



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)

股份代號 Stock Code : 1558

Our Mission:
For Everyone's Health
我們的使命—為每個人的健康

Interim Report 2020 中期報告





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Financial Highlights

財務摘要

(RMB'000)	(人民幣千元)	Six months ended	Year ended 31 December				
		30 June 2020	2019	2018	2017	2016	
		截至二零二零年六月三十日止六個月	截至二零一九年六月三十日止六個月	二零一九年	二零一八年	二零一七年	二零一六年
Revenue	營業額	2,083,705	3,071,259	6,224,024	2,510,476	1,601,567	941,504
Gross profit	毛利	1,730,841	2,620,820	5,302,202	2,111,667	1,321,151	727,270
Profit from operations	經營溢利	880,900	1,257,067	2,473,556	1,103,742	752,484	460,299
Profit before taxation	除稅前溢利	757,836	1,172,634	2,269,053	1,102,324	748,195	453,066
Profit attributable to equity shareholders of the Company	本公司權益股東應佔溢利	617,508	968,424	1,918,709	942,536	647,101	380,597
Earnings per share (RMB cent)	每股盈利(人民幣分)						
Basic	基本	70	109	427	209	143	84
Diluted	攤薄	63	109	410	209	143	84
Total assets	總資產	10,460,005	9,131,251	9,912,339	4,560,940	3,775,975	2,831,109
Total liabilities	總負債	5,486,133	4,865,688	5,289,184	882,012	715,389	373,302
Net assets	淨資產	4,973,872	4,265,563	4,623,155	3,678,928	3,060,586	2,457,807
Profitability	盈利能力						
Gross profit margin	毛利率	83.1%	85.3%	85.2%	84.1%	82.5%	77.2%
Operating profit margin	經營溢利率	42.3%	40.9%	39.7%	50.4%	47.0%	48.9%
Net profit margin	淨利潤率	29.6%	31.3%	30.6%	35.9%	39.1%	40.4%

Corporate Profile

公司簡介

YiChang HEC ChangJiang Pharmaceutical Co., Ltd. (the “**Company**” or “**Pharm HEC**”, together with its subsidiaries, collectively the “**Group**”) is a pharmaceutical manufacturing company that focuses on the research and development (“**R&D**”), manufacturing and sale of pharmaceutical products in the therapeutic areas of anti-virus, endocrine and metabolic diseases and cardiovascular diseases. It is a domestic pharmaceutical formulation platform of HEC Group. The Company entered into China’s pharmaceutical industry through the establishment of its predecessor, Yichang Changjiang Pharmaceutical Co., Ltd., in 2001.

Up to now, the Company has been operating for more than 19 years, and is in the leading position in the domestic pharmaceutical industry in terms of pharmaceutical sales performance and R&D capability. The Company was converted into a joint stock limited company on 11 May 2015, and was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 29 December 2015, with the stock code 01558.HK.

Since its establishment, the Company always follows the motto of “serving the Chinese with higher standards” and has a strong industrial foundation and leading competitive edges in manufacturing, marketing and sales of pharmaceutical products. As of 30 June 2020, the Company has manufactured, promoted and sold a total of 44 pharmaceutical products in China, with more than 3,442 professional sales staff across its nationwide product distribution network. Kewei (oseltamivir phosphate), one of the Company’s core products, is the first-line drug for clinical application of anti-influenza virus in China and its granules form is the exclusive patented product of the Company. Oseltamivir phosphate was included in the National Essential Drug List (2018 Version) in 2018, and continued in 2019 to be included in the National Drug List for Basic Medical Insurance, Work-Related Injury Insurance and Maternity Insurance (2019 Version) issued by the Ministry of Human Resources and Social Security of the People’s Republic of China as well as the Influenza treatment plan (2019 version) published by National Health Commission. In 2019, oseltamivir phosphate capsules of the Company are in accordance with the Consistency of Quality and Efficacy Evaluation for Generic Drugs (the “**Consistency Evaluation**”) standard, being the first drug variety which meets the standard in China.

宜昌東陽光長江藥業股份有限公司(以下簡稱「**本公司**」或「**東陽光藥**」, 連同其附屬公司統稱「**本集團**」)是一家專注於抗病毒、內分泌與代謝以及心血管等疾病治療領域進行醫藥產品研究及開發(「**研發**」)、生產及銷售的製藥企業, 是東陽光集團旗下的國內製劑平台。本公司通過成立於二零零一年的公司前身—宜昌長江藥業有限公司進入中國醫藥行業。

截至目前, 本公司已有十九餘載的經營歷史, 藥品銷售業績以及研發能力列國內醫藥行業領先地位。二零一五年五月十一日, 本公司改制為股份有限公司, 並於二零一五年十二月二十九日於香港聯合交易所有限公司(「**聯交所**」)主板成功掛牌上市, 股票代碼01558.HK。

自成立以來, 本公司始終秉承「用更高標準服務中國人」製藥理念, 在藥品製造和營銷方面均具有雄厚的產業基礎和領先的競爭優勢。截至二零二零年六月三十日, 本公司在國內生產、推廣及銷售合共44款醫藥產品, 並擁有覆蓋全國的產品分銷網絡及專業銷售人員逾3,442名。本公司核心產品之一—可威(磷酸奧司他韋)是中國抗流感病毒臨床應用的一線用藥, 其顆粒劑型為本公司獨家專利產品。磷酸奧司他韋於二零一八年獲納入《國家基本藥物目錄(二零一八年版)》; 二零一九年繼續入選由中國人力資源和社會保障部頒布的《國家基本醫療保險、工傷保險和生育保險藥品目錄(二零一九年版)》; 二零一九年繼續入選由國家衛生健康委辦公廳發布的《流行性感冒診療方案(二零一九年版)》。二零一九年, 本公司磷酸奧司他韋膠囊劑型成功通過仿製藥質量和療效一致性評價(「**一致性評價**」), 為國內首家符合該標準的品種。

Corporate Profile

公司簡介

In addition, the Company has built strategic cooperative partnerships with various renowned pharmaceutical enterprises. The Company also established a joint venture company with TaiGen Biopharmaceuticals Holdings Limited (TWSE: 4157.TWO) in Taiwan to conduct clinical trials of combination therapy with Yimitasvir Phosphate and Furaprevir. The Company reached a strategic cooperative partnership with China National Accord Medicines Corporation Ltd. (SZSE: 000028.SZ) and kicked off the first operational project during the year of 2018. The Company entered into a strategic cooperation framework agreement with Jointown Pharmaceutical Group Co., Ltd. ("**Jointown Pharmaceutical**"), pursuant to which the Company authorised Jointown Pharmaceutical as the exclusive general distribution agent for its products of three separate standards for Kewei to be sold through the over-the-counter (OTC) channel(s) within the PRC, the term of cooperation is for three years. Moreover, the Company entered into a strategic cooperation framework agreement with Alibaba Health Technology (China) Limited ("**Alibaba Health**"), commencing the cooperation to carry out influenza ("**Flu**") special projects. The Company also entered into a strategic cooperation framework agreement with Guangdong Yihao Pharmaceutical Co., Ltd. ("**Yihao Pharmaceutical**") under 111, Inc., pursuant to which, Yihao Pharmaceutical will assist the Company in enhancing its brand recognition and market share through pharmaceutical sales and promotion, online display and precise analysis concerning the healthcare big data for its users in relation to the products of the Company in the areas of cardiovascular diseases, endocrine diseases and antivirus. The Company entered into a strategic cooperation framework agreement ("**Strategic Cooperation Framework Agreement**") with China Resources Pharmaceutical Commercial Group Co., Ltd. ("**CR Pharmaceutical Commercial**"), pursuant to which, the Company and CR Pharmaceutical Commercial will jointly develop an internet platform dedicated to establishing online channels directly serving end-users and patients by leveraging on the distribution network and drug storage capability of CR Pharmaceutical Commercial, in order to enhance response to unexpected demand for the Company's core product, Kewei oseltamivir phosphate series, across the PRC as well as to improve terminal coverage of other products. The Strategic Cooperation Framework Agreement is for a term of three years. The Company believes that the abovementioned strategic cooperative partnerships will bring broad development prospects for the Company's business.

此外，本公司與諸多知名醫藥企業建立了戰略合作夥伴關係，與台灣太景醫藥研發控股股份有限公司(台灣證券交易所：4157.TWO)設立合資公司，以進行磷酸依米他韋與伏拉瑞韋的聯合用藥臨床試驗；與國藥集團一致藥業股份有限公司(深圳證券交易所：000028.SZ)達成了戰略合作夥伴關係，首個運營項目已於二零一八年正式啟動；與九州通醫藥集團股份有限公司(「九州通」)訂立戰略合作框架協議，據此，本公司將產品可威三個單獨規格授權予九州通在中國大陸地區非處方藥(OTC)渠道為期三年的獨家總代理權；與阿里健康科技(中國)有限公司(「阿里健康」)訂立戰略合作框架協議，開展流行性感冒(「流感」)專項項目合作；與111集團旗下的廣東壹號藥業有限公司(「壹號藥業」)簽署戰略合作框架協議，壹號藥業將就本公司心腦血管、內分泌及抗病毒等領域產品在藥品銷售與推廣、在線展示及用戶健康大數據精準分析等方面，協助本公司提升品牌認知及市場份額。本公司與華潤醫藥商業集團有限公司(「華潤醫藥商業」)訂立了一份戰略合作框架協議(「戰略合作框架協議」)，據此，本公司與華潤醫藥商業將借助華潤醫藥商業的配送網絡和藥物儲備能力，聯合開發互聯網渠道，致力於直接服務終端及患者的線上渠道建設，提升本公司核心產品「可威」磷酸奧司他韋系列對全國突發性需求的響應，並加強其他產品的終端覆蓋。戰略合作框架協議的合作期限為三年。本公司相信，以上戰略合作關係，將會為本公司業務帶來廣闊的發展前景。

Corporate Profile 公司簡介

The Company always adheres to the professionalism, branding and differentiated development strategies. The Company is committed to creating unique brand characteristics and core competitiveness of "Pharm HEC" in the industry and creating additional value for the vast pharmaceutical consumers and our partners.

In the future, the Company will further expand its product lines and markets, enhance the international production standards and quality of its products and continue to expand the coverage of promotion and sales to facilitate the further growth of business and profitability of the Company, striving for higher economic values for our investors.

本公司始終堅持專業化、品牌化、差異化的發展戰略，致力於在行業內打造「東陽光藥」獨有的品牌特色和核心競爭力，為廣大醫藥消費者及合作夥伴們創造更多價值。

在未來，本公司將進一步豐富產品線、開拓市場及提升產品的國際化生產標準及質量，繼續擴大市場推廣及銷售範圍的覆蓋，以促進本公司業務及盈利能力的進一步增長，為廣大投資者爭取更高的經濟價值。

Management Discussion and Analysis

管理層討論及分析

I. INDUSTRY REVIEW

In 2020, COVID-19 pandemic has swept the world, which has not only affected people's living, but has also sent an alarm to all aspects in the society. The pharmaceutical industry, being foundation assurance of safeguarding livelihood, was highly concerned by all aspects in the society in the current time of crisis. China's pharmaceutical industry shouldered the responsibilities to safeguard life and health of population of 1.4 billion, which is facing the opportunities of significant change and integration, urging healthcare, pharmaceutical providers to respond to current pharmaceutical needs, adjust allocation of resources, ensure steady supply and combat the epidemic.

In March 2020, the State Council of China published the "Opinions on Deepening the Reform of the Medical Insurance System", which clearly supports a new service model development of "Internet+Medical" and deepens the reform of volume-based purchasing system. Currently, the spread of COVID-19 pandemic also fostered the number of online diagnosis and eruptive growth in drug market. Adhering to the objective of "Patient-oriented" by implementation of the healthcare model reform over years, it strengthened the redevelopment of drug and medical services in new business and new retail providers, ask pharmaceutical manufacturing companies and medical service providers to respond quickly and adapt to the reform of industry adjustment.

With the widespread implementation of volume-based purchasing policy, each province as well as city starts to explore various modules of volume-based purchasing, establishing regional and national alliance purchase mechanism, which form a competitive, reasonable pricing and systematic supply assurance system. At the same time, the regulators will continue to strengthen direct clearing module between medical insurance fund and pharmaceutical company, enhance medical insurance payment standard and centralized procurement price collaboration, further increase accessibility and affordability of drug.

一、行業回顧

二零二零年，新型冠狀病毒肺炎疫情席捲全球，不僅對人民的生活產生巨大的影響，也面向社會各界敲響警鐘。醫藥行業作為維護民生的基礎保障，在當前的危機時刻得到了各界的高度關注。中國醫藥行業肩負著為十四億人口的生命與健康保駕護航的重任，面臨著重大變革和整合的時機，促使醫護、醫藥等終端響應當前的醫療需求，調整資源配置，保障穩定供應，全力支持抗擊疫情。

二零二零年三月，中國國務院印發《關於深化醫療保障制度改革的意見》，明確支持「互聯網+醫療」新服務模式發展及深化藥品帶量採購制度改革。當前新型冠狀病毒肺炎疫情的蔓延亦催化了在線診療數及藥品市場呈現噴發式增長。將「以患者為中心」作為宗旨的醫療模式變革通過多年的實施工作，推動了藥品、醫療服務在新商業、新零售終端的落地，同時號召著製藥企業、醫療服務提供商等快速應變，順應行業調整的變革。

隨著藥品帶量採購政策全面鋪開，各省份甚至地市開始探索多元化的帶量採購模式，推進構建區域性、全國性聯盟採購機制，形成競爭充分、價格合理、規範有序的供應保障體系。與此同時，監管機構將持續推進醫保基金與醫藥企業直接結算模式，完善醫保支付標準與集中採購價格協同機制，進一步提升藥品的可及性及可支付性。

Management Discussion and Analysis

管理層討論及分析

II. BUSINESS REVIEW

1. Summary of Overall Results

During the six months ended 30 June 2020, the Group achieved a revenue of RMB2,083.7 million, representing a decrease of 32.2% as compared to the corresponding period of 2019. Revenue generated from core product, Kewei, reached RMB1,967.3 million, representing a decrease of 32.9% as compared to the corresponding period of 2019. Profit and total comprehensive income for the period attributable to equity shareholders of the Group (taking into account the effect of the convertible bonds) reached RMB617.5 million, representing a decrease of 36.2% as compared to the corresponding period of 2019. Revenue from Kewei (Oseltamivir Phosphate), Ertongshu (Benzbromarone Tablets), Oumeining (Telmisartan Tablets), Olmesartan Tablets and Xining (Cetirizine Hydrochloride Dispersible Tablets) accounted for 94.4%, 1.9%, 0.8%, 0.6% and 0.5% of the total revenue, respectively.

Due to the influence of COVID-19 pandemic in the first half of 2020, the mobility of China's domestic population has declined, and the number of medical activities, prescriptions and sales volume of drugs in hospitals has also decreased accordingly. Our core product, Oseltamivir Phosphate, is a prescription medicine sold primarily at tiered hospitals, and the sales volume of this product has also declined due to the impact of the COVID-19 pandemic.

二、業績回顧

1. 總體業績概述

截至二零二零年六月三十日止六個月內，本集團營業額為人民幣2,083.7百萬元，較二零一九年同期減少32.2%。核心產品可威的銷售額為人民幣1,967.3百萬元，較二零一九年同期減少32.9%。本集團權益股東應佔期內溢利及全面收入總額（考慮可轉換債券影響）為人民幣617.5百萬元，較二零一九年同期減少36.2%。可威（磷酸奧司他韋）、爾同舒（苯澳馬隆片）、歐美寧（替米沙坦片）、奧美沙坦酯片及喜寧（鹽酸西替利嗪分散片）的營業額佔總營業額的比重分別為94.4%、1.9%、0.8%、0.6%及0.5%。

由於在二零二零年上半年，受新型冠狀病毒肺炎疫情影響，中國國內人口流動性降低，醫院的診療活動數量、處方量及藥品銷量也隨之下降。本集團核心產品可威為主要於等級醫院銷售的處方藥，其銷售量亦受新型冠狀病毒肺炎疫情影響而下降。

Management Discussion and Analysis

管理層討論及分析

II. BUSINESS REVIEW (continued)

1. Summary of Overall Results (continued)

As at the date of this report, among the portfolio of six generic drugs acquired in 2018, the production approvals for all have been granted, with an overall sales income amounted to RMB22.1 million during the Reporting Period. Amongst the 27 generic drugs portfolio acquired by the Group from Sunshine Lake Pharma Co., Ltd. (廣東東陽光藥業有限公司) (“Sunshine Lake Pharma”) in February 2019, all of them have been applied to the China National Medical Products Administration (“NMPA”) for the marketing approval (“NDA”) by Sunshine Lake Pharma, in which Etecavir Tablets (恩替卡韋片), Olanzapine Orally-Disintegrating Tablets (奧氮平口崩片), and Linagliptin tablets (利格列汀片) were granted listing approvals. The product portfolio of the Group will further expand once approvals of other products have been obtained.

二、業績回顧(續)

1. 總體業績概述(續)

截至本報告日期，於二零一八年收購之六款仿製藥組合中已全部取得相應生產批件，報告期整體銷售收入為人民幣22.1百萬元。本集團於二零一九年二月自廣東東陽光藥業有限公司(「廣東東陽光藥業」)收購二十七款仿製藥組合，廣東東陽光藥業已全部向中國國家藥品監督管理局(「藥監局」)提交上市許可(「上市許可」)申請，其中，恩替卡韋片、奧氮平口崩片及利格列汀片已獲批准上市。待日後其他產品獲批上市將進一步豐富本集團產品組合。

Main therapeutic areas	Drug (product) name	Registration classification of drugs (products)	Whether it belongs to the new drugs (products) launched during the Reporting Period	Production volume during the Reporting Period (box)	Sales volume during the Reporting Period (box)
主要治療領域	藥(產)品名稱	所屬藥(產)品註冊分類	是否於報告期內新藥(產)品	報告期內的生產量(盒)	報告期內的銷售量(盒)
Anti-virus	Oseltamivir phosphate granule	Class 5 active chemical drug	No	45,388,510	28,548,065
抗病毒	磷酸奧司他韋顆粒	原化藥5類	否	45,388,510	28,548,065
Anti-virus	Oseltamivir phosphate capsule	Class 6 active chemical drug	No	13,898,320	10,086,963
抗病毒	磷酸奧司他韋膠囊	原化藥6類	否	13,898,320	10,086,963
Anti-virus	Valacyclovir hydrochloride tablet	Class 6 active chemical drug	No	95,590	44,680
抗病毒	鹽酸伐昔洛韋片	原化藥6類	否	95,590	44,680
Endocrine and metabolism	Benzbromarone tablets	Class 4 active chemical drug	No	3,496,758	2,039,792
內分泌及代謝類藥	苯溴馬隆片	原化藥4類	否	3,496,758	2,039,792

Management Discussion and Analysis

管理層討論及分析

II. BUSINESS REVIEW (continued)

二、業績回顧(續)

1. Summary of Overall Results (continued)

1. 總體業績概述(續)

Main therapeutic areas	Drug (product) name	Registration classification of drugs (products)	Whether it belongs to the new drugs (products) launched during the Reporting Period	Production volume during the Reporting Period (box)	Sales volume during the Reporting Period (box)
主要治療領域	藥(產)品名稱	所屬藥(產)品註冊分類	是否於報告期內新藥(產)品	報告期內的生產量(盒)	報告期內的銷售量(盒)
Endocrine and metabolism	Glipizide capsule	Class 6 active chemical drug	No	64,130	3,252
內分泌及代謝類藥	格列吡嗪膠囊	原化藥6類	否	64,130	3,252
Cardiovascular	Telmisartan tablet	Class 2 chemical drug	No	2,222,770	1,221,706
心血管類	替米沙坦片	化藥2類	否	2,222,770	1,221,706
Cardiovascular	Simvastatin tablet	Class 6 active chemical drug	No	306,170	143,020
心血管類	辛伐他汀片	原化藥6類	否	306,170	143,020
Cardiovascular	Amlodipine besylate tablet	Class 4 chemical drug	No	370,130	392,450
心血管類	苯磺酸氨氯地平片	化藥4類	否	370,130	392,450
Cardiovascular	Lisinopril tablet	Class 6 active chemical drug	No	83,580	19,520
心血管類	賴諾普利片	原化藥6類	否	83,580	19,520
Others	Clarithromycin tablet	Class 4 chemical drug	No	1,908,470	424,444
其他	克拉黴素片	化藥4類	否	1,908,470	424,444
Others	Cetirizine hydrochloride dispersible tablet	Class 6 active chemical drug	No	1,171,950	666,460
其他	鹽酸西替利秦分散片	原化藥6類	否	1,171,950	666,460
Others	Azithromycin capsule	Class 4 chemical drug	No	63,250	13,784
其他	阿奇黴素膠囊	化藥4類	否	63,250	13,784

Management Discussion and Analysis

管理層討論及分析

II. BUSINESS REVIEW (continued)

1. Summary of Overall Results (continued)

Admission, new entrance and logout of the main drugs (products) in relation to the Essential Drug List and the Medical Reimbursement Drug List during the Reporting Period:

As of 30 June 2020, a total of 13 varieties (a total 27 specifications) of the Group's drugs were included into the National Essential Drugs List (2018 version).

As of 30 June 2020, a total of 18 varieties (a total of 41 specifications) of the Group's drugs were included into the National Reimbursement Drug List for Basic Medical Insurance, Work-Related Injury Insurance and Maternity Insurance (2019 version).

二、業績回顧(續)

1. 總體業績概述(續)

報告期內納入、新進入和退出基藥目錄、醫保目錄的主要藥(產)品情況：

截至二零二零年六月三十日，本集團共有13個品種(共計27個規格)藥品納入《國家基本藥物目錄(2018年版)》。

截至二零二零年六月三十日，本集團共有18個品種(共計41個規格)藥品納入《國家基本醫療保險、工傷保險和生育保險藥品目錄(2019年版)》。

Therapeutic area	Drug	Specifications	Status of essential drug	Status of Reimbursement Drug (2019 version)
治療領域	藥品	規格	基藥情況	醫保情況 (2019年版)
Anti-virus 抗病毒	Oseltamivir phosphate capsule 磷酸奧司他韋膠囊	75mg x 2 capsules 75mgx2粒	2018 Essential Drugs List 2018基藥目錄	Maintained listed 繼續入選
Anti-virus 抗病毒	Oseltamivir phosphate capsule 磷酸奧司他韋膠囊	75mg x 10 capsules 75mgx10粒	2018 Essential Drugs List 2018基藥目錄	Maintained listed 繼續入選
Anti-virus 抗病毒	Oseltamivir phosphate capsule 磷酸奧司他韋膠囊	75mg x 6 capsules 75mgx6粒	2018 Essential Drugs List 2018基藥目錄	Maintained listed 繼續入選
Anti-virus 抗病毒	Oseltamivir phosphate granule 磷酸奧司他韋顆粒	15mg x 10 packs 15mgx10包	2018 Essential Drugs List 2018基藥目錄	Maintained listed 繼續入選
Anti-virus 抗病毒	Oseltamivir phosphate granule 磷酸奧司他韋顆粒	25mg x 10 packs 25mgx10包	2018 Essential Drugs List 2018基藥目錄	Maintained listed 繼續入選
Anti-virus 抗病毒	Oseltamivir phosphate granule 磷酸奧司他韋顆粒	15mg x 12 packs 15mgx12包	2018 Essential Drugs List 2018基藥目錄	Maintained listed 繼續入選
Anti-virus 抗病毒	Valacyclovir hydrochloride tablet 鹽酸伐昔洛韋片	300mg x 6 tablets 300mgx6片	-	Maintained listed 繼續入選
Anti-virus 抗病毒	Valacyclovir hydrochloride tablet 鹽酸伐昔洛韋片	300mg x 10 tablets 300mgx10片	-	Maintained listed 繼續入選
Endocrine and metabolism 內分泌及代謝	Benzbromarone table 苯溴馬隆片	50mg x 10 tablets 50mgx10片	2018 Essential Drugs List 2018基藥目錄	Maintained listed 繼續入選
Endocrine and metabolism 內分泌及代謝	Benzbromarone table 苯溴馬隆片	50mg x 30 tablets 50mgx30片	2018 Essential Drugs List 2018基藥目錄	Maintained listed 繼續入選

Management Discussion and Analysis 管理層討論及分析

II. BUSINESS REVIEW (continued)

二、業績回顧(續)

1. Summary of Overall Results (continued)

1. 總體業績概述(續)

Therapeutic area	Drug	Specifications	Status of essential drug	Status of Reimbursement Drug (2019 version)
治療領域	藥品	規格	基藥情況	醫保情況 (2019年版)
Endocrine and metabolism 內分泌及代謝	Benzbromarone table 苯溴馬隆片	50mg x 28 tablets 50mgx28片	2018 Essential Drugs List 2018基藥目錄	Maintained listed 繼續入選
Endocrine and metabolism 內分泌及代謝	Glipizide capsule 格列吡嗪膠囊	5mg x 30 capsules 5mgx30粒	2018 Essential Drugs List 2018基藥目錄	Maintained listed 繼續入選
Cardiovascular and others 心血管及其他	Amlodipine besylate tablet 苯磺酸氨氯地平片	5mg x 7 tablets 5mgx7片	2018 Essential Drugs List 2018基藥目錄	Maintained listed 繼續入選
Cardiovascular and others 心血管及其他	Amlodipine besylate tablet 苯磺酸氨氯地平片	5mg x 28 tablets 5mgx28片	2018 Essential Drugs List 2018基藥目錄	Maintained listed 繼續入選
Cardiovascular and others 心血管及其他	Telmisartan tablet 替米沙坦片	40mg x 7 tablets 40mgx7片	-	Maintained listed 繼續入選
Cardiovascular and others 心血管及其他	Telmisartan tablet 替米沙坦片	40mg x 14 tablets 40mgx14片	-	Maintained listed 繼續入選
Cardiovascular and others 心血管及其他	Telmisartan tablet 替米沙坦片	80mg x 7 tablets 80mgx7片	-	Maintained listed 繼續入選
Cardiovascular and others 心血管及其他	Telmisartan tablet 替米沙坦片	80mg x 14 tablets 80mgx14片	-	Maintained listed 繼續入選
Cardiovascular and others 心血管及其他	Cetirizine hydrochloride dispersible tablet 鹽酸西替利嗪分散片	10mg x 6 tablets 10mgx6片	-	Maintained listed 繼續入選
Cardiovascular and others 心血管及其他	Cetirizine hydrochloride dispersible tablet 鹽酸西替利嗪分散片	10mg x 12 tablets 10mgx12片	-	Maintained listed 繼續入選
Cardiovascular and others 心血管及其他	Cetirizine hydrochloride dispersible tablet 鹽酸西替利嗪分散片	10mg x 24 tablets 10mgx24片	-	Maintained listed 繼續入選
Cardiovascular and others 心血管及其他	Simvastatin tablet 辛伐他汀片	10mg x 10 tablets 10mgx10片	2018 Essential Drugs List 2018基藥目錄	Maintained listed 繼續入選
Cardiovascular and others 心血管及其他	Simvastatin tablet 辛伐他汀片	20mg x 7 tablets 20mgx7片	2018 Essential Drugs List 2018基藥目錄	Maintained listed 繼續入選
Cardiovascular and others 心血管及其他	Simvastatin tablet 辛伐他汀片	20mg x 14 tablets 20mgx14片	2018 Essential Drugs List 2018基藥目錄	Maintained listed 繼續入選
Cardiovascular and others 心血管及其他	Fudosteine tablet 福多司坦片	200mg x 12 tablets 200mgx12片	-	Maintained listed 繼續入選
Cardiovascular and others 心血管及其他	Fudosteine tablet 福多司坦片	200mg x 20 tablets 200mgx20片	-	Maintained listed 繼續入選
Cardiovascular and others 心血管及其他	Esomeprazole sodium for injection 艾司奧美拉唑鈉注射劑	40mg x 1 vial 40mgx1支	2018 Essential Drugs List 2018基藥目錄	Maintained listed 繼續入選
Cardiovascular and others 心血管及其他	Esomeprazole sodium for injection 艾司奧美拉唑鈉注射劑	20mg x 1 vial 20mgx1支	2018 Essential Drugs List 2018基藥目錄	Maintained listed 繼續入選
Cardiovascular and others 心血管及其他	Lisinopril tablet 賴諾普利片	10mg x 14 tablets 10mgx14片	2018 Essential Drugs List 2018基藥目錄	Maintained listed 繼續入選

Management Discussion and Analysis

管理層討論及分析

II. BUSINESS REVIEW (continued)

二、業績回顧(續)

1. Summary of Overall Results (continued)

1. 總體業績概述(續)

Therapeutic area	Drug	Specifications	Status of essential drug	Status of Reimbursement Drug (2019 version)
治療領域	藥品	規格	基藥情況	醫保情況 (2019年版)
Anti-infection 抗感染	Clarithromycin tablet 克拉霉素片	250mg x 6 tablets 250mgx6片	2018 Essential Drugs List 2018基藥目錄	Maintained listed 繼續入選
Anti-infection 抗感染	Clarithromycin dispersible tablet 克拉霉素分散片	250mg x 6 tablets 250mgx6片	2018 Essential Drugs List 2018基藥目錄	Maintained listed 繼續入選
Anti-infection 抗感染	Levofloxacin lactate tablet 左氧氟沙星片	0.5g x 3 tablets 0.5gx3片	2018 Essential Drugs List 2018基藥目錄	Maintained listed 繼續入選
Anti-infection 抗感染	Levofloxacin lactate tablet 乳酸左氧氟沙星片	100mg x 10 tablets 100mgx10片	-	Maintained listed 繼續入選
Anti-infection 抗感染	Roxithromycin tablet 羅紅霉素片	150mg x 6 tablets 150mgx6片	-	Maintained listed 繼續入選
Anti-infection 抗感染	Roxithromycin tablet 羅紅霉素片	150mg x 12 tablets 150mgx12片	-	Maintained listed 繼續入選
Anti-infection 抗感染	Azithromycin capsule 阿奇霉素膠囊	250mg x 6 capsules 250mgx6粒	2018 Essential Drugs List 2018基藥目錄	Maintained listed 繼續入選
Anti-infection 抗感染	Fluconazole capsule 氟康唑膠囊	50mg x 6 capsules 50mgx6粒	2018 Essential Drugs List 2018基藥目錄	Maintained listed 繼續入選
Anti-infection 抗感染	Fluconazole capsule 氟康唑膠囊	50mg x 10 capsules 50mgx10粒	2018 Essential Drugs List 2018基藥目錄	Maintained listed 繼續入選
Anti-infection 抗感染	Ciprofloxacin hydrochloride tablet 鹽酸環丙沙星片	250mg x 20 tablets 250mgx20片	2018 Essential Drugs List 2018基藥目錄	Maintained listed 繼續入選
Anti-infection 抗感染	Moxifloxacin hydrochloride tablet 鹽酸莫西沙星片	0.4g x 3 tablets 0.4gx3片	2018 Essential Drugs List 2018基藥目錄	Maintained listed 繼續入選
Anti-infection 抗感染	Moxifloxacin hydrochloride tablet 鹽酸莫西沙星片	0.4g x 6 tablets 0.4gx6片	2018 Essential Drugs List 2018基藥目錄	Maintained listed 繼續入選

2. R&D Progress

The Group made outstanding R&D progress in the therapeutic areas of anti-virus, endocrine and metabolic diseases at the first half of 2020.

2. 研發進展

二零二零年上半年，本集團在研發抗病毒和內分泌及代謝疾病領域都取得了優異的進展。

Management Discussion and Analysis

管理層討論及分析

II. BUSINESS REVIEW (continued)

2. R&D Progress (continued)

1. Anti-virus therapeutic area

The Company has started the Consistency Evaluation process for oseltamivir phosphate granules, our exclusive patented product. The drug is expected to pass the Consistency Evaluation in 2021.

The Company has submitted the new drug application for yimatasvir phosphate, a national Class 1 innovative new drug, and such application has been accepted. Yimatasvir phosphate is an anti-hepatitis C oral direct-acting antiviral drug, non-structural protein (“NS”) 5A inhibitor. The drug is effective in treating liver cirrhosis-free genotype 1 Hepatitis C patients with SVR12 (sustained virological response in 12 weeks) at 99.8%, while maintaining favourable safety and tolerance properties. Yimatasvir phosphate is expected to be launched in the second half of 2020, and to be one of the first batch of new anti-hepatitis C oral direct-acting antiviral drugs which is developed by domestic enterprise in the PRC and launched into market successfully. The Phase III clinical trial for NS3/4A protease inhibitor furaprevir jointly developed with TaiGen Biopharmaceuticals Co. (Beijing), Ltd. in combination with yimatasvir phosphate has commenced and such new drug application is expected to be submitted in 2021.

二、業績回顧(續)

2. 研發進展(續)

1. 抗病毒領域

本公司已啟動獨家專利品種磷酸奧司他韋顆粒的一致性評價工作，預計在二零二一年通過一致性評價。

本公司已提交國家1類創新藥磷酸依米他韋的新藥上市申請並獲受理。磷酸依米他韋屬全口服直接抗丙肝病毒藥物，非結構蛋白(「NS」)5A抑制劑。該藥品針對基因1型無肝硬化丙肝患者療效顯著，SVR12(12周持續病毒應答率)達99.8%，且用藥安全性及耐受性良好。磷酸依米他韋預計在二零二零年下半年獲批上市，有望成為第一批中國本土企業自主研發且成功上市的全口服直接抗丙肝病毒新藥之一。本公司與太景醫藥研發(北京)有限公司合作開發的NS3/4A蛋白酶抑制劑伏拉瑞韋與磷酸依米他韋的聯用已啟動臨床III期試驗，預計在二零二一年提交上市申請。

Management Discussion and Analysis

管理層討論及分析

II. BUSINESS REVIEW (continued)

2. R&D Progress (continued)

2. Endocrine and metabolic diseases area

The Group strives to develop insulin products in endocrine and metabolism area and has a comprehensive product line plan, which covers both the second and the third generations of insulin.

The latest progress of the insulin products during the Reporting Period is as follows:

Projects	R&D investment amount	Expensed R&D investment amount	Capitalised R&D investment amount	Percentage of R&D investment in revenue	Percentage of R&D investment in operating costs	Last year investment	Percentage change in the amount for the current period as compared to the same period	Explanation
	研發投入金額 RMB'000 人民幣千元	研發投入費用化金額 RMB'000 人民幣千元	研發投入資本化金額 RMB'000 人民幣千元	研發投入佔營業收入比例 %	研發投入佔營業成本比例 %	上期投入 RMB'000 人民幣千元	本期金額較上年同期變動比例 %	情況說明
Recombinant Human Insulin Injection	2,254.2	0	2,254.2	0.1%	0.6%	5,555.6	-59.4%	Decrease in clinical trial fees at the clinical stage before launching
重組人胰島素注射液	2,254.2	0	2,254.2	0.1%	0.6%	5,555.6	-59.4%	上市前期臨床試驗費減少
Isophane Protamine Recombinant Human Insulin Injection (Pre-mixed 30R)	18,116.0	0	18,116.0	0.9%	5.1%	11,872.6	52.6%	Increase in clinical trial fees at the clinical stage
精蛋白重組人胰島素注射液(預混30R)	18,116.0	0	18,116.0	0.9%	5.1%	11,872.6	52.6%	臨床階段試驗費增加
Insulin Glargine Injection	6,958.0	285.9	6,672.1	0.3%	2.0%	7,661.1	-9.2%	Decrease in clinical trial fees at the clinical stage before launching
甘精胰島素注射液	6,958.0	285.9	6,672.1	0.3%	2.0%	7,661.1	-9.2%	上市前期臨床試驗費減少
Insulin Aspart Injection	5,739.3	1,512.3	4,226.9	0.3%	1.6%	5,889.3	-2.5%	Decrease in clinical trial fees at the clinical stage before launching
門冬胰島素注射液	5,739.3	1,512.3	4,226.9	0.3%	1.6%	5,889.3	-2.5%	上市前期臨床試驗費減少
Insulin Aspart 30 Injection	10,183.0	0	10,183.0	0.5%	2.9%	13,136.7	-22.5%	Decrease in clinical trial fees at the clinical stage before launching
門冬胰島素注射液30	10,183.0	0	10,183.0	0.5%	2.9%	13,136.7	-22.5%	上市前期臨床試驗費減少

二、業績回顧(續)

2. 研發進展(續)

2. 內分泌以及代謝疾病領域

本集團在內分泌以及代謝疾病領域致力於胰島素產品的研發，具有完整的胰島素產品線規劃，涵蓋第二代和第三代胰島素。

報告期內，胰島素系列產品最新進展如下：

Management Discussion and Analysis

管理層討論及分析

II. BUSINESS REVIEW *(continued)*

2. R&D Progress *(continued)*

2. **Endocrine and metabolic diseases area** *(continued)*

The Company's Recombinant Human Insulin Injection has been approved by the NMPA and permitted to be launched. The Product is the first biologic drug of the Group approved to launch, which further enriches the Group's product portfolio and fills in the blank of biologic drug products. It is an iconic moment for the Group. For details, please refer to the announcement of the Company dated 15 June 2020.

The Group has established a complete R&D system for insulin products, which is developed in accordance with standards on biosimilar drugs adopted in Europe and the United States with quality equivalent to originator drugs. The results of clinical trials show that the statistics of recombinant human insulin injection developed by the Group compared with the originator biologics are highly consistent in terms of efficacy, safety and stability. The Group also has a comprehensive product line, which covers both the second and the third generations of insulin, that meets the clinical medication needs of doctors and patients. Moreover, the product line adopts a yeast expression system which is advanced in technology and easy for large scale production.

二、業績回顧(續)

2. 研發進展(續)

2. 內分泌以及代謝疾病領域(續)

本公司自主研發重組人胰島素注射液已獲藥監局審批完畢並獲批准上市，為本集團首個獲批准上市的生物製品藥物，進一步豐富了本集團的產品組合，填補了本集團生物藥物產品的空白，對本集團而言具有標誌性意義。有關詳情，請參閱本公司日期為二零二零年六月十五日之公告。

本集團已建立完善的胰島素系列產品研發體系，參照歐美生物類似藥標準開發，質量可達與原研生物等效。臨床試驗結果表明，本集團自主開發的重組人胰島素注射液和原研生物製劑在有效性、安全性及穩定性等數據高度一致。本集團亦擁有完整的產品線，涵蓋二代及三代胰島素，可滿足醫生、患者的臨床用藥需求，且生產線採用酵母表達體系，工藝先進、易於放大。

Management Discussion and Analysis

管理層討論及分析

II. BUSINESS REVIEW (continued)

2. R&D Progress (continued)

2. Endocrine and metabolic diseases area (continued)

In addition, in order to further enrich the product line of the Group in the field of diabetes, the Group have acquired multiple drugs from Sunshine Lake Pharma. If the drugs acquired by the Group successfully obtain approvals for launch in the future, they could generate synergy with the existing product lines of the Group, and it is hoped that it will enter the market in a rapid manner and generate considerable sales, which will further increase the integrated strengths of the Group and improve the revenue structure of the Group.

二、業績回顧(續)

2. 研發進展(續)

2. 內分泌以及代謝疾病領域(續)

此外，為了進一步豐富本集團在糖尿病領域產品線，本集團從廣東東陽光藥業收購多個藥物。待日後若成功獲批上市，將與本集團現有產品線形成協同效應，有望快速進入市場並形成可觀銷售額；將進一步提升本集團的綜合實力及改善本集團的收入結構。

Projects 項目	Acquired/ R&D investment amount 購入/ 研發投入 金額 RMB'000 人民幣千元	Expensed R&D investment amount 研發投入 費用化 金額 RMB'000 人民幣千元	Capitalised R&D investment amount 研發投入 資本化 金額 RMB'000 人民幣千元	Percentage of R&D investment in revenue 研發投入 佔營業 收入比例 %	Percentage of R&D investment in operating costs 研發投入 佔營業 成本比例 %	Last year investment 上期投入 RMB'000 人民幣千元	Percentage change in the amount for the current period as compared to the same period last year 本期金額較 上年同期 變動比例 %	Explanation 情況說明
	Alogliptin tablets 阿格列汀片	27.2	27.2	0	0%	0%	-	N/A 不適用
Ronglifozin L-Pyroglutamic Acid 焦谷氨酸榮格列淨	515,117.8	1,392.6	513,725.2	24.7%	146.0%	-	N/A 不適用	Increase in clinical trial fees at the clinical stage 臨床階段試驗費增加
Liraglutide 利拉魯肽	43,858.2	2,281.0	41,577.2	2.1%	12.4%	-	N/A 不適用	Increase in clinical trial fees at the clinical stage 臨床階段試驗費增加
Staglipitin tablets 西格列汀片	-	-	-	N/A 不適用	N/A 不適用	-	N/A 不適用	N/A 不適用
Staglipitin Metformin tablets 西格列汀二甲雙胍片	-	-	-	N/A 不適用	N/A 不適用	-	N/A 不適用	N/A 不適用
Linagliptin tablets 利格列汀片	-	-	-	N/A 不適用	N/A 不適用	-	N/A 不適用	N/A 不適用
Linagliptin Metformin tablets 利格列汀二甲雙胍片	-	-	-	N/A 不適用	N/A 不適用	-	N/A 不適用	N/A 不適用

Management Discussion and Analysis

管理層討論及分析

II. BUSINESS REVIEW (continued)

2. R&D Progress (continued)

3. Progress of generic drug portfolio acquired from Sunshine Lake Pharma

On 10 July 2018, the Company entered into an acquisition agreement with Sunshine Lake Pharma, pursuant to which the Company agreed to acquire the know-how, approvals for manufacturing and marketing and the right to sale of six pharmaceutical products. For details, please refer to the announcements of the Company dated 10 July 2018, 15 August 2018 and 30 August 2018 and the circular of the Company dated 30 July 2018.

On 25 February 2019, the Company entered into an acquisition agreement with Sunshine Lake Pharma, pursuant to which the Company acquired the intellectual property rights, industrial property rights and ownership rights in relation to 27 pharmaceutical products within the PRC. For details, please refer to the announcements of the Company dated 25 February 2019 and 10 May 2019 and the circular of the Company dated 9 April 2019.

二、業績回顧(續)

2. 研發進展(續)

3. 於廣東東陽光藥業收購之仿製藥組合進展

於二零一八年七月十日，本公司與廣東東陽光藥業訂立收購協議。根據該協議，本公司收購6個仿製藥的技術訣竅、生產及上市批文的擁有權及銷售權。詳情請參見本公司日期為二零一八年七月十日、二零一八年八月十五日及二零一八年八月三十日之公告及本公司日期為二零一八年七月三十日之通函。

於二零一九年二月二十五日，本公司與廣東東陽光藥業訂立收購協議。根據該協議，本公司收購27種藥品相關的中國境內所有知識產權、工業產權和所有權。詳情請參閱本公司日期為二零一九年二月二十五日及二零一九年五月十日之公告及本公司日期為二零一九年四月九日之通函。

Management Discussion and Analysis

管理層討論及分析

II. BUSINESS REVIEW (continued)

2. R&D Progress (continued)

3. Progress of generic drug portfolio acquired from Sunshine Lake Pharma (continued)

Entecavir Tablets, Esomeprazole magnesium Enteric-Coated Capsules and Olanzapine Orally-Disintegrating Tablets were approved to be listed during the Reporting Period. For details, please refer to the announcements of the Company dated 21 May 2020, 26 May 2020 and 1 June 2020. These products approved to be listed further enriched the Group's product lines and offered more medical choices with both high quality and fair price for patients. The Group also continuously promotes the progress of new products development and management line and strives to supplement undesirable clinical medication needs. The latest progress of other drug portfolio acquired from Sunshine Lake Pharma is as follows:

Progress of drug portfolio acquired in 2018

Therapeutic areas	Name of product	Indications	Drugs Registration Classification	Domestic progress	Number of filed manufacturers	Number of passed Consistency Evaluation manufacturers
治療領域	產品名稱	適應症	藥物註冊分類	國內進展	已申報廠家數量	通過一致性評價廠家數量
Anti-infection	Clarithromycin tablet	Anti-infection	Class 6 chemical drug	Approved	Over 30	4
抗感染	克拉黴素片	抗感染	化藥6類	已獲批	超過30家	4家
Anti-infection	Clarithromycin Sustained Release Tablets	Anti-infection	Class 6 chemical drug	Approved	14	1
抗感染	克拉黴素緩釋片	抗感染	化藥6類	已獲批	14家	1家
Anti-infection	Levofloxacin Tablets	Anti-infection	Class 6 chemical drug	Approved	Over 30	1
抗感染	左氧氟沙星片	抗感染	化藥6類	已獲批	超過30家	1家
Anti-infection	Moxifloxacin Tablets	Anti-infection	Class 4 chemical drug	Approved	Over 30	7
抗感染	莫西沙星片	抗感染	化藥4類	已獲批	超過30家	7家
Cardiovascular drugs	Olmesartan Tablets	Hypertension	Class 4 chemical drug	Approved	Over 30	5
心血管	奧美沙坦酯片	高血壓	化藥4類	已獲批	超過30家	5家
Digestive system drugs	Esomeprazole magnesium Enteric-Coated Capsules	Gastric acid related diseases	Class 3 chemical drug	Approved	Over 30	1
消化系統	艾司美拉唑鎂腸溶膠囊	胃酸相關疾病	化藥3類	已獲批	超過30家	1家

二、業績回顧(續)

2. 研發進展(續)

3. 於廣東東陽光藥業收購之仿製藥組合進展(續)

報告期內，恩替卡韋片、艾司奧美拉唑鎂腸溶膠囊、奧氮平口崩片等獲批准上市。有關詳情請參閱本公司日期為二零二零年五月二十一日、二零二零年五月二十六日及二零二零年六月一日之公告。這些產品的獲批上市進一步豐富了本集團產品線，也將為患者提供更多質價雙優的用藥選擇。同時，本集團也將持續推進新產品研發管線的進程，致力於補充尚未滿足的臨床用藥需求。本集團從廣東東陽光藥業收購的其他產品進展如下：

二零一八年收購藥品進展

Management Discussion and Analysis 管理層討論及分析

II. BUSINESS REVIEW (continued)

2. R&D Progress (continued)

3. Progress of generic drug portfolio acquired from Sunshine Lake Pharma (continued)

Progress of drug portfolio acquired in 2019

Therapeutic areas	Name of product	Indications	Drugs Registration Classification 藥物註冊分類	Domestic progress 國內進展	Estimated approval date 預計獲批時間	Number of filed manufacturers 已申報廠家數量	Number of passed Consistency Evaluation manufacturers 通過一致性評價廠家數量
治療領域	產品名稱	適應症					
Cardiovascular drugs 心血管	Ticagrelor Tablet 替格瑞洛片	Antithrombus 抗血栓	Class 4 chemical drug 化藥4類	Filed 已申報	2020 二零二零年	Over 30 超過30家	7 7家
Cardiovascular drugs 心血管	Apixaban Tablets 阿哌沙班片	Antithrombus 抗血栓	Class 4 chemical drug 化藥4類	Filed 已申報	2021 二零二一年	Over 30 超過30家	4 4家
Cardiovascular drugs 心血管	Atonvastatin Calcium Tablets 阿托伐他汀鈣片	Hyperlipidemia 高血脂	Class 4 chemical drug 化藥4類	Filed 已申報	2021 二零二一年	Over 30 超過30家	8 8家
Cardiovascular drugs 心血管	Rosuvastatin Calcium Tablets 瑞舒伐他汀鈣片	Hyperlipidemia 高血脂	Class 4 chemical drug 化藥4類	Filed 已申報	2020 二零二零年	Over 30 超過30家	10 10家
Cardiovascular drugs 心血管	Amlodipine Tablets 氨氯地平片	Hypertension 高血壓	Class 6 chemical drug 化藥6類	Filed 已申報	2021 二零二一年	Over 30 超過30家	Over 30 超過30家
Cardiovascular drugs 心血管	Metoprolol Succinate Sustained — release Tablets 琥珀酸美托洛爾緩釋片	Hypertension 高血壓	Class 3 chemical drug 化藥3類	Filed 已申報	2021 二零二一年	13 13家	0 0家
Cardiovascular drugs 心血管	Clopidogrel Tablets 氯吡格雷片	Antithrombus 抗血栓	Class 4 chemical drug 化藥4類	Filed 已申報	2021 二零二一年	Over 30 超過30家	6 6家
Cardiovascular drugs 心血管	Rivaroxaban Tablets 利伐沙班片	Antithrombus 抗血栓	Class 4 chemical drug 化藥4類	Filed 已申報	2021 二零二一年	Over 30 超過30家	2 2家
Anti-viral/anti-infective drugs 抗病毒/抗感染	Entecavir Tablets 恩替卡韋片	HBV HBV	Class 4 chemical drug 化藥4類	Approved 已獲批	N/A 不適用	Over 30 超過30家	7 7家
Anti-viral/anti-infective drugs 抗病毒/抗感染	Tenofovir Alafenemide Tablets 磷丙替諾福韋片	HBV/HIV HBV/HIV	Class 4 chemical drug 化藥4類	Filed 已申報	2021 二零二一年	14 14家	0 0家
Anti-viral/anti-infective drugs 抗病毒/抗感染	Azithromycin Tablets 阿奇霉素片	Anti-infection 抗感染	Class 4 chemical drug 化藥4類	Filed 已申報	2021 二零二一年	Over 30 超過30家	7 7家
Nervous system drugs 神經系統	Olanzapine Tablets 奧氮平片	Schizophrenia 精神分裂症	Class 4 chemical drug 化藥4類	Filed 已申報	2020 二零二零年	Over 30 超過30家	4 4家
Nervous system drugs 神經系統	Olanzapine Orally Disintegrating Tablets 奧氮平口崩片	Schizophrenia 精神分裂症	Class 4 chemical drug 化藥4類	Approved 已獲批	N/A 不適用	17 17家	4 4家
Nervous system drugs 神經系統	Entacapone Tablets 恩他卡朋片	Parkinson's Disease 帕金森綜合症	Class 4 chemical drug 化藥4類	Filed 已申報	2020 二零二零年	6 6家	0 0家
Nervous system drugs 神經系統	Aripiprazole Tablets 阿立哌唑片	Schizophrenia 精神分裂症	Class 4 chemical drug 化藥4類	Filed 已申報	2021 二零二一年	25 25家	1 1家
Nervous system drugs 神經系統	Aripiprazole Orally Disintegrating Tablets 阿立哌唑口崩片	Schizophrenia 精神分裂症	Class 3 chemical drug 化藥3類	Filed 已申報	2021 二零二一年	7 7家	2 2家
Nervous system drugs 神經系統	Duloxetine Enteric Capsules 度洛西汀腸溶膠囊	Depression 抑鬱症	Class 4 chemical drug 化藥4類	Filed 已申報	2020 二零二零年	Over 30 超過30家	1 1家

二、業績回顧(續)

2. 研發進展(續)

3. 於廣東東陽光藥業收購之仿製藥組合進展(續)

二零一九年收購藥品進展

Management Discussion and Analysis

管理層討論及分析

II. BUSINESS REVIEW (continued)

2. R&D Progress (continued)

3. Progress of generic drug portfolio acquired from Sunshine Lake Pharma (continued)

Progress of drug portfolio acquired in 2019

Therapeutic areas	Name of product	Indications	Drugs Registration Classification 藥物註冊分類	Domestic progress 國內進展	Estimated approval date 預計獲批時間	Number of filed manufacturers 已申報廠家數量	Number of passed Consistency Evaluation manufacturers 通過一致性評價廠家數量
Nervous system drugs 神經系統	Escitalopram Tablets 艾司西酞普蘭片	Depression 抑鬱症	Class 4 chemical drug 化藥4類	Filed 已申報	2021 二零二一年	Over 30 超過30家	8 8家
Endocrine/metabolic drugs 內分泌/代謝	Sitagliptin Metformin Hydrochloride Tablets 西格列汀二甲雙胍片	Type 2 Diabetes 2型糖尿病	Class 4 chemical drug 化藥4類	Filed 已申報	2020 二零二零年	7 7家	0 0家
Endocrine/metabolic drugs 內分泌/代謝	Linagliptin Tablets 利格列汀片	Type 2 Diabetes 2型糖尿病	Class 4 chemical drug 化藥4類	Approved 已獲批	N/A 不適用	11 11家	0 0家
Endocrine/metabolic drugs 內分泌/代謝	Sitagliptin Tablets 西格列汀	Type 2 Diabetes 2型糖尿病	Class 4 chemical drug 化藥4類	Filed 已申報	2020 二零二零年	19 19家	1 1家
Endocrine/metabolic drugs 內分泌/代謝	Linagliptin and Metformin Hydrochloride Tablets 利格列汀二甲雙胍片	Type 2 Diabetes 2型糖尿病	Class 4 chemical drug 化藥4類	Filed 已申報	2020 二零二零年	2 2家	0 0家
Endocrine/metabolic drugs 內分泌/代謝	Alogliptin Tablets 阿格列汀片	Type 2 Diabetes 2型糖尿病	Class 4 chemical drug 化藥4類	Filed 已申報	2020 二零二零年	Over 30 超過30家	3 3家
Endocrine/metabolic drugs 內分泌/代謝	Febuxostat Tablets 非布司他片	Hyperuricemia 高尿酸血症	Class 3 chemical drug 化藥3類	Filed 已申報	2021 二零二一年	Over 30 超過30家	2 2家
Urinary system drugs 泌尿系統	Sildenafil Tablets 西地那非片	ED, PAH ED、肺動脈高壓(PAH)	Class 4 chemical drug 化藥4類	Filed 已申報	2021 二零二一年	Over 30 超過30家	2 2家
Urinary system drugs 泌尿系統	Tadalafil Tablets 他達那非片	ED, PAH ED、肺動脈高壓(PAH)	Class 4 chemical drug 化藥4類	Filed 已申報	2020 二零二零年	Over 30 超過30家	6 6家
Urinary system drugs 泌尿系統	Solifenacin Tablets 索利那新片	Bladder Hyperactivity Disorder 膀胱多動症	Class 4 chemical drug 化藥4類	Filed 已申報	2022 二零二二年	14 14家	3 3家

Notes:

HBV: Hepatitis B Virus
HIV: Human Immunodeficiency Virus
ED: Erectile Dysfunction
PAH: Pulmonary Artery Hypertension

附註:

HBV: 乙型肝炎病毒
HIV: 人類免疫缺陷病毒
ED: 勃起功能障礙
PAH: 肺動脈高壓

二、業績回顧(續)

2. 研發進展(續)

3. 於廣東東陽光藥業收購之仿製藥組合進展(續)

二零一九年收購藥品進展

Management Discussion and Analysis

管理層討論及分析

II. BUSINESS REVIEW *(continued)*

3. Sales Performance Review

During the Reporting Period, the sales of the Group's core products are as follows:

- The revenue of Kewei granules (oseltamivir phosphate granules) amounted to RMB1,020.6 million, accounting for 49.0% of the total revenue;
- The revenue of Kewei capsules (oseltamivir phosphate capsules) amounted to RMB946.8 million, accounting for 45.4% of the total revenue;
- The revenue of Ertongshu (benzbromarone tablets) amounted to RMB39.5 million, accounting for 1.9% of the total revenue;
- The revenue of Oumeining (telmisartan tablets) amounted to RMB15.7 million, accounting for 0.8% of the total revenue;
- The revenue of Olmesartan Tablets amounted to RMB11.9 million, accounting for 0.6% of the total revenue;

The total revenue of the above mentioned five drugs, being the core products of the Group, accounted for 97.7% of the total revenue.

Oseltamivir phosphate, the Company's core product, is the first-line drug for treatment of Flu in the PRC, which can be used in the treatment and prevention of Flu A and Flu B and is listed in the Influenza Treatment Guidance (2019 version).

二、業績回顧(續)

3. 銷售情況回顧

報告期內，本集團核心產品的銷售情況如下：

- 可威顆粒(磷酸奧司他韋顆粒)的營業額為人民幣1,020.6百萬元，佔總營業額的49.0%；
- 可威顆粒(磷酸奧司他韋膠囊)的營業額為人民幣946.8百萬元，佔總營業額的45.4%；
- 爾同舒(苯溴馬隆片)的營業額為人民幣39.5百萬元，佔總營業額的1.9%；
- 歐美寧(替米沙坦片)的營業額為人民幣15.7百萬元，佔總營業額的0.8%；
- 奧美沙坦酯片的營業額為人民幣11.9百萬元，佔總營業額的0.6%；

上述5個品種的營業額之和佔總營業額的97.7%，為本集團的核心產品。

本公司核心產品磷酸奧司他韋是目前國內治療流感的一線用藥，可用於治療及預防甲型及乙型流感，並列入《流行性感胃診療方案(二零一九年版)》。

Management Discussion and Analysis

管理層討論及分析

II. BUSINESS REVIEW *(continued)*

3. Sales Performance Review *(continued)*

During the Reporting Period, the Group due to the effect by the COVID-19 pandemic, apart from the emergency department and some essential departments, other medical personnel were urgently dispatched to the fever clinic and the frontline anti-epidemic area, so the supply of medical institutions' overall diagnosis and treatment activities was greatly reduced; at the same time, in order to avoid cross-infection caused by crowds, patients with mild and chronic diseases also reduced the frequency to visit hospitals as much as possible. Therefore, the overall traffic of people in the hospital, the number of diagnosis and treatment activities and the amount of prescriptions had all decreased significantly and the sales of drugs had also declined. With the domestic epidemic situation under control, the amount of outpatient services is gradually increasing, and the demand for treatment will be gradually released. It is expected that sales volume of medicines will be gradually resumed in the future.

During the Reporting Period, the Group continued adopting its comprehensive marketing strategy by four sale teams, i.e. a self-operated sales team responsible for the academic promotion of core drugs in Class II or above hospitals, a self-operated sales team handling all drugs in general practitioner-based medical institutions (Class I hospitals and clinics), a self-operated sales team responsible for all drugs in OTC pharmacies and a distribution-based team responsible for generic drugs in hospitals ranked Class II and above. During the Reporting Period, the Company has also started to expand its online pharmacy channel and has cooperated with a number of well-known online channel operators. As of 30 June 2020, the Group has a total of 3,442 staff in its sales teams. The establishment of these four sales teams shall lay a solid foundation to the sales volume of the Group's product portfolio in all channels.

二、業績回顧(續)

3. 銷售情況回顧(續)

報告期內，本集團受新型冠狀病毒肺炎疫情影響。在疫情期間，除了急診和部分重要科室，其他醫護人員都被緊急調度至發熱門診以及一線抗疫區域，因此醫療機構整體診療活動的供給大幅度降低；與此同時，為了避免人群聚集帶來的交叉感染，輕症和慢性病患者也盡量減少到醫院就醫。因此，醫院的整體人流、診療活動數量、處方量均大幅下降，藥品銷量也隨之下降。隨著國內疫情得到控制，門診量逐漸提升，治療需求會逐漸釋放，預計未來藥品的銷量會逐漸恢復。

報告期內，本集團延續了四大銷售團隊的全面市場營銷戰略，分別是負責核心品種在二級及以上等級醫院的學術推廣的自營銷售隊伍、負責所有品種在以全科醫生為主的醫療機構(一級醫院和診所)的自營銷售隊伍、負責所有品種在OTC藥店的自營銷售隊伍和負責普藥品種在二級及以上等級醫院的招商銷售隊伍。報告期內，本公司亦開始拓展線上藥房渠道，並與多家知名線上渠道運營商展開合作。截至二零二零年六月三十日，本集團銷售團隊共計3,442人。四大銷售隊伍的建設將為本集團產品群在各個銷售渠道的全面放量奠定堅實的基礎。

Management Discussion and Analysis

管理層討論及分析

II. BUSINESS REVIEW *(continued)*

4. Production Review

The Group adheres to the credo of “For Everyone’s Health” and strives to provide high quality medicine to patients. Led by this belief, the Group enhances its production system constantly, strengthens its supervision on the production process and improves the quality of products and services continuously.

At the same time, the Group is attentive about production safety and environmental protection. In respect of production safety, to ensure no occurrence of any major safety incidents, the Group has implemented safety education, strengthened safety risk management and promoted the establishment of safety standards. In respect of environmental protection, the Group takes environmental protection as its mission and adheres to green production. Specific measures were taken to deal with various pollutants generated during the production process so as to achieve the recycle of resources and environmental protection at the same time.

III. OPERATION RESULTS AND ANALYSIS

1. Revenue

For the six months ended 30 June 2020, the revenue of the Group amounted to RMB2,083.7 million, representing a decrease of 32.2% as compared to RMB3,071.3 million for the corresponding period of 2019. The Group’s revenue from Kewei products during the period amounted to RMB1,967.3 million, representing a decrease of 32.9% compared to the corresponding period of 2019. The decline in the revenue from Kewei products was mainly due to impact of COVID-19 pandemic which applied a larger impact to hospital terminal market and clearly affected the prescription drug market.

二、業績回顧(續)

4. 生產情況回顧

本集團堅守「為每個人的健康」的信條，堅持為病人提供高質量的藥物。圍繞這一信念，本集團不斷完善生產制度建設，加強生產過程監管，持續不斷的改進產品和服務的質量。

同時，本集團關注生產安全與環保治理。在生產安全方面，本集團落實安全文化教育，加強安全風險管理，推進安全標準建設，以確保不發生重大安全事故；在環保治理方面，本集團以保護環境為己任，堅持綠色生產，對於生產過程中產生的各種污染物採取針對性處理，在達到保護環境目的的同時實現資源再利用。

三、經營業績及分析

1. 營業額

截至二零二零年六月三十日止六個月，本集團實現營業額人民幣2,083.7百萬元，較去年同期的人民幣3,071.3百萬元減少32.2%。報告期內，本集團產品可威的銷售額為人民幣1,967.3百萬元，較去年同期減少32.9%。可威銷售額的減少主要受新型冠狀病毒肺炎疫情影響，醫院終端市場受到較大衝擊，明顯影響處方藥市場。

Management Discussion and Analysis

管理層討論及分析

III. OPERATION RESULTS AND ANALYSIS (continued)

三、經營業績及分析(續)

1. Revenue (continued)

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

Turnover

1. 營業額(續)

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：

營業額

		For the six months ended 30 June 截至六月三十日止六個月				Change as compared with the corresponding period of 2019 較二零一九年同期變化
		2020 二零二零年		2019 二零一九年		
		RMB'000 人民幣千元	%	RMB'000 人民幣千元	%	
Anti-viral drugs	抗病毒藥物	1,968,526.0	94.5%	2,932,847.0	95.5%	-32.9%
Including: key product Kewei	其中：主要產品可威	1,967,317.0	94.4%	2,930,316.0	95.4%	-32.9%
— Kewei granules	— 可威顆粒	1,020,554.0	49.0%	2,135,267.0	69.5%	-52.2%
— Kewei capsules	— 可威膠囊	946,763.0	45.4%	795,049.0	25.9%	19.1%
Endocrine and metabolic drugs	內分泌及代謝類藥物	39,465.0	1.9%	38,677.0	1.3%	2.0%
Cardiovascular drugs	心血管藥物	30,706.0	1.5%	44,602.0	1.5%	-31.2%
Others	其他	45,008.0	2.2%	55,133.0	1.7%	-18.4%
Total	總計	2,083,705.0	100.0%	3,071,259.0	100.0%	-32.2%

Management Discussion and Analysis

管理層討論及分析

III. OPERATION RESULTS AND ANALYSIS (continued)

三、經營業績及分析(續)

2. Cost of Sales

The Group's cost of sales consists of (i) cost of raw materials, primarily including cost of raw materials, ancillary materials and packaging materials; (ii) labour cost, primarily including salaries and benefits of our staff directly involved in manufacturing of our products; (iii) manufacturing cost, primarily including depreciation of machinery, equipment and plant and cost of labour protection materials, fuel, machine oil and maintenance; and (iv) patent fee paid to third parties in relation to patents and licences. For the six months ended 30 June 2020, the cost of sales of the Group amounted to RMB352.9 million, representing a decrease of 21.7% as compared to RMB450.4 million for the corresponding period of 2019, which was mainly due to the decrease in sales volume.

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

Cost of Sales

		For the six months ended 30 June 截至六月三十日止六個月				Change as compared with the corresponding period of 2019 較二零一九年同期變化
		2020 二零二零年		2019 二零一九年		
		RMB'000 人民幣千元	%	RMB'000 人民幣千元	%	
Anti-viral drugs	抗病毒藥物	320,161.9	90.7%	432,140.0	95.5%	-25.2%
Including: key product Kewei	其中：主要產品可威	319,800.4	90.6%	431,439.0	95.4%	-25.9%
— Kewei granules	— 可威顆粒	147,725.4	41.9%	296,778.0	69.5%	-50.2%
— Kewei capsules	— 可威膠囊	172,075.0	48.8%	134,661.0	25.9%	27.8%
Cardiovascular drugs	心血管藥物	8,138.7	2.3%	5,196.0	1.5%	56.6%
Endocrine and metabolic drugs	內分泌及代謝類藥物	3,959.9	1.1%	4,021.0	1.3%	-1.5%
Others	其他	20,603.4	5.8%	9,082.0	1.7%	126.9%
Total	總計	352,864.0	100.0%	450,439.0	100.0%	-21.7%

2. 銷售成本

本集團銷售成本包括(1)原材料成本，主要是原材料、輔料及包裝材料的成本；(2)人工成本，主要是直接參與產品生產的員工之工資和福利；(3)製造費用，主要包括機械設備廠房的折舊費用、勞動保護材料的成本、燃料、機油及維護；及(4)就各項專利許可向第三方支付之專利費。截至二零二零年六月三十日止六個月，本集團的銷售成本為人民幣352.9百萬元，較去年同期的人民幣450.4百萬元減少21.7%，主要由於銷售量的減少所致。

下表載列本集團各治療領域的銷售成本及佔總銷售成本的百分比情況：

銷售成本

Management Discussion and Analysis

管理層討論及分析

III. OPERATION RESULTS AND ANALYSIS (continued)

三、經營業績及分析(續)

3. Gross Profit

For the six months ended 30 June 2020, gross profit of the Group was RMB1,730.8 million, representing a decrease of 34.0% as compared to RMB2,620.8 million for the six months ended 30 June 2019. It was mainly due to the decrease in sales of Kewei during the Reporting Period, which is a product with high gross profit margin.

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

Gross Profit

		For the six months ended 30 June 截至六月三十日止六個月				Change as compared with the corresponding period of 2019 較二零一九年同期變化
		2020 二零二零年		2019 二零一九年		
		RMB'000 人民幣千元	%	RMB'000 人民幣千元	%	
Anti-viral drugs	抗病毒藥物	1,648,364.1	95.2%	2,500,707.0	95.4%	-34.1%
Including: key product Kewei	其中：主要產品可威	1,647,516.6	95.2%	2,498,877.0	95.4%	-34.1%
— Kewei granules	— 可威顆粒	872,828.6	50.4%	1,838,489.0	70.2%	-52.5%
— Kewei capsules	— 可威膠囊	774,688.0	44.8%	660,388.0	25.2%	17.3%
Cardiovascular drugs	心血管藥物	22,567.3	1.3%	39,406.0	1.5%	-42.7%
Endocrine and metabolic drugs	內分泌及代謝類藥物	35,505.1	2.1%	34,656.0	1.3%	2.4%
Others	其他	24,404.6	1.4%	46,051.0	1.8%	-47.0%
Total	總計	1,730,841.0	100.0%	2,620,820.0	100.0%	-34.0%

3. 毛利

截至二零二零年六月三十日止六個月，本集團的毛利為人民幣1,730.8百萬元，較截至二零一九年六月三十日止六個月的人 民 幣 2,620.8 百 萬 元 減 少 34.0%，主要是由於高毛利率的產品可威於報告期銷售減少所致。

下表載列本集團各治療領域的毛利貢獻情況及佔總毛利的百分比情況：

毛利

Management Discussion and Analysis

管理層討論及分析

III. OPERATION RESULTS AND ANALYSIS *(continued)*

三、經營業績及分析 *(續)*

4. Other Net (Expenses)/Income

Other net (expenses)/income of the Group mainly included (1) government subsidies, primarily representing amortization of government subsidies for the construction of the production line for Kewei recognized by instalments in accordance with accounting standards, and other subsidies or incentives granted by the local government, (2) interest income, (3) net foreign exchange profit and loss, (4) fair value change on conversion option embedded in convertible bonds, (5) net profit and loss of disposal of fixed assets, and (6) other miscellaneous revenue. For the six months ended 30 June 2020, other net income of the Group amounted to RMB48.3 million, representing an increase of RMB99.5 million as compared to RMB51.2 million other net expenses for the corresponding period of 2019. The increase was mainly due to the increase in interest income and increase in income from fair value change on conversion option embedded in convertible bonds.

4. 其他收入／(開支)淨額

本集團的其他收入／(開支)淨額主要包括(1)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、(2)利息收入、(3)淨外匯、(4)可換股期權中可轉換債券的公允價值變動、(5)處置固定資產淨損益、及(6)其他雜項收益。截至二零二零年六月三十日止六個月，本集團的其他收入淨額為人民幣48.3百萬元，較去年同期的其他開支淨額人民幣51.2百萬元增加人民幣99.5百萬元，主要是由於利息收入的增加及可換股期權中可轉換債券的公允價值變動收益增加。

Management Discussion and Analysis

管理層討論及分析

III. OPERATION RESULTS AND ANALYSIS (continued)

三、經營業績及分析(續)

5. Expenses Analysis

For the six months ended 30 June 2020, the Group's expenses amounted to RMB1,020.1 million in total, representing a decrease of RMB376.6 million as compared to RMB1,396.7 million for the six months ended 30 June 2019. The main components of the Group's expenses are as follows:

5. 費用分析

截至二零二零年六月三十日止六個月，本集團費用共計人民幣1,020.1百萬元，較截至二零一九年六月三十日止六個月的人民幣1,396.7百萬元減少人民幣376.6百萬元。本集團主要費用構成如下：

		For the six months ended 30 June 截至六月三十日止六個月		Change as compared with the corresponding period of 2019 較二零一九年 同期變化
		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元	
Distribution costs	分銷成本	686,862	1,117,203	-38.5%
Administrative expenses	行政管理開支	215,305	202,049	6.6%
Reversal impairment loss on trade and other receivables	貿易及其他應收款項 減值虧損撥回	(5,171)	(6,991)	-26.0%
Finance costs	融資成本	123,064	84,433	45.8%
Total	總計	1,020,060	1,396,694	-27.0%

Distribution costs mainly consist of (1) marketing expenses relating to conducting academic promotion activities and other marketing activities, (2) travelling expenses for marketing purposes, (3) labour cost, and (4) other expenses. The decrease in distribution costs was mainly due to (1) the corresponding decrease in marketing costs driven by shrinking sales scale of the Group's products, (2) a decrease in marketing expenses and travelling expenses relating to the organization of academic promotion activities and other marketing activities, which were mainly due to the substantial decrease in academic promotion activities as a result of COVID-19 pandemic.

分銷成本主要包括(1)有關開展學術推廣及其他營銷活動的營銷成本，(2)為營銷目的之差旅成本，(3)勞工成本，及(4)其他成本。分銷成本的減少主要是由於(1)本集團產品銷售規模的縮減所伴隨的營銷成本的相應減少，(2)有關開展學術推廣及其他營銷活動的營銷成本和差旅費減少，主要是因為受新型冠狀病毒肺炎疫情導致學術推廣活動大幅減少所致。

Management Discussion and Analysis

管理層討論及分析

III. OPERATION RESULTS AND ANALYSIS (continued)

三、經營業績及分析(續)

5. Expenses Analysis (continued)

Administrative expenses mainly consist of (1) research and development cost, (2) salary and welfare benefits for the management and administrative personnel, (3) depreciation and amortization costs relating to our office facilities and land use rights, and (4) other miscellaneous expenses. The increase in administrative expenses was mainly due to an increase in depreciation and amortisation costs.

For the six months ended 30 June 2020, the Group's investment in R&D amounted to RMB684.7 million in total, representing 32.9% of the revenue and an increase of 500.6% as compared to the corresponding period of 2019, among which expenses were RMB55.0 million and capitalized expenditures were RMB629.7 million including the total of RMB550.0 million of Rongliflozin L-Pyroglutamic Acid and Liraglutide both in progress of research acquired from Sunshine Lake Pharma.

Finance costs mainly represent interests on bank loans and convertible bonds. The significant increase in finance costs was mainly due to increase of the accrued interest for convertible bonds.

6. Other Operating Expenses

For the six months ended 30 June 2020, other operating expenses of the Group amounted to RMB1.3 million, which was mainly due to the increase in donation expenses.

7. Profit Before Taxation

For the six months ended 30 June 2020, the Group's profit before taxation amounted to RMB757.8 million in total, representing a decrease of 35.4% as compared to RMB1,172.6 million for the six months ended 30 June 2019.

5. 費用分析(續)

行政管理開支主要包括(1)研發成本，(2)管理及行政人員的工資及福利，(3)與辦公室設施及土地使用權相關的折舊及攤餘成本，及(4)其他雜項成本。行政成本增加主要是拆舊及攤銷成本增加所致。

截至二零二零年六月三十日止六個月，本集團研發投入總計為人民幣684.7百萬元，佔營業額的32.9%，較去年同期增加500.6%。其中費用化支出為人民幣55.0百萬元，資本化支出為人民幣629.7百萬元包括從廣東東陽光藥業買入的在研的焦谷氨酸榮格列淨和利拉魯肽合計人民幣550.0百萬元。

融資成本主要指銀行貸款及可轉換債券利息。融資成本的大幅增加主要是由於可轉換債券的應計利息增加所致。

6. 其他經營開支

截至二零二零年六月三十日止六個月，本集團其他經營開支為人民幣1.3百萬元，主要是捐贈支出增加。

7. 除稅前溢利

截至二零二零年六月三十日止六個月，本集團除稅前溢利共計人民幣757.8百萬元，較截至二零一九年六月三十日止六個月的人民幣1,172.6百萬元減少35.4%。

Management Discussion and Analysis

管理層討論及分析

III. OPERATION RESULTS AND ANALYSIS *(continued)*

三、經營業績及分析(續)

8. Income Tax

For the six months ended 30 June 2020, the income tax expenses of the Group amounted to RMB141.1 million, representing a decrease of 33.6% as compared to RMB212.5 million for the six months ended 30 June 2019, which was mainly due to the increase in profit before tax.

8. 所得稅

截至二零二零年六月三十日止六個月，本集團的所得稅開支為人民幣141.1百萬元，較截至二零一九年六月三十日止六個月的人民幣212.5百萬元減少33.6%，主要由於除稅前溢利的增長。

9. Profit for the Reporting Period

For the six months ended 30 June 2020, net profit of the Group amounted to RMB616.7 million, representing a decrease of 35.8% as compared to RMB960.2 million for the six months ended 30 June 2019.

9. 報告期內溢利

截至二零二零年六月三十日止六個月，本集團的溢利淨值為人民幣616.7百萬元，較截至二零一九年六月三十日止六個月的人民幣960.2百萬元減少35.8%。

10. Profit and total Comprehensive Income for the Period attributable to Equity Shareholders of the Company

For the six months ended 30 June 2020, profit and total comprehensive income for the period attributable to equity shareholders of the Company (without taking into account the effect of the convertible bonds) was RMB695.9 million, representing a decrease of 36.5% as compared to RMB1,095.9 million for the six months ended 30 June 2019.

10. 本公司權益股東應佔期內溢利及全面收益總額

截至二零二零年六月三十日止六個月，本公司的權益股東應佔期內溢利及全面收益總額(不考慮可轉換債券影響)為人民幣695.9百萬元，較截至二零一九年六月三十日止六個月的人民幣1,095.9百萬元減少36.5%。

For the six months ended 30 June 2020, profit and total comprehensive income for the period attributable to equity shareholders of the Company (taking into account the effect of the convertible bonds) was RMB617.5 million, representing a decrease of 36.2% as compared to RMB968.4 million for the six months ended 30 June 2019.

截至二零二零年六月三十日止六個月，本公司的權益股東應佔期內溢利及全面收益總額(考慮可轉換債券影響)為人民幣617.5百萬元，較截至二零一九年六月三十日止六個月的人民幣968.4百萬元減少36.2%。

Management Discussion and Analysis

管理層討論及分析

IV. FINANCIAL POSITION

1. Overview

As of 30 June 2020, the Group's total assets amounted to RMB10,460.0 million, with total liabilities of RMB5,486.1 million and shareholders' equity of RMB4,973.9 million.

As at 30 June 2020, the Group's capital is derived from product sales and are used in production halls construction, distribution and administrative management etc. The management has clear goals and records in budget, financial and operating performance, and actively monitors them and regularly evaluates internal control measures.

四、財務狀況

1. 概覽

截至二零二零年六月三十日，本集團總資產為人民幣10,460.0百萬元，負債總額為人民幣5,486.1百萬元，股東權益為人民幣4,973.9百萬元。

截至二零二零年六月三十日，本集團主要資金來源自產品營銷，應用於生產車間建設、分銷及行政管理等。管理層在預算、財務和經營業績都有清晰的目標與記錄，並且積極地對其加以監控並定期對各項內部控制措施進行評價。

Management Discussion and Analysis

管理層討論及分析

IV. FINANCIAL POSITION (continued)

2. Net Current Assets

The following table sets forth our current assets, current liabilities and net current assets for the date indicated.

		As at 30 June 2020 於二零二零年 六月三十日 RMB'000 人民幣千元	As at 31 December 2019 於二零一九年 十二月三十一日 RMB'000 人民幣千元
Current assets	流動資產		
Inventories	存貨	322,533	192,321
Trade and other receivables	貿易及其他應收款項	1,039,164	2,359,250
Cash and cash equivalents	現金及現金等價物	3,346,180	2,779,138
Total current assets	流動資產總額	4,707,877	5,330,709
Current liabilities	流動負債		
Trade and other payables	貿易及其他應付款項	1,981,867	1,888,220
Contract liabilities	合約負債	53,987	131,328
Bank loans	銀行貸款	357,296	132,660
Deferred income	遞延收益	4,379	4,379
Current taxation payable	應付即期稅項	35,533	155,062
Total current liabilities	總流動負債	2,433,062	2,311,649
Net current assets	淨流動資產	2,274,815	3,019,060

As at 30 June 2020, the Group recorded the total current assets of RMB4,707.9 million, as compared to RMB5,330.7 million as at 31 December 2019. During the Reporting Period, the current assets decreased by RMB622.8 million due to the decrease in sales; and the current liabilities increased by RMB121.4 million due to the provisions for dividends payable and accruals for selling expenses and royalty fees, resulting in a decrease of the Group's net current assets by RMB744.2 million.

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。

於二零二零年六月三十日，本集團錄得流動資產總額人民幣4,707.9百萬元，於二零一九年十二月三十一日為人民幣5,330.7百萬元。報告期內，由於銷售減少導致流動資產減少人民幣622.8百萬元；由於計提應付股利和預提銷售費用和專利費用令流動負債增加人民幣121.4百萬元，綜合導致本集團淨流動資產減少人民幣744.2百萬元。

Management Discussion and Analysis

管理層討論及分析

IV. FINANCIAL POSITION (continued)

四、財務狀況(續)

3. Gearing Ratio and Quick Ratio

Gearing ratio represents the total interest bearing loans 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. The Group's gearing ratio increased from 65.6% on 31 December 2019 to 66.5% on 30 June 2020 and quick ratio decreased from 2.2 times on 31 December 2019 to 1.8 times on 30 June 2020.

4. Cash Flow Analysis

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

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計息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。本集團的資本負債比率由二零一九年十二月三十一日的65.6%增加至二零二零年六月三十日的66.5%，速動比率由二零一九年十二月三十一日的2.2倍減少至二零二零年六月三十日的1.8倍。

4. 現金流分析

本集團現金流情況如下表所示：

		For the six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Net cash generated from operating activities	經營活動產生的現金淨值	1,338,996	1,057,505
Net cash used in investing activities	投資活動流出的現金淨值	(965,002)	(1,522,318)
Net cash generated from financing activities	籌資活動產生的現金淨值	192,048	2,727,616
Net increase in cash and cash equivalents	現金及現金等值項目淨增加值	566,042	2,262,803

Management Discussion and Analysis

管理層討論及分析

IV. FINANCIAL POSITION *(continued)*

4. Cash Flow Analysis *(continued)*

For the six months ended 30 June 2020, the Group's net cash generated from operating activities was RMB1,339.0 million, representing an increase of RMB281.5 million as compared with the corresponding period of 2019, mainly due to the collection of trade and other receivables during the Reporting Period.

The Group's net cash outflow in investing activities was RMB965.0 million, representing a decrease of RMB557.3 million as compared with the corresponding period of 2019, which was mainly due to the decrease in prepayment paid for the purchase of intangible assets.

In the first half of 2020, the Group's net cash inflow from financing activities was RMB192.0 million, representing a decrease of RMB2,535.6 million as compared with the net cash inflow of RMB2,727.6 million for the corresponding period of 2019. The change was mainly due to no proceeds from issuance of convertible bonds in 2020.

5. Bank Loans

As at 30 June 2020, the balance of the Group's bank loans was RMB447.4 million, representing an increase of RMB264.7 million as compared with 31 December 2019, in which loans with fixed interest rate was RMB150.0 million, loans with floating interest rate was RMB100.2 million, and discounted note receivables was RMB197.2 million. The Group is in good liquidity position with sufficient funding and has no repayment risk. All bank loans of the Group are denominated in RMB and borrowed from domestic banks in the PRC.

四、財務狀況(續)

4. 現金流分析(續)

截至二零二零年六月三十日止六個月，本集團經營活動產生的現金淨值為人民幣1,339.0百萬元，較去年同期增加人民幣281.5百萬元，主要因為報告期內收回應收及其他應收賬款。

本集團用於投資活動的淨現金流出為人民幣965.0百萬元，較去年同期減少人民幣557.3百萬元，主要由於購買無形資產支付的預付款項減少。

本集團於二零二零年上半年來自於籌資活動的淨現金流入為人民幣192.0百萬元，較去年同期產生的淨現金流入人民幣2,727.6百萬元減少了人民幣2,535.6百萬元。該變動主要由於銀行貸款及二零二零年無發行可轉換債券所得款項。

5. 銀行貸款

於二零二零年六月三十日，本集團的銀行貸款餘額為人民幣447.4百萬元，較二零一九年十二月三十一日增加人民幣264.7百萬，其中固定息率貸款為人民幣150.0百萬元，浮動息率貸款為人民幣100.2百萬元，應收票據貼現款為人民幣197.2百萬元。目前本集團資金流動性良好，資金充足，並無償還風險。本集團銀行貸款為中國境內銀行人民幣貸款。

Management Discussion and Analysis

管理層討論及分析

IV. FINANCIAL POSITION *(continued)*

6. Capital Structure

As at 30 June 2020, the Group's total equity attributable to equity shareholders of the Company amounted to RMB4,760.0 million, representing an increase of RMB351.4 million as compared to RMB4,408.6 million as at 31 December 2019. The increase was mainly due to the increase in net assets resulting from the increase in operating profit.

7. Capital Expenditure

In order to meet the production demand for our products, the Group constructed plants and buildings, machines and equipment, acquired the ownership of approvals and the right of sale for purchasing, manufacturing and launching certain pharmaceutical products from Sunshine Lake Pharma and relevant interests of drugs in progress in 2020 with an aggregate capital expenditure of RMB998.7 million, representing a decrease of 14.6% as compared to RMB1,169.3 million in the corresponding period of 2019.

四、財務狀況(續)

6. 資本結構

於二零二零年六月三十日，本公司權益股東應佔本集團總權益為人民幣4,760.0百萬元，較二零一九年十二月三十一日的人民幣4,408.6百萬元，增加了人民幣351.4百萬元。該增加主要由於經營溢利增加帶來了淨資產的增加。

7. 資本支出

本集團為應對產品的生產需求，於二零二零年度興建廠房及樓宇、機械設備、向廣東東陽光藥業購買若干藥品批件、生產及上市批文的擁有權銷售權及在研發物的相關權益等資本支出共計人民幣998.7百萬元，較二零一九年同期人民幣1,169.3百萬元減少14.6%。

Management Discussion and Analysis

管理層討論及分析

IV. FINANCIAL POSITION *(continued)*

8. Major Purchase and Sales

On 13 November 2019 and 26 December 2019, the Company entered into a sale and purchase agreement and a supplemental agreement to such sale and purchase agreement with Sunshine Lake Pharma, pursuant to which, the Company agreed to acquire, and Sunshine Lake Pharma agreed to sell, the rongliflozin l-pyroglutamic acid and liraglutide together with the entire equity interests of these two products within the PRC at a total consideration of RMB1,645,600,000. The above acquisition was approved by the independent shareholders of the Company at the extraordinary general meeting held on 22 January 2020. Please refer to the announcements of the Company dated 13 November 2019, 27 December 2019 and 22 January 2020 and the circular of the Company dated 6 January 2020 for further details.

9. Contingent Liabilities

As at 30 June 2020, the Group did not provide any external guarantees.

10. Pledge of the Group's Assets

As at 30 June 2020, the Group's fixed assets amounting to RMB400.1 million and bills receivable amounting to RMB353.4 million were pledged to secure bank loans and as pledge for issuing bank acceptance notes.

四、財務狀況(續)

8. 重大收購與出售

於二零一九年十一月十三日及二零一九年十二月二十六日，本公司與廣東東陽光藥業訂立購買協議及該買賣協議之補充協議，據此，本公司同意收購，而廣東東陽光藥業同意出售焦谷氨酸榮格列淨及利拉魯肽連同這兩種產品在中國境內的全部權益，總代價為人民幣1,645,600,000元。上述收購事項已於二零二零年一月二十二日召開的臨時股東大會上獲得本公司獨立股東之批准。詳情請參閱本公司日期為二零一九年十一月十三日、二零一九年十二月二十七日及二零二零年一月二十二日的公告及本公司日期為二零二零年一月六日的通函內披露。

9. 或有負債

截至二零二零年六月三十日，本集團無對外擔保事項。

10. 本集團資產抵押

截至二零二零年六月三十日，本集團有固定資產人民幣400.1百萬元及應收票據人民幣353.4百萬元被用於銀行借款及開具銀行承兌票據的抵押。

Management Discussion and Analysis

管理層討論及分析

IV. FINANCIAL POSITION *(continued)*

四、財務狀況(續)

11. Foreign Exchange and Exchange Rate Risk

The Group's business mainly operates in the PRC. Other than the convertible bonds and bank deposits denominated in foreign currencies, the Group does not have any other material direct exposure to foreign exchange fluctuations.

12. Employee and Remuneration Policies

As at 30 June 2020, the Group has a total of 5,787 employees. The staff costs, including directors' emoluments but excluding any contributions to pension scheme, were approximately RMB394.2 million for the six months ended 30 June 2020. 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 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.

13. Hedging Activities

For the six months ended 30 June 2020, the Group did not enter into any hedging transactions relating to foreign exchange risk or interest rate risk.

11. 外匯及匯率風險

本集團主要於中國經營業務。除可轉換債券及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。

12. 僱員及薪酬政策

於二零二零年六月三十日，本集團共聘用僱員5,787名。截至二零二零年六月三十日止六個月，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394.2百萬元。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。

13. 對沖活動

截至二零二零年六月三十日止六個月期間，本集團並無就外匯風險或利率風險訂立任何對沖交易。

Management Discussion and Analysis

管理層討論及分析

IV. FINANCIAL POSITION *(continued)*

14. Future Plans for Material Investment or Capital Expenditure

As of the date of this report, the Group does not have any plan for material investment or capital expenditure, other than the investment and capital expenditure mentioned in other parts of this report.

V. OTHER SIGNIFICANT EVENTS

1. Strategic Cooperation Framework Agreement

On 3 January 2020, the Company entered into a Strategic Cooperation Framework Agreement with CR Pharmaceutical Commercial, pursuant to which, the Company and CR Pharmaceutical Commercial will jointly develop an internet platform dedicated to establishing online channels directly serving end-users and patients by leveraging on the distribution network and drug storage capability of CR Pharmaceutical Commercial, in order to enhance response to unexpected demand for the Company's core product, Kewei oseltamivir phosphate series, across the PRC as well as to improve terminal coverage of other products. The Strategic Cooperation Framework Agreement is for a term of three years. For details, please refer to the announcement of the Company dated 3 January 2020.

四、財務狀況(續)

14. 重大投資或資本開支的未來計劃

除了本報告其他地方提及的投資和資本性開支外，截至本報告日期，本集團並無任何重大投資或資本開支計劃。

五、其他重大事項

1. 戰略合作框架協議

於二零二零年一月三日，本公司與華潤醫藥商業訂立了一份戰略合作框架協議，據此，本公司與華潤醫藥商業將借助華潤醫藥商業的配送網絡和藥物儲備能力，聯合開發互聯網渠道，致力於直接服務終端及患者的線上渠道建設，提升本公司核心產品「可威」磷酸奧司他韋系列對全國突發性需求的響應，並加強其他產品的終端覆蓋。戰略合作框架協議的合作期限為三年。詳情請參閱本公司日期為二零二零年一月三日的公告。

Management Discussion and Analysis

管理層討論及分析

V. OTHER SIGNIFICANT EVENTS *(continued)*

五、其他重大事項(續)

2. Successful Bid for the Centralized Procurement of Products

On 17 January 2020, the Company participated in the tender process in respect of the Second National Centralized Procurement of Pharmaceuticals (第二批國家組織藥品集中採購) organized by the National Organization Office for the Centralized Procurement and Usage of Pharmaceuticals (國家組織藥品集中採購和使用聯合採購辦公室). The Company's fudosteine tablet, moxifloxacin hydrochloride tablet and olmesartan medoxomil tablet have won the bid for the centralized procurement.

2. 產品集中採購中標

於二零二零年一月十七日，本公司參加了國家組織藥品集中採購和使用聯合採購辦公室組織的第二批國家組織藥品集中採購的投標。本公司的福多司坦片、鹽酸莫西沙星片及奧美沙坦酯片中標本次集中採購。

Name of Product	Number of successful tenders	Actual procurement volume of medical institutions	Tendering specification	Tendering Price	Successful tenders under the Group
品種名稱	中標企業數量	醫療機構合計實際採購量	中標規格	中標價格(RMB) (人民幣)	本集團中標企業
Fudosteine Tablets	3	80.71 million tablets	0.2g x 20 tablet/box	13.08/box	YiChang HEC ChangJiang Pharmaceutical Co., Ltd.
福多司坦片	3家	8,071萬片	0.2g x 20片/盒	13.08元/盒	宜昌東陽光長江藥業股份有限公司
Moxifloxacin Hydrochloride Tablet	5	19.41 million tablets	0.4g x 3 tablet/box 0.4g x 6 tablet/box	6.66/box 12.99/box	Dongguan Yangzhikang Pharmaceutical Co., Ltd.* (東莞市陽之康醫藥有限責任公司)
鹽酸莫西沙星片	5家	1,941萬片	0.4g x 3片/盒 0.4g x 6片/盒	6.66元/盒 12.99元/盒	東莞市陽之康醫藥有限責任公司
Olmesartan Medoxomil Tablets	4	84.95 million tablets	20mg x 28 tablet/box	17.08/box	Dongguan Yangzhikang Pharmaceutical Co., Ltd.* (東莞市陽之康醫藥有限責任公司)
奧美沙坦酯片	4家	8,495萬片	20mg x 28片/盒	17.08元/盒	東莞市陽之康醫藥有限責任公司

For details, please refer to the announcement of the Company dated 17 January 2020.

詳情請參閱本公司日期為二零二零年一月十七日的公告。

* For identification purposes only

* 僅供識別

Management Discussion and Analysis

管理層討論及分析

V. OTHER SIGNIFICANT EVENTS *(continued)*

3. Connected Transactions and Continuing Connected Transactions

On 13 November 2019 and 26 December 2019, the Company entered into a sale and purchase agreement and a supplemental agreement to such sale and purchase agreement with Sunshine Lake Pharma, pursuant to which, the Company agreed to acquire, and Sunshine Lake Pharma agreed to sell, the rongliflozin l-pyroglyutamic acid and liraglutide together with the entire equity interests of these two products within the PRC at a total consideration of RMB1,645,600,000 (the “**Acquisition**”). The Acquisition was approved by the independent shareholders of the Company at the extraordinary general meeting held on 22 January 2020. For details, please refer to the announcements of the Company dated 13 November 2019, 27 December 2019 and 22 January 2020 and the circular of the Company dated 6 January 2020.

On 27 February 2020, the Company entered into an entrusted processing framework agreement (the “**Entrusted Processing Framework Agreement**”) with Sunshine Lake Pharma, pursuant to which Sunshine Lake Pharma will provide drug processing services for six drugs namely, Clarithromycin Sustained Release Tablets (克拉霉素緩釋片), Clarithromycin Tablets (克拉霉素片), Levofloxacin Tablets (左氧氟沙星片), Moxifloxacin Hydrochloride Tablets (鹽酸莫西沙星片), Olmesartan Tablets (奧美沙坦酯片) and Oseltamivir Phosphate Capsules (磷酸奧司他韋膠囊), to the Company and Dongguan Yangzhikang Pharmaceutical Co., Ltd.. Individual transactions are conducted in the form of entrusted processing order. Each separate entrusted processing order shall set out details in relation to the drugs to be processed. The terms of the separate entrusted processing order shall be in line with the provisions under the Entrusted Processing Framework Agreement. The unit price of processing each drug is agreed in the Entrusted Processing Framework Agreement. For details, please refer to the Company’s announcements dated 27 February 2020 and 11 March 2020.

五、其他重大事項(續)

3. 關連交易及持續關連交易

於二零一九年十一月十三日及二零一九年十二月二十六日，本公司與廣東東陽光藥業訂立購買協議及該買賣協議之補充協議，據此，本公司同意收購，而廣東東陽光藥業同意出售焦谷氨酸榮格列淨及利拉魯肽連同這兩種產品在中國境內的全部權益，總代價為人民幣1,645,600,000元(「**收購事項**」)。收購事項已於二零二零年一月二十二日召開的臨時股東大會上獲得本公司獨立股東之批准。詳情請參閱本公司日期為二零一九年十一月十三日、二零一九年十二月二十七日及二零二零年一月二十二日的公告及本公司日期為二零二零年一月六日的通函。

於二零二零年二月二十七日，本公司與廣東東陽光藥業訂立委託加工框架協議(「**委託加工框架協議**」)，據此，廣東東陽光藥業同意向本公司及東莞市陽之康醫藥有限責任公司提供克拉霉素緩釋片、克拉霉素片、左氧氟沙星片、鹽酸莫西沙星片、奧美沙坦酯片及磷酸奧司他韋膠囊六種藥品加工服務。個別交易以委託加工訂單的形式進行。每份獨立的委託加工訂單應當載明具體委託藥品加工的詳情，且其條款符合委託加工框架協議的各項約定。每件藥品加工的單價於委託加工框架協議中協定。詳情請參閱本公司日期為二零二零年二月二十七日及二零二零年三月十一日之公告。

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管理層討論及分析

V. OTHER SIGNIFICANT EVENTS *(continued)*

3. Connected Transactions and Continuing Connected Transactions *(continued)*

On 27 April 2020, (i) the Company and Yidu Changjiang Machinery Equipment Co., Ltd. (“**Yidu Machinery**”) entered into an industrial products sale and purchase contract I, pursuant to which the Company will purchase workshop transforming equipment from Yidu Machinery with an annual cap for the year ending 31 December 2020 being RMB21,483,200 and (ii) YiChang HEC Pharmaceutical Manufacturing Co., Ltd. (“**HEC Pharmaceutical Manufacturing**”) and Yidu Machinery entered into an industrial products sale and purchase contract II, pursuant to which HEC Pharmaceutical Manufacturing will purchase tank area and workshop transforming equipment from Yidu Machinery with an annual cap for the year ending 31 December 2020 being RMB21,000,000. For details, please refer to the Company’s announcement dated 27 April 2020.

On 27 April 2020, (i) YiChang HEC Pharmaceutical Co., Ltd. (“**HEC Pharmaceutical**”) and HEC Medicine Retail Chain Co., Ltd., Yidu branch (“**HEC Medicine Retail (Yidu)**”) entered into an 2020 sales contract I, pursuant to which HEC Pharmaceutical will sell pharmaceutical products, such as oseltamivir phosphate granules, and telmisartan tablets etc., to HEC Medicine Retail (Yidu) with an annual cap for the year ending 31 December 2020 being RMB8,000,000 and (ii) HEC Pharmaceutical and HEC Medicine Retail Chain (Dongguan) Co., Ltd. (“**HEC Medicine Retail (Dongguan)**”) entered into an 2020 sales contract II, pursuant to which HEC Pharmaceutical will sell pharmaceutical products, such as oseltamivir phosphate granules, and telmisartan tablets etc., to HEC Medicine Retail (Dongguan) with an annual cap for the year ending 31 December 2020 being RMB500,000. For details, please refer to the Company’s announcement dated 27 April 2020.

五、其他重大事項(續)

3. 關連交易及持續關連交易(續)

於二零二零年四月二十七日，(i) 本公司與宜都長江機械設備有限公司(「**宜都機械**」)訂立工業品買賣合同(一)，據此，本公司向宜都機械購買車間改造設備其截至二零二零年十二月三十一日的年度上限為人民幣21,483,200元及(ii)宜昌東陽光製藥有限公司(「**宜昌東陽光製藥**」)與宜都機械訂立工業品買賣合同(二)，據此，宜昌東陽光製藥向宜都機械購買罐區及車間改造設備其截至二零二零年十二月三十一日的年度上限為人民幣21,000,000元。詳情請參閱本公司日期為二零二零年四月二十七日之公告。

於二零二零年四月二十七日，(i) 宜昌東陽光醫藥有限公司(「**宜昌東陽光醫藥**」)與東陽光藥零售連鎖有限公司宜都店(「**東藥零售(宜都)**」)訂立二零二零年度銷售合同(一)，據此，宜昌東陽光醫藥向東藥零售(宜都)銷售磷酸奧司他韋顆粒、替米沙坦片等藥品，其截至二零二零年十二月三十一日的年度上限為人民幣8,000,000元及(ii)宜昌東陽光醫藥與東陽光藥零售連鎖(東莞)有限公司(「**東藥零售(東莞)**」)訂立二零二零年度銷售合同(二)，據此，宜昌東陽光醫藥向東藥零售(東莞)銷售磷酸奧司他韋顆粒及替米沙坦片等藥品，其截至二零二零年十二月三十一日的年度上限為人民幣500,000元。詳情請參閱本公司日期為二零二零年四月二十七日之公告。

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管理層討論及分析

V. OTHER SIGNIFICANT EVENTS *(continued)*

3. Connected Transactions and Continuing Connected Transactions *(continued)*

On 27 April 2020, the Company and Ruyuan HEC Pharmaceutical Co., Ltd. (“**Ruyuan HEC Pharmaceutical**”) entered into a plant and equipment leasing contract, pursuant to which Ruyuan HEC Pharmaceutical will lease its plant to the Company for the production of APIs with a maximum monthly rental fee of RMB10,000,000 (tax exclusive). The annual caps for the year ending 31 December 2020 and for the period ending 26 April 2021 are RMB80,000,000 (tax exclusive) and RMB40,000,000 (tax exclusive), respectively. For details, please refer to the Company’s announcement dated 27 April 2020.

4. Amendments to the Articles of Association and Amendments to Rules and Procedures of Shareholders’ General Meetings

On 6 March 2020, the shareholders of the Company (the “**Shareholders**”) approved the amendments to the articles of association and the proposed amendments to the rules and procedures of shareholders’ general meetings at the 2020 second extraordinary general meeting, the 2020 first H shareholders class meeting and the 2020 first domestic shareholders class meeting. For details, please refer to the Company’s announcements dated 10 January 2020, 23 February 2020 and 6 March 2020 and the Company’s circular dated 7 February 2020.

五、其他重大事項(續)

3. 關連交易及持續關連交易(續)

於二零二零年四月二十七日，本公司與乳源東陽光藥業有限公司(「**乳源東陽光藥業**」)訂立廠房及設備租賃合同，據此，乳源東陽光藥業以每月不超過人民幣10,000,000元(不含稅)出租廠房給本公司，用於生產原料藥用途，其截至二零二零年十二月三十一日及二零二一年四月二十六日的年度上限分別為人民幣80,000,000元(不含稅)及人民幣40,000,000元(不含稅)。詳情請參閱本公司日期為二零二零年四月二十七日之公告。

4. 修訂公司章程及修訂公司股東大會議事規則

於二零二零年三月六日，本公司股東(「**股東**」)在二零二零年第二次臨時股東大會、二零二零年第一次H股股東類別會議及二零二零年第一次內資股股東類別會議上通過修訂公司章程及修訂公司股東大會議事規則。有關修訂公司章程及修訂公司股東大會議事規則的詳情，請參閱本公司日期為二零二零年一月十日、二零二零年二月二十三日及二零二零年三月六日之公告及本公司日期為二零二零年二月七日之通函。

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V. OTHER SIGNIFICANT EVENTS *(continued)*

5. Donations in relation to the outbreak of the COVID-19

- (1) On 26 January 2020, the Company made a donation of RMB1 million to the Wuhan Charity Federation (武漢市慈善總會). The donations will be used for procuring materials for epidemic prevention and control, including medical supplies, medical equipment, reagents, drugs, protective equipment and materials, cleansing equipment and consumables.
- (2) On 24 February 2020, the Company donated 0.1 million disposable protective masks, 3,900 N95 surgical masks, 20 barrels of sodium hypochlorite disinfectant to People's Government of Yidu City for the containment of the COVID-19 outbreak in Yidu City.
- (3) On 21 February 2020, the Company donated 7 tonnes of 84 disinfectant in total to the hospitals designated to treat COVID-19 and multiple medical institutions in Jinan under the active cooperation from the Angel Health Project Fund (天使健康專項基金) and the Shandong Angel Health Charity Alliance (山東天使健康救助聯盟) of the Shandong Foundation for Development of Poverty Alleviation (山東省扶貧開發基金會).

The Group puts corporate social responsibility as the highest priority, showing love and care and making contributions to the society. We pay tribute to all frontline workers and with the hope to protect front-line medical workers in the fight against COVID-19.

五、其他重大事項(續)

5. 關於抗擊新型冠狀病毒肺炎疫情的捐贈

- (1) 於二零二零年一月二十六日，本公司向武漢市慈善總會捐贈人民幣100萬元。捐贈款項將用於置辦疫情防控物資，包括醫用設備、醫療設備、試劑、藥品、防護設備、清洗設備及耗材等。
- (2) 於二零二零年二月十四日，本公司向宜都市人民政府捐贈10萬隻一次性防護口罩、3,900隻N95醫用口罩、20桶次氯酸鈉消毒液，用於宜都市新型冠狀病毒肺炎疫情的防控。
- (3) 於二零二零年二月二十一日，本公司在山東省扶貧開發基金會—天使健康專項基金和山東天使健康救助聯盟的積極配合下，向新型冠狀病毒救治定點醫院及濟南多家醫療機構共計捐贈7噸84消毒液。

本集團始終將企業社會責任視為義不容辭的第一責任，奉獻愛心，回報社會，並向奮鬥在抗疫一線的工作人員致敬，為一線醫護人員護航。

Management Discussion and Analysis

管理層討論及分析

V. OTHER SIGNIFICANT EVENTS *(continued)*

6. Bonus Issue of Shares and Amendments to the Company's Articles of Association

At the 2019 annual general meeting, 2020 second H shareholders class meeting, and 2020 second domestic shareholders class meeting held on 5 June 2020, the Shareholders approved the issue of one (1) bonus share ("**Bonus Share**") (tax inclusive) per every one (1) existing Share held by the Shareholders whose names appeared on the Company's register of members as of 16 June 2020 and relevant corresponding amendments to the Company's articles of association. The Bonus Shares had been issued from the Company's undistributed profit on 10 July 2020. For details, please refer to the Company's announcements dated 14 April 2020, 5 June 2020, 16 June 2020, and 23 June 2020, and the Company's circular dated 29 April 2020.

7. Increasing capital in Guangdong HEC Biological Pharmacy Co., Ltd.* (廣東東陽光生物製劑有限公司)

On 2 April 2020, in order to further increase the production capacity of the Company and to safeguard its production capacity for launching subsequent reserve products, the Company intended to use its internal funds to increase capital in its wholly-owned subsidiary, Guangdong HEC Biological Pharmacy Co., Ltd.* (廣東東陽光生物製劑有限公司) (the "**Biological Pharmacy Co.**") by RMB486 million (the "**Capital**"), which would be used for the production and operation facilities of Biological Pharmacy Co. (the "**Capital Increase**"). Upon the completion of the Capital Increase, the registered capital of Biological Pharmacy Co. will be amended to RMB530 million.

* For identification purposes only

五、其他重大事項(續)

6. 發行紅股以及修訂公司章程

於二零二零年六月五日，股東在二零一九年股東週年大會、二零二零年第二次H股股東類別會議及二零二零年第二次內資股股東類別會議上通過向於二零二零年六月十六日名列本公司股東名冊中全體股東按每持有一(1)股現有股份(含稅)分派一(1)股紅股(「紅股」)之基準發行紅股，以及修訂有關的公司章程。該紅股已通過轉換本公司未分派溢利之方式於二零二零年七月十日發行。詳情請參閱本公司日期為二零二零年四月十四日、二零二零年六月五日、二零二零年六月十六日及二零二零年六月二十三日之公告及本公司日期為二零二零年四月二十九日之通函。

7. 向廣東東陽光生物製劑有限公司增資

於二零二零年四月二日，為了進一步擴大本公司產能及為後續儲備產品的上市提供產能保障，本公司擬以自有資金向其全資子公司廣東東陽光生物製劑有限公司(「生物製劑公司」)增資人民幣48,600萬元(「資金」)，用於生物製劑公司生產經營建設(「增資」)。本次增資完成後，生物製劑公司註冊資本將變更為人民幣53,000萬元。

* 僅供識別

Management Discussion and Analysis

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V. OTHER SIGNIFICANT EVENTS *(continued)*

7. Increasing capital in Guangdong HEC Biological Pharmacy Co., Ltd.* (廣東東陽光生物製劑有限公司)

(continued)

On 2 April 2020, Guangdong HEC Technology Holding Co., Ltd. (the “**Parent Company**”), the holding company of the Company, convened its twenty-second meeting of the tenth session of the board of directors and approved “The resolution in relation to increase capital in its controlling subsidiary (關於對控股子公司增資的議案)” to increase capital in Biological Pharmacy Co. by the Company.

For details, please refer to the Company’s announcement dated 2 April 2020.

8. Various Products Approved to Launch

Entecavir tablets (0.5 mg and 1 mg) acquired by the Company from Sunshine Lake Pharma has undergone the assessment and approval process and obtained approval for launch from the NMPA. Subsequently, the marketing authorization holder of such product will be changed to the Company or a controlled subsidiary of the Company through supplemental application. For details, please refer to the Company’s announcement dated 21 May 2020.

Esomeprazole magnesium Enteric-Coated Capsules (20mg and 40mg) acquired by the Company from Sunshine Lake Pharma has undergone the assessment and approval process and obtained approval for launch from the NMPA. Subsequently, the marketing authorization holder of the such product will be changed to the Company or a controlled subsidiary of the Company through supplemental application. For details, please refer to the Company’s announcement dated 26 May 2020.

五、其他重大事項(續)

7. 向廣東東陽光生物製劑有限公司增資(續)

本公司之控股公司廣東東陽光科技控股股份有限公司(「**母公司**」)於二零二零年四月二日召開母公司第十屆董事會第二十二次會議並審議通過了《關於對控股子公司增資的議案》，同意由本公司向生物製劑公司進行增資。

詳情請參閱本公司日期為二零二零年四月二日之公告。

8. 多個產品獲批准上市

本公司從廣東東陽光藥業收購的產品恩替卡韋片(0.5mg及1mg)已獲藥監局審批完畢並獲准上市。後續通過補充申請，該產品的上市許可持有人將變更為本公司或本公司控股子公司。詳情請參閱本公司日期為二零二零年五月二十一日之公告。

本公司從廣東東陽光藥業收購之產品艾司奧美拉唑鎂腸溶膠囊(20mg及40mg)已獲藥監局審批完畢並獲准上市。後續通過補充申請，該產品的上市許可持有人將變更為本公司或本公司的控股子公司。詳情請參閱本公司日期為二零二零年五月二十六日之公告。

Management Discussion and Analysis

管理層討論及分析

V. OTHER SIGNIFICANT EVENTS *(continued)*

8. Various Products Approved to Launch *(continued)*

Olanzapine Orally-disintegrating Tablets (5 mg) acquired by the Company from Sunshine Lake Pharma Co., Ltd. has undergone the assessment and approval process and obtained approval for launch from the NMPA. Subsequently, the marketing authorization holder of such product will be changed to the Company or a subsidiary controlled by the Company through supplemental application. For details, please refer to the Company's announcement dated 1 June 2020.

Recombinant Human Insulin Injection, of which research and development was carried out by the Company, has undergone the assessment and approval process and obtained approval for launch from the NMPA. For details, please refer to the Company's announcements dated 8 June 2020 and 15 June 2020.

9. Proposal for Full Circulation of H Shares by the Company

A formal approval letter from China Securities Regulatory Commission (the "CSRC") in relation to the application submitted by the Company in respect of the full circulation of H Shares has been received on 2 June 2020 ("CSRC Approval"). Pursuant to the CSRC Approval, 226,200,000 domestic unlisted Shares ("Domestic Shares") held by Guangdong HEC Technology Holding Co., Ltd. (廣東東陽光科技控股股份有限公司), a shareholder of the Company, could be converted into overseas listed shares ("H Shares"). Such Shares will be allowed to be listed on the Stock Exchange upon completion of the conversion (the "Share Conversion and Listing"). On 18 August 2020, the approval of the Share Conversion and Listing was granted by the Stock Exchange. The listing of the converted 226,200,000 H Shares on the Stock Exchange has been commenced at 9:00 a.m. on 3 September 2020. For details, please refer to the Company's announcements dated 22 November 2019, 3 June 2020 and 19 August 2020.

五、其他重大事項(續)

8. 多個產品獲批准上市(續)

本公司從廣東東陽光藥業收購之產品奧氮平口崩片(5mg)已獲藥監局審批完畢並獲准上市。後續通過補充申請，該產品的上市許可持有人將變更為本公司或本公司的控股子公司。詳情請參閱本公司日期為二零二零年六月一日之公告。

本公司自主研究及開發產品重組人胰島素注射液已獲藥監局審批完畢並獲准上市。詳情請參閱本公司日期為二零二零年六月八日及二零二零年六月十五日之公告。

9. 本公司建議實施H股全流通

於二零二零年六月二日，本公司已收到中國證券監督管理委員會(「中國證監會」)就有關本公司提交的關於實施H股全流通的申請的正式批准函件(「中國證監會批准」)。根據中國證監會批准，本公司股東廣東東陽光科技控股股份有限公司持有的本公司226,200,000股境內未上市股份(「內資股」)可轉換為境外上市股份(「H股」)，相關股份完成轉換後可在聯交所上市(「股份轉換並上市」)。於二零二零年八月十八日，聯交所授出有關股份轉換並上市的上 市 批 准。已 獲 轉 換 的 226,200,000 股 H 股 已 於 二 零 二 零 年 九 月 三 日 上 午 九 時 正 開 始 在 聯 交 所 上 市。詳情請參閱本公司日期為二零一九年十一月二十二日、二零二零年六月三日及二零二零年八月十九日之公告。

Management Discussion and Analysis

管理層討論及分析

VI. EVENTS AFTER REPORTING PERIOD

六、報告期後事項

1. Completion of Bonus Issue of Shares

On 10 July 2020, the Company completed its issue of Bonus Shares, i.e. one (1) Bonus Share was issued for every one (1) existing Share (including tax). Following the completion of the aforementioned issue, the Company's shareholding structure is: 879,967,700 ordinary Shares, 452,400,000 of which are held by Shareholders of domestic Shares, representing 51.41% of the total number of ordinary Shares issued by the Company, while 427,567,000 Shares are held by Shareholders of H Shares, representing 48.59% of the total number of ordinary Shares issued by the Company. For details, please refer to the Company's next day disclosure return and the Company's articles of association dated 10 July 2020.

2. Various Products Approved to Launch

Linagliptin Tablets (5mg) acquired by the Company from Sunshine Lake Pharma has undergone the assessment and approval process and obtained approval for launch from the NMPA. Subsequently, the marketing authorization holder of such product will be changed to the Company or a controlled subsidiary of the Company through supplemental application. For details, please refer to the Company's announcement dated 20 July 2020.

Sitagliptin Phosphate Tablets, Sitagliptin Phosphate and Metformin Hydrochloride Tablets and Linagliptin and Metformin Hydrochloride Tablets acquired by the Company from Sunshine Lake Pharma have undergone the assessment and approval process and obtained approval for launch from the China National Medical Products Administration. Subsequently, the marketing authorization holder of the above products will be changed to the Company or a controlled subsidiary of the Company through supplemental application. For details, please refer to the Company's announcement dated 25 August 2020.

1. 完成派發紅股

於二零二零年七月十日，本公司完成派發紅股，即每一(1)股現有股份分派紅股一(1)股(含稅)。在上述事項完成後，本公司的股本結構為：普通股879,967,700股，其中內資股股東持有452,400,000股，佔本公司已發行普通股股份總數的51.41%，H股股東持有427,567,000股，佔本公司已發行普通股股份總數的48.59%。詳情請參閱本公司日期為二零二零年七月十日之翌日披露報表及公司章程。

2. 多個產品獲批准上市

本公司從廣東東陽光藥業收購之產品利格列汀片(5mg)已獲藥監局審批完畢並獲准上市。後續通過補充申請，該產品的上市許可持有人將變更為本公司或本公司的控股子公司。詳情請參閱本公司日期為二零二零年七月二十日之公告。

本公司從廣東東陽光藥業收購之產品磷酸西格列汀片、西格列汀二甲雙胍片和利格列汀二甲雙胍片已獲中國國家藥品監督管理局審批完畢並獲准上市。後續通過補充申請，上述產品的上市許可持有人將變更為本公司或本公司的控股子公司。詳情請參閱本公司日期為二零二零年八月二十五日之公告。

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管理層討論及分析

VI. EVENTS AFTER REPORTING PERIOD *(continued)*

3. Construction Work Contract

On 28 July 2020, the Company's direct wholly-owned subsidiary, HEC Pharmaceutical Manufacturing engaged in a construction work contract with Yidu Shanchengshuidu Project Construction Co., Ltd. ("**Yidu Construction**"), pursuant to which, HEC Pharmaceutical Manufacturing entrusted Yidu Construction to provide general contracting services (including architecture, engineering and construction) for the synthesis workshop 5, synthesis workshop 6 and synthesis workshop 8 located in Louzihe Village, Zhicheng Town, Yidu, China, in the phase I of innovative drugs and generic drugs project of the Company. For details, please refer to the Company's announcement dated 28 July 2020.

4. Listing Approval Granted regarding Full Circulation of H Shares

On 18 August 2020, the approval of the Share Conversion and Listing was granted by the Stock Exchange. The listing of the converted 226,200,000 H Shares on the Stock Exchange has been commenced at 9:00 a.m. on 3 September 2020. For details, please refer to the Company's announcement dated 19 August 2020 and 2 September 2020.

六、報告期後事項(續)

3. 建設工程施工合同

於二零二零年七月二十八日，本公司之直接全資附屬公司宜昌東陽光製藥與宜都山城水都建築工程有限公司(「**宜都建築**」)訂立建設工程施工合同，據此，宜昌東陽光製藥委託宜都建築提供位於中國宜都枝城鎮樓子河村的本公司創新藥仿製藥一期項目合成車間5、合成車間6及合成車間8的總承包服務(包括建築、工程及施工)。詳情請參閱本公司日期為二零二零年七月二十八日之公告。

4. H股全流通獲批准上市

於二零二零年八月十八日，聯交所授出有關股份轉換並上市的上市批准。已獲轉換的226,200,000股H股已於二零二零年九月三日上午九時正開始在聯交所上市。詳情請參閱本公司日期為二零二零年八月十九日及二零二零年九月二日之公告。

Management Discussion and Analysis

管理層討論及分析

VI. EVENTS AFTER REPORTING PERIOD (continued)

六、報告期後事項(續)

5. Successful bid for the centralized procurement

The Company participated in the tender process in respect of the Third National Centralized Procurement of Pharmaceuticals organized by the National Organization Office for the Centralized Procurement and Usage of Pharmaceuticals. Clarithromycin Tablets and Olanzapine Orally Disintegrating Tablets (products acquired by the Company from Sunshine Lake Pharma) have won the bid for the centralized procurement. For details, please refer to the Company's announcement dated 24 August 2020.

6. Intent in respect of national collaborative innovation industrialization platform for drugs of emergency prevention and control cum national antiviral drug centre

A letter of intent (the "**Letter of Intent**") was entered into among the Company, Wuhan Institute of Virology, Chinese Academy of Sciences, National Engineering Technology Research Center for Drugs of Emergency Prevention and Control and Sunshine Lake Pharma, pursuant to which, these parties will jointly establish a national military-civilian integrated collaborative industrialization platform for drugs of emergency prevention and control cum national antiviral drug centre. The objective of entering into the Letter of Intent is to provide the nation with various drug types, capabilities and technical reserve systems for drugs of emergency prevention and control, especially the establishment of the national collaborative innovation industrialization system for drugs of emergency prevention and control capable of providing rapid feedback. The parties will work together and fully exercise their respective expertise to establish a national innovation chain and industrial chain for drugs of emergency prevention and control, in order to complement each other and assist in protection of national public health and strategic security. For details, please refer to the Company's announcement dated 24 August 2020.

5. 集中採購中標

本公司參加了國家組織藥品集中採購和使用聯合採購辦公室組織的第三批國家組織藥品集中採購的投標。本公司從廣東東陽光藥業收購的克拉霉素片及奧氮平口崩片中標本次集中採購。詳情請參閱本公司日期為二零二零年八月二十四日之公告。

6. 國家應急防控藥物協同創新產業化平台暨國家抗病毒藥物中心之意向協議書

本公司與中國科學院武漢病毒研究所、國家應急防控藥物工程技術研究中心及廣東東陽光藥業簽署意向協議書(「**意向協議書**」)，據此，各方將共同建立國家應急防控藥物軍民融合協同產業化平台暨國家抗病毒藥物中心。是次意向協議書的簽訂旨在為國家在應急防控藥物方面提供各種藥物品種，及能力和技術儲備體系，特別是建立能夠提供快速反饋的國家應急防控藥物協同創新產業化體系。各方將共同合作，發揮各自的專長，打造國家應急防控藥物的創新鏈和產業鏈，補齊短板，助力保障國家公共衛生和戰略安全。詳情請參閱本公司日期為二零二零年八月二十四日之公告。

Management Discussion and Analysis

管理層討論及分析

VII. BUSINESS PROSPECTS OF THE GROUP OF THE SECOND HALF OF THE YEAR

With the gradual implementation of policies such as Consistency Evaluation and volume-based purchasing, China's pharmaceutical industry is facing unprecedented transformation and integration. The redistribution of medical resources and supply reforms have promoted the survival of the fittest in pharmaceutical companies, while also giving high-quality pharmaceutical companies a huge room for development.

2020 will be a year of remarkable results in the Group's business development. Recombinant Human Insulin Injection, of which research and development was carried out by the Group, has obtained approval for launch. Recombinant Human Insulin Injection is the first biologic drug of the Group approved to launch, which marked the beginning of the brand of the Group entering the field of biological medicine. During the Reporting Period, the Group also obtained approvals for launch of multiple generic drugs such as Entecavir Tablets (恩替卡韋片), Olanzapine Orally-Disintegrating Tablets (奧氮平口崩片) and Esomeprazole magnesium Enteric-Coated Capsules (艾司奧美拉唑鎂腸溶膠囊), and expected to obtain approvals for launch of another 10-12 drugs this year. As more products are approved for launch, the Group's product portfolio has further enriched, while at the same time providing new growth drivers for the Group's medium/long-term development.

Looking forward to the second half of 2020, the Group will continue to promote research and development and innovation to enrich its product portfolio; strengthen production management capabilities to ensure the supply of high-quality products; and improve the establishment of the sales team, to fully utilize the advantages of academic promotion and increase the coverage of medical institutions at all levels. The Group will continue to take "for everyone's health" as its mission, build a comprehensive pharmaceutical platform integrating research and development, production and sales, and advance toward the goal of a outstanding pharmaceutical enterprise in China and abroad.

七、本集團下半年業務前景

隨著一致性評價及集中採購等政策的逐步落地，中國醫藥行業面臨著前所未有的變革和整合。醫療資源的重新分配及供給側改革推動了醫藥企業的優勝劣汰，同時也給予優質醫藥企業可見的巨大發展空間。

二零二零年將是本集團業務拓展成效顯著的一年。本集團自主研發的重組人胰島素注射液已獲批准上市，是本集團第一款獲批准的生物製劑，標誌著本集團品牌進入生物藥領域的開端。報告期內，本集團亦獲得多個仿製藥品種的上市批件，包括恩替卡韋片、奧氮平口崩片及艾司奧美拉唑鎂腸溶膠囊，並預期將在本年度獲得另外10-12個品種的上市批件。隨著更多產品的獲批上市，本集團產品線覆蓋的治療領域將進一步多樣化，同時為本集團中長期的發展提供了新的增長動力。

展望二零二零年下半年，本集團將繼續推動研發創新，豐富產品組合；加強生產管理能力，確保高品質產品的供應；完善銷售隊伍建設，充分發揮學術推廣優勢並提高各級醫療機構覆蓋率。本集團將繼續堅定不移地以「為每個人的健康」為使命，打造集研發、生產及銷售為一體的綜合製藥平台，向著國內外一流醫藥企業的目標前進。

Management Discussion and Analysis

管理層討論及分析

VIII. USE OF PROCEEDS

1. Proceeds from the Global Offering

According to the final results of the Global Offering, the net proceeds raised from the Global Offering are approximately HK\$1,307.5 million (approximately RMB1,095.4 million).

In view of the relatively low interests rate on deposits and in order to enhance the efficiency of use of the net proceeds from the Global Offering and avoid exchange loss, based on the latest construction budget for the new oral formulation production plant and new insulin production plant, the Board resolved on 22 December 2017 to reallocate the unutilised net proceeds originally allocated to (i) new oral formulation production plant and (ii) promotional and marketing activities of approximately RMB701.4 million for (i) the new insulin production plant and (ii) working capital and general corporate purposes, including the payment of the patent royalties in connection with oseltamivir phosphate and cash dividends to the Shareholders.

八、所得款項用途

1. 全球發售所得款項

根據全球發售最終結果，全球發售募集資金淨額約港幣1,307.5百萬元（約人民幣1,095.4百萬元）。

鑒於存款利率相對較低，為提升全球發售所得款項淨額的使用效率及避免匯兌虧損，基於最新的新口服製劑生產工廠及新胰島素生產工廠的工程預算，董事會於二零一七年十二月二十二日決議將初始分配用作(i)興建新口服製劑生產工廠及(ii)產品推廣及營銷活動的未動用所得款項淨額約人民幣701.4百萬元進行重新分配，用於(i)興建新胰島素生產工廠及(ii)營運資金及一般企業用途，包括支付有關磷酸奧司他韋的專利授權許可使用費及股東現金股利等。

Management Discussion and Analysis

管理層討論及分析

VIII. USE OF PROCEEDS *(continued)*

1. Proceeds from the Global Offering *(continued)*

As at 30 June 2020, details of utilization of the net proceeds raised from the Global Offering are as follows:

		Revised allocation of use of net proceeds (Approximate RMB million)	Utilized amount as at 30 June 2020 (Approximate RMB million)	Expected timeline for utilising the unutilised net proceeds
		所得款項淨額 用途的經修訂分配 (約人民幣百萬元)	於二零二零年 六月三十日 的已動用金額 (約人民幣百萬元)	用未動用 所得款項的 預期時間表
New oral formulation production plant	新口服製劑生產工廠	300.00	300.00	by 31 December 2020 2020年12月31日之前
New insulin production plant	新胰島素生產工廠	328.70	328.70	by 31 December 2020 2020年12月31日之前
Promotional and marketing activities	推廣及營銷活動	136.10	136.10	by 31 December 2020 2020年12月31日之前
Working capital and general corporate purposes	營運資金及一般企業用途	330.60	316.08	by 31 December 2020 2020年12月31日之前
Total	總計	1,095.40	1,080.88	

八、所得款項用途(續)

1. 全球發售所得款項(續)

於二零二零年六月三十日，全球發售所得款項淨額的使用詳情如下：

Management Discussion and Analysis

管理層討論及分析

VIII. USE OF PROCEEDS *(continued)*

2. **Completion of the Issue of USD400,000,000 3.0% H Share Convertible Bonds to The Blackstone Group L.P. and its affiliates**

On 14 August 2018, the Company entered into the Subscription Agreement with the Blackstone Fund SPVs, pursuant to which, the Blackstone Fund SPVs have conditionally agreed to subscribe for, and the Company has conditionally agreed to issue, the H Share Convertible Bonds.

The H Share Convertible Bonds, which bear interest at the rate of 3.0% per annum and may be converted at the initial conversion price of HKD38 (which is subject to adjustment) per share into 82,631,578 conversion shares (assuming full conversion of the H Share Convertible Bonds), representing approximately 18.41% of the existing issued share capital of the Company as at the date of this report and approximately 15.55% of the total issued share capital as enlarged by the issue of the conversion shares.

The proceeds from the issue of the H Share Convertible Bonds are intended to be used for the purposes of the acquisition of drugs and other pharmaceutical products (including active pharmaceutical ingredients), capital expenditure on production facilities, expansion of sales and distribution networks and other purposes subject to the prior written consent of the subscriber.

The issue of H Share Convertible Bonds represents an excellent opportunity for the Company to embrace market opportunities and enhance its market positions in the pharmaceutical industry. At the same time, the Group plans to tap this opportunity to introduce The Blackstone Group L.P. and its affiliates as a long-term strategic investor to help the Company carry out drug acquisitions, advance its development strategy, operation and management, strengthen international cooperation, and improve corporate governance and investor relations.

八、所得款項用途(續)

2. 完成向The Blackstone Group L.P.及其關聯方發行400,000,000美元年利率為3.0%的H股可轉換債券

於二零一八年八月十四日，本公司與黑石基金特殊目的實體訂立認購協議，據此，黑石基金特殊目的實體已有條件同意認購，而本公司已有條件同意發行H股可轉換債券。

H股可轉換債券按以年利率3.0%計息，且可按每股38港元(可予調整)的初始轉換價格轉換為82,631,578股轉換股份(假設H股可轉換債券獲悉數轉換)，佔於本報告日期本公司現有已發行股本的約18.41%及佔經發行轉換股份擴大的已發行股本總額的約15.55%。

發行H股可轉換債券所得資金擬用於收購藥品和其他製藥產品(包括原料藥)、生產設施資本支出、擴大銷售和分銷網絡以及受限於認購人事先書面同意的其他目的。

發行H股可轉換債券是本公司把握市場機遇及提升於醫藥行業的市場地位的良機。同時，本集團計劃藉此機會引入The Blackstone Group L.P.及其聯屬公司作為長期戰略投資者，以幫助本公司開展藥品收購，推進發展策略、運營及管理，加強國際合作及提升企業管治及投資者關係。

Management Discussion and Analysis

管理層討論及分析

VIII. USE OF PROCEEDS *(continued)*

2. **Completion of the Issue of USD400,000,000 3.0% H Share Convertible Bonds to The Blackstone Group L.P. and its affiliates** *(continued)*

All the conditions precedent for the issue and subscription of the H Share Convertible Bonds under the Subscription Agreement have been fulfilled and that completion took place on 20 February 2019.

On 20 February 2019, the Company issued a tranche of 1,600 H Share Convertible Bonds with an aggregate principal amount of USD400,000,000. Each has a face value of USD250,000. The Company has received the net proceeds from the issue of the H Share Convertible Bonds, after deduction of expenses payable in connection with the issue of the H Share Convertible Bonds, of approximately USD396.44 million, with net proceeds from each of the H Share Convertible Bonds amounting to approximately USD247,778.

On 5 June 2020, the conversion price of the Convertible Bonds has been adjusted from HK\$38 per conversion share to HK\$19 per conversion share as the Shareholders have approved the bonus issue of shares at the 2019 annual general meeting. Based on the total outstanding principal amount of the H Share Convertible Bonds of USD400,000,000, the maximum number of shares that will be issued upon conversion of all the outstanding bonds at the adjusted conversion price is 165,263,156 shares.

八、所得款項用途 *(續)*

2. 完成向The Blackstone Group L.P.及其關聯方發行400,000,000美元年利率為3.0%的H股可轉換債券 *(續)*

認購協議項下之發行及認購H股可轉換債券的全部先決條件已獲滿足，故於二零一九年二月二十日交割。

於二零一九年二月二十日，本公司發行1批1,600份的H股可轉換債券，本金金額合共為400,000,000美元。每一份的面值為250,000美元。本公司已收到發行H股可轉換債券所得資金淨額（經扣除發行H股可轉換債券相關應付費用後）約為396.44百萬美元，每一份H股可轉換債券所得淨額約為247,778美元。

於二零二零年六月五日，股東於二零一九年股東週年大會上批准發行紅股，故H股可轉換債券的轉換價格已由每股轉換股份38港元調整為每股轉換股份19港元，而根據於H股可轉換債券的未償還本金總額400,000,000美元計算，按經調整轉換價格轉換所有未償還債券後將予發行的最高股份數目為165,263,156股。

Management Discussion and Analysis

管理層討論及分析

VIII. USE OF PROCEEDS *(continued)*

2. Completion of the Issue of USD400,000,000 3.0% H Share Convertible Bonds to The Blackstone Group L.P. and its affiliates *(continued)*

As of 30 June 2020, the use of proceeds from the H Share Convertible Bonds is as follows:

八、所得款項用途(續)

2. 完成向The Blackstone Group L.P.及其關聯方發行400,000,000美元年利率為3.0%的H股可轉換債券(續)

截至二零二零年六月三十日，H股可轉換債券所得款項的使用情況如下：

Items	Percentage of net proceeds utilized for such item 就該項目已動用之所得款項淨額之百分比	Accumulated amount being utilized for such item (USD million) 就該項目已動用之累計金額 (百萬美元)
項目		
(i) For the acquisition of drugs and other pharmaceutical products (including active pharmaceutical ingredients) 用於收購藥品和其他製藥產品(包括原料藥)	55.76%	221.07
(ii) For capital expenditure on production facilities 用作生產設施資本支出	3.04%	12.04
(iii) For the expansion of sales and distribution networks and other purposes 用於擴大銷售和經銷網絡以及其他目的	18.97%	75.21
(iv) Distributing final dividend of H Share for 2018 2018年H股末期分紅	4.53%	17.94
(v) Interest paid to Blackstone 支付黑石利息	2.62%	10.40
(vi) Increasing capital in Yidu HEC Pharmaceutical 向宜都東陽光製藥有限公司增資	3.73%	14.80
(vii) Repurchase of H Share 回購H股股份	11.35%	44.98
Total 總計	100%	396.44

Management Discussion and Analysis

管理層討論及分析

VIII. USE OF PROCEEDS *(continued)*

2. **Completion of the Issue of USD400,000,000 3.0% H Share Convertible Bonds to The Blackstone Group L.P. and its affiliates** *(continued)*

As of 30 June 2020, proceeds from H Share Convertible Bonds were completely utilized. As of the date of this interim report, no conversion rights for H Share Convertible Bonds have been exercised.

Details of the H Share Convertible Bonds were disclosed in the announcements of the Company dated 14 August 2018, 15 October 2018, 20 February 2019 and 16 June 2020 and the circular of the Company dated 11 September 2018.

八、所得款項用途(續)

2. 完成向The Blackstone Group L.P.及其關聯方發行400,000,000美元年利率為3.0%的H股可轉換債券(續)

截至二零二零年六月三十日，H股可轉換債券所得款項已經使用完畢。於本中期報告日期，概無H股可轉換債券項下的轉換權獲行使。

有關H股可轉換債券之詳情於本公司日期為二零一八年八月十四日、二零一八年十月十五日、二零一九年二月二十日及二零二零年六月十六日之公告及本公司日期為二零一八年九月十一日之通函內披露。

Corporate Governance and Other Information 企業管治及其他資料

COMPLIANCE WITH 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 2020.

COMPLIANCE WITH CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix 10 of the Listing Rules as the code of conduct regarding securities transactions of the Company by the directors (the “**Director(s)**”) and supervisors of the Company. Upon making specific enquiries to all of the Directors and supervisors of the Company, each of the Directors and supervisors of the Company confirmed that during the six months ended 30 June 2020, each of the Directors and supervisors of the Company had fully complied with the required standards set out in the Model Code.

AUDIT COMMITTEE

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

The Audit Committee of the Company has reviewed the Group's 2020 interim results announcement, interim report and the unaudited interim financial statements for the six months ended 30 June 2020 prepared in accordance with the IFRSs.

SHARE CAPITAL

As of 30 June 2020, the total share capital of the Company was RMB439,983,850, divided into 439,983,850 shares of RMB1.00 each (including 226,200,000 domestic shares (“**Domestic Share(s)**”) and 213,783,850 H shares (“**H Share(s)**”).

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，並於截至二零二零年六月三十日止六個月期間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二零二零年六月三十日止六個月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）、趙大堯先生（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。

本公司的審核委員會已審閱根據國際財務報告準則編製的本集團二零二零年中期業績公告、中期報告及截至二零二零年六月三十日止六個月的未經審核中期財務報表。

股本

於二零二零年六月三十日，本公司的股本總額為人民幣439,983,850元，分為439,983,850股（包括226,200,000股內資股（「**內資股**」）及213,783,850股H股（「**H股**」））每股人民幣1.00元的股份。

Corporate Governance and Other Information

企業管治及其他資料

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

As at 30 June 2020, to the knowledge of the Directors, the following Directors, supervisors and chief executive of the Company had interests or short positions in the Shares, underlying shares or debentures of the Company and 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 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

於二零二零年六月三十日，就董事所知，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由本公司存置的登記冊內的權益及淡倉，或須根據標準守則知會本公司及聯交所的權益及淡倉：

Name	Types of Shares	Capacity	Number of shares/ underlying shares held (shares)	Approximate percentage of relevant class of share capital	Approximate percentage of total issued share capital
姓名	股份類別	身份	持有股份／相關股份數目(股)	相關類別股本的概約百分比(%)	已發行股本總額的概約百分比(%)
Directors 董事					
TANG Xinfa 唐新發	H Shares H 股	Beneficial owner 實益擁有人	65,200 (L)	0.030%	0.015%
CHEN Yanguai 陳燕桂	H Shares H 股	Beneficial owner 實益擁有人	33,200 (L)	0.016%	0.008%
LI Shuang 李爽	H Shares H 股	Beneficial owner 實益擁有人	33,400 (L)	0.016%	0.008%
WANG Danjin 王丹津	H Shares H 股	Beneficial owner 實益擁有人	33,600 (L)	0.016%	0.008%
JIANG Juncai 蔣均才	H Shares H 股	Beneficial owner 實益擁有人	33,400 (L)	0.016%	0.008%
Supervisors 監事					
WANG Shengchao 王勝超	H Shares H 股	Beneficial owner 實益擁有人	16,000 (L)	0.007%	0.004%
LUO Zhonghua 羅忠華	H Shares H 股	Beneficial owner 實益擁有人	33,400 (L)	0.016%	0.008%

(L) — Long position

(L) — 好倉

Corporate Governance and Other Information

企業管治及其他資料

The calculation is based on the total number of 439,983,850 shares in issue of the Company as at 30 June 2020, comprising 226,200,000 Domestic Shares and 213,783,850 H Shares.

Save as disclosed above, as at 30 June 2020, to the knowledge of 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 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 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 2020, 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:

Name of Shareholders	Types of Shares	Capacity	Number of underlying shares held (shares) 持有股份/ 相關股份數目 (股)	Number of underlying shares held under equity derivatives (shares) 以股本衍生工具 持有相關股份 數目(股)	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 (%)
股東名稱	股份類別	身份				
Guangdong HEC Technology Holding Co., Ltd. 廣東東陽光科技控股股份有限公司	Domestic Shares 內資股	Beneficial owner 實益擁有人	226,200,000 (L)	-	100% (L)	51.41% (L)

計算乃根據本公司於二零二零年六月三十日的已發行股份總數439,983,850股而得出，包括226,200,000股內資股及213,783,850股H股。

除上文所披露者外，於二零二零年六月三十日，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(「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

於二零二零年六月三十日，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	Types of Shares	Capacity	Number of shares/ underlying shares held (shares) 持有股份/ 相關股份數目 (股)	Number of underlying shares held under equity derivatives (shares) 以股本衍生工具持有相關股份數目 (股)	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 (%)
股東名稱	股份類別	身份				
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% (L)	51.41% (L)
Shaoguan Xinyuneng Industrial Investment Company Limited ² 韶關新寓能實業投資有限公司 ²	Domestic Shares 內資股	Interest in controlled corporation 受控制法團權益	226,200,000 (L)	–	100% (L)	51.41% (L)
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% (L)	51.41% (L)
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% (L)	51.41% (L)
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% (L)	51.41% (L)
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% (L)	51.41% (L)
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	79,433,600 (L)	–	37.16% (L)	18.05% (L)
	H Shares H股	Beneficial owner 實益擁有人	75,000,000 (S)	–	35.08% (S)	17.05% (S)
North & South Brother Investment Holdings Limited ⁵	H Shares H股	Interest in controlled corporation 受控制法團權益	79,433,600 (L)	–	37.16% (L)	18.05% (L)
	H Shares H股	Interest in controlled corporation 受控制法團權益	75,000,000 (S)	–	35.08% (S)	17.05% (S)

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Name of Shareholders	Types of Shares	Capacity	Number of shares/ underlying shares held (shares) 持有股份／ 相關股份數目 (股)	Number of underlying shares held under equity derivatives (shares) 以股本衍生工具 持有相關股份 數目(股)	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 (%)
股東名稱	股份類別	身份				
Mr. MO Kit ⁵ 毛杰先生 ⁵	H Shares H股	Interest in controlled corporation 受控制法團權益	79,433,600 (L)	–	37.16% (L)	18.05% (L)
	H Shares H股	Interest in controlled corporation 受控制法團權益	75,000,000 (S)	–	35.08% (S)	17.05% (S)
Sanxing Electric (Hong Kong) Company Limited	H Shares H股	Beneficial owner 實益擁有人	13,480,400 (L)	–	6.31% (L)	3.06% (L)
Ningbo Sanxing Medical Electric Co., Ltd. ⁶	H Shares H股	Interest in controlled corporation 受控制法團權益	13,480,400 (L)	–	6.31% (L)	3.06% (L)
AUX Holdings Co., Ltd. ⁶	H Shares H股	Interest in controlled corporation 受控制法團權益	13,480,400 (L)	–	6.31% (L)	3.06% (L)
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	13,480,400 (L)	–	6.31% (L)	3.06% (L)
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	13,480,400 (L)	–	6.31% (L)	3.06% (L)
Stephen A. Schwarzman ⁸	H Shares H股	Interest in controlled corporation 受控制法團權益	–	82,631,578 (L)	38.65% (L)	18.78% (L)
The Blackstone Group L.P. ⁸	H Shares H股	Interest in controlled corporation 受控制法團權益	–	82,631,578 (L)	38.65% (L)	18.78% (L)
Blackstone Dawn Pte. Ltd. ⁸	H Shares H股	Beneficial owner 實益擁有人	–	80,978,946 (L)	37.88% (L)	18.40% (L)
Pacific Asset Management Co., Ltd.	H Shares H股	Investment manager 項目經理	17,415,600 (L)	–	8.15%	3.96%

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Name of Shareholders	Types of Shares	Capacity	Number of shares/ underlying shares held (shares) 持有股份/ 相關股份數目 (股)	Number of underlying shares held under equity derivatives (shares) 以股本衍生工具持有相關股份數目 (股)	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 (%)
股東名稱	股份類別	身份				
LSV Asset Management	H Shares H股	Investment manager 投資經理	15,721,400 (L)	-	7.35% (L)	3.57% (L)
Morgan Stanley [®]	H Shares H股	Interest in controlled corporation 受控制法團權益	22,712,530 (L) 9,017,525 (S)	-	10.62% (L) 4.22% (S)	5.16% (L) 2.05% (S)

(L) — Long position

(L) — 好倉

(S) — Short position

(S) — 淡倉

The calculation is based on the total number of 439,983,850 shares in issue of the Company as at 30 June 2020, comprising 226,200,000 Domestic Shares and 213,783,850 H Shares.

計算乃根據本公司於二零二零年六月三十日已發行股份總數 439,983,850 股而得出，其中包括 226,200,000 股內資股及 213,783,850 股 H 股。

Notes:

附註：

* Mr. Tang Xinfa is a director of Shenzhen HEC Industrial Development Co., Ltd..

* 唐新發先生為深圳市東陽光實業發展有限公司的董事。

1. The shareholding information of the shareholders of the Company as at 30 June 2020 are based on the information recorded in the register required to be kept by the Company under section 352 of the SFO.

1. 本公司股東於二零二零年六月三十日的持股資料乃根據本公司按照證券及期貨條例第 352 條須予備存的登記冊所記錄的資料。

2. As at 30 June 2020, Shenzhen HEC Industrial Development Co., Ltd. owned 27.97% equity interest in Guangdong HEC Technology Holding Co., Ltd., therefore Shenzhen HEC Industrial Development Co., Ltd. is deemed to be interested in the Shares held by Guangdong HEC Technology Holding Co., Ltd..

2. 於二零二零年六月三十日，深圳市東陽光實業發展有限公司擁有廣東東陽光科技控股股份有限公司 27.97% 股本權益，因此深圳市東陽光實業發展有限公司被視為於廣東東陽光科技控股股份有限公司所持有之股份中擁有權益。

Ruyuan Yao Autonomous County Yuneng Electric Industrial Co., Ltd. owned 42.34% equity interest in Shenzhen HEC Industrial Development Co., Ltd. and 58% equity interest in Shaoguan Xinyuneng Industrial Investment Company Limited, which owned 27.00% equity interest in Shenzhen HEC Industrial Development Co., Ltd., therefore Ruyuan Yao Autonomous County Yuneng Electric Industrial Co., Ltd. is deemed to be interested in the Shares which are interested by Shenzhen HEC Industrial Development Co., Ltd..

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 27.00% 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圳市東陽光實業發展有限公司擁有的股份中擁有權益。

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- Ruyuan Yao Autonomous County Xinjing Technology Development Co., Ltd. owned 30.66% equity interest in Shenzhen HEC Industrial Development Co., Ltd. and 42% equity interest in Shaoguan Xinyuneng Industrial Investment Company Limited, which owned 27.00% equity interest in Shenzhen HEC Industrial Development Co., Ltd., therefore Ruyuan Yao Autonomous County Xinjing Technology Development Co., Ltd. is deemed to be interested in the Shares which are interested by Shenzhen HEC Industrial Development Co., Ltd.
3. As at 30 June 2020, 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.
4. As at 30 June 2020, 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.
5. As at 30 June 2020, 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. Mr. MO Kit owned 100% equity interest in North & South Brother Investment Holdings Limited and therefore, he is deemed to be interested in the Shares which are interested by North & South Brother Investment Holdings Limited.
6. As at 30 June 2020, 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 32.08% and 16.47% equity interest in Ningbo Sanxing Medical Electric Co., Ltd. respectively.
- Mr. Zheng Jianjiang owned 85% equity interest in Ningbo Yuanhe Electronics Technology Co., Ltd and owned 85% equity interest in Ningbo Yuanxing Industrial Investments Co., Ltd. Also, Ningbo Yuanhe Electronics Technology Co., Ltd and Ningbo Yuanxing Industrial Investments Co., Ltd owned 35% and 65% equity interest in AUX Holdings Co., Ltd. respectively. 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 2020, 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.
- 乳源瑤族自治縣新京科技發展有限公司擁有深圳市東陽光實業發展有限公司30.66%股本權益及擁有韶關新寓能實業投資有限公司(其擁有深圳市東陽光實業發展有限公司27.00%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圳市東陽光實業發展有限公司擁有的股份中擁有權益。
- 於二零二零年六月三十日，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。
- 於二零二零年六月三十日，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，且根據證券及期貨條例被視為於張先生擁有的股份中擁有權益。
- 於二零二零年六月三十日，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。毛杰先生於North & South Brother Investment Holdings Limited擁有100%股本權益，因此被視為於North & South Brother Investment Holdings Limited擁有的股份中擁有權益。
- 於二零二零年六月三十日，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. 32.08%及16.47%股本權益。
- 鄭堅江先生擁有Ningbo Yuanhe Electronics Technology Co., Ltd 85%股本權益以及擁有Ningbo Yuanxing Industrial Investments Co., Ltd. 85%股本權益。此外，Ningbo Yuanhe Electronics Technology Co., Ltd及Ningbo Yuanxing Industrial Investments Co., Ltd分別擁有AUX Holdings Co., Ltd 35%及65%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。
- 於二零二零年六月三十日，何意菊女士是鄭堅江先生的配偶，因而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。

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8. This represents the Shares to be issued upon the exercise of the conversion right attached to the H Share convertible bonds, which price being initially HK\$38 per H Share, subject to adjustment. Stephen A. Schwarzman through The Blackstone Group L.P. and its directly and indirectly controlled entities are deemed to be interested in the unlisted derivatives— convertible instruments of which 80,978,946 Shares held by Blackstone Dawn Pte. Ltd., 464,803 Shares held by Blackstone Dawn Holdings ESC (Cayman) Ltd. and 1,187,829 Shares held by BCP VII Dawn ESC (Cayman) NQ Ltd.

9. These interests include derivative interests, of which 8,166,000 H Shares (short position) underlying shares are derived from unlisted and physically settled derivatives, 52,247 H Shares (long position) and 8,926 H Shares (short position) underlying shares are derived from unlisted and cash settled derivatives.

Save as disclosed above, as at 30 June 2020, 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 Divisions 2 and 3 of Part XV of the SFO, or which are required to be recorded in the register of the Company required to be kept under section 336 of the SFO.

8. 此代表行使H股可轉換債券上的轉換權時將予發行之股份。初始價格為每股H股38港元(可予調整)。Stephen A. Schwarzman透過The Blackstone Group L.P.及其直接及間接控制實體被視為於非上市衍生之可轉換工具中擁有權益，其中Blackstone Dawn Pte. Ltd.所持80,978,946股股份，Blackstone Dawn Holdings ESC (Cayman) Ltd.所持464,803股股份及BCP VII Dawn ESC (Cayman) NQ Ltd.所持1,187,829股股份。

9. 該等權益包括衍生權益，其中8,166,000股H股(淡倉)相關股份衍生自非上市及以實物交收之衍生工具，52,247股H股(好倉)及8,926股H股(淡倉)相關股份衍生自非上市及以現金交收之衍生工具。

除上文所披露者外，於二零二零年六月三十日，據董事所知，概無任何人士(除董事、本公司監事或最高行政人員外)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，或須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任何權益或淡倉。

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PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the six months ended 30 June 2020, the Company repurchased a total of 4,908,800 H Shares on the Stock Exchange at an aggregate cash consideration of HK\$148,123,340 (excluding expenses). Particulars of the repurchases are as follows:

Period of repurchase	購回期間	Total number of H Shares repurchased 已購回H股總數目	Price paid per share 已付每股之價格		Aggregate consideration 總代價
			Highest 最高 HK\$ 港元	Lowest 最低 HK\$ 港元	
January 2020	二零二零年一月	500,000	40.70	40.10	20,201,860
April 2020	二零二零年四月	1,280,600	29.89	28.95	37,845,520
May 2020	二零二零年五月	3,128,200	29.65	26.88	90,075,960
		4,908,800			148,123,340

Saved as disclosed herein, from 30 June 2020 up to the date of this report, no repurchase of Shares (whether on the Stock Exchange or otherwise) had been made by the Company. The repurchased H Shares were cancelled on 9 April 2020 and 10 June 2020 respectively.

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

PLEDGING OF SHARES BY THE CONTROLLING SHAREHOLDER

The controlling shareholder of the Company didn't pledge any of its shares in the Company to secure the Company's debts or to secure guarantees or other support of the Company's obligations during the six months ended 30 June 2020.

購買、出售或贖回本公司的上市證券

截至二零二零年六月三十日止六個月，本公司於聯交所購回總計4,908,800股H股，總現金代價（不包括開支）為148,123,340港元。有關購回之詳情如下：

除本報告所披露者外，自二零二零年六月三十日至本報告日期為止，本公司並無回購任何股份（無論是否在聯交所進行）。回購的H股已分別於二零二零年四月九日及二零二零年六月十日註銷。

除上文所披露者外，本公司或其任何附屬公司於截至二零二零年六月三十日止六個月概無購買、出售或贖回本公司任何上市證券。

控股股東股份抵押

截至二零二零年六月三十日止六個月，本公司控股股東並無為本公司的債務或為本公司取得擔保或其他債務支持作出保證而抵押本公司任何股份。

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LOAN AGREEMENTS OR FINANCIAL ASSISTANCE OF THE COMPANY

The Company didn't provide any financial assistance nor guarantee to its affiliated companies during the six months ended 30 June 2020, which would give rise to a disclosure under Rule 13.16 of the Listing Rules. The Company didn't enter into any loan agreement with covenants relating to specific performance of its controlling shareholder nor breach the terms of any loan agreements during the six months ended 30 June 2020.

SHARE OPTION SCHEME

The Company did not adopt any share option scheme.

INTERIM DIVIDEND

The Board resolved to recommend the payment of interim dividends of RMB0.1 (tax inclusive) per share for the six months ended 30 June 2020 (the **"2020 Interim Dividend"**) with an aggregate amount of approximately RMB88.0 million to Shareholders whose names are listed on the Company's register of members as at Tuesday, 6 October 2020, subject to the approval by the Shareholders at the 2020 third extraordinary general meeting of the Company (the **"EGM"**) to be held on Friday, 25 September 2020. The 2020 Interim Dividend will be denominated and declared in RMB. The Company will pay dividends in respect of H shares in HKD. Once the relevant resolution is passed at the EGM, the 2020 Interim Dividend is expected to be paid on Monday, 16 November 2020.

本公司的貸款協議或財務資助

截至二零二零年六月三十日止六個月，本公司並無向其聯屬公司提供任何根據上市規則第13.16條須予以披露之財務資助或擔保。截至二零二零年六月三十日止六個月，本公司並無訂立任何具有其控股股東須履行特定責任相關契約的貸款協議，亦無違反任何貸款協議的條款。

購股權計劃

本公司並無採納任何購股權計劃。

中期股息

董事會決議建議派發截至二零二零年六月三十日止六個月中期股息每股人民幣0.1元(含稅)(「二零二零年中期股息」)予於二零二零年十月六日(星期二)名列本公司股東名冊的股東，總金額約人民幣88.0百萬元，惟待股東於本公司將於二零二零年九月二十五日(星期五)舉行的二零二零年第三次臨時股東大會(「臨時股東大會」)上的批准，方可作實。二零二零年中期股息將會以人民幣計值及宣派。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，二零二零年中期股息預計將於二零二零年十一月十六日(星期一)派發。

Corporate Governance and Other Information

企業管治及其他資料

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 proposed 2020 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.

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, 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%.

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二零二零年中期股息時，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。

根據《中華人民共和國個人所得稅法》及其實施條例以及《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。對於協議稅率高於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議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。

Corporate Governance and Other Information

企業管治及其他資料

Pursuant to the requirements under the Notice on Tax Policies for Shenzhen-Hong Kong Stock Connect Pilot Program (Cai Shui [2016] No. 127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)) promulgated by Ministry of Finance of the PRC, State Administration of Taxation and China Securities Regulatory Commission on 5 November 2016, for dividends received by domestic individual investors from investing in H shares listed on the Stock Exchange through Pilot Program of the Shenzhen-Hong Kong Stock Connect (“**Shenzhen-Hong Kong Stock Connect**”), the Company shall withhold and pay individual income tax at the rate of 20% on their behalf in accordance with the register of individual domestic investor as provided by the China Securities Depository and Clearing Corporation Limited (“**CSDCCL**”). For dividends received by domestic enterprises from investing in H shares listed on the Stock Exchange through Shenzhen-Hong Kong Stock Connect, the Company will not withhold the income tax of dividends for domestic enterprise investors in accordance with the register of the mainland enterprise investors as provided by CSDCCL and the tax payable shall be declared and paid by those domestic enterprise investors themselves, subject to corporate income taxes according to relevant laws and regulations or exempt from the corporate income tax.

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 the regulations of Announcement No. 35 [2019] of the State Taxation Administration, Announcement of the State Taxation Administration on Issuing the Measures for Non-resident Taxpayers’ Enjoyment of Treaty Benefits (《非居民納稅人享受協定待遇管理辦法》公告) (the “**Measures**”). The aforesaid Shareholders shall provide complete information as required by the Measures to the Company by 16 October 2020. 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.

根據中國財政部、國家稅務總局、中國證券監督管理委員會於二零一六年十一月五日發佈的《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)的規定，對內地個人投資者通過深港股票市場交易互聯互通機制試點(「**深港通**」)，投資聯交所上市H股取得的股息紅利，本公司將根據中國證券登記結算有限責任公司(「**中國結算**」)提供的內地個人投資者名冊，按照20%的稅率代扣個人所得稅；對內地企業投資者通過深港通投資聯交所上市股票取得的股息紅利所得，公司將根據中國結算提供的內地企業投資者名冊，不代扣股息紅利所得稅款，由內地企業投資者自行申報繳納，自行依法計徵或免徵企業所得稅。

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議或安排的相關規定，以及國家稅務總局公告2019年第35號，國家稅務總局關於發佈《非居民納稅人享受協定待遇管理辦法》公告(「**辦法**」)的規定，在辦理相關手續後享受優惠稅率。以上股東須於二零二零年十月十六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 2020 Interim Dividend, the H share register of members of the Company will be closed from Tuesday, 22 September 2020 to Friday, 25 September 2020, (both days inclusive) and from Thursday, 1 October 2020 to Tuesday, 6 October 2020, (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 Monday, 21 September 2020. In order to qualify for receiving the proposed 2020 Interim Dividend (subject to the approval by the Shareholders at the EGM), unregistered Shareholders of H shares of the Company shall lodge the share 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, 30 September 2020.

CHANGE IN INFORMATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Fu Hailiang resigned from his position as an independent non-executive Director, the chairman of the Remuneration and Evaluation Committee of the Board and a member of the Nomination Committee of the Board due to his decision to devote more time to his other business commitments with effect from 5 June 2020. Ms. Xiang Ling was appointed as an independent non-executive Director, the chairman of the Remuneration and Evaluation Committee of the Board and a member of the Nomination Committee of the Board with effect from 5 June 2020. For details, please refer to the announcements of the Company dated 27 March 2020 and 5 June 2020 and the circular of the Company dated 29 April 2020.

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二零二零年中期股息的資格，本公司將分別於二零二零年九月二十二日(星期二)至二零二零年九月二十五日(星期五)(包括首尾兩天)期間及於二零二零年十月一日(星期四)至二零二零年十月六日(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股股份持有人須於二零二零年九月二十一日(星期一)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。為了符合獲派擬派二零二零年中期股息(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二零二零年九月三十日(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

付海亮先生由於決定投放更多時間於彼之其他業務承擔，已辭去獨立非執行董事、董事會薪酬與考核委員會主席及董事會提名委員會委員之職務，於二零二零年六月五日生效。向凌女士獲委任為本公司獨立非執行董事、董事會薪酬與考核委員會主席及董事會提名委員會委員之職務，於二零二零年六月五日生效。有關詳情載於本公司日期為二零二零年三月二十七日及二零二零年六月五日之公告及本公司日期為二零二零年四月二十九日之通函。

Corporate Governance and Other Information

企業管治及其他資料

Saved as above, there has been no change in the information of Directors, supervisors and senior management of the Company that is required to be disclosed under Rules 13.51(2) and 13.51B of the Listing Rules since the publication of the 2019 annual report of the Company.

除上文披露者外，自刊發本公司二零一九年年度報告以來，概無本公司董事、監事及高級管理層資料變動而須根據上市規則第13.51(2)及13.51B條予以披露。

On behalf of the Board

代表董事會

YiChang HEC ChangJiang Pharmaceutical Co., Ltd.

宜昌東陽光長江藥業股份有限公司

TANG Xinfa

董事長

Chairman

唐新發

Hubei, the PRC

中國，湖北

21 August 2020

二零二零年八月二十一日



**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)

**宜昌東陽光長江藥業股份有限公司
董事會之獨立審閱報告**

(於中華人民共和國註冊成立的股份有限公司)

INTRODUCTION

We have reviewed the interim financial report set out on pages 73 to 112 which comprises the consolidated statement of financial position of YiChang HEC ChangJiang Pharmaceutical Co., Ltd. (the "Company") as of 30 June 2020 and the related consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity and the condensed consolidated cash flow statement for the six months 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 the 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.

緒言

我們已審閱第73頁至第112頁所載的中期財務報告，該報告包括宜昌東陽光長江藥業股份有限公司（「貴公司」）於二零二零年六月三十日的綜合財務狀況表及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，編製中期財務報告時須遵循當中有關條文以及國際會計準則理事會頒佈之國際會計準則第34號中期財務報告。貴公司董事須負責根據國際會計準則第34號編製及呈列中期財務報告。

我們的責任是根據我們的審閱對本中期財務報告作出結論，並按照委聘的協定條款僅向整體董事會報告，且不作其他用途。我們不會就本報告的內容向任何其他人士負責或承擔任何責任。

Review Report 審閱報告

SCOPE OF REVIEW

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

CONCLUSION

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

KPMG

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

21 August 2020

審閱範圍

我們已根據香港會計師公會頒佈的香港審閱工作準則第2410號「由實體的獨立核數師執行中期財務資料審閱」進行審閱。執行中期財務報告審閱工作包括主要向負責財務和會計事務的人員作出查詢，並應用分析性和其他審閱程序。由於審閱的範圍遠少於按照香港核數準則進行審核的範圍，故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宜。因此，我們不會發表任何審核意見。

結論

根據我們的審閱，我們並無發現任何事項，令我們相信於二零二零年六月三十日中期財務報告在各重大方面未有根據國際會計準則第34號中期財務報告編製。

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

二零二零年八月二十一日

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 2020 — unaudited
(Expressed in Renminbi)
截至二零二零年六月三十日止六個月 — 未經審核
(以人民幣呈列)

		Six months ended 30 June		
		截至六月三十日止六個月		
		2020	2019	
		二零二零年	二零一九年	
		RMB'000	RMB'000	
		人民幣千元	人民幣千元	
	Note 附註			
Revenue	營業額	3	2,083,705	3,071,259
Cost of sales	銷售成本		(352,864)	(450,439)
Gross profit	毛利		1,730,841	2,620,820
Other net income/(expenses)	其他收入/(開支)淨額	5(a)	48,340	(51,192)
Distribution costs	分銷成本		(686,862)	(1,117,203)
Administrative expenses	行政管理開支		(215,305)	(202,049)
Reversal impairment losses on trade and other receivables	貿易及其他應收款項減值虧損撥回		5,171	6,991
Other operating expenses	其他經營開支		(1,285)	(300)
Profit from operations	經營溢利		880,900	1,257,067
Finance costs	融資成本	5(b)	(123,064)	(84,433)
Profit before taxation	除稅前溢利	5	757,836	1,172,634
Income tax	所得稅	6	(141,095)	(212,464)
Profit for the period	期內溢利		616,741	960,170
Profit and total comprehensive income for the period attributable to:	歸屬於以下項目的期內溢利及全面收益總額：			
Equity shareholders of the Company	本公司權益股東		617,508	968,424
Non-controlling interests	非控股權益		(767)	(8,254)
Profit and total comprehensive income for the period	期內溢利及全面收益總額		616,741	960,170
Earnings per share	每股盈利	7		
Basic	基本		RMB0.70	RMB1.09
			人民幣0.70	人民幣1.09
Diluted	攤薄		RMB0.63	RMB1.09
			人民幣0.63	人民幣1.09

The notes on pages 79 to 112 form part of this interim financial report. Details of dividends payable to equity shareholders of the Company are set out in Note 16(a).

第79頁至112頁之附註構成本中期財務報告一部份。應付本公司權益股東的股息詳情載於附註16(a)。

Consolidated Statement of Financial Position

綜合財務狀況表

at 30 June 2020 — unaudited
(Expressed in Renminbi)
於二零二零年六月三十日 — 未經審核
(以人民幣呈列)

		Note 附註	At 30 June 2020 於二零二零年 六月三十日 RMB'000 人民幣千元	At 31 December 2019 於二零一九年 十二月三十一日 RMB'000 人民幣千元
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	8	2,144,760	1,790,722
— Ownership interests in leasehold land held for own use	— 持作自用之租賃土地 所有權權益	8	302,177	234,785
Intangible assets	無形資產	9	1,656,666	828,295
Goodwill	商譽		75,896	75,896
Prepayments	預付款項	10	1,442,011	1,556,171
Deferred tax assets	遞延稅項資產		130,618	95,761
Total non-current assets	總非流動資產		5,752,128	4,581,630
Current assets	流動資產			
Inventories	存貨	11	322,533	192,321
Trade and other receivables	貿易及其他應收款項	12	1,039,164	2,359,250
Cash and cash equivalents	現金及現金等值項目	13	3,346,180	2,779,138
Total current assets	總流動資產		4,707,877	5,330,709
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	14	1,981,867	1,888,220
Contract liabilities	合同負債		53,987	131,328
Bank loans	銀行貸款		357,296	132,660
Deferred income	遞延收益		4,379	4,379
Current taxation	應付即期稅項		35,533	155,062
Total current liabilities	總流動負債		2,433,062	2,311,649
Net current assets	流動資產淨額		2,274,815	3,019,060

Consolidated Statement of Financial Position

綜合財務狀況表

at 30 June 2020 — unaudited
(Expressed in Renminbi)
於二零二零年六月三十日 — 未經審核
(以人民幣呈列)

		At 30 June 2020 於二零二零年 六月三十日 RMB'000 人民幣千元	At 31 December 2019 於二零一九年 十二月三十一日 RMB'000 人民幣千元
Total assets less current liabilities	總資產減流動負債	8,026,943	7,600,690
Non-current liabilities	非流動負債		
Bank loans	銀行貸款	90,075	50,000
Deferred income	遞延收益	102,744	74,935
Interest-bearing borrowings	計息借款	2,860,252	2,852,600
Total non-current liabilities	總非流動負債	3,053,071	2,977,535
Net assets	淨資產	4,973,872	4,623,155
Capital and reserves	資本及儲備		
Share capital	股本	879,968	448,820
Treasury shares	庫存股份	-	(142,209)
Reserves	儲備	3,880,071	4,101,944
Total equity attributable to equity shareholders of the Company	公司權益股東應佔總權益	4,760,039	4,408,555
Non-controlling interests	非控股權益	213,833	214,600
Total equity	總權益	4,973,872	4,623,155

The notes on pages 79 to 112 form part of this interim financial report.

第79頁至112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 2020 — unaudited
(Expressed in Renminbi)
截至二零二零年六月三十日止六個月 — 未經審核
(以人民幣呈列)

		Attributable to equity shareholders of the Company 本公司權益股東應佔					Non-controlling interests 非控股權益		Total equity 總權益	
		Share capital 股本	Capital reserve 資本儲備	Treasury shares 庫存股份	Statutory reserve 法定儲備	Retained earnings 保留盈利	Total 總計			
		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	RMB'000 人民幣千元	RMB'000 人民幣千元	
Balance at 1 January 2019	於二零一九年一月一日的結餘		452,023	1,476,578	-	232,676	1,272,679	3,433,956	244,972	3,678,928
Changes in equity for the six months ended 30 June 2019:	截至二零一九年六月三十日止六個月的權益變動									
Equity settled share-based transactions	以權益結算的股份支付交易	16(e)	-	-	-	-	36,734	36,734	(33,540)	3,194
Profit and total comprehensive income for the period	期內溢利及全面收益總額		-	-	-	-	968,424	968,424	(8,254)	960,170
Repurchase of shares	購回股份		-	-	(105,515)	-	-	(105,515)	-	(105,515)
Dividends approved in respect of the previous year	批准過往年度股息	16(a)(ii)	-	-	-	-	(271,214)	(271,214)	-	(271,214)
Balance at 30 June 2019 and 1 July 2019	於二零一九年六月三十日及二零一九年七月一日的結餘		452,023	1,476,578	(105,515)	232,676	2,006,623	4,062,385	203,178	4,265,563
Changes in equity for the six months ended 31 December 2019:	截至二零一九年十二月三十一日止六個月的權益變動：									
Profit and total comprehensive income for the period	期內溢利及全面收益總額		-	-	-	-	950,285	950,285	(3,270)	947,015
Dividends approved in respect of the current year	批准本年度股息	16(a)(i)	-	-	-	-	(448,820)	(448,820)	-	(448,820)
Cancellation of treasury shares	註銷庫存股份		(3,203)	(100,706)	(36,694)	-	-	(140,603)	-	(140,603)
Equity settled share-based transactions	以權益結算的股份支付交易	16(e)	-	-	-	-	(14,692)	(14,692)	14,692	-
Balance at 31 December 2019	於二零一九年十二月三十一日的結餘		448,820	1,375,872	(142,209)	232,676	2,493,396	4,408,555	214,600	4,623,155

The notes on pages 79 to 112 form part of this interim financial report.

第79頁至112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 2020 — unaudited
(Expressed in Renminbi)
截至二零二零年六月三十日止六個月 — 未經審核
(以人民幣呈列)

		Attributable to equity shareholders of the Company 本公司權益股東應佔						
		Share capital	Capital reserve	Treasury shares	Statutory reserve	Retained earnings	Non-controlling interests	Total equity
		股本	資本儲備	庫存股份	法定儲備	保留盈利	非控股權益	總權益
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Balance at 1 January 2020	於二零二零年一月一日的結餘	448,820	1,375,872	(142,209)	232,676	2,493,396	214,600	4,623,155
Changes in equity for the six months ended 30 June 2020:	截至二零二零年六月三十日止六個月的權益變動：							
Profit and total comprehensive income for the period	期內溢利及全面收益總額	-	-	-	-	617,508	(767)	616,741
Repurchase of shares	購回股份	-	-	(134,031)	-	-	-	(134,031)
Cancellation of treasury shares	註銷庫存股份	(8,836)	(267,404)	276,240	-	-	-	-
Dividends approved in respect of the previous year	批准過往年度股息	439,984	-	-	-	(571,977)	-	(131,993)
Balance at 30 June 2020	於二零二零年六月三十日的結餘	879,968	1,108,468	-	232,676	2,538,927	213,833	4,973,872

The notes on pages 79 to 112 form part of this interim financial report.

第79頁至112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 2020 — unaudited
(Expressed in Renminbi)
截至二零二零年六月三十日止六個月 — 未經審核
(以人民幣呈列)

		Six months ended 30 June	
		截至六月三十日止六個月	
		2020	2019
		二零二零年	二零一九年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Operating activities	經營活動		
Cash generated from operations	經營所得之現金	1,634,477	1,258,941
The People's Republic of China (the "PRC") corporate income tax paid	已支付的中華人民共和國 (「中國」) 企業所得稅	(295,481)	(201,436)
Net cash generated from operating activities	經營活動產生的現金淨值	1,338,996	1,057,505
Investing activities	投資活動		
Interest received	已收利息	13,967	6,962
Payments for purchase of property, plant and equipment	購買物業、廠房及設備所付款項	(385,782)	(256,702)
Prepayments and payments for intangible assets	無形資產預付款項及所付款項	(612,950)	(912,578)
Payments for time deposits with maturities over 3 months	到期日超過三個月之定期存款所付款項	(225,000)	(100,000)
Proceeds from time deposits with maturities over 3 months	到期日超過三個月之定期存款所得款項	225,000	-
Payments for other financial assets	其他金融資產所付款項	-	(305,000)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	19,763	-
Proceeds from other financial assets	其他金融資產所得款項	-	45,000
Net cash used in investing activities	投資活動中使用的現金淨值	(965,002)	(1,522,318)
Financing activities	融資活動		
Proceeds from bank borrowings	銀行借款所得款項	414,434	302,836
Proceeds from issue of convertible bonds	發行可轉換債券所得款項	-	2,702,320
Expenses paid for issue of convertible bonds	已付發行可轉換債券開支	-	(21,662)
Dividends paid to equity shareholders of the Company	已付本公司權益股東的股息	-	(150,146)
Interest paid	已付利息	(85,469)	(217)
Repurchase of treasury shares	購回庫存股份	(136,917)	(105,515)
Net cash generated from financing activities	來自融資活動的現金淨值	192,048	2,727,616
Net increase in cash and cash equivalents	現金及現金等值項目淨增加	566,042	2,262,803
Cash and cash equivalents at 1 January	於一月一日的現金及現金等值項目	2,779,138	593,746
Effect of foreign exchange rate changes	外匯匯率變動的影響	1,000	895
Cash and cash equivalents at 30 June	於六月三十日的現金及現金等值項目	3,346,180	2,857,444

The notes on pages 79 to 112 form part of this interim financial report.

第79頁至112頁之附註構成本中期財務報告一部份。

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

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

1 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Stock Exchange"), 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 21 August 2020.

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

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

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2019 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with 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 71.

1 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(「聯交所」)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。本中期財務報告於二零二零年八月二十一日獲授權刊發。

除預期將於二零二零年年度財務報表反映之附註2會計政策變動外，本中期財務報告已根據與二零一九年年度財務報表所採納之相同會計政策編製。

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綜合財務報表及部分附註解釋。附註包括事件及交易的解釋，而該等事件及交易對瞭解自二零一九年年度財務報表刊發以來本集團之財務狀況變動及表現而言屬重要。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」)所頒佈之香港審閱工作準則第2410號實體的獨立核數師對中期財務資料的審閱進行審閱。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71頁。

Notes to the Unaudited Interim Financial Reports

未經審核中期財務報告附註

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

2 CHANGES IN ACCOUNTING POLICIES

The Group has applied the following amendment to IFRSs issued by the IASB to this interim financial report for the current accounting period:

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

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

3 REVENUE AND SEGMENT REPORTING

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.

2 會計政策變動

本集團於本會計期間的中期財務報告採用以下國際會計準則理事會頒佈國際財務報告準則的修訂：

- **國際財務報告準則第16號(修訂本)，Covid-19相關租金減免**

該修訂並無對本中期財務報告中本集團當期或以前期間的業績和財務狀況的編製方式或呈列方式造成重大影響。本集團並無應用任何尚未於本會計期間生效的新訂準則或詮釋。

3 營業額及分部報告

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。

Notes to the Unaudited Interim Financial Reports

未經審核中期財務報告附註

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

3 REVENUE AND SEGMENT REPORTING (continued) 3 營業額及分部報告(續)

Disaggregation of revenue

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

營業額分拆

按主要產品分拆來自客戶合約之收入如下：

		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 \$'000 千港元	2019 二零一九年 \$'000 千港元
Revenue from contracts with customers within the scope of IFRS 15	應用國際財務報告準則第15號範圍內的來自客戶合約之收入		
Sales of anti-viral drugs	銷售抗病毒藥物	1,968,563	2,932,847
Sales of endocrine and metabolic drugs	銷售內分泌及代謝藥物	39,465	38,677
Sales of cardiovascular drugs	銷售心血管藥物	30,706	44,602
Sales of other medical products	銷售其他藥物	44,971	55,133
		2,083,705	3,071,259

Analysis of the Group's revenue and results by geographical market has not been presented as 100% (the six months ended 30 June 2019: 100%) of the revenue are generated from the Mainland China.

因為100%(截至二零一九年六月三十日止六個月:100%)的營業額來自中國內地，因此尚未呈列按區域市場對本集團營業額及業績的分析。

Notes to the Unaudited Interim Financial Reports

未經審核中期財務報告附註

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

4 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 2020, the Group reported revenue of RMB5,236,470,000 (twelve months ended 30 June 2019: RMB4,099,307,000), and gross profit of RMB4,412,223,000 (twelve months ended 30 June 2019: RMB3,489,054,000).

5 PROFIT BEFORE TAXATION

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

(a) Other net income/(expenses)

		Six months ended 30 June	
		截至六月三十日止六個月	
		2020	2019
		二零二零年	二零一九年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Interest income	利息收入	13,967	6,962
Government grants	政府補助	7,204	3,225
Net loss on disposal of fixed assets	出售固定資產之淨虧損	(3,194)	(2,958)
Fair value change on conversion option embedded in convertible bonds (Note 15)	嵌入可轉換債券的轉換選擇權的公允價值變動(附註15)	69,262	(11,739)
Net foreign exchange loss	匯兌虧損淨額	(39,335)	(46,847)
Others	其他	436	165
		48,340	(51,192)

4 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。

截至二零二零年六月三十日止十二個月，本集團的收入為人民幣5,236,470,000元(截至二零一九年六月三十日止十二個月：人民幣4,099,307,000元)，及毛利為人民幣4,412,223,000元(截至二零一九年六月三十日止十二個月：人民幣3,489,054,000元)。

5 除稅前溢利

除稅前溢利乃扣除/(計入)以下各項後得出：

(a) 其他收入/(支出)

Notes to the Unaudited Interim Financial Reports

未經審核中期財務報告附註

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

5 PROFIT BEFORE TAXATION (continued)

(b) Finance costs

		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Interest on bank loans	銀行貸款利息	1,080	3,430
Interest on other borrowings (Note 15)	其他借貸利息(附註15)	121,984	81,003
Total	總計	123,064	84,433

(c) Other items

		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Amortisation cost of intangible assets (Note 9)	無形資產攤銷成本(附註9)	32,710	27,687
Less: amount capitalised as development costs in intangible assets	減：無形資產中資本化開發支出金額	(13,490)	(9,222)
		19,220	18,465
Depreciation cost of fixed assets (Note 8)	固定資產折舊(附註8)	32,569	25,681
Less: amount capitalised as development costs in intangible assets	減：無形資產中資本化開發支出金額	(2,435)	(886)
		30,134	24,795
Research and development expenses (R&D expenses) (other than depreciation and amortisation)	研發費用(研發費用)(除折舊及攤銷)	54,983	53,743
Inventory write-down (Note 11)	存貨撇減(附註11)	2,301	—
Cost of inventories sold (Note 11)	已售存貨成本(附註11)	139,694	176,560

Notes:

- (i) During the six months ended 30 June 2020, cost of inventories sold include RMB13,484,000 (six months ended 30 June 2019: RMB8,698,000) relating to depreciation and amortisation and inventory write-down, which amount are also included in the respective total amounts disclosed separately above for each of these types of expenses.

附註：

- (i) 截至二零二零年六月三十日止六個月，已售存貨成本包括有關折舊及攤銷及存貨撇減之人民幣13,484,000元(截至二零一九年六月三十日止六個月：人民幣8,698,000元)，該金額亦計入上文就各開支類別獨立披露的各有關總額內。

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6 INCOME TAX

6 所得稅

		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Current tax	即期稅項		
Provision for PRC corporate income tax for the period	期內中國企業所得稅撥備	169,942	245,219
Under-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	6,010	917
		175,952	246,136
Deferred tax	遞延稅項		
Origination and reversal of temporary differences	暫時性差額的產生及撥回	(34,857)	(33,672)
		141,095	212,464

(i) The PRC corporate income tax rate is 25% for the six months ended 30 June 2020 and 2019.

(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 2011 to 2019. The Company is applying for the extension of "HNTE" and the entitlement of the preferential income tax rate for 2020 to 2022. 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 2020 to 2022. The PRC Corporate Income tax rate applicable to the Company was 15% for the six months ended 30 June 2020 (six months ended 30 June 2019: 15%).

(i) 截至二零二零年及二零一九年六月三十日止六個月，中國企業所得稅率均為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。本公司獲認定為「HNTE」，自二零一一年至二零一九年，可按優惠所得稅率15%繳納中國企業所得稅。本公司正申請延續「高新技術企業」及於二零二零年至二零二二年繳納優惠所得稅率的權利。本公司董事認為，取得於二零二零年至二零二二年繳納優惠所得稅率的批准並無任何重大困難。截至二零二零年六月三十日止六個月，本公司適用中國企業所得稅率為15% (截至二零一九年六月三十日止六個月：15%)。

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7 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 RMB617,508,000 (six months ended 30 June 2019: RMB968,424,000) and the weighted average number of 882,989,460 ordinary shares (six months ended 30 June 2019: 891,188,532 shares, after adjusting for the bonus issue in 2020) in issue during the interim period.

7 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617,508,000元(截至二零一九年六月三十日止六個月：人民幣968,424,000元)，以及中期期間已發行普通股的加權平均數882,989,460股(截至二零一九年六月三十日止六個月：891,188,532股，已就二零二零年的紅股發行作出調整)為基準計算。

Six months ended 30 June

截至六月三十日止六個月

		2020 二零二零年 shares 股數	2019 二零一九年 shares 股數
Shares issued as at 1 January (Note 16(d))	於一月一日的已發行股份 (附註16(d))	448,820,050	452,022,850
Effect of treasury shares	庫存股份之影響	(3,927,400)	-
Effect of bonus issue (Note 16(b))	紅股發行之影響(附註16(b))	439,983,850	439,983,850
Effect of repurchase of shares	購回股份之影響	(1,887,040)	(818,168)
Weighted average number of ordinary shares	普通股加權平均數	882,989,460	891,188,532

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7 EARNINGS PER SHARE (continued)

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB695,885,000 and the weighted average number of ordinary shares of 1,104,738,403 shares. There were no dilutive potential ordinary shares for the six months ended 30 June 2019, and therefore, diluted earnings per share is the same as the basic earnings per share.

7 每股盈利(續)

(b) 每股攤薄盈利

每股攤薄盈利乃按本公司普通股權益股東應佔溢利人民幣695,885,000元及1,104,738,403股普通股加權平均數計算。截至二零一九年六月三十日至六個月並無潛在攤薄普通股，因此，每股攤薄盈利與每股基本盈利相同。

		Six months ended 30 June 2020 截至 二零二零年 六月三十日 止六個月 RMB'000 人民幣千元
Profit attributable to ordinary equity shareholders	普通權益股東應佔溢利	617,508
After tax effect of effective interest on the liability component of convertible bonds	可轉換債券負債部分實際利息之除稅後影響	103,686
After tax effect of gain recognised on the derivative component of convertible bonds	於可轉換債券衍生部分確認之收益之除稅後影響	(58,873)
After tax effect of exchange loss on the convertible bonds	可轉換債券匯兌虧損之除稅後影響	33,564
Profit attributable to ordinary equity shareholders (diluted)	普通權益股東應佔溢利(攤薄)	695,885

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7 EARNINGS PER SHARE (continued)

(b) Diluted earnings per share (continued)

7 每股盈利(續)

(b) 每股攤薄盈利(續)

		Six months ended 30 June 2020 截至 二零二零年 六月三十日 止六個月 shares 股數
Weighted average number of ordinary shares at 30 June	於六月三十日之普通股加權平均數	882,989,460
Effect of conversion of convertible bonds	轉換可轉換債券之影響	221,748,943
Weighted average number of ordinary shares (diluted)	普通股加權平均數(攤薄)	1,104,738,403

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8 FIXED ASSETS

8 固定資產

		Plant and buildings	Machinery	Office equipment and others	Motor vehicles	Construction in progress	Sub-total	Ownership interests in leasehold land held for own use	Total
		廠房及 樓宇	機器	辦公室 設備 及其他	汽車	在建工程	小計	持作自用 之租賃 土地所有 權權益	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Cost:	成本：								
At 1 January 2019	於二零一九年 一月一日	659,478	264,398	108,941	779	365,581	1,399,177	172,062	1,571,239
Additions	添置	3,288	4,944	10,400	1,109	569,896	589,637	15,334	604,971
Additions from acquisition of a subsidiary	收購一間附屬公司的 添置	-	-	71	-	59,967	60,038	70,941	130,979
Transfer from construction in progress	自在建工程轉移	286,349	12,070	18,695	-	(317,114)	-	-	-
Disposals	處置	(3,860)	(4,231)	(5,540)	-	-	(13,631)	-	(13,631)
At 31 December 2019	於二零一九年 十二月三十一日	945,255	277,181	132,567	1,888	678,330	2,035,221	258,337	2,293,558
Additions	添置	2,951	-	1,262	3	402,549	406,765	70,191	476,956
Transfer from construction in progress	自在建工程轉移	-	9,047	21,781	-	(30,828)	-	-	-
Disposals	處置	(23,451)	(3,414)	(1,450)	-	-	(28,315)	-	(28,315)
At 30 June 2020	於二零二零年 六月三十日	924,755	282,814	154,160	1,891	1,050,051	2,413,671	328,528	2,742,199
Accumulated depreciation and amortisation:	累計折舊及攤銷：								
At 1 January 2019	於二零一九年 一月一日	(68,546)	(83,091)	(48,785)	(138)	-	(200,560)	(19,200)	(219,760)
Charge for the year	年內扣除	(20,909)	(16,387)	(10,799)	(113)	-	(48,208)	(4,352)	(52,560)
Written-back on disposals	於處置時撤銷	908	2,592	769	-	-	4,269	-	4,269
At 31 December 2019	於二零一九年 十二月三十一日	(88,547)	(96,886)	(58,815)	(251)	-	(244,499)	(23,552)	(268,051)
Charge for the period	年內扣除	(14,520)	(8,546)	(6,615)	(89)	-	(29,770)	(2,799)	(32,569)
Written-back on disposals	於處置時撤銷	1,616	2,475	1,267	-	-	5,358	-	5,358
At 30 June 2020	於二零二零年 六月三十日	(101,451)	(102,957)	(64,163)	(340)	-	(268,911)	(26,351)	(295,262)
Carrying amount:	賬面值：								
At 30 June 2020	於二零二零年 六月三十日	823,304	179,857	89,997	1,551	1,050,051	2,144,760	302,177	2,446,937
At 31 December 2019	於二零一九年 十二月三十一日	856,708	180,295	73,752	1,637	678,330	1,790,722	234,785	2,025,507

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8 FIXED ASSETS (continued)

- (i) As at 30 June 2020, the Group was applying for certificates of ownership for certain properties, with carrying value of RMB210,066,000 (31 December 2019: RMB298,788,000). 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.
- (ii) As at 30 June 2020, amount of RMB86,699,000 (31 December 2019: RMB69,802,000) of the ownership interests in leasehold land held for own use, amount of RMB190,431,000 (31 December 2019: RMB30,839,000) of construction in progress and amount of RMB122,933,000 (31 December 2019: Nil) of plant and buildings were held in pledge for bank loans.

8 固定資產(續)

- (i) 於二零二零年六月三十日，本集團正就賬面值為人民幣210,066,000元(於二零一九年十二月三十一日：人民幣298,788,000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。
- (ii) 於二零二零年六月三十日，人民幣86,699,000元(二零一九年十二月三十一日：人民幣69,802,000元)的持作自用之租賃土地所有權權益、人民幣190,431,000元(二零一九年十二月三十一日：人民幣30,839,000元)在建工程及人民幣122,933,000元(二零一九年十二月三十一日：無)的廠房及樓宇作為銀行貸款抵押。

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9 INTANGIBLE ASSETS

9 無形資產

		Capitalised development costs 資本化 開發支出 RMB'000 人民幣千元	Patents and knowhow 專利及 技術訣竅 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Cost:	成本：			
At 1 January 2019	於二零一九年一月一日	129,471	414,100	543,571
Purchase (Note 10(ii))	購買(附註10(ii))	-	221,100	221,100
Addition through internal development (i)	透過內部開發新增(i)	164,777	-	164,777
At 31 December 2019	於二零一九年 十二月三十一日	294,248	635,200	929,448
Purchase (ii and Note10(ii))	購買(ii及附註10(ii))	550,000	231,394	781,394
Transfer from capitalised development costs	資本化開發支出轉撥	(42,580)	42,580	-
Addition through internal development (i)	透過內部開發新增(i)	79,687	-	79,687
At 30 June 2020	於二零二零年六月三十日	881,355	909,174	1,790,529
Accumulated amortisation:	累計攤銷：			
At 1 January 2019	於二零一九年一月一日	-	(44,967)	(44,967)
Charge for the year	年內扣除	-	(56,186)	(56,186)
At 31 December 2019	於二零一九年 十二月三十一日	-	(101,153)	(101,153)
Charge for the period	期內扣除	-	(32,710)	(32,710)
At 30 June 2020	於二零二零年六月三十日	-	(133,863)	(133,863)
Net book value:	賬面淨值：			
At 30 June 2020	於二零二零年六月三十日	881,355	775,311	1,656,666
At 31 December 2019	於二零一九年 十二月三十一日	294,248	534,047	828,295

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9 INTANGIBLE ASSETS (continued)

- (i) The Group has obtained the necessary approvals and permits for clinical trials for a series of insulin research and development projects in the previous periods and obtained the phase III clinical trials for new anti-hepatitis C drug in 2019. The directors of the Company are of the opinion that the development expenditure of the insulin projects and new anti-hepatitis C drugs meet the criteria of capitalisation after obtained the approval of clinical trial and phase III clinical trials approval respectively, and capitalise the expenditure as development costs under intangible assets. As at 30 June 2020, the intangible assets under development were not yet ready for use.
- (ii) On 13 November 2019, the Company entered into an acquisition 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 which the Company agreed to acquire and Sunshine Lake Pharma agreed to dispose the in-process research and development projects ("IPR&D") in relation to two pharmaceutical products, namely Liraglutide and Pyroglutamic within the PRC at a total consideration of RMB1,645,600,000. The payment terms comprised an up-front payment of RMB550,000,000, and three milestone payments of RMB246,840,000 and a contingent payment of RMB848,760,000 subject to the future sales of the target products. The acquisition was effective after the shareholder's approval in January 2020. Up to 30 June 2020, the Company had made the up-front payment of RMB550,000,000, which recognised as intangible assets. The remaining payments will be accumulated into the cost of the intangible assets when the capitalisation criteria are met or recognised as a cost of sales in line with the underlying sales.

9 無形資產(續)

- (i) 本集團於先前期間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，並於二零一九年取得抗丙肝新藥的III期臨床試驗批文。本公司董事認為，胰島素項目及抗丙肝新藥的開發費用分別於取得臨床試驗及III期臨床試驗的批文後，符合資本化標準，並將有關費用資本化為無形資產項下的開發支出。於二零二零年六月三十日，開發中無形資產尚不可使用。
- (ii) 於二零一九年十一月十三日，本公司與廣東東陽光藥業有限公司(「廣東東陽光藥業」)訂立收購協議，據此，本公司同意收購，而廣東東陽光藥業同意出售與利拉魯肽及焦谷氨酸榮格列淨兩種藥物相關的中國境內現正進行之研發項目(「研發項目」)，總代價為人民幣1,645,600,000元，代價由人民幣550,000,000元的預付款、三筆人民幣246,840,000元的里程碑付款及尾款人民幣848,760,000元組成，其受限於目標產品的日後銷售。該收購事項於二零二零年一月股東批准並生效。截至二零二零年六月三十日，本公司已支付人民幣550,000,000元的預付款並已確認為無形資產。剩餘款項在滿足資本化條件時將累計到無形資產的成本或者依據基礎銷售額情況確認為銷售成本。

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10 PREPAYMENTS

10 預付款項

		At 30 June 2020 於二零二零年 六月三十日 RMB'000 人民幣千元	At 31 December 2019 於二零一九年 十二月三十一日 RMB'000 人民幣千元
Prepayments for intangible assets	無形資產預付款項		
— Yimetasvir phosphate and follow-up compounds (i)	— 磷酸依米他韋及後續化合物 (i)	560,000	560,000
— Generic drug approvals (ii)	— 仿製藥批件 (ii)	786,823	891,917
Prepayments for property, plant and equipment	物業、廠房及設備的預付款項	95,188	104,254
		1,442,011	1,556,171

Notes:

- (i) In 2015, the Group entered into an agreement with Sunshine Lake Pharma, pursuant to the agreement, the Group acquired the right to use all the relevant knowhow and patents relating to yimetasvir 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 totaling RMB450,000,000 payable upon each stage of development or approval of yimetasvir phosphate or the Compounds. The agreement will expire on 31 December 2030 or the date when the first patent mentioned above expires, whichever is earlier.

Up to 30 June 2020, the Group had made accumulated payments of RMB560,000,000 (31 December 2019: RMB560,000,000) to Sunshine Lake Pharma. As at 30 June 2020, Sunshine Lake Pharma have submitted the new drug application of yimetasvir phosphate to the National Medical Products Administration ("NMPA").

附註：

- (i) 於二零一五年，本集團已與廣東東陽光藥業訂立協議。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（「後續化合物」）的所有相關技術訣竅和專利的使用權，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後續化合物各開發或審批階段的里程碑付款。該協議將於二零三零年十二月三十一日或上述第一項專利到期日兩者中更早期到期。

截至二零二零年六月三十日止，本集團已向廣東東陽光藥業累計支付人民幣560,000,000元（二零一九年十二月三十一日：人民幣560,000,000元）。於二零二零年六月三十日，廣東東陽光藥業已向國家藥品監督管理局（「藥監局」）提交磷酸依米他韋的新藥上市申請。

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10 PREPAYMENTS (continued)

Notes: (continued)

- (ii) In 2018, the Group entered into an acquisition agreement with Sunshine Lake Pharma, pursuant to which the Company agreed to acquire, and Sunshine Lake Pharma agreed to dispose of the know-how, approvals for manufacturing and marketing obtained from the NMPA and the right to sale of six pharmaceutical products ("Target Products") in the PRC at a consideration of RMB505,200,000, which comprised a prepayment of RMB252,600,000 and six milestone payments totaling RMB252,600,000. Up to 30 June 2020, the Group had made accumulated payments of RMB463,100,000 (31 December 2019: RMB378,900,000) to Sunshine Lake Pharma, in which RMB505,200,000 (31 December 2019: RMB300,200,000) was transferred to intangible assets (Note 9) after the NMPA approvals for all of the Target Products were obtained (31 December 2019: five).

In 2019, the Company acquired another 27 pharmaceutical products' intellectual property rights, industrial property rights and ownership rights from Sunshine Lake Pharma with a total consideration of RMB1,626,434,600, which comprised a prepayment of RMB813,217,300 and several milestone payments of RMB813,217,300 in the agreed manners. Up to 30 June 2020, the Group had made accumulated payments of RMB813,217,300 (31 December 2019: RMB813,217,300) to Sunshine Lake Pharma, in which RMB26,394,000 (31 December 2019: nil) was transferred to intangible assets (Note 9) after the NMPA approvals for two (31 December 2019: nil) related pharmaceutical products were obtained.

10 預付款項(續)

附註：(續)

- (ii) 於二零一八年，本集團與廣東東陽光藥業訂立收購協議，據此，本公司同意收購，而廣東東陽光藥業同意出售六種藥品(「目標產品」)的技術訣竅、自藥監局取得有關生產及上市的批文以及目標產品在中國的銷售權，代價為人民幣505,200,000元，包括預付款人民幣252,600,000元及六筆總額為人民幣252,600,000元的里程碑付款。截至二零二零年六月三十日止，取得目標產品中所有(二零一九年十二月三十一日：五個)藥監局批文後，本集團已向廣東東陽光藥業累計支付人民幣463,100,000元(二零一九年十二月三十一日：人民幣378,900,000元)，其中人民幣505,200,000元(二零一九年十二月三十一日：人民幣300,200,000元)已轉入無形資產(附註9)。

於二零一九年，本公司自廣東東陽光藥業另外收購27項藥品的知識產權、工業產權及所有權，總代價為人民幣1,626,434,600元，包括按協定方式支付的預付款人民幣813,217,300元及各項里程碑付款人民幣813,217,300元。截至二零二零年六月三十日，本集團已向廣東東陽光藥業累計支付人民幣813,217,300元，預計將於二零二一年二月底前取得所有藥品批准文號。截至二零二零年六月三十日止，取得目標產品中兩個(二零一九年十二月三十一日：無)藥監局批文後，本集團已向廣東東陽光藥業累計支付人民幣813,217,300元(二零一九年十二月三十一日：人民幣813,217,300元)，其中人民幣26,394,000元(二零一九年十二月三十一日：零)轉為無形資產(附註9)。

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(除另有指明外，均以人民幣呈列)

11 INVENTORIES

11 存貨

		At 30 June 2020 於二零二零年 六月三十日 RMB'000 人民幣千元	At 31 December 2019 於二零一九年 十二月三十一日 RMB'000 人民幣千元
Raw materials	原材料	125,745	115,208
Work in progress	在製品	41,211	52,970
Finished goods	製成品	154,847	24,105
Goods in transit	在運品	730	38
		322,533	192,321

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 截至六月三十日止六個月	
		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Carrying amount of inventories sold	已售存貨賬面值	137,393	176,560
Write down of inventories (Note 5(c))	存貨撇減(附註5(c))	2,301	-
Cost of inventories sold (Note 5(c))	已售存貨成本(附註5(c))	139,694	176,560

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12 TRADE AND OTHER RECEIVABLES

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

12 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 2020 於二零二零年 六月三十日 RMB'000 人民幣千元	At 31 December 2019 於二零一九年 十二月三十一日 RMB'000 人民幣千元
Within 6 months	6個月內	900,169	2,193,893
More than 6 months but within one year	超過6個月但1年內	7,888	2,488
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	908,057	2,196,381
Other receivables, net of allowance for doubtful debts	其他應收款項，扣除呆賬準備	103,894	148,570
Financial assets measured at amortised cost	按攤餘成本計量的金融資產	1,011,951	2,344,951
Prepayments for inventories	預付購貨款項	27,213	14,299
		1,039,164	2,359,250

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 are expected to be recovered within one year.

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。本集團所有貿易及其他應收款項預計將可於一年內收回。

Bills receivable with carrying value of RMB197,202,000 (31 December 2019: RMB132,660,000) were pledged as securities of bank loans of the Group as at 30 June 2020.

賬面值為人民幣197,202,000元（二零一九年十二月三十一日：人民幣132,660,000元）的應收票據已於二零二零年六月三十日抵押作為本集團獲銀行貸款之抵押品。

Bills receivable with carrying value of RMB156,168,000 (31 December 2019: RMB83,703,000) were pledged as securities of issuing bills payables by the Group as at 30 June 2020.

賬面值為人民幣156,168,000元（二零一九年十二月三十一日：人民幣83,703,000元）的應收票據已於二零二零年六月三十日抵押作為本集團發行應付票據之抵押品。

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13 CASH AND CASH EQUIVALENTS

13 現金及現金等值項目

		At 30 June 2020	At 31 December 2019
		於二零二零年 六月三十日	於二零一九年 十二月三十一日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Cash at banks and in hand	銀行現金及手頭現金	3,125,306	2,779,138
Other cash and cash equivalents	其他現金及現金等值項目	220,874	-
		3,346,180	2,779,138

As at 30 June 2020, other cash and cash equivalents represents the cash in financial institutions for purchasing own shares.

於二零二零年六月三十日，其他現金及現金等值項目指存放於金融機構就購買自身股份的現金。

14 TRADE AND OTHER PAYABLES

14 貿易及其他應付款項

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:

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：

		At 30 June 2020	At 31 December 2019
		於二零二零年 六月三十日	於二零一九年 十二月三十一日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Within 1 month	1個月內到期	108,209	104,297
1 to 3 months	1至3個月內到期	194,196	11,744
Over 3 months but within 1 year	超過3個月但1年內到期	29,183	65,632
Over 1 year	超過1年	5,564	3,021
Total trade and bills payables	貿易及票據應付款項總額	337,152	184,694
Amounts due to related parties	應付關聯方款項	249,011	11,980
Value added tax and other taxes payable	增值稅及其他應付稅項	8,316	117,152
Accrued payroll and benefits	應計工資及福利	58,067	200,854
Dividend payables	應付股息	131,993	-
Accrued expenses	應計費用	823,177	1,188,547
Other payables for purchasing fixed assets	其他應付購買固定資產款項	236,639	130,723
Other payables	其他應付款項	137,512	54,270
Financial liabilities measured at amortised cost	按攤餘成本計量之金融資產	1,981,867	1,888,220

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15 NON-CURRENT INTEREST-BEARING BORROWINGS

15 非流動計息借款

		At 30 June 2020 於二零二零年 六月三十日 RMB'000 人民幣千元	At 31 December 2019 於二零一九年 十二月三十一日 RMB'000 人民幣千元
Convertible bonds	可轉換債券	2,860,252	2,852,600

On 20 February 2019, the Company issued a tranche of 1,600 convertible bonds with an aggregate principal amount of USD400,000,000 (equivalent to approximately RMB2,702,320,000). Each number of bond has a face value of USD250,000 and a maturity date of 20 February 2026. The bonds bear interest at 3.0% per annum payable semi-annually in arrears on 30 June and 31 December of each year. The bonds are unsecured.

As the convertible bonds do not contain an equity component, the derivative component of the convertible bonds above is measured at fair value and the liability component is carried at amortised cost. No conversion or redemption of the convertible bonds has occurred up to 30 June 2020. The convertible price was adjusted to HK\$19 (equivalent to RMB17) per conversion share due to the Company's share price were diluted after issuance of bonus shares in June 2020.

於二零一九年二月二十日，本公司發行一批1,600份的可轉換債券，本金金額合共為400,000,000美元（相當於約人民幣2,702,320,000元）。每一份債券的面值為250,000美元，到期日為二零二六年二月二十日。債券按年利率3.0%計息，並按半年期於每年的六月三十日及十二月三十一日分期支付。債券為無抵押。

由於可轉換債券不包含權益部份，上述可轉換債券的衍生工具部份按公允價值計量，而負債部份則按攤銷成本列賬。截至二零二零年六月三十日，並無轉換或贖回可轉換債券。由於二零二零六月紅股發行後本公司股份價格攤薄，可轉換價格調整為每股轉換股份19港元（相當於人民幣17元）。

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15 NON-CURRENT INTEREST-BEARING BORROWINGS (continued)

The convertible bonds recognised in the consolidated statement of financial position of the Group are analysed as follows:

15 非流動計息借款(續)

本集團綜合財務狀況表確認的可轉換債券分析如下：

		Liability component	Derivative component	Total
		負債部份	衍生工具部份	總計
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
At 1 January 2019	於二零一九年一月一日	-	-	-
Issuance	發行	2,014,786	669,518	2,684,304
Fair value adjustment debited to profit or loss	公允價值調整計入損益	-	11,739	11,739
Accrued interest	應計利息	81,003	-	81,003
Exchange loss	匯兌損失	36,587	11,947	48,534
At 30 June 2019	於二零一九年六月三十日	2,132,376	693,204	2,825,580
Fair value adjustment debited to profit or loss	公允價值調整計入損益	-	(99,987)	(99,987)
Accrued interest	應計利息	115,905	-	115,905
Interest paid	已付利息	(30,235)	-	(30,235)
Exchange loss	匯兌損失	30,594	10,743	41,337
At 31 December 2019	於二零一九年十二月三十一日	2,248,640	603,960	2,852,600
Fair value adjustment debited to profit or loss	公允價值調整計入損益	-	(69,262)	(69,262)
Accrued interest	應計利息	121,984	-	121,984
Interest paid	已付利息	(84,557)	-	(84,557)
Exchange loss	匯兌虧損	31,011	8,476	39,487
At 30 June 2020	於二零二零年六月三十日	2,317,078	543,174	2,860,252

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16 CAPITAL, RESERVES AND DIVIDENDS

16 資本、儲備及股息

(a) Dividends

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

(a) 股息

(i) 於中期間應付權益股東的股息

		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
Interim dividend proposed after the end of the reporting period of RMB0.10 per ordinary share (six months ended 30 June 2019: RMB1.00 per ordinary share)	報告期末後建議派發之中期股息每股普通股人民幣0.10元(截至二零一九年六月三十日止六個月：每股普通股人民幣1元)	87,997	448,820

Pursuant to the resolution passed at the directors' meeting on 21 August 2020, a cash dividend of RMB0.10 per ordinary share (six months ended 30 June 2019: RMB1.00 per ordinary share) for the six months ended 30 June 2020 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 2020.

根據於二零二零年八月二十一日董事會會議通過的決議案，截至二零二零年六月三十日止六個月之現金股息每股普通股人民幣0.10元(截至二零一九年六月三十日止六個月：每股普通股人民幣1元)已提呈股東於股東大會上批准。

於二零二零年六月三十日，期末後建議派發的中期股息尚未確認為負債。

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16 CAPITAL, RESERVES AND DIVIDENDS (continued)

16 資本、儲備及股息(續)

(a) Dividends (continued)

(a) 股息(續)

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

(ii) 於中期期間批准上個財政年度應付權益股東的股息

		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 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 2019: RMB0.60 per ordinary share) and one bonus share per every one existing share held by the shareholder of the Company for the year ended 31 December 2019 (six months ended 30 June 2019: nil)	於中期期間後批准的上個財政年度末期股息每股普通股人民幣0.30元(截至二零一九年六月三十日止六個月：每股普通股人民幣0.60元)及截至二零一九年十二月三十一日止年度每持有一股現有股份的本公司股東的一股紅股(截至二零一九年六月三十日止六個月：無)	571,977	271,214

(b) Bonus issue

(b) 紅股發行

On 16 June 2020, the Company made a bonus issue on the basis of one bonus share for every one existing shares held by shareholders in recognition of their continual support. A total of 439,983,850 ordinary shares were issued pursuant to the bonus issue.

於二零二零年六月十六日，本公司向每位持有一股現有股份的股東以基值為一股紅股派發紅股，以表彰彼等的持續支持。根據紅股發行，已發行共439,983,850股普通股。

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16 CAPITAL, RESERVES AND DIVIDENDS (continued) 16 資本、儲備及股息(續)

(c) Repurchase of own shares

During the interim period, the Company repurchased its own shares on the Stock Exchange as follows:

Month/year 月/年		Number of shares repurchased 購回 股份數目	Highest price paid per share 已支付每股 最高價格	Lowest price paid per share 已支付每股 最低價格	Aggregate price paid 支付總價
			HKD 港元	HKD 港元	HKD'000 千港元
January 2020	二零二零年一月	500,000	40.70	40.10	20,202
April 2020	二零二零年四月	1,280,600	29.89	28.95	37,845
May 2020	二零二零年五月	3,128,200	29.65	26.88	90,076
					148,123

During the six-month period ended 30 June 2020, the Company repurchased 4,908,800 H shares in total, representing 1.1% of the total shares of the Company, on the Stock Exchange for an aggregate price of HK\$148,123,000 (equivalent approximately to RMB134,031,000) and with transaction expenses of RMB2,886,000. As at 30 June 2020, the Company has cancelled all treasury shares repurchased in 2019 and 2020.

(c) 購回自有股份

於中期期間，本公司於聯交所購回其自有股份如下：

於截至二零二零年六月三十日止六個月期間，本公司於聯交所以總金額148,123,000港元(相當於約人民幣134,031,000元)及交易開支人民幣2,886,000元購回合共4,908,800股H股，相當於本公司股份總數的1.1%。於二零二零年六月三十日，本公司已註銷所有於二零一九年及二零二零年購回庫存股份。

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16 CAPITAL, RESERVES AND DIVIDENDS (continued)

16 資本、儲備及股息(續)

(d) Share Capital

(d) 股本

Ordinary shares, issued and fully paid

已發行及繳足普通股

		At 30 June 2020 於二零二零年 六月三十日		At 31 December 2019 於二零一九年 十二月三十一日	
		No. of shares 股份數目	RMB'000 人民幣千元	No. of shares 股份數目	RMB'000 人民幣千元
Ordinary shares, issued and fully paid:	已發行及繳足普通股：				
At 1 January	於一月一日	448,820,050	448,820	452,022,850	452,023
Bonus issue	紅股	439,983,850	439,984	-	-
Cancellation of treasury shares	庫存股份註銷	(8,836,200)	(8,836)	(3,202,800)	(3,203)
As at 30 June/31 December	於六月三十日/ 十二月三十一日	879,967,700	879,968	448,820,050	448,820

(e) Equity settled share-based transactions

(e) 以權益結算的股份支付交易

Pursuant to the equity transfer agreement with TaiGen Biopharmaceuticals Co.(Beijing), Ltd.("TaiGen") on 27 March 2017, the Group granted an option to TaiGen to purchase up to 9% equity interests in its subsidiary Dongguan HEC TaiGen Biopharmaceuticals Co., Ltd.("HEC TaiGen") for obtaining the R&D service provided by TaiGen in the clinical trial of new anti-hepatitis C drug.

根據與太景醫藥研發(北京)有限公司(「太景醫藥」)於二零一七年三月二十七日的股權轉讓協議，本集團向太景醫藥授予購買不超過9%的於其附屬公司東莞東陽光太景醫藥研發有限責任公司(「東陽光太景」)股權的權利，以獲得太景醫藥在抗丙肝新藥臨床試驗中提供的研發服務。

In May 2019, the agreed vesting conditions have been met as the positive result of Phase II clinical trial of new anti-hepatitis C drug were confirmed by the Group and TaiGen. On 10 June 2019, TaiGen confirmed in written that TaiGen will not exercise the share option. As a result, the Group reversed the share-based payments which recognised in non-controlling interests for the share option and charged directly to retained profits as the option expired in 2019.

於二零一九年五月，由於本集團及太景醫藥確認抗丙肝新藥II期臨床試驗的正面結果，協定歸屬條件已告達成。於二零一九年六月十日，太景醫藥以書面形式確認將不會行使購股權。因此，本集團撥回於非控股權益中確認的股份支付款項以供購股權，並於購股權在二零一九年到期時直接從保留溢利中扣除。

No share options were granted nor exercised during the six months ended 30 June 2020.

截至二零二零年六月三十日止六個月，概無授出或行使任何購股權。

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(除另有指明外，均以人民幣呈列)

17 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(a) Financial assets and liabilities measured at fair value

(i) Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

17 金融工具的公允價值計量

(a) 以公允價值計量的金融資產及負債

(i) 公允價值層級

下表列示於報告期末按經常性基準計量的本集團金融工具的公允價值，分類為國際財務報告準則第13號公允價值計量所界定的三級公允價值層級。公允價值計量的分類水平乃參考估值技術所用輸入數據的可觀察性及重要性釐定如下：

- 第1級估值：僅使用第1級輸入數據計量的公允價值，即在計量日期相同資產或負債的活躍市場中未經調整的報價
- 第2級估值：使用第2級輸入數據計量的公允價值，即未能達到第1級的可觀察輸入數據，且未使用重大不可觀察輸入數據。不可觀察的輸入數據是無法獲得市場數據的輸入數據
- 第3級估值：使用重大不可觀察輸入數據計量的公允價值

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17 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

(a) Financial assets and liabilities measured at fair value (continued)

(i) Fair value hierarchy (continued)

The Group has a team headed by the finance manager performing valuations for the conversion option embedded in convertible bonds. The team reports directly to the chief financial officer and the audit committee. A valuation report with analysis of changes in fair value measurement is prepared by the team at each interim and annual reporting date, and is reviewed and approved by the chief financial officer. Discussion of the valuation process and results with the chief financial officer and the audit committee is held twice a year, to coincide with the reporting dates.

17 金融工具的公允價值計量 (續)

(a) 以公允價值計量的金融資產及負債 (續)

(i) 公允價值層級 (續)

本集團設有一個由財務經理領導的團隊，對可轉換債券中的轉換期權進行估值。該團隊直接向財務總監及審核委員會報告。該團隊在各中期和年度報告日期編製一份分析公允價值計量變動的估值報告，並由財務總監審閱和批准。每年由財務總監和審核委員會就估值過程及結果進行兩次討論，討論日期與報告日期相吻合。

Fair value at 30 June 2020 於二零二零年 六月三十日 之公允價值 RMB'000 人民幣千元	Fair value measurements as at 30 June 2020 categorised into 於二零二零年六月三十日的 公允價值計量分類為		
	Level 1 第1級 RMB'000 人民幣千元	Level 2 第2級 RMB'000 人民幣千元	Level 3 第3級 RMB'000 人民幣千元
Recurring fair value measurement	經常性公允價值計量		
Derivative financial instruments — Conversion option embedded in convertible bonds	衍生金融工具 — 嵌入可轉換債券之換股權		
543,174	-	543,174	-

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(除另有指明外，均以人民幣呈列)

17 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

(a) Financial assets and liabilities measured at fair value (continued)

(i) Fair value hierarchy (continued)

Fair value at 31 December 2019 於二零一九年 十二月三十一日 之公允價值 RMB'000 人民幣千元	Fair value measurements as at 31 December 2019 categorised into 於二零一九年十二月三十一日的 公允價值計量分類為		
	Level 1 第1級 RMB'000 人民幣千元	Level 2 第2級 RMB'000 人民幣千元	Level 3 第3級 RMB'000 人民幣千元
Recurring fair value measurement	經常性公允價值計量		
Derivative financial instruments	衍生金融工具		
— Conversion option embedded in convertible bonds	— 嵌入可轉換債券之 換股權	603,960	—
		603,960	—

During the six months ended 30 June 2020, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

截至二零二零年六月三十日止六個月，第1級與第2級之間並無轉移，或轉入或轉出第3級。本集團的政策乃於發生轉讓的報告期末確認公允價值層級架構各級別之間的轉讓。

17 金融工具的公允價值計量 (續)

(a) 以公允價值計量的金融資產及負債 (續)

(i) 公允價值層級 (續)

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(除另有指明外，均以人民幣呈列)

17 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

(a) Financial assets and liabilities measured at fair value (continued)

(ii) Valuation techniques and inputs used in Level 2 fair value measurements

The fair value of conversion option embedded in convertible bonds in Level 2 is the estimated amount that the Group would pay to terminate the option at the end of the reporting period, taking into account the underlying share price and the potential shares outstanding to be converted.

(b) Fair values of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortised cost were not materially different from their fair values as at 30 June 2020 except for the following financial instruments, for which their carrying amounts and fair value are disclosed below:

17 金融工具的公允價值計量 (續)

(a) 以公允價值計量的金融資產及負債 (續)

(ii) 第2級公允價值計量中使用的估值技術和輸入數據

經計及相關股價及潛在尚未發行股份後，第2級可轉換債券所嵌入之換股權的公允價值為本集團在報告期末需支付以終止期權的估計金額。

(b) 以公允價值以外方式列賬的金融資產及負債公允價值

本集團按成本或攤銷成本列賬的金融工具賬面值與其於二零二零年六月三十日的公允價值並無重大差異，惟以下金融工具除外，該等金融工具的賬面值及公允價值披露如下：

		At 30 June 2020 於二零二零年 六月三十日		At 31 December 2019 於二零一九年 十二月三十一日	
		Carrying amount 賬面值 RMB'000 人民幣千元	Fair value 公允價值 RMB'000 人民幣千元	Carrying amount 賬面值 RMB'000 人民幣千元	Fair value 公允價值 RMB'000 人民幣千元
Convertible bonds	可轉換債券				
— Liability component	— 負債部分	2,317,078	2,409,239	2,248,640	2,348,370

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18 CAPITAL COMMITMENTS

Capital commitments outstanding at 30 June 2020 not provided for in the interim financial report were as follows:

		At 30 June 2020 於二零二零年 六月三十日 RMB'000 人民幣千元	At 31 December 2019 於二零一九年 十二月三十一日 RMB'000 人民幣千元
Contracted for	已訂約		
— Acquisition of property, plant and equipment	— 購買物業、廠房及設備	460,706	353,374
— Acquisition of intangible assets	— 購買無形資產	2,048,817	1,079,517
		2,509,523	1,432,891

18 資本承擔

於二零二零年六月三十日，在中期財務報告中未撥備的未履行資本承擔如下：

19 MATERIAL RELATED PARTY TRANSACTIONS

During the six months ended 30 June 2020 and 2019, the directors of the Company are of the view that related parties of the Group include the following:

Name of related party

關聯方名稱

HEC Pharm Co., Ltd. (“HEC Pharm”)

宜昌東陽光藥業股份有限公司(「宜昌東陽光藥業」)

Sunshine Lake Pharma

廣東東陽光藥業

Shaoguan HEC Packaging and Printing Co., Ltd.

(“Shaoguan HEC Printing”)

韶關東陽光包裝印刷有限公司(「韶關東陽光印刷」)

Relationship with the Group

與本集團的關係

effectively owned by the ultimate
controlling shareholder

由最終控股股東實益擁有

effectively owned by the ultimate
controlling shareholder

由最終控股股東實益擁有

effectively owned by the ultimate
controlling shareholder

由最終控股股東實益擁有

19 重大關聯方交易

於截至二零二零年及二零一九年六月三十日止六個月，本公司董事認為本集團的關聯方包括以下各方：

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(除另有指明外，均以人民幣呈列)

19 MATERIAL RELATED PARTY TRANSACTIONS

(continued)

19 重大關聯方交易(續)

Name of related party 關聯方名稱	Relationship with the Group 與本集團的關係
Yichang HEC Power Plant Co., Ltd. ("HEC Power Plant") 宜昌東陽光火力發電有限公司(「宜昌東陽光發電」)	effectively owned by the ultimate controlling shareholder 由最終控股股東實益擁有
Yidu Shanchengshuidu Project Construction Co., Ltd. ("Yidu Construction") 宜都山城水都建築工程有限公司(「宜都建築」)	effectively owned by the ultimate controlling shareholder 由最終控股股東實益擁有
Ruyuan HEC Pharmaceutical Co., Ltd. ("Ruyuan HEC Pharmaceutical") 乳源東陽光藥業有限公司(「乳源東陽光藥業」)	effectively owned by the ultimate controlling shareholder 由最終控股股東實益擁有
Yidu Changjiang Machinery Equipment Co., Ltd. ("Yidu Machinery Equipment") 宜都長江機械設備有限公司(「宜都機械設備」)	effectively owned by the ultimate controlling shareholder 由最終控股股東實益擁有
Guangdong HEC E-Business Co., Ltd. ("HEC E-Business") 廣東東陽光電子商務有限公司(「東陽光電子商務」)	effectively owned by the ultimate controlling shareholder 由最終控股股東實益擁有
Shenzhen HEC Industrial Development Co., Ltd. ("Shenzhen HEC Industrial") 深圳市東陽光實業發展有限公司(「深圳市東陽光實業」)	effectively owned by the ultimate controlling shareholder 由最終控股股東實益擁有
HEC Medicine Retail Chain Co., Ltd. ("HEC Medicine Retail") 東陽光藥零售連鎖有限公司(「東陽光藥零售」)	effectively owned by the ultimate controlling shareholder 由最終控股股東實益擁有

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

* 上述公司名稱的英文翻譯僅供參考。該等公司的官方名稱為中文名稱

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19 MATERIAL RELATED PARTY TRANSACTIONS

(continued)

19 重大關聯方交易 (續)

(a) Transactions with related parties

During the six months ended 30 June 2020 and 2019, the Group entered into the following material related party transactions:

(a) 與關聯方之交易

於截至二零二零年及二零一九年六月三十日止六個月，本集團訂立以下重大關聯方交易：

		Six months ended 30 June	
		截至六月三十日止六個月	
		2020	2019
		二零二零年	二零一九年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
(i) Purchase of goods from:	(i) 自以下各方購買貨品：		
HEC Pharm	宜昌東陽光藥業	12,145	9,026
Shaoguan HEC Printing	韶關東陽光印刷	16,355	11,566
HEC Power Plant	宜昌東陽光發電	5,743	4,221
Ruyuan HEC Pharmaceutical	乳源東陽光藥業	-	1,729
		34,243	26,542
(ii) Sales of goods to:	(ii) 向以下各方銷售貨品：		
Sunshine Lake Pharma	廣東東陽光藥業	10,807	1,894
HEC Medicine Retail	東陽光藥零售	4,146	211
		14,953	2,105
(iii) Services received from:	(iii) 接受以下各方提供的服務：		
Yidu Construction	宜都建築	26,520	32,462
HEC Pharm	宜昌東陽光藥業	2,389	1,834
Sunshine Lake Pharma	廣東東陽光藥業	48,744	1,729
Ruyuan HEC Pharmaceutical	乳源東陽光藥業	5,650	-
		83,303	36,025
(iv) Payment past through:	(iv) 通過以下各方付款：		
Shenzhen HEC Industrial	深圳市東陽光實業	54,760	83,439
Sunshine Lake Pharma	廣東東陽光藥業	8,974	-
		63,734	83,439

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19 MATERIAL RELATED PARTY TRANSACTIONS

(continued)

19 重大關聯方交易(續)

(a) Transactions with related parties (continued)

(a) 與關聯方之交易(續)

		Six months ended 30 June 截至六月三十日止六個月	
		2020 二零二零年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元
(v) Purchase of equipment and intangible assets from:	(v) 自以下各方購買設備及無形資產：		
Sunshine Lake Pharma	廣東東陽光藥業	781,394	221,100
Yidu Machinery Equipment	宜都機械設備	9,946	4,054
HEC E-Business	東陽光電子商務	-	943
		791,340	226,097

(b) Balances with related parties

(b) 與關聯方的結餘

(i) Amounts due from related parties

(i) 應收關聯方款項

		At 30 June 2020 於二零二零年 六月三十日 RMB'000 人民幣千元	At 31 December 2019 於二零一九年 十二月三十一日 RMB'000 人民幣千元
Prepayment to and trade receivable from:	預付款項及應收以下各方的貿易款項：		
— Sunshine Lake Pharma	— 廣東東陽光藥業	1,321,965	1,451,917

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19 MATERIAL RELATED PARTY TRANSACTIONS

(continued)

(b) Balances with related parties (continued)

(ii) Amounts due to related parties

	At 30 June 2020 於二零二零年 六月三十日 RMB'000 人民幣千元	At 31 December 2019 於二零一九年 十二月三十一日 RMB'000 人民幣千元
Trade payables and other payables to: 應付以下各方的貿易及其他款項：		
— Yidu Construction 一 宜都建築	12,510	11,977
— Sunshine Lake Pharma 一 廣東東陽光藥業	236,501	-
— Shaoguan HEC Printing 一 韶關東陽光印刷	-	3
	249,011	11,980

19 重大關聯方交易 (續)

(b) 與關聯方的結餘 (續)

(ii) 應付關聯方款項

20 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

After the end of the reporting period, the board of directors of the Company approved a distribution of dividends. Further details are disclosed in Note 16(a)(i).

20 報告期間後非調整事項

於報告期末之後，本公司董事會已批准股息分派。更多詳情披露於附註16(a)(i)。

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21 IMPACTS OF COVID-19 PANDEMIC

The COVID-19 pandemic since early 2020 has brought about additional uncertainties in the Group's operating environment and has impacted the group's operations and financial position.

As far as the Group's businesses are concerned, its impact on the pharmaceutical industry in the countries was modest during the first half of 2020. As the COVID-19 continues to evolve, it is challenging at this juncture to predict the full extent and duration of its impact to the business and the economy. Management has assessed the impact of COVID-19 across the Group, and up to the date of this report, has not identified any areas that could have a material impact on the liquidity and the going concern of the Group as at 30 June 2020, although the sales volume of the Group's core products Kewei has declined as the mobility of people across China declined during the first half of 2020 due to the outbreak of the COVID-19.

21 新型冠狀病毒肺炎疫情影響

自二零二零年年初，新型冠狀病毒肺炎（「COVID-19」）疫情為本集團營運環境帶來額外不確定因素，並影響本集團營運及財務狀況。

就本集團的業務而言，於二零二零年上半年其影響對各國醫藥行業並不大。隨著COVID-19疫情不斷進化，當前要預測其對業務及經濟的全面影響程度及持續時間有一定困難。雖然由於COVID-19爆發導致二零二零年上半年中國人民的流動性降低，因此本集團的核心產品可威的銷售量亦隨之下降，但管理層已評估COVID-19疫情對本集團的影響，截至本報告日期，並未識別COVID-19疫情於任何範疇對本集團於二零二零年六月三十日的流動資金及持續經營有重大影響。

Corporate Information

公司資料

REGISTERED NAME

YiChang HEC ChangJiang Pharmaceutical Co., Ltd.

註冊名稱

宜昌東陽光長江藥業股份有限公司

DIRECTORS

Executive Directors

Mr. JIANG Juncai
Mr. WANG Danjin
Mr. CHEN Yangui
Mr. LI Shuang

董事

執行董事

蔣均才先生
王丹津先生
陳燕桂先生
李爽先生

Non-executive Directors

Mr. TANG Xinfu (*Chairman*)
Mr. Eddy HUANG

非執行董事

唐新發先生(董事長)
黃翊先生

Independent Non-executive Directors

Mr. TANG Jianxin
Mr. ZHAO Dayao
Ms. XIANG Ling

獨立非執行董事

唐建新先生
趙大堯先生
向凌女士

REMUNERATION AND EVALUATION COMMITTEE

Ms. XIANG Ling (*Chairman*)
Mr. TANG Jianxin
Mr. JIANG Juncai

薪酬與考核委員會

向凌女士(主席)
唐建新先生
蔣均才先生

AUDIT COMMITTEE

Mr. TANG Jianxin (*Chairman*)
Mr. TANG Xinfu
Mr. ZHAO Dayao

審核委員會

唐建新先生(主席)
唐新發先生
趙大堯先生

NOMINATION COMMITTEE

Mr. ZHAO Dayao (*Chairman*)
Mr. Eddy HUANG
Ms. XIANG Ling

提名委員會

趙大堯先生(主席)
黃翊先生
向凌女士

Corporate Information

公司資料

SUPERVISORS

Mr. TANG Jinlong
Mr. LUO Zhonghua
Mr. WANG Shengchao

JOINT COMPANY SECRETARIES

Mr. PENG Qiyun
Ms. NG Wing Shan (FCS, FCIS)

AUTHORIZED REPRESENTATIVES

Mr. TANG Xinfu
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Ms. NG Wing Shan
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No. 248 Queen's Road East
Wanchai, Hong Kong

REGISTERED OFFICE

No. 38 Binjiang Road
Yidu, Yichang
Hubei Province
the PRC

THE PRINCIPAL PLACE OF BUSINESS IN PRC

No. 38 Binjiang Road
Yidu, Yichang
Hubei Province
the PRC

監事

唐金龍先生
羅忠華先生
王勝超先生

聯席公司秘書

彭琪雲先生
吳詠珊女士 (FCS, FCIS)

授權代表

唐新發先生
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註冊辦事處

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湖北省
宜昌宜都市
濱江路38號

中國主要營業地點

中國
湖北省
宜昌宜都市
濱江路38號

Corporate Information 公司資料

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40th Floor, Sunlight Tower
No.248 Queen's Road East
Wanchai
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PRINCIPAL BANKER

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Qingjiang Sub-branch
56 Changjiang Avenue
Yidu, Hubei Province
the PRC

AUDITORS

KPMG
Certified Public Accountants
Public Interest Entity Auditor registered
in accordance with the Financial Reporting
Council Ordinance
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10 Chater Road Central
Hong Kong

PRC LEGAL ADVISORS

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HONG KONG LEGAL ADVISORS

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香港主要營業地點

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灣仔
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陽光中心 40 樓

主要往來銀行

中國建設銀行股份有限公司
清江支行
中國
湖北省宜都市
長江大道 56 號

核數師

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

中國法律顧問

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香港法律顧問

嘉源律師事務所
香港上環德輔道中 238 號 17 樓

Corporate Information

公司資料

H SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17th Floor, Hopewell Centre
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Wanchai, Hong Kong

STOCK CODE

01558

COMPANY'S WEBSITE

www.hec-changjiang.com

LISTING PLACE

The Stock Exchange of Hong Kong Limited

H 股股份過戶登記處

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

股份代號

01558

本公司網址

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东阳光药