FOSUN PHARMA
复星医药

上海復星醫藥（集團）股份有限公司

Shanghai Fosun Pharmaceutical (Group) Co., Ltd.*

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

(Stock Code: 02196)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2024 AND CHANGE OF JOINT COMPANY SECRETARY AND AUTHORISED REPRESENTATIVE

The Board of the Company is pleased to announce the unaudited interim results of the Group for the six months ended 30 June 2024.

FINANCIAL HIGHLIGHTS

Interim Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2024

	Notes	For the six months ended 30 June 2024 **RMB'000** **(Unaudited)**	2023 *RMB'000* (Unaudited)
REVENUE	*3*	**20,383,158**	21,315,899
Cost of sales		**(10,463,386)**	(10,698,520)
Gross profit		**9,919,772**	10,617,379
Other income	*4*	**167,638**	220,140
Selling and distribution expenses		**(4,266,271)**	(5,071,296)
Administrative expenses		**(2,149,000)**	(2,103,288)
Research and development expenses		**(1,861,736)**	(2,134,279)
Impairment losses on financial assets		**(38,038)**	(57,976)
Other gains	*5*	**272,781**	857,069
Other expenses		**(434,689)**	(256,491)
Interest income		**188,969**	171,494
Finance costs	*6*	**(709,545)**	(603,375)
Share of profits and losses of:			
Joint ventures		**(105,878)**	(95,841)
Associates		**947,198**	1,118,104
PROFIT BEFORE TAX	*7*	**1,931,201**	2,661,640
Income tax expense	*8*	**(381,469)**	(610,245)
PROFIT FOR THE PERIOD		**1,549,732**	2,051,395
Attributable to:			
Owners of the parent		**1,224,799**	1,783,642
Non-controlling interests		**324,933**	267,753
		1,549,732	2,051,395
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*10*		
Basic and Diluted			
— For profit for the period		**RMB0.46**	RMB0.67

Interim Condensed Consolidated Statement of Comprehensive Income
For the six months ended 30 June 2024

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
PROFIT FOR THE PERIOD	**1,549,732**	2,051,395
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**125,725**	549,556
Share of other comprehensive income of joint ventures	**3,287**	—
Share of other comprehensive loss of associates	**(10,075)**	(74,012)
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	**118,937**	475,544
Other comprehensive (loss)/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	**(6,768)**	73
Income tax effect	**251**	(11)
Net other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods	**(6,517)**	62
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	**112,420**	475,606
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**1,662,152**	2,527,001
Attributable to:		
Owners of the parent	**1,321,337**	2,042,466
Non-controlling interests	**340,815**	484,535
	1,662,152	2,527,001

Interim Condensed Consolidated Statement of Financial Position
30 June 2024

	Notes	**30 June 2024** ***RMB'000*** **(Unaudited)**	31 December 2023 *RMB'000* (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**20,446,847**	20,846,458
Right-of-use assets		**4,130,816**	4,248,080
Goodwill		**10,880,283**	10,851,999
Other intangible assets		**15,716,170**	15,301,788
Investments in joint ventures		**20,227**	78,910
Investments in associates		**25,046,121**	23,802,113
Equity investments designated at fair value through other comprehensive income		**13,514**	52,774
Financial assets at fair value through profit or loss		**1,029,426**	1,040,114
Deferred tax assets		**660,090**	624,471
Trade receivables-non-current		**85,574**	85,323
Other non-current assets		**2,672,455**	2,706,628
Total non-current assets		**80,701,523**	79,638,658
CURRENT ASSETS			
Inventories		**7,511,699**	7,537,768
Trade and bills receivables	*11*	**8,246,247**	7,668,229
Contract assets		**129,766**	145,887
Prepayments, other receivables and other assets		**2,265,827**	2,216,029
Financial assets at fair value through profit or loss		**2,020,552**	1,888,496
Debt investments at fair value through other comprehensive income		**471,389**	642,569
Cash and bank balances		**14,080,459**	13,693,591
		34,725,939	33,792,569
Assets of a disposal group classified as held for sale		**71,976**	—
Total current assets		**34,797,915**	33,792,569

	Notes	30 June 2024 RMB'000 (Unaudited)	31 December 2023 RMB'000 (Audited)
CURRENT LIABILITIES			
Trade and bills payables	*12*	**6,525,945**	6,159,619
Other payables and accruals		**6,709,101**	6,748,494
Interest-bearing bank and other borrowings		**22,534,879**	19,068,818
Lease liabilities		**299,694**	329,525
Contract liabilities		**1,082,437**	1,200,496
Tax payable		**249,805**	250,629
Total current liabilities		**37,401,861**	33,757,581
NET CURRENT (LIABILITIES)/ASSETS		**(2,603,946)**	34,988
TOTAL ASSETS LESS CURRENT LIABILITIES		**78,097,577**	79,673,646
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		**9,799,301**	13,504,923
Lease liabilities		**1,957,876**	2,049,589
Deferred tax liabilities		**3,406,680**	3,445,191
Contract liabilities		**374,707**	319,785
Deferred income		**613,686**	639,399
Other long-term liabilities		**3,121,761**	3,136,874
Total non-current liabilities		**19,274,011**	23,095,761
Net assets		**58,823,566**	56,577,885
EQUITY			
Equity attributable to owners of the parent			
Share capital		**2,672,399**	2,672,399
Treasury shares		**(74,256)**	(41,928)
Reserves		**44,330,681**	43,015,915
		46,928,824	45,646,386
Non-controlling interests		**11,894,742**	10,931,499
Total equity		**58,823,566**	56,577,885

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 AND DISCLOSURES

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 International Financial Reporting Standards ("**HKFRSs**") for the first time for the current period's financial information.

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**")*
Amendments to HKAS 7 and HKFRS 7	*Supplier Finance Arrangements*

None of these amendments had a material impact on the financial position or performance of the Group. The Group has not applied any new interpretation that is not yet effective for the current accounting period.

2. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has five reportable operating segments as follows:

(a) the pharmaceutical manufacturing segment mainly engages in the R&D, production and sale of medicine;

(b) the medical devices and medical diagnosis segment mainly engages in the production and sale of medical devices and diagnostic products;

(c) the healthcare service segment mainly engages in the provision of healthcare service and hospital management;

(d) the pharmaceutical distribution and retail segment mainly engages in the retail and wholesale of medicine; and

(e) the other business operations segment comprises businesses other than those mentioned above.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit or loss, which is a measure of adjusted profit or loss after tax. The adjusted profit or loss after tax is measured consistently with the Group's profit or loss after tax except that fair value gain or loss on financial assets at fair value through profit or loss, as well as head office and investment management entities income and expenses are excluded from such measurement.

Intersegment revenues are eliminated on consolidation. Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

Segment assets exclude financial assets at fair value through profit or loss, equity investments designated at fair value through other comprehensive income, entrusted loan recorded in current assets and unallocated head office and investment management entities assets as these assets are managed on a group basis.

Segment liabilities exclude interest-bearing bank and other borrowings, interest payable and unallocated head office and investment management entities liabilities as these liabilities are managed on a group basis.

For the six months ended 30 June 2024 (unaudited)

	Pharmaceutical manufacturing *RMB'000*	Medical devices and medical diagnosis *RMB'000*	Healthcare Service *RMB'000*	Pharmaceutical distribution and retail *RMB'000*	Other business operations *RMB'000*	Eliminations *RMB'000*	Total *RMB'000*
Segment revenue:							
Sales to external customers	**14,600,938**	**2,068,583**	**3,657,174**	**—**	**56,463**	**—**	**20,383,158**
Intersegment sales	**120,272**	**15,226**	**11,437**	**—**	**13,475**	**(160,410)**	**—**
Total revenue	**14,721,210**	**2,083,809**	**3,668,611**	**—**	**69,938**	**(160,410)**	**20,383,158**
Segment results*	**1,691,714**	**(57,490)**	**74,328**	**—**	**(45,362)**	**(30,659)**	**1,632,531**
Other income	**118,182**	**21,931**	**13,230**	**—**	**1,598**	**—**	**154,941**
Other gains	**263,725**	**2,871**	**3,066**	**—**	**9**	**—**	**269,671**
Interest income	**125,495**	**11,625**	**13,790**	**—**	**412**	**(4,485)**	**146,837**
Finance costs	**(131,361)**	**(21,573)**	**(137,947)**	**—**	**(21,983)**	**56,753**	**(256,111)**
Other expenses	**(43,728)**	**(45,869)**	**(81,770)**	**—**	**2,903**	**—**	**(168,464)**
Share of profits and losses of:							
Joint ventures	**(97,730)**	**—**	**(1,094)**	**—**	**(7,054)**	**—**	**(105,878)**
Associates	**5,400**	**40,269**	**496**	**943,372**	**(42,339)**	**—**	**947,198**
Unallocated other income, interest income,other gains, finance cost, and expenses							**(689,524)**
Profit/(loss) before tax	**1,931,697**	**(48,236)**	**(115,901)**	**943,372**	**(111,816)**	**21,609**	**1,931,201**
Tax	**(360,233)**	**(6,040)**	**(23,826)**	**—**	**(2,448)**	**—**	**(392,547)**
Unallocated tax							**11,078**
Profit/(loss) for the period	**1,571,464**	**(54,276)**	**(139,727)**	**943,372**	**(114,264)**	**21,609**	**1,549,732**
Segment assets:	**61,412,897**	**10,392,791**	**14,907,398**	**19,913,442**	**5,407,210**	**(3,043,657)**	**108,990,081**
Including:							
Investments in joint ventures	**5,401**	**—**	**6,877**	**—**	**7,949**	**—**	**20,227**
Investments in associates	**399,551**	**1,467,557**	**680,547**	**19,913,442**	**2,585,024**	**—**	**25,046,121**
Unallocated assets							**6,509,357**
Total assets							**115,499,438**
Segment liabilities:	**22,472,857**	**3,014,088**	**5,939,532**	**—**	**1,690,483**	**(14,378,936)**	**18,738,024**
Unallocated liabilities							**37,937,848**
Total liabilities							**56,675,872**
Other segment information:							
Depreciation and amortisation	**982,611**	**157,786**	**327,189**	**—**	**79,404**	**—**	**1,546,990**
Impairment losses recognised in the statement of profit or loss, net	**4,669**	**22,581**	**30,961**	**—**	**(2,952)**	**—**	**55,259**
Impairment losses recognised in the statement of profit or loss, net (unallocated)							**2,953**
Capital expenditure**	**1,958,527**	**256,596**	**517,557**	**—**	**19,358**	**—**	**2,752,038**

* Segment results are obtained as segment revenue less cost of sales, selling and distribution expenses, administrative expenses and research and development expenses.

** Capital expenditure consists of additions to property, plant and equipment, other intangible assets and prepaid land lease payments included in right-of-use assets (excluding the addition from acquisition of subsidiaries).

For the six months ended 30 June 2023 (unaudited)

	Pharmaceutical manufacturing *RMB'000*	Medical devices and medical diagnosis *RMB'000*	Healthcare Service *RMB'000*	Pharmaceutical distribution and retail *RMB'000*	Other business operations *RMB'000*	Eliminations *RMB'000*	Total *RMB'000*
Segment revenue:							
Sales to external customers	15,921,190	2,215,367	3,127,263	—	52,079	—	21,315,899
Intersegment sales	253,786	36,867	14,485	—	18,355	(323,493)	—
Total revenue	16,174,976	2,252,234	3,141,748	—	70,434	(323,493)	21,315,899
Segment results*	1,660,146	55,696	(150,752)	—	(58,747)	26,194	1,532,537
Other income	150,863	29,391	21,492	—	7,915	—	209,661
Other gains	320,123	3,720	7,045	—	103,260	—	434,148
Interest income	107,917	16,180	11,607	—	1,546	(11,895)	125,355
Finance costs	(168,389)	(15,398)	(105,556)	—	(22,052)	66,375	(245,020)
Other expenses	(173,829)	(41,184)	(23,321)	—	(215)	841	(237,708)
Share of profits and losses of:							
Joint ventures	(104,457)	—	—	—	8,616	—	(95,841)
Associates	9,828	69,560	(1,341)	1,023,301	16,756	—	1,118,104
Unallocated other income, interest income,other gains, finance cost, and expenses							(179,596)
Profit/(loss) before tax	1,802,202	117,965	(240,826)	1,023,301	57,079	81,515	2,661,640
Tax	(373,730)	(3,514)	(27,413)	—	(2,674)	—	(407,331)
Unallocated tax							(202,914)
Profit/(loss) for the period	1,428,472	114,451	(268,239)	1,023,301	54,405	81,515	2,051,395
Segment assets:	60,706,554	10,816,045	11,563,857	18,386,423	5,983,591	(3,627,016)	103,829,454
Including:							
Investments in joint ventures	122,920	—	—	—	13,140	—	136,060
Investments in associates	479,667	1,396,309	683,887	18,386,423	2,779,680	—	23,725,966
Unallocated assets							8,268,690
Total assets							112,098,144
Segment liabilities:	24,141,427	3,316,942	5,720,428	—	2,184,070	(16,401,114)	18,961,753
Unallocated liabilities							37,732,023
Total liabilities							56,693,776
Other segment information:							
Depreciation and amortisation	1,089,966	161,154	238,330	—	75,556	—	1,565,006
Impairment losses recognised in the statement of profit or loss, net	75,389	18,423	18,437	—	—	—	112,249
Impairment losses recognised in the statement of profit or loss, net (unallocated)							37,385
Capital expenditure**	2,011,412	333,465	268,328	—	110,180	—	2,723,385

* Segment results are obtained as segment revenue less cost of sales, selling and distribution expenses, administrative expenses and research and development expenses.

** Capital expenditure consists of additions to property, plant and equipment, other intangible assets and prepaid land lease payments included in right-of-use assets (excluding the addition from acquisition of subsidiaries).

3. REVENUE

An analysis of the Group's revenue is as follows:

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers	**20,345,730**	21,287,424
Revenue from other sources		
Gross rental income	**37,428**	28,475
Total revenue	**20,383,158**	21,315,899

4. OTHER INCOME

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Dividend income from financial assets at fair value through profit or loss	**14,158**	12,604
Government grants	**153,480**	207,536
Total other income	**167,638**	220,140

5. OTHER GAINS

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Gain on disposal of investments in associates	**238,963**	244,560
Gain on disposal of financial assets at fair value through profit or loss	**4,244**	200,124
Fair value gain on financial assets at fair value through profit or loss, net	**—**	387,374
Others	**29,574**	25,011
Total other gains	**272,781**	857,069

6. FINANCE COSTS

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest on bank and other borrowings (excluding lease liabilities)	**679,305**	603,996
Interest on lease liabilities	**49,128**	21,367
Less: Interest capitalised	**(18,888)**	(21,988)
Total	**709,545**	603,375

7. 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)
Cost of inventories sold	**7,334,597**	8,531,759
Cost of services provided	**3,128,789**	2,166,761
Staff costs (including Directors', Supervisors' and Chief Executive's remuneration)		
Salaries and other staff costs	**4,928,706**	4,678,614
Retirement benefits:		
Defined contribution fund	**302,729**	293,951
Accommodation benefits:		
Defined contribution fund	**166,518**	171,435
Share-based payment	**14,914**	32,178
	5,412,867	5,176,178
Research and development expenses:		
Current period expenditure excluding amortisation of other intangible assets	**1,737,351**	1,981,564
Less: Government grants for R&D projects*	**(44,422)**	(17,970)
Lease payments not included in the measurement of lease liabilities	**40,951**	42,934
Depreciation of property, plant and equipment	**821,538**	701,576
Depreciation of right-of-use assets	**195,186**	136,291
Amortisation of other intangible assets	**496,556**	689,200
Provision for impairment of inventories and deferred development costs	**19,068**	21,477
Provision for impairment of items of property, plant and equipment	**1,106**	—
Impairment of financial assets		
Impairment of trade receivables	**36,813**	55,847
Impairment of other receivables	**1,225**	2,129
Provision for other non-current assets	**—**	8,899
Impairment of investments in associates	**—**	61,284
Fair value loss/(gain) on financial instruments at fair value through profit or loss, net	**282,398**	(387,374)
Foreign exchange loss, net	**51,716**	97,838
Loss on disposals of items of property, plant and equipment and other intangible assets	**507**	1,411
Loss on disposal of subsidiaries	**36,920**	—

* The Group received various government grants related to research and development projects. The government grants received have been recorded in other income. Government grants received for which related expenditure has not yet been undertaken are included in deferred income in the consolidated statement of financial position. There are no unfulfilled conditions or contingencies relating to these grants.

8. INCOME TAX

The provision for Mainland China current income tax is based on a statutory rate of 25% of the assessable profits of the Group as determined in accordance with the PRC Corporate Income Tax Law which was approved and became effective on 1 January 2008, except for certain subsidiaries of the Group in Mainland China, which are taxed at preferential rates of 0% to 20%.

Taxes on profits assessable elsewhere have been calculated at the tax rates prevailing in the jurisdictions in which the Group operates. Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the period, the first HKD2,000,000 of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision of current income tax of Sisram Medical Ltd ("**Sisram Medical**"), a subsidiary of the Company incorporated in Israel, is based on a preferential rate of 6%. The provision of current tax of Gland Pharma Limited ("**Gland Pharma**"), a subsidiary of the Company incorporated in India, was based on a statutory rate of 25.17%. The provision of current tax of Breas Medical Holdings AB ("**Breas**"), a subsidiary of the Company incorporated in Sweden, is based on a statutory rate of 20.60%. The provision of current tax of Tridem Pharma S.A.S ("**Tridem Pharma**"), a subsidiary of the Company incorporated in France, is based on a statutory rate of 25.83%. The provision of current income tax of Phixen S.A.S ("**Cenexi**"), a subsidiary of the Company incorporated in France, is based on a statutory rate of 25.83%.

	For the six months ended 30 June	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current	**463,700**	427,510
Deferred	**(82,231)**	182,735
Total tax charge for the period	**381,469**	610,245

9. DIVIDENDS

The Board of Directors did not recommend the payment of an interim dividend in respect of the six months period ended 30 June 2024 (for the six months period ended 30 June 2023: Nil).

The proposed final dividend of RMB0.27 (inclusive of tax) per ordinary share for the year ended 31 December 2023 was approved by the Shareholders at the annual general meeting of the Company on 26 June 2024.

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

The calculation of the basic earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent, adjusted to reflect the cash dividends distributed to the Restricted A Share Incentive Scheme, and the weighted average number of ordinary shares of 2,672,398,711 (for the six months period ended 30 June 2023: 2,669,655,211) 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. 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 conversion of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings per share 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	**1,224,799**	1,783,642
Less: Cash dividends distributed to the Restricted A Share Incentive Scheme	**—**	(1,050)
Adjusted profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	**1,224,799**	1,782,592
Cash dividends distributed to the Restricted A Share Incentive Scheme	**—**	1,050
	1,224,799	1,783,642

	Number of shares	
	For the six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	**2,672,398,711**	2,669,655,211
Effect of dilution — weighted average number of ordinary shares: — the Restricted A Share Incentive Scheme	**—**	133,916
	2,672,398,711	2,669,789,127

11. TRADE AND BILLS RECEIVABLES

	30 June 2024	31 December 2023
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade receivables	**8,162,575**	7,643,737
Bills receivable	**83,672**	24,492
Total	**8,246,247**	7,668,229

The credit period for trade receivables is generally three months, which may be extended up to six months for major customers. Trade and bills receivables are non-interest-bearing.

An ageing analysis of trade receivables, based on the invoice date and net of loss allowance, as at the respective reporting dates is as follows:

	30 June 2024	31 December 2023
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 1 year	**7,939,372**	7,436,979
1 to 2 years	**304,348**	333,408
2 to 3 years	**99,496**	77,594
Over 3 years	**83,312**	64,952
	8,426,528	7,912,933
Less: Loss allowance for impairment	**(263,953)**	(269,196)
Net Carrying Amount	**8,162,575**	7,643,737

12. TRADE AND BILLS PAYABLES

	30 June 2024	31 December 2023
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade payables	**5,806,793**	5,507,366
Bills payable	**719,152**	652,253
Total	**6,525,945**	6,159,619

Trade and bills payables are non-interest-bearing. Trade payable are normally settled on a two-month term, and bills payable are normally settled on 90 to 180-day terms.

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

	30 June 2024	31 December 2023
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 1 year	**5,554,110**	5,191,820
1 to 2 years	**103,997**	223,314
2 to 3 years	**90,472**	57,124
Over 3 years	**58,214**	35,108
Total	**5,806,793**	5,507,366

13. EVENTS AFTER THE REPORTING PERIOD

(a) Land repurchase of Jisikai

On 15 July 2024, Jisikai (Suzhou) Pharmaceutical Co., Ltd. ("**Jisikai Pharma**"), a subsidiary of the Company, signed the "Repurchase Contract" with the Suzhou Industrial Park Jinji Lake Business District Repurchase Office ("**Jinji Lake Repurchase Office**"). Jinji Lake Repurchase Office intends to acquire Jisikai Pharma's state-owned construction land use rights, buildings, some facilities and equipment, and seedlings located at No. 40 Suhong West Road, Suzhou Industrial Park, at a total price of RMB440,319 thousand. According to the contract, the payment will be made in three milestones.

(b) Merger by Absorption and Privatization of Shanghai Henlius

On 24 June 2024, Shanghai Fosun New Medicine Research Co., Ltd. ("**Fosun New Medicine**", a subsidiary of the Company,) (as the offeror and acquirer), announced that it proposed to acquire and cancel all shares of Shanghai Henlius Biotech, Inc. ("**Shanghai Henlius**", a subsidiary of the Company) (including H shares and unlisted shares) held by other existing shareholders of Shanghai Henlius through the cash and/or the share alternative (the "**Merger**") and to privatize Shanghai Henlius, and on 23 August 2024, revised the relevant plan. Upon the completion of the Merger, Fosun New Medicine (as existing entity after the Merger) will inherit and assume all assets, liabilities, interests, businesses, personnel, contracts and all rights and obligations of Shanghai Henlius, and the legal entity of Shanghai Henlius will be eventually deregistered. As of the date of this announcement, the Merger is still subject to the approval, filing or registration of the National Development and Reform Commission, the Ministry of Commerce, the State Administration of Foreign Exchange or the local authorities of such agencies, the securities regulatory authorities and/or stock exchanges in the relevant jurisdictions and other relevant government authorities (if applicable), as well as the approval of the general meeting of shareholders and the H shareholders class meeting of Shanghai Henlius. The voluntary delisting application of Shanghai Henlius is also subject to the approval of the Hong Kong Stock Exchange. There is still significant uncertainty regarding the Merger and the voluntary delisting of Shanghai Henlius.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Board's Discussion and Analysis on Operations of the Group for the Reporting Period

During the Reporting Period, the Group further focused on innovative drugs and high-value devices. In the first half of 2024, 4 innovative drugs/biosimilars with a total of 9 indications independently developed and licensed-in by the Group were approved for launch both domestically and internationally, and 4 innovative drugs/biosimilars with a total of 9 indications had entered the pre-launch approval stage/key clinical stage; 38 generic drugs categories of the Group were also approved for launch both domestically and internationally (of which 24 categories[1] were approved domestically and 14 categories ＜including 10 ANDA of Gland Pharma＞ were approved internationally).

Despite the significant period-on-period decline in revenue from COVID-related products such as Jie Bei An (azvudine tablets), the Group achieved a revenue of RMB20,383 million during the Reporting Period, thanks to the steady revenue growth of its innovative drugs. Excluding COVID-related products, the revenue of the Group during the Reporting Period recorded a period-on-period increase of approximately 5.32%. In the pharmaceutical manufacturing segment, the revenue from innovative drugs exceeded RMB3,700 million during the Reporting Period; the admission and sales of new products launched were on schedule, including, among others, Akynzeo (netupitant and palonosetron hydrochloride capsules), the dual-channel antiemetic drug Bei Wen (keverprazan hydrochloride tablets), the first potassium ion competitive acid blocker (P-CAB) independently developed in China, Pei Jin (telpegfilgrastim injection), a long-lasting recombinant human granulocyte colony-stimulating factor product, and Yi Xin Tan (sacubitril valsartan sodium tablets), a drug for the treatment of heart failure and hypertension in an innovative crystalline form.

In 2024, the Group continued to promote lean management across various aspects, including quality enhancement, cost control, efficiency improvement, cyclical management and innovative R&D, with an aim to proactively improve operational efficiency and profitability and build up the foundation for a long-term sustainable development. Meanwhile, the Group continued to divest and integrate non-strategic and non-core assets, and gathered resources on core businesses so as to optimize asset structure and improve asset efficiency.

During the Reporting Period, the Group's profit for the period attributable to owners of the parent amounted to RMB1,225 million, in particular, the net profit attributable to shareholders of the listed company after deducting extraordinary gain or loss amounted to RMB1,254 million, with extraordinary gain or loss amounting to RMB-29 million. In the second quarter of 2024, the net profit attributable to shareholders of the listed company after deducting extraordinary gain or loss amounted to RMB646 million, representing a quarter-on-quarter increase of RMB37 million.

1 including import drug licenses

During the Reporting Period, the gross profit margin less selling and distribution expenses ratio increased by 1.72 percentage points period-on-period. Excluding the impact of newly acquired companies, the administrative expense decreased by approximately RMB200 million. Through multiple measures including operating cash flow optimization, supply chain management and capital expenditures control, the Group had ensured a robust free cash flow. During the Reporting Period, the Group's operating cash flow reached RMB1,907 million, representing a period-on-period increase of 5.36% and outperforming the growth in operating profit.

Furthermore, the Group continued its asset structure optimization and acceleration of cash return. Since 2024, the cash inflow from asset disposals and the expected cash inflow from contracts signed of the Group have exceeded RMB2,000 million in aggregate.

During the Reporting Period, the Group continued to optimize its innovation and R&D system to facilitate R&D efficiency. In the first half of 2024, the total R&D expenditure of the Group amounted to RMB2,737 million, while the R&D expenses amounted to RMB1,862 million. In addition to independent R&D, the Group also actively implemented an open R&D model, and incubated and invested in R&D projects by initiating/managing industrial funds and other diversified ways, so as to ensure the sustainability of innovation and R&D. During the Reporting Period, it completed the establishment and filing of Shenzhen Biopharma Industrial Fund with fundraising size of RMB5.0 billion.

During the Reporting Period, the revenue structure of the Group was as follows:

Unit: million Currency: RMB

	Revenue Jan–Jun 2024		Revenue Jan–Jun 2023		Period-on-period increase/ decrease
	Amount	**Percentage of revenue**	Amount	Percentage of revenue	
		(%)		*(%)*	*(%)*
By business segment					
Pharmaceutical manufacturing	**14,601**	**71.63**	15,921	74.69	-8.29
Medical devices and medical diagnosis	**2,069**	**10.15**	2,215	10.39	-6.59
Healthcare services	**3,657**	**17.94**	3,127	14.67	16.95
By geographical locations					
Chinese mainland	**14,873**	**72.97**	16,530	77.55	-10.02
Regions outside Chinese mainland and other countries	**5,510**	**27.03**	4,786	22.45	15.13

I. Main Operational Progress of the Group during the Reporting Period

1. *Continued to promote the innovation transformation and the development and launch of innovative products*

- **During the Reporting Period, a total of 9 indications of 4 innovative drugs/ biosimilars independently developed and licensed-in by the Group were approved for launch, mainly including:**

  Trastuzumab injection (US trade name: HERCESSI™) was approved for launch by the U.S. FDA. Following the approvals in the European Union and Chinese mainland, the Group's self-developed biosimilar trastuzumab injection (US trade name: HERCESSI™) was approved for launch by the U.S. FDA for 3 indications during the Reporting Period, making it the domestical biosimilar approved in China, the European Union and the United States.

  Rabies vaccine (Vero cell) for human use (freeze dried) was approved in Chinese mainland. Rabies vaccine (Vero cell) for human use (freeze dried), independently developed by the Group, was approved for launch in Chinese mainland. The relevant production lines have also passed GMP compliance inspections.

  4 additional indications for Han Da Yuan (adalimumab injection) were approved in Chinese mainland. The Group's self-developed biosimilar Han Da Yuan (adalimumab injection) was approved for launch for 4 additional indications by the NMPA. With such approval, Han Da Yuan (adalimumab injection) covers all 8 indications of the original adalimumab approved in Chinese mainland.

  The second indication of Su Ke Xin (avatrombopag maleate tablets) was approved in Chinese mainland. Su Ke Xin (avatrombopag maleate tablets), exclusively commercialized by the Group, was approved for the second indication in Chinese mainland during the Reporting Period. This new indication is for the treatment of chronic immune thrombocytopenia (ITP) in adult patients with poor response from prior treatment, which will benefit more patients.

  For details of the Group's major innovative products and core categories marketed at the end of the Reporting Period, please refer to Table 1.

- **During the Reporting Period, a total of 9 indications of 4 innovative drugs/ biosimilars independently developed, co-developed and licensed-in by the Group, entered into the pre-launch approval/key clinical trial stage, mainly including:**

  The NDA of Fumaitinib Tablets (Project Code: FCN-159), the Group's independently developed selective MEK1/2 inhibitor, was accepted by the NMPA in May and June 2024 for two indications: treatment of adult dendritic cell and histiocytic tumors, and treatment of plexiform neurofibromas (PN) related to neurofibromatosis type 1 (NF1) in children aged 2 and above. Both applications were granted priority review.

  The marketing authorization applications (MAAs) for 5 indications of HLX14 (Recombinant anti-RANKL fully human monoclonal antibody injection), the Group's self-developed biosimilar of denosumab, were accepted by the EMA.

  In addition, during the Reporting Period, the Phase III clinical study of the Group's self-developed Han Si Zhuang (serplulimab injection) in combination with bevacizumab and chemotherapy for the first-line treatment of patients with metastatic colorectal cancer (mCRC) was initiated in Chinese mainland; The Phase III clinical studies for the combination dosing of OP0595, co-developed with Meiji Seika Pharma, and cefepime or aztreonam for the treatment of adults infected by aerobic gram-negative bacteria with limited treatment options, were commenced in Chinese mainland.

- **During the Reporting Period, a total of 9 innovative drug/biosimilar projects (by indication) were approved for clinical trial.**

  Meanwhile, during the Reporting Period, the Da Vinci SP endoscopic single orifice surgical system of Intuitive Fosun was included in the special review process for innovative medical devices by NMPA, which is conducive to accelerating the progress of the subsequent registration review and approval. Profhilo (i.e. sodium hyaluronate solution for injection), an injectable filler product of which the Group is the sole agent in Chinese mainland, was launched as a licensed medical device in Hainan.

2. ***Continued to enhance global operation capabilities***

During the Reporting Period, the Group continued to implement its internationalization strategy in multiple dimensions including innovative R&D, licensed-in projects, production and operation as well as commercialization. The Group enhanced its operational efficiency and expanded global market presence, primarily covering the U.S., Europe, Africa, India, Southeast Asia and other overseas markets.

In matured regulatory markets, the Group continued to enhance its global operation capabilities. It has set up multi-point R&D centers to realize global innovation, and further improved the commercialization system in different regulated markets through self-establishment, cooperation and other means. In the U.S. market, the Group has established a growing self-operated generic drug team, and cooperated with 5 major distributors and 16 group purchasing organizations to facilitate sales of preparations products. The Group also established an innovative drug team in the United States, and initiated the preparation works on the commercialization of serplulimab injection (PD-1 inhibitor). In the European market, Gland Pharma, a subsidiary, completed the acquisition of Cenexi in 2023, a European CDMO company, so as to strategically establish its CDMO business presence in the European market and build up local manufacturing capabilities in Europe, thus further expanding its customer base. Sisram Medical, a subsidiary, completed the acquisition of the direct sales channels in China in 2023, thus achieving a direct sales presence in the Chinese market. As at the end of the Reporting Period, its marketing network has covered more than 100 countries and regions across the world, and the proportion of direct sales revenue further increased to 86%. The marketing network of Breas, a subsidiary, has also covered matured markets such as Europe, the U.S., Japan, and Australia.

As for emerging markets, in Africa, the Group primarily conducts medical product export and distribution in the English-speaking and French-speaking regions in Sub-Saharan Africa, with sales network covering over 40 countries and regions. Meanwhile, in order to realize localization in drug manufacturing and supply in Africa, a park integrating drug R&D, manufacturing, logistics and delivery in the Cote d'Ivoire is under intense construction.

- **Localization progress of innovative products in China**

  The Group proactively introduces international leading technologies and products into the Chinese market, so as to benefit more patients and customers. During the Reporting Period, the joint venture, Intuitive-Fosun, officially opened its headquarters and industrial base in Zhangjiang International Medical Park, Shanghai, in June 2024. The base integrates R&D, manufacturing and training. The launch of this base will further accelerate the localization progress of the Da Vinci surgical system. In the first half of 2024, the installation volume of Da Vinci Surgical Robot was 24 in Chinese mainland and Macau. As of the end of the Reporting Period, the Da Vinci Surgical Robot has been installed in over 300 hospitals across Chinese mainland, Hong Kong and Macau, serving more than 540,000 patients, with a cumulative installation volume exceeding 380 units. Additionally, the Ion Bronchial navigation operation control system ("Ion System") of Intuitive Fosun, was approved by the NMPA in March 2024. The Ion System has adopted a flexible robot with shape-sensing technology and can perform precise diagnostic operations on peripheral lung lesions through the bronchus. The launch of the Ion System in China will help more lung cancer patients receive early diagnosis and treatment in a more minimally invasive way; the Da Vinci SP endoscopic single orifice surgical system of Intuitive Fosun has been included in the NMPA's special review process for innovative

medical devices, facilitating its subsequent registration and review. During the Reporting Period, Fosun Insightec, a joint venture established with Insightec in China, has been steadily promoting and commercializing its MRgFUS brain therapy system in the Chinese Mainland, Hong Kong and Macao markets; various ventilators of Breas, a subsidiary, were subsequently approved for launch in Chinese mainland. In addition, during the Reporting Period, Fosun Kite, a joint venture, with its product Yi Kai Da (ejilunsai injection) being the first CAR-T product approved for launch in China, was the first to launch the innovative payment mode based on therapeutic effects in China, exploring a new path for payment mode of high-value innovative drugs in China. As of the end of the Reporting Period, Yi Kai Da (ejilunsai injection) has been included in over 110 urban customized commercial health insurances and over 80 commercial insurances, while the number of treatment centers on record exceeded 170, covering more than 28 provinces and municipalities across China.

- **Progress of International Quality Standard Production System**

  The Group continues to advance the international quality standard certification of its production system. The quality control system and production capacity have been recognized by international certification authorities, further laying a solid foundation for the export of its preparations. In March 2024, Carelife Pharma, a subsidiary, underwent a routine surveillance inspection by the U.S. FDA for the APIs clindamycin hydrochloride, clindamycin phosphate, mitoxantrone hydrochloride, granisetron hydrochloride, entecavir, venlafaxine hydrochloride, sorafenib tosylate and clindamycin palmitate hydrochloride, and received the inspection report from the U.S. FDA with a zero-defect rating in June 2024; Wanbang Pharma's lyophilized preparations production line successfully passed the EU GMP on-site inspection again, and received the GMP on-site inspection final report and GMP certificate issued by the Dutch Health and Youth Care Inspectorate in July 2024.

3. ***Matured commercialization system***

The Group continued to improve its commercialization system. As at the end of the Reporting Period, the pharmaceutical manufacturing segment had a commercialization team consisting of nearly 5,000 employees in the Chinese mainland, covering hospitals, retail channels, etc. In terms of core departments such as hematology, lymphoma, breast, medical oncology, endocrinology, cardiology, rheumatology and nephrology, through the systematic market access team and special product team, the Group explored the innovative product market in core therapeutic areas, and covered county-level and certain prefecture-level markets in Chinese mainland through the broad market team. In addition, the Group continuously expanded the sales channels of its pharmaceutical products by virtue of the cooperation and linkage with its associate Sinopharm.

In terms of commercialization in overseas markets, as at the end of the Reporting Period, the overseas commercialization team had nearly 1,000 employees, which mainly covered markets including the U.S. and Africa. In the U.S. market, the Group has established the U.S. innovative drug team, and initiated the commercialization preparations before the launch of serplulimab injection (PD-1 inhibitor) and the preliminary preparations for the licensed-in projects of innovative drugs. In emerging markets such as Africa, the Group has set up 5 regional distribution centers, and continuously enhanced digital management capabilities, user operation capabilities and B2B2C model service capabilities, and was capable of providing a one-stop service of registration, circulation, academic promotion and post-launch safety alert and other services for customers. During the Reporting Period, clinical data on several products in the pipeline, as well as marketed products of the Group, were also published at global industry academic conferences such as the American Society of Clinical Oncology (ASCO), the American Association for Cancer Research (AACR), and the European Hematology Association (EHA).

Meanwhile, the Group continued to optimize its marketing compliance management system and enhance internal audit for responsible marketing. In terms of internal compliance supervision, the Group insisted on the openness and transparency of its management systems, and published several internal systems on the website of the Company, so as to elaborate the red line mechanism and maintain a fair and clean business environment and culture. In terms of internal staff training, the Group regularly provided responsible marketing special trainings to employees, continuing to raise employees' awareness of marketing compliance.

4. ***Innovative R&D empowered by digitalization***

During the Reporting Period, the Group continued to optimize its digital technologies and means, continuously improved the establishment of the digital system in the supply chain and marketing, and focused on R&D areas, so as to enhance its capability in the digitalization of drug R&D and promote R&D efficiency.

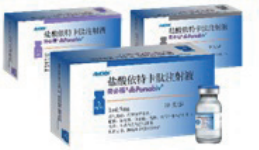
During the Reporting Period, the Group deepened its cooperation on Shui Mu Molecular, an incubatee of the Institute of Intelligent Industry Research of Tsinghua University, to advance the construction of the PharmAID project. With the gradual improvement of such project, it will provide more accurate quantitative decision support for drug R&D, enhance the efficiency and accuracy of drug R&D, and thus realize the autonomous and controllable large-scale models in the biopharmaceutical field. Meanwhile, the Group is also actively exploring the application of AIGC (AI Generated Content) artificial intelligent large-scale language modeling technology in the scenarios of medical writing, medical translation, and general-purpose question and answer assistants, aiming to improve the overall efficiency of the core business through the application of such technology and to provide support for the innovative R&D.

Table 1: Major marketed innovative products and description of core categories

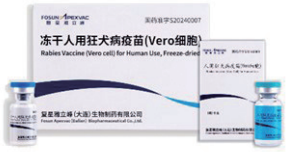
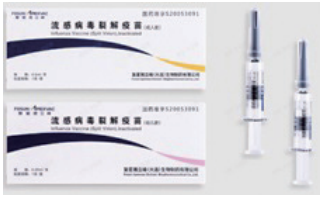
No.	Therapeutic area	Product name	Description of product	Whether is included in the National Medical Insurance Drugs Catalogue	Photo of product
1	Anti-tumor and immune modulation	Han Li Kang (rituximab injection)	This drug was approved for launch by the NMPA in February 2019, and is the first domestic biosimilar. Its approved indications include: (1) non-Hodgkin's lymphoma, (2) chronic lymphoblastic leukaemia, (3) rheumatoid arthritis (RA). It is also the first rituximab approved for rheumatoid arthritis (RA) indication in China.	Yes	
2		Han Qu You (trastuzumab injection), trade name in the United States: HERCESSI™, trade name in Europe: Zercepac	This drug is the first trastuzumab biosimilar approved for launch in China, and also the domestic monoclonal antibody biosimilar approved by China, Europe and the United States. As at the end of the Reporting Period, this drug has been approved for launch in more than 40 countries and regions, including China, Europe, the United States and Australia. Its approved indications include: (1) HER2 positive early breast cancer, (2) metastatic breast cancer, and (3) metastatic gastric cancer.	Yes	
3		Han Si Zhuang (serplulimab injection)	This drug (PD-1 inhibitor) was approved for launch by the NMPA in March 2022, and is the first innovative monoclonal antibody independently developed by the Group. In December 2023, this drug was approved by the Indonesian Food and Drugs Authority (BPOM). It was the first time for this product approved for launch in overseas market, making it the first Chinese PD-1 monoclonal antibody drug approved for launch in Southeast Asia. Its approved indications include: (1) microsatellite instability-high (MSI-H) solid tumors (conditionally approved), (2) squamous non-small cell lung cancer, (3) extensive-stage small cell lung cancer, and (4) esophageal squamous cell carcinoma (ESCC). It is the first anti-PD-1 monoclonal antibody drug approved for the first-line treatment of small cell lung cancer in the world. It has been recommended by 9 guidelines in 2023, including CSCO Guidelines on Small Cell Lung Cancer Treatment, CSCO Guidelines on Non-Small Cell Lung Cancer Treatment, CSCO Guidelines on Esophageal Cancer Treatment, CSCO Guidelines on Colorectal Cancer Treatment and CSCO Guidelines on Clinical Application of Immune Checkpoint Inhibitors.	No	
4		Han Da Yuan (adalimumab injection)	This drug was approved for launch by the NMPA in December 2020, and is the first domestic adalimumab biosimilar with GMP certified production base approved by both China and Europe. Its approved indications include: (1) rheumatoid arthritis, (2) ankylosing spondylitis, (3) psoriasis, (4) uveitis, (5) polyarticular juvenile idiopathic arthritis, (6) pediatric plaque psoriasis, (7) Crohn's disease, and (8) pediatric Crohn's disease.	Yes	

No.	Therapeutic area	Product name	Description of product	Whether is included in the National Medical Insurance Drugs Catalogue	Photo of product
5	Anti-tumor and immune modulation	Han Bei Tai (bevacizumab injection)	This drug was approved for launch by the NMPA in November 2021. Its approved indications include: (1) metastatic colorectal cancer, (2) advanced, recurrent or metastatic non-small cell lung cancer, (3) recurrent glioblastoma, (4) epithelial ovarian cancer, carcinoma tubae or primary peritoneal carcinoma, and (5) cervical cancer.	Yes	
6		Su Ke Xin* (avatrombopag maleate tablets)	This drug was approved for launch by the NMPA in April 2020, and is the first oral drug approved for the treatment of thrombocytopenia related to chronic liver diseases in the world. Its approved indications include the selective thrombocytopenia treatment of adult patients with chronic liver disease (CLDT) undergoing diagnostic procedures or surgery and treatment of essential chronic immune thrombocytopenia (ITP) in adult patients with poor response from prior treatment.	Yes	
7		Otezla* (apremilast tablets)	This drug was approved for launch by the NMPA in August 2021, and is the world's first oral phosphodiesterase-4 (PDE4) inhibitor for the treatment of plaque psoriasis. Its approved indication is treatment for adult patients with moderate to severe plaque psoriasis who are suitable for phototherapy or systematic treatment.	Yes	
8		Akynzeo* (netupitant and palonosetron hydrochloride capsules)	This drug was approved for launch by the NMPA in August 2019, and is the world's first dual-channel fixed-dose combination oral compound preparation that simultaneously blocks both NK-1 receptors and 5-HT3 receptors. Its approved indication is prevention of acute and delayed nausea and vomit arising from highly emetogenic chemotherapy in adult patients.	Yes	

No.	Therapeutic area	Product name	Description of product	Whether is included in the National Medical Insurance Drugs Catalogue	Photo of product
9	Anti-tumor and immune modulation	Pei Jin* (telpegfilgrastim injection)	This drug (new generation of long-lasting recombinant human granulocyte colonystimulating factor product) was approved for launch by the NMPA in June 2023, and is classified as class 1 new drug in China. Its approved indication is reduction of occurrence of infections expressed in form of febrile neutropenia in patients with non-myeloablative cancer when receiving myelosuppression anti-tumor drug treatment which can easily cause febrile neutropenia.	Yes	
10		Fu Ke Shu* (anti-human T-lymphocyte rabbit immunoglobulin)	The product is a polyclonal antibody inhibitor. Its approved indications include the prevention of acute transplant rejection in patients receiving solid organ transplantation (SOT) and the treatment of acute rejections if the therapeutic effect of corticosteroid treatment has proven to be unsatisfactory.	Yes	
11		Yi Kai Da (ejilunsai injection, a product of Fosun Kite, a joint venture)	This product was approved for launch by the NMPA in June 2021, and is the first CAR-T cell therapy product approved for domestic launch. Its approved indications include (1) treatment of adult patients with relapsed or refractory large B-cell lymphoma (r/r LBCL) after prior second-line or higher systemic therapy, (2) treatment of adults patients with large B-cell lymphoma (r/r LBCL) refractory to first-line immunochemotherapy or relapsing within 12 months of first-line immunochemotherapy (conditional approved). As of the end of the Reporting Period, this product has been included in over 110 urban customized commercial health insurances and over 80 commercial insurances, while the number of treatment centers on record exceeded 170, covering more than 28 provinces and municipalities across China.	No	

No.	Therapeutic area	Product name	Description of product	Whether is included in the National Medical Insurance Drugs Catalogue	Photo of product
12	Metabolism and alimentary system	Atomolan (preparations for glutathione series)	This series include Atomolan (glutathione tablets) and Atomolan (glutathione for injection), both of them are class B drug under National Medical Insurance Drugs Catalogue and the basic medicine for liver diseases. In particular, Atomolan (glutathione tablets) are the first glutathione oral preparations in China, while Atomolan (glutathione for injection) is the first generic drug of its kind in China.	Yes	
13		Pang Bi Fu* (etelcalcetide hydrochloride injection)	This drug (new generation of calcimimetic) was approved for launch by the NMPA in May 2023. Its approved indication is treatment of secondary hyperparathyroidism (SHPT) of adult patients receiving hemodialysis treatment for chronic kidney disease (CKD).	No	
14		Bei Wen* (keverprazan hydrochloride tablets)	This drug (potassium ion competitive acid blocker (P-CAB)) was approved for launch by the NMPA in February 2023 and is classified as class 1 new drug in China. It is the first approved P-CAB with DU/RE double indications in China. Its approved indications include duodenal ulcer (DU) and reflux esophagitis (RE).	Yes	

No.	Therapeutic area	Product name	Description of product	Whether is included in the National Medical Insurance Drugs Catalogue	Photo of product
15	Anti-infection	Antimalarial series such as artesunate	This series include Artesun and Argesun (artesunate for injection), SPAQ-CO (sulfadoxine pyrimidine dispersible tablets + amodiaquine dispersible tablets) and the D-ARTEPP series (dihydroartemisinin-piperaquine phosphate tablets) etc. In particular, artesunate is the first class 1 new drug in China. As at the end of the Reporting Period, the Group has a total of 33 antimalarial drugs (including APIs and preparations) with WHO PQ. The second generation of artesunate for injection (Argesun) was registered and approved in 23 countries. As at the end of the Reporting Period, the Group has supplied over 360 million doses of artesunate for injection across the world.	N/A	
16	Cardiovascular system	Heparin series preparations	This series include enoxaparin sodium injection, heparin sodium injection, low molecular weight heparin for injection and nadroparin calcium injection etc. Heparin series preparations are mainly used for the prevention of thrombosis or treatment of embolism. The Group has the full industry chain supply capability for low-grade and high-grade heparin products, low-molecular heparin raw materials and preparations, and the sales network covers China, the United States, South America, Europe, the Middle East and Southeast Asia.	Some of products launched in the Chinese mainland are included	
17		Yi Xin Tan* (sacubitril valsartan sodium tablets)	The drug was approved for launch by the NMPA in August 2023, and is a first-line drug for the treatment of heart failure and hypertension in an innovative crystalline form. Its approved indication is the treatment of essential hypertension. It can also be used in adult patients with chronic heart failure (NYHA class II-IV, LVEF≤40%) with reduced ejection fraction to mitigate risks of cardiovascular death and hospitalisation for heart failure.	Yes	

No.	Therapeutic area	Product name	Description of product	Whether is included in the National Medical Insurance Drugs Catalogue	Photo of product
18	Rabies prophylaxis	Rabies vaccine (Vero cell) for human use and rabies vaccine (Vero cell) for human use (freeze dried)	Rabies vaccine (Vero cell) for human use and rabies vaccine (Vero cell) for human use (freeze dried) were approved for launch by the NMPA in September 2016 and March 2024 respectively, with an approved indication of rabies prophylaxis. CTN-1V strain was used as its virus strain for production, whose gene sequence is closer to that of the street strain of prevailing rabies virus, and has better immune protection effect.	Rabies vaccine (Vero cell) for human use is included	
19	Influenza prophylaxis	Influenza virus lysate vaccine	Influenza virus lysate vaccine is in adult dosage form and paediatric dosage form. The adult dosage form was approved for launch by the NMPA in November 2005, with a specification of 0.5ml/vial in pre-filled form; and the paediatric dosage form was approved for launch by the NMPA in July 2009, with a specification of 0.25ml/vial in pre-filled form. The approved indication is prevention of influenza caused by a parent strain of virus. The product is made from influenza A1, influenza A3 and influenza B virus strains as recommended by the WHO and approved by the NMPA. The product contains more active ingredient haemagglutinin than the standard required by the Chinese Pharmacopoeia to ensure its effectiveness.	No	

* *Being the licensed-in innovative drug (product) of the Group.*

II. Segment Performance Overview

1. *Pharmaceutical manufacturing*

Performance summary

Despite the significant period-on-period decline in revenue from COVID-related products, such as Jie Bei An (azvudine tablets), the pharmaceutical manufacturing segment of Group achieved a revenue of RMB14,601 million during the Reporting Period, thanks to the steady revenue growth of its innovative drugs. In particular, the revenue from innovative drugs exceeded RMB3,700 million, maintaining a steady growth. Excluding COVID-related products, the revenue of the pharmaceutical manufacturing segment recorded a period-on-period increase of 1.88%. During the Reporting Period, the segment results of the pharmaceutical manufacturing segment amounted to RMB1,692 million, representing a period-on-period increase of 1.93%, and segment profits amounted to RMB1,571 million, representing a period-on-period increase of 10.01%.

During the Reporting Period, the Group focused on advantageous pipelines and improved the efficiency through the integration of R&D system. In the first half of 2024, the R&D expenditure in the pharmaceutical manufacturing segment of the Group amounted to RMB2,406 million, accounting for 16.48% of the revenue from the pharmaceutical manufacturing segment. In particular, R&D expenses amounted to RMB1,572 million, accounting for 10.77% of the revenue from the pharmaceutical manufacturing segment, representing a decrease of RMB220 million as compared to the same period last year. In addition to independent R&D, the Group fully implemented an open R&D model, and incubated and invested in R&D projects by initiating/managing industrial funds and other diversified ways, so as to ensure the sustainability of pharmaceutical innovation and R&D.

Revenue from major products of the Group in the major therapeutic areas during the Reporting Period is set out in the following table:

Unit: million Currency: RMB

Major therapeutic area	**Jan–Jun 2024**	Jan–Jun 2023*	period-on-period increase on the same basis *(%)*
Major products of anti-tumor and immune modulation *(Notes 1, 4)*	**4,051**	3,699	9.52
Major products of anti-infection *(Notes 2, 4)*	**1,453**	3,325	–56.30
Major products of metabolism and alimentary system *(Note 4)*	**1,398**	1,504	–7.05
Major products of cardiovascular system *(Notes 3, 4)*	**1,026**	839	22.29
Major products of central nervous system *(Note 4)*	**492**	551	–10.71
Major products of APIs and intermediate products *(Note 4)*	**560**	654	–14.37

Note 1: Revenue from major products of anti-tumor and immune modulation recorded a period-on-period increase of 9.52%, mainly due to the increase in sales of Han Qu You (trastuzumab injection) and trastuzumab drug substance, Han Si Zhuang (serplulimab injection) and Akynzeo (netupitant and palonosetron hydrochloride capsules), and the revenue contributions from new products such as Fu Ke Shu (anti-human T-lymphocyte rabbit immunoglobulin) and Pei Jin (telpegfilgrastim injection).

Note 2: Revenue from major products of anti-infection recorded a period-on-period decrease of 56.30%, mainly due to decrease in sales of Jie Bei An (azvudine tablets).

Note 3: Revenue from major products of cardiovascular system recorded a period-on-period increase of 22.29%, mainly due to increase in overseas sales of heparin series preparations and the revenue contribution from new product Yi Xin Tan (sacubitril valsartan sodium tablets).

Note 4: Major products of anti-tumor and immune modulation comprise: Han Qu You (trastuzumab injection) and trastuzumab drug substance, Han Si Zhuang (serplulimab injection), Han Li Kang (rituximab injection), Su Ke Xin (avatrombopag maleate tablets), Akynzeo (netupitant and palonosetron hydrochloride capsules), Ke Sheng (Xihuang capsules), Kai Lai Zhi (epinastine hydrochloride capsules), Han Bei Tai (bevacizumab injection), Han Da Yuan (adalimumab injection), Otezla (apremilast tablets), Fu Ke Shu (anti-human T-lymphocyte rabbit immunoglobulin), Pei Jin (telpegfilgrastim injection), Zhao Hui Xian (bicalutamide tablets), Yi Luo Ze/Tu Mei Si (pemetrexed disodium for injection), oxaliplatin, ondansetron, paclitaxel and Di Kai Mei (sorafenib tosylate tablets).

Major products of anti-infection comprise: antimalarial series such as artesunate, Jie Bei An (azvudine tablets), Cravit (levofloxacin tablets), Sha Duo Li Ka (potassium sodium dehydroandrographolide succinate for injection), rabies vaccine (VERO cell) for human use (non-freeze dried), Pai Shu Xi Lin (piperacillin sodium and tazobactam sodium for injection), anti-tuberculosis series, Cravit (levofloxacin injection), Qiang Shu Xi Lin/Qin Shu/Er Ye Qin (piperacillin sodium and sulbactam sodium for injection), caspofungin, Xi Chang/Bi Li Shu (cefmetazole sodium for injection), Sai Fu Nuo (cefminox sodium for injection), daptomycin, He Pu Ding (lamivudine tablets), micafungin, Comirnaty (mRNA COVID-19 vaccine), vancomycin, Er Ye Bi (ceftizoxime sodium for injection), Si Ke Ni (azithromycin capsules), Ka Di (flucloxacillin sodium for injection) and Rui Sai Ni (clindamycin hydrochloride capsules).

Major products of metabolism and alimentary system comprise: You Li Tong (febuxostat tablets), Atomolan (glutathione tablets), Bei Yi (potassium chloride granules), animal insulin and its preparations, Atomolan (glutathione for injection), Ke Yi (new compound aloe capsules), Wan Su Jing (empagliflozin tablets), Yi Bao (recombinant human erythropoietin for injection (CHO cells)), Li Qing (alfacalcidol tablets), Wan Su Ping (glimepiride tablets), human insulin and its preparations, Fan Ke Jia (thioctic acid injection), Bei Wen (keverprazan hydrochloride tablets) and Pang Bi Fu (etelcalcetide hydrochloride injection).

Major products of cardiovascular system comprise: heparin series preparations, Bang Tan (telmisartan tablets), Ya Ni An (amlodipine besilate tablets), Bang Zhi (pitavastatin calcium tablets), Ke Yuan (calcium dobesilate capsules), You Di Er (alprostadil dried emulsion for injection), Xin Xian An (meglumine adenosine cyclophosphate for injection) and Su Ka Xin (indapamide tablets).

Major products of central nervous system comprise: Chang Tuo Ning (penehyclidine hydrochloride injection), Qi Wei (quetiapine fumarate tablets), Ao De Jin (deproteinised calf blood serum injection), Qi Cheng (escitalopram oxalate tablets) and lorazepam tablets.

Major products of APIs and intermediate products comprise: amino acid series, tranexamic acid, levamisole hydrochloride and clindamycin hydrochloride.

* The data for January to June 2023 was restated according to the basis for January to June 2024.

R&D innovation

The Group has formed an open and globalized pharmaceutical innovation and R&D system combining independent R&D, cooperative development, licensed-in projects and industrial investment, which focuses on the core therapeutic areas of solid tumors, hematological tumors and immuno-inflammatory diseases, with emphasis on the enhancement of the core technology platforms of antibody/ADCs, cellular therapy and small molecules. The Group also actively explored the deployment of RNA, gene therapy, AI drug development and other cutting-edge technologies to continuously enhance its core R&D capabilities and pipeline value, and facilitate the R&D process of more heavyweight products for early commercialization.

In order to promote the implementation of the innovation strategy in a high-quality manner and to continuously improve R&D efficiency, the Company has established the Scientific Advisory Board (SAB) at group level, which is mainly composed of the "external think tank". The SAB has assisted the management of the Group in formulating and optimizing the medium- to long-term scientific innovation strategies, and provided strategic guidelines and insights. In terms of improving the internal innovation management structure, the Group has introduced senior scientists and high-level talents, comprehensively upgrading its capabilities in early-stage research, CMC, clinical medicine and clinical operations. The Group established a pipeline committee comprising internal experts to strengthen synergies and optimize resources allocation, so as to improve the quality and efficiency of innovative R&D. In addition, through lean R&D projects, the Group has continuously optimized the project initiation, budget management, major decision-making mechanisms and other processes with the aid of the INNOX digital management system.

During the Reporting Period, a total of 4 innovative drugs/biosimilars with a total of 9 indications independently developed and licensed-in by the Group, and a total of 38 generic drug categories (of which 24 categories[2] were approved domestically and 14 categories <including 10 ANDA of Gland Pharma> were approved internationally), were approved for launch both domestically and internationally; a total of 2 innovative drugs/biosimilars with a total of 7 indications and a total of 38 generic drug categories (of which 24 categories[2] were applied domestically and 14 categories <including 6 ANDA of Gland Pharma> were applied internationally) were applied for launch both domestically and internationally; in addition, INDs for a total of 9 innovative drugs/biosimilars projects (calculated by indications) were approved during the Reporting Period. During the Reporting Period, a total of 124 patents had been applied for in the pharmaceutical manufacturing segment of the Group, including 2 U.S. patent applications and 8 PCT applications; 37 licensed invention patents authorization were obtained.

Under the guidance of the innovation strategy, the Group's innovation achievements have also received attention and recognition from the international academic community, with its global academic influence being continuously enhanced. During the Reporting Period, the clinical data of a number of pipeline products and marketed products of the Group were also presented at global industry academic conferences such as the American Society of Clinical Oncology (ASCO), the American Association for Cancer Research (AACR) and the European Hematology Association (EHA).

For details on the updates on the Group's major R&D pipelines during the Reporting Period, please refer to Table 2.

2 including import drug licenses

Table 2: Updates on major R&D pipelines during the Reporting Period

Progress during the Reporting Period	Drug name/code	Target/ mechanism	Drug category	IND approved	Phase I	Phase II	Phase III	NDA accepted	Approved for launch	Remarks
Approved for launch	Trastuzumab injection (trade name in Chinese mainland: Han Qu You)	HER2	Biological product	(1) Adjuvant therapy for HER2-expressing breast cancer; (2) Therapy for HER2-expressing metastatic breast cancer; (3) Therapy for HER2-expressing metastatic gastric adenocarcinoma or gastroesophageal junctional adenocarcinoma (U.S.)						—
	Adalimumab injection (trade name in Chinese mainland: Han Da Yuan)	TNF- α	Therapeutic biological product	(1) polyarticular juvenile idiopathic arthritis, (2) pediatric plaque psoriasis, (3) Crohn's Disease, (4) pediatric Crohn's Disease						Note 1
	Rabies vaccine (Vero cell) for human use (freeze dried)	—	Preventive biological product	Rabies prophylaxis						—
	Avatrombopag maleate tablets (trade name in Chinese mainland: Su Ke Xin)	TPO agonist	Chemical drug	For the treatment of chronic immune thrombocytopenia (ITP) in adult patients with poor response from prior treatment						—
NDA accepted	Fumaitinib tablets (FCN-159)	MEK1/2	Chemical drug	For the treatment of adult dendritic cell and histiocytic tumors						Note 2
				For the treatment of plexiform neurofibroma (PN) related to neurofibromatosis type 1 (NF1) in children aged 2 and above						
	HLX14 (recombinant anti-RANKL fully human monoclonal antibody injection)	RANKL	Biological product	(1) treatment of osteoporosis in postmenopausal women and men at high risk for fracture, (2) treatment for bone loss associated with hormone ablation in male patients with prostate cancer at high risk of fracture, (3) treatment for bone loss related to long-term systemic glucocorticoid therapy in adult patients at high risk of fracture, (4) prevention of skeletal-related events in adult patients with advanced bone malignancies, (5) treatment for patients with post-surgery giant cell tumor of the bone that is unresectable or may lead to severe functional impairment, including both adult and skeletally mature adolescent patients (Europe)						—
Under phase III clinical study	OP0595 (Nacubactam for injection)	β-lactamase inhibitor	Chemical drug	Treatment of adults infected by aerobic gram-negative bacteria with limited options						In combination with cefepime or aztreonam, Note 3
	Serplulimab injection (trade name in Chinese Mainland: Han Si Zhuang)	PD-1	Therapeutic biological product	First-line treatment for metastatic colorectal cancer (mCRC)						In combination with bevacizumab and chemotherapy

Progress during the Reporting Period	Drug name/code	Target/ mechanism	Drug category	IND approved	Phase I	Phase II	Phase III	NDA accepted	Approved for launch	Remarks
Under phase I clinical study	HLX6018# (innovative anti-GARP/TGF- β 1 monoclonal antibody)	GARP/ TGF- β 1	Therapeutic biological product	For the treatment of idiopathic pulmonary fibrosis						—
	XH-S004#	/	Chemical drug	For the treatment of non-cystic fibrosis bronchiectasis						—
	HLX42 (antibody-drug conjugate targeting EGFR with novel DNA topoisomerase I inhibitor)	EGFR ADC	Therapeutic biological product	For the treatment of advanced/metastatic solid tumor						—
IND approved	FCN-338	BCL-2	Chemical drug	For the treatment of systemic light chain amyloidosis						In combination with dexamethasone
				For the treatment of chronic lymphoblastic leukaemia/small lymphocytic lymphoma						In combination with FCN-647
	XS-02	CHK1	Chemical drug	For the treatment of advanced solid tumor						—
	GCK-01	CD20	Therapeutic biological product	For the treatment of relapsed or chemotherapy-resistant follicular lymphoma						—
	HLX53 (anti-TIGIT Fc fusion protein)	TIGIT	Therapeutic biological product	First-line treatment of locally advanced or metastatic hepatocellular carcinoma (HCC)						In combination with serplulimab and bevacizumab, Note 4
	HLX22 (anti-human epidermal growth factor receptor-2 (HER2) humanized monoclonal antibody injection)	HER2	Biological product	First-line treatment of HER2-positive advanced gastric cancer (U.S.)						In combination with trastuzumab and chemotherapy, Note 5
	HLX78 (lasofoxifene)	SERM	Chemical drug	For the treatment of ESR1 mutations in ER+/HER2- breast cancer						Note 6

[#] *Innovative drugs approved for clinical trial and had commenced respective clinical study during the Reporting Period.*

Note 1: In May 2024, the supplementary NDA for the 4 new indications of Han Da Yuan (adalimumab injection) was approved by the NMPA.

Note 2: In addition, the 2 indications have been included in the priority review.

Note 3: During the Reporting Period, 2 Phase III clinical studies of the combination dosing of OP0595 and cefepime or aztreonam for the treatment of adults infected by aerobic gram-negative bacteria with limited treatment options were initiated in Chinese mainland.

Note 4: In addition, the Phase II clinical trial of this indication was initiated in Chinese mainland in August 2024.

Note 5: In May 2024, the application for the Phase III clinical trial of HLX22 (anti-human epidermal growth factor receptor-2 (HER-2) humanized monoclonal antibody injection) in combination with trastuzumab and chemotherapy for the first-line treatment of HER2-positive advanced gastric cancer was approved by the U.S. FDA.

Note 6: In May 2024, HLX78 (lasofoxifene) was approved by the NMPA to carry out the Phase I clinical trial for healthy subjects and the Phase III of international multi-center clinical trial in Chinese mainland (such new drug is used in combination with abemaciclib for the treatment of pre/postmenopausal women and men with locally advanced or metastatic breast cancer with disease progression, harboring estrogen receptor 1 (ESR1) mutations, estrogen receptor positive (ER+), human epidermal growth factor receptor 2-negative (HER2-) during receiving treatment of aromatase inhibitors (AI) in combination with cyclin-dependent kinases (CDK 4/6) inhibitors.

As at the end of the Reporting Period, there were over 70 major pipeline projects of the Group on innovative drugs and biosimilars (calculated by indications); for details on major pipeline drug projects of the Group, please refer to Table 3 to Table 6.

Table 3 Small molecular innovative drugs under independent development

No.	Therapeutic area	Drug name/code	Indications	R&D progress in Chinese mainland as at the end of the Reporting Period	R&D progress in other countries as at the end of the Reporting Period
1	Anti-tumor	FCN-338	Hematological malignancies	Phase I clinical trial	Phase I clinical trial (U.S.)
2			Relapsed or refractory B-celllymphoma	Phase I clinical trial	
3			Treatment of myeloid malignancies in combination with azacitidine or chemotherapy	Phase II clinical trial	—
4		FCN-338 + FCN-647	chronic lymphoblastic leukaemia/ small lymphotic lymphoma	Approved for clinical trial	—
5		FCN-159	Neurofibromatosis type 1 (children)	NDA	—
6			Neurofibromatosis type 1 (adult)	Phase III clinical trial	—
7			Dendritic cell and histiocyte tumors in adults	NDA	—
8			Low-grade gliomas	Phase II clinical trial	—
9			Langerhans cell histiocytosis in children	Phase II clinical trial	—
10		SAF-189	Non-small cell lung cancer (ROS1+)	Phase II clinical trial	Approved for clinical trial (U.S.)
11			Non-small cell lung cancer (ALK+)	Phase III clinical trial	
12		FCN-437c	Breast cancer 1L	Phase III clinical trial	—
13			Breast cancer 2L	NDA	
14		YP01001	Advanced solid tumor	Phase I clinical trial	—
15		FH-2001	Advanced malignant solid tumor	Phase Ib/II clinical trial	—
16		XS-03	RAS-mutated advanced solid tumor	Phase I clinical trial	—
17		XS-02	Advanced solid tumor	Approved for clinical trial	—
18	Others	ET-26	Anesthesia	Phase III clinical trial	—
19		FCN-159	Arteriovenous malformations	Phase II clinical trial	—
20		FCN-016	Glaucoma or ocular hypertension	Approved for clinical trial	—
21		XH-S004	Non-cystic fibrous bronchial dilation	Phase I clinical trial	—
22		XH-S003	IgA nephropathy and other glomerular diseases with abnormal complement activation	Phase I clinical trial	Phase I clinical trial (Australia)
23		FCN-338	Systemic light chain Amyloidose	Approved for clinical trial	—

Table 4 — Biopharmaceutical innovative drugs under independent development

No.	Therapeutic area	Drug name/code	Indications	R&D progress in Chinese mainland as at the end of the Reporting Period	R&D progress in other countries as at the end of the Reporting Period
1	Anti-tumor	Han Si Zhuang (serplulimab injection) + chemotherapy	Squamous non-small cell lung cancer (sqNSCLC)	Approved for launch	Phase III clinical trial (international multi-center)
2			Extensive-stage small cell lung cancer (ES-SCLC)	Approved for launch	Marketing authorization application (EU) Bridging trial (U.S.)
3			Non-squamous non-small cell lung cancer (nsqNSCLC)	NDA	—
4			Neo-/adjuvant treatment of GC	Phase III clinical trial	—
5		Han Si Zhuang (serplulimab injection) + chemotherapy + radiotherapy	Limited-stage small cell lung cancer (LS-SCLC)	Phase III clinical trial (international multi-center)	
6		Han Si Zhuang (serplulimab injection) + bevacizumab + chemotherapy	Metastatic colorectal cancer (mCRC)	Phase III clinical trial	Note 1
7		Han Si Zhuang (serplulimab injection) + HLX07 (recombinant anti-EGFR humanized monoclonal antibody injection)	Recurrent or metastatic head and neck squamous cell carcinoma (HNSCC)	Phase II clinical trial	—
8			Squamous non-small cell lung cancer (sqNSCLC)	Phase II clinical trial	—
9		Han Si Zhuang (serplulimab injection) + HLX07 (recombinant anti-EGFR humanized monoclonal antibody injection) + Han Bei Tai (bevacizumab injection)	Hepatocellular carcinoma (HCC)	Approved for clinical trial	—
10		HLX07 (recombinant anti-EGFR humanized monoclonal antibody injection)	Solid tumor	Phase Ib/II clinical trial	Approved for clinical trial (U.S.)
11			Locally advanced or metastatic cutaneous squamous cell carcinoma (CSCC)	Phase II clinical trial	Approved for clinical trial (U.S.)
12		HLX26 (recombinant anti-LAG-3 humanized monoclonal antibody injection) + Han Si Zhuang (serplulimab injection) + chemotherapy	Advanced non-small cell lung cancer (NSCLC)	Phase II clinical trial	—
13		HLX51 (recombinant anti-OX40 humanized monoclonal antibody for injection)	Solid tumor and lymphoma	Approved for clinical trial	—
14		HLX53 (anti-TIGIT Fc fusion protein)	Solid tumor and lymphoma	Phase I clinical trial	—

No.	Therapeutic area	Drug name/code	Indications	R&D progress in Chinese mainland as at the end of the Reporting Period	R&D progress in other countries as at the end of the Reporting Period
15	Anti-tumor	HLX53 (anti-TIGIT Fc fusion protein) +Han Si Zhuang (serplulimab injection) + Han Bei Tai (bevacizumab injection)	First-line treatment of locally advanced or metastatic hepatocellular carcinoma (HCC)	Approved for clinical trial[Note2]	—
16		HLX42 (antibody-drug conjugate targeting EGFR with novel DNA topoisomerase I inhibitor)	Advanced/metastatic solid tumor	Phase I clinical trial	Approved for clinical trial (U.S.)
17		HLX43 (antibody-drug conjugate targeting PD-L1 with novel DNA topoisomerase I inhibitor)	Advanced/metastatic solid tumor	Phase I clinical trial	Approved for clinical trial (U.S.)
18		VT-101	Advanced head and neck squamous cell carcinoma, melanoma, breast cancer and other solid tumors	Approved for clinical trial	Approved for clinical trial (U.S.)
19		GCK-01	Relapsed or chemotherapy-resistant follicular lymphoma	Approved for clinical trial	—
20	Others	HLX04-O (recombinant anti-VEGF humanized monoclonal antibody injection)	Wet age-related macular degeneration (wAMD)	Phase III clinical trial	Phase III clinical trial (international multi-center)
21		HLX6018 (innovative anti-GARP/TGF- β 1 monoclonal antibody)	Idiopathic pulmonary fibrosis	Phase I clinical trial	—
22		GC101	Recessive dystrophic epidermolysis bullosa (RDEB)	Approved for clinical trial	—

Note 1: In July 2024, the Phase III of international multi-center study of serplulimab injection (PD-1 inhibitor) in combination with bevacizumab and chemotherapy for the first-line treatment of patients with metastatic colorectal cancer (mCRC) obtained the approval from the Pharmaceuticals and Medical Devices Agency (PMDA) of Japan.

Note 2: In August 2024, the Phase II clinical trial of HLX53 (anti-TIGIT Fc fusion protein) in combination with Han Si Zhuang (serplulimab injection) and Han Bei Tai (bevacizumab injection) for the treatment of locally advanced or metastatic hepatocellular carcinoma (HCC) in Chinese mainland was initiated.

Table 5 — licensed-in innovative drugs

No.	Therapeutic area	Drug name/code	Indications	R&D progress in major licensed territory as at the end of the Reporting Period
1	Anti-tumor	FS-1502 (recombinant HER2 humanized monoclonal antibody-monomethyl auristatin F conjugate for injection)	HER2-positive locally advanced or metastatic breast cancer	Chinese mainland: Phase III clinical trial
2			HER2-expressing advanced malignant solid tumors	Chinese mainland: Phase II clinical trial
3		FS-1502 (recombinant HER2 humanized monoclonal antibody-monomethyl auristatin F conjugate for injection) in combination with serplulimab and/or chemotherapy	HER2-expressing advanced gastric cancer	Chinese mainland: Phase II clinical trial
4		HLX78 (lasofoxifene)	Breast cancer	Chinese mainland: Approved for clinical trial
5		HLX208 (BRAF V600E inhibitor)	Solid tumor (metastatic colorectal cancer, non-small cell lung cancer, etc.), LCH and ECD	Chinese mainland: Phase II clinical trial
6		HLX208 (BRAF V600E inhibitor) + Han Si Zhuang (serplulimab injection)	BRAF V600E or BRAF V600 mutation-positive advanced solid tumor (non-small cell lung cancer)	Chinese mainland: Phase II clinical trial
7		HLX22 (anti-human epidermal factor receptor-2 (HER2) humanized monoclonal antibody injection) + Han Qu You (trastuzumab injection)	Gastric cancer (GC)	Chinese mainland: Phase II clinical trial
8		HLX22 (anti-human epidermal factor receptor-2 (HER2) humanized monoclonal antibody injection) + trastuzumab + chemotherapy	First-line treatment of HER2-positive advanced gastric cancer	U.S.: Approved for clinical trial
9		HLX22 (anti-human epidermal factor receptor-2 (HER2) humanized monoclonal antibody injection) + Han Si Zhuang (serplulimab injection) + standardized treatment (trastuzumab in combination with chemotherapy)	Gastric cancer (GC)	Chinese mainland: Approved for clinical trial
10		SVN53–67/M57-KLH peptide vaccine (SurVaxM)	Primary diagnosis of glioblastoma	Chinese mainland: Approved for clinical trial
11	Metabolism and alimentary system	Tenapanor tablets (tenapanor hydrochloride tablets)	Irritable bowel syndrome with constipation (IBS-C)	Chinese mainland: Phase I clinical trial Hong Kong: Approved for launch
12	Anti-infection	Pretomanid tablets	Extensively drug-resistant (XDR) or multidrug-resistant tuberculosis (MDR-TB) with treatment intolerance/low efficacy of treatment	Chinese mainland: NDA Hong Kong: Approved for launch
13		OP0595 (Nacubactam) + cefepime or aztreonam	Treatment of adults infected by aerobic gram-negative bacteria with limited options	Chinese mainland: Phase III clinical trial

No.	Therapeutic area	Drug name/code	Indications	R&D progress in major licensed territory as at the end of the Reporting Period
14	Central nervous system	Opicapone capsules	Parkinson syndrome	Chinese mainland: NDA
15	Blood system	Avatrombopag maleate tablets	Chronic immune thrombocytopenia (ITP)	Chinese mainland: Approved for launch
16		Tenapanor tablets (tenapanor hydrochloride tablets)	Controlling hyperphosphatemia in adult patients receiving hemodialysis treatment for chronic kidney disease (CKD)	Chinese mainland: NDA
17		Fu Ke Shu (anti-human T-lymphocyte rabbit immunoglobulin)	Prevent graft-versus-host disease (GvHD) after the hematopoietic stem cell transplantation	Chinese mainland: Approved for clinical trial
18	Others	RT002 (DaxibotulinumtoxinA botulinum toxin)	Moderate to severe glabellar lines in adults (GL)	Chinese mainland: NDA
19			Cervical dystonia in adults (CD)	Chinese mainland: NDA
20		Fortacin spray (lidocaine prilocaine spray)	Premature ejaculation	Chinese mainland: Phase III clinical trial

Table 6 — Biosimilars under independent development

No.	Therapeutic area	Drug name/code	Indications	R&D progress in Chinese mainland as at the end of the Reporting Period
1	Anti-tumor	HLX11 (recombinant anti-HER2 domain II humanized monoclonal antibody injection)	Neoadjuvant treatment of BC	Phase III clinical trial (international multi-center)
2		HLX05 (recombinant anti-EGFR human/murine chimeric monoclonal antibody injection)	Metastatic colorectal cancer (mCRC) and metastatic head and neck squamous cell carcinoma (HNSCC)	Phase I clinical trial
3		HLX13 (recombinant anti-CTLA-4 fully human monoclonal antibody injection)	Melanoma, renal cell carcinoma, colorectal cancer, hepatocellular carcinoma, non-small cell lung cancer, malignant pleural mesothelioma and esophageal squamous cell carcinoma	Phase I clinical trial
			Liver cancer	Approved for clinical trial
4		HLX15 (recombinant anti-CD38 fully human monoclonal antibody injection)	Multiple myeloma (MM)	Phase I clinical trial
5	Metabolism and alimentary system	Mixed protamine zinc recombinant insulin lispro injection (50R)	Diabetes	Approved for launch
6		Mixed protamine zinc recombinant insulin lispro injection (25R)	Diabetes	NDA
7		Semaglutide injection	Diabetes	Phase III clinical trial
8		Liraglutide injection	Diabetes	Phase III clinical trial
9		Insulin degludec injection	Diabetes	Phase III clinical trial
10	Others	HLX14 (recombinant anti-RANKL fully human monoclonal antibody injection)	Osteoporosis (OP) and others	Phase III clinical trial (international multi-center)

As at the end of the Reporting Period, a total of 34 products of the Group that had passed or deemed to have passed the consistency evaluation of generic drug were selected in nine batches of national centralized drug procurement and the insulin specialty successive procurement (please refer to Table 7–Products won tenders for centralized procurement), of which the results of the ninth batch of the centralized procurement and insulin specialty successive procurement were implemented in March 2024 and May 2024, respectively. For existing categories included in the centralized procurement, the Group has utilized its advantages of multi-channel marketing and lean production to strengthen the life cycle management of the centralized procurement products while sacrificing price for volume, and has actively promoted the rapid entry of incremental products into the market through the centralized procurement, so as to effectively smooth out the impact of existing products participating in centralized procurement.

Table 7 — Products won tenders for centralized procurement

No.	Round selected	Name of drugs	Indications	Specifications	Charge unit
1	4+7 scope expansion	Amlodipine Besylate Tablets	High blood pressure	5mg*7 tablets/box	Box
2		Escitalopram Oxalate Tablets	Depression disorder	10mg*7 tablets/box, 10mg*10 tablets/box, 10mg*14 tablets/box	Box
3	The second round	Azithromycin Capsules	1. Acute pharyngitis and acute tonsillitis caused by streptococcus pyogenes; 2. sinusitis, otitis media, acute bronchitis and acute exacerbation of chronic bronchitis caused by susceptible bacteria; 3. pneumonia caused by streptococcus pneumoniae, haemophilus influenzae and mycoplasma pneumonia; 4. urethritis and cervicitis caused by chlamydia trachomatis and non-multidrug-resistant neisseria gonorrhoeae; 5. skin and underlying tissue infection caused by susceptible bacteria.	0.25g*6 capsules/box, 0.25g*4 capsules/box	Box
4		Clindamycin Hydrochloride Capsules	Infection caused by susceptible strains such as streptococci, staphylococci and anaerobic bacteria	0.15g*10 capsules/box, 0.15g*20 capsules/box	Box
5		Indapamide Tablets	Essential hypertension	2.5mg*10 tablets/box, 2.5mg*30 tablets/box	Box
6		Isoniazid Tablets	Tuberculosis	0.1g*100 tablets/bottle	Bottle
7	The third round	Febuxostat Tablets	Long-term treatment of gout patients with hyperuricemia	40mg*16 tablets/box	Box
8		Quetiapine Fumarate Tablets	Manic episodes of schizophrenia and bipolar disorder	0.1g*10 tablets/strip *3 strips/box, 25mg*14 tablets/strip *2 strips/box, 0.2g*8 tablets/strip *2 strips/box	Box
9		Pitavastatin Calcium Tablets	Hypercholesterolemia and familial hypercholesterolemia	2mg*14 tablets/box	Box
10		Ethambutol Hydrochloride Tablets	Applicable to tuberculosis caused by treatment of mycobacterium tuberculosis in combination of other anti-tuberculosis drugs. It can also be used for the treatment of tuberculous meningitis and atypical mycobacterium infection.	0.25g*50 tablets/bottle, 0.25g*100 tablets/bottle	Bottle
11		Memantine Hydrochloride Tablets	Moderate to severe Alzheimer's dementia	10mg*14 tablets/box	Box
12	The fourth round	Telmisartan Tablets	Essential hypertension	40mg*8 tablets/strip*4 strips/box	Box
13		Empagliflozin Tablets	Type 2 diabetes	10mg*10 tablets/strip *1 strip/box	Box
14		Calcium Dobesilate Capsules	1. Treatment of microangiopathy: Diabetic microangiopathy — retinopathy and glomerulosclerosis (Kimmerstiel-Wilson syndrome); microvascular injury — accompanied with increased capillary fragility and permeability, capillary diseases and acrocyanosis. 2. adjuvant therapy for chronic venous insufficiency (varicose vein syndrome) and its sequelae (including post-embolism syndrome, leg ulcers, purpuric dermatitis and other stagnant skin diseases, peripheral vascular stasis edema, etc.).	0.5g*10 tablets/strip *3 strips/box	Box
15		Sorafenib Tosylate Tablets	Inoperable or distant metastasis of hepatocellular carcinoma	0.2g*10 tablets/strip *3 strips/box	Box
16		Duloxetine Hydrochloride Enteric Capsules	Generalized anxiety disorder and depression	20mg*60 capsules/bottle, 30mg*90 capsules/bottle, 60mg*30 capsules/bottle	Bottle
17		Pyrazinamide Tablets	This product is only effective for mycobacterium, and can be used for treatment of tuberculosis in combination with other anti-tuberculosis drugs (such as streptomycin, isoniazid, rifampin and ethambutol)	0.25g*100 tablets/bottle	Bottle
18	The fifth round	Alfacalcidol Tablets	1. Improve the symptoms of patients with chronic renal insufficiency, hypoparathyroidism, vitamin D-resistant rickets and osteomalacia due to abnormal vitamin D metabolism, such as hypocalcemia, convulsions, ostealgia and bone damage. 2. Osteoporosis.	0.25μg*10 tablets/strip *3 strips/box	Box
19		Bicalutamide Tablets	1. 50mg per day: For the treatment for advanced prostate cancer together with luteinizing hormone-releasing hormone (LHRH) analogue or surgical orchiectomy. 2. 150mg per day: For the treatment of patients with locally advanced prostate cancer without distant metastasis who are not suitable or unwilling to receive surgical castration or other medical treatments.	50mg*14 tablets/strip/box	Box
20	The sixth round	Human Insulin Injection [Note]	Diabetes	3ml:300 unit (refill) *1 vial	Vial
21		Protamine Recombinant Human Mixed Insulin Injection (30/70)[Note]	Diabetes	3ml:300 unit (refill) *1 vial	Vial

No.	Round selected	Name of drugs	Indications	Specifications	Charge unit
22	The seventh round	Cefmetazole Sodium for injection	Among staphylococcus aureus, escherichia coli, pneumococcus, proteus (indole positive and negative) bacteroides, peptococcus and peptostreptococcus, the following infections caused by susceptible bacteria to this product: sepsis; bronchitis, bronchitis dilated infection, pneumonia, secondary infection of chronic respiratory disease, pulmonary suppuration (lung abscess), empyema; cholangitis, cholecystitis; peritonitis; pyelonephritis, cystitis; bartholinitis, intrauterine infection, uterine adnexitis, parametritis; cellulitis around the jaw, jaw inflammation.	1g*10 bottles/box, 0.25g*10 bottles/box, 0.5g*10 bottles/box, 2g*10 bottles/box	Box
23		Cefminox Sodium for injection	1. Respiratory system infection: tonsillitis, peritonsillar abscess, bronchitis, bronchiolitis, bronchiectasis (in the case of infection), secondary infection of chronic respiratory disease, pneumonia, pulmonary suppuration; 2. Urinary system infection: pyelonephritis, cystitis; 3. Abdominal infection: cholecystitis, cholangitis, peritonitis; 4. Pelvic infection: pelvic peritonitis, uterine adnexitis, intrauterine infection, pelvic dead space inflammation, parametritis; 5. Sepsis.	0.25g*10 bottles/box, 0.5g*10 bottles/box, 1g*10 bottles/box	Box
24		Lidocaine Hydrochloride Injection	This product is a local anesthetic and an antiarrhythmic drug. Mainly used for infiltration anesthesia, epidural anesthesia, topical anesthesia (including mucosal anesthesia during thoracoscopy or abdominal surgery) and nerve conduction block. This product can be used for ventricular premature beats and ventricular tachycardia after acute myocardial infarction, and can also be used for ventricular arrhythmia caused by digitalis poisoning, cardiac surgery and cardiac catheterization. This product is usually ineffective for supraventricular arrhythmias.	5ml:0.1g*5 vials/box, 10ml:0.2g*5 vials/box, 20ml:0.4g*5 vials/box	Box
25		Roxithromycin Tablets	For the treatment of infections caused by roxithromycin-sensitive pathogens	150mg*6 tablets/strip/box	Box
26	The eighth round	Enoxaparin Sodium Injection	1. Prevention of venous thromboembolic diseases (prevention of venous thrombosis), especially for thrombosis related to orthopedic or general surgery; 2. Treatment of established deep vein thrombosis, with or without pulmonary embolism, without severe clinical symptoms, excluding pulmonary embolism requiring surgery or thrombolytic agent treatment; 3. Treatment of unstable angina and non-Q wave myocardial infarction, in combination with aspirin; 4. Prevention of thrombosis in extracorporeal circulation of hemodialysis; 5. For the treatment of acute ST-elevation myocardial infarction, in combination with thrombolytics or concurrently in combination with percutaneous coronary intervention (PCI).	0.6ml:6000AxaIU (prefilled) *2 vials/box	Box
27		Piperacillin Sodium and Tazobactam Sodium for injection	For the treatment of the following systemic and/or local infections caused by detected or suspected susceptible bacteria: 1. Lower respiratory tract infection; 2. Urinary tract infection (mixed infection or single bacterial infection); 3. Intraabdominal infection; 4. Skin and underlying tissue infection; 5. Bacterial sepsis; 6. Gynecological infection; 7. Treatment for bacterial infection in patients with neutropenia in combination with aminoglycosides; 8. Bone and joint infection; 9. Mixed infection of various bacteria.	2.25g(2.0g Piperacillin and 0.25g Tazobactam) *8 bottles/box, 4.5g(4.0g Piperacillin and 0.5g Tazobactam) *6 bottles/box, 4.5g(4.0g Piperacillin and 0.5g Tazobactam) *5 bottles/box	Box
28		Oseltamivir Phosphate for oral suspension	For the treatment of influenze A and influenze B in adults and children aged 2 weeks or above. Prevention of influenze A and influenze B in patients aged 1 year or above.	0.36g*1 bottle/box	Box
29		Cefoperazone Sodium and Sulbactam Sodium for injection	Monotherapy: Cefuroxime/Sulbactam is indicated for the treatment of the following infections caused by susceptible bacteria: 1. Upper and lower respiratory tract infection; 2. Upper and lower urinary tract infection; 3. Peritonitis, cholecystitis, cholangitis and other intra-abdominal infections; 4. Septicemia; 5. Meningitis; 6. Skin and soft tissue infection; 7. Bone and joint infection; 8. pelvic inflammatory disease, endometritis, gonorrhea and other reproductive tract infections. Combination medication: Cefuroxime/sulbactam should be used in combination with other antibiotics.	1g(1:1)*10 bottles/box, 2g(1:1)*10 bottles/box, 3g(1:1)*10 bottles/box	Box
30		Furosemide Injection	1. Edema disease; 2. Hypertension; 3. Prevention of acute renal failure; 4. Hyperkalemia and hypercalcemia; 5. Dilutional hyponatremia; 6. Hypersecretion of antidiuretic hormone (SIADH); 7. Acute drug poisoning.	2ml:20mg*10 vials/box	Box
31		Rifampicin Capsules	1. For the initial treatment and retreatment of various tuberculosis, including tuberculous meningitis, in combination with other anti-tuberculosis drugs. 2. For the treatment of leprosy and non-tuberculous mycobacterium infection in combination with other drugs. 3. for the treatment of severe infections caused by methicillin-resistant staphylococci in combination of vancomycin (intravenous). Rifampin in combination with erythromycin can be used for the treatment of severe Legionella infections. 4. for the treatment of asymptomatic Neisseria meningitidis carriers to eliminate Neisseria meningitidis in the nasopharynx; not suitable for the treatment of Neisseria meningitidis infection.	0.15g*100 capsules/bottle	Bottle
32	The ninth round	Rabeprazole Sodium Enteric-coated Tablets	Gastric ulcers, duodenal ulcers, anastomotic ulcers, reflux esophagitis, Zollinger-Ellison syndrome	20mg*30 tablets/bottle	Bottle
33	Continued insulin purchase	Insulin lispro injection	Diabetes	3ml:300 unit (refill) *1 vial	Vial
34		Insulin glargine injection	Diabetes	3ml:300 unit (refill) *1 vial	Vial

Note: Human Insulin Injection and Protamine Human Mixed Insulin Injection (30R) were elected into 2024 national centralized procurement (insulin specialty successive procurement).

- *Integrated production and streamlined operation*

In order to further improve the competitiveness of the production system of the pharmaceutical manufacturing business, improve operational efficiency and implement the internationalization strategy, the Group continued to streamline and discover its internal competitive production capacity, deepened the integration of the production side, realized the rapid transformation of products through the construction and integration of APIs and preparations production resources, and built up internationally competitive star production lines and production bases.

The Group continued to consolidate production lines on the production side, built regional production centers and gathered production capacity and achieved the integration of APIs and preparations, so as to further improve production and operation efficiency and expand production cost advantages. During the Reporting Period, the Group built regional production centers in Xuzhou and Chongqing, continuously advanced the construction of Xingnuo Pharma API Base, Hunan Dongting API Base and Yao Pharma Changshou API Base, and vertically integrated the APIs and preparation industry chains, realizing intensive mass production capacity. At the same time, the Group also planned and built production lines for complex preparations and special preparations, and the production lines for BFS, spray drying and OEB4/5 have entered into the construction and/or production phases. As at the end of the Reporting Period, the commissioning and validaiton of the tranexamic acid production line and Gentamicin B production line in Hunan Dongting API Base had commenced. The category process validation in Yao Pharma Changshou API Base had been conducted. Several products involved in some production lines of Xingnuo Pharma API Base had passed the on-site inspections on drug production license, GMP and registration verification and commenced commercial production. Xuzhou Industrial Park Preparation Base had completed the construction of oral solid preparation and BFS production lines, and the transfer of relevant products had commenced, and new products would be continuously introduced with increased production capacity in the subsequent stage. In addition, the Group continued with the construction of the Cote d'Ivoire park integrating drug R&D, manufacturing, logistics and delivery, aiming to realize localization in drug manufacturing and supply in Africa.

At the same time, the Group continued to promote the building of production system with international quality standard, thus laying a solid foundation for the overseas distribution of preparations. The Group through different means including special training, gap analysis, reform and upgrade, etc., continued to improve quality systems based on domestic and international requirements, and enhanced the quality risk awareness and quality management capabilities of all employees. As at the end of the Reporting Period, all commercial production lines of the domestic subsidiaries under the pharmaceutical manufacturing segment of the Group obtained domestic GMP certifications, and 10 production lines had passed GMP certification in major regulatory markets such as the U.S. and the EU. During the Reporting

Period, the domestic subsidiaries under the pharmaceutical manufacturing segment received over 40 official inspections as well as official sample tests on over 300 batches, all of which were passed smoothly.

2. ***Medical Devices and Medical Diagnosis***

During the Reporting Period, the Group recorded revenue of RMB2,069 million from the medical devices and medical diagnosis segment, representing a period-on-period decrease of 6.59%, which was mainly due to the significant decrease in the revenue from COVID-19 antigen and nucleic acid test kits and the overseas revenue from non-proprietary COVID-19 products. Excluding COVID-related products, the revenue of medical devices and medical diagnosis segment increased by 5.13% on the same basis. During the Reporting Period, the segment results of the medical devices and medical diagnosis segment amounted to RMB-57 million, representing a period-on-period decrease of RMB113 million; and segment profits amounted to RMB-54 million, representing a period-on-period decrease of RMB168 million, which was mainly due to (1) the corresponding impacts of significant decrease in the revenue from COVID-19 antigen and nucleic acid test kits, (2) the sales of medical diagnosis products were lower than expected, and (3) the increase in operating cost as a result of the transition from a distribution model to a direct sales model in certain areas of Sisram Medical.

(1) *Medical Devices*

The Group's medical devices business has formed three major business divisions focusing on medical cosmetology, respiratory health and professional medical products.

In the field of medical cosmetology, focusing on the ecological diversification strategy, Sisram Medical, a subsidiary has continuously enriched its product pipeline and pushed ahead the construction of its marketing network worldwide. During the Reporting Period, Sisram Medical introduced Alma Harmony, a new generation of multi-functional flagship device with photo rejuvenation as its main function, in the North American market, and unveiled Soprano Titanium Special Edition, a laser hair removal device, in the global market. Profhilo, a new generation of sodium hyaluronate complex (i.e. sodium hyaluronate solution for injection), with Sisram Medical being as its agency, was launched in Hainan as a licensed medical device in April 2024. In addition, in January 2024, Sisram Medical established a strategic partnership with Prollenium, and obtained the exclusive distribution rights of the Revanesse dermal filler collection, which applies advanced hyaluronic acid technology, in several major markets including Germany, Austria, Switzerland, Australia and New Zealand. During the Reporting Period, the revenue of Sisram Medical amounted to US$169 million and net profit amounted to US$13 million (based on the financial statements of Sisram Medical in its reporting currency).

In the field of respiratory health products, Breas accelerated the introduction of new products and continued to optimize its supply chain. During the Reporting Period, sales performance remained strong and the demand of non-invasive ventilators for medical and home use (including Clearway2 and others) saw varying degrees of growth as compared to the same period last year, with the revenue generated from such markets as America also experiencing a significant increase.

In the field of professional medical products, the Group accelerated integration, and focused on building the capabilities in R&D, production, products and marketing through "licensed-in and incubation" and the "Intelligently Manufactured in China" policy. During the Reporting Period, the installation volume of "Da Vinci Surgical Robot" of Intuitive Fosun (an associated company) in Chinese mainland and Macau was 24. The Intuitive Fosun headquarters industrial base was completed and put into use in the Zhangjiang International Medical Park in Shanghai in June 2024. During the Reporting Period, the Da Vinci SP endoscopic single orifice surgical system developed by Intuitive Fosun has been included in the NMPA's special review for innovative medical devices, which would facilitate the subsequent registration and approval processes; the "Ion System" adopting a flexible robot with shape sensing technology had been approved for launch in Chinese mainland. During the Reporting Period, Fosun Insightec, a joint venture established with Insightec in China, was steadily advancing the clinical promotion and commercialization of the MRgFUS brain therapy system in the Chinese mainland, Hong Kong, and Macau markets. Futuo Zhida, a subsidiary, focused on the field of artificial intelligence surgical navigation and accelerated the innovative R&D of technological products, and its "disposable lung nodule positioning marker" was approved for launch in Chinese mainland in July 2024.

In addition, the medical devices segment also made positive progresses in constructing a global marketing network. Sisram Medical, through strategies and methods of strengthening its digital channels and combining direct sales and distribution, continuously expanded the global market. As at the end of the Reporting Period, its marketing network has covered more than 100 countries and regions across the world. The proportion of direct sales revenue further increased to 86%. At the same time, the marketing network of Breas also covered markets such as Europe, the U.S., China, Japan, India and Australia.

(2) *Medical Diagnosis*

During the Reporting Period, the revenue from COVID-19 antigen and nucleic acid test kits significantly decreased, substantially affecting the revenue and profit of medical diagnosis segment. As the COVID-19 no longer constituted a "Public Health Emergency of International Concern", the medical diagnosis segment shifted its business focus to non-COVID-19 products, and continued to promote product upgrading and the launch of differentiated pipelines. During the Reporting Period, fully-automated chemiluminescent immunoassay analyzer F-i6000, independently developed by the Group, was approved for launch. F-i6000 is an ultra-high-speed immunoassay analyzer with completely independent intellectual property rights. It enjoys a detecting speed of 600 testing per hour, and can access to the laboratory automation system to provide an integrated solution. In addition, 8 thyroid function test reagents including thyrotropin test kits (Chemical luminescence) and thyroglobulin test kits (Chemical luminescence), and 7 sex hormone test reagents including follicle stimulating hormone test kits (Chemical luminescence) and estradiol test kits (Chemical luminescence), were completed upgrading and approved for launch successively. Moreover, respiratory virus joint inspection (PCR method) and other molecular testing products, IL-2 test kits (Chemical luminescence) and other chemical luminescence reagents have entered the stage of clinical trial and registration application.

As at the end of the Reporting Period, products launched of the medical diagnosis segment included dozens of equipment such as fully automated biochemical testing instruments, fully automated chemiluminescence analyzers, high-speed chemistry immunoassay integrated machines, full laboratory automation systems, fully automated molecular integrated workstations, and fully automated immunohistochemistry instruments. Nearly 200 testing projects involving liver function, kidney function, myocardial enzymogram, tumor markers, sex hormone, thyroid function, cardiac markers and liver fibrosis markers entered the stage of mass production and commercialization, and more than 120 products are under development.

3. *Healthcare services*

During the Reporting Period, the revenue from the healthcare services segment amounted to RMB3,657 million, representing a period-on-period increase of 16.95%. Segment results amounted to RMB74 million, representing a period-on-period decrease in loss of RMB225 million. Segment profits amounted to RMB-140 million, representing a period-on-period decrease in loss of RMB128 million. The main reasons for the period-on-period decrease in loss included the further focus and optimized expenses of online business, as well as the significant cost reduction through the centralized procurement of drugs and devices.

(1) *Healthcare services business focusing on integrated medical institution*

With years of profound cultivation, Fosun Health, a subsidiary, has formed a healthcare services platform centered on the Greater Bay Area, with the provision of general and specialized medical disciplines and the integration of online and offline services. In the first half of 2024, Fosun Health ranked second in the "2024 Top 100 Social Medical Hospital Groups" of Asclepius (ranked among the top three in the list for four consecutive years). As at the end of the Reporting Period, the medical institutions controlled by Fosun health had a total of 6,578 authorized beds, and it held 8 internet hospital licenses. In particular, 4 medical institutions including Foshan Fosun Chancheng Hospital and Guangzhou Xinshi Hospital have established regional medical associations, covering the Greater Bay Area region.

During the Reporting Period, Fosun Health continued to promote the high-level construction of medical disciplines and enhance the medical strength, and several medical institutions controlled by it have set up key specialties at the municipal and district levels in local regions. Meanwhile, centered on the Greater Bay Area, Fosun Health actively established strategic cooperation with other healthcare institutions to jointly promote the improvement of service capabilities and standards of healthcare services in the region as well as the business expansion. In addition, the Group also continued to promote the construction of the commercial insurance operation system. During the Reporting Period, Foshan Fosun Chancheng Hospital controlled by the Group, has signed a strategic cooperation agreement with Ping An Health Insurance Co., Ltd. to achieve "one-stop direct payment service for commercial insurance".

With years of profound cultivation in the healthcare services field, especially the operation scale and reputation that have been formed in the Greater Bay Area, in May 2024, Fosun Health entered into the Capital Increase Agreement with Chanxi New City Investment and Construction Company Limited* (禪西新城投資建設有限公司) ("Foshan Chanxi City Investment"), pursuant to which, Fosun Health will obtain a strategic investment of RMB300 million from Foshan Chanxi City Investment, so as to further consolidate its characteristics and strengths in the healthcare services field.

(2) *Rehabilitation specialty business*

During the Reporting Period, the Group deepened its deployment of rehabilitation specialty business, constantly penetrated into Eastern China and expanded to core cities in other regions and promote the "multiple locations in one city" layout model. In addition, the rehabilitation specialty segment has defined the three-year plan for rehabilitation subspecialty and the plan for building specialties, and with the establishment of the rehabilitation professional committee integrating clinical treatment, rehabilitation and nursing, conducted standardized trainings on key specialized diseases and specialized trainings on medical management, and improved the quality of rehabilitation treatment and services. In addition, the Group was also committed to developing new products and services such as the rehabilitation butler and the rehabilitation service package for different and customized medical needs. Meanwhile, the Group has connected with commercial insurance providers to improve the diversified payment channels and deepen strategic cooperation in the industry chain.

In the first half of 2024, Jianjia Healthcare, a subsidiary, proactively advanced the standardized replication of rehabilitation hospital projects and refined the whole lifecycle management of rehabilitation hospitals. Through optimizing and iterating the standardized model, it has implemented the standardized model for all aspects from project planning and discipline construction to daily management, deepened the refined management of cross-region hospitals. As at the end of the Reporting Period, 11 rehabilitation medical institutions were in operation (including those in trial operation), and 7 rehabilitation medical institutions were under construction.

4. ***Pharmaceutical Distribution and Retail***

During the Reporting Period, Sinopharm actively adapted to the new development environment of the industry, overcame difficulties, and accelerated the transformation and innovation of businesses. In the first half of 2024, Sinopharm recorded a revenue of RMB294,727 million, a net profit of RMB5,899 million, and a net profit attributable to the parent company of RMB3,704 million, representing a period-on-period decrease of 2.07%, 14.42% and 9.76%, respectively.

In respect of pharmaceutical distribution, Sinopharm focused on core and key areas, and the market share of pharmaceutical distribution business in relevant markets continued to increase, especially in key areas such as Jiangsu, Zhejiang, Shanghai, Central China, North China and Guangdong and Guangxi, the proportion of revenue of which has maintained rapid growth. During the Reporting Period, the revenue from pharmaceutical distribution was RMB226,494 million, representing a period-on-period increase of 0.47%. In respect of medical device distribution, due to the changes in the terminal demand structure, the revenue from the medical device distribution business was RMB58,494 million, representing a period-on-period decrease of 7.08%. In respect of retail pharmacy, the revenue was RMB16,558 million, representing a period-on-period decrease of 6.43%. In particular, specialised pharmacies of

Sinopharm maintained a high growth rate of more than 20%, but the sales revenue of socialised pharmacies decreased on a period-on-period basis due to the reduction of scale of personal medical insurance accounts. As of the end of the Reporting Period, Sinopharm's total number of retail stores was 12,366, representing a net increase of 257 in total compared with the end of 2023.

III. Core Competence Analysis

During the Reporting Period, the core competitiveness of the Group was reflected in its open-style R&D ecology, forwardlooking international layout, systematic commercialization team and other aspects:

1. Advantages in R&D and innovation. The Group connected with teams with outstanding scientific talents, leading technologies and high-value products worldwide through diversified and multi-level cooperation models such as independent R&D, co-development, licensed-in projects and industrial investment. In addition, the Group continued to enrich its innovative product pipelines, enhanced the research and clinical development capabilities of FIC (First-in-class) and BIC (Best-in-class) products, and promoted the R&D and practice of innovative technologies and products through the integrated management of the innovative R&D projects by the global R&D center.

2. Advantages in internationalization. The Group implemented its internationalization strategy in multiple dimensions including innovative R&D, two-way license, production and operation as well as commercialization. The global BD team kept enhancing the two-way license of products and IP, and deployed in frontier areas through R&D cooperation and licensed-in projects, while drug clinical and registration teams in the U.S., Africa, Europe, India, Japan, Middle East and Southeast Asia continued to strengthen overseas drug registration and application capabilities. The Group also accelerated the international quality system certification of domestic production lines, and further deepened its international marketing capabilities so as to further expand the international market. In particular, in the field of medical devices, the Group's marketing network for medical cosmetology equipment covered over 100 countries and regions worldwide, and have established direct sales layouts in multiple countries.

3. Advantages in commercialization. The Group continuously enhanced the construction and integration of marketing system, and had formed a marketing system by product lines featured by professionalism, branding, digitalization and compliance that supported existing products and products to be launched. As at the end of the Reporting Period, the Group had built up a comprehensive supporting system covering aspects such as medical affairs, market access, medical strategic alliance, brand and market promotion, etc.

IV. Major Operations in the Reporting Period

(I) *Analysis on Principal Operations*

1. *Analysis of Changes in Relevant Items of Financial Statements*

Unit: million Currency: RMB

Items	Amount for the period	Amount for the corresponding period of last year	Period-on-period change *(%)*
Revenue *(Note 1)*	20,383	21,316	-4.38
Cost of sales *(Note 1)*	10,463	10,699	-2.21
Selling and distribution expenses *(Note 2)*	4,266	5,071	-15.87
Administrative expenses *(Note 3)*	2,149	2,103	2.19
Research and development expenses *(Note 4)*	1,862	2,134	-12.75
Other gains *(Note 5)*	273	857	-68.14
Other expenses *(Note 5)*	435	256	69.92
Share of profits and losses of Associates *(Note 6)*	947	1,118	-15.30
Net cash flow generated from operating activities	1,907	1,810	5.36

Note 1: For the reasons for the period-on-period change in revenue and cost of sales, please refer to "Segment Performance Overview" in "Management Discussion and Analysis" and "Principal Operations by Segments, Products and Regions" below.

Note 2: During the Reporting Period, selling expense ratio was 20.93%, representing a decrease of 2.86 percentage points as compared to the same period last year. The gross profit margin less selling and distribution expense ratio increased by 1.72 percentage points period-on-period.

Note 3: During the Reporting Period, administrative expenses ratio was 10.54%. Excluding the impact of newly acquired companies, the administrative expense decreased by approximately RMB200 million.

Note 4: Mainly due to the Group's focus on improving the efficiency of advantageous pipelines and R&D system integration during the Reporting Period.

Note 5: Mainly due to the gains from fair value changes of financial assets held such as investment in YSB and the gains from disposal of non-core assets such as Tianjin Pharma in the same period last year.

Note 6: Mainly due to the period-on-period decrease in share of investment income of Associates and Joint ventures.

2. *R&D expenditure*

(1) R&D expenditure

Unit: million Currency: RMB

R&D expenditure expensed for the period	1,862
R&D expenditure capitalized for the period	875
Total R&D expenditure	2,737
Total R&D expenditure as a percentage of revenue (%)	13.38
R&D expenditure in the pharmaceutical manufacturing segment as a percentage of the revenue from the pharmaceutical manufacturing segment (%)	16.39
Percentage of R&D expenditure capitalized (%)	31.97

(2) Descriptions

During the Reporting Period, the R&D expenditure in the pharmaceutical manufacturing segment amounted to RMB2,406 million, representing a period-on-period decrease of RMB113 million or 4.49%, accounting for 16.39% of the revenue from the pharmaceutical manufacturing segment. In particular, the R&D expenses amounted to RMB1,572 million, representing a period-on-period decrease of RMB220 million or 12.28%, accounting for 10.71% of the revenue from the pharmaceutical manufacturing segment. In addition to independent R&D, the Group fully implemented an open R&D model, and incubated and invested in R&D projects by initiating/managing industrial funds and other diversified ways, so as to ensure the sustainability of innovation and R&D.

(II) *Segment and Regional Operations*

Principal Operations by Segments, Products and Geographical Locations

Unit: million Currency: RMB

		Principal operations by segments				
By segments	**Revenue**	**Cost of sales**	**Gross profit margin** *(%)*	**Period-on-period change in revenue** *(%)*	**Period-on-period change in cost of sales** *(%)*	**Period-on-period change in gross profit margin**
Pharmaceutical manufacturing	14,601	6,621	54.65	-8.29	-6.94	decrease of 0.66 percentage point
Medical devices and medical diagnosis	2,069	1,028	50.31	-6.59	-2.28	decrease of 2.20 percentage points
Healthcare services	3,657	2,772	24.20	16.95	11.59	increase of 3.64 percentage points

Principal operations by products

By products	Revenue	Cost of sales	Gross profit margin (%)	Period-on-period change in revenue (%)	Period-on-period change in cost of sales (%)	Period-on-period change in gross profit margin
Major products of anti-tumor and immune modulation	4,051	853	78.94	9.52	12.68	decrease of 0.60 percentage point
Major products of anti-infection *(Note)*	1,453	417	71.30	-56.30	-71.79	increase of 15.75 percentage points
Major products of metabolism and alimentary system	1,398	341	75.61	-7.05	4.60	decrease of 2.71 percentage points
Major products of cardiovascular system	1,026	645	37.13	22.29	27.22	decrease of 2.44 percentage points
Major products of central nervous system	492	53	89.23	-10.71	6.00	decrease of 1.70 percentage points
Major products of APIs and intermediate products	560	417	25.54	-14.37	-10.90	decrease of 2.90 percentage points

Principal operations by geographical locations

By geographical locations	Revenue	Cost of sales	Gross profit margin (%)	Period-on-period change in revenue (%)	Period-on-period change in cost of sales (%)	Period-on-period change in gross profit margin
Chinese Mainland	14,873	6,998	52.95	-10.02	-12.40	increase of 1.28 percentage points
Regions outside Chinese Mainland and other countries	5,510	3,465	37.11	15.13	27.86	decrease of 6.27 percentage points

Note: The decrease in revenue and cost of sales of major anti-infection products as compared to the same period last year is mainly due to the significant decline in revenue from COVID-related products, such as Jie Bei An (azvudine tablets) during the Reporting Period.

(III) *Analysis on Subsidiaries and Investees*

1. *Operation and Results of Major Subsidiaries of the Group*

(1) Operation and Results of Major Subsidiaries

Unit: million Currency: RMB

Name of subsidiary	Major business	Registered capital	Total assets	Net assets	Revenue	Operating profit	Net profit
Yao Pharma	Pharmaceutical R&D and manufacturing	197	8,227	6,282	2,813	544	461
Wanbang Pharma	Pharmaceutical R&D and manufacturing	480	7,005	4,151	4,012	400	351
Shanghai Henlius *(Note 1)*	Pharmaceutical R&D and manufacturing	543	9,980	2,578	2,746	397	386
Guilin Pharma	Pharmaceutical R&D and manufacturing	285	2,300	1,340	662	211	180
Gland Pharma *(Note 2)*	Pharmaceutical R&D and manufacturing	N/A	10,943	8,817	2,541	318	201

Note: The above data included appreciation of asset evaluation and amortization of appreciation of asset evaluation.

Note 1: The data for Shanghai Henlius is prepared in accordance with International Financial Reporting Standards.

Note 2: The data for Gland Pharma is prepared in accordance with Indian Generally Accepted Accounting Principles.

(2) Status of Other Major Subsidiaries

Unit: million Currency: RMB

Name of subsidiary	Major business	Registered capital	Total assets	Net assets	Revenue	Net profit
Foshan Fosun Chancheng Hospital *(Note 1)*	Healthcare services	50	3,901	2,036	1,210	73
Sisram Medical *(Note 2)*	Medical devices R&D and manufacturing	N/A	4,467	3,368	1,199	94

Note 1: The data for Foshan Fosun Chancheng Hospital included appreciation of asset evaluation and amortization of appreciation of asset evaluation.

Note 2: The data for Sisram Medical is prepared in accordance with International Financial Reporting Standards.

2. *Operation and Results of Investee Companies whose Net Profit and Investment Income Contributing More Than 10% of the Group's Net Profit*

Unit: million Currency: RMB

Name of subsidiary	Major business	Registered capital	Total assets	Net assets	Revenue	Operating profit	Net profit
Sinopharm Industrial	Pharmaceutical investment	100	430,892	124,112	294,727	7,569	5,891

3. *Acquisition and Disposal of Subsidiaries during the Reporting Period (including the Purposes and Methods of the Acquisitions and Disposals and the Effects on the Group's Overall Operation and Results)*

The disposal of the subsidiaries during the Reporting Period have had the following effect on the Group's production and results:

Unit: million Currency: RMB

Name	Disposed through	Net assets at date of disposal	Net profit from the beginning of the Reporting Period to the date of disposal
Chongqing Guoyu Health Management Co. Ltd.	Equity transfer	—	—
Guo Rong Le Yang Health Technology (Shanghai) Co. Ltd.	Equity transfer	4	—
Fujian Jiahu Healthcare Management Co. Ltd.	Equity transfer	–1	1
Sinopharm Putian Hanjiang Medical Investment Management Co. Ltd.	Equity transfer	326	—
Tianjin Sinopharm Health Care Service Co. Ltd.	Cancellation	—	—
Hefei Jizhongtang Pharmacy Co. Ltd.	Cancellation	–1	1
Qingdao Xingqi Medical Instrument Co. Ltd.	Cancellation	—	—

(IV) ***Employees and Remuneration Policies***

As at the end of the Reporting Period, the Group had a total of 39,309 employees. The employee's remuneration policies of the Group are formulated on the basis of the performance, work experience and salary level prevailing in the market.

(V) ***Assets and liabilities analysis***

As at the end of the Reporting Period, the gearing ratio of the Group, calculated as total interest-bearing bank and other borrowings over total assets, was 28.01%, as compared to 28.72% as at 31 December 2023.

V. Outlook for Operations in the Second Half of 2024

In the second half of 2024, the Group will continue to enhance its R&D efficiency, accelerate to achieve the commercialization value of its launched products, and further improve the quality and efficiency of internal operations. In terms of innovative R&D, the Group will tap into the domestic market and expand into the international market, roll out targeted planning around products and technologies in core therapeutic fields with large unmet needs, improve R&D efficiency, and optimize the structure of pipeline products. In terms of improving operation and management efficiency, the Group will proactively promote lean operations, cost reduction, efficiency improvement and asset rationalization to optimize the financial structure and lay a solid foundation for the Group's long-term stable development.

In order to achieve the above operating objectives, specific strategies and actions include:

Pharmaceutical Manufacturing

In the second half of 2024, the Group will continue to implement the "4IN" strategy, enhance capabilities in innovative R&D, strive to develop strategic products, expand global market opportunities, optimize asset allocation, and promote efficiency in R&D and operation.

In terms of the innovative drug business, the Group will continue to focus on its competitive resources to ensure the smooth advancement of key projects, comprehensively upgrade its BD capabilities to consolidate its dominant position in hematological tumors, breast cancers, lung cancers and other tumors, expand the layout opportunities of immune inflammation, chronic diseases (liver disease, metabolism, kidney disease, etc.) and central nervous system; by expanding industry-university-research cooperation with world-class universities and scientific research institutes, the Group will capture the originally innovative products in the early stage; at the same time, the Group will actively promote the export of quality products and promote global simultaneous development. On the marketing side, the Group will promote the upgrading of the marketing organization and strengthen product life cycle management through a large access system and innovative all-area marketing, so as to maximize the commercial value of innovative products and strive to create a matrix of blockbuster products worth billions of RMB.

In terms of the established medicines manufacturing & supply business, with respect to R&D, the Group will establish R&D projects for first generic drugs, difficult generic drugs and differentiated products as well as improved new drugs, efficiently promote the development of pipeline products, and make deployment in high-end/complex preparations such as in situ gels, minitablets, oral fast dissolving film, inhalation and sustained and controlled release, to form a differentiated R&D layout. In terms of operation, the Group will consolidate and plan the industrial layout, strengthen the integration of APIs and preparations, deploy characteristic APIs and emerging technology platforms, strengthen the capacity construction of international registration and marketing system of APIs, comprehensively improve operational efficiency, develop leadership in terms of cost, and focus on promoting the integration and international collaboration of the heparin industry. In terms of marketing, the Group will actively respond to centralized procurement, and accelerate the transformation of the marketing model. While further deepening its presence in the Chinese market and strengthening its presence in the U.S. market, the Group will achieve rapid breakthroughs through strategic layout in emerging markets such as Africa, the Middle East and Southeast Asia, so as to comprehensively promote global layout, form a regional focus, and accelerate international market expansion with the help of external mergers and acquisitions.

In terms of the vaccines business, the Group will continue to enrich the product portfolio of bacterial vaccines, viral vaccines and emerging vaccine technology platforms. The Group will actively promote the phase III clinical trials of 13-valent pneumococcal conjugate vaccine (multivalent combinations), accelerate the marketing progress of quadrivalent influenza virus lysate vaccine, and orderly advance the R&D of strategic vaccine products in the pipeline. At the same time, the Group will strengthen independent R&D and open cooperation, reinforce the core competitiveness of the vaccine technology platform, and continue to promote the improvement of the production capacity and quality system of the vaccine industry.

Medical Devices and Medical Diagnosis

In the second half of 2024, in terms of the medical devices business, the Group will continue to focus on medical cosmetology, respiratory health, professional medical products and other business areas, systematically improve its marketing, product competitiveness and incubation capabilities, and further promote the professional, international and branding-oriented development of the medical devices business. In particular, the Group will strengthen the diversity of the medical cosmetic business and the value creation of the global network coverage through both internal and external expansion. The Group will continue to deeply integrate the respiratory health business, expand the business and enhance the quality of profitability. The professional medical products business focuses on tumor, nerve and other fields, strengthen professional marketing and create an advantageous brand in the field of specialties.

In the second half of 2024, in terms of the medical diagnosis segment, the Group will continue to deepen the product line portfolios in the construction of product matrix, accelerate the launch of laboratory equipment platform of the testing center, immunological reagent combinations, and molecular reagent combination products, and improve its ability to provide integrated medical diagnosis solutions. It will also actively promote the launch of the second-generation reagents such as high-speed chemiluminescence analyzer FCi-6200, hypersensitive troponin Hs-cTn (Chemical luminescence), CA199 test kits (Chemical luminescence), etc., as well as respiratory virus joint inspection (PCR method).

Healthcare services

In the second half of 2024, based on the continuous consolidation on its existing advantageous areas, the healthcare services business with focus on comprehensive medical institutions, will continue to improve specialized service capabilities and a full life cycle management system based on patients' disease process, so as to further enhance the standard of its medical services. It will also continue to strengthen its core capabilities, promote the innovation and application of medical technologies, and enhance the integrated operation efficiency. It will continue to enhance the cooperation with commercial insurance in terms of depth and breadth, increase the coverage of commercial insurance in healthcare services business, and accelerate the expansion of one-stop health management services for the integration of medicine, healthcare and insurance. It will continue to deepen the integrated online and offline smart healthcare services based on the digital platform. Meanwhile, It will explore capabilities of international medical services, with a focus on the Greater Bay Area.

In the second half of 2024, the rehabilitation specialty business will continue to develop an innovative, chain-based rehabilitation healthcare model of "multiple locations in one city" in core regions and key cities. Centering on specialty development and featuring disease-specific treatment products, rehabilitation medical institutions will enhance lean operations, the medical quality and the professional standards of healthcare management. It will optimize the construction of information system and digital platform, deepen strategic supply chain cooperation, and refine digital and intelligent support solutions, so as to lay a solid foundation for interconnected management of operations, patient management and specialized services, enhance the construction of "clinical-rehabilitation integration", and improve the healthcare experience for rehabilitation patients.

VI. Potential Risks

(I) *Industry policies adjustments*

The medical healthcare industry is one of the industries most affected by national policies, involving various ministries and commissions and institutions such as national medical insurance, health, drug supervision and administration, industrialization and informatization, technology and intellectual property rights. With the intensified efforts in the reform of drug production and manufacturing, medical health and medical protection, the policies on medical

healthcare market environment are basically shaped, leading to the innovative transformation, industry consolidation and transformation in business models becoming a matter of great urgency. As the connection between the elements in "Three Medical Linkages" grows stronger, the promotion and implementation of new policies on national and regional centralized procurement in quantity for drugs, price and payment method adjustments for medical insurance payments, dynamic adjustments to National Medical Insurance Drug Catalogue, and biosafety and environmental protection affect the production costs and profitability of the entire pharmaceutical industry and have brought about a renovated competitive structure to the industry.

In the field of medical devices and medical diagnosis, the policies encourage the integration of the company's resources and advantage complementation, and put innovation as the development focus, which intensifies the support for the innovation of high-end medical devices, and thus the technology levels of clinical products are continuously improved. The centralized procurement in quantity for high-value consumables and diagnostic reagents also brings about a drastic change to the industry.

In the field of healthcare services, it requires more strategic and diversified thinking on how socially-organized medical institutions can achieve closer cooperation, differentiated development and collaborative expansion with the mainstay of healthcare services to explore new areas of healthcare services.

In this regard, the Group will closely monitor and analyze on the policy trends of related industries, keep abreast of the development trends of the industry, continuously improve business management, and aim to fully reduce the business risks caused by policy changes.

(II) ***Market risks***

With the deepening reform of the medical system, The National Healthcare Security Administration has initiated a comprehensive governance of drug and consumable prices, and extended it to retail terminals. Meanwhile, it increased the reform efforts in healthcare payment based on Diagnosis Related Groups (DRG) and Diagnosis Intervention Packet (DIP), aiming to further optimize and reshape medical practices.

In the field of innovative drugs, since the market size of generic drugs has been drastically shrunk, numerous generic drugs companies seek transformation. With China's entry into the ICH (i.e. The International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use) and the domestic drug review and approval system being gradually brought into line with international standards, more and more innovative drugs are being marketed at a faster pace. The internal competition among local innovative pharmaceutical companies has been increasingly fierce, and at the same time, they are also facing competition from international pharmaceutical companies. In addition, the development and launch of innovative products by domestic pharmaceutical companies in overseas markets also face challenges such as heavy investment and lack of familiarity with regulatory

requirements. In the field of generic drugs, with the gradually tighter control policy on medical insurance payments, and the consistent implementation and advance of national and regional centralized procurement in quantity for drugs, the generic drugs industry will be further concentrated. Meanwhile, with the progressing supply-side reforms and the rapid launch of more innovative drugs, the market shares and profit margins of generic pharmaceutical products will be subject to further pressure.

In addition, the competition for generic drugs in the overseas markets, mainly in the U.S., is fierce, and drug regulatory agencies implemented increasingly stringent requirements on production quality. These factors constitute unavoidable risks during the deepening of internationalization. In emerging markets such as Africa, more and more generic drugs companies have joined the competition, resulting in intensified price pressure on government tenders, as well as increasing risks of competition.

In this regard, the Group will keep abreast of the changes in development trend of the industry, insist on innovation R&D, enrich product pipelines, optimize product structure, and enhance the R&D efficiency. At the same time, the Group will enhance the benefits from economies of scale, and improve quality and increase productivity for production. In terms of marketing, the Group will increase efforts in market development and enhance the marketability of products, so as to expand market coverage.

(III) ***Business and operating risks***

1. *R&D risks of drugs*

   Drugs must undergo processes ranging from preclinical studies, clinical trials, application for registration and approval for production during the R&D stage to marketing stage, and drug R&D is characterized by large investment, long cycles and high risks, etc. and is also susceptible to unpredictable factors. In addition, if the R&D of drugs does not match future market demand, or if the sales of the new drugs are not sufficient due to intensified competition and other factors, the recovery of the initial investment and the realization of economic benefits may be affected, which will in turn adversely affect the profitability and development of the Group.

   In this regard, the Group will continue to strengthen its project and early research capabilities, establish a lean R&D process and concept, scientifically employ Go/No-go decisions, and improve R&D efficiency and output with an effective reward and punishment mechanism. In addition, the Group will further strengthen the construction of BD and clinical registration capabilities, introduce and develop product pipelines with high clinical value and strong innovative attributes, and accelerate the approval for launch of innovative products; at the same time, it actively explore the layout of innovative technology platforms and new targets to create competitive product pipelines by virtue of various models such as industry-university-research cooperation and industrial investment.

2. *Quality control risks of products and services*

Drugs, medical devices and diagnostic products are special commodities, and the society pays a great deal of attention to their quality. The Group has been continuously increasing its management efforts and investment in technological upgrading in terms of quality management. The technology and equipment standards of subsidiaries have been significantly improved. However, due to the many production stages for pharmaceutical products, quality issues may arise due to raw materials, production, transportation, storage, use and other matters. Meanwhile, the Group has formulated corresponding management measures and established management agencies to ensure that the procurement, inventory, preparation, and sales of pharmaceuticals, medical devices, and diagnostic products comply with GMP and relevant requirements and operate in accordance with the laws. However, there may still be the possibility that the relevant operating entities will be punished for failing to strictly abide by relevant laws and regulations due to various reasons such as poor management in the actual course of operation.

The healthcare services segment may be subject to risks of medical malpractice claims or disputes, including complaints and disputes between doctors and patients arising from surgical errors, medical misdiagnosis and incidents relating to defects of treatment and diagnostic devices. In the event of serious medical malpractice, relevant compensation and loss may be incurred by the Group, which may in turn affect the operation results, brand and market reputation of the Group's healthcare services institutions.

In this regard, the Group will continue to focus on quality and risk management throughout the life cycle of its products, implement quality and safety control mechanisms and pharmacovigilance mechanism and keep taking lean operations as a means. For healthcare services, the Group will strengthen the construction of disciplines and improve the quality of operations while pursuing business development.

3. *Safety and environmental risks*

Manufacturing companies are also exposed to safety and environmental risks during the production process. In the process of production of drugs, medical devices and diagnostic products, due to the dangerous chemical substances involved in the APIs, improper operation or inadequate maintenance measures during loading, unloading, handling, storage and use may cause production safety incident. Residue, waste gas, waste liquid and other pollutants produced during the manufacturing of products or provision of healthcare services will be harmful to the surrounding environment if they are not treated properly, which in turn will affect the normal production and operation of the Group. Although the Group has bioremediate and emitted pollutants strictly in compliance with the relevant environmental laws, regulations and standards, the environmental protection

costs incurred by the Group may increase in light of the enhanced social awareness on environmental protection over time, and the potential implementation of more stringent environmental protection laws and regulations by central and local government.

In this regard, the Group will continuously strengthen production safety management, reinforce staff training and implement relevant safety production measures to reasonably control risks. Meanwhile, the Company will attach importance and fulfill its social responsibility for environmental protection, to ensure the normal operation of environmental protection facilities and ensure that the target of emissions is met.

(IV) ***Management risks***

1. *Risks of internationalization*

Geopolitical uncertainty poses risks to the international operation of the biopharmaceutical industry. The Chinese Biopharmaceutical companies' international cooperation may be affected by the new pattern and new policies.

In addition, the Group may face various problems during the implementation of its internationalization strategy, including unfamiliarity with the overseas regulatory environment and markets, difference in the demands between overseas and domestic customers, and implementation of trade protection policies in certain countries. At the same time, with the further expansion of the global sales network, the scale of sales and the scope of business, there will be higher requirements on the operating and management capabilities of the Group. If the Group's capability on aspects such as production and operation, marketing, quality control, risk management, compliance with integrity, data protection and talent training does not align with the development pace of the internationalization and the requirement for the expansion of the Group, the Group will be exposed to operating and management risks.

2. *Risks arising from mergers, acquisitions and restructuring*

Legal, policy and operating risk exposures may also be confronted by the Group during the process of mergers, acquisitions and business consolidations. Upon completion of acquisitions, the requirements on the operation and management of the Group will become higher. If mergers and acquisitions could not bring about a synergistic impact, the operating results of the Group may be adversely affected.

In this regard, the Group will continue to improve its technologies and professionalism, the understanding of regulatory rules and policies of overseas market so as to minimize the potential operational risks of operational activities.

(V) ***Exchange rate fluctuation risks***

With the implementation of internationalization strategies, the Group continued to expand its operation areas, and the proportion of purchases, sales, and mergers and acquisitions denominated in foreign currencies has continued to increase. Changes in exchange rates will affect the value of assets and liabilities denominated in foreign currencies and the value of invested overseas entities, thereby indirectly causing changes in the Group's income or cash flow over a period of time. With the continuous deepening of the reform of exchange rate marketization, the exchange rate between RMB and other convertible currencies fluctuates in a greater range during the exchange rate settlement process and therefore brings the risk of exchange rate fluctuations.

In this regard, the Group will keep paying attention to fluctuations of the foreign exchange rate, optimizing the structure of domestic and overseas assets, and reasonably controlling foreign exchange exposure so as to improve the ability to deal with exchange rate fluctuation risks.

(VI) ***Force majeure risks***

Severe natural disasters and abrupt public health incidents may harm the properties and personnel of the Group, and may affect the normal production and operation of the Group.

In this regard, the Group will strengthen the analysis and prediction of force majeure risks, establish and improve the emergency management system so as to try to reduce the adverse impact that force majeure incidents may bring to operations.

VII. Other Events

Increase in Shareholding by a Controlling Shareholder

On 13 September 2023, 22 September 2023 and 24 November 2023, the Company received written notifications by Fosun High Tech, a controlling shareholder, that Fosun High Tech planned to further increase its shareholding in the Company (including A Shares and/or H Shares) by way of, including but not limited to, centralised price bidding or block trade at the stock exchanges and transfer by agreement (and/or through parties acting in concert with it) within the 12-month period commencing from 13 September 2023 (inclusive), if and where appropriate, and the cumulative total consideration thereof shall not be less than RMB100 million[Note] (including the total consideration for an increase in shareholding of A Shares of not less than RMB100 million) and the additional shareholding interest to be acquired in aggregate shall not exceed 2% of the total issued shares of the Company as at 13 September 2023 (i.e. 2,672,156,611 Shares, the same below) (and the aggregated number of shares in the Company to be acquired in the 12-month period on a rolling basis shall not exceed 2% of the total issued shares of the Company) (the

Note: The exchange rate of HKD against RMB is converted based on the central parity rate of HKD against RMB announced by the People's Bank of China on the day of the relevant shareholding increase.

"**Shareholding Increase Plan**"). Fosun High Tech and/or parties acting in concert with it shall not reduce its/their shareholding in the Company during the implementation of the Shareholding Increase Plan and within the statutory restricted period.

As at the end of the Reporting Period, pursuant to the Shareholding Increase Plan, Fosun High Tech acquired a total of 720,000 Shares of the Company (all being A Shares), representing approximately 0.03% of the total number of Shares of the Company in issue as at 13 September 2023, with a total purchase price of approximately RMB20.08 million.

Interbank Market Debt Financing Instruments

The initial issuance amount of the first tranche of medium-term notes of Shanghai Fosun Pharmaceutical (Group) Co., Ltd. in 2022 is RMB500 million. Pursuant to the issuer's option to adjust the coupon rate and the investor's sellback option as set out in the Prospectus for the First Tranche of Medium-Term Notes of Shanghai Fosun Pharmaceutical (Group) Co., Ltd. in 2022, the Company decided to increase the coupon interest rate of the medium-term notes from 3.50% to 4.20% from the third interest-bearing year. At the same time, some holders exercised the sellback option, and the sellback amount totaled RMB260 million. The balance of the medium-term notes was reduced to RMB240 million, and the part sold back was not resold. In March 2024, the payment of the current interest and the soldback amount was completed regarding the medium-term notes, and the part sold back was cancelled.

Merger by Absorption and Privatization of Shanghai Henlius

On 24 June 2024, Fosun New Medicine (as the offeror and acquirer), a subsidiary, announced that it proposed to acquire and cancel all shares of Shanghai Henlius (including H shares and unlisted shares) held by other existing shareholders of Shanghai Henlius through the cash and/or the share alternative (the "**Merger**") and to privatize Shanghai Henlius, and on 23 August 2024, revised the relevant plan.

Upon the completion of the Merger, Fosun New Medicine (as existing entity after the Merger) will inherit and assume all assets, liabilities, interests, businesses, personnel, contracts and all rights and obligations of Shanghai Henlius, and the legal entity of Shanghai Henlius will be eventually deregistered.

As of the date of this announcement, the Merger is still subject to the approval, filing or registration of the NDRC, the MoF, the SAFE or the local authorities of such agencies, the securities regulatory authorities and/or stock exchanges in the relevant jurisdictions and other relevant government authorities (if applicable), as well as the approval of the general meeting of shareholders and the H shareholders class meeting of Shanghai Henlius. The voluntary delisting application of Shanghai Henlius is also subject to the approval of the Hong Kong Stock Exchange. There is still significant uncertainty regarding the Merger and the voluntary delisting of Shanghai Henlius.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Repurchase of A Shares

On 26 March 2024, the Board considered and approved the share repurchase plan (the "**Repurchase Plan**"), approving that the Company would repurchase its A Shares through centralized bidding trading on the SSE trading system with its own funds. The total repurchase funds shall be not less than RMB100 million and not more than RMB200 million (both inclusive). The repurchase period shall be 6 months from the date of approval of the Repurchase Plan by the Board (i.e. from 26 March 2024 to 25 September 2024 (both dates inclusive)).

During the Reporting Period, pursuant to the Repurchase Plan, the Company repurchased a total of 1,457,800 A Shares, representing approximately 0.0546% of the total number of Shares of the Company as of the end of the Reporting Period (i.e. 2,672,398,711 Shares). The total repurchase amount was approximately RMB32.3238 million (excluding transaction costs). As at the end of the Reporting Period, the Company held 1,457,800 A Shares as treasury shares through repurchase, which were intended to be used for the implementation of the equity incentive scheme and/or the employee share ownership scheme.

Save as disclosed above, neither the Company nor any of its subsidiaries repurchased, sold or redeemed any of the Company's listed securities during the period from 1 January 2024 to the end of the Reporting Period.

COMPLIANCE WITH THE CG CODE

As a company whose shares are listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange, the Company has remained in compliance with the Articles of Association, relevant laws and regulations, the Hong Kong Listing Rules and the Shanghai Listing Rules. The Company is committed to continuously improving its corporate governance structure, and optimizing its internal management and control and its business operation in order to improve the corporate governance of the Company.

The corporate governance practices adopted by the Company are based on the principles and Code Provisions under the CG Code contained in Appendix C1 to the Hong Kong Listing Rules.

The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of Shareholders and to enhance corporate value and accountability.

The Board is of the view that throughout the Reporting Period, the Company has complied with all the applicable Code Provisions as set out in the CG Code.

THE MODEL CODE AND THE WRITTEN GUIDANCE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code regarding securities transactions by Directors as set out in Appendix C3 to the Hong Kong Listing Rules and formulated the Written Guidance as its codes of conduct regarding securities transactions. Having made specific enquiry of the Directors, all the Directors have confirmed that they have complied with the standards for securities transactions by directors as set out in the Model Code and the Written Guidance throughout the Reporting Period.

REVIEW OF INTERIM RESULTS BY THE AUDIT COMMITTEE

The Group's unaudited interim results for the six months ended 30 June 2024 have been reviewed by the Audit Committee of the Company.

INTERIM DIVIDEND

The Board does not recommend the distribution of any interim dividend for the Reporting Period.

PUBLICATION OF INTERIM RESULTS AND 2024 INTERIM REPORT

This announcement is published on the websites of the Company (https://www.fosunpharma.com) and the Hong Kong Stock Exchange (https://www.hkexnews.hk). The 2024 Interim Report will be dispatched to the Shareholders and will be published on the websites of the Company and the Hong Kong Stock Exchange as and when appropriate.

CHANGE OF JOINT COMPANY SECRETARY AND AUTHORIZED REPRESENTATIVE

Resignation of Joint Company Secretary and Authorized Representative

The Board announces that Ms. Kam Mei Ha, Wendy ("**Ms. Kam**") has tendered her resignation as (i) the joint company secretary of the Company ("**Joint Company Secretary**"); and (ii) the authorized representative of the Company under Rule 3.05 of the Hong Kong Listing Rules ("**Authorized Representative**") as she has reached the age of retirement, with effect from 27 August 2024.

Ms. Kam has confirmed that she has no disagreement with the Board and there is no matter relating to her resignation that needs to be brought to the attention of the Shareholders.

Appointment of Joint Company Secretary and Authorized Representative

The Board further announces that Ms. Chan Sau Ling (陳秀玲) ("**Ms. Chan**") has been appointed as the Joint Company Secretary and the Authorized Representative of the Company with effect from 27 August 2024. Ms. Chan will serve as the Joint Company Secretary to assist Ms. Dong Xiaoxian, another existing Joint Company Secretary and perform duties of the Authorised Representative with Mr. Wu Yifang.

Ms. Chan, aged 54. Ms. Chan is currently a director of company secretarial department of Tricor Services Limited. Prior to joining Tricor Services Limited, Ms. Chan worked in the company secretarial department of accounting firms. In addition to the appointment by the Company, Ms. Chan currently serves as the Company Secretary/Joint Company Secretary of a few companies listed on the Hong Kong Stock Exchange. Ms. Chan is a Chartered Secretary, a Chartered Governance Professional and a Fellow of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute. Ms. Chan graduated from University of South Australia with a bachelor's degree in accounting in April 2003.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the meanings set out below.

"A Share(s)"	domestic share(s) of the Company with a nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange and traded in RMB
"ADC"	Antibody-drug Conjugate
"ANDA"	Abbreviated New Drug Application
"API"	Active Pharmaceutical Ingredient
"Articles of Association"	the articles of association of the Company
"Board"	the board of Directors
"Breas"	Breas Medical Holdings AB, a company incorporated in Sweden and a subsidiary of the Company
"BSE"	BSE Limited
"Carelife Pharma"	Chongqing Carelife Pharmaceutical Co., Ltd.* (重慶凱林製藥有限公司), a subsidiary of the Company
"CDMO"	Contract Development and Manufacturing Organization
"Cenexi"	Phixen, société par actions simplifiée, a company incorporated in France and a subsidiary of the Company
"CG Code"	the Corporate Governance Code contained in Appendix C1 to the Hong Kong Listing Rules
"CMC"	Chemical Manufacturing and Control
"Code Provisions"	code provisions under the CG Code

"Company" or "Fosun Pharma"	Shanghai Fosun Pharmaceutical (Group) Co., Ltd.* (上海復星醫藥(集團)股份有限公司), a joint stock company incorporated in the PRC with limited liability, whose H Shares and A Shares are listed and traded on the main board of the Hong Kong Stock Exchange and the Shanghai Stock Exchange, respectively
"Director(s)"	director(s) of the Company
"EMA"	European Medicine Agency
"EU"	European Union
"Foshan Chanxi City Investment"	Foshan Chancheng District Chanxi New City Investment and Construction Co., Ltd.* (佛山市禪城區禪西新城投資建設有限公司)
"Foshan Fosun Chancheng Hospital"	Foshan Fosun Chancheng Hospital Limited* (佛山復星禪誠醫院有限公司), a subsidiary of the Company
"Fosun Health"	Shanghai Fosun Health Technology (Group) Co., Ltd.* (上海復星健康科技(集團)有限公司), a subsidiary of the Company
"Fosun High Tech"	Shanghai Fosun High Technology (Group) Company Limited* (上海復星高科技(集團)有限公司), a direct wholly-owned subsidiary of Fosun International and a controlling Shareholder of the Company
"Fosun International"	Fosun International Limited, a company incorporated in Hong Kong and listed on the Hong Kong Stock Exchange (stock code: 00656), an indirect subsidiary of Fosun International Holdings and a controlling Shareholder of the Company
"Fosun International Holdings"	Fosun International Holdings Limited, a company incorporated in the British Virgin Islands, which was held as to 85.29% and 14.71% by Mr. Guo Guangchang and Mr. Wang Qunbin, respectively, as at the end of the Reporting Period, and a controlling Shareholder of the Company
"Fosun Kite"	Fosun Kite Biological Technology Co., Ltd.* (復星凱特生物科技有限公司), a joint venture of the Company
"Fosun Insightec"	Fosun Insightec Medical Technology (Jiangsu Xuzhou) Co., Ltd.* (復星醫視特醫療科技(江蘇徐州)有限公司), a subsidiary of the Company

"Fosun New Medicine"	Shanghai Fosun New Medicine Research Company Limited* (上海復星新藥研究股份有限公司) (formerly known as Shanghai Fosun New Medicine Research Company Limited* (上海復星新藥研究有限公司), converted into a joint stock company and renamed in July 2024), a subsidiary of the Company
"Futuo Zhida"	Shanghai Futuo Zhida Healthcare Technology Co., Ltd.* (上海復拓知達醫療科技有限公司), a subsidiary of the Company
"Gland Pharma"	Gland Pharma Limited, a company incorporated in India and listed on the BSE and NSE (stock code: Gland), and a subsidiary of the Company
"GMP"	Good Manufacture Practices
"Group"	the Company and its subsidiaries (or the Company and any one or more of its subsidiaries, as the context may require)
"Guangzhou Xinshi Hospital"	Guangzhou Xinshi Hospital Co., Ltd.* (廣州新市醫院有限公司), a subsidiary of the Company
"Guilin Pharma"	Guilin Pharmaceutical Co., Ltd.* (桂林南藥股份有限公司), a subsidiary of the Company
"H Share(s)"	overseas listed foreign share(s) in the ordinary share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Hunan Dongting"	Hunan Dongting Pharmaceutical Co., Ltd.* (湖南洞庭藥業股份有限公司), a subsidiary of the Company
"IND"	investigational new drug
"Insightec"	Insightec Ltd., a company incorporated in Israel
"Intuitive Fosun"	Intuitive Surgical-Fosun Medical Technology (Shanghai) Co., Ltd.* (直觀復星醫療器械技術(上海)有限公司), an associated company of the Company

"Jianjia Healthcare"	Jianjia Healthcare Investment Management Co., Ltd.* (健嘉醫療投資管理有限公司), a subsidiary of the Company
"Macau"	the Macau Special Administrative Region of the PRC
"Meiji Seika Pharma"	Meiji Seika Pharma Co., Ltd., a company incorporated in Japan
"MoF"	the Mnistry of Commerce of the PRC
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Hong Kong Listing Rules
"NDRC"	the National Development and Reform Commission of the PRC
"National Medical Insurance Drugs Catalogue"	National Basic Medical Insurance, Work-Related Injury Insurance and Maternity Insurance Drugs Catalogue (《國家基本醫療保險、工傷保險和生育保險藥品目錄》)
"NDA"	new drug application
"NMPA"	National Medical Products Administration (中國國家藥品監督管理局)
"NSE"	The National Stock Exchange of India Limited
"PCT"	Patent Cooperation Treaty
"PRC" or "China"	The People's Republic of China
"R&D"	research and development
"Reporting Period"	the 6-month period from 1 January 2024 to 30 June 2024
"RMB"	Renminbi, the lawful currency of the PRC
"SAFE"	the State Administration of Foreign Exchange of the PRC
"Shanghai Henlius"	Shanghai Henlius Biotech, Inc.* (上海復宏漢霖生物技術股份有限公司), a company incorporated in the PRC and listed on the Hong Kong Stock Exchange (stock code: 02696) and a subsidiary of the Company
"Shanghai Listing Rules"	the Stock Listing Rules of the Shanghai Stock Exchange (《上海證券交易所股票上市規則》)
"Shanghai Stock Exchange"	the Shanghai Stock Exchange (上海證券交易所)
"Shareholder(s)"	holder(s) of Shares

"Shares"	ordinary shares in the share capital of the Company with a nominal value of RMB1.00 each, comprising A Shares and H Shares
"Shenzhen Biopharma Industrial Fund"	Shenzhen Pengfu Biopharmaceutical Industrial Private Equity Investment Fund Partnership Enterprise (Limited Partnership)* (深圳市鵬復生物醫藥產業私募股權投資基金合夥企業(有限合夥)), an associate of the Company as at the end of the Reporting period
"Sinopharm"	Sinopharm Group Co. Ltd.* (國藥控股股份有限公司), a company incorporated in the PRC and listed on the Hong Kong Stock Exchange (stock code: 01099), a subsidiary of Sinopharm Industrial
"Sinopharm Industrial"	Sinopharm Industrial Investment Co., Ltd.* (國藥產業投資有限公司), an associate of the Company
"Sisram Medical"	Sisram Medical Ltd, a company incorporated in Israel and listed on the Hong Kong Stock Exchange (stock code: 01696), a subsidiary of the Company
"Tianjin Pharma"	Tianjin Pharma Group Co., Ltd* (天津藥業集團有限公司)
"U.S." or "United States"	United States of America, its territories and possessions, any state of the United States and the District of Columbia
"U.S. FDA"	U.S. Food and Drug Administration
"US$" or "US dollars"	United States dollars, the lawful currency of the United States
"Wanbang Pharma"	Jiangsu Wanbang Biopharmaceutical Company Limited* (江蘇萬邦生化醫藥集團有限責任公司), a subsidiary of the Company
"WHO PQ"	World Health Organization — Prequalification
"Written Guidance"	Written Guidance for Securities Transactions by Directors/Relevant Employees of Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (《上海復星醫藥(集團)股份有限公司董事／有關僱員進行證券交易的書面指引》)
"Xingnuo Pharma"	Jiangsu Xingnuo Pharmaceutical Technology Company Limited* (江蘇星諾醫藥科技有限公司), a subsidiary of the Company
"Yao Pharma"	Chongqing Yao Pharmaceutical Company Limited* (重慶藥友製藥有限責任公司), a subsidiary of the Company

"YSB"	YSB Inc., a company incorporated in the Cayman Islands and listed on the Hong Kong Stock Exchange (stock code: 09885)
"%"	per cent

By order of the Board
Shanghai Fosun Pharmaceutical (Group) Co., Ltd.*
Wu Yifang
Chairman

Shanghai, the PRC
27 August 2024

As at the date of this announcement, the executive directors of the Company are Mr. Wu Yifang, Mr. Wang Kexin, Ms. Guan Xiaohui and Mr. Wen Deyong; the non-executive directors of the Company are Mr. Chen Qiyu, Mr. Xu Xiaoliang and Mr. Pan Donghui; and the independent non-executive directors of the Company are Ms. Li Ling, Mr. Tang Guliang, Mr. Wang Quandi and Mr. Yu Tze Shan Hailson.

* *For identification purposes only*