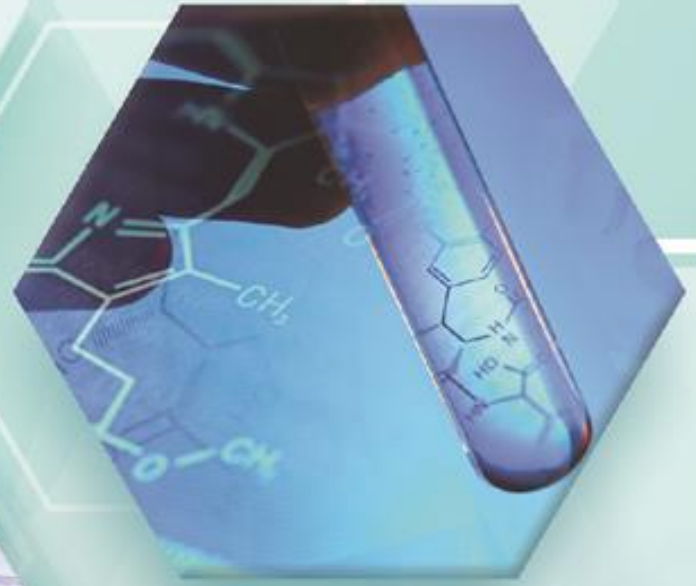

YiChang HEC ChangJiang Pharmaceutical Co., Ltd.

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

Stock code：1558.HK

2019 Annual Results Presentation

Contents

Highlights of the Year

Revenue increased 148% y-o-y to RMB 6,224million.

EBITDA increased 120% y-o-y to RMB 2,560million.

Adjusted net profit[1] increased 122% y-o-y to RMB 2,096million

Collaborate with Jointown for expanding OTC pharmacies channel, covering over 350,000 pharmacies up to date

Collaborate with Ali Health, 111 Inc and China Resources Pharm Commercial for expanding e-commerce channel

3 generic products included in the latest round of centralized procurement scheme and won respective tenders

Submitted NDA for Yimitasvir phosphate, aiming to launch one of the first batch of all oral anti-HCV new drug in China

Acquired 27 generics from Sunshine Lake Pharma and have progressed to filing approval procedure

Acquired 2 diabetes drugs, Rongliflozin and Liraglutide[2]

Introduced Blackstone as long-term strategic investor

Initiated H shares full circulation reform process

Note: 1 Total profit and total comprehensive income attributable to equity shareholders of the company(excluding the influence of the convertible bond)
2 The acquisition proposal has been approved in EGM dated 22 Jan 2020.

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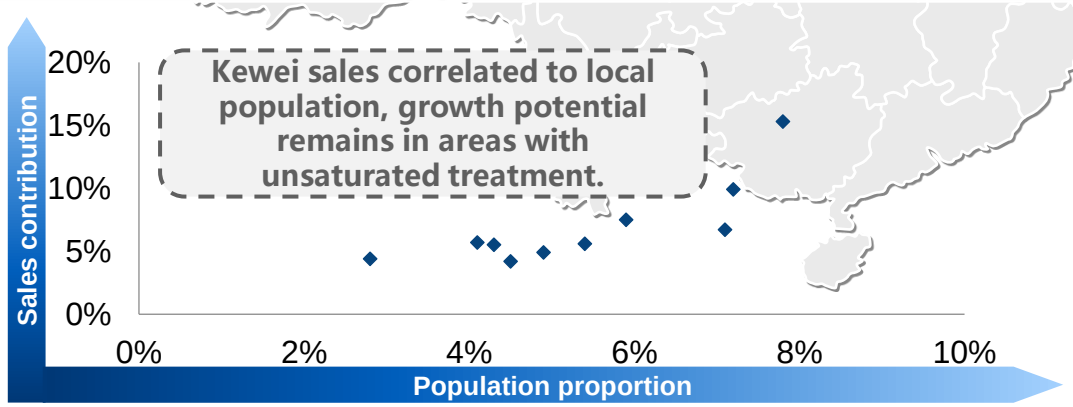
Key products maintained rapid growth while long-term growth further reinforced by acquired generics and continuous expansion of product portfolio

Product (Generic name)	Launched in	2019 Sales (RMB' 000)	Y-o-Y change	Remarks
Anti-viral				
Kewei (Oseltamivir phosphate) granules	2009	4,272,654	164%	2018 Essential drug list
Kewei (Oseltamivir phosphate) capsules	2007	1,660,519	164%	First and exclusive to pass BE, 2018 Essential drug list
Endocrine/metabolic diseases				
Ertongshu (Benzbromarone tablets)	2004	102,822	4%	First and exclusive to pass BE, 2018 Essential drug list
Anti-infection				
Linluoxin (Moxifloxacin tablets)	2019	44,811	-	First 3 brands to pass BE, 2018 Essential drug list, GPO product
Yangzhike (Clarithromycin sustained release tablets)	2019	7,201	-	First and exclusive to pass BE*
CVS				
Oumeining (Telmisartan tablets)	2005	52,459	-8%	-
Xinhaining (Amlodipine tablets)	2007	24,062	-20%	-
Anti-allergic				
Xining (Cetirizine hydrochloride tablets)	2005	31,892	-25%	-
2020 GPO scheme products				
Olmesartan tablets	2020	-	-	GPO product
Fudosteine tablets	2020	-	-	GPO product

2019 Kewei sales grew 164% y-o-y. With nationwide treatment rate steadily increases, there remains significant market potential for influenza medications

Top 10 provinces by Kewei sales in 2019

Province	Population proportion[1]	2019 contribution[2]	2018 contribution[2]	Y-o-Y change
Guangdong	7.8%	15.3%	25.7%	24%
Shandong	7.2%	9.9%	7.2%	190%
Henan	7.1%	6.7%	4.7%	195%
Jiangsu	5.9%	7.5%	4.8%	226%
Hebei	5.4%	5.6%	4.9%	139%
Hunan	4.9%	4.9%	2.6%	287%
Anhui	4.5%	4.2%	4.4%	98%
Hubei	4.3%	5.5%	5.1%	126%
Zhejiang	4.1%	5.7%	4.6%	157%
Shaanxi	2.8%	4.4%	3.4%	166%



Sales growth driven by:

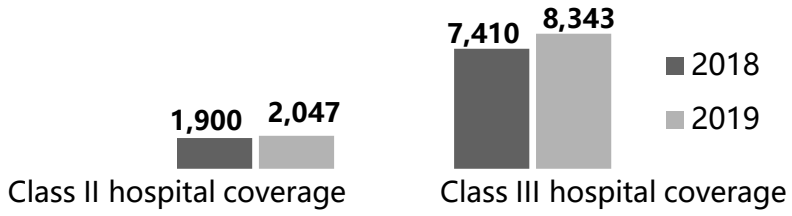
- Prevalence rates of influenza in adults and children remain 5-10% and 20-30% respectively[3], treatment for influenza is still an unsaturated market in China.
- Gradually established awareness for Influenza-like illnesses (ILI) treatment. ILI visits rate was on the rise in sentinel surveillance hospitals with 2019 annual reported influenza cases increased 350% compared to 2018[4].
- In 2019 edition of Influenza Treatment Guidance, oseltamivir was recommended as first line treatment medication.
- Increased public awareness of prophylactic measures towards influenza.

1 Population data based on 2010 6th National Census
2 Data does not include sales from OTC pharmacies
3 WHO
4 China CDC website

Sales team of 4,316 staff in multiple channels provides robust support for sales growth, driving further penetration in healthcare institutions

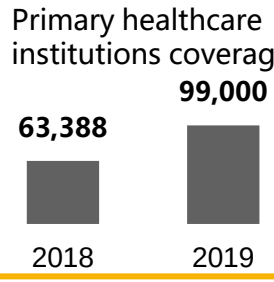
Direct sales team in Class II&III hospitals

- 2,067 staff responsible for academic promotion of main products in Class II&III hospitals



Direct sales team in primary healthcare institutions

- 916 staff responsible for academic promotion in GP-based healthcare institutions (Class I hospitals and community clinics)

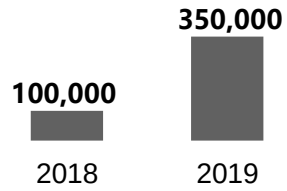


E-commerce

- Collaborate with Ali Health, 111 Inc and China Resources Pharm Commercial for expanding e-commerce channel
- Focus on online sales and promotion, online display and health big data analysis, aiming to promote brand recognition and increase market share

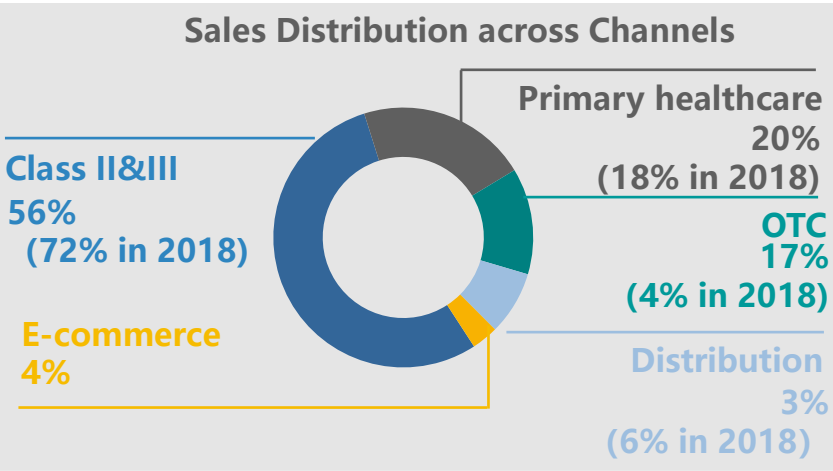
OTC sales team

- 86 staff responsible for direct sales of key products in OTC pharmacies
- Collaborate with Jointown, expediting coverage in pharmacies nationwide.



Distributors management team

- 20 staff responsible for distribution-based sales of non-core products in all healthcare institutions



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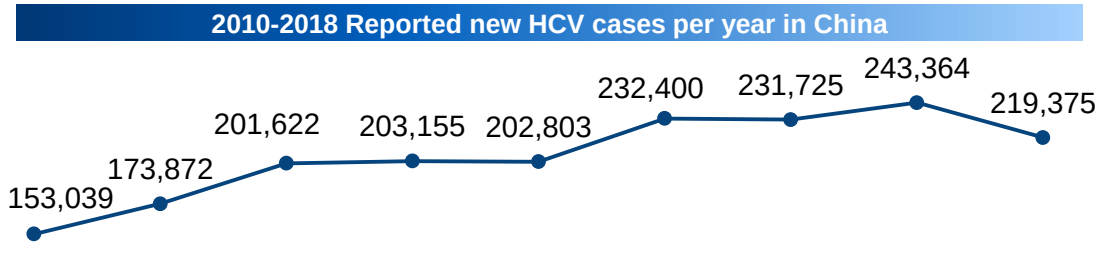
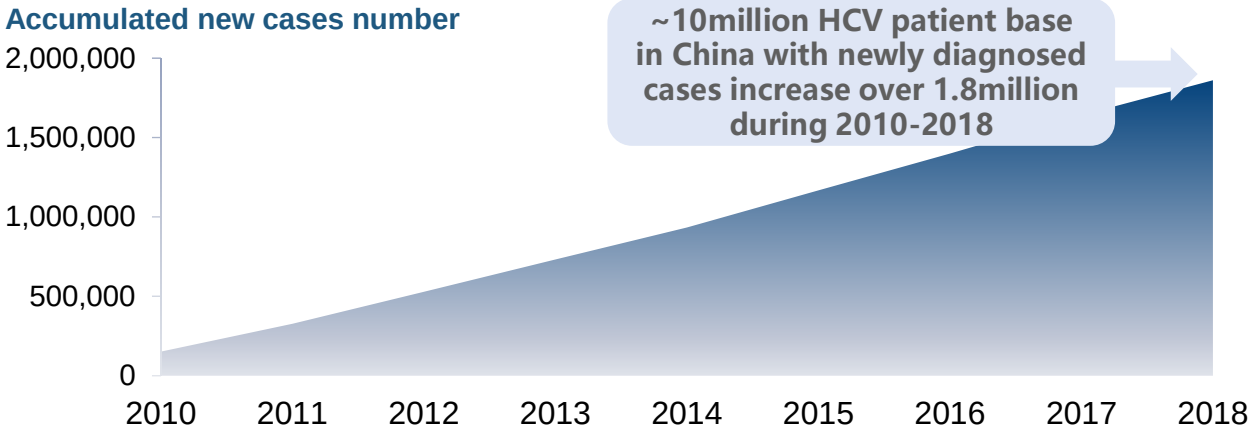
HCV and Diabetes – Targeting Critical Therapeutic Areas

		Current status	Estimated to launch in	Mechanism and preliminary results	Product highlights
HCV	Yimitasvir phosphate	NDA submitted	2020	• NS5A inhibitor • Phase II/III SVR12 up to 99.8% • Good safety and tolerance profiles	• Oral dosage form • Once daily for 12 weeks
HCV	Furaprevir	Phase III	2021	• NS3/4A inhibitor • Phase II showed profound efficacy and safety	• Oral dosage form • Once daily for 12 weeks
HCV	HEC110114	Phase I completed	2023	• NS5B inhibitor	• Pan genotype
Diabetes	Recombinant human insulin	NDA submitted	2020	• Phase I&III data showed efficacy and safety both comparable to originator drug	• R&D standards based on EU/US biosimilar drug guidelines, with quality comparable to the originator drugs • Employing yeast expression system, with advanced production engineering and scale-up flexibility
Diabetes	Isophane protamine recombinant human insulin (pre-mixed 30R)	Phase III completed	2021		
Diabetes	Insulin glargine	Phase III completed	2021	• Clinical trials data showed efficacy and safety both comparable to originator drug	
Diabetes	Insulin aspart	Phase I completed	2022	• Clinical trials data showed efficacy and safety both comparable to originator drug	
Diabetes	Insulin aspart 30	Phase III completed	2022		
Diabetes	Rongliflozin	Phase III	2022	• SGLT-2 inhibitor • Phase I data shoed good safety and tolerance profile	• Selectively and potency similar to currently marketed SGLT-2 • Animal model showed ideal bioavailability, rapid onset and promising half-life
Diabetes	Liraglutide	Phase III	2023	-	• Preclinical data shoed comparable traits to the originator drug Victoza

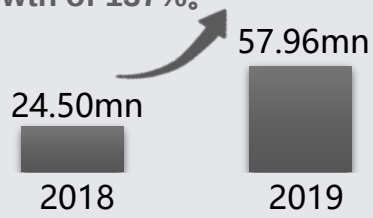
HCV represents a market with unmet clinical demands and embedded potential. HEC has devised a holistic strategy with diversified product portfolio.





With cirrhosis rate of 55~85% upon infection, hepatitis C patients bear a 7% risk of developing cancer.

In 2018, HCV DAA drug sales recorded at 57.96million RMB in China, representing a y-o-y growth of 137%。



Source: China CDC website，IMS

Oral form anti-HCV drug developed and launched by Chinese company

- All anti-HCV drugs currently developed by HEC are oral forms. Administered orally once a day, exhibiting a higher degree of compliance compared to pegylated interferon / ribavirin (PR) combination
- Anti-HCV drug portfolio covers genotype 1 and pan genotype hepatitis C

Established joint venture to expedite R&D progress

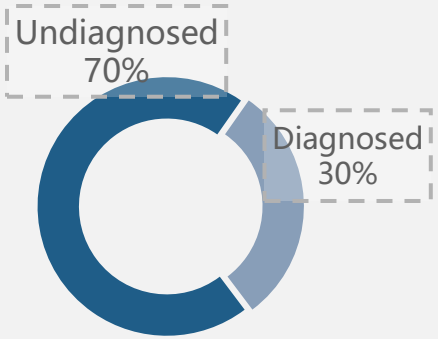
- Established JV to co-develop a new oral interferon-free DAAs combination therapy (Yimitasvir / Furaprevir)

Leading innovation supported by State Key Laboratory of anti-infection

- Acknowledged as National Key Anti-Infection Laboratory by Ministry of Science and Technology in 2015
- Comprehensive drug selection and evaluation platform and advanced team of R&D talents from China and overseas
- Research projects focusing on HCV, HBV and influenza

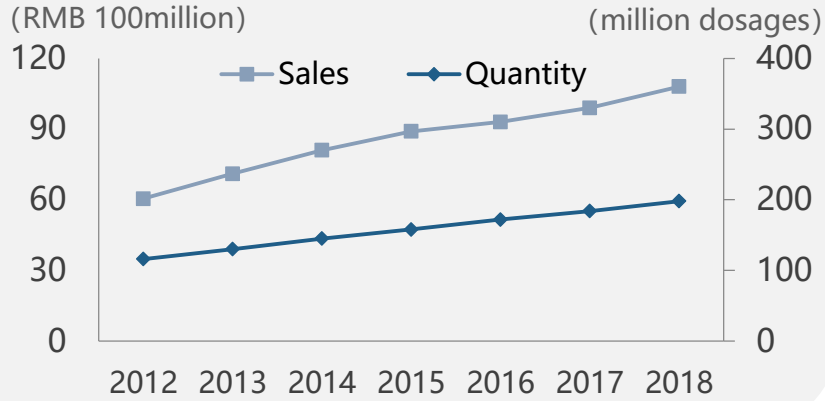
Diabetes therapeutics represent an attractive market with growth potential. HEC provides better medication option with diversified product portfolio.

114 million diabetes patients in China, with prevalence of 10.4% (Aged 20-79), among which 95% are Type 2 diabetes.



Recent cross-sectional study (2013) showed only 1/3 of diabetes patients in China were aware and diagnosed of the disease, while control rate barely reached 50%.

China insulin market grows by year (CAGR=10%)



Recombinant human insulin

Isophane protamine recombinant human insulin (pre-mixed 30R) Insulin glargine

Insulin aspart Insulin aspart 30 Rongliflozin

Liraglutide

2010-2019

R&D standards and the clinical development strategy are devised based on EU/US biosimilar guidelines. Production facilities designed in compliance with GMP standards in China, U.S. and E.U, and have gained experience in commercial production for years.

2020

API - Recombinant insulin 300kg/yr, glargine 200kg/yr, aspart 450kg/yr; Preparation - 10million injections/yr

2021

Preparation capacity 30million injections/yr

2022

Comprehensive portfolio includes 2nd generation insulin, 3rd generation insulin, SGLT-2 inhibitor and GLP-1 analogue

2023

Source: IMS, IDF, China Diabetes Society

Launching generic products as scheduled, 15 generics expected to be approved to market in 2020

Generic name	Indication	Current status	Estimated approval in	2018 China market size (RMB mn) (All dosage form)	Originator company	Brand name/ 2018 China sales (RMB mn)	Number of brands passed BE*
Digestive system							
Esomeprazole magnesium enteric-coated capsule	Gastroesophageal reflux	Application submitted	2020	2,754	AstraZeneca	Nexium / 893	• None
CVS							
Ticagrelor tablets	Thrombosis	Application submitted	2020	778	AstraZeneca	Brilinta / 778	• More than 3
Apixaban tablets	Thrombosis	Application submitted	2020	14	BMS	Eliquis / 14	• More than 3
Atorvastatin calcium tablets	Serum lipid control	Application submitted	2021	8,329	Pfizer	Lipitor / 4,931	• More than 3
Rosuvastatin calcium tablets	Serum lipid control	Application submitted	2021	3,654	AstraZeneca	Crestor / 1,929	• More than 3
Amlodipine tablets	Hypertension	Application submitted	2021	3,210	Pfizer	Norvasc / 1,896	• More than 3
Metoprolol succinate sustained-release tablets	Hypertension	Application submitted	2021	1,786	AstraZeneca	Betaloc / 1,702	• None
Clopidogrel tablets	Thrombosis	Application submitted	2021	7,333	Sanofi	Plavix / 4,293	• 3
Rivaroxaban tablets	Thrombosis	Application submitted	2021	992	Bayer	Xarelto / 992	• 1
Anti-virus/Anti-infection							
Clarithromycin tablets	Infection	Approved to market	2019	674	Abbott	Klaricid / 204	• None
Levofloxacin tablets	Infection	Approved to market	2019	3,943	Daiichi Sankyo	Cravit / 643	• None
Entecavir tablets	HBV	Application submitted	2020	5,062	BMS	Baraclude / 1,382	• More than 3
Tenofovir alafenamide tablets	HBV/HIV	Application submitted	2021	-	Gilead	- / -	• None
Azithromycin tablets	Infection	Application submitted	2021	2,106	Pfizer	Zithromax / 594	• 2
CNS							
Olanzapine tablets	Schizophrenia	Application submitted	2020	2,087	Eli Lily	Zyprexa / 312	• 2
Olanzapine orally disintegrating tablets	Schizophrenia	Application submitted	2020	2,087	Eli Lily	Zyprexa / 11	• 1

Source: IMS * The number does not include HEC

Launching generic products as scheduled, 15 generics expected to be approved to market in 2020 (Cont'd)

Generic name	Indication	Current status	Estimated approval in	2018 China market size (RMB mn) (All dosage form)	Originator company	Brand name/ 2018 China sales (RMB mn)	Number of brands passed BE*
Entacapone tablets	Parkinson's Disease	Application submitted	2020	59	Orion	Comtess / -	• None
Duloxetine enteric capsules	Depression	Application submitted	2020	487	Eli Lily	Cymbalta / 230	• None
Escitalopram tablets	Depression	Application submitted	2020	992	Lundbeck	Cipralex / -	• More than 3
Aripiprazole tablets	Schizophrenia	Application submitted	2021	568	Otsuka	Abilify / 170	• 1
Aripiprazole orally disintegrating tablets	Schizophrenia	Application submitted	2021	568	Otsuka	Abilify / -	• 1
Endocrine/Metabolic diseases							
Sitagliptin metformin hydrochloride tablets	Type II diabetes	Application submitted	2020	294	Merck	- / -	• None
Linagliptin tablets	Type II diabetes	Application submitted	2020	96	BI	Trajenta / 100	• None
Linagliptin and metformin hydrochloride tablets	Type II diabetes	Application submitted	2020	0.12	BI	Jentadueto / 0.12	• None
Alogliptin tablets	Type II diabetes	Application submitted	2020	54	Takeda	Nesina / 54	• None
Febuxostat tablets	Hyperuricemia	Application submitted	2020	844	Astellas	Feburic / -	• None
Sitagliptin tablets	Type II diabetes	Application submitted	2021	518	Merck	Januvia / 518	• None
Urinary system							
Tadalafil tablets	ED, Pulmonary artery hypertension	Application submitted	2020	468	Eli Lily	Cialis / 468	• 3
Sildenafil tablets	ED, Pulmonary artery hypertension	Application submitted	2021	1,723	Prizer	Viagra / 1,114	• 1
Solifenacin tablets	Bladder overactivity	Application to be filed	2022	41	Astellas	Vesicare / 41	• 3

API

- Holding API approvals for various generics
- Acquired API production base recently to further expand production scale.

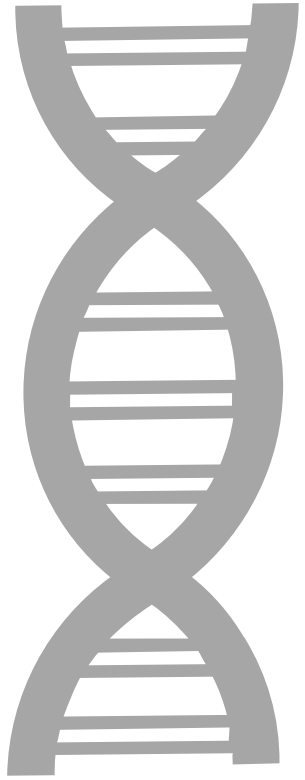
Preparations

- Current preparation capacity up to1.1billion capsules/year and 1.7 billion tablets/year.
- Planned capacity: 7 billion capsules/tablets in 2020, 12 billion capsules/tablets in 2025

Sales Channel

- Market by distribution model and direct sales side by side to accelerate commercialization.
- Bidding for nationwide centralized procurement in plan to rapidly ramp up sales

Pipeline replenished by Research Center, allowing HEC Pharm to selectively obtain high-valued products for commercialization in China



Strong R&D team

- HEC Research Center had over 1,700 R&D staff, including 24 overseas experts and 1 officer of “Young Leadership Program” (青年领军人才).
- An experienced clinical research team currently consists of 220 staff.

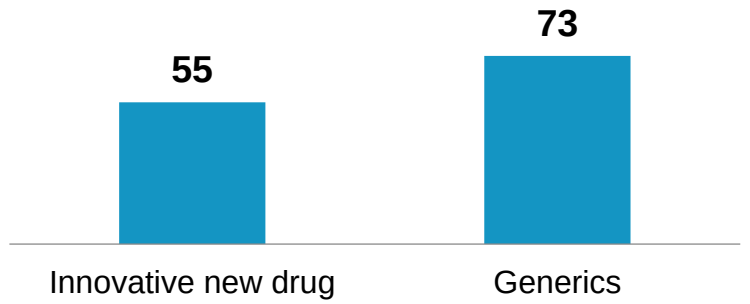
Rich pipeline of new drugs

- 55 National Class 1.1 Innovative
- 21 projects have been granted clinical trials approvals among which clinical trials for 18 projects have been initiated
- 27 research projects granted as “the National Major Innovative Drug Projects” (国家新药创制重大专项) In the 11th, the 12th and the 13th Five Years Plan.

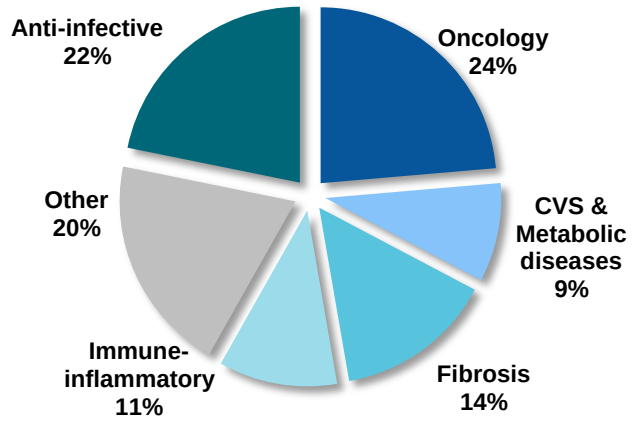
Pre-emptive Rights

- The Company has the pre-emptive right in China to acquire products from Research Center
- Drugs acquired but not successfully approved will be fully refunded

Number of projects in pipeline

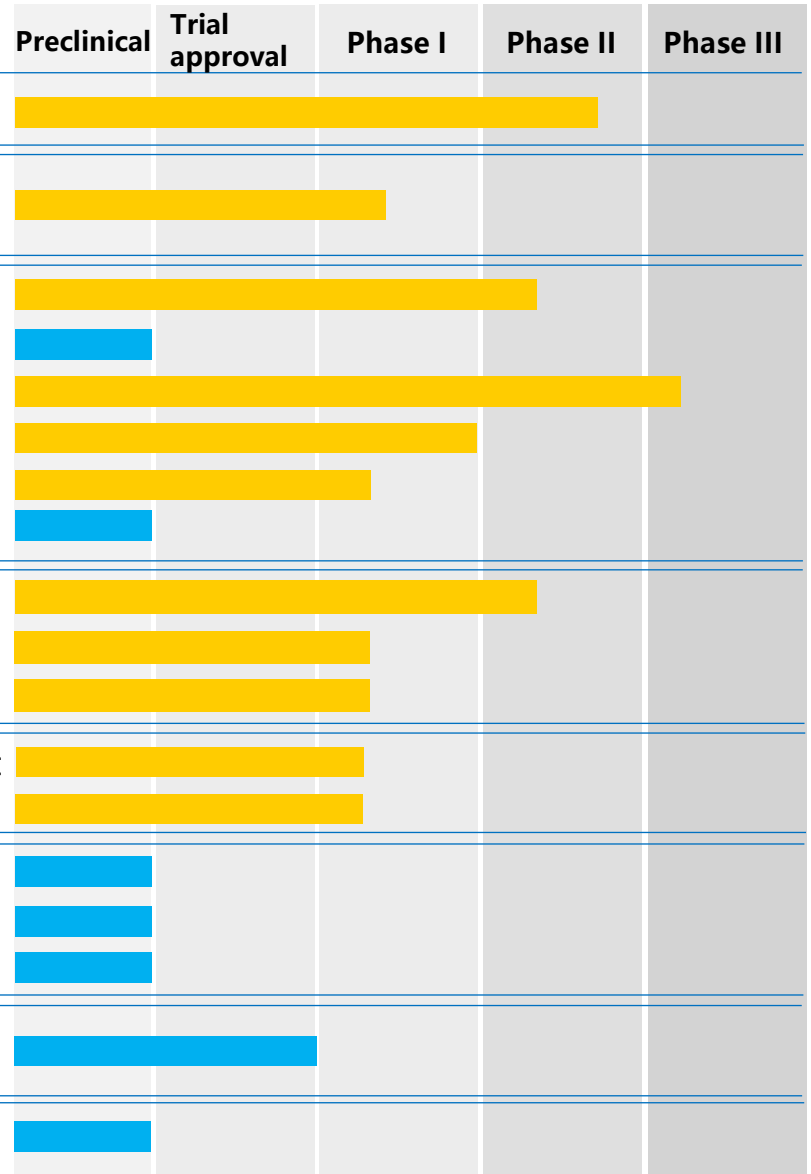


Breakdown of innovative drug pipeline by therapeutic areas



Diversified new drug pipeline for future product replenishment (Selected projects)

		Project	Indication	Mechanism/target
Small molecules	Anti-viral	Morphathiadine	HBV	Capsid inhibitor
	Endocrine/ metabolic disease	HEC96719*	NASH	-
	Oncology	Ningetinib	NSCLC	Axl/c-met/VEGFR2
			HCC	-
		Larotinib	Esophageal cancer	EGFR
			Pancreatic cancer	-
		CT365	Solid tumor	PI3K/mTOR
		CT413	Solid tumor	Axl/Mer
	Respiratory tract diseases	Yifenidone	IPF*	TNFα/TGFβ
		CT365	IPF*	PI3K/mTOR
		Litapiprant	Asthma	CRTH2
	CNS	HEC83518	Insomnia	Orexin receptor antagonist
		HEC113995	Depression	5-HT reuptake inhibitor
Biologics	Endocrine/ metabolic diseases	Insulin degludec	Type 2 diabetes	Insulin receptor
		Dulaglutide	Type 2 diabetes	GLP-1
		GLP-1/FGF21 agonist	Obesity/NASH/Diabetes	GLP-1/FGF21
	Auto-immune	Adalimumab	Rheumatoid arthritis Ankylosing spondylitis	TNF inhibitor
	Oncology	Bevacizumab	Solid tumor	VEGF inhibitor



*IPF: Idiopathic pulmonary fibrosis

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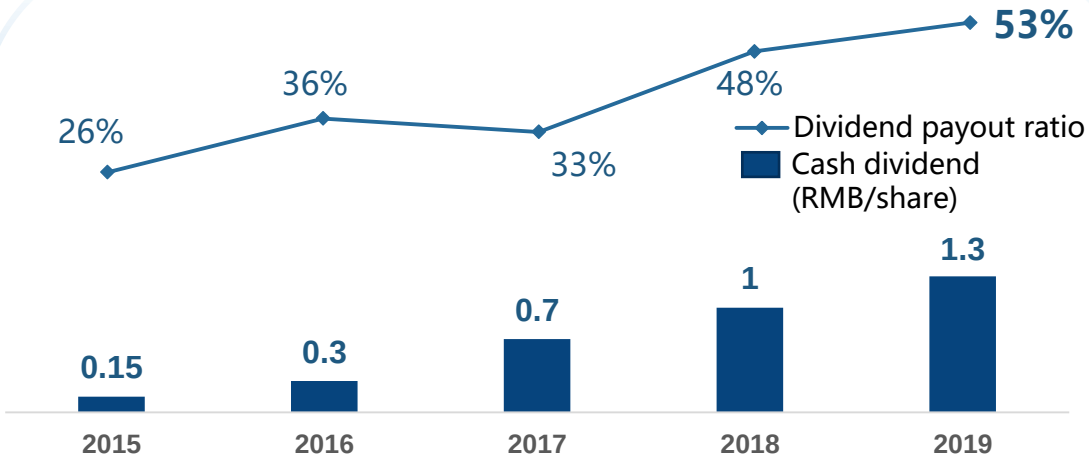
Financial Overview

(RMB million)	Full year ended 31 Dec 2019	2018	Change
Revenue	**6,224**	2,510	148%
Gross profit	**5,302**	2,112	151%
EBITDA	**2,560**	1,165	120%
Operating profit	**2,474**	1,104	124%
Net profit[1]	**1,919**	943	103%
Adjusted net profit[2]	**2,096**	943	122%
Gross profit margin	**85.2%**	84.1%	-
EBITDA margin	**41.1%**	46.4%	-
Operating profit margin	**39.7%**	44.0%	-
Adjusted net profit margin[3]	**33.7%**	37.6%	-
Basic/diluted EPS (RMB/share)	**4.27/4.10**	2.09	-
Total Asset	**9,912**	4,561	117%
Total Liability	**5,289**	882	500%
Net Asset	**4,623**	3,679	26%
Cash and cash equivalents	**2,779**	594	368%



Maintaining a considerably high dividend payout ratio in the past years, with current year payout ratio has been the highest[4]

Aside from cash dividend, distributing 1 bonus share per every one existing share[4]

- Enhances the liquidity of stock of the company and the flexibility of transactions for investors
- Represents multiple dividend distributing methods which further consolidates cash position of the company while shareholders benefit from company operating outcome, supporting sustainable operation and growth of the company

Notes
1. Profit and total comprehensive income attributable to equity shareholders of the Company
2. Profit and total comprehensive income attributable to equity shareholders of the Company (excluding the influence of the convertible bond)
3. Based on adjusted net profit
4. Final dividend distribution is subject to approval of AGM decision

Acquired strategic investment by issuance of US$400 million convertible bonds to Blackstone

As a long-term strategic investor, Blackstone will support the Company in its vision of becoming a leading Chinese pharmaceutical company and the preferred Chinese partner for international collaborations;

- Long-term funding to accelerate drug acquisitions and intrinsic business investment in support of future business growth, while maintaining stable dividend payout to shareholders. Proposed use of proceeds includes,
  1) Acquisition of drugs and other pharmaceutical products (including APIs)
  2) Capital expenditure on production facilities
  3) Expansion of sales and distribution networks
- Strategic partner to help drive implementation of global best practices and ensure continuous value creation for Company shareholders
  1) Strengthening corporate governance via appointment of Blackstone director by co-nomination **of non-executive director Dr. Zhao to the board of directors**
  2) Establishing strategic partnerships with global pharmaceutical entities
  3) Improving IR functions and capital markets communication to raise company profile
- Establishment of Strategic Operating Committee and Drug Acquisition Committee to optimize the Company' s strategic direction and governance to ensure value maximization for all public shareholders

Subscription price	US$ 400,000,000
Interest rate	3% per annum
Issue date (Completion date)	20 February, 2019
Maturity date	The seventh anniversary day of the Issue Date.
Conversion price	HK$38 per conversion share (subject to adjustment) Based on the initial conversion price of HK$38 and assuming full conversion of the H Share convertible bonds at the initial conversion price, a maximum of 82,631,578 conversion shares will be allotted and issued, representing: (a) approximately 18.28% of the existing issued share capital of the Company as at the date of the Announcement; and (b) approximately 15.46% of the total share capital of the Company as enlarged by the issue of the Conversion Shares.

Dr. Zhao Dayao Biography

- Medical degree in neurology and pediatrics from Peking University Medical School, PhD in Science in Neurology from Harvard Medical School
- Previous experiences include general manager of Pfizer China R&D Center in Shanghai, Wuhan and Beijing, head of China R&D in Johnson&Johnson and group vice president at Genzyme

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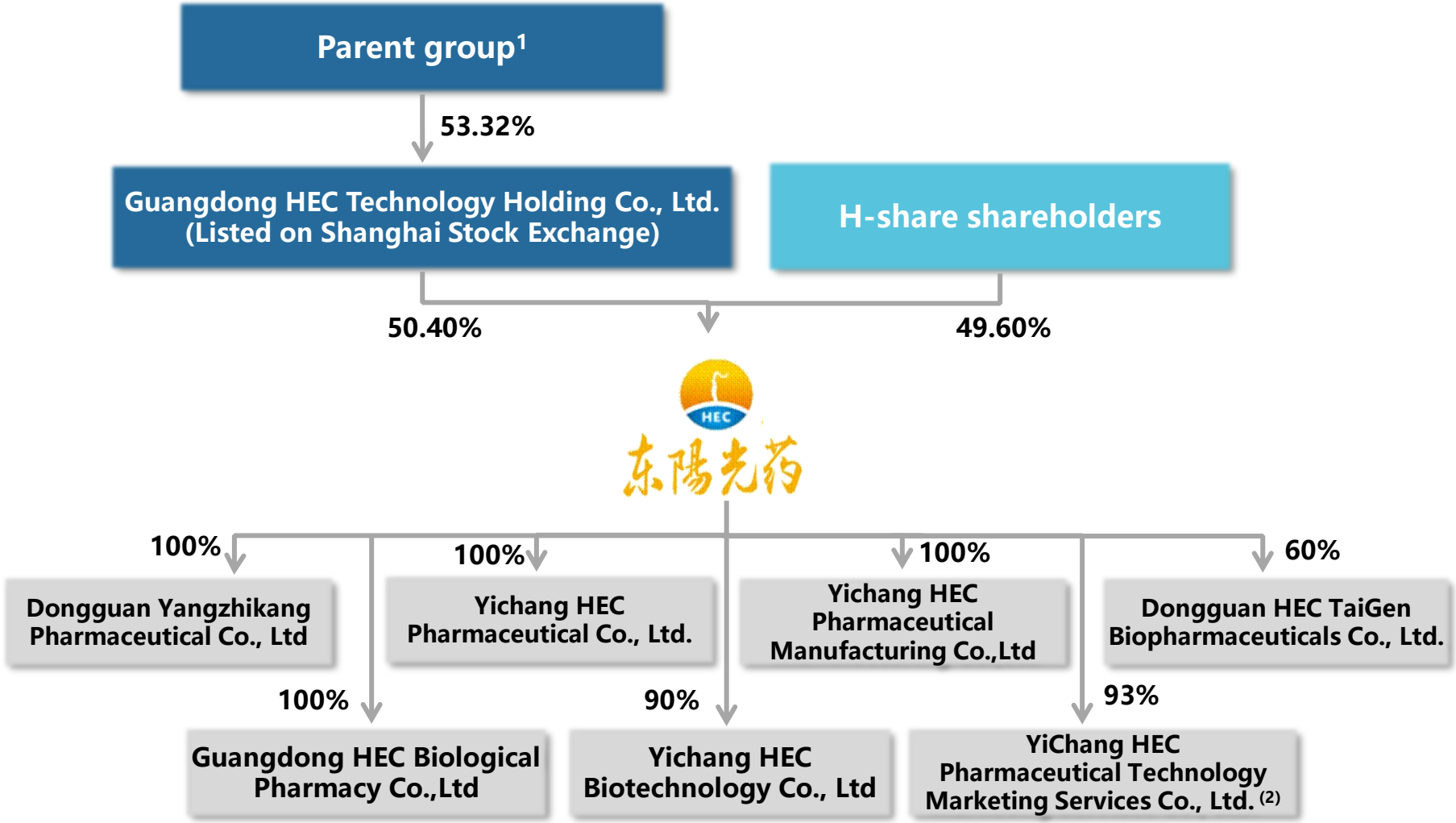
Structure of the HEC group



Note: 1 Shenzhen HEC Industrial Development Co., Ltd. and persons acting in concert.

HEC History and Milestones

2001
- Commenced pharmaceutical operations in the PRC with the establishing of the Company's predecessor entity in Hubei Province

2006
- Granted manufacturing approval for oseltamivir phosphate in China

2008
- Became the only manufacturer of Kewei Oseltamivir Phosphate granules in China following the registration with CFDA

2013
- Kewei products recorded the largest market share in the oseltamivir phosphate product in the PRC

2015
- Established as a joint stock limited company post re-organization
- Established strategic cooperation partnership with controlling shareholder, providing a pre-emptive right to acquire pharmaceutical products being developed by HEC Research Group for China
- HEC Pharm commenced trading on HKEX on Dec. 29, 2015

2016
- Developing novel DAA combo for curing HCV through JV with TaiGen Biotechnology
- Obtained clinical trial approvals for 3 insulin injections, including Insulin Glargine injection
- HEC Pharm awarded the "2016 Listed Enterprises Award"

2018
- Kewei recommended as the first line treatment for both diagnosed/suspected influenza cases by NHFPC
- Included in Hang Seng Composite SmallCap Index
- Included in Hong Kong Stock Connect List under the Shenzhen-Hong Kong Stock Connect

2019
- Blackstone strategic investment via convertible bond issuance, completed on 20 February 2019
- Initiated H share full circulation process

Senior Management Team

Mr. TANG Xinfa

Chairman and Non-Executive Director

- Joined the Company in May 2015, and also serving as the Chief Officer of the State Key Laboratory of New Drug Research and Development for anti-virus
- Joined Shenzhen HEC Industrial in 2002, having served senior management positions at Sunshine Lake Pharma, Ruyuan HEC Pharma, Linzhi HEC Pharmaceutical Investment, and Dongguan HEC Research
- He has 15 years of management experience
- Received a master degree from Xiamen University in September 2002

Mr. JIANG Juncai

Executive Director and General Manager

- Successively served as a researcher at the biochemistry division, a researcher and deputy head of the traditional Chinese medicine division and the deputy head of the zoological and botanical division of Sunshine Lake Pharma from July 2006 to May 2012
- Served as a director of Yidu HEC Industrial Development Co., Ltd. from March 2012 to May 2015
- He joined the Company serving as executive director in May 2015

Mr. CHEN Yangui

Executive Director and Director of Sales Department

- Joined Dongguan HEC Research in October 2005, and successively held several different managing positions in company
- He joined the Company in May 2014 and has been serving as executive director since May 2015

Mr. WANG Danjin	*Executive Director, Deputy General Manager*
Mr. LI Shuang	*Executive Director, Deputy General Manager*
Mr. ZHANG Qiang	*Chief Financial Officer*
Mr. PENG Qiyun	*Secretary of the Board*

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Our mission

—— For everyone's health

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