上海復旦張江生物醫藥股份有限公司

Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Co., Ltd.*

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock code:1349)

INTERIM RESULTS ANNOUNCEMENT

For the six months ended 30 June 2015

This announcement, for which the directors (the "Directors") of Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Co., Ltd. (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

FIVE YEARS FINANCIAL DATA HIGHLIGHTS

RESULTS

	Unaudited Six months ended 30 June				
	2015	2014	2013	2012	2011
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Revenue	**214,224**	153,370	156,933	82,684	39,044
Operating profit	**45,026**	41,371	34,050	18,462	641
Finance costs	**(2,720)**	(1,057)	(3,515)	(1,586)	(1,760)
Profit/(loss) before income tax	**42,306**	40,314	30,535	16,876	(1,119)
Income tax expense	**(5,138)**	(5,034)	(6,315)	(2,686)	2,440
Profit for the period	**37,168**	35,280	24,220	14,190	1,321
Profit/(loss) attributable to:					
Shareholders of the Company	**39,661**	36,296	27,904	16,205	3,353
Non-controlling interests	**(2,493)**	(1,016)	(3,684)	(2,015)	(2,032)
Total comprehensive income for the period	**37,168**	35,280	24,220	14,201	1,316
Total comprehensive income/(loss) attributable to:					
Shareholders of the Company	**39,661**	36,296	27,904	16,212	3,348
Non-controlling interests	**(2,493)**	(1,016)	(3,684)	(2,011)	(2,032)
EBITDA	**63,433**	53,356	41,042	21,916	3,980
Basic and diluted earnings per share for profit attributable to the shareholders of the Company	**RMB 0.0430**	RMB 0.0393	RMB 0.0337	RMB 0.0228	RMB 0.0047

ASSETS AND LIABILITIES

	Unaudited 30 June	Audited 31 December			
	2015	2014	2013	2012	2011
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Total assets	**992,979**	824,481	749,216	537,296	358,881
Total liabilities	**(328,648)**	(148,062)	(183,291)	(277,183)	(157,814)
	664,331	676,419	565,925	260,113	201,067
Capital and reserves attributable to the shareholders of the Company	**644,486**	650,975	532,717	223,228	170,062
Non-controlling interests	**19,845**	25,444	33,208	36,885	31,005
	664,331	676,419	565,925	260,113	201,067

The board of directors (the "Board") of the Company presents the unaudited consolidated interim results of the Company and its subsidiaries (together the "Group") for the six months ended 30 June 2015 as follows:

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW FOR THE SIX MONTHS ENDED 30 JUNE 2015

REVENUE

The Group's consolidated revenue for the six months ended 30 June 2015 amounted to approximately RMB214,224,000, comparing to RMB153,370,000 for the same period in 2014, representing an increase of 40%. The main reason is that sales of Libod (里葆多®，鹽酸多柔比星脂質體，Doxorubicin liposome) and ALA (艾拉®，鹽酸氨酮戊酸散), the major products of the Group, have contributed significant revenue to the Group during the period and their sales volume increased about 26% and 54%, respectively, from that of the corresponding period last year.

The total revenue for the six months ended 30 June 2015 came from the sales of medical products and the revenue recognised from exclusive distribution rights. The source of total turnover for the six months ended 30 June 2014 was the same as that of this period of 2015.

Revenue from the sales of medical products

Revenue of the Group from the sales of medical products for the six months ended 30 June 2015 was RMB213,391,000 (representing approximately 100% of the total revenue), increased by 41% from the same period of last year which was RMB150,870,000. The major products of the Company, ALA and Libod, have contributed 45% and 50% of the total revenue of the Group, respectively.

Revenue from exclusive distribution rights

The Company signed the sole agency agreement with NT Pharma (Jiangsu) Co., Ltd. ("NT Pharma") in February 2011, pursuant to which NT Pharma was granted the exclusive distribution rights of Libod, and such agreement expired in February 2015. The total consideration was RMB20,000,000, of which, an amount of RMB833,000 (representing 0.4% of the total revenue) was recognised as exclusive rights revenue in the six months ended 30 June 2015 and the amount in the same period in 2014 was RMB2,500,000. The Company singed a new sole agency agreement with NT Pharma during the period under review, pursuant to which the exclusive distribution rights were granted for nil consideration.

COST OF SALES

For the six months ended 30 June 2015, cost of sales of the Group was RMB17,543,000, while the corresponding figure for the same period in 2014 was RMB12,190,000. Gross profit margin for the six months ended June 2015 was 92%, which was equal to that of the same period in 2014. The relatively stable margin mainly resulted from the strict cost control implemented by the Group.

OPERATING PROFIT

For the six months ended 30 June 2015, operating profit of the Group was RMB45,026,000, comparing to the operating profit of RMB41,371,000 for the same period in 2014, representing an increase of 9%.

Expenditure and other income presented before operating profit are as follows:

- Other income for the six months ended 30 June 2015 was RMB29,699,000, comparing with RMB25,668,000 for the same period in 2014, representing an increase of 16%. Other income during this period includes the income from Shanghai Pharmaceuticals Holding Co., Ltd. ("Shanghai Pharmaceuticals"), a shareholder of the Company, for the cooperation on innovative pharmaceutical research and development amounting to RMB10,086,000. Besides, due to an increase in government grants, the Group has recognised related income amounting to RMB12,161,000 for the six months ended 30 June 2015, comparing with RMB9,554,000 for the same period in 2014. For more details, please refer to Note 8 to the Condensed Consolidated Interim Financial Information in this announcement.

- R&D costs for the six months ended 30 June 2015 was RMB37,572,000, comparing with RMB28,852,000 for the same period in 2014, representing an increase of 30%, which was in line with the actual progress of each project.

- Distribution and marketing costs for the six months ended 30 June 2015 was RMB126,983,000, comparing with RMB82,757,000 for the same period in 2014, representing an increase of 53%. The ratio of distribution and marketing costs to revenue from the sales of medical products increased to 59.5% from 54.9% for the same period in 2014. The increase was mainly due to the increasing sales proportion of Libod with lower sales profit margin and the appropriate adjustments for ALA to the marketing and promotion model.

- Administrative expenses for the six months ended 30 June 2015 was RMB16,250,000, comparing with RMB13,818,000 for the same period in 2014, representing an increase of 18%. It was mainly due to the increase in expenses relating to the acquisition of a new subsidiary during the period under review and the increase in labor cost.

- Other operating expenses for the six months ended 30 June 2015 was RMB549,000, comparing with RMB50,000 for the same period in 2014. The other operating expenses for the period under review were mainly the losses in disposal of fixed assets.

FINANCE COSTS

For the six months ended 30 June 2015, finance costs of the Group was RMB2,720,000, comparing with RMB1,057,000 for the same period in 2014, representing an increase of 157%. The main reason for the increase in finance costs was that the Group increased borrowings to supplement working capital with an aim to ensure the normal operation of subsidiaries and to carry out the R&D projects orderly as planned.

PROFIT FOR THE PERIOD

For the six months ended 30 June 2015, the profit of the Group was RMB37,168,000, comparing with that of RMB35,280,000 for the same period in 2014, representing an increase of 5%.

PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

The profit attributable to the shareholders of the Company of RMB39,661,000 was recorded in the unaudited consolidated statement of comprehensive income for the six months ended 30 June 2015, comparing with that of RMB36,296,000 for the same period in 2014, representing an increase of 9%.

BUSINESS REVIEW

With the ultimate goal to stay as an innovator in the bio-pharmaceutical industry, the Group is committed to developing novel and more effective treatments/medicines to meet the unmet needs of clinical and patients treatment and the demand of improvement, so as to realize our mission that "The More We Explore, the Healthier Human Beings Will Be".

During the period under review, the Group has been making progress in the areas of R&D and commercialization pursuing the projected plans. The Group will focus on the following four technical platforms: genetic engineering platform, photodynamic technique platform, nano technique platform and diagnosis technique platform.

In the area of R&D, the Company obtained clinical trial approval for high bio-activity recombinant human TNF receptor (重組高親和力 TNF 受體) for the treatment of Arthritis in May 2014. Clinical trial phase Ia has been completed and has entered into clinical trial phase Ib. The drug is mainly used to treat self-immunological diseases, such as arthritis. The size of potential market is enormous. The Group holds independent intellectual property right ("IPR") of the drug and has applied for PCT patent. It will be one of the key R&D projects of the Group.

Phase I clinical trial of PTH (重組人甲狀旁腺激素) for the treatment of osteoporosis has been completed. Clinical trial phase II application is estimated to be submitted around August 2015. At the same time, indication of osteoarthritis was also in the research.

Avastin for the treatment of tumor has been entering into pre-clinical study. Clinical trial application is estimated to be submitted in the second half of year 2015.

Aminolevulinic Acid Hydrochloride used for the treatment of CIN infected by HPV has entered into clinical trial phase II. Currently the cause of the disease is known but there is no effective intervention or therapy for it. Our product will be the first therapy of precancerous lesion. New indications of adjuvant therapy with Aminolevulinic Acid Hydrochloride for brain gliomas and treatment for basal cell carcinoma are entering into pre-clinical study. Aminolevulinic Acid Hydrochloride used for the treatment of moderate and severe acne has submitted clinical trial application and will start clinical trial phase I after obtained the approval.

Duteroporphyrin (多替泊芬) for the treatment of tumors has entered into the clinical trial phase II.

Libod for the treatment of tumors, was launched to market in August 2009. The drug is a new doxorubicin formula which adopts the advanced stealth liposomal encapsulation technology and has passive targeting characteristics. It is a new generation of replacement for anthracycline drugs. In oncology, it has the advantages of enhancing efficacy and remarkably lowering the effects of cardiac toxicity, myelosuppression and hair-loss. Libod is used for the treatment of AIDS-relating Kaposi's sarcoma, breast cancer and ovarian cancer. Registration for the drug is being carried out in the United States ("U.S.") taking into account the tremendous market capacity of breast cancer and the Group has obtained the approval from U.S. Food and Drug Administration ("FDA") for clinical research. The bioequivalence trial for the first patient started from September 2014 and is planned to be completed by the second half of year 2015. After the bioequivalence trial, the Company will be required to further obtain the verification of good quality management system of our production plant by FDA before the drug can be launched to the market.

Moreover, the Group increased spending on diagnosis technique and reagent research, and planned to push the "rapid, quantitative detection system" as starting point of entering into clinical medical market to develop the molecular diagnostic technique based on the technology of adapter body as technical reserves. This platform will focus on the specialized market of grassroots medical, obstetrics and neonatal unit, which can become the significant component of the industry layout of the Group in the area of diagnosis technology.

The Company acquired 90% of the total share capital of Shanghai Youni Bio-tech Co. Ltd. ("Youni Bio-tech") to strengthen the Group's layout in the diagnosis market, definite direction of development and integrate the original in-vitro diagnostic reagent platform. We will make full use of the new technology in the fields with low barriers and low cost such as food safety inspection and animal disease inspection and then to introduce it into clinical application field with low risk when it is mature at the appropriate time.

In respect of commercialization, ALA which is indicated for the treatment of dermal HPV infectious disease and proliferative disease as represented by condyloma acuminate, and Libod for the treatment of tumors, have had a steady increase of sales volume since the launch for sale. Both of them have become the most important drugs of the Group. ALA and Libod contributed 95% to the Group's revenue. During the period under review, the Company adjusted sales strategy for ALA according to the market trends so as to maintain the stable increase of its sales. On the other hand, the Company signed a new sole agency agreement with NT Pharma and continued to grand it the exclusive distribution rights of Libod. And Libod was the only Doxorubicin Hydrochloride Liposome Injection that successfully won the bid for an admitted product for insured critical illness in Zhejiang Province. All the above might be positive for expanding the market share and increasing sale volume of Libod.

FuMeiDa (the proposed brand name of Hemoporfin), which is for the treatment of Port Wine Stain, is the first photodynamic drug for the treatment of port wine stain in the world. It is a new drug with new drug target, new compound and new indication. Now the Group has obtained the New Drug Certificates issued by China State Food and Drug Administration ("CFDA") and completed the trial production. It is required to further obtain the drug approval number and pharmaceutical GMP certificate ("GMP Certificate"), etc., before FuMeiDa can be launched to the market. The application is currently at the reviewing stage.

FUTURE PROSPECTS

The Group has accumulated extensive experiences in R&D, and has taken a leading position in the pharmaceutical industry in the PRC. A new way for drug discovery and development, namely Integrated and Collective Scientific Drug Development, is spearheaded by the Group together with top researchers, scientists and medical specialists. Our research cohort is to assemble and analyze the existing know-how, information, data and technologies related to the selected diseases, to study generic mutation and abnormal of cell signaling pathways, to find biological targets and identify valid biomarkers, and ultimately to transfer the findings into clinic treatment. The Integrated and Collective Scientific Drug Development model will optimize the process of identifying and validating clinically relevant disease targeted for drug design, further improve the Group's research and development capability, and bring new directions, opportunities and enduring benefits to the Group. In the future, the Group will continue devoting efforts to R&D on projects with proprietary intellectual property rights. In particular, drugs for the treatment of dermal diseases, tumors and osteoarticular diseases will be of the most importance.

In the area of commercialization, the Group has realized production and sales on diagnostic reagents, ALA, and Libod. As more products are launched to the market, it is expected that the future sales revenue will be increasing extensively.

All the product lines of the Group passed GMP Certification of CFDA. Our objective is to set up the product lines which can meet international standards so that our products could be sold worldwide. Two product lines launched in Shanghai and Taizhou have started to apply for the GMP certification of FDA.

Moreover, considering that more drugs are going to be registered, a subsidiary of the Company, Taizhou Fudan-Zhangjiang Pharmaceutical Co., Ltd ("Taizhou Pharmaceutical"). has constructed two production lines for the material and injection of Hemoporfin. To make the two production lines at full capacity, the Group has chosen to register several generic drugs which can be produced with Hemoporfin on the same production line. More investment in production lines will be made in the next few years so as to make it become the centralized production base of the Group.

The Group has successfully accomplished the transformation from purely R&D to equal emphasis on both R&D and commercialization with a complete system featuring organic combination of R&D, product manufacturing and marketing. The Group is moving toward a virtuous stage of development.

DIVIDEND

The Board did not recommend the payment of an interim dividend for the six months ended 30 June 2015 (Six months ended 30 June 2014: Nil).

CHARGE ON ASSETS

As at 30 June 2015, the Group did not have any charge on assets.

SIGNIFICANT INVESTMENTS

The Board approved that the Company established a subsidiary named Derma Clinic Investment Co., Ltd. * (德美診聯醫療投資管理有限公司) ("Derma Clinic") with independent third parties, including Zhong He Hou De Investment Management Co., Ltd.* (中和厚德投資管理有限公司) ("Zhong He Hou De") in China Shanghai. Derma Clinic will make investment to establish and operate nationwide skin beauty chain clinics, by taking advantage of the brand effect and market share of the Company in the skin beauty field of medical market. The related registration procedures completed in August 2015.

Saved as disclosed above, the Company had no other significant investments as at 30 June 2015.

MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

The Board approved that the Company entered into the share transfer agreement with the three original shareholders of Youni Bio-tech on 12 December 2014, pursuant to which the Company had conditionally agreed to acquire and the vendors had conditionally agreed to sell the shares in Youni Bio-tech, representing 90% of the total share capital of Youni Bio-tech at a cash consideration of RMB22,500,000 in aggregate. Youni Bio-tech is a biotechnology company that is principally engaged in the research and development, manufacture and sales of reagents for food safety detection. Details of this transaction were set out in the announcement issued by the Company on 12 December 2014. The share transfer was completed in January 2015. Its financial results have been consolidated into the accounts of the Group during the period under review.

Saved as disclosed above, the Company had no material acquisitions or disposals of subsidiaries and associated companies during the six months ended 30 June 2015.

BANKING FACILITIES

As at 30 June 2015, the Group had a loan of RMB 157,300,000 outstanding, which include:

On 14 November 2014, the bank borrowing of RMB2,300,000, which was guaranteed and secured by an executive director of Youni Bio-tech, his other family members and their personal properties, was taken by Youni Bio-tech, a subsidiary of the Company, and bore an annual interest rate of 7.20%. The borrowing is due for repayment on 14 November 2015.

On 16 February 2015, the unsecured bank borrowing of RMB70,000,000 was taken by the Company, and bore an annual interest rate based on the market rate published by People's Bank of China. The borrowing is due for repayment on 16 February 2016.

On 16 March 2015, the bank borrowing of RMB25,000,000 was taken by Taizhou Pharmaceutical, a subsidiary of the Group, with an interest rate of 6.1525%. The borrowing is guaranteed by the Company, and is due for repayment on 15 March 2016.

On 8 May 2015, the unsecured bank borrowing of RMB60,000,000 was taken by the Company with an interest rate of 5.6175%. The borrowing is due for repayment on 6 November 2015.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Company is now studying the feasibility to construct an additional building in the existing base so as to expand the space for small-scale trial production.

Saved as disclosed above, the Group had no other material capital expenditure plan for the moment.

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally finances its operations and investing activities with internally generated financial resources, proceeds from the listing of the Company's shares on the Growth Enterprise of the Stock Exchange, proceeds from the share placement, grants from the municipal government authorities and commercial loans.

As at 30 June 2015, the Group had cash and cash equivalents of approximately RMB 455,358,000.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including bank borrowings and loans from government authorities) less cash and cash equivalents. Total capital is calculated as "equity", as shown in the consolidated balance sheet, plus net debt. As at 30 June 2015 and 2014, cash and cash equivalents is much more than total balance of bank loans of the Group, therefore, the gearing ratio is not applicable.

The Group adopts a conservative treasury policy in cash and financial management. To achieve better risk control and to minimize the finance cost, the Group's treasury activities are centralized. The Group's liquidity and financing arrangements are reviewed regularly.

FOREIGN EXCHANGE EXPOSURE

The Group mainly operates in the domestic market. Except for the HKD proceeds from the placement of shares, the operating results and the financial position of the Group will not be substantially affected by the movement in exchange rates.

EMPLOYEES AND SALARIES

As at 30 June 2015, the Group had a total of 512 employees, as compared to 470 employees as at 30 June 2014. Staff costs including Directors' remuneration for the six months ended 30 June 2015 were RMB36,244,000, comparing with RMB28,907,000 for the same period in 2014. The salaries and benefits of employees of the Group are kept at a competitive level and employees are rewarded on a performance related basis with the general framework of the Group's salary and bonus system which is reviewed annually. A wide range of benefits, including statutory social welfare plans, are also provided to employees.

USE OF PROCEEDS

On 4 February 2013, the Company completed a placing of 142,000,000 H shares with a par value of RMB0.10 each at a price of HKD1.70. The amount of net proceeds from the placing was approximately HKD233,909,000 (equivalent to approximately RMB185,575,000) (after deducting all applicable costs and expenses, including commissions, legal fees and levies). The net proceeds were applied in the planned projects described in the circular of the Company dated 14 May 2012 and the announcement of the Company dated 16 January 2013.

Particulars of the proceeds from the placing were used as follows:

	Budget **RMB'000**	Unaudited By the end of 30 June 2015 Total amount that has been utilised RMB'000
R&D projects		
- the clinical study project regarding using ALA for the treatment of cervical intraepithelial neoplasia	**20,000**	7,017
- the pre-clinical study and clinical study project regarding using ALA for the treatment of brain glioma	**10,000**	2,247
- the pre-clinical and clinical study project of paclitaxel albumin nanoparticles	**20,000**	12,959
- the pre-clinical and clinical study project of CD30-MMAE	**30,000**	18,272
To repay the debts of the Company	**20,000**	20,000
For the working capital of the Company	**85,575**	85,575
Total	**185,575**	146,070

DIRECTORS', CHIEF EXECUTIVE'S AND SUPERVISORS' INTERESTS IN SHARES OF THE COMPANY

As at 30 June 2015, the interests (if any) of the Directors of the Company, chief executive and the supervisors of the Company (the "Supervisors") and their respective associates in the shares or debentures (including interests in shares and / or short positions) of the Company and its associated corporations, (a) as notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance ("SFO"); or (b) as recorded in the register maintained by the Company under Section 352 of the SFO; or (c) as notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers under Appendix 10 of the Listing Rules were as follows:

Name of Directors	Class of shares	Number of shares held	Capacity	Type of interest	Percentage in Domestic Shares	Percentage in total share capital
Wang Hai Bo	Domestic Shares	57,886,430 (L)	Beneficial owner	Personal	9.93%	6.27%
Su Yong	Domestic Shares	22,312,860 (L)	Beneficial owner	Personal	3.83%	2.42%
Zhao Da Jun	Domestic Shares	19,260,710 (L)	Beneficial owner	Personal	3.30%	2.09%

Note: The letter "L" stands for long position.

SUBSTANTIAL SHAREHOLDERS

So far as the Directors are aware, as at 30 June 2015, the persons other than a Director, chief executive or Supervisor of the Company who have interests and/or short positions in the shares or underlying shares of the Company subject to disclosure under Divisions 2 and 3 of Part XV of the SFO, or as recorded in the register maintained under Section 336 of the SFO, or as notified to the Company and the Stock Exchange were as follows (the interests in shares and/or short positions, if any, disclosed herein are in addition to those disclosed in respect of the Directors, chief executive and Supervisors):

Name of substantial shareholders	Class of shares	Number of shares held	Capacity	Type of interest	Percentage in the respective class of share capital	Percentage in total share capital
Shanghai Industrial Investment (Holdings) Co., Ltd.	Domestic Shares H Shares	139,578,560 (L) 70,564,000 (L)	Interest of controlled corporation	Corporate	23.94% 20.75%	22.77%
Shanghai Pharmaceuticals	Domestic Shares H Shares	139,578,560 (L) 70,564,000 (L)	Beneficial Owner	Corporate	23.94% 20.75%	22.77%
China New Enterprise Investment Fund II	Domestic Shares	156,892,912 (L)	Beneficial Owner	Corporate	26.91%	17.00%
Yang Zong Meng	Domestic Shares	80,000,000 (L)	Beneficial owner	Personal	13.72%	8.67%
Fudan University	Domestic Shares	30,636,286 (L)	Interest of controlled corporation	Corporate	5.25%	3.32%
Shanghai Fudan Asset Operating Limited (上海復旦資產經營有限公司)	Domestic Shares	30,636,286 (L)	Beneficial Owner	Corporate	5.25%	3.32%

Note: The letter "L" stands for long position.

SECURITIES TRANSACTIONS BY DIRECTORS

During the six months ended 30 June 2015, the Company had adopted a code of conduct for directors' securities transactions on terms no less strict than the required standard of dealings set out in the Model Code for Securities Transactions by Directors of Listed Issuers under Appendix 10 of the Listing Rules. Having made specific enquiry with all Directors, the Directors have been complying with the required standard of dealings and the code of conduct for directors' securities transactions during the six months ended 30 June 2015.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

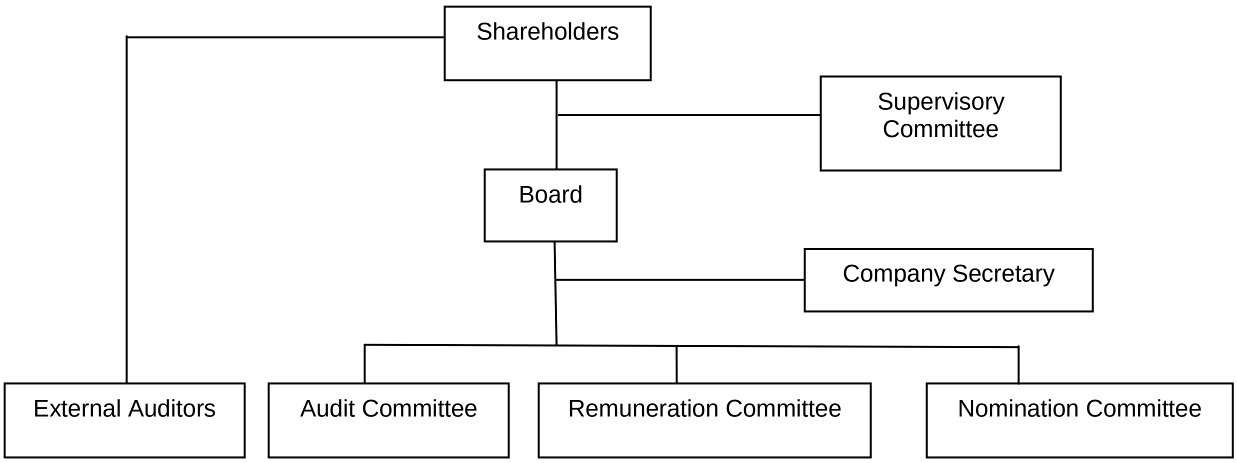
AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") is responsible for reviewing the financial reporting, internal controls and corporate governance issues and making relevant recommendations to the Board. The Audit Committee comprises two Independent Non-executive Directors and one Non-executive Director who are Mr. Lam Yiu Kin, Mr. Xu Qing and Mr. Shen Bo. Mr. Lam Yiu Kin, who is an Independent Non-executive Director, was appointed as the chairman of the Audit Committee.

The Audit Committee reviews the accounting principles and practices adopted by the Group as well as the internal controls to check whether they comply with the Listing Rules, and reviews issues regarding auditing, internal controls, risk management and financial reporting. The Audit Committee reviewed the Group's unaudited interim results for the six months ended 30 June 2015 before proposing the same to the Board for approval.

CORPORATE GOVERNANCE PRACTICE

The Company's corporate governance structure is as follows:



The Company's Code of Corporate Governance Practice includes but not limited to the following documents:

a) Articles of Association;
b) Principles of the Audit Committee;
c) Principles of the Remuneration Committee;
d) Principles of the Nomination Committee;
e) Principles regarding transactions in the Company's securities;
f) Daily management documents of the Company.

The Board has reviewed the documents relating to corporate governance policies adopted by the Company and considered that it had complied with most of the principles and codes set out in Appendix 14 (Corporate Governance Code and Corporate Governance Report) of the Listing Rules, except for the following deviation:

- The positions of the Chairman and the general manager rest on the same person. Although the Articles of Association contains specific requirements on the responsibilities of the chairman and the general manager (chief executive), such being the responsibilities of managing the operation of the Board and managing the daily operation of the Company, respectively, the two positions are still taken by one person. Considering that the scale of the Company is relatively small with its businesses mainly focused on the areas of research, production and sales of innovative drugs, and that it has not completely stepped out of the venture period for the time being, also for the sake of management efficiency, the Board takes the view that the positions of the Chairman and the general manager being taken by one person is beneficial for the Company's development at the present stage. Along with the development of the Company, the Board will consider to segregate duties of the Chairman and the general manager as and when appropriate.

Change in Directors' Biographical Details

Independent Non-Executive Directors

Zhou Zhong Hui, aged 68, was appointed as an Independent Non-executive Director on 30 May 2013. He is a member of the International Advisory Committee of the China Securities Regulatory Commission, the Audit Regulation Committee of Chinese Institution of Certified Public Accountant and the managing director of China Appraisal Society. He used to be the chief accountant of the China Securities Regulatory Commission from 2007 to 2011, a partner, the general manager and chief accountant of PricewaterhouseCoopers Zhong Tian CPAs Limited Company from 1992 to 2007 and a professor of Shanghai University of Finance and Economics from 1989 to 1998. He has been an independent non-executive director of BesTV New Media Co., Ltd., a company listed on the Shanghai Stock Exchange (Shanghai Stock Code: 600637) since 23 December 2011, and resigned on 4 June 2015. He has been an independent non-executive director of China Pacific Insurance (Group) Co., Ltd., a company listed on the Shanghai Stock Exchange (Shanghai Stock Code: 601601) and the Stock Exchange (Stock Code: 02601) since 31 May 2013. He has been an independent non-executive director of Juneyao Airlines Co., Ltd., a company newly listed on the Shanghai Stock Exchange (Shanghai Stock Code: 603885) since 29 June 2014. He graduated from Shanghai University of Finance and Economics with a master's degree in Economics in November 1983, and a Ph.D. in Economics in January 1993.

Lam Yiu Kin, aged 60, was appointed as an Independent Non-executive Director on 9 October 2013. He is a fellow member of the Association of Chartered Certified Accountants (ACCA), the Institute of Chartered Accountants in England & Wales (ICAEW), the Institute of Chartered Accountants of Australia and New Zealand (ICAA), and Hong Kong Institute of Certified Public Accountants (HKICPA). He is presently an adjunct professor in the School of Accounting and Finance of the Hong Kong Polytechnic University, and a committee member of the Hong Kong Management Association. Mr. Lam has extensive experiences in accounting, auditing and business consulting. He was a member of the Listing Committee of the Stock Exchange from 1997 to 2003, a committee member of HKICPA from 1994 to 2009, a member of the Financial Reporting Advisory Panel of the Stock Exchange from 1997 to 2003 and a partner with PricewaterhouseCoopers Hong Kong from 1993 to 2013. He graduated from Hong Kong Polytechnic University with a higher diploma in June 1975. Mr. Lam has been an independent non-executive director of Kate China Holdings Limited, a company listed on the Growth Enterprise Market of the Stock Exchange (Stock Code: 8125) since 30 June 2014. He has been an independent non-executive director of Vital Mobile Holdings Limited, a company listed on the Main Board of the Stock Exchange (Stock Code: 6133) since 19 September 2014. He has been an independent non-executive director of Spring Asset Management Limited, a company listed on the Main Board of the Stock Exchange (Stock Code: 1426) since 12 January 2015. He has been an independent non-executive director of GLOBAL Digital Creations Holdings Limited, a company listed on the Growth Enterprise Market of the Stock Exchange (Stock Code: 8271) since 27 July 2015. He has been an independent non-executive director of Mason Financial Holdings Limited, a company listed on the Main Board of the Stock Exchange (Stock Code: 0273) since 1 August 2015. And he has been an independent non-executive director of Shougang Concord Century Holdings Limited, a company listed on the Main Board of the Stock Exchange (Stock Code: 0103) since 1 August 2015.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Unaudited Six months ended 30 June 2015 *RMB'000*	2014 *RMB'000*
Revenue	7	**214,224**	153,370
Cost of sales	9	**(17,543)**	(12,190)
Gross profit		**196,681**	141,180
Other income	8	**29,699**	25,668
Research and development costs	9	**(37,572)**	(28,852)
Distribution and marketing costs	9	**(126,983)**	(82,757)
Administrative expenses	9	**(16,250)**	(13,818)
Other operating expenses	9	**(549)**	(50)
Operating profit		**45,026**	41,371
Finance costs		**(2,720)**	(1,057)
Profit before income tax		**42,306**	40,314
Income tax expense	10	**(5,138)**	(5,034)
Profit for the period		**37,168**	35,280
Other comprehensive income		**-**	-
Total comprehensive income for the period		**37,168**	35,280
Profit attributable to:			
Shareholders of the Company		**39,661**	36,296
Non-controlling interests		**(2,493)**	(1,016)
		37,168	35,280
Total comprehensive income attributable to:			
Shareholders of the Company		**39,661**	36,296
Non-controlling interests		**(2,493)**	(1,016)
		37,168	35,280
Basic and diluted earnings per share for profit attributable to the shareholders of the Company	12	**RMB 0.0430**	RMB 0.0393

	Note	Unaudited Six months ended 30 June 2015 *RMB'000*	2014 *RMB'000*
Dividend	11	**-**	-

INTERIM CONSOLIDATED BALANCE SHEET

	Note	**Unaudited 30 June 2015** *RMB'000*	Audited 31 December 2014 *RMB'000*
Non-current assets			
Leasehold land payments		**32,155**	32,550
Property, plant and equipment		**299,040**	285,740
Goodwill		**8,937**	-
Technical know-how		**8,670**	2,867
Deferred costs		**19,167**	17,131
Deferred income tax assets		**2,980**	3,727
Other non-current assets	13	**2,873**	3,011
		373,822	345,026
Current assets			
Inventories		**19,871**	13,983
Trade receivables	14	**103,400**	86,132
Other receivables, deposits and prepayments		**23,367**	16,389
Amounts due from related parties		**17,161**	6,854
Cash and cash equivalents		**455,358**	356,097
		619,157	479,455
Total assets		**992,979**	824,481

INTERIM CONSOLIDATED BALANCE SHEET (CONTINUED)

	Note	Unaudited 30 June 2015 RMB'000	Audited 31 December 2014 RMB'000
Non-current liabilities			
Borrowings	16	**-**	-
Deferred revenue		**27,593**	26,954
		27,593	26,954
Current liabilities			
Trade payables	15	**7,072**	2,789
Other payables and accruals		**115,985**	66,210
Current income tax liabilities		**4,497**	7,068
Amounts due to related parties		**3,045**	3,049
Borrowings	16	**157,300**	25,000
Deferred revenue		**13,156**	16,992
		301,055	121,108
Total liabilities		**328,648**	148,062
Capital and reserves attributable to shareholders of the Company			
Share capital		**92,300**	92,300
Reserves		**552,186**	558,675
		644,486	650,975
Non-controlling interests		**19,845**	25,444
Total equity		**664,331**	676,419
Total equity and liabilities		**992,979**	824,481
Net current assets		**318,102**	358,347
Total assets less current liabilities		**691,924**	703,373

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1. GENERAL INFORMATION

The Company was established in the People's Republic of China ("PRC") on 11 November 1996 as a limited liability company with an initial registered capital of RMB 5,295,000.

Pursuant to a series of capital injections on 10 November 1997, 11 May 2000, and 12 September 2000 from the existing or the then shareholders of the Company and the capitalisation of reserves of the Company on 11 December 1997 and 20 October 2000, the registered capital of the Company was increased from RMB 5,295,000 to RMB 53,000,000.

On 8 November 2000, the Company was transformed into a joint stock company with limited liability.

On 20 January 2002, all of the shares of the Company, being 53,000,000 ordinary shares with a par value of RMB 1.00 each, were subdivided into 530,000,000 ordinary shares ("Domestic Shares") with a par value of RMB 0.10 each.

On 13 August 2002, the trading of the newly issued 198,000,000 ordinary shares ("H Shares") of RMB 0.10 each of the Company commenced on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), including 18,000,000 H Shares converted from Domestic Shares. Therefore, the share capital of the Company was increased to RMB 71, 000,000.

On 4 February 2013, the Company completed a placing of 142,000,000 H Shares with a par value of RMB 0.10 each at a price of HKD 1.70. Therefore the share capital of the Company was increased to RMB 85,200,000.

On 29 June 2012, the Company adopted a restricted share scheme. Pursuant to the scheme, the Company granted 35,500,000 domestic shares as restricted shares to directors, senior management, mid-level management and key research staff of the Group on 24 June 2013 and 21 October 2013, respectively, at a price of RMB 0.51 with a par value of RMB 0.10 each. Upon completion of the grants of 71,000,000 domestic shares, the share capital of the Company was increased to RMB 92,300,000.

On 16 December 2013, the Company transferred its H Shares listing from GEM to the Main Board of the Stock Exchange.

As at 30 June 2015, the Company had direct interests of 100%, 65%, 69.77%, 56% and 90% in five subsidiaries, namely Shanghai Morgan-Tan International Center for Life Sciences Co., Ltd. ("Morgan-Tan"), Shanghai Ba Dian Medicine Co., Ltd. ("Ba Dian"), Taizhou Fudan-Zhangjiang Pharmaceutical Co., Ltd. ("Taizhou Pharmaceutical"), Shanghai Tracing Bio-technology Co., Ltd. ("Tracing") and Shanghai Youni Bio-tech Co., Ltd. ("Youni"), respectively, and the Company had indirect interests of 38.99% in Tracing as Youni had interests of 38.99% in Tracing.

The Group is principally engaged in the research, development and selling of self-developed bio-pharmaceutical know-how, carrying out contracted research for customers, manufacturing and selling of medical products in the PRC.

The address of the Company's registered office is 308 Cailun Road, Zhangjiang Hi-Tech Park, Pudong, Shanghai, PRC.

This condensed consolidated interim financial information is presented in Renminbi ("RMB") thousands, unless otherwise stated. This condensed consolidated interim financial information was approved for issue by the Board of Directors of the Company on 11 August 2015.

This condensed consolidated interim financial information has not been audited.

2. BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2015 has been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting". The condensed consolidated interim financial information should be read in conjunction with the consolidated financial statements of the Company for the year ended 31 December 2014, which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

3. ACCOUNTING POLICIES

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

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

(i) New amendments of IFRS adopted by the Group

The following new amendments of IFRS are mandatory for the first time for the financial year beginning on or after 1 January 2015.

IFRS 2 (Amendments)	Share-based Payment
IFRS 3 (Amendments)	Business Combinations
IFRS 8 (Amendments)	Operating Segments
IFRS 9 (Amendments)	Financial Instruments
IFRS 13 (Amendments)	Fair Value Measurement
IAS 16 (Amendments)	Property, Plant and Equipment
IAS 19 (Amendments)	Employee Benefits
IAS 24 (Amendments)	Related Party Disclosures
IAS 37 (Amendments)	Provisions, Contingent Liabilities and Contingent Assets
IAS 38 (Amendments)	Intangible Assets
IAS 39 (Amendments)	Financial Instruments: Recognition and Measurement, on novation of derivatives
IAS 40 (Amendments)	Investment property

The adoption of the above new amendments of IFRS starting from 1 January 2015 did not have any significant impact on the Group's interim financial information for the six months ended 30 June 2015.

(ii) The following new standards and amendments of IFRS which are relevant to the Group's operations have been issued but are not yet effective and have not been early adopted by the Group. The Directors anticipate that adoption of these new standards and amendments will not result in substantial changes to the Group's results of operations and financial position.

IFRS 5 (Amendments)	Non-current assets held for sale and discontinued operations
IFRS 7 (Amendments)	Financial Instruments: Disclosures

IFRS 9	Financial Instruments
IFRS 10 (Amendments)	Consolidated Financial Statements, on applying the consolidation exception
IFRS 11 (Amendments)	Joint Arrangements
IFRS 12 (Amendments)	Disclosures of Interests in Other Entities
IFRS 14	Regulatory Deferral Accounts
IFRS 15	Revenue from Contracts with Customers
IAS 1 (Amendments)	Presentation of Financial Statements
IAS 16 (Amendments)	Property, Plant and Equipment
IAS 19 (Amendments)	Employee Benefits
IAS 27 (Amendments)	Separate Financial Statements, on equity method in separate financial statements
IAS 28 (Amendments)	Investments in Associates and Joint Ventures
IAS 34 (Amendments)	Interim financial reporting
IAS 38 (Amendments)	Intangible Assets
IAS 41 (Amendments)	Agriculture: Bearer plants

4. ESTIMATES

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

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

5. FINANCIAL RISK MANAGEMENT

5.1 Financial risk factors

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

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

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

5.2 Liquidity risk

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

6. Business combinations

In January 2015, the Company acquired 90% of the total shares in Youni, a company that is a manufacturer of food diagnostic reagent, for consideration of RMB 22,500,000. The acquisition is expected to help the Company further integrate the original in-vitro diagnostic reagent platform of Tracing, which in turn will lay a foundation for expanding the business of the Group to large diagnostic reagent sector, and the acquisition is also in line with the industry distribution and development trend of the diagnostics business of the Group. None of the goodwill recognised is expected to be deductible for income tax purposes.

The goodwill of RMB 8,937,000 arises from a number of factors including expected synergies through combining a highly skilled workforce and obtaining greater production efficiencies through knowledge transfer; obtaining economies of scale by cost reductions from purchasing efficiencies, price reductions and greater volume rebates from suppliers; and unrecognised assets such as the workforce.

The following table summarises the consideration paid for Youni and the amounts of the assets acquired and liabilities assumed recognised at the acquisition date.

	9 January 2015 RMB'000
Purchase consideration	
− Cash paid	22,500
Recognised amounts of identifiable assets acquired and liabilities assumed	
Provisional fair value	
Cash and cash equivalents	940
Investment in an associate	4,615
Property, plant and equipment	13,240
Technical know-how	3,337
Inventories	1,805
Trade receivables	5,588
Other receivables, deposits and prepayments	764
Trade payables	(4,049)
Other payables and accruals	(870)
Borrowings	(10,300)
Total identifiable net assets	15,070
Non-controlling interests	(1,507)
Goodwill	8,937
	22,500
Acquisition-related costs (included in administrative expenses in the interim consolidated statement of comprehensive income for the period ended 30 June 2015)	28

	9 January 2015 RMB'000
Outflow of cash to acquire business, net of cash acquired	
- cash consideration	22,500
- cash and cash equivalents in subsidiary acquired	(940)
Cash outflow on acquisition	21,560

(a) Acquired property, plant and equipment

The fair value of the acquired property, plant and equipment is RMB 13,240,000. As the impairment test has been carried out, the acquired property, plant and equipment does not exist the impairment indication and no impairment was charged.

(b) Acquired technical know-how

The fair value of the acquired technical know-how is RMB 3,337,000. As the impairment test has been carried out, the acquired technical know-how does not exist the impairment indication and no impairment was charged.

(c) Acquired trade receivables

The fair value of trade receivables is RMB 5,588,000, which are expected to be collectible.

(d) Non-controlling interests

The Group has chosen to recognise the non-controlling interests at its fair value for this acquisition and the fair value of the non-controlling interests was based on its percentage of the fair value of total identifiable net assets.

(e) Revenue contribution

The acquired business contributed revenues of RMB 6,470,000 to the Group for the period from 9 January 2015 to 30 June 2015.

7. REVENUE

The Group is principally engaged in the research, development and selling of self-developed bio-pharmaceutical know-how, manufacturing and selling of medical products in the PRC. Revenue recognised during the period are as follows:

	Unaudited Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Sales of medical products	**213,391**	150,870
Exclusive rights (note (a))	**833**	2,500
	214,224	153,370

(a) In March 2011, the exclusive distribution rights of Doxorubicin Liposome Injection products were granted to a pharmaceutical distribution company for a period from the contract effective day to 28 February 2015, at a total consideration of RMB 20,000,000, of which an amount of RMB 833,000 was recognised as revenue in the six months ended 30 June 2015 (Six months ended 30 June 2014: RMB 2,500,000).

8. OTHER INCOME

	Unaudited Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Government grants	**12,161**	9,554
Cooperation agreement with Shanghai Pharmaceuticals (note (a))	**10,086**	12,069
Gains on investments in financial products (note (b))	**4,686**	3,548
Interest income	**2,557**	481
Others	**209**	16
	29,699	25,668

(a) On 23 February 2011, the Company and Shanghai Pharmaceuticals signed an innovative drug research and development strategic cooperation agreement (the "Agreement") in relation to four of the existing drug research projects undertaken by the Group. According to the Agreement, Shanghai Pharmaceuticals will pay 80% of the ongoing research and development ("R&D") expenses of these projects from 1 January 2011 (inclusive), and the Group and Shanghai Pharmaceuticals will share equally the future benefits generated from the commercialization of these projects. In addition, Shanghai Pharmaceuticals also agreed to pay 80% of the R&D expenses on these research projects prior to 1 January 2011 (the "Pre-2011 Costs") but the payments of the Pre-2011 Costs are subject to the completion of certain milestones between 2011 and six months ended 30 June 2015 as set out in the Agreement.

(b) The gains represented the gains on investments in financial products upon maturity.

9. EXPENSES BY NATURE

	Unaudited Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Amortisation of leasehold land payments	**395**	395
Amortisation of deferred costs (included in 'Cost of sales')	**43**	954
Amortisation of technical know-how	**460**	119
Provision for impairment of receivables	**2,335**	4,653
Inventories write-down	**11**	-
Changes in inventories of finished goods and work in progress	**(2,864)**	7,308
Raw materials and consumables used	**14,878**	9,908
Depreciation of property, plant and equipment	**19,822**	13,091
Less: Amount capitalised in deferred costs	**(2,313)**	(2,574)
	17,509	10,517
Losses on disposal of property, plant and equipment	**101**	13
Operating lease rentals in respect of land and buildings	**590**	529
Research and development costs, excluding employee benefit expenses	**14,427**	7,314
Employee benefit expenses	**36,244**	28,907
Marketing and sales promotion expenses	**89,988**	50,495
Post-marketing study expenses	**15,705**	10,637
Quality inspection expenses	**3,095**	2,959
Others	**5,980**	2,959
Total cost of sales, research and development costs, distribution and marketing costs, administrative expenses and other operating expenses	**198,897**	137,667

10. INCOME TAX EXPENSE

Effective from 1 January 2008, the Company and its subsidiaries are required to determine and pay the corporate income tax in accordance with the Corporate Income Tax Law of the People's Republic of China (the "CIT Law") as approved by the National People's Congress on 16 March 2007. The Company was recognised as a high-tech enterprise, and the applicable tax rate of the Company is 15% in the six months ended 30 June 2015 (2014: 15%). The applicable tax rates of the subsidiaries are 25% during the six months ended 30 June 2015 (2014: 25%).

	Unaudited Six months ended 30 June	
	2015	2014
	RMB'000	*RMB'000*
Current income tax	**4,391**	4,059
Deferred income tax	**747**	975
	5,138	5,034

11. DIVIDEND

The Board did not recommend the payment of an interim dividend for the six months ended 30 June 2015 (Six months ended 30 June 2014: Nil).

12. EARNINGS PER SHARE

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

	Unaudited Six months ended 30 June	
	2015	2014
Profit attributable to shareholders of the Company (RMB'000)	**39,661**	36,296
Weighted average number of ordinary shares in issue ('000)	**923,000**	923,000
Basic earnings per share (RMB)	**0.0430**	0.0393

There is no difference between the basic and diluted earnings per share for the six months ended 30 June 2015 and 30 June 2014 as there were no dilutive potential ordinary shares during the periods then ended.

13. OTHER NON-CURRENT ASSETS

	Unaudited	Audited
	30 June	31 December
	2015	2014
	RMB'000	*RMB'000*
Equipment prepayments	**2,873**	3,011

14. TRADE RECEIVABLES

	Unaudited 30 June 2015 *RMB'000*	Audited 31 December 2014 *RMB'000*
Accounts receivable (note (a))	**94,433**	72,604
Less: Provision for impairment	**(3,509)**	(1,174)
Accounts receivable - net	**90,924**	71,430
Notes receivable (note (b))	**12,476**	14,702
	103,400	86,132

As at 30 June 2015 and 31 December 2014, the fair value of the trade receivables approximated their carrying amounts, which are all denominated in RMB.

(a) Accounts receivable are arisen from sales of products, with no interest charged. The credit period granted to customers is between 1 to 4 months. The ageing analysis of accounts receivable based on invoice date, before provision for impairment as at 30 June 2015 and 31 December 2014 are as follows:

	Unaudited 30 June 2015 *RMB'000*	Audited 31 December 2014 *RMB'000*
Within credit terms	**59,244**	56,320
Past due within 30 days	**19,576**	11,231
Past due over 30 days and within 60 days	**4,460**	641
Past due over 60 days and within 90 days	**106**	238
Past due over 90 days and within one year	**9,877**	3,390
Past due over one year	**1,170**	784
	94,433	72,604

(b) Notes receivable are arisen from sales of products, with no interest and guarantee. They are all bank acceptance notes with maturities less than six months.

15. TRADE PAYABLES

	Unaudited 30 June 2015 ***RMB'000***	Audited 31 December 2014 *RMB'000*
Accounts payable (note (a))	**7,072**	2,789

As at 30 June 2015 and 31 December 2014, all trade payables of the Group were non-interest bearing, and their fair value approximated their carrying amounts due to their short maturities.

All the Group's trade payables are denominated in RMB.

(a) As at 30 June 2015 and 31 December 2014, the ageing analysis of accounts payable based on invoice date are as follows:

	Unaudited 30 June 2015 ***RMB'000***	Audited 31 December 2014 *RMB'000*
Within 30 days	**6,580**	2,509
31 days to 60 days	**205**	31
61 days to 90 days	**40**	-
Over 90 days but less than one year	**12**	18
Over one year	**235**	231
	7,072	2,789

16. BORROWINGS

	Unaudited 30 June 2015 ***RMB'000***	Audited 31 December 2014 *RMB'000*
Non-current		
Long-term bank borrowings, unsecured (note (c))	**-**	25,000
Less: Current portion	**-**	(25,000)
	-	-
Current		
Short-term bank borrowings, unsecured (note (a))	**155,000**	-
Short-term bank borrowings, secured (note (b))	**2,300**	-
Current portion of long-term bank borrowings, unsecured (note (c))	**-**	25,000
	157,300	25,000

(a) As at 30 June 2015, the credit short-term bank borrowings of RMB 130,000,000 were taken by the Company, of which RMB 70,000,000 bore an annual interest rate based on the market rate published by People's Bank of China (as at 30 June 2015: 4.85%) and was due for repayment on 16 February 2016; the remaining RMB 60,000,000 bore an annual interest rate of 5.6175% and was due for repayment on 6 November 2015.

As at 30 June 2015, the short-term bank borrowing of RMB 25,000,000, which was guaranteed by the Company, was taken by Taizhou Pharmaceutical. The borrowing bore an annual interest rate of 6.1525% and was due for repayment on 15 March 2016.

(b) As at 30 June 2015, the short-term bank borrowing of RMB 2,300,000 was taken by Youni. The borrowing was guaranteed and secured by an executive director of Youni, his other family members and their personal properties. The borrowing bore an annual interest rate of 7.20% and was due for repayment on 14 November 2015.

(c) As at 31 December 2014, the long-term bank borrowing of RMB 25,000,000, which was guaranteed by the Company, bore an annual interest rate based on the market rate published by People's Bank of China (as at 31 December 2014: 6.00%) and was due for repayment on 20 March 2015. The borrowing was repaid in March 2015.

Interest expense on borrowings for the six months ended 30 June 2015 is RMB 2,720,000 (Six months ended 30 June 2014: RMB 1,057,000).

As at 30 June 2015 and 31 December 2014, the Group's borrowings were repayable as follows:

	Unaudited	Audited
	30 June 2015	31 December 2014
	RMB'000	*RMB'000*
Within 1 year	**157,300**	25,000

17. SEGMENT INFORMATION

The single operating segment is reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the executive directors that make strategic decisions.

In recent years, the Group has been focusing on the commercialization of its own drugs after research and development. The outcomes of the Group's research and development activities will be given preference to be used by the Group for its own commercialization. Accordingly, the management considers that the Group only operates a single business segment and hence no segment information is presented.

The Company and all its subsidiaries operate in the PRC and the Group's revenue is principally derived in the PRC.

Publication of Interim Report

This interim results announcement is published on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (http:// www.fd-zj.com). The interim report of the Company for the six months ended 30 June 2015 containing all the information required by the Listing Rules will be despatched to the Shareholders and made available for review on the aforesaid websites in due course.

By Order of the Board
Wang HaiBo
Chairman

As at the date of this announcement, the Board comprises:

Mr. Wang Hai Bo (Executive Director)
Mr. Su Yong (Executive Director)
Mr. Zhao Da Jun (Executive Director)
Ms. Ke Ying (Non-executive Director)
Mr. Shen Bo (Non-executive Director)
Ms. Yu Xiao Yang (Non-executive Director)
Mr. Zhou Zhong Hui (Independent Non-executive Director)
Mr. Lam Yiu Kin (Independent Non-executive Director)
Mr. Xu Qing (Independent Non-executive Director)

Shanghai, the PRC

11 August 2015

* *For identification purpose only*