SINO BIOPHARMACEUTICAL LIMITED
中國生物製藥有限公司

(Incorporated in the Cayman Islands with limited liability)
Website: www.sinobiopharm.com
(Stock code: 1177)

INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2024

FINANCIAL HIGHLIGHTS

	For the six months end 30 June		
	2024	2023	Change
	RMB'Billion	*RMB'Billion* (Restated [Note 1])	*%*
Revenue	**15.87**	14.28	+11.1%
Selling and administrative expenses to revenue ratio [Note 2]	**43.1%**	43.6%	-0.5ppt
Research and development costs to revenue ratio	**16.2%**	16.3%	-0.1ppt
Profit for the period [Note 3]	**4.61**	2.70	+70.7%
Profit attributable to the owners of the parent [Note 3]	**3.02**	1.26	+139.7%
Adjusted non-HKFRS profit attributable to the owners of the parent [Note 4]	**1.54**	1.35	+14.0%
Basic earnings per share, based on adjusted non-HKFRS profit attributable to the owner of the parent *(RMB cents)*	**8.34**	7.25	+15.0%
Sales [Note 5] of innovative products	**6.13**	5.34	+14.8%
Share of revenue	**38.6%**	37.4%	
Sales of new products [Note 6]	**6.03**	4.32	+39.6%
Share of revenue	**38.0%**	30.3%	

The Board of the Company has declared the payment of an interim dividend of HK3 cents per share for the six months ended 30 June 2024.

Note 1: Last period's financial information is restated to exclude discontinued operations.

Note 2: Selling and distribution costs plus administrative expenses divided by revenue.

Note 3: The significant year-on-year increase in profit for the period and profit attributable to the owners of the parent was mainly due to the gain on disposal of subsidiaries under discontinued operations.

Note 4: Adjusted non-HKFRS profit attributable to the owners of the parent is presented in this results announcement as an additional non-HKFRS financial measure to provide supplementary information for better assessment of the performance of the Group's core operations by excluding impacts of discontinued operations, certain non-cash items and the share of profits and losses of associates and a joint venture. A reconciliation between profit attributable to the owners of the parent and adjusted non-HKFRS profit attributable to the owners of the parent has been set out under the section headed "Adjusted non-HKFRS profit attributable to the owners of the parent" of this announcement.

Note 5: Sales is the gross sales amount minus the sales discount. Innovative products include innovative medicines and biosimilar medicines, and the products have been specified under the section headed "Innovative products" of this announcement.

Note 6: Products launched within five years.

CORPORATE PROFILE

Sino Biopharmaceutical Limited (the "Company" or "Sino Biopharm", together with its subsidiaries, the "Group") is a leading, innovative R&D-driven pharmaceutical conglomerate in China. It prides itself on a fully-integrated industrial chain, covering various R&D platforms, intelligent production operations and a formidable sales system. Its products including biopharmaceutical and chemical medicines enjoy an advantageous position in a host of therapeutic areas, such as tumors, liver diseases, respiratory system diseases and surgery/analgesia.

The Company was listed on the Hong Kong Stock Exchange in 2000 and included in 2013 as a constituent stock of MSCI Global Standard Indices – MSCI China Index, Hang Seng Index in 2018, Hang Seng China Enterprises Index in 2019, and Hang Seng Connect Biotech 50 Index and Hang Seng China (Hong Kong-listed) 25 Index in 2020. It has been six years in a row among the "Top 50 Global Pharmaceutical Enterprises" named by the US authoritative magazine Pharm Exec and was for three consecutive years among the "Asia's Fab 50 Companies" named by Forbes Asia.

The subsidiaries of Sino Biopharm are located in Beijing, Shanghai, Nanjing, Lianyungang and multiple manufacturing sites. Since its inception, the Company has continued to boast outstanding achievements and robust growth. Its core member companies Chia Tai Tianqing Pharmaceutical Group Co., Ltd. and Beijing Tide Pharmaceutical Co., Ltd. have been among the "Top 100 Chinese Pharmaceutical Industry Enterprises" for years.

Sino Biopharm will continue to deliver its mission of "Science for a Healthier World" and focus on developing innovative therapies for patients. It is committed to becoming a world-leading pharmaceutical company.

Principal products:

Oncology medicines:	Focus V (Anlotinib Hydrochloride Capsules), Annike (Penpulimab Injection), Yilishu (Efbemalenograstim alfa Injection), Andewei (Benmelstobart Injection), Anboni (Unecritinib Fumarate Capsules), Anluoqing (Envonalkib Citrate Capsules), Anbeisi (Bevacizumab Injection), Delituo (Rituximab Injection), Saituo (Trastuzumab for Injection)
Liver diseases medicines:	Tianqing Ganmei (Magnesium Isoglycyrrhizinate Injection), Runzhong (Entecavir Dispersible Tablets)
Respiratory system medicines:	Tianqing Suchang (Budesonide Suspension for Inhalation), Tianyun (Colistimethate Sodium for Injection)
Surgery/analgesia medicines:	Zepolas/Debaian (Flurbiprofen Cataplasms), Kailitong (Limaprost Tablets), Anhengji (Recombinant Human Coagulation Factor VIII for Injection)

Innovative products:

Innovative medicines:	Focus V (Anlotinib Hydrochloride Capsules), Annike (Penpulimab Injection), Yilishu (Efbemalenograstim alfa Injection), Andewei (Benmelstobart Injection), Anboni (Unecritinib Fumarate Capsules), Anluoqing (Envonalkib Citrate Capsules), Tianqing Ganmei (Magnesium Isoglycyrrhizinate Injection), Zepolas/ Debaian (Flurbiprofen Cataplasms), Kailitong (Limaprost Tablets)
Biosimilar medicines:	Anbeisi (Bevacizumab Injection), Delituo (Rituximab Injection), Saituo (Trastuzumab for Injection), Anhengji (Recombinant Human Coagulation Factor VIII for Injection), Taibowei (Adalimumab Solution for Injection), Beilelin (Liraglutide Injection)

The medicines which have received Good Manufacturing Practice ("GMP") certifications issued by the National Medical Products Administration of the PRC ("NMPA") are in the following dosage forms: large volume injections, small volume injections, PVC-free soft bags for intravenous injections, capsules, tablets, powdered medicines and granulated medicines. The Group also received the GMP certification for health food in capsules from the Department of Health of Jiangsu Province.

The Group's principal subsidiaries include: Chia Tai Tianqing Pharmaceutical Group Co. Ltd. ("CT Tianqing"), Beijing Tide Pharmaceutical Co. Ltd. ("Beijing Tide"), Nanjing Chia Tai Tianqing Pharmaceutical Co., Ltd. ("NJCTT"), Jiangsu Chia Tai Fenghai Pharmaceutical Co., Ltd. ("Jiangsu CT Fenghai"), Jiangsu Chia Tai Qingjiang Pharmaceutical Co., Ltd. ("Jiangsu CT Qingjiang") and invoX Pharma Limited ("invoX"). NJCTT, Jiangsu CT Qingjiang and Jiangsu CT Fenghai have been designated "Engineering Technological Research Centre for treating tumors and cardio-cerebral phytochemistry medicines of Jiangsu Province", "Engineering Technological Research Centre for orthopedic medicines" and "Engineering Technological Research Centre for parenteral nutritious medicines" by the Science and Technology Committee of Jiangsu Province, respectively.

Named by the Ministry of Human Resources and Social Security of the PRC as a "Postdoctoral Research and Development Institute", the research center of CT Tianqing is also the only "New Hepatitis Medicine Research Center" in the country.

Beijing Tide obtained the renewed GMP certification for foreign pharmaceutical company from the Public Welfare and Health Ministry of Japan in December 2012. Japanese pharmaceutical enterprises can assign the manufacturing of aseptic pharmaceutical products (products that are under research and products already launched to the domestic market within Japan) to Beijing Tide for export to Japan.

The Company was selected as a constituent stock of Hang Seng Composite Industry Index – Consumer Goods and Hang Seng Composite SmallCap Index with effect from 8 March 2010.

In September 2011, CT Tianqing received the first certificate of new edition GMP (Certificate No. CN20110001) issued by the State Food and Drug Administration of the PRC for its small volume (injection) dosage.

The Company became a constituent of the MSCI Global Standard Indices' MSCI China Index with effect from the close of trading on 31 May 2013.

The Company was included in Forbes Asia's "Asia Fab 50 Companies" for three consecutive years in 2016, 2017 and 2018.

The Company was selected as a constituent stock of the Hang Seng Index with effect from 10 September 2018.

The Company was selected as a constituent stock of the Hang Seng China Enterprises Index with effect from 9 December 2019.

The Company was selected as a constituent stock of Hang Seng Connect Biotech 50 Index on 23 March 2020.

The Company was included in American Magazine Pharm Exec's Top 50 Companies for six consecutive years from 2019 to 2024.

The Group's website: http://www.sinobiopharm.com

Industry Overview

According to data from the National Bureau of Statistics, the gross domestic product ("GDP") reached RMB61.7 trillion in the first half of 2024, a year-on-year increase of 5.0%. The overall economic development remained steady. As the country continues to deepen the comprehensive reform of the pharmaceutical and healthcare system, the barriers restricting innovation have been gradually removed, the pharmaceutical industry has accelerated its transformation and upgrading, and the new quality productive forces have grown rapidly. However, the industry is still in a critical period of transition from old to new momentum, so the overall recovery of the pharmaceutical manufacturing industry is relatively weak. In the first half of 2024, the operating revenue of the pharmaceutical manufacturing industry (above designated size) was RMB1,235.3 billion, a year-on-year decrease of 0.9%, and the total profit was RMB180.6 billion, a year-on-year increase of 0.7%.

The state is cleaning up the business environment by tackling corruption, which brings marketing back to the clinical value and essence of medicines, and promotes the long-term and healthy development of the industry. In July 2023, the National Health Commission, together with 9 departments, including the National Audit Office, the National Healthcare Security Administration, and the National Medical Products Administration, launched a one-year centralized rectification of corruption issues in the pharmaceutical industry, covering all fields and chains of the industry, particularly the "key minority" and key positions in the industry, and strictly cracking down on illegal activities such as the transfer of benefits. In May 2024, 14 ministries and commissions, including the National Health Commission, jointly formulated the "Notice on Issuing the Key Work Points for Correcting Unhealthy Tendency in the Field of Purchase and Sale of Medicinal Products and Medical Services in 2024", which further clarified the work requirements for industry governance. This is vital to promoting the high-quality and sustainable development of China's pharmaceutical industry.

In addition, the state also promotes high-quality innovation through favorable policies covering the entire chain, including R&D, approval, access, payment, investment and financing, and guides the industry to shift from following or imitating innovation to original innovation. In February 2024, the National Healthcare Security Administration issued the "Notice on Establishing an Initial Price Formation Mechanism for Newly Launched Chemical Drugs to Encourage High-Quality Innovation (Draft for Comments)", which gives more pricing freedom to high-quality innovative drugs, advocates return on investment commensurate with risk, and encourages the positive cyclical development of innovation. In July 2024, the State Council reviewed and approved the "Implementation Plan for Supporting the Development of Innovative Drugs throughout the Entire Chain", stating that it is necessary to strengthen policy support for the entire chain, coordinate the implementation of policies such as price management, national reimbursement, commercial insurance, drug provision and use, and investment and financing, optimize review and approval work, and jointly promote breakthroughs in the development of innovative drugs.

Business Review

During the reporting period, the Group has 4 innovative products approved for marketing by the National Medical Products Administration of China ("NMPA"), namely Andewei (Benmelstobart Injection), Anboni (Unecritinib Fumarate Capsules), Anluoqing (Envonalkib Citrate Capsules) and Beilelin (Liraglutide Injection), of which 3 are national category 1 innovative drugs. In the first half of 2024, the Group's revenue from innovative products reached RMB6.13 billion, a year-on-year increase of 14.8%. In addition to innovative products, the Group has 11 generic drugs approved for marketing by the NMPA. The overall revenue of generic drugs achieved positive growth in the first half of 2024. New products are an important driver of the Group's revenue growth. In the first half of 2024, the Group's revenue from new products launched within five years reached RMB6.03 billion, representing a year-on-year increase of 39.6%.

ONCOLOGY

– Focus V (Anlotinib Hydrochloride Capsules) is a new type of small-molecular multi-targeting tyrosine kinase inhibitor. It has been approved for six indications: first-line small cell lung cancer, third-line non-small cell lung cancer, third-line small cell lung cancer, soft tissue sarcoma, medullary thyroid cancer and differentiated thyroid cancer. In February and July 2024, for anlotinib in combination with benmelstobart, two marketing applications were submitted to the Center for Drug Evaluation ("CDE") of NMPA for the treatment of second- and third-line endometrial cancer, and first line renal cell carcinoma, respectively. In July 2024, the Phase III clinical study of anlotinib in combination with chemotherapy for the first-line treatment of advanced soft tissue sarcoma achieved positive results. The Group will submit a marketing application for this additional indication in the near future. In addition, anlotinib is undergoing Phase III clinical trials for 10 new indications, including maintenance treatment after radiotherapy and chemotherapy for non-small cell lung cancer, first-line non-small cell lung cancer, first-line hepatocellular carcinoma, and first-line colorectal cancer. Marketing applications will be gradually submitted over the next few years. In December 2023, anlotinib successfully renewed its contract through National Reimbursement Drug List ("NRDL") negotiations. Its indication for differentiated thyroid cancer was newly added to the NRDL. With the exception of first-line small cell lung cancer, the other five approved indications of anlotinib have been included in the NRDL.

– Yilishu (Efbemalenograstim alfa Injection) is a third-generation long-acting granulocyte colony stimulating factor (G-CSF), which was approved by the NMPA in May 2023 for the prevention and treatment of neutropenia in cancer patients after receiving chemotherapy drugs. Efbemalenograstim alfa has completed three global multi-center, randomized, and controlled pivotal Phase III clinical trials, and has been compared with the commonly used short-acting and long-acting G-CSF drugs in clinical practice, proving its efficacy and safety. Efbemalenograstim alfa forms a dimer through the Fc fusion protein, without PEG modification, which better avoids the immune response caused by PEG. It has the notable advantages of high stability and low immunogenicity, allowing early administration and therefore better patient compliance. In December 2023, Efbemalenograstim alfa was successfully included in the NRDL, and its sales volume accelerated in the first half of 2024, becoming an important contributor to the Group's revenue growth.

– Andewei (Benmelstobart Injection) is a humanized PD-L1 monoclonal antibody that was approved by the NMPA in April 2024 for use in combination with anlotinib, carboplatin, and etoposide in the first-line treatment of extensive-stage small cell lung cancer. A Phase III clinical trial (ETER701) showed that the median progression-free survival (mPFS) and median overall survival (mOS) rates of benmelstobart and anlotinib combined with chemotherapy in the first-line treatment of extensive-stage small cell lung cancer were both the highest in the history of registrational trials, and its research results have been published in the authoritative international medical journal "Nature Medicine". In February 2024, benmelstobart in combination with anlotinib submitted a marketing application for a new indication to the CDE for the treatment of recurrent or metastatic endometrial cancer that has been previously treated by a first- or second-line chemotherapy regimen that was either unsuccessful or not tolerated, and was included in the priority review and approval procedures. In July 2024, a marketing application for a new indication was submitted to the CDE for benmelstobart in combination with anlotinib for the first-line treatment of advanced unresectable or metastatic renal cell carcinoma. In addition, benmelstobart is undergoing Phase III clinical trials for five new indications, including maintenance treatment after radiotherapy and chemotherapy for non-small cell lung cancer and first-line non-small cell lung cancer. It is expected to gradually submit marketing applications in the next few years.

– Anboni (Unecritinib Fumarate Capsules) is a small molecule inhibitor of tyrosine kinase ROS1/ALK/c-Met, which was approved by the NMPA in April 2024 for the treatment of ROS1-positive locally advanced or metastatic non-small cell lung cancer. It is the first domestically produced targeted drug approved for the treatment of ROS1-positive non-small cell lung cancer. The pivotal Phase II clinical data showed that the efficacy of Unecritinib in the treatment of ROS1-positive non-small cell lung cancer has overcome the existing treatment bottleneck. Patients achieved deep and long-lasting remissions regardless of the presence of brain metastases, with good safety and tolerability. It has the advantages of high efficacy and low toxicity.

– Anluoqing (Envonalkib Citrate Capsules) is a novel ALK inhibitor, which was approved by the NMPA in June 2024 for the treatment of anaplastic lymphoma kinase (ALK)-positive patients with locally advanced or metastatic non-small cell lung cancer who have not been treated with ALK inhibitors. Phase III clinical data showed that compared with crizotinib, envonalkib can significantly extend progression-free survival in previously untreated patients with ALK-positive non-small cell lung cancer, and can significantly delay disease progression in patients with brain metastases or reduce the risk of brain metastases progression.

– Anbeisi (Bevacizumab Injection), Delituo (Rituximab Injection), and Saituo (Trastuzumab for Injection) obtained marketing approval from the NMPA in February 2023, May 2023, and July 2023, respectively. Anbeisi (Bevacizumab Injection) has been approved for the treatment of metastatic colorectal cancer, recurrent glioblastoma, and advanced, metastatic or recurrent non-small cell lung cancer. Delituo (Rituximab Injection) has been approved for the treatment of non-Hodgkin's lymphoma (follicular lymphoma, CD20-positive diffuse large B-cell lymphoma, chronic lymphocytic leukemia). Saituo (Trastuzumab for Injection) has been approved for the treatment of human epidermal growth factor receptor 2 (HER2)-positive early breast cancer, metastatic breast cancer and metastatic gastric cancer. The rapid increase in sales volume of these biosimilars in the first half of 2024 has accelerated the Group's revenue growth.

– Regarding the R&D pipeline, as at the end of the reporting period, the Group had a total of 43 innovative oncology drug candidates in clinical or above development stage, of which 3 were at the marketing application stage, 5 were in Phase III clinical trials, 17 were in Phase II clinical trials, and 18 were in Phase I clinical trials. In addition, the Group had 18 biosimilar or generic oncology drug candidates in clinical or above development stage, of which 7 were at the marketing application stage, 1 was in pivotal clinical trials, 2 were in Phase I clinical trials, and 8 were in bioequivalence ("BE") trials. The Group expects 4 innovative drugs and 8 biosimilars or generic drugs in the oncology field to be approved for marketing in the next three years (2024-2026).

– D-1553 (KRAS G12C inhibitor) submitted a marketing application to the CDE in December 2023 for the second-line treatment of locally advanced or metastatic non-small cell lung cancer with KRAS G12C mutation, and was included in the priority review and approval procedures. Currently, there are no drugs targeting KRAS G12C on the market in China. D-1553 is the first KRAS G12C inhibitor independently developed and entered into clinical trials stage in China. In June 2024, two indications of D-1553 were included in the Breakthrough Therapeutic Designation (BTD) process by the CDE, namely: 1) for the treatment of locally advanced or metastatic pancreatic ductal adenocarcinoma with KRAS G12C mutation in patients who have failed first-line therapy; 2) in combination with cetuximab for the treatment of KRAS G12C mutation-positive, and surgically unresectable locally advanced or metastatic colorectal cancers in patients who have failed second-line standard therapy. The Group has obtained approval from the CDE to conduct a single-arm Phase II pivotal clinical trial of D-1553 for the second-line and above treatment of advanced pancreatic ductal adenocarcinoma with KRAS G12C mutation. The potential indications for D-1553 are broad. The Group will continue to expand the indications of D-1553 over the next few years and expects it to become a blockbuster product in oncology field.

– TQB3616 (CDK2/4/6 inhibitor) submitted a marketing application to the CDE in July 2024 for the treatment of previously endocrine-treated hormone receptor (HR)-positive, human epidermal growth factor receptor 2 (HER2)-negative locally advanced or metastatic breast cancer, in combination with fulvestrant. TQB3616 is a novel CDK2/4/6 inhibitor with varying degrees of inhibitory effects on CDK2, CDK4, and CDK6 kinases, and has a strong inhibitory effect on CDK4 kinase. Research results showed that compared with abemaciclib, the inhibitory effect of TQB3616 on CDK2 was further enhanced, and its enhanced CDK2 and CDK4 inhibitory effects may help overcome the prevailing problem of resistance to CDK4/6 inhibitors in the clinical setting. Currently, the Group is actively advancing the Phase III clinical trials of TQB3616 for the first-line treatment and postoperative adjuvant treatment of HR+/HER2- breast cancer, and it is expected to gradually submit marketing applications in the next two years. Based on the excellent clinical data of TQB3616 and its coverage of multi-line patients in first-line, second-line and adjuvant treatment of breast cancer, the Group is confident that TQB3616 will become another blockbuster product in the field of oncology.

– FS222 (CD137 agonist/PD-L1 inhibitor) is a novel tetravalent bispecific antibody, currently in Phase I clinical trials as a single agent for the treatment of patients with advanced solid tumors. The Group presented the latest research results from the FS222 Phase I clinical trial at the 2024 American Society of Clinical Oncology (ASCO) Annual Meeting as an oral presentation. The results of the study showed that FS222 exhibited strong anti-tumor activity in a variety of tumor types. Responses were observed in cutaneous melanoma, ovarian cancer, non-small cell lung cancer, mucosal melanoma, triple-negative breast cancer, mesothelioma, and MSS colorectal cancer. Specifically, in patients with metastatic/advanced cutaneous melanoma who had previously received PD-1 antibody treatment, the overall response rate was 47.4% and the disease control rate was 68.4%. The Group will accelerate the clinical development of FS222 and continue to utilize the Group's proprietary antibody platform to develop other innovative drugs.

LIVER DISEASES

– Tianqing Ganmei (Magnesium Isoglycyrrhizinate Injection) is the fourth-generation of glycyrrhizic acid preparation that has been approved for three indications: chronic viral hepatitis, acute drug-induced liver injury, and improvement of liver dysfunction. Magnesium isoglycyrrhizinate is the world's first 99.9% purified alpha-glycyrrhizic acid. It has the advantages of strong liver targeting, excellent anti-inflammatory effects, and good safety. It has been recommended by the "Chinese Guideline for Diagnosis and Management of Drug-Induced Liver Injury (2023 Version)", the "Guideline for the Diagnosis and Treatment of Primary Liver Cancer (2024 Edition)", and other authoritative guidelines. It also has many studies presented at the annual meeting of the Asia Pacific Association for the Study of the Liver (APASL), the European Association for the Study of the Liver (EASL), and other internationally renowned academic conferences. The Group made efforts to strengthen the academic promotion, expanding doctor coverage and gaining recognition from experts through academic conferences at all levels, while vigorously exploring new patients to expand into new markets, and actively promoting retrospective research to provide more academic evidence for its clinical use.

– Regarding the R&D pipeline, as at the end of the reporting period, the Group had a total of 6 innovative liver diseases drug candidates in clinical or above development stage, of which 1 was in Phase III clinical trials, and 5 were in Phase II clinical trials. In addition, the Group had 3 biosimilar or generic liver diseases drug candidates in clinical or above development stage, of which 2 were at the marketing application stage, and 1 was in BE trials. The Group expects 2 biosimilars or generic drugs in the liver diseases field to be approved for marketing in the next three years (2024-2026).

– Lanifibranor (pan-PPAR agonist) is an orally available small molecule drug that regulates anti-fibrotic and anti-inflammatory pathways in the body by activating three peroxisome proliferator-activated receptor (PPAR) subtypes, which is beneficial for vascular and metabolic changes, and can be used to treat metabolic dysfunction-associated steatohepatitis (MASH) and other underlying metabolic diseases. Compared with other PPAR agonists that target only one or two PPAR subtypes, this product targets all three PPAR subtypes, and its moderate and balanced pan-PPAR binding properties may make the drug well tolerated. In March 2023, Lanifibranor submitted a clinical

trial application to the CDE, which was accepted. In July, Lanifibranor was included in the list of breakthrough therapeutics. Currently, Lanifibranor is conducting Phase III clinical trials globally and is actively advancing the enrollment of subjects. Lanifibranor is China's first oral MASH drug to enter Phase III clinical trials and is expected to fill the gap in China's MASH market.

– TQA2225 (recombinant human FGF21-Fc fusion protein) is a fully human long-acting fibroblast growth factor 21 (FGF21) fusion protein, currently undergoing Phase II clinical trials in China for the treatment of MASH. Compared with other similar targeted drugs, TQA2225 adopts pure natural human FGF21 as the active form, which reduces potential immunogenicity and has a good safety profile. Clinical studies have shown that FGF21 signal transduction can reverse many features of the pathogenesis of MASH and has the potential to reverse fibrosis, reduce liver fat, and improve blood sugar control. TQA2225 is the fastest-developing product among drugs with the same target in China, and is expected to become the first FGF21 fusion protein to be marketed in China.

RESPIRATORY SYSTEM

– Tianqing Suchang (Budesonide Suspension for Inhalation) is China's first budesonide nebulized generic drug approved for marketing, breaking the long-term monopoly of branded drugs in the domestic market, and offering an effective, safe and economical high-end product for patients with chronic airway inflammation in China. The product has been included in the national volume-based procurement (VBP). The Group has taken a series of proactive management measures in a timely manner, including strengthening downstream channels, expanding market coverage and conducting secondary development in markets outside the scope of the VBP, enabling its sales to achieve steady growth in the first half of 2024.

– Tianyun (Colistimethate Sodium for Injection) is a first-to-market generic drug launched in 2021. It is China's first colistimethate sodium for injection approved for marketing, and was successfully included in the NRDL in 2023. Colistimethate sodium is one of the most widely used and evidence-based polymyxins in the world and has been recommended by the "Multi-Disciplinary Expert Consensus on the Optimal Clinical Use of the Polymyxins in China (2021)", "International Consensus Guidelines for the Optimal Use of the Polymyxins (2019)" and many other authoritative guidelines at home and abroad. At present, only two products with the same generic name have been approved in China. The Group continued to expand its market coverage through active academic promotion, and Tianyun's sales grew rapidly in the first half of 2024.

– Regarding the R&D pipeline, as at the end of the reporting period, the Group had a total of 8 innovative respiratory drug candidates in clinical or above development stage, of which 1 was in Phase III clinical trials, 4 were in Phase II clinical trials, and 3 were in Phase I clinical trials. In addition, the Group has 21 biosimilar or generic respiratory drug candidates in clinical or above development stage, of which 9 were at the marketing application stage, 3 were in pivotal clinical trials, 1 was in Phase I clinical trials, and 8 were in BE trials. The Group expects 12 biosimilars or generic drugs in the respiratory field to be approved for marketing in the next three years (2024-2026).

– TDI01 (ROCK2 inhibitor) is a novel targeted and highly selective Rho/Rho-associated coiled-coil forming protein kinase 2 (ROCK2) inhibitor currently in Phase II clinical development, and its indications include idiopathic pulmonary fibrosis and graft-versus-host disease. By highly selective inhibition of the ROCK2 signaling pathway, TDI01 can inhibit the progression of fibrosis, has anti-inflammatory and immunomodulatory effects, and has good therapeutic potential in the fields of pulmonary fibrosis and liver fibrosis. The Group believes that TDI01 has the potential to become a blockbuster drug and will vigorously promote its clinical development and continue to explore its applications in other fibrosis and related fields.

– TQC2731 (TSLP monoclonal antibody) is a thymic stromal lymphopoietin (TSLP) monoclonal antibody, currently undergoing Phase II clinical trials in China. Its indications include severe asthma and chronic sinusitis with nasal polyps. It is the fastest domestic TSLP monoclonal antibody to enter Phase II clinical trials. Among the trials, the Phase II clinical trial of severe asthma has completed enrollment of all subjects. Studies have shown that TSLP monoclonal antibody is not only effective in the treatment of eosinophilic asthma, but also shows significant efficacy in people with low eosinophilic phenotypes, so it can cover a wider range of patients with severe asthma. Currently, no TSLP monoclonal antibody has been approved for marketing in China. The Group will vigorously promote the clinical development of TQC2731 to address the unmet clinical needs.

– TCR1672 (P2X3 receptor antagonist) is a second-generation highly selective P2X3 receptor antagonist. It is currently undergoing Phase Ib/II clinical trials in China for the treatment of refractory chronic cough. In 2021, TCR1672 submitted an investigational new drug (IND) application to the FDA and obtained IND approval. Preclinical studies have shown that, compared with the first-generation P2X3 receptor antagonist, TCR1672 is more effective in vivo and in vitro, has better selectivity for P2X3 and P2X2/3, and is expected to have less clinical taste interference. Currently, there are no drugs targeting P2X3 on the market in China, and TCR1672 is expected to become one of the first three P2X3 receptor antagonists approved in China.

– TQC3721 (PDE3/4 inhibitor) is a dual PDE3/4 inhibitor, currently undergoing Phase II clinical trials in China for the treatment of moderate to severe chronic obstructive pulmonary disease. PDE3 mainly acts on bronchial smooth muscle. PDE4 is mainly expressed in various inflammatory cells. TQC3721 can reduce off-target effects through dual-target inhibition and combines the dual activities of bronchiectasis and anti-inflammation in one compound. At present, no drug with the same target has been approved for marketing in China. TQC3721 is the fastest-developing domestic PDE3/4 dual inhibitor in China.

– TQH2722 (IL-4R α monoclonal antibody) is a humanized monoclonal antibody that targets the interleukin 4 receptor α (IL-4R α). It is currently undergoing Phase III clinical trials in China for atopic dermatitis and chronic sinusitis with or without nasal polyps. TQH2722 can lead to double blockade of interleukin-4 (IL-4) and interleukin-13 (IL-13) signals, inhibiting type 2 inflammatory pathways, thereby achieving control on type 2 inflammatory diseases, such as atopic dermatitis, asthma, and chronic sinusitis.

SURGERY/ANALGESIA

– Zepolas/Debaian (Flurbiprofen Cataplasms) is the first domestically produced cataplasms approved for marketing in China, ranking first in the market share of topical analgesia for many years. It is recommended by many guidelines, including the "Expert Consensus on Diagnosis and Treatment of Chronic Musculoskeletal Pain" and "Chinese Guidelines for the Treatment of Chronic Pain Disorders with Non-Opioid Analgesics". The Group focuses on the development of high-potential areas, further expanding its market coverage and gradually increasing its production capacity to meet the booming market demand. Sales of flurbiprofen cataplasms have maintained a growth trend in recent years and achieved breakthrough growth in the first half of 2024.

– Regarding the R&D pipeline, as at the end of the reporting period, the Group had a total of 4 innovative surgical/analgesic drug candidates in clinical or above development stage, of which 1 was at the marketing application stage, 1 was in Phase III clinical trials, 1 was in Phase II clinical trials, and 1 was in Phase I clinical trials. In addition, the Group had 10 biosimilar or generic surgical/analgesic drug candidates in clinical or above development stage, of which 5 were at the marketing application stage, 3 were in pivotal clinical trials, and 2 were in BE trials. The Group expects 3 innovative drugs and 8 biosimilars or generic drugs in the surgery/analgesic field to be approved for marketing in the next three years (2024-2026).

– PL-5 (Antimicrobial Peptide) is the first newly designed non-antibiotic antibacterial drug. It has a broad antibacterial spectrum, is less susceptible to resistance, and is highly effective in sterilization. It has good efficacy against local open wound infections, especially against drug-resistant strains. It has a good safety profile, with no entry to the blood circulatory system. The product has completed a Phase III clinical trial for the treatment of secondary wound infections in China and is expected to submit the marketing application this year. It is expected to become the first antimicrobial peptide product marketed in China.

Financial Review

During the period, the Group recorded revenue of approximately RMB15,874.40 million, an increase of approximately 11.1% over the same period last year. Profit attributable to the owners of the parent was approximately RMB3,017.16 million, an increase of approximately 139.7% over the same period last year. Basic earnings per share attributable to the owners of the parent were approximately RMB16.39 cents, an increase of approximately 141.7% over the same period last year. The increase in profit attributable to the owners of the parent was mainly due to the gain on disposal of subsidiaries under discontinued operations. Excluding the profit attributable to the owners of the parent from the discontinued operations, the share of profits and losses of associates and a joint venture (net of related tax and non-controlling interests), one-off adjustments for the impairment and fair value changes of certain assets and liabilities, fair value gains of current equity investments, effective interest expenses and exchange (gain)/loss of the convertible bond debt component, adjusted non-HKFRS profit attributable to the owners of the parent was approximately RMB1,535.33 million, an increase of approximately 14.0% over the same period last year. The Group's liquidity remains strong. With cash and bank balances classified under current assets of approximately RMB8,549.47 million, bank deposit classified under non-current assets of approximately RMB9,181 million, and the wealth management

products of approximately RMB4,605.53 million in aggregate, the Group's total fund reserve was approximately RMB22,336 million at the period end.

Discontinued operations

With the disposal of the entire equity interests held by the Group in Chia Tai Tongyong Pharmaceutical Co., Ltd. ("CT Tongyong"), Suzhou Tianqing Xingwei Medicines Co., Ltd., Lianyungang Chia Tai Tianqing Medicines Co., Ltd. and Zhejiang Tianqing Zhongwei Medicines Co., Ltd. completed in 2023, and upon the resolutions by the board of directors (the "Board") of the Company to adopt a plan to dispose the equity interest in CP Pharmaceutical Qingdao Co., Ltd. ("CP Qingdao") in December 2023 (collectively referred to as the "Target Group"), in accordance with Hong Kong Financial Reporting Standard 5, the Target Group has been classified as discontinued operations and CP Qingdao's underlying assets and liabilities have been classified as "Assets of a disposal group classified as held for sale" and "Liabilities directly associated with the assets classified as held for sale" as at 31 December 2023. The disposal of CP Qingdao was completed in March 2024 at a consideration of RMB1,819.72 million, resulting in a pre-tax gain of RMB1,709.60 million. Upon the completion of the disposal, the interest of the Group in CP Qingdao decreased from 93% to 26% and was accounted for as investments in an associate.

For the period ended 30 June 2024, the Target Group earned profit of approximately RMB1,606.77 million, as compared with the profit of approximately RMB143.29 million for the same period last year, and was included in discontinued operations.

Details of the disposal has been set out in note 7 to the financial statements in this announcement.

Continuing operations (comparatives are restated)

The Group continues to focus on developing specialized medicines where its strengths lie so as to build up its brand in specialist therapeutic areas. The major therapeutic areas of the Group include oncology medicines, liver diseases medicines, respiratory system medicines, surgery/analgesia medicines, cardiocerebral vascular medicines and others.

Oncology medicines

For the six months ended 30 June 2024, the sales of oncology medicines amounted to approximately RMB5,360.26 million, representing approximately 33.8% of the Group's revenue, an increase of approximately 19.5% over the same period last year.

Liver diseases medicines

For the six months ended 30 June 2024, the sales of liver disease medicines amounted to approximately RMB2,032.58 million, representing approximately 12.8% of the Group's revenue, a decrease of approximately 11.2% over the same period last year.

Respiratory system medicines

For the six months ended 30 June 2024, the sales of respiratory medicines and services amounted to approximately RMB1,783.81 million, representing approximately 11.2% of the Group's revenue, an increase of approximately 5.4% over the same period last year.

Surgery/analgesia medicines

For the six months ended 30 June 2024, the sales of surgery/analgesia medicines amounted to approximately RMB2,582.84 million, representing approximately 16.3% of the Group's revenue, an increase of approximately 29.9% over the same period last year.

Cardio-cerebral vascular medicines

For the six months ended 30 June 2024, the sales of cardio-cerebral vascular medicines amounted to approximately RMB1,364.36 million, representing approximately 8.6% of the Group's revenue, a decrease of approximately 14.5% over the same period last year.

Others

For the six months ended 30 June 2024, the sales of others amounted to approximately RMB2,750.55 million, representing approximately 17.3% of the Group' revenue, an increase of approximately 23.2% over the same period last year.

ADJUSTED NON-HKFRS PROFIT ATTRIBUTABLE TO THE OWNERS OF THE PARENT

Additional information is provided below to reconcile profit attributable to the owners of the parent and adjusted non-HKFRS profit attributable to the owners of the parent. The reconciling items principally adjust for the impact of discontinued operations, share of profits and losses of associates and a joint venture (net of related tax and non-controlling interests), one-off adjustments for the impairment and fair value changes of certain assets and liabilities, fair value gains of current equity investments, and effective interest expenses and exchange (gain)/loss of the convertible bond debt component. Adjusted

non-HKFRS profit attributable to the owners of the parent for the period increased by approximately 14.0% over the same period last year.

	For the six months ended 30 June		
	2024	2023	Change
	RMB'000	*RMB'000*	*%*
	(Unaudited)	(Unaudited and restated)	
Profit attributable to the owners of the parent	**3,017,162**	1,258,784	+139.7%
Profit attributable to the owners of the parent from discontinued operations	**(1,606,350)**	(130,750)	
Share of profits and losses of associates and a joint venture (net of related tax and non-controlling interests)	**86,502**	206,402	
One-off adjustments for the impairment and fair value changes of certain assets and liabilities	**49,816**	(86,904)	
Fair value gains of current equity investments, net	**(11,441)**	(61,251)	
Convertible bond debt component of:			
– Effective interest expenses	**177**	9,992	
– Exchange (gain)/loss	**(538)**	78,343	
– Fair value gains of derivative financial instruments in relation to foreign currency forward contracts	**–**	(45,918)	
Loss on extinguishment of partial convertible bond	**–**	117,865	
Fair value gain of convertible bond embedded derivative component	**–**	(143)	
Adjusted non-HKFRS profit attributable to the owners of the parent	**1,535,328**	1,346,420	+14.0%
Basic earnings per share			
Adjusted non-HKFRS profit attributable to the owners of the parent used in the basic earnings per share calculation	**1,535,328**	1,346,420	+14.0%
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation (Shares)	**18,408,301,709**	18,564,162,723	
Basic earnings per share, based on adjusted non-HKFRS profit attributable to the owner of the parent (RMB cents)	**8.34**	7.25	+15.0%

To supplement the consolidated results of the Group prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"), adjusted non-HKFRS profit attributable to the owners of the parent is presented in this results announcement as an additional non-HKFRS financial measure to provide supplementary information for better assessment of the performance of the Group's core operations by excluding impacts of certain non-cash items and the contribution of associates and a joint venture. Adjusted non-HKFRS profit attributable to the owners of the parent is to be considered in addition to, and not as a substitute for, measures of the Group's financial performance prepared in accordance with HKFRS.

INVESTMENT IN ASSOCIATES AND A JOINT VENTURE

As at 30 June 2024, the Group's major investment in associates and a joint venture is the 15.03% equity interests in Sinovac Life Sciences Co., Ltd. ("SINOVAC LS"), a company which is engaged in the R&D, production and sales of human vaccines. The profits and losses of associates and a joint venture attributable to the Group was losses of approximately RMB93.06 million during the period. After deducting related taxes credit and non-controlling interests of approximately RMB6.56 million, the losses of associates and a joint venture totaled approximately RMB86.50 million. As at 30 June 2024, the carrying amount of the investment in SINOVAC LS was approximately RMB10,180.87 million, accounting for approximately 15.3% of the Group's total assets.

EQUITY INVESTMENTS/FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS/OTHER COMPREHENSIVE INCOME

As at 30 June 2024, the Group had the non-current equity investments designated at fair value through other comprehensive income (including certain listed and unlisted equity investments) of approximately RMB1,586.81 million (31 December 2023: approximately RMB1,562.87 million) and current equity investments designated at fair value through profit or loss (including certain listed shares investments) of approximately RMB24.24 million (31 December 2023: approximately RMB301.08 million).

In addition, as at 30 June 2024, the Group had the non-current financial assets at fair value through profit or loss of approximately RMB4,806.73 million (31 December 2023: RMB4,699.70 million) and the current financial assets at fair value through profit or loss, including certain wealth management products of approximately RMB4,605.53 million (31 December 2023: approximately RMB2,811.96 million), which included the wealth management products of Bank of Jiangsu (approximately RMB1,493.78 million), China Galaxy Securities (approximately RMB770 million), CSC Financial Co., Ltd. (approximately RMB499.72 million), China Industrial Bank (approximately RMB430.09 million), Bank of Nanjing (approximately RMB200 million) and other banks. The wealth management products mainly consisted of principal-guaranteed products with floating return and relatively lower risk of default, and principal and interests will be paid together on the maturity date. The Board of the Company believes that the investment in wealth management products can strengthen the financial position of the Group and bring the fruitful contribution to the profit of the Group. As at 30 June 2024, the above mentioned wealth management products (approximately RMB4,605.53 million), representing approximately 6.9% of the total assets of the Group.

Each of the transactions of acquisition or disposal of wealth management products was entered into with third party who was not a connected person (as defined in the Rules ("Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Stock Exchange")) of the Company, and did not constitute a notifiable transaction under Chapter 14 of the Listing Rules as all the applicable percentage ratios were less than 5%, calculated either on a standalone basis or by aggregation of the transactions with the same counterparty pursuant to the Rule 14.22 of the Listing Rules.

For the six months ended 30 June 2024, the Group recorded fair value gain (net) of the equity investments of approximately RMB11.44 million.

The Board believes that the investment in equity investments and financial assets can diversify the investment portfolio of the Group and achieve a better return to the Group in future.

R&D

The Group has continued to focus its R&D efforts on new medicines in the four therapeutic areas of oncology, liver disease, respiratory system and surgery/analgesia. As at the end of the reporting period, the Group had 76 innovative products in development, including 46 oncology products, 6 liver disease products, 9 respiratory system products, 5 surgery/analgesia products, and 10 other products. In addition, the Group had 65 generic drug products in development.

Always placing utmost importance on R&D, the Group has continuously improved its R&D capabilities and speed by embracing the R&D concept of combining independent innovation, collaborative development, and development of both innovative and generic drugs. It considers R&D as the foundation for its sustainable development and has kept increasing R&D investment. For the six months ended 30 June 2024, it incurred a total R&D expenditure amounted to approximately RMB2,760.57 million, accounted for approximately 17.4% of the Group's revenue, most of which was charged to the statement of profit or loss.

INVESTOR RELATIONS

The Group is committed to maintaining high standards of corporate governance to ensure its long-term sustainable development. It also values communication with shareholders and investors. During the reporting period, the Group actively maintained close and good relationships with a wide range of investors from all over the world through different channels to ensure adequate two-way communication. While ensuring that investors had a thorough understanding of its latest business developments and strategies, the Group was also able to gather valuable views and feedback from the investment community through its interaction with investors to help raise corporate governance standards.

During the past six months, the Group continued to proactively disclose the latest information on its business development to investors. The Group held an investor presentation in late March to explain in detail its 2023 annual results and latest business updates, which attracted the participation of nearly 500 investors, including analysts and fund managers. In addition, the Group issued results press releases to the media in a timely manner to keep retail investors informed of its latest business status and outlook through media channels. In addition to results press releases, the Group also released information

through the media, such as the Company's share repurchase, the purchase of shares under its restricted share award scheme, and the purchase of shares by CT Tianqing under its share incentive scheme, in the hope of strengthening the confidence of shareholders and investors by maintaining a high level of transparency.

In addition, during the reporting period, the Group participated in many investment summits and roadshows hosted by major investment banks and securities companies, including the Bank of America, Citi, J.P. Morgan, Morgan Stanley, UBS, Goldman Sachs, CICC, CITIC, CSC Financial, HTSC, Haitong and China Industrial Securities, to help investors understand its business development and competitive advantages. During the reporting period, the Group participated in more than 500 investor communication meetings in various forms such as one-on-one meetings, group meetings and teleconferences.

The Group publishes its annual reports, interim reports, disclosures and circulars in a timely manner both on its corporate website and the website of the Hong Kong Exchanges and Clearing Limited. In addition, the Group voluntarily issues announcements to inform shareholders and investors of its latest business endeavors in order to maintain a high level of corporate transparency and to increase market interest in the Company.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's liquidity remains strong. During the period, the Group's primary sources of funds were cash derived from operating activities, issuance of panda bonds and convertible bonds, and bank borrowings. As at 30 June 2024, the Group's cash and bank balances classified under current assets were approximately RMB8,549.47 million (31 December 2023: approximately RMB9,451.88 million). Bank deposit classified under non-current assets were approximately RMB9,181 million (31 December 2023: approximately RMB7,312.89 million).

CAPITAL STRUCTURE

As at 30 June 2024, the Group had short term loans of approximately RMB8,484.59 million (31 December 2023: approximately RMB11,135.94 million) and had long term loans of approximately RMB1,010.02 million (31 December 2023: approximately RMB1,057.94 million). Debt component of the convertible bonds amounted to approximately RMB16.51 million as at 30 June 2024 (31 December 2023: RMB16.48 million). In addition, total lease liabilities (classified under current and non-current liabilities) amounted to approximately RMB165.45 million as at 30 June 2024 (31 December 2023: RMB369.88 million). As at 30 June 2024, the Group's total available credit facilities approximately amounted to 38.7 billion (31 December 2023: approximately RMB38.2 billion) of which 29.2 billion were unused (31 December 2023: 26.0 billion).

CHARGE ON ASSETS

As at 30 June 2024, the Group had charge on assets of approximately RMB477.05 million (31 December 2023: approximately RMB1,494 million).

CONTINGENT LIABILITIES

As at 30 June 2024, the Group and the Company had no material contingent liabilities (31 December 2023: Nil).

ASSETS AND GEARING RATIO

As at 30 June 2024, the total assets of the Group amounted to approximately RMB66,703.74 million (31 December 2023: approximately RMB63,604.82 million) whereas the total liabilities amounted to approximately RMB24,582.06 million (31 December 2023: approximately RMB25,434.87 million). The gearing ratio (total liabilities over total assets) was approximately 36.9% (31 December 2023: approximately 40.0%). The Group was in a net cash position of approximately RMB8,053.91 million (31 December 2023: approximately RMB4,184.53 million), being the aggregate of cash and bank balances classified under current assets and bank deposit classified under non-current assets less the aggregate of short term loans, long terms loans, debt component of the convertible bonds and total lease liabilities.

EMPLOYEE AND REMUNERATION POLICIES

The Group had 24,437 employees as at 30 June 2024 and remunerates its employees based on their performance, experience and the prevailing market rates. Other employee benefits include mandatory provident fund, insurance and medical coverage, subsidized training programmes as well as employee share incentive schemes. Total staff cost (including Directors' remuneration) in selling and distribution costs and administrative expenses for the period was approximately RMB2,514.70 million (2023: approximately RMB2,304.57 million).

The Group adopted a share option scheme on 15 June 2023 (the "2023 Share Option Scheme") and a share award scheme on 5 January 2018 (the "2018 Share Award Scheme"). The Group resolved and approved the implementation of a share incentive scheme by CT Tianqing, a subsidiary of the Company, on 7 May 2024 ("2024 CT Tianqing Share Incentive Scheme"). The schemes will provide incentive to retain and encourage the selected participants for the continual operation and development of the Group. For the six months ended 30 June 2024, no option in respect of the shares of the Company ("Shares") had been granted under the 2023 Share Option Scheme, nor any restricted share or incentive share granted under the 2018 Share Award Scheme and the 2024 CT Tianqing Share Incentive Scheme; and as at the period end, 515,843,043 Shares were held on trust by a trustee under the 2018 Share Award Scheme and 69,905,000 shares were held on trust by a trustee under 2024 CT Tianqing Share Incentive Scheme.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

Most of the assets and liabilities of the Group were denominated in Renminbi, US dollars, Euro and HK dollars. The Group has hedged part of the RMB risk in net foreign operations by borrowing RMB loan and will continue to closely monitor the net foreign exchange exposure to reduce the impact of foreign exchange fluctuations.

ENVIORMENTAL, SOCIAL AND GOVERNANCE ("ESG")

Sino Biopharm is committed to fulfilling the corporate mission of "Science for a Healthier World" through high quality ESG management and by striving for the health and well-being of patients and society. With this vision, we continue to promote the harmonious development of the company, employees, society and the environment, with the aim of providing strong support for the Group's sustainable development and creating long-term value for ourselves and our partners.

In 2024, Sino Biopharm formulated the "2024 ESG Work Plan" based on the ESG work policy of "Consolidation+Improvement" and the substantive needs of the Group's development, which listed 10 core work objectives for the year, with "improvement of ESG information management, carbon neutral goal and pathways planning, construction of responsible supply chain, and construction of ESG philosophy and culture" as the main focus, to promote the in-depth integration of ESG management and corporate operations.

In the first half of the year, the Group's ESG governance system continued to function effectively. The Board, management and executive-level ESG special committee convened a total of four meetings, ensuring the implementation of Sino Biopharm's ESG work, promoting the formulation of the annual overall plan in an orderly manner, and providing effective guidance for the implementation of various key tasks.

Regarding the improvement of ESG information management, while complying with the requirements of the Stock Exchange and publishing the FY2023 ESG Report, Sino Biopharm for the first time engaged an international professional third-party organization, the British Standards Institution, to conduct an independent assurance of the ESG Report, which passed the verification and review.

In terms of carbon neutral goal and pathways planning, the Group completed the 2022 and 2023 carbon inventories of "two pilot units towards carbon neutrality", in which CT Tianqing (Jiangning Plant) and Beijing Tide identified 15 types of emission reduction opportunities, and preliminarily completed the scientific validation of the emission reduction action plan. Meanwhile, the Group actively expanded the use of renewable energy scenarios, the renewable energy consumption increased by 16% in the first half of 2024.

In terms of building a responsible supply chain, the Group continued to strengthen the promotion and implementation of ESG concepts among suppliers, further enhanced exchanges and training in the field of ESG practices, and organized self-assessment of suppliers' ESG management performance, among other measures, in order to achieve real improvements in suppliers' ESG management practices.

In terms of ESG concept and culture construction, the Group launched the "ESG DAY" activity for the first time, and took this as a sign to lead the systematic work of ESG concept and culture construction of the Group.

In the first half of 2024, the Group won a number of important influential awards at home and abroad, including being selected for the FTSE4Good Index Series for the first time; S&P Global's Sustainability Yearbook 2024 (China Edition) for the second consecutive year; and "100 ESG Pioneers among China's Listed Companies" for the second consecutive year, a ranking jointly published by CCTV Finance Program Center, the State-owned Assets Supervision and Administration Commission of the State Council, the All-China Federation of Industry and Commerce and other departments. Sino Biopharm won further recognition from society and professional institutions at home and abroad for its insistence on sustainability and long-term value.

In the second half of the year, under the leadership of the Board, the Group will continue to promote the implementation of ESG governance, formulate and publish feasible carbon neutrality targets and plans, improve its own ESG and supply chain management performance, and further expand healthcare accessibility. By organizing iconic events such as "Sino Biopharmaceutical ESG DAY", the Group aims to further promote the popularization of ESG philosophy and culture among all employees. While improving its own ESG governance standard, the Group will also contribute to raising the overall sustainable development standard of the industry and industry chain.

PROSPECTS

As a pillar industry linked to people's livelihood and the economy, the pharmaceutical industry has become one of the fastest growing and most promising fields in China and even the world. As the world's second largest pharmaceutical market, China's demand for medical and healthcare products has grown rapidly in recent years, with breakthroughs being made in biotechnology. Innovation has become a new driving force for the high-quality development of China's pharmaceutical industry.

The Group has been closely monitoring the development of the country, society and the industry, and has continuously optimized its development strategy. Under the four main strategies of "organizational integration, comprehensive innovation, globalization, and digitalization", the Group will actively innovate its organizational structure, comprehensively improve its operational efficiency, focus on the innovation and development of the four main therapeutic areas of oncology, liver disease, respiratory system, and surgery/analgesia, and actively accelerate the global deployment of its business.

The Group is committed to its vision of "to be a leading global pharmaceutical company through delivering innovative therapies for patients". It strives to promote innovative development through its dual engines of internal R&D and business development. Over the years, the Group has stepped up its R&D investment and built strong internal R&D capabilities. At the same time, it has vigorously promoted business development and strategic cooperation, striving to become the best partner for global pharmaceutical and biotechnology enterprises. In April 2024, the Group entered into a strategic partnership with Boehringer Ingelheim to bring Boehringer Ingelheim's innovative cancer therapies to the Mainland Chinese market. At present, the Group has entered the harvest period of its innovative development. It is expected that the number of innovative products launched to the market will reach 25 by 2026. This will further strengthen the Group's dominant position in the four main therapeutic areas and provide strong impetus for long-term sustainable growth.

In addition to its foothold in China, the Group is also looking to the vast global market to accelerate its innovation and development through globalization. The Group will adhere to its dual-pronged approach in the implementation of its globalization strategy, so as to become an important platform connecting innovation around the world. Through this approach, the Group will bring global pharmaceutical innovations to China to benefit Chinese patients, and also go global and open up new markets to accelerate the satisfaction of unmet clinical needs worldwide.

The Group will continue to focus on innovation and remain committed to improving R&D efficiency and quality in the four main therapeutic areas of oncology, liver diseases, respiratory system, and surgery/analgesia, accelerating globalization of its business, and striving to achieve rapid business development and steady performance improvement.

APPRECIATION

On behalf of the Board, I would like to express my gratitude to our shareholders for their trust, support and understanding, as well as to all our staff for their dedication and diligence.

RESULTS

The Board of the Company announces the unaudited interim condensed consolidated results of the Group for the six months ended 30 June 2024 together with the comparative figures for 2023 as follows:

Interim Condensed Consolidated Statement of Profit or Loss

		For the six months ended 30 June	
		2024	2023
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited and restated)
CONTINUING OPERATIONS			
REVENUE	*3*	**15,874,403**	14,283,672
Cost of sales		**(2,844,780)**	(2,599,759)
Gross profit		**13,029,623**	11,683,913
Other income	*3*	**499,080**	575,166
Other gains/(losses), net	*3*	**(108,027)**	(46,741)
Selling and distribution costs		**(5,796,755)**	(5,220,925)
Administrative expenses		**(1,051,187)**	(1,005,120)
Other expenses		**(2,711,923)**	(2,419,308)
Including: Research and development costs		***(2,578,342)***	*(2,325,435)*
Finance costs	*4*	**(153,739)**	(293,425)
Share of profits and losses of associates and a joint venture		**(93,056)**	(219,438)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	*5*	**3,614,016**	3,054,122
Income tax expense	*6*	**(614,093)**	(497,992)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		**2,999,923**	2,556,130
DISCONTINUED OPERATIONS			
Profit for the period from discontinued operations	*7*	**1,606,765**	143,294
PROFIT FOR THE PERIOD		**4,606,688**	2,699,424
Profit attributable to:			
Owners of the parent		**3,017,162**	1,258,784
Non-controlling interests		**1,589,526**	1,440,640
		4,606,688	2,699,424
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*9*		
Basic			
– For profit for the period		**RMB16.39 cents**	RMB6.78 cents
– For profit from continuing operations		**RMB7.66 cents**	RMB6.08 cents
Diluted			
– For profit for the period		**RMB16.39 cents**	RMB6.78 cents
– For profit from continuing operations		**RMB7.66 cents**	RMB6.08 cents

Details of the interim dividend declared for the period are disclosed in note 8 to the financial statements of this announcement.

Interim Condensed Consolidated Statement of Comprehensive Income

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
PROFIT FOR THE PERIOD	**4,606,688**	2,699,424
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
Net gain on hedge of net investment	**123,891**	63,753
Exchange differences on translation of foreign operations	**146,715**	147,151
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	**270,606**	210,904
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	**(11,309)**	(34,355)
Income tax effect	**–**	–
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	**(11,309)**	(34,355)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	**259,297**	176,549
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**4,865,985**	2,875,973
Attributable to:		
Owners of the parent	**3,275,666**	1,434,530
Non-controlling interests	**1,590,319**	1,441,443
	4,865,985	2,875,973

Interim Condensed Consolidated Statement of Financial Position

	Notes	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**8,036,893**	8,080,907
Investment properties		**281,564**	289,342
Right-of-use assets		**1,640,872**	1,831,254
Goodwill		**700,963**	680,452
Intangible assets		**2,422,396**	2,228,509
Investments in associates and a joint venture		**11,835,188**	12,243,675
Equity investments designated at fair value through other comprehensive income		**1,586,814**	1,562,870
Financial assets at fair value through profit or loss		**4,806,730**	4,699,703
Bank deposits		**9,181,000**	7,312,891
Deferred tax assets		**532,781**	567,012
Prepayments and other assets		**456,544**	302,673
Total non-current assets		**41,481,745**	39,799,288
CURRENT ASSETS			
Inventories		**1,837,297**	1,993,472
Trade and bills receivables	*10*	**7,215,537**	4,510,195
Prepayments, other receivables and other assets		**2,844,916**	3,635,630
Amounts due from related companies		**145,010**	188,610
Equity investments designated at fair value through profit or loss		**24,237**	301,080
Financial assets at fair value through profit or loss		**4,605,526**	2,811,960
Cash and bank balances	*11*	**8,549,473**	9,451,878
		25,221,996	22,892,825
Assets of a disposal group classified as held for sale	*7*	**–**	912,706
Total current assets		**25,221,996**	23,805,531
CURRENT LIABILITIES			
Trade and bills payables	*12*	**2,183,406**	1,334,703
Tax payable		**406,890**	271,871
Other payables and accruals		**10,826,783**	9,405,589
Interest-bearing bank borrowings		**8,484,591**	11,135,940
Amounts due to related companies		**7,762**	136,130
Lease liabilities		**10,793**	71,488
Contingent consideration		**12,479**	12,195
Convertible bonds – debt component		**16,508**	–
		21,949,212	22,367,916
Liabilities directly associated with the assets classified as held for sale	*7*	**–**	238,859
Total current liabilities		**21,949,212**	22,606,775
NET CURRENT ASSETS		**3,272,784**	1,198,756
TOTAL ASSETS LESS CURRENT LIABILITIES		**44,754,529**	40,998,044

	Notes	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
TOTAL ASSETS LESS CURRENT LIABILITIES		**44,754,529**	40,998,044
NON-CURRENT LIABILITIES			
Convertible bonds – debt component		**–**	16,478
Deferred government grants		**538,909**	548,272
Interest-bearing bank borrowings		**1,010,016**	1,057,944
Lease liabilities		**154,653**	298,394
Contingent consideration		**132,064**	125,460
Deferred tax liabilities		**797,205**	781,543
Total non-current liabilities		**2,632,847**	2,828,091
Net assets		**42,121,682**	38,169,953
EQUITY			
Equity attributable to owners of the parent			
Share capital	*13*	**414,384**	414,615
Treasury shares		**(2,108,669)**	(1,769,723)
Reserves		**34,539,269**	31,829,577
		32,844,984	30,474,469
Non-controlling interests		**9,276,698**	7,695,484
Total equity		**42,121,682**	38,169,953

Notes:

1. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2024 has been prepared in accordance with HKAS 34 Interim Financial Reporting. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2023.

1.2 CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of the following revised Hong Kong Financial Reporting Standards ("HKFRSs") for the first time for the current period's financial information.

Amendments to HKAS 7 and HKFRS 7	*Supplier Finance Arrangements*
Amendments to HKFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to HKAS 1	*Classification of Liabilities as Current or Non-current (the "2020 Amendments")*
Amendments to HKAS 1	*Non-current Liabilities with Covenants (the "2022 Amendments")*

The revised standards have had no significant financial effect on these financial statements.

2. OPERATING SEGMENT INFORMATION

Management considers the business from a product/service perspective. The three reportable segments are as follows:

(a) the modernised Chinese medicines and chemical medicines segment comprises the manufacture, sale and distribution of modernised Chinese medicine products and western medicine products and related services;

(b) the investment segment is engaged in long term and short term investments; and

(c) the "others" segment comprises, principally related healthcare and hospital business.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit or loss, which is a measure of adjusted profit or loss before tax.

Segment assets exclude deferred tax assets and the investments in associates and a joint venture as these assets are managed on a group basis.

Segment liabilities exclude tax payable and deferred tax liabilities as these liabilities are managed on a group basis.

The segment results for the six months ended 30 June 2024 (Unaudited)

	Modernised Chinese medicines and chemical medicines *RMB'000*	Investment *RMB'000*	Others *RMB'000*	Total *RMB'000*
Segment revenue				
Sales to external customers	**15,649,885**	**–**	**224,518**	**15,874,403**
Gross profit	**12,980,820**	**–**	**48,803**	**13,029,623**
Segment results	**3,933,880**	**(158,376)**	**49,979**	**3,825,483**
Reconciliation:				
Interest and unallocated gains				**223,848**
Share of profits and losses of associates and a joint venture				**(93,056)**
Unallocated expenses				**(342,259)**
Profit before tax from continuing operations				**3,614,016**
Income tax expense				**(614,093)**
Profit for the period from continuing operations				**2,999,923**
Other segment information				
Depreciation and amortisation	**472,187**	**23,683**	**14,361**	**510,231**
Capital expenditure	**592,933**	**5,557**	**69,183**	**667,673**
Other non-cash expenses	**20,307**	**73**	**125**	**20,505**
As at 30 June 2024 (Unaudited)				
Assets and liabilities				
Segment assets	**41,309,133**	**11,403,136**	**1,623,503**	**54,335,772**
Reconciliation:				
Investments in associates and a joint venture				**11,835,188**
Other unallocated assets				**532,781**
Total assets				**66,703,741**
Segment liabilities	**18,513,064**	**4,074,338**	**790,562**	**23,377,964**
Reconciliation:				
Other unallocated liabilities				**1,204,095**
Total liabilities				**24,582,059**

The segment results for the six months ended 30 June 2023 (Unaudited and restated)

	Modernised Chinese medicines and chemical medicines *RMB'000*	Investment *RMB'000*	Others *RMB'000*	Total *RMB'000*
Segment revenue				
Sales to external customers	13,970,611	–	313,061	14,283,672
Gross profit	11,641,209	–	42,704	11,683,913
Segment results	3,469,103	117,909	(125,697)	3,461,315
Reconciliation:				
Interest and unallocated gains				180,980
Share of profits and losses of associates and a joint venture				(219,438)
Unallocated expenses				(368,735)
Profit before tax from continuing operations				3,054,122
Income tax expense				(497,992)
Profit for the period from continuing operations				2,556,130
Other segment information				
Depreciation and amortisation	574,119	36,554	20,041	630,714
Capital expenditure	1,916,483	348	24,069	1,940,900
Other non-cash expenses	12,889	–	64	12,953
As at 31 December 2023 (Audited)				
Assets and liabilities				
Segment assets	40,489,011	7,791,693	1,600,722	49,881,426
Reconciliation:				
Investments in associates and a joint venture				12,243,675
Other unallocated assets				567,012
Assets related to discontinued operations				912,706
Total assets				63,604,819
Segment liabilities	16,116,328	7,261,854	764,411	24,142,593
Reconciliation:				
Other unallocated liabilities				1,053,414
Liabilities related to discontinued operations				238,859
Total liabilities				25,434,866

Geographical information

(a) Revenue from external customers

No further geographical segment information is presented as over 90% of the Group's revenue is derived from customers based in Chinese Mainland.

(b) Non-current assets

	30 June 2024	31 December 2023
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Hong Kong	**5,092,671**	8,987,602
Chinese Mainland	**17,982,542**	16,239,046
Other countries/regions	**2,299,207**	430,164
	25,374,420	25,656,812

The non-current assets information of continuing operations above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

Information about a major customer

No information about a major customer is presented as no single customer contributes to over 10% of the Group's revenue for the six months ended 30 June 2024 and 2023.

3. REVENUE, OTHER INCOME AND OTHER GAINS/(LOSSES), NET

Revenue, which is the Group's revenue, represents the net invoiced value of goods sold, after allowances for returns and trade discounts.

An analysis of revenue, other income and other gains/(losses), net is as follows:

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited and restated)
Revenue from contracts with customers		
Sale of industrial products	**15,631,808**	14,073,156
Revenue from other sources	**242,595**	210,516
	15,874,403	14,283,672

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited and restated)
Other income		
Bank interest income	**223,848**	180,980
Interest income from an associate	**–**	3,150
Dividend income	**167**	183
Government grants	**42,140**	243,826
Sale of scrap materials	**428**	178
Investment income	**83,944**	114,496
Gross rental income	**4,334**	9,702
Additional value-added tax credit	**16,597**	–
Others	**127,622**	22,651
	499,080	575,166

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited and restated)
Other gains/(losses), net		
Gain on disposal of items of property, plant and equipment	**1,846**	7,411
Gain on disposal of items of right-of-use assets	**–**	218
Gain on step acquisition from an associate to a subsidiary	**–**	60,282
Fair value gains/(losses), net		
Equity investments designated at fair value through profit or loss	**11,441**	61,251
Financial assets at fair value through profit or loss	**(1,136)**	3,140
Financial assets at fair value through profit or loss (Non-current)	**(49,816)**	26,622
Convertible bond embedded derivative component	**–**	143
Derivative financial instruments	**–**	45,918
Exchange losses, net	**(70,362)**	(133,861)
Loss on extinguishment of partial convertible bonds	**–**	(117,865)
	(108,027)	(46,741)

4. FINANCE COSTS

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited and restated)
Interest on bank borrowings	**149,912**	275,839
Interest on convertible bonds	**177**	9,992
Interest on lease liabilities	**3,650**	7,594
	153,739	293,425

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited and restated)
Cost of inventories sold	**2,844,780**	2,599,759
Depreciation of property, plant and equipment	**416,952**	560,858
Depreciation of investment properties	**12,004**	19,479
Depreciation of right-of-use assets	**29,035**	40,688
Amortization of intangible assets	**52,240**	9,689
Research and development costs	**2,578,342**	2,325,435
Gain on disposal of items of property, plant and equipment	**(1,846)**	(7,411)
Gain on disposal of items of right-of-use assets	**–**	(218)
Gain on step acquisition from an associate to a subsidiary	**–**	(60,282)
Share of profits and losses of associates and a joint venture	**93,056**	219,438
Bank interest income	**(223,848)**	(180,980)
Interest income from an associate	**–**	(3,150)
Dividend income	**(167)**	(183)
Investment income	**(83,944)**	(114,496)
Loss on extinguishment of partial convertible bonds	**–**	117,865
Fair value (gains)/loss, net:		
Equity investments at fair value through profit or loss	**(11,441)**	(61,251)
Financial assets at fair value through profit or loss	**1,136**	(3,140)
Financial assets at fair value through profit or loss (non-current)	**49,816**	(26,622)
Convertible bond embedded derivative component	**–**	(143)
Derivative financial instruments	**–**	(45,918)

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited and restated)
Auditors' remuneration	**3,562**	2,525
Staff cost (including directors' remuneration) in selling and distribution costs and administrative expenses:		
Wages and salaries	**2,013,451**	1,840,630
Pension contributions	**501,246**	463,940
	2,514,697	2,304,570
Foreign exchange differences, net	**70,362**	133,861
Accrual of impairment losses of trade receivables	**18,657**	11,454

6. INCOME TAX

Taxes on profits have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited and restated)
Group:		
Current – Hong Kong	**–**	–
Current – Chinese Mainland	**539,166**	565,177
Deferred tax	**74,927**	(67,185)
Total tax charge for the period from continuing operations	**614,093**	497,992
Total tax charge for the period from discontinued operations	**110,143**	26,751
Total tax charge for the period	**724,236**	524,743

The Company incorporated in the Cayman Islands is not subject to tax on income or capital gains under the law of the Cayman Islands. In addition, dividend payments are not subject to withholding tax in the Cayman Islands.

The subsidiaries incorporated in the British Virgin Islands (the "BVI") are not subject to income tax as these subsidiaries do not have a place of business (other than a registered office only) or carry on any business in the BVI.

The subsidiaries incorporated in Hong Kong is subject to Hong Kong profits tax at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits arising in Hong Kong during the period.

The subsidiary incorporated in the United Kingdom ("UK") is subject to UK Corporate Income Tax at a rate of 25% (2023: 19%-25%) on the estimated assessable profits arising in the UK during the period.

Belgium profits tax has been provided at a rate of 25% (2023: 25%) on the estimated assessable profits arising in Belgium during the period.

The provision for corporate income tax in Chinese Mainland is based on the statutory rate of 25% of the assessable profits as determined in accordance with the PRC Corporate Income Tax Law which was approved and became effective on 1 January 2008.

Certain subsidiaries operating in Chinese Mainland were entitled to a preferential corporate income tax rate of 15% during the period because they were qualified as "High and New Technology Enterprises".

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Chinese Mainland. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Chinese Mainland and the jurisdiction of the foreign investors. The Group is therefore liable to withholding taxes on dividends distributed by subsidiaries and associates established in Chinese Mainland in respect of earnings generated from 1 January 2008 with 5% and 10%, respectively.

During the period ended 30 June 2024, taxes credit related to the share of profits and losses of associates and a joint venture were amounted to approximately RMB6,554,000 (2023: taxes credit of RMB14,853,000).

Pillar Two income taxes

The Group has applied the mandatory exception to recognising and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes. Potential exposure, if any, to Pillar Two income taxes is currently not know or reasonably estimable. The Group expects to be in a position to report potential exposure in the next financial statements for the year ending 31 December 2024.

7. DISCONTINUED OPERATIONS

In 2023, the Group decided to divest its commercial distribution business in China and the osteoporosis medicines and marine pharmaceuticals business in order to further focus on its four core therapeutic areas of oncology, liver diseases, respiratory diseases and surgery/analgesia.

The board of directors of the Company resolved to dispose of the equity interests in three subsidiaries engaged in commercial distribution business in China, namely Suzhou Tianqing Xingwei Medicines Co., Ltd. ("Suzhou Xingwei"), Lianyungang Chia Tai Tianqing Medicines Co., Ltd. ("Lianyungang Tianqing") and Zhejiang Tianqing Zhongwei Medicines Co., Ltd. ("Zhejiang Zhongwei") (or collectively referred to as "Commercial Distribution Subsidiaries"). The disposal of the Commercial Distribution Subsidiaries was completed in December 2023 and recorded as discontinued operations. The Group no longer holds any equity interest in the Commercial Distribution Subsidiaries.

The board of directors of the Company resolved to dispose of the equity interest in its subsidiary Shanghai Chia Tai Tongyong Pharmaceutical Co., Ltd. ("CT Tongyong"). The disposal of CT Tongyong was completed in 2023 and recorded as discontinued operations. The Group no longer holds any equity interest in CT Tongyong.

The board of directors of the Company resolved in December 2023 to adopt the plan for the disposal of the equity interest in its subsidiary CP Pharmaceutical Qingdao Co., Ltd. ("CP Qingdao"), and subsequently resolved in February 2024 to dispose part of the equity interest in CP Qingdao. The disposal of CP Qingdao was completed in March 2024 at a consideration of RMB1,819.72 million, resulting in a pre-tax gain of RMB1,709.60 million. Upon the completion of the disposal, the interest of the Group in CP Qingdao decreased from 93% to 26% and was accounted for as investment in an associate.

As at 31 December 2023, CP Qingdao was classified as a disposal group held for sale and as a discontinued operation. With the Target Group being classified as discontinued operations, the Target Group is no longer presented in the segment note.

The results of the Commercial Distribution Subsidiaries and CT Tongyong for the period are presented below:

	For the six months ended 30 June	
	2024*	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue	**–**	634,401
Expenses	**–**	(622,351)
Finance costs	**–**	(10,703)
Profit before tax from the discontinued operation	**–**	1,347
Income tax related to pre-tax profit	**–**	(1,436)
Loss for the period from the discontinued operation	**–**	(89)

* *Represents no activity in 2024 after the disposal in 2023.*

The results of the CP Qingdao for the period are presented below:

	For the six months ended 30 June	
	2024#	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue	**53,290**	358,964
Expenses	**(45,986)**	(190,257)
Finance costs	**–**	(9)
Profit before tax from the discontinued operation	**7,304**	168,698
Tax benefit/(expense):		
Related to pre-tax profit	**25,256**	(25,315)
Post-tax profit for the period from the discontinued operation	**32,560**	143,383
Gain on disposal of the discontinued operations	**1,709,604**	–
Attributable tax expense	**(135,399)**	–
Post-tax gain on disposal of discontinued operations	**1,574,205**	–
Profit after tax for the period from the discontinued operation	**1,606,765**	143,383

Represents two months of activity prior to the disposal in March 2024.

The net cash flows generated from the sale of CP Qingdao are, as follows:

	RMB'000 **(Unaudited)**
Cash consideration received	**1,455,780**
Cash and bank balances disposed of	**(46,101)**
Net inflow of cash and cash equivalents in respect of the disposal of subsidiaries	**1,409,679**
Cash consideration receivable within one year	**363,940**
The portion of the gain on disposal of subsidiaries attributable to measuring 26% investment retained in CP Qingdao at its fair value at the date when control is lost	**342,192**

The net cash flows incurred by the Commercial Distribution Subsidiaries and CT Tongyong are as follows:

	For the six months ended 30 June	
	2024*	2023
	RMB'000 **(Unaudited)**	*RMB'000* (Unaudited)
Operating activities	**–**	13,684
Investing activities	**–**	(36,288)
Financing activities	**–**	12,493
Net cash outflow	**–**	(10,111)

* *Represents no activity in 2024 after the disposal in 2023.*

The net cash flows incurred by the CP Qingdao are as follows:

	For the six months ended 30 June	
	2024#	2023
	RMB'000 **(Unaudited)**	*RMB'000* (Unaudited)
Operating activities	**(42,427)**	52,024
Investing activities	**(114,700)**	416,822
Net cash (outflow)/inflow	**(157,127)**	468,846

\# *Represents two months of activity prior to the disposal in March 2024.*

Earnings per share:

	For the six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
Basic, from the discontinued operation	**RMB8,73 cents**	RMB0.70 cents
Diluted, from the discontinued operation	**RMB8.73 cents**	RMB0.70 cents

The calculations of basic and diluted loss per share from the discontinued operation is based on:

	For the six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
Profit attributable to ordinary equity holders of the parent from the discontinued operations (RMB'000)	**1,606,350**	130,750
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	**18,408,301,709**	18,564,162,723
Weighted average number of ordinary shares in issue during the period used in the diluted earnings per share calculation	**18,409,838,741**	18,655,395,514

8. DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

The Board has declared the payment of an interim dividend of HK3 cents per ordinary share for the six months ended 30 June 2024 (2023: HK2 cents). The interim dividend will be paid to shareholders on Friday, 4 October 2024 whose names appear on the register of members of the Company on Friday, 13 September 2024. For the purpose of determining shareholders who are qualified for the interim dividend, the register of members of the Company will be closed from Thursday, 12 September 2024 to Friday, 13 September 2024, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by 4:30 p.m. on Wednesday, 11 September 2024.

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit attributable to ordinary equity holders of the parent for the period of approximately RMB3,017,162,000 (2023: approximately RMB1,258,784,000), and the weighted average number of ordinary shares of 18,408,301,709 (2023: 18,564,162,723) in issue during the period.

The calculation of the diluted earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent, adjusted to reflect the interest, exchange difference and fair value change on the convertible bonds, where applicable (see below). The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The diluted earnings per share for the six months period ended 30 June 2023 did not assume conversion of the convertible bonds as its conversion be anti-dilutive.

The calculations of basic and diluted earnings per share for the six months period ended 30 June 2024 are based on:

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation:		
From continuing operations	**1,410,812**	1,128,034
From discontinued operations	**1,606,350**	130,750
	3,017,162	1,258,784
Interest on convertible bonds	**177**	9,992
Exchange (gain)/loss on convertible bonds – debt component	**(538)**	78,343
Fair value gain on the derivative component of the convertible bonds	**–**	(143)
Loss on extinguishment of partial convertible bonds	**–**	117,865
Profit attributable to ordinary equity holders of the parent before interest, and exchange gain on convertible bonds	**3,016,801**	1,464,841
Attributable to:		
Continuing operations	**1,410,451**	1,334,091
Discontinued operations	**1,606,350**	130,750
	3,016,801	1,464,841
	No. of shares	No. of shares
	2024	2023
	(Unaudited)	(Unaudited)
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	**18,408,301,709**	18,564,162,723
Effect of dilution – weighted average number of ordinary shares:		
– Convertible bonds	**1,537,032**	91,232,791
	18,409,838,741	18,655,395,514

10. TRADE AND BILLS RECEIVABLES

An ageing analysis of the Group's trade and bills receivables as at the end of reporting period, based on invoice date and net of provisions, is as follows:

	30 June 2024	31 December 2023
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Current to 90 days	**6,989,661**	4,319,725
91 days to 180 days	**156,229**	142,561
Over 180 days	**69,647**	47,909
	7,215,537	4,510,195

11. CASH AND BANK BALANCES

	30 June 2024	31 December 2023
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Cash and bank balances, unrestricted	**3,173,677**	4,203,568
Time deposits with original maturity of less than three months	**1,295,796**	3,098,310
Time deposits with original maturity of more than three months	**4,080,000**	2,150,000
Cash and bank balances	**8,549,473**	9,451,878

12. TRADE AND BILLS PAYABLES

An ageing analysis of the Group's trade and bills payables as at the end of reporting period, based on invoice date, is as follows:

	30 June 2024	31 December 2023
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Current to 90 days	**1,113,472**	694,354
91 days to 180 days	**376,582**	397,702
Over 180 days	**693,352**	242,647
	2,183,406	1,334,703

13. SHARE CAPITAL

	30 June 2024	31 December 2023
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Issued and fully paid:		
18,791,217,230 ordinary shares of HK$0.025 each (2023: 18,801,217,230 ordinary shares of HK$0.025 each)	**414,384**	414,615

14. COMPARATIVE AMOUNTS

The comparative statement of profit or loss has been re-presented as if the operations discontinued during the period has been discontinued at the beginning of the comparative period.

CORPORATE GOVERNANCE CODE

In the opinion of the Directors, the Company has complied with all the Code Provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules for the six months ended 30 June 2024 except for the deviation from Code Provision C.1.6 in relation to attendance of the annual general meeting of the Company (the "AGM") by the independent non-executive Directors ("INEDs") of the Company. Two INEDs were unable to attend the AGM held on 5 June 2024 due to other business engagements.

INDEPENDENT NON-EXECUTIVE DIRECTORS, AUDIT COMMITTEE AND REVIEW OF RESULTS

During the six months ended 30 June 2024, the Company has complied with Rules 3.10 and 3.10(A) of the Listing Rules and has appointed sufficient number of INEDs including two with appropriate professional qualifications, or accounting or related financial management expertise. The Audit Committee is comprised of four INEDs. It has reviewed with management the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters including the review of the unaudited consolidated financial statements of the Company for the period under review.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 June 2024, the Company bought back a total of 10,000,000 Shares on the Stock Exchange at an aggregate consideration of approximately HK$24,382,000 before expenses. The bought back Shares were subsequently cancelled. Further details are set out as follows:

Month	Number of Shares bought back	Purchase consideration per Share		Consideration paid
		Highest	Lowest	
		HK$	*HK$*	*HK$*
April	10,000,000	2.54	2.32	24,382,000

Pursuant to the rules of the 2018 Share Award Scheme, the trustee of the scheme purchased on the Stock Exchange a total of 61,750,000 Shares at a total consideration of approximately HK$175,404,000 during the period.

Pursuant to the rules of the 2024 CT Tianqing Share Incentive Scheme, the trustee of the scheme purchased on the Stock Exchange a total of 69,905,000 Shares at a total consideration of approximately HK$189,836,000 during the period.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the period.

FORWARD LOOKING STATEMENTS

Certain statements contained in this announcement may be viewed as "forward-looking statements" with respect to the business outlook, financial performance estimates, and business operations forecast of the Group. These forward-looking statements are based on the current beliefs, assumptions, and expectations of and the information currently available to the Board and the Company, and therefore involve risks and uncertainties. Actual outcome may differ materially from the forecasts and expectations in such forward-looking statements. The Company assumes no obligation to update the forward-looking statements contained in this announcement. In light of the above risks and uncertainties, shareholders of the Company and potential investors should not place undue reliance on such statements.

By Order of the Board
Sino Biopharmaceutical Limited
Tse, Theresa Y Y
Chairwoman

Hong Kong, 13 August 2024

As at the date of this announcement, the Board of the Company comprises six executive directors, namely Ms. Tse, Theresa Y Y, Mr. Tse Ping, Ms. Cheng Cheung Ling, Mr. Tse, Eric S Y, Mr. Tse Hsin and Mr. Tian Zhoushan, and five independent non-executive directors, namely Mr. Lu Zhengfei, Mr. Li Dakui, Ms. Lu Hong, Mr. Zhang Lu Fu and Dr. Li Kwok Tung Donald.