Simcere Pharmaceutical Group Limited
先聲藥業集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 2096)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2024

FINANCIAL HIGHLIGHTS

For the six months ended June 30, 2024, the Group recorded the following unaudited financial results:

- Revenue was approximately RMB3,114 million, representing a decrease of approximately 7.9% as compared to approximately RMB3,382 million[1] for the same period of 2023.
- Revenue from the innovative pharmaceutical business was approximately RMB2,203 million, accounting for approximately 70.7% of the total revenue and representing a decrease of approximately 8.7% as compared to approximately RMB2,413 million for the same period of 2023.
- Profit attributable to equity shareholders of the Company was approximately RMB457 million, representing a decrease of approximately RMB1,817 million or approximately 79.9% as compared to approximately RMB2,274 million for the same period of 2023. Adjusted profit attributable to equity shareholders of the Company[2] was approximately RMB538 million, representing an increase of approximately RMB144 million or approximately 36.5% as compared to approximately RMB394 million for the same period of 2023.

[1] See "COMPARATIVE FINANCIAL INFORMATION" section in this announcement.

[2] See "NON-HKFRS MEASURE – ADJUSTED PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY" section in this announcement.

The board (the "**Board**") of directors (the "**Directors**") of Simcere Pharmaceutical Group Limited (the "**Company**") is pleased to announce the unaudited condensed consolidated financial results of the Company together with its subsidiaries (collectively the "**Group**") for the six months ended June 30, 2024 (the "**Reporting Period**" or the "**Period**"), together with the comparative figures for the same period in 2023. The unaudited condensed consolidated financial information for the Reporting Period have been reviewed by the audit committee of the Company (the "**Audit Committee**").

COMPANY OVERVIEW

The Company is an innovation and R&D-driven pharmaceutical company with capabilities in R&D, production and professional marketing. The Group primarily focuses on the therapeutic areas of oncology, nervous system, autoimmune and anti-infection, with proactive forward-looking layout of disease areas that have significant clinical needs in the future, aiming to achieve the corporate mission of "providing today's patients with medicines of the future".

The Group has seven innovative drugs approved for marketing and sale in the focus areas. As of June 30, 2024, the Group had 14 products recommended in guidelines and pathways issued by over 100 government authorities or prestigious professional associations, and had over 40 products included in the National Reimbursement Drug List (the "**NRDL**").

The Group pays high attention to the establishment of innovative pharmaceutical R&D capability, and has established R&D innovation centers in Shanghai, Nanjing, Beijing, Boston and Hong Kong, as well as a State Key Laboratory of Neurology and Oncology Drug Development. The Group's R&D system has achieved functions covering the whole process from drug discovery, pre-clinical development, clinical trial to registration, and owns leading platforms of protein engineering, PAb/TCE, ADC, AI-aided drug discovery and protein degradation. As of June 30, 2024, the Group had a R&D team of approximately 880 personnel in total with approximately 160 doctors and 460 masters.

The Group has a nationwide marketing network and leading commercialization capability, and will continuously strengthen its professional marketing capability, so as to enhance the coverage and accessibility of medicines. As of June 30, 2024, the Group's sales department, which was divided into four business units (oncology, neuroscience, autoimmune & comprehensive and retail grassroots) and other support departments had a total of approximately 3,900 personnel across 32 provinces, municipalities and autonomous regions in China, with its products covering over 3,000 Class III hospitals, approximately 17,000 other hospitals and medical institutions as well as more than 200 large-scale national or regional chain pharmacies.

The Group has established manufacturing infrastructures and quality management systems in line with international standards and has continuously improved its manufacturing capabilities of pharmaceuticals. The Group has put into use six PRC GMP certified production facilities for the manufacturing of its pharmaceutical products, and has received the EU GMP certification or passed the U.S. Food and Drug Administration ("**FDA**") inspection for some of its production workshops.

Driven by its in-house R&D efforts and synergistic innovation, the Group has established strategic cooperation partnerships with many innovative companies, research institutes and clinical centers at home and abroad, exploring multiple collaborative modes in various aspects such as cooperative R&D and achievement transfer, and continuously developing products that patients urgently need and have significant market potential. The Group has established the Scientific Advisory Board (SAB) comprising over 10 world-renowned scientists in the areas of oncology, nervous system and autoimmune, etc., so as to bring their professional capabilities and industrial experiences to provide scientific advice for the Group's early drug discovery and clinical development and explore and create unprecedented treatments.

MAJOR PRODUCTS

Oncology Products	Endostar® (Recombinant Human Endostatin Injection)
	ENWEIDA® (Envafolimab Injection)
	COSELA® (Trilaciclib Hydrochloride for Injection)
	ENLITUO® (Cetuximab Beta Injection)
Nervous System Products	Sanbexin® (Edaravone and Dexborneol Concentrated Solution for Injection)
Autoimmune Products	Iremod® (Iguratimod Tablets)
	ANTINE® (Diclofenac Sodium Sustained Release Capsules/Gel)
Other Products	XIANNUOXIN® (Simnotrelvir Tablets/Ritonavir Tablets (co-packaged))
	ZAILIN® (Amoxicillin/Amoxicillin and Clavulanate Potassium/Cefaclor/Cefprozil)
	Simcere® Kechuanning Oral Solution
	BIQI® (Montmorillonite/Dispersible Tablets)

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY REVIEW

In the first half of 2024, the development of pharmaceutical industry has demonstrated a complex and everchanging landscape. In June 2024, the Key Tasks of 2024 for Deepening the Reform of Medical and Healthcare System (《深化醫藥衛生體制改革2024年重點工作任務》) published by the General Office of the State Council focused on the synergistic development and governance of health insurance, healthcare and medicine, which has put forward a number of key tasks, including promoting the centralized procurement of medicines and medical consumables in a quantity-led manner to improve quality and expand coverage. On July 5, 2024, the "Implementation Plan for Full-Chain Support of Innovative Drug Development"(《全鏈條支持創新藥發展實施方案》) was approved at the meeting of the executive meeting of the State Council, which has supported innovative pharmaceutical R&D in all aspects, including R&D, assessment and approval, admission, payment, investment and financing, strengthening market confidence. Under the dual impetus of continuous policy guidance and technological innovation, pharmaceutical enterprises continue to improve R&D efficiency and and R&D quality while increasing the number of R&D projects. Along with the structural transformation and upgrading of the pharmaceutical industry in China, the proportion of innovative drugs has gradually increased. Chinese pharmaceutical enterprises have significantly accelerated the pace of international cooperation, with a significant increase in the number of overseas licensing transactions. In the future, innovative pharmaceutical enterprises with innovative products of higher value and the ability to commercialize them in a compliant and efficient manner will continue to enjoy sustainable and high-quality development.

BUSINESS REVIEW

Innovative drug products have been commercialized continuously, which bring long-term healthy growth momentum for the Group. As of the date of this announcement, innovative drugs that entered the commercialization stage increased to seven (Endostar®, Iremod®, Sanbexin®, ENWEIDA®, COSELA®, XIANNUOXIN® and ENLITUO®), one innovative drug (ENLITUO®) was approved for marketing, and the New Drug Application ("NDA") of two innovative drugs (ENZESHU® and QUVIVIQ®) was accepted.

Based on the unmet clinical demands, the Group promotes the R&D pipelines of innovative drugs effectively. As of the date of this announcement, the Group has over 60 R&D pipelines of innovative drugs. The Group added six investigational new drug applications (IND(s))[1], completed six FPIs/FIHs[2] and two LPIs[3].

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1 Six investigational new drug applications ("**IND**") were approved, namely XIANNUOXIN® (COVID-19 among 12-17 years old, January 9), SIM0501 (advanced malignant solid tumors, January 10), Deunoxavir Marboxil Tablets (influenza in children, February 21), SIM0500 (relapsed or refractory multiple myeloma, March 9, the United States; March 12, China) and SIM0506 (solid tumor, April 24).

2 Two studies completed First-in-Human ("**FIH**"), namely SIM0501 (advanced malignant solid tumors, March 19) and SIM0500 (relapsed or refractory multiple myeloma, May 24). Four studies completed First-Patient-in ("**FPI**"), namely SIM0237 (NMIBC, phase I, January 23), Sanbexin® sublingual tablets (post stroke cognitive impairment, phase II, April 8) and Rademikibart (atopic dermatitis in adults/adolescents, phase III, July 8; asthma in adults/adolescents, phase III, July 23).

3 A total of two studies completed Last-Patient-In ("**LPI**"), namely Sanbexin® (acute ischemic stroke, phase IIa, March 6) and QUVIVIQ® (insomnia, phase III, March 15).

The Group has been improving its production capability and efficiency continuously, and provides solid security for global supply chains.

- Jiangsu Xiansheng Biology Medical Co., Ltd. (江蘇先盛生物醫藥有限公司) (a pharmaceutical ingredient base) only spent 12 months from initiation to completion, which is far exceeding the industry average. It is now capable of production, and the production transfer and process validation of key products are progressing at an accelerated pace.

- In April 2024, the production license (B certificate) of the new Rademikibart Injection (specification: 150mg (1ml)/bottle) of Simcere Pharmaceutical Co., Ltd. (先聲藥業有限公司) has been approved.

KEY MILESTONES

During the six months ended June 30, 2024, the Group made a series of advances in respect of its product candidates and business operations, including the following key milestones and achievements:

March 15, 2024	The new drug application of ENZESHU® (Suvemcitug for Injection) has been accepted by the NMPA. The indication is Suvemcitug combined with chemotherapy for the treatment of recurrent platinum-resistant ovarian, fallopian tube or primary peritoneal cancer.
May 20, 2024	QUVIVIQ® (Daridorexant Hydrochloride Tablets), a hypnotic jointly developed by the Group and Idorsia Pharmaceuticals Ltd. ("**Idorsia**"), has obtained the certificate of drug/product registration issued by the Pharmacy and Poisons Board of Hong Kong, which allowed "QUVIVIQ TABLETS 50MG" and "QUVIVIQ TABLETS 25MG" to be sold, offered for sale, distributed and possessed in Hong Kong.
June 18, 2024	ENLITUO® (Cetuximab Beta Injection), which is collaborated by the Group and Mabpharm Limited, has been approved for marketing in China by the NMPA, the indication of which is to be used for the first-line therapy of RAS/BRAF wild-type metastatic colorectal cancer ("**mCRC**") in combination with FOLFIRI regimen.

From the end of the Reporting Period and up to the date of this announcement, the Group has also reached the following milestones:

July 8, 2024	XIANNUOXIN® (Simnotrelvir Tablets/Ritonavir Tablets (co-packaged)), an innovative drug of the Group, has been reviewed and approved by the NMPA for conversions from conditional approval to regular approval. The indication is to treat adult patients infected with mild to moderate novel coronavirus (COVID-19). XIANNUOXINR became the first oral anti-SARS-CoV-2 innovative drug which has obtained regular approval in China.
July 16, 2024	The new drug application of QUVIVIQ® (daridorexant hydrochloride tablets), a hypnotic jointly developed by the Group and Idorsia, has been approved by the NMPA, which is indicated for the treatment of adult patients with insomnia characterised by having difficulty in sleep onset and/or sleep maintenance.

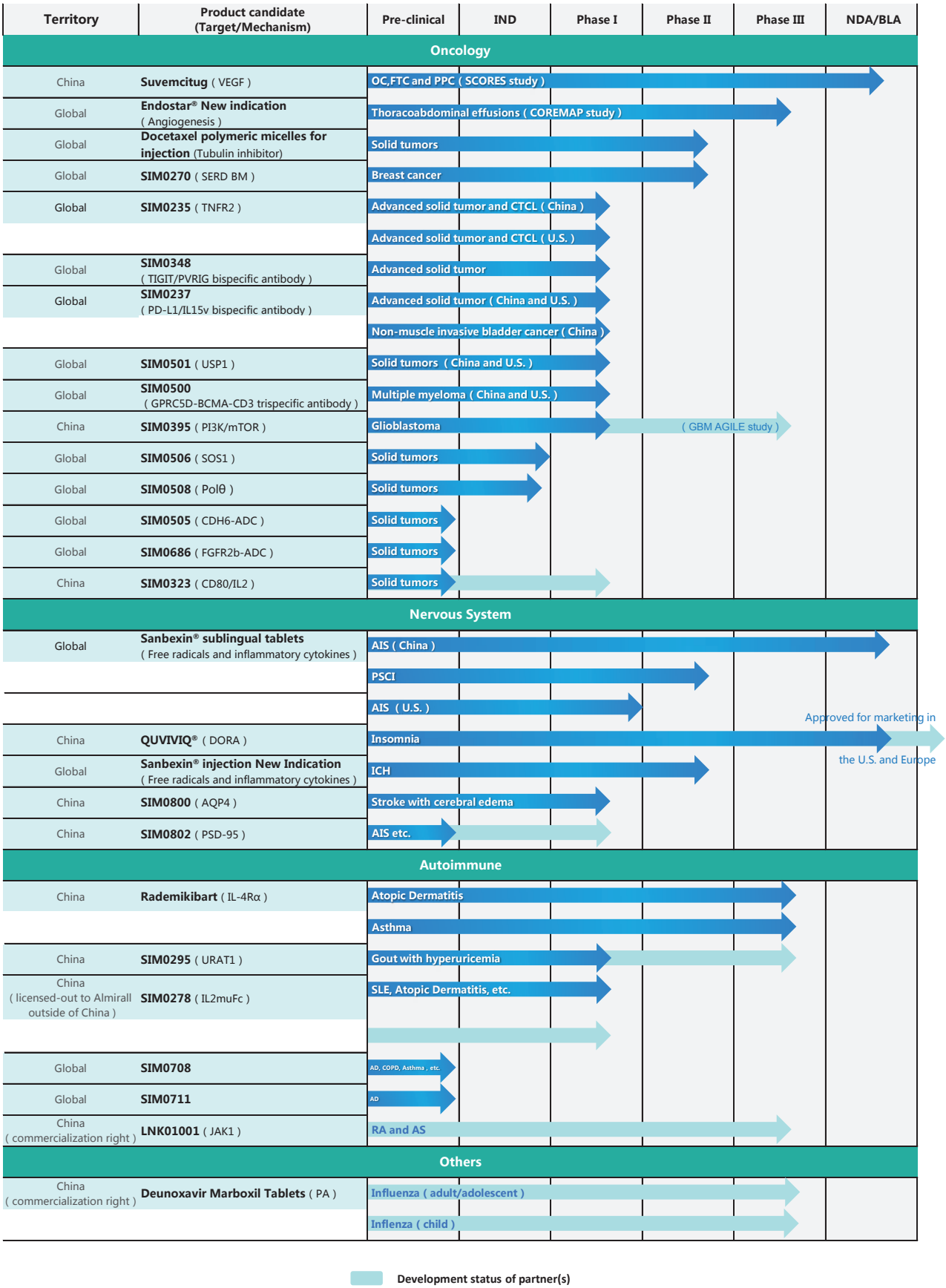
For details of each milestone above, please refer to the following sections of this announcement and, where appropriate, previous announcements of the Company published on the websites of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and the Company.

SUMMARY OF PRODUCT PIPELINES

As of the date of this announcement, the Group has over 60 R&D pipelines of innovative drugs and is currently initiating clinical studies for 16 innovative drugs, four drug candidates that are in NDA/pivotal trial stage[4], 12 drug candidates that are in phase I/II and approximately 40 pre-clinical drug candidates. The forms of innovative drugs under development contain monoclonal antibodies, bispecific antibodies, multi-specific antibodies, fusion proteins, antibody-drug conjugates ("**ADC**") and small molecule drugs, etc. The extensive pipeline reserves are expected to help more patients.

The table below summarizes the therapeutic targets, therapeutic areas, rights and development of principal R&D pipelines of the Group as of the date of this announcement.

[4] Excluding products with commercial rights, namely Deunoxavir Marboxil Tablets and LNK01001.


Territory
Product candidate (Target/Mechanism)
Pre-clinical
IND
Phase I
Phase II
Phase III
NDA/BLA
Oncology
China
Suvemcitug (VEGF)
OC,FTC and PPC (SCORES study)
Global
Endostar® New indication (Angiogenesis)
Thoracoabdominal effusions (COREMAP study)
Global
Docetaxel polymeric micelles for injection (Tubulin inhibitor)
Solid tumors
Global
SIM0270 (SERD BM)
Breast cancer
Global
SIM0235 (TNFR2)
Advanced solid tumor and CTCL (China)
Advanced solid tumor and CTCL (U.S.)
Global
SIM0348 (TIGIT/PVRIG bispecific antibody)
Advanced solid tumor
Global
SIM0237 (PD-L1/IL15v bispecific antibody)
Advanced solid tumor (China and U.S.)
Non-muscle invasive bladder cancer (China)
Global
SIM0501 (USP1)
Solid tumors (China and U.S.)
Global
SIM0500 (GPRC5D-BCMA-CD3 trispecific antibody)
Multiple myeloma (China and U.S.)
China
SIM0395 (PI3K/mTOR)
Glioblastoma
(GBM AGILE study)
Global
SIM0506 (SOS1)
Solid tumors
Global
SIM0508 (Polθ)
Solid tumors
Global
SIM0505 (CDH6-ADC)
Solid tumors
Global
SIM0686 (FGFR2b-ADC)
Solid tumors
China
SIM0323 (CD80/IL2)
Solid tumors
Nervous System
Global
Sanbexin® sublingual tablets (Free radicals and inflammatory cytokines)
AIS (China)
PSCI
AIS (U.S.)
Approved for marketing in
China
QUVIVIQ® (DORA)
Insomnia
the U.S. and Europe
Global
Sanbexin® injection New Indication (Free radicals and inflammatory cytokines)
ICH
China
SIM0800 (AQP4)
Stroke with cerebral edema
China
SIM0802 (PSD-95)
AIS etc.
Autoimmune
China
Rademikibart (IL-4Rα)
Atopic Dermatitis
Asthma
China
SIM0295 (URAT1)
Gout with hyperuricemia
China (licensed-out to Almirall outside of China)
SIM0278 (IL2muFc)
SLE, Atopic Dermatitis, etc.
Global
SIM0708
AD, COPD, Asthma , etc.
Global
SIM0711
AD
China (commercialization right)
LNK01001 (JAK1)
RA and AS
Others
China (commercialization right)
Deunoxavir Marboxil Tablets (PA)
Influenza (adult/adolescent)
Inflenza (child)
Development status of partner(s)

INNOVATIVE DRUGS AT THE COMMERCIALIZATION STAGE

As of the date of this announcement, the commercialized innovative drugs in the portfolio increased into seven successfully, spanning multiple therapeutic areas, including oncology, nervous system, autoimmune and anti-infection, which have significant market potentials and synergistic effects. For the six months ended June 30, 2024, revenue from innovative pharmaceutical business was approximately RMB2,203 million, accounting for 70.7% of the total revenue.

Oncology Products

Endostar® (Recombinant Human Endostatin Injection)

Endostar® is the first anti-angiogenic targeted drug in China and the only endostatin approved for sale worldwide. Endostar® has been included in the NRDL since 2017 and is recommended as a first-line treatment for patients with advanced non-small-cell lung cancer ("**NSCLC**") by a number of oncology clinical practice guidelines issued by the National Health Commission of the PRC ("**NHC**"), Chinese Medical Association (中華醫學會) and Chinese Society of Clinical Oncology ("**CSCO**"). Meanwhile, it is included in the recommendations by various guidelines in relation to nasopharyngeal carcinoma, melanoma, esophageal carcinoma and osteosarcoma. At present, the Group is actively exploring the new indications of this product in thoracoabdominal effusions.

- In January 2024, the Expert Consensus on Diagnosis and Treatment of Malignant Pleural Effusion Caused by Lung Cancer (《肺癌合併惡性胸腔積液診療專家共識》) was published by China Anti-cancer Association (中國抗癌協會). Endostar® was included in the Consensus for the first time and was recommended by experts to be used in the treatment of malignant pleural effusion caused by lung cancer.

- In May 2024, the annual meeting of the American Society of Clinical Oncology (ASCO) was held in Chicago. Four studies of Recombinant Human Endostatin were presented in this meeting, including one oral presentation, one poster showcase and two online publications. The study results covered nasopharyngeal carcinoma, melanoma and other areas.

ENWEIDA® (Envafolimab Injection)

ENWEIDA® is the world's first PD-(L)1 antibody to be administered by subcutaneous injection and approved for marketing. Its unique method of injection differentiates itself from other PD-(L)1 products currently on the market, with the differentiation advantages of short administration time and good safety. On March 30, 2020, the Group entered into a tripartite cooperation agreement in relation to Envafolimab with 3D (Beijing) Medicines Inc. (思路迪(北京)醫藥科技有限公司) and Jiangsu Alphamab Biopharmaceuticals Co., Ltd. (江蘇康寧傑瑞生物製藥有限公司). The above-mentioned agreement provides the Group with the exclusive right to promote Envafolimab for all oncology indications and the right of first refusal of external licensing or assignment in mainland China.

- In March 2024, at the European Lung Cancer Congress (ELCC) 2024, the results of a phase II clinical study of the first-line treatment of advanced non-small-cell lung cancer (NSCLC) with gene negative by ENWEIDA® in combination with Recombinant Human Endostatin and chemotherapy were presented. Such treatment protocol demonstrated good efficacy and manageable safety, which was worthy for further studies in wider population.

- In May 2024, at the annual meeting of the American Society of Clinical Oncology (ASCO), nine studies of ENWEIDA® were presented in this meeting, including four poster showcases and five online publications. The study results covered biliary tract cancer, liver cancer, rectal cancer, endometrial cancer, esophageal squamous cell carcinoma, adenocarcinoma of the stomach/gastroesophageal junction and other areas.

COSELA® (Trilaciclib Hydrochloride for Injection)

COSELA® is an effective, selective and reversible cyclin-dependent kinases 4 and 6 (CDK4/6) inhibitor. COSELA® is the world's first-in-class comprehensive myeloprotection innovative drug. In August 2020, the Group entered into the exclusive license agreement with G1 Therapeutics, Inc. ("**G1 Therapeutics**") to develop and commercialize COSELA® in Greater China. On February 13, 2021, COSELA® was approved for marketing by FDA. On July 12, 2022, the marketing of COSELA® in China has obtained the conditional approval by NMPA. On April 28, 2023, the Group has obtained full rights to the sales milestones of COSELA®. On December 20, 2023, the localization application of COSELA® has been approved by the NMPA and it can be produced by the production enterprises of the Group in Haikou, Hainan Province, which further improved its accessibility to patients with cancer in China. Currently, the product has been recommended by the related key guidelines of National Comprehensive Cancer Network Guidelines (NCCN), CSCO and other organizations.

- In January 2024, the supplementary application for new specifications of COSELA® 100mg was accepted, and it is expected to further facilitate the clinical medication selections of physicians and patients.

- In April 2024, the Guidelines of CSCO for the treatment of Small Cell Lung Cancer in 2024 (《CSCO 非小細胞肺癌診療指南(2024版)》) was officially released at the meeting. The guidelines updated the recommendation for first-line treatment of extensive-stage small cell lung cancer (ES-SCLC), among which, COSELA® was modified from Level II, Class 2A to Level I, Class 1A. In relation to the recommendation for second-line therapy of recurrent small cell lung cancer, COSELA® was modified from Class 2A to Class 1A.

ENLITUO® (Cetuximab Beta Injection)

ENLITUO® is a recombinant anti-epidermal growth factor receptor ("**EGFR**") chimeric monoclonal antibody for first-line treatment of RAS/BRAF wild-type metastatic colorectal cancer ("**mCRC**") in combination with FOLFIRI. ENLITUO® is prepared using a specific expression process, effectively avoiding glycosylation modification that may lead to hypersensitivity. On June 18, 2024, ENLITUO® has been approved for marketing in China by the NMPA and is the first anti-EGFR monoclonal antibody innovative drug developed in China with independent intellectual property rights which has been approved by the NMPA for first-line treatment of mCRC. The successful launch of ENLITUO® will provide high quality and affordable biological targeted remedy for Chinese mCRC patients.

Nervous System Products

Sanbexin® (Edaravone and Dexborneol Concentrated Solution for Injection)

Sanbexin® is a category I innovative drug developed by the Group with proprietary intellectual property right used to treat acute ischemic stroke (AIS). Sanbexin® was approved for marketing in China in July 2020 and has been included in the NRDL since December 2020. Results of the phase III pivotal clinical TASTE study of Sanbexin®, which are published in STROKE, an international authoritative medicine journal, indicated that Sanbexin® can significantly increase the proportion of patients with an mRS score of 0-1 after 90 days of treatment, i.e. reduce the proportion of patients disabled by AIS. Sanbexin® was recommended by the Guidelines for Clinical Management of Cerebrovascular Diseases in China (《中國腦血管病臨床管理指南》) (only Class IIa, Level B), the Specialists' Consensus on the Clinical Assessment and Treatment of Acute Cerebral Infarction Ischemic Penumbra in China (《急性腦梗死缺血半暗帶臨床評估和治療中國專家共識》), the Guidelines on Establishment of Stroke Prevention and Treatment System (《腦卒中防治體系建設指導規範》) and other guidelines and consensuses, and multiple relevant studies were presented at the European Stroke Organization Conference (ESOC), the scientific meeting of the American Heart Association (AHA) Hypertension Council and the World Congress of Neurology (WCN).

- In May 2024, the hindsight of the TASTE and TASTE-SL study was officially released in the 10th European Stroke Organization Conference. The results demonstrated that regardless of Edaravone and Dexborneol for Injection or sublingual tablets, Edaravone and Dexborneol can significantly improve the neurological function outcome of atherosclerotic (LAA) stroke.

- In May 2024, a multi-center, prospective and real-world cohort study (EXPAND) initiated by the team led by Professor Hao Junwei from Xuanwu Hospital of the Capital Medical University (首都醫科大學宣武醫院) was published during the 10th European Stroke Organization Conference. The EXPAND study was the first large-sample and prospective clinical study which observed the efficacy and safety of Edaravone and Dexborneol in the treatment of AIS in a real medical environment. Such abstract reported initial analysis results, representing Edaravone and Dexborneol can improve the changes from baseline in NIHSS scores of AIS patients at discharge.

- For the six months ended June 30, 2024, Sanbexin® Injection, accounting for approximately 22% of the market share in stroke injection, covered approximately 630,000 patients and covers over 4,800 medical institutions currently.

Autoimmune Products

Iremod® (Iguratimod Tablets)

Iremod® is the first Iguratimod pharmaceutical product approved for marketing in the world. Iremod® has been included in the National Medical Insurance Catalogue since 2017. The indication is the active rheumatoid arthritis. Iremod® is recommended as the primary therapy drug for the treatment of active rheumatoid arthritis by a number of clinical practice guidelines and pathways issued by the NHC, Chinese Medical Association, Asia Pacific League of Associations for Rheumatology and Labor and Welfare of Japan. Since its launch in 2012, Iremod® has benefited over 1 million patients (persons) in China.

- In June 2024, at the annual meeting of the European League Against Rheumatism (EULAR), Iguratimod announced 5 study results, which involved rheumatoid arthritis, Primary Sjögren's Syndrome, disuse osteoporosis and other disease areas.

Anti-infection Products

XIANNUOXIN® (Simnotrelvir Tablets/Ritonavir Tablets (co-packaged))

XIANNUOXIN® is the first domestic 3CL small molecule anti-SARS-CoV-2 innovative drug with independent intellectual rights in China. On November 17, 2021, the Group entered into a technology transfer contract with Shanghai Institute of Materia Medica and Wuhan Institute of Virology, Chinese Academy of Sciences, pursuant to which, the Group obtained the development, production and commercialization rights on an exclusive basis of Simnotrelvir worldwide.

- In January 2024, the New England Journal of Medicine digitally published the complete data of the Group's phase II/III, double-blind, randomized, placebo-controlled clinical trial of XIANNUOXIN® for the treatment of adult patients with mild-to-moderate COVID-19. The median age of the patients included in the Study was 35 years, and 1,092 patients (95.9%) had completed primary vaccination, with 874 patients (76.7%) had received a booster dose. Various Omicron variants were covered in the Study, which demonstrated the application value of XIANNUOXIN® in clinical practice. The publication of the Study with great success signifies that XIANNUOXIN® has become the first domestically-made 3CL target anti-SARS-CoV-2 innovative drug with a complete evidence chain.

- In May 2024, the Chinese Medical Journal (《中華醫學雜誌》) published the Expert Consensus on the Clinical Application of Anti-SARS-CoV-2 Small Molecule Drugs (《抗新型冠狀病毒小分子藥物臨床應用專家共識》), which mainly included the introduction of seven anti-SARS-CoV-2 small molecule drugs and highlighted the recommendation of drugs for 14 special patient populations from the elderly to populations with combined chronic diseases, tumor patients, pregnant women and children, so as to provide recommendations for standard medications by clinical physicians.

- On July 8, 2024, XIANNUOXIN® has been reviewed and approved by the NMPA for conversions from conditional approval to regular approval, and became the first oral anti-SARS-CoV-2 innovative drug which has obtained regular approval in China.

DRUG CANDIDATES AT THE NDA/PIVOTAL TRIAL STAGE

Sanbexin® sublingual tablets

Sanbexin® sublingual tablets is an innovative drug jointly developed by the Group and Neurodawn Pharmaceutical Co., Ltd. (南京寧丹新藥技術有限公司), which are solid formulations absorbed through the sublingual mucous containing Edaravone and Dexborneol that can be rapidly disintegrated under the tongue, absorbed into the blood through the sublingual venous plexus, and its key pharmacologic activities are anti-inflammations and free radicals scavenging, thus minimizing the cascading injury caused by AIS and protecting brain cells. Such unique dosage form is expected to increase the flexibility of stroke treatment. In the future, Sanbexin® sublingual tablets are expected to form a sequential therapy combined with Sanbexin® (Edaravone and Dexborneol Concentrated Solution for Injection) which has been launched by the Company, facilitating patients to obtain a complete course of treatment. At the same time, sublingual tablets are not limited by medical site conditions, and are also more suitable to expand other indications for neurological diseases.

- On February 19, 2024, the Journal of American Medical Association • Neurology (JAMA NEUROLOGY, IF: 29.0) published online the key results of the multi-center, randomized, double-blind and placebocontrolled phase III clinical study (the TASTE-SL Study) of Sanbexin® sublingual tablets used for the treatment of acute ischemic stroke. The results showed that, Sanbexin® sublingual tablets have significantly improved the recovery of neurological function and ability to live independently in AIS patients after treatment.

ENZESHU® (Suvemcitug for Injection)

ENZESHU® (Suvemcitug for Injection) is a new-generation recombinant humanized anti-VEGF rabbit monoclonal antibody developed by the Group and Apexigen, Inc. (now part of Pyxis Oncology, Inc). Pre-clinical studies have showed that Sevacizumab has a stronger affinity and antitumor effect than bevacizumab at the same dose in multiple tumor models.

- On January 3, 2024, the SCORES Study has met the primary study endpoint. The initial results showed that, as compared with the Placebo Group, the improvement of PFS in the Experimental Group is both statistically and clinically significant. There is a trend of OS benefit in the Experimental Group. The safety is manageable, no new safety signals are identified.

- On March 15, 2024, the new drug application of ENZESHU® has been accepted by the NMPA. The indication is Suvemcitug combined with chemotherapy for the treatment of recurrent platinum-resistant ovarian, fallopian tube or primary peritoneal cancer.

- On June 2, 2024, the latest data of the SCORES Study were presented through an oral report at the 2024 American Society of Clinical Oncology ("**ASCO**") Annual Meeting. The released data of the study demonstrated that: (1) as assessed by the BIRC, the progression-free survival of the Suvemcitug group was significantly extended as compared with the placebo group, and across all pre-defined subgroups, positive results were observed in efficacy analyses and significant improvements were achieved in PFS; (2) among the group who have been treated with VEGF and/or PARP inhibitors previously, Suvemcitug in combination with chemotherapy can improve the PFS of patients significantly; (3) the OS of the Suvemcitug group has shown a trend of benefit as compared to the Control group; (4) the disease control rate ("**DCR**") and duration of response ("**DoR**") as assessed by the BIRC and investigators have also shown consistent benefits; and (5) when used in combination with chemotherapy, Suvemcitug has a good overall safety profile and there is no new safety signals compared to the other drugs of the same class.

QUVIVIQ® (daridorexant hydrochloride tablets)

QUVIVIQ® (daridorexant hydrochloride tablets) is an insomnia drug jointly developed by the Group and Idorsia, and is a dual orexin receptor antagonist ("**DORA**") that blocks orexin neuropeptides that promote wakefulness (orexin A and orexin B) from binding to their receptors. Unlike generally promoting sleep by calming the brain, QUVIVIQ® only blocks orexin neuropeptide initiation of orexin receptors. Thus, QUVIVIQ® reduces the arousal drive and induces sleep development without altering sleep architecture. QUVIVIQ® has clinical data available for up to 12 months of continuous treatment, supporting the long-term use of QUVIVIQ®. In addition to improving nighttime sleep in the adult population with chronic insomnia disorder, QUVIVIQ® also improves daytime functioning, which is the only DORA class insomnia drug approved by the European Medicines Agency (EMA). QUVIVIQ® is currently approved in the United States, Great Britain, Italy, Germany, Switzerland and Canada.

- On March 15, 2024, the phase III clinical trial of QUVIVIQ® completed the enrollment of all 205 patients (LPI).

- On July 16, 2024, the new drug application of QUVIVIQ® has been accepted by the National Medical Products Administration.

LNK01001 (JAK1)[5]

LNK01001 is a highly selective JAK1 inhibitor which has completed 3 phase II clinical studies for patients with rheumatoid arthritis (RA), ankylosing spondylitis (AS) and atopic dermatitis (AD), all of which have successfully met their corresponding primary and secondary endpoints. No related adverse effects of approved JAK1 inhibitors, such as major adverse cardiovascular events, blood clots, serious infection or formation of malignant tumors, were observed. On March 18, 2022, the Group entered into a cooperation agreement with Lynk Pharmaceuticals Co., Ltd. (凌科藥業(杭州)有限公司) ("**Lynk Pharmaceuticals**"), pursuant to which, the Group obtained the exclusive commercialization interest of LNK01001 for rheumatoid arthritis and ankylosing spondylitis indications in China and be responsible for promotion after regulatory approval.

Deunoxavir Marboxil Tablets (PA)[6]

Deunoxavir Marboxil Tablets is a polymerase acidic (PA) protein inhibitor for anti-influenza. As shown in the pre-clinical research, Deunoxavir Marboxil Tablets demonstrates several benefits, including the absence of central nervous system side effects, no effect of food intake on oral drug absorption and higher safety dose. The entire oral dose of Deunoxavir Marboxil Tablets is merely "one tablet" and is capable of stopping influenza virus replication in 24 hours, having a prospect of bringing great convenience to a large number of patients, including child patients.

- On February 21, 2024, children's granules of Deunoxavir Marboxil Tablets has received the clinical approval and is initiating the phase III clinical trials.

- On April 1, 2024, the bridging of bioavailability (BA) of children's granules of Deunoxavir Marboxil Tablets completed the Last-Patient-In (LPI).

Rademikibart (IL-4Rα)

Rademikibart is a fully human monoclonal antibody targeting IL-4Rα, a common subunit of IL-4 receptor and IL13 receptor. By binding with IL-4Rα, Rademikibart can block the functions of IL-4 and IL-13 effectively, thereby blocking the Th2 inflammatory pathway, thus achieving the goal of treating Th2 related inflammatory diseases such as atopic dermatitis and asthma.

- On July 8, 2024, Rademikibart's phase III clinical study of atopic dermatitis in adults and adolescents completed the FPI.

- On July 23, 2024, Rademikibart's phase III clinical study of asthma in adults and adolescents completed the FPI.

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5 A product with commercial right

6 A product with commercial right

DRUG CANDIDATES AT THE PHASE I/II STAGE

SIM0270 (SERD)

SIM0270 is a second-generation oral selective estrogen receptor degraders ("**SERD**") with blood-brain barrier penetration characteristics independently developed by the Group. SIM0270 was significantly more effective than fulvestrant a marketed intramuscular SERD product, in an in vivo model, comparable to the leading compound in the clinical trial phase, and reflected a brain-blood ratio significantly better than competitive compounds and showed a much better tumor inhibition effect than fulvestrant in the orthotropic model of breast cancer brain. It is expected to be used for the treatment of breast cancer with brain metastases. As of the date of this announcement, the phase I clinical trial of SIM0270 was progressing well and has completed the dose exploration and optimization of safety and efficacy. It has completed the proof of concept for the efficacy and safety of monotherapy and combination regimens under pre-determined PP2D dose and has recruited over 200 patients.

- On July 7, 2024, the Group has submitted the application for meetings before the commencement of the phase III clinical trial of SIM0270 to the CDE (Pre-III).

SIM0235 (humanized anti-TNFR2 monoclonal antibody)

SIM0235 is a brand-new target of tumor immunity independently developed by the Group, human immunoglobulin G1 ("**IgG1**") type humanized anti-tumor necrosis factor type 2 receptor ("**TNFR2**") monoclonal antibody. The pre-clinical pharmacodynamic model showed significant single-agent efficacy and the potential and superior safety in combination with PD-1. In addition, SIM0235 can specifically recognize TNFR2 expressed on the surface of tumor cells and directly kill tumor cells with high expression of TNFR2 through the effector function mediated by Fc terminal of antibody.

SIM0237 (PD-L1/IL15v bispecific antibody)

SIM0237 is an anti-PD-L1 monoclonal antibody fused with IL-15/IL-15Rα sushi protein and independently developed based on the Group's protein engineering platform. It can block the PD-1/PD-L1 immunosuppressive pathway by binding to PD-L1 and activate the immune system through its IL-15 part, thus playing a dual synergistic role in relieving immunosuppression and initiating the immune system to exert anti-tumor effects. Pre-clinical studies showed that SIM0237 is more effective than PD-L1 or IL-15 mono treatment in mouse tumor models, predicting a high potential for clinical development.

- On January 23, 2024, SIM0237 for patients with non-muscle invasive bladder cancer completed the FPI.

SIM0501 (USP1 small molecule inhibitor)

SIM0501 is an oral, non-covalent and highly selective small molecule inhibitor of Ubiquitin Specific Peptidase 1 ("**USP1**") independently developed by the Group with global intellectual property rights. In preclinical in vitro and in vivo pharmacology studies, SIM0501 has shown significant anti-proliferation activity against HRD tumors as a monotherapy or in combination with PARPi, which demonstrates high potential for clinical development.

- On January 10, 2024, SIM0501 tablets has obtained the Clinical Trial Approval issued by the NMPA, pursuant to which, SIM0501 tablets have been approved to initiate clinical trials for advanced malignant solid tumors as monotherapy.

- On March 19, 2024, the above clinical trial completed the First-in-Human (FIH) trial at the Cancer Hospital affiliated to Shandong First Medical University (山東第一醫科大學附屬腫瘤醫院).

SIM0500 (humanized GPRC5D-BCMA-CD3 trispecific antibody)

SIM0500 is a potential category I innovative drug independently developed by the Group with global intellectual property rights, and it may be the potential best-in-class (BIC) drug for the treatment of multiple myeloma based on the preclinical data.

- On March 9, 2024, the IND application of SIM0500 in the U.S. was approved by FDA. SIM0500 is intended to be investigated in a clinical trial in patients with relapsed or refractory multiple myeloma.

- On March 12, 2024, the IND application of SIM0500 in China has been accepted by the NMPA. SIM0500 is intended to be investigated in a clinical trial in patients with relapsed or refractory multiple myeloma.

- On April 9, 2024, SIM0500 has been granted a FDA Fast Track Designation for patients with multiple myeloma, who are refractory to, or intolerant of, established therapies known to provide clinical benefit and have received ≥3 prior lines of therapy including a proteasome inhibitor (PI), an immunomodulatory agent (IMiD) and an anti-CD38 monoclonal antibody.

- On May 24, 2024, the above clinical trial completed the First-in-Human (FIH) at the Hospital of Blood Diseases of the Chinese Academy of Medical Sciences (the Institute of Hematology of the Chinese Academy of Medical Sciences) (中國醫學科學院血液病醫院(中國醫學科學院血液學研究所)).

SIM0348 (humanized TIGIT/PVRIG bispecific antibody)

SIM0348 is a humanized TIGIT/PVRIG bispecific IgG1 antibody independently developed based on Group's protein engineering platform. It can specifically bind two novel immune checkpoint proteins, human TIGIT and PVRIG at the same time, aiming to block the interaction between CD155/TIGIT and CD112/PVRIG, and improve the anti-tumor activity of immune cells. As of the date of this announcement, the clinical trial of SIM0348 was progressing well and was under the dose optimization and exploration of combination treatment phase.

SIM0395 (Paxalisib)

SIM0395 is a BBB-penetrant inhibitor of the PI3K/mTOR pathway. A phase II clinical study showed that Paxalisib has shown highly encouraging signals of clinical efficacy among glioblastoma patients with unmethylated MGMT promoter status. Paxalisib was awarded the GBM orphan drug certification by FDA in 2018 and the fast track certification by FDA, the rare childhood disease and orphan drug certification of diffuse intrinsic pontine glioma (DIPG) in 2020. In March 2021, the Group entered into an exclusive licensing agreement with Kazia to introduce the development and commercialization rights of SIM0395 for all indications in the Greater China region.

- On July 10, 2024, Kazia released the top-line results of the pivotal phase III clinical trial (the GAM-AGILE study) for the versus standard-of-care (SOC) of Paxalisib for the use in glioblastoma, and is planned to initiate communication with the FDA in the second half of 2024.

SIM0278 (IL2 mu Fc)

SIM0278 is an Fc fusion protein (IL2 mu Fc) with an IL-2 mutein of Regulatory T cells ("**Treg**"), developed based on the Group's protein engineering technology platform. By introducing the mutation, the affinity of SIM0278 to effector T cells is reduced, while the high affinity of Treg cells is retained and then the selectivity of Treg cells is improved. On September 28, 2022, the Group entered into a licensing agreement with Almirall S.A. ("**Almirall**"), an international biopharmaceutical company. Pursuant to the agreement, the Group grants Almirall an exclusive rights and interests in the development and commercialization of SIM0278 outside Greater China, and retains all rights and interests in the Greater China region.

SIM0800 (AQP4)

SIM0800 is an Aquaporin-4 (AQP4) inhibitor developed based on the Aquaporin water channel theory which has been awarded the Nobel Prize. It is intended for the treatment of acute severe ischaemic stroke complicated by cerebral oedema, as a first-in-class small molecule drug with a novel mechanism of action for brain oedema therapy. The Group entered into a license agreement with Aeromics, Inc. in October 2019, pursuant to which, the Group obtained a proprietary and sublicensable license for its self-funded research, development, production and commercialization of SIM0800 in the Greater China region.

SELECTED IND/PRE-CLINICAL STAGE DRUG CANDIDATES

The Group has approximately 40 pre-clinical drug candidates and its in-house pipelines focus on differentiated targets with first-in-class (FIC) and BIC potential, which provide strong and diversified product pipelines for the long-term sustainable growth of the Group. Certain research and development assets with high potential are as follows.

SIM0506 (SOS1 small molecule inhibitor)

SIM0506 is an effective and highly selective SOS1 inhibitor independently developed by the Group with global intellectual property rights for the treatment of various solid tumors. Pre-clinical studies showed that SIM0506 demonstrates pan-KRAS inhibitory activity and its synergistic effect was remarkable after combination, which is safe and tolerant with low effective dose and good anti-tumor effect.

- On April 26, 2024, the IND of SIM0506 capsules has been approved by the NMPA, and was intended to commence clinical trials on advanced solid tumors with KRAS pathway mutations.

SIM0508 (Pol θ small molecule inhibitor)

Pol θ is a DNA polymerase, whose mediation of MMEJ repair pathway is one of the important approaches for repairing DNA double strand breaks.

- On June 4, 2024, the application for clinical trials of SIM0508 was officially accepted by the NMPA, and will officially submit the application for clinical trials to the FDA on July 30, 2024.

SIM0505 (CDH6-ADC)

CDH6 is a type II classical cadherin, also known as K-cadherin, located in the lateral basement membrane of epithelial cells and mediates calcium-dependent cell-cell adhesion. Such ADC is intended to be developed for the treatment of malignant tumors like ovarian cancer and renal cancer, and the Group plans to submit the IND application to the NMPA and FDA at the end of 2024 and in the first half of 2025, respectively.

SIM0686 (FGFR2b-ADC)

Fibroblast growth factor receptor (FGFR) is a transmembrane tyrosine kinase receptor of fibroblast growth factor (FGF). At present, there are four known subtypes, namely FGFR1, FGFR2, FGFR3 and FGFR4. Such ADC is intended to be developed for the treatment of advanced malignant tumors like gastric cancer and lung cancer, and the Group plans to submit the IND application to the NMPA and FDA in the first half of 2025.

SIM0323 (CD80/IL2)

SIM0323 is the first-in-class CD80/IL-2 bifunctional fusion protein developed by the Group and GI Innovation, Inc. The preclinical pharmacodynamic model shows significant single-drug efficacy and the potential for combined use with other anticancer drugs, such as PD-1 inhibitors and chemotherapeutics. In 2021, the partner was approved for clinical trials by the Korean Ministry of Food and Drug Safety and the FDA to carry out phase I/II clinical trials of the drug.

SIM0802 (PSD-95)

SIM0802 is a dimer peptide candidate drug that the Group cooperates with Avilex, a Danish biotechnology company, and is intended to be used for the treatment of a variety of neurological diseases such as AIS and Subarachnoid Hemorrhage (SAH). The action target is PSD-95. Its molecular structure has been optimized to have higher affinity, higher stability and stronger neuroprotective activity.

GENERIC PHARMACEUTICALS

For the six months ended June 30, 2024, the Group obtained additional approvals for one generic pharmaceuticals regarding Ritonavir Tablets (100mg), and one consistency evaluation application regarding levamlodipine besylate tablets (2.5mg (calculated by $C_{20}H_{25}ClN_2O_5$)) has been approved.

INTELLECTUAL PROPERTY RIGHTS

Meanwhile, the Group attaches great importance to the protection of intellectual property rights. For the six months ended June 30, 2024, the Group had 199 new patent applications (including domestic and overseas unpublished patent applications), being 193 invention patents, three utility model patent applications and three appearance design patents. As of June 30, 2024, the Group has accumulatively obtained 263 invention patents, 98 utility model patents and 28 appearance design patents.

COMPARATIVE FINANCIAL INFORMATION

All comparative financial information in this announcement has been adjusted to reflect the restated consolidated financial statements for the six months ended June 30, 2023. In November 2023, the Group completed the acquisition of Nanjing Jiayuantang Biological Technology Co., Ltd., and such acquisition was regarded as a business combination under common control by the Group in accordance with the principles of merger accounting as set out in Accounting Guideline 5 “Merger Accounting for Common Control Combinations” issued by the Hong Kong Institute of Certified Public Accountants. The financial information of the Group for the six months ended June 30, 2023 was restated accordingly to comply with the relevant accounting standards.

REVENUE

For the six months ended June 30, 2024, the Group recorded revenue of approximately RMB3,114 million, representing a decrease of approximately 7.9% as compared to approximately RMB3,382 million for the same period of 2023. The decrease in revenue was mainly attributable to (a) the decrease in revenue from promotion service, which included: i) the termination of the promotion service agreement with Daiichi Sankyo Pharmaceutical (Shanghai) Co., Ltd. (第一三共製藥(上海)有限公司) (and its affiliates) due to the entry of the centralized procurement of Softan® (Rosuvastatin Calcium Tablets); and ii) the revenue from promotion service of ENWEIDA® (Envafolimab Injection) falling short of expectations; and (b) the decrease in the sales revenue of XIANNUOXIN® (Simnotrelvir Tablets/Ritonavir Tablets (co-packaged)) after the change of COVID-19 pandemic situation.

Revenue of the Group was mainly derived from the therapeutic areas where its businesses are focused, among which, revenue from the field of oncology was approximately RMB619 million, accounting for 19.9% of the total revenue and representing a decrease of approximately 20.9% as compared to approximately RMB783 million for the same period of 2023. Revenue from the field of nervous system was approximately RMB909 million, accounting for 29.2% of the total revenue and representing a decrease of approximately 13.8% as compared to RMB1,055 million for the same period of 2023. Revenue from the field of autoimmune was approximately RMB850 million, accounting for 27.3% of the total revenue and representing an increase of approximately 29.0% as compared to RMB659 million for the same period of 2023. Revenue from other fields was approximately RMB736 million, accounting for 23.6% of the total revenue and representing a decrease of approximately 16.8% as compared to approximately RMB885 million for the same period of 2023.

THE EXPENDITURE ON RESEARCH AND DEVELOPMENT ACTIVITIES

The expenditure on research and development activities of the Group includes research and development costs and the addition of in-licensed rights of intangible assets.

- For the six months ended June 30, 2024, the total expenditure on research and development activities of the Group amounted to approximately RMB612 million, representing a decrease of approximately 38.1% as compared to approximately RMB989 million for the same period of 2023. The expenditure on research and development activities accounted for approximately 19.7% of the Group's revenue, representing a decrease of 9.5 percentage points as compared to approximately 29.2% for the same period of 2023.

- For the six months ended June 30, 2024, the research and development costs of the Group amounted to approximately RMB566 million, representing a decrease of approximately 27.0% as compared to approximately RMB776 million for the same period of 2023. The research and development costs accounted for approximately 18.2% of the Group's revenue, representing a decrease of 4.7 percentage points as compared to approximately 22.9% for the same period of 2023.

- For the six months ended June 30, 2024, the addition of in-licensed rights of intangible assets amounted to approximately RMB46 million, representing a decrease of approximately 78.4% as compared to the approximately RMB213 million for the same period of 2023. The addition of in-licensed rights of intangible assets accounted for approximately 1.5% of the Group's revenue, representing a decrease of 4.8 percentage points as compared to approximately 6.3% for the same period of 2023.

PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY

The Group recorded a profit attributable to equity shareholders of the Company of approximately RMB457 million for the six months ended June 30, 2024, representing a decrease of approximately 79.9% as compared to approximately RMB2,274 million for the corresponding period of last year. Such change in profit attributable to equity shareholders of the Company was mainly attributable to: (a) the change in fair value of the shares of 3D Medicines Inc. held by the Group (measured based on the closing price of the shares of 3D Medicines Inc.) led to a net fair value loss before tax of approximately RMB48 million recorded in the six months ended June 30, 2024, while a net gain before tax of approximately RMB1,134 million recorded for such investment in the corresponding period of last year; and (b) one-off gain before tax of approximately RMB789 million recorded by the Group from the disposal of interest in subsidiaries in the corresponding period of last year.

NON-HKFRS MEASURE – ADJUSTED PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY

To supplement the financial information presented in accordance with HKFRS, the Group also uses adjusted profit attributable to equity shareholders of the Company as a non-HKFRS measure. Such measure is unaudited in nature and is not required by, or presented in accordance with, HKFRS. The Group defines adjusted profit attributable to equity shareholders of the Company as profit attributable to equity shareholders of the Company after adjusting the following items: (i) net realized and unrealized (loss)/gain on financial assets at fair value through profit or loss; (ii) interest expenses arising from redemption liability; and (iii) the net gain on disposal of interest in subsidiaries. The Group is of the view that the Group's management and investors may benefit from referring to such measure in assessing the financial performance of the Group's core businesses by eliminating the impacts of certain non-recurring, non-cash and/or non-operating items. However, the presentation of adjusted profit attributable to equity shareholders of the Company may not be comparable to similarly titled measures presented by other companies as it does not have a standardized meaning. The application of the non-HKFRS measure has limitations as an analytical tool, and the Shareholders and investors should not consider it in isolation from, or as substitute for analysis of, the results of operations or financial condition of the Group as reported under HKFRS.

Adjusted profit attributable to equity shareholders of the Company increased by approximately 36.5% from RMB394 million for the six months ended June 30, 2023 to RMB538 million for the six months ended June 30, 2024.

The following table presents the Group's adjusted profit attributable to equity shareholders of the Company and the most directly comparable financial measure calculated and presented in accordance with HKFRSs, which is profit attributable to equity shareholders of the Company:

	Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited) (Restated)
Profit attributable to equity shareholders of the Company	**456,600**	2,273,684
Less:		
Net realized and unrealized (loss)/gain on financial assets at fair value through profit or loss[(1)]	**(84,175)**	1,148,800
Interest expenses arising from redemption liability[(2)]	**(5,103)**	–
Net gain on disposal of interest in subsidiaries[(3)]	**–**	789,491
Effect of corresponding income tax	**8,208**	(58,629)
Adjusted profit attributable to equity shareholders of the Company	**537,670**	394,022

Notes:

(1) Net realized and unrealized (loss)/gain on financial assets at fair value through profit or loss arises from the remeasurement of the Group's investments in certain private companies and investment funds, listed equity securities, structured deposits and wealth management products at fair value.

(2) Interest expenses arising from redemption liability represent the change in the carrying amount of the financial liability issued in connection with the capital contributions in Simcere Zaiming (as defined below) in the first half of 2024.

(3) Net gain on disposal of interest in subsidiaries represents gain on disposal of the Group's equity interest in Simcere (Shanghai) Pharmaceutical Co., Ltd. (先聲(上海)醫藥有限公司) and BCY Pharm Co., Ltd. (江蘇博創園生物醫藥科技有限公司) in the first half of 2023.

LIQUIDITY AND FINANCIAL RESOURCES

The Group maintained a sound financial position. For the six months ended June 30, 2024, the net cash generated from operating activities was approximately RMB863 million, while the net cash outflow from operating activities for the same period of last year was approximately RMB82 million. Such change was mainly due to the high investment in XIANNUOXIN® and other innovative drugs by the Group in the first half of 2023. As of June 30, 2024, the Group had cash and cash equivalents of approximately RMB2,755 million (as of December 31, 2023: approximately RMB2,007 million), time deposits of approximately RMB302 million (as of December 31, 2023: approximately RMB12 million). As of June 30, 2024, the Group had a balance of bank loans of approximately RMB1,003 million (as of December 31, 2023: approximately RMB1,221 million), of which RMB994 million (as of December 31, 2023: RMB1,015 million) would mature within one year. As of June 30, 2024, approximately RMB1,003 million of the Group's bank loan balances bore interest at fixed rates, and the effective interest rate range for these loans was 1.0% to 2.35% per annum.

As of June 30, 2024, the current ratio (total current assets divided by current liabilities) of the Group was approximately 209.9% (as of December 31, 2023: approximately 209.9%), while the gearing ratio (total liabilities divided by total assets) was approximately 41.0% (as at December 31, 2023: approximately 33.5%). The increase in gearing ratio was mainly due to: (a) the receipt of an investment amount of RMB970 million by Simcere Zaiming, a subsidiary of the Company, from third party investors in the first half of 2024 which was accounted for as financial liabilities, while the change in the carrying amount of financial liabilities was charged to profit or loss; and (b) the recognition of dividends payable of approximately RMB401 million in respect of the final dividend for the year ended December 31, 2023 declared by the Group in June 2024.

Currently, the Group follows a set of funding and treasury policies to manage its capital resources and prevent risks involved. The Group expects to fund its working capital and other capital requirements from a combination of various sources, including but not limited to external financing at reasonable market rates. In order to better control and minimize the cost of funds, the Group's treasury activities are under the centralized management.

The assets and liabilities of the Group were denominated in RMB, USD, GBP and HKD. During the Reporting Period, the Group did not employ financial derivative instrument or enter into foreign derivative contract to hedge against foreign exchange risk. However, the Group managed the foreign exchange risk by closely monitoring the net exposure of foreign exchange risk, so as to minimize the impact of foreign exchange fluctuations.

PLEDGE OF GROUP'S ASSETS

As of June 30, 2024, the Group pledged bills receivable of approximately RMB68 million for issuance of bank acceptance bills and pledged bank deposits of approximately RMB24 million for issuance of letter of guarantee. As of June 30, 2024, leasehold land with net book value of approximately RMB112 million was pledged as security for banking facilities, which were not utilized as of June 30, 2024. Save as disclosed above, as of June 30, 2024, none of the Group's assets were pledged.

CONTINGENT LIABILITIES

As of June 30, 2024, the Group did not have contingent liabilities.

SIGNIFICANT INVESTMENTS HELD

During the Reporting Period, the Group did not hold any significant investments.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in "Use of Proceeds from the Listing" in this announcement, as of June 30, 2024, the Group did not have any other future plans for material investments and capital assets.

MATERIAL ACQUISITIONS AND DISPOSALS

On January 1, 2024, Jiangsu Simcere Biological Co., Ltd. (江蘇先聲生物製藥有限公司) ("**Simcere Biological**", an indirectly wholly-owned subsidiary of the Company) entered into an equity transfer agreement with Jiangsu Simcere Diagnostics Technology Co., Ltd. (江蘇先聲診斷技術有限公司) ("**Jiangsu Diagnostics Technology**"), pursuant to which Simcere Biological has agreed to acquire, and Jiangsu Diagnostics Technology has agreed to sell, the entire equity interest in Nanjing BioSciKin Innovative Medical Technology Co., Ltd. (南京百家匯創新醫療科技有限公司) ("**Nanjing BioSciKin**") for a cash consideration of RMB42,306,500 (the "**Acquisition**"). The Acquisition was completed on January 31, 2024. Upon completion, Nanjing BioSciKin has become an indirectly wholly-owned subsidiary of the Company. For details, please refer to the announcement of the Company dated January 1, 2024.

On February 24, 2024, the Company, Simcere Pharmaceutical (Shandong) Co., Ltd. (先聲藥業(山東)有限公司) (a directly wholly-owned subsidiary of the Company), Hainan Simcere Pharmaceutical Co., Ltd. (海南先聲藥業有限公司) (an indirectly wholly-owned subsidiary of the Company), Hainan Simcere Zaiming Pharmaceutical Co., Ltd. (海南先聲再明醫藥股份有限公司) ("**Simcere Zaiming**", formerly known as Simcere Zaiming Pharmaceutical Co., Ltd. (先聲再明醫藥有限公司), an indirectly wholly-owned subsidiary of the Company before the Capital Contribution) and each of its subsidiaries (collectively, the "**Simcere Zaiming Group**") entered into the capital contribution agreement, the shareholders' agreement and other relevant transaction documents with Future Industry Investment Fund II (Limited Partnership) (先進製造產業投資基金二期(有限合夥)), Shenzhen Zhongshen Xinchuang Equity Investment Partnership (Limited Partnership) (深圳中深新創股權投資合夥企業(有限合夥)), Suzhou Apricot Xingyong Emerging Medical Industry Investment Fund Management Partnership (Limited Partnership) (蘇州杏澤興湧新興醫療產業投資基金管理合夥企業(有限合夥)) and Quanzhou Dingxin Zhonghe Investment Partnership (Limited Partnership) (泉州鼎信中和投資合夥企業(有限合夥)) (collectively, the "**Investors**"). Pursuant to the Capital Contribution Agreement, the Investors have conditionally agreed to make capital contribution, by way of cash, to Simcere Zaiming in the aggregate amount of RMB970 million in return for approximately 11.45% of the enlarged issued share capital of Simcere Zaiming in aggregate (the "**Capital Contribution**"). Upon completion of the Capital Contribution, Simcere Zaiming became an indirectly non-wholly-owned subsidiary of the Company and the financial results of Simcere Zaiming continued to be consolidated into the financial statements of the Group. For details, please refer to the announcement of the Company dated February 24, 2024.

In addition, as a step of pre-completion restructurings of the Capital Contribution, the board of directors and shareholders of Simcere Zaiming have resolved to adopt an employee incentive scheme to recognize the past and present contributions and to incentivize the future contributions by senior management and core employees of Simcere Zaiming Group. On March 20, 2024, the Board has resolved to grant the incentive interest to the selected participants by way of subscribing for registered capital in Simcere Zaiming either directly or through the Employee Stock Ownership Plan Platform, representing approximately 5% of the enlarged issued share capital of Simcere Zaiming immediately upon completion of such subscription. For details, please refer to the announcement of the Company dated March 20, 2024. Upon completion of the Capital Contribution and as of the date of this announcement, the incentive interest represents approximately 4.43% of the enlarged issued share capital of Simcere Zaiming.

Save as disclosed above, for the six months ended June 30, 2024, the Group had no material acquisition or disposal of subsidiaries, associates and joint ventures.

EMPLOYEES AND REMUNERATION POLICY

As of June 30, 2024, the Group had a total of 6,412 full-time employees. The Group attached great importance to the recruitment, training and retention of outstanding employees, maintaining a high standard in selecting and recruiting talents worldwide, and offered competitive compensation packages. The remuneration of employees mainly included basic salary, performance-based bonus and long-term incentives. Remuneration of the Directors and senior management who worked full time for the Company shall be determined by the remuneration and appraisal committee of the Company under the Board with reference to the principal duties, the results of performance assessment as well as the remuneration level in the market of the relevant managerial positions. During the six months ended June 30, 2024, staff costs of the Group (including emoluments, social insurance and other benefits of the Directors) amounted to approximately RMB1,062 million. The Group established Simcere Institute, which provides employees with training on a regular basis, including orientation programs and technical training for new employees, professional and management training for middle and senior management and health and safety training across all staff. In addition, the Group has also adopted a restricted share unit ("**RSU**") scheme on May 20, 2021 (the "**2021 RSU Scheme**"), with an aim to (1) incentivise the existing and incoming directors, senior management and employees for their contribution to the Group; and (2) attract, motivate and retain skilled and experienced personnel to strive for the future development and expansion of the Group by providing them with the opportunity to own equity interests in the Company.

During the Reporting Period, the Board resolved on March 21, 2024 to grant an aggregate of 3,828,000 RSUs, representing 3,828,000 underlying Shares, to an aggregate of 31 eligible participants under the 2021 RSU Scheme at nil consideration. For details of such grant, please refer to the announcement of Company dated March 21, 2024. The number of Shares available for grant under the scheme mandate limit of the 2021 RSU Scheme was 260,500,061 as of June 30, 2024.

INTERIM DIVIDEND

The Board resolved not to declare any interim dividend for the six months ended June 30, 2024.

USE OF PROCEEDS FROM THE LISTING

The net proceeds from the initial public offering of the shares of the Company in October 2020 and allotment and issuance of shares of the Company pursuant to the partial exercise of the over-allotment option in November 2020 (the "**Net Proceeds**"), amounted to approximately HK$3,513.09 million in aggregate. The proposed use of the Net Proceeds was disclosed in the prospectus of the Company dated October 13, 2020 (the "**Prospectus**").

The following table sets out the utilization of the Net Proceeds as of the June 30, 2024 and the expected timeline for utilization:

Purpose	Percentage of the total amount	Actual Net Proceeds (HK$ in million)	Amount of Net Proceeds utilized during the six months ended June 30, 2024 (HK$ in million)	Amount of Net Proceeds utilized as of June 30, 2024 (HK$ in million)	Amount of Net Proceeds unutilized as of June 30, 2024 (HK$ in million)	Expected timeline for utilization
Continued research and development of the Group's selected product candidates in its strategically focused therapeutic areas	60%	2,107.85	59.93	1,635.40	472.45	The actual Net Proceeds are expected to be fully utilized by 2027.
Reinforcement of the Group's sales and marketing capabilities	10%	351.31	–	351.31	–	The actual Net Proceeds have been fully utilized.
Investment in companies in the pharmaceutical or biotechnology sector	10%	351.31	–	351.31	–	The actual Net Proceeds have been fully utilized.
Repayment of certain of the Group's outstanding bank loans	10%	351.31	–	351.31	–	The actual Net Proceeds have been fully utilized.
Working capital and other general corporate purposes	10%	351.31	–	351.31	–	The actual Net Proceeds have been fully utilized.
Total	**100%**	**3,513.09**	**59.93**	**3,040.64**	**472.45**	

For more details, please refer to the section headed "Future Plans and Use of Proceeds – Use of Proceeds" of the Prospectus. On April 15, 2021, the Board resolved to reallocate the Net Proceeds amounted to approximately HK$325.62 million for the selected cell therapy product candidates, including CD19 CAR-T-cell therapy (Indication 1), CD19 CAR-T-cell therapy (Indication 2), BCMA CAR-T-cell therapy and SIM0325, to the selected oncology product candidates that are currently under development, including COSELA® (SCLC, metastatic CRC and TNBC), SIM0395 and Docetaxel Polymeric Micellar for Injection. On August 31, 2022, the Board resolved to reallocate part of the unutilized Net Proceeds amounted to approximately HK$530 million which originally proposed to be used in selected innovative oncology product candidate at pre-clinical stages (including SIM-200, SIM-203-1, SIM-203-2, SIM-203-3 and SIM-236) to continuous R&D of Sanbexin® sublingual tablets, Sanbexin® (Edaravone and Dexborneol Concentrated Solution for Injection), XIANNUOXIN® and SIM0278. For details, please refer to the announcements of the Company dated April 15, 2021 and August 31, 2022 in relation to the change in use of proceeds (the "**Announcements**"). As of June 30, 2024, the Net Proceeds utilized was approximately HK$3,040.64 million and the Net Proceeds unutilized was approximately HK$472.45 million. The Company intends to apply the unutilized Net Proceeds as of June 30, 2024 in the manner and proportion set out in the Prospectus and the Announcements.

PROSPECTS

In the current financial year and future, the Group will uphold the corporate mission of "providing today's patients with medicines of the future" actively, enhance market distribution and deepen the cooperation with medical institutions at all levels while exploring diversified sales channels, so as to increase the market share and accessibility of its launched products and lay a solid foundation for sustainable development. In addition, the Group will also provide more quality treatment options for patients and contribute more to the health and wellbeing of the community by way of enhancing R&D processes, enhancing the cooperation in production, learning and research, improving R&D efficiency continuously, strengthening the gradient of pipelines, commencing overseas clinical trials proactively as well as promoting the overseas licensing of pipelines under research.

OTHER INFORMATION

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

The Directors have been granted a general mandate by the shareholders of the Company (the "**Shareholders**") at the annual general meeting of the Company held on June 14, 2024 (the "**2023 AGM**") to repurchase up to 260,976,161 shares of the Company (the "**Shares**") on the Stock Exchange (the "**Repurchase Mandate**"), representing 10% of the total number of issued Shares as of the date of the 2023 AGM. During the Reporting Period, the Company repurchased a total of 79,825,000 Shares on the Stock Exchange pursuant to the Repurchase Mandate at a total consideration (excluding expenses) of HK$440,685,620 (the "**Share Repurchase**"), which was funded by internal resources of the Company. As of the date of this announcement, such repurchased Shares (i.e. 79,825,000 Shares) have been cancelled. Details of the Shares repurchased by the Company during the Reporting Period are as follows:

Month of Share repurchase	Total number of Shares repurchased	The highest purchase price per Share (HK$)	The lowest purchase price per Share (HK$)	Total consideration (excluding expense) (HK$)
January 2024	6,961,000	6.58	5.82	42,583,540
March 2024	8,021,000	5.49	5.28	43,162,320
April 2024	34,421,000	5.44	5.07	179,728,360
May 2024	17,519,000	5.84	5.53	100,067,750
June 2024	12,903,000	6.20	5.53	75,143,650
Total	79,825,000	–	–	440,685,620

The Share Repurchase was governed by section 257 of the Hong Kong Companies Ordinance. The total amount paid on the repurchased Shares of HK$440,685,620 (RMB equivalent 401,740,000) was paid wholly out of retained profits.

The Board believes that the Share Repurchase demonstrates the Company's confidence in its own business outlook and prospects and would, ultimately, benefit the Company and create value to the Shareholders. In addition, the Board believes that the current financial resources of the Company enables it to implement the Share Repurchase while maintaining a solid financial position.

Save as disclosed above, during the Reporting Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares). The Company did not hold any treasury shares as of June 30, 2024.

IMPORTANT EVENTS AFTER THE REPORTING PERIOD

After the Reporting Period and up to the date of this announcement, there were no material events affecting the Company or any of its subsidiaries.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Group is committed to maintaining and promoting stringent corporate governance. The principles of the Group's corporate governance are to promote effective internal control measures, uphold a high standard of ethics, transparency, responsibility and integrity in all aspects of business operation, so as to ensure that its business and operation are conducted in accordance with applicable laws and regulations, enhance the transparency of the Board and strength the accountability to all Shareholders. The Group's corporate governance practices are based on the principles and code provisions prescribed in the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the Rules governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

Save as disclosed below, the Group has complied with the code provisions contained in the CG Code during the Reporting Period.

Under code provision C.2.1 of Part 2 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. As of June 30, 2024, the roles of chairman of the Board (the "**Chairman**") and chief executive officer of the Company (the "**Chief Executive Officer**") were not separated and Mr. REN Jinsheng ("**Mr. REN**") currently performs these two roles. Mr. REN is the founder of the Group, the Chairman and the Chief Executive Officer. He has been primarily responsible for developing overall corporate business strategies and business operation of the Group and making significant business and operational decisions of the Group. The Directors jointly consider that vesting the roles of both the Chairman and the Chief Executive Officer in Mr. REN is beneficial to the business prospects of the Group by ensuring consistent leadership to the Group as well as prompt and effective decision making and implementation. In addition, the Directors jointly believe that this structure will not impair the balance of power and authority between the Board and the management of the Company, given that: (i) any decision to be made by the Board requires approval by at least a majority of the Directors; (ii) Mr. REN and other Directors are aware of and undertake to fulfill their fiduciary duties as the Directors, which require, among other things, that he acts for the benefit and in the best interests of the Company and will make decisions for the Company accordingly; (iii) as of the date of this announcement, the balance of power and authority is ensured by the operations of the Board, which consists of four executive Directors (including Mr. REN) and four independent non-executive Directors, and has a fairly strong independence element; and (iv) the overall strategic and other key business, financial, and operational policies of the Company are made collectively after thorough discussion at both Board and senior management levels.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Group has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as the Group's code of conduct regarding the Directors' securities transactions. Having made specific enquiry of all the Directors, all the Directors confirmed that they have strictly complied with the Model Code during the Reporting Period.

AUDIT COMMITTEE AND REVIEW OF FINANCIAL INFORMATION

The Group established the Audit Committee with written terms of reference in compliance with the CG Code. As of the date of this announcement, the Audit Committee consists of three members, all of which are independent non-executive Directors, being Mr. WANG Xinhua, Mr. SONG Ruilin and Mr. WANG Jianguo. The chairperson of the Audit Committee is Mr. WANG Xinhua, who possesses the appropriate professional qualifications and accounting and related financial management expertise. The main duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of the Group, oversee the audit process, review and oversee the existing and potential risks of the Group and perform other duties and responsibilities as assigned by the Board.

The Audit Committee has reviewed the financial reporting processes of the Group and the unaudited condensed consolidated interim financial statements and interim report of the Group for the six months ended June 30, 2024, and is of the opinion that these statements have complied with the applicable accounting standards, the Listing Rules and legal requirements, and that adequate disclosure has been made.

INDEPENDENT REVIEW OF AUDITOR

The interim financial report for the six months ended June 30, 2024 is unaudited, but has been reviewed by KPMG, in accordance with Hong Kong Standard on Review Engagements No. 2410 "*Review of interim financial information performed by the independent auditor of the entity*" issued by the Hong Kong Institute of Certified Public Accountants, whose unmodified review report is included in the 2024 interim report to be sent to the Shareholders.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) as well as the Group (www.simcere.com), respectively. The Group's 2024 interim report will be published on the aforementioned websites in due course.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended June 30, 2024 - unaudited

		Six months ended June 30,	
	Note	**2024**	2023
		RMB'000	*RMB'000*
			(restated)
			(Note 16)
Revenue	*4*	**3,113,524**	3,381,695
Cost of sales		**(651,592)**	(820,358)
Gross profit		**2,461,932**	2,561,337
Other income	*5(a)*	**71,476**	76,461
Other net (loss)/gain	*5(b)*	**(90,519)**	1,953,152
Research and development costs		**(566,129)**	(775,892)
Selling and distribution expenses		**(1,155,619)**	(1,247,477)
Administrative and other operating expenses		**(230,806)**	(257,474)
Reversals of impairment loss on trade and other receivables		**1,825**	939
Profit from operations		**492,160**	2,311,046
Finance income	*6(a)*	**25,411**	30,936
Finance costs	*6(a)*	**(18,366)**	(18,156)
Interest expenses arising from redemption liability	*6(a)*	**(5,103)**	–
Net finance income		**1,942**	12,780
Share of profits/(loss) of associates		**18**	(793)
Share of profits of joint ventures		**573**	1,186
Profit before taxation	*6*	**494,693**	2,324,219
Income tax	*7*	**(38,093)**	(51,346)
Profit for the period		**456,600**	2,272,873

CONSOLIDATED STATEMENT OF PROFIT OR LOSS (CONTINUED)

For the six months ended June 30, 2024 - unaudited

		Six months ended June 30,	
	Note	**2024**	2023
		RMB'000	*RMB'000*
			(restated)
			(Note 16)
Attributable to:			
Equity shareholders of the Company		**456,600**	2,273,684
Non-controlling interest		**–**	(811)
Profit for the period		**456,600**	2,272,873
Earnings per share	*8*		
Basic (RMB)		**0.18**	0.87
Diluted (RMB)		**0.18**	0.86

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended June 30, 2024 – unaudited

	Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
		(restated)
		(Note 16)
Profit for the period	**456,600**	2,272,873
Other comprehensive income for the period (after tax adjustments)		
Items that will not be reclassified to profit or loss:		
Financial assets at fair value through other comprehensive income (FVOCI) – net movement in fair value reserves (non-recycling), net of tax	**(1,055)**	(5,159)
Exchange difference on translation of company level financial statements	**(1,116)**	53,979
Items that will be reclassified to profit or loss:		
Exchange difference on translation of financial statements of overseas subsidiaries	**2,229**	17,555
Other comprehensive income for the period	**58**	66,375
Total comprehensive income for the period	**456,658**	2,339,248
Attributable to:		
Equity shareholders of the Company	**456,658**	2,340,059
Non-controlling interest	**–**	(811)
Total comprehensive income for the period	**456,658**	2,339,248

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At June 30, 2024 – unaudited

	Note	**June 30, 2024**	December 31, 2023
		RMB'000	*RMB'000*
Non-current assets			
Property, plant and equipment		**2,246,969**	2,170,339
Intangible assets		**953,499**	715,786
Goodwill		**142,474**	142,474
Interest in associates		**52,520**	52,502
Interest in joint ventures		**98,277**	98,069
Prepayments, deposits and other receivables		**19,724**	188,954
Financial assets at fair value through other comprehensive income		**173,024**	174,267
Financial assets at fair value through profit or loss		**1,111,053**	1,254,331
Loan to a third party		**100,096**	100,326
Time deposits	*10(c)*	**683**	673
Deferred tax assets		**396,782**	317,002
		5,295,101	5,214,723
Current assets			
Inventories		**656,525**	614,562
Contract assets		**3,719**	13,000
Trade and bills receivables	*9*	**2,413,321**	2,631,645
Prepayments, deposits and other receivables		**245,122**	286,777
Pledged deposits	*10(b)*	**23,787**	52,513
Restricted deposits	*10(b)*	**19,169**	22,148
Time deposits	*10(c)*	**301,430**	11,137
Cash and cash equivalents	*10(a)*	**2,754,982**	2,007,162
		6,418,055	5,638,944

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At June 30, 2024 – unaudited

	Note	**June 30, 2024**	December 31, 2023
		RMB'000	*RMB'000*
Current liabilities			
Bank loans	*11*	**994,483**	1,015,133
Lease liabilities		**83,829**	79,848
Trade and bills payables	*12*	**355,912**	317,218
Other payables and accruals	*13*	**1,473,730**	1,229,812
Taxation payable		**127,082**	17,899
Provisions		**22,000**	25,990
		3,057,036	2,685,900
Net current assets		**3,361,019**	2,953,044
Total assets less current liabilities		**8,656,120**	8,167,767
Non-current liabilities			
Bank loans	*11*	**8,513**	205,846
Lease liabilities		**95,053**	128,397
Deferred income		**438,706**	393,112
Deferred tax liabilities		**65,032**	102,676
Other financial liability	*14*	**975,103**	–
Other non-current liability		**165,000**	115,000
		1,747,407	945,031
NET ASSETS		**6,908,713**	7,222,736

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At June 30, 2024 – unaudited

	Note	**June 30, 2024**	December 31, 2023
		RMB'000	*RMB'000*
CAPITAL AND RESERVES			
Share capital		**3,173,805**	3,173,805
Reserves		**3,734,908**	4,048,931
TOTAL EQUITY		**6,908,713**	7,222,736

Approved and authorized for issue by the board of directors on August 21, 2024.

Ren Jinsheng)
)
)
)
) Directors
)
Wan Yushan)
)
)

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION

(Expressed in Renminbi unless otherwise indicated)

1 GENERAL INFORMATION

Simcere Pharmaceutical Group Limited (the "**Company**") was incorporated in Hong Kong on November 30, 2015 as a limited liability company with its registered office at Room 703, 7/F, Block 20E, Hong Kong Science Park Phase 3, Pak Shek Kok, New Territories, Hong Kong. The Company's shares were listed on the Main Board of the Stock Exchange of Hong Kong Limited on October 27, 2020. The Company is an investment holding company. The Company and its subsidiaries (together, "**the Group**") are principally engaged in the research and development, manufacturing and sales of pharmaceutical products as well as rendering promotion service of pharmaceutical products that are not manufactured by the Group.

2 BASIS OF PREPARATION

This unaudited interim financial information was extracted from the interim financial report of the Group for the six months ended June 30, 2024.

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard ("**HKAS**") 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**").

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2023 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2024 annual financial statements. Details of any changes in accounting policies are set out in Note 3.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2023 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with HKFRSs.

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA.

The financial information relating to the financial year ended December 31, 2023 that is included in the interim financial report as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended December 31, 2023 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

The Company's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under section 406(2), 407(2) or (3) of the Companies Ordinance.

3 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued the following amendments that are first effective for the current accounting period of the Group. Of these, the following developments are relevant to the Group's financial statements:

- Amendments to HKAS 1, *Presentation of financial statements: Classification of liabilities as current or non-current ("**2020 amendments**")*
- Amendments to HKAS 1, *Presentation of financial statements: Non-current liabilities with covenants ("**2022 amendments**")*
- Amendments to HKFRS 16, *Leases: Lease liability in a sale and leaseback*
- Amendments to HKAS 7, *Statement of cash flows* and HKFRS 7, *Financial instruments: Disclosures – Supplier finance arrangements*

None of these developments had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in the interim financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4 REVENUE AND SEGMENT REPORTING

(a) Revenue

Disaggregation of revenue

Disaggregation of revenue from contracts with customers by business lines is as follows:

	Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
		(restated)
		(Note 16)
Revenue from contracts with customers within the scope of HKFRS 15		
Sales of pharmaceutical products	**2,955,614**	3,062,491
Promotion service income	**130,398**	319,204
Research service income	**27,512**	–
	3,113,524	3,381,695

4 REVENUE AND SEGMENT REPORTING (CONTINUED)

(a) Revenue (Continued)

Disaggregation of revenue (Continued)

Disaggregation of revenue from contracts with customers by business lines is as follows: (Continued)

	Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
		(restated)
		(Note 16)
Timing of revenue recognition		
At a point in time	**3,086,012**	3,381,695
Over time	**27,512**	–
	3,113,524	3,381,695

(b) Segment reporting

Operating segments are identified on the basis of internal reports that the Group's most senior executive management reviews regularly in allocating resources to segments and in assessing their performances.

The Group's most senior executive management makes resources allocation decisions based on internal management functions and assess the Group's business performance as one integrated business instead of by separate business lines or geographical regions. Accordingly, the Group has only one operating segment and therefore, no segment information is presented.

HKFRS 8, *Operating Segments*, requires identification and disclosure of information about an entity's geographical areas, regardless of the entity's organization (i.e. even if the entity has a single reportable segment). The Group operates within one geographical location because primarily all of its revenue was generated in the PRC and primarily all of its non-current operating assets and capital expenditure were located/incurred in the PRC. Accordingly, no geographical information is presented.

5 OTHER INCOME AND OTHER NET (LOSS)/GAIN

(a) Other income

	Six months ended June 30,	
	2024	*2023*
	RMB'000	*RMB'000*
		(restated)
		(Note 16)
Government grants	**64,360**	59,844
Rental income	**435**	4,517
Property management income	**628**	5,436
Consulting and technology service income	**3,459**	1,754
Others	**2,594**	4,910
	71,476	76,461

(b) Other net (loss)/gain

	Six months ended June 30,	
	2024	*2023*
	RMB'000	*RMB'000*
Net foreign exchange (loss)/gain	**(4,869)**	14,279
Net gain on disposal of property, plant and equipment	**108**	582
Net realized and unrealized (loss)/gain on financial assets at fair value through profit or loss	**(84,175)**	1,148,800
Net gain on disposal of interest in subsidiaries *(Note)*	**–**	789,491
Reversal of provisions for litigation	**902**	–
Net loss on disposal of intangible assets	**(2,485)**	–
	(90,519)	1,953,152

Note:

On February 24, 2023, the Group entered into an agreement with a third party to dispose its 50% equity interest in BCY Pharm Co., Ltd. ("**BCY**"), one of its controlled subsidiaries, at consideration of RMB200,000,000. Upon the completion of the disposal in March 2023, the Group lost its control on BCY and recognized the remaining 13.57% equity interest in BCY, which amounted to RMB54,150,000, as a financial asset measured at fair value through profit or loss. The net gain on disposal of interest in BCY was RMB197,222,000.

On April 13, 2023, the Group entered into an agreement with a third party to dispose its total equity interest in Simcere (Shanghai) Pharmaceutical Co., Ltd. ("**Simcere (Shanghai)**") at consideration of RMB926,865,000. The disposal was completed in May 2023. The net gain on disposal of interest in Simcere (Shanghai) was RMB592,269,000.

6 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

(a) Net finance income

	Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
		(restated)
		(Note 16)
Interest income from bank deposits	**(23,700)**	(30,936)
Interest income from loan to a third party	**(1,711)**	–
Finance income	**(25,411)**	(30,936)
Interest expenses on bank loans	**15,242**	14,547
Interest expenses on lease liabilities	**3,124**	3,609
Finance costs	**18,366**	18,156
Interest expenses arising from redemption liability *(Note 14)*	**5,103**	–
Net finance income	**(1,942)**	(12,780)

(b) Other items

	Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
		(restated)
		(Note 16)
Depreciation charge		
– owned property, plant and equipment	**108,424**	109,129
– right-of-use assets	**39,459**	36,048
Amortization of intangible assets	**13,365**	5,428
Provision for write-down of inventories	**29,969**	3,163

7 INCOME TAX

Taxation in the consolidated statements of profit or loss represents:

	Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
Current tax		
PRC Corporate Income Tax		
Provision for the period	**160,507**	52,706
Over – provision in respect of prior years	**(5,262)**	(4,927)
	155,245	47,779
Overseas Corporate Income Tax		
Provision for the period	**75**	1,928
Deferred tax		
Origination and reversal of temporary differences	**(117,227)**	1,639
	38,093	51,346

The provision for PRC income tax is based on the respective corporate income tax rates applicable to the subsidiaries located in the PRC as determined in accordance with the relevant income tax rules and regulations of the PRC.

Taxation for overseas subsidiaries is similarly calculated using the estimated annual effective rates of taxation that are expected to be applicable in the relevant countries.

8 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB456,600,000 (six months ended June 30, 2023: RMB2,273,684,000, as restated) and the weighted average of 2,552,167,209 ordinary shares (six months ended June 30, 2023: 2,618,949,497 ordinary shares) in issue during the interim period.

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB456,600,000 (six months ended June 30, 2023: RMB2,273,684,000, as restated) and the weighted average of 2,552,167,209 ordinary shares (six months ended June 30, 2023: 2,629,759,497 shares).

9 TRADE AND BILLS RECEIVABLES

	June 30, 2024	December 31, 2023
	RMB'000	*RMB'000*
Trade receivables	**2,060,527**	1,996,245
Bills receivable	**374,181**	658,575
	2,434,708	2,654,820
Less: loss allowance	**(21,387)**	(23,175)
	2,413,321	2,631,645

All of the trade and bills receivables are expected to be recovered within one year.

As at June 30, 2024, bills receivable of RMB67,579,000 were pledged for issuance of bills payable (2023: RMB75,977,000).

Aging analysis

As of the end of the reporting period, the aging analysis of trade and bills receivables, based on the invoice date and net of loss allowance, is as follows:

	June 30, 2024	December 31, 2023
	RMB'000	*RMB'000*
Within 3 months	**2,065,144**	2,014,485
Over 3 months but within 6 months	**256,718**	564,369
Over 6 months but within 9 months	**91,047**	47,761
Over 9 months but within 12 months	**412**	5,030
	2,413,321	2,631,645

Trade receivables are due within 30 to 90 days from the date of billing.

10 CASH AND CASH EQUIVALENTS, TIME DEPOSITS, PLEDGED DEPOSITS AND RESTRICTED DEPOSITS

(a) Cash and cash equivalents comprise:

	June 30, 2024	December 31, 2023
	RMB'000	*RMB'000*
Cash at bank	**2,754,982**	2,007,162

As of the end of the reporting period, cash and cash equivalents situated in Chinese Mainland amounted to RMB2,050,807,000 (2023: RMB1,843,969,000). Remittance of funds out of Chinese Mainland is subject to relevant rules and regulations of foreign exchange control.

(b) Pledged deposits and restricted deposits comprise:

	June 30, 2024	December 31, 2023
	RMB'000	*RMB'000*
Pledged deposits for		
– issuance of letter of guarantee	**23,787**	52,513

	June 30, 2024	December 31, 2023
	RMB'000	*RMB'000*
Restricted deposits for		
– 2021 RSU Scheme	**10,232**	10,232
– litigations	**204**	3,990
– research and development projects	**8,733**	7,926
	19,169	22,148

(c) Time deposits:

	June 30, 2024	December 31, 2023
	RMB'000	*RMB'000*
Current portion	**301,430**	11,137
Non-current portion	**683**	673
	302,113	11,810

11 BANK LOANS

The maturity profile for the interest-bearing bank loans of the Group at the end of each reporting period is as follows:

	June 30, 2024	December 31, 2023
	RMB'000	*RMB'000*
Short-term bank loans	**993,773**	762,427
Current portion of long-term bank loans	**710**	252,706
Within 1 year or on demand	**994,483**	1,015,133
After 1 year but within 2 years	**659**	197,655
After 2 years but within 5 years	**1,977**	1,965
After 5 years	**5,877**	6,226
	8,513	205,846
	1,002,996	1,220,979

The bank loans were secured as follows:

	June 30, 2024	December 31, 2023
	RMB'000	*RMB'000*
Bank loans		
– Unsecured	**1,002,996**	1,220,979

12 TRADE AND BILLS PAYABLES

	June 30, 2024	December 31, 2023
	RMB'000	*RMB'000*
Trade payables	**288,333**	228,585
Bills payable	**67,579**	88,633
	355,912	317,218

12 TRADE AND BILLS PAYABLES (CONTINUED)

As of the end of the reporting period, the aging analysis of trade and bills payables, based on the invoice date, is as follows:

	June 30, 2024	December 31, 2023
	RMB'000	*RMB'000*
Within 3 months	**270,226**	220,812
3 to 12 months	**82,186**	94,377
Over 12 months	**3,500**	2,029
	355,912	317,218

All of the trade and bills payables are expected to be settled within one year or repayable on demand.

13 OTHER PAYABLES AND ACCRUALS

	June 30, 2024	December 31, 2023
	RMB'000	*RMB'000*
Accrued expenses *(Note i)*	**430,157**	495,241
Contract liabilities *(Note ii)*	**38,979**	43,311
Payable for employee reimbursements	**13,059**	18,236
Payables for staff related costs	**292,529**	335,832
Payables for purchase of property, plant and equipment	**19,712**	29,675
Payable for acquisition of intangible assets	**70,000**	47,170
Dividends payable	**401,484**	–
Other tax payables	**126,235**	152,670
Payables for research and development	**33,036**	43,516
Others	**48,539**	64,161
	1,473,730	1,229,812

Notes:

(i) Accrued expenses primarily comprise marketing and promotion expenses, research and development costs and other expenses.

(ii) Contract liabilities represent customers' advances received for goods that have not yet been transferred to the customers.

14 OTHER FINANCIAL LIABILITY

On February 24, 2024, Hainan Simcere Zaiming Pharmaceutical Co., Ltd. ("**Simcere Zaiming**"), a PRC subsidiary of the Group, entered into capital contribution agreement with certain investors, pursuant to which Simcere Zaiming issued additional share capital of RMB52,559,000 for a total consideration of RMB970,000,000. The capital contribution was completed on June 4, 2024 with all consideration received.

In addition to voting rights and dividend rights same as other equity holders of Simcere Zaiming, certain special rights including repurchase rights, liquidation preference rights and anti-dilution rights are granted to these investors. Since there is an obligation for the Group to purchase its own equity instrument for cash when certain conditions set out in the agreement are met, it gives rise to a financial liability for the present value of the redemption amount . The subsequent changes of the financial liability under amortised costs are recognised in profit or loss directly.

Movements of the redemption liability are as follows:

	Redemption liability
	RMB'000
At January 1, 2024	–
Additions during the period	970,000
Charged to profit or loss	5,103
At June 30, 2024	975,103

15 DIVIDENDS

Dividends payable to equity shareholders of the Company attributable to the previous financial years, declared and approved during the period:

	Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
Dividends in respect of previous financial years declared and approved during the interim period, RMB0.16 per share (six months ended June 30, 2023: RMB0.16 per share)	**406,946**	426,247
Less: Dividends attributable to unvested shares under 2021 RSU scheme	**(5,462)**	(7,029)
	401,484	419,218

The directors did not recommend payment of interim dividends for the interim period (no interim dividend for the six months ended June 30, 2023).

16 BUSINESS COMBINATION UNDER COMMON CONTROL

In November 2023, the Group agreed to acquire the entire equity interest of Nanjing Jiayuantang Biotechnology Co., Ltd., which is principally engaged in manufacturing and sales of healthcare products in the PRC, from Jiangsu Xianhui Pharmaceutical Research Co., Ltd. at a consideration of RMB5,022,600. The acquisition was completed on November 17, 2023. Upon completion of the acquisition, Nanjing Jiayuantang Biotechnology Co., Ltd. and its subsidiary (together, "**Nanjing Jiayuantang Group**") became subsidiaries of the Group. As Nanjing Jiayuantang Group and the Group was ultimately controlled by Mr. Ren Jinsheng before and after the business combination and the control is not transitory, the acquisition of Nanjing Jiayuantang Group was considered as a business combination involving entities under common control.

The Group has consistently adopted the accounting policy for business combination under common control that merger accounting is applied to account for the acquisition of Nanjing Jiayuantang Group in preparing the financial statements of the Group. By applying the principles of merger accounting, the comparative amounts in the consolidated financial statements are presented as if the entities or businesses had been consolidated at the earliest balance sheet date presented or when they first came under common control, whichever is later.

The financial performance previously reported by the Group for the six months ended June 30, 2023 have been restated to include the operating results of the combining entities from the earliest date presented or since the date when combining entities first came under common control, where this is a shorter period, regardless of the date of the common control combination.

By order of the Board
Simcere Pharmaceutical Group Limited
Mr. Ren Jinsheng
Chairman and Chief Executive Officer

Hong Kong, August 21, 2024

As at the date of this announcement, the Board comprises Mr. REN Jinsheng as the Chairman and executive Director; Mr. TANG Renhong, Mr. WAN Yushan and Ms. WANG Xi as the executive Directors; and Mr. SONG Ruilin, Mr. WANG Jianguo, Mr. WANG Xinhua and Mr. SUNG Ka Woon as the independent non-executive Directors.