



FOSUN PHARMA

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

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Our Vision

We are committed to becoming a first-class enterprise in the global medical and healthcare market.

Our Mission

Better health for families worldwide.

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Directors

Executive Directors

Mr. Wu Yifang (吳以芳) (Chairman)
Mr. Wang Kexin (王可心) (Co-Chairman)¹
Mr. Guan Xiaohui (關曉暉) (Vice-Chairman)²
Mr. Wen Dejun (文德鏞) (Chief Executive Officer)³

Non-executive Directors

Mr. Chen Qiyu (陳啟宇)
Mr. Yao Fang (姚方)
Mr. Xu Xiaoliang (徐曉亮)
Mr. Pan Donghui (潘東輝)

Independent Non-executive Directors

Ms. Li Li (李玲)
Mr. Tang Yuliang (湯谷良)
Mr. Wang Quanyang (王全弟)
Mr. Yu Zhihan (余梓山)

Supervisors

Ms. Ren Jing (任倩) (Chairman)
Mr. Cao Genxing (曹根興)
Mr. Guan Yimin (管一民)

Joint Company Secretaries

Ms. Dong Xiaoliang (董曉嫻)
Ms. Gan Meiqi (甘美霞)

Authorized Representatives

Mr. Wu Yifang (吳以芳)
Ms. Gan Meiqi (甘美霞)

Strategic Committee

Mr. Wu Yifang (吳以芳) (Chairman)⁴
Mr. Chen Qiyu (陳啟宇)⁵
Mr. Yao Fang (姚方)
Mr. Xu Xiaoliang (徐曉亮)
Ms. Li Li (李玲)

Audit Committee

Mr. Tang Yuliang (湯谷良) (Chairman)
Mr. Wang Quanyang (王全弟)
Ms. Li Li (李玲)

Nomination Committee

Mr. Wang Quanyang (王全弟) (Chairman)
Ms. Li Li (李玲)
Mr. Pan Donghui (潘東輝)

Remuneration and Appraisal Committee

Mr. Yu Zhihan (余梓山) (Chairman)
Mr. Tang Yuliang (湯谷良)
Mr. Wang Quanyang (王全弟)
Mr. Chen Qiyu (陳啟宇)
Mr. Pan Donghui (潘東輝)

Environmental, Social and Governance Committee

Mr. Yu Zhihan (余梓山) (Chairman)
Ms. Li Li (李玲)
Mr. Wu Yifang (吳以芳)

Registered Office

9th Floor, No. 510 Caobao Road,
Dunhu Road,
Haizhai, 200063, China

Principal Place of Business in the PRC

Bilibili Avenue
No. 1289, Haizhai Road,
Haizhai, 200233, China

¹ Mr. Wang Kexin was appointed as a director of the Company on April 4, 2022.
² Mr. Guan Xiaohui was appointed as a director of the Company on January 1, 2022.
³ Mr. Wen Dejun was appointed as a director of the Company on April 4, 2022.
⁴ Mr. Wu Yifang was appointed as a director of the Company on January 1, 2022.
⁵ Mr. Chen Qiyu was appointed as a director of the Company on October 10, 2022.

⁴ Mr. Wu Yifang was appointed as a director of the Company on January 1, 2022.
⁵ Mr. Chen Qiyu was appointed as a director of the Company on January 1, 2022.

Principal Place of Business in Hong Kong

5/F, Mainland
348 King's Road, Kowloon
Hong Kong

Legal Advisers in Hong Kong

Deacons & Partners LLP

Legal Advisers in the PRC

Grall Law Firm (China)

Auditors

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor
27th Floor, Mainland
979 King's Road, Kowloon
Hong Kong

Principal Banks

Hang Seng Bank (China)
China Development Bank
Industrial and Commercial Bank of China
Bank of China
China Min Sheng Bank
Haikou Development Bank

Corporate Name

Haikou Far East International (Group) Company Limited*

Stock Abbreviation

FHN-HA-MA

Share Listing

A share: Haikou Far East
Company Code: 600196
H share: Haikou Far East
Company Code: 02196

A Share Registrar and Transfer Office in the PRC

China Securities Depository & Clearing Corporation Limited
(CSDCC) Haikou Branch
188 Hainan Road
Dunhuang
Haikou, China

H Share Registrar and Transfer Office in Hong Kong

First International Securities Limited
17/F, Far East Finance Centre
16 Harbour Road
Hong Kong

Corporate Website

<http://www.haifem.com>

* The actual name of the company is subject to the final decision of the relevant authorities in 2022.

Financial Highlights

For the six months ended 30 June

	2022 RMB million	2021 MB million (in millions)
Operating results		
Revenue	21,275	16,878
Gross profit	9,699	8,621
Profit from operations	1,999	1,343
Interest income	2,379	3,304
Interest expense	1,554	2,482
Earnings before income tax	3,881	4,670
Profitability		
Gross margin	45.59%	51.08%
Operating margin	9.40%	7.96%
Net profit margin	8.79%	16.32%
Earnings per share (MB/share)		
Earnings per share	0.60	0.97
Earnings per share diluted	0.60	0.97
Of which: Pharmaceutical manufacturing segment		
Revenue	14,271	12,179
Gross profit	7,762	6,965
Profit from operations	1,890	1,353
Interest income	1,579	1,257
30 June 2022		
RMB million		
Assets		
Property, plant and equipment	98,754	93,237
Intangible assets	38,148	39,135
Financial assets	51,070	44,918
Other assets	12,258	10,308
Debt-to-capitalization ratio	51.71%	48.18%

FINANCIAL REVIEW

During the reporting period, the Group's performance is highlighted by the following key figures:

During the reporting period, the Group's revenue increased by MB21,275 million, representing a year-on-year increase of 26.05%.

Both revenue and profit have increased significantly over the reporting period. The Group's revenue increased by MB21,275 million, representing a year-on-year increase of 26.05%. The Group's profit increased by MB1,999 million, representing a year-on-year increase of 6.66%. As a result of the increase in revenue, the Group's operating profit increased by MB1,820 million, representing a year-on-year increase of 6.66%. In 2021, the Group's revenue was affected by the impact of the COVID-19 pandemic. During the reporting period, the Group's revenue increased by MB21,275 million, representing a year-on-year increase of 26.05%. The Group's profit increased by MB1,999 million, representing a year-on-year increase of 6.66%. The Group's operating profit increased by MB1,820 million, representing a year-on-year increase of 6.66%. The Group's net profit increased by MB1,554 million, representing a year-on-year increase of 37.39%. The Group's comprehensive income increased by MB0.60 million, representing a year-on-year increase of 38.14%.

The Group's revenue is primarily derived from the sale of goods and services. During the reporting period, the Group's revenue increased by MB21,275 million, representing a year-on-year increase of 26.05%. The Group's profit increased by MB1,999 million, representing a year-on-year increase of 6.66%. The Group's operating profit increased by MB1,820 million, representing a year-on-year increase of 6.66%. The Group's net profit increased by MB1,554 million, representing a year-on-year increase of 37.39%. The Group's comprehensive income increased by MB0.60 million, representing a year-on-year increase of 38.14%.

REVENUE

During the reporting period, the Group's revenue increased by MB21,275 million, representing a year-on-year increase of 26.05%. The Group's revenue is primarily derived from the sale of goods and services. During the reporting period, the Group's revenue increased by MB21,275 million, representing a year-on-year increase of 26.05%. The Group's profit increased by MB1,999 million, representing a year-on-year increase of 6.66%. The Group's operating profit increased by MB1,820 million, representing a year-on-year increase of 6.66%. The Group's net profit increased by MB1,554 million, representing a year-on-year increase of 37.39%. The Group's comprehensive income increased by MB0.60 million, representing a year-on-year increase of 38.14%.

Management

Discussion and Analysis

GROSS PROFIT

During the reporting period, the gross profit rate was 12.50%, MB9,699 million versus MB8,621 million in the corresponding period of 2021. The increase is mainly due to the following reasons: (1) the increase in the sales volume of the main products; (2) the increase in the price of the main products; (3) the increase in the price of the main products. As a result, the gross profit rate increased by 45.59%, from 5.49% in the corresponding period of 2021 to 10.08% in the reporting period. The increase in the gross profit rate is mainly due to the increase in the price of the main products.

SELLING AND DISTRIBUTION EXPENSES

During the reporting period, the selling and distribution expenses were MB45 million, or 1.07% of the net sales, versus MB4,166 million, or 9.58% of the net sales, in the corresponding period of 2021. The decrease is mainly due to the following reasons: (1) the decrease in the selling and distribution expenses of the main products; (2) the decrease in the selling and distribution expenses of the main products; (3) the decrease in the selling and distribution expenses of the main products. As a result, the selling and distribution expenses decreased by 90.11%, from 9.58% in the corresponding period of 2021 to 1.07% in the reporting period. The decrease in the selling and distribution expenses is mainly due to the decrease in the selling and distribution expenses of the main products.

R&D EXPENSES AND R&D EXPENDITURE

The R&D expenses were 2.57/G, which is higher than the industry average. The R&D expenditure was 2.57/G, which is higher than the industry average.

SHARE OF PROFITS OF ASSOCIATES

During the reporting period, the share of profits of the Group's associate MB899 is MB926 million for the reporting period 2021.

PROFIT FOR THE PERIOD

During the reporting period, the share of profits of the Group's associates is MB1,869 million for MB2,754 million for the reporting period 2021. The share of profits of the Group's associates is 8.79% and 16.32%, respectively.

PROFIT FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT

During the reporting period, the Group's profit attributable to owners of the parent is MB1,999 million, compared to MB656 million for the reporting period 2021. A decrease of 67.5% is due to the decrease in the share of profits of the Group's associates from MB1,869 million for the reporting period 2021 to MB1,554 million for the reporting period 2022. The decrease in the share of profits of the Group's associates is due to the decrease in the share of profits of the Group's associates from 8.79% and 16.32%, respectively.

DEBT STRUCTURE, LIQUIDITY AND SOURCES OF FUNDS

Total Debts

As at 30 June 2022, the Group's total debt is MB30,461 million for MB25,299 million as at 31 December 2021. The Group's total debt is 41.76% of the total assets, compared to 34.3% as at 31 December 2021. During the reporting period, the Group's total debt is MB12,258 million for MB10,308 million as at 31 December 2021.

As at 30 June 2022, the Group's total debt is MB8,698 million (31 December 2021: MB7,382 million) for the Group's total debt is MB12,258 million for MB10,308 million as at 31 December 2021.

As at 30 June 2022, the Group's total debt is MB4,928 million (31 December 2021: MB4,276 million).

Management

Discussion and Analysis

	Unit: million MB	Unit: million MB
	30 June 2022	31 December 2021
Cash and cash equivalents denominated in:		
MB	7,330	6,032
HK dollar	1,721	1,615
US dollar	2,220	1,907
Other currencies	577	560
Financial assets	156	78
Financial liabilities	254	116
Total	12,258	10,308

Gearing Ratio

As at 30 June 2022, the gearing ratio, calculated as total liabilities less cash and cash equivalents divided by total assets, was 30.85%, as compared to 27.13% as at 31 December 2021.

Interest Rate

As at 30 June 2022, the average interest rate on financial liabilities was 4.13% (31 December 2021: 4.13%) (31 December 2021: 4.13% (31 December 2021: 4.13%)).

Maturity Structure of Outstanding Debts

	Unit: million MB	Unit: million MB
	30 June 2022	31 December 2021
within 1 year	17,740	15,602
1 to 2 years	4,648	5,067
2 to 5 years	5,753	2,073
over 5 years	2,320	2,557
Total	30,461	25,299

Available Facilities

As at 30 June 2022, the Group has available facilities of MB12,258 million, the Group has available facilities of MB31,327 million in the form of the Group's bank facilities. The Group has available facilities of MB12,258 million, the Group has available facilities of MB31,327 million in the form of the Group's bank facilities. The Group has available facilities of MB12,258 million, the Group has available facilities of MB31,327 million in the form of the Group's bank facilities.

In April 2020, the Group has available facilities of MB5,000 million. In July 2022, the Group has available facilities of MB6,000 million. In August 2022, the Group has available facilities of MB4,000 million. In September 2022, the Group has available facilities of MB5,000 million.

Collateral and Pledged Assets

As at 30 June 2022, the Group has available facilities of MB772 million (31 December 2021: MB550 million) and pledged assets of MB511 million (31 December 2021: MB514 million).

As at 30 June 2022, the Group has available facilities of MB100 million (31 December 2021: MB69 million) and pledged assets of MB8 million (31 December 2021: MB8 million).

As at 30 June 2022, the Group has available facilities of MB8 million (31 December 2021: MB8 million) and pledged assets of MB8 million (31 December 2021: MB8 million).

As at 30 June 2022, the Group has available facilities of 58.67% (31 December 2021: 58.67%) of the total facilities available. As at 30 June 2022, the Group has available facilities of 58.67% (31 December 2021: 58.67%) of the total facilities available.

Details of the collateral and pledged assets are set out in Note 16 to the financial statements.

Cash Flow

The Group's cash and cash equivalents, net of finance charges, were MB1,234 million at 30 June 2022, compared with MB1,123 million at 30 June 2021. The Group's cash and cash equivalents, net of finance charges, were MB1,234 million at 30 June 2022, compared with MB1,123 million at 30 June 2021.

Management

Discussion and Analysis

	Currency: RMB	Currency: MB
	January – June 2022	January – June 2021
Net sales from pharmaceuticals	1,820	1,707
Net sales from other businesses	(2,485)	(2,450)
Net sales from financial services	2,420	770
Net sales from other services	1,755	27
Cost of sales from pharmaceuticals	6,451	7,325
Cost of sales from other businesses	8,274	7,248

Capital Commitments and Capital Expenditures

During the reporting period, the Group has made capital commitments of RMB2,174 million, which mainly include the acquisition of subsidiaries, the acquisition of equity interests in subsidiaries, the acquisition of land use rights, the acquisition of intangible assets, etc. Details of capital commitments are set forth in the following table.

As at 30 June 2022, the Group has capital commitments of RMB5,416 million, which mainly include the acquisition of subsidiaries, the acquisition of equity interests in subsidiaries, the acquisition of land use rights, the acquisition of intangible assets, etc. Details of capital commitments are set forth in the following table.

Contingent Liabilities

As at 30 June 2022, the Group does not have any contingent liabilities.

Interest Coverage

During the reporting period, the interest coverage ratio of the Group is 8.30 times (the interest coverage ratio in 2021: 10.91 times). The interest coverage ratio is calculated as follows: interest coverage ratio = EBITDA / interest expense. The Group has a strong ability to pay interest on its debt. In 2021, the interest coverage ratio of the Group is 10.91 times, which is mainly due to the fact that the Group has a strong ability to pay interest on its debt. The interest coverage ratio of the Group is 8.30 times in 2022, which is mainly due to the fact that the Group has a strong ability to pay interest on its debt.

RISK MANAGEMENT

Foreign Currency Exposure

The Group has no material foreign currency exposure. The Group's assets and liabilities are primarily denominated in the local currency.

Interest Rate Exposure

The Group's primary exposure to interest rate risk arises from its financial assets and liabilities. The Group's interest rate risk is managed through the use of interest rate derivatives.

BUSINESS REVIEW

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

During the reporting period, the Group's operations were primarily focused on the provision of financial services to its customers. The Group's revenue was primarily derived from interest income on loans and deposits, and fees from financial services. The Group's expenses were primarily related to the cost of funds, operating expenses, and provisions for credit losses. The Group's net income was primarily derived from the difference between interest income and interest expense, net of operating expenses and provisions for credit losses.

During the reporting period, the Group's total assets were primarily composed of cash and deposits, loans, and investments. The Group's total liabilities were primarily composed of deposits, borrowings, and provisions for credit losses. The Group's capital adequacy ratio was maintained at a level consistent with regulatory requirements. The Group's liquidity position was strong, with sufficient liquid assets to meet its obligations. The Group's credit quality was stable, with a low level of non-performing assets. The Group's risk management practices were effective in managing its various risks, including credit risk, interest rate risk, and foreign currency risk.

The Group's return on assets and return on equity were primarily driven by its interest income and net income. The Group's return on assets was primarily driven by its interest income, and its return on equity was primarily driven by its net income. The Group's return on assets was primarily driven by its interest income, and its return on equity was primarily driven by its net income.

Management

Discussion and Analysis

Discussion and Analysis of the Revenue Performance of the Group as a Whole :

Unit: million CNY; MB

	Revenue Jan – Jun 2022		Year-on-year Jan – Jun 2021		Change YoY (%)
	Amount	Percentage of revenue (%)	Amount	Percentage of revenue (%)	
By business segment					
Pharmaceuticals	14,271	67.08	12,179	72.16	17.18
Medical devices	4,035	18.97	2,832	16.78	42.48
Healthcare services	2,917	13.71	1,843	10.92	58.27
By geographical locations					
China-Mainland	13,683	64.31	11,680	69.20	17.15
Overseas (China-Mainland除外地区)	7,592	35.69	5,198	30.80	46.06

Main Operational Progress of the Group during the Reporting Period

(1) The Group continued to actively promote the development of pharmaceuticals, medical devices and healthcare services. During the reporting period, Haier Pharma (Shanghai) Co., Ltd. (Shanghai Haier Pharma), the wholly-owned subsidiary of the Group, has completed the registration of the first-in-class (M-I-H) lithium ion battery, a new type of lithium ion battery with high energy density (A) Ha Li Ka (lithium ion battery) and the first-in-class F-1502 (lithium ion battery) HE 2 high energy density lithium ion battery (lithium ion battery), MEK1/2 lithium ion battery FCN-159 and other lithium ion batteries. The lithium ion battery products have been widely used in the field of consumer electronics, such as mobile phones, laptops, tablets, etc. In addition, the Group has also completed the registration of the first-in-class lithium ion battery products in the field of consumer electronics, such as mobile phones, laptops, tablets, etc. In addition, the Group has also completed the registration of the first-in-class lithium ion battery products in the field of consumer electronics, such as mobile phones, laptops, tablets, etc. In addition, the Group has also completed the registration of the first-in-class lithium ion battery products in the field of consumer electronics, such as mobile phones, laptops, tablets, etc.

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Table 1 — Innovative drugs approved for launch during the Reporting Period

No.	Name of drugs	Classification of registration	Indications	Remarks
1	Ha i h a (e r l i a i j e i)	h e r a e i i l i a l r i a l	Mi r a e l l e i a i l i - h i h (M I - H) l i t r	A r r i v e r i i a l a r e i
2	Ha Li Ka (r i i a i j e i)	h e r a e i i l i a l r i a l	h e a i A r h r i (A)	/

Table 2 — Innovative drugs applied for launch during the Reporting Period

No.	Name of drugs	Classification of registration	Indications
1	Ha i h a (e r l i a i j e i)	h e r a e i i l i a l r i a l	l i a i i h h e h e r a (a r h a i a e r i) r h e i r - l i e e a e e e i v e a e a l l e l l a e r (E - C L C)

Table 3 — Innovative drugs that obtained clinical approvals during the Reporting Period

No.	Name of drugs	Classification of registration	Indications
1	FCN-159	Chemical	Hypertension
2	FCN-159	Chemical	Acute myocardial infarction
3	IN1001	Chemical	Lipid-lowering agent (L-F)
4	HLX208	Chemical	Lipid-lowering
5	Leucine	Chemical	Essential amino acid (XD) Lipid-lowering (MD-B) in hypercholesterolemia
6	F-1502 (Leucine-HE 2 hormone antagonist - hormone antagonist F jacking (i) antagonist) antagonist	hormone antagonist	HE 2-hormone antagonist
7	FKC889 ^{Note}	hormone antagonist	Male hormone (MCL)
8	HLX35 (Leucine antagonist-EGF antagonist-4-1BB antagonist)	hormone antagonist	Lipid-lowering
9	HLX53 (antagonist-IGF antagonist)	hormone antagonist	Lipid-lowering agent
10	HLX301 (Leucine-antagonist-D-L1 antagonist-IGF antagonist) antagonist)	hormone antagonist	Antagonist
11	Ha-ha (antagonist) antagonist)	hormone antagonist	Lipid-lowering agent hormone antagonist antagonist-antagonist antagonist-antagonist antagonist (L-CLC)
12	Ha-ha (antagonist) antagonist)+HLX07 (Leucine antagonist-EGF antagonist) antagonist)+Ha-ha (antagonist)	hormone antagonist	Hormone antagonist (HCC)
13	HLX26 (Leucine-antagonist-LAG-3 antagonist) antagonist)+Ha-ha (antagonist)	hormone antagonist	Lipid-lowering agent
14	N53-67/M57-KLH (antagonist)	hormone antagonist	Antagonist antagonist

Note: F-1502 is a hormone antagonist.

Management Discussion and Analysis

(4) The Group's investment in the subsidiary is a fully paid-up shareholding. In addition, the Group's investment in the subsidiary is a fully paid-up shareholding. The Group's investment in the subsidiary is a fully paid-up shareholding. The Group's investment in the subsidiary is a fully paid-up shareholding.

The Group's investment in the subsidiary is a fully paid-up shareholding. The Group's investment in the subsidiary is a fully paid-up shareholding. The Group's investment in the subsidiary is a fully paid-up shareholding. The Group's investment in the subsidiary is a fully paid-up shareholding.

Segment Performance Overview

Pharmaceutical manufacturing

Performance summary

The Group's pharmaceutical manufacturing segment revenue was MB14,271 million, an increase of 17.18% over the corresponding period of the previous year. The Group's pharmaceutical manufacturing segment revenue was MB14,271 million, an increase of 17.18% over the corresponding period of the previous year. The Group's pharmaceutical manufacturing segment revenue was MB14,271 million, an increase of 17.18% over the corresponding period of the previous year.

The Group's pharmaceutical manufacturing segment revenue was MB14,271 million, an increase of 17.18% over the corresponding period of the previous year. The Group's pharmaceutical manufacturing segment revenue was MB14,271 million, an increase of 17.18% over the corresponding period of the previous year. The Group's pharmaceutical manufacturing segment revenue was MB14,271 million, an increase of 17.18% over the corresponding period of the previous year.

Table 1: Major therapeutic area sales by region (in million HK dollars)

Major therapeutic area	Jan – Jun 2022	Jan – Jun 2021*	Change (%)
Major therapeutic area - Oncology (Notes 1, 7)	2,550	1,705	49.56
Major therapeutic area - Respiratory (Notes 2, 7)	3,629	2,656	36.63
Major therapeutic area - Gastroenterology (Notes 3, 7)	1,383	1,419	2.54
Major therapeutic area - Cardiovascular (Notes 4, 7)	1,095	1,019	7.46
Major therapeutic area - Endocrinology (Notes 5, 7)	422	616	31.49
Major therapeutic area - All other (Notes 6, 7)	633	577	9.71

Note 1: Major therapeutic area - Oncology sales by region (in million HK dollars): Ha Li Ka (1,100), Ke Xi (1,100), Ha Li Ka (1,100), Ke Xi (1,100), Ha Li Ka (1,100), Ke Xi (1,100), Ha Li Ka (1,100), Ke Xi (1,100), Ha Li Ka (1,100), Ke Xi (1,100).

Note 2: Major therapeutic area - Respiratory sales by region (in million HK dollars): C ir a (1,000), C ir a (1,000), C ir a (1,000), C ir a (1,000), C ir a (1,000), C ir a (1,000), C ir a (1,000), C ir a (1,000).

Note 3: Major therapeutic area - Gastroenterology sales by region (in million HK dollars): A l i a (1,000), A l i a (1,000), A l i a (1,000), A l i a (1,000), A l i a (1,000), A l i a (1,000), A l i a (1,000), A l i a (1,000).

Note 4: Major therapeutic area - Cardiovascular sales by region (in million HK dollars): H i h a (1,000), H i h a (1,000), H i h a (1,000), H i h a (1,000), H i h a (1,000), H i h a (1,000), H i h a (1,000), H i h a (1,000).

Note 5: Major therapeutic area - Endocrinology sales by region (in million HK dollars): A D e J i (1,000), A D e J i (1,000), A D e J i (1,000), A D e J i (1,000), A D e J i (1,000), A D e J i (1,000), A D e J i (1,000), A D e J i (1,000).

Note 6: Major therapeutic area - All other sales by region (in million HK dollars): H a (1,000), H a (1,000), H a (1,000), H a (1,000), H a (1,000), H a (1,000), H a (1,000), H a (1,000).

Note 7: Major therapeutic area - Oncology sales by region (in million HK dollars): Ha Li Ka (1,100), Ke Xi (1,100), Ha Li Ka (1,100), Ke Xi (1,100), Ha Li Ka (1,100), Ke Xi (1,100), Ha Li Ka (1,100), Ke Xi (1,100), Ha Li Ka (1,100), Ke Xi (1,100), Ha Li Ka (1,100), Ke Xi (1,100).

Major therapeutic area - Respiratory sales by region (in million HK dollars): C ir a (1,000), C ir a (1,000), C ir a (1,000), C ir a (1,000), C ir a (1,000), C ir a (1,000), C ir a (1,000), C ir a (1,000), C ir a (1,000), C ir a (1,000), C ir a (1,000), C ir a (1,000).

• Progress of CAR-T cell therapy products

▲ Kai Da (吉利) i he ir t he ji t he F Kie a h r i e t a r r t he r t
l al i e i i Chi a t l l i t h e h t r a e r t a r a , a CA - e l l h e r a n g t t h e r t
h a i a . ▲ Kai Da a a n g v e r l a h i Chi e M a i l a i J e 2021, e i h e i r CA - e l l h e r a n g
n g a n g v e r l a h i l a h l i e r h e t e a e t a l p a i e t i h t e l a n g e r t e r a t r l a r e
B- e l l l h a (r / r DLBCL) a e r n i r e - l i e r h i h e r t e i h e r a n g . A h e e J I 2022, ▲ Kai Da
h a e e i l e i h e r a t i m e e r i a l h e a l h i r a e 44 n g j e a i i p a l i e a v e r
50 e r i a l i r a e , h i l e h e e r t e a e t e e r t e r h a t e a h e e a r l 100 .

h e e i i a i ▲ Kai Da (r h e t e a e t a l p a i e t i h t e l a n g e r t e r a r i e r - H i
l h a (r / r INHL) a i i l i l a r l h a a a r i a l n e l h a) e e i v e a n g v a l r l i a l r i a l
i Chi e M a i l a a t a a l i l e i h e t e a h r h h e r a n g r n g r a i 2021 . A a h e e t h e
e n g t e r i , h e i i a i h a e t e e h e l i a l r i a l a e i Chi e M a i l a .

h e h i r i i a i ▲ Kai Da (r h e t e a e t a l p a i e t i h l a r e B- e l l l h a (r / r LBCL) h a i
t e r a t r i r - l i e i h e h e r a n g r h a t e l a n g e i h i 12 h i r - l i e i h e h e r a n g)
e e i v e a n g v a l r l i a l r i a l i Chi e M a i l a i A 2022 . I A p r i l 2022, a e a r a e e i v e a n g v a l r
l a h r h e . FDA r h e a v e e i e i a i , e i h e i r CA - r i h e r l t e e i v e .
FDA a n g v a l a a e - l i e h e r a n g r LBCL . h e l e r l l - n g e l a e a r a n g M A - 1 h
h a h e 5- e a r v e r a l l r j v a l () r a e t e l a n g e / t e r a r LBCL p a i e t e a e i h a e a r a t e a h e 42.6% ,
a h e 5- e a r v e r a l l r j v a l r a e C p a i e t e a h e 64.4% . h e a a ▲ Kai Da , a e a a h a i r t e a l r l
t e a e h i h l i l a r i e r a e a e e i v e e , h i h e i i a i n g v e t t h e t e n g e
r a e a v e r a l l r j v a l n g r i p a i e t .

I a i i , F K i e ' e CA - e l l h e r a n g n g F K C 889 e e i v e a n g v a l r l i a l r i a l i Chi e
M a i l a i M a r h 2022 r h e t e a e t a l p a i e t i h t e l a n g e r t e r a r a l e e l l l h a (r / r
MCL) a e r n i r e - l i e r h i h e r t e i h e r a n g . A a h e e h e e n g t e r i , h e i i a i h a
e e e h e l i a l r i a l a e i Chi e M a i l a .

• Cooperation on the joint development and exclusive commercialization of Azvudine

I J I 2022, r i i a r F h a r a e i a l l r i a l a G e i e B i v e h e e t e i t a a t e e e i
t e a i t h e r a e i n g r a i , a h a r h i , h e j i e v e l n g e t a F h a r a e i a l
l r i a l e l i v e e r i a l i a i A n v i e h e t r a i n g i l e h e t e a e t a n g e v e i
N v e l C r a j r (2019- C) a A I D . h e A n v i e a l a , l e n g e l e v e l n g C h i a , i h e i r t a l l
l e l a r r a l e i a i r C I D - 19 a n g v e r l a h . 25 J I 2022, h e r a i e h e e e t e
i i a l a n g v a l r h e N M A r e i t e a e t a l p a i e t e r i e r a e C I D - 19 . t e j l ,
A n v i e a l a a i e h e i i a l a n g v a l r h e N M A r e i i a i t h h e r t e v e r e
r a r i a e i h i r i h e t e a e t a l H I - 1 i e t e p a i e t (i e A I D p a i e t) t h h i h j r a l a .

9 A 2022, A n v i e a l a e e i l e i h e D i a i a t e a e G i e l i e r C I D - 19 (9 h
E i i) (《新型冠状病毒肺炎诊疗方案(第九版)》). A a h e a e h i t e n g , A n v i e a l a h a v e e e
i t e i n g t e e n g a r e e i a l i r a e e e i G a , H e a , H a i a , J i l i , H a i j j i a a
G a a h e r n g j e a i l e . F h a r a e i a l l r i a l h a e e t e i t a r a e i n g r a i
a t e e e t i h i h a r , a l e a i h a r a e i a l i r i i e e r n i e i C h i a , t e h a e h e e r i a l
a e i i l l A n v i e a l a , a a e l e r a e h e a i a l h a e l a r v e r a e . A a h e a e h i t e n g ,
A n v i e a l a h a v e e e e i v e l h i n g t X i j j a , H a i a , H e a a h e r n g j e a i l e ,
t r i i t t h e C I D - 19 n g e v e t a t r l .

Management

Disposal Assets

- Other license-in and license-out projects

In the year ended 31 December 2022, the Group has completed the disposal of the 20% equity interest in the subsidiary, the Great Wall Pharmaceutical (China) Limited, a wholly-owned subsidiary of the Group, to the strategic investor, the Great Wall Pharmaceutical (China) Limited, a wholly-owned subsidiary of the Group, for a consideration of RMB100 million. The disposal of the 20% equity interest in the subsidiary, the Great Wall Pharmaceutical (China) Limited, is accounted for as a disposal of an associate. The Group has recognized a gain of RMB100 million in the consolidated income statement for the year ended 31 December 2022.

The Group has also completed the disposal of the 49% equity interest in the subsidiary, the Great Wall Pharmaceutical (China) Limited, to the strategic investor, the Great Wall Pharmaceutical (China) Limited, a wholly-owned subsidiary of the Group, for a consideration of RMB100 million. The disposal of the 49% equity interest in the subsidiary, the Great Wall Pharmaceutical (China) Limited, is accounted for as a disposal of an associate. The Group has recognized a gain of RMB100 million in the consolidated income statement for the year ended 31 December 2022.

In the year ended 31 December 2022, the Group has also completed the disposal of the 49% equity interest in the subsidiary, the Great Wall Pharmaceutical (China) Limited, to the strategic investor, the Great Wall Pharmaceutical (China) Limited, a wholly-owned subsidiary of the Group, for a consideration of RMB100 million. The disposal of the 49% equity interest in the subsidiary, the Great Wall Pharmaceutical (China) Limited, is accounted for as a disposal of an associate. The Group has recognized a gain of RMB100 million in the consolidated income statement for the year ended 31 December 2022.

• Deepening of global operation

Perusahaan ini telah melakukan ekspansi ke pasar internasional melalui berbagai strategi. Salah satunya adalah melalui akuisisi perusahaan-perusahaan di luar negeri. Pada tahun 2022, perusahaan ini telah mengakuisisi perusahaan-perusahaan di berbagai negara, termasuk di Asia Tenggara, Amerika Latin, dan Eropa. Akuisisi ini telah meningkatkan pangsa pasar perusahaan ini di pasar internasional dan meningkatkan diversifikasi produk perusahaan ini.

Perusahaan ini telah melakukan ekspansi ke pasar internasional melalui berbagai strategi. Salah satunya adalah melalui akuisisi perusahaan-perusahaan di luar negeri. Pada tahun 2022, perusahaan ini telah mengakuisisi perusahaan-perusahaan di berbagai negara, termasuk di Asia Tenggara, Amerika Latin, dan Eropa. Akuisisi ini telah meningkatkan pangsa pasar perusahaan ini di pasar internasional dan meningkatkan diversifikasi produk perusahaan ini.

Perusahaan ini telah melakukan ekspansi ke pasar internasional melalui berbagai strategi. Salah satunya adalah melalui akuisisi perusahaan-perusahaan di luar negeri. Pada tahun 2022, perusahaan ini telah mengakuisisi perusahaan-perusahaan di berbagai negara, termasuk di Asia Tenggara, Amerika Latin, dan Eropa. Akuisisi ini telah meningkatkan pangsa pasar perusahaan ini di pasar internasional dan meningkatkan diversifikasi produk perusahaan ini.

Perusahaan ini telah melakukan ekspansi ke pasar internasional melalui berbagai strategi. Salah satunya adalah melalui akuisisi perusahaan-perusahaan di luar negeri. Pada tahun 2022, perusahaan ini telah mengakuisisi perusahaan-perusahaan di berbagai negara, termasuk di Asia Tenggara, Amerika Latin, dan Eropa. Akuisisi ini telah meningkatkan pangsa pasar perusahaan ini di pasar internasional dan meningkatkan diversifikasi produk perusahaan ini.

R&D innovation

Perusahaan ini telah melakukan ekspansi ke pasar internasional melalui berbagai strategi. Salah satunya adalah melalui akuisisi perusahaan-perusahaan di luar negeri. Pada tahun 2022, perusahaan ini telah mengakuisisi perusahaan-perusahaan di berbagai negara, termasuk di Asia Tenggara, Amerika Latin, dan Eropa. Akuisisi ini telah meningkatkan pangsa pasar perusahaan ini di pasar internasional dan meningkatkan diversifikasi produk perusahaan ini.

Perusahaan ini telah melakukan ekspansi ke pasar internasional melalui berbagai strategi. Salah satunya adalah melalui akuisisi perusahaan-perusahaan di luar negeri. Pada tahun 2022, perusahaan ini telah mengakuisisi perusahaan-perusahaan di berbagai negara, termasuk di Asia Tenggara, Amerika Latin, dan Eropa. Akuisisi ini telah meningkatkan pangsa pasar perusahaan ini di pasar internasional dan meningkatkan diversifikasi produk perusahaan ini.

Table 4 — Major pipeline drug projects

Type	Number (calculated according to indications)	Remarks
Innovative drugs	70	/
1.1.1: all the late stage innovative drugs	22	First-in-class, Phase I/II clinical trial. 3 Phase III clinical trial.
Biosimilar under independent development	32	First-in-class, Phase I/II clinical trial. 2 Phase III clinical trial.
License-in innovative drugs	16	First-in-class, Phase I/II clinical trial. 1 Phase III clinical trial.
Biosimilars under independent development	13	First-in-class, Phase I/II clinical trial. 2 Phase III clinical trial.
Generic drugs	130	/
1.1.1: 14 late stage generic drugs	14	/
Consistency evaluation items	23	/

Note 1: The above data is based on the data as of December 31, 2023.

Note 2: The above data is based on the CD19-targeted CAR-T cell therapy drug FK889. First-in-class, Phase I/II clinical trial. The above data is based on the data as of December 31, 2023.

Table 5 — Small molecular innovative drugs under independent development

No.	Therapeutic area	Drug name/code	Indications	R&D progress in Chinese Mainland as at the end of the Reporting Period	R&D progress in other countries as at the end of the Reporting Period	
1	A t t a c k i n g	FCN-338	H e a d l i n e a l i a	h a l l i a l i a l	h a l l i a l i a l i a l (i h a l l i a l i a l)	
2			h e a d l i n e a l i a	A t t a c k i n g i a l i a l		
3		FCN-159	M a l i a t t a c k i n g	h a l l i a l i a l i a l		
4			N e r v e a t t a c k i n g	h a l l i a l i a l i a l (i h e a d l i n e a l i a l i a l)		
5			L i n e a l i a	A t t a c k i n g i a l i a l		
6			H i j i a t t a c k i n g	h a l l i a l i a l i a l		
7		A t t a c k i n g	IN1001	l i a t t a c k i n g	h a l l i a l i a l i a l	h a l l i a l i a l i a l (i h a l l i a l i a l)
8			AF-189	N - a l l a l i a (1+)	h a l l i a l i a l i a l	A t t a c k i n g i a l i a l (i h a l l i a l i a l)
9				N - a l l a l i a (ALK+)	h a l l i a l i a l i a l	
10			FCN-437	B l a t t a c k i n g 1L	h a l l i a l i a l i a l	h a l l i a l i a l i a l (i h a l l i a l i a l)
11				B l a t t a c k i n g 2L	h a l l i a l i a l i a l	
12			01001	A t t a c k i n g	h a l l i a l i a l i a l	
13			FH-2001	A t t a c k i n g a l i a l i a l	h a l l i a l i a l i a l	
14	M a l i a t t a c k i n g	FCN-342	G	h a l l i a l i a l i a l		
15	h e a d l i n e a l i a	IN1001	L i a h i a l a t t a c k i n g (I F)	A t t a c k i n g i a l i a l	h a l l i a l i a l i a l (i h a l l i a l i a l)	
16		E -26	A t t a c k i n g	h a l l i a l i a l i a l		
17		FCN-159	A t t a c k i n g a l i a l	A t t a c k i n g i a l i a l		

Table 6 — Biopharmaceutical innovative drugs under independent development

No.	Therapeutic area	Drug name/code	Indications	R&D progress in Chinese Mainland as at the end of the Reporting Period	R&D progress in other countries as at the end of the Reporting Period	
1	Anti-cancer	Ha i h a (EGFR inhibitor)	Mitochondrial inhibitor (M-IH) inhibitor	Approved in China	Approved in clinical trial (note 1)	
2			Advanced non-small cell lung cancer (NSCLC)	Phase III clinical trial	Phase III clinical trial (interim analysis)	
3		Ha i h a (EGFR inhibitor) + trastuzumab	Epidermal growth factor receptor (EGFR) inhibitor	Advanced non-small cell lung cancer (NSCLC)	Phase III clinical trial	Phase III clinical trial (interim analysis)
4			Epidermal growth factor receptor (EGFR) inhibitor	Advanced non-small cell lung cancer (NSCLC)	Phase III clinical trial (note 2)	
5			Neuroendocrine tumor (NET) GC	Advanced non-small cell lung cancer (NSCLC)	Phase III clinical trial	
6		Ha i h a (EGFR inhibitor) + trastuzumab	Ligand-independent receptor (L-CLC)	Advanced non-small cell lung cancer (NSCLC)	Phase III clinical trial (interim analysis)	
7		Ha i h a (EGFR inhibitor) + Herceptin	Neuroendocrine tumor (NET) (NSCLC)	Advanced non-small cell lung cancer (NSCLC)	Phase III clinical trial	
8			Hepatocellular carcinoma (HCC)	Advanced non-small cell lung cancer (NSCLC)	Phase III clinical trial	
9			Metastatic colorectal cancer (CRC)	Advanced non-small cell lung cancer (NSCLC)	Phase III clinical trial	
10		Ha i h a (EGFR inhibitor) + HLX07 (HER2 inhibitor) + trastuzumab	HER2 inhibitor (HNCC)	Advanced non-small cell lung cancer (NSCLC)	Phase III clinical trial	
11			HER2 inhibitor (NSCLC)	Advanced non-small cell lung cancer (NSCLC)	Phase III clinical trial	
12			Ha i h a (EGFR inhibitor) + HLX07 (HER2 inhibitor) + Herceptin	Hepatocellular carcinoma (HCC)	Approved in clinical trial	
13			HLX26 (HER2 inhibitor) + Herceptin	Ligand-independent receptor (L-CLC)	Approved in clinical trial	
14			HLX22 (HER2 inhibitor) + Herceptin	Gastric cancer (GC)	Phase III clinical trial	
15			HLX07 (HER2 inhibitor)	Ligand-independent receptor (L-CLC)	Phase III clinical trial (note 3)	Approved in clinical trial (interim analysis)
16			HLX20 (HER2 inhibitor)	Ligand-independent receptor (L-CLC)	Approved in clinical trial	Phase III clinical trial (interim analysis)
17			HLX26 (HER2 inhibitor)	Ligand-independent receptor (L-CLC)	Phase III clinical trial	
18			HLX35 (HER2 inhibitor)	Ligand-independent receptor (L-CLC)	Phase III clinical trial	Phase III clinical trial (interim analysis)
19			HLX301 (HER2 inhibitor)	Ligand-independent receptor (L-CLC)	Approved in clinical trial	Phase III clinical trial (interim analysis)
20			HLX23 (HER2 inhibitor)	Ligand-independent receptor (L-CLC)	Phase III clinical trial	Approved in clinical trial (interim analysis)
21			HLX53 (HER2 inhibitor)	Ligand-independent receptor (L-CLC)	Approved in clinical trial	
22			HLX60 (HER2 inhibitor) + Herceptin	Advanced non-small cell lung cancer (NSCLC)	Phase III clinical trial	(Note 4)
23		Bladder cancer	HER2 inhibitor (HFCF)	Advanced non-small cell lung cancer (NSCLC)	Phase III clinical trial	
24		HER2 inhibitor	HLX04 (HER2 inhibitor)	Advanced non-small cell lung cancer (NSCLC)	Phase III clinical trial	Phase III clinical trial (interim analysis)

Note 1: Ha i h a (EGFR inhibitor) is a first-in-class (FIC) drug for the treatment of advanced non-small cell lung cancer (NSCLC) in China. It was approved in China in January 2022.

Note 2: In March 2022, the Phase III clinical trial of Ha i h a (EGFR inhibitor) in the treatment of advanced non-small cell lung cancer (NSCLC) was approved in China. It was also approved in China in March 2022, and NDA in China in March 2022.

Note 3: The Phase III clinical trial of HLX07 (HER2 inhibitor) in the treatment of advanced non-small cell lung cancer (NSCLC) was approved in China in March 2022, and NDA in China in March 2022.

Note 4: In April 2022, HLX60 (HER2 inhibitor) + Herceptin in the treatment of advanced non-small cell lung cancer (NSCLC) was approved in China. It was also approved in China in April 2022, and NDA in China in April 2022.

Table 7 — License-in innovative drugs

No.	Therapeutic area	Drug name/code	Indications	R&D progress in China as at the end of the Reporting Period
1	Anti-infective	N53-67/M57-KLH (M)	Respiratory tract infection	Approved for clinical trial
2		HLX208	Leishmaniasis, Chagas disease, LCH, ECD	Phase III clinical trial
3		F-1502 (HE 2h)	Nocardiosis (NCLC)	Phase III clinical trial
4		F-1502 (HE 2h)	HE 2h	Phase III clinical trial
5		F-1502 (HE 2h)	HE 2h	Phase III clinical trial
6		F-1502 (HE 2h)	HE 2h	Approved for clinical trial
7	Musculoskeletal		Low back pain (LBP)	Phase III clinical trial
8			Low back pain (LBP)	Phase III clinical trial
9	Anti-infective	NA	Covid-19 (A-C)	China: Phase III clinical trial HK: Phase III clinical trial Malaysia: Phase III clinical trial Taiwan: Phase III clinical trial
10			COVID-19 (MD-B)	Phase III clinical trial
11	Central Nervous System		Alzheimer's disease	NDA
12	Bleeding		Chronic liver disease	Phase III clinical trial
13			Hemorrhagic stroke (E-D-HD)	Phase III clinical trial
14	Hepatitis	F-1502 (DAI)	Hepatitis A	Phase III clinical trial
15		002 (DAI)	Malaria (GL)	Phase III clinical trial
16			Leishmaniasis (CD)	Phase III clinical trial

Table 8 — Biosimilars under independent development

No.	Therapeutic area	Drug name/code	Indications	R&D progress in Chinese Mainland as at the end of the Reporting Period	
1	Anti-tumor	HLX11 (te i a a i-HE 2 ai ll h a i l a l a i i j e i)	Ne a j p a t t e a t BC	ha e ll li i al t r i a l	
2		HLX05 (te i a A i-EGF H a /M r i e Chi M l a l A i i j e i)	M e a a i l t e a l a e r (C C) a a a i h e a a e a e l a r i a (H N C C)	ha e l li i al t r i a l	
3		HLX12 (te i a a i- EGF 2 ai ll h a i l a l a i i j e i)	G a r i a e r (G C), a a a i - a l l e l l a e r (N C L C) a a a i l t e a l a e r (C C)	ha e l li i al t r i a l	
4		HLX13 (te i a a i- C LA-4 ll h a i a i i j e i)	M e l a a, l e a l l a r i a (C C) a a a i l t e a l a e r (C C)	A p p r o v e r li i al t r i a l	
5		HLX15 (te i a a i- CD38 ll h a i a i i j e i)	M l i j e e l a (M M)	A p p r o v e r li i al t r i a l	
6		Ha B a i a i (e p a i a i j e i)	e r t e l i l a a	(Note 1)	
7		Ha B a i a i (e p a i a i j e i)	H e a l l a r a r i a	(Note 2)	
8		M e a l i a a l i e a r e	l l i l a r i e i j e i	D i a e e	N D A
9			e i a i l i l i j e i i j e i	D i a e e	A p p r o v e r l a h
10			M i e j a i e e i e i a i l i l i j e i i j e i (5 0)	D i a e e	ha e ll li i al t r i a l (Note 3)
11			L i r a l i e i j e i	D i a e e	ha e ll li i al t r i a l
12		t h e r	HLX14 (te i a a i- ANKL ll h a i a i i j e i)	e e r i ()	ha e ll li i al t r i a l (i t e a i a l l i e e r)
13			Ha Li Ka (i i a i j e i)	h e a i A r h i j i (A)	A p p r o v e r l a h

Note 1: he m e e a l e r a p p l i a i (N D A) H a B a i a i (e p a i a i j e i) r t h e e i a i t e r t e l i l a a h a e e a e p e h e N M A i J l 2 0 2 2 .

Note 2: he N D A H a B a i a i (e p a i a i j e i) r t h e e i a i h e a l l a r a r i a h a e e a e p e h e N M A i A t 2 0 2 2 .

Note 3: he N D A i e j a i e e i e i a i l i l i j e i (5 0) h a e e a e p e h e N M A i J l 2 0 2 2 .

A a t h e e h e e r i , a t a l 2 5 h e G r h a h a e r e e t h a v e p e h e i t e e a l a i e e r i r e e e i e e a h e e r a l i m e r m f e e t i i (r a i l , e a e e e t a l e 9 r t r a e e r r e r a l i m e m f e e t) . F r h e e i i m f t i l e i e r a l i m e m f e e t h e G r m l e v e r a e h e a v a a e l i - h a e l a r a i a l e i e m f i t h e h e l i e l e a a e e t i e r a l i m e m f e e t m f h i l e a r i i i m f i e r l e a a i v e l m f i t e e a l m f i l e e r h e a r e h r h e r a l i m e m f e e t a e e i v e l t h h e i m f e i t i m f i t m f i t m f i t i e r a l i m e m f e e t .

Table 9 — Products won tenders for centralized procurement

Commercialization system

The Group's commercialization system is based on the "three-level" commercialization system, namely, the Group's commercialization system, the commercialization system of the subsidiaries, and the commercialization system of the business units. The Group's commercialization system is based on the "three-level" commercialization system, namely, the Group's commercialization system, the commercialization system of the subsidiaries, and the commercialization system of the business units. The Group's commercialization system is based on the "three-level" commercialization system, namely, the Group's commercialization system, the commercialization system of the subsidiaries, and the commercialization system of the business units.

The Group's commercialization system is based on the "three-level" commercialization system, namely, the Group's commercialization system, the commercialization system of the subsidiaries, and the commercialization system of the business units. The Group's commercialization system is based on the "three-level" commercialization system, namely, the Group's commercialization system, the commercialization system of the subsidiaries, and the commercialization system of the business units. The Group's commercialization system is based on the "three-level" commercialization system, namely, the Group's commercialization system, the commercialization system of the subsidiaries, and the commercialization system of the business units.

Medical Devices and Medical Diagnosis

The Group's commercialization system is based on the "three-level" commercialization system, namely, the Group's commercialization system, the commercialization system of the subsidiaries, and the commercialization system of the business units. The Group's commercialization system is based on the "three-level" commercialization system, namely, the Group's commercialization system, the commercialization system of the subsidiaries, and the commercialization system of the business units. The Group's commercialization system is based on the "three-level" commercialization system, namely, the Group's commercialization system, the commercialization system of the subsidiaries, and the commercialization system of the business units.

The Group's commercialization system is based on the "three-level" commercialization system, namely, the Group's commercialization system, the commercialization system of the subsidiaries, and the commercialization system of the business units. The Group's commercialization system is based on the "three-level" commercialization system, namely, the Group's commercialization system, the commercialization system of the subsidiaries, and the commercialization system of the business units.

The total special dividend, in the form of cash, to be paid to the shareholders of the Company is \$175 million, or approximately \$20.53 per share (based on the total number of shares of the Company outstanding as at the date of the announcement of the special dividend). The special dividend is subject to the approval of the shareholders of the Company at the general meeting of the Company to be held on 14 March 2022. The special dividend is subject to the approval of the shareholders of the Company at the general meeting of the Company to be held on 14 March 2022. The special dividend is subject to the approval of the shareholders of the Company at the general meeting of the Company to be held on 14 March 2022.

Management

Di i a A a i

Healthcare services

D ri he e r i e r i , he k e v e e r h e a l h a k e e r j e e e e t a e e t MB2,917 illi , k e f e e i a e r i - e r i i k e a e 58.27%. E l i i h e e e t h e a r h a h e e l a i k e X i h i H j a l r i h e e r i e r i , h e e e e k e v e e a h e v e a l k e a e 38.42% h e a e a i. h e k e v e e r h a a i l e e i e r h e r h h e l i e i e a h e k e v e e k e v e r h e h j a l. H e v e r , e e t h e i k e a e i e e e a a k e l t h i h e r i v e e e i h e e h l e v e l e e t h e l i e i e a h j a l e i a e v e h e a e i , e e e t h e l r i h e e r i e r i a e e t MB 387 illi , k e f e e i a a e r i - e r i e k e a e MB368 illi . e e e t e t e t e t MB 442 illi , k e f e e i a e r i - e r i e k e a e MB427 illi .

e r h e C ID-19 a e i , l i e l a i a l i e r h a e h a v e e e a e k e i e i a l a k e k e i e . h e G r e e e i a l i j a l r a r a i a i v e e r i l i e a l i e i e r a e e r j e e . D r i h e e r i e r i , a i e i a l r a e l l e a r i a e r h e a l h e e a h e j i a a i a h e a h i e r a i l a a e e r l i e a h e i i , F H e a l h , h e G r h e a l h a k e e r j e l a r , e r j e e r i h e r h e a l h a k e e r j e a e e i a l r a e r a l e l e l i t h r h t h e k e a e t e e r j e e e e a l a e r a i v e a i l h e a l h a a e e t .

A a h e e h e e r i e r i , h e G r e a i e 8 i e r e h j a l l i e e i a l. h r h h e e r i i i i e r e h e a l h a k e l a r , h e G r e i e r a e l i e a l i e e a r i t e r j e e i a l e e r a k e i a l e i a l i t t i a l l i a e e r j e , e i a l i e e i a l e r j e a h e a l h a a e e t e r j e .

e a r i e i a l e e r a k e i a l e i a l i t t i a l l i a e e r j e , h e G r e e e l - e r a e l a h i h j a l a h e a r i e r i l l a r a e i h k e i a l e i a l i t t i i e r a e e v e i , i a i , k e a e e a k e a i l l a i e r j e , a e r j e e e i a l e r j e i l i t a l l e r , e e i a i a i , i h j a l k e a e r l l - e l a i a r h a e a h e a l h a a e e t t h e i e r i e e i a l e e h e e r . D r i h e e r i e r i , h r h i i h e i e r a l l i e a l i e e i a l i t t i , h e e e a i e r i a r e i a l e r j e , h e e a l i h e h i h - l e v e l e i a l i j i l i e a h e a l l a i h e i e r a e e r a i , h e G r e l i a e k e i a l h e a l h a k e e l t a k e i a l h e a l h a k e e r j e e r i r i e e k e i h a h e G r e e r B a A k e a h e a e i v e r D e l a , a a i v e e r k e h e i e r a i a l a r e e e a i . A a h e e h e e r i e r i , h e h j a l r l l e h e G r e h a a t t a l 5,732 a h r i e e . h e G r e a l i h e a a a r i e e e i k e e t a l i a a e , i i j i e t t r i , i t t i a l a a e e t a h e a l h a k e e r j e , a a a l i e v e h e e i l e a e a a e e t a t t a l i t l a l l i a e C t h a v e e e i i i a l k e e t h r h h e e r a l i e e r k e e t r a e e j e . h e G r e e e r i i e r j e i a l i j i l i e e e h e h j a l r l l e h e G r e h a v e e e e i a l i e a a i j a l l e v a e j a l l e v i h e r k e i , a h e a v l l a i r e r h e N a i a l N a r a l e e F a i C h i a i k e e e r a l i i j i e e k e e e , a h i h , F h a C h a h e H j a l a a a r e h e 14 h F i v e e a r l a h i h - l e v e l e i a l i e h j a l i F h a C i , a A h i J i i C a e r H j a l a h e v e i - e e h e i a l l i a e e r a i i h h e F i r A l l i a e H j a l A h i M e i a l e i v e r i .

Financing

In the reporting period, the total amount of the Group's bank loans increased from RMB1,100 million at the end of 2021 to RMB1,150 million at the end of 2022, an increase of 4.5%. The increase was mainly due to the increase in bank loans from the bank of RMB400 million.

During the reporting period, the Group's total assets increased from RMB10,675,666 million at the end of 2021 to RMB11,100,000 million at the end of 2022, an increase of 3.9%. The increase was mainly due to the increase in bank loans from the bank of RMB400 million.

In July 2022, the Company issued the 2022 Annual General Meeting of Shareholders. The total amount of the Company's bank loans increased from RMB1,100 million at the end of 2021 to RMB1,150 million at the end of 2022, an increase of 4.5%. The increase was mainly due to the increase in bank loans from the bank of RMB400 million.

2. Core Competitiveness Analysis

During the reporting period, the Group's core competitiveness analysis is as follows:

A. **Research and Development** Research and development is the core competitiveness of the Group. The Group has established a research and development system with a high level of research and development. The Group's research and development system is characterized by a high level of research and development, a high level of research and development, and a high level of research and development. The Group's research and development system is characterized by a high level of research and development, a high level of research and development, and a high level of research and development. The Group's research and development system is characterized by a high level of research and development, a high level of research and development, and a high level of research and development.

B. **Production** Production is the core competitiveness of the Group. The Group has established a production system with a high level of production. The Group's production system is characterized by a high level of production, a high level of production, and a high level of production. The Group's production system is characterized by a high level of production, a high level of production, and a high level of production.

C. **Marketing** Marketing is the core competitiveness of the Group. The Group has established a marketing system with a high level of marketing. The Group's marketing system is characterized by a high level of marketing, a high level of marketing, and a high level of marketing. The Group's marketing system is characterized by a high level of marketing, a high level of marketing, and a high level of marketing.

3. Major Operations in the Reporting Period

A. Analysis on Principal Operations

(1) Analysis of Changes in Relevant Items of Financial Statements

Items	Amount for the period	Amount for the period of last year	Period-on-period change (%)
Revenue (Note 1)	21,275	16,878	26.05
Cost of sales (Notes 2, 7)	11,576	8,256	40.21
Administrative expenses (Note 3)	4,166	4,211	1.07
Advertising expenses	1,715	1,505	13.95
R&D expenses	1,818	1,562	16.39
Financial expenses	438	421	4.04
Impairment losses (Note 4)	651	1,645	60.43
Impairment losses (Note 5)	911	338	169.53
Net financial income	1,820	1,707	6.66
Net financial expense	2,485	2,450	1.43
Net financial income (Note 6)	2,420	770	214.29

Note 1: For the year ended December 31, 2022, revenue increased by 26.05% compared to the year ended December 31, 2021.

Note 2: The increase in cost of sales is mainly due to the increase in the cost of sales of the main products. The increase in the cost of sales is mainly due to the increase in the cost of sales of the main products. The increase in the cost of sales is mainly due to the increase in the cost of sales of the main products.

Note 3: Administrative expenses increased by 1.07% compared to the year ended December 31, 2021. The increase in administrative expenses is mainly due to the increase in the cost of sales of the main products. The increase in administrative expenses is mainly due to the increase in the cost of sales of the main products.

Note 4: Impairment losses decreased by 60.43% compared to the year ended December 31, 2021. The decrease in impairment losses is mainly due to the decrease in the cost of sales of the main products. The decrease in impairment losses is mainly due to the decrease in the cost of sales of the main products.

Management Discussion and Analysis

(2) R&D expenditure

① R&D expenditure

Unit: million CNY

R&D expenditure	1,818
R&D expenditure on pharmaceuticals	581
Total R&D expenditure	2,399
Total R&D expenditure as a percentage of revenue	11.24
R&D expenditure on pharmaceuticals as a percentage of total R&D expenditure	14.39
R&D expenditure on pharmaceuticals as a percentage of total R&D expenditure	24.22

②

During the reporting period, the R&D expenditure on pharmaceuticals as a percentage of total R&D expenditure increased from 16.04% in the corresponding period of the previous year to 14.39% in the reporting period. The R&D expenditure on pharmaceuticals as a percentage of total R&D expenditure increased from 7.65% in the corresponding period of the previous year to 10.41% in the reporting period. The R&D expenditure on pharmaceuticals as a percentage of total R&D expenditure increased from 16.04% in the corresponding period of the previous year to 14.39% in the reporting period. The R&D expenditure on pharmaceuticals as a percentage of total R&D expenditure increased from 7.65% in the corresponding period of the previous year to 10.41% in the reporting period.

B. Segment and Regional Operations

(1) Principal Operations by Segments, Products and Regions

Unit: million CNY

By segments	Principal operations by segments			Period-on-period change in revenue (%)	Period-on-period change in cost of sales (%)	Period-on-period change in gross margin (%)
	Revenue	Cost of sales	Gross profit margin (%)			
Pharmaceuticals (Note 1)	14,271	6,509	54.39	17.18	24.84	2.80
Medical devices (Note 2)	4,035	2,650	34.32	42.48	74.69	12.11
Health care services (Note 3)	2,917	2,402	17.66	58.27	58.86	0.30

Principal operations by products

By products	Revenue	Cost of sales	Gross profit margin (%)	Period-on-period change in revenue (%)	Period-on-period change in cost of sales (%)	Period-on-period change in gross margin
Majlis Perunding Antar-Rasmi (Note 4)	2,550	493	80.67	49.56	27.06	3.43
Majlis Perunding Antar-Negeri (Note 5)	3,629	1,701	53.13	36.63	43.67	2.29
Majlis Perunding Antar-Liaison	1,383	289	79.10	2.54		0.53
Majlis Perunding Antar-Parlimen (Note 6)	1,095	706	35.53	7.46	16.50	5.00
Majlis Perunding Antar-Rakyat (Note 7)	422	41	90.28	31.49	6.82	2.58
Majlis Perunding Antar-Liaison Antar-Negeri	633	476	24.80	9.71	8.43	0.88

Principal operations by geographical locations

By geographical locations	Revenue	Cost of sales	Gross profit margin (%)	Period-on-period change in revenue (%)	Period-on-period change in cost of sales (%)	Period-on-period change in gross margin
China-Malaysia (Note 8)	13,683	6,860	49.86	17.15	27.08	3.92
China-Malaysia (Note 9)	7,592	4,716	37.88	46.06	65.01	7.14

Note 1: The revenue is derived from the purchase of special shares in the companies listed on the Main Board of the Exchange (1) in the form of shares in the companies listed on the Main Board of the Exchange; (2) the purchase of shares in the companies listed on the Main Board of the Exchange. The revenue is derived from the purchase of shares in the companies listed on the Main Board of the Exchange. The revenue is derived from the purchase of shares in the companies listed on the Main Board of the Exchange.

Management

Di ǎn ǎn A ǎn

Note 2: he i kǎn-ei kǎn-ei aǎn aǎn he i al-ei-e aǎn al-ia i-e-e aǎn i h h e a e nǎn la tǎn aǎn aǎn : (1) he i h h e i e r t h i r a M e i a l i a j r a r e , h a N t h A e i a a E r nǎn ; (2) kǎn-ei kǎn-ei r tǎn l a h e nǎn t h a C I D-19 a t i e e e t i ; a (3) tǎn tǎn r a l e a t i -e e i nǎn tǎn .

he i kǎn-ei r nǎn tǎn aǎn i h h e a e nǎn la tǎn aǎn aǎn : (1) h a e i nǎn tǎn tǎn a a k e lǎ e i tǎn e r a e B i e h a h e e 2021 ; a (2) h e i e r r nǎn tǎn i e r e a a l e tǎn -nǎn a t i -e e i nǎn tǎn . E l i i h e e e tǎn e i tǎn e r a e B i e h a a l e -nǎn a t i -e e i nǎn tǎn h e i h e i a l -e i e aǎn i e e i a l i a i e e e i kǎn-ei 0.2 nǎn tǎn e nǎn tǎn h e a e a l i .

Note 3: he i kǎn-ei kǎn-ei aǎn aǎn h e h a k e e r j i e e e aǎn i h h e a e nǎn la tǎn aǎn aǎn e t h e r t h l i e t e a t h e k e e r kǎn-ei r h nǎn .

Note 4: he i kǎn-ei r nǎn tǎn i h e a j r nǎn tǎn a t i -e i aǎn e l a j i a nǎn i h h e a e nǎn la tǎn aǎn aǎn e r t h kǎn-ei aǎn r nǎn tǎn i nǎn tǎn h a H a .

Note 5: he i kǎn-ei r nǎn tǎn i h e a j r nǎn tǎn a t i -e i aǎn i h h e a e nǎn la tǎn aǎn aǎn e i kǎn-ei h e nǎn tǎn kǎn-ei C i r a tǎn (N A C I D-19 a i) i h h e r a nǎn tǎn .

Note 6: he i kǎn-ei r nǎn tǎn i h e a j r nǎn tǎn a r i p a l a r e a nǎn i h h e a e nǎn la tǎn aǎn aǎn e t h e i kǎn-ei h e nǎn tǎn a j r r a aǎn e nǎn tǎn a t h h e t a l e r e a h e r nǎn tǎn a r i e l l .

Note 7: he i kǎn-ei r nǎn tǎn i h e a j r nǎn tǎn e r a l e r y e e a nǎn i h h e a e nǎn la tǎn aǎn aǎn e t h e i kǎn-ei r nǎn tǎn a a k e lǎ h e a l e e l i e A D e j i (e e tǎn e a l i i e i) a t h e k e i e r i i e .

Note 8: he i kǎn-ei r nǎn tǎn i C h i e e M a i l a a nǎn i h h e a e nǎn la tǎn aǎn aǎn e t h e i kǎn-ei i tǎn e nǎn tǎn a e e a t i l i i kǎn-ei l a r tǎn i kǎn-ei h e nǎn tǎn a i r a a a l i a r tǎn .

Note 9: he i kǎn-ei kǎn-ei aǎn aǎn i h e k e i i e C h i e e M a i l a a t h e r tǎn e aǎn aǎn e t h e kǎn-ei r i tǎn C i r a tǎn (N A C I D-19 a i) r H K , M a a a t a i a , i i i a i kǎn-ei a l e i e i r a M e i a l r e e r - a e e i a l a e h e i e i e e a e r e a a l e a t i -e e i nǎn tǎn i h e nǎn e i ; h e i kǎn-ei r nǎn tǎn i h e a j r nǎn tǎn i h h e a e nǎn la tǎn aǎn aǎn e t h e i kǎn-ei r nǎn tǎn a l e a t i -e e i nǎn tǎn (-nǎn a t i -e e i nǎn tǎn) .

Note 10: F r h e kǎn e r h e h a e i kǎn-ei nǎn tǎn nǎn e e e t h e a k e e i e e a l e kǎn-ei r a j r nǎn tǎn h e G r nǎn tǎn a j r h e r a nǎn tǎn .

Note 11: C t a l e r t h e a e nǎn i 2021 h a e e a j e h e k e tǎn e a i .

C. Subsidiaries and Investees

(1) Operation and Results of Major Subsidiaries of the Group

① 本公司之主要附屬公司

單位：百萬元人民幣

Company name	Major business	Registered capital	Total assets	Net assets	Revenue	Operating profit	Net profit
廣東海星	建築工程	197	7,053	5,037	2,542	474	410
廣東海星	建築工程	452	6,115	3,292	3,818	405	359
廣東海星	建築工程	N/A	8,976	7,725	1,667	481	360
廣東海星	建築工程	N/A	30,644	16,874	8,064	N/A	679

Note 1: 廣東海星 建築工程 附屬公司 之 註冊資本 為 人民幣 197 萬元。

Note 2: 廣東海星 建築工程 附屬公司 之 註冊資本 為 人民幣 452 萬元。

② 本公司之其他附屬公司

單位：百萬元人民幣

Company name	Major business	Registered capital	Total assets	Net assets	Revenue	Net profit
廣東海星	建築工程	543	8,184	2,078	1,289	252
廣東海星	建築工程	285	1,842	1,049	591	164
廣東海星	建築工程	50	3,334	1,926	1,033	23
廣東海星	建築工程	N/A	3,648	2,757	1,132	133

Note 1: 廣東海星 建築工程 附屬公司 之 註冊資本 為 人民幣 543 萬元。

Note 2: 廣東海星 建築工程 附屬公司 之 註冊資本 為 人民幣 285 萬元。

Note 3: 廣東海星 建築工程 附屬公司 之 註冊資本 為 人民幣 50 萬元。

Management

Discussion and Analysis

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

Unit: million CNY

Company name	Major business	Registered capital	Total assets	Net assets	Revenue	Operating profit	Net profit
Xi'an Hengsheng Pharmaceutical	Pharmaceutical	100	370,124	104,237	261,472	7,988	6,221

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

① Acquisition of subsidiaries: The Group has acquired subsidiaries during the reporting period, which have had a positive impact on the Group's overall operation and results.

Unit: million CNY

Company name	Acquired through	Net assets (as at the end of Reporting Period)	Net profit (from date of merger/acquisition up to the end of Reporting Period)	Date of acquisition/merger
Xi'an Hengsheng Pharmaceutical	Equity transfer	646	8	20 January 2022

Note: The acquisition of Xi'an Hengsheng Pharmaceutical is a same-control acquisition, and the acquisition of Xi'an Hengsheng Pharmaceutical is a same-control acquisition.

② Disposal of subsidiaries: The Group has disposed of subsidiaries during the reporting period, which have had a positive impact on the Group's overall operation and results.

Unit: million CNY

Company name	Disposed through	Net assets as at date of disposal	Net profit from beginning of Reporting Period to date of disposal	Date of disposal
Hangzhou Hengsheng Pharmaceutical	Equity transfer	30		3 January 2022
Xinsheng Pharmaceutical	Debt transfer			21 February 2022
Hangzhou Hengsheng Pharmaceutical	Equity transfer	58	5	28 February 2022

D. Employees and Remuneration Policies

As at the end of the reporting period, the Group had a total of 36,604 employees. The Group's remuneration policy is to attract, motivate and retain the right people to drive the Group's performance. The Group's remuneration policy is aligned with the Group's overall business strategy and is designed to attract, motivate and retain the right people to drive the Group's performance.

E. Assets and Liabilities Analysis

As at the end of the reporting period, the Group's net assets were RM1,115 million, an increase of 30.85% from RM852 million at the end of 2021. The Group's net liabilities were RM1,115 million, an increase of 27.13% from RM878 million at the end of 2021.

As at the end of the reporting period, the Group's net assets were RM1,115 million, an increase of 30.85% from RM852 million at the end of 2021. The Group's net liabilities were RM1,115 million, an increase of 27.13% from RM878 million at the end of 2021. The Group's net assets were RM1,115 million, an increase of 30.85% from RM852 million at the end of 2021. The Group's net liabilities were RM1,115 million, an increase of 27.13% from RM878 million at the end of 2021.

4. Outlook for Operations in the Second Half of 2022

In the second half of 2022, the Group will continue to focus on its core business and drive growth through its various divisions. The Group's operations are expected to be resilient and stable, with a focus on maintaining a strong financial position and driving operational efficiency. The Group's operations are expected to be resilient and stable, with a focus on maintaining a strong financial position and driving operational efficiency. The Group's operations are expected to be resilient and stable, with a focus on maintaining a strong financial position and driving operational efficiency.

In the second half of 2022, the Group will continue to focus on its core business and drive growth through its various divisions. The Group's operations are expected to be resilient and stable, with a focus on maintaining a strong financial position and driving operational efficiency. The Group's operations are expected to be resilient and stable, with a focus on maintaining a strong financial position and driving operational efficiency.

Pharmaceutical Manufacturing

In the second half of 2022, the Group will continue to focus on its core business and drive growth through its various divisions. The Group's operations are expected to be resilient and stable, with a focus on maintaining a strong financial position and driving operational efficiency. The Group's operations are expected to be resilient and stable, with a focus on maintaining a strong financial position and driving operational efficiency.

Management

Diagnosis and Treatment

In the first half of 2022, the Group continued to focus on the development of the pharmaceutical business, and the pharmaceutical business continued to maintain a strong growth momentum. In the first half of 2022, the Group's pharmaceutical business achieved a total revenue of RMB 1.2 billion, an increase of 15% compared with the same period last year. The Group's pharmaceutical business is divided into several main areas, including the development of new drugs, the production and sales of existing drugs, and the operation of pharmaceutical companies. In the first half of 2022, the Group's pharmaceutical business achieved significant progress in the development of new drugs, with several new drugs entering the clinical trial stage. In addition, the Group's pharmaceutical business also achieved significant progress in the production and sales of existing drugs, with several key products showing strong sales performance. The Group's pharmaceutical business is committed to providing high-quality pharmaceutical products and services to patients, and will continue to focus on the development of the pharmaceutical business in the future.

Medical Devices and Medical Diagnosis

In the first half of 2022, the Group continued to focus on the development of the medical devices and medical diagnosis business, and the medical devices and medical diagnosis business continued to maintain a strong growth momentum. In the first half of 2022, the Group's medical devices and medical diagnosis business achieved a total revenue of RMB 0.8 billion, an increase of 12% compared with the same period last year. The Group's medical devices and medical diagnosis business is divided into several main areas, including the development of new medical devices, the production and sales of existing medical devices, and the operation of medical diagnosis companies. In the first half of 2022, the Group's medical devices and medical diagnosis business achieved significant progress in the development of new medical devices, with several new medical devices entering the clinical trial stage. In addition, the Group's medical devices and medical diagnosis business also achieved significant progress in the production and sales of existing medical devices, with several key products showing strong sales performance. The Group's medical devices and medical diagnosis business is committed to providing high-quality medical devices and medical diagnosis services to patients, and will continue to focus on the development of the medical devices and medical diagnosis business in the future.

In the year ended 2022, the Group's financial performance was significantly impacted by the global economic downturn and the impact of the COVID-19 pandemic. The Group's revenue decreased by 15% compared to the same period in 2021, primarily due to a decline in demand for its products and services. However, the Group's operating profit margin remained stable at 12%, reflecting its ability to control costs and maintain operational efficiency. The Group's net profit for the year ended 2022 was \$1.2 million, a decrease from \$1.5 million in 2021. The Group's financial position remained strong, with a current ratio of 1.5 and a debt-to-equity ratio of 0.8. The Group's cash and cash equivalents increased by 10% during the year, primarily due to the sale of non-current assets and the receipt of dividends from its subsidiaries. The Group's management expects a gradual recovery in demand for its products and services in 2023, and it is committed to maintaining its focus on operational efficiency and cost control.

The Group's financial performance in 2022 was also impacted by the impact of the COVID-19 pandemic, which led to a decline in demand for its products and services. The Group's revenue decreased by 15% compared to the same period in 2021, primarily due to a decline in demand for its products and services. However, the Group's operating profit margin remained stable at 12%, reflecting its ability to control costs and maintain operational efficiency. The Group's net profit for the year ended 2022 was \$1.2 million, a decrease from \$1.5 million in 2021. The Group's financial position remained strong, with a current ratio of 1.5 and a debt-to-equity ratio of 0.8. The Group's cash and cash equivalents increased by 10% during the year, primarily due to the sale of non-current assets and the receipt of dividends from its subsidiaries. The Group's management expects a gradual recovery in demand for its products and services in 2023, and it is committed to maintaining its focus on operational efficiency and cost control.

Healthcare Services

In the year ended 2022, the Group's healthcare services segment performed well, with revenue increasing by 5% compared to the same period in 2021. This was primarily due to an increase in the number of patients and the introduction of new services. The Group's operating profit margin for healthcare services was 15%, a slight increase from 14% in 2021. The Group's net profit for the year ended 2022 was \$0.8 million, a decrease from \$1.0 million in 2021. The Group's financial position remained strong, with a current ratio of 1.5 and a debt-to-equity ratio of 0.8. The Group's cash and cash equivalents increased by 10% during the year, primarily due to the sale of non-current assets and the receipt of dividends from its subsidiaries. The Group's management expects a continued increase in demand for its healthcare services in 2023, and it is committed to maintaining its focus on operational efficiency and cost control.

B. Market risks

In the event of a global economic recession, the demand for pharmaceuticals, particularly for non-essential drugs, is expected to decline. The company's sales are expected to be affected, and the company's financial performance is expected to be impacted. The company's management is expected to take measures to mitigate the impact of the economic recession on the company's business.

In the event of a global economic recession, the demand for pharmaceuticals, particularly for non-essential drugs, is expected to decline. The company's sales are expected to be affected, and the company's financial performance is expected to be impacted. The company's management is expected to take measures to mitigate the impact of the economic recession on the company's business.

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In addition, the company's management is expected to take measures to mitigate the impact of the economic recession on the company's business. The company's management is expected to take measures to mitigate the impact of the economic recession on the company's business.

The company's management is expected to take measures to mitigate the impact of the economic recession on the company's business. The company's management is expected to take measures to mitigate the impact of the economic recession on the company's business.

C. Business and operating risks

(1) R&D risk of drugs

Drugs are subject to high R&D costs, long development cycles, and high failure rates. The company's R&D activities are subject to various risks, including the risk of failure to develop new drugs, the risk of failure to obtain regulatory approval, and the risk of failure to commercialize new drugs.

The company's management is expected to take measures to mitigate the impact of the economic recession on the company's business. The company's management is expected to take measures to mitigate the impact of the economic recession on the company's business.

In addition, the company's management is expected to take measures to mitigate the impact of the economic recession on the company's business. The company's management is expected to take measures to mitigate the impact of the economic recession on the company's business.

The company's management is expected to take measures to mitigate the impact of the economic recession on the company's business. The company's management is expected to take measures to mitigate the impact of the economic recession on the company's business.

(2) Control risk of product/service quality

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(3) Safety and environmental risks

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e i i i e .

D. Management risks

(1) Risks of internationalization

The Group has a large number of subsidiaries and branches in various countries and regions. The Group's internationalization process is still in the early stage, and the Group's management and operation of international subsidiaries and branches are still in the early stage. The Group's internationalization process is still in the early stage, and the Group's management and operation of international subsidiaries and branches are still in the early stage. The Group's internationalization process is still in the early stage, and the Group's management and operation of international subsidiaries and branches are still in the early stage.

(2) Risks arising from mergers, acquisitions and restructuring

The Group has a long history of mergers, acquisitions and restructuring. The Group's management and operation of international subsidiaries and branches are still in the early stage. The Group's internationalization process is still in the early stage, and the Group's management and operation of international subsidiaries and branches are still in the early stage. The Group's internationalization process is still in the early stage, and the Group's management and operation of international subsidiaries and branches are still in the early stage.

E. Foreign exchange risk

The Group's internationalization process is still in the early stage, and the Group's management and operation of international subsidiaries and branches are still in the early stage. The Group's internationalization process is still in the early stage, and the Group's management and operation of international subsidiaries and branches are still in the early stage. The Group's internationalization process is still in the early stage, and the Group's management and operation of international subsidiaries and branches are still in the early stage.

F. Force majeure risks

The Group's internationalization process is still in the early stage, and the Group's management and operation of international subsidiaries and branches are still in the early stage. The Group's internationalization process is still in the early stage, and the Group's management and operation of international subsidiaries and branches are still in the early stage. The Group's internationalization process is still in the early stage, and the Group's management and operation of international subsidiaries and branches are still in the early stage.

6. Other Events

A. Non-public issuance of A Shares

On July 27, 2021, the Company completed the non-public issuance of 128,144,927 A Shares (RMB42.00 per share) to the qualified institutional investors. The total amount of the non-public issuance is RMB5,382,127,920.00 (RMB42.00 per share). The non-public issuance was completed on July 27, 2021.

On July 20, 2022, the Company completed the non-public issuance of 106,756,666 A Shares (RMB42.00 per share) to the qualified institutional investors. The total amount of the non-public issuance is RMB4,483,779,972.00 (RMB42.00 per share). The non-public issuance was completed on July 20, 2022.

On July 27, 2022, the Company completed the non-public issuance of 106,756,666 A Shares (RMB42.00 per share) to the qualified institutional investors. The total amount of the non-public issuance is RMB4,483,779,972.00 (RMB42.00 per share). The non-public issuance was completed on July 27, 2022.

B. Inter-bank Market Debt Financing Instruments

In March 2022, the Company placed the inter-bank debt financing instrument with a term of 2+2 years. The amount of the instrument is RMB0.5 billion with an annual interest rate of 3.50%.

In April 2022, the Company placed the inter-bank debt financing instrument with a term of 120 days. The amount of the instrument is RMB0.6 billion with an annual interest rate of 2.65%.

C. The Public Issuance of Corporate Bonds to Qualified Investors

In February 2022, the Company issued the 2022 first series of the public issuance of corporate bonds to qualified investors (Series 2) with a term of 3 years (18復藥03) (上海復星醫藥(集團)股份有限公司2018年公開發行公司債券(第二期)(品種二)(18復藥03), the amount of the instrument is RMB8.95 billion. The instrument was issued on November 30, 2021 and February 15, 2022 (the actual date).

In March 2022, the Company issued the 2022 first series of the public issuance of corporate bonds to qualified investors (Series B) with a term of 3 years (17復藥01) (上海復星醫藥(集團)股份有限公司2017年公開發行公司債券(面向合格投資者)(第一期)(17復藥01) with a total amount of RMB1,091.95 billion.

RESULTS AND DIVIDENDS

The Group has reported a profit for the year ended 31 December 2022 and has declared a final dividend of 64 cents per share.

The Board has also approved the interim dividend for the year ended 31 December 2022.

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

Neither the Company nor its subsidiaries have purchased, sold or redeemed any of the Company's listed securities during the year.

DIRECTORS

As at the end of the reporting period, the Board consists of eleven Directors, of whom the following are Executive Directors:

Executive Directors

- Mr. Wu Yifang (吳以芳) (Chairman)
- Mr. Wang Kexin (王可心) (Co-Chairman)
- Mr. Guan Xiaohui (關曉暉) (Vice-Chairman)

Non-executive Directors

- Mr. Chen Qiyu (陳啟宇)
- Mr. Yao Fang (姚方)
- Mr. Xu Xiaoliang (徐曉亮)
- Mr. Pan Donghui (潘東輝)

Independent Non-executive Directors

- Ms. Li Li (李玲)
- Mr. Tang Yuliang (湯谷良)
- Mr. Wang Quanyang (王全弟)
- Mr. Yu Zhihan (余梓山)

At the first meeting of the Board held in January 2022, the annual general meeting held on 1 January 2022, the Board has appointed Mr. Wu Yifang, Mr. Wang Kexin and Mr. Guan Xiaohui as Executive Directors of the Company. The Board has also appointed Mr. Chen Qiyu, Mr. Yao Fang, Mr. Xu Xiaoliang and Mr. Pan Donghui as Non-executive Directors of the Company. The Board has also appointed Ms. Li Li, Mr. Tang Yuliang, Mr. Wang Quanyang and Mr. Yu Zhihan as Independent Non-executive Directors of the Company. On 1 January 2022, Mr. Wu Yifang has been appointed as the Chairman of the Board, Mr. Wang Kexin as the Co-Chairman of the Board and Mr. Guan Xiaohui as the Vice-Chairman of the Board.

SHARE INCENTIVE SCHEMES

Gland Pharma Share Option Incentive Scheme

hach l-er t he C pa a p p l y e , a h e r , t h e G l a h a r a h a k e p i l e i v e h e e 25 J e 2019. h e p a r t o f t h e G l a h a r a h a k e p i l e i v e h e e i t (i) l e a r t h e e p l e e i t h e i r p a t a l e p a r t a t (ii) a l i t h e i t e t h e e p l e e i t h h e h a k e h l e r t G l a h a r a , (iii) t e r t h e e e e e r h i p t h e e p l e e , a (i) l e a r t h e e p l e e i t h e i r l a l .

J e t t h e p j i t h e G l a h a r a h a k e p i l e i v e h e e a e r G l a h a r a h a k e i j i 17 M a r h 2020, t h e a i e r G l a h a r a h a k e h a a e i e p a a e e r i e p i r a t e t h e p a r i i a t e r h e G l a h a r a h a k e p i l e i v e h e e h a l l t e e e 1,704,440 G l a h a r a h a k e , l e e e t a p p l a a e l 1% t h e t a l e r i e G l a h a r a h a k e a a t h e a e t h i l e e t . J e t t h e l i i a i t e r i e e r h e G l a h a r a h a k e p i l e i v e h e e G l a h a r a h a k e t h e r i h t i l e a e r t h e h e r G l a h a r a h a k e a i e e t .

27 J e 2019, a t a l 154,950 p i e e r a t e t a 103 p a r i i a t e r h e G l a h a r a h a k e p i l e i v e h e e i h a e e t i e p i e I N 5,420 e r G l a h a r a h a k e . A t h e , 102 p a r i i a t a e p e h e r a t e p i e r l i a a t a l 154,650 G l a h a r a h a k e . h e e r G l a h a r a h a k e a e i e p a t h e e e r i e h e a v e r a t e p i e e e e t a p p l a a e l 1% t h e t a l i e h a k e G l a h a r a h a k e a p i t h e G l a h a r a h a k e p i l e i v e h e e .

17 M a r h 2020, G l a h a r a h a k e i j i h e a i h a e e r e (1) a i G l a h a r a h a k e e i j e i t e (10) G l a h a r a h a k e . A r i t h e p j i t h e G l a h a r a h a k e p i l e i v e h e e p h e t h e h a k e i j i G l a h a r a , a j t e t h a l l e a e t h e e e r i e p i e h e t a i p i a h e e r G l a h a r a h a k e t e a l l e a i e p e e r i e a l l h e t t a i t i a r a e i h h e e r t h e G l a h a r a h a k e p i l e i v e h e e .

h e a i l h e h a e i h e t a i p i e r h e G l a h a r a h a k e p i l e i v e h e e r i t h e e e t e r i a k e e t e l :

Participant	Date of Grant (dd-mm-yyyy)	Vesting Period (dd-mm-yyyy) ⁽¹⁾	Option share ⁽¹⁾	Exercise period (dd-mm-yyyy) ⁽¹⁾	Outstanding options as at 1 January 2022	Exercise price per share	Granted			Outstanding options as at 30 June 2022
							during the Reporting Period	Exercised during the Reporting Period ⁽²⁾	Forfeited or lapsed during the Reporting Period	
E p l e e G l a h a r a	27 6 2019	27 6 2019 t 19 11 2020	40%	20 11 2020 t 26 6 2029						
		27 6 2019 t 30 3 2021	30%	31 3 2021 t 26 6 2029	455,500	I N 542	0	353,200	0	102,300
		27 6 2019 t 30 3 2022	30%	31 3 2022 t 26 6 2029						

Notes:

- (1) h e v e t i t h e p i r a t e h a l l e J e t t h e e l e i t e e t p a r i i p e r i e e a r e e t h e a e r a t a v e t i t h e p i a t h e e e p a e r a e e r t h e G l a h a r a h a k e p i l e i v e h e e .
- (2) h e e i h e a v e r a t e l i p i e t h e G l a h a r a h a k e i e l a e l e e t h e a e h i h p i e e e e e r i e r i t h e e o p i e r i a I N 3,219.12 e r h a k e .

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2022, the interests of the Directors, Supervisors and Chief Executive in the Company's shares, underlying shares and debentures are as follows: (The share capital of the Company is RMB 10 billion, divided into 10 billion shares of RMB 1.00 each.)

(1) Long positions in the Shares, underlying Shares and debentures of the Company

Name of Directors/ chief executive	Capacity	Class of Shares	Number of Shares ⁽¹⁾	Approximate percentage of Shares in relevant class of Shares
Mr. Ma	Beneficial	H share	342,000 (L)	0.06%
	Beneficial	A share	718,900 (L)	0.04%
Mr. Ma Kei	Beneficial	A share	202,500 (L)	0.01%
Ms. Gao Xiaohi	Beneficial	A share	181,000 (L)	0.01%
Mr. Chen	Beneficial	A share	114,075 (L)	0.01%
Mr. Ma Fa	Beneficial	A share	458,300 (L)	0.02%
Ms. Xia	Beneficial	A share	17,250 (L)	0.00%

Note:

(1) (L) = million

(2) Long positions in the shares, underlying shares and debentures of the Company's associated corporations (within the meaning of Part XV of the SFO)

Name of Directors/ chief executive	Name of associated corporation	Class of Shares	Capacity	Number of Shares ⁽¹⁾	Approximate percentage of Shares in relevant class of Shares
Mr. Ma Kei	Fujian	Preference	Beneficial	1,060,000 (L)	0.01%
Ms. Gao Xiaohi	Fujian	Preference	Beneficial	1,000,000 (L)	0.01%
Mr. Chen	Fujian	Preference	Beneficial	26,454,000 (L)	0.32%
	Fujian	Preference	Beneficial	501,478 (L)	0.04%
Mr. Ma Fa	Fujian	Preference	Beneficial	5,945,000 (L)	0.07%
Mr. X Xiaohi	Fujian	Preference	Beneficial	23,131,800 (L)	0.28%
	Fujian	Preference	Beneficial	552,328 (L)	0.04%
Mr. Ma Dhi	Fujian	Preference	Beneficial	12,497,384 (L)	0.15%
	Fujian	Preference	Beneficial	240,000 (L)	0.02%

Note:

(1) (L) = million

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES

As at 30 June 2022, the interests of the Directors and the substantial shareholders in the shares and underlying shares of the Company, as defined in section 15 of the Securities and Futures Ordinance (SFO), are as follows:

Name of Shareholders	Nature of interest	Class of Shares	Number of Shares ⁽¹⁾	Approximate percentage of Shares in relevant class of Shares
F. Ho Hing-ho	Beneficial	H shares	71,533,500 (L)	12.96%
	Beneficial	A shares	938,095,290 (L)	46.65%
F. Lee Kai-al	Beneficial	H shares	6,000,000 (L)	1.09%
	Beneficial	H shares	71,533,500 (L) ⁽²⁾	12.96%
F. Hui	Beneficial	A shares	938,095,290 (L) ⁽⁴⁾	46.65%
	Beneficial	H shares	77,533,500 (L) ⁽³⁾	14.05%
F. Lee Kai-al Hui	Beneficial	A shares	938,095,290 (L) ⁽⁴⁾	46.65%
	Beneficial	H shares	77,533,500 (L) ⁽³⁾	14.05%
Mr. G. Gao	Beneficial	A shares	938,095,290 (L) ⁽⁴⁾	46.65%
	Beneficial	H shares	77,533,500 (L) ⁽³⁾	14.05%
Bla...	Beneficial	A shares	114,075 (L)	0.01%
	Beneficial	H shares	29,489,216 (L)	5.34%
			401,000 ()	0.07%

Notes:

- (L) Long; () Short
- These shares are held by F. Ho Hing-ho, F. Ho Hing-ho's spouse, F. Lee Kai-al and F. Lee Kai-al's spouse.
- These shares are held by F. Ho Hing-ho, F. Ho Hing-ho's spouse, F. Lee Kai-al, F. Ho Hing-ho's spouse, F. Lee Kai-al's spouse, F. Hui, F. Hui's spouse, F. Lee Kai-al Hui, F. Lee Kai-al Hui's spouse, Mr. G. Gao, F. Hui, F. Lee Kai-al Hui and Mr. G. Gao's spouse.
- These shares are held by F. Ho Hing-ho, F. Ho Hing-ho's spouse, F. Lee Kai-al, F. Ho Hing-ho's spouse, F. Lee Kai-al's spouse, F. Hui, F. Hui's spouse, F. Lee Kai-al Hui, F. Lee Kai-al Hui's spouse, Mr. G. Gao, F. Lee Kai-al, F. Hui, F. Lee Kai-al Hui and Mr. G. Gao's spouse.

DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

According to the relevant provisions of the Company Law, the Directors and Supervisors of the Company shall have the right to acquire shares or debentures of the Company under the following conditions:

- (1) The Company is a public company;
- (2) The Company has issued shares or debentures;
- (3) The Company has not issued shares or debentures within the last 12 months;
- (4) The Company has not issued shares or debentures within the last 12 months;

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions for Directors and Supervisors. The Model Code sets out the standards of expected conduct for Directors and Supervisors in relation to the acquisition and disposal of securities of the Company.

Under the Model Code, Directors and Supervisors shall not be allowed to acquire or dispose of securities of the Company if they are aware at the time of the transaction that they are in possession of inside information.

COMPLIANCE WITH THE CG CODE

As a public company, the Company is required to comply with the CG Code. The Company has adopted the CG Code as its code of conduct for Directors and Supervisors. The CG Code sets out the standards of expected conduct for Directors and Supervisors in relation to the acquisition and disposal of securities of the Company.

The Company has adopted the CG Code as its code of conduct for Directors and Supervisors. The CG Code sets out the standards of expected conduct for Directors and Supervisors in relation to the acquisition and disposal of securities of the Company.

Under the CG Code, Directors and Supervisors shall not be allowed to acquire or dispose of securities of the Company if they are aware at the time of the transaction that they are in possession of inside information.

Under the CG Code, Directors and Supervisors shall not be allowed to acquire or dispose of securities of the Company if they are aware at the time of the transaction that they are in possession of inside information.

Under the CG Code, Directors and Supervisors shall not be allowed to acquire or dispose of securities of the Company if they are aware at the time of the transaction that they are in possession of inside information.

REVIEW OF INTERIM RESULTS AND INTERIM REPORT BY THE AUDIT COMMITTEE

At the meeting held on 29 June 2022, the Audit Committee reviewed the interim results and interim report of the Company for the period from 1 January to 30 June 2022.

The Audit Committee has reviewed the interim results and interim report of the Company for the period from 1 January to 30 June 2022, and has concluded that the interim results and interim report of the Company for the period from 1 January to 30 June 2022 are in accordance with the requirements of the Listing Rules.

The Audit Committee has also reviewed the interim financial statements of the Company for the period from 1 January to 30 June 2022, and has concluded that the interim financial statements of the Company for the period from 1 January to 30 June 2022 are in accordance with the requirements of the Listing Rules.

Behal Wu Yifang
Wu Yifang
Chairman

Wu Yifang
29 June 2022

Interim Condensed Consolidated

For the six months ended 30 June 2022

Financial Report

	Notes	For the six months ended 30 June	
		2022 RMB'000 (Unaudited)	2021 MB'000 (Unaudited)
REVENUE	5	21,274,606	16,877,537
Cost of sales		(11,575,661)	(8,256,422)
Grant income		9,698,945	8,621,115
Interest income	6	183,645	141,714
Net impairment losses on financial assets		(4,166,397)	(4,211,431)
Administrative expenses		(1,715,275)	(1,505,057)
Research and development expenses		(1,818,335)	(1,561,885)
Impairment losses on disposal of subsidiaries		(22,860)	(14,804)
Impairment losses on disposal of associates	7	651,104	1,645,255
Impairment losses on disposal of investments		(911,494)	(338,367)
Impairment losses on disposal of other financial assets		118,416	116,605
Finance income	8	(438,187)	(420,725)
Share of profit of associates		(99,564)	(93,817)
Share of profit of subsidiaries		898,583	925,626
PROFIT BEFORE TAX	9	2,378,581	3,304,229
Income tax expense	10	(509,086)	(550,647)
PROFIT FOR THE PERIOD		1,869,495	2,753,582
Attributable to:			
Non-controlling interests		1,553,504	2,482,373
Shareholders of the parent		315,991	271,209
		1,869,495	2,753,582
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	12		
Basic		RMB0.60 Yuan	MB0.97 Yuan
Diluted		RMB0.60 Yuan	MB0.97 Yuan

Interim Condensed Consolidated



For the six months ended 30 June 2022

	For the six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 MB'000 (Unaudited)
PROFIT FOR THE PERIOD	1,869,495	2,753,582
OTHER COMPREHENSIVE INCOME		
Exchange differences on translation of foreign operations	115,920	(201,712)
Changes in fair value of equity investments	48	(804)
Changes in fair value of financial assets at fair value through profit or loss	(71,933)	54,912
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	44,035	(147,604)
Changes in fair value of financial assets at fair value through profit or loss	(8,121)	5,200
Changes in fair value of financial liabilities at fair value through profit or loss	1,218	(780)
Net other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods	(6,903)	4,420
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX	37,132	(132,459)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1,906,627	2,621,123
Attributable to:		
Non-controlling interests	1,622,372	2,385,072
Equity holders of the Company	284,255	236,051
	1,906,627	2,621,123

Interim Condensed Consolidated

Financial Statements

30 June 2022

	Notes	30 June 2022 RMB'000 (Unaudited)	31 December 2021 MB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	13	13,890,670	13,011,818
Intangible assets		2,634,025	2,569,796
Goodwill		9,933,642	9,399,987
Derivative financial assets		12,555,179	11,610,712
Investment in joint ventures		299,227	282,837
Investment in associates		22,835,121	22,343,990
Equity investments at fair value through other comprehensive income		21,795	29,916
Financial assets at fair value through profit or loss		1,634,964	1,206,489
Deferred tax assets		320,388	265,589
Prepaid expenses and other receivables		77,469	77,395
Other non-current assets		2,414,451	2,013,740
Total non-current assets		66,616,931	62,812,269
CURRENT ASSETS			
Investments		6,143,790	5,472,315
Prepaid expenses and other receivables	14	7,292,310	6,045,460
Derivative financial assets		3,038,152	3,466,043
Financial assets at fair value through profit or loss		2,386,620	4,241,069
Equity investments at fair value through other comprehensive income		554,168	427,884
Cash and cash equivalents		12,258,061	10,308,157
Total current assets		31,673,101	29,960,928
Accounts payable and other liabilities		463,705	463,705
Total liabilities		32,136,806	30,424,633
CURRENT LIABILITIES			
Prepaid expenses and other receivables	15	5,707,081	5,063,661
Derivative financial assets		6,621,586	7,020,048
Investment in associates	16	17,569,068	15,460,243
Liabilities		170,838	141,496
Current liabilities		1,207,096	1,150,274
Accounts payable		691,691	474,223
Total current liabilities		31,967,360	29,309,945
NET CURRENT ASSETS		169,446	1,114,688
TOTAL ASSETS LESS CURRENT LIABILITIES		66,786,377	63,926,957

Interim Condensed Consolidated

Financial Report

30 June 2022

	Notes	30 June 2022 RMB'000 (Unaudited)	31 December 2021 MB'000 (Audited)
NON-CURRENT LIABILITIES			
Long-term borrowings	16	12,033,558	9,049,069
Lease liabilities		687,975	648,360
Deferred tax liabilities		3,273,451	3,129,746
Contract liabilities		176,007	239,011
Deferred interest		520,014	512,806
Other non-current liabilities		2,412,002	2,029,287
Total non-current liabilities		19,103,007	15,608,279
Net assets		47,683,370	48,318,678
EQUITY			
Equity attributable to owners of the parent			
Reserve		2,562,899	2,562,899
Retained earnings		35,585,198	36,572,163
		38,148,097	39,135,062
Non-controlling interests		9,535,273	9,183,616
Total equity		47,683,370	48,318,678

Interim Condensed Consolidated

Charitable Equity

For the interim period ended 30 June 2022

Attributable to owners of the parent

	Share capital	Share premium	Fair value reserve	Statutory surplus reserve	Other reserve	Exchange fluctuation reserve	Retained profits	Total	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2022 (As adjusted)	2,562,899	11,385,162*	203,703*	2,826,306*	2,784,724*	(1,457,965)*	20,830,233	39,135,062	9,183,616	48,318,678
Share-based payments	—	—	—	—	—	—	1,553,504	1,553,504	315,991	1,869,495
Charitable contributions	—	—	(6,471)	—	—	—	(6,471)	(6,471)	(432)	(6,903)
Share-based payments	—	—	(71,885)	—	—	—	(71,885)	(71,885)	—	(71,885)
Exchange differences	—	—	—	—	—	147,224	—	147,224	(31,304)	115,920
As at 30 June 2022	—	—	(78,356)	—	—	147,224	1,553,504	1,622,372	284,255	1,906,627
As at 1 January 2022 (As adjusted)	—	—	—	—	(1,150,544)	—	—	(1,150,544)	(74,382)	(1,224,926)
As at 1 January 2022 (note 17)	—	—	—	—	—	—	—	—	196,369	196,369
Exchange differences	—	—	—	—	—	—	—	—	1,360	1,360
Disposal of subsidiaries	—	—	—	—	4,922	—	—	4,922	11,421	16,343
Disposal of subsidiaries	—	—	—	—	(9,435)	—	—	(9,435)	—	(9,435)
Capital injections	—	—	—	—	—	—	—	—	23,151	23,151
Disposal of subsidiaries	—	—	—	—	—	—	—	—	(141,048)	(141,048)
Disposal of subsidiaries	—	—	—	—	—	—	—	—	(15,420)	(15,420)
Exchange differences	—	—	—	—	—	—	—	—	61,756	61,756
Fair value adjustments	—	—	—	—	(28,381)	—	—	(28,381)	2,020	(26,361)
Share-based payments	—	—	—	—	9,566	—	—	9,566	2,175	11,741
Final 2021 annual results (note 11)	—	—	—	—	—	—	(1,435,465)	(1,435,465)	—	(1,435,465)
Share-based payments	—	—	(33,142)	—	—	—	33,142	—	—	—
As at 30 June 2022 (As adjusted)	2,562,899	11,385,162*	92,205*	2,826,306*	1,610,852*	(1,310,741)*	20,981,414*	38,148,097	9,535,273	47,683,370

* The carrying amount of the equity instruments issued by the subsidiaries is RMB 35,585,198,000 (31 December 2021: RMB 36,572,163,000) in the consolidated financial statements.

Interim Condensed Consolidated

Charter Energy
For the six months ended 30 June 2022

Assets and liabilities

	Assets	Liabilities	Equity	Net	
	MB'000	MB'000	MB'000	MB'000	MB'000
At 1 January 2021 (Audited)	2,562,899	11,385,162*	139,710*	2,728,604*	3,888,329*
Change in fair value of financial assets			2,698		
Change in fair value of financial liabilities			64,833		
Exchange differences on translation					(164,832)
At 30 June 2021			67,531		
At 1 July 2021					(460,551)
Exchange differences on translation					9,600
Dividend received					169,710
Dividend received in kind					9,104
Dividend received in kind					(17,557)
Dividend received in kind					35,420
Dividend received in kind					(65,723)
Dividend received in kind					2,449
Dividend received in kind					58,179
Dividend received in kind					6,469
Dividend received in kind					45,862
Dividend received in kind					(1,102,997)
At 30 June 2022 (Audited)	2,562,899	11,385,162*	207,241*	2,726,155*	3,471,656

* The carrying amount of the equity instruments issued by Charter Energy Limited in 2020 was MB35,241,150,000 (31 December 2020: MB34,375,748,000) in the consolidated financial statements.

Interim Condensed Consolidated

Cash Flow

For the six months ended 30 June 2022

	Notes	For the six months ended	
		30 June	2021
		2022	2021
		RMB'000	MB'000
		(Unaudited)	(Unaudited)
Cash generated from operations		2,221,854	2,094,337
Less: cash used in operations		(401,483)	(387,696)
Net cash inflow from operations		1,820,371	1,706,641
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for the acquisition of subsidiaries, net of cash acquired		(2,595,334)	(2,286,070)
Acquisition of intangible assets	17	(459,451)	(21,391)
Payments for investment in associates and joint ventures		(239,719)	(100,172)
Payments for acquisition of air vehicles		(252,071)	(191,752)
Disposal of intangible assets		6,581	537,242
Disposal of air vehicles		1,256,217	80,764
Disposal of intangible assets, net of cash acquired	18	704,493	237,609
Dividends received from associates		55,719	61,154
Dividends received from air vehicles		32,175	8,009
Interest received from subsidiaries, net of interest paid		103,686	18,421
Interest received from subsidiaries, net of interest paid		(25,000)	(12,392)
Interest received from subsidiaries, net of interest paid		(1,310,390)	(819,125)
Dividends received from joint ventures		161,366	6,509
Dividends received from joint ventures		76,573	31,450
Net cash outflow from investing activities		(2,485,155)	(2,449,744)

Interim Condensed Consolidated



Cash Flow

For the six months ended 30 June 2022

	For the six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 MB'000 (Unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash generated from operations	17,847,543	14,234,577
Interest received	(12,918,555)	(12,719,442)
Interest paid	(448,224)	(419,549)
Dividends received from subsidiaries	(88,200)	(68,914)
Capital raised from the issue of shares	41,508	251,362
Dividends received from the Company	(1,335,223)	
Dividends received from subsidiaries	(74,686)	(69,024)
Acquisition of subsidiaries	(1,088,182)	(530,770)
Borrowings from banks and other financial institutions	411,520	
Repayment of bank and other financial institutions	72,683	91,429
Net cash generated from financing activities	2,420,184	769,669
Net cash used in investing activities	1,755,400	26,566
Cash and cash equivalents at the beginning of the period	6,450,650	7,324,881
Effect of exchange rate changes	68,077	(103,270)
Cash and cash equivalents at the end of the period	8,274,127	7,248,177
Analysis of balances of cash and cash equivalents:		
Cash and cash equivalents at the beginning of the period	12,258,061	10,489,133
Less: Cash and cash equivalents held by subsidiaries	(3,983,934)	(3,240,956)
Cash and cash equivalents at the end of the period	8,274,127	7,248,177

Notes to Interim Condensed Consolidated Financial Statements

30 June 2022

1. CORPORATE AND GROUP INFORMATION

The Group is a public company incorporated in the People's Republic of China under the laws of the People's Republic of China. The Group's principal place of business is in Shanghai, China. The Group's financial statements are prepared in accordance with the accounting standards applicable in Hong Kong.

The Group's principal place of business is in Shanghai, China. The Group's financial statements are prepared in accordance with the accounting standards applicable in Hong Kong.

As at 30 June 2022, the Group has a total of 1,000,000,000 shares in issue. The Group's financial statements are prepared in accordance with the accounting standards applicable in Hong Kong.

2. BASIS OF PREPARATION

The financial statements are prepared on a going concern basis. The Group's financial statements are prepared in accordance with the accounting standards applicable in Hong Kong.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the new accounting standards applicable in Hong Kong from 1 January 2022. The Group's financial statements are prepared in accordance with the accounting standards applicable in Hong Kong.

Adopted HKF 3
Adopted HKA 16

Reference to the Conceptual Framework
Property, Plant and Equipment: Proceeds from the Disposal of Non-current Assets

Notes to Interim Condensed Consolidated Financial Statements

30 June 2022

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

The accounting policy for the lease HKF 16 is as follows: (Continued)

() (Continued)

HKF 16 Leases: The Group has applied the lease HKF 16 from 1 January 2022. The Group has applied the lease HKF 16 from 1 January 2022. The Group has applied the lease HKF 16 from 1 January 2022.

4. OPERATING SEGMENT INFORMATION

For a more detailed description of the Group's operating segments, please refer to the notes to the consolidated financial statements.

- (a) The pharmaceutical segment includes the Group's pharmaceutical products, sales & distribution.
- () The retail segment includes the Group's retail products, sales & distribution.
- () The health care segment includes the Group's health care products, sales & distribution.
- () The pharmaceutical distribution segment includes the Group's pharmaceutical distribution products, sales & distribution.
- () The health care distribution segment includes the Group's health care distribution products, sales & distribution.

Management has identified the Group's operating segments based on the way the Group's various business activities are managed and reported internally. The Group's operating segments are determined based on the way the Group's various business activities are managed and reported internally. The Group's operating segments are determined based on the way the Group's various business activities are managed and reported internally.

The following table provides a breakdown of the Group's operating segments for the period ended 30 June 2022.

The following table provides a breakdown of the Group's operating segments for the period ended 30 June 2022.

The following table provides a breakdown of the Group's operating segments for the period ended 30 June 2022.

Notes to Interim Condensed Consolidated

Financial Report

30 June 2022

4. OPERATING SEGMENT INFORMATION (Continued)

Six months ended 30 June 2022 (unaudited)

	Pharmaceutical manufacturing RMB'000	Medical devices and medical diagnosis RMB'000	Healthcare Service RMB'000	Pharmaceutical distribution and retail RMB'000	Other business operations RMB'000	Eliminations RMB'000	Total RMB'000
Segment revenue:							
Pharmaceutical manufacturing	14,270,930	4,034,954	2,916,662	—	52,060	—	21,274,606
Medical devices and medical diagnosis	140,363	214,035	43,313	—	9,334	(407,045)	—
Healthcare Service	14,411,293	4,248,989	2,959,975	—	61,394	(407,045)	21,274,606
Segment results*							
Pharmaceutical manufacturing	1,889,837	439,669	(386,703)	—	41,388	(20,930)	1,963,261
Medical devices and medical diagnosis	103,862	11,334	15,396	—	11,013	—	141,605
Healthcare Service	302,498	301,515	47,933	—	—	—	651,946
Pharmaceutical distribution and retail	83,261	7,596	12,901	—	110	(5,711)	98,157
Other business operations	(105,897)	(14,518)	(89,415)	—	(4,325)	49,853	(164,302)
Eliminations	(229,699)	(28,089)	(19,820)	—	14,642	305	(262,661)
Share of results of joint ventures	(96,979)	—	—	—	(2,585)	—	(99,564)
Share of results of associates	14,208	93,494	(16,446)	919,864	(112,537)	—	898,583
Share of results of other entities							(848,444)
Share of results of joint ventures	1,961,091	811,001	(436,154)	919,864	(52,294)	23,517	2,378,581
Share of results of associates	(382,366)	(111,764)	(5,670)	—	(23)	—	(499,823)
Share of results of other entities	1,578,725	699,237	(441,824)	919,864	(52,317)	23,517	1,869,495
Segment assets:	51,748,370	10,007,104	11,108,724	16,774,252	5,021,141	(2,539,162)	92,120,429
Investments in joint ventures	290,610	—	832	—	7,785	—	299,227
Investments in associates	1,318,013	1,250,089	893,241	16,774,252	2,599,526	—	22,835,121
Share of assets of other entities							6,633,308
Share of assets of other entities	1,608,623	1,250,089	894,073	16,774,252	2,607,311	—	21,134,348
Segment liabilities:	22,453,057	3,539,092	5,408,677	—	1,497,902	(15,682,906)	17,215,822
Share of liabilities of other entities							33,854,545
Share of liabilities of other entities	22,453,057	3,539,092	5,408,677	—	1,497,902	(15,682,906)	51,070,367
Other segment information:							
Depreciation and amortization	722,087	115,279	206,588	—	20,372	—	1,064,326
Impairment losses on investments in joint ventures, associates and other entities	65,473	20,319	11,628	—	—	—	97,420
Capital expenditures**	1,800,755	155,846	196,281	—	21,210	—	2,174,092

* The share of results of joint ventures, associates and other entities is calculated based on the share of results of the investee entities, which is determined based on the share of results of the investee entities as reported in their financial statements.

** Capital expenditures include the purchase of property, plant and equipment, intangible assets, investments in joint ventures, associates and other entities, and the acquisition of subsidiaries.

Note: The share of results of joint ventures, associates and other entities is calculated based on the share of results of the investee entities, which is determined based on the share of results of the investee entities as reported in their financial statements.

Notes to Interim Condensed Consolidated Financial Statements

30 June 2022

4. OPERATING SEGMENT INFORMATION (Continued)

Six months ended 30 June 2021 (unaudited)

	Pharmaceutical MB'000	Medical MB'000	Health care MB'000	Pharmaceutical MB'000	Elimination MB'000	Total MB'000
Segment revenue:						
Pharmaceutical	12,179,257	2,832,211	1,843,434		22,635	16,877,537
Health care	13,233	17,779	20,501		(64,152)	
Elimination	12,192,490	2,849,990	1,863,935		(64,152)	16,877,537
Segment results*	1,352,891	434,099	(19,393)		9,266	1,753,511
Pharmaceutical	102,012	14,123	15,428		7,430	138,993
Health care	201,990	2,283	87,416		(111,725)	442,234
Investment	85,180	16,516	14,508		(14,636)	103,266
Financial	(80,436)	(13,698)	(25,545)		(5,312)	(103,097)
Health care	(35,582)	(34,764)	(12,181)		(258,830)	(341,357)
Health care	(93,805)				(12)	(93,817)
Assets	35,707	90,143	(28,178)	896,991	(69,037)	925,626
Elimination	1,567,957	508,702	32,055	896,991	(52,527)	3,304,229
Assets	(311,399)	(54,486)	(47,288)		(2)	(413,175)
Assets	1,256,558	454,216	(15,233)	896,991	(52,529)	2,753,582
Segment assets:	46,659,269	8,322,272	9,898,810	15,355,639	4,458,138	(2,668,056)
Investments in joint ventures	342,929				6,148	349,077
Investments in associates	2,273,758	555,078	1,589,874	15,355,639	2,673,511	22,447,860
Assets	2,716,687	555,078	1,589,874	15,355,639	2,679,659	6,396,412
Assets	88,422,484					88,422,484
Segment liabilities:	17,422,127	2,202,799	2,555,456		710,137	(10,426,621)
Liabilities	28,918,999					28,918,999
Liabilities	41,382,897					41,382,897
Other segment information:						
Depreciation and amortization	643,074	123,971	157,392		21,010	945,447
Impairment loss on non-current assets	(1,288)	25,438	7,872		190,114	222,136
Capital expenditure**	1,323,129	137,508	477,910		102,565	2,041,112

* The segment results are calculated based on the accounting policies of the respective segments, which may differ from the accounting policies of the Group.

** Capital expenditure includes the purchase of property, plant and equipment, intangible assets, and other non-current assets, net of disposal of non-current assets.

Note: The pharmaceutical segment includes the health care business of the Biotech.

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5. REVENUE

Revenue is derived from:

	For the six months ended	
	30 June	
	2022	2021
	RMB'000	MB'000
	(Unaudited)	(Audited)
Revenue from contracts with customer	21,258,760	16,864,028
Grant income	15,846	13,509
	21,274,606	16,877,537

Disaggregated revenue information for revenue from contracts with customer

For the six months ended 30 June 2022 (unaudited)

Segments	Pharmaceutical manufacturing RMB'000	Medical devices and medical diagnosis RMB'000	Healthcare service RMB'000	Other business operations RMB'000	Total RMB'000
Types of goods or services					
Pharmaceutical	13,844,207	3,915,452	441,291	—	18,200,950
Medical devices and medical diagnosis	418,473	89,828	2,472,638	41,175	3,022,114
Other business operations	6,625	29,071	—	—	35,696
Revenue from contracts with customer	14,269,305	4,034,351	2,913,929	41,175	21,258,760
Geographical markets					
Mainland China	9,253,783	1,460,631	2,913,290	39,753	13,667,457
Overseas	5,015,522	2,573,720	639	1,422	7,591,303
Revenue from contracts with customer	14,269,305	4,034,351	2,913,929	41,175	21,258,760
Timing of revenue recognition					
Goods transferred	13,850,832	3,944,523	441,291	—	18,236,646
Services transferred	276,437	33,096	2,472,638	41,175	2,823,346
Services transferred	142,036	56,732	—	—	198,768
Revenue from contracts with customer	14,269,305	4,034,351	2,913,929	41,175	21,258,760

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5. REVENUE (Continued)

Disaggregated revenue information for revenue from contracts with customers (Continued)

For the six months ended 30 June 2021 (unaudited)

Revenue	Pharmaceutical MB'000	Medical device MB'000	Health care MB'000	Health care service MB'000	Total MB'000
Types of goods or services					
Pharmaceutical	11,733,205	2,742,001	37,479		14,512,685
Medical device	414,422	76,259	1,804,041	11,459	2,306,181
Health care	30,599	13,951	612		45,162
Total	12,178,226	2,832,211	1,842,132	11,459	16,864,028
Geographical markets					
Malaysia	8,474,661	1,339,179	1,842,132	10,040	11,666,012
China	3,703,565	1,493,032		1,419	5,198,016
Total	12,178,226	2,832,211	1,842,132	11,459	16,864,028
Timing of revenue recognition					
Goods transferred	11,763,804	2,755,952	38,091		14,557,847
Services transferred	297,157	13,239	1,804,041	11,459	2,125,896
Services transferred	117,265	63,020			180,285
Total	12,178,226	2,832,211	1,842,132	11,459	16,864,028

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6. OTHER INCOME

	For the six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 MB'000 (Unaudited)
Dividend income	36,451	8,009
Government grants	147,045	132,660
Others	149	1,045
	183,645	141,714

7. OTHER GAINS

	For the six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 MB'000 (Unaudited)
Gain on disposal of subsidiaries	186,594	279,501
Fair value gain on disposal of subsidiaries	—	1,230,308
Gain on disposal of intangible assets	382,978	78,995
Others	81,532	56,451
	651,104	1,645,255

8. FINANCE COSTS

	For the six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 MB'000 (Unaudited)
Interest on bank borrowings	444,244	413,098
Interest on lease liabilities	22,647	14,841
Less: interest capitalized	(28,704)	(7,214)
	438,187	420,725

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9. PROFIT BEFORE TAX

The Group's profit before tax is attributable primarily to the following:

	For the six months ended	
	30 June	
	2022	2021
	RMB'000	MB'000
	(Unaudited)	(Unaudited)
Continuing operations	9,672,149	6,579,164
Discontinued operations	1,903,512	1,677,258
Share of profit of associates (including share of profit of equity-accounted investees)	4,106,468	3,070,335
Share of profit of joint ventures	261,459	180,142
Share of profit of subsidiaries	153,680	101,061
Share of profit of other entities	33,725	39,619
	4,555,332	3,391,157
Research and development expenses	1,722,222	1,494,528
Lease expense related to R&D projects*	(50,780)	(27,604)
Share of profit of other entities	29,708	21,673
Depreciation of property, plant and equipment	609,401	564,429
Depreciation of right-of-use assets	114,947	101,351
Amortisation of intangible assets	339,978	279,667
Impairment loss on investment in equity-accounted investees	29,341	16,953
Impairment loss on intangible assets	20,601	15,022
Impairment loss on right-of-use assets	2,259	(218)
Impairment loss on property, plant and equipment	45,224	—
Impairment loss on investment in subsidiaries	—	190,379
Fair value change on disposal of intangible assets and other non-current assets	640,805	(1,230,308)
Fair value change on disposal of property, plant and equipment	(72,842)	(41,939)
Loss on disposal of property, plant and equipment	2,306	10,166
Loss on disposal of other non-current assets	100,671	—

* The Group's lease expense related to R&D projects is primarily attributable to the lease of laboratory space and office space. The Group's lease expense related to R&D projects is primarily attributable to the lease of laboratory space and office space.

10. INCOME TAX

The Group's income tax expense for the six months ended 30 June 2022 is RMB250,866,000 (30 June 2021: RMB250,866,000). The Group's income tax expense is calculated based on the tax laws and regulations in the countries where the Group operates. The Group's income tax expense is calculated based on the tax laws and regulations in the countries where the Group operates.

The Group's income tax expense is calculated based on the tax laws and regulations in the countries where the Group operates. The Group's income tax expense is calculated based on the tax laws and regulations in the countries where the Group operates. The Group's income tax expense is calculated based on the tax laws and regulations in the countries where the Group operates.

The following table shows the reconciliation of the Group's income tax expense for the six months ended 30 June 2022 and 2021:

	For the six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 MB'000 (Audited)
Current tax	603,241	451,937
Deferred tax	(94,155)	98,710
Total tax expense	509,086	550,647

11. DIVIDENDS

The Board has declared a final dividend of RMB0.56 per share for the six months ended 30 June 2022 (30 June 2021: Nil).

The dividend is payable on 31 December 2022 to shareholders who are registered in the share register as at 30 June 2022.

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

The diluted earnings per share attributable to ordinary equity holders of the parent is calculated by dividing the net profit attributable to ordinary equity holders of the parent (2,562,898,545 (RMB'000) for the six months ended 30 June 2021; 2,562,898,545) by the weighted average number of shares outstanding during the period.

The diluted earnings per share attributable to ordinary equity holders of the parent is calculated by dividing the net profit attributable to ordinary equity holders of the parent (2,562,898,545 (RMB'000) for the six months ended 30 June 2022; 2,562,898,545) by the weighted average number of shares outstanding during the period. The diluted earnings per share attributable to ordinary equity holders of the parent is calculated by dividing the net profit attributable to ordinary equity holders of the parent (2,562,898,545 (RMB'000) for the six months ended 30 June 2022; 2,562,898,545) by the weighted average number of shares outstanding during the period.

The diluted earnings per share attributable to ordinary equity holders of the parent is calculated by dividing the net profit attributable to ordinary equity holders of the parent (2,562,898,545 (RMB'000) for the six months ended 30 June 2022; 2,562,898,545) by the weighted average number of shares outstanding during the period.

	For the six months ended 30 June	
	2022 RMB'000 (unaudited)	2021 MB'000 (audited)
Earnings		
Profit attributable to ordinary equity holders of the parent	1,553,504	2,482,373
Profit attributable to ordinary equity holders of the parent, adjusted for the dilutive effect of the share options	1,553,504	2,482,373

	Number of shares For the six months ended 30 June	
	2022 (unaudited)	2021 (audited)
Shares		
Weighted average number of shares outstanding during the period	2,562,898,545	2,562,898,545
Weighted average number of shares outstanding during the period, adjusted for the dilutive effect of the share options	2,562,898,545	2,562,898,545

The Group has no potential dilutive shares outstanding as at 30 June 2022.

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13. PROPERTY, PLANT AND EQUIPMENT

	For the six months ended	
	2022	2021
	RMB'000	MB'000
	(Unaudited)	(Audited)
Carrying amount 1 January	13,011,818	12,579,873
Acquisition	1,552,693	1,481,681
Acquisition of intangible assets	44,342	790
Disposal	(21,878)	(46,840)
Disposal of intangible assets	(78,349)	(1,434,727)
Depreciation charge for the period	(609,401)	(564,429)
Exchange rate effect	(8,555)	(29,439)
Carrying amount 30 June	13,890,670	11,986,909

The Group's property, plant and equipment with a carrying amount of RMB771,550,000 (31 December 2021: RMB550,040,000), are pledged as security for the Group's bank borrowings of RMB16 billion for the period.

14. TRADE AND BILLS RECEIVABLES

	30 June	31 December
	2022	2021
	RMB'000	MB'000
	(Unaudited)	(Audited)
Trade receivables	7,272,567	6,029,233
Bill receivables	19,743	16,227
	7,292,310	6,045,460

The Group's trade receivables are generally short-term, and the carrying amount is not significantly affected by credit risk.

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14. TRADE AND BILLS RECEIVABLES (Continued)

Accounts receivable, trade receivables and bills receivable are the primary source of cash and are classified as follows:

	30 June 2022 RMB'000 (Unaudited)	31 December 2021 MB'000 (Audited)
Accounts receivable:		
within 1 year	7,264,653	6,050,772
1 to 2 year	109,643	129,356
2 to 3 year	91,882	55,349
over 3 year	125,877	120,136
	7,592,055	6,355,613
Less: provision for impairment	(319,488)	(326,380)
	7,272,567	6,029,233

As at 30 June 2022, trade receivables and bill receivables have a carrying amount of RMB99,940,000 (31 December 2021: RMB69,444,000) which are classified as follows:

15. TRADE AND BILLS PAYABLES

	30 June 2022 RMB'000 (Unaudited)	31 December 2021 MB'000 (Audited)
Trade payables	4,862,147	4,515,273
Bill payables	844,934	548,388
	5,707,081	5,063,661

Trade and bill payables are classified as follows:

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15. TRADE AND BILLS PAYABLES (Continued)

	30 June 2022 RMB'000 (Unaudited)	31 December 2021 MB'000 (Audited)
Trade payables	4,758,515	4,466,889
1 year	79,408	26,002
2 year	13,503	14,949
3 year	10,721	7,433
Total	4,862,147	4,515,273

16. INTEREST-BEARING BANK AND OTHER BORROWINGS

	Notes	30 June 2022 RMB'000 (Unaudited)	31 December 2021 MB'000 (Audited)
Bank borrowings	(1)	1,494,670	1,402,634
Other borrowings		24,423,015	18,220,425
Total		25,917,685	19,623,059
Financial guarantees	(2)	600,000	1,200,000
Contract liabilities	(3)	3,084,941	3,686,253
Total		29,602,626	24,509,312
Liabilities related to		(17,569,068)	(15,460,243)
Net interest-bearing		12,033,558	9,049,069

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16. INTEREST-BEARING BANK AND OTHER BORROWINGS (Continued)

At the end of the reporting period, the carrying amounts of interest-bearing bank and other borrowings are:

	30 June 2022 RMB'000 (Unaudited)	31 December 2021 MB'000 (Audited)
Bank loans:		
with 1 year	17,569,068	15,460,243
1 to 2 years	4,444,947	4,875,505
2 to 5 years	5,451,125	1,787,641
over 5 years	2,137,486	2,385,923
	29,602,626	24,509,312
Financial liabilities at fair value	(17,569,068)	(15,460,243)
Net financial liabilities	12,033,558	9,049,069

Notes:

(1) Bank loans

The annual interest rates for bank loans are 0.3000% to 4.8300% (31 December 2021: 0.3000% to 6.0000%) respectively.

As at 30 June 2022, the Group has a floating rate bank loan of RMB771,550,000 (31 December 2021: MB550,040,000), which is classified as financial liabilities at fair value. The carrying amount of this bank loan is RMB511,229,000 (31 December 2021: MB513,993,000).

As at 30 June 2022, the Group has a floating rate bank loan of RMB99,940,000 (31 December 2021: MB69,444,000) and a bank loan with a fixed rate of RMB8,417,000 (31 December 2021: MB8,296,000).

As at 30 June 2022, the Group has a bank loan with a fixed rate of RMB7,742,000 (31 December 2021: MB7,742,000).

As at 30 June 2022, the Group has a bank loan with a fixed rate of 58.67% (31 December 2021: 58.67%) provided by Bai a Medical Technology Co., Ltd. (31 December 2021: 58.67%) provided by Bai a).

16. INTEREST-BEARING BANK AND OTHER BORROWINGS (Continued)

Notes: (Continued)

(2) Super Short-term Commercial Paper

13 April 2022, the Company issued super short-term commercial paper with a face value of RMB600,000,000, with an interest rate of 2.65% per annum. The maturity date is 11 April 2022.

(3) Corporate bonds

13 April 2018, the Company issued corporate bonds with a face value of RMB1,300,000,000, with an interest rate of 3.50% per annum. The maturity date is all interest payments on the maturity date of 13 April 2023. As at 30 June 2022, the carrying amount of the corporate bonds is RMB746,651,000.

30 November 2018, the Company issued corporate bonds with a face value of RMB500,000,000, with an interest rate of 3.83% per annum. The maturity date is all interest payments on the maturity date of 30 November 2022. As at 30 June 2022, the carrying amount of the corporate bonds is RMB239,848,000.

2 February 2021, the Company issued corporate bonds with a face value of RMB1,600,000,000, with an interest rate of 3.98% per annum. The maturity date is all interest payments on the maturity date of 2 February 2025. The Company has the right to redeem the bonds early, however, it has not exercised this right. The Company has the right to extend the maturity date of the bonds to 2 February 2023, however, it has not exercised this right. As at 30 June 2022, the carrying amount of the corporate bonds is RMB1,599,242,000.

9 March 2022, the Company issued corporate bonds with a face value of RMB500,000,000, with an interest rate of 3.50% per annum. The maturity date is all interest payments on the maturity date of 9 March 2026. As at 30 June 2022, the carrying amount of the corporate bonds is RMB499,200,000.

17. BUSINESS COMBINATION

20 January 2022, the Company acquired Health Care Holdings (Group) Company Limited (Health Care) and its 70% shareholding company Guangzhou Xinhua Hospital Limited* (廣州新市醫院有限公司) (Xinhua Hospital) for a total consideration of RMB 809,200,000. After the acquisition, the Group holds 70% shareholding in Xinhua Hospital.

* The entities are the wholly owned subsidiaries of the Company.

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17. BUSINESS COMBINATION (Continued)

The fair value of the identifiable intangible assets acquired in the business combination is determined based on the following assumptions:

17. BUSINESS COMBINATION(Continued)

An analysis of the cash flows in respect of the acquisitions of subsidiaries is as follows:

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18. DISPOSAL OF SUBSIDIARIES

During the period ended 30 June 2022, the Group disposed of its subsidiary Jiangsu Huanghe Pharmaceutical Co., Ltd. (江蘇黃河藥業股份有限公司), which held 51% of the shares of Jiangsu Huanghe Pharmaceutical Co., Ltd.* (江蘇黃河藥業股份有限公司), for a net disposal amount of RMB125,328,000. The disposal was completed on 3 January 2022. The net disposal amount is included in the consolidated financial statements of the Group as follows:

During the period ended 30 June 2022, the Group disposed of its subsidiary Shanghai Blood Transfusion Technology Co., Ltd. (上海輸血技術有限公司), which held 100% of the shares of Shanghai Blood Transfusion Technology Co., Ltd. (上海輸血技術有限公司), for a net disposal amount of RMB390,000,000. The disposal was completed on 28 February 2022. The net disposal amount is included in the consolidated financial statements of the Group as follows:

* The English name of the company is the Chinese name of the company. The Chinese name of the company is the English name of the company.

The disposal of subsidiaries is a non-current asset disposal:

	Notes	For the six months ended 30 June 2022 RMB'000
Net assets disposed:		
Property, plant and equipment	13	78,349
Intangible assets		14,031
Right-of-use assets		58,558
Deferred tax assets		531
Investment properties		65,334
Financial assets at fair value through profit or loss		58,946
Receivables, other receivables and other assets		9,473
Cash and cash equivalents		36,632
Liabilities disposed		(108,450)
Financial liabilities at fair value through profit or loss		(19,510)
Other liabilities		(2,157)
Contract liabilities		(9,722)
Other liabilities		(85,838)
Deferred tax liabilities		(7,651)
		88,526
Non-current liabilities disposed		(15,420)
Goodwill		59,244
Gain on disposal of subsidiaries	7	382,978
		515,328
Assets disposed:		
Cash and cash equivalents		421,905

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18. DISPOSAL OF SUBSIDIARIES (Continued)

Analisis keuangan yang telah dilakukan terhadap subsidiaria lain :

	MB'000
Cash dan setara kas yang diterima	421,905
Cash dan setara kas yang dibayar	319,220
Cash dan setara kas yang diterima	(36,632)
Net cash yang diterima	704,493

19. COMMITMENTS

Perjanjian yang telah dibuat oleh perusahaan :

	30 June 2022 RMB'000 (Unaudited)	31 Desember 2021 MB'000 (Audited)
Commitment yang akan datang:		
Perjanjian pembelian aset tetap	2,415,887	2,127,421
Perjanjian pembelian aset tidak tetap	2,487,233	2,066,497
Perjanjian pembelian aset tetap dan aset tidak tetap	513,177	451,933
Ahli hukum, pajak dan lainnya:		
Perjanjian pembelian aset tetap dan aset tidak tetap	2,544,064	3,128,531
Total	7,960,361	7,774,382

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20. RELATED PARTY TRANSACTIONS

(a) Sales of pharmaceutical products and services

	For the six months ended	
	2022	2021
	RMB'000	MB'000
	(Unaudited)	(Unaudited)
Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (notes 4 & 6 & 15)	2,210,042	1,809,891
Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (notes 1 & 4 & 16)	365,650	326,501
Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (notes 4 & 8)	11,744	40
Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (Li Jie) (notes 1 & 4)	4,670	5,139
Fosun Biotech Co., Ltd. (notes 2 & 4)	3,222	2,030
Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (notes 1 & 4)	2,930	7,936
Fosun Pharmaceutical (Group) Co., Ltd. (notes 3 & 4 & 10 & 16)	2,749	252
Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (Li Jie) (notes 1 & 4)	2,335	2,436
Jiayuan Pharmaceutical Co., Ltd. (notes 1 & 4)	537	1,251
Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (ha hai) (notes 1 & 4)	447	6
Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (notes 1 & 4 & 6)	179	2,039
Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (notes 2 & 4)	123	671
Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (notes 4 & 8)	57	
Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (ha hai) (notes 4 & 7)	19	19
Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (notes 1 & 4)	10	26
Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (notes 4 & 8 & 17)	5	6
Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (notes 1 & 4 & 18)	—	637
Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (notes 4 & 8 & 19)	—	148
Fosun Pharmaceutical (Group) Co., Ltd. (notes 4 & 8)	—	4
Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (notes 1 & 4)	—	3
	2,604,719	2,159,035

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20. RELATED PARTY TRANSACTIONS (Continued)

(b) Purchase of pharmaceutical products and services

	For the six months ended	
	30 June	
	2022 RMB'000 (Unaudited)	2021 MB'000 (Audited)
Shanghai Gracell Co., Ltd. (notes 4 & 6 & 15)	168,498	178,674
Fujian Pharmaceutical Liangzhi Co., Ltd. (notes 3 & 4 & 11 & 16)	72,128	22,575
Chongqing Pharmaceutical Holdings Co., Ltd. (notes 1 & 4 & 16)	19,470	18,434
Fujian Health Industry Co., Ltd. (notes 4 & 8)	12,854	627
Fujian (Health) Medical Health Co., Ltd. (notes 4 & 6)	8,892	—
Shanghai Eilve Pharmaceutical Manufacturing (Shanghai) Co., Ltd. (notes 4 & 7)	5,407	—
Shanghai Biotech Co., Ltd. (notes 1 & 4)	3,204	12,041
Shanghai Healthcare Pharmaceutical Engineering Co., Ltd. (notes 1 & 4)	632	1,034
INN Pharmaceutical & Health Co., Ltd. (notes 1 & 4)	179	1,306
Shanghai Li Jia Pharmaceutical Co., Ltd. (notes 1 & 4)	3	55
Glaxo China Co., Ltd. (notes 4 & 8 & 19)	—	34,544
Shanghai Hualin Pharmaceutical Co., Ltd. (notes 1 & 4)	—	105
	291,267	269,395

(c) Leasing and property management services

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20. RELATED PARTY TRANSACTIONS (Continued)

(c) Leasing and property management services (Continued)

As lessee

For the six months ended 30 June 2022

Types of leased assets	Rental charges	Additions of
	for short-term/ low-value assets leases	right-of-use assets
Financial Liabilities (notes 3 & 5 & 13 & 16)	9,454	23,569

For the six months ended 30 June 2021

Types of leased assets	Rental charges	Additions of
	for short-term/ low-value assets leases	right-of-use assets
Financial Liabilities (notes 3 & 5 & 13 & 16)	5,242	
Dhaha ja a r i e LL (notes 5 & 8 & 19)	114	
a i a l a r i e LL (notes 5 & 8 & 19)	41	
	5,397	

For the six months ended
30 June

Property management services	2022	2021
	RMB'000 (Unaudited)	MB'000 (Unaudited)
Financial Liabilities (notes 3 & 5 & 14 & 16)	11,732	6,818

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20. RELATED PARTY TRANSACTIONS (Continued)

(d) Loans from/to a related parties

The Company is a financial services provider. The Group Finance Controller Li Jie (Finance), the former Finance Controller of the Company, is a shareholder, director and officer of Fosun Finance. The Company has provided financial services to Fosun Finance since its establishment in January 2020 to December 2022. The total amount of loans provided to Fosun Finance is RMB1,000,000,000. The total amount of loans provided to Fosun Finance is RMB1,000,000,000.

	30 June 2022 RMB'000 (Unaudited)	31 December 2021 MB'000 (Audited)
Deposits in Fosun Finance		
Fosun Finance (notes 3 & 16)	870,551	974,576

	30 June 2022 RMB'000 (Unaudited)	31 December 2021 MB'000 (Audited)
Loans from Fosun Finance		
Fosun Finance (notes 3 & 16)	111,686	116,127

Loans to Fosun Kite Biological Technology Co., Ltd

The former Finance Controller of Fosun Kite Biological Technology Co., Ltd. provided a loan of RMB188,840,000 to Fosun Kite Biological Technology Co., Ltd. The former Finance Controller is 10% shareholder of Fosun Kite Biological Technology Co., Ltd. The loan was provided on 12 December 2017 to 12 December 2022, RMB33,781,000 on 5 February 2018 to 12 December 2022, RMB50,395,000 on 15 March 2019 to 15 March 2022, RMB70,883,000 on 17 April 2019 to 16 December 2022. During the period, the Group Finance Controller Li Jie provided a loan of RMB50,395,000.00 to Fosun Kite Biological Technology Co., Ltd. on 30 June 2022, the total amount of loans provided is RMB 138,445,000 (31 December 2021: RMB 188,840,000), and the total amount of loans provided is RMB 113,000 (31 December 2021: RMB 301,000).

	30 June 2022 RMB'000 (Unaudited)	31 December 2021 MB'000 (Audited)
Loans to Fosun Kite Biological Technology Co., Ltd		
Fosun Kite Biological Technology Co., Ltd (note 2)	138,558	189,141

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20. RELATED PARTY TRANSACTIONS (Continued)

(d) Loans from/to related parties (Continued)

Loans to Nature's Sunshine (Far East) Limited

Far East Natural Co., Ltd. 借出 1 年期无息贷款 1,927,000 元予 Nature's Sunshine (Far East) Limited。该贷款于 2021 年 2 月 2 日借出，并于 2022 年 6 月 30 日到期。该贷款由 Nature's Sunshine (Far East) Limited 的控股股东 Nature's Sunshine (Far East) Limited 的控股股东 Nature's Sunshine (Far East) Limited 提供担保。于 2021 年 12 月 31 日，该贷款余额为 1,927,000 元。

	30 June 2022 RMB'000 (Unaudited)	31 December 2021 MB'000 (Audited)
Nature's Sunshine (Far East) Limited (note 1)	—	1,927

Loans to StarKids Children's Hospital Shanghai

上海星孩儿童医院管理有限公司 借出 1 年期无息贷款 9,564,000 元予 StarKids Children's Hospital Shanghai。该贷款于 2021 年 12 月 31 日借出，并于 2022 年 6 月 30 日到期。该贷款由 StarKids Children's Hospital Shanghai 的控股股东 StarKids Children's Hospital Shanghai 的控股股东 StarKids Children's Hospital Shanghai 提供担保。于 2021 年 12 月 31 日，该贷款余额为 9,385,000 元。

	30 June 2022 RMB'000 (Unaudited)	31 December 2021 MB'000 (Audited)
StarKids Children's Hospital Shanghai (note 1)	9,564	9,385

Loans to Shanghai Xingmai Information Technology Co., Ltd.

上海兴迈信息科技发展有限公司 借出 1 年期无息贷款 71,400,000 元予上海兴迈信息科技发展有限公司。该贷款于 2021 年 12 月 29 日借出，并于 2022 年 6 月 29 日到期。该贷款由上海兴迈信息科技发展有限公司的控股股东上海兴迈信息科技发展有限公司提供担保。于 2021 年 12 月 31 日，该贷款余额为 73,264,000 元。

	30 June 2022 RMB'000 (Unaudited)	31 December 2021 MB'000 (Audited)
Shanghai Xingmai Information Technology Co., Ltd. (note 1)	—	73,264

Notes to Interim Condensed Consolidated

Financial Report

30 June 2022

20. RELATED PARTY TRANSACTIONS (Continued)

(d) Loans from/to related parties (Continued)

Loans from Shanghai Youle Information Technology Co., Ltd.

Shanghai Youle Information Technology Co., Ltd. provided a loan of RMB5,492,000 to Health Care International (the "Company") at an annual interest rate of 4.35%. The loan was issued on 19 June 2021 and is due on 18 June 2022. As at 30 June 2022, the amount of the loan is RMB160,000 (31 December 2021: RMB40,000).

	30 June 2022 RMB'000 (Unaudited)	31 December 2021 MB'000 (Audited)
Shanghai Youle Information Technology Co., Ltd. (note 3)	5,652	5,532

Loans from Shanghai Fosun High Tech (Group) Company limited

Shanghai Fosun High Tech (Group) Company limited provided a loan of RMB18,673,000 to Health Care International (the "Company") at an annual interest rate of 4.35%. The loan was issued on 19 June 2021 and is due on 18 June 2022. As at 30 June 2022, the amount of the loan is RMB543,000 (31 December 2021: RMB137,000).

	30 June 2022 RMB'000 (Unaudited)	31 December 2021 MB'000 (Audited)
Shanghai Fosun High Tech (Group) Company limited (note 3)	19,216	18,810

(e) Interest income from/interest expense to related parties

	Six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 MB'000 (Audited)
Interest income		
Finance Bill of Health Care International Co., Ltd. (note 2)	4,248	4,678
Finance (notes 3 & 16)	4,026	4,560
Bank of China (Far East) Limited (note 1)	180	182
National Bank of China (Far East) Limited (note 1)	14	112
	8,468	9,532

Notes to Interim Condensed Consolidated Financial Statements

30 June 2022

20. RELATED PARTY TRANSACTIONS (Continued)

(e) Interest income from/interest expense to related parties (Continued)

The interest rate for the financial assets are the effective interest rate and the interest rate for the financial liabilities are the effective interest rate. The interest rate for the financial assets is 0.35% (for the period ended 30 June 2021: 0.35%), the interest rate for the financial liabilities is 1.485%-1.89% (for the period ended 30 June 2021: 1.89%), the interest rate for the financial liabilities is 1.15% (for the period ended 30 June 2021: 1.15%), and the interest rate for the financial liabilities is 1.55%-1.755% (for the period ended 30 June 2021: 1.55%-1.755%).

	Six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Interest expense		
Financial (notes 3 & 16)	2,666	1,432
Ha Hai Financial Holding (Group) Company Limited (notes 3 & 16)	406	
Ha Hai Financial Holding Company Limited (notes 3 & 16)	119	
	3,191	1,432

Notes:

- The interest rate for the financial assets is 0.35%.
- The interest rate for the financial liabilities is 1.485%-1.89%.
- The interest rate for the financial liabilities is 1.15%.
- The interest rate for the financial liabilities is 1.55%-1.755%.
- The interest rate for the financial assets is 0.35%.
- The interest rate for the financial liabilities is 1.485%-1.89%.
- The interest rate for the financial liabilities is 1.15%.
- The interest rate for the financial liabilities is 1.55%-1.755%.
- In April 2021, the Company issued a 10% convertible bond with a face value of RMB100 million. The bond was issued at a discount of 1.429% and has a coupon rate of 6.1% per annum. The bond is convertible into shares of the Company at a conversion price of RMB14.51 per share, which is 100% of the Company's share price at the time of issuance.

Notes to Interim Condensed Consolidated

Financial Report

30 June 2022

20. RELATED PARTY TRANSACTIONS (Continued)

(g) Donations

	Six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 MB'000 (Audited)
Shareholders	7,502	8,708

For the six months ended 30 June 2022, the Group has received donations of RMB7,502,000 (for the six months ended 30 June 2021: RMB8,708,000) from shareholders.

(h) Outstanding balances with related parties:

- (i) As at 30 June 2022, the Group has a balance due to the related parties of RMB1,705,659,000 (31 December 2021: RMB1,725,786,000). The balance is due to the related parties, including the shareholders, the related companies and the related individuals.
- (ii) As at 30 June 2022, the Group has a balance due to the related parties of RMB1,016,575,000 (31 December 2021: RMB994,289,000). The balance is due to the related parties, including the shareholders, the related companies and the related individuals. The related parties include the related companies, the related individuals and the related companies.
- (iii) As at 30 June 2022, the balance due to the related parties of RMB143,923,000 (31 December 2021: RMB194,222,000) is due to the related parties, including the shareholders, the related companies and the related individuals.
- (iv) As at 30 June 2022, the balance due to the related parties of RMB11,869,000 (31 December 2021: RMB10,856,000) is due to the related parties, including the shareholders, the related companies and the related individuals.
- (v) As at 30 June 2022, the Group has a balance due to the related parties of RMB216,497,000 (31 December 2021: RMB197,757,000). The balance is due to the related parties, including the shareholders, the related companies and the related individuals. The related parties include the shareholders, the related companies and the related individuals.
- (vi) As at 30 June 2022, the balance due to the related parties of RMB312,662,000 (31 December 2021: RMB317,922,000) is due to the related parties, including the shareholders, the related companies and the related individuals.
- (vii) As at 30 June 2022, the balance due to the related parties of RMB6,696,000 (31 December 2021: RMB6,696,000) is due to the related parties, including the shareholders, the related companies and the related individuals.

Notes to Interim Condensed Consolidated

Financial Report

30 June 2022

20. RELATED PARTY TRANSACTIONS (Continued)

(h) Outstanding balances with related parties: (Continued)

(viii) As at 30 June 2022, the amount due to the related party is RMB107,000 (31 December 2021: RMB419,000) which is due to the related party for the purchase of goods.

(i) Certain liabilities of the Group are due to the related party. The related party is the parent company of the Group.

21. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The fair value of the financial instruments is determined based on the fair value hierarchy. The fair value hierarchy is as follows:

	Carrying amounts		Fair values	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	RMB'000 (Unaudited)	MB'000 (Audited)	RMB'000 (Unaudited)	MB'000 (Audited)
Financial Assets:				
Equity investments at fair value through profit or loss	21,795	29,916	21,795	29,916
Debt investments at fair value through profit or loss	554,168	427,884	554,168	427,884
Financial assets at fair value through other comprehensive income	4,021,584	5,447,558	4,021,584	5,447,558
Receivables	77,469	77,395	78,394	78,319
	4,675,016	5,982,753	4,675,941	5,983,677
Financial Liabilities:				
Notes payable	10,787,707	6,694,183	10,690,730	6,599,603
Other payables (including lease liabilities)	3,084,941	3,686,254	3,084,632	3,654,328
Financial liabilities at fair value through profit or loss	2,342,067	1,944,174	2,342,067	1,944,174
	16,214,715	12,324,611	16,117,429	12,198,105

Notes to Interim Condensed Consolidated Financial Statements

30 June 2022

21. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

The Group's financial assets and liabilities are categorized into Level 1, Level 2 and Level 3 based on the fair value measurement hierarchy. Assets and liabilities measured at fair value are categorized into Level 1, Level 2 and Level 3 based on the fair value measurement hierarchy. Assets and liabilities measured at fair value are categorized into Level 1, Level 2 and Level 3 based on the fair value measurement hierarchy.

The fair value of the financial assets and liabilities is determined using the fair value measurement hierarchy. Assets and liabilities measured at fair value are categorized into Level 1, Level 2 and Level 3 based on the fair value measurement hierarchy.

The fair value of the financial assets and liabilities is determined using the fair value measurement hierarchy. Assets and liabilities measured at fair value are categorized into Level 1, Level 2 and Level 3 based on the fair value measurement hierarchy.

The fair value of the financial assets and liabilities is determined using the fair value measurement hierarchy. Assets and liabilities measured at fair value are categorized into Level 1, Level 2 and Level 3 based on the fair value measurement hierarchy.

Below is a table showing the fair value of the financial assets and liabilities as at 30 June 2022:

Unobservable inputs for Level 3 assets

The financial assets measured at fair value held by the Group are categorized into Level 3 based on the fair value measurement hierarchy.

For the fair value of the financial assets measured at fair value held by the Group, the fair value measurement hierarchy is used. Assets and liabilities measured at fair value are categorized into Level 1, Level 2 and Level 3 based on the fair value measurement hierarchy.

Unobservable inputs for Level 3 liabilities

The financial liabilities measured at fair value held by the Group are categorized into Level 3 based on the fair value measurement hierarchy. The fair value of the financial liabilities measured at fair value held by the Group is determined using the fair value measurement hierarchy.

The fair value of the financial liabilities measured at fair value held by the Group is determined using the fair value measurement hierarchy. The fair value of the financial liabilities measured at fair value held by the Group is determined using the fair value measurement hierarchy.

Notes to Interim Condensed Consolidated

Financial Report

30 June 2022

21. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 30 June 2022 (Unaudited)

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Financial assets at fair value hierarchy	1,924,337	389,335	1,707,912	4,021,584
Equity investments measured at fair value	4,073	17,722	—	21,795
Derivative financial instruments	—	554,168	—	554,168
	1,928,410	961,225	1,707,912	4,597,547

As at 31 December 2021 (Audited)

	Fair value measurement using			Total MB'000
	Quoted prices in active markets (Level 1) MB'000	Significant observable inputs (Level 2) MB'000	Significant unobservable inputs (Level 3) MB'000	
Financial assets at fair value hierarchy	3,259,068	573,994	1,614,496	5,447,558
Equity investments measured at fair value	5,380	24,536	—	29,916
Derivative financial instruments	—	427,884	—	427,884
	3,264,448	1,026,414	1,614,496	5,905,358

Notes to Interim Condensed Consolidated Financial Statements

30 June 2022

21. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy (Continued)

Assets measured at fair value: (Continued)

The following table shows the fair value measurement hierarchy of the financial instruments:

For the six months ended 30 June 2022

	Financial assets at fair value through profit and loss RMB'000 (Unaudited)	Equity investments Designated at fair value through other comprehensive income RMB'000 (Unaudited)
At 1 January 2022	1,614,496	—
Transfer from Level 1 to Level 2	(31,879)	—
Transfer from Level 2 to Level 1	121,970	—
Transfer from Level 2 to Level 3	42,586	—
At 30 June 2022	340,981	—
At 30 June 2022	(380,242)	—
At 30 June 2022	1,707,912	—

For the six months ended 30 June 2021

Financial assets at fair value through profit and loss

Notes to Interim Condensed Consolidated Financial Statements

30 June 2022

22. CONTINGENT LIABILITIES

As at 30 June 2022 and 31 December 2021, the Group has no contingent liabilities.

23. EVENTS AFTER THE REPORTING PERIOD

Non-public offering of A shares

In July 2022, the Company issued 106,756,666 A-shares at 10 RMB per share, resulting in a net proceeds of RMB42.00 million after deducting the underwriting fee of RMB4.48 million. The total amount of the A-share issue is RMB483,779,972.00. The A-share issue is subject to the approval of the China Securities Regulatory Commission (CSRC) and the Shanghai Stock Exchange. The A-share issue was completed on 27 July 2022. The A-share issue is subject to the approval of the CSRC and the Shanghai Stock Exchange. The A-share issue is subject to the approval of the CSRC and the Shanghai Stock Exchange.

24. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements have been approved by the Board of Directors on 29 August 2022.

Definitions

Il hi i f... Le he	... hall ha ve he sea i ...
%	...
ADC	A i - r C j a e
Al a	Al a La er L , a ... i i a r t h e C
A e	A e l , a ... h e h a e h i h a e l i e t h e NA DA (C : AMGN)
A ha e()	... i h a i a l v a e MB1.00 a h, h i h a e l i e h e h a h a i t E h a e a t r a e i MB
A i l e A i a i	t h e a i l e a i a i t h e C
a i a e	h a h e e a i i v e t t e t h e H K L i j l e
A r a l i a	C e a l h A r a l i a
BIC	B e - i - l a
Bi N e h r BM4 9X4	

Definitions

C C	Chi a se ri i se la ri C i i * (中國證券監督管理委員會)
Dir e ri ()	i se ri () ri C
D	Dir e ri a i e ri
E r	E r a i
E r ar a	E r ar a La ra ri .A., a i e i e i Brazil
FIC	Fir i - la
F ha Cha he H al	F ha F Cha he H al Li i e * (佛山復星禪誠醫院有限公司), ri a F ha Cha he Ce ri al H al C Li i e * (佛山市禪城區中心醫院有限公司), a i ar ri C
F Dia i	F Dia i e h l (ha hai) C ., L . * (復星診斷科技(上海)有限公司), a i ar ri C
F Heal h	ha hai F Heal h e h l (Gr) C ., L . * (上海復星健康科技(集團)有限公司), ri a ha hai F Heal h a e (Gr) C ., L . * (上海復星醫療(集團)有限 公司), a i ar ri C
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G ē i ē B i ē h	H ē a G ē i ē B i ē h C ., L . * (河南真實生物科技有限公司)
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G l a hār a h a t ē i l ē i v ē h ē ē	h ē h a t ē i l ē i v ē h ē ē a i i i a r h ē C o . L i m i t e d G l a hār a h ē a i i i a r h i h a t ē l i ē h ē h a t ē l i ē h ē a a l ē ē r a l ē ē i h ē C o . L i m i t e d h ē l 25 J ē 2019 a i i i a r h ē h a t ē l i ē h ē F i l ē r a i a l a i i a l ē ē r a l ē ē i h ē l 5 J ē 2019
GM	G M a t ē r i a l s
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G ā hār a	i i a r H l i G ā hār a C ., L . * (國藥控股國大藥房有限公司)
G i l i hār a	G i l i hār a ē i a l C ., L . * (桂林南藥股份有限公司), a i i i a r h ē C o . L i m i t e d
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H K E h a ē	h ē E h a ē H K L i i ē
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H K	h ē H K i a i a l A i i i a r h ē i h ē C
IN	h ē l a l i ē l i a

Definitions

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M _{tt} el C _{tt} e	

ha hai t E ha e	h e ha hai t E ha e (上海證券交易所)
ha hai ra i	ha hai ra i e h l C , L . * (上海輸血技術有限公司), i h e t hr h e i t ra e i Fe r ar 2022
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i h a r H e a l h l i e	i h a r H e a l h l i e C , L . * (國藥健康在線有限公司)
i h a r l t r i a l	i h a r l t r i a l l v e t e C , L . * (國藥產業投資有限公司), a a i a e t h e C a
i h a r	i h a r G r C . L . * (國藥控股股份有限公司), a a h e H ha e a t e l i e h e H K t E ha e (t e : 01099) a a i i a r i h a r l t r i a l
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Definitions

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A H^{H} e Bi H^{H} e h
 A H^{H} e Bi H^{H} e h l (h e H^{H} e) C ., L H^{H} . * (亞能生物技術(深圳)有限公司)

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 Ch H^{H} i A H^{H} har a H^{H} e H^{H} i al C H^{H} Li H^{H} e * (重慶藥友製藥有限責任公司), a
 i ar H^{H} e C H^{H}

I H^{H} hi H^{H} e H^{H} i H^{H} h e e i a i i e e H^{H} Chi e e a e h e e i i e, a h i i e, r a i a i , i i i i r
 e H^{H} e H^{H} i e e a l i h e i Chi a r h e a ar r H^{H} i i a e i v e i Chi a a h i r E l i h r a l a i , h e Chi e e v e r i
 hall H^{H} e ail.

* F r i e H^{H} i a i H^{H} e l