於我們持續就可威產品進行的學術推廣活動使得產品知名度不斷提高，市場競爭力不斷增強所致。

下表載列本集團各治療領域產品營業額及佔總營業額百分比情況：

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

(RMB'000)	(人民幣千元)	2017	%	2016	%	Change as Compared with Same Period of 2016 較2016年同期變動
Anti-viral drugs	抗病毒藥物	559,300	84.5%	462,384	83.2%	21.0%
Including: key product Kewei	其中：主要產品可威	556,728	84.1%	460,810	82.9%	20.8%
– Kewei granules	– 可威顆粒	371,952	56.2%	317,755	57.2%	17.1%
– Kewei capsules	– 可威膠囊	184,776	27.9%	143,055	25.7%	29.2%
Cardiovascular drugs	心血管藥物	50,543	7.6%	40,225	7.2%	25.7%
Endocrine and metabolic drugs	內分泌與代謝類藥物	19,044	2.9%	18,188	3.3%	4.7%
Others	其他	33,366	5.0%	34,832	6.3%	-4.2%
Total	總計	662,253	100.0%	555,629	100.0%	19.2%

3. Cost of Sales

Our cost of sales consists of (i) cost of raw materials, primarily representing cost of API, ancillary materials and packaging materials, (ii) labour cost, primarily representing salaries and welfare benefits of our staff directly involved in the manufacture of our products, (iii) manufacturing cost, primarily representing depreciation costs of machinery, equipment and plant, and the costs of labour protection materials, fuel, machine oil and maintenance, and (iv) royalty fees paid to third parties in relation to various patent licences. The Group's cost of sales decreased from RMB136.3 million for the six months ended 30 June 2016 to RMB121.6 million for the six months ended 30 June 2017, which was mainly due to the decrease in cost of some raw materials of key product Kewei as a result of its switch from external purchase to self-production and the reduction in the royalty fees rate of patents for Kewei for the six months ended 30 June 2017.

The following table illustrates the cost of sales of each of the therapeutic areas and as a percentage in the total cost of sales of the Group:

(RMB'000)	(人民幣千元)	2017	%	2016	%	Change as Compared with Same Period of 2016 較2016年同期變動
Anti-viral drugs	抗病毒藥物	104,960	86.3%	113,292	83.1%	-7.4%
Including: key product Kewei	其中：主要產品可威	104,077	85.6%	112,773	82.7%	-7.7%
– Kewei granules	– 可威顆粒	59,472	48.9%	69,553	51.0%	-14.5%
– Kewei capsules	– 可威膠囊	44,605	36.7%	43,220	31.7%	3.2%
Cardiovascular drugs	心血管藥物	6,701	5.5%	5,964	4.4%	12.4%
Endocrine and metabolic drugs	內分泌與代謝類藥物	2,751	2.3%	1,898	1.4%	44.9%
Others	其他	7,230	5.9%	15,163	11.1%	-52.3%
Total	總計	121,642	100.0%	136,317	100.0%	-10.8%

3. 銷售成本

我們的銷售成本包括(i) 原材料成本，主要是原料藥、輔料及包裝材料的成本，(ii) 人工成本，主要是直接參與產品生產的員工之工資及福利，(iii) 製造費用，主要包括機械設備廠房的折舊費、勞動保護材料的成本、燃料、機油及維護，及(iv) 就各項專利許可向第三方支付之專利費。本集團的銷售成本由截至2016年6月30日止六個月的人民幣136.3百萬元減少至截至2017年6月30日止六個月的人民幣121.6百萬元。本集團的銷售成本減少主要是由於截至2017年6月30日止六個月，主要產品可威的部分原材料由外購轉為自產，成本降低以及可威的專利許可費用率降低。

下表載列本集團治療領域的銷售成本及佔總銷售成本的百分比情況：

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

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4. Gross Profit

For the six months ended 30 June 2017, gross profit of the Group increased to RMB540.6 million, representing an increase of 28.9% as compared to RMB419.3 million for the six months ended 30 June 2016, mainly due to the increase in sales of Kewei, which is a product with high gross margin.

The following table illustrates the gross profit attributable to each therapeutic area of the Group and as a percentage of our gross profit:

4. 毛利

截至2017年6月30日止六個月，本集團的毛利增至人民幣540.6百萬元，較截至2016年6月30日止六個月的人民幣419.3百萬元增加28.9%，主要是由於高毛利產品可威的銷售額增加所致。

下表載列本集團治療領域的毛利貢獻情況及佔毛利的百分比：

		For the six months ended 30 June 截至6月30日止六個月					
(RMB'000)	(人民幣千元)	2017	%	2016	%	Growth as Compared with Same Period of 2016 較2016年 同期增長	
Anti-viral drugs	抗病毒藥物	454,340	84.0%	349,092	83.2%	30.1%	
Including: key product Kewei	其中：主要產品可威	452,651	83.7%	348,037	83.0%	30.1%	
– Kewei granules	– 可威顆粒	312,480	57.8%	248,202	59.2%	25.9%	
– Kewei capsules	– 可威膠囊	140,171	25.9%	99,835	23.8%	40.4%	
Cardiovascular drugs	心血管藥物	43,842	8.1%	34,260	8.2%	28.0%	
Endocrine and metabolic drugs	內分泌與代謝類藥物	16,293	3.0%	16,290	3.9%	0.02%	
Others	其他	26,136	4.8%	19,670	4.7%	32.9%	
Total	總計	540,611	100.0%	419,312	100.0%	28.9%	

5. Other Revenue

Our other revenue mainly included (i) government subsidies, primarily representing amortization of government subsidies for our construction of the production line for Kewei recognized by instalments in accordance with accounting standards, and other subsidies and incentives granted by the local government, and (ii) interest income and miscellaneous income. For the six months ended 30 June 2017, other revenue of the Group increased to RMB8.7 million, representing an increase of RMB2.3 million as compared to RMB6.4 million for the six months ended 30 June 2016. The increase was mainly due to the increase in interest income, which was offset by the decrease in government subsidies.

6. Expense Analysis

For the six months ended 30 June 2017, the Group's total expenses amounted to RMB177.6 million, representing an increase of 3.6% as compared to RMB171.4 million for the six months ended 30 June 2016. The main components of the Group's expenses are as follows:

5. 其他收入

我們的其他收入主要包括(i)政府補助，主要是建設可威生產線的政府補助按會計準則分期攤銷記入，以及其他當地政府授予的補助或獎勵，及(ii)利息收入及雜項收入。截至2017年6月30日止六個月，本集團的其他收入增加至人民幣8.7百萬元，較截至2016年6月30日止六個月的人民幣6.4百萬元增加人民幣2.3百萬元。增加主要是由於利息收入的增加，並抵減了政府補助獎勵的減少。

6. 費用分析

截至2017年6月30日止六個月，本集團總費用共計人民幣177.6百萬元，較截至2016年6月30日止六個月的人民幣171.4百萬元增加3.6%。本集團主要費用構成如下：

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

(RMB'000)	(人民幣千元)	2017	2016	Change as Compared with Same Period of 2016 較2016年同期變動
Distribution costs	分銷成本	117,961	110,118	7.1%
Administrative expenses	行政管理開支	57,374	57,139	0.4%
Finance costs	融資成本	2,258	4,112	-45.1%
Total	總計	177,593	171,369	3.6%

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Distribution costs mainly consist of (i) marketing expenses relating to conducting academic promotions activities and other marketing activities, (ii) travelling expenses for marketing purposes, (iii) labour cost, and (iv) other expenses. The increase in distribution costs was mainly due to an increase in marketing expenses relating to the organization of academic promotions and other marketing activities and travelling expenses, which was closely related to the Group's continuous efforts on academic promotions of key product Kewei. In addition, the Group continued to expand its sales team and increased the sales and marketing personnel by 150 people as compared to 31 December 2016².

Administrative expenses mainly consist of (i) research and development cost, (ii) salary and welfare benefits for management and administrative personnel, (iii) depreciation and amortization costs relating to our office facilities and land use rights, and (iv) other miscellaneous expenses. The increase in administrative expenses was mainly due to an increase in labour cost.

For the six months ended 30 June 2017, the Group's investment in R&D totaled RMB41.9 million, of which expensed expenditures were RMB24.0 million and capitalized expenditures were RMB17.9 million, representing 6.3% of the turnover and an increase of 62.1% as compared to the corresponding period of 2016.

Finance costs mainly represent interests on bank loans. The decrease in finance costs was mainly due to a decrease in interest expenses as a result of the settlement of matured bank loans with the sufficient funds possessed by the Group.

² The increased number of the sales and marketing personnel as compared to 31 December 2016 as set out in this interim report differs from the number as set out in the Group's 2017 interim results announcement, which is due to the number as set out in this interim report representing the number of sales and marketing personnel in June who received remuneration from the Group in July 2017, while the number as set out in the Group's 2017 interim results announcement represents the number of sales and marketing personnel in May who received remuneration from the Group in June 2017.

分銷成本主要包括(i)有關開展學術推廣及其他營銷活動的營銷成本，(ii)為營銷目的之差旅成本，(iii)勞工成本，及(iv)其他成本。分銷成本的增加主要是由於有關開展學術推廣及其他營銷活動的營運成本和差旅費上升，與本集團持續加強對核心產品可威的學術推廣力度密切相關。此外，本集團持續進行銷售隊伍的擴張，較2016年12月31日增加銷售及市場推廣人員150人²。

行政管理開支主要包括(i)研發成本，(ii)管理及行政人員的工資及福利，(iii)與辦公室設施及土地使用權相關的折舊及攤銷成本，及(iv)其他雜項成本。行政成本增加主要是因為人工成本增加所致。

截至2017年6月30日止六個月，本集團研發投入總計為人民幣41.9百萬元，其中費用化支出為人民幣24.0百萬元，資本化支出為人民幣17.9百萬元，佔營業額的6.3%，同比增加了62.1%。

融資成本主要指銀行貸款利息。融資成本的減少，主要是本集團資金充足，償還了到期銀行貸款而減少了利息費用。

² 本中期報告中所載列之較2016年12月31日增加銷售及市場推廣人員與本集團2017年中期業績公告所載列者存在差異，乃因本中期報告所計算為於2017年7月發放薪酬的6月在職銷售及市場推廣人員人數，而本集團2017年中期業績公告所計算為於2017年6月發放薪酬的5月在職銷售及市場推廣人員人數。

7. Other Net Losses

For the six months ended 30 June 2017, other net losses of the Group amounted to RMB13.5 million, which was mainly due to the exchange losses arising from fluctuations in the exchange rates between HKD and RMB.

8. Profit Before Taxation

For the six months ended 30 June 2017, the Group's profit before taxation amounted to RMB358.2 million, representing an increase of 35.5% as compared to RMB264.4 million for the six months ended 30 June 2016.

9. Income Tax

For the six months ended 30 June 2017, the income tax expenses of the Group amounted to RMB63.0 million, representing an increase of 27.3% as compared to RMB49.5 million for the six months ended 30 June 2016, which was mainly due to the increase in profit before taxation.

10. Profit for the Reporting Period

For the six months ended 30 June 2017, net profit of the Group amounted to RMB295.3 million, representing an increase of 37.3% as compared to RMB215.0 million for the six months ended 30 June 2016.

11. Profit and total Comprehensive Income for the Period Attributable to Equity Shareholders of the Company

For the six months ended 30 June 2017, profit and total comprehensive income for the period attributable to equity shareholders of the Company was RMB301.9 million, representing an increase of 40.4% as compared to RMB215.0 million for the six months ended 30 June 2016.

7. 其他淨虧損

截至2017年6月30日止六個月，本集團其他淨虧損為人民幣13.5百萬元，主要是由於港幣與人民幣匯率的波動導致的匯兌損失所致。

8. 除稅前溢利

截至2017年6月30日止六個月，本集團除稅前溢利共計人民幣358.2百萬元，較截至2016年6月30日止六個月的人民幣264.4百萬元增加35.5%。

9. 所得稅

截至2017年6月30日止六個月，本集團的所得稅開支為人民幣63.0百萬元，較截至2016年6月30日止六個月的人民幣49.5百萬元增加27.3%，主要是由於除稅前溢利的增長。

10. 報告期內溢利

截至2017年6月30日止六個月，本集團的溢利淨值為人民幣295.3百萬元，較截至2016年6月30日止六個月的人民幣215.0百萬元增加37.3%。

11. 本公司權益股東應佔期內溢利及全面收益總額

截至2017年6月30日止六個月，本公司的權益股東應佔期內溢利及全面收益總額為人民幣301.9百萬元，較截至2016年6月30日止六個月的人民幣215.0百萬元增加40.4%。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL POSITION

1. Overview

As at 30 June 2017, the Group's total assets amounted to RMB3,491.1 million, total liabilities amounted to RMB580.8 million and shareholders' equity amounted to RMB2,910.3 million.

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.

財務狀況

1. 概覽

截至2017年6月30日止，本集團總資產為人民幣3,491.1百萬元，負債總額為人民幣580.8百萬元，股東權益為人民幣2,910.3百萬元。

2. 流動資產淨值

下表載列我們於所示日期的流動資產、流動負債及流動資產淨值。

(RMB'000)	(人民幣千元)	As at 30 June 2017 於2017年 6月30日	As at 31 December 2016 於2016年 12月31日
Current Assets	流動資產		
Inventories	存貨	94,444	110,624
Trade and Other Receivables	貿易及其他應收款項	490,233	337,149
Time Deposits	定期存款	475,548	238,988
Pledged Deposits	已抵押存款	—	2,635
Cash and Cash Equivalents	現金及現金等值項目	988,092	1,212,072
Total Current Assets	流動資產總值	2,048,317	1,901,468
Current Liabilities	流動負債		
Trade and Other Payables	貿易及其他應付款項	385,950	182,377
Bank Loans	銀行貸款	70,000	70,000
Deferred Income	遞延收益	4,379	4,379
Current tax Payable	應付即期稅項	33,621	27,525
Total Current Liabilities	流動負債總值	493,950	284,281
Net Current Assets	流動資產淨值	1,554,367	1,617,187

As at 30 June 2017, the net current assets of the Group were approximately RMB1,554.4 million as compared to RMB1,617.2 million as at 31 December 2016. During the Reporting Period, the current assets increased by RMB146.8 million due to the increase of sales, and the current liabilities increased by RMB209.7 million due to the increase of provisions for dividends payable and accruals for sales expenses and patent royalty fees, resulting in a decrease of the Group's net current assets by RMB62.8 million and a decrease of the Group's current ratio from 6.7 on 31 December 2016 to 4.1 on 30 June 2017.

3. Gearing Ratio and Quick Ratio

Gearing ratio represents the 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 2017, the gearing ratio and quick ratio of the Group decreased from 3.66% and 6.3 times on 31 December 2016 to 3.09% and 4.0 times respectively. The decrease in gearing ratio was mainly due to the increase in total equity resulting from the new set-up subsidiary and the increase in profit for the period. The decrease in quick ratio was mainly due to the increase in trade and other payables resulting from the increase in dividends payable and accruals for sales expenses and patent royalty fees of the Group.

於2017年6月30日，本集團擁有流動資產淨值約人民幣1,554.4百萬元，而於2016年12月31日則為人民幣1,617.2百萬元。報告期內，由於銷售增加導致流動資產增加人民幣146.8百萬元；由於計提應付股利和預提銷售費用和專利費令流動負債增加人民幣209.7百萬元，綜合導致本集團淨流動資產減少人民幣62.8百萬元，流動比率則從2016年12月31日的6.7下降至2017年6月30日的4.1。

3. 資本負債比率及速動比率

資本負債比率指於記錄日期的銀行貸款總額除以相同記錄日期的總權益。速動比率指於記錄日期的流動資產(不包括存貨)除以相同記錄日期的流動負債。於2017年6月30日，本集團的資本負債比率及速動比率由2016年12月31日的3.66%及6.3倍下降至3.09%及4.0倍。資本負債率的下降主要是由於本集團新設附屬公司及期內溢利增加導致總權益增加。速動比率的下降主要是由於本集團計提應付股利和預提銷售費用和專利費導致的貿易及其他應付款項增加。

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4. Cash Flow Analysis

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

(RMB'000)	(人民幣千元)	Six months ended 30 June	
		2017	2016
Net cash generated from operating activities	經營活動產生的現金淨值	262,081	237,616
Net cash used in investing activities	投資活動流出的現金淨值	(489,962)	(23,902)
Net cash generated from/(used in) financing activities	籌資活動產生/(流出)的現金淨值	17,074	(97,347)
Net (decrease)/increase in cash and cash equivalents	現金及現金等值項目淨(減少)/增加值	(210,807)	116,367

In the first half of 2017, the Group's net cash generated from operating activities was RMB262.1 million, representing an increase of RMB24.5 million as compared with the same period of 2016. The increase was mainly due to the growth of sales for the period.

The Group's net cash outflow used in investing activities was RMB490.0 million, representing an increase of RMB466.1 million as compared with the same period in 2016, which was mainly due to the increase in payment for equity transfer and new investment in fixed deposits with original maturity of three months.

In the first half of 2017, the Group's net cash inflow from financing activities was RMB17.1 million, representing a change of RMB114.4 million as compared with the net cash outflow of RMB97.3 million for the same period of 2016. The change was mainly due to the proceeds raised from controlling shareholder and no repayments of the matured bank loans as the first half of 2016.

4. 現金流分析

本集團現金流情況如下表所示：

(RMB'000)	(人民幣千元)	Six months ended 30 June	
		2017	2016
Net cash generated from operating activities	經營活動產生的現金淨值	262,081	237,616
Net cash used in investing activities	投資活動流出的現金淨值	(489,962)	(23,902)
Net cash generated from/(used in) financing activities	籌資活動產生/(流出)的現金淨值	17,074	(97,347)
Net (decrease)/increase in cash and cash equivalents	現金及現金等值項目淨(減少)/增加值	(210,807)	116,367

於2017年上半年，本集團經營活動產生的現金淨值為人民幣262.1百萬元，較2016年同期增加了人民幣24.5百萬元，主要因為本期銷售增長導致。

本集團用於投資活動產生的淨現金流出為人民幣490.0百萬元，較2016年同期增加了人民幣466.1百萬元，主要是支付股權轉讓款及投資於3個月到期的定期存款。

本集團於2017年上半年來自於籌資活動的淨現金流入為人民幣17.1百萬元，較2016年同期產生的淨現金流出人民幣97.3百萬元變動了人民幣114.4百萬元。該項變動主要是收到控股股東的增資款及沒有如2016年上半年的償還到期銀行借款。

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5. Analysis of Trade and Other Receivables

5. 貿易及其他應收賬款分析

		As at 30 June 2017 於2017年 6月30日 RMB'000 人民幣千元	As at 31 December 2016 於2016年 12月31日 RMB'000 人民幣千元
Trade and Other Receivables	貿易及其他應收款	490,233	337,149

Trade and other receivables increased from RMB337.1 million as at 31 December 2016 to RMB490.2 million as at 30 June 2017, which is mainly attributable to substantial increase of sales in the first half of 2017.

貿易及其他應收賬款由2016年12月31日的人民幣337.1百萬元增至2017年6月30日的人民幣490.2百萬元，這主要是由於2017年上半年銷售額增幅較大。

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

貿易及應收票據賬齡分析如下(經扣除呆賬準備)：

		As at 30 June 2017 於2017年 6月30日 RMB'000 人民幣千元	As at 31 December 2016 於2016年 12月31日 RMB'000 人民幣千元
Within 3 months	三個月內	339,918	280,266
Over 3 months but within 1 year	三個月以上一年以內	133,109	48,472
Total	總計	473,027	328,738

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6. Analysis of Trade and Other Payables

		As at 30 June 2017 於2017年 6月30日 RMB'000 人民幣千元	As at 31 December 2016 於2016年 12月31日 RMB'000 人民幣千元
Trade and other payables	貿易及其他應付款	385,950	182,377

Trade and other payables recorded a significant increase in the first half of 2017 as compared with the year ended 31 December 2016, representing an increase of 111.6%, which is mainly attributable to the provision for dividends payable and accruals for sales expenses and patent royalty fees.

The ageing analysis of the trade payables is as follows:

		As at 30 June 2017 於2017年 6月30日 RMB'000 人民幣千元	As at 31 December 2016 於2016年 12月31日 RMB'000 人民幣千元
Within 1 month	一個月內	17,810	14,554
Over 1 month but within 3 months	一個月以上三個月以內	4,211	2,109
Over 3 months but within 1 year	三個月以上一年以內	4,342	1,392
Over 1 year	一年以上	1,448	1,224
Total	總計	27,811	19,279

6. 貿易及其他應付款項分析

2017年上半年貿易及其他應付款較截至2016年12月31日止年度有較大提升，同比增長111.6%，這主要由於計提應付股利和預提銷售費用及專利費所導致。

應付貿易款項賬齡分析如下：

7. Bank Loans

As at 30 June 2017, the Group's bank loan balance was RMB90 million, which was in same with as at 31 December 2016. The Group is in good liquidity position with sufficient funding and has no repayment risk. All bank loans of the Group are loans dominated in RMB and borrowed from domestic banks in the PRC.

8. Capital Structure

As at 30 June 2017, the Group's total equity attributable to equity shareholders of the Company amounted to RMB2,643.4 million, representing an increase of RMB185.6 million as compared to RMB2,457.8 million as at 31 December 2016. The increase was mainly due to the increase in net assets resulting from the increase in capital and operating profit.

9. Capital Expenditure

During the Reporting Period, the capital expenditures of the Group mainly include the construction costs and newly purchased machines and equipment of Yidu Base Area No.3 Oseltamivir Phosphate Substance Extension Project(宜都三號地磷酸奧司他韋製劑擴建項目) and Insulin Glargine Construction Project(新建甘精胰島素項目), and the prepayments for properties.

10. Contingent Liabilities

As at 30 June 2017, the Group did not have any contingent liability to any external party.

11. Pledge of the Group's Assets

The Group did not pledge any of its assets as at 30 June 2017.

7. 銀行貸款

於2017年6月30日，本集團的銀行貸款餘額為人民幣90百萬元，與2016年12月31日一致。目前本集團資金流動性良好，資金充足，並無償還風險。本集團銀行貸款均為國內銀行人民幣貸款。

8. 資本結構

於2017年6月30日，本公司權益股東應佔本集團總權益為人民幣2,643.4百萬元，較2016年12月31日的人民幣2,457.8百萬元，增加了人民幣185.6百萬元。該增加主要由於資本與經營溢利增加帶來了淨資產的增加。

9. 資本支出

於報告期內，本集團的資本支出主要包括宜都三號地磷酸奧司他韋製劑擴建項目、新建甘精胰島素項目的建築成本和新購進的機器設備，以及預付的房款。

10. 或有負債

於2017年6月30日，本集團無對外擔保事項。

11. 本集團資產抵押

於2017年6月30日，本集團無資產抵押。

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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.

13. Employee, Remuneration Policies and Training Plans for Employees

As at 30 June 2017, the Group employed a total of 1,779 employees, as compared to a total of 1,317 employees as at 31 December 2016. The staff costs, including directors' emoluments but excluding any contributions to pension scheme, were approximately RMB42.8 million for the six months ended 30 June 2017. 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, social insurance contributions are made by the Group for its PRC employees in accordance with the relevant PRC regulations.

To strengthen the construction of a talent team and optimize the corresponding professional competence of employees at all positions, the Group has always placed employee trainings at the core position for construction of an operation and management system.

According to the change in industry development, relevant policies and prospects, the Group carries out relevant professional trainings for R&D staff, production technicians and marketing staff and so on. In 2017, the Group plans to carry out trainings for staff of relevant positions by way of concentrated teaching lessons in areas from product quality, production safety, job-related professional knowledge and relevant laws and regulations and so on based on the characteristics of staff functions with departments as the unit; and intends to evaluate the results of employee trainings by way of written examinations and real practice and so on.

12. 外匯及匯率風險

本集團主要於中國經營業務。除以外幣計值的銀行存款外，本集團並無面對就外匯波動的任何其他重大直接風險。

13. 僱員、薪酬政策及員工培訓計劃

於2017年6月30日，本集團共聘用1,779名僱員，而於2016年12月31日則聘用合共1,317名僱員。截至2017年6月30日止六個月，員工成本(包括董事酬金，但不包括任何退休金計劃供款)約為人民幣42.8百萬元。本集團的薪酬政策旨在激勵及挽留優秀員工，以實現本集團的長期企業目標及宗旨。本集團的僱員薪酬政策乃經考慮行業的整體薪資狀況及僱員績效等因素予以釐定。管理層定期檢討本集團的僱員薪酬政策及安排。此外，本集團根據相關中國法規為其中國僱員作出社會保險供款。

為加強人才隊伍建設，優化各崗位員工相應職業能力，本集團始終將員工培訓置於經營管理體系建設的核心地位。

本集團根據行業發展變化、相關政策前景等對研發人員、生產技術人員、市場營銷人員等進行相關專業培訓。2017年度，本集團計劃根據員工職能特性，以部門為單位，從產品質量、安全生產、崗位相關專業知識及相關法律法規等方面，通過集中授課的形式對相關崗位員工進行培訓，並擬通過書面考試、實際操作等形式對員工培訓成果進行評估。

14. Hedging Activities

During the six months ended 30 June 2017, 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 interim report, the Group did not have any plans for material investments or capital assets.

OTHER SIGNIFICANT EVENTS

1. Renewal of License Agreement with Oseltamivir Phosphate

On 9 February 2017, the Company was informed by Shenzhen HEC Industrial Development Co., Ltd. ("Shenzhen HEC Industrial") that it entered into a new license agreement with the Oseltamivir Phosphate Licensor recently, according to which, Shenzhen HEC Industrial was licensed to use the relevant patents until they expire or are declared invalid. The last patent will expire on 10 March 2024. The Oseltamivir Phosphate Licensor also agreed to reduce the royalty rates by approximately 10%. Shenzhen HEC Industrial is entitled to terminate the license agreement at any time by serving a sixty (60) days' prior written notice.

2. Listing of Kewei granules, one of the key products of the Company, in the 2017 National Reimbursement Drug List

Oseltamivir phosphate (Kewei granules), one of the key products of the Company, has been selected by the Ministry of Human Resources and Social Security of PRC to be listed in the 2017 National Reimbursement Drug List as a Class B Drug (No. 710).

The Company believes that the inclusion of oseltamivir phosphate (Kewei granules) in the 2017 National Reimbursement Drug List will help raise the awareness of Kewei granules among doctors and allow the further expansion of the Kewei granules market to mid-to-low end customers and primary hospitals, which will benefit more patients and improve the financial performance of the Company at the same time.

14. 對沖活動

截至2017年6月30日止六個月期間，本集團並無就外匯風險或利率風險訂立任何對沖交易。

15. 重大投資或資本資產的未來計劃

截至本中期報告日期，本集團並無任何重大投資或資本資產計劃。

其他重大事項

1. 續約磷酸奧司他韋許可協議

於2017年2月9日，本公司獲深圳市東陽光實業發展有限公司（「深東實」）通知，其已於近期與磷酸奧司他韋許可方訂立新的許可協議。據此，深東實獲許可使用相關專利直至其期限屆滿或被宣佈無效。最後一份專利將於2024年3月10日期限屆滿。磷酸奧司他韋許可方亦同意降低專利費率約10%。深東實有權在任何時候以提前六十(60)天書面通知的方式終止該許可協議。

2. 核心產品可威顆粒列入2017年版國家醫保目錄

本公司的核心產品之一磷酸奧司他韋(可威顆粒)已經中國人力資源和社會保障部選入《2017年版國家醫保目錄》中西藥部分醫保乙類，編號710。

本公司相信，磷酸奧司他韋(可威顆粒)納入《2017年版國家醫保目錄》將有助提升可威顆粒於醫生中的知名度，並更進一步將可威顆粒的市場擴展至中低端消費者及基層醫院。這將使得更多患者受益，並同時提升本公司的財務表現。

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3. Establishment of the JV Company (Dongguan HEC TaiGen Biopharmaceuticals Co., Ltd.) and the Further Acquisition of its 9% Equity Interests

On 10 January 2017, the JV Company was established in Dongguan engaged in the research and development, production and sales of APIs and chemical formulations in accordance with the shareholder's agreements entered by the Company, TaiGen Biopharmaceuticals and TaiGen Biopharmaceuticals Holdings Ltd. on 30 October 2016. On 27 March 2017, the Company, after arm's length negotiation, entered into a equity transfer agreement with TaiGen Biopharmaceuticals to acquire 9% equity interests in the JV Company held by TaiGen Biopharmaceuticals. As at the date of this interim report, the Company and TaiGen Biopharmaceuticals hold 60% and 40% equity interests in the JV Company, respectively. Please refer to the announcements of the Company dated 30 October 2016 and 27 March 2017 for detailed information.

3. 成立合資公司(東莞東陽光太景醫藥研發有限責任公司)並進一步收購其9%股權

於2017年1月10日，根據本公司、太景醫藥及太景醫藥研發控股股份有限公司於2016年10月30日訂立的股東協議，合資公司於東莞成立，主要從事原料藥及化學藥劑的研發、生產及銷售業務。於2017年3月27日，本公司與太景醫藥經過公平協商訂立股權轉讓協議，收購太景醫藥所持合資公司9%股權。於本中期報告日期，本公司及太景醫藥分別持有合資公司60%及40%股權。詳細信息請參見本公司日期為2016年10月30日及2017年3月27日的公告。

BUSINESS PROSPECTS OF THE SECOND HALF OF THE YEAR

In the foreseeable future, the government will implement policies combining medical protection and medical insurance, and will continue to increase fiscal expenditure for medical insurance. It will also facilitate the establishment of basic medical and hygienic system and framework, strengthen the modern hospital management system, and enhance the system of universal medical insurance. At the same time, the government continues to improve the pharmaceutical supply system and regulates the production process of pharmaceuticals. Driven by the above-mentioned policies, unregulated production activities and unscrupulous inflation of drug price by pharmaceutical enterprises will be further prevented. While it may bring challenges to the reform of pharmaceutical enterprises, it will also offer more opportunities for future development.

本年度下半年業務前景

從短期看，政府實行醫療保障和醫療保險結合的政策，繼續加大醫保的財政支出，加快建立基本醫療衛生制度框架，加強建立現代醫院管理制度，健全全民醫保制度。同時，政府也不斷完善藥品供應保障制度，加強藥品生產流整治等等。在以上政策的推動下，製藥企業不規範生產和虛抬藥價的行為會進一步受到打壓，這對藥企的改革形成了一定的挑戰的同時，也提供了更多的發展機遇。

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The increasingly stringent policies have created obstacles for the pharmaceutical industry in the short run. However, in the long run, there are still plenty of opportunities for pharmaceutical enterprises in various aspects. The government has enhanced its support for medical protection system, actively implementing pension medical policies, encouraging the self-research and development of innovation drugs by research institutions and pharmaceutical enterprises, and becoming more concerned with the health industry. In view of the trend demonstrated by such national policies, pharmaceutical enterprises can regulate their production activities, deepen their systemic reform, and enhance their research, development and innovation for products thereby ensuring promising prospects in the future.

Since the establishment of the Group, we have been determined to keep ourselves up to date, to build and to innovate. We always seek to meet the needs of market development, to follow the trend of pharmaceutical development under national reforms, and to become more and more innovative in the development of medical products. We have expanded the development of the health business and regulated our pharmaceutical production more stringently. We have also put more effort on our cooperation with leading enterprises. In the future, with the further implementation of the positive policies and the recognition and approvals for the products of the Company, the Company can introduce more leading products to the market, benefiting the people, and creating more value and contribution for the pharmaceutical industry.

政策的趨嚴短期對醫藥行業的發展造成了一定的阻礙，但從長遠來看，藥企在多領域的發展依然充滿機遇。隨著中國對醫療保障制度的支持力度不斷提升；對養老醫療政策的大力推動；對研發機構和藥企對自主創新研發新藥的支持力度的不斷增加；對大健康產業的重視程度不斷擴大。藥企在順應中國政策的發展趨勢下，規範藥品生產，深化制度改革，提升產品的研發和創新力度，未來仍有很廣闊的市場前景。

本集團發展至今，一直秉承著與時俱進，開拓創新的精神。始終順應市場發展的需求，順應醫藥發展的趨勢，跟隨國家改革的步伐，不斷加強對醫藥產品的創新；擴大對健康產業的發展；加強對藥品生產的規範，並不斷加強與優勢企業的合作力度等等。未來，隨著中國紅利政策的進一步落實，本公司的產品進一步獲得中國的認可和審批，本公司會有更多的優勢產品進入市場，造福於民眾，為醫藥行業的發展創造更多的價值，做出更大的貢獻。

CORPORATE GOVERNANCE AND OTHER INFORMATION

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COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

As a company listed on the Stock Exchange, the Company always strives to maintain a high level of corporate governance and has complied with all code provisions as set out in the Corporate Governance Code contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) for the six months ended 30 June 2017.

COMPLIANCE WITH THE 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 (the “Director(s)”) 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 for the six months ended 30 June 2017, each of the directors and supervisors of the Company has 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 of 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 has reviewed the Group’s 2017 interim results announcement, interim report and the unaudited interim financial statements for the six months ended 30 June 2017 prepared in accordance with the IFRSs.

SHARE CAPITAL

As of 30 June 2017, the total share capital of the Company was RMB452,022,850, divided into 452,022,850 shares of RMB1.00 each (including 226,200,000 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 2017 are set out in note 18(b) to the unaudited interim financial report.

遵守企業管治守則

本公司作為聯交所的上市公司，始終致力於保持高水平的企業管治，並於截至2017年6月30日止六個月一直遵守聯交所證券上市規則(「上市規則」)附錄十四所載的企業管治守則的所有守則條文。

遵守證券交易守則

本公司已採納上市規則附錄十所載的《上市發行人董事進行證券交易的標準守則》(「標準守則」)作為本公司董事(「董事」)及監事進行本公司證券交易的行為守則。經向本公司全體董事及監事作出特定查詢後，本公司各董事及監事確認彼等於截至2017年6月30日止六個月期間，已全面遵守標準守則所載的必要標準。

審核委員會

本公司的審核委員會(「審核委員會」)已根據上市規則的要求制定書面職權範圍。審核委員會由三名成員組成，即唐建新先生(獨立非執行董事)、李志明先生(獨立非執行董事)及唐新發先生(非執行董事)。唐建新先生現為審核委員會主席。

審核委員會已審閱根據國際財務報告準則編製的本集團2017年中期業績公告、中期報告及截至2017年6月30日止六個月的未經審核中期財務報表。

股本

於2017年6月30日，本公司的股本總額為人民幣452,022,850元，分為452,022,850股(包括226,200,000股內資股及225,822,850股H股)每股人民幣1.00元的股份。本公司於截至2017年6月30日止六個月的股本變動詳情載於未經審核中期財務報告附註18(b)。

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INTERESTS AND SHORT POSITIONS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2017, the interests and short positions of the directors, supervisors and chief executive 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:

董事、監事及最高行政人員在股份、相關股份及債權證中擁有的權益及淡倉

於2017年6月30日，下列董事、本公司監事及最高行政人員在本公司及其任何相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)的股份、相關股份或債權證中擁有須根據證券及期貨條例第XV部第7及第8分部知會本公司及聯交所的權益及淡倉(包括其根據證券及期貨條例的該等規定被認為或視為擁有的權益及淡倉)，或須根據證券及期貨條例第352條載入有關條例所述存置於本公司的登記冊內的權益及淡倉，或根據標準守則須知會本公司及聯交所之權益及淡倉如下：

Name of Director 董事姓名	Types of shares 股份類別	Capacity 身分	Number of shares/ underlying shares held (shares) 所持股份／相關 股份數目(股份)	Approximate percentage of relevant class of share capital (%) 相關類別股本的 概約百分比(%)	Approximate percentage of total issued share capital (%) 已發行股本總額 的概約百分比(%)
Mr. Mo Kit ¹ 毛杰先生 ¹	H Shares H股	Interest in controlled corporation 受控制法團權益	75,000,000 (L)	33.21%	16.59%

(L) – Long position

(L) – 好倉

The calculation is based on the total number of 452,022,850 shares in issue of the Company as at 30 June 2017, comprising 226,200,000 Domestic Shares and 225,822,850 H Shares.

結果乃根據本公司於2017年6月30日已發行股份總數452,022,850股計算，其中包括226,200,000股內資股及225,822,850股H股。

Note:

附註：

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.

1. 毛杰先生於North & South Brother Investment Holdings Limited擁有100%股本權益，並被視為於North & South Brother Investment Holdings Limited擁有權益的股份中擁有權益。

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Save as disclosed above, as at 30 June 2017, so far as is known to the Directors, none of the Directors, supervisors or chief executive 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.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at 30 June 2017, to the knowledge of the Directors, the persons (other than the Directors, supervisors or chief executive 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:

除上文所披露外，於2017年6月30日，據董事所知，概無董事、本公司監事或最高行政人員於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份或債權證中擁有須根據證券及期貨條例第XV部第7及第8分部知會本公司及聯交所的權益或淡倉(包括其根據證券及期貨條例的該等規定被認為或視為擁有的權益及/或淡倉)，或須根據證券及期貨條例第352條載入有關條例所述存置於本公司的登記冊內的權益或淡倉，或須根據標準守則知會本公司及聯交所的權益或淡倉。

主要股東於股份的權益

於2017年6月30日，就董事所知，下列人士(董事、本公司監事或最高行政人員除外)於本公司股份或相關股份中擁有須根據證券及期貨條例第XV部第2及第3分部向本公司披露的權益或淡倉，及根據證券及期貨條例第336條須備存於本公司登記冊的權益或淡倉：

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Name of shareholders 股東名稱	Types of shares 股份類別	Capacity 身分	Number of shares/ underlying shares held (shares) 所持股份／相關 股份數目(股份)	Approximate percentage of relevant class of share capital (%) 相關類別股本的 概約百分比(%)	Approximate percentage of total issued share capital (%) 已發行股本總額 的概約百分比(%)
HEC Pharm Co., Ltd. ("Parent Company") * 宜昌東陽光藥業股份 有限公司(「母公司」)*	Domestic Shares 內資股	Beneficial owner 實益擁有人	226,200,000 (L)	100%	50.04%
Linzi HEC Pharmaceutical Investment Co., Ltd.* ² 林芝東陽光藥業投資有限公司 ²	Domestic Shares 內資股	Interest in controlled corporation 受控制法團權益	226,200,000 (L)	100%	50.04%
Shenzhen HEC Industrial Development Co., Ltd.* ² 深圳市東陽光實業發展 有限公司* ²	Domestic Shares 內資股	Interest in controlled corporation 受控制法團權益	226,200,000 (L)	100%	50.04%
Ruyuan Yao Autonomous County Yuneng Electric Industrial Co., Ltd.* ² 乳源瑤族自治縣寓能電子實業 有限公司 ²	Domestic Shares 內資股	Interest in controlled corporation 受控制法團權益	226,200,000 (L)	100%	50.04%
Ruyuan Yao Autonomous County Xinjing Technology Development Co., Ltd.* ² 乳源瑤族自治縣新京科技 發展有限公司 ²	Domestic Shares 內資股	Interest in controlled corporation 受控制法團權益	226,200,000 (L)	100%	50.04%
Mr. Zhang Zhongneng ³ 張中能先生 ³	Domestic Shares 內資股	Interest in controlled corporation 受控制法團權益	226,200,000 (L)	100%	50.04%
Ms. Guo Meilan ⁴ 郭梅蘭女士 ⁴	Domestic Shares 內資股	Interest in controlled corporation 受控制法團權益	226,200,000 (L)	100%	50.04%

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Name of shareholders 股東名稱	Types of shares 股份類別	Capacity 身分	Number of shares/ underlying shares held (shares) 所持股份／相關 股份數目(股份)	Approximate percentage of relevant class of share capital (%) 相關類別股本的 概約百分比(%)	Approximate percentage of total issued share capital (%) 已發行股本總額 的概約百分比(%)
North & South Brother Pharmacy Investment Company Limited 南北兄弟藥業投資有限公司	H Shares H股	Beneficial owner 實益擁有人	75,000,000 (L)	33.21%	16.59%
North & South Brother Investment Holdings Limited ⁵ North & South Brother Investment Holdings Limited ⁵	H Shares H股	Interest in controlled corporation 受控制法團權益	75,000,000 (L)	33.21%	16.59%
Sanxing Electric (Hong Kong) Company Limited Sanxing Electric (Hong Kong) Company Limited	H Shares H股	Beneficial owner 實益擁有人	15,503,000 (L)	6.87%	3.43%
Ningbo Sanxing Medical Electric Co., Ltd. ⁶ Ningbo Sanxing Medical Electric Co., Ltd. ⁶	H Shares H股	Interest in controlled corporation 受控制法團權益	15,503,000 (L)	6.87%	3.43%
AUX Holdings Co., Ltd. ⁶ AUX Holdings Co., Ltd. ⁶	H Shares H股	Interest in controlled corporation 受控制法團權益	15,503,000 (L)	6.87%	3.43%
Mr. Zheng Jianjiang ⁶ 鄭堅江先生 ⁶	H Shares H股	Interest in controlled corporation 受控制法團權益	15,503,000 (L)	6.87%	3.43%
Ms. He Yiju ⁷ 何意菊女士 ⁷	H Shares H股	Interest in controlled corporation 受控制法團權益	15,503,000 (L)	6.87%	3.43%
Temasek Holdings (Private) Limited ⁸ Temasek Holdings (Private) Limited ⁸	H Shares H股	Interest in controlled corporation 受控制法團權益	15,100,000 (L)	6.69%	3.34%

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Name of shareholders 股東名稱	Types of shares 股份類別	Capacity 身分	Number of shares/ underlying shares held (shares) 所持股份／相關 股份數目(股份)	Approximate percentage of relevant class of share capital (%) 相關類別股本的 概約百分比(%)	Approximate percentage of total issued share capital (%) 已發行股本總額 的概約百分比(%)
中金智德股權投資管理有限公司	H Shares	Other	11,705,490 (L)	5.18%	2.59%
中金智德股權投資管理有限公司	H股	其他			
China International Capital Corporation Limited ⁹ 中國國際金融股份有限公司 ⁹	H Shares H股	Interest in controlled corporation 受控制法團權益	11,705,490 (L)	5.18%	2.59%
(L)	– Long position		(L)	– 好倉	

The calculation is based on the total number of 452,022,850 shares in issue of the Company as at 30 June 2017, comprising 226,200,000 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. Mr. Zhu Yingwei is a director of the Parent Company and Linzhi HEC Pharmaceutical Investment Co., Ltd.

1. The shareholding information of the shareholders of the Company as at 30 June 2017 are based on the information recorded in the register required to be kept by the Company under section 352 of the SFO.

結果乃根據本公司於2017年6月30日已發行股份總數452,022,850股計算，其中包括226,200,000股內資股及225,822,850股H股。

附註：

* 唐新發先生為母公司、林芝東陽光藥業投資有限公司及深東實的董事。朱英偉先生為公司及林芝東陽光藥業投資有限公司的董事。

1. 本公司股東於2017年6月30日的股權資料乃基於本公司根據證券及期貨條例第352條須備存的登記冊所載資料。

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- As at 30 June 2017, Linzhi HEC Pharmaceutical Investment Co., Ltd. owned 60.70% 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 owned 100% equity interest in Linzhi HEC Pharmaceutical Investment Co., Ltd., therefore Shenzhen HEC Industrial 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 42.34% equity interest in Shenzhen HEC Industrial and 58% equity interest in Shaoguan Xinyuneng Industrial Investment Company Limited, which owned 27.01% equity interest in Shenzhen HEC Industrial, 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. Ruyuan Yao Autonomous County Xinjing Technology Development Co., Ltd. owned 30.66% equity interest in Shenzhen HEC Industrial and 42% equity interest in Shaoguan Xinyuneng Industrial Investment Company Limited, which owned 27.01% equity interest in Shenzhen HEC Industrial, 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.
 - As at 30 June 2017, Mr. Zhang Zhongneng (“Mr. Zhang”) owned 99.69% equity interest in Ruyuan Yao Autonomous County Yuneng Electric Industrial Co., Ltd., therefore Mr. Zhang is deemed to be interested in the Shares which are interested by Ruyuan Yao Autonomous County Yuneng Electric Industrial Co., Ltd..
 - As at 30 June 2017, Ms. Guo Meilan (“Ms. Guo”) owned 99.51% equity interest in Ruyuan Yao Autonomous County Xinjing Technology Development Co., Ltd., therefore Ms. Guo is deemed to be interested in the Shares which are interested by Ruyuan Yao Autonomous County Xinjing Technology Development Co., Ltd.. Ms. Guo is the spouse of Mr. Zhang and is deemed to be interested in the Shares which are interested by Mr. Zhang under the SFO.
 - As at 30 June 2017, 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.
- 於2017年6月30日，林芝東陽光藥業投資有限公司擁有母公司60.70%的股本權益，因此，林芝東陽光藥業投資有限公司被視為於母公司所持有之股份中擁有權益。深東實擁有林芝東陽光藥業投資有限公司100%股本權益，因此，深東實被視為於林芝東陽光藥業投資有限公司擁有的股份中擁有權益。乳源瑤族自治縣寓能電子實業有限公司擁有深圳市東陽光實業發展有限公司42.34%股本權益及擁有韶關新寓能實業投資有限公司（其擁有深圳市東陽光實業發展有限公司27.01%股本權益）58%股本權益，因此乳源瑤族自治縣寓能電子實業有限公司被視為於深東實擁有的股份中擁有權益。乳源瑤族自治縣新京科技發展有限公司擁有深東實30.66%股本權益及擁有韶關新寓能實業投資有限公司（其擁有深東實27.01%股本權益）42%股本權益，因此乳源瑤族自治縣新京科技發展有限公司被視為於深東實擁有的股份中擁有權益。
 - 於2017年6月30日，張中能先生（「張先生」）擁有乳源瑤族自治縣寓能電子實業有限公司99.69%股本權益，因此張先生被視為於乳源瑤族自治縣寓能電子實業有限公司擁有的股份中擁有權益。
 - 於2017年6月30日，郭梅蘭女士（「郭女士」）擁有乳源瑤族自治縣新京科技發展有限公司99.51%股本權益。因此郭女士被視為於乳源瑤族自治縣新京科技發展有限公司擁有的股份中擁有權益。郭女士為張先生之配偶，根據證券及期貨條例被視為於張先生所擁有的股份中擁有權益。
 - 於2017年6月30日，North & South Brother Investment Holdings Limited擁有南北兄弟藥業投資有限公司100%股本權益，因而被視為於南北兄弟藥業投資有限公司擁有權益的股份中擁有權益。

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6. As at 30 June 2017, 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 Shares which are interested by Ningbo Sanxing Medical Electric Co., Ltd.
 7. As at 30 June 2017, 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.
 8. As at 30 June 2017, Bartley Investments Pte. Ltd. owned 100% equity interest in Ellington Investments Pte. Ltd. and is deemed to be interested in the Shares which are interested by Ellington Investments Pte. Ltd.. Tembusu Capital Pte. Ltd. owned 100% equity interest in Bartley Investments Pte. Ltd. and Temasek Holdings (Private) Limited owned 100% equity interest in Tembusu Capital Pte. Ltd.. Therefore, Temasek Holdings (Private) Limited and Tembusu Capital Pte. Ltd. are deemed to be interested in Shares which are interested by Bartley Investments Pte. Ltd..
 9. As at 30 June 2017, 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.
6. 於2017年6月30日，Ningbo Sanxing Medical Electric Co., Ltd. 擁有 Sanxing Electric (Hong Kong) Company Limited 100% 股本權益，因而被視為於 Sanxing Electric (Hong Kong) Company Limited 擁有權益的股份中擁有權益。AUX Holdings Co., Ltd. 及鄭堅江先生分別擁有 Ningbo Sanxing Medical Electric Co., Ltd. 37.54% 及 19.61% 股本權益。鄭堅江先生擁有 AUX Holdings Co., Ltd. 70% 股本權益。因此，AUX Holdings Co., Ltd. 及鄭堅江先生均被視為於 Ningbo Sanxing Medical Electric Co., Ltd. 擁有權益的股份中擁有權益。
 7. 於2017年6月30日，何意菊女士是鄭堅江先生的配偶，根據證券及期貨條例，被視為於鄭堅江先生擁有權益的股份中擁有權益。
 8. 於2017年6月30日，Bartley Investments Pte. Ltd. 擁有 Ellington Investments Pte. Ltd. 100% 股本權益，因而被視為於 Ellington Investments Pte. Ltd. 擁有權益的股份中擁有權益。Tembusu Capital Pte. Ltd. 擁有 Bartley Investments Pte. Ltd. 100% 股本權益，而 Temasek Holdings (Private) Limited 擁有 Tembusu Capital Pte. Ltd. 100% 股本權益。因此，Temasek Holdings (Private) Limited 及 Tembusu Capital Pte. Ltd. 均被視為於 Bartley Investments Pte. Ltd. 擁有權益的股份中擁有權益。
 9. 於2017年6月30日，中國國際金融股份有限公司擁有 中金智德股權投資管理有限公司 100% 股本權益，因而被視為於 中金智德股權投資管理有限公司 擁有權益的股份中擁有權益。

Save as disclosed above, as at 30 June 2017, the directors are not aware of any interests or short positions owned by any persons (other than the directors, supervisors or chief executive of the Company) in the Shares or underlying shares of the Company which are required to be disclosed to the Company pursuant to Division 2 and 3 of Part XV of the SFO which are required to be recorded in the register of the Company required to be kept under section 336 of the SFO.

除上文所披露外，於2017年6月30日，據董事所知，概無任何人士（除董事、監事或本公司最高行政人員外）於本公司股份或相關股份中擁有須根據證券及期貨條例第XV部第2及第3分部向本公司披露的任何權益或淡倉，或記錄於根據證券及期貨條例第336條須予備存的本公司登記冊的權益或淡倉。

CORPORATE GOVERNANCE AND OTHER INFORMATION 企業管治及其他資料

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 2017.

INTERIM DIVIDEND

The Board resolved to recommend the payment of interim dividends of RMB0.40 (tax inclusive) per share for the six months ended 30 June 2017 (the "2017 Interim Dividend") with an aggregate amount of approximately RMB180.8 million to shareholders of the Company (the "Shareholders") whose names are listed on the Company's register of members as at 24 October 2017 in the 2017 third extraordinary general meeting of the Company (the "EGM") to be held on 13 October 2017. The 2017 Interim Dividend will be denominated and declared in RMB. The Company will pay dividends in respect of domestic shares in RMB and dividends in respect of H shares in HKD. Once the relevant resolution is passed at the EGM, the 2017 Interim Dividend is expected to be paid on or around 10 November 2017.

Pursuant to the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法》) and its implementation rules as well as other relevant provisions, the Company is required to withhold and pay a 10% enterprise income tax when paying the recommended 2017 Interim Dividend to non-residential enterprise Shareholders listed on the Company's register of members of H shares. Any H share registered in the name of a non-individual Shareholder, such as Hong Kong Securities Clearing Company Nominees Limited, other nominees, trustees, organizations or corporates, will be deemed as shares held by a non-residential enterprise Shareholder, and therefore the enterprise income tax on the receivable dividend in respect of such shares will be withheld.

購買、出售或贖回本公司的上市證券

本公司或其任何附屬公司於截至2017年6月30止六個月概無購買、出售或贖回本公司任何上市證券。

中期股息

董事會決議在本公司將於2017年10月13日舉行的2017年第三次臨時股東大會（「臨時股東大會」）上，建議派發截至2017年6月30日止六個月中期股息每股人民幣0.40元（含稅）（「2017年中期股息」）予於2017年10月24日名列本公司股東名冊的本公司股東（「股東」），總金額約人民幣180.8百萬元。2017年中期股息將會以人民幣計值及宣派。內資股股息將以人民幣派付，而H股股息則將以港元派付。待有關決議案於臨時股東大會通過後，2017年中期股息預計將於2017年11月10日或前後派發。

根據《中華人民共和國企業所得稅法》及其實施條例，以及其他相關規定，本公司在向名列本公司H股股東名冊的非居民企業股東分派建議2017年中期股息時，須按稅率10%代扣代繳企業所得稅。任何以香港中央結算（代理人）有限公司、其他提名人或受託人或其他組織或團體等非個人登記股東名義登記的H股，將被當作由非居民企業股東持有的股份，並因此須就其應得股息預扣企業所得稅。

CORPORATE GOVERNANCE AND OTHER INFORMATION 企業管治及其他資料

According to the Individual Income Tax Law of China (《中華人民共和國個人所得稅法》) and its implementation provisions, the Notice Concerning Individual Income Tax on the Dividends, Bonuses that Foreign Individuals Obtain from Foreign Invested Enterprises Issued by the Ministry of Finance of Hubei Province (《湖北省地方稅務局關於對外籍個人從外商投資企業取得股息紅利所得徵收個人所得稅問題的公告》), the Notice of the State Administration of Taxation on the Issues Concerning Taxation and Administration of Individual Income Tax After the Repeal of the Document (Guo Shui Fa [1993] No. 045) (Guo Shui Han [2011] No. 348) 《國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》(國稅函[2011]348號)) and other laws and regulations, the Company will withhold and pay the personal income tax at the tax rate of 10% generally for individual Shareholders of H shares. For the individual Shareholders of H shares who are citizens of countries or regions that have entered into a tax treaty with the PRC with tax rates higher than 10% but lower than 20%, the Company will withhold the tax at the agreed rates under such treaties. For the individual Shareholders of H shares who are citizens of countries or regions without taxation treaties with the PRC, the Company will withhold the tax at a rate of 20%.

The aforesaid non-residential enterprise Shareholders and foreign individual Shareholders may enjoy the concessionary tax rate in accordance with the relevant provisions of treaties or arrangements for avoidance of double taxation entered into between their country (region) and PRC, and Announcement No. 60 2015 of the State Administration of Taxation: Administrative Measures for Nonresidents to Enjoy the Treatments of Tax Treaties (《非居民納稅人享受稅收協定待遇管理辦法》) (the “Measures”) after completing relevant procedures. The aforesaid Shareholders shall provide complete information as required by the Measures to the Company by 19 October 2017. The Company will file tax return with competent tax authority of the place where the Company is located on behalf of such shareholders, who can enjoy relevant concessionary tax rate upon approval. The Company assumes no responsibility and disclaims all liabilities whatsoever in relation to the tax status or tax treatment of the Shareholders of H shares of the Company and for any claims arising from any delay in or inaccurate determination of the tax status or tax treatment of the Shareholders of H shares of the Company or any disputes over the withholding mechanism or arrangements.

根據《中華人民共和國個人所得稅法》及其實施條例，《湖北省地方稅務局關於對外籍個人從外商投資企業取得股息紅利所得徵收個人所得稅問題的公告》，以及《國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》(國稅函[2011]348號)等法律法規的規定，本公司將為H股個人股東一般按照10%的稅率代扣代繳個人所得稅。對於協定稅率高於10%低於20%稅率的協定國家或地區的H股個人股東，本公司派發股息時將按協定實際稅率扣繳個人所得稅；對於與中國沒有稅收協定國家或地區的H股個人股東，本公司派發股息時將按20%稅率扣繳個人所得稅。

以上非居民企業股東及外籍個人股東，可依據所在國家或地區與中國簽署的避免雙重徵稅協定或安排的相關規定，以及國家稅務總局2015年第60號公告《非居民納稅人享受稅收協定待遇管理辦法》(「辦法」)的規定，在辦理相關手續後享受優惠稅率。以上股東須於2017年10月19日前提供辦法規定的完整資料給本公司，本公司代為向公司所在地主管稅務機關申報，經批准後可享受相關稅收優惠。對於本公司H股股東的納稅身份或稅務待遇及因本公司H股股東的納稅身份或稅務待遇未能及時確定或不準確確定而引致任何申索或對於代扣機制或安排的任何爭議，本公司概不負責，亦不承擔任何責任。

CORPORATE GOVERNANCE AND OTHER INFORMATION

企業管治及其他資料

CLOSURE OF REGISTER OF MEMBERS

In order to ascertain Shareholders' entitlement to attend and vote at the EGM and to the proposed 2017 Interim Dividend, the H share register of members of the Company will be closed from Wednesday, 13 September 2017 to Friday, 13 October 2017 (both days inclusive) and from Thursday, 19 October 2017 to Tuesday, 24 October 2017 (both days inclusive) respectively, during which no transfer of H shares will be registered. In order to qualify for attending and voting at the EGM, all unregistered Shareholders of H shares of the Company shall lodge transfer documents with the Company's share registrar 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 for registration before 4:30 p.m. on Tuesday, 12 September 2017. In order to qualify for receiving the proposed 2017 Interim Dividend (subject to the approval by the Shareholders at the EGM), unregistered Shareholders of H shares of the Company shall lodge transfer documents with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at the above mentioned address for registration before 4:30 p.m. on Wednesday, 18 October 2017.

CHANGE IN INFORMATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. ZHU Yingwei has resigned as a non-executive director of the Company and a member of the nomination committee of the Board due to his physical conditions with effect from 9 May 2017; and Mr. LIN Jian has resigned as a supervisor of the Company due to changes in work with effect from 9 May 2017. Details of which were set out in the announcement dated 9 May 2017 of the Company.

暫停辦理過戶登記

為釐定股東出席臨時股東大會並於會上投票的資格以及股東有權獲派建議2017年中期股息的資格，本公司將分別於2017年9月13日（星期三）至2017年10月13日（星期五）（包括首尾兩天）期間及於2017年10月19日（星期四）至2017年10月24日（星期二）（包括首尾兩天）期間暫停辦理H股股份過戶登記手續。如欲享有出席臨時股東大會及於會上投票的資格，本公司的所有未登記H股股份持有人須於2017年9月12日（星期二）下午四時三十分之前，將股份過戶文件送達本公司的香港股份過戶登記處香港中央證券登記有限公司以作登記，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716號舖。為了符合獲派擬派2017年中期股息（須待股東於臨時股東大會上批准，始可作實）的資格，本公司的H股未登記股份持有人須於2017年10月18日（星期三）下午四時三十分之前，將股份過戶文件送達上述地址的本公司香港股份過戶登記處香港中央證券登記有限公司以作登記。

董事、監事及高級管理人員資料變動

朱英偉先生因其身體原因，已辭去本公司非執行董事及董事會提名委員會會員之職務，於2017年5月9日起生效；而林健先生因工作變動，已辭去本公司監事之職務，於2017年5月9日起生效。有關詳情載於本公司日期為2017年5月9日的公告。

CORPORATE GOVERNANCE AND OTHER INFORMATION 企業管治及其他資料

Upon consideration and approval by way of ordinary resolutions at the 2016 annual general meeting of the Company, Mr. ZHU Qiaohong was appointed as an executive director of the Company with effect from 16 June 2017. At the same time, Mr. ZHU Qiaohong was also appointed as a member of the nomination committee of the Board with effect from the same date. Mr. LUO Zhonghua was appointed as a supervisor of the Company with effect from 16 June 2017. The biographical details of Mr. ZHU Qiaohong and Mr. LUO Zhonghua and their information which was required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules were set out in the announcement of the Company dated 9 May 2017.

Saved as disclosed above, there has been no change in the directors of the Company nor the information of directors, supervisors and senior management of the Company that is required to be disclosed under Rule 13.51(B) of the Listing Rules since the publication of the 2016 annual report of the Company.

經於本公司2016年股東週年大會上審議批准普通決議案後，朱巧洪先生獲委任為本公司執行董事，自2017年6月16日起生效。同時，朱巧洪先生亦獲委任為董事會提名委員會成員，自同日起生效。羅忠華先生獲委任為本公司監事，自2017年6月16日起生效。朱巧洪先生及羅忠華先生的履歷詳情以及根據上市規則第13.51(2)條須予披露的彼等資料，載於本公司日期為2017年5月9日的公告。

除上文披露者外，自刊發本公司2016年年度報告起，概無本公司董事變動或本公司董事、監事及高級管理層資料變動而須根據上市規則第13.51(B)條予以披露。

REVIEW REPORT 審閱報告



Review report to the board of directors of
YiChang HEC Changjiang Pharmaceutical Co., Ltd.
(A Joint Stock Limited Company Incorporated in the People's Republic of China)

INTRODUCTION

We have reviewed the interim financial report set out on pages 42 to 72 which comprises the consolidated statement of financial position of YiChang HEC Changjiang Pharmaceutical Co., Ltd. (the "Company") as of 30 June 2017 and the related consolidated statement of profit or loss and other comprehensive income and consolidated 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.

致宜昌東陽光長江藥業股份有限公司
(在中華人民共和國註冊成立之股份有限公司)
董事會之審閱報告

緒言

本核數師(以下簡稱「我們」)已審閱列載於第42至72頁宜昌東陽光長江藥業股份有限公司(「貴公司」)的中期財務報告，此中期財務報告包括於2017年6月30日的綜合財務狀況表與截至該日止六個月期間的相關綜合損益及其他全面收益表、綜合權益變動表及簡明綜合現金流量表以及附註解釋。香港聯合交易所有限公司證券上市規則規定，上市公司必須符合上市規則中的相關規定和國際會計準則理事會頒佈的國際會計準則第34號「中期財務報告」的規定編製中期財務報告。董事須負責根據國際會計準則第34號編製及列報中期財務報告。

我們的責任是根據我們的審閱對中期財務報告作出結論，並按照我們雙方所協定的應聘條款，僅向全體董事會報告。除此以外，我們的報告書不可用作其他用途。我們概不就本報告書的內容，對任何其他人士負責或承擔法律責任。

審閱範圍

我們已根據香港會計師公會頒佈的香港審閱工作準則第2410號「實體的獨立核數師對中期財務信息的審閱」進行審閱。中期財務報告審閱工作包括主要向負責財務會計事務的人員查詢，並實施分析及其他審閱程序。由於審閱的範圍遠較按照香港審核準則進行的審核的範圍為小，因此我們不能保證我們會注意到在審核中可能會被發現的所有重大事項。因此我們不會發表任何審核意見。

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 2017 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

18 August 2017

結論

根據我們的審閱工作，我們並沒有注意到任何事項，使我們相信於2017年6月30日的中期財務報告在所有重大方面沒有按照國際會計準則第34號「中期財務報告」的規定編製。

畢馬威會計師事務所

執業會計師
香港中環
遮打道10號
太子大廈8樓

2017年8月18日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME 綜合損益及其他全面收益表

for the six months ended 30 June 2017 - unaudited
截至2017年6月30日止六個月—未經審核
(Expressed in Renminbi)
(以人民幣呈列)

		Six months ended 30 June 截至6月30日止六個月	
		2017	2016
		RMB'000	RMB'000
		人民幣千元	人民幣千元
	Note 附註		
Revenue	營業額	662,253	555,629
Cost of sales	銷售成本	(121,642)	(136,317)
Gross profit	毛利	540,611	419,312
Other revenue	其他收入	8,669	6,418
Distribution costs	分銷成本	(117,961)	(110,118)
Administrative expenses	行政管理開支	(57,374)	(57,139)
Other net (losses)/income	其他(虧損)/收入淨額	(13,454)	10,083
Profit from operations	經營溢利	360,491	268,556
Finance costs	融資成本	(2,258)	(4,112)
Profit before taxation	除稅前溢利	358,233	264,444
Income tax	所得稅	(62,961)	(49,459)
Profit for the period	期內溢利	295,272	214,985
Profit and total comprehensive income for the period attributable to:	以下各方應佔期內溢利及全面收入總額：		
Equity shareholders of the Company	本公司權益股東	301,860	214,985
Non-controlling interests	非控股權益	(6,588)	—
Profit and total comprehensive income for the period	期內溢利及全面收入總額	295,272	214,985
Basic and diluted earnings per share	每股基本及攤薄盈利	0.67	0.48

The notes on pages 48 to 72 form part of this interim financial report. Details of dividends payable to equity shareholders of the Company are set out in note 18.

第48頁至72頁之附註構成本中期財務報告一部份。有關應付公司權益股東的股息詳情，載於附註18。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

at 30 June 2017 - unaudited
於2017年6月30日－未經審核
(Expressed in Renminbi)
(以人民幣呈列)

		At 30 June 2017 於2017年 6月30日 RMB'000 人民幣千元	At 31 December 2016 於2016年 12月31日 RMB'000 人民幣千元
		Note 附註	
Non-current assets	非流動資產		
Fixed assets	固定資產		
– Property, plant and equipment	– 物業、廠房及設備	10	413,915
– Interests in leasehold land held for own use under operating leases	– 根據經營租賃持作自用之租賃土地權益		81,767
			518,144
Intangible assets	無形資產	11	—
Goodwill	商譽	12	—
Prepayments	預付款項	13	422,544
Deferred tax assets	遞延稅項資產		11,415
Total non-current assets	非流動資產總額		1,442,775
Current assets	流動資產		
Inventories	存貨	14	110,624
Trade and other receivables	貿易及其他應收款項	15	337,149
Time deposits	定期存款		238,988
Pledged deposits	已抵押存款		2,635
Cash and cash equivalents	現金及現金等值項目	16	1,212,072
Total current assets	流動資產總額		2,048,317
Current liabilities	流動負債		
Trade and other payables	貿易及其他應付款項	17	182,377
Bank loans	銀行貸款		70,000
Deferred income	遞延收益		4,379
Current taxation	即期稅項		27,525
Total current liabilities	流動負債總額		493,950

The notes on pages 48 to 72 form part of this interim financial report.

第48頁至72頁之附註構成本中期財務報告一部份。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION 綜合財務狀況表

at 30 June 2017 - unaudited
於2017年6月30日－未經審核
(Expressed in Renminbi)
(以人民幣呈列)

		Note	At 30 June 2017 於2017年 6月30日 RMB'000 人民幣千元	At 31 December 2016 於2016年 12月31日 RMB'000 人民幣千元
Net current assets	流動資產淨額		1,554,367	1,617,187
Total assets less current liabilities	總資產減流動負債		2,997,142	2,546,828
Non-current liabilities	非流動負債			
Bank loans	銀行貸款		20,000	20,000
Deferred income	遞延收益		66,832	69,021
Total non-current liabilities	非流動負債總額		86,832	89,021
Net assets	淨資產		2,910,310	2,457,807
Capital and reserves	資本及儲備			
Share capital	股本	18(b)	452,023	450,823
Reserves	儲備		2,191,381	2,006,984
Total equity attributable to equity shareholders of the Company	本公司權益股東 應佔總權益		2,643,404	2,457,807
Non-controlling interests	非控股權益		266,906	—
Total equity	總權益		2,910,310	2,457,807

The notes on pages 48 to 72 form part of this interim financial report.

第48頁至72頁之附註構成本中期財務報告一部份。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

for the six months ended 30 June 2017 - unaudited
截至2017年6月30日止六個月—未經審核
(Expressed in Renminbi)
(以人民幣呈列)

		Share capital 股本	Capital reserve 資本儲備	Statutory reserve 法定儲備	Retained earnings 保留收益	Total equity 總權益
	Note 附註	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Balance at 1 January 2016	於2016年1月1日的結餘	450,659	1,456,614	26,571	209,005	2,142,849
Changes in equity for the six months ended 30 June 2016:	截至2016年6月30日止六個月權益變動：					
Total comprehensive income for the period	期內全面收益總額	—	—	—	214,985	214,985
Dividends approved in respect of the previous year	批准過往年度股息	—	—	—	(67,623)	(67,623)
Shares issued upon the over-allotment options exercised	超額配股權獲行使時發行的股份	164	1,820	—	—	1,984
Balance at 30 June 2016 and 1 July 2016	於2016年6月30日及2016年7月1日的結餘	450,823	1,458,434	26,571	356,367	2,292,195
Changes in equity for the six months ended 31 December 2016:	截至2016年12月31日止六個月權益變動：					
Total comprehensive income for the period	期內全面收益總額	—	—	—	165,612	165,612
Appropriation to statutory reserve	轉撥至法定儲備	—	—	38,065	(38,065)	—
Balance at 31 December 2016	於2016年12月31日的結餘	450,823	1,458,434	64,636	483,914	2,457,807

The notes on pages 48 to 72 form part of this interim financial report.

第48頁至72頁之附註構成本中期財務報告一部份。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 綜合權益變動表

for the six months ended 30 June 2017 - unaudited
截至2017年6月30日止六個月—未經審核
(Expressed in Renminbi)
(以人民幣呈列)

		Attributable to equity shareholders of the Company 本公司權益股東應佔					Non-	Total
		Share capital 股本	Capital reserve 資本儲備	Statutory reserve 法定儲備	Retained earnings 保留收益	Total	controlling interests 非控股權益	equity 權益總額
Note		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
附註		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
	Balance at 1 January 2017	450,823	1,458,434	64,636	483,914	2,457,807	—	2,457,807
	Changes in equity for the six months ended 30 June 2017:							
	Issue of ordinary shares	1,200	18,144	—	—	19,344	—	19,344
	Acquisition of equity interests in a subsidiary	—	—	—	—	—	273,494	273,494
	Total comprehensive income for the period	—	—	—	301,860	301,860	(6,588)	295,272
	Dividends approved in respect of the previous year	—	—	—	(135,607)	(135,607)	—	(135,607)
	Balance at 30 June 2017	452,023	1,476,578	64,636	650,167	2,643,404	266,906	2,910,310

The notes on pages 48 to 72 form part of this interim financial report.

第48頁至72頁之附註構成本中期財務報告一部份。

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

簡明綜合現金流量表

for the six months ended 30 June 2017 - unaudited
截至2017年6月30日止六個月－未經審核
(Expressed in Renminbi)
(以人民幣呈列)

		Six months ended 30 June 截至6月30日止六個月	
		2017	2016
		RMB'000	RMB'000
		人民幣千元	人民幣千元
	Note 附註		
Operating activities	經營活動		
Cash generated from operations	經營所得之現金	323,373	258,503
The People's Republic of China (the "PRC") income tax paid	已支付的中華人民共和國 (「中國」)所得稅	(61,292)	(20,887)
Net cash generated from operating activities	經營活動產生的現金淨值	262,081	237,616
Investing activities	投資活動		
Interest received	已收利息	5,881	2,111
Payment for purchase of property, plant and equipment	購買物業、廠房及設備所付款項	(107,472)	(19,013)
Proceeds received from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	108	—
Payment for purchase of intangible assets	購買無形資產所付款項	—	(40,000)
Payment for development activities	開發活動所付款項	(11,711)	—
Payment for acquisition of equity interests in a subsidiary	收購一間附屬公司股權	(137,402)	—
Addition of time deposits	新增定期存款	(486,210)	—
Decrease of time deposits	減少定期存款	246,844	33,000
Net cash used in investing activities	投資活動中使用的現金淨值	(489,962)	(23,902)
Financing activities	融資活動		
Proceeds from issuance of shares	發行股份所得款項	19,344	1,984
Payment of listing expenses	上市開支所付款項	—	(22,535)
Repayments of bank loans	償還銀行貸款	—	(72,500)
Interest paid	已付利息	(2,270)	(4,296)
Net cash generated from/(used in) financing activities	來自/(用於)融資活動的現金淨值	17,074	(97,347)
Net (decrease)/increase in cash and cash equivalents	現金及現金等值項目淨 (減少)/增加	(210,807)	116,367
Cash and cash equivalents at 1 January	於1月1日的現金及現金等值項目	1,212,072	1,353,651
Effect of foreign exchange rate changes	外匯匯率變動的影響	(13,173)	—
Cash and cash equivalents at 30 June	於6月30日的現金及現金等值項目	988,092	1,470,018

The notes on pages 48 to 72 form part of this interim financial report.

第48頁至72頁之附註構成本中期財務報告一部份。

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION

未經審核中期財務資料附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，均以人民幣列示)

I 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 18 August 2017.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2016 annual financial statements, except for the accounting policy in Note 3 and the accounting policy changes that are expected to be reflected in the 2017 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 judgments, 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 2016 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 Hong Kong Institute of Certified Public Accountants (“HKICPA”). KPMG’s independent review report to the Board of Directors is included on page 40.

I 編製基準

本中期財務報告已根據香港聯合交易所有限公司證券上市規則之適用披露規定編製，包括遵守國際會計準則理事會（「國際會計準則理事會」）頒佈之國際會計準則（「國際會計準則」）第34號「中期財務報告」。本報告獲許於2017年8月18日獲授權刊發。

除附註3的會計政策及預期將於2017年年度財務報表反映之會計政策變動外，本中期財務報告已根據與2016年年度財務報表所採納之相同會計政策編製。該等會計政策變動詳情載於附註2。

管理層於編製符合國際會計準則第34號之中期財務報告時，須按年初至今基準作出對所採用政策及所呈報的資產和負債、收入和開支金額造成影響之判斷、估計及假設。實際結果可能與該等估計有所不同。

本中期財務報告包含簡明綜合財務報表及部份附註解釋。附註闡述了自2016年年度財務報表刊發以來，本集團的財務狀況變動和表現而言屬重要的事件和交易。簡明綜合中期財務報表及其附註並無包括根據國際財務報告準則（「國際財務報告準則」）編製完整財務報表所需之一切資料。

本中期財務報告乃未經審核，惟畢馬威會計師事務所已經根據香港會計師公會（「香港會計師公會」）頒佈之香港審閱工作準則第2410號「獨立核數師對中期財務信息的審閱」進行審閱。畢馬威會計師事務所為董事會編製之獨立審閱報告載於第40頁。

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION

未經審核中期財務資料附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，均以人民幣列示)

1 BASIS OF PREPARATION (Cont'd)

The financial information relating to the financial year ended 31 December 2016 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.

2 CHANGES IN ACCOUNTING POLICIES

The IASB has issued several amendments to IFRSs that are first effective for the current accounting period of the Group. None of these developments has had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this interim financial report.

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

3 ACCOUNTING POLICIES APPLIED IN THIS PERIOD

(a) Non-controlling interests

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

1 編製基準(續)

本中期財務報表內所載作為比較資料的截至2016年12月31日止年度的財務資料，並不構成本公司於該財政年度的法定年度綜合財務報表，惟摘錄自該等財務報表。

本公司核數師已就該等財務報表出具核數師報告。該核數師報告為無保留意見的核數師報告；其中不包含核數師在不出具保留意見的情況下以強調的方式提請使用者注意的任何事項。

2 會計政策變動

國際會計準則理事會已頒佈若干國際財務報告準則的修訂，並於本集團現行會計期間首次生效。該等修訂對於本期或過往期間本集團業績及財務狀況的編製或於本中期財務報告呈列的方式概無重大影響。

本集團概無採納於本會計期間尚未生效的任何新訂準則或詮釋。

3 本期內採用的會計政策

(a) 非控股權益

非控股權益指非直接或間接歸屬於本公司附屬公司權益，且本集團就此並無與該等權益持有人協定任何額外條款，致使本集團整體須就該等符合金融負債定義的權益承擔合約責任。就各業務合併而言，本集團可選擇按公允價值或按非控股權益佔附屬公司可識別淨資產的比例而計量任何非控股權益。

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION 未經審核中期財務資料附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，均以人民幣列示)

3 ACCOUNTING POLICIES APPLIED IN THIS PERIOD (Cont'd)

(a) Non-controlling interests (Cont'd)

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company.

(b) Goodwill

Goodwill represents the excess of

- (i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over
- (ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit, or groups of cash generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment.

On disposal of a cash generating unit during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

3 本期內採用的會計政策(續)

(a) 非控股權益(續)

非控股權益於綜合財務狀況表的權益內呈列，獨立於公司權益股東應佔之權益。本集團業績的非控股權益乃於綜合損益及其他全面收益表列作本公司非控股權益及權益股東之間本年度溢利或虧損總額及全面收益總額的分配結果。

(b) 商譽

商譽指當：

- (i) 所轉讓代價公允價值、於被收購者的非控制性權益金額及集團先前持有被收購者權益的公平價值的總和；大於
- (ii) 被收購者的可識別資產及負債於收購當日的公允淨值。

當(ii)較(i)為大，則該差額即時在損益表確認為優惠承購的收益。

商譽是按成本值減累計減值虧損列賬。來自業務合併的商譽將分配予預期可受惠於合併協同效益的現金生產單位或現金生產單位組合，並會每年進行減值評估。

若於年內出售現金生產單位，任何歸屬予出售項目的收購商譽將被計入出售項目的收益或虧損之內。

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION 未經審核中期財務資料附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，均以人民幣列示)

3 ACCOUNTING POLICIES APPLIED IN THIS PERIOD (Cont'd)

(c) Intangible assets (other than goodwill)

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources and the intention to complete development. The expenditure capitalised includes the costs of materials, direct labour and an appropriate proportion of overheads. Capitalised development costs are stated at cost less accumulated amortisation and impairment losses. Other development expenditure is recognised as an expense in the period in which it is incurred.

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses. Expenditure on internally generated goodwill and brands is recognised as an expense in the period in which it is incurred.

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets' estimated useful lives. The following intangible assets with finite useful lives are amortised from the date they are available for use and their estimated useful lives are as follows:

– capitalised development costs	10 years
– patents	12 years

Both the period and method of amortisation are reviewed annually.

3 本期內採用的會計政策(續)

(c) 無形資產(商譽除外)

研究活動開支乃於產生期間確認為開支。倘產品或程序在技術及商業上均具可行性，而本集團亦有充裕資源及意向完成發展，有關發展活動的費用則資本化處理。資本化開支包括材料成本、直接工資及按適當比例計算的間接費用。資本化開發成本按成本減去累計攤銷與減值虧損列賬。其他開發開支乃於產生期間確認為開支。

本集團收購的其他無形資產乃按成本減除累計攤銷(當估計可用年期為有限時)及減值虧損列賬。內部產生商譽及品牌的開支確認為產生期間的開支。

可用年期有限的無形資產攤銷，資產估計可用年期以直線法於損益表內扣除。以下可用年期有限的無形資產由可供使用當日起攤銷，估計可用年期如下：

– 資產化開發成本	10年
– 專利	12年

攤銷年期及方法均每年審閱。

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION

未經審核中期財務資料附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，均以人民幣列示)

4 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.

5 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	
		截至6月30日止六個月	
		2017	2016
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Anti-viral drugs	抗病毒藥物	559,300	462,384
Cardiovascular drugs	心血管藥物	50,543	40,225
Endocrine and metabolic drugs	內分泌及代謝藥物	19,044	18,188
Others	其他	33,366	34,832
		662,253	555,629

4 分部報告

管理層乃參照本集團最高營運決策者所審閱用以評估業績表現及分配資源的報告以釐定經營分部。

由於本集團全部業務活動被視為主要依賴藥品銷售的表現，故本集團的最高經營決策者評估本集團整體表現並分配其資源。因此，根據國際財務報告準則第8號「經營分部」的規定，本集團管理層認為僅存在一個經營分部。就此而言，並無呈列本期間的分部資料。

本集團的經營溢利全部來自其中國業務活動，故並無呈列地理資料。

5 營業額

本集團的主要業務為藥品生產及銷售。

營業額指供應給客戶的貨品的銷售收入。營業額不包括銷售稅及附加費，並已扣除任何貿易折扣。各主要營業額類別的金額如下：

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6 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 2017, the Group reported revenue of RMB 1,048,128,000 (twelve months ended 30 June 2016: RMB865,675,000), and gross profit of RMB848,569,000 (twelve months ended 30 June 2016: RMB650,020,000).

7 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

(a) Finance costs

		Six months ended 30 June 截至6月30日止六個月	
		2017	2016
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Interest expenses	利息開支	2,258	4,112

6 營運的季節性

本集團重點產品可威是一種治療及預防流感的抗病毒藥物。由於流感爆發趨於季節性，且在春冬季節更為普遍，故本集團在每年第一及第四季度銷售較其他季度高。

截至2017年6月30日止十二個月，本集團的收入為人民幣1,048,128,000元（截至2016年6月30日止十二個月：人民幣865,675,000元），及毛利為人民幣848,569,000元（截至2016年6月30日止十二個月：人民幣650,020,000元）。

7 除稅前溢利

除稅前溢利乃扣除以下各項後得出：

(a) 融資成本

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7 PROFIT BEFORE TAXATION (Cont'd)

(b) Staff costs

		Six months ended 30 June 截至6月30日止六個月	
		2017	2016
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Salaries, wages, bonuses and benefits	薪金、工資、花紅及福利	42,809	34,287
Contribution to retirement schemes	退休計劃供款	3,220	2,334
		46,029	36,621

(c) Other items

		Six months ended 30 June 截至6月30日止六個月	
		2017	2016
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Depreciation	折舊	15,509	13,214
Amortisation	攤銷	4,496	—
Auditor's remuneration	核數師酬金	600	600
Impairment (reversed)/recognised for doubtful debts	呆壞賬(撥回)/確認減值	(2,025)	3,687
Operating lease charges	經營租賃費用	108	83
Research and development costs(i)	研發成本(i)	24,040	25,858
Cost of inventories(ii)	存貨成本(ii)	66,576	86,328

7 除稅前溢利(續)

(b) 員工成本

		Six months ended 30 June 截至6月30日止六個月	
		2017	2016
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Salaries, wages, bonuses and benefits	薪金、工資、花紅及福利	42,809	34,287
Contribution to retirement schemes	退休計劃供款	3,220	2,334
		46,029	36,621

(c) 其他項目

		Six months ended 30 June 截至6月30日止六個月	
		2017	2016
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Depreciation	折舊	15,509	13,214
Amortisation	攤銷	4,496	—
Auditor's remuneration	核數師酬金	600	600
Impairment (reversed)/recognised for doubtful debts	呆壞賬(撥回)/確認減值	(2,025)	3,687
Operating lease charges	經營租賃費用	108	83
Research and development costs(i)	研發成本(i)	24,040	25,858
Cost of inventories(ii)	存貨成本(ii)	66,576	86,328

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION 未經審核中期財務資料附註

(Expressed in Renminbi unless otherwise indicated)
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7 PROFIT BEFORE TAXATION (Cont'd)

(c) Other items (Cont'd)

Notes:

- (i) During the six months ended 30 June 2017, research and development costs include RMB12,502,000 (six months ended 30 June 2016: RMB12,379,000) relating to staff costs, depreciation, amortisation and operating lease charges, which amount is also included in the respective total amounts disclosed separately above or in the Note 7(b) for each of these types of expenses.
- (ii) During the six months ended 30 June 2017, cost of inventories include RMB15,243,000 (six months ended 30 June 2016: RMB16,143,000) 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 7(b) for each of these types of expenses.

7 除稅前溢利(續)

(c) 其他項目(續)

附註：

- (i) 於截至2017年6月30日止六個月，研發成本包括與員工成本、折舊、攤銷和經營租賃費用相關的支出人民幣12,502,000元（截至2016年6月30日止六個月：人民幣12,379,000元），該款項亦包括於上文或附註7(b)就各開支類別獨立披露的各有關總額內。
- (ii) 於截至2017年6月30日止六個月，存貨成本包括與員工成本、折舊和經營租賃費用相關的支出人民幣15,243,000元（截至2016年6月30日止六個月：人民幣16,143,000元），以上金額亦計入上文或附註7(b)就各開支類別獨立披露的各有關總額內。

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8 INCOME TAX

8 所得稅

		Six months ended 30 June 截至6月30日止六個月	
		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
Current tax	即期稅項		
Provision for PRC corporate income tax for the period	本期間中國企業所得稅撥備	66,984	56,949
Under/(over)-provision for PRC corporate income tax in respect of prior years	過往年度中國企業所得稅撥備不足/(超額撥備)	402	(276)
		67,386	56,673
Deferred tax	遞延稅項		
Origination and reversal of temporary differences	暫時差額的產生及撥回	(4,425)	(7,214)
		62,961	49,459

(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 corporate income tax rate of 15%. The Company was recognised as "HNTE" to enjoy a preferential corporate income tax rate of 15% from 2014 to 2016 pursuant to documents issued by local government authorities. The Company is applying for the extension of "HNTE" and the entitlement of the preferential income tax rate for 2017 to 2019. In the opinion of directors of the Company, they do not foresee any significant difficulties to obtain the approval of the preferential income tax rate for 2017 to 2019. The PRC corporate income tax rate applicable to the Company was of 15% for the six months ended 30 June 2017 (six months ended 30 June 2016: 15%).

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 PRC corporate income tax rate of 10% for the six months ended 30 June 2017 and 2016.

(i) 中國企業所得稅率為25%。

(ii) 中國企業所得稅法允許企業申請認定為「高新技術企業」(「HNTE」)，合資格公司有權藉此按優惠企業所得稅率15%繳納中國企業所得稅。根據地方政府當局發出的文件，本公司獲認定為「HNTE」，由2014年至2016年可按優惠所得稅率15%繳納中國企業所得稅。本公司現正申請延續「HNTE」地位及於2017年至2019年享有優惠所得稅率納稅的待遇。本公司董事認為，彼等預期於獲批准2017年至2019年優惠所得稅率一事上不會遇到任何重大困難。本公司於截至2017年6月30日止六個月適用的中國企業所得稅率為15% (截至2016年6月30日止六個月：15%)。

宜昌東陽光醫藥有限公司(本集團的中國附屬公司)獲認定為小微企業，有權於截至2017年及2016年6月30日止六個月按優惠所得稅率10%繳納中國企業所得稅。

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9 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 RMB301,860,000 (six months ended 30 June 2016: RMB214,985,000) and the weighted average number of 451,784,176 ordinary shares (six months ended 30 June 2016: 450,806,600 shares) in issue during the interim period.

9 每股盈利

(a) 每股基本盈利

每股基本盈利乃根據本公司權益股東應佔溢利人民幣301,860,000元（截至2016年6月30日止六個月：人民幣214,985,000元），以及中期內已發行普通股的加權平均數451,784,176股（截至2016年6月30日止六個月：450,806,600股）為基準計算。

		Six months ended 30 June 截至6月30日止六個月	
		2017	2016
		shares	shares
		股份	股份
Shares issued as at 1 January	截至1月1日已發行的股份	450,822,850	450,659,450
Effect of shares issued	發行股份的影響	961,326	147,150
Weighted average number of ordinary shares	普通股加權平均數	451,784,176	450,806,600

(b) 每股攤薄盈利

(b) Diluted earnings per share

There were no dilutive potential ordinary shares during the six months ended 30 June 2017 and 2016, and therefore, dilutive earnings per share is the same as the basic earnings per share.

由於截至2017年及2016年6月30日止六個月並無可攤薄潛在普通股，故每股攤薄盈利與每股基本盈利相同。

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10 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2017, the Group acquired items of property, plant and machinery with a cost of RMB38,141,000 (six months ended 30 June 2016: RMB21,257,000).

Items of equipment with a net book value of RMB170,000 were disposed of during the six months ended 30 June 2017 (six months ended 30 June 2016: RMB70,000) resulting in a loss of RMB62,000 (six months ended 30 June 2016: RMB70,000).

As at 30 June 2017, the Group was applying for certificates of ownership for certain properties, with carrying value of RMB5,074,000 (31 December 2016: RMB5,171,000). 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 物業、廠房及設備

於截至2017年6月30日止六個月，本集團以成本人民幣38,141,000元(截至2016年6月30日止六個月：人民幣21,257,000元)收購若干物業、廠房及機器。

於截至2017年6月30日止六個月，賬面淨值為人民幣170,000元(截至2016年6月30日止六個月：人民幣70,000元)的若干設備被處理，導致賬面虧損人民幣62,000元(截至2016年6月30日止六個月：人民幣70,000元)。

於2017年6月30日，本集團正就賬面值為人民幣5,074,000元(2016年12月31日：人民幣5,171,000元)的若干物業申請所有權證書。本公司董事認為本集團尚未取得相關物業業權所有證書並不影響使用上述物業及從事業務活動。

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II INTANGIBLE ASSETS

II 無形資產

		Capitalised development costs 資本化開發成本 RMB'000 人民幣千元	Patents 專利 RMB'000 人民幣千元 Note 12 附註 12	Total 總計 RMB'000 人民幣千元
Cost:	成本：			
At 1 January 2017	於 2017 年 1 月 1 日	—	—	—
Addition through internal development	透過內部開發新增	17,876	—	17,876
Addition through acquisition of a subsidiary	透過收購一間附屬公司新增	—	335,000	335,000
At 30 June 2017	於 2017 年 6 月 30 日	17,876	335,000	352,876
Accumulated amortisation:	累計攤銷：			
At 1 January 2017	於 2017 年 1 月 1 日	—	—	—
Charge for the period	期內扣除	—	(4,496)	(4,496)
At 30 June 2017	於 2017 年 6 月 30 日	—	(4,496)	(4,496)
Net book value:	賬面淨值：			
At 30 June 2017	於 2017 年 6 月 30 日	17,876	330,504	348,380
At 31 December 2016	於 2016 年 12 月 31 日	—	—	—

The Group has obtained the necessary approvals and permits for clinical trials for a series of insulin research and development projects by the end of 30 June 2017. The directors of the Company are of the opinion that the development expenditure of the related projects meet the criteria of capitalisation after obtained the approval of clinical trial and capitalised the expenditure as development costs under intangible assets. As at 30 June 2017, the intangible assets under development were not yet ready for use.

本集團於 2017 年 6 月 30 日底前已就一系列胰島素研發項目的臨床試驗取得所需批文及許可。於取得臨床試驗的批文及費用資本化為無形資產下的開發成本後，本公司董事確認，有關項目的開發費用符合資本化標準。於 2017 年 6 月 30 日，開發中無形資產尚不可使用。

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12 GOODWILL

12 商譽

		RMB'000 人民幣千元
Cost and carrying amount	成本及賬面值	
At 1 January 2016, 31 December 2016 and 1 January 2017	於2016年1月1日、2016年12月31日 及2017年1月1日	—
Addition through acquisition of a subsidiary	透過收購一間附屬公司新增	75,896
At 30 June 2017	於2017年6月30日	75,896

Pursuant to the agreement signed on 30 October 2016 among the Company, TaiGen Biopharmaceuticals Co. (Beijing), Ltd. ("TaiGen") and TaiGen Biopharmaceuticals Holdings Ltd., which is the controlling shareholder of TaiGen, the Company and TaiGen set up Dongguan HEC TaiGen Biopharmaceuticals Co., Ltd. (東莞東陽光太景醫藥研發有限責任公司, "HEC TaiGen") in the PRC on 10 January 2017. HEC TaiGen engages in the research, development, production and sales of new anti-Hepatitis C drugs. The registered capital of HEC TaiGen was RMB683,400,000, of which the Company contributes RMB348,400,000 by way of cash and TaiGen contributes RMB335,000,000 by way of injection of the patents related to Furaprevir (Note 11), a protease inhibitor for Hepatitis C. Upon set up of HEC TaiGen, the Company and TaiGen held 51% and 49% of the equity interests of HEC TaiGen, respectively.

根據本公司、太景醫藥研發(北京)有限公司(「太景」)及太景的控股股東太景醫藥研發控股股份有限公司於2016年10月30日簽署的協議，本公司與太景於2017年1月10日在中國成立東莞東陽光太景醫藥研發有限責任公司(「東陽光太景」)。東陽光太景從事抗丙肝新藥的研發、生產及銷售。東陽光太景的註冊資本為人民幣683,400,000元，其中本公司以現金出資人民幣348,400,000元，太景以注入丙肝蛋白酶抑制劑伏拉瑞韋專利方式出資人民幣335,000,000元(附註11)。東陽光太景成立後，本公司與太景分別持有東陽光太景51%及49%股權。

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12 GOODWILL (Cont'd)

On 27 March 2017, the Company entered into an equity transfer agreement with TaiGen and acquired 9% equity interests in the HEC TaiGen held by TaiGen. The consideration of the equity transfer was USD20 million (equivalent to approximately RMB137,402,000). Upon completion of the equity transfer, the Company and TaiGen held 60% and 40% of the equity interests of HEC TaiGen, respectively. Management considers the above transactions, as a whole, consist an acquisition of 60% equity interests of HEC TaiGen. The differences between the total consideration of 60% equity interests of HEC TaiGen and net asset value of HEC TaiGen attributed to the Company were recognised as goodwill, which was amounting to RMB75,896,000.

Pursuant to the equity transfer agreement, subject to the positive result of Phase II clinical trial of new anti-Hepatitis C drugs and certain conditions, the Company will additionally pay USD20 million in aggregate to TaiGen by four instalments and offer a right to TaiGen to purchase up to 9% equity interests in HEC TaiGen from the Company at the price equal to that set out in above equity transfer agreement of 2017. As at 30 June 2017, the agreed conditions have not been met.

12 商譽(續)

於2017年3月27日，本公司與太景訂立股權轉讓協議，並收購太景所持東陽光太景9%股權。股權轉讓的對價為20百萬美元(約相當於人民幣137,402,000元)。股權轉讓完成後，本公司及太景分別持有東陽光太景60%及40%股權。管理層認為，上述交易整體上包括收購東陽光太景60%股權。東陽光太景60%權益份額的總對價與本公司應佔東陽光太景的資產淨值之間的差額確認為商譽，金額為人民幣75,896,000元。

根據股權轉讓協議，取決於抗丙肝新藥II期臨床試驗的正面結果及若干限定條件，本公司將分四期向太景額外支付共計20百萬美元，並向太景授予以相等於上述2017年股權轉讓協議所載價格向本公司購買東陽光太景不超過9%股權的權利。於2017年6月30日，協定條件尚未達成。

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13 PREPAYMENTS

13 預付款項

		At 30 June 2017 於2017年 6月30日 RMB'000 人民幣千元	At 31 December 2016 於2016年 12月31日 RMB'000 人民幣千元
Prepayments for intangible assets (i)	無形資產預付款項 (i)	400,000	400,000
Prepayments for fixed assets	固定資產預付款項	84,515	22,544
		484,515	422,544

(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 yimtasvir 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. A consideration was RMB700,000,000, which 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 yimtasvir 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 2017, the Group had made payments of RMB400,000,000 to Sunshine Lake Pharma. As at 30 June 2017, phase I clinical trial of yimtasvir phosphate was accomplished, and Sunshine Lake Pharma is in progress of the phase II clinical trial. Sunshine Lake Pharma is targeting to obtain the necessary approvals and permits for yimtasvir phosphate on or before 2019 and begin commercial introduction of relevant products in 2020. The necessary approvals and permits for the Compounds are expected to be obtained in 2020 and onwards.

(i) 於2015年7月22日，本集團已與廣東東陽光藥業有限公司（「廣東東陽光藥業」，為本集團之關連方）訂立協議。根據該協議，本集團已取得全球有關磷酸依米他韋及後續直接抗病毒化合物（「磷酸依米他韋化合物」）的所有相關技術和專利的使用權，並在取得相關政府部門的批文後，擁有在全球生產和銷售的權利。有關代價為人民幣700,000,000元包括首筆付款人民幣250,000,000元和八筆總額為人民幣450,000,000元的分期於磷酸依米他韋及磷酸依米他韋化合物各開發或審批階段的付款。該協議將於2030年12月31日與上述第一項專利到期日兩者中更早期到期。

截至2017年6月30日止，本集團已向廣東東陽光藥業支付人民幣400,000,000元。於2017年6月30日，磷酸依米他韋已完成臨床一期試驗，廣東東陽光藥業現正進行臨床二期試驗，擬於2019年或之前取得磷酸依米他韋的必要批文及許可證並於2020年開始相關產品的商業推廣。磷酸依米他韋化合物的必要批文及許可證預期將於2020年或以後獲得。

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION 未經審核中期財務資料附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，均以人民幣列示)

14 INVENTORIES

14 存貨

		At 30 June 2017 於2017年 6月30日 RMB'000 人民幣千元	At 31 December 2016 於2016年 12月31日 RMB'000 人民幣千元
Raw materials	原材料	59,468	56,260
Work in progress	在製品	20,126	33,051
Finished goods	製成品	14,850	21,313
		94,444	110,624

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

已確認為開支並計入損益的存貨金額分析如下：

		Six months ended 30 June 截至6月30日止六個月	
		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
Cost of inventories sold	已售存貨成本	66,576	84,807
Write-down of inventories	存貨撇減	—	1,521
		66,576	86,328

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION 未經審核中期財務資料附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，均以人民幣列示)

15 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 2017 於2017年 6月30日 RMB'000 人民幣千元	At 31 December 2016 於2016年 12月31日 RMB'000 人民幣千元
Within 3 months	3個月內	339,918	280,266
More than 3 months but within one year	超過3個月但1年內	133,109	48,472
Trade and bills receivable, net of allowance for doubtful debts	應收賬款及應收票據，扣除呆賬準備	473,027	328,738
Amounts due from related parties	應收其他關連方款項	807	—
Prepayments for inventories and others	預付購貨款項及其他	11,223	5,538
Other receivables	其他應收款項	5,176	2,873
		490,233	337,149

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.

15 貿易及其他應收款項

於報告期末，應收賬款及應收票據(已計入貿易及其他應收款項)按發票日期經扣除呆賬準備的賬齡分析如下：

	At 30 June 2017 於2017年 6月30日 RMB'000 人民幣千元	At 31 December 2016 於2016年 12月31日 RMB'000 人民幣千元
Within 3 months	339,918	280,266
More than 3 months but within one year	133,109	48,472
Trade and bills receivable, net of allowance for doubtful debts	473,027	328,738
Amounts due from related parties	807	—
Prepayments for inventories and others	11,223	5,538
Other receivables	5,176	2,873
	490,233	337,149

應收賬款一般自發出賬單日期起計30至90日內到期。應收票據自發出賬單日期起計3或6個月內到期。預期本集團及本公司之所有貿易及其他應收款項將於1年內可收回。

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION 未經審核中期財務資料附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，均以人民幣列示)

16 CASH AND CASH EQUIVALENTS

		At 30 June 2017 於2017年 6月30日 RMB'000 人民幣千元	At 31 December 2016 於2016年 12月31日 RMB'000 人民幣千元
Cash at bank and in hand	銀行現金及手頭現金	988,092	1,212,072

17 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 2017 於2017年 6月30日 RMB'000 人民幣千元	At 31 December 2016 於2016年 12月31日 RMB'000 人民幣千元
Within 1 month	1個月內到期	17,810	14,554
Over 1 month but within 3 months	超過1個月但3個月內到期	4,211	2,109
Over 3 months but within 1 year	超過3個月但1年內到期	4,342	1,392
Over 1 year	超過1年	1,448	1,224
Total trade payables	貿易應付款項總額	27,811	19,279
Amounts due to related parties	應付關連方款項	945	2,392
Bills payables	應付票據	—	2,635
Receipts in advance	預收款項	5,891	9,933
VAT and other taxes payable	應付增值稅及其他稅項	16,768	17,605
Accrued payroll and benefits	應計工資及福利	13,317	17,483
Dividends payable	應付股息	135,607	—
Other payables and accruals	其他應付款項及應計費用	185,611	113,050
		385,950	182,377

16 現金及現金等值項目

17 貿易及其他應付款項

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

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION 未經審核中期財務資料附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，均以人民幣列示)

18 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

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

		Six months ended 30 June 截至6月30日止六個月	
		2017	2016
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Interim dividend proposed after the end of the reporting period of RMB0.40 per ordinary share (six months ended 30 June 2016: nil)	報告期末後建議派發的中期股息 每股普通股人民幣0.40元 (截至2016年6月30日止 六個月：零)	180,809	—

Pursuant to the resolution passed at the directors' meeting on 18 August 2017, a cash dividend of RMB0.40 per ordinary share (six months ended 30 June 2016: nil) for the six months ended 30 June 2017 were proposed for shareholders' approval at the general meeting.

The interim dividend proposed after the end of the period has not been recognised as liabilities as at 30 June 2017.

18 資本、儲備及股息

(a) 股息

(i) 於中期期間應付權益股東的股息

根據於2017年8月18日董事會議通過的決議案，於股東大會上建議派發截至2017年6月30日止六個月現金股息每股普通股人民幣0.40元（截至2016年6月30日止六個月：零）以待股東批准。

於2017年6月30日，報告期末後建議派發的中期股息尚未確認為負債。

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION 未經審核中期財務資料附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，均以人民幣列示)

18 CAPITAL, RESERVES AND DIVIDENDS (Cont'd)

(a) Dividends (Cont'd)

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

18 資本、儲備及股息(續)

(a) 股息(續)

(ii) 於中期期間批准過往財政年度應付權益股東的股息

		Six months ended 30 June 截至6月30日止六個月	
		2017	2016
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Final dividends in respect of the previous financial year, approved during the following interim period, of RMB0.30 per ordinary share (six months ended 30 June 2016: RMB0.15 per ordinary share)	於下列中期期間批准的過往財政年度的末期股息每股普通股人民幣0.30元(截至2016年6月30日止六個月：每股普通股人民幣0.15元)	135,607	67,623

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION 未經審核中期財務資料附註

(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，均以人民幣列示)

18 CAPITAL, RESERVES AND DIVIDENDS (Cont'd)

(b) Share capital

Ordinary shares, issued and fully paid

		At 30 June 2017		At 31 December 2016	
		Number of shares	RMB'000	Number of shares	RMB'000
		股份數目	人民幣千元	股份數目	人民幣千元
At 1 January	於 1 月 1 日	450,822,850	450,823	450,659,450	450,659
Shares issued to controlling shareholder	向控股股東發行的股份	1,200,000	1,200	—	—
Shares issued upon the over-allotment options exercised	超額配股權獲行使時發行的股份	—	—	163,400	164
As at 30 June/ 31 December	於 6 月 30 日 / 12 月 31 日	452,022,850	452,023	450,822,850	450,823

Note: On 6 February 2017, the extraordinary general meeting had resolved to issue 1,200,000 additional ordinary shares of RMB1.00 each to HEC Pharm Co., Ltd. (宜昌東陽光藥業股份有限公司, "HEC Pharm") (the immediate controlling shareholder) at a price of HK\$18.05 per ordinary share. Proceeds of RMB1,200,000 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 RMB18,144,000 were credited to the capital reserve account of the Company.

18 資本、儲備及股息(續)

(b) 股本

已發行及繳足普通股

		At 30 June 2017		At 31 December 2016	
		Number of shares	RMB'000	Number of shares	RMB'000
		股份數目	人民幣千元	股份數目	人民幣千元
At 1 January	於 1 月 1 日	450,822,850	450,823	450,659,450	450,659
Shares issued to controlling shareholder	向控股股東發行的股份	1,200,000	1,200	—	—
Shares issued upon the over-allotment options exercised	超額配股權獲行使時發行的股份	—	—	163,400	164
As at 30 June/ 31 December	於 6 月 30 日 / 12 月 31 日	452,022,850	452,023	450,822,850	450,823

附註：於2017年2月6日，臨時股東大會議決按每股普通股18.05港元的價格，向宜昌東陽光藥業股份有限公司（「東陽光藥」）（直接控股股東）發行1,200,000股每股面值人民幣1.00元的額外普通股。所得款項人民幣1,200,000元相當於該等普通股的面值，已計入本公司股本中，而抵銷股份發行成本人民幣18,144,000元後，所得款項超逾所發行普通股總數面值的餘額已計入本公司的資本儲備賬內。

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(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，均以人民幣列示)

19 CAPITAL COMMITMENTS

Capital commitments outstanding at 30 June 2017 not provided for in the interim financial report were as follows:

		At 30 June 2017 於2017年 6月30日 RMB'000 人民幣千元	At 31 December 2016 於2016年 12月31日 RMB'000 人民幣千元
Contracted for	已訂約		
– Acquisition of fixed assets	– 購買固定資產	329,125	24,835
– Acquisition of intangible assets	– 購買無形資產	300,000	300,000
		629,125	324,835

19 資本承擔

於2017年6月30日，在中期財務報告中未撥備的未履行資本承擔如下：

20 MATERIAL RELATED PARTY TRANSACTIONS

During the six months ended 30 June 2017 and 2016, the directors are of the view that related parties of the Group include the following:

Name of related party
關連方名稱

HEC Pharm
東陽光藥

Shaoguan HEC Packaging and Printing Co., Ltd.
(韶關東陽光包裝印刷有限公司) (“Shaoguan HEC Printing”)
(「韶關東陽光印刷」)

Relationship with the Group
與本集團的關係

the immediate controlling shareholder
直接控股股東

associate of the intermediate controlling shareholder
中間控股股東的聯營公司

20 重大關連方交易

於截至2017年及2016年6月30日止六個月，董事認為本集團的關連方包括以下各方：

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(Expressed in Renminbi unless otherwise indicated)
(除另有指明外，均以人民幣列示)

20 MATERIAL RELATED PARTY TRANSACTIONS (Cont'd)

Name of related party
關連方名稱

Yichang HEC Power Plant Co., Ltd.
(宜昌東陽光火力發電有限公司) ("HEC Power Plant")
(「宜昌東陽光發電廠」)

Yidu Shanchengshuidu Project Construction Co., Ltd.
(宜都山城水都建築工程有限公司) ("Yidu Construction") (「宜都建築」)

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

(a) Transactions with related parties

During the six months ended 30 June 2017 and 2016, the Group entered into the following material related party transactions:

20 重大關連方交易(續)

Relationship with the Group
與本集團的關係

effectively owned by the controlling shareholder
由控股股東實益擁有

effectively owned by the ultimate shareholder
由最終股東實益擁有

* 上述公司的英文譯名僅供參考，該等公司的正式名稱為中文。

(a) 與關連方之交易

於截至2017年及2016年6月30日止六個月，本集團訂立以下重大關連方交易：

		Six months ended 30 June 截至6月30日止六個月	
		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
(i) Purchase of goods from:	(i) 自以下各方購買貨品：		
HEC Pharm	東陽光藥	4,198	6,461
Shaoguan HEC Printing	韶關東陽光印刷	4,386	4,482
HEC Power Plant	宜昌東陽光發電廠	1,655	1,838
		10,239	12,781
(ii) Sales of goods to:	(ii) 向以下各方出售貨品：		
Sunshine Lake Pharma	廣東東陽光藥業	2,595	241
(iii) Other services received from:	(iii) 接受以下各方的其他服務：		
Yidu Construction	宜都建築	—	1,096
HEC Pharm	東陽光藥	1,197	—
		1,197	1,096

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20 MATERIAL RELATED PARTY TRANSACTIONS (Cont'd)

(b) Balances with related parties

(i) Amounts due from related parties

		At 30 June 2017 於2017年 6月30日 RMB'000 人民幣千元	At 31 December 2016 於2016年 12月31日 RMB'000 人民幣千元
Prepayment for intangible assets:	來自以下各方的無形資產：		
Sunshine Lake Pharma	廣東東陽光藥業	400,000	400,000
Trade receivables from:	應收以下各方的貿易款項：		
Sunshine Lake Pharma	廣東東陽光藥業	807	—

(ii) Amounts due to related parties

		At 30 June 2017 於2017年 6月30日 RMB'000 人民幣千元	At 31 December 2016 於2016年 12月31日 RMB'000 人民幣千元
Trade payables to:	應付以下各方的貿易款項：		
Shaoguan HEC Printing	韶關東陽光印刷	945	2,392

20 重大關連方交易(續)

(b) 與關連方的結餘

(i) 應收關連方款項

		At 30 June 2017 於2017年 6月30日 RMB'000 人民幣千元	At 31 December 2016 於2016年 12月31日 RMB'000 人民幣千元
Prepayment for intangible assets:	來自以下各方的無形資產：		
Sunshine Lake Pharma	廣東東陽光藥業	400,000	400,000
Trade receivables from:	應收以下各方的貿易款項：		
Sunshine Lake Pharma	廣東東陽光藥業	807	—

(ii) 應付關連方款項

		At 30 June 2017 於2017年 6月30日 RMB'000 人民幣千元	At 31 December 2016 於2016年 12月31日 RMB'000 人民幣千元
Trade payables to:	應付以下各方的貿易款項：		
Shaoguan HEC Printing	韶關東陽光印刷	945	2,392

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION 未經審核中期財務資料附註

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20 MATERIAL RELATED PARTY TRANSACTIONS (Cont'd)

(c) Key management personnel compensation

Key management personnel compensation comprised:

		Six months ended 30 June 截至6月30日止六個月	
		2017	2016
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Salaries, wages, bonuses and benefits	薪金工資、花紅及其他福利	987	750
Contribution to retirement schemes	定額退休計劃供款	60	56
		1,047	806

20 重大關連方交易(續)

(c) 主要管理人員的報酬

主要管理人員的報酬包括：

REGISTERED NAME

YiChang HEC Changjiang Pharmaceutical Co., Ltd.

DIRECTORS

Executive Directors

Mr. JIANG Juncai

Mr. WANG Danjin

Mr. CHEN Yangui

Mr. ZHU Qiaohong (appointed on 16 June 2017)

Non-executive Directors

Mr. TANG Xinfu (*Chairman*)

Mr. ZHU Yingwei (resigned on 9 May 2017)

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 Qiaohong (appointed on 16 June 2017)

Mr. FU Hailiang

Mr. ZHU Yingwei (resigned on 9 May 2017)

註冊名稱

宜昌東陽光長江藥業股份有限公司

董事

執行董事

蔣均才先生

王丹津先生

陳燕桂先生

朱巧洪先生(於2017年6月16日獲委任)

非執行董事

唐新發先生(*主席*)

朱英偉先生(於2017年5月9日辭任)

毛杰先生

獨立非執行董事

唐建新先生

付海亮先生

李志明先生

薪酬與考核委員會

付海亮先生(*主席*)

蔣均才先生

唐建新先生

審核委員會

唐建新先生(*主席*)

李志明先生

唐新發先生

提名委員會

李志明先生(*主席*)

朱巧洪先生(於2017年6月16日獲委任)

付海亮先生

朱英偉先生(於2017年5月9日辭任)

CORPORATE INFORMATION

公司資料

SUPERVISORS

Ms. HUANG Fangfang (*Chairman*)

Ms. XUE Lian

Mr. LIN Jian (resigned on 16 June 2017)

Mr. LUO Zhonghun (appointed on 16 June 2017)

JOINT COMPANY SECRETARIES

Mr. PAN Sanxiong

Ms. NG Wing Shan (FCS, FCIS)

AUTHORIZED REPRESENTATIVES

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REGISTERED OFFICE

No. 38 Binjiang Road

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PRINCIPAL PLACE OF BUSINESS IN PRC

No. 38 Binjiang Road

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監事

黃芳芳女士(主席)

薛蓮女士

林健先生(於2017年6月16日辭任)

羅忠華先生(於2017年6月16日獲委任)

聯席公司秘書

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