

Huadong Medicine Co., Ltd.

Semi-Annual Report 2024

August 16, 2024

Section I. Important Declaration, Contents and Definitions

The Board of Directors, Board of Supervisors, directors, supervisors and senior managers of Huadong Medicine Co., Ltd. (hereinafter referred to as the “Company”) hereby guarantee that the information presented in this semi-annual report is authentic, accurate and complete, and free of any false records, misleading statements or material omissions, and shall undertake individual and joint legal liabilities.

Lv Liang, the Company’s legal representative and the officer in charge of accounting, and Qiu Renbo, head of accounting department (accounting supervisor) hereby declare and guarantee that the financial statements in this semi-annual report are authentic, accurate and complete.

All directors have attended the Board of Directors meeting to review this semi-annual report.

The future plans, development strategies and other forward-looking statements in this semi-annual report shall not be considered as substantial commitment of the Company to investors. Investors and related parties should be fully aware of the risks, and understand the differences between plans, forecasts and commitments.

The risks the Company faces in operation include industry policy and product price reduction risk, new drug R&D risk, investment and M&A risk and exchange rate fluctuation risk. For details, please refer to “X. Risks and Countermeasures” in “Section III. Management’s Discussion and Analysis”.

Therefore, investors are kindly reminded to pay attention to possible investment risks.

The dividend distribution scheme approved at the meeting of the Board of Directors is as follows: On the basis of 1,754,262,548 shares that are obtained after removing 65,000 restricted shares that have not been repurchased and canceled from the total share capital of 1,754,327,548 shares of the Company, 3.50 yuan (before tax) of cash dividends per ten common shares will be distributed to all shareholders; a total of 0 bonus share (before tax) will be issued; and no capital reserve will be converted to increase the capital stock.

According to “Stock Listing Rules of the Shenzhen Stock Exchange”, if listed companies have both Chinese and other language version of public notice, they should ensure the content of both versions are the same. In the case of discrepancy, the original version in Chinese shall prevail.

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Contents of Reference File

- (I) Financial statements signed and stamped by the legal representative, the person in charge of accounting work and the head of accounting institution (accounting manager).

- (II) The original of all Company's documents publicly disclosed in the press designated by CSRC during the reporting period and the original of announcements.

Definitions

Term	refers to	Definition
CSRC	refers to	China Securities Regulatory Commission
SSE	refers to	Shenzhen Stock Exchange
Huadong Medicine/the Company/our Company	refers to	Huadong Medicine Co., Ltd.
CGE	refers to	China Grand Enterprises, Inc.
Huadong Medicine Group	refers to	Hangzhou Huadong Medicine Group Co., Ltd.
Zhongmei Huadong	refers to	Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd.
Jiangdong Company	refers to	Hangzhou Zhongmei Huadong Pharmaceutical Jiangdong Co., Ltd.
Jiangsu Joyang	refers to	Joyang Laboratories
Xi'an Bohua/ Bohua Pharmaceutical	refers to	Huadong Medicine (Xi'an) Bohua Pharmaceutical Co., Ltd.
Jiuyuan Gene	refers to	Hangzhou Jiuyuan Gene Engineering Co., Ltd.
Doer Biologics	refers to	Zhejiang Doer Biologics Co., Ltd.
Huadong Ningbo	refers to	Huadong Ningbo Medicine Co., Ltd.
Chongqing Peg-Bio	refers to	Chongqing Peg-Bio Biopharm Co., Ltd.
Qyuns Therapeutics	refers to	Qyuns Therapeutics Co., Ltd.
Nuoling Bio	refers to	Nuoling Biomedical Technology (Beijing) Co., Ltd.
Grand Chanrong	refers to	Shanghai Grand Industrial and Financial Investment Management Co., Ltd.
Grand Huachuang	refers to	Beijing Grand Huachuang Investment Co., Ltd.
Hangzhou Heda	refers to	Hangzhou Heda Industrial Fund Investment Co., Ltd.
Fuguang Hongxin	refers to	Hangzhou Fuguang Hongxin Equity Investment Partnership (Limited Partnership)
Meihua Hi-Tech/ Anhui Meihua	refers to	Anhui Meihua Hi-Tech Pharmaceutical Co., Ltd.
Wuhu Huaren	refers to	Wuhu Huaren Science and Technology Co., Ltd.
Magic Health	refers to	Hubei Magic Health Technology Co., Ltd.
CARsgen Therapeutics	refers to	CARsgen Therapeutics Holdings Limited
Nanjing Nongda Animal Pharmaceutical	refers to	Jiangsu Nanjing Nongda Animal Pharmaceutical Co., Ltd.
Hibe	refers to	Hibe Technology Co., Ltd.
Chongqing Yuyan	refers to	Chongqing Yuyan Pharmaceutical Co., Ltd.
IMPACT Therapeutics	refers to	Nanjing IMPACT Therapeutics Co., Ltd.
Imunopharm	refers to	Beijing Imunopharm Technology Co., Ltd.
Huadong Medicine Hangzhou	refers to	Huadong Medicine (Hangzhou) Co., Ltd.
HengBa Pharmaceutical	refers to	Guizhou HengBa Pharmaceutical Limited Liability Company
Auzone	refers to	Suzhou Auzone Biological Technology Co., Ltd.
Huadong Medicine Investment	refers to	Huadong Medicine Investment Holding (Hong Kong) Limited
Biological Products Company	refers to	Huadong Medicine (Hangzhou) Biological Products Co., Ltd.
Takeda	refers to	Takeda Pharmaceuticals Company Ltd.
GLP-1	refers to	Glucagon-like Peptide 1

CAR-T	refers to	Chimeric Antigen Receptor T-Cell
Sinclair	refers to	Sinclair Pharma Limited
vTv	refers to	vTv Therapeutics LLC
R2	refers to	R2 Technologies, Inc.
MediBeacon	refers to	MediBeacon Inc.
ImmunoGen	refers to	ImmunoGen, Inc.
Provention Bio	refers to	Provention Bio, Inc.
RAPT	refers to	RAPT Therapeutics, Inc.
Kylane	refers to	Kylane Laboratories SA
High Tech	refers to	High Technology Products, S.L.U.
Heidelberg Pharma	refers to	Heidelberg Pharma AG
Kiniksa	refers to	Kiniksa Pharmaceuticals (UK), Ltd.
KiOmed	refers to	KiOmed Pharma SA
Arcutis	refers to	Arcutis Biotherapeutics, Inc.
MC2	refers to	MC2 Therapeutics Ltd.
ATGC	refers to	ATGC Co., Ltd.
GMP	refers to	Good Manufacturing Practice
cGMP	refers to	Current Good Manufacturing Practices
GSP	refers to	Good Supply Practice
BE	refers to	Bioequivalence
CDE	refers to	Center for Drug Evaluation (of National Medical Products Administration)
MAH	refers to	Marketing Authorization Holder
FDA	refers to	(U.S.) Food and Drug Administration
NMPA	refers to	National Medical Products Administration
NHSA	refers to	National Healthcare Security Administration
NDA	refers to	New Drug Application
BLA	refers to	Biologic License Application
ANDA	refers to	Abbreviated New Drug Application (or Generic Drug Application)
ICH	refers to	International Council for Harmonisation (of Technical Requirements for Pharmaceuticals for Human Use)
IND	refers to	Investigational New Drug
PK/PD	refers to	Pharmacokinetics/ pharmacodynamics
CMC	refers to	Chemistry, Manufacturing and Control, mainly such pharmaceutical researches as manufacturing technology, impurity research, quality research, and stability research during drug research and development.
CMO	refers to	Contract Manufacturing Organization, i.e. Providing such services as customized manufacturing of medical intermediates, APIs and pharmaceutical preparations entrusted by pharmaceutical companies.
CDMO	refers to	Contract Development and Manufacturing Organization, mainly including providing customized R&D and production services for multinational pharmaceutical companies and biotechnology companies, such as process R&D and preparation, process optimization, scale-up manufacturing, registration and verification

		batches manufacturing, and commercial manufacturing of medicines, especially innovative medicines.
QA	refers to	Quality Assurance (department)
ADC	refers to	Antibody-Drug Conjugates
EBD	refers to	Energy Based Devices
license-in	refers to	Product license introduction
license-out	refers to	Product External License Authorization
BD	refers to	Business Development
EBITDA	refers to	Earnings Before Interest, Taxes, Depreciation and Amortization
EHS	refers to	Environment, Health and Safety Management Systems
MRCT	refers to	Multi-regional Clinical Trials
OTC	refers to	Over The Counter, i.e. medicines published by the medical products administration under the State Council and purchased and used by consumers at their discretion without the prescription of practicing doctors or assistant practicing doctors.
PFS	refers to	Progression-free survival
Prescription Drugs	refers to	Drugs that require medical prescriptions issued by physicians to be bought and used
RWR/RWS	refers to	Real World Research/Study, RWR/RWS, refers to collecting data related to patients in the real world environment (Real World Data), through analysis, acquiring the use value of medical products and clinical evidence of potential benefits or risks (Real World Evidence).
2023 Drug Catalog	refers to	Catalogue of Drugs for Basic National Medical Insurance/Employment Injury Insurance/Birth Insurance (2023)
Reporting Period	refers to	From January 1, 2024, to June 30, 2024

Section II. Company Profile and Key Financial Indicators

I. Company information

Stock name (abbreviation)	Huadong Medicine	Stock code	000963
Stock listed on	Shenzhen Stock Exchange		
Company name in Chinese	华东医药股份有限公司		
Company name in Chinese (abbreviation, if any)	华东医药		
Company name in English (if any)	Huadong Medicine Co., Ltd.		
Company name in English (abbreviation, if any)	Huadong Medicine		
Legal representative	Lv Liang		

II. Contact persons and contact information

	Secretary of the Board of Directors	Securities affairs representative
Name	Chen Bo	Hu Shufen
Contact address	No. 866, Moganshan Road, Hangzhou	No. 866, Moganshan Road, Hangzhou
Tel.	0571-89903300	0571-89903300
Fax	0571-89903300	0571-89903300
Email address	hz000963@126.com	hz000963@126.com

III. Other information

1. Company's contact information

Whether there is any change in the Company's registered address, office address, zip code, company website or company email address during the reporting period.

Applicable N/A

The Company's registered address, office address, zip code, company website or company email address have not changed during the reporting period. For details, please refer to the 2023 Annual Report.

2. Channels of disclosure and location of preparation

Whether there is alteration in channels of disclosure and location of preparation

Applicable N/A

The website of the stock exchange, media and website for disclosing the semi-annual report, and the location of preparation of the Company's semi-annual report have not changed during the reporting period. For details, please refer to the 2023 Annual Report.

3. Other information

Changes in other related materials

Applicable N/A

At the 24th meeting of the 10th Board of Directors held on May 30, 2024, the Company deliberated on and approved the *Proposal on Increasing the Business Scope, Changing Registered Address and Amending the Articles of Association*. Please refer to the *Announcement on Increasing the Business Scope, Changing Registered Capital and Amending the Articles of Association* (Announcement No.: 2024-051) disclosed by the Company on Cninfo (<http://www.cninfo.com.cn>) for details. In July 2024, the Company completed the registration of industrial and commercial changes related to the increase of its business scope, and obtained the *Business License* renewed by Zhejiang Provincial Market Supervision and Administration Bureau.

IV. Key accounting data and financial indicators

Whether the Company needs to perform a retroactive adjustment or restatement of previous accounting data

Yes No

	Current reporting period	Same period last year	Change of the current reporting period over the same period last year (%)
Operating revenue (yuan)	20,965,065,605.67	20,385,344,288.81	2.84%
Net profit attributable to shareholders of listed companies (yuan)	1,696,020,589.20	1,433,824,629.56	18.29%
Net profit attributable to shareholders of listed companies after deducting non-recurring gains/losses (yuan)	1,625,200,244.09	1,427,487,870.97	13.85%
Net cash flow from operating activities (yuan)	2,275,256,481.44	2,021,743,748.65	12.54%
Basic earnings per share (yuan/share)	0.9675	0.8194	18.07%
Diluted earnings per share (yuan/share)	0.9686	0.8190	18.27%
Weighted average return on equity (ROE)	7.80%	7.43%	0.37%
	End of the current reporting period	End of last year	Change of the end of the current reporting period over the end of last year (%)
Total assets (yuan)	36,166,783,775.64	33,509,361,816.98	7.93%
Net assets attributable to shareholders of listed companies (yuan)	21,760,294,487.74	21,047,609,756.66	3.39%

V. Differences in accounting data under domestic and overseas accounting standards

1. Differences in net profit and net assets disclosed in financial statements under international and Chinese accounting standards

Applicable N/A

There are no differences in net profit and net assets disclosed in financial statements under international and Chinese accounting standards during the reporting period.

2. Differences in net profit and net assets disclosed in financial statements under overseas and Chinese accounting standards

Applicable N/A

There are no differences in net profit and net assets disclosed in financial statements under overseas and Chinese accounting standards during the reporting period.

VI. Items and amounts of non-recurring gains/losses

Applicable N/A

Unit: yuan

Item	Amount	Note
Gains/losses on disposal of non-current assets (including the written-off part of the accrued assets impairment reserve)	4,359,863.53	
Government grants included in current gains/losses (excluding those closely related to daily business operation, distributed constantly in accordance with defined standards in line with national policies and regulations, and constantly affecting the Company's gains/losses)	77,486,049.64	See XI of the Notes to Financial Statements for details of government grants.
Return of receivables impairment reserves that are individually tested for impairment	1,270,982.00	
Other non-operating revenue and expenditures except the aforesaid items	-31,818,623.29	
Other profit and loss items that satisfy the definition of non-recurring profit and loss	33,151,426.55	
Minus: Amount affected by income tax	8,226,028.61	
Impact on minority interests (post-tax)	5,403,324.71	
Total	70,820,345.11	

Details of other items of gains/losses meet the definition of non-recurring gains/losses:

Applicable N/A

As the operation of Huadong Ningbo Medicine Co., Ltd. Expired on December 31, 2021, the Company confirmed the investment income of 33,151,426.55 yuan in this reporting period by applying the equity method.

Explanation for recognizing an item listed as a non-recurring gain/loss in the *Interpretative Announcement No. 1 on Information Disclosure Criteria for Public Companies - Non-Recurring Gains/Losses* as a recurring gain/loss

Applicable N/A

Explanation for recognizing an item listed as a non-recurring gain/loss in the *Interpretative Announcement No. 1 on Information Disclosure Criteria for Public Companies - Non-Recurring Gains/Losses* as a recurring gain/loss.

Section III. Management's Discussion and Analysis

I. Main business of the company during the reporting period

(I) Main businesses

Founded in 1993 and headquartered in Hangzhou, Zhejiang Province, Huadong Medicine Co., Ltd. (stock code: 000963) was listed on Shenzhen Stock Exchange in December 1999. With its businesses covering the entire pharmaceutical industry chain thanks to over 30 years of vigorous development, the Company has now fostered four major business segments of pharmaceutical industry, pharmaceutical business, aesthetic medicine and industrial microbiology, and has been a large comprehensive listed pharmaceutical enterprise specialized in pharmaceutical R&D, production and marketing.

Specialized in the R&D, production and marketing of specialized medicines, medicines for chronic diseases, as well as special medicines for years, the Company has established complete pharmaceutical production and quality research systems, and fostered core product lines focusing on chronic nephrosis, autoimmunity, internal secretion, oncology and other fields. With multiple first-line clinical medicines with market advantages in China, the Company has made layout in R&D of innovative and high technology barrier generic medicines in three core therapeutic fields of oncology, endocrinology and autoimmunity through independent development, external introduction, project cooperation and by other means. To date, the Company has formed a good rhythm in launching innovative medicines annually. The Company has continued to engage in international registration, international certification, consistency evaluation, etc. of products, with successive results achieved. Moreover, the Company has fostered a complete internationally-oriented pharmaceutical industry system, and established and maintained R&D and project cooperation with multiple international innovative R&D enterprises. Moreover, the Company has established strategic partnerships with Pfizer, Takeda and other multinational pharmaceutical companies on products in the Chinese market.

As for the pharmaceutical business, the Company has continuously made innovation in services to lead the high-quality development. To date, the Company has been ranked among the top ten pharmaceutical business enterprises in China for consecutive years. Having four business segments of Chinese & western medicine, medical devices, medicine materials and ginseng & antler, and health

industry, the Company has established 11 regional branches and subsidiaries in Zhejiang Province, and three self-owned pharmaceutical logistics bases in Hangzhou, Jinhua and Wenzhou in northern, central and southern Zhejiang respectively. The Company has also established retail chain and outpatient departments and flagship stores on mainstream e-commerce platforms. In the field of pharmaceutical circulation, the Company has fostered all-round advantages that feature complete categories of products, omni-channel, integration of wholesale and retail, and online and offline collaboration. As for the medical devices and instruments segment, the Company has attached equal importance to both “scale distribution” and “professional agency”. In the ginseng & antler segment, the Company has formed the whole industry chain from planting in bases to processing of prepared pieces, automatic decoction, and self-owned brand functional products, leading the industry in the scale of TCM decoction. In the segment of health industry, the Company has placed its focus on rehabilitation and nursing. As for the innovative business, the Company has always focused on product agency and market expansion, as well as pharmaceutical logistics characterized by cold chain. To date, the Company has built its gold name card as an “integrated pharmaceutical service provider” thanks to its project cooperation and CSO services with suppliers, as well as SPD and industry-university-institute scientific research projects in line with the high-quality development goals of medical institutions.

In terms of aesthetic medicine, the Company has created a comprehensive and differentiated product matrix by following the strategy of “global operation layout and dual-circulation operation & development” with an international vision through forward-looking layout, and now ranks at the forefront of the industry in terms of product quantity and coverage. Specifically, over 20 products have been launched in China and abroad, and more than a dozen innovative global products are in development. Fostering differentiated product lines that cover three major categories of regeneration products, hyaluronic acids and botulinum toxin, the Company is committed to becoming a global leading aesthetic medicine comprehensive solution provider by offering patients with more professional, efficient, comprehensive and safer integrated solutions through diversified combined therapy techniques that combine “noninvasive and micro-invasive”, “facial and body filling”, “products + technologies”, and “injection + energy source device”. Headquartered in the UK, the Company’s wholly-owned subsidiary Sinclair is its global aesthetic medicine operation platform that has R&D centers in the UK, the Netherlands, France, Switzerland, Spain and Israel, and production

bases in the Netherlands, France, the U.S., Switzerland, Bulgaria and Israel. Promoting and marketing PCL microspheres for injection, hyaluronic acid, facial thread lifting and other products in global markets, Sinclair researches, develops and expands its energy-source aesthetic medicine device businesses through its wholly-owned subsidiaries High Tech and Viora. As for the aesthetic medicine segment, the Company also has Sinclair (Shanghai), a wholly-owned subsidiary and its market operation platform in China, as well as R2 in the U.S. and Kyleane in Switzerland, two overseas technical development-type joint-stock subsidiaries.

With profound industrial base and powerful industrial transformation ability thanks to over 40 years of development in the industrial microbiology sector, the Company has successfully development and manufactured multiple types of microbiological medicines, and established the key technology system for R&D and production of microbiological products, ranking at the forefront of the industry in terms of scale and technological level of microbiological fermented products. Being market demand-oriented, R&D technology-driven and industrial resource-coordinative in the industrial microbiology segment, the Company has placed its focus on two business scenarios of application of synthetic biology technology system and innovative development of biopharmaceuticals, and has fostered differentiated product lines and business solutions in four major fields of xRNA, featured APIs&Intermediates, massive health & biomaterials, and animal health. The Company has also established the R&D clusters with Industrial Microbiology of Zhongmei Huadong, HIT Institute of Synthetic Biology, Huida Biotech, Hizyme Biotech, Perfect mRNA and Hibe as the core, and seven industrial bases in Hangzhou Xiangfuqiao, Qiantang New Area, Jiangsu Joyang, Magic Health, Anhui Meihua, Wuhu Huaren, and Nanjing Nongda Animal Pharmaceutical. Moreover, the Company has set up the largest fermentation monomer plants in Zhejiang Province, formed the industry-leading microbiological medicine production ability and high-level R&D capacity that covers all stages of microbiological engineering technologies from strain construction, metabolic regulation, enzymatic catalysis, synthetic modification to separation and purification, and built a complete manufacturing system for R&D, pilot test, commercial production, engineering and public system guarantee of microbiological projects.

(II) Overview of the Company's operations during the reporting period

In 2024, the international situation is still chaotic and intertwined. As for the development and security of the world, new opportunities come with multiple uncertainties and instabilities. The

adverse impact of global environment changes on China has escalated. China has continued to strengthen macro policies to effectively respond to risks and challenges, maintaining the rebound and upturn trend of economy. As Chinese-style modernization has been steadily advanced and the situation of insufficient domestic demand has been improved, the economy will continue to improve in the future.

Nevertheless, the reform of medical and health system in China will keep advancing in 2024, bringing great opportunities and challenges for the continuous transformation and upgrade of the pharmaceutical industry. It was the first time that the government work report had clearly put forward to step up development of innovative medicines and other cutting-edge sectors, foster new growth engines in fields such as biomanufacturing, and open up new fields such as life sciences, defining innovative drugs as an important orientation for the development of new quality productive forces. On July 5, the State Council issued the *Implementation Plan for the Development of Innovative Medicines*, requesting the whole chain to strengthen policy guarantee, make good use of policies regarding price management, medical insurance payment, commercial insurance, medicine preparation & use, investment and financing, optimize review, approval and medical institution assessment mechanisms, and pool efforts to promote the breakthrough development of innovative medicines. Various provinces and municipalities have also successively launched industrial policies to support and encourage the development of innovative medicines, affirming the importance of innovative medicines to China's innovative development strategy. On the industrial side, continuously iterated technological innovation and released new demands have provided sustained impetus for the long-term growth of the industry. On the market side, domestic demand has recovered steadily and China's innovative medicines have been recognized in overseas markets with successive breakthroughs made. The innovative medicine industry in China enters the stage of booming development.

In 2024, a year marking the end of the Company's 7th three-year planning, the reform of the pharmaceutical industry in China keeps deepening, and the volume-based procurement of medicines and consumables has been gradually normalized, institutionalized, accelerated and expanded, bringing certain pressure on overall business growth of the Company. During the reporting period, the Company continuously followed its operation philosophy of "high quality and efficiency" and "struggling forward for development and putting management first", benchmarked with the 2030 Vision, and constantly advanced its operation and management efforts revolving around its annual operation plan and the 7th three-year planning. In the meantime, the Company proactively responded to market competitions and diver uncertainties, and constantly motivated its business vitality and impetus for growth. Thanks to all these efforts, the Company achieved the historically best level in

both operating revenue and net profits, marching ahead steadily towards innovation and high-quality development. In H1 2024, the Company achieved the total operating revenue of 20.965 billion yuan, up 2.84% year on year (up 2.93% year on year in the first quarter), the net profit attributable to shareholders of listed companies of 1.696 billion yuan, up 18.29% year on year (up 14.18% year on year in the first quarter), and the net profit attributable to shareholders of listed companies after deducting non-recurring gains/losses of 1.625 billion yuan, up 13.85% year on year (up 10.66 year on year in the first quarter). After deducting the profits and losses of participating and holding R&D institutions, the net profit after deducting non-recurring profit and loss attributable to shareholders of listed companies was 1.802 billion yuan, up 26.26% compared with the Company's net profit after deducting non-recurring profits and losses attributable to the parent company in H1 2023. The Company kept improving its quality and efficiency and kept the good momentum of steady growth, laying a solid foundation for the attainment of its annual operation goals.

During the reporting period, the Company's four major business segments of pharmaceutical industry, pharmaceutical business, aesthetic medicine and industrial microbiology maintained steady growth in operation, as well as stable improvement in operation quality and growth momentum. In Q2, the Company achieved the total operating revenue of 10.554 billion yuan, up 2.76% year on year. The net profit attributable to shareholders of listed companies was 834 million yuan, up 22.85% year on year. The net profit attributable to shareholders of listed companies after deducting non-recurring gains/losses was 787 million yuan, up 17.46% year on year.

Operation and Development of Four Business Segments of the Company during the Reporting Period

1. Pharmaceutical industry

During the reporting period, the Company's core subsidiary Zhongmei Huadong witnessed favorable growth as a whole and achieved the operating revenue (including CSO business) of 6.698 billion yuan, up 10.63% year on year, and the net profit attributable to the parent company of 1.385 billion yuan, up 11.48% year on year. The net return on equity was 12.29%.

During the reporting period, Hangzhou Zhongmei Huadong Pharmaceutical Service Corporation consolidated its existing marketing system, comprehensively improved its abilities in pharmaceutical services, and constantly deepened the transformation of pharmaceutical services. Moreover, it endeavored to develop a three-dimensional marketing strategy. While stabilizing the hospital market, it continuously expanded grassroots and out-of-hospital markets, and further strengthened online markets, OTC markets, DTP stores and other market networks and channels. It expanded the market coverage, enhanced business cooperation on out-of-hospital and retail markets, strengthened brand promotion, increased repurchase rate of products, and enhanced the breadth and depth of products,

fostering its brand advantages at both client and patient levels. It facilitated, optimized and improved the Regional Marketing Department and the KA system construction, actively advanced lean management and digital marketing, optimized the out-of-hospital promotion system, and continuously fostered multi-dimensional market access and professional promotion capacities. The Company strengthened academic driving and medical guidance, actively conducted research from the perspective of evidence-based medicine, continuously improved the academic value and competitiveness of key products, and deepened the medical services and promotion of key departments. It also optimized its organizational structure, advanced organizational reform, strengthened personnel training and external talent introduction, and improved per capita efficiency.

Zevorcabtagene Autoleucel Injection (trade name: Saikaize[®]) exclusively commercialized by the Company has witnessed favorable sales since it was commercialized and launched this March, further boosting the Company's confidence in constantly expanding its CAR-T product lines. The Company set up a professional commercialization team to comprehensively promote Saikaize[®]. To date, the product has been smoothly promoted. A total of 129 medical institutions have received training on the use of Saikaize[®] and passed relevant certification as of July 31, 2024. The Company established a commercialization platform integrating market access, medical services, operational services and logistics management, which covers all links from hospital certification, DTP pharmacy and cold chain transportation to innovative payment. A highly specialized team provides professional full-process services for each order, empowering their successful execution.

During the reporting period, the Company's innovative R&D kept advancing in an orderly manner, with positive results achieved. In H1 2024, the Company has one BLA for innovative medicines approved, three NDAs/BLAs accepted, and five INDs approved in China or the U.S. Moreover, four applications for marketing authorization of generic medicines were approved. Please refer to "(III) R&D situation" below in this section for details.

During the reporting period, the Company's production system kept advancing innovation in management with a goal to create lean production system and agile operation mode by upholding its concept of "High Quality and High Efficiency" development. While ensuring the market supply, the Company continued to promote the lean production and standardization construction of workshops, and actively promoted the reduction of production costs and improvement of efficiency. The Company promoted the construction of Huadong Medicine Bio-innovation Intelligence Center and the Production Base of Synthetic APIs as planned, favorably supporting its subsequent commercial production of biomedicines and innovative medicines. Moreover, the Company further strengthened its quality compliance and GMP normalization management, completed the submission of

registration applications for multiple products and on-site inspection of registration, and continued to advance the international registration and certification of key products.

In February 2024, the Company invested in the construction of a Bio-innovation Intelligence Center project. Specializing in the transformation and industrialization of high-end biomedicines, the Project will gradually build biological intelligence platforms that cover ADCs (including antibody medicines), recombinant peptides, therapeutic enzymes, and synthetic biology. Please refer to the *Announcement on Investing in the Construction of Bio-innovation Intelligence Center Project* (Announcement No.: 2024-006) disclosed by the Company on Cninfo (<http://www.cninfo.com.cn>) on February 8, 2024 for details. The Bio-innovation Intelligence Center Project has now smoothly progressed. As of the date of the Report, the project design work has been completed and the construction of Area 1 of Phase I is in progress.

2. Pharmaceutical business

In H1 2024, the Company actively responded to the dual challenges brought by weak market demand and policy regulation, attached equal importance to both in-hospital and out-of-hospital markets, and focused on both business expansion and operation efficiency improvement in the segment of pharmaceutical business. The Company achieved an operating revenue of 13.552 billion yuan, down 0.58% year on year, and accumulated a net profit of 218 million yuan, up 0.90% year on year.

During the reporting period, the Company developed its pharmaceutical business revolving around three key business modes of medical device distribution, product agency and third-party logistics to empower the attainment of its 7th three-year planning. The distribution mode maintained a reasonable growth in scale: In sectors of TCM and western medicine, the proportion of in-hospital market was stabilized and out-of-hospital markets were expanded. For medical devices and ginseng & antler materials, the proportion of hospitals in Zhejiang Province was continuously increased. As for product agency and third-party logistics, the Company kept playing its leading role, reaching new clients, increasing its profitability, and empowering the distribution business.

As for in-hospital markets, the Company established the differentiated growth index based on the market share and competition pattern of hospitals in various cities, and achieved steady growth of its shares in in-hospital markets by guaranteeing order satisfaction rate, introducing mature products and cooperating to cultivate new products. In out-of-hospital markets, the Company endeavored to develop high-value retail pharmacies and new private medical customers. Its chain pharmacies covered 97% of Zhejiang Province and its retail businesses had spanned across Zhejiang. Moreover, the Company focused on developing in-hospital pharmacies, hospital-side pharmacies and DTP pharmacies. Now, the Company has actually controlled up to 240 pharmacies. The segment kept

expanding its medical devices, medicinal materials, ginseng & antler to low-tier markets. Its automatic medicinal materials, ginseng & antler decoction center played a significant role, which has accepted over 6,000 prescriptions since 2024, running at full load. The Phase II of automatic production line will be put into operation in Q4 2024. As for the medical devices business, the segment placed its focus on the distribution of medicines winning bid for volume-based procurement, and actively achieved steady growth of businesses outside Zhejiang Province through integration of product distribution channels, expansion of e-commerce business, and increase in number of areas supporting distribution of devices.

With regard to the agency business, Biological Products Company focused on the agency of blood products and launched the joint construction project of the Aesthetic Medicine Center of Public Medical Institutions in 2024. It re-integrated the Private Sales Department, stripped product agency from distribution, rapidly expanded its agency lines for medicines by joint ventures, and gradually shifted its focus to agency of domestic medicines. As for the supply chain business, the revenue of the third-party logistics represented by the cold chain witnessed stable growth, making it the first brand in the cold chain pharmaceutical logistics sector in Zhejiang Province. The Phase IV of cold storage is expected to be put into use in H2 2024. The medicine storage has been completed and passed the site inspection considering its demands for business development. Moreover, wholesale and retail of veterinary medicines were included in its business scope. Regarding the e-commerce business, the focus was placed on the improvement of profitability at the customer end, tapping of connotations of its self-owned time-honored brand “Xuguanghe”, and expansion of C-end markets online and offline. After the launch of freshly stewed cubilose, it also developed white fungus cubilose soup, ganoderma lucidum spore powder and liquid salad for young consumers, continuously enriching and broadening its product lines.

3. Aesthetic medicine business

During the reporting period, the Company’s aesthetic medicine segment maintained favorable performance. The total operating revenue reached 1.348 billion yuan (excluding internal offsetting factors), up 10.14% year on year. The overall profitability in the aesthetic medicine segment and the ratio of contribution to the Company’s overall net profit witnessed continuous and steady improvement.

Sinclair, the Company’s wholly-owned subsidiary and the global operating platform of its aesthetic medicine business based in the UK, proactively expanded sales of its aesthetic injection and EBD products globally. During the reporting period, affected by sluggish global economic growth and phased fluctuations in demands for EBD products, the Company achieved an operating revenue of about 570 million yuan, down 14.81% year on year, and the EBITDA of GBP 5.3180 million.

During the reporting period, Sinclair (Shanghai), the Company's wholly-owned subsidiary for its domestic aesthetic medicine business, achieved an accumulative revenue of 618 million yuan, up 19.78% year on year, making important contributions to the continuous growth of the Company's overall performance.

During the reporting period, the Company actively practiced the long-term vision of cultivating and building the world's leading innovative aesthetic medicine enterprise, continued to steadily promote the strategy of dual-circulation development in and out of China, focused on the global high-end aesthetic medicine market, strengthened its brand building, and accelerated the integration of product resources. To date, the Company has launched 40 high-end products in the field of "non-invasive + micro-invasive" aesthetic medicine worldwide, of which 26 have been marketed. The product portfolio covers non-surgical mainstream aesthetic medicine fields such as botulinum toxin, facial and body fillers, energy source skin management, and body shaping. In the meantime, the Company has formed integrated product clusters and ranks at the forefront of the industry in terms of quantity of products and number of fields covered, with continuously improved international influence. With a professional marketing and promotion team comprised of over 300 talents, the Company's aesthetic medicine segment has built its global aesthetic medicine marketing network with over 80 countries and regions covered.

During the reporting period, the Company kept advancing the registration of its core products in China. The supplementary materials for registration of the Company's optical RF therapy device V20 was submitted on July 2 and the product is expected to be approved in China in 2024. The application for registration of MaiLi Extreme, the Company's novel high-end lidocaine-containing sodium hyaluronate filler for injection, was accepted by the Center for Medical Device Evaluation, NMPA in April 2024. The product is expected to be approved in China in 2025. By the end of April 2024, MaiLi Precise completed the enrollment of all subjects in clinical trials in China. In May 2024, Ellansé® S completed the enrollment of the first subject in clinical trials in China for a new indication. Poly-L-lactic acid (PLLA) collagen stimulant Lanluma® successfully passed filing for international cooperative clinical trial in May 2024 and completed the enrollment of the first subject in clinical trials in June 2024. It is now under multi-center registered clinical study in China. Ellansé® M, a type of polycaprolactone microsphere facial filler for injection, successfully completed 12-month follow-up of all subjects in China in June 2024. In the meantime, the Company continued to advance overseas registration of its aesthetic medicine products. Maili series sodium hyaluronate fillers were approved in Singapore in June 2024. The application for EU CE certification of KIO015, a type of dermal filler for injection, was submitted and the product is expected to be granted EU CE certification in 2025. Please refer to "8. Progress of registration and launching of aesthetic medicine products in China" in

“(III) R&D situation” below in this section for the progress of registration of the Company’s other key aesthetic medicine products in China.

华东医药医美重点产品

注射填充类

Ellansé®伊妍仕®

已在全球60多个国家或地区
获得注册认证或上市准入



- 产品采用独家的STAT 专利技术,具备良好的生物相容性,能提供即刻塑形的效果,拥有持久的胶原新生机制
- 全球临床使用年限超过10年,临床安全性及有效性得到广泛认可
Ellansé®伊妍仕® S型已于2021年8月在中国正式上市;M型于2024年6月完成中国临床试验全部受试者12个月随访
- 2024年6月发布Ellansé®伊妍仕®第二代新品——伊妍仕®臻妍™、伊妍仕®紧妍™、伊妍仕®致臻™

MaiLi系列

采用创新的OxiFree™专利技术
获得更持久、自然的效果



- 公司旗下高端透明质酸产品,全系列共有四款产品,拥有优异的流变性能和良好的填充性能,可有效减少产品注射量,最大程度的提高临床疗效,其“智能弹簧(Smart Spring)”属性可让面部表情看起来更自然
- MaiLi系列产品已于2020年6月获得欧盟CE认证,自海外上市以来持续受到市场认可
- MaiLi Extreme已于2024年4月递交中国上市申请获受理; MaiLi Precise于2024年4月完成中国临床试验全部受试者入组

Lanluma®

全球唯一一款被批准
可用于臀部和大腿填充的
再生型产品



- 由左旋聚乳酸(PLLA)制成的,用于面部和身体的再生型医美填充剂,可以提供18-24个月的长效填充效果
- 于2020年获得欧盟CE认证,截至目前已在全球32个国家和地区获批上市,2022年12月获批落地海南博鳌乐城
- 获得2023摩纳哥世界美容抗衰老大(AMWC)颁发的“最佳身体填充注射剂”奖
- Lanluma V 于2024年6月已完成中国临床试验首例入组

YY001

全球首个临床阶段的
重组A型肉毒毒素产品



- 由一种通过新型的重组蛋白生产途径生产的肉毒毒素,具有高纯度、良好的安全性及生产可扩展性等多种优点
- 已完成国内III期临床试验出组,目前在积极推进临床数据的统计与分析

KIO015以及3款填充剂

KiOmed开发的医美产品



- KIO015 是一款全新专利成分的真皮注射填充剂,其核心成分 KiOmedine® CM-壳聚糖是一种高度纯化的多糖,应用了 KiOmedine® 专利技术。该产品通过提高皮肤含水量改善皮肤质量,降低氧化应激,增强抗氧化能力,改善皮肤状态,延缓皮肤衰老,已于2024年7月提交了欧盟 CE 认证申请
- 3款 KiOmedine® 填充剂为基于 KiOmedine® 和透明质酸的注射填充剂,可应用于唇部填充塑形、改善或纠正面部皱纹和皮肤凹陷、面部填充塑形等

ATGC®

零复合蛋白成份肉毒素



- 其药物活性成分为150kDa A型肉毒素,用于改善成年患者的中度至重度眉间纹;其不含复合蛋白,可减少抗药性的风险,其优点是对重复治疗相对安全
- 公司拥有包括中国、美国、欧洲等区域在内的全球独家许可(不含印度),以及在韩国的非独家许可,其中韩国上市申请已于2024年2月获受理

ATGC-110

零复合蛋白成份肉毒素



- 其药物活性成分为150kDa A型肉毒素,用于改善成年患者的中度至重度眉间纹;其不含复合蛋白,可减少抗药性的风险,其优点是对重复治疗相对安全
- 公司拥有包括中国、美国、欧洲等区域在内的全球独家许可(不含印度),以及在韩国的非独家许可,其中韩国上市申请已于2024年2月获受理



华东医药
HUADONG MEDICINE

华东医药医美重点产品

能量源设备



酷雪Glacial Spa®

冷冻美肤领域中的新一代科技成果

- 由现代激光医学之父,美国麻省总医院(哈佛医学院附属教学医院)威尔曼光电医学中心主任 Rox Anderson, M.D.为核心的研发团队研发,通过半导体精准控温,达到对黑色素表达的有效管理
- 该产品于2022年1季度在国内成功完成了全球首发



V系列(V10、V20、V30)

欧美能量源设备市场领跑者

- 集合了公司所有高端应用技术(CORE、SVC、PCR、Multi-CORE),为集射频(RF)、强脉冲光(IPL)、激光(Laser)能量源为一体的医美多功能操作平台
- 目前V10、V20、V30均已获得美国FDA、欧盟CE注册认证;V20的注册申请于2023年9月获得国家药监局器审中心受理



Cooltech Define

非侵入性的冷冻溶脂设备

- 采用360°冷却技术,可以对脂肪颗粒进行均匀的冷却,从而去除更多的脂肪,是一种更有效、安全和个性化的治疗技术
- 海外已上市,已获得欧盟CE认证、澳洲TGA认证



Primelase

高功率半导体激光永久脱毛

- 最大功率为4800W,脱毛效果更好;具有4波长,针对不同肤色和不同粗细毛发选择不同波段;光斑尺寸大且组合多,提高脱毛速度,适应不同部位
- 已在欧洲、美国、加拿大等11个国家和地区上市销售



Préime DermaFacial

集五种先进技术为一体的多功能、智能化、高科技皮肤管理平台

- 搭载IoT(物联网)技术,集螺旋真空、微晶磨皮、微电流、射频、超声五种先进技术为一体,可用于面部清洁、去角质、补水,为求美者打造平滑紧致的皮肤状态
- 该产品已于2022年9月陆续在欧美等全球主要医美市场实现商业化销售



Reaction®芮艾琨®

新一代双极射频抗衰设备

- 采用CORE™多通道射频技术,结合真空负压技术,定制化射频频率,适用于皮肤多种层次治疗,分层精雕、根源抗衰,同时分区搭配面部精细化治疗头,精准改善眼周细纹、法令纹及口周纹路,紧致下颌轮廓线条
- 已获得美国FDA注册认证,在海外上市多年,并于2015年获得国家药品监督管理局(NMPA)第三类医疗器械注册证书,已于2023年6月完成在国内的重新上市



Sculpt&Shape®

创新的旋转射频(RotateRF)技术

- 配有6个不同的旋转探头,同时集合单极和双极射频,用于全身塑形、紧肤、减脂和减少皱纹等面部年轻化治疗
- 该产品已于2023年一季度在欧洲市场推出



Figure: Key Aesthetic Medicine Products of Huadong Medicine

During the reporting period, Sinclair (Shanghai) drove collaborative development of its multiple subsidiary brands with the Company's brand as the main body, constantly launched high-quality products, gradually improved its product matrix, linked global R&D and medical resources, improved its reputation on B and C ends, and created a brand image that features "professional", "aesthetic" and "high-end". As for products, the Company launched the second-generation new products of Ellansé® in Shanghai in July 2024: three high-end regenerative facial fillers, namely Ellansé® Zhenyan™, Ellansé® Jinyan™ and Ellansé® Zhizhen™, which are upgraded and launched based on the market feedback and physicians' injection habits. These products further consolidated the leading position and product matrix in the field of high-end anti-aging in China. Compared with the first generation of products, these products not only subdivided PCL microspheres, their core component, into large, medium and small particles to satisfy the anti-aging needs at different levels, but also upgraded quality control and safety measures through destructive unpacking design, etc. to further ensure authenticity, thus better safeguarding the rights and interests of consumers. Winning great concern and recognition after being launched, these products have been introduced and applied by

more than 100 institutions so far. As a basic product in the field of regeneration, the first generation of Ellansé® original microspheres will help more patients experience the natural regeneration effect brought by PCL microspheres. In the meantime, the second generation of new products will cater to the mainstream needs of patients for the most “personalized” beauty. Featuring layered anti-aging and specialized effects, they are expected to keep leading the upgrade of demands in the high-end aesthetic medicine market in China.

In addition to continuous product innovation, the aesthetic medicine segment also made major medical breakthroughs. This year, Sinclair (Shanghai) reached academic cooperation with Massachusetts General Hospital under Harvard Medical School on Asian Virtual Magic Wand, which was successfully launched early this year. With the program as a carrier, Sinclair (Shanghai) will pool together top-notch scholars, clinicians, researchers and industry leaders across the globe to promote international academic exchanges, enhance the influence of Chinese physicians in the field of aesthetic medicine globally, expand more safe and effective treatment means, and actively advance the vigorous development of the global aesthetic medicine industry.

Always putting medical science first, the Company’s aesthetic medicine segment published 4 academic journal papers in H1 2024. Now, 7 clinical researches and 8 basic researches are in progress. By the end of 2024, Sinclair (Shanghai) has signed cooperation contracts with over 600 hospitals and trained over 1000 certified physicians on Ellansé®. During the reporting period, the Company’s aesthetic medicine segment held hundreds of medical training and education activities both online and offline. More than 120,000 physicians viewed its online education platform in H1 2024. As for Ellansé®, Sinclair (Shanghai) constantly strengthened its brand building and consolidated the high-end orientation through diverse trans-discipline activities, being well-received by C-end markets and witnessing improved industry influence and competitiveness.

During the reporting period, Sinclair (Shanghai) also achieved positive results in the expansion of biological and aesthetic medicine equipment market. In April 2024, the new product launch meeting of Glacial Spa® was held in Shanghai. In May 2024, the launch meeting of Reaction® body program was kicked off during Mevos in Hangzhou, constantly leading the new trend of comfortable anti-aging. Keeping the philosophy of “medicine-based aesthetic medicine” in mind, Sinclair (Shanghai) successfully released the *Expert Consensus on Strengthened Treatment of Ligament through Multi-channel Radio Frequency*. Two clinical trials with Peking University First Hospital and Shanghai Ninth People’s Hospital are about to end. Sinclair (Shanghai) has always been committed to offering patients more professional and safer products and services. The Company’s energy source products have been well-received by many institutions and patients. To date, more than 200 institutions have introduced Glacial Spa® or Reaction®. The number of terminal treatments was

increased by more than 300% year on year. In addition, the Company actively advanced its efforts for registration of Prême DermaFacial, its aesthetic equipment, in China and kept offering patients excellent experience and services from all aspects through constantly enriched product matrix.

In the future, the Company's aesthetic medicine segment will continue to focus on the high-end market of global aesthetic medicine to form an international aesthetic medicine business integrating R&D, manufacturing and marketing by upholding the strategy of "global operation layout and dual-circulation operation & development" and keeping optimizing its product lines. With its core subsidiary Sinclair as the global operation platform and integrating global technological and innovative resources, the Company has achieved the global operation layout for its aesthetic medicine segment and successively introduces "aesthetic medicine + cosmetic medicine" products with great scientific connotation and huge market potential into China. Internationally, the Company empowers the rapid launching and commercialization of its superior international products relying on its great registration and marketing abilities in China and steadily expands its presence in China. In the meantime, the Company will continue to foster robust brand strength based on cutting-edge innovative technology, strive to bring comprehensive solutions and extraordinary aesthetic experience to patients by upholding the professional and rigorous attitude as a pharmaceutical enterprise, and bring long-term values to patients, aesthetic medicine institutions, and physicians around the world.

4. Industrial microbiology

The Company kept practicing the industrial microbiology development strategy and continued to enhance its product R&D and market expansion by clarifying and continuously advancing the layout cored at four major fields of xRNA, featured APIs & intermediates, massive health & biomaterials, and animal health. As a result, the Company made positive achievements in development of key clients in and out of China and witnessed constantly improved overall sales that are expected to further accelerated. During the reporting period, the industrial microbiology segment achieved the sales revenue of 285 million yuan, up 27.43% year on year.

As for the industrial microbiology business, the Company continuously enriched the product lines in four major strategic segments of high innovation, high technology barrier and high added-values, and optimized its product structures with the focus placed on R&D. Work and tasks in each segment of the Company's industrial microbiology completed during the reporting period were as follows:

xRNA: Perfect mRNA established industrial collaboration with Anhui Meihua and Wuhu Huaren in the field of xRNA, further optimizing the whole-industrial chain layout of xRNA. In H1 2024, Perfect mRNA completed site construction and entered the trial operation stage, forming the ability to undertake mRNA-related CDMO businesses. In the field of xRNA, Wuhu Huaren steadily expanded its CDMO businesses in China, input more to develop international clients, established business cooperation, submitted DMF application documents for the first monomer, and established business cooperation with core nucleic acid medicine R&D enterprises for sales of customized products.

Featured APIs & intermediates: The Company completed the layout of series products for ADC, submitted DMF application documents for mainstream toxin varieties, and signed and initiated the first overseas ADC small-molecule CDMO project. The Company also completed the overall layout of polypeptide business and will proactively expand its international markets. The layout of high-activity anti-tumor, anti-parasite and microbial source API product systems was basically completed.

Massive health & biomaterials: Magic Health completed the fundamental construction of its Yichang Industrial Base, obtained the license for production and shifted to normalized operation. It also obtained various certifications including ISO9001 certification, ISO22000 certification, HACCP, Halal (ARA), Halal (MUI), Halal (BP) and Kosher (OU), and accelerated the development of major clients in and out of China. Hibe fostered a matrix of upstream medical high-end functional materials with its self-developed products based on biodegradable materials together with exclusively agent varieties introduced from overseas. It proactively laid out biological medicine and aesthetic medicine CMC R&D businesses strongly associated with self-owned materials and with global competitiveness, and joined hands with clients to incubate global innovative products relying on its unique preparation technological innovation platform.

Animal health: Nanjing Nongda Animal Pharmaceutical, the Company's holding subsidiary, endeavors to become a new brand specialized in pains and aged disease management in the field of pet care. In H1 2024, Butorphanol Tartrate Injection (trade name: Baoshining[®]), a kind of central analgesic medicine exclusively commercialized by Nanjing Nongda Animal Pharmaceutical, was successfully marketed, attracting more than 3,300 pet hospitals throughout China. In the field of aquatic animal health, the Company has always been committed to improving water environment and

enhancing aquatic nutrition, thus providing farmers with comprehensive product solutions and services. In this field, Nanjing Nongda Animal Pharmaceutical will keep improving online and offline treatment links, promote and build the “Mengdi” brand online, make long-term layout, advance the replenishment of new products offline, and endeavor to build benchmark hospitals in key cities.

5. BD cooperation as of the date of the Report

On March 11, 2024, Company’s wholly-owned subsidiary Huadong Medicine Investment Holding (Hong Kong) Limited subscribed IPO shares of Qyuns Therapeutics Co., Ltd. at the Stock Exchange of Hong Kong Limited as cornerstone investor with the consideration of equivalent 5 million US dollars from its own funds in Hong Kong dollar (excluding brokerage commission, related transaction fees and levies). Please refer to the *Announcement on Subscribing IPO Shares of Qyuns Therapeutics Co., Ltd. as Cornerstone Investor* (Announcement No.: 2024-013) disclosed by the Company on Cninfo (<http://www.cninfo.com.cn>) for details. On March 20, 2024, Qyuns Therapeutics was successfully listed on the main board of Stock Exchange of Hong Kong with the stock code of 2509.HK. As of the date of the Report, the Company holds a total of 37,876,800 shares of Qyuns Therapeutics through its wholly-owned subsidiaries Zhongmei Huadong and Huadong Medicine Investment Holding (Hong Kong) Limited, accounting for about 17.06% of the total shares of Qyuns Therapeutics. Among them, Zhongmei Huadong holds 35,900,000 shares and Huadong Medicine Investment holds 1,976,800 shares.

On July 12, 2024, the Company’s wholly-owned subsidiary Zhongmei Huadong signed the Exclusive Product License Agreement with Suzhou Auzone Biological Technology Co., Ltd. According to the agreement, Zhongmei Huadong obtained the exclusive license of the globally innovative product TTYP01 Tablets (Edaravone Tablets) in Chinese mainland, Hong Kong, Macao and Taiwan, including rights for development, registration, production and commercialization. Please refer to the *Announcement on Signing an Exclusive Permit Agreement for Products by a Wholly-owned Subsidiary with Auzone* (Announcement No.: 2024-060) disclosed by the Company on Cninfo (<http://www.cninfo.com.cn>) for details.

On July 19, 2024, the Company’s wholly-owned subsidiary Zhongmei Huadong signed the Cooperative Development and Market Promotion Service Agreement on QX005N with its holding company Qyuns Therapeutics Co., Ltd. Listed on the Stock Exchange of Hong Kong with the stock

code of 2509.HK. According to the agreement, Zhongmei Huadong obtained the exclusive cooperative development rights, exclusive market promotion option and preferential cooperation right to transfer the marketing authorization holder of QX005N of Qyuns Therapeutics in Chinese mainland, Hong Kong SAR, Macao SAR and Taiwan, China. Please refer to the *Announcement on Signing a Cooperative Development and Market Promotion Service Agreement for Products by a Wholly-owned Subsidiary* (Announcement No.: 2024-061) disclosed by the Company on Cninfo (<http://www.cninfo.com.cn>) for details.

On July 19, 2024, to further enhance the Company's core competitiveness in the field of traditional Chinese medicine and enrich its product lines of external preparations, the Company and its wholly-owned subsidiary Huadong Medicine (Xi'an) Bohua Pharmaceutical Co., Ltd. signed the *Agreement on Acquiring the Equity of Guizhou HengBa Pharmaceutical Limited Liability Company* with Guizhou HengBa Pharmaceutical Limited Liability Company and its original shareholders. According to the agreement, Bohua Pharmaceutical acquired 100% equity of HengBa Pharmaceutical. The transaction base price was 528.47 million yuan and floating consideration would be paid as agreed in the agreement. Please refer to the *Announcement on Acquisition of 100% Equity of Guizhou HengBa Pharmaceutical Limited Liability Company* (Announcement No.: 2024-064) disclosed by the Company on Cninfo (<http://www.cninfo.com.cn>) for details.

On August 2, 2024, the Company's wholly-owned subsidiary Huadong Medicine (Hangzhou) Co., Ltd. signed an Exclusive Commercialization Cooperation Agreement with Beijing Immunopharm Technology Co., Ltd. According to the agreement, Huadong Medicine Hangzhou obtained the exclusive commercialization rights of CD19-targeting autologous CAR-T candidate product IM19 chimeric antigen receptor T cell injection in Chinese mainland ("licensed area"). Please refer to the *Announcement on Signing an Exclusive Commercialization Cooperation Agreement for Products by a Wholly-owned Subsidiary* (Announcement No.: 2024-065) disclosed by the Company on Cninfo (<http://www.cninfo.com.cn>) for details.

On August 14, 2024, the Company's wholly-owned subsidiary Zhongmei Huadong signed an Exclusive Product License Agreement with IMBiologics Corp. ("IMB") from the Republic of Korea. According to the agreement, Zhongmei Huadong obtained the exclusive license of two globally innovative autoimmune products of IMB-101 and IMB-102 in 37 Asian countries including China

(excluding Japan, Republic of Korea and North Korea), including development, registration, production and commercialization rights. Please refer to the *Announcement on Signing an Exclusive License Agreement for Products by a Wholly-owned Subsidiary with IMBiologics* (Announcement No.: 2024-071) disclosed by the Company on Cninfo (<http://www.cninfo.com.cn>) for details.

6. ESG of the Company during the reporting period

With regard to ESG, the Company has always adhered to the concept of sustainable development. Setting up a special ESG Committee to coordinate the Company's ESG work, the Company integrates the core theory of ESG with the enterprise development strategy and daily operation management, guides and makes innovation in various work with a scientific concept of social responsibility, upholds the idea of green production, actively responds to the "carbon neutrality and carbon peaking" goals, operates with integrity in strict accordance with laws, and actively fulfills its social responsibilities. By virtue of its excellent ESG governance ability, the Company won the AA rating for ESG by CNI Index of Shenzhen Stock Exchange, the A rating for ESG of WIND, the A rating for ESG of Sino-Securities Index, the A rating for ESG of China Securities Index, and the BBB rating for ESG of MSCI.

7. Awards during the reporting period

During the reporting period, as the Company's comprehensive competitive strength, efficient operation and governance, and value creation ability were recognized by the market, it won a number of awards and honors: The Company was included in Fortune China 500 for the 15th time and ranked 373rd. It was selected in the list of "2023 Top 100 Pharmaceutical Industries in China" of MENET, reelected the top 10 among "2023 Top 100 Pharmaceutical Enterprises in China", granted "2023 Top 10 Big Pharma Enterprises in Innovation Power", and included in "2024 Top 100 Chinese Enterprises in Overall Strength of Pharmaceutical Research and Development", "2024 Top 100 Chinese Enterprises in Chemical Drugs Research and Development" and "2024 Top 50 Chinese Enterprises in Biomedicine Research and Development" by YaoZH.

(III) R&D situation

1. Overall R&D situation

During the reporting period, being "Scientific Research-based and Patient-centered", the Company further devoted itself to the treatment in the fields of endocrinology, autoimmunity and

oncology, continuously increased the R&D input, kept enriching the layout of innovative medicine R&D, enhanced the construction of innovative R&D ecology and technological platform, and actively advanced the progress of clinical trials, with multiple major staged achievements made. As of the date of the Report, the Company has a total of 129 pharmaceutical projects under development, including 86 innovative and biosimilar medicine projects. During the reporting period, the Company's R&D investment in the pharmaceutical industry (excluding equity investment) was 1.110 billion yuan, up 10.34% year on year. Among them, direct R&D expenditure was 761 million yuan, up 14.04% year on year, which accounts for 11.58% of the operating revenue of the pharmaceutical industry.

2. Innovative R&D lines

The Company placed the focus of its innovative R&D on three core fields of oncology, endocrinology and autoimmunity. To date, there have been over 70 innovative product lines. As its product lines are continuously enriched, the Company has constantly expanded its innovative medicine field to the entities of multiple types medicines including small-molecule medicines, targeted protein degraders, polypeptides, ADCs, bispecific or multispecific antibody medicines, as well as the exploration towards innovative therapies for diseases in the fields of endocrinology, autoimmunity and oncology.

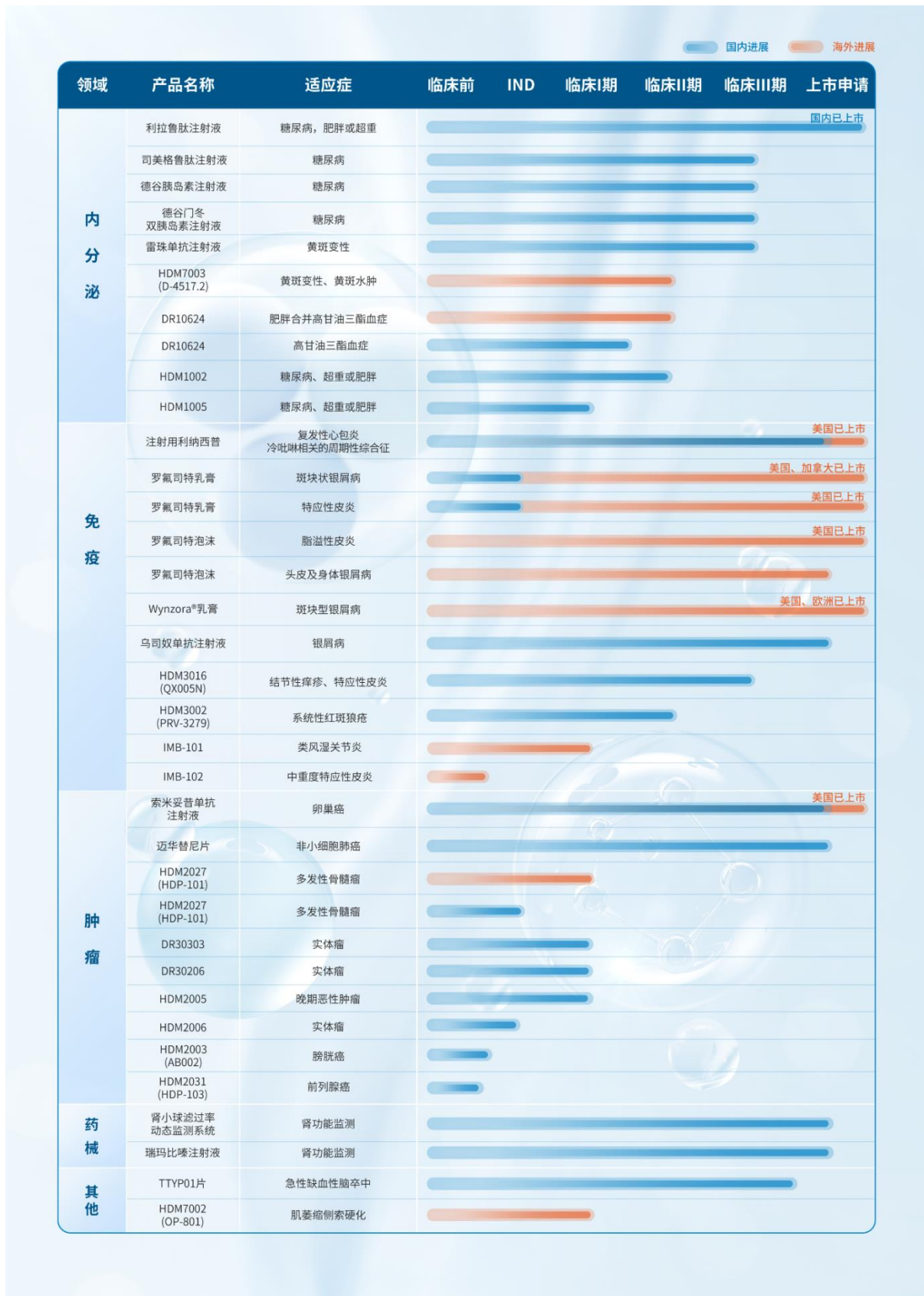


Figure: Pipeline Diagram of Main Innovative Medicines and Biosimilar Medicines as of the Date of the Report

3. Progress of R&D of innovative medicines, innovative medical devices and biosimilar medicines

Oncology

The Company endeavored to build the world's leading platform for R&D of innovative cancer medicines and established more than 30 innovative antineoplastic medicines covering targeted small-molecule medicines, ADCs, antibodies, PROTAC, etc. through discovery, screening and verification of new targets in preliminary R&D of medicines.

In October 2023, the marketing authorization application of ELAHERE[®] (R&D code: IMG853, HDM2002), the world's first in class Mirvetuximab Soravtansine Injection introduced by the Company for platinum-resistant ovarian cancer, in China was accepted and is now under review. In March 2024, the Company's American partner announced that the approval state of ELAHERE[®] in the U.S. had changed from accelerated approval to full approval. In April 2024, the Company was approved to join the international multi-regional phase III clinical study of PSOC (platinum-sensitive ovarian cancer) to advance the front-line treatment of ovarian cancer, for the maintenance treatment for adult patients with FR α -positive recurrent platinum-sensitive epithelial ovarian cancer, fallopian tube cancer or primary peritoneal cancer, who have not experienced disease progression after second-line platinum-based chemotherapy in combination with bevacizumab. In addition, the product was approved in Macao, China in April 2024. According to the innovative policy of "Hong Kong & Macao Registered Medicine Access to GBA Program", the product was approved in the Guangdong-Hong Kong-Macao Greater Bay Area to benefit more patients.

The marketing authorization application of Mefatinib Tablet, the Company's first-class new medicine, for EGFR mutations, was accepted in May 2024.

HDM2005, an ADC product independently developed by the Company, targeting receptor tyrosine kinase-like orphan receptor 1, is used for the treatment of advanced malignant neoplasm. Its IND applications in both China and the U.S. were approved in June 2024. The Company completed the enrollment of the first subject in clinical trial in China in August 2024.

The IND application of HPK-1 PROTAC (hematopoietic progenitor kinase1 proteolysis targeting chimera), the Company's first self-developed small-molecule anti-tumor medicine under HDM2006, was accepted in August 2024. The product is used for the treatment of advanced solid tumors.

The IND application of HDM2027 (HDP-101), an innovative medicine introduced by the Company, was accepted in August 2024. The product is used for the treatment of clonal hematological diseases with positive B cell maturation antigen (BCMA), such as recurrent/refractory multiple myeloma.

HDM2020 and HDM2012 of innovative target ADC developed independently by the Company completed PCC confirmations and entered IND R&D state. IND applications in China and the U.S. are expected to be submitted in 2025.

Endocrinology

As of August 2024, an oral small-molecule GLP-1 receptor stimulant developed independently by the Company, completed the enrollment of all subjects for phase II clinical trial for overweight or obesity indication. The top-line results are expected to be obtained in Q4 2024. In the meantime, the enrollment of the first subject for clinical trial for diabetes mellitus phase II indication was completed.

IND applications in China for two indications of weight management of patients with overweight or obesity and type 2 diabetes of HDM1005, a GLP-1R and GIPR long-acting polypeptide dual-target agonist developed by the Company independently, were approved in March 2024. IND applications in the U.S. for weight management of patients with overweight or obesity were approved in April 2024. The enrollment and administration of the first subject for phase Ia clinical trial in China were completed in March 2024. Currently, phase Ia and phase Ib clinical trials in China are smoothly progressed, and the top-line results are expected to be obtained in Q4 2024. Phase II clinical trial is expected to be initiated in early 2025.

DR10624, a kind of FGF21R/GCGR/GLP-1R target multiple agonist developed by Doer Biologics, the Company's holding subsidiary, completed SAD studies for phase I clinical trial in China and New Zealand respectively. The phase Ib/ Iia clinical trial for obesity with hypertriglyceridemia is now conducted in New Zealand, which is expected to be completed by the end of 2024. The phase II clinical trial for hypertriglyceridemia in China was initiated and the enrollment of the first subject is expected to be completed by the end of 2024.

To date, Semaglutide Injection completed the enrollment of all subjects for phase III clinical study for diabetes indication. It is expected that main end-point data will be obtained in Q4 2024. Pre-IND application of Semaglutide Injection for weight management indication was submitted in May 2024.

Insulin Degludec Injection completed the enrollment of all subjects during phase III clinical study. It is expected that main end-point data will be obtained in Q4 2024.

Insulin Degludec and Insulin Aspart Injection completed the enrollment of the first subject for phase III clinical study in August 2024.

Autoimmunity

The Company has had over 10 varieties of biomedicines and micromodular innovative products in the field of autoimmunity.

Being listed as Overseas New Medicine in Urgent Need for Clinical Purpose (First Batch) by CDE in China, Riloncept for Injection (ARCALYST®), a global innovative product introduced from Kiniksa in the U.S., is used for the treatment of Cryo-Pyrim-Associated Periodic Syndromes (CAPS). The marketing authorization application for CAPS indication was accepted in November 2023 and the product was included in the list of priority review varieties in January 2023. Moreover, in September 2023, recurrent pericarditis (RP) was included in the *Second Catalogue of Rare Diseases* jointly issued by the National Health Commission and other ministries. In March 2024, the marketing authorization application of Riloncept for Injection for RP indication was accepted in March 2024 and the product was included in the list of priority review varieties in December 2023. The marketing authorization applications of the product for CAPS and RP are both under review.

The marketing authorization application of HDM3001 (QX001S), a biological similar of Ustekinumab for plaque psoriasis launched by the Company in cooperation with Qyuns Therapeutics, in China is under review.

The innovative medicine HDM3016 (QX005N) jointly developed by the Company and Qyuns Therapeutics completed enrollments of the first subject for phase III clinical study for two indications of prurigo nodularis and atopic dermatitis in May 2024. In addition, the product was included as breakthrough therapeutic varieties for the treatment of moderate and severe prurigo nodularis of adults by CDE in January 2024.

The Roflumilast Cream (0.3%) , in cooperation with Arcutis of the U.S., was previously approved for the treatment of plaque-type psoriasis of patients aged 6 or above in the U.S. and the Roflumilast Foam (0.3%) was approved for the treatment of seborrheic dermatitis of patients aged 9 or above in the U.S. On July 9, Arcutis announced that the Roflumilast Cream (0.15%) was approved by the FDA for the treatment of atopic dermatitis of adults and child patients aged 6 or above. On July 23, Arcutis announced to submit sNDA of the Roflumilast Foam (0.3%) to FDA for the treatment of scalp and body psoriasis of adults and adolescent patients aged 12 or above. In addition, the IND applications of the Roflumilast Cream for two indications of atopic dermatitis and seborrheic dermatitis in China were accepted in July 2024.

Innovative pharmaceutical device

HD-NP-102 (Dynamic Monitoring System of Glomerular Filtration Rate and Relmapirazin Injection): The Dynamic Monitoring System of Glomerular Filtration Rate and Relmapirazin Injection jointly developed by the Company and MediBeacon, Inc. of the U.S. (the Company received the *Letter on the General Name of Relmapirazin Injection* issued by Chinese Pharmacopoeia Commission in May 2024, which specifies the Chinese name of the injection) can continuously

measure the glomerular filtration rate (GFR) of patients with normal or impaired renal functions by non-invasive monitoring of the fluorescence emitted by Relmapirazin Injection through intravenous injection. According to the requirements of registration regulations in China, the Dynamic Monitoring System of Glomerular Filtration Rate and Relmapirazin Injection need to be registered as medical devices and medicines respectively. In November 2021, the Dynamic Monitoring System of Glomerular Filtration Rate was approved to enter the special review procedure for innovative medical device in China. In July 2022, NMPA formally accepted the medical device marketing authorization application for the system and is now reviewing the application. The marketing authorization application of Relmapirazin Injection used together with the system in China was accepted in January 2024. The clinical and pharmaceutical inspections were completed in May and June 2024 respectively. Moreover, MediBeacon has submitted all modules regarding the PMA of the MediBeacon[®] Dynamic Monitoring System of Glomerular Filtration Rate (including the dynamic monitoring system and Relmapirazin Injection) to the FDA, which was formally accepted in July 2023, and clinical, pharmaceutical and medical device production inspections were completed.

4. Other tasks regarding innovation R&D

Exploring innovative mechanism and continuously motivating vitality for innovation

The Company launched its early exploratory project mechanism revolving around two strategies of innovative transformation and internationalization, showcasing huge potential in independent innovation. Focusing on such fields as endocrinology, autoimmunity and oncology, the Company continued to accelerate its differentiated innovation by identifying pilot frontier targets through a target discovery platform in combination with AI drug discovery & design (CADD/AIDD). Since 2023, the Company has launched about 20 early exploratory and prospective projects, and has successively incubated the first-in-class (FIC) or best-in-class (BIC) innovative medicines of the same type.

Facilitating innovation transformation and advancing clinical development

The Company's clinical R&D team continued to explore the speed and coverage of innovation and break through the differentiated bottleneck in innovation in accordance with the orientation of high efficiency and high quality, endeavoring to achieve the leap-forward development of diversified innovation in clinical R&D. The R&D team charged and supported about 30 clinical projects from such dimensions as clinical study, operation, biometrics, registration and pharmaco-vigilance.

Advanced technical platforms

The Company successfully built such medicinal R&D platforms as a new target discovery platform, medicine design and synthesis platform, CADD/AIDD platform, PROTAC technology

platform and ADC R&D platform, aiming at accelerating the promotion of numerous lines with original innovation (first-in-class, best-in-class) or differentiated/iterative development values. Thanks to these platforms, the Innovative Medicine R&D Center accumulated about ten self-dependent innovation PCC molecules in the past three years.

AI drug discovery & design (AIDD) platform is a key orientation currently valued by the Company, which strengthens the construction of computing power and algorithm system and intelligently process the data generated and accumulated in combination with the research progress of the industry. In the meantime, rich data on the properties of finished medicines accumulated by the Company lays the foundation for continuous optimization and iterative prediction model of the properties of finished medicines and greatly improves the R&D progress of several projects at different stages. This year, the platform has increased the prediction of small molecule novelty, hemolysis, efflux, ADC drug solubility, and other properties. At present, the platform is also expanding its application in the R&D of small molecule, PROTAC, ADC, protein, polypeptide, and nucleic acid medicines. In the meantime, the platform also introduced Hermite and Uni-QSAR technologies, which fill the FEP precision shortcomings of the platform and enrich the prediction methods of small molecular properties.

Postdoctoral research workstation

Zhongmei Huadong, a wholly-owned subsidiary of the Company, was approved to set up the postdoctoral research workstation in February 2021, which was registered as a national postdoctoral research workstation in September 2022. The workstation now has 14 postdoctors. Two postdoctors successfully completed their tasks and left the workstation. Postdoctors at the Company's postdoctoral research workstation are devoted to frontier and translational studies on R&D of innovative medicines and join hands with moving stations at Zhejiang University, Shanghai Institute of Materia Medica of Chinese Academy of Sciences, Zhejiang University of Technology and other universities in combination with the Company's development strategies and product lines under research.

Other innovation results

(1) Patent applications

The Company's Innovative Medicine Global R&D Center attached great importance to the protection of intellectual property rights, valued the management of intellectual property rights in the whole life cycle of medicines and the formulation of patent strategies, and set up an intellectual property BP for the early warning, declaration and retention of patents in and out of China, thus improving the comprehensive competitiveness of its products. After 4 years of development, the Innovative Medicine Global R&D Center has claimed a total of over 100 patent applications for

various innovative medicines. In H1 2024, the center was granted 4 patents, including 3 ones in China and 1 in the U.S. In H1 2024, the Company submitted a total of 7 formal (Chinese) or PCT (international) patent applications. Among them, many key international patents have been applied in over 20 regions across the globe.

(2) Academic publications

From 2024 to date, the innovative medicine team successively published 8 conference/ journal papers in the fields of endocrinology, autoimmunity and oncology at conferences or in journals: results of GLP-1/GIP dual-target long-acting agonist HDM1005 pre-clinical research selected in the summary of 2024 EASD, with an oral presentation made; results of small-molecule inhibitor of targeted STING selected as the POSTER of 2024 ECI; targeted HPK1 PROTAC research selected as the POSTER of 2024 AACR; oral HPK1 small-molecule inhibitor HDM2004 research selected as the POSTER of 2024-CIMT Annual Conference; positive results of phase III key clinical study of Mefatinib (HDHY-MHTN-III-1907) and oral PTPN2 small molecule inhibitor HDM2010 selected as the POSTER and in the summary of 2024 ASCO Annual Conference, respectively; pre-clinical research of ADC HDM2005 of targeted ROR1 selected as the POSTER of 2024 World ADC Asia. The research results of HDM1002 were received by Journal of Medicinal Chemistry.

Since 2022, Huadong Medicine has published 16 innovative research results in journals or at international conferences, highlighting its continuous efforts in exploring innovative transformation and vigorous improvement of its R&D strength.

(3) Governmental subsidies

To date, the Company's Innovative Medicine Global R&D Center has obtained approvals from the government for 17 projects, with certified subsidies of 52.50 million yuan. The Company won the honor of "Pioneering Innovation Team" of Zhejiang Province in 2021 and obtained the fund under Zhejiang Province's Pioneer Scientific and Technology Program for three consecutive years in 2021, 2022 and 2023. Meanwhile, HDM1002 and some other programs were all awarded prizes for scientific and technological projects at the provincial and/or municipal level. HD-NP-102 and Mefatinib won the fund from the "Special Program for High-quality Development of Biopharmaceutical Industry in Hangzhou".

5. Progress of development of major generic medicines

The Company further clarified the focused and prioritized varieties of existing generic medicines under development by regularly organizing dynamic evaluation and analysis. As of the date of the Report, key varieties are as follows:

No.	Field	Item	Specification	Latest Progress
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1	Immunity	Tacrolimus Granules	1mg	Approved by NMPA in May 2024
2	Immunity	Tacrolimus Sustained-release Capsules	5mg, 1mg, 0.5mg	5mg strength approved by NMPA in February 2024 1mg and 0.5mg strengths approved by NMPA in June 2024
3	Immunity	Sirolimus Tablets	1mg	Marketing Authorization Application accepted in February 2024
4	Immunity	Sirolimus Gel	0.2%	Marketing Authorization Application accepted in January 2024
5	Immunity	Mycophenolate Mofetil for Suspension	34.98g	Marketing Authorization Application accepted in November 2023, and supplementary materials submitted.
6	Immunity	Mesalazine Enteric-coated Tablets	0.5g	Marketing Authorization Application accepted in June 2024
7	Oncology	Olaparib Tablets	100mg, 150mg	Approved by NMPA in June 2024
8	Oncology	Ibrutinib Capsules	140mg	Marketing Authorization Application accepted in January 2024
9	Oncology	Carfilzomib for Injection	60mg	Marketing Authorization Application accepted in February 2024
10	Angiocarpny	Icosapent Ethyl Soft Capsules	1g	Marketing Authorization Application accepted in June 2024
11	Anti-infection	Fusidic Acid Cream	15g; 0.3g	Marketing Authorization Application accepted in May 2023, and supplementary materials submitted.
12	Easing pain	Lornoxicam for Injection	8mg	Marketing Authorization Application accepted in August 2023, and supplementary materials submitted.
13	Gastroenterology	Vonoprazan Fumarate Tablets	10mg, 20mg	Marketing Authorization Application accepted in January 2024

6. Progress of international registration

The Company has actively conducted its international registration tasks. As of the date of the Report, main progress is as follows:

No.	Field	Item	Remarks	Latest Progress
1	Endocrinology	Acarbose	APIs	Renewed CEP certificate obtained in June 2024
2	Endocrinology	Liraglutide Injection	3mL: 18mg	Reply to questions in clinical approval submitted in July 2024
3	Immunity	Ciclosporin	APIs	Renewed certificate by CEP obtained in June 2024
4	Anti-infection	Caspofungin Acetate for Injection	50mg, 70mg	Supplementary materials for ANDA application submitted in the U.S. in January 2024; on-site inspection of APIs suppliers by FDA completed in June
5	Anticoagulant	Fondaparinux Sodium	APIs	DMF defect reply submitted in the U.S. in May 2024
6	Anticoagulant	Fondaparinux Sodium Injection	2.5 mg/0.5 mL, 5 mg/0.4 mL, 7.5	Supplementary materials for ANDA application submitted in the U.S. in May

			mg/0.6 mL, 10 mg/0.8 mL	2024
7	Oncology	VcMMAE	Intermediate	DMF submitted in the U.S. in May 2024
8	Nucleic acid medicines	C00	Intermediate	DMF submitted in the U.S. in January 2024
9	Anti-infection	Daptomycin Injection	500mg	ANDA PAS in the U.S. submitted in April 2024; supplementary materials for PAS submitted in May, June and July

7. Progress of consistency evaluation

As of the date of the Report, the progress of consistency evaluation on quality and efficacy of Company's generic medicines is as follows:

No.	Field	Item	Specification	Latest Progress
1	Immunity	Tacrolimus Capsules	1mg, 0.5mg	The notification of approval for supplementary application of consistency evaluation for 0.5mg strength obtained in January 2024
2	Angiocarpny	Adenosine Injection	20ml:60mg, 30ml:90mg, 2ml:6mg	The notification of approval for supplementary application of consistency evaluation for 2ml:6mg strength obtained in April 2024
3	Easing pain	Paracetamol and Dihydrocodeine Tartrate Tablets	500mg-10mg	Application for consistency evaluation submitted and accepted in July 2024

8. Progress of registration and launching of aesthetic medicine products in China

No.	Type	Product Designation	Purpose	Latest Progress
1	Injections	MaiLi Extreme Hyaluronic acid	Facial filling	Application for registration accepted by the Center for Medical Device Evaluation, NMPA in April 2024; currently under technical review
2	Injections	MaiLi Precise Hyaluronic acid	Facial filling	Enrollment of all subjects for clinical trial completed in April 2024; all follow-ups for main end-point expected to be completed by the end of 2024
3	Injections	Ellansé-M	Facial filling	Follow-ups of main end-point of all subjects for clinical trial in China completed in the middle of 2024; 18-month follow-up in progress
4	Injections	LanlumaV Poly-l-lactic Acid	Facial filling	Enrollment of the first subject for clinical trial in China completed in June 2024; recruitment in progress
5	Injections	KIO015	Facial skin improvement	Preparation for clinical trial in China
6	Energy source equipment	V20	Improvement of body and facial wrinkles, benign skin lesions, benign vascular lesions, inflammatory acne, hair removal, etc.	Supplementary materials for registration in China submitted in July 2024; currently under technical review

7	Energy source equipment	V30	Improvement of body and facial wrinkles, benign skin lesions, benign vascular lesions, benign pigmented lesions, inflammatory acne, hair removal, etc.	Testing for registration and preparation of technical data completed; application for registration in China to be submitted recently
8	Cosmeticequipment	Préime DermaFacial	Facial skin management	To be launched in China ascosmetic equipment

9. Progress of patents

In recent years, the Company attached great importance to the protection of intellectual property and the commercialization and application of achievements, and the number of patent applications and authorization steadily increased. Over the years, the Company applied for 1500 patents in and out of China, including 500 authorized invention patents. Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd., the Company's wholly-controlled subsidiary, is a national intellectual property demonstration enterprise. In November 2014, it passed the external audit of Zhongzhi (Beijing) Certification Co., Ltd., becoming one of the first 147 companies that passed the standards implementation certification and successfully passed the re-examination of the enterprise intellectual property management system in October 2023.

During the reporting period, application and renewal of patents of the Company progressed smoothly, with a total of 87 patent applications submitted, including 64 patents for invention. A total of 56 patents were granted.

Patent type	Increase during the reporting period		Total quantity	
	Number of patents applied for (unit)	Number of patents received (unit)	Number of patents applied for (unit)	Number of patents received (unit)
Invention patent	64	34	1200	507
Utility patent	22	18	275	245
Appearance design patent	1	4	40	39
Total	87	56	1515	791

Note: Data in the above table represent the statistical patent information of main subsidiaries engaging in the pharmaceutical industry, industrial microbiology and aesthetic medicine within the Company's consolidated statements.

II. Core Competitiveness

1. Open innovative medicine R&D system and continuously improved innovation ability

The Company has always attached great importance to innovative R&D and maintained great input in R&D. Being “Scientific Research-based and Patient-centered”, the Company has fostered a sound independent innovation system for R&D of medicines that covers the whole process from medicine discovery, pharmaceutical research, pre-clinical study and clinical study to industrial production, and set up its Global New Medicine R&D Center after years of vigorous development, with “clinical value, pharmacoeconomic value and commercial value” as the starting point.

Focusing on three core therapeutic fields of oncology, endocrinology and autoimmunity, the Company keeps developing and has fostered differentiated innovative product lines that cover the full R&D cycle via independent R&D, external cooperation, license-in, etc. All these merits effectively empower the continuous initiation and launching of innovative products, offering impetuses for the medium- and long-term development.

2. Diverse product lines for specialized and chronic diseases, and featured layout in three core therapeutic fields

Focusing on specialized and chronic diseases, as well as special medicines for years, the Company has fostered good brand effect and laid strong market foundation in such fields as chronic nephrosis, autoimmunity, endocrinology and oncology. With the world’s first-in-class layout in three core therapeutic fields of anti-tumor, endocrinology and autoimmunity, the Company has fostered three featured R&D matrices of ADC, GLP-1 and external preparation, forming differentiated advantages.

Specializing in medicines for diabetes for about two decades, the Company has continuously kept at the forefront of similar products in China in terms of market share. The Company has formed a comprehensive layout for innovative medicines and differentiated generic medicines in the mainstream clinical treatment targets of diabetes. To date, there have been 20 products under commercialization and research. The existing and subsequently-upgraded products cover multiple clinical mainstream targets, including α -glucosidase inhibitor, DPP-4 inhibitor, SGLT-2 inhibitor, GLP-1 receptor agonist, double-target and triple-target agonists, insulin, and its analogues. The Company has fostered all-round and differentiated product lines that combine the long-acting and

multi-target global innovative and biosimilar medicines including oral medicines and injections revolving around GLP-1 target.

华东医药糖尿病领域全产品线布局 (研发进度截止2024年8月)

传统口服降糖药	DPP-4抑制剂	SGLT-2抑制剂	GLP-1受体激动剂	GLP-1R/GIPR 双靶点激动剂	FGF21R/GCGR/GLP-1R 三靶点激动剂	胰岛素及类似物
阿卡波糖片 (已上市)	西格列汀二甲双胍片 (50/500mg已获批上市) (50/850mg已获批上市)	卡格列净片 (已上市)	利拉鲁肽注射液 (糖尿病适应症:已上市) (肥胖适应症:已上市)	HDM1005 (临床 I 期)	DR10624 (新西兰临床 I b/II a 期) 中国临床 II 期)	德谷胰岛素注射液 (临床 III 期)
阿卡波糖咀嚼片 (已上市)	苯甲酸阿格列汀片 (已上市)	二甲双胍恩格列净片(I) (已上市)	HDM1002 (临床 II 期)			德谷门冬 双胰岛素注射液 (临床 III 期)
吡格列酮二甲双胍片 (15/500mg已上市) (15/850mg已上市)			司美格鲁肽注射液 (临床 III 期)			
伏格列波糖片 (已上市)						
盐酸吡格列酮片 (已上市)						

华东医药
HUADONG MEDICINE

内分泌领域——GLP-1产品布局



The field of oncology is one of the three core therapeutic fields valued by the Company during its development. To date, the Company has formed rich product lines in the field of oncology driven by its independent R&D and external cooperation, and has had a dozen of innovative medicines that

cover solid tumors and hematological tumors, as well as a variety of therapeutic mechanisms. In the field of solid tumors, the Company has made differentiated layout for main cancers such as gynecological tumors, urinary system tumors, and digestive system tumors. As for hematological tumors, the Company has rolled out its services that cover diverse cancers including multiple myeloma, lymphoma and leukemia through its ADC and CAR-T products. In the field of ADC, the Company keeps enhancing its product lines and has successively invested, held and incubated many biotech companies with leading technologies in China. Moreover, the Company has fostered a unique ADC global R&D ecology of Huadong Medicine and gradually created a world-leading ADC independent R&D platform that is unique to Huadong Medicine. The Company will keep developing ADC innovative products in a differentiated manner and bringing tumor patients better and more advanced solutions.



In the field of autoimmunity, the indications of the Company's existing and under-development products include transplant immunity, systemic lupus erythematosus, psoriasis, atopic dermatitis, seborrheic dermatitis, recurrent pericarditis, Cryopyrin-Associated Periodic Syndromes and other diseases, covering such diseases as skin, rheumatism, cardiovascular, respiratory, and transplantation. The Company has become one of the pharmaceutical companies with comprehensive coverage in the field of autoimmunity in China. To date, the Company has had over 10 varieties of biomedicines and

small-molecule innovative products in the field of autoimmunity. In the meantime, the Company's Innovative Medicine R&D Center developed multiple new target and biological mechanism immune disease early projects, which are all smoothly advanced. With regard to autoimmunity, the Company stretched its coverage to external preparations, built external preparations R&D platforms, and steadily advanced the R&D and innovation of external preparations and complicated preparations. To date, its wholly-owned subsidiary Huadong Medicine (Xi'an) Bohua Pharmaceutical Co., Ltd. has fostered three production lines for external preparations.



3. China's leading professional pharmaceutical service team and complete commercial format

In the pharmaceutical industry segment, the Company has fostered a professional pharmaceutical service and market development team. Coring at the clinical values and academic promotion, the team vigorously promotes the marketing mode that features the online integration of comprehensive hospitals, primary-level medical institutions, retailing, third-party terminals and Internet, with its sales network covering over 30 provinces (autonomous regions and municipalities). To date, the Company has gradually formed multi-channel effective coverage and strong competitive advantages.

As for pharmaceutical business, the Company has made its presence in Zhejiang market for years. To date, the Company has established business partnerships with over 95% of top 50 pharmaceutical enterprises globally and the top 100 pharmaceutical enterprises in China, and covered all public medical institutions in all cities, districts and counties (county-level cities) in Zhejiang. With regard to the out-of-hospital market, the Company keeps developing retain pharmacies and private medical institutions, with a leading market share in Zhejiang Province. The Company continuously improves its core competence and has formed significant competitive advantages in cooperation with leading hospitals, innovation in services, policy affairs, as well as organization and operation. Keeping pace with the development of leading hospitals, the Company firmly seizes policy opportunities such as the facilitation of medical insurance settlement in different places, keeping its share in leading hospitals in Zhejiang Province around top three. The Company leads the industry in innovation in services, offers services in diverse types and with rich contents, and achieves favorable cooperation with upstream pharmaceutical enterprises and downstream terminal hospitals that feature high compliance rate. The Company has formed strong competitiveness in such innovative businesses as cold chain third-party logistics and automatic decoction, with a leading position in Zhejiang Province. Attaching great importance to policy affairs, the Company boasts advantages accumulated over a long period of time and is highly professional in serving clients and patients. Highly flattened organizational structure, strong team cohesion and robust execution force help the Company lead the industry in such key labor efficiency indexes as per capita sales and per capita net profit.

4. High-end international aesthetic medicine product lines that cover noninvasive and micro-invasive mainstream non-operative fields

The Company successfully made its presence in the aesthetic medicine industry by acquiring Sinclair based in the UK in 2018, and international energy-source aesthetic medicine device enterprises High Tech and Viora in 2021 and 2022 respectively. In 2023, the Company successively obtained the global rights of ATGC-110, a botulinum toxin product from ATGC in the Republic of Korea, and the commercial rights of YY001 by Chongqing Yuyan in China, realizing the full coverage of three categories of injection products, i.e. recycled products, hyaluronic acids, and botulinum toxin.

For each category, the Company has formed more than two differentiated product lines and built a comprehensive multi-dimensional aesthetic product system to provide patients with one-stop integrated facial aesthetics solutions. Covering all middle- and high-end markets of non-operative aesthetic medicine injections and energy-source aesthetic medicine devices, the Company has now held global rights of multiple patented products in such fields as facial and body filling, facial cleansing, body shaping, thread lifting, and energy-source devices, and set up an international aesthetic medicine operation and BD team. To date, the Company has developed 40 types of international high-end “noninvasive and micro-invasive” aesthetic medicine products that cover frown lines improvement, facial and body filling, thread lifting, skin management, body shaping, depilation, private repair and other non-operative mainstream aesthetic medicine fields. Specifically, 26 types of these products have been launched in and out of China, and the other 14 types are “first-in-class” products under development. With comprehensive product clusters formed, the Company now ranks at the forefront of the industry in terms of product quantity and coverage.

5. Building R&D industrial cluster and comprehensively improving the international competitiveness of industrial microbiology segment

Since the establishment of the Industrial Microbiology Division, the Company has led the overall business development in the field of industrial microbiology, and formed a complete independent management system in marketing, operation, R&D, human resources, and finance. The Company has also established the R&D clusters with Industrial Microbiology of Zhongmei Huadong, HIT Institute of Synthetic Biology, Huida Biotech, Hizyme Biotech, Perfect mRNA and Hibe as the core, and seven industrial bases in Hangzhou Xiangfuqiao, Qiantang New Area, Jiangsu Joyang, Magic Health, Anhui Meihua, Wuhu Huaren, and Nanjing Nongda Animal Pharmaceutical. Moreover, the Company has set up the largest fermentation monomer plants in Zhejiang Province, formed the industry-leading microbiological medicine production ability and high-level R&D capacity that covers all stages of microbiological engineering technologies from strain construction, metabolic regulation, enzymatic catalysis, synthetic modification to separation and purification, and built a complete manufacturing system for R&D, pilot test, commercial production, engineering and public system guarantee of microbiological projects. On this basis, the Company further advances the integrated construction of “production, research and marketing” of the Industrial Microbiology Division, and make it an innovative international team with high synergy and high efficiency.

The Company's industrial microbiology team is rich-experienced and full of vitality. Mr. Wu Hui, Deputy General Manager of the Company, serves as the leader of the Company's industrial microbiology segment. With profound technical foundation and over 30 years of experience in the field of industrial microbiology, he won the second prize of National Science and Technology Progress Award twice. In terms of R&D, the Company's industrial microbiology segment has been committed to forming an efficient R&D team with high-quality talents as the core. To date, there are 309 R&D personnel, 27% of whom have obtained their master and/or doctoral degrees. In the industrial microorganism sector, the Company has initiated over 361 R&D projects, including 63 projects for xRNA (including 225 subprojects), 76 projects for featured APIs and pharmaceutical intermediates, 30 projects for massive health and biomaterials, and 30 projects for animal health.

6. Prudent and pragmatic operation style, and stable returns to shareholders

Valuing innovation in management, the Company has always endeavored to satisfy the demands for market competition by improving the quality of its operation. As a result, the Company has achieved long-term steady development thanks to its high-quality products, excellent commercialization capability, compliant yet efficient marketing services, differentiated market positioning, innovative R&D layout, and complete talent planning. Since it was listed, the Company has distributed dividends for 22 times with a cumulative amount of 6.628 billion yuan, which is 26.51 times the fund of 250 million yuan raised during IPO. The Company brings shareholders consistent and steady returns on investment.

III. Main Businesses

Overview

Refer to "I. Main Business of the Company during the Reporting Period"

Year-on-year Changes in Major Financial Data

Unit: yuan

	Current reporting period	Same period last year	Year-on-year percentage increase/decrease	Reasons for changes
Operating revenue	20,965,065,605.67	20,385,344,288.81	2.84%	
Operating cost	14,109,803,647.16	13,917,418,061.11	1.38%	
Sales expenses	3,274,822,873.39	3,083,786,005.03	6.19%	
Administrative expenses	714,633,116.91	721,477,862.62	-0.95%	
Financial expenses	23,424,445.20	55,848,182.30	-58.06%	Mainly due to the

				increase in net interest income
Income tax expenses	360,337,560.24	345,279,440.91	4.36%	
R&D input	643,106,566.65	558,407,142.27	15.17%	
Net cash flow from operating activities	2,275,256,481.44	2,021,743,748.65	12.54%	
Net cash flow from investing activities	-669,504,073.37	-577,687,027.42	-15.89%	
Net cash flow from financing activities	-487,229,608.74	-926,491,607.55	47.41%	
Net increase of cash and cash equivalents	1,112,735,457.71	526,515,832.72	111.34%	

Material changes in profit composition or profit sources during the reporting period

Applicable N/A

No material changes in profit composition or profit sources during the reporting period.

Composition of operating revenue

Unit: yuan

	Current reporting period		Same period last year		Year-on-year percentage increase/decrease
	Amount	Proportion in operating revenue	Amount	Proportion in operating revenue	
Total operating revenue	20,965,065,605.67	100%	20,385,344,288.81	100%	2.84%
By sectors					
Business	13,588,899,262.22	64.82%	13,636,059,547.28	66.89%	-0.35%
Manufacturing	7,857,208,599.38	37.48%	7,134,543,938.82	35.50%	10.13%
Including: Industrial	6,697,868,023.87	31.95%	6,054,218,892.26	30.20%	10.63%
Aesthetic medicine	1,348,185,919.47	6.43%	1,224,069,602.01	6.00%	10.14%
Including: International aesthetic medicine	569,905,904.41	2.72%	668,946,339.96	3.28%	-14.81%
Aesthetic medicine in China [Note]	824,698,912.81	3.93%	646,500,104.35	3.17%	27.56%
Offset (inter-sectoral offset)	-481,042,255.93		-385,259,197.30		
By products					
By regions					
Sales in China	20,326,872,868.28	96.96%	19,679,447,121.24	96.54%	3.29%
Overseas sales	638,192,737.39	3.04%	705,897,167.57	3.46%	-9.59%

The operating revenue or profit accounts for more than 10% of the total by industries, products or regions

[Note] The aesthetic medicine in China includes the income from the self-operated aesthetic medicine products, the income from the aesthetic medicine products of the Company's pharmaceutical commercial agency and the income from the OTC weight-loss products of the Company.

Applicable N/A

Unit: yuan

	Operating revenue	Operating cost	Gross profit rate	Year-on-year percentage increase/decrease in operating revenue	Year-on-year percentage increase/decrease in operating cost	Year-on-year percentage increase/decrease in gross profit rate
By sectors						
Business	13,588,899,262.22	12,712,773,454.71	6.45%	-0.35%	-0.93%	0.55%
Manufacturing	7,857,208,599.38	1,757,590,864.82	77.63%	10.13%	24.85%	-2.64%
By products						
By regions						
Sales in China	20,326,872,868.28	13,900,942,569.53	31.61%	3.29%	1.61%	1.13%
Overseas sales	638,192,737.39	208,861,077.63	67.27%	-9.59%	-10.71%	0.41%

If the statistical specifications of the Company's main business data have been adjusted during the reporting period, the Company's main business data of the latest period should be adjusted according to the specifications at the end of the reporting period.

Applicable N/A

IV. Non-main Businesses

Applicable N/A

Unit: yuan

	Amount	Proportion in total profit	Note on reasons	Sustainable or not
Total return	-47,845,863.81	-2.34%	Mainly due to long-term equity investment gains measured at the equity method	
Gains and losses from changes in fair value	0.00	0.00%		No
Assets Impairment	0.00	0.00%		
Non-operating revenue	5,221,955.01	0.25%		No
Non-operating expenses	37,784,277.75	1.84%		No
Other income	93,707,046.82	4.57%	Mainly due to the confirmation of government grants in the current period	No

V. Assets and Liabilities

1. Major changes in asset composition

Unit: yuan

	End of the current reporting period		End of last year		Change of proportion	Note on major changes
	Amount	Proportion in total assets	Amount	Proportion in total assets		
Monetary funds	5,650,547,127.	15.62%	4,663,378,011.	13.92%	1.70%	

	07		64			
Accounts receivable	7,964,566,076.36	22.02%	7,455,250,690.83	22.25%	-0.23%	
Inventories	4,379,240,489.45	12.11%	4,290,214,266.03	12.80%	-0.69%	
Investment real estate	12,270,841.77	0.03%	12,746,181.87	0.04%	-0.01%	
Long-term equity investment	1,540,257,326.17	4.26%	1,535,907,809.85	4.58%	-0.32%	
Fixed Assets	4,158,172,111.39	11.50%	4,140,144,817.51	12.36%	-0.86%	
Construction in Progress	918,366,234.28	2.54%	913,147,212.17	2.73%	-0.19%	
Right-of-use Assets	157,318,875.96	0.43%	151,175,007.16	0.45%	-0.02%	
Short-term borrowings	1,405,140,132.05	3.89%	822,380,292.37	2.45%	1.44%	
Contract liabilities	125,051,134.31	0.35%	135,459,275.17	0.40%	-0.05%	
Long-term borrowings	81,565,510.08	0.23%	520,759,460.07	1.55%	-1.32%	
Lease liabilities	69,083,110.73	0.19%	56,695,158.59	0.17%	0.02%	

2. Information about main overseas assets

Applicable N/A

Contents of assets	Reasons	Asset size	Location	Operation mode	Control measures to ensure asset security	Earnings position	Proportion of overseas assets to the Company's net assets	Where there are significant impairment risk
Sinclair Pharma Limited	Equity acquisition	2,196,780,300 yuan	United Kingdom	Independent auditing	Approval of decisions on major matters and daily financial supervision by the Board of Directors, and audit by external intermediaries	Loss in the current period	9.86%	No

3. Assets and liabilities measured at fair value

Applicable N/A

Unit: yuan

Item	Amount at the beginning of the period	Gain/loss from fair value changes in the current period	Accumulated fair value changes recognized in equity	Depreciation reserves withdrawn during the period	Purchase amount in the current period	Selling amount in the current period	Other changes	Amount at the end of the period
Financial assets								
2. Derivative financial assets	16,434,493.97						53,642.57	16,488,136.54
4. Other equity instrument investments	565,223,872.68						1,344,406.04	566,568,278.72
Subtotal of financial assets	581,658,366.65						1,398,048.61	583,056,415.26
Receivables financing	1,434,366,300.69				5,234,592,059.74	5,009,854,601.39		1,659,103,759.04
Total	2,016,024,667.34	0.00	0.00	0.00	5,234,592,059.74	5,009,854,601.39	1,398,048.61	2,242,160,174.30
Financial liabilities	0.00							0.00

Other changes

Changes in exchange rate

Whether there are significant changes in the main asset measurement attribute of the Company during the reporting period.

Yes No

4. Limitation of asset rights at the end of the reporting period

Unit: yuan

Item	Ending book balance	Book value at the end of the period	Type of limitation	Reasons for limitation
Monetary funds	72,862,407.58	72,862,407.58	Deposit	The deposit is used for issuing bills, letters of credit, etc.
Monetary funds	255,013,541.67	255,013,541.67	Pledge	Certificate of deposit pledge is used for issuing bills.
Monetary funds	1,000,000.00	1,000,000.00	Freezing	Judicially frozen payment
Receivables financing	4,035,242.07	4,035,242.07	Pledge	Bill pledge is used for issuing bills.

Total	332,911,191.32	332,911,191.32		
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VI. Investment

1. Overview

Applicable N/A

Investment amount in the reporting period (yuan)	Investment amount in the same period of last year (yuan)	Percentage change
1,243,491,577.69	1,101,613,342.52	12.88%

2. Significant equity investments acquired during the reporting period

Applicable N/A

3. Significant non-equity investments in progress during the reporting period

Applicable N/A

Unit: yuan

Project name	Way of investment	Investment in fixed assets or not	Industry involved in the investment project	Investment amount during the reporting period	Cumulative actual investment amount by the end of the reporting period	Fund source	Project progress	Projected income	Cumulative income realized by the end of the reporting period	Reasons for not meeting the planned schedule and projected income	Disclosure date (if any)	Disclosure index (if any)
Huadong Medicine Biomedical Science and Technology Park Project Phase II	Self-built project	Yes	Pharmaceutical manufacturing	5,935,117.42	1,807,103,103.33	Equity funds	99.00%	/	/	N/A	March 9, 2017	Cninfo (http://www.cninfo.com.cn)
Huadong Medicine	Self-built project	Yes	Pharmaceutical	11,349,855.18	386,794,847.89	Equity funds	95.50%	/	/	N/A	April 21, 2021	Cninfo (http://www.c)

ne Life Science Industrial Park (Xiangfushouth plot) project			R&D									info.com.cn)
Huadong Medicine Bio-innovation Intelligence Center Project	Self-built project	Yes	Pharmaceutical manufacturing	62,384,170.59	62,384,170.59	Equity funds	2.00%	/	/	N/A	February 8, 2024	Cninfo (http://www.cninfo.com.cn)
Total	--	--	--	79,669,143.19	2,256,282,121.81	--	--	/	/	--	--	--

4. Investment in financial assets

(1) Securities Investment

Applicable N/A

Unit: yuan

Type of stock	Stock code	Stock abbreviation	Initial investment cost	Accounting measurement model	Book value at the beginning of the period	Gain/loss from fair value changes in the current period	Accumulated fair value changes recognized in equity	Purchase amount in the current period	Selling amount in the current period	Gain/loss during the reporting period	Book value at the end of the period	Accounting item	Fund source
Domestic and overseas stock	RAPT	RAPT	20,207,400.00	Measurement of Fair Value	7,122,858.91	0.00	3,047,483.68	0.00	0.00	44,350.07	7,167,208.98	Other equity instrument investments	Equity funds
Total			20,207,400.00	--	7,122,858.91	0.00	3,047,483.68	0.00	0.00	44,350.07	7,167,208.98	--	--

Note: (1) Huadong Medicine Investment Holding (Hong Kong) Limited, a wholly-owned subsidiary of the Company, purchased 218,102 Series C-2 preferred shares of RAPT Therapeutics, Inc. in a total of 3 million US dollars in 2018. RAPT Therapeutics, Inc.

was listed on NASDAQ exchange on October 30, 2019 (stock code: RAPT). As of the end of the reporting period, Huadong Medicine Investment Holding (Hong Kong) Limited holds 39,500 shares in RAPT, accounting for about 0.113% of the total shares of RAPT Therapeutics, Inc.

(2) On March 11, 2024, the Company's wholly-owned subsidiary Huadong Medicine Investment Holding (Hong Kong) Limited subscribed IPO shares of Qyuns Therapeutics Co., Ltd. at the Stock Exchange of Hong Kong Limited as cornerstone investor with the consideration of equivalent 5 million US dollars from its own funds in Hong Kong dollar (excluding brokerage commission, related transaction fees and levies). Please refer to the *Announcement on Subscribing IPO Shares of Qyuns Therapeutics Co., Ltd. as Cornerstone Investor* (Announcement No.: 2024-013) disclosed by the Company on Cninfo (<http://www.cninfo.com.cn>) for details. On March 20, 2024, Qyuns Therapeutics was successfully listed on the main board of the Stock Exchange of Hong Kong with the stock code of 2509.HK. As of the date of the Report, the Company holds a total of 37,876,800 shares of Qyuns Therapeutics through its wholly-owned subsidiaries Zhongmei Huadong and Huadong Medicine Investment Holding (Hong Kong) Limited, accounting for about 17.06% of the total shares of Qyuns Therapeutics. Among them, Zhongmei Huadong holds 35,900,000 shares and Huadong Medicine Investment holds 1,976,800 shares.

The Company calculated the shares held by Zhongmei Huadong and Huadong Medicine Investment in a consolidated manner, which was reflected in the long-term equity investment in the financial statements.

(2) Derivatives investment

Applicable N/A

1) Derivatives investment for hedging during the reporting period

Applicable N/A

Unit: ten thousand yuan

Type of derivatives investment	Initial investment amount	Amount at the beginning of the period	Gain/losses from fair value changes in the current period	Accumulated fair value changes recognized in equity	Purchase amount during the reporting period	Selling amount during the reporting period	Amount at the end of the period	Proportion of the investment amount at the end of the period in the net assets of the Company at the end of the reporting period
Currency swap derivatives	2,990.75	1,643.45	0	0	0	0	1,648.81	0.08%
Total	2,990.75	1,643.45	0	0	0	0	1,648.81	0.08%
Note on accounting policies and specific principles of accounting concerning hedging business during the reporting period, and whether they change significantly when compared with	N/A							

that in the previous reporting period	
Note on the actual gains and losses during the reporting period	N/A
Note on the effect of hedging	The Company carries out foreign currency hedging business based on specific situations, which is based on normal production and operations and can effectively reduce risks on the foreign currency market. Risks facing the Company under control are bearable.
Capital source of derivatives investment	Equity or self-raised funds
Note on the risk analysis and control measures for derivatives holding during the reporting period (including but not limited to market risks, liquidity risks, credit risks, operational risks and legal risks)	<p>Risks: 1. Market risks: The interest rate, exchange rate and other prices on the market may fluctuate due to changed domestic and overseas economic policies and situations, thus changing the price of financial derivative instruments and causing losses. 2. Liquidity risks: Transactions fail to be completed due to the market lacking liquidity and counterparties. 3. Operational risks: Trading financial derivative instruments requires experts who can deal with complexity, which may cause operational risks due to traders or managers thinking there is an error or system failure and out of control. 4. Contractual risks: Contracts on financial derivative business expire, some of which cannot be performed on time, and thus they are breached. 5. Legal risks: Relevant legal changes lead to a contract that is not in conformity with local laws, so that the contract cannot be performed, or contractual terms are omitted and unclear; or losses are caused to the Company due to the counter-party violating relevant laws and regulations, and thus the contract cannot be performed as required. Measures: The Company and its wholly-controlled subsidiaries avoid speculation and arbitrage when trading financial derivatives, so that strict risk control will be employed during the execution of contracts concerning financial derivatives trading. 1. The Company strictly abides by prudent investment principles, selects prudent investment types, and makes investments within the amount approved by the Board of Directors. 2. The Company carefully selects counter-parties for trading, and only trades derivatives with financial institutions featuring robust operations, sound reputation and business license for financial derivative trading. The Company may resort to external professional investment and legal service institutions if necessary to provide consulting services for the Company's financial derivative trading, as well as scientific and precise investment strategies and suggestions. 3. The Company has formulated the Management Rules for Securities Investment and Derivative Trading, setting detailed rules on the management, supervision and information closure related to the Company's derivative trading principles, scope, decision-making authority and capital use, which can effectively prevent investment risks. Besides, the Company will strictly implement related management rules, assign special personnel to follow up on the progress of financial derivative trading. For instance, relevant measures shall be taken in time to control investment risks if there are risks that may affect the Company's capital safety. The Company's audit department is in charge of monitoring and checking the execution of financial derivative trading and reporting to the Audit Committee of the Board of Directors. 4. The Company's audit department is in charge of monitoring and checking the execution of financial derivative trading and reporting to the Audit Committee of the Board of Directors.</p>
In case of changing market prices or fair values of invested derivatives during the reporting period, the analysis of the derivatives' fair values shall disclose the specific methods adopted, relevant assumptions and parameter	Please refer to "Disclosure of fair value" in the "Financial Report" for details when the derivatives are measured at fair value on the market.

settings.	
Litigation (if applicable)	N/A
Date of announcement of the Board of Directors on derivatives investment approval (if any)	August 16, 2023

2) Derivatives investment for speculation during the reporting period

Applicable N/A

No such case during the reporting period.

5. Use of raised funds

Applicable N/A

No such case during the reporting period.

VII. Major Assets and Equity Sales

1. Major assets sales

Applicable N/A

No such case during the reporting period.

2. Major equity sales

Applicable N/A

VIII. Analysis of Controlling and Shareholding Companies

Applicable N/A

Main subsidiaries and the shareholding companies that have an impact on the Company's net profit of more than 10%

Unit: yuan

Company name	Company type	Main business	Registered capital	Total assets	Net assets	Operating revenue	Operating Profits	Net profits
Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd.	Subsidiary	Production and management of Traditional Chinese and Western raw medicines and	872,308,130	16,759,828,793.00	11,280,159,533.95	6,573,045,440.32	1,567,312,615.73	1,328,598,014.00

		preparation s, and health care products						
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Acquisition and disposal of subsidiaries during the reporting period

Applicable N/A

Company name	Methods of acquisition and disposal of subsidiaries during the reporting period	Impact on the overall production, operation and performance
Shaanxi Bohua (Weinan) Pharmaceutical Co., Ltd.	Newly established	Business expansion
Sinclair (Hangzhou) Supply Chain Management Co., Ltd.	Newly established	Business expansion for aesthetic medicine products

Information on major shareholding companies

IX Structured Entities Controlled by the Company

Applicable N/A

X. Risks and Countermeasures

1. Change of industry policy and production operation risks

The pharmaceutical industry is a strategic industry supported and developed in China, which is closely related to people's health and life safety. Being highly competitive and innovative, it needs to constantly adapt to market changes and policy adjustments. In recent years, the pharmaceutical industry has been gradually standardized, normalized and systematized as such policies as volume-based procurement and medical insurance negotiation are constantly advanced. In the meantime, such external factors as geopolitics and macroeconomic policies also disturb enterprise management and market conditions, posing new challenges to the production cost and profitability of the pharmaceutical industry. Besides, there is a risk of price reduction of new medicines.

Countermeasures: The Company has always paid great attention to national policies and industrial development, with corresponding adjustments made when necessary. In terms of R&D, the Company continues to increase its R&D input and improves its competitiveness and potential for future development by enriching product lines in core therapeutic fields. While maintaining its stable operation, the Company actively expands the aesthetic medicine and industrial microbiology fields to create new growth points. In addition, the Company also reduces its production and operation risks through cost reduction, efficiency improvement, lean management, or by other means.

2. Risk in new medicine R&D

The R&D in the pharmaceutical industry features high investment, long cycle and high risk. Generally, it takes a long time for a new product to be launched from R&D to pre-clinical research, clinical trials, application for registration, production approval, commercialization and etc. The R&D progress is affected by such factors as national policies, market factors, and regulatory approval. In addition, the R&D of innovative medicines needs excellent R&D personnel with high education level. The investment of manpower and early R&D expenses will put some pressure on the Company to achieve its current business objectives. Meanwhile, new medicines will be tested by the market demands after launching and may face such risks as price reduction, which may result in return on R&D investment that is less than expected.

Countermeasures: The Company focuses on its core therapeutic fields, continuously improves its capacity in independent R&D, keeps enriching and optimizing its product lines through independent R&D + introduction, and fosters the R&D ecology unique to Huadong Medicine, with featured R&D matrices formed in the fields of oncology, endocrinology and autoimmunity. The Company will continue to optimize its innovation mechanism, constantly improve scientific research, evaluation and decision-making system for new medicines, and strengthen close partnerships with well-known R&D institutions in and out of China. In the meantime, the Company inputs more to introduce high-level scientific research talents, enhances training and incentives for internal core technical staff, and endeavors to foster a high-level innovative R&D team that supports the complete cycle of innovative medicine R&D.

3. Risk in investment & merger and goodwill impairment

Foreign investment is one of the important ways of enterprise development. In recent years, the Company has continued to invest and do mergers and acquisitions in such fields as innovative medicines, aesthetic medicine and industrial microbiology, so as to form goodwill and realize the innovation and transformation development strategy. If the company acquired in the future faces the risk of performance fluctuation, there may be a risk of goodwill impairment, adversely affecting the Company's current operation performance. At the same time, the post-investment management and business integration of the target company also put forward higher requirements for the management of the Company.

Countermeasures: The Company will strive to comprehensively improve our capabilities in overall planning, management structure, financial management, overall operation and governance,

and business integration; strengthen the resource sharing and synergy of acquired subsidiaries; regularly test the impairment of goodwill; and enhance comprehensive, scientific and timely post-investment management.

4. Risk in exchange rate fluctuation

The Company is advancing its international development. With many overseas subsidiaries, the Company increasingly develops international cooperation and exchanges, expands the sales network of aesthetic medicine in the world, and accelerates the development of its industrial microbiology segment in recent years, raising the proportion of foreign currency settlement business. The fluctuation in exchange rate will affect the price of the Company's export products, cause exchange gains and losses to the Company, and increase the operating costs, thus affecting the Company's assets, liabilities and income, further its operation ability, debt repayment ability and profitability.

Countermeasures: the Company will pay close attention to the fluctuation in exchange rate, adjust our business countermeasures in time according to its own situation, and resolve the adverse effects; develop the exchange risk awareness, and improve the foreign exchange risk management system; strengthen the training of financial personnel's professional skills and risk awareness, enhance the awareness of risk avoidance, and make good use of financial means to avoid exchange rate risks.

XI. Implementation of the Action Plan of "Improvement of Quality and Return"

Whether the Company discloses its Action Plan of "Improvement of Quality and Return"

Yes No

The Company has formulated the Action Plan of "Improvement of Quality and Return" in a bid to implement the guiding principles of "Activating the capital market and boosting investors' confidence" put forward by the Political Bureau of the CPC Central Committee and "Vigorously improving the quality and investment value of listed companies, taking more powerful and effective measures to stabilize the market and confidence" pointed out at the executive meeting of the State Council, safeguard the interests of all shareholders of the Company, continuously enhance the Company's core competitiveness and investment values, and realize high-quality, high-efficiency and sustainable development. Please refer to the *Announcement on Advancing the Implementation of the Action Plan of "Improvement of Quality and Return"* (Announcement No.: 2024-011) disclosed by the Company on Cninfo (<http://www.cninfo.com>) on March 9, 2024 for details.

The Company implements the Action Plan of “Improvement of Quality and Return”, focuses on four business segments of pharmaceutical industry, pharmaceutical business, aesthetic medicine and industrial microbiology, and continues to advance the innovation and transformation strategy, fully stimulates the innovation vitality, improves the operating quality and efficiency, and promotes the its sustainable and high-quality development.

During the reporting period, the Company’s R&D investment in the pharmaceutical industry (excluding equity investment) was 1.110 billion yuan, up 10.34% year on year. Among them, direct R&D expenditure was 761 million yuan, up 14.04% year on year, which accounts for 11.58% of the operating revenue of the pharmaceutical industry. Over the years, the Company applied for more than 1,500 patents in and out of China, including 500 authorized invention patents. During the reporting period, application and renewal of patents of the Company progressed smoothly, with a total of 87 patent applications submitted, including 64 patents for invention. A total of 56 patents were granted.

The Company conducted information disclosure and investor exchange activities based on the needs of investors, enhanced its transparency, listened to and drew opinions and suggestions of investors, continuously improved corporate governance, strengthened internal control and risk prevention, and improved the level of standardized operation. The Company further standardized the operation of the mechanism comprised of shareholders’ meeting, board of directors, board of supervisors and senior managers, gave full play to the roles of special committees, independent directors and professional organizations of the board of directors, continuously improved the decision-making level, and safeguarded the interests of the Company and stakeholders.

The Company has always kept the philosophy of returning investors in mind and operated stably. In H1 2024, the Company achieved a total operating revenue of 20.965 billion yuan, up 2.84% year on year (up 2.93% year on year in the first quarter), the net profit attributable to shareholders of listed companies of 1.696 billion yuan, up 18.29% year on year (up 14.18% year on year in the first quarter), and the net profit attributable to shareholders of listed companies after deducting non-recurring gains/losses of 1.625 billion yuan, up 13.85% year on year (up 10.66 year on year in the first quarter).

In May 2024, the Company implemented the profit distribution in 2023, with a total cash dividend of 1.018 billion yuan. Moreover, the Company will also implement the profit distribution in H1 2024, with a total cash dividend of 614 million yuan.

XII. Registration Form of Receptions, including Research, Communication and Interviews, undertaken during the Reporting Period

Reception date	Reception address	Reception method	Type of visitor	Reception object	Main content of discussion and information provided	Index of basic information of the research
January 9 to 10, 2024	Conference Room of the Company	On-site survey and online meeting	Institution	NCI, Citic Securities, Guotai Junan Securities, etc.	Investor communication	Please refer to the <i>Record of Investor Relations Activities on January 9 to 10, 2024</i> presented on the websites of irm.cninfo.com.cn and cninfo.com.cn for details.
January 16 to 17, 2024	Conference Room of the Company	On-site survey	Institution	Haitong Securities, Origin Asset Management, SWS MU Fund Management, etc.	Investor communication	Please refer to the <i>Record of Investor Relations Activities on January 16 to 17, 2024</i> presented on the websites of irm.cninfo.com.cn and cninfo.com.cn for details.
March 4, 2024	Conference Room of the Company	Online meeting	Institution and individual	Soochow Securities, Zhong Ou AMC, Perseverance Asset Management, etc.	Exchange Meeting for Launching of Saikaize [®] between Huadong Medicine and CARsgen Therapeutics	Please refer to the <i>Record of Investor Relations Activities on March 4, 2024</i> presented on the websites of irm.cninfo.com.cn and cninfo.com.cn for details.
April 18, 2024	Conference Room of the Company	Online meeting	Institution and individual	CICC, China Securities Cooperation, TF Securities, etc.	2023 Annual Performance Exchange Meeting of Huadong Medicine	Please refer to the <i>Record of Investor Relations Activities on April 18, 2024</i> presented on the websites of irm.cninfo.com.cn and cninfo.com.cn for details.
April 26, 2024	Conference Room of the Company	Online meeting	Institution and individual	Citic Securities, China Galaxy Securities, CICC, etc.	2024 Q1 Performance Exchange Meeting of Huadong Medicine	Please refer to the <i>Record of Investor Relations Activities on April 26, 2024</i> presented on the websites of irm.cninfo.com.cn and cninfo.com.cn for details.

April 30, 2024	Conference Room of the Company	Online meeting	Individual	Individual investors	2023 Annual and 2024 Q1 Online Performance Meeting of Huadong Medicine	Please refer to the <i>Record of Investor Relations Activities on April 30, 2024</i> presented on the websites of irm.cninfo.com.cn and cninfo.com.cn for details.
May 8, 2024	Conference Room of the Company	On-site survey	Institution and individual	Citic Securities, CICC, Harvest Fund, etc.	Activities of Investors' Reception Day of Huadong Medicine	Please refer to the <i>Record of Investor Relations Activities on May 8, 2024 (Activities of Investors' Reception Day)</i> presented on the websites of irm.cninfo.com.cn and cninfo.com.cn for details.

Section IV. Corporate Governance

I. Annual and extraordinary general meetings held during the reporting period

1. General meetings in the reporting period

Sessions	Meeting type	Proportion of investors present	Convening date	Disclosure date	Meeting resolution
2023 Annual General Meeting	Annual general meeting	62.86%	May 8, 2024	May 8, 2024	<i>Announcement of the Resolutions of 2023 Annual General Meeting (Announcement No.: 2024-043) on China Securities Journal, Securities Times, Shanghai Securities News, and Cninfo (www.cninfo.com.cn)</i>
2024 First Extraordinary General Meeting	Extraordinary general meeting	63.36%	June 18, 2024	June 18, 2024	<i>Announcement of the Resolutions of 2024 First Extraordinary General Meeting (Announcement No.: 2024-056) on China Securities Journal, Securities Times, Shanghai Securities News, and Cninfo (www.cninfo.com.cn)</i>

2. Extraordinary general meetings convened at the request of preference shareholders with resumed voting rights:

Applicable N/A

II. Change of directors, supervisors and senior managers of the Company

Applicable N/A

Name	Title	Type	Date	Reasons
Xia Jing	Employee Supervisor	Elected	May 16, 2024	Additional Employee Supervisor
Zhu Yinhua	Employee Supervisor	Retired	May 16, 2024	Voluntary Resignation

III. Profit distribution and share capital increase by capital reserve conversion during the current reporting period

Applicable N/A

Number of bonus shares every 10 shares (share)	0
Dividends paid every 10 shares (yuan) (tax included)	3.50
Share capital base of the distribution plan (share)	1,754,262,548
Cash dividends (yuan) (tax included)	613,991,891.80
Cash dividends by other means (such as share repurchase) (yuan)	0.00
Total cash dividends (including those by other means) (yuan)	613,991,891.80
Distributable profit (yuan)	6,833,221,740.55
Proportion of total cash dividends (including those by other means) in the total profit distributed	100%
Current cash dividends	
If the Company is in a mature stage of development and has significant capital expenditure arrangements, the proportion of cash dividends in the current profit distribution should be at least 40%.	
Details of the profit distribution plan or the plan for capital stock increase by capital reserve conversion	
<p>The Company's <i>Profit Distribution Plan for H1 2024</i> is as follows: On the basis of 1,754,262,548 shares that are obtained after removing 65,000 restricted shares that have not been repurchased and canceled from the total share capital of 1,754,327,548 shares of the Company, 3.50 yuan (including tax) of cash dividends per ten common shares will be distributed to all shareholders. No bonus shares will be distributed, and no reserved funds can be converted as the share capital. The total cash dividend will be 613,991,891.80 yuan (including tax), and the remaining undistributed profits will be carried forward to future annual distribution. If the base shares of the Company change before the implementation of this profit distribution plan, the distribution ratio per share will be adjusted while the total amount to be distributed keeps unchanged.</p> <p>The Company is handling procedures for the repurchase and cancellation of 65,000 restricted shares involved in the <i>2022 Restricted Stock Incentive Plan</i>. As of the date of the Report, the repurchase and cancellation are not completed, which are expected to be completed before the implementation of the <i>Profit Distribution Plan for H1 2024</i>. Please refer to subsequent announcements of the Company for details.</p> <p>This profit distribution plan integrates the Company's current operating situation and long-term development, fully considers the reasonable demands and return on investment of investors, matches the Company's operating performance and future development, and conforms to the Company's development plan.</p> <p>This profit distribution plan complies with the provisions and requirements of the <i>Company Law of People's Republic of China</i>, the <i>CSRC Notice on Further Implementing Matters Related to Cash Dividend Distribution of Listed Companies</i>, the <i>Regulatory Guidelines for Listed Companies No.3 - Distribution of Cash Dividends of Listed Companies</i> and the <i>Articles of Association</i>. The interim dividend plan is legal, compliant, and reasonable.</p> <p>This profit distribution plan is in line with the Company's proposal on cash dividends in 2023 and 2024 received by China Grand Enterprises, Inc., the controlling shareholder of the Company, and Hangzhou Huadong Medicine Group Co., Ltd., the shareholder holding more than 5% of the shares, on February 18, 2024 (please refer to the <i>Announcement on Receiving Shareholders' Cash Dividends in 2023 and 2024</i> (Announcement No.: 2024-007) disclosed by the Company on Cninfo (http://www.cninfo.com.cn) on February 18, 2024 for details).</p> <p>The 2023 Annual General Meeting convened on May 8, 2024 deliberated on and approved the <i>Proposal on Applying to the General Meeting for Authorizing the Board of Directors to Prepare the Interim Dividend Distribution in 2024</i>. The Board of Directors agreed to authorize the Board of Directors to prepare specific dividend distribution plan according to the resolution of the General Meeting if conditions for profit distribution are satisfied. Preconditions for interim dividend distribution in 2024 are as follows: (1) The net profit attributable to shareholders of listed companies in consolidated financial statements of the Company in the current period witness and maintain stable growth; (2) The Company's cash flow can meet the needs of normal operation and sustainable development. The upper limit of the interim dividend is 50% of the net profit attributable to shareholders of listed companies in the corresponding period, and the lower limit is 500 million yuan (including tax). The <i>Profit Distribution Plan for H1 2024</i> falls within the scope authorized by the resolution of the General Meeting to the Board of Directors, and will not be submitted to the General Meeting for deliberation and approval.</p>	

IV. Implementation of the Company's equity incentive scheme, employee stock ownership plan or other employee incentive measures

Applicable N/A

1. Equity incentive

(1) On August 8, 2022, the Company convened the second meeting of the 10th Board of Directors and the 2nd meeting of the 10th Board of Supervisors, deliberating on and passing the *Proposal on the Company's 2022 Restricted Share Incentive Scheme (Draft) and Its Summary*, the *Proposal on Management Rules for the Implementation and Assessment of the Company's 2022 Restricted Share Incentive Scheme*, the *Proposal on the Management Rules of the Company's 2022 Restricted Share Incentive Scheme*, and the *Proposal on Applying to the General Meeting for Authorizing the Board of Directors to Handle Equity Incentive-related Matters*. Independent directors expressed their independent opinions on whether this incentive scheme is conducive to the sustainable development of the Company and whether there is any situation that harms the interests of the Company and all shareholders. See the relevant announcement of the Company published on Cninfo (<http://www.cninfo.com.cn>) on August 10, 2022 for details.

(2) On August 10, 2022, the Company disclosed the *Announcement on Independent Directors Publicly Soliciting Proxy Voting Rights* on Cninfo (www.cninfo.com.cn). Mr. Wang Ruwei, Independent Director of the Company, commissioned by other independent directors publicly solicited proxy voting rights from all shareholders of the Company on proposals related to the *2022 Restricted Share Incentive Scheme* reviewed on the 1st extraordinary general meeting in 2022 that was set to be convened on August 31, 2022.

(3) The Company announced publicly the list of the first batch of employees receiving the incentive from the restricted share incentive scheme on the Company's intra-net from August 15 to 25, 2022, which lasted for 10 days in total. As of the end of the announcement on August 25, 2022, the Board of Supervisors did not receive any objection against these employees. On August 25, 2022, the Company convened a session of the Board of Supervisors, during which the *Verification Opinions and Announcement Note on the List of the First Batch of Employees Receiving the Incentive from the Company's 2022 Restricted Share Incentive Scheme* was reviewed and approved. On the same day, the Company disclosed the Board of Supervisors' Verification Opinions and Announcement Note on the List of the First Batch of Employees Receiving the Incentive from the Company's *2022 Restricted Share Incentive Scheme* and a related announcement on www.cninfo.com.cn.

(4) On August 31, 2022, the Company convened the first extraordinary general meeting in 2022. During the meeting, the *Proposal on the Company's 2022 Restricted Share Incentive Scheme (Draft)*

and Its Summary, the Proposal on Management Rules for the Implementation and Assessment of the Company's 2022 Restricted Share Incentive Scheme, the Proposal on the Management Rules of the Company's 2022 Restricted Share Incentive Scheme, and the Proposal on Applying to the General Meeting for Authorizing the Board of Directors to Handle Equity Incentive-related Matters were deliberated on and approved. On the same day, the Company disclosed on www.cninfo.com.cn the Self-Inspection Report on Insiders and Incentive Receivers of the 2022 Restricted Share Incentive Scheme Purchasing and Selling the Company's Shares and a related announcement. The incentive scheme was approved in the Company's first extraordinary general meeting in 2022, and the Board of Directors was authorized to implement the restricted share incentive scheme and handle relevant matters according to laws and regulations.

(5) On October 27, 2022, the Company convened the fourth session of the tenth Board of Directors and the fifth session of the tenth Board of Supervisors. During these two sessions, the Proposal on Adjustments of the Company's 2022 Restricted Share Incentive Scheme, and the Proposal on Granting Restricted Shares to the First Batch of Employees Receiving Incentive from the 2022 Restricted Share Incentive Scheme were deliberated on and approved. The Company's Board of Directors believed that the conditions of the incentive scheme for granting restricted shares were fulfilled, and the Board of Supervisors re-verified the list of incentive receivers on the first grant date, and expressed opinions on the grant. The Company's independent directors agreed on the above proposals. Lawyers and independent financial advisers prepared related reports. On October 28, 2022, the Company disclosed a related announcement on www.cninfo.com.cn.

(6) On November 9, 2022, the Company disclosed the Announcement on Completion of Registration of the First Grant of the 2022 Restricted Share Incentive Scheme. The Company completed the registration of the first grant of the restricted share incentive scheme in 2022, and the listing date of the granted restricted shares was November 15, 2022.

(7) On July 12, 2023, the Company convened the twelfth session of the tenth Board of Directors and the eighth session of the tenth Board of Supervisors. During these two sessions, the Proposal on Adjustments of the Granted Price of the Company's 2022 Restricted Share Incentive Scheme, and the Proposal on Granting Reserved Restricted Shares to the First Batch of Employees Receiving Incentive from the 2022 Restricted Share Incentive Scheme were deliberated on and approved. The Company's Board of Directors believed that reserved conditions of the incentive scheme for granting restricted shares were fulfilled, and the Board of Supervisors re-verified the list of incentive receivers on the date of granting reserved shares, and expressed opinions on the grant. The Company's independent directors agreed on the above proposals. Lawyers and independent financial advisers prepared related reports. On the same day, the Company disclosed a related announcement on www.cninfo.com.cn.

(8) The Company announced publicly the list of this batch of employees receiving the incentive from the restricted share incentive scheme on the Company's OA system from July 13 to 23, 2023, which lasted for 10 days in total. As of the end of the announcement on July 23, 2023, the Board of Supervisors did not receive any objection against these employees. On July 26, 2023, the Company convened a session of the Board of Supervisors, during which the *Verification Opinions and Announcement Note on the List of Employees Receiving the Reserved Restricted Share Incentive from the Company's 2022 Restricted Share Incentive Scheme* was reviewed and approved. On the same day, the Company disclosed the *Board of Supervisors' Verification Opinions and Announcement Note on the List of Employees Receiving the Reserved Restricted Share Incentive from the Company's 2022 Restricted Share Incentive Scheme* and a related announcement on www.cninfo.com.cn.

(9) On September 27, 2023, the Company disclosed the *Announcement on Completion of Registration of the Reserved Grant of 2022 Restricted Share Incentive Scheme*. The Company completed the registration of the reserved grant of the restricted share incentive scheme in 2022, and the listing date of the granted restricted shares was September 28, 2023.

(10) On November 21, 2023, the Company convened the 18th session of the 10th Board of Directors and the 12th session of the 10th Board of Supervisors. During these two sessions, the *Proposal on Achievement of the Release of Restriction Conditions during the First Restriction Period of Restricted Shares Granted for the First Time from the 2022 Restricted Share Incentive Scheme*, the *Proposal on Adjusting the Repurchase Price of Shares under the 2022 Restricted Share Incentive Scheme*, and the *Proposal on Repurchase and Cancellation of Some Restricted Shares* were deliberated on and approved. The Board of Directors believed that the Company attained conditions for the unlock of restriction conditions during the first restriction period of restricted shares granted for the first time from the *2022 Restricted Share Incentive Scheme*. According to the authorization of the Company's first extraordinary general meeting in 2022, the Board of Directors agreed that the Company can handle the procedures for releasing restricted sales of 1,220,940 restricted shares with the restricted sales period for 108 incentive subjects. The Board of Directors also agreed to repurchase and cancel 97,800 shares of restricted shares that have been granted but have not been unlocked for four incentive subjects who are no longer eligible for incentives due to resignation and two incentive subjects who fail to satisfy the standards due to personal performance during the first restricted sales releasing period. The Company's independent directors issued independent opinions on related matters, and the Company's Board of Supervisors issued verification opinions on related matters. Lawyers and independent financial advisers prepared related reports. On the same day, the Company disclosed a related announcement on www.cninfo.com.cn.

(11) On December 1, 2023, the Company disclosed the *Hint on Circulation of Restricted Shares Released during the First Restriction Release Period of Restricted Shares Granted for the First Time from the 2022 Restricted Share Incentive Scheme*. The date of circulation of restricted shares released during the first restriction release period of restricted shares granted for the first time from the 2022 *Restricted Share Incentive Scheme* is December 5, 2023.

(12) On December 8, 2023, the Company convened the second extraordinary general meeting in 2023, deliberated on and approved the *Proposal on Repurchase and Cancellation of Some Restricted Shares* and the *Proposal on Altering the Registered Capital and Amending the Articles of Association*. On the same day, the Company disclosed the *Announcement on Repurchase and Cancellation of Some Restricted Shares to Reduce Registered Capital and Notify the Creditors*. As of January 24, 2024, the benchmark date for capital verification, i.e. within forty-five days from the date when the Company announced the reduction of capital, no creditor asked the Company to pay off its debts or provide corresponding guarantees.

(13) On March 28, 2024, the Company disclosed the *Announcement on Completion of Repurchase and Cancellation of Some Restricted Shares*. On March 26, 2024, the Company completed the procedures for the repurchase and cancellation of 97,800 restricted shares in Shenzhen Branch of China Securities Depository and Clearing Co., Ltd.

(14) On May 30, 2024, the Company convened the twenty-fourth session of the tenth Board of Directors and the sixteenth session of the tenth Board of Supervisors. During these two sessions, the *Proposal on Adjusting the Repurchase Price in 2022 Restricted Share Incentive Scheme* and *Proposal on Repurchase and Cancellation of Some Restricted Shares* were deliberated on and approved. The Board of Directors agreed to repurchase and cancel 65,000 restricted shares that have been granted but have not been unlocked for five incentive subjects of firstly-granted or reserved shares who are no longer eligible for incentives due to resignation. The Company's Board of Supervisors issued verification opinions on related matters. Lawyers and independent financial advisers prepared related reports. On the same day, the Company disclosed a related announcement on www.cninfo.com.cn.

(15) On June 18, 2024, the Company convened the first extraordinary general meeting in 2024, deliberated on and approved the *Proposal on Repurchase and Cancellation of Some Restricted Shares* and the *Proposal on Increasing the Business Scope, Changing Registered Capital and Amending the Articles of Association*. On the same day, the Company disclosed the *Announcement on Repurchase and Cancellation of Some Restricted Shares to Reduce Registered Capital and Notify the Creditors*.

2. Implementation of the employee stock ownership plan

Applicable N/A

3. Other employee incentives

Applicable N/A

Section V. Environmental and Social Responsibilities

I. Major Environmental Protection Issues

Do the listed company and its subsidiaries belong to the key pollutant discharge units announced by the environmental protection department

Yes No

Relevant policies and industry standards for environmental protection

Environmental Protection Law of the People's Republic of China; Law of the People's Republic of China on Water Pollution Prevention and Control; Law of the People's Republic of China on Atmospheric Pollution Prevention and Control; Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste; Law of the People's Republic of China on the Prevention and Control of Ambient Noise Pollution; Law of the People's Republic of China on the Prevention and Control of Soil Pollution; Emission Standard of Air Pollutants for Pharmaceutical Industry; Discharge Standard of Pollutants for Bio-pharmaceutical Industry; Regulations on the Administration of Permitting of Pollutant Discharges; Standard for Fugitive Emission of Volatile Organic Compounds; Emission Standards for Odor Pollutants; Wastewater Quality Standards for Discharge to Municipal Sewers; Emission Standard for Industrial Enterprises Noise at Boundary; Standard for Pollution Control on the Non-hazardous Industrial Solid Waste Storage and Landfill; Standard for Pollution Control on Hazardous Waste Storage; Technical Specification for Setting Identification Signs of Hazardous Waste; Integrated Emission Standard of Air Pollutants; Emission Standard of Volatile Organic Compounds; National Catalogue of Hazardous Wastes; Integrated Wastewater Discharge Standard; Discharge Standard of Water Pollutants for Pharmaceutical Industry - Chemical Synthesis Products Category; Detailed Annotation of Integrated Emission Standard of Air Pollutants; Technical guidelines for Environmental Impact Assessment - Atmospheric Environment; Environmental Quality Standard for Surface Water; Environmental Quality Standards for Noise; Technical Methods for Making Local Emission Standards of Air Pollutants; Technical Specification for Application and Issuance of Pollutant Permit - General Programme; General Specifications of Engineering and Technology for Hazardous Waste Disposal; Standard for Groundwater Quality; Soil Environmental Quality - Risk Control Standard for Soil Contamination of Development Land (Trial); Water Quality Standard for Sewage Treatment Plant in South of Wuhu City; Integrated Wastewater Discharge Standard of Yellow River Basin in Shaanxi Province; Discharge Standard of Pollutants for Bio-pharmaceutical Industry of Zhejiang Province; and Emission Standard of Air Pollutants for Pharmaceutical Industry of Zhejiang Province.

Information on environmental protection-related administrative licensing

Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd. re-applied for the Pollutant Emission Permit on April 25, 2024, which is valid until April 24, 2029.

Hangzhou Zhongmei Huadong Pharmaceutical Jiangdong Co., Ltd. re-applied for the Pollutant Emission Permit on March 4, 2023, which is valid until March 3, 2028.

Jiangsu Joyang Laboratories obtained the Pollutant Emission Permit according to the environmental protection requirements on February 28, 2022, which is valid until February 27, 2027.

Huadong Medicine (Xi'an) Bohua Pharmaceutical Co., Ltd. re-applied for the Pollutant Emission Permit on March 29, 2024, which is valid until March 28, 2029. In addition, Huadong Medicine (Xi'an) Bohua Pharmaceutical Co., Ltd. completed the environment acceptance upon completion of 50t/a Indobufen Product Transfer Project in March 2024.

Wuhu Huaren Science and Technology Co., Ltd. obtained the Pollutant Emission Permit on February 26, 2024, which is valid until February 25, 2029. In addition, the Series Innovative Medicine and Biological Reagent API R&D Center Project of Wuhu Huaren Science and Technology Co., Ltd. obtained the EIA approval on July 16, 2024.

Industrial emission standards and specific situation of pollutant emissions involved in production and business activities

Designation of Company or subsidiary	Category of main and particular pollutants	Name of main and particular pollutants	Discharge pattern	Quantity of discharge outlet	Distribution of discharge outlet	Discharge concentration/intensity	Executive pollutant discharge standard	Total discharges	Approved total discharges	Excessive discharge
Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd.	Water pollutant	pH value	Intermittent discharge	1	Main Entrance Moganshan Road, No.866	6.97	6-9	/	/	None
Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd.	Water pollutant	COD	Intermittent discharge	1	Main Entrance Moganshan Road, No.866	21.11mg/l	500mg/l	4.92 tons (discharged to environment)	33.3 t/a	None
Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd.	Water pollutant	Ammonia-nitrogen	Intermittent discharge	1	Main Entrance Moganshan Road, No.866	1.90mg/l	35mg/l	0.08 tons (discharged to environment)	2.38 t/a	None
Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd.	Solid pollutant	Hazardous solid waste	Compliant disposal by entrusted qualified units	3	Within the factory at Moganshan Road, No.866	/	/	528.145 tons	/	None
Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd.	Solid pollutant	General solid waste	Compliant disposal by entrusted qualified units	2	Within the factory at Moganshan Road, No.866	/	/	11.24 tons	/	None
Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd.	Air pollutant	Nitric oxide	Organized discharge	1	Roof of Boiler Room at Building 25	27.5mg/m ³	50mg/m ³	1.16 tons	17.7 t/a	None
Hangzhou	Air	Sulfur	Organize	1	Roof of	3.5mg/m	20mg/m	0.15	/	None

u Zhongm ei Huadong Pharmac eutical Co., Ltd.	pollutant	dioxide	d discharg e		Boiler Room at Building 25	³	³	tons		
Hangzho u Zhongm ei Huadong Pharmac eutical Co., Ltd.	Air pollutant	Dust and fume	Organize d discharg e	1	Roof of Boiler Room at Building 25	1.15mg/ m ³	10mg/m ³	0.048 tons	/	None
Hangzho u Zhongm ei Huadong Pharmac eutical Jiangdon g Co., Ltd.	Wastewa ter	COD	Continu ous discharg e	1	Phase II Factory Area	100- 350mg/L	500mg/L	104.378 8 tons (Nanotu be discharg e)	141.455 tons (dischar ged to environ ment)	None
Hangzho u Zhongm ei Huadong Pharmac eutical Jiangdon g Co., Ltd.	Wastewa ter	Ammoni a- nitrogen	Continu ous discharg e	1	Phase II Factory Area	0- 25mg/L	35mg/L	0.9984 tons (Nanotu be discharg e)	14.146 tons (dischar ged to environ ment)	None
Hangzho u Zhongm ei Huadong Pharmac eutical Jiangdon g Co., Ltd.	Exhaust gas	Non- methane hydrocar bon	Organize d discharg e	1	Phase II Factory Area	0- 30mg/L	60mg/L	0.5415 tons	4.877 tons	None
Joyang Laborato ries	Water pollutant	pH value	Intermitt ent discharg e	1	No. 9, Haidu North Road	7.8	6-9	/	/	None
Joyang Laborato ries	Water pollutant	COD	Intermitt ent discharg e	1	No. 9, Haidu North Road	176mg/l	500mg/l	8.12 tons	22.401 t/a	None
Joyang Laborato ries	Water pollutant	Ammoni a- nitrogen	Intermitt ent discharg e	1	No. 9, Haidu North Road	2.15mg/l	35mg/l	0.099 tons	1.156 t/a	None

Joyang Laboratories	Water pollutant	Total nitrogen	Intermittent discharge	1	No. 9, Haidu North Road	6.95mg/l	45mg/l	0.32 tons	1.486 t/a	None
Joyang Laboratories	Water pollutant	Total phosphorus	Intermittent discharge	1	No. 9, Haidu North Road	1.69mg/l	8mg/l	0.078 tons	0.164 t/a	None
Joyang Laboratories	Solid pollutant	Hazardous wastes	Compliant disposal by entrusted qualified units	/	No. 9, Haidu North Road	/	/	1026.9 tons	3148.7 t/a	None
Joyang Laboratories	Air pollutant	Non-methane hydrocarbon	Organized discharge	1	No. 9, Haidu North Road	11.58mg/m ³	60mg/Nm ³	2.28 tons/semi-annual	42.7409 t/a	None
Huadong Medicine (Xi'an) Bohua Pharmaceutical Co., Ltd.	Water pollutant	pH value	Intermittent discharge	1	Beside National Highway 310, Liuye River, Huayin City	7.34	6-9	/	/	None
Huadong Medicine (Xi'an) Bohua Pharmaceutical Co., Ltd.	Water pollutant	COD	Intermittent discharge	1	Beside National Highway 310, Liuye River, Huayin City	18.5mg/l	50mg/l	0.296426 tons	3 tons	None
Huadong Medicine (Xi'an) Bohua Pharmaceutical Co., Ltd.	Water pollutant	Ammonia-nitrogen	Intermittent discharge	1	Beside National Highway 310, Liuye River, Huayin City	0.44mg/l	8mg/l	0.004548 tons	0.48 tons	None
Huadong Medicine (Xi'an) Bohua Pharmaceutical Co., Ltd.	Water pollutant	Total nitrogen	Intermittent discharge	1	Beside National Highway 310, Liuye River, Huayin City	10.44mg/l	15mg/l	0.154552 tons	/	None
Huadong Medicine (Xi'an) Bohua Pharmaceutical	Solid pollutant	Hazardous wastes	Compliant disposal by entrusted qualified	3	Within the Company	/	/	422.092 tons	/	None

Co., Ltd.			units							
Huadong Medicine (Xi'an) Bohua Pharmaceutical Co., Ltd.	Air pollutant	Volatile organic compound	Organized discharge	1	APIs Plant 1	/	60mg/m ₃	/	0.388t/a	None
Huadong Medicine (Xi'an) Bohua Pharmaceutical Co., Ltd.	Air pollutant	Hydrogen chloride	Organized discharge	1	APIs Plant 1	/	30mg/m ₃	/	/	None
Huadong Medicine (Xi'an) Bohua Pharmaceutical Co., Ltd.	Air pollutant	Ammonia (ammonia gas)	Organized discharge	1	APIs Plant 1	/	20mg/m ₃	/	/	None
Huadong Medicine (Xi'an) Bohua Pharmaceutical Co., Ltd.	Air pollutant	Sulfuric acid mist	Organized discharge	1	APIs Plant 1	/	45mg/m ₃	/	/	None
Huadong Medicine (Xi'an) Bohua Pharmaceutical Co., Ltd.	Air pollutant	Hydrogen chloride	Organized discharge	1	APIs Plant 2	/	30mg/m ₃	/	/	None
Huadong Medicine (Xi'an) Bohua Pharmaceutical Co., Ltd.	Air pollutant	Non-methane hydrocarbon	Organized discharge	1	APIs Plant 2	/	60mg/m ₃	/	/	None
Huadong Medicine (Xi'an) Bohua Pharmaceutical Co., Ltd.	Air pollutant	Ammonia (ammonia gas)	Organized discharge	1	APIs Plant 2	/	20mg/m ₃	/	/	None
Huadong Medicine (Xi'an) Bohua Pharmaceutical Co., Ltd.	Air pollutant	PM	Organized discharge	1	APIs Plant 2	/	20mg/m ₃	/	/	None

Huadong Medicine (Xi'an) Bohua Pharmaceutical Co., Ltd.	Air pollutant	Ammonia (ammonia gas)	Organized discharge	1	Sewage treatment station	/	20mg/m ³	/	/	None
Huadong Medicine (Xi'an) Bohua Pharmaceutical Co., Ltd.	Air pollutant	Hydrogen sulfide	Organized discharge	1	Sewage treatment station	/	5mg/m ³	/	/	None
Huadong Medicine (Xi'an) Bohua Pharmaceutical Co., Ltd.	Air pollutant	Non-methane hydrocarbon	Organized discharge	1	Sewage treatment station	/	60mg/m ³	/	/	None
Huadong Medicine (Xi'an) Bohua Pharmaceutical Co., Ltd.	Air pollutant	Odor concentration	Organized discharge	1	Sewage treatment station	/	6000	/	/	None
Huadong Medicine (Xi'an) Bohua Pharmaceutical Co., Ltd.	Air pollutant	PM	Organized discharge	6	Solid preparation plant	/	20mg/m ³	/	/	None
Huadong Medicine (Xi'an) Bohua Pharmaceutical Co., Ltd.	Air pollutant	Hydrogen chloride	Organized discharge	1	Pilot plant	/	30mg/m ³	/	/	None
Huadong Medicine (Xi'an) Bohua Pharmaceutical Co., Ltd.	Air pollutant	Non-methane hydrocarbon	Organized discharge	1	Pilot plant	/	60mg/m ³	/	/	None
Wuhu Huaren Science and Technology Co., Ltd.	Air pollutant	NMHC	Organized discharge	1	Roof of Building A	18.975m ³	60mg/m ³	0.552317t	5.4t/a	None
Wuhu	Air	Methylb	Organize	1	Roof of	0	20mg/m	0	0	None

Huaren Science and Technology Co., Ltd.	pollutant	benzene	discharge		Building A		³			
Wuhu Huaren Science and Technology Co., Ltd.	Air pollutant	Methyl alcohol	Organized discharge	1	Roof of Building A	0	50mg/m ³	0	0	None
Wuhu Huaren Science and Technology Co., Ltd.	Air pollutant	Dichloromethane	Organized discharge	1	Roof of Building A	0	40mg/m ³	0	0	None
Wuhu Huaren Science and Technology Co., Ltd.	Air pollutant	Ethyl acetate	Organized discharge	1	Roof of Building A	0	40mg/m ³	0	0	None
Wuhu Huaren Science and Technology Co., Ltd.	Air pollutant	Acetone	Organized discharge	1	Roof of Building A	0	40mg/m ³	0	0	None
Wuhu Huaren Science and Technology Co., Ltd.	Air pollutant	Acetonitrile	Organized discharge	1	Roof of Building A	0	20mg/m ³	0	0	None
Wuhu Huaren Science and Technology Co., Ltd.	Wastewater pollutant	PH	Main outlet	1	Sewage main outlet	7.125mg/m ³	6-9mg/m ³	0	0	None
Wuhu Huaren Science and Technology Co., Ltd.	Wastewater pollutant	COD	Main outlet	1	Sewage main outlet	16.37mg/m ³	360mg/m	0.08282t	0.2272t/a	None
Wuhu Huaren	Wastewater	BOD5	Main outlet	1	Sewage main	5.7mg/m ³	170mg/m	0.00144t	0	None

Science and Technology Co., Ltd.	pollutant				outlet					
Wuhu Huaren Science and Technology Co., Ltd.	Wastewater pollutant	SS	Main outlet	1	Sewage main outlet	12mg/m ³	230mg/m ³	0.00317t	0	None
Wuhu Huaren Science and Technology Co., Ltd.	Wastewater pollutant	Ammonia-nitrogen	Main outlet	1	Sewage main outlet	3.29mg/m ³	30mg/m ³	0.002304t	0.04735t/a	None
Wuhu Huaren Science and Technology Co., Ltd.	Wastewater pollutant	Total nitrogen	Main outlet	1	Sewage main outlet	9.62mg/m ³	35mg/m ³	0.00247t	0	None
Wuhu Huaren Science and Technology Co., Ltd.	Wastewater pollutant	Total phosphorus	Main outlet	1	Sewage main outlet	0.32mg/m ³	5mg/m ³	0.0000881t	0	None
Wuhu Huaren Science and Technology Co., Ltd.	Wastewater pollutant	Dichloromethane	Main outlet	1	Sewage main outlet	0.0088mg/m ³	0.3mg/m ³	0.00000225t	0	None

Pollutant treatment

1. Pollutant treatment of Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd.

(1) Wastewater

Designation of pollution prevention and control facility	Treatment process	Treatment capacity	Time when put into operation	Operation condition
Wastewater treatment system of old sewage treatment station	Facultative + fluidized bed process	Originally 600 t/d, and 800 t/d after technical improvement	November 1993 Technical improvement in 2007	Demolished

Wastewater treatment system of new sewage treatment station	Facultative + CASS + steam flotation	2,200 t/d	December 2001 Technical improvement in 2014 (adding IC and steam flotation) IC tower outage for demolition in 2022	Normal operation
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(2) Exhaust gas

Designation of pollution prevention and control facility	Treatment process	Treatment capacity (CMH)	Time when put into operation	Operation condition
DA002 (16#-1)	Water Spraying + activated carbon	40000	2023	Normal operation
DA010 (35#-1)	Secondary water spraying + dry filter + activated carbon adsorption and desorption	30000	/	Under construction
DA013 (32#-1)	Secondary water spraying + dry filter + activated carbon adsorption and desorption	35000	2023	Normal operation
DA016 (18#-1)	Two-level water spraying + activated carbon + primary spraying	30000	2022	Normal operation
DA019 (3#-1)	Primary water spraying + photo-oxidation	20000+52000	2019	Normal operation
DA020 (36#-2)	Two-level water spraying + condensation + photo-oxidation + activated carbon + inorganic nano-catalysis + water spraying	10000	2019	Normal operation
DA023 (27#-1)	Condensation + alkaline water spraying + all-in-one machine + alkaline water spraying	15000	2009	Outage
DA024 (33#-1)	Secondary water spraying + dry filter + activated carbon adsorption and desorption	1000	2023	Normal operation
DA026 (34#-1)	Secondary water spraying + dry filter + activated carbon adsorption and desorption	40000	2023	Normal operation
DA027 (7#-1)	Secondary alkaline water spraying (activated carbon)	26000	2015	Normal operation
DA028 (6#-1)	Primary clean water spraying	12200	2016	Normal operation
DA030 (18#-3)	Primary clean water spraying + primary alkaline water spraying	5000	2017	Normal operation
DA031 (25#-1)	Low nitrogen combustion + high altitude emission	16000	Low nitrogen transformation completed in December 2019. Online monitoring installed for integrated emptying in 2023	Normal operation

DA034 (27#-2)	Two-level water spraying + activated carbon adsorption and desorption	15000	2011	Outage
DA035 (27#-3)	Photo-oxidation + primary alkaline water spraying	22300	2016	Outage
DA036 (8/13#-1)	Secondary water spraying/ two-level spraying + activated carbon adsorption and desorption	25000	2017	Normal operation
DA042 (10#-1)	Primary clean water spraying	20000	2016	Normal operation
DA043 (15#-1)	Primary alkaline water spraying + photo oxidation	25000	2018	Normal operation
DA044 (43#-1)	Primary alkaline water spraying + primary water spraying	45000	2014	Normal operation
DA045 (46#-1)	Primary clean water spraying	3000	2015	Normal operation
DA046 (46#-2)	Primary clean water spraying	25000	2015	Normal operation
DA047 (46#-3)	Primary clean water spraying	30000	2015	Normal operation
DA048 (23#-1)	Secondary water spraying	7000	2019	Normal operation
DA049 (36#-3)	Secondary water spraying + dry filter + activated carbon adsorption and desorption	10000	/	Under construction
DA050 (3#-2)	Secondary water spraying + activated carbon	45000	/	Under construction

(3) Solid wastes

Designation of pollution prevention and control facility	Treatment process	Treatment capacity	Time when put into operation	Operation condition
Hazardous waste warehouse	Normative storage	180 tons	March 2012	Normative storage, compliant disposal by entrusted qualified units
	Normative storage	107 tons	October 2023	
	Normative storage	85 tons	December 2022	
General solid waste storage yard	Normative storage	7 tons	March 2010	Normative storage, compliant disposal by entrusted qualified units
	Normative storage	30 tons	June 2004	

2. Pollutant treatment of Hangzhou Zhongmei Huadong Pharmaceutical Jiangdong Co., Ltd.

(1) Wastewater

Designation of pollution prevention and control facility	Treatment process	Treatment capacity	Time when put into operation	Operation condition
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Phase I sewage treatment station	Primary sedimentation + EGSB + facultative + aerobic + advanced treatment	1500 t/d	March 2016	Normal operation
Phase II sewage treatment station	EGSB + facultative + aerobic + advanced treatment	8500 t/d	July 2019	Normal operation

(2) Exhaust gas

Designation of pollution prevention and control facility		Treatment process	Treatment capacity (CMH)	Time when put into operation	Operation condition
DA001	Exhaust gas from fermenting east section	Two-level alkaline spraying + photo-catalytic oxidation	45000	May 2016	Normal operation
DA002	Exhaust gas from fermenting west section	Secondary alkaline spraying + photo-catalytic oxidation	40000	May 2016	Normal operation
DA003	Exhaust gas from drying north section	Two-level alkaline spraying	80000	May 2016	Normal operation
DA004	Exhaust gas from sewage treatment station	Secondary alkaline spraying	50000	May 2016	Normal operation
DA006	Exhaust gas from batching section	Primary alkaline spraying	10000	May 2016	Normal operation
DA007	Exhaust gas from quality testing and R&D	Primary alkaline spraying + photo-catalytic oxidation	20000	May 2016	Normal operation
DA008	Exhaust gas from drying south section	Secondary alkaline spraying	80000	May 2016	Normal operation
DA010	Exhaust gas from plate-and-frame filter	Secondary alkaline spraying + photo-catalytic oxidation	40000	May 2017	Normal operation
DA011	Exhaust gas from drying cooling bin	Secondary alkaline spraying	20000	May 2017	Normal operation
DA012	Exhaust gas from drying 7m	Primary alkaline spraying	20000	May 2016	Normal operation
DA013	Exhaust gas from drying 18m	Primary alkaline spraying	20000	May 2016	Normal operation
DA014	Exhaust gas from tank area	Activated carbon + alkaline spraying	Few	June 2019	Waste gas containing solvent is

					separately connected to RTO system Normal operation
DA015	RTO exhaust gas	Water spraying + RTO + alkaline spraying	100000	June 2019	Normal operation
DA016	Exhaust gas I from Vogely preparation	Bag dust removal	Few	June 2019	Normal operation
DA033	MP exhaust gas	Photo-catalytic oxidation	44000	June 2019	Normal operation
DA018	Exhaust gas from super-resistant fermentation	Alkaline spraying + photo-catalytic oxidation + water spraying	20000	June 2019	Normal operation
DA019	X8 exhaust gas	Acid spraying + water spraying	6000	June 2019	Normal operation
DA021	Exhaust gas from quality testing	Alkaline spraying + photo-catalytic oxidation + water spraying	30000	June 2019	Normal operation
DA022	Exhaust gas from AK refining hydrochloric acid	Alkaline spraying + water spraying	10000	June 2019	Normal operation
DA023	Exhaust gas I from spray drying	Bag dust removal + water spraying	Few	June 2019	Normal operation
DA024	Exhaust gas from AK fermenting north section	Alkaline spraying + photo-catalytic oxidation + water spraying	90000	June 2019	Normal operation
DA025	Exhaust gas from AK fermenting south section	Alkaline spraying + photo-catalytic oxidation + water spraying	90000	June 2019	Normal operation
DA026	Exhaust gas from phase II sewage treatment station	Alkaline spraying + water spraying	58000	June 2019	Normal operation
DA027	Exhaust gas from center control	Alkaline spraying + photo-catalytic oxidation + water spraying	8000	June 2019	Normal operation

/	YT exhaust gas	Alkaline spraying + water spraying	4000	June 2019	Connected to RTO system after being pre-treated in this system; this outlet canceled
DA029	Exhaust gas II from spray drying	Bag dust removal + water spraying	Few	June 2019	Normal operation
DA030	Exhaust gas from AK refining ethyl alcohol	Alkaline spraying + water spraying	1000	June 2019	Normal operation
/	Exhaust gas from Bailing Tablets preparation	Condensation + two-level water spraying	20000	July 2022	Connected to RTO system after being pre-treated in this system; this outlet canceled
/	HDG solvent-containing exhaust gas	Oxidation spraying + two-level alkaline spraying	2000	September 2022	Connected to RTO system after being pre-treated in this system; this outlet canceled
FQ217	HDG odor exhaust gas	Oxidation spraying + alkaline spraying	20000	September 2022	Normal operation
FQ 219	Waste gas from benzpyrole preparation	Water spraying + water spraying	30000	April 2024	Not operate

(3) Solid wastes

Designation of pollution prevention and control facility	Treatment process	Treatment capacity	Time when put into operation	Operation condition
Hazardous waste warehouse	Normative storage	10 tons	March 2017	Normative storage, compliant disposal by entrusted qualified units
	Normative storage	200 tons	May 2021	
General solid waste storage yard	Normative storage	20 tons	March 2016	Normative storage, compliant disposal by entrusted qualified units
	Normative storage	15 tons	March 2016	
	Normative storage	40 tons	July 2019	
	Normative storage	30 tons	July 2019	

3. Pollutant treatment of Jiangsu Joyang Laboratories

(1) Wastewater

Designation of pollution prevention and control facility	Treatment process	Treatment capacity	Time when put into operation	Operation condition
Wastewater treatment system of sewage treatment station	Steam flotation tank + hydrolytic acidification + IC tower + UASB tank + A/O tank + O tank + secondary sedimentation tank	1,000 t/d	December 2014	Normal operation

(2) Exhaust gas

Designation of pollution prevention and control facility	Treatment process	Treatment capacity (CMH)	Time when put into operation	Operation condition
Exhaust gas treatment equipment for extracting section in Plant 101	Primary water spraying + water-gas separator + photo-catalytic oxidation + secondary activated carbon adsorption + 25m exhaust pipe high altitude emission	10000	2014	Normal operation
Exhaust gas treatment equipment for fermentation section in Plant 101	Primary water spraying + water-gas separator + secondary activated carbon adsorption + 25m exhaust pipe high altitude emission	20000	2019	Normal operation
Exhaust gas treatment equipment for drying section in Plant 101	Primary water spraying + water-gas separator + secondary activated carbon adsorption + 25m exhaust pipe high altitude emission	22000	2017	Normal operation
Exhaust gas treatment equipment for batching section in Plant 101	Cyclone separator + primary water spray + 15m exhaust pipe high altitude emission	5000	2014	Normal operation
Exhaust gas treatment equipment for fermentation sections in Plants 104/107/108	Primary water spraying + water-gas separator + secondary activated carbon adsorption + 25m exhaust pipe high altitude emission	75000	2021	Normal operation
Exhaust gas treatment equipment for extracting section in Plant 104	Primary water spraying + water-gas separator + photo-catalytic oxidation + secondary activated carbon adsorption + 25m exhaust pipe high altitude emission	10000	2015	Normal operation
Exhaust gas treatment equipment for batching sections in Plants 104/107/108	Cyclone separator + primary water spraying	5000	2015	Normal operation
Exhaust gas treatment equipment for drying sections in Plants 104/107/108	Primary water spraying + water-gas separator + secondary activated carbon adsorption	20000	2015	Normal operation

Exhaust gas treatment equipment for pretreatment tank and hazardous waste repository in Plant 303	Primary water spraying + water-gas separator + photo-catalytic oxidation + secondary activated carbon adsorption + 25m exhaust pipe high altitude emission	40000	2019	Normal operation
Exhaust gas treatment equipment for Plant 106	Primary water spraying + water-gas separator + photo-catalytic oxidation + secondary activated carbon adsorption + 25m exhaust pipe high altitude emission	10000	2015	Normal operation
Exhaust gas treatment equipment for extracting section in Plant 107	Primary water spraying + water-gas separator + photo-catalytic oxidation + secondary activated carbon adsorption + 25m exhaust pipe high altitude emission	20000	2019	Normal operation
Exhaust gas treatment equipment for extracting section in Plant 108	Primary water spraying + water-gas separator + photo-catalytic oxidation + secondary activated carbon adsorption + 25m exhaust pipe high altitude emission	40000	2019	Normal operation
Exhaust gas treatment equipment on F3 in Plant 106	Primary water spraying + 25m exhaust pipe high altitude emission	20000	2019	Normal operation
Exhaust gas treatment equipment for sewage treatment station 303	Primary water spraying + water-gas separator + photo-catalytic + 25m exhaust pipe high altitude emission	15000	2021	Normal operation
Exhaust gas treatment equipment for Plant 103	Primary water spraying + water-gas separator + photo-catalytic oxidation + secondary activated carbon adsorption + 25m exhaust pipe high altitude emission	45000	2022	Normal operation
Exhaust gas treatment equipment in laboratories	Spraying + activated carbon adsorption	25000	2023	Normal operation

(3) Solid wastes

Designation of pollution prevention and control facility	Treatment process	Treatment capacity	Time when put into operation	Operation condition
Hazardous waste warehouse	Normative storage	3148.7 t/a	October 2020	Normative storage, compliant disposal by entrusted qualified units
Household garbage dumping site	Normative storage	1,000 t/a	March 2015	Garbage disposal site in the east of the city

4. Pollutant treatment of Huadong Medicine (Xi'an) Bohua Pharmaceutical Co., Ltd.

(1) Wastewater

Designation of pollution prevention and control facility	Treatment process	Treatment capacity	Time when put into operation	Operation condition
Wastewater treatment system of sewage treatment station	Pretreatment + Fenton system + facultative + aerobic + MBR + carbon filtration	250 t/d	July 2012	Normal operation

(2) Exhaust gas

Designation of pollution prevention and control facility	Treatment process	Time when put into operation	Operation condition
Exhaust gas treatment equipment for APIs Plant 1	Alkaline solution spraying + dry filter (filter cotton) + UV photolysis + activated carbon adsorption	October 2020	Normal operation
Exhaust gas treatment equipment for APIs Plant 2	Tertiary alkaline solution spraying + steam-water separator + dry filter + two-level activated carbon adsorption	November 2019	Normal operation
Exhaust gas treatment equipment for solid preparation	Bag dust removal	2018	Normal operation
Exhaust gas treatment equipment for pilot plant	Two-level alkaline solution spraying + steam-water separator + two-level activated carbon adsorption	2023	Normal operation

(3) Solid wastes

Designation of pollution prevention and control facility	Treatment process	Treatment capacity	Time when put into operation	Operation condition
Hazardous waste repository	Normative storage	133 tons	January 2012	Normative storage, compliant transfer and disposal by entrusted qualified units

5. Wuhu Huaren Science and Technology Co., Ltd.

(1) Wastewater

Designation of pollution prevention and control facility	Treatment process	Treatment capacity	Time when put into operation	Operation condition
Sewage treatment station	pH regulation + coagulation and sedimentation + aerobic bioremediation	30 t/d	August 2023	Normal operation

(2) Exhaust gas

Designation of pollution prevention and control facility	Treatment process	Treatment capacity (CMH)	Time when put into operation	Operation condition
DA001	Collected by pipeline and adsorbed by secondary activated carbon	40000	May 2024	Normal operation
DA002	Collected by pipeline and adsorbed by secondary activated carbon	8000	/	Construction in progress

(3) Solid wastes

Designation of pollution prevention and control facility	Treatment process	Treatment capacity	Time when put into operation	Operation condition
Hazardous waste warehouse	Temporary storage	20 tons	August 2022	Normative storage, compliant disposal by entrusted qualified units

Emergency plan for sudden environmental events

Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd. has formulated and established the *Emergency Plan for Sudden Environmental Events* as required, with the record No. of 330105-2021-003-M.

Hangzhou Zhongmei Huadong Pharmaceutical Jiangdong Co., Ltd. has modified the *Emergency Plan for Sudden Environmental Events* in 2022, with the record No. of 330114-2022-069-M. In May 2024, an emergency drill of “super-anti-sewage regulating tank overflowing” was conducted.

Jiangsu Joyang Laboratories has modified the *Emergency Plan for Sudden Environmental Events* in H1 2024, which has been approved and recorded. In June 2024, an emergency plan drill for a sudden fire environmental incident was conducted.

Huadong Medicine (Xi'an) Bohua Pharmaceutical Co., Ltd. has modified and perfected the *Emergency Plan for Sudden Environmental Events* as required in 2024, with the record No. of 610582-2024-152-M.

Wuhu Huaren Science and Technology Co., Ltd. has formulated the *Emergency Plan for Sudden Environmental Events* in July 2022, with the record No. of 340203-2022-018-L.

Investment in environmental governance and protection, and the relevant information on paying environmental protection tax

In H1 2024, Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd. invested 5,430,000 yuan in environmental governance and protection, paid the environmental protection tax of 1277.11 yuan.

In H1 2024, Hangzhou Zhongmei Huadong Pharmaceutical Jiangdong Co., Ltd. invested 13,101,000 yuan in environmental governance and protection, and did not pay environmental protection tax according to relevant policies.

In H1 2024, Jiangsu Joyang Laboratories invested 3,600,000 yuan in environmental governance and protection, and paid the environmental protection tax of 67,900 yuan.

In H1 2024, Huadong Medicine (Xi'an) Bohua Pharmaceutical Co., Ltd. invested 1,276,800 yuan in environmental governance and protection, and paid the environmental protection tax of 473.3 yuan.

In H1 2024, Wuhu Huaren Science and Technology Co., Ltd. invested a total of 464,100 yuan in environmental governance and protection, and paid the environmental protection tax of 65.13 yuan.

Environmental self-monitoring program

Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd. revised the Pollution Source Self-monitoring Program on July 17, 2024.

Hangzhou Zhongmei Huadong Pharmaceutical Jiangdong Co., Ltd. has formulated the entrusted monitoring plan according to the self-monitoring requirements in the Pollutant Emission Permit, and carried out daily, monthly, quarterly or annual entrusted monitoring according to the monitoring plan.

Jiangsu Joyang Laboratories has formulated the *Pollution Source Self-monitoring Program* according to the relevant national environmental protection requirements, and reported daily monitoring data as required.

Huadong Medicine (Xi'an) Bohua Pharmaceutical Co., Ltd. has formulated the Self-monitoring Program, registered the Program in the environmental protection department, and reported the monitoring data as required.

Wuhu Huaren Science and Technology Co., Ltd. has formulated the *Self-monitoring Program* on February 2, 2024 and conducted monitoring as per the program.

Administrative penalties for environmental issues during the reporting period

Designation of Company or subsidiary	Reasons	Type of violation	Results	Impacts on the production and operation of listed company	Rectification measures
None	None	None	None	None	None

Other environmental information to be disclosed

None

Measures taken to reduce carbon emissions during the reporting period and corresponding effects

Applicable N/A

Hangzhou Zhongmei Huadong Pharmaceutical Jiangdong Co., Ltd. continued to use biogas to generate electricity, reducing the emissions of methane, hydrogen sulfide, and other pollutants. It launched a new project to replace natural gas with biogas. It continuously took lean measures in the plants to reduce pollutant emissions, such as saving water and reducing consumption.

Jiangsu Joyang Laboratories saved 54.71 tons of steam and 7.04 tons of standard coal in H1 2024 by identifying steam usage points and strengthening the maintenance and management of steam traps. It also saved a total of 350,000 yuan of electricity charges and a total of 366.11 tons of standard coal by controlling the electricity use date reported each month within $\pm 3\%$ through precision energy use management.

Other environmental protection related information

None

II. Social Responsibilities

During the reporting period, the Company actively fulfilled its social responsibilities, and participated in the “Spring Breeze Action” with the theme of “Pooling Efforts of All Walks of Life to Help People with Urgent Needs” launched by Hangzhou. Since it was launched in 2000, the “Spring Breeze Action” has extensively mobilized all walks of life to care about poverty alleviation and has become a famous brand of Hangzhou in the charity undertaking, receiving great praise from all walks of life. In 2024, the Company continued to make donations and won the “Love Award” of 2023 “Spring Breeze Action” of Hangzhou awarded by Hangzhou Municipal People’s Government.

In the future, the Company will actively devote itself to the social and public welfare undertaking, endeavor to empower the community and people’s well-being, actively repay the society, and

practically fulfill our social responsibilities by upholding the core values of “Caring, Integrity, Persistence and Pragmatism”.

Section VI. Important Matters

I. Commitments made by interested parties such as the Company's de facto controller, shareholders, related parties, acquirer(s), and the Company that are fulfilled during the reporting period or unfulfilled by the end of the reporting period

Applicable N/A

Cause of Commitment	Committing Party	Type of Commitment	Contents of Commitment	Time of Commitment	Duration of Commitment	Degree of Fulfillment
Other Commitments	Grand Enterprises, Inc.; Hangzhou Huadong Medicine Group Co., Ltd.	Commitment to dividend distribution	<p>“The shareholder hereby recommends increasing the proportion of your cash dividends in 2023 and H1 2024 based on our confidence in your long-term development, good financial position, return to shareholders and other factors to ensure that all shareholders can share the Company’s business development achievements and effectively protect the interests of investors. Specific suggestions are as follows:</p> <p>Proposed profits distribution plan for 2023: A total of 1 billion yuan cash dividends (including tax); no bonus shares will be distributed, and no reserved funds can be converted as the share capital. It is also suggested that the Company divides no less than 500 million yuan (including tax) cash dividends for H1 2024 if the Company’s net profits increase steadily in consideration of the Company’s actual operation in H1 2024. Specific profit distribution plan will be determined by the</p>	February 18, 2024	December 31, 2024	Fulfilled

			Company based on the actual operation situation, which will be submitted to the Board of Directors and General Meeting for deliberation and approval. The shareholder hereby undertakes to vote in favor of the above distribution plan at the General Meeting deliberating on and approving such plan.”			
Whether the commitment is fulfilled on time	Yes					

II. Controlling shareholders’ and related parties’ occupation of non-operating funds of the listed companies

Applicable N/A

No such case during the reporting period.

III. External guarantees in violation of provisions

Applicable N/A

No such case during the reporting period.

IV. Employment and dismissal of accounting firms

Whether the semi-annual financial report has been audited?

Yes No

The Company’s semi-annual report is not audited.

V. Explanation by the Board of Directors and the Board of Supervisors on the “nonstandard audit report” of the accounting firm during the current reporting period

Applicable N/A

VI. Explanation by the Board of Directors on the “nonstandard audit report” in 2023

Applicable N/A

VII. Bankruptcy reorganization

Applicable N/A

The Company does not have related matters of bankruptcy reorganization during the reporting period.

VIII. Contentious matters

Major litigations and arbitrations

Applicable N/A

The Company has no major litigations and arbitrations during the current reporting period.

Other litigations and arbitrations

Applicable N/A

Basic of litigations (arbitrations)	Amount involved (ten thousand yuan)	Whether an estimated liability is formed	Litigation (arbitration) progress	Litigation (arbitration) adjudication result and impact	Execution of litigation (arbitration) judgments	Disclosure date	Disclosure index (if any)
The summary of the litigation matters that don't satisfy the criteria for disclosure of major litigations (arbitrations) (China)	9,597.13	No	Some cases are under acceptance and some adjudications have come into force (involving 11.3437 million yuan)	The summary of the litigation matters has no significant impact on the Company	Some cases have been executed; some adjudicated cases are being executed. Some cases are not adjudicated.	/	/
The summary of the litigation matters that don't satisfy the criteria for disclosure of major litigations (arbitrations) (overseas)	251	No	Some cases are under trials and some adjudications have come into force	The summary of the litigation matters has no significant impact on the Company	Some adjudicated cases are being executed. Some cases are not adjudicated.	/	/
Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd., the Company's wholly-owned subsidiary, demanded that Qinghai Everest Cordyceps Sinensis Raw Materials Co., Ltd. (Defendant 1) and Qinghai Everest	11,137.58	No	Under trails	Temporarily no	Temporarily no	January 3, 2024	Please refer to the <i>Announcement on the Wholly-owned Subsidiary Receiving the Notice of Case Acceptance from Zhejiang Provincial Higher People's Court</i> (Announcement No.: 2024-001) disclosed by

Cordyceps Sinensis Pharmaceutical Co., Ltd. (Defendant 2) immediately stop the infringement of relevant invention patents of Zhongmei Huadong and bear liabilities for compensation.													the Company on Cninfo (http://www.cninfo.com.cn) on January 3, 2024 for details.
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IX. Punishment and rectification

Applicable N/A

No such case during the reporting period.

X. Integrity of the Company and its controlling shareholders and de facto controller

Applicable N/A

The Company, its controlling shareholder and de facto controller are in good credit. There is no failure to fulfill the obligations determined by legal documents in force from courts or failure to repay the due debts of a large amount during the reporting period.

XI. Major related transactions

1. Transactions related to daily operations

Applicable N/A

Related party	Association	Type of related transaction	Content of related transaction	Pricing principles for related transaction	Price of related transaction	Related transaction amount (ten thousand yuan)	Proportion in the amount of similar transactions	Approved transaction amount (ten thousand yuan)	Whether it exceeds the approved amount	Settlement method of related transaction	Available market prices of similar transactions	Disclosure date	Disclosure index (if any)
Hangzhou Jiuyuan	Joint venture of the	Drug purchase	Drug purchase	Market price determined	Market price	2,597.97	0.18%	6,000	No	Cash, bank's accept	Market price	April 18, 2024	Cninfo (http://www)

Gene Engineering Co., Ltd.	Company			by the Company's related transaction decision-making process						ance bill			.cninfo.com.cn)
Grandpharma (China) Co., Ltd.	Subsidiary of the Company's controlling shareholder	Drug purchase	Drug purchase	Market price determined by the Company's related transaction decision-making process	Market price	2,505.88	0.18%	13,200	No	Cash, bank's acceptance bill	Market price	April 18, 2024	Cninfo (http://www.cninfo.com.cn)
Beijing Grand Johamu Pharmaceutical Co., Ltd.	Subsidiary of the Company's controlling shareholder	Drug purchase	Drug purchase	Market price determined by the Company's related transaction decision-making process	Market price	3,182.85	0.23%	13,200	No	Cash, bank's acceptance bill	Market price	April 18, 2024	Cninfo (http://www.cninfo.com.cn)
Leiyunshan Pharmaceutical Co., Ltd.	Subsidiary of the Company's controlling shareholder	Drug purchase	Drug purchase	Market price determined by the Company's related transaction	Market price	1,171.71	0.08%	3,090	No	Cash, bank's acceptance bill	Market price	April 18, 2024	Cninfo (http://www.cninfo.com.cn)

				decisi on- makin g proces s									
Wuha n Grand Pharm aceuti cal Group Sales Co., Ltd.	Subsi diary of the Comp any's contro lling shareh older	Drug purch ase	Drug purch ase	Marke t price deter mined by the Comp any's relate d transa ction decisi on- makin g proces s	Marke t price	1,554. 69	0.11%	13,20 0	No	Cash, banke r's accept ance bill	Marke t price	April 18, 2024	Cninf o (http:// www .cninf o.com .cn)
Sichu an Yuand a Shuya ng Pharm aceuti cal Co., Ltd.	Subsi diary of the Comp any's contro lling shareh older	Drug purch ase	Drug purch ase	Marke t price deter mined by the Comp any's relate d transa ction decisi on- makin g proces s	Marke t price	1,561. 07	0.11%	2,220	No	Cash, banke r's accept ance bill	Marke t price	April 18, 2024	Cninf o (http:// www .cninf o.com .cn)
Pengl ai Nuok ang Pharm aceuti cal Co. Ltd.	Subsi diary of the Comp any's contro lling shareh older	Drug purch ase	Drug purch ase	Marke t price deter mined by the Comp any's relate d transa ction decisi on- makin g proces s	Marke t price	1,474. 91	0.10%	1,900	No	Cash, banke r's accept ance bill	Marke t price	April 18, 2024	Cninf o (http:// www .cninf o.com .cn)
Hangz	Subsi	Drug	Drug	Marke	Marke	2,406.	0.17%	2,890	No	Cash,	Marke	April	Cninf

Hou Grand Biologic Pharmaceutical Inc.	diary of the Company's controlling shareholder	purchase	purchase	t price determined by the Company's related transaction decision-making process	t price	35				banker's acceptance bill	t price	18, 2024	o (http://www.cninfo.com.cn)
Yunnan Leiyunshan Lixiang Pharmaceutical Co., Ltd.	Subsidiary of the Company's controlling shareholder	Drug purchase	Drug purchase	Market price determined by the Company's related transaction decision-making process	Market price	945.18	0.07%	2,895	No	Cash, banker's acceptance bill	Market price	April 18, 2024	Cninfo (http://www.cninfo.com.cn)
Grand Medical Nutrition Science (Wuhan) Co., Ltd.	Subsidiary of the Company's controlling shareholder	Drug purchase	Drug purchase	Market price determined by the Company's related transaction decision-making process	Market price	921.35	0.07%	1,800	No	Cash, banker's acceptance bill	Market price	April 18, 2024	Cninfo (http://www.cninfo.com.cn)
Grand Life Science (Liaoning) Co., Ltd.	Subsidiary of the Company's controlling shareholder	Drug purchase	Drug purchase	Market price determined by the Company's related	Market price	428.58	0.03%	545	No	Cash, banker's acceptance bill	Market price	April 18, 2024	Cninfo (http://www.cninfo.com.cn)

	older			d transa ction decisi on- makin g proces s									
Shenyang Yaoda Leiyunshan Pharmaceuical Co., Ltd.	Subsidiary of the Company's controlling shareholder	Drug purchase	Drug purchase	Market price determined by the Company's related transaction decision-making process	Market price	216.26	0.02%	/	No	Cash, bank's acceptance bill	Market price	April 18, 2024	Cninfo (http://www.cninfo.com.cn)
Xi'an Grand Deten Pharmaceuical Co., Ltd.	Subsidiary of the Company's controlling shareholder	Drug purchase	Drug purchase	Market price determined by the Company's related transaction decision-making process	Market price	124.07	0.01%	/	No	Cash, bank's acceptance bill	Market price	April 18, 2024	Cninfo (http://www.cninfo.com.cn)
Grand Life Science (Chongqing) Co., Ltd.	Subsidiary of the Company's controlling shareholder	Drug purchase	Drug purchase	Market price determined by the Company's related transaction decision-making	Market price	124	0.01%	2,890	No	Cash, bank's acceptance bill	Market price	April 18, 2024	Cninfo (http://www.cninfo.com.cn)

				process									
Xi'an Yuanda Chang'an Pharmaceutical Co., Ltd.	Subsidiary of the Company's controlling shareholder	Drug purchase	Drug purchase	Market price determined by the Company's related transaction decision-making process	Market price	130.98	0.01%	13,200	No	Cash, bank's acceptance bill	Market price	April 18, 2024	Cninfo (http://www.cninfo.com.cn)
Guangdong Leiyunshan Pharmaceutical Co., Ltd.	Subsidiary of the Company's controlling shareholder	Drug purchase	Drug purchase	Market price determined by the Company's related transaction decision-making process	Market price	89.78	0.01%	/	No	Cash, bank's acceptance bill	Market price	April 18, 2024	Cninfo (http://www.cninfo.com.cn)
Changchun Leiyunshan Pharmaceutical Co., Ltd.	Subsidiary of the Company's controlling shareholder	Drug purchase	Drug purchase	Market price determined by the Company's related transaction decision-making process	Market price	29.35	0.00%	/	No	Cash, bank's acceptance bill	Market price	April 18, 2024	Cninfo (http://www.cninfo.com.cn)
Anhui Leiyunshan Pharm	Subsidiary of the Company's	Drug purchase	Drug purchase	Market price determined by the	Market price	88.48	0.01%	3,090	No	Cash, bank's acceptance	Market price	April 18, 2024	Cninfo (http://www.cninfo.com.cn)

aceuti cal Co., Ltd.	contro lling shareh older			Comp any's relate d transa ction decisi on- makin g proces s						bill			o.com .cn)
Chang shu Leiyu nshan g Pharm aceuti cal Co., Ltd.	Subsi diary of the Comp any's contro lling shareh older	Drug purch ase	Drug purch ase	Marke t price deter mined by the Comp any's relate d transa ction decisi on- makin g proces s	Marke t price	66.56	0.00%	3,090	No	Cash, banke r's accept ance bill	Marke t price	April 18, 2024	Cninf o (http:// www .cninf o.com .cn)
Hubei Yuand a Tianti anmin g Pharm aceuti cal Co., Ltd.	Subsi diary of the Comp any's contro lling shareh older	Drug purch ase	Drug purch ase	Marke t price deter mined by the Comp any's relate d transa ction decisi on- makin g proces s	Marke t price	45.67	0.00%	13,20 0	No	Cash, banke r's accept ance bill	Marke t price	April 18, 2024	Cninf o (http:// www .cninf o.com .cn)
Hubei Provi ncial Bafen g Pharm aceuti cals & Chem icals Share Co.,	Subsi diary of the Comp any's contro lling shareh older	Drug purch ase	Drug purch ase	Marke t price deter mined by the Comp any's relate d transa ction decisi	Marke t price	19.47	0.00%	13,20 0	Yes	Cash, banke r's accept ance bill	Marke t price	April 18, 2024	Cninf o (http:// www .cninf o.com .cn)

Ltd.				on- making process									
Grand Life Science (Anshan) Co., Ltd.	Subsidiary of the Company's controlling shareholder	Drug purchase	Drug purchase	Market price determined by the Company's related transaction decision- making process	Market price	56.4	0.00%	545	Yes	Cash, banker's acceptance bill	Market price	April 18, 2024	Cninfo (http:// www. .cninfo.com .cn)
Qingdao Norson Biotechnology Co., Ltd.	Subsidiary of the Company's controlling shareholder	Drug purchase	Drug purchase	Market price determined by the Company's related transaction decision- making process	Market price	207.4 7	0.01%	2,890	No	Cash, banker's acceptance bill	Market price	April 18, 2024	Cninfo (http:// www. .cninfo.com .cn)
Wuhan Grand Hoyo Co., Ltd.	Subsidiary of the Company's controlling shareholder	Drug purchase	Drug purchase	Market price determined by the Company's related transaction decision- making process	Market price	47.79	0.00%	13,20 0	No	Cash, banker's acceptance bill	Market price	April 18, 2024	Cninfo (http:// www. .cninfo.com .cn)
Grand pharm	Subsidiary	Drug purchase	Drug purchase	Market price	Market price	5.66	0.00%	13,20 0	No	Cash, banker's acceptance bill	Market price	April 18,	Cninfo

a Huan gshi Feiyu n Pharm aceuti cal Co., Ltd.	of the Comp any's contro lling shareh older	ase	ase	deter mined by the Comp any's relate d transa ction decisi on- makin g proces s						r's accept ance bill		2024	(http:// www .cninf o.com .cn)
Cangz hou Huach en Biotech nology Co., Ltd.	Subsi diary of the Comp any's contro lling shareh older	Drug purch ase	Drug purch ase	Marke t price deter mined by the Comp any's relate d transa ction decisi on- makin g proces s	Marke t price	20.53	0.00%	13,20 0	No	Cash, banke r's accept ance bill	Marke t price	April 18, 2024	Cninf o (http:// www .cninf o.com .cn)
Grand Bay View Hotel Zhuha i	Subsi diary of the Comp any's contro lling shareh older	Confe rence fee	Confe rence fee	Marke t price deter mined by the Comp any's relate d transa ction decisi on- makin g proces s	Marke t price	29.70	0.00%	/	No	Cash, banke r's accept ance bill	Marke t price	April 18, 2024	Cninf o (http:// www .cninf o.com .cn)
Beijin g Grand Innov ation Prope rty Mana geme	Subsi diary of the Comp any's contro lling shareh older	Prope rty mana geme nt fee	Prope rty mana geme nt fee	Marke t price deter mined by the Comp any's relate d	Marke t price	27.49	0.00%	/	Yes	Cash, banke r's accept ance bill	Marke t price	April 18, 2024	Cninf o (http:// www .cninf o.com .cn)

nt Co., Ltd.				transaction decision-making processes									
Hangzhou Jiuyuan Gene Engineering Co., Ltd.	Joint venture of the Company	Entrusted processing fee	Entrusted processing fee	Market price determined by the Company's related transaction decision-making processes	Market price	6,599.77	0.47%	10,030	No	Cash, bank's acceptance bill	Market price	April 18, 2024	Cninfo (http://www.cninfo.com.cn)
Beijing Grand Bay Hill Hotel Management Co., Ltd.	Subsidiary of the Company's controlling shareholder	Conference fee	Conference fee	Market price determined by the Company's related transaction decision-making processes	Market price	4.25	0.00%	/	No	Cash, bank's acceptance bill	Market price	April 18, 2024	Cninfo (http://www.cninfo.com.cn)
Penglai Nuokang Pharmaceutical Co. Ltd.	Subsidiary of the Company's controlling shareholder	Entrusted processing and other services	Entrusted processing and other services	Market price determined by the Company's related transaction decision-making processes	Market price	1,067.07	0.08%	580.24	Yes	Cash, bank's acceptance bill	Market price	April 18, 2024	Cninfo (http://www.cninfo.com.cn)

				s									
Shanghai Grand Industrial and Financial Investment Management Co., Ltd.	Subsidiary of the Company's controlling shareholder	Investment consulting service fees	Investment consulting service fees	Market price determined by the Company's related transaction decision-making process	Market price	66.04	0.00%	/	Yes	Cash, bank's acceptance bill	Market price	April 18, 2024	Cninfo (http://www.cninfo.com.cn)
Chongqing Peg-Bio Biopharm Co., Ltd.	Joint venture of the Company	Inspection fees	Inspection fees	Market price determined by the Company's related transaction decision-making process	Market price	47.17	0.00%	/	Yes	Cash, bank's acceptance bill	Market price	April 18, 2024	Cninfo (http://www.cninfo.com.cn)
Xi'an Grand Deten Pharmaceutical Co., Ltd.	Subsidiary of the Company's controlling shareholder	Entrusted processing services	Entrusted processing services	Market price determined by the Company's related transaction decision-making process	Market price	30.1	0.00%	638.4	No	Cash, bank's acceptance bill	Market price	April 18, 2024	Cninfo (http://www.cninfo.com.cn)
Hangzhou Jiuyuan Gene Engin	Joint venture of the Company	Medicine sales	Medicine sales	Market price determined by the Company	Market price	242.32	0.01%	800	No	Cash, bank's acceptance bill	Market price	April 18, 2024	Cninfo (http://www.cninfo.com.cn)

ering Co., Ltd.				any's related transaction decision-making process									.cn)
Guangdong Leiyunshan Pharmaceutical Co., Ltd.	Subsidiary of the Company's controlling shareholder	Medicine sales	Medicine sales	Market price determined by the Company's related transaction decision-making process	Market price	133.69	0.01%	/	No	Cash, bank's acceptance bill	Market price	April 18, 2024	Cninfo (http://www.cninfo.com.cn)
Hangzhou Grand Biologic Pharmaceutical Inc.	Subsidiary of the Company's controlling shareholder	Medicine sales	Medicine sales	Market price determined by the Company's related transaction decision-making process	Market price	17.98	0.00%	/	Yes	Cash, bank's acceptance bill	Market price	April 18, 2024	Cninfo (http://www.cninfo.com.cn)
Leiyunshan Pharmaceutical Co., Ltd.	Subsidiary of the Company's controlling shareholder	Medicine sales	Medicine sales	Market price determined by the Company's related transaction decision-	Market price	27.66	0.00%	100	No	Cash, bank's acceptance bill	Market price	April 18, 2024	Cninfo (http://www.cninfo.com.cn)

				making processes									
Xi'an Grandp Technology Innovation Pharmaceutical Co., Ltd.	Subsidiary of the Company's controlling shareholder	Medicine sales	Medicine sales	Market price determined by the Company's related transaction decision-making processes	Market price	8.85	0.00%	/	No	Cash, bank's acceptance bill	Market price	April 18, 2024	Cninfo (http://www.cninfo.com.cn)
Wuhan Wuyao Pharmaceutical (Yangxin) International Trade Co., Ltd.	Subsidiary of the Company's controlling shareholder	Medicine sales	Medicine sales	Market price determined by the Company's related transaction decision-making processes	Market price	9.91	0.00%	/	No	Cash, bank's acceptance bill	Market price	April 18, 2024	Cninfo (http://www.cninfo.com.cn)
Yunnan Leiyunshan Lixiang Pharmaceutical Co., Ltd.	Subsidiary of the Company's controlling shareholder	Medicine sales	Medicine sales	Market price determined by the Company's related transaction decision-making processes	Market price	5.94	0.00%	421.7	No	Cash, bank's acceptance bill	Market price	April 18, 2024	Cninfo (http://www.cninfo.com.cn)
Hubei Yuanda	Subsidiary of the	Medicine sales	Medicine sales	Market price determined	Market price	3.36	0.00%	/	Yes	Cash, bank's	Market price	April 18, 2024	Cninfo (http://

Tianti anmin g Pharm aceuti cal Co., Ltd.	Comp any's contro lling shareh older			mined by the Comp any's relate d transa ction decisi on- makin g proces s						accept ance bill			/www .cninf o.com .cn)
Grand Life Scien ce (Hang zhou) Pharm aceuti cal Co., Ltd.	Subsi diary of the Comp any's contro lling shareh older	Medic ine sales	Medic ine sales	Marke t price deter mined by the Comp any's relate d transa ction decisi on- makin g proces s	Marke t price	106.2 2	0.01%	/	Yes	Cash, banke r's accept ance bill	Marke t price	April 18, 2024	Cninf o (http:// www .cninf o.com .cn)
Suzho u Leiyu nshan g Guoy ao Chain Headq uarter s Co., Ltd.	Subsi diary of the Comp any's contro lling shareh older	Medic ine sales	Medic ine sales	Marke t price deter mined by the Comp any's relate d transa ction decisi on- makin g proces s	Marke t price	46.18	0.00%	100	Yes	Cash, banke r's accept ance bill	Marke t price	April 18, 2024	Cninf o (http:// www .cninf o.com .cn)
Xi'an Grand Deten Pharm aceuti cal Co., Ltd.	Subsi diary of the Comp any's contro lling shareh older	Agenc y servic es	Agenc y servic es	Marke t price deter mined by the Comp any's relate d transa	Marke t price	667.3 4	0.03%	2,781	No	Cash, banke r's accept ance bill	Marke t price	April 18, 2024	Cninf o (http:// www .cninf o.com .cn)

				ction decisi on- makin g proces s									
Sichuan Yuanda Shuyang Pharmaceutical Co., Ltd.	Subsidiary of the Company's controlling shareholder	Transportation and warehousing services	Transportation and warehousing services	Market price determined by the Company's related transaction decision-making process	Market price	6.86	0.00%	/	Yes	Cash, bank's acceptance bill	Market price	April 18, 2024	Cninfo (http://www.cninfo.com.cn)
Hangzhou Grand Biologic Pharmaceutical Inc.	Subsidiary of the Company's controlling shareholder	Technical services	Technical services	Market price determined by the Company's related transaction decision-making process	Market price	48.63	0.00%	200	No	Cash, bank's acceptance bill	Market price	April 18, 2024	Cninfo (http://www.cninfo.com.cn)
Beijing Grand Johamu Pharmaceutical Co., Ltd.	Subsidiary of the Company's controlling shareholder	Information services	Information services	Market price determined by the Company's related transaction decision-making process	Market price	45.89	0.00%	430	No	Cash, bank's acceptance bill	Market price	April 18, 2024	Cninfo (http://www.cninfo.com.cn)

Hangzhou Jiuyuan Gene Engineering Co., Ltd.	Joint venture of the Company	Rent	Rent	Market price determined by the Company's related transaction decision-making process	Market price	6.42	0.00%	6.42	No	Cash, bank's acceptance bill	Market price	April 18, 2024	Cninfo (http://www.cninfo.com.cn)
Beijing Yanhuang Real Estate Co., Ltd.	Subsidiary of the Company's controlling shareholder	Houses and buildings	Houses and buildings	Market price determined by the Company's related transaction decision-making process	Market price	107.71	0.01%	/	Yes	Cash, bank's acceptance bill	Market price	April 18, 2024	Cninfo (http://www.cninfo.com.cn)
Total				--	--	29,379.56	--	50,527.76	--	--	--	--	--
Details of large-scale sales return				N/A									
The actual performance during the reporting period if the total amount of the daily related transactions that will occur in the current period is estimated by category, if any				N/A									
Reasons for large differences in transaction price and reference market value, if applicable				N/A									

2. Related transactions involving the acquisition or selling of assets and equity

Applicable N/A

No such case during the reporting period.

3. Related transactions of joint external investment

Applicable N/A

No such case during the reporting period.

4. Associated claim and debt transactions

Applicable N/A

No such case during the reporting period.

5. Transactions with financial companies who are related parties of the Company

Applicable N/A

No deposit, loan, credit or other financial business between the Company and the related financial companies

6. Transactions between the financial companies controlled by the Company and the related parties

Applicable N/A

No deposit, loan, credit or other financial business between the financial companies controlled by the Company and the related parties.

7. Other major related transactions

Applicable N/A

No such case during the reporting period.

XII. Major contracts and their fulfillment

1. Entrustment, contracting and leasing

(1) Entrustment

Applicable N/A

No such case during the reporting period.

(2) Contracting

Applicable N/A

No such case during the reporting period.

(3) Leasing

Applicable N/A

No such case during the reporting period.

2. Important guarantees

Applicable N/A

Unit: ten thousand yuan

External guarantees of the Company and its subsidiaries (excluding guarantees for subsidiaries)

Guaranteed party	Disclosure date of the announcement related to the guarantee cap	Guarantee cap	Actual date of occurrence	Actual guaranteed amount	Type of guarantee	Collateral (if any)	Counterparty (if any)	Period of guarantee	Fulfilled or not	Guarantee for a related party or not
Guarantee for subsidiaries										
Guaranteed party	Disclosure date of the announcement related to the guarantee cap	Guarantee cap	Actual date of occurrence	Actual guaranteed amount	Type of guarantee	Collateral (if any)	Counterparty (if any)	Period of guarantee	Fulfilled or not	Guarantee for a related party or not
Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd.	April 14, 2023	85,000	January 28, 2024	4,824.89	Joint and several liability guarantee	None	None	Annually	No	No
Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd.	April 14, 2023	85,000	February 26, 2024	5,809.42	Joint and several liability guarantee	None	None	Annually	No	No
Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd.	April 14, 2023	85,000	March 20, 2024	3,514.81	Joint and several liability guarantee	None	None	Annually	No	No
Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd.	April 14, 2023	85,000	March 20, 2024	4,776.9	Joint and several liability guarantee	None	None	Annually	No	No
Hangzhou	April 14,	85,000	March	1,923.49	Joint and	None	None	Annually	No	No

u Zhongm ei Huadon g Pharmac eutical Co., Ltd.	2023		26, 2024		several liability guarante e			y		
Hangzho u Zhongm ei Huadon g Pharmac eutical Co., Ltd.	April 18, 2024	155,000	April 23, 2024	17,386.8 4	Joint and several liability guarante e	None	None	Annually	No	No
Hangzho u Zhongm ei Huadon g Pharmac eutical Co., Ltd.	April 18, 2024	155,000	April 25, 2024	3,923.79	Joint and several liability guarante e	None	None	Annually	No	No
Hangzho u Zhongm ei Huadon g Pharmac eutical Co., Ltd.	April 18, 2024	155,000	May 21, 2024	16,511.9 7	Joint and several liability guarante e	None	None	Annually	No	No
Hangzho u Zhongm ei Huadon g Pharmac eutical Co., Ltd.	April 18, 2024	155,000	June 14, 2024	20,531.0 1	Joint and several liability guarante e	None	None	Annually	No	No
Hangzho u Zhongm ei Huadon g Pharmac eutical Co., Ltd.	April 18, 2024	155,000	June 26, 2024	194.63	Joint and several liability guarante e	None	None	Annually	No	No
Huadon g Medicin e (Xi'an) Bohua	April 18, 2024	5,000								

Pharmaceutical Co., Ltd.										
Huadong Medicine Ningbo Sales Co., Ltd.	April 14, 2023	16,000	February 28, 2024	4,750	Joint and several liability guarantee	None	None	Annually	No	No
Huadong Medicine Ningbo Sales Co., Ltd.	April 18, 2024	16,000	June 18, 2024	3,800	Joint and several liability guarantee	None	None	Annually	No	No
Huadong Medicine Huzhou Co., Ltd.	April 14, 2023	15,000	February 26, 2024	4,500	Joint and several liability guarantee	None	None	Annually	No	No
Huadong Medicine Huzhou Co., Ltd.	April 18, 2024	19,300	April 25, 2024	4,500	Joint and several liability guarantee	None	None	Annually	No	No
Huadong Medicine Huzhou Co., Ltd.	April 18, 2024	19,300	June 19, 2024	3,800	Joint and several liability guarantee	None	None	Annually	No	No
Huadong Medicine Shaoxing Co., Ltd.	April 14, 2023	19,000	February 28, 2024	4,750	Joint and several liability guarantee	None	None	Annually	No	No
Huadong Medicine Shaoxing Co., Ltd.	April 14, 2023	19,000	March 20, 2024	3,000	Joint and several liability guarantee	None	None	Annually	No	No
Huadong Medicine Shaoxing Co., Ltd.	April 18, 2024	20,000	April 18, 2024	5,000	Joint and several liability guarantee	None	None	Annually	No	No
Huadong	April 18,	20,000	June 14,	4,000	Joint and	None	None	Annually	No	No

g Medicin e Shaoxin g Co., Ltd.	2024		2024		several liability guarante e			y		
Huadon g Medicin e (Hangzh ou) Biologic al Products Co., Ltd.	April 18, 2024	5,000	May 15, 2024	21.8	Joint and several liability guarante e	None	None	Annually	No	No
Joyang Laborato ries	April 18, 2024	5,000								
Huadon g Medicin e Wenzho u Co., Ltd.	April 14, 2023	24,000	July 17, 2023	1,000	Joint and several liability guarante e	None	Ruian People's Hospital provided Wenzho u Compan y with a loan of 340 million yuan	Annually	No	No
Huadon g Medicin e Wenzho u Co., Ltd.	April 14, 2023	24,000	July 17, 2023	1,000	Joint and several liability guarante e	None	Ruian People's Hospital provided Wenzho u Compan y with a loan of 340 million yuan	Annually	No	No
Huadon g Medicin e Wenzho u Co., Ltd.	April 14, 2023	24,000	July 19, 2023	1,000	Joint and several liability guarante e	None	Ruian People's Hospital provided Wenzho u Compan y with a loan of 340 million yuan	Annually	No	No
Huadon g Medicin e	April 14, 2023	24,000	July 20, 2023	1,000	Joint and several liability	None	Ruian People's Hospital	Annually	No	No

e Wenzho u Co., Ltd.					guarante e		provided Wenzho u Compan y with a loan of 340 million yuan			
Huadon g Medicin e Wenzho u Co., Ltd.	April 14, 2023	24,000	July 21, 2023	1,000	Joint and several liability guarante e	None	Ruian People's Hospital provided Wenzho u Compan y with a loan of 340 million yuan	Annually	No	No
Huadon g Medicin e Wenzho u Co., Ltd.	April 14, 2023	24,000	August 4, 2023	1,000	Joint and several liability guarante e	None	Ruian People's Hospital provided Wenzho u Compan y with a loan of 340 million yuan	Annually	No	No
Huadon g Medicin e Wenzho u Co., Ltd.	April 14, 2023	24,000	August 7, 2023	1,000	Joint and several liability guarante e	None	Ruian People's Hospital provided Wenzho u Compan y with a loan of 340 million yuan	Annually	No	No
Huadon g Medicin e Wenzho u Co., Ltd.	April 14, 2023	24,000	Septemb er 12, 2023	1,000	Joint and several liability guarante e	None	Ruian People's Hospital provided Wenzho u Compan y with a loan of 340 million yuan	Annually	No	No
Huadon	April 14,	24,000	Septemb	1,000	Joint and	None	Ruian	Annually	No	No

g Medicin e Wenzho u Co., Ltd.	2023		er 14, 2023		several liability guarante e		People's Hospital provided Wenzho u Compan y with a loan of 340 million yuan	y		
Huadon g Medicin e Wenzho u Co., Ltd.	April 18, 2024	24,000	May 6, 2024	2,233.7	Joint and several liability guarante e	None	Ruian People's Hospital provided Wenzho u Compan y with a loan of 340 million yuan	Annually	No	No
Huadon g Medicin e Lishui Co., Ltd.	April 18, 2024	15,000	April 26, 2024	5,250	Joint and several liability guarante e	None	Longqua n Pharmac eutical Assets Manage ment Co., Ltd. Offered 15 million yuan of load and a guarante e cap of 83.5 million yuan in other banks	Annually	No	No
Huadon g Medicin e Daishan Co., Ltd.	April 18, 2024	2,500								
Huadon g Medicin e Cunde (Zhoush an) Co., Ltd.	April 18, 2024	9,000	June 20, 2024	1,900	Joint and several liability guarante e	None	None	Annually	No	No
Hangzho	April 14,	40,000	March	3,413.61	Joint and	None	None	Annually	No	No

u Zhongm ei Huadon g Pharmac eutical Jiangdon g Co., Ltd.	2023		21, 2024		several liability guarante e			y		
Hangzho u Zhongm ei Huadon g Pharmac eutical Jiangdon g Co., Ltd.	April 18, 2024	60,000	June 28, 2024	7,392.61	Joint and several liability guarante e	None	None	Annuall y	No	No
Hangzho u Huadon g Pharmac y Chain Co., Ltd.	April 18, 2024	10,000	June 20, 2024	3,800	Joint and several liability guarante e	None	None	Annuall y	No	No
Huadon g Medicin e Jinhua Co., Ltd.	April 14, 2023	15,000	February 21, 2024	4,000	Joint and several liability guarante e	None	None	Annuall y	No	No
Huadon g Medicin e Jinhua Co., Ltd.	April 18, 2024	15,000	April 24, 2024	6,000	Joint and several liability guarante e	None	None	Annuall y	No	No
Huadon g Medicin e Jinhua Co., Ltd.	April 18, 2024	15,000	June 20, 2024	4,000	Joint and several liability guarante e	None	None	Annuall y	No	No
Hubei Magic Health Technol ogy Co., Ltd.	April 14, 2023	5,400	January 31, 2024	382.46	Joint and several liability guarante e	None	Proporti onate guarante e	Annuall y	No	No
Hubei Magic Health Technol ogy Co., Ltd.	April 14, 2023	5,400	February 6, 2024	228.74	Joint and several liability guarante e	None	Proporti onate guarante e	Annuall y	No	No
Hubei Magic	April 14, 2023	5,400	February 7, 2024	8.96	Joint and several	None	Proporti onate	Annuall y	No	No

Health Technology Co., Ltd.					liability guarantee		guarantee			
Hubei Magic Health Technology Co., Ltd.	April 14, 2023	5,400	March 21, 2024	92.78	Joint and several liability guarantee	None	Proportionate guarantee	Annually	No	No
Hubei Magic Health Technology Co., Ltd.	April 14, 2023	5,400	March 21, 2024	629.9	Joint and several liability guarantee	None	Proportionate guarantee	Annually	No	No
Hubei Magic Health Technology Co., Ltd.	April 14, 2023	5,400	April 12, 2024	63.34	Joint and several liability guarantee	None	Proportionate guarantee	Annually	No	No
Hubei Magic Health Technology Co., Ltd.	April 14, 2023	5,400	March 27, 2024	30.37	Joint and several liability guarantee	None	Proportionate guarantee	Annually	No	No
Hubei Magic Health Technology Co., Ltd.	April 18, 2024	9,000	April 28, 2024	71.61	Joint and several liability guarantee	None	Proportionate guarantee	Annually	No	No
Hubei Magic Health Technology Co., Ltd.	April 18, 2024	9,000	June 27, 2024	82.16	Joint and several liability guarantee	None	Proportionate guarantee	Annually	No	No
Hubei Magic Health Technology Co., Ltd.	April 18, 2024	9,000	April 29, 2024	150.37	Joint and several liability guarantee	None	Proportionate guarantee	Annually	No	No
Hubei Magic Health Technology Co., Ltd.	April 18, 2024	9,000	May 17, 2024	42.17	Joint and several liability guarantee	None	Proportionate guarantee	Annually	No	No
Hubei Magic Health Technology Co., Ltd.	April 18, 2024	9,000	May 28, 2024	210	Joint and several liability guarantee	None	Proportionate guarantee	Annually	No	No

Ltd.										
Hubei Magic Health Technology Co., Ltd.	April 18, 2024	9,000	June 25, 2024	806.28	Joint and several liability guarantee	None	Proportionate guarantee	Annually	No	No
Hubei Magic Health Technology Co., Ltd.	April 18, 2024	9,000	June 28, 2024	17.79	Joint and several liability guarantee	None	Proportionate guarantee	Annually	No	No
Jiangsu Nanjing Nongda Animal Pharmaceutical Co., Ltd.	April 18, 2024	4,000								
Huadong Medicine Investment Holding (Hong Kong) Limited	April 18, 2024	50,400								
Sinclair Pharma Limited	November 23, 2018	52,591	April 1, 2022	18,086	Joint and several liability guarantee	None	None	Three years	No	No
Sinclair Pharma Limited	July 16, 2021	38,305	January 13, 2022	31,357.92	Joint and several liability guarantee	None	None	Three years	No	No
Sinclair Pharma Limited	March 16, 2021	14,846								
Sinclair Pharma Limited	March 16, 2021	14,846								
Sinclair Pharma Limited	March 16, 2021	31,696								
Sinclair Pharma Limited	April 28, 2022	58,600								
Sinclair Pharma Limited	April 14, 2023	65,000								
Total guarantee cap for subsidiaries			424,200		Total guarantee amount for					158,326.4

approved during the reporting period (B1)			subsidiaries actually occurred during the reporting period (B2)							
Total approved guarantee cap for subsidiaries at the end of the reporting period (B3)		904,638.03	Total actual guarantee balance for subsidiaries at the end of the reporting period (B4)		216,770.32					
Subsidiaries guarantee for subsidiaries										
Guaranteed party	Disclosure date of the announcement related to the guarantee cap	Guarantee cap	Actual date of occurrence	Actual guaranteed amount	Type of guarantee	Collateral (if any)	Counterparty (if any)	Period of guarantee	Fulfilled or not	Guarantee for a related party or not
Chongqing Peg-Bio Biopharm Co., Ltd.	April 14, 2023	4,800	November 16, 2023	60.26	Joint and several liability guarantee		Proportionate guarantee	Three years	No	Yes
Chongqing Peg-Bio Biopharm Co., Ltd.	April 14, 2023	4,800	December 22, 2023	32.63	Joint and several liability guarantee		Proportionate guarantee	Three years	No	Yes
Chongqing Peg-Bio Biopharm Co., Ltd.	April 14, 2023	4,800	December 15, 2023	12.78	Joint and several liability guarantee		Proportionate guarantee	Three years	No	Yes
Chongqing Peg-Bio Biopharm Co., Ltd.	April 14, 2023	4,800	January 18, 2024	30.37	Joint and several liability guarantee		Proportionate guarantee	Three years	No	Yes
Chongqing Peg-Bio Biopharm Co., Ltd.	April 14, 2023	4,800	January 15, 2024	12.78	Joint and several liability guarantee		Proportionate guarantee	Three years	No	Yes
Chongqing Peg-Bio Biopharm Co., Ltd.	April 14, 2023	4,800	February 23, 2024	12.78	Joint and several liability guarantee		Proportionate guarantee	Three years	No	Yes

Chongqing Peg-Bio Biopharm Co., Ltd.	April 14, 2023	4,800	February 22, 2024	40.5	Joint and several liability guarantee		Proportionate guarantee	Three years	No	Yes
Chongqing Peg-Bio Biopharm Co., Ltd.	April 14, 2023	4,800	March 21, 2024	5.87	Joint and several liability guarantee		Proportionate guarantee	Three years	No	Yes
Chongqing Peg-Bio Biopharm Co., Ltd.	April 14, 2023	4,800	March 14, 2024	14.17	Joint and several liability guarantee		Proportionate guarantee	Three years	No	Yes
Chongqing Peg-Bio Biopharm Co., Ltd.	April 14, 2023	4,800	March 12, 2024	32.63	Joint and several liability guarantee		Proportionate guarantee	Three years	No	Yes
Chongqing Peg-Bio Biopharm Co., Ltd.	April 14, 2023	4,800	March 31, 2024	56.7	Joint and several liability guarantee		Proportionate guarantee	Three years	No	Yes
Chongqing Peg-Bio Biopharm Co., Ltd.	April 14, 2023	4,800	April 11, 2024	108.44	Joint and several liability guarantee		Proportionate guarantee	Three years	No	Yes
Chongqing Peg-Bio Biopharm Co., Ltd.	April 14, 2023	1,396.4	April 15, 2024	20.28	Joint and several liability guarantee		Proportionate guarantee	Three years	No	Yes
Chongqing Peg-Bio Biopharm Co., Ltd.	April 18, 2024	1,396.4	May 7, 2024	125.82	Joint and several liability guarantee		Proportionate guarantee	Three years	No	Yes
Chongqing Peg-Bio Biopharm Co., Ltd.	April 18, 2024	1,396.4	May 16, 2024	11.05	Joint and several liability guarantee		Proportionate guarantee	Three years	No	Yes
Chongqing Peg-Bio	April 18, 2024	1,396.4	June 17, 2024	13.83	Joint and several liability		Proportionate guarantee	Three years	No	Yes

Biopharm Co., Ltd.					guarantee		e			
Chongqing Peg-Bio Biopharm Co., Ltd.	April 18, 2024	1,396.4	June 27, 2024	11.06	Joint and several liability guarantee		Proportionate guarantee	Three years	No	Yes
Total guarantee cap for subsidiaries approved during the reporting period (C1)		1,396.4	Total guarantee amount for subsidiaries actually occurred during the reporting period (C2)							496.28
Total approved guarantee cap for subsidiaries at the end of the reporting period (C3)		6,196.4	Total actual guarantee balance for subsidiaries at the end of the reporting period (C4)							601.95
Total amount of the Company's guarantees (i.e. the sum of the above-mentioned 3 kinds of guarantees)										
Total guarantees cap approved during the reporting period (A1+B1+C1)		425,596.4	Total actual guarantee amount during the reporting period (A2+B2+C2)							158,822.68
Total approved guarantee cap at the end of the reporting period (A3+B3+C3)		910,834.43	Total actual guarantee balance at the end of the reporting period (A4+B4+C4)							217,372.27
Proportion of the actual guarantee amount (i.e. A4+B4+C4) in the Company's net assets										9.99%
Among them:										
Balance of guarantees for shareholders, de facto controllers and their related parties (D)										0
Amount of debt guarantees provided directly or indirectly for the entities with a liability-to-asset ratio over 70% (E)										94,177.62
The total amount of guarantees exceeds 50% of the net assets (F)										0
Total guarantee amount of the above-mentioned three kinds of guarantees (D+E+F)										94,177.62
Note on the circumstance that guarantee liability has occurred or there may be joint liability for settlement during the reporting period in terms of unexpired guarantee contracts (if any)			N/A							
Note of external guarantees in violation of prescribed procedures (if any)			N/A							

Note on the specific circumstance if multiple methods are adopted for guarantees

3. Entrusted wealth management

Applicable N/A

No such case during the reporting period.

4. Other significant contracts

Applicable N/A

No other significant contract during the reporting period.

XIII. Other major events

Applicable N/A

No such case during the reporting period.

XIV. Major events of subsidiaries

Applicable N/A

1. As of the release of the Report, major assets had been disposed of in the liquidation of Huadong Ningbo Medicine Co., Ltd. in the court. Some claims and accounts receivable remain to be collected. The Company has assigned special personnel and actively advanced the subsequent liquidation. The Company confirmed the investment income of 33,151,426.55 yuan in this reporting period by applying the equity method.

2. As of the date of the Report, the Company's patent infringement lawsuit against fermented Cordyceps powder [please refer to the *Announcement on the Wholly-owned Subsidiary Receiving the Notice of Case Acceptance from Zhejiang Provincial Higher People's Court* (Announcement No.: 2024-001) disclosed by the Company on Cninfo (<http://www.cninfo.com.cn>) for details] has completed two first-instance sessions of Zhejiang Provincial Higher People's Court, and no results are given.

Section VII. Share Change and Shareholders

I. Changes in shares

1. Table of changes in shares

Unit: Share

	Before the change		Change in the period (+/-)					After the change	
	Quantity	Ratio	New shares	Bonus shares	Shares converted from capital reserve	Others	Sub-total	Quantity	Ratio
I. Shares subject to conditional restriction	3,521,360	0.20%	0	0	0	-97,800	-97,800	3,423,560	0.20%
1. Shares held by the state	0	0.00%	0	0	0	0	0	0	0.00%
2. Shares held by state-owned corporations	0	0.00%	0	0	0	0	0	0	0.00%
3. Shares held by other domestic investors	3,372,360	0.19%	0	0	0	-67,800	-67,800	3,304,560	0.19%
Including: Shares held by domestic corporations	0	0.00%	0	0	0	0	0	0	0.00%
Shares held by domestic natural persons	3,372,360	0.19%	0	0	0	-67,800	-67,800	3,304,560	0.19%
4. Shares held by overseas	149,000	0.01%	0	0	0	-30,000	-30,000	119,000	0.01%

investors									
Including: Shares held by overseas corporations	0	0.00%	0	0	0	0	0	0	0.00%
Shares held by overseas natural persons	149,000	0.01%	0	0	0	-30,000	-30,000	119,000	0.01%
II. Shares without restriction	1,750,903,988	99.80%	0	0	0	0	0	1,750,903,988	99.80%
1. Common shares in yuan	1,750,903,988	99.80%	0	0	0	0	0	1,750,903,988	99.80%
2. Domestically listed foreign shares	0	0.00%	0	0	0	0	0	0	0.00%
3. Foreign shares listed overseas	0	0.00%	0	0	0	0	0	0	0.00%
4. Others	0	0.00%	0	0	0	0	0	0	0.00%
III. Total number of shares	1,754,425,348	100.00%	0	0	0	-97,800	-97,800	1,754,327,548	100.00%

Reasons for the changes in share capital

Applicable N/A

During the reporting period, the Company completed the repurchase and cancellation of some restricted shares in the *2022 Restricted Share Incentive Scheme*, and 97,800 restricted shares were repurchased and canceled this time. The total number of restricted shares with equity incentives decreased by 97,800 shares in total.

During the reporting period, the total number of shares decreased by 97,800 shares, of which the total number of shares with restricted sales conditions decreased by 97,800 shares.

Approval for changes in share capital

Applicable N/A

1. On November 21, 2023, the Company convened the eighteenth session of the tenth Board of Directors and the twelfth session of the tenth Board of Supervisors. During these two sessions, the

Proposal on Repurchase and Cancellation of Some Restricted Shares was deliberated on and approved. The Board of Directors also agreed to repurchase and cancel 97,800 shares of restricted shares that have been granted but have not been released for four incentive subjects who are no longer eligible for incentives due to resignation and two incentive subjects who fail to satisfy the standards due to personal performance during the first restricted sales releasing period. The Company's independent directors issued independent opinions on related matters, and the Company's Board of Supervisors issued verification opinions on related matters. Lawyers and independent financial advisers prepared related reports. On the same day, the Company disclosed a related announcement on www.cninfo.com.cn.

2. On December 8, 2023, the Company convened the second extraordinary general meeting in 2023, deliberated on and approved the *Proposal on Repurchase and Cancellation of Some Restricted Shares* and the *Proposal on Increasing the Business Scope, Changing Registered Capital and Amending the Articles of Association*. On the same day, the Company disclosed the *Announcement on Repurchase and Cancellation of Some Restricted Shares to Reduce Registered Capital and Notify the Creditors*. As of January 24, 2024, the benchmark date for capital verification, i.e. within forty-five days from the date when the Company announced the reduction of capital, no creditor asked the Company to pay off its debts or provide corresponding guarantees.

3. On March 28, 2024, the Company disclosed the *Announcement on Completion of Repurchase and Cancellation of Some Restricted Shares*. On March 26, 2024, the Company completed the procedures for the repurchase and cancellation of 97,800 restricted shares in Shenzhen Branch of China Securities Depository and Clearing Co., Ltd.

Transfer of shares

Applicable N/A

In March 2024, the Company submitted the relevant registration materials to Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. for 97,800 shares repurchased and canceled under the equity incentive scheme. In the same month, China Securities Depository and Clearing Co., Ltd. issued the Confirmation of Securities Transfer Registration to the Company, and the total share capital of the Company was reduced to 1,754,327,548 shares.

Progress of share repurchase

Applicable N/A

Progress of reducing repurchased shares through centralized bidding

Applicable N/A

Effects of changes in share capital on the basic earnings per share, diluted earnings per share for the most recent year and the most recent period, the net assets per share attributable to the Company's common shareholders and other financial indicators

Applicable N/A

The aforesaid changes due to share capital led to the increase of the Company's basic earnings per share, diluted earnings per share, and the net assets per share attributable to the Company's common shareholders and other financial indicators in H1 2024. If we calculate based on the total number of shares before changes in share capital of 1,754,425,348, the Company's basic earnings per share, diluted earnings per share and net assets per share attributable to common shareholders of the Company in H1 2024 were 0.96749 yuan/share, 0.96858 yuan/share and 12.4173 yuan/share respectively. If we calculate based on the total number of shares after changes in the share capital of 1,754,327,548 shares, the Company's basic earnings per share, diluted earnings per share and net assets per share attributable to common shareholders of the Company in H1 2024 were 0.96752 yuan/share, 0.96861 yuan/share and 12.4177 yuan/share respectively.

Generally speaking, the aforesaid changes in share capital did not impose material impacts on the basic earnings per share, diluted earnings per share, and the net assets per share attributable to the Company's common shareholders and other financial indicators in H1 2024.

Other disclosures the Company deems necessary or required by securities regulatory authorities

Applicable N/A

2. Changes in restricted shares

Applicable N/A

Unit: Share

Name of shareholder	Number of restricted shares at the beginning of the period	Number of restricted shares unlocked during the current period	Number of newly increased restricted shares during the current period	Number of restricted shares at the end of the period	Reasons for restriction	Unlock date
Zhang Jianfei	105,000	0	0	105,000	Equity incentive and restricted shares	Be unlocked according to relevant rules of the Company's <i>2022 Restricted Share Incentive Scheme</i>
Zhang Jianfei	60,000	0	0	60,000	Locked-up shares for senior managers	Be unlocked according to relevant rules of the management of shares for senior managers
Zhang Jianfei	7,500	0	0	7,500	Locked-up shares for	Be unlocked according to

					senior managers	relevant rules of the management of shares for senior managers
Lv Liang	140,000	0	0	140,000	Equity incentive and restricted shares	Be unlocked according to relevant rules of the Company's <i>2022 Restricted Share Incentive Scheme</i>
Lv Liang	10,000	0	0	10,000	Locked-up shares for senior managers	Be unlocked according to relevant rules of the management of shares for senior managers
Zhu Li	105,000	0	0	105,000	Equity incentive and restricted shares	Be unlocked according to relevant rules of the Company's <i>2022 Restricted Share Incentive Scheme</i>
Zhu Li	22,500	0	0	22,500	Locked-up shares for senior managers	Be unlocked according to relevant rules of the management of shares for senior managers
Zhu Li	7,500	0	0	7,500	Locked-up shares for senior managers	Be unlocked according to relevant rules of the management of shares for senior managers
Wu Hui	105,000	0	0	105,000	Equity incentive and restricted shares	Be unlocked according to relevant rules of the Company's <i>2022 Restricted Share Incentive Scheme</i>
Wu Hui	7,500	0	0	7,500	Locked-up shares for senior	Be unlocked according to relevant rules

					managers	of the management of shares for senior managers
Xu Junfang	105,000	0	0	105,000	Equity incentive and restricted shares	Be unlocked according to relevant rules of the Company's <i>2022 Restricted Share Incentive Scheme</i>
LIU DONGZHOU JEFFERY	105,000	0	0	105,000	Equity incentive and restricted shares	Be unlocked according to relevant rules of the Company's <i>2022 Restricted Share Incentive Scheme</i>
Chen Bo	70,000	0	0	70,000	Equity incentive and restricted shares	Be unlocked according to relevant rules of the Company's <i>2022 Restricted Share Incentive Scheme</i>
Chen Bo	5,000	0	0	5,000	Locked-up shares for senior managers	Be unlocked according to relevant rules of the management of shares for senior managers
Qiu Renbo	70,000	0	0	70,000	Equity incentive and restricted shares	Be unlocked according to relevant rules of the Company's <i>2022 Restricted Share Incentive Scheme</i>
Qiu Renbo	5,000	0	0	5,000	Locked-up shares for senior managers	Be unlocked according to relevant rules of the management of shares for senior managers
Zhou Zhaohua	71,000	0	0	71,000	Equity incentive and restricted shares	Be unlocked according to relevant rules of the

						Company's 2022 Restricted Share Incentive Scheme
Huang Yanshan	71,000	0	0	71,000	Equity incentive and restricted shares	Be unlocked according to relevant rules of the Company's 2022 Restricted Share Incentive Scheme
Qin Xiangtian	71,000	0	0	71,000	Equity incentive and restricted shares	Be unlocked according to relevant rules of the Company's 2022 Restricted Share Incentive Scheme
Other middle management and core technicians (business specialists)	2,378,360	97,800	0	2,280,560	Equity incentive, restricted shares, and locked-up shares for senior managers	Be unlocked according to relevant rules of the Company's 2022 Restricted Share Incentive Scheme and the management of shares for senior managers
Total	3,521,360	97,800	0	3,423,560	--	--

II. Issuance and listing of securities

Applicable N/A

III. Total number of shareholders and their shareholdings

Unit: Share

Total number of common shareholders at the end of the reporting period		98,302		Total number of preference shareholders with restoration of the voting rights at the end of the reporting period (if any) (see Note 8)		0		
Particulars about common shareholders with a shareholding ratio of over 5% or the top 10 common shareholders (excluding shares lent through conversions)								
Name of shareholder	Nature of shareholder	Shareholding ratio	Total common shares held at the end of the reporting period	Changes in the reporting period	Number of common shares held with trading restrictions	Number of shares held without trading restriction	Pledged, marked or locked-up status	
							Status of shares	Quantity

China Grand Enterprises, Inc.	Domestic non-state-owned corporation	41.66%	730,938,157	0	0	730,938,157	Pledge	147,070,000
Hangzhou Huadong Medicine Group Co., Ltd.	State-owned corporations	16.42%	288,000,000	0	0	288,000,000	N/A	0
Hong Kong Securities Clearing Company Ltd.	Overseas corporation	2.48%	43,423,174	-4531758	0	43,423,174	N/A	0
China Securities Finance Co., Ltd.	Domestic non-state-owned corporation	1.26%	22,186,818	0	0	22,186,818	N/A	0
Industrial and Commercial Bank of China Limited - China-Europe Healthcare Hybrid Securities Investment Fund	Others	0.76%	13,285,154	-17795361	0	13,285,154	N/A	0
China Construction Bank Corporation - E Fund CSI 300 Healthcare Exchange Traded Fund	Others	0.75%	13,215,232	318300	0	13,215,232	N/A	0
China Construction Bank Co., Ltd. - ICBC Credit Suisse Frontier Medical Equity Fund	Others	0.68%	12,000,000	-7000000	0	12,000,000	N/A	0
National Social Security Fund - Profile 0	Others	0.63%	10,983,604	-2636200	0	10,983,604	N/A	0

China Life Insurance Company Limited - Traditional - General Insurance Products—005L—CT001 SH	Others	0.61%	10,683,967	3101653	0	10,683,967	N/A	0
Industrial and Commercial Bank of China Limited - Huatai-PineBridge CSI 300 Exchange Traded Fund	Others	0.60%	10,566,645	3927500	0	10,566,645	N/A	0
Strategic investors or general corporations become the top 10 common shareholders due to the placement of new shares (if any) (see Note 3)	N/A							
Explanation on associated relationships or concerted actions among the above-mentioned shareholders	The Company does not know whether the above-mentioned shareholders are related parties or whether they are acting-in-concert parties with one another.							
Description about above-mentioned shareholders' entrusting/being entrusted with and waiving voting rights	N/A							
Explanation of special account for repurchase among the top 10 shareholders (if any) (see Note 11)	N/A							
Particulars about top 10 shareholders holding common shares without trading restrictions (excluding shares lent through conversions and locked-up shares for senior managers)								
Name of shareholder	Number of common shares without trading restrictions held at the end of the reporting period	Type of shares						
		Type of shares	Quantity					
China Grand Enterprises, Inc.	730,938,157	Common shares in yuan	730,938,157					
Hangzhou Huadong Medicine Group Co., Ltd.	288,000,000	Common shares in yuan	288,000,000					
Hong Kong Securities	43,423,174	Common	43,423,174					

Clearing Company Ltd.		shares in yuan	
China Securities Finance Co., Ltd.	22,186,818	Common shares in yuan	22,186,818
Industrial and Commercial Bank of China Limited - China-Europe Healthcare Hybrid Securities Investment Fund	13,285,154	Common shares in yuan	13,285,154
China Construction Bank Corporation - E Fund CSI 300 Healthcare Exchange Traded Fund	13,215,232	Common shares in yuan	13,215,232
China Construction Bank Co., Ltd. - ICBC Credit Suisse Frontier Medical Equity Fund	12,000,000	Common shares in yuan	12,000,000
National Social Security Fund - Profile 0	10,983,604	Common shares in yuan	10,983,604
China Life Insurance Company Limited - Traditional - General Insurance Products—005L—CT001 SH	10,683,967	Common shares in yuan	10,683,967
Industrial and Commercial Bank of China Limited - Huatai-PineBridge CSI 300 Exchange Traded Fund	10,566,645	Common shares in yuan	10,566,645
Description for affiliated relationship or concerted action among the top 10 shareholders holding common shares without trading restrictions and between the top 10 shareholders holding common shares without trading restrictions and the top 10 shareholders	The Company does not know whether the above-mentioned shareholders are related parties or whether they are acting-in-concert parties with one another		
Description of the participation in margin trading business of the top 10 common shareholders (if any) (see Note 4)	At the end of the reporting period, the Company had no shareholders holding its shares through margin trading and securities lending accounts among the top 10 common shareholders		

Participation of shareholders with a shareholding ratio of over 5%, the top 10 shareholders, and the top 10 shareholders holding tradable shares without trading restriction conditions in refinancing lending

Applicable N/A

Unit: Share

Participation of shareholders with a shareholding ratio of over 5%, the top 10 shareholders, and the top 10 shareholders holding tradable shares without trading restriction conditions in refinancing lending

Name of shareholder (full name)	Shareholding in common accounts and credit accounts at the beginning of the period		Shares lent and not returned at the beginning of the period		Shareholding in common accounts and credit accounts at the end of the period		Shares lent and not returned at the end of the period	
	Total number	Proportion in total share capital	Total number	Proportion in total share capital	Total number	Proportion in total share capital	Total number	Proportion in total share capital
China Grand Enterprises, Inc.	730,938,157	41.66%	0	0.00%	730,938,157	41.66%	0	0.00%
Hangzhou Huadong Medicine Group Co., Ltd.	288,000,000	16.42%	0	0.00%	288,000,000	16.42%	0	0.00%
Hong Kong Securities Clearing Company Ltd.	47,954,932	2.73%	0	0.00%	43,423,174	2.48%	0	0.00%
China Securities Finance Co., Ltd.	22,186,818	1.26%	0	0.00%	22,186,818	1.26%	0	0.00%
Industrial and Commercial Bank of China Limited - China-Europe Healthcare Hybrid Securities Investment Fund	31,080,515	1.77%	0	0.00%	13,285,154	0.76%	0	0.00%
China Construction Bank Corporation - E Fund CSI 300 Healthcare Exchange Traded Fund	12,896,932	0.74%	328,500	0.02%	13,215,232	0.75%	0	0.00%
China Construction Bank Co., Ltd. - ICBC Credit Suisse Frontier	19,000,000	1.08%	0	0.00%	12,000,000	0.68%	0	0.00%

Medical Equity Fund								
National Social Security Fund - Profile 0	13,619,804	0.78%	0	0.00%	10,983,604	0.63%	0	0.00%
China Life Insurance Company Limited - Traditional - General Insurance Products—005L—CT001 SH	7,582,314	0.43%	0	0.00%	10,683,967	0.61%	0	0.00%
Industrial and Commercial Bank of China Limited - Huatai-PineBridge CSI 300 Exchange Traded Fund	6,639,145	0.38%	17,500	0.00%	10,566,645	0.60%	4,600	0.00%

Change in the top 10 shareholders or the top 10 shareholders holding tradable shares without trading restrictions compared with the end of the previous period due to shares lent/returned through conversions

Applicable N/A

Whether the Company's top 10 common shareholders or the top 10 shareholders holding common shares without trading restrictions have carried out any agreement to repurchase transaction during the reporting period

Yes No

The Company's top 10 common shareholders or the top 10 shareholders holding common shares without trading restrictions have not carried out any agreement to repurchase transaction during the reporting period.

IV. Changes in shareholding of directors, supervisors and senior management members

Applicable N/A

The shareholding of directors, supervisors and senior management of the Company has not changed during the reporting period. Please refer to the 2023 Annual Report for details.

V. Changes in holding shareholders or the de facto controller

Change of the controlling shareholder during the reporting period

Applicable N/A

No such case during the reporting period.

Change of the de facto controller during the reporting period

Applicable N/A

No such case during the reporting period.

Section VIII. Information on Preferred Shares

Applicable N/A

No such case during the reporting period.

Section IX. Information on Bonds

Applicable N/A

Section X. Financial Report

I. Audit report

Whether the semi-annual report has been audited?

Yes No

The Company's semi-annual financial report is not audited.

II. Financial statements

The unit of statements in the financial notes is: yuan.

1. Consolidated balance sheet

Prepared by: Huadong Medicine Co., Ltd.

Unit: yuan

Item	Ending balance	Opening balance
Current assets:		
Monetary funds	5,650,547,127.07	4,663,378,011.64
Settlement reserve		
Lending funds		
Trading financial assets		
Derivative financial assets	16,488,136.54	16,434,493.97
Notes receivable	11,341,351.13	6,812,089.97
Accounts receivable	7,964,566,076.36	7,455,250,690.83
Receivables financing	1,659,103,759.04	1,434,366,300.69
Prepayments	331,737,711.33	279,207,655.40
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance contract reserve receivable		
Other receivables	411,505,485.20	291,135,104.33
Including: Interests receivable		
Dividends receivable	223,608.84	2,623,608.84
Financial assets purchased for resale		
Inventories	4,379,240,489.45	4,290,214,266.03
Among them: data resource		
Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets	81,397,040.52	59,881,757.08
Total current assets	20,505,927,176.64	18,496,680,369.94

Non-current assets:		
Loans and prepayments issuance		
Debt investment		
Other debt investments		
Long-term receivables		
Long-term equity investment	1,540,257,326.17	1,535,907,809.85
Other equity instrument investments	566,568,278.72	565,223,872.68
Other non-current financial assets		
Investment real estate	12,270,841.77	12,746,181.87
Fixed assets	4,158,172,111.39	4,140,144,817.51
Construction in progress	918,366,234.28	913,147,212.17
Productive biological assets		
Oil and gas assets		
Right-of-use assets	157,318,875.96	151,175,007.16
Intangible assets	2,486,120,816.95	2,333,787,357.62
Among them: data resource		
Development expenditure	1,149,241,824.64	992,532,091.86
Among them: data resource		
Goodwill	2,591,744,585.15	2,598,696,062.31
Long-term deferred expenses	19,756,292.05	20,053,854.34
Deferred income tax assets	233,149,891.40	187,808,574.44
Other non-current assets	1,827,889,520.52	1,561,458,605.23
Total non-current assets	15,660,856,599.00	15,012,681,447.04
Total assets	36,166,783,775.64	33,509,361,816.98
Current liabilities:		
Short-term borrowings	1,405,140,132.05	822,380,292.37
Borrowing from the central bank		
Borrowing from other banks and other financial institutions		
Trading financial liabilities		
Derivative financial liabilities		
Notes payable	2,184,117,028.14	1,727,420,960.30
Accounts payable	4,791,397,351.82	4,374,832,979.95
Advances from customers	1,732,122.70	1,393,551.48
Contract liabilities	125,051,134.31	135,459,275.17
Financial assets sold for repurchase		
Deposits from customers and due from banks		
Receipts for buying and selling securities as proxy		
Receipts for underwriting securities as proxy		
Employee benefits payable	213,405,220.46	359,148,474.25

Taxes payable	452,700,174.26	489,385,055.57
Other payables	3,426,723,106.12	2,518,621,382.87
Including: Interests payable		
Dividends payable	146,258,219.60	143,024,219.60
Handling fees and commissions payable		
Reinsurance accounts payable		
Liabilities held for sale		
Non-current liabilities due within one year	683,210,855.71	359,342,623.38
Other current liabilities	9,434,101.90	14,621,494.85
Total current liabilities	13,292,911,227.47	10,802,606,090.19
Non-current liabilities:		
Insurance policy reserve		
Long-term borrowings	81,565,510.08	520,759,460.07
Bonds payable		
Including: Preferred shares		
Perpetual bond		
Lease liabilities	69,083,110.73	56,695,158.59
Long-term payables	25,507,681.65	107,251,248.59
Long-term employee salary payable		
Estimated liabilities	37,973,290.55	37,184,074.06
Deferred income	158,889,475.61	171,056,435.34
Deferred income tax liabilities	173,389,997.24	184,373,974.04
Other non-current liabilities	46,192,650.00	47,170,650.00
Total non-current liabilities	592,601,715.86	1,124,491,000.69
Total liabilities	13,885,512,943.33	11,927,097,090.88
Owners' equity:		
Share capital	1,754,327,548.00	1,754,425,348.00
Other equity instruments		
Including: Preferred shares		
Perpetual bond		
Capital reserves	2,484,397,834.82	2,446,313,774.82
Less: Treasury stock	82,074,369.07	84,519,369.07
Other comprehensive income	-46,627,046.46	-40,341,544.18
Special reserves		
Surplus reserves	1,277,779,972.18	1,277,779,972.18
General risk reserve		
Undistributed profit	16,372,490,548.27	15,693,951,574.91
Total owners' equity attributable to the parent company	21,760,294,487.74	21,047,609,756.66
Minority interests	520,976,344.57	534,654,969.44
Total owners' equity	22,281,270,832.31	21,582,264,726.10
Total liabilities & owners' equity	36,166,783,775.64	33,509,361,816.98

Legal representative: Lv Liang Person in charge of accounting: Lv Liang Person in charge of the Accounting Department: Qiu Renbo

2. Balance sheet of the parent company

Unit: yuan

Item	Ending balance	Opening balance
Current assets:		
Monetary funds	4,182,581,173.89	3,202,969,593.32
Trading financial assets		
Derivative financial assets		
Notes receivable	11,341,351.13	6,812,089.97
Accounts receivable	4,202,291,765.73	4,232,306,149.56
Receivables financing	531,734,538.84	257,987,672.16
Prepayments	67,645,946.32	104,299,584.06
Other receivables	1,949,221,169.57	1,826,331,443.42
Including: Interests receivable		
Dividends receivable	98,566,000.00	95,200,000.00
Inventories	2,315,511,718.83	2,064,496,012.45
Among them: data resource		
Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other non-current assets		
Total current assets	13,260,327,664.31	11,695,202,544.94
Non-current assets:		
Debt investment		
Other debt investments		
Long-term receivables		
Long-term equity investment	6,001,053,679.88	5,961,344,825.40
Other equity instrument investments	10,080,000.00	10,080,000.00
Other non-current financial assets		
Investment real estate	6,493,762.30	6,734,389.40
Fixed assets	134,313,241.48	131,994,767.68
Construction in progress	1,070,251.29	423,088.16
Productive biological assets		
Oil and gas assets		
Right-of-use assets	7,010,188.86	9,101,653.07
Intangible assets	147,676,477.01	160,438,646.19
Among them: data resource		
Development expenditure		
Among them: data resource		
Goodwill		
Long-term deferred expenses		
Deferred income tax assets	54,954,781.10	53,563,924.40
Other non-current assets	301,681,785.09	250,146,911.16

Total non-current assets	6,664,334,167.01	6,583,828,205.46
Total assets	19,924,661,831.32	18,279,030,750.40
Current liabilities:		
Short-term borrowings	622,685,172.04	425,185,172.23
Trading financial liabilities		
Derivative financial liabilities		
Notes payable	726,204,199.58	500,551,829.47
Accounts payable	3,496,476,660.19	3,128,538,765.74
Advances from customers		
Contract liabilities	28,491,227.99	56,745,329.30
Employee benefits payable	4,946,323.13	13,664,428.10
Taxes payable	77,930,025.36	67,429,440.31
Other payables	2,648,304,724.67	1,970,918,606.32
Including: Interests payable		
Dividends payable	224,219.60	224,219.60
Liabilities held for sale		
Non-current liabilities due within one year	39,402,434.51	41,336,796.82
Other current liabilities	3,700,022.86	6,234,741.10
Total current liabilities	7,648,140,790.33	6,210,605,109.39
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Including: Preferred shares		
Perpetual bond		
Lease liabilities		3,610,383.31
Long-term payables		
Long-term employee salary payable		
Estimated Liabilities		
Deferred income	31,718,348.73	33,001,286.19
Deferred income tax liabilities		
Other non-current liabilities	46,192,650.00	47,170,650.00
Total non-current liabilities	77,910,998.73	83,782,319.50
Total liabilities	7,726,051,789.06	6,294,387,428.89
Owners' equity:		
Share capital	1,754,327,548.00	1,754,425,348.00
Other equity instruments		
Including: Preferred shares		
Perpetual bond		
Capital reserves	2,337,499,391.16	2,329,361,969.66
Less: Treasury stock	82,074,369.07	84,519,369.07
Other comprehensive income		
Special reserves		
Surplus reserves	1,355,635,731.62	1,355,635,731.62
Undistributed profit	6,833,221,740.55	6,629,739,641.30

Total owners' equity	12,198,610,042.26	11,984,643,321.51
Total liabilities & owners' equity	19,924,661,831.32	18,279,030,750.40

3. Consolidated income statement

Unit: yuan

Item	Semi-Annual 2024	Semi-Annual 2023
I. Total operating revenue	20,965,065,605.67	20,385,344,288.81
Including: Operating revenue	20,965,065,605.67	20,385,344,288.81
Interests income		
Premiums earned		
Handling fees and commissions received		
II. Total operating cost	18,876,799,219.53	18,443,622,876.24
Including: Operating cost	14,109,803,647.16	13,917,418,061.11
Interest expenses		
Handling fees and commissions paid		
Surrender value		
Net payment of insurance claims		
Net appropriation of policy reserve		
Policy dividends paid		
Reinsurance expenses		
Taxes and surcharges	111,008,570.22	106,685,622.91
Sales expenses	3,274,822,873.39	3,083,786,005.03
Administrative expenses	714,633,116.91	721,477,862.62
R&D expenses	643,106,566.65	558,407,142.27
Financial expenses	23,424,445.20	55,848,182.30
Including: Interest expenses	55,550,660.47	55,401,149.67
Interests income	53,142,421.17	33,022,555.87
Add: Other income	93,707,046.82	34,813,373.70
Investment income (Losses are indicated by "-")	-47,845,863.81	-136,885,042.56
Including: Investment gains (losses) in associated enterprise and joint-venture enterprise	-25,256,184.91	-120,429,152.98
Gains on the derecognition of financial assets measured at amortized cost		
Gains on exchange (Losses are indicated by "-")		
Gains on net exposure hedging (Losses are indicated by "-")		
Gains from changes in fair values		-5,100,698.38

(Losses are indicated by “-”)		
Credit impairment losses (Losses are indicated by “-”)	-57,939,915.37	-36,432,398.31
Impairment gains (losses) of assets (Losses are indicated by “-”)		-3,175,583.57
Asset disposal income (Losses are indicated by “-”)	4,927,280.24	3,519,820.08
III. Operating profit (Losses are indicated by “-”)	2,081,114,934.02	1,798,460,883.53
Add: Non-operating revenue	5,221,955.01	2,972,826.61
Less: Non-operating expenses	37,784,277.75	16,298,554.80
IV. Total profit (Total losses are indicated by “-”)	2,048,552,611.28	1,785,135,155.34
Less: Income tax expense	360,337,560.24	345,279,440.91
V. Net profit (Net losses are indicated by “-”)	1,688,215,051.04	1,439,855,714.43
(I) Classification by business continuity		
1. Net profit from continuing operations (Net losses are indicated by “-”)	1,688,215,051.04	1,439,855,714.43
2. Net profit at terminational operation (Net losses are indicated by “-”)		
(II) Classification by attribution of ownership		
1. Net profit attributable to shareholders of the parent company (Net losses are indicated by “-”)	1,696,020,589.20	1,433,824,629.56
2. Profit or loss attributable to minority shareholders (Net losses are indicated by “-”)	-7,805,538.16	6,031,084.87
VI. Other comprehensive income, net of income tax	-6,285,502.28	-8,889,448.01
Other comprehensive income attributable to owners of the parent company, net of tax	-6,285,502.28	-8,889,448.01
(I) Other comprehensive income that cannot be reclassified into gains/losses		-808,768.81
1. Changes in remeasurement on the defined benefit plan		
2. Other comprehensive income that cannot be reclassified into gains/losses under equity method		
3. Changes in fair value of other equity instrument investments		-808,768.81
4. Changes in fair value of credit risk of the enterprise		
5. Others		
(II) Other comprehensive income to be reclassified into gains/losses	-6,285,502.28	-8,080,679.20
1. Other comprehensive income that can be reclassified into gains/losses	1,326,766.89	

under equity method		
2. Changes in fair value of other debt investments		
3. Amount of financial assets reclassified into other comprehensive income		
4. Credit impairment reserve of other debt investments		
5. Cash flow hedging reserve		
6. Exchange differences from translation of foreign currency financial statements	-7,612,269.17	-8,080,679.20
7. Others		
Net amount after tax of other comprehensive income attributable to minority shareholders		
VII. Total comprehensive income	1,681,929,548.76	1,430,966,266.42
Total comprehensive income attributable to owners of the parent company	1,689,735,086.92	1,424,935,181.55
Total comprehensive income attributable to minority shareholders	-7,805,538.16	6,031,084.87
VIII. Earnings per share (EPS):		
(I) Basic EPS	0.9675	0.8194
(II) Diluted EPS	0.9686	0.8190

As for business merger under the same control in the current period, the net profit generated by the merged party before the was yuan, and that generated during the previous period was yuan.

Legal representative: Lv Liang Person in charge of accounting: Lv Liang Person in charge of the Accounting Department: Qiu Renbo

4. Income statement of the parent company

Unit: yuan

Item	Semi-Annual 2024	Semi-Annual 2023
I. Total operating revenue	11,394,995,446.30	11,079,388,260.41
Less: Total operating cost	10,768,645,517.84	10,420,679,546.07
Taxes and surcharges	14,643,641.79	12,616,117.10
Sales expenses	204,454,181.04	207,782,464.30
Administrative expenses	91,647,034.58	96,229,619.65
R&D expenses		
Financial expenses	-12,375,772.11	4,055,926.11
Including: Interest expenses	29,281,312.24	21,720,831.46
Interests income	44,142,368.81	23,053,892.55
Add: Other income	9,058,950.35	2,284,938.08
Investment income (Losses are indicated by “-”)	1,067,439,548.33	1,023,821,754.37
Including: Investment gains (losses) in associated enterprise and joint-venture enterprise	-12,860,749.73	-10,790,429.82
Gains on the derecognition of financial assets		

measured at amortized cost (Losses are indicated by “-”)		
Gains on net exposure hedging (Losses are indicated by “-”)		
Gains from changes in fair values (Losses are indicated by “-”)		
Credit impairment losses (Losses are indicated by “-”)	-84,295,275.84	-54,688,951.13
Impairment gains (losses) of assets (Losses are indicated by “-”)		
Asset disposal income (Losses are indicated by “-”)	1,434,977.91	3,543,591.91
II. Operating profit (Losses are indicated by “-”)	1,321,619,043.91	1,312,985,920.41
Add: Non-operating revenue	41,123.57	17,440.99
Less: Non-operating expenses	6,248,443.03	1,518,858.46
III. Total profit (Total losses are indicated by “-”)	1,315,411,724.45	1,311,484,502.94
Less: Income tax expense	94,448,009.36	104,135,140.80
IV. Net profit (Net losses are indicated by “-”)	1,220,963,715.09	1,207,349,362.14
(I) Net profit from continuous operations (Net losses are indicated by “-”)	1,220,963,715.09	1,207,349,362.14
(II) Net profit from discontinued operations (Net losses are indicated by “-”)		
V. Other comprehensive income, net of income tax		
(I) Other comprehensive income that cannot be reclassified into gains/losses		
1. Changes in remeasurement on the defined benefit plan		
2. Other comprehensive income that cannot be reclassified into gains/losses under equity method		
3. Changes in fair value of other equity instrument investments		
4. Changes in fair value of credit risk of the enterprise		
5. Others		
(II) Other comprehensive income to be reclassified into gains/losses		
1. Other comprehensive income that can be reclassified into gains/losses under equity method		
2. Changes in fair value of other debt investments		
3. Amount of financial assets reclassified into other comprehensive income		
4. Credit impairment reserve of other debt investments		

5. Cash flow hedging reserve		
6. Exchange differences from translation of foreign currency financial statements		
7. Others		
VI. Total comprehensive income	1,220,963,715.09	1,207,349,362.14
VII. Earnings per share (EPS):		
(I) Basic EPS		
(II) Diluted EPS		

5. Consolidated cash flow statement

Unit: yuan

Item	Semi-Annual 2024	Semi-Annual 2023
I. Cash flows from operating activities:		
Cash received from the sale of goods and the rendering of services	21,640,152,875.03	22,512,508,261.51
Net increase in customer deposits and due from banks		
Net increase in borrowing from the central bank		
Net increase in borrowing from other financial institutions		
Cash from the premium of the original insurance policy		
Net cash from reinsurance		
Net increase in deposits and investment of the insured		
Cash from interests, handling fees and commissions		
Net increase in borrowing from other banks and other financial institutions		
Net increase in funds for repurchase		
Net cash received for buying and selling securities as proxy		
Receipts of tax refund	8,235,381.72	13,105,796.43
Other cash receipts in relation to operating activities	239,783,680.99	253,862,517.46
Cash inflows from operating activities	21,888,171,937.74	22,779,476,575.40
Cash payments for goods purchased and services received	13,604,550,741.22	14,322,943,161.95
Net increase in customer loans and prepayments		
Net increase in deposits of central bank and due from banks		
Cash payments for original insurance claims		
Net increase in lending funds to other banks and other financial institutions		
Cash payments for interests, handling fees and commissions		
Cash payments for policy dividends		

Cash payments to and on behalf of employees	2,323,118,629.52	1,739,212,838.99
Payments of various types of taxes	1,477,481,035.41	1,395,137,423.20
Other cash payments in relation to operating activities	2,207,765,050.15	3,300,439,402.61
Cash outflows for operating activities	19,612,915,456.30	20,757,732,826.75
Net cash flow from operating activities	2,275,256,481.44	2,021,743,748.65
II. Cash flows from investing activities		
Cash receipts from recovery of investments	3,000,000.00	
Cash receipts from investment income	27,900,000.00	76,500,000.00
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets	6,946,255.32	5,336,825.17
Net cash from disposal of subsidiaries and other business units		
Other cash receipts in relation to investing activities	255,959,940.22	148,464,580.63
Cash inflows from investing activities	293,806,195.54	230,301,405.80
Cash payments for purchase and construction of fixed assets, intangible assets and other long-term assets	658,042,086.97	597,637,675.13
Cash payments for investment	147,660,247.99	52,794,250.00
Net increase in pledge loans		
Net cash paid for acquisition of subsidiaries and other business units		130,057,945.49
Other cash payments in relation to investing activities	157,607,933.95	27,498,562.60
Cash outflows for investing activities	963,310,268.91	807,988,433.22
Net cash flow from investing activities	-669,504,073.37	-577,687,027.42
III. Cash flows from financing activities:		
Cash receipts from absorbing investments		
Including: Cash receipts from capital contributions from minority owners of subsidiaries		
Cash receipts from borrowing	2,552,138,017.63	2,148,865,020.50
Other cash receipts in relation to financing activities	291,490,536.33	457,402,316.71
Cash inflows from financing activities	2,843,628,553.96	2,606,267,337.21
Cash repayments of borrowings	1,988,027,915.09	2,557,868,542.48
Cash payments for distribution of dividends or profits or settlement of interest expenses	1,082,542,915.33	618,612,489.40
Including: Dividends and profits paid by subsidiaries to minority shareholders	2,760,660.00	13,328,000.00
Other cash payments in relation to financing activities	260,287,332.28	356,277,912.88
Cash outflows for financing activities	3,330,858,162.70	3,532,758,944.76
Net cash flow from financing activities	-487,229,608.74	-926,491,607.55
IV. Effect of foreign exchange rate changes on cash and cash equivalents	-5,787,341.62	8,950,719.04
V. Net increase in cash and cash equivalents	1,112,735,457.71	526,515,832.72
Add: Opening balance of cash and	4,208,160,010.91	3,416,910,702.33

cash equivalents		
VI. Closing balance of cash and cash equivalents	5,320,895,468.62	3,943,426,535.05

6. Cash flow statement of the parent company

Unit: yuan

Item	Semi-Annual 2024	Semi-Annual 2023
I. Cash flows from operating activities:		
Cash received from the sale of goods and the rendering of services	12,022,456,324.57	12,114,913,125.10
Receipts of tax refund		
Other cash receipts in relation to operating activities	112,386,980.37	347,415,767.25
Cash inflows from operating activities	12,134,843,304.94	12,462,328,892.35
Cash payments for goods purchased and services received	11,234,484,512.22	11,092,284,263.73
Cash payments to and on behalf of employees	181,096,779.79	142,869,496.55
Payments of various types of taxes	261,460,389.34	195,302,704.64
Other cash payments in relation to operating activities	109,374,865.51	460,908,694.29
Cash outflows for operating activities	11,786,416,546.86	11,891,365,159.21
Net cash flow from operating activities	348,426,758.08	570,963,733.14
II. Cash flows from investing activities		
Cash receipts from recovery of investments		
Cash receipts from investment income	1,028,373,340.00	676,500,000.00
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets	1,779,570.00	5,172,908.53
Net cash from disposal of subsidiaries and other business units		
Other cash receipts in relation to investing activities	927,233,012.13	334,071,068.06
Cash inflows from investing activities	1,957,385,922.13	1,015,743,976.59
Cash payments for purchase and construction of fixed assets, intangible assets and other long-term assets	82,128,743.63	13,018,410.49
Cash payments for investment	35,000,000.00	360,565,000.00
Net cash paid for acquisition of subsidiaries and other business units		10,000,000.00
Other cash payments in relation to investing activities	829,431,410.00	385,407,000.00
Cash outflows for investing activities	946,560,153.63	768,990,410.49
Net cash flow from investing activities	1,010,825,768.50	246,753,566.10
III. Cash flows from financing activities:		
Cash receipts from absorbing investments		
Cash receipts from borrowing	1,819,976,876.04	1,771,457,855.10
Other cash receipts in relation to financing activities	4,325,139,018.15	2,410,893,781.55
Cash inflows from financing activities	6,145,115,894.19	4,182,351,636.65
Cash repayments of borrowings	1,574,976,876.04	1,722,457,855.10
Cash payments for distribution of	1,046,668,681.07	573,738,738.44

dividends or profits or settlement of interest expenses		
Other cash payments in relation to financing activities	3,648,651,342.87	1,950,457,429.10
Cash outflows for financing activities	6,270,296,899.98	4,246,654,022.64
Net cash flow from financing activities	-125,181,005.79	-64,302,385.99
IV. Effect of foreign exchange rate changes on cash and cash equivalents		-138,375.85
V. Net increase in cash and cash equivalents	1,234,071,520.79	753,276,537.40
Add: Opening balance of cash and cash equivalents	2,946,999,653.10	2,029,798,269.62
VI. Closing balance of cash and cash equivalents	4,181,071,173.89	2,783,074,807.02

7. Consolidated statement of changes in owners' equity

Amount in the current period

Unit: yuan

Item	Semi-Annual 2024														
	Owners' equity attributable to the parent company													Minority interests	Total owners' equity
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Special reserves	Surplus reserves	General risk reserve	Undistributed profit	Others	Sub-total		
	Preferrred shares	Perpetual bond	Others												
I. Balance at the end of the period of the prior year	1,754,425,348.00				2,446,313,774.82	84,519,369.07	-40,341,544.18		1,277,779,972.18		15,693,951,574.91		21,047,609,756.66	534,654,969.44	21,582,264,726.10
Add: Changes in accounting policies															
Errors or correction in the prior periods															
Others															
II. Balance at the beginning of the period of the current year	1,754,425,348.00				2,446,313,774.82	84,519,369.07	-40,341,544.18		1,277,779,972.18		15,693,951,574.91		21,047,609,756.66	534,654,969.44	21,582,264,726.10
III. Amount of change in the current	-97,800.0				38,084,060.0	-2,445,000.0	-6,285,500.0				678,538,973.0		712,684,731.0	-13,678.6	699,006,106.0

period (Decreases are indicated by “-”)	0				0	0.00	2.28				36		08	24.8 7	21
(I) Total comprehen sive income							- 6,28 5,50 2.28				1,69 6,02 0,58 9.20		1,68 9,73 5,08 6.92	- 7,80 5,53 8.16	1,68 1,92 9,54 8.76
(II) Capital contributed by owners and capital decreases	- 97,8 00.0 0				8,01 5,84 8.21	- 2,44 5,00 0.00							10,3 63,0 48.2 1	121, 573. 29	10,4 84,6 21.5 0
1. Common shares invested by owners	- 97,8 00.0 0				- 2,34 7,20 0.00								- 2,44 5,00 0.00		- 2,44 5,00 0.00
2. Capital invested by holders of other equity instruments															
3. Amount of share-based payment included in owners’ equity					10,3 63,0 48.2 1								10,3 63,0 48.2 1	121, 573. 29	10,4 84,6 21.5 0
4. Others						- 2,44 5,00 0.00							2,44 5,00 0.00		2,44 5,00 0.00
(III) Profit distribution											- 1,01 7,48 1,61 5.84		- 1,01 7,48 1,61 5.84	- 5,99 4,66 0.00	- 1,02 3,47 6,27 5.84
1. Withdrawal of surplus reserve															
2. Provision of general risk reserve															
3. Distribution to owners (or shareholders)											- 1,01 7,48 1,61 5.84		- 1,01 7,48 1,61 5.84	- 5,99 4,66 0.00	- 1,02 3,47 6,27 5.84
4. Others															
(IV) Internal conversion of owners’ equity															

1. Capital (or share capital) increase from capital reserve conversion														
2. Capital (or share capital) increase from surplus reserve conversion														
3. Recovery of losses by surplus reserve														
4. Retained earnings from transfer of changes in the defined benefit plan														
5. Retained earnings from transfer of other comprehensive income														
6. Others														
(V) Special reserve														
1. Withdrawal in the current period														
2. Use in the current period														
(VI) Others					30,0							30,0		30,0
					68,2							68,2		68,2
					11.7							11.7		11.7
					9							9		9
IV. Balance at the end of the current period	1,75				2,48	82,0	-	1,27		16,3		21,7	520,	22,2
	4,32				4,39	74,3	46,6	7,77		72,4		60,2	976,	81,2
	7,54				7,83	69.0	27,0	9,97		90,5		94,4	344.	70,8
	8.00				4.82	7	46.4	2.18		48.2		87.7	57	32.3
							6			7		4		1

Amount in the prior year

Unit: yuan

Item	Semi-Annual 2023												Min ority	Total
	Owners' equity attributable to the parent company													
	Shar	Other equity	Capi	Less	Oth	Spe	Surp	Gen	Und	Oth	Sub-			

	e capi tal	instruments			tal rese rves	: Treasury stoc k	er com pre hensi ve inco me	cial rese rves	lus rese rves	eral risk rese rve	istri bute d prof it	ers	total	inter ests	own ers' equi ty
		Pref erre d shar es	Perp etua l bon d	Oth ers											
I. Balance at the end of the period of the prior year	1,75 3,99 5,34 8.00				2,37 7,88 7,24 6.39	104, 645, 000. 00	- 88,5 52,6 36.4 2		1,15 1,21 3,03 9.48		13,4 88,0 21,2 39.9 4		18,5 77,9 19,2 37.3 9	598, 522, 145. 76	19,1 76,4 41,3 83.1 5
Add: Changes in accounting policies															
Err or correction in the prior periods															
Ot hers															
II. Balance at the beginning of the period of the current year	1,75 3,99 5,34 8.00				2,37 7,88 7,24 6.39	104, 645, 000. 00	- 88,5 52,6 36.4 2		1,15 1,21 3,03 9.48		13,4 88,0 21,2 39.9 4		18,5 77,9 19,2 37.3 9	598, 522, 145. 76	19,1 76,4 41,3 83.1 5
III. Amount of change in the current period (Decreases are indicated by "-")					30,0 41,5 53.2 4		- 3,01 7,82 9.08		228, 665. 80		927, 223, 970. 81		954, 476, 360. 77	52,0 90,7 54.6 3	1,00 6,56 7,11 5.40
(I) Total comprehensive income							- 3,01 7,82 9.08				1,43 3,82 4,62 9.56		1,43 0,80 6,80 0.48	6,03 1,08 7,88 4.87	1,43 6,83 7,88 5.35
(II) Capital contributed by owners and capital decreases					19,7 48,6 39.5 8								19,7 48,6 39.5 8	47,9 89,7 27.8 6	67,7 38,3 67.4 4
1. Common shares invested by owners														47,8 69,7 70.1 0	47,8 69,7 70.1 0
2. Capital invested by holders of other equity instruments															
3. Amount of					19,7 48,6								19,7 48,6	119, 957.	19,8 68,5

share-based payment included in owners' equity					39.58							39.58	76	97.34
4. Others														
(III) Profit distribution										-		-	-	-
										508,658.92		508,658.92	1,960.00	510,618.650.92
1. Withdrawal of surplus reserve														
2. Provision of general risk reserve														
3. Distribution to owners (or shareholders)										-		-	-	-
										508,658.92		508,658.92	1,960.00	510,618.650.92
4. Others														
(IV) Internal conversion of owners' equity														
										228,665.80		2,057.992.17		2,286.657.97
1. Capital (or share capital) increase from capital reserve conversion														
2. Capital (or share capital) increase from surplus reserve conversion														
3. Recovery of losses by surplus reserve														
4. Retained earnings from transfer of changes in the defined benefit plan														
5. Retained earnings from transfer of other										228,665.80		2,057.992.17		2,286.657.97

comprehensive income														
6. Others														
(V) Special reserve														
1. Withdrawal in the current period														
2. Use in the current period														
(VI) Others					10,292,913.66							10,292,913.66	29,941.90	10,322,855.56
IV. Balance at the end of the current period	1,753,995,348.00				2,407,928,799.63	104,645,000.00	-91,570,465.50		1,151,441,705.28	14,415,245,210.75		19,532,395,598.16	650,612,900.39	20,183,084,985.55

8. Statement of changes in owners' equity of the parent company

Amount in the current period

Unit: yuan

Item	Semi-Annual 2024											
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Special reserves	Surpluses reserves	Undistributed profit	Others	Total owners' equity
		Preferred shares	Perpetual bond	Others								
I. Balance at the end of the period of the prior year	1,754,425,348.00				2,329,361,969.66	84,519,369.07			1,355,635,731.62	6,629,739,641.30		11,984,643,321.51
Add: Changes in accounting policies												
Error correction in the prior periods												
Others												
II. Balance at the beginning of the period of the current year	1,754,425,348.00				2,329,361,969.66	84,519,369.07			1,355,635,731.62	6,629,739,641.30		11,984,643,321.51

III. Amount of change in the current period (Decreases are indicated by “-”)	- 97,80 0.00				8,137, 421.5 0	- 2,445, 000.0 0				203,4 82,09 9.25		213,9 66,72 0.75
(I) Total comprehensive income										1,220, 963,7 15.09		1,220, 963,7 15.09
(II) Capital contributed by owners and capital decreases	- 97,80 0.00				8,137, 421.5 0	- 2,445, 000.0 0						10,48 4,621. 50
1. Common shares invested by owners	- 97,80 0.00				- 2,347, 200.0 0							- 2,445, 000.0 0
2. Capital invested by holders of other equity instruments												
3. Amount of share-based payment included in owners' equity					10,48 4,621. 50							10,48 4,621. 50
4. Others						- 2,445, 000.0 0						2,445, 000.0 0
(III) Profit distribution										- 1,017, 481,6 15.84		- 1,017, 481,6 15.84
1. Withdrawal of surplus reserve												
2. Distribution to owners (or shareholders)										- 1,017, 481,6 15.84		- 1,017, 481,6 15.84
3. Others												
(IV) Internal conversion of owners' equity												
1. Capital (or share capital) increase												

from capital reserve conversion												
2. Capital (or share capital) increase from surplus reserve conversion												
3. Recovery of losses by surplus reserve												
4. Retained earnings from transfer of changes in the defined benefit plan												
5. Retained earnings from transfer of other comprehensive income												
6. Others												
(V) Special reserve												
1. Withdrawal in the current period												
2. Use in the current period												
(VI) Others												
IV. Balance at the end of the current period	1,754,327,548.00				2,337,499,391.16	82,074,369.07			1,355,635,731.62	6,833,221,740.55		12,198,610,042.26

Amount in the prior year

Unit: yuan

Item	Semi-Annual 2023											
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Special reserves	Surpluses reserves	Undistributed profit	Others	Total owners' equity
		Preferred shares	Perpetual bond	Others								
I. Balance at the end of the period of	1,753,995,348.00				2,276,383,543.02	104,645,000.00	-129,129.44		1,229,068,798.92	5,999,424,983.44		11,154,098,543.94

the prior year												
Add: Changes in accounting policies												
Err or correction in the prior periods												
Ot hers												
II. Balance at the beginning of the period of the current year	1,753, 995,3 48.00				2,276, 383,5 43.02	104,6 45,00 0.00	- 129,1 29.44		1,229, 068,7 98.92	5,999, 424,9 83.44		11,154 ,098,5 43.94
III. Amount of change in the current period (Decreases are indicated by “-”)					26,48 4,163. 54					698,6 90,71 1.22		725,1 74,87 4.76
(I) Total comprehen sive income										1,207, 349,3 62.14		1,207, 349,3 62.14
(II) Capital contributed by owners and capital decreases					19,86 8,597. 33							19,86 8,597. 33
1. Common shares invested by owners												
2. Capital invested by holders of other equity instruments												
3. Amount of share-based payment included in owners’ equity					19,86 8,597. 33							19,86 8,597. 33
4. Others												
(III) Profit distribution										- 508,6 58,65 0.92		- 508,6 58,65 0.92
1.												

Withdrawal of surplus reserve												
2. Distribution to owners (or shareholders)										-		-
										508,6		508,6
										58,65		58,65
										0.92		0.92
3. Others												
(IV) Internal conversion of owners' equity												
1. Capital (or share capital) increase from capital reserve conversion												
2. Capital (or share capital) increase from surplus reserve conversion												
3. Recovery of losses by surplus reserve												
4. Retained earnings from transfer of changes in the defined benefit plan												
5. Retained earnings from transfer of other comprehensive income												
6. Others												
(V) Special reserve												
1. Withdrawal in the current period												
2. Use in the current period												
(VI) Others					6,615,							6,615,
					566.2							566.2
					1							1

IV. Balance at the end of the current period	1,753,995.348.00				2,302,867.706.56	104,645.000.00	-129.129.44		1,229,068.798.92	6,698,115.694.66		11,879,273.418.70
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Huadong Medicine Co., Ltd.

Chairman of the Board: Lv Liang

August 16, 2024