



Huadong Medicine Co., Ltd.

Semi-Annual Report 2022

August 2022

Section I. Important Declaration, Contents and Definitions

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

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

All directors have attended the Board of Directors meeting to review this half year report.

The future plans, development strategies and other forward-looking statements in this half year report shall not be considered as substantial commitment of the Company to investor. Investors and related parties should maintain sufficient risk awareness, and should understand the difference between plans, forecasts and promises.

The risks the Company faces in operation including industry policy and market operation risk, new drug R&D risk, exchange rate fluctuation risk and goodwill impairment risk , etc. For details, refer to “X. Risks and Countermeasures” in “Section III. Discussion and Analysis of the Management”. We thank all investors for paying attention to the Company’s operations, and we hope that you can be aware of investment risks.

The company does not plan to distribute cash dividends, no bonus share will be issued; and no capital reserve will be converted to increase the share capital.

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

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Contents of Reference File

- I. Financial statements signed and stamped by the legal representative, the person in charge of accounting work and the head of accounting institution (accounting manager).
- II. The original of all Company's documents publicly disclosed in the press designated by CSRC during the reporting period and the original of announcements.

Definitions

Term	refers to	Definition
CSRC	refers to	China Securities Regulatory Commission
SSE	refers to	Shenzhen Stock Exchange
Huadong Medicine/the Company/our Company	refers to	Huadong Medicine Co., Ltd.
CGE	refers to	China Grand Enterprises, Inc.
Huadong Medicine Group	refers to	Hangzhou Huadong Medicine Group Co., Ltd.
Zhongmei Huadong	refers to	Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd.
Jiangdong Company	refers to	Hangzhou Zhongmei Huadong Pharmaceutical Jiangdong Co., Ltd.
Jiuyang Bio	refers to	Jiangsu Jiuyang Biopharm Co., Ltd.
Xi'an Bohua	refers to	Huadong Medicine (Xi'an) Bohua Pharmaceutical Co., Ltd.
Jiuyuan Gene	refers to	Hangzhou Jiuyuan Gene Engineering Co., Ltd.
Doer Biologics	refers to	Zhejiang Doer Biologics Co., Ltd.
Huadong Ningbo Company	refers to	Huadong Ningbo Medicine Co., Ltd.
Chongqing Peg-Bio	refers to	Chongqing Peg-Bio Biopharm Co., Ltd.
Qyuns Therapeutics	refers to	Qyuns Therapeutics Co., Ltd.
Nuoling Bio	refers to	Nuoling Biomedical technology (Beijing) Co., Ltd.
Grand Chanrong	refers to	Shanghai Grand Industrial and Financial Investment Management Co., Ltd.
Hangzhou Gaotou	refers to	Hangzhou Hi-Tech Venture Capital Management Co., Ltd.
Grand Huachuang	refers to	Beijing Grand Huachuang Investment Co., Ltd.
Hangzhou Heda	refers to	Hangzhou Heda Industrial Fund Investment Co., Ltd.
Pharmaceutical Industry Fund/Fuguang Hongxin	refers to	Hangzhou Fuguang Hongxin Equity Investment Partnership (Limited Partnership)
Meihua Hi-Tech	refers to	Anhui Meihua Hi-Tech Pharmaceutical Co., Ltd.
Meiqi Health	refers to	Hubei Meiqi Health Technology Co., Ltd.
Angel	refers to	Hubei Angel Bioengineering Group Co., Ltd.
Takeda	refers to	Takeda Pharmaceuticals Company Ltd.
Sinclair	refers to	Sinclair Pharma Limited
vTv	refers to	vTv Therapeutics LLC
R2	refers to	R2 Technologies, Inc.
MediBeacon	refers to	MediBeacon Inc.
ImmunoGen	refers to	ImmunoGen, Inc.
Provention Bio	refers to	Provention Bio, Inc.
RAPT	refers to	RAPT Therapeutics, Inc.
Kylane	refers to	Kylane Laboratoires SA
High Tech	refers to	High Technology Products, S.L.U.
Exscientia	refers to	Exscientia Ltd.
Heidelberg Pharma	refers to	Heidelberg Pharma AG
Kiniksa	refers to	Kiniksa Pharmaceuticals (UK), Ltd.

KiOmed	refers to	KiOmed Pharma SA
Daewon	refers to	Daewon Pharmaceutical Co., Ltd.
AKSO	refers to	AKSO Biopharmaceutical, Inc.
Ashvattha	refers to	Ashvattha Therapeutic, Inc.
SCOHIA	refers to	SCOHIA PHARMA, Inc.
EMAAesthetics	refers to	EMA Aesthetics Limited
Julphar	refers to	Gulf Pharmaceutical Industries PJSC(JULPHAR)
GMP	refers to	Good Manufacturing Practice
cGMP	refers to	Current Good Manufacture Practices
GSP	refers to	Good Supply Practice
BE	refers to	Bioequivalence
CDE	refers to	Center for Drug Evaluation (of National Medical Products Administration)
MAH	refers to	Marketing Authorization Holder
FDA	refers to	(U.S.) Food and Drug Administration
NMPA	refers to	National Medical Products Administration
NHSA	refers to	National Healthcare Security Administration
NDA	refers to	New Drug Application
ANDA	refers to	Abbreviated New Drug Application (or Generic Drug Application)
ICH	refers to	International Council for Harmonisation (of Technical Requirements for Pharmaceuticals for Human Use)
IND	refers to	Investigational New Drug
PK/PD	refers to	pharmacokinetics/pharmacodynamics
CMC	refers to	Chemistry, Manufacturing and Control
CMO	refers to	Contract Manufacturing Organization
CDMO	refers to	Contract Development and Manufacturing Organization
QA	refers to	Quality Assurance (department)
ADC	refers to	Antibody-Drug Conjugates
EBD	refers to	Energy Based Device
BD	refers to	Business Development
EBITDA	refers to	Earnings Before Interest, Taxes, Depreciation and Amortization
EHS	refers to	Environment, Health, Safety
MRCT	refers to	International Multi-center Clinical Trial
OTC	refers to	Over The Counter
Prescription Drugs	refers to	Drugs that require medical prescriptions issued by physicians to be bought and used
Catalogue of Drugs for Insurance (2021)	refers to	Catalogue of Drugs for Basic National Medical Insurance/Employment Injury Insurance/Birth Insurance (2021)
Reporting Period	refers to	From January 1, 2022 to June 30, 2022

Section II. Company Profile and Key Financial Indicators

I. Company information

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

II. Contact persons and contact information

	Secretary of the Board of Directors	Securities Affairs Representative
Name	Chen Bo	/
Contact address	866 Moganshan Road, Hangzhou	/
Tel.	0571-89903300	/
Fax	0571-89903300	/
Email address	hz000963@126.com	/

III. Other information

1. Company's contact information

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

Applicable N/A

There is no change in the Company's registered address, office address, zip code, company website or company email address during the reporting period. For details, please refer to 2021 Annual Report.

2. Information disclosure and place of the report

Whether there is alteration in information disclosure and place of the report during the reporting period.

Applicable N/A

The media selected by the Company for information disclosure, the website designated by CSRC for publication of the half year report, and the location of preparation of the Company's half year report have not changed during the reporting period. For details, please refer to the 2021 Annual Report.

3. Other information

Changes of other related materials

Applicable Not applicable

IV. Key accounting data and financial indicators

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

Yes No

	Current reporting period	Same period last year	Change of the current reporting period over the same period last year(%)
Operating revenue (yuan)	18,197,963,991.01	17,179,437,902.61	5.93%
Net profit attributable to shareholders of listed companies (yuan)	1,340,570,484.98	1,300,346,324.85	3.09%
Net profit attributable to shareholders of listed companies after deducting non-recurring gains/losses (yuan)	1,271,839,179.63	1,193,980,887.18	6.52%
Net cash flow from operating activities (yuan)	284,234,410.27	1,738,512,372.11	-83.65%
Basic earnings per share (yuan/share)	0.7661	0.7431	3.10%
Diluted earnings per share (yuan/share)	0.7661	0.7431	3.10%
Weighted average return on equity (ROE)	7.79%	8.54%	-0.75%
	End of the current reporting period	End of last year	Change of the end of the current reporting period over the end of last year(%)
Total assets (yuan)	28,760,972,695.55	26,996,403,366.69	6.54%
Net assets attributable to shareholders of listed companies (yuan)	17,348,589,995.88	16,579,374,323.08	4.64%

Share capital of the Company as of the trading day before disclosure

Share capital of the Company as of the trading day before disclosure (share)	1,749,809,548.00
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Fully diluted earnings per share calculated on the basis of the latest Share capital

Dividends paid on preferred shares	0.00
Perpetual bond interest paid (yuan)	0.00
Fully diluted earnings per share calculated on the basis of the latest Share capital (yuan/share)	0.7661

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

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

Applicable N/A

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

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

Applicable N/A

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

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

√ Applicable □ N/A

Unit: RMB yuan

Item	Amount	Note
Gains/losses on disposal of non-current assets (including the written-off part of the accrued assets impairment reserve)	8,869,764.03	
Tax refund and reduction with ultra vires examination and approval or without official approval documents	2,460,133.93	
Government grants included in current gains/losses (excluding those closely related to daily business operation and distributed constantly in accordance with certain standard quota or quantity in line with national policies and regulations)	79,193,296.76	Mainly due to the confirmation of government grants by subsidiaries in the current period.
Other non-operating revenue or expenditure expect above-mentioned items	-4,584,744.04	
Minus: Amount affected by income tax	15,093,154.00	
Amount affected by rights and interests of minority stakeholders (after tax)	2,113,991.33	
Total	68,731,305.35	

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

□ Applicable √ N/A

There are no other profit and loss items in line with the definition of non-recurring gains and losses in the Company.

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

□ Applicable √ N/A

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

Section III. Discussion and Analysis of the Management

I. Main business of the company during the reporting period

1. Main business of the company

Huangdong Medicine Co., Ltd (hereinafter referred to as the “Company”) (Stock Code: 000963), founded in 1993, is headquartered in Hangzhou, Zhejiang Province. It was listed on the Shenzhen Stock Exchange in December 1999. After more than 20 years of development, the Company’s business has covered the entire pharmaceutical industrial chain. With dominance in the pharmaceutical sector, the Company also expands its aesthetic medicine and industrial microbial business, making the Company a large-scale comprehensive pharmaceutical listed company integrating pharmaceutical R&D, manufacturing and distribution.

With the pharmaceutical industry deeply engaged in the R&D, manufacturing and sales of specialty medicine, chronic disease medicine and special medicine, the Company has formed a complete pharmaceutical manufacturing and quality research system, as well as a core product pipeline focusing on the fields of chronic kidney disease, transplantation immunity, endocrinology and digestive system, and it has a number of first-line clinical medicine with market advantages in China. At the same time, the Company focuses on the R&D of innovative medicine and the generic medicine with high-tech barriers in the three core treatment fields of oncology, endocrine and autoimmunity through independent development, external introduction and project cooperation. The Company continuously carry out international product registration, international certification, and consistency assessment, and continuously to achieve results. It has established an international-oriented pharmaceutical industry system, and has maintained healthy R&D and product cooperation relationship with many international innovative and R&D enterprises.

The pharmaceutical business of the Company has four business segments, namely, Chinese and Western medicine, medical devices, medicinal ginseng, and health industry, covering general pharmaceutical merchandising, pharmaceutical retail, third-party pharmaceutical goods flow characterized by a cold chain, pharmaceutical e-commerce, hospital value-added services and characteristic large health industry. Besides, the

Company further develops the field of product agency and market expansion. The traditional Chinese medicine industry has built a whole industrial chain from base planting to decoction piece processing, automatic decoction and functional products, so as to provide customers with comprehensive solutions.

Committed to the strategy of "global operation layout and double-cycle operation and development", the aesthetic medical business of the Company has more than 30 products in the non-invasive + minimally invasive aesthetic medical fields with a forward-looking layout and international vision, including more than 20 products listed at home and abroad, and more than 10 global innovative products under research. The product portfolio covers non-surgical mainstream aesthetic medical fields such as facial filling, facial cleaning, thread lifting, skin care management, body shaping, hair removal, and private part repair. A comprehensive product cluster has been formed, and the number of products and coverage areas have been at the forefront of the industry. Sinclair, a wholly owned subsidiary, is the Company's global aesthetic medical operation platform. Headquartered in the United Kingdom, it has manufacturing bases in the Netherlands, France, the United States, Switzerland and Bulgaria. Sinclair promotes and sells products such as long-acting microspheres for injection, hyaluronic acid and facial lifting in the global market, and explores and develops the business of energy-based devices for aesthetic medicine in the global market through High Tech and Viora, the Company's wholly owned subsidiaries. The aesthetic medical segment also includes Sinclair (Shanghai) the Company's wholly owned operation and sales subsidiary in the Chinese market, and R2 in the United States and kylane in Switzerland, the Company's overseas technology R&D subsidiaries.

The Company has been deeply engaged in the field of industrial microbial for more than 40 years. With a profound industrial foundation and transformation capacity, the Company has successfully developed and produced a variety of microbial medicine and built a key technology system for R&D and manufacturing of microbial products. The scale and technical level of existing microbial fermentation products features an industry-leading level. The Company has three microbial R&D platforms in Zhongmei Huadong, Huida Biotech and Huiyi Biotech, five industrial bases of Hangzhou Xiangfu Qiao industrial base, Qiantang New District industrial base, Jiangsu Jiuyang industrial base, Meiqi Health industrial base and Meihua Hi-tech industrial base, and the largest fermentation monomer

workshop in Zhejiang Province and the industry-leading capacity in microbial medicine manufacturing. The R&D capability covers all stages of microbial engineering technology, such as strain cultivation, metabolic control, separation and purification, enzyme catalysis, synthesis and modification, and has established a complete manufacturing system for microbial project R&D, pilot test, commercial manufacturing, engineering and public system support. At present, the Company has more than 100 R&D projects in the industrial microbial field.

2. Overview of the Company's operations during the reporting period

In the first half of 2022, under the complex situation of intensified international geopolitical landscape conflicts, rising global stagflation risk and repeated outbreak of global COVID-19 pandemic, China's economy faces increased risks and uncertainties. Although the uncertainty of the external environment and the partial outbreak of the pandemic have brought obvious pressure on the domestic macro-economic development, through the effective pandemic prevention and control combined with the simultaneous implementation of a series of practical and effective measures for economic and social development, the domestic pandemic prevention and control has achieved positive results, and various economic stabilization policies and measures have made positive progress. The overall situation is stable and positive, and China's economy has further demonstrated strong development resilience with a very hard-won mid-year report card.

During the Reporting Period, in the face of various pressures and challenges such as the complex and changeable external environment, frequent outbreak of domestic pandemic and declining market demand, the Company actively implemented the spirit of the annual work conference, promoted development and stability through fights, and coordinated the pandemic prevention and control with various transformation and innovation tasks. Meanwhile, as unswervingly taking the recovery of growth as the core target, the Company paid close attention to the work style, and actively promoted the steady progress of manufacturing and operation, thus achieving sound operating results, realizing a growth under complex and difficult environment, and successfully completing the business targets of the first half of 2022. During the Reporting Period, the Company realized an operating income of RMB18,198 million, a year-on-year increase of 5.93% (a year-on-year increase of 0.4% in the first quarter); it realized the net profit net of non-

recurring gains and losses attributable to shareholders of the listed company of RMB1,272 million, a year-on-year increase of 6.52% (a year-on-year increase of 0.4% in the first quarter); if the calculation is based on the same standard as charging off the previous year's annual report of Huadong Ningbo Company, the Company's holding subsidiary, the Company's operating income during the Reporting Period increased by 9.56% year-on-year, and the net profit net of non-recurring gains and losses attributable to shareholders of the listed company increased by 8.5% year-on-year. The overall operation of the Company shows a sustained and steady growth trend. (Note: Huadong Ningbo Company, which has been closed and liquidated in the Reporting Period, realized an operating income of RMB569 million in the previous Reporting Period, including an operating income of RMB380 million from aesthetic medical agency business, and a net profit attributable to the Company's consolidated statements of RMB25.67 million.)

In the second quarter of 2022, the Company overcame various unfavorable factors and achieved growth in the pharmaceutical industry, pharmaceutical business, aesthetic medical business and industrial microbial business. The Company realized a total operating income of RMB9,265 million, a year-on-year increase of 11.86%; it realized the net profit net of non-recurring gains and losses attributable to shareholders of the listed company of RMB573 million, a year-on-year increase of 15.06%.

Specific operation of each business segment during the Reporting Period:

1. The pharmaceutical industry recovered steadily, and the R&D and innovation continuously accelerated

During the Reporting Period, closely focused on the Company's strategic goals and annual business plans, Zhongmei Huadong, the Company's core subsidiary, carried out various tasks, withstood the pressure from all aspects, actively overcome the difficulties in the Volume-Based Procurement program, the price reduction in medical insurance negotiation and the pandemic in the first half of 2022, and continuously maintained a stable and positive trend in manufacturing and operation. In the second quarter, the sales of core products kept increasing, becoming the core driving force for the Company's overall performance growth. In the Reporting Period, Zhongmei Huadong realized an operating income of RMB5.5 billion, a year-on-year increase of 1.4%; it realized the net profit net of non-recurring gains and losses of RMB1.06 billion, a year-on-year decrease of 4.3% (a

year-on-year decrease of 13.41% in the first quarter), and the net profit net of non-recurring gains and losses attributable to the parent company of RMB1,064 million, a year-on-year decrease of 3.7%, which was significantly narrowed compared with the first quarter.

Specifically, the operating income in the second quarter was RMB2.71 billion, a year-on-year increase of 16.2%; the net profit attributable to the parent company was RMB540 million, a year-on-year increase of 16.5%, and the net profit net of non-recurring gains and losses attributable to the parent company was RMB490 million, a year-on-year increase of 12%. The downward trend has been reversed, and the performance has begun to gradually increase. During the Reporting Period, the Company continuously increased investment, accelerated the promotion of R&D, innovation and clinical registration, achieving positive progress. For details, please refer to the corresponding contents of R&D.

During the Reporting Period, the Company's manufacturing system continuously created new operation modes, developed an open manufacturing system, realized the integrated management of the manufacturing system, and deeply promoted the extensive lean manufacturing and full cost management of all employees. Besides, the Company continuously carried out technological innovation, reduced energy consumption, and improved manufacturing efficiency and per capita labor efficiency while ensuring market supply. In addition, the Company strengthened the of quality compliance management and GMP normalized management, actively promoted the internationalization process, and continuously carried out the international registration and certification of products. During the Reporting Period, Zhongmei Huadong's Pantoprazole Sodium for Injection, which had been approved by the US FDA, was exported to the US market, marking an important achievement of the Company's preparation product internationalization.

During the Reporting Period, the Pharmaceutical Service Company of Zhongmei Huadong actively improved the pharmaceutical service capability in an all-round way through fine management. On the premise of constantly improving market access and professional promotion capability and stabilizing the basic hospital market, the company actively extended to the outside market, deeply explored the potential of the outside and online markets, and continuously built multi-dimensional marketing ability. The company optimized the talent training mechanism and created a team of pharmaceutical service talents. By strengthening talent training and external introduction, the company

continuously strengthened the development of county and grass-roots markets in various provinces and cities, paid close attention to the coverage of grass-roots terminals, focused on the blank market and hospital development, and built a grass-roots benchmark hospital. Besides, the company also launched an academic activity management system, actively cooperated with the Company's Internet hospitals to promote the digital transformation of marketing and optimize the external promotion service system, so as to promote the continuous deepening of transformation of the pharmaceutical service company.

In June 2022, Acarbose Tablets (50 mg) and Pantoprazole Sodium for Injection (40 mg) from Zhongmei Huadong were successfully selected in the renewed contract of 44 consecutive varieties of the Volume-Based Procurement program carried out by the medicine alliance consisted of 13 provinces including Henan Province. The results of contract renewal of the Volume-Based Procurement program have been implemented in the provinces of the alliance since July 2022.

In July 2022, Zhongmei Huadong and Xi'an Bohua participated in the bidding of the seventh batch of the Volume-Based Procurement program by the Joint Procurement Office organized by the state. The Mycophenolate Mofetil Capsules and Pioglitazone Hydrochloride Tablets of Zhongmei Huadong and the Ornidazole Tablets of Xi'an Bohua participated in the bidding and were successfully qualified to win the bid. The seventh batch of the Volume-Based Procurement program results is expected to be implemented from November 2022.

2. The industrial microbial business maintained a sound development momentum, continuously injecting new energy of R&D

During the Reporting Period, although the Company's industrial microbial segment was affected by the domestic pandemic, which led to the delay in the performance of some sales contracts, the overall revenue of the segment continuously maintained a sound development trend, a year-on-year increase of 31%, driven by the rapid growth of the Company's anti-infection and pharmaceutical intermediate raw material products in overseas markets.

As the operation platform of the Company's large health business in the industrial microbial field, the green manufacturing project on functional health products invested by Meiqi is about to start construction. At the same time of the project construction, the

entrusted manufacturing and sales of vitamin K2, Ectoin and other products have been completed. In addition, Meiqi's R&D project with sufficient technical reserves will make full use of Angel's domestic and international product registration capabilities in the field of food and large health to accelerate the manufacturing layout and the building of business promotion system, to accelerate the market development process of Meiqi.

Meihua Hi-tech (formerly Huachang High-tech), a wholly-owned acquired subsidiary, was formally put into trial manufacturing at the end of April. Currently, it is undertaking the manufacturing of nucleoside products and integrating the manufacturing of internal API transfer. In the future, Meihua Hi-tech will become a brand-new industrialized platform in the industrial microbial field. Taking nucleoside products as the core and considering the layout of the Company's upstream and downstream industrial chains, it will create an industrialized base for special functional chemicals, pharmaceutical API and high-end intermediates that meet international standards.

As an innovative R&D platform for the Company's industrial microbial industry, the holding subsidiary Huida Biotech continuously promoted product R&D and made positive progress. In terms of the R&D and commercialization of ADC payloads, it has provided CDMO services for ADC payloads, linkers and related products to more than 100 customers worldwide. Since its founded in 2020, Huida Biotech has established a good reputation and brand image in the industry by virtue of its own advantages. Specifically, Exatecan Mesylate and DM1 successively obtained the US DMF registration number in January 2022 and July 2022, respectively.

In May 2022, the Company invested in a wholly-owned subsidiary, Huiyi Biotech, which has a strong level of synthetic biology technology. Through the gene construction and transformation of high-efficiency engineering strains such as yeast, *Escherichia coli* and *Bacillus subtilis*, Huida Biotech has realized the wide application of biotechnology in pharmaceutical engineering, fine chemicals, new biological materials and other fields. Huiyi Biotech has a microbial cell plant construction platform, a biological enzyme screening and evolution platform, and a fermentation and product separation and purification platform. It has built an enzyme library resource including all seven major enzyme systems. Besides, its business includes the R&D of industrial enzyme preparation,

the R&D of fermentation process optimization technology, and the R&D of bio-based material technology.

In July 2022, the Company's wholly-owned subsidiary Zhongmei Huadong, the Gongshu Government in Hangzhou and Zhejiang University of technology jointly established the Huadong Institute of Synthetic Biology Industry Technology (hereinafter referred to as the "Institute"), which will focus on the four fields of nutrition and pharmaceutical chemicals, aesthetic medical biology, biomaterials and health substitutes based on synthetic biology technology. Meanwhile, the Institute insists on serving the strategic needs of the national "bio-economy", and takes as breakthroughs the new mechanism of intelligent biological manufacturing and industrial revolutionary technical issues, while carrying out technological innovation research and industrial transformation research around intelligent biological manufacturing with the help of artificial intelligence, big data and intelligent automation equipment. The Institute is in the Huadong Medical Life Science Industrial Park (the Company's Xiangfu Qiao plant), and Zheng Yuguo, an academician of the Chinese Academy of Engineering, is the president. Synthetic biology is one of the core technologies that the Company relies on for the aesthetic medical development. Through linkage, sharing and integration, the pioneer cooperation between "government, industry and university in research and application" will accelerate the transformation of innovative projects, which is expected to help build a new cluster of biological manufacturing industry and give the Company a new impetus for industrial microbial innovation.

3. The innovation business of pharmaceutical business was steadily promoted, and all work was expanded smoothly

During the Reporting Period, the Company's pharmaceutical business continuously explored Zhejiang market, expanded the market outside the hospital market, and accelerated the development of agency business. During the Reporting Period, the operating income was RMB12,211 million, a year-on-year increase of 8.95%, and the accumulated net profit was RMB198 million, a year-on-year increase of 16.52%.

In terms of pharmaceutical business, the Company thoroughly implemented the policy of "everything for creating value". In terms of traditional business, the Company was continuously deeply rooted in the Zhejiang market. In terms of innovative business, the

Company focused on such fields as product agency, third-party logistics, pharmaceutical e-commerce, and characteristic large health. The Company adhered to consolidating the hospital market, expanding the market outside the hospital market, strengthening the innovative business, steadily improving the operation quality, profitability and operation efficiency. The overall business has returned to the normal state before the pandemic.

Adhering to the concept of "providing the best services", the traditional business won a reputation from the industry and customers with good services. The market share in the hospital market continuously maintained a leading position in Zhejiang Province, and the market outside the hospital market continuously grew rapidly. The hospital market focused on key indicators such as new product introduction, hospital share, order fulfillment rate, and actively cooperated in reform measures such as the Volume-Based Procurement and distribution, and medical insurance with dual channels, so as to transform value-added services such as policy affairs and pharmaceutical management into productivity; the market focused on the introduction of new products through the joint procurement and sales, strengthened the assessment on the introduction of new listed innovative medicine, and ensured the account opening rate; the market would rationally undertake the Volume-Based Procurement business and adjust the strategy in time; the market optimized variety structure and expanded high potential varieties; the market cooperated with upstream manufacturers to do a good job in new hospital access; with the help of the distribution channels of the subsidiaries, the medicinal ginseng business improved the sales network of Chinese herbal decoction pieces in the whole province, with the personnel and business downward and a reliance on the expanded agent decoction of the automatic assembly line; the traditional distribution of medical devices and product agency were carried out simultaneously to continuously improve the market share of hospitals in various regions. With a focus on creating new Huadong retail, the market outside the hospital market relied on the advantages of "platform + product + network", expanded service scope, focused on the development of stores in hospitals, near hospitals and DTP stores, optimized community stores, improved the introduction of varieties, and did a good job in undertaking outflow prescriptions.

In terms of innovative business, the Company developed beyond Zhejiang, reshaped core competitiveness and brought new income generating opportunities. The Company

integrated internal and external resources, strengthened pharmaceutical e-commerce, upgraded "Huadong Pharmaceutical Business Network" by "B2B + B2C", actively operated self-operated flagship stores on various mainstream e-commerce platforms, expanded online sales, and provided a platform for expanding the market outside the hospital market; the Company created a gold brand of "medical cold chain", focused on professional medical logistics represented by high-end products such as "growth hormone and HPV vaccine", and improved the scale of three-party services; the Company focused on specialty special medicine and devices, enriched agent varieties and pipelines, and constantly improved profitability.

By expanding the value-added service boundary for upstream and downstream customers, the innovative business connected with the Company's overall strategy of "extending from medical care to aesthetic medicine and large health", explored rich business forms, and cultivated new pillars of future profits. In terms of the specialized three-party pharmaceutical cold chain, the Company had an insight into the market demand for high-end products such as "growth hormone and HPV vaccine", made layout in advance, faced the challenges and grasped opportunities brought by the pandemic, and paid equal attention to developing innovative business and fulfilling social responsibilities. In the first half of 2022, the number of customers increased from 49 in the same period of last year to 56, and the three-party logistics revenue increased by 25.56% year-on-year, of which the cold chain revenue increased by 31.66% year-on-year. The number of customers, business scale and growth rate were far ahead in the province. The business has built a three-in-one core competitiveness of high skilled talent team, core assets such as cold storage and refrigerated vehicles, and applied cold chain technology innovation, creating a gold brand of "Huadong Cold Chain".

The business expanded the boundary of value-added services. First, it actively followed the general trend of the medical collectivization development, provided a comprehensive menu-based pharmaceutical service plan, deepened the integrated development with medical institutions, and cooperated in the "transformation of old hospitals and construction of new hospitals" of the medical group, starting from the optimization of the hospital supply chain. Second, it actively followed the development strategy and product pipeline update of the upstream pharmaceutical industry, and carried

out various types of project cooperation. The business and its upstream and downstream customers focused on their core fields through specialization and scale efficiency, and evolved from the cooperation in the pharmaceutical supply chain to the integration of the pharmaceutical value chain. The business connected with the Company's overall strategy, empowered the pharmaceutical industry in the fields of regional logistics, policy affairs, and market access, gave play to the overall force to help the Company's overall business development.

The business continuously practiced social responsibility, actively overcame the impact of partial pandemics, fully supported the supply of anti-pandemic drugs and equipment, and guarded the transportation lifeline at critical moments. Through the three pharmaceutical logistics centers of North Zhejiang (Hangzhou), South Zhejiang (Wenzhou) and Central Zhejiang (Jinhua), multi-inventory coordination and multi-warehouse linkage were realized to share information and further optimize the inventory and distribution of medical devices during the pandemic prevention and control period; storage and transportation resources were integrated, and decentralized management was transformed into centralized and transparent new operation service mode, achieving the goal of shortening transportation time and saving storage space. With the normalized of the pandemic situation, the Company, relying on the rapid response and linkage practice of business and management, and the strong supply chain guarantee system of the pharmaceutical business, has opened a new path to deal with emergencies, which further highlights the advantages of multi warehouse linkage and seamless linkage across regions and the "coordination" of the provincial business during the pandemic period.

4. The overall operating income of the aesthetic medical business grew rapidly, and the domestic market continuously improved

During the Reporting Period, the Company's domestic and foreign aesthetic medical business continuously implemented the domestic and international double-cycle development strategy, and maintained rapid development year on year. The Company's aesthetic medical segment realized a total operating income of RMB897 million (charging off internal offset factors), a year-on-year increase of 130.25% according to the comparable standard (charging off Huadong Ningbo Company). Sinclair, a wholly-owned subsidiary in the UK, firmly leveraged the favorable background of the continuous recovery of the

overseas aesthetic medical consumer market, made efforts to overcome the impact of adverse factors such as the global high inflation that exceeded expectations, and actively enabled the business expansion through the integration of injection business and EBD business. The business expansion was smooth, and sales in overseas markets continuously achieved good growth. Specifically, the injection business in the Asia Pacific market, and the EBD business in the American market continuously grew rapidly. During the Reporting Period, Sinclair achieved a consolidated operating income of GBP63.25 million (approximately RMB531 million), a year-on-year increase of 104.3%, and realized an EBITDA of GBP11.84 million, both of which set the best level in Sinclair's history. In the second half of the year, it is expected that with the continuous development of the global market, Sinclair will continuously maintain a rapid growth trend as a whole.

In addition, in February 2022, Sinclair completed the acquisition of 100% equity of Viora, an energy based medical device company, and formally incorporated it into the Company's consolidated statements. Viora has an advanced product portfolio using laser, intense pulsed light, radio frequency, high-pressure jet and microdermabrasion technologies. Reaction™, V series (V10, V20 and V30), EnerJet and Pristine™, and Infusion™ had been listed overseas. Specifically, Reaction™ obtained the registration certificate of Class III medical devices from the National Medical Products Administration (NMPA) in 2015. Viora's products can form effective complementarity with the Company's existing energy-based device lines in the aesthetic medical field, realizing the full layout of the Company's energy-based device product variety. After the acquisition, High Tech also actively expanded the US market through the channel resources accumulated by Viora. Based on this acquisition, the Company also put forward the product concept of "V Women Tech" by focusing on women's professional medical care with leading medical technology.

In May 2022, Sinclair signed a product exclusive license agreement with Irish EMA Aesthetics to obtain the global distribution rights of Pr éme DermaFacial, an energy-based device (EBD) with multi-functional intelligent facial skin management, except Germany and the United Kingdom. Developed by European skin experts, Pr éme DermaFacial is a new multi-functional facial skin management platform integrating five advanced technologies: Spiral vacuum, microdermabrasion, microcurrent, radio frequency and

ultrasound. It can be used for facial cleaning, exfoliation, moisturizing, rejuvenating and nourishing skin to create a smooth and compact skin for beauty seekers. The introduction of this product fills the gap in the Company's EBD product pipeline for facial cleaning in aesthetic medical field, and further enriches the Company's EBD product portfolio. Prême DermaFacial will be commercialized in the third quarter of 2022 in Europe, America and other major global medical Aesthetics markets. At present, with a certain amount of customer intention orders accumulated, it is planned to be listed in China in 2023. At that time, the product will form an effective synergy with Glacial Spa[®] and Reaction[™] products, which will bring new impetus to the growth of the Company's domestic aesthetic medical EBD business.

During the Reporting Period, Sinclair (Shanghai), a wholly-owned subsidiary of the Company in China, insisted on compliance operation and development, continued to carry out brand construction, and constantly improved its competitive advantage. From January to June 2022, Sinclair (Shanghai) realized an operating income of RMB271 million, and its profitability continuously improved, exceeding the income contribution of Huadong Ningbo Company's aesthetic medical business to the Company's profit in the same period last year. Sinclair (Shanghai) has become an important growth engine of the Company's aesthetic medical business. In the second quarter, although the business expansion of Sinclair (Shanghai) was affected by the pandemic in many places in China, Sinclair Aesthetic constantly expanded its market influence by continuously improving the online + offline medical education and training service system, creating an efficient direct aesthetic medical sales team, and strengthening channel coverage and terminal service capabilities. Since May, the operation of Sinclair (Shanghai) has been recovering and rising month by month. As a high-end product in the global renewable filling field, since it was launched in the Chinese market, the Company's Ellansé[®] product has steadily occupied the front-end of the industry with a good reputation of rigorous aesthetic medical academic research and training, rich overseas market safety and efficacy verification, and its market coverage and brand awareness have been continuously improved. At present, the number of contracted cooperative hospitals has exceeded 500, the number of trained and certified doctors has exceeded 900, and the layout of five designated injection training bases for

domestic certified doctors has been completed. The market development achievements have been constantly displayed.

In addition, Sinclair (Shanghai) took many measures to protect the life, health and safety of beauty seekers and help the development of industry norms as the top priority of its work. Since Ellans e[®] product was launched in the Chinese market, the Company have adhered to the professional cold chain transportation of the whole process of the product to fundamentally ensure the product quality. The Company fulfilled its responsibility of being a leader in the regenerative aesthetic medical field, and passed strict professional training and certification to empower institutions and products. The Company has selected regular aesthetic medical institutions nationwide for cooperation and certification, and held many training and certification meetings for injection doctors to ensure that beauty seekers enjoy a formal, professional and reassuring experience in every process. The Company adhered to the bottom line of compliance, insisted on the purpose of "reassuring experience in seeking beauty", and actively carried out the action of "protecting the rights of Ellans e[®] products" and launch Ellans e[®] official code scanning verification system. The Company also cooperated deeply with Chinese Association of Plastics and Aesthetics, and took the lead in responding to and joining the "two certificates and one code" genuine product alliance. Through publishing cooperation blacklists, administrative reports and other forms, the Company cooperated with the industrial and commercial departments with the most resolute attitude to crack down on illegal business activities in the market, regulate the market operation order, and fully safeguard the legitimate rights and interests of beauty seekers.

In the second half of the year, the Company believes that under the background of the long-term positive development trend of the aesthetic medical industry in China and the continuous growth of the aesthetic medical consumption demand, with the comprehensive control of the partial pandemic in China and the rebound of the consumer market, offline aesthetic medical institutions will gradually return to normal operation, the aesthetic medical consumption demand delayed by the pandemic will be gradually released, and the number of consumption is expected to recover. The aesthetic medical teams of the Company is confident that they will continue to work hard in the second half of the year,

achieve better results than the first half of the year, and complete the set annual performance goals.

5. Other matters

During the Reporting Period, the Company and its wholly-owned subsidiaries Zhongmei Huadong and Huadong Pharmaceutical (Hong Kong) Investment Holding Co., Ltd. signed the Equity Investment Agreement and the Product Exclusive License Agreement with Heidelberg Pharma AG (hereinafter referred to as "Heidelberg Pharma"), a German listed company, and its shareholders' representatives. Up to now, the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) has approved and exempted the Company's acquisition of Heidelberg Pharma through the public offer; the Company has also obtained the No Objection Certificate of the Bundesministerium für Wirtschaft und Klimaschutz (BMWK) on this transaction; the relevant overseas investment approval or filing of this transaction in China has been completed.

During the Reporting Period, the Board of Directors and the Board of Supervisors of the Company successfully completed the new term and appointed a new Senior Management after the deliberation and approval of the General Meeting of Shareholders. The core management team and management backbone of the Company remain basically stable, and at the same time, the talents suitable for the Company's development needs continuously increase. Under the leadership of Lv Liang, Chairman of the Company, the new leadership team of the Company will make concerted efforts to unswervingly deepen reform and innovation, unswervingly move towards the Company's established strategic targets and continue to lead the Company's sustainable, stable and high-quality development in the critical period when challenges and opportunities coexist.

Since its listing, the Company has actively performed its social responsibilities and returned to shareholders. In 2022, it has always adhered to the concept of stable, sustainable and scientific dividends. In June 2022, it completed the 2021 equity distribution, distributing cash dividends of RMB2.9 (tax included) to all shareholders for every ten shares, and distributing cash dividends totaling RMB507 million. In the 22 years since its listing, the Company has distributed dividends 19 times, with a cumulative dividend amount of RMB5,084 million, far exceeding the RMB250 million raised during the IPO,

and bringing sustained and stable investment returns to the majority of shareholders supporting the Company's development.

iii. R&D

(1) Overall status of R&D

In pursuit of the corporate philosophy of "putting scientific research and patients first", the Company invests more in R&D to enrich the R&D pipeline of innovative drugs. As at the issuance of this Report, there are 86 pharmaceutical projects under development of which 43 involve innovative products and biosimilars. Specifically, four products are in Phase III clinical trial and another four in Phase II clinical trial. During the Reporting Period, the Company's R&D expenditure in the pharmaceutical industry stood at RMB580 million, up 34.1% year on year over the first half of 2021 among which RMB540 million was for R&D expenses. The R&D mainly includes the following aspects:

1) By practicing the R&D model of new drugs of "independent R&D + cooperative and entrusted development + license-in", the Company followed up the latest drug mechanisms, targets and progress of clinical application studies internationally. In addition, it sped up the layout of innovative drugs and license-in of domestic and overseas innovative drug projects, having initiated numerous potential innovative drugs;

2) With "clinical value, pharmacoeconomic value and commercial value" as the starting point, innovative products were launched focusing on endocrine, autoimmunity and oncology during the Reporting Period;

3) Focused on clinical superior varieties and special drugs for specialty, the Company accelerated the R&D of generic medicine with high-tech barriers and modified new drugs;

4) The Company enhanced its processes and quality of APIs and preparations and developed new preparations for online products, thus cutting cost and raising the market competitiveness;

5) The integrated and dynamic assessment of varieties under development was toughened. By prioritizing projects under development and allocating R&D resources, the Company ensured the focus on the R&D pace of varieties under development to the best;

6) Through overall planning for the differentiated, innovative and technological platform for polypeptide and technological platforms for antibodies to immunological

diseases, microbial fermentation cytotoxin and for innovative linkers and conjugate, the Company sought cooperation and win-win results to build a global ADC R&D ecosystem.

(2) Development and planning for innovative drugs

Focused on existing treatment fields covered, the Company has developed a strategic plan of innovative drugs for future development in the next five years. The plan defines the major initiation orientation and volumes of innovative projects, and proposes to initiate and reserve innovative varieties (including innovative drugs, modified new drugs and innovative medical equipment), no less than 15 a year during the planning period. During the Reporting Period, the Company sped up the pace of clinical studies on innovative drugs under development and major biosimilar varieties to seek early approval for launching. It explored and learned the advanced R&D system construction of innovative drugs internationally to refine and adjust its overall R&D system framework. Through high-level R&D talent introduction, the Company set up an R&D team covering the R&D lifecycle of innovative drugs, and improved the functional modules for the R&D of innovative projects to reach the target for those projects of the strategic plan.

In terms of the ADC field particularly, the Company further expanded its differentiated layout. It invested in Qyuns Therapeutics, an antibody R&D and production company, and Nuoling Bio, a company specialized in ADC linkers and conjugate techniques, incubated Huida Biotech which owns the whole product line of ADC payloads, and controls Doer Biologics, a multi-antibody platform R&D company. It carried out equity investment and product cooperation with Heidelberg Pharma, a global emerging technology company in the ADC field. In the future, the Company will support the establishment of innovative platforms and integrate resources to form a unique global ADC R&D ecosystem and gradually build a differentiated and independent ADC R&D platform. It plans to develop at least ten ADC innovative products and actively promote clinical registration and studies within three years.

Also, the R&D center of innovative drugs taking value creation as the core and "advantaged, differentiated and source-oriented innovation" as the major direction will: 1) Transfer the orientation from external M&A to independent innovation + external introduction driven by dual engines to create a new innovative R&D ecosystem; 2) Clarify the mechanism for initiation targets for differentiated innovation, track the information of

competing products during the whole process of items, and initiate at least 15 innovative R&D projects to foster a cutting-edge, differentiated and innovative pipeline; 3) Establish a global strategic and collaborative R&D ecosystem centering on the Company, produce a group of PCC/IND results with advantages and high druggability, and declare NDA/Biologics License Application ("BLA") and enable innovative drugs and products to go to the market; and 4) Cultivate a high-level R&D team championing the R&D lifecycle of innovative drugs, strengthen the establishment of a technological platform with independent intellectual property right and high barriers such as proteolysis targeting chimera (PROTAC), molecular glue, ADC and other new technologies, and incubate multiple value items on the basis of platforms.

(3) Major efforts in independent R&D innovation

The R&D center of innovative drugs has established a technological platform for non-clinical studies, a platform for computer aided design and a technological platform for chemical synthesis, which provided strong technological support for incubating new projects. In the early period, the R&D team has selected over 1,000 potential pharmaceutical molecules with in-vitro activity (including small molecules of chemical medicine and large molecules of biological medicine), mainly distributed in the treatment fields for endocrine, autoimmunity and oncology. To be specific, HDM1002 is an innovative drug project in the PCC phase through independent R&D by the Company with the global independent intellectual property right, marking that the Company's independent R&D has entered a new phase. As at now, six projects have been initiated in the early period of 2022. Among the independent R&D items, there are 14 items started in the early and PCC phases and two pre-clinical items. Specifically, remarkable phased achievements have been made among those innovative projects including the first-in-class ("FIC") and best-in-class ("BIC") ones. In terms of the Company, the R&D center of innovative drugs has filed over 60 patent applications in total including more than ten official and PCT applications.

Moreover, in 2021, the Company clinched the honor of "leading innovative team" by the Zhejiang Province, and was sponsored by the province's "leading pioneer" scientific and technological project to espouse the establishment of Huadong Medicine Joint Funds of the Zhejiang Provincial Natural Science Foundation of China for innovative

development. Meanwhile, the HDM1002 and TTP273 items received rewards from provincial and municipal scientific and technological projects.

(4) Progress of clinical studies on major innovative drugs, innovative medical equipment and biosimilars

As at the issuance of the Report, the Company's R&D progress of multiple items of innovative drugs, innovative medical equipment and biosimilars is as follows:

Endocrine

HDM1002: The GLP-1 receptor agonist, formed from small molecules which is independently developed by the Company is projected to be delivered for Pre-IND applications both in China and the United States in the second half of 2022.

HDM1003 (SCO-094): This product, jointly developed by the Company and Japan's SCOHIA PHARMA, Inc. is leveraged as the dual agonists at GLP-1R and GIPR targets for treating Type-2 diabetes, obesity and nonalcoholic steatohepatitis ("NASH"). Furthermore, Phase I clinical trials are carried out for this product in the United Kingdom, and feedback has been procured domestically after the delivered Pre-IND application.

DR10624: The multi-agonist, at the GLP-1R/GCGR/FGF21R targets under development by the holding subsidiary Doer Biologics can treat Type-2 diabetes, obesity and metabolic syndromes. In April 2022, DR10624 was approved for Phase I clinical trials in New Zealand and administered for the first subject in June.

Liraglutide Injection: The GLP-1 receptor agonist, the marketing authorization application for diabetes indication was accepted by the NMPA in September 2021. The injection is at the stage of supplementary studies, expected to be approved by the end of 2022. The marketing authorization application for obesity or overweight indication was accepted in July 2022.

Semaglutide Injection: The GLP-1 receptor agonist, received the IND approval in June 2022.

Insulin Degludec Injection: Its IND application was accepted in July 2022.

Ranibizumab Injection: In terms of Phase III clinical trials, the enrollment of the first subject was completed in March 2022.

Oncology

HDM2002 (Mirvetuximab): The ADC drug under development targeting positive ovarian cancer with folate receptor alpha ("FR α ") for the first time globally is utilized for treating the platinum-resistant ovarian cancer with high expression of FR α . In May 2022, ImmunoGen, Inc., the Company's cooperative party, announced that US FDA had accepted and filed the BLA of this product. The application has been granted Priority Review designation and FDA has set a Prescription Drug User Fee Act (PDUFA) action date of November 28, 2022. The BLA is based on the results of pivotal single-arm SORAYA clinical trial. Apart from the SORAYA trial, the multi-regional randomized controlled Phase III study MIRASOL is conducted. ImmunoGen expects to release the top-line data of this study at the beginning of 2023. In terms of this product's Phase I clinical trials in China for Pharmacokinetics, the enrollment of all subjects was completed in July 2022. The Company submitted the Pre-BLA to the CDE in July 2022.

Mefatinib tablet: This drug is for advanced non-small-cell lung cancer. The overall enrollment of Phase III clinical subjects was accomplished, and the NDA application will be conducted after the end of Phase III clinical trials during the second quarter of 2023.

DR30303: The product under development by the holding subsidiary Doer Biologics targets Claudin 18.2 and can treat solid tumors. In January 2022, an IND approval was received and in May 2022, the enrollment and administration of Phase I clinical trial for the first subject were completed.

HDM2003 (AB002): This product is the dual-target fusion protein targeting PD-L1/L2 and IL15, jointly developed by the Company and US AKSO for solid tumors. Pre-clinical studies of this product are currently underway.

HDP-101: This product is an ATAC[®] (Antibody Targeted Amanitin Conjugate) targeting B-cell maturation antigen (BCMA). Heidelberg Pharma, the Company's cooperative party is performing Phase I/IIa clinical trial overseas for relapsed/refractory multiple myeloma regarding this product. Additionally, HDP-101 was administered for the first subject on February 15, 2022.

HDP-103: This product is an ATAC[®] targeting the prostate-specific membrane antigen (PSMA). Heidelberg Pharma in Germany, the Company's cooperative party, is conducting pre-clinical studies on this product with the targeted indication as metastatic castration-resistant prostate cancer (mCRPC).

Autoimmunity

ARCALYST® (Rilonacept): The recombinant dimer fusion protein, can block the transmission of IL-1 α and IL-1 β signals. In February 2022, the Company signed a cooperative agreement with Kiniksa on introducing this product. Continually, ARCALYST® was approved in the United States in 2008, 2020 and 2021 for treating cryopyrin-associated periodic syndromes (CAPS), deficiency of IL-1 receptor antagonist (DIRA) and recurrent pericarditis. Also, ARCALYST® was included by the CDE into the List of Overseas New Drugs for Urgent Clinical Needs (Group 1) for CAPS. The Company filed a Pre-BLA to the CDE for the product's CAPS indication in July 2022, and plans to deliver the BLA application domestically in the second half of 2022.

Mavrilimumab: This product is the fully humanized monoclonal antibody targeting GM-CSFR α . Kiniksa, the Company's cooperative party, is preparing the Phase II clinical trial overseas for GM-CSF-related cardiovascular diseases.

HDM3002 (PRV-3279): This product can treat systemic lupus erythematosus (SLE) and prevent or lower the immunogenicity of gene therapy. Provention Bio, the Company's US cooperative party, is launching the Phase IIa clinical trial for SLE indication of this product in the United States and Hong Kong, China.

HDM5001 (OP-101): This product is under development jointly by the Company and Ashvattha Therapeutic, Inc., the joint-stock company in the United States, for treating the hyperinflammation in hospitalized adult patients with severe COVID-19. The product is currently undergoing Phase II clinical trial in the United States.

HDM3001 (QX001S): As the biosimilar of Stelara®, this product is under development jointly by the Company and Qyuns Therapeutics, for treating adult patients with moderate to severe plaque psoriasis. Its Phase III clinical trial has completed the enrollment of all subjects ahead of schedule in February 2022.

Innovative medical equipment

HD-NP-102 [Transdermal Glomerular Filtration Rate Measurement System and MB102]: This product is jointly developed by the Company and MediBeacon, Inc. in the United States. This system based on the changes in fluorescence over time issued by exogenous tracers for non-invasive monitoring, can continuously measure the GFR of patients with normal or impaired renal functions. In July 2022, the registration application

for medical equipment of this system was accepted by the NMPA and will enter the accreditation phase. MB-102 injection (Relmapirazin) which works together with this system is the FIC drug, whose application of Phase III MRCT was approved by the NMPA in May 2021 and the trial will be simultaneously conducted in China and the United States in the second half of 2022.

研发管线图

领域	产品名称	适应症	国内进展					海外进展		
			临床前	IND	临床I期	临床II期	临床III期	上市申请		
内分泌	利拉鲁肽注射液	糖尿病	国内进展							
	利拉鲁肽注射液	肥胖或超重	国内进展							
	雷珠单抗注射液	黄斑变性	国内进展							
	TTP273	糖尿病	国内进展							
	HDM7003 (D-4157.2)	黄斑变性、黄斑水肿	海外进展							
	HDM1003 (SCO-094)	糖尿病、肥胖和非酒精性脂肪性肝炎	海外进展							
	DR10624	糖尿病、肥胖、代谢综合征	海外进展							
	司美格鲁肽注射液	糖尿病	国内进展							
	德谷胰岛素注射液	糖尿病	国内进展							
免疫	ARCALYST®	复发性心包炎、冷吡啉相关的周期性综合征、IL-1受体拮抗剂缺乏症	海外进展						美国已上市	
	HDM3001 (QX001S)	银屑病	国内进展							
	HDM5001 (OP-101)	新冠肺炎	海外进展							
	HDM3002 (PRV-3279)	系统性红斑狼疮	海外进展							
	Mavrilimumab	GM-CSF相关的心血管疾病	海外进展							
肿瘤	HDM2002 (IMGN853)	卵巢癌	国内进展							
	迈华替尼片	非小细胞肺癌	国内进展							
	HDP-101	多发性骨髓瘤	海外进展							
	DR30303	实体瘤	国内进展							
	HDP-103	前列腺癌	海外进展							
	DR30206	实体瘤	国内进展							
	DR30318	实体瘤	国内进展							
	HDM2003 (AB002)	实体瘤	海外进展							
药械	肾小球滤过率动态监测系统	肾功能监测	国内进展							
	MB-102	肾功能监测	国内进展							
其他	HDM7002 (OP-801)	肌萎缩侧索硬化	海外进展							

R&D Pipeline for Major Innovative Drugs and Biosimilars as at the Date of Issuance of this Report

(5) Major R&D progress of the varieties of generic medicine

The Company by regular dynamic assessment and sorting for existing generic medicine under development, specified the varieties that shall be focused and promoted preferentially. As at the issuance of this Report, the progress of major varieties is as follows:

No.	Treatment Fields	Project Name	Specification	Latest Progress
1	Endocrine	Canagliflozin Tablets	0.1 g, 0.3 g	Supplementary materials were submitted, and is expected to be approved in 2022
2	Endocrine	Sitagliptin Phosphate and Metformin Hydrochloride Tablets	50/850 mg	Review progress is being followed up, and is expected to be approved in 2022
3	Endocrine	Pioglitazone Hydrochloride and Metformin Hydrochloride Tablets	15/850 mg	The application was submitted, and processed in June 2022
4	Immunity	Tacrolimus Ointment	0.03%, 0.1%	The application was submitted, and processed in April 2022
5	Immunity	Tacrolimus Granules	1 mg	The BE trial has been completed, and application is expected to be submitted in 2022
6	Oncology	Sorafenib Tosylate Tablets	0.2 g	Supplementary materials were submitted, and is expected to be approved in 2022
7	Oncology	Olaparib Tablets	150 mg	BE trial stage
8	Oncology	Ibrutinib Capsules	140 mg	Pilot scale study stage
9	Cardiovascular diseases	Macitentan Tablets	10 mg	Supplementary materials were submitted

(6) Progress of international registration

During the Reporting Period, the Company conducted proactive international registration with the major progress as follows:

No.	Fields	Project Name	Notes	Progress during the Reporting Period
1	Endocrine	Acarbose Tablets	APIs	Supplementary materials were submitted for the registration in India in May 2022
2	Immunity	Tacrolimus	APIs	The US DMF application of newly added places was submitted in January 2022
3	Immunity	Tacrolimus Capsules	0.5 mg, 1 mg, 5 mg	Supplementary materials were submitted for the US ANDA application in April 2022
4	Oncology	Exatecan Mesylate	Intermediate	The US DMF application was submitted in January 2022
5	Anti-infection	Daptomycin	APIs	The US DMF application of newly added places was submitted in January 2022

6	Anti-infection	Mupirocin Calcium	APIs	Supplementary materials were submitted for the US DMF application in March 2022
7	Anti-infection	Mupirocin	APIs	Supplementary materials were submitted for the registration in India in April 2022
8	Anti-infection	Caspofungin Acetate for Injection	50 mg, 70 mg	Supplementary materials were submitted for the US ANDA application in May 2022

(7) Progress of consistency assessment

During the Reporting Period, the progress of the consistency evaluation of generic drug for the Company is as follows:

No.	Treatment Fields	Project Name	Specification	Progress during the Reporting Period
1	Analgesia	Paracetamol and Tramadol Hydrochloride Tablets	325 mg: 37.5 mg	In January 2022, the application for consistency evaluation were submitted and accepted
2	Immunity	Tacrolimus capsule	1 mg	In June 2022, the application for consistency evaluation were submitted and accepted
3	Digestion	Pantoprazole sodium enteric-coated capsule	40 mg	In June 2022, the application for consistency evaluation were submitted and accepted

(8) Progress of Patents

Because the Company has protected its intellectual property right and transferred and applied the results in recent years, the volumes of patent application and authorization have climbed steadily. Over the years, the patent applications both at home and abroad have amounted to approximately 650 pieces of which 290 are authorized invention patents. Zhongmei Huadong, the wholly owned subsidiary, is a national intellectual property demonstration enterprise. In November 2014, it passed the external audit by Zhongzhi (Beijing) Certification Co., Ltd., becoming one of the 147 enterprises as the first group obtaining the standard implementation certification. In October 2021, it passed the review under supervision of intellectual property right standard implementation for businesses.

During the Reporting Period, the Company's patent application and maintenance were rolled out. A total of 23 applications were submitted in terms of Zhongmei Huadong, the wholly owned subsidiary. Among them, 18 were invention patents (PCT applied for nine patents and Taiwan, China for one), and five received the domestic authorization.

(9) R&D and registration of aesthetic medicine products

No.	Category	Product Name	Purpose	Latest Progress
1	Injection	Perfectha®	Facial filling	Efforts related to domestic registration are underway
2	Injection	Maili Extreme	Facial filling	Domestic clinical trials are underway which were approved by the independent R&D institution regarding ethics in July, and the enrollment of the first subject will be completed in August as envisaged
3	Injection	Ellans éM	Facial filling	It is predicted that in August, domestic registration inspection will reach the end, and the initiation related to clinical trials is underway
4	Thread lifting	Silhouette Instalift®	Mid-facial lifting	As for domestic clinical trials, part of the subjects have been enrolled, and the follow-ups at time nodes are in progress
5	Energy based device	Glacial Rx (F1)	Removal of benign pigmentary lesions of the skin	Domestic registration inspection are underway
6	Energy based device	Cooltech Define	Fat reduction and body shaping	Domestic registration inspection are underway
7	Energy based device	Primelase	Hair removal	Domestic registration inspection are underway
8	Energy based device	V product line (V20, V30)	Skin firming, body and facial shaping, skin rejuvenation and hair removal	It is predicted that in September, domestic registration inspection will be initiated
9	Energy based device	EnerJet	Scar rehabilitation, facial lifting and dermal thickening	It is predicted that in September, domestic registration inspection will be initiated
10	Energy based device	Pr éme DermaFacial	Facial skin management	Equipment classification are underway domestically
11	Energy based device	Reaction™	Body and facial shaping and skin firming	Registration of changes in domestic agents and foreign factory address is in progress, and the product will re-enter the Chinese market in Q1 2023 as envisaged

iv. The Company's BD cooperation

In June 2022, the Company's wholly owned subsidiary Zhongmei Huadong reached strategic collaboration with Julphar. In addition, the Company authorized Julphar to develop and produce and acquire the commercial rights and interests of Liraglutide Injection for diabetes and weight losses in 17 countries including the UAE, Saudi Arabia, Egypt, Kuwait, Oman, Bahrain and other countries in the Middle East and North Africa. Liraglutide Injection is the Company's second product authorized overseas after TTP273, which marks the international recognition again for the strength and R&D innovative capabilities of diabetes. This transaction has represented the Company's capacity for commercial cooperation, and marked a milestone in global pharmaceutical R&D innovation, both of which lay a solid foundation for expanding the overseas market.

In February 2022, the Company's wholly owned subsidiary Zhongmei Huadong signed an exclusive license agreement on products with Kiniksa, also a wholly owned one of Kiniksa Pharmaceuticals, Co., Ltd. (Nasdaq: KNSA). Zhongmei Huadong procured the exclusive license in 24 Asia-Pacific countries and regions including China, South Korea, Australia and New Zealand (excluding Japan) involving the development, registration and commercial interests and rights of the two global innovative products. The two products are ARCALYST[®] and Mavrimumab in autoimmunity of Kiniksa. Continually, ARCALYST[®] was approved in the United States in 2008, 2020 and 2021 for treating CAPS, DIRA and recurrent pericarditis, with sound clinical feedback given. Up to now, this product is the first and only drug approved by the US FDA for recurrent pericarditis applicable to the group aged 12 and above. Also, ARCALYST[®] was included by the CDE into the List of Overseas New Drugs for Urgent Clinical Needs (Group 1) for CAPS. This license-in of FIC biological medicine is expected to accelerate to meet the clinical needs domestically of patients with autoimmune and rare diseases, and demonstrates the results of the Company expediting international innovation and deepening the layout of immune products.

In February 2022, the Company signed an exclusive License Agreement on Products and Equity Investment Agreement with its wholly owned subsidiary Zhongmei Huadong, Huadong Medicine Investment Holding (Hong Kong) Limited and the listing company in Germany Heidelberg Pharma and its shareholders. Through its wholly owned subsidiary Huadong Medicine Investment Holding (Hong Kong) Limited, the Company subscribed

Heidelberg Pharma's additional stocks issued publicly, with the ultimate percentage of equity interest acquired being 35%. For this percentage, the Company becomes the second largest shareholder. Zhongmei Huadong received the exclusive license including the development and commercial interests and rights of HDP-101 and HDP-103 under development of Heidelberg Pharma in 20 Asian countries and regions, for instance, Chinese mainland, Hong Kong and Macao Special Administrative Regions in China, Taiwan, China, South Korea and Singapore. In addition to that, Zhongmei Huadong will procure the exclusive Opt-in of Heidelberg Pharma's another two products under development namely HDP-102 and HDP-104, as well as the rights of first negotiation (ROFN) for two additional products in development subsequently. With the proprietary ATAC[®] technological platform, Heidelberg Pharma is the first to develop Amanitin payload and its derivatives for treating cancers globally. Amanitin, the only known RNA polymerase II inhibitor in the world, is of a novel mechanism of action. Upon this cooperation, the Company has integrated its ADC R&D technological accumulations with the advanced and proprietary ATAC[®] technological platform of Heidelberg Pharma to enrich the global ADC R&D ecosystem.

In February 2022, the Company's wholly owned subsidiary Zhongmei Huadong signed a exclusive strategic collaboration agreement with AKSO on the clinical development and commercial interests and rights of AB002 under development in the Asia-Pacific region (excluding Japan). AB002, as the dual-target fusion protein under pre-clinical development targeting PD-L1/L2 and IL15, can inhibit immune checkpoints and activate natural killer cells (NK cells) for solid tumors. The Company believes that the distinctive mechanism of AB002 has enormous potential in the immunotherapy of cancer and this cooperation has also enriched the Company's innovative pipeline for oncology products.

In January 2022, the Company's wholly owned subsidiary Zhongmei Huadong signed an exclusive marketing agreement with Beijing Shenogen Pharma Group Co., Ltd.'s (hereinafter referred to as "Shenogen") wholly owned subsidiaries Hainan Shenogen and Beijing Shenogen. The purpose is to gain the exclusive right of marketing of the national FIC drug, the "Icaritin Soft Capsules", for small-molecule immune regulation for treating advanced hepatocellular carcinoma in 27 provinces of Chinese mainland. The Company

has a complete pharmaceutical service system and a wide range of market resources in the pharmaceutical industry, and this cooperation is just an affirmation of the Company's commercialization ability in the local market, which helps create a win-win and cooperative model for complementary advantages and coordinated development mutually, and is expected to heighten the market competitiveness in the oncology field. The first group of prescriptions for Icaritin Soft Capsules was given at the hospitals of Beijing and Shanghai in May 2022. This marks that the Icaritin Soft Capsules, China's original small-molecule immunomodulator and the global FIC drug with global independent intellectual property right, officially benefits the patients with liver cancer in the country.

II. Analysis of core competitiveness

1. Open innovative drug R&D System and continuous improvement of innovation capability

The Company highly values innovation and R&D and maintains a high proportion of R&D investment. Upholding the "scientific research-based, patient-centered" philosophy, it strives to create clinical value, medicine economics value and commerce value. After years of development, it has established a relatively complete independent innovation system for drug R&D covering drug discovery, pharmaceutical research, pre-clinical research, clinical research and industrialization, and established a global new drug R&D center.

The Company's innovation and R&D focuses on three core treatment areas, including endocrinology, oncology and autoimmunity. By ways of cooperative drug development and equity investment, it carried out in-depth strategic cooperation with leading pharmaceutical companies both in and outside China, and created a global R&D ecosystem through introduction, integration and innovation. In particular, in terms of the ADC field, the Company further expanded differential layout. It invested in Qyuns Therapeutics, an antibody R&D and production company, and Nuoling Bio, a company specialized in ADC linker and conjugate techniques, incubated Zhejiang Huida Biotech Co., Ltd. (Huida Biotech) which owns the whole product line of ADC payloads, and controlled Doer Biologics, a multi-antibody platform R&D company. It carried out equity investment and product cooperation with Heidelberg Pharma, a global emerging technology company in

the ADC field, to form a unique ADC global R&D ecosystem, gradually build a differentiating ADC independent R&D platform, and strengthen and improve antineoplastic product innovation chain and ADC ecological chain. In the next three years, it plans to develop at least 10 ADC innovative products and actively promote the registration work and clinical studies.

Through independent R&D, cooperation, license-in and other measures, the Company continuously developed and formed differentiating innovative product pipelines covering the lifecycle of R&D. As at the releasing of this report, the Company has nearly 43 innovative drugs and biosimilars under research, among which four are in the phase III of clinical trial and four are in phase II, covering endocrinology, oncology and autoimmunity and other areas, so as to effectively guarantee the positive momentum of the clinical and launch progress of innovative products, thereby providing new drivers for medium-and long-term development.

2. Comprehensive capability in international business development

The Company actively promoted the internationalization process. By acquiring 100% equity of Viora, the Company deepened its global aesthetic layout in the energy based aesthetic device market. Through strategic and equity cooperation with a number of American companies, including Akso and Kiniksa, and a German company Heidelberg Pharma, etc., it supplemented and enriched the rights of commercial development of innovative drugs both at home and abroad. It accelerated the international registration of products. All online chemical APIs passed the market certification of FDA, EU and other authorities. Daptomycin for Injection, Acarbose Tablets and Pantoprazole Sodium for Injection were all approved by FDA, and some high-end industrial microorganism ingredients were empowered with strong competitiveness in the international market. It also actively developed international logistics and procurement suppliers to make its procurement capability keep in line with the international standard. It pushed CMO/CDMO business to go global and has been integrated into the global innovative drugs R&D industrial chain.

3. Diversified product pipelines for specialty diseases and chronic diseases, and comprehensive competitive advantage of diabetes treatment

Over the years, the Company has been deeply engaged in specialty medications, chronic disease medications, and medications for special purposes and built a favor brand effect and strong market base in the treatment of chronic kidney diseases, transplantation and immunity, endocrinology, digestive system and so on. The market share of these products continuously takes the lead in the domestic market. Focusing on the targets of mainstream clinical treatment of diabetes, the Company has formed a comprehensive layout of product pipelines of innovative drugs and differentiating generic medicine. At present, it has more than 20 commercialized products and products under development. In organ transplantation, it realized the full coverage of clinical first-line immunosuppressive agents and developed multi-tiered follow-up products. It developed first-in-class drugs in all three core treatment fields of oncology, endocrine and autoimmunity. As for antineoplastic ADC drugs, it has established the layout of multiple global innovative drugs and an R&D ecosystem, forming differentiating advantages. At present, a total of 26 core products on the market were listed in the *Catalog of Medicines Covered by National Basic Medical Insurance, Work-Related Injury Insurance and Maternity Insurance (2021)*.

4. Leading professional pharmaceutical care team and extensive market network in China

In terms of the pharmaceutical industry, the Company owns a professional Pharmaceutical Care (PC) and market development team consisting of 6000 employees. Centering on clinical value and academic promotion, it promoted a marketing model integrating comprehensive hospitals, medical institutions at the primary level, retail, the third terminal and the Internet, so as to gradually increase the coverage through multiple channels, thus obtaining good competitive advantages.

Having developed in Zhejiang province for many years, the Company's pharmaceutical commerce owns complete business activities and diversified products, and enjoys comprehensive competitive advantages in market access and network coverage. It constantly improves its four core capabilities including logistics, information, finance and operation, offering high-end value-added services such as policy affairs. In addition, it has established cooperative ties with 90% of mainstream pharmaceutical enterprises at home and abroad, and realized the full coverage of public medical institutions, major private health care and retail pharmacies in Zhejiang province. Its market share takes the lead in

Zhejiang province, and industry ranking stands at the forefront for many years in a row. In recent years, the Company has witnessed a rapid development of its innovative businesses such as product agency and market expansion, characteristic comprehensive health industry, third-party pharmaceutical logistics featured by cold chain, and pharmaceutical e-commerce. It has built a sound service system and professional ability of cold chain logistics distribution, which takes the lead in China.

5. High-end international aesthetic medicine product pipelines covering main minimally invasive and non-invasive non-surgeries

The Company's strategic plan in aesthetic medicine started in 2018, when it acquired Sinclair, a Britain-based company. Sinclair acquired High Tech and Viora that are specialized in energy based aesthetic devices in 2021 and 2022, respectively. In May 2022, it obtained the global distribution rights, except in Germany and the UK, for the energy based device of Pr éme DermaFacial of EMA Aesthetics, an Irish company. Based on these efforts, the Company has achieved full coverage of non-surgical aesthetic medicine injection products and energy based devices in medium- and high-end markets. It owns the global rights in a number of patented products in the fields of facial filler, body shaping, thread lift, energy based device, etc., and has an international operation and BD team of aesthetic medicine. Focusing on the global high-end aesthetic medicine market, the Company has formed an international aesthetic medicine business network covering R&D, manufacturing and marketing, and built a global aesthetic medicine marketing network by further integrating R&D resources and capabilities, and relying on four global R&D centers, including Sinclair (UK), High Tech (Spain), R2 (USA) and Kylane (Switzerland), as well as Sinclair's five global production bases in the Netherlands, France, the United States, Switzerland and Bulgaria. At present, the Company's products were sold in more than 80 countries and regions around the world. The Company owns 36 high-end minimally invasive and non-invasive products of aesthetic medicine, among which 21 are on the market inside and outside China, and 15 are international innovative products under research. The product portfolio covers mainstream non-surgical aesthetic medicine sectors such as facial fillers, thread lift, skin management, body shaping, hair removal, and cosmetic gynecology, forming an integrated product cluster with the number and scope of products at the forefront of the industry.

6. Rooted in the strong R&D and industry base and systematically explored the new blue sea of industrial microbiology

The Company has been engaged in the industrial microbial field for more than 40 years with a profound industrial foundation. It has successfully developed and manufactured a variety of microbial drugs and built a system of key technology for microbial products R&D and production. The scale and technology of existing microorganism fermented products are at the forefront of the industry. It established three microorganism R&D bases: Zhongmei Huadong, Huida Biotech and Huiyi Biotech, five industrial bases including Hangzhou Xiangfu Qiao industrial base, Qiantang New District industrial base, Jiangsu Jiuyang industrial base, Meiqi Health industrial base and Meihua Hi-tech industrial base, the largest ferment singleton workshop in Zhejiang province as well as the leading microbial drugs production capability. Its R&D capability covers the whole stage of microbial engineering, such as bacteria construction, metabolic control, separation and purification, enzyme catalysis and synthesis and modification. It has formed a complete manufacturing system covering microbiology R&D, pilot test, commercial production, engineering and utility system guarantee. The Company has a total of 54 R&D projects in the industrial microbial field, including 7 special functional chemicals projects, 31 API and high-end medicine intermediate projects, 12 mega health and aesthetic medicine ingredients projects and four biomaterials and other projects. Among them, 5 out of special functional chemicals projects are series projects divided into more than 80 sub-projects, and 3 out of API and high-end medicine intermediate projects are series projects divided into more than 10 sub-projects. The total number of all projects exceeded 100. The Company established an industrial microbiology department that has organized structure and operates independently. The department is equipped with a first-class industrial microbiology technical team including 361 researchers, among which 17 hold Ph.D. degrees, and 21% of the researchers have master's degrees or doctor's degrees.

7. Prudent and pragmatic business style and stable shareholder returns

The Company pays attention to management innovation and strives to meet the demand arising from market competition by improving management quality. High-quality products, excellent commercialization ability, compliance and efficient marketing services, differentiating market positioning, innovative R&D layout, outstanding talent planning are

the engine for the Company's long-term stable development. Over the 22 years since it was listed, the Company distributes dividends 19 times with a total amount of RMB5,084 million, far exceeding the RMB250 million raised in IPO, and was able to bring sustained and stable investment returns to shareholders.

III. Analysis of main business

Please refer to the relevant content of "I. Main business of the company during the reporting period".

Year-on-year changes in major financial data

Unit: RMB yuan

	Current reporting period	Same period last year	Year-on-year percentage increase/decrease	Cause of changes
Operating revenue	18,197,963,991.01	17,179,437,902.61	5.93%	
Operating cost	12,243,374,078.15	11,589,419,896.59	5.64%	
Selling expenses	3,032,965,177.95	2,978,753,751.45	1.82%	
Administrative expenses	572,048,249.55	534,683,411.33	6.99%	
Financial expenses	5,447,966.20	9,789,580.87	-44.35%	Mainly due to the increase in interest income in the current period
Income tax expenses	287,938,727.72	240,728,486.55	19.61%	
R&D investment	566,596,381.67	437,556,684.96	29.49%	
Net cash flows from operating activities	284,234,410.27	1,738,512,372.11	-83.65%	Mainly due to the year-on-year decrease in sales receipts and government grants, and the increase in deposits paid and R&D expenses
Net cash flows from investing activities	-995,224,437.77	-1,297,044,289.24	23.27%	
Net cash flows from financing activities	277,803,243.85	-366,906,114.30	175.72%	Mainly due to the increase in interest-bearing liabilities in the current period
Net increase in cash and cash equivalents	-459,496,727.95	74,138,062.91	-719.79%	

Significant changes in the company's profit composition or source of profit during the reporting period

Applicable N/A

There was no major change in the company's profit composition or source of profit during the reporting period.

Composition of operating revenue

Unit: RMB yuan

	The current reporting period		Same period last year		Year-on-year percentage increase/decrease
	Amount	Proportion in operating revenue	Amount	Proportion in operating revenue	
Total operating	18,197,963,991.01	100%	17,179,437,902.61	100%	5.93%

revenue					
By sector					
Business	12,227,544,864.77	67.19%	11,765,327,916.99	68.48%	3.93%
Manufacturing	5,728,897,548.63	31.48%	5,599,557,312.42	32.59%	2.31%
aesthetic medicine [Note 1]	897,380,506.25	4.93%	389,749,005.02[Note 2]	3.29%	130.25%
Including: International aesthetic medicine	530,599,252.48	2.92%	276,081,206.58	1.61%	92.19%
Domestic aesthetic medicine	413,184,704.69	2.27%	113,667,798.44	0.66%	263.50%
Offset (inter-sectoral offset)	-519,490,722.47		-461,528,533.38		
By product					
By region					
Domestic sales	17,641,053,155.99	96.94%	16,879,853,037.00	98.26%	4.51%
Overseas sales	556,910,835.02	3.06%	299,584,865.61	1.74%	85.89%

[Note1] The domestic aesthetic medicine business includes the income from the self-operated products of Sinclair (Shanghai), the income from the aesthetic medicine products of the Company's pharmaceutical commercial agency and the income from the OTC weight-loss products of the Company, and excluding the income from the aesthetic medicine products of the holding subsidiary, Huadong Ningbo Company. The statistical criteria of 2022 semi-annual report is the same as that of 2021.

[Note 2] In the first half of 2021, the Company's revenue from aesthetic medicine business (including Huadong Ningbo) totaled RMB565 million

Sectors, products or regions that account for more than 10% of the Company's operating revenue or operating profit

√ Applicable □ N/A

Unit: RMB yuan

	Operating revenue	Operating cost	Gross profit rate	Year-on-year percentage increase/decrease in operating revenue	Year-on-year percentage increase/decrease in operating cost	Year-on-year percentage increase/decrease in gross profit rate
By sector						
Business	12,227,544,864.77	11,381,893,006.31	6.92%	3.93%	4.45%	-0.46%
Manufacturing	5,728,897,548.63	1,215,156,442.07	78.79%	2.31%	13.62%	-2.11%
By product						
By region						
Domestic sales	17,641,053,155.99	12,067,330,884.87	31.60%	4.51%	5.07%	-0.36%
Overseas sales	556,910,835.02	176,043,193.28	68.39%	85.89%	69.07%	3.15%

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

□ Applicable √ N/A

Explanation of the reason why the relevant data has changed by more than 30% year-on-year.

√ Applicable □ N/A

Balance Sheet	Amount at the End of This Reporting Period	Amount at the Beginning of This Reporting Period	Change	Reason for Change
Accounts receivable for financing	802,248,535.33	509,190,888.54	57.55%	Mainly due to the increase in the proportion of bank clearing in the current period
Other receivables	387,568,284.05	223,707,267.30	73.25%	Mainly due to the increase in receivables and suspense payments in the current period
Other non-current assets	1,301,733,649.28	911,062,879.83	42.88%	Mainly due to the increase in payments for product introduction in the current period
Short-term borrowing	858,688,755.97	1,237,843,228.13	-30.63%	Mainly due to the repayment of borrowings in the current period
Notes payable	884,312,495.21	671,964,504.00	31.60%	Mainly due to the increase in notes for payment in the current period
Contract liabilities	59,102,591.78	118,341,141.48	-50.06%	Mainly due to the recognition of revenue from partial opening receipts of goods in advance
Taxes payable	551,787,831.96	1,029,610,563.41	-46.41%	Mainly due to the increase in taxes paid in the current period
Long-term borrowing	1,299,388,765.81	139,178,905.04	833.61%	Mainly due to the increase in borrowings in the current period
Other current liabilities	6,854,102.03	11,386,267.11	-39.80%	Mainly due to the reduction of contract liabilities with corresponding taxes transferred to other current liabilities
Income Statement	Amount of Current Period	Amount of the Previous Period	Change	Reason for Change
Financial expenses	5,447,966.20	9,789,580.87	-44.35%	Mainly due to the increase in interest income in the current period
Other income	81,653,430.69	137,364,653.52	-40.56%	Mainly due to the decrease in government grants obtained in the current period
Gains on assets disposal	8,506,580.12	182,307.80	4566.05%	Mainly due to the sale of real properties in the current period
Non-operating expenses	8,661,496.73	6,126,908.04	41.37%	Mainly due to the increase in donation in the current period
Profit or loss attributable to minority shareholders	13,334,907.33	42,161,491.00	-68.37%	Mainly due to Huadong Ningbo Company no longer included in the scope of consolidation in the current period
Cash Flow Statement	Amount of Current Period	Amount of the Previous Period	Change	Reason for Change
Net cash flows from operating activities	284,234,410.27	1,738,512,372.11	-83.65%	Mainly due to the year-on-year decrease in sales receipts and government grants, and the increase in deposit payment and R&D expenses in the current period
Net cash flows from financing activities	277,803,243.85	-366,906,114.30	175.72%	Mainly due to the increase in interest-bearing liabilities in the current period

IV. Analysis of non-main business

√ Applicable □ N/A

Unit: RMB yuan

	Amount	Proportion in total profit	Note on reasons	Sustainable or not
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Investment income	-53,479,017.66	-3.26%		
Asset impairment losses	-71,965,559.59	-4.38%		
Non-operating income	4,341,628.44	0.26%		No
Non-operating expenses	8,661,496.73	0.53%		No
Other income	81,653,430.69	4.97%	Mainly due to the confirmation of government grants in the current period	No
Gains on asset disposal	8,506,580.12	0.52%		

V. Analysis of assets and liabilities

1. Major changes in asset composition

Unit: RMB yuan

	End of the current reporting period		End of last year		Change of proportion	Note on major changes
	Amount	Proportion in total assets	Amount	Proportion in total assets		
Monetary funds	3,682,953,466.77	12.81%	4,032,424,555.22	14.94%	-2.13%	Mainly due to the year-on-year decrease in net cash flows from operating activities in the current period
Accounts receivable	7,454,064,290.97	25.92%	6,430,482,175.97	23.82%	2.10%	Mainly due to the increase in accounts receivable within the payment period
Contract assets	0.00					
Inventories	4,004,905,504.14	13.92%	3,974,549,648.96	14.72%	-0.80%	
Real estate properties for investment	14,088,049.32	0.05%	14,569,533.94	0.05%	0.00%	
Long-term equity investments	1,005,658,952.83	3.50%	984,927,398.68	3.65%	-0.15%	
Fixed assets	3,006,669,793.91	10.45%	3,077,227,759.84	11.40%	-0.95%	
Constructions in progress	1,756,500,881.94	6.11%	1,582,125,201.25	5.86%	0.25%	
Right-of-use assets	126,894,326.47	0.44%	153,724,197.81	0.57%	-0.13%	
Short-term borrowing	858,688,755.97	2.99%	1,237,843,228.13	4.59%	-1.60%	Mainly due to the repayment of borrowings in the current period
Contract liabilities	59,102,591.78	0.21%	118,341,141.48	0.44%	-0.23%	
Long-term borrowing	1,299,388,765.81	4.52%	139,178,905.04	0.52%	4.00%	Mainly due to the increase in borrowings in the current period
Lease liability	70,263,650.58	0.24%	80,889,403.39	0.30%	-0.06%	

2. Major overseas assets

Applicable N/A

Specific content of assets	Reason for formation	Assets size (Ten thousand yuan)	Location	Operating mode	Control measures to ensure assets safety	Profit or loss	Proportion of overseas assets in the Company's net assets	Whether there are any significant impairment risks
Sinclair Pharma Limited	Acquisition of equity	197309.82	UK	Independent accounting	Control of the Board of Directors and examination & approval of major decisions; daily supervision of financial matters; entrusting external intermediaries to conduct audits	Loss during the period	11.11%	No

3. Assets and liabilities measured at fair value

Applicable N/A

Unit: RMB yuan

Item	Opening balance	Change in fair value for the current period	Cumulative changes in fair value included in equity	Impairment accrued during the current period	Amount purchased in this period	Amount sold in this period	Other Changes	Closing balance
Financial Assets								
4. Investment in other equity instruments	257,815,844.68	-7,023,104.32						250,792,740.36
Total of the above	257,815,844.68	-7,023,104.32						250,792,740.36
Financial Liabilities	0.00							0.00

Other changes

During the reporting period, whether the company's main asset measurement attributes have changed significantly

Yes No

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

Item	Amount at the end of the period	Reason for limitation
Cash in bank	530,491,334.21	Certificate of time deposit, deposit certificate pledge, etc.

Other monetary funds	31,818,222.34	Cash deposit
Total	562,309,556.55	

VI. Investment

1. Overview

√ Applicable □ N/A

Investment amount in the reporting period (yuan)	Investment amount in the same period of last year (yuan)	Percentage change
1,128,489,759.34	1,485,053,641.17	-24.01%

2. Significant equity investments acquired during the reporting period

√ Applicable □ N/A

Unit: RMB yuan

Name of investee	Main businesses	Way of investment	Investment amount	Shareholding ratio	Capital source	Partner(s)	Term of investment	Product type	Progress as of the balance sheet date	Projected income	Profit or loss of investment in the current period	Involved in litigation or not	Disclosure date (if any)	Disclosure index (if any)
Anhui Meihua Hi-tech Pharmaceutical Co., Ltd.	Pharmaceutical and chemical manufacturing	Acquisition	108,000,000.00	100.00%	Equity fund	/	Long-term	Equity interest	Equity investment has been completed		-2,074,959.66	No	December 29, 2021	cninfo (http://www.cninfo.com.cn)
Heidelberg Pharma AG	R&D of oncology ADC drug	Capital injection + acquisition	735,882,000.00 [Note]	35.00%	Equity fund/ External financing	/	Long-term	Equity interest	The Equity Investment Agreement has been reached and the investment funds have not been paid		0.00	No	February 28, 2022	cninfo (http://www.cninfo.com.cn)
Total	--	--	843,882,000.00	--	--	--	--	--	--	0.00	-2,074,959.66	--	--	--

			0							9.66			
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Note: Conversion is based on the central parity of the Euro to RMB exchange rate on June 30, 2022, which is 7.0084

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

√Applicable □N/A

Unit: RMB yuan

Project name	Way of investment	Investment in fixed assets or not	Industry involved in the investment project	Investment amount during the reporting period	Cumulative actual investment amount by the end of the reporting period	Capital source	Project progress	Projected income	Cumulative income realized by the end of the reporting period	Reasons for not meeting the planned schedule and projected income	Disclosure date (if any)	Disclosure index (if any)
Huadong Medicine Biomedical Science and Technology Park Project Phase II	Self-built project	Yes	Pharmaceutical manufacturing	13,642,843.54	1,767,208,616.22	Own funds	99.00%	0.00	0.00	N/A	March 9, 2017	http://www.cninfo.com.cn
Huadong Medicine Life Science Industrial Park (on the south side of Xiangfu)	Self-built project	Yes	Pharmaceutical R&D	57,645,169.13	138,488,957.10	Own funds	60.00%	0.00	0.00	N/A	April 21, 2021	http://www.cninfo.com.cn
Total	--	--	--	71,288,012.67	1,905,697,573.32	--	--	0.00	0.00	--	--	--

4. Investment in financial assets

(1) Securities Investment

√Applicable □N/A

Type of stock	Stock code	Stock abbreviation	Initial investment cost	Accounting measurement model	Book value at the beginning of the period	Gain/losses from fair value changes in the current period	Accumulative fair value changes included in equity	Purchase amount in the current period	Selling amount in the current period	Gain/losses during the reporting period	Book value at the end of the period	Accounting item	Capital source
Domestic and overseas stock	RAPT	RAPT	20,207,400.00	Fair value measurement	14,461,751.62	-7,023,104.32					7,438,647.30	Other equity instrument investment	Own funds
Total			20,207,400.00	--	14,461,751.62	-7,023,104.32	0.00	0.00	0.00	0.00	7,438,647.30	--	--

	400.00		751.62	7,023,104.32					47.30		
Date of announcement of the Board of Directors on securities investment approval	N/A										
Date of announcement of the Board of Shareholders on securities investment approval (if any)	N/A										

Note: In 2018, Huadong Medicine Investment Holding (Hong Kong) Co., Ltd., a subsidiary of the Company, invested USD 3 million to purchase 218,102 preferred shares of RAPT Therapeutics, Inc. in C-2 series. RAPT Therapeutics, Inc. (stock code: RAPT) was listed on the NASDAQ Stock Exchange on October 30, 2019. Up to now, Huadong Medicine Investment Holding (Hong Kong) Co., Ltd. holds 60,500 RAPT shares after reducing some of its shares, accounting for 0.204% of the total shares of RAPT Therapeutics, Inc.

(2) Derivatives investment

√Applicable □N/A

Unit: RMB ten thousand yuan

Name of Derivatives Investment Operators	Relationship of Related Parties	Related-party Transaction or Not	Type of Derivatives Investment	Initial Investment Amount	Start Date	End Date	Beginning Amount	Purchase Amount during the Reporting Period	Selling Amount during the Reporting Period	Amount of Impairment Allowance Withdrawn (If Any)	Ending Amount	Proportion of Investment Amount at the End of the Period to the Company's Net Assets at the End of the Reporting Period	Amount of Actual Profit or Loss during the Reporting Period
Financial institutions	N/A	No	Forward exchange contract	0.00			0.00	26,644.10	26,644.10		0.00	0.00%	149.38
Total				0.00	--	--	0.00	26,644.10	26,644.10		0.00	0.00%	149.38
Capital source of derivatives				Equity fund									

investment	
Litigation involved (if applicable)	No
Disclosure date of announcement of the Board of Directors for approval of derivatives investment (if any)	July 16,2021
Description of risk analysis and control measures for derivatives positions during the reporting period (including but not limited to market risk, liquidity risk, credit risk, operational risk, and legal risk)	<p>1. The Company has strictly abided by the principle of prudent investment, selected sound investment types and invested within the limits approved by the Board of Directors.</p> <p>2. The Company has strictly screened counterparties by carrying out derivatives transactions only with banks and other financial institutions that are sound in operation, have good credit standing and are qualified to operate financial derivatives trading business. If necessary, the Company would invite external professional investment and legal affairs services and other institutions to provide consulting services for the Company's financial derivatives transactions and provide scientific and rigorous investment strategies and recommendations.</p> <p>3. The Company has formulated the <i>Management System of Securities Investment and Derivatives Trading</i>, which provides the principles, scope, decision-making authority, management and supervision of fund use, information disclosure and other aspects of the company's financial derivatives trading, to effectively prevent investment risks. Meanwhile, the Company will implement the relevant management system and assign personnel to track the progress of financial derivatives trading. In case of any risk that may affect the safety of the Company's funds, corresponding measures will be taken in a timely manner to control investment risks.</p> <p>4. The Company's audit department is responsible for supervising and inspecting the implementation of financial derivatives trading and reporting to the audit committee of the Board of directors of on a regular basis.</p>
For changes in market prices or fair value of invested derivatives during the reporting period, and the analysis of the fair value of derivatives, the Company should disclose the specific methods used, relevant assumptions and parameter setting	N/A
Statement on whether the accounting policies and specific accounting principles of the Company's derivatives in the reporting period have changed significantly compared with the previous period	There is no significant change in accounting policies and specific accounting principles of the Company's derivatives in the reporting period compared with the previous period.
Special opinions by independent directors on the Company's derivatives investment and risk control	The financial derivatives business conducted by the Company and its wholly-owned subsidiaries is conducive to reducing exchange gains or losses, lowering financial costs, improving the ability to cope with interest rate and exchange rate fluctuation risks and enhancing financial soundness, which is in line with the Company's operation and development needs and overall interests. With the <i>Management System of Securities Investment and Derivatives Trading</i> , investment risks can be effectively controlled. The Board of Directors has fully communicated on this matter, concluding that the decision-making procedures are legal and compliant, the internal control procedures are sound, and there are no cases harming the interests of the Company and all shareholders, especially the minority shareholders.

5. Use of raised funds Applicable N/A

No such case during the reporting period.

VII. Major assets and equity sales**1. Major assets sales** Applicable N/A

No such case during the reporting period.

2. Major equity sales Applicable N/A**VIII. Analysis of wholly-partially owned and shareholding companies** Applicable N/A

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

Unit: RMB yuan

Company name	Company type	Main business	Registered capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd.	Subsidiary	Production and management of Traditional Chinese and Western raw medicines and preparations, and health care products	872,308,130	12,245,405,387.68	8,258,452,704.92	5,501,967,295.92	1,279,673,400.46	1,115,287,544.00

Acquisition and disposal of subsidiaries during the reporting period

 Applicable N/A

Name of company	Methods of acquisition and disposal of subsidiaries during the reporting period	Impact on the overall production, operation and performance
Viora limited	Acquisition	International business development of energy source aesthetic medicine products for the Company
Anhui Meihua Hi-Tech Pharmaceutical Co., Ltd.	Acquisition	Industrial microbial industrialization platform
Hangzhou Huiyi Biotechnology Co., Ltd.	Newly established	Industrial microbial synthetic biology technology platform

IX. Structured entities controlled by the Company Applicable N/A

X. Risks and Countermeasures

1. Industry policies and market operating risk

The national regulation on the pharmaceutical industry has a profound impact on the development of the domestic industry. In recent years, the reform in the field of health care has been promoted, and relevant policies have been implemented in a more standardized, regular and systematic way. This, coupled with the impact of the normalization of COVID-19 pandemic, has created uncertainty in the domestic pharmaceutical market. With the further advancement of policies such as the Volume-Based Procurement program and medical insurance negotiations, the pharmaceutical industry is facing challenges in terms of production costs and profitability while new drug products are at the risk of lower prices.

Countermeasures: The Company will pay close attention to the national medical policies and industry development trends, invest more in R&D, combine independent R&D with external introduction, accelerate the layout of innovative varieties around the core treatment field, enrich product lines, so as to improve core competitiveness. At the same time, production and operational risks can be reduced through lean management, cost reduction and efficiency improvement. The Company will vigorously expand the basic and self-funded markets to strive for more market share. Apart from that, the Company will focus on the field of aesthetic medicine and industrial microbiology, to make the brand more competitive and create new growth points.

2. The risk of R&D for new drug

R&D of innovative drug requires high investment and long-term efforts with high risks. A new product from R&D to launch, needs to go through pre-clinical research, clinical trials, registration, approved production and other procedures, often taking a long time, and being affected by national policies, market factors, regulatory approval and other factors. In addition, the investment in manpower and preliminary R&D costs will put pressure on the Company to achieve its current operating objectives, and the new drug will also face market demand testing after its launch, which may result in less than expected return on R&D investment.

Countermeasures: The Company will continue to increase investment in drug R&D, optimize the innovation mechanism, improve the scientific new drug research and evaluation and decision-making system, and strengthen the establishment of close ties with

well-known R&D institutions at home and abroad; it will focus on the core treatment field, continue to enrich and optimize the product line through independent project and external introduction, and constantly boost the independent R&D level to create the R&D ecosystem; it will continue to intensify efforts to bring in high-level science and technology talents, and enhance the training and motivation for internal key technicians, to build a scientific research team covering the whole cycle of new drug R&D.

3. Risks of fluctuations in exchange rates

In recent years, the proportion of the Company's foreign currency settlement business is increasing as its internationalization process has been continuously promoted, international cooperation and exchanges have been continuously increased, and the sales network of its aesthetic medicine products covers across the world. There are uncertainties in exchange difference influenced by the complex international political and economic situation and factors such as the Russian-Ukraine war. Changes in exchange rates have far-reaching and lasting effects on the Company, which may bring good economic benefits or serious economic risks. Exchange rate fluctuations will affect the prices of the Company's exports, and will also cause exchange gains or losses, directly affecting its assets, liabilities and earnings, and further affecting its operating capacity, solvency and profitability.

Countermeasures: The company will pay close attention to changes in exchange rates, adjust its business policies in a timely manner according to its own situation to eliminate the adverse impact; it will establish awareness of exchange rate risk prevention and refine the exchange risk management system; at the same time, it will strengthen the training of professional skills and risk awareness of financial personnel, enhance the awareness of risk avoidance and make good use of financial means to avoid exchange rate risks.

4. The risk of goodwill impairment

In recent years, in order to realize the Company's innovative transformation development strategy, it has increased investment and M&A activities around innovative drugs and aesthetic medicine field, resulting in goodwill. The Company has no impairment of goodwill as assessed in the regular goodwill impairment tests. If the operating conditions of the Company to be acquired fluctuate in the future, there may be a risk of goodwill impairment, which will have a negative impact on the its current operating performance.

Countermeasures:

The company will strive to comprehensively improve its overall planning ability in business planning, management structure and financial management, enhance resource sharing and synergy with overseas subsidiaries such as Sinclair, a global aesthetic medicine operating platform, to improve its business integration capabilities of integrated operations and governance.

XI. Registration form of receptions, including research, communication and interview, undertaken during the reporting period

Reception Date	Reception Address	Reception Method	Type of visitor	Reception object	Main content of discussion and information provided	Index of basic information of the research
January 5,2022	Company conference room	Online meeting	Institution, individual	Huatai Securities, etc.	Huadong Medicine industrial microbiology topic communication	Please refer to “Huadong Medicine: record of investor relations activities: January 5,2022” presented on the websites of irm.cninfo.com.cn and cninfo.com.cn for details.
January 7.10,2022	Company conference room	Communication by phone	Institution	Industrial Securities, Horizon Insights, etc.	Investor communication	Please refer to “Huadong Medicine: record of investor relations activities: January 7.10,2022” presented on the websites of irm.cninfo.com.cn and cninfo.com.cn for details.
February 9,2022	Company conference room	Online meeting	Institution, individual	Zheshang Fund, etc	Huadong Medicine aesthetic medicine topic exchange and interpretation of overseas EBD transaction	Please refer to “Huadong Medicine: record of investor relations activities: February 9,2022” presented on the websites of irm.cninfo.com.cn and cninfo.com.cn for details.
March 1,2022	Company conference room	Online meeting	Institution, individual	Industrial Securities , etc.	Exchange on the latest innovative BD project	Please refer to “Huadong Medicine: record of investor relations activities: March 1,2022” presented on the

					for Huadong Medicine	websites of irm.cninfo.com.cn and cninfo.com.cn for details.
April 28, 2022	Company conference room	Communication by phone	Institution, individual	Huatai Securities, etc.	Interpretation of results of 2021 Annual Report and First Quarter Report of 2022 for Huadong Medicine	Please refer to “Huadong Medicine: record of investor relations activities: April 28, 2022” presented on the websites of irm.cninfo.com.cn and cninfo.com.cn for details.
May 13, 2022	Company conference room	Online meeting	Institution, individual	Public investors	Explanation of results of 2021 Annual Report and First Quarter Report of 2022 for Huadong Medicine	Please refer to “Huadong Medicine: record of investor relations activities: May 13, 2022” presented on the websites of irm.cninfo.com.cn and cninfo.com.cn for details.
June 1, 2022	Company conference room	Field research , online meeting	Institution, individual	JP Morgan Group, etc	Activities on investor reception day	Please refer to “Huadong Medicine: record of investor relations activities: June 1, 2022” presented on the websites of irm.cninfo.com.cn and cninfo.com.cn for details.

Section IV. Corporate Governance

I. Annual General Meeting and Extraordinary General Meetings convened during the reporting period

1. Annual General Meeting convened during the current reporting period

Meeting	Nature	Proportion of participating investors	Convened Date	Disclosure Date	Disclosure Index
2021 Annual General Meeting of Shareholders	Annual General Meeting of Shareholders	60.99%	June 1, 2022	June 1, 2022	No. 2022-041; www.cninfo.com.cn

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

Applicable N/A

II. Change of directors, supervisors and senior managers

Applicable N/A

Name	Title	Category	Date	Reason
Lv Liang	Chairman	Election	June 01, 2022	General election of the Board of Directors
Kang Wei	Director	Election	June 01, 2022	General election of the Board of Directors
Niu Zhanqi	Director	Election	June 01, 2022	General election of the Board of Directors
Zhu Feipeng	Director	Election	June 01, 2022	General election of the Board of Directors
Ye Bo	Director	Election	June 01, 2022	General election of the Board of Directors
Zhu Liang	Director	Election	June 01, 2022	General election of the Board of Directors
Jin Xuhu	Director	Resignation after expiration of term	June 01, 2022	Resignation after expiration of term
Gao Xiangdong	Independent Director	Election	June 01, 2022	General election of the Board of Directors
Wang Ruwei	Independent Director	Election	June 01, 2022	General election of the Board of Directors
Yang Lan	Independent Director	Election	June 01, 2022	General election of the Board of Directors
Zhong Xiaoming	Independent Director	Resignation after	June 01, 2022	Resignation after

		expiration of term		expiration of term
Yang Jun	Independent Director	Resignation after expiration of term	June 01, 2022	Resignation after expiration of term
Bai Xinhua	Supervisor	Election	June 01, 2022	Election of the Board of Supervisors
Zhou Yanwu	Supervisor	Election	June 01, 2022	Election of the Board of Supervisors
Qin Yun	Supervisor	Election	June 01, 2022	Election of the Board of Supervisors
Dong Jiqin	Supervisor	Election	June 01, 2022	Election of the Board of Supervisors
Xu Zhifeng	Supervisor	Election	June 01, 2022	Election of the Board of Supervisors
Zhu Yinhua	Supervisor	Election	June 01, 2022	Election of the Board of Supervisors
Liu Chengwei	Supervisor	Resignation after expiration of term	June 01, 2022	Resignation after expiration of term
Hu Baozhen	Supervisor	Resignation after expiration of term	June 01, 2022	Resignation after expiration of term
He Rufen	Supervisor	Resignation after expiration of term	June 01, 2022	Resignation after expiration of term
Lv Liang	General Manager(CEO)	Appointment	June 01, 2022	Appointment of the Board of Directors
Wu Hui	Deputy General Manager	Appointment	June 01, 2022	Appointment of the Board of Directors
Zhu Li	Deputy General Manager	Appointment	June 01, 2022	Appointment of the Board of Directors
Zhang Jianfei	Deputy General Manager	Appointment	June 01, 2022	Appointment of the Board of Directors
Zhou Shunhua	Deputy General Manager	Resignation after expiration of term	June 01, 2022	Resignation after expiration of term
Chen Bo	Board Secretary	Appointment	June 01, 2022	Appointment of the Board of Directors
Qiu Renbo	Person in Charge of Finance	Appointment	June 01, 2022	Appointment of the Board of Directors

III. Profit distribution and capitalization of capital reserves plan or proposal for the current reporting period

Applicable N/A

The Company did not plan to distribute cash dividends, send bonus shares, or convert capital reserve into share capital during the first half of the year.

IV. The implementation of Equity Incentive Plan, Employee Stock Incentive Plan, or other incentive plans

Applicable N/A

No such case during the reporting period.

Section V. Environmental and Social Responsibility

I. Significant environmental problems

Whether the Company and its subsidiaries are the key pollutant discharging units announced by the environmental protection authorities

Yes No

Name of the company or subsidiary	Name of major pollutants	Discharge type	Number of discharge outlets	Distribution of discharge outlets	Concentration of discharge	Discharge standard of pollutants	Total discharge	Approved total discharge	Excessive discharge
Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd.	Water pollutant: PH value	Intermittent discharge	1	Front gate, 866 Moganshan Road	7.44	6-9	/	/	None
Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd.	Water pollutant: COD	Intermittent discharge	1	Front gate, 866 Moganshan Road	35.79mg/l	500mg/l	7.53 tons	33.3 tons/year	None
Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd.	Water pollutant: ammonia nitrogen	Intermittent discharge	1	Front gate, 866 Moganshan Road	0.56mg/l	35mg/l	0.12 tons	2.38 tons/year	None
Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd.	Solid pollutant: hazardous solid waste	Legal disposal by entrusted qualified units	2	In the factory at 866 Moganshan Road	/	/	464.95 tons	/	None
Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd.	Solid pollutant: general solid waste	Legal disposal by entrusted qualified units	2	In the factory at 866 Moganshan Road	/	/	541.84 tons	/	None
Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd.	Air pollutant: nitrogen oxide	Organized emission	1	Roof of the boiler room in Building No. 25	28.5mg/ m ³	50mg/ m ³	0.467 tons	17.7 tons/year	None
Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd.	Air pollutant: sulfur dioxide	Organized emission	1	Roof of the boiler room in Building No. 25	3mg/ m ³	20mg/ m ³	0.049 tons	/	None
Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd.	Air pollutant: dust and fume	Organized emission	1	Roof of the boiler room in Building No. 25	6.9mg/ m ³	10mg/ m ³	0.109 tons	/	None
Hangzhou	Water	Continuous	1	7278 Meilin	8.24	6-9	/	/	None

Zhongmei Huadong Pharmaceutical Jiangdong Co., Ltd.	pollutant: pH	emission		Avenue (southwestern side)					
Hangzhou Zhongmei Huadong Pharmaceutical Jiangdong Co., Ltd.	Water pollutant: COD	Continuous emission	1	7278 Meilin Avenue (southwestern side)	294mg/L	500mg/L	99.71 tons	141.369 tons	None
Hangzhou Zhongmei Huadong Pharmaceutical Jiangdong Co., Ltd.	Water pollutant: ammonia nitrogen	Continuous emission	1	7278 Meilin Avenue (southwestern side)	8.99mg/L	35mg/L	3.049 tons	7.069 tons	None
Hangzhou Zhongmei Huadong Pharmaceutical Jiangdong Co., Ltd.	Exhaust gas VOCs	Organized emission	6	Environmental protection workshop, 7278 Meilin Avenue	1.94	60mg/L	0.28905	5.14 tons	None
Hangzhou Zhongmei Huadong Pharmaceutical Jiangdong Co., Ltd.	Exhaust gas Sulfur dioxide	Organized emission	1	Environmental protection workshop, 7278 Meilin Avenue	/(None)	100mg/L	0	0.38 tons	None
Hangzhou Zhongmei Huadong Pharmaceutical Jiangdong Co., Ltd.	Exhaust gas Nitrogen oxide	Organized emission	1	Environmental protection workshop, 7278 Meilin Avenue	/(None)	200mg/L	0	7.54 tons	None
Hangzhou Zhongmei Huadong Pharmaceutical Jiangdong Co., Ltd.	Solid pollutant: hazardous solid waste	Legal disposal by entrusted qualified units	2	Environmental protection workshop, 7278 Meilin Avenue	/	/	280.56 tons	/	None
Hangzhou Zhongmei Huadong Pharmaceutical Jiangdong Co., Ltd.	Solid pollutants: General solid wastes	Legal disposal by entrusted qualified units	4	Environmental protection workshop, 7278 Meilin Avenue	/	/	7633.4 tons	/	None
Huadong Medicine (Xi'an) Bohua	Water pollutant: PH value	Intermittent discharge	1	Along National Highway 310, Liuye	8.1	6-9	/	/	None

Pharmaceutical Co., Ltd.				River, Huayin City					
Huadong Medicine (Xi'an) Bohua Pharmaceutical Co., Ltd.	Water pollutant: COD	Intermittent discharge	1	Along National Highway 310, Liuye River, Huayin City	36.8mg/l	50mg/l	0.498 tons	3 tons	None
Huadong Medicine (Xi'an) Bohua Pharmaceutical Co., Ltd.	Water pollutant: ammonia nitrogen	Intermittent discharge	1	Along National Highway 310, Liuye River, Huayin City	0.37mg/l	8mg/l	0.005 tons	0.48 tons	None
Huadong Medicine (Xi'an) Bohua Pharmaceutical Co., Ltd.	Water pollutant: total nitrogen	Intermittent discharge	1	Along National Highway 310, Liuye River, Huayin City	8.8mg/l	15mg/l	0.12 tons	/	None
Huadong Medicine (Xi'an) Bohua Pharmaceutical Co., Ltd.	Solid pollutant: hazardous waste	Compliant disposal by entrusted qualified units	3	In the company	/	/	59.73 tons	/	None
Huadong Medicine (Xi'an) Bohua Pharmaceutical Co., Ltd.	Air pollutant: volatile organic compound	Organized emission	1	Raw medicine No.1 workshop	/	60mg/ m ³	/	/	None
Huadong Medicine (Xi'an) Bohua Pharmaceutical Co., Ltd.	Air pollutant: hydrogen chloride	Organized emission	1	Raw medicine No.1 workshop	/	30mg/ m ³	/	/	None
Huadong Medicine (Xi'an) Bohua Pharmaceutical Co., Ltd.	Air pollutant: hydrogen chloride	Organized emission	1	Raw medicine No.2 workshop	/	20mg/ m ³	/	/	None
Huadong Medicine (Xi'an) Bohua Pharmaceutical Co., Ltd.	Air pollutant: particulate matter	Organized emission	1	Raw medicine No.2 workshop	/	20mg/ m ³	/	/	None
Huadong Medicine (Xi'an) Bohua Pharmaceutical Co., Ltd.	Air pollutant: sulfuric acid mist	Organized emission	1	Raw medicine No.2 workshop	/	45mg/ m ³	/	/	None
Jiangsu Joyang	Water pollutant:	Intermittent	1	9 Haidubei	8.4	6-9	/	/	None

Laboratories Co., Ltd.	PH value	discharge		Road					
Jiangsu Joyang Laboratories Co., Ltd.	Water pollutant: COD	Intermittent discharge	1	9 Haidubei Road	119mg/l	500mg/l	3.375 tons	22.401 tons/year	None
Jiangsu Joyang Laboratories Co., Ltd.	Water pollutant: ammonia nitrogen	Intermittent discharge	1	9 Haidubei Road	0.147mg/l	35mg/l	0.004 tons	1.156 tons/year	None
Jiangsu Joyang Laboratories Co., Ltd.	Water pollutant: total nitrogen	Intermittent discharge	1	9 Haidubei Road	10.6mg/l	45mg/l	0.301 tons	1.486 tons/year	None
Jiangsu Joyang Laboratories Co., Ltd.	Water pollutant: total phosphorus	Intermittent discharge	1	9 Haidubei Road	1.71mg/l	8mg/l	0.048tons	0.164 tons/year	None
Jiangsu Joyang Laboratories Co., Ltd.	Solid pollutant: hazardous solid waste	Legal disposal by entrusted qualified units	/	In the factory at Haidubei Road	/	/	586.7 tons	3148.7tons/year	None
Jiangsu Joyang Laboratories Co., Ltd.	Air pollutant: particulate matter	Organized emission	5	Dosing section of workshop 101, fermentation section of workshop 101, dosing section of workshop 104 (shared by 107 and 108), fermentation section of workshop 104 (shared by 107 and 108), and drying section of workshop 104 (shared by 107 and 108)	12.5mg/m ³	60mg/Nm ³	16.93tons/half year	42.7409 tons/year	None

Construction and operation of pollution prevention and control facilities

1. Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd.

(1) Waste water

Name of pollution prevention and control facilities	Treatment process	Processing capacity	Time of operation	Status of operation
Waste water treatment system of the old sewage station	Facultative + fluidized bed	Original 600 tons/day; 800 tons/day after technical transformation	November 1993; technical transformation in 2007	Out of service to be dismantled

Waste water treatment system of the new sewage station	Facultative +CASS+ air flotation	2,200 tons/day	December 2001; technical transformation in 2014 (IC and air flotation added) IC tower process dismantled in 2022	Normal
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(2) Waste gas

Name of pollution prevention and control facilities	Treatment process	Processing capacity CMH	Time of operation	Status of operation
DA010 (35#-1)	Level 2 water spraying + surface cooling + activated carbon adsorption/desorption	15000	2017	Normal
DA011 (35#-2)	Level 2 water spraying	22000	2013	Normal
DA012 (40#-2)	Activated carbon + horizontal spraying	6000	2019	Dismantled
DA013 (32#-1)	Level 2 alkali liquor spraying	22000	2013	Dismantled
DA014 (36#-1)	Level 2 water spraying + surface cooling + low-temperature plasma + Level 1 water spraying	27000	2017	Normal
DA015 (40#-1)	Level 2 water spraying	24200	/	Dismantled
DA016 (18#-1)	Two levels of alkali liquor spraying + all-in-one (photocatalytic oxidation + plasma + activated carbon) + inorganic nano catalytic deodorization equipment + Level 1 water spraying	16000	2019	Normal
DA017 (19#-1)	Combustion tower	/	2018	Dismantled
DA018 (19#-2)	Combustion tower	/	2018	Dismantled
DA019 (3#-1)	Level 1 water spraying + photocatalytic oxidation	20000+52000	2019	Normal
DA020 (36#-2)	Two levels of water spraying + condensation+ photocatalytic oxidation + activated carbon + inorganic nano-catalysis + water spraying	10000	2019	Normal
DA021 (16#-1)	Level 1 water spraying + Level 1 alkali liquor spraying	12000	2012	Stopped
DA022 (16#-2)	Level 1 water spraying + Level 1 plant oil and water spraying	30000	2014	Stopped
DA023 (27#-1)	Condensation + Level 1 alkali liquor spraying + all-in-one + Level 1 alkali liquor spraying	15000	2009	Stopped
DA024 (33#-1)	Level 2 alkali liquor spray + condensate tank + common Level 1 alkali liquor spraying	48000	2019	Dismantled
DA025 (32#-2)	Dust removal with cloth bag + high-efficiency filter	/	2017	Dismantled
DA026 (34#-1)	Level 2 alkali liquor spraying	54000	2008	Dismantled
DA027 (7#-1)	Level 2 alkali liquor spraying	26000	2015	Normal
DA028 (6#-1)	Level 1 water spraying	12200	2016	Normal
DA029 (18#-2)	Level 2 alkali liquor spraying + photocatalytic oxidation + activated carbon + Level 1 alkali liquor spraying	16000	2018	Normal
DA030 (18#-3)	Level 1 water spraying + Level 1 alkali liquor spraying	5000	2017	Normal
DA031 (25#-2)	Low-nitrogen combustion + high-altitude	8000	2009 (The low nitrogen	Normal

	emission		transformation completed in December 2019.)	
DA032 (25#-1)	Low-nitrogen combustion + high-altitude emission	8000	2009 (The low nitrogen transformation completed in December 2019.)	Normal
DA033 (1#-1)	Oil fume purifier	/	/	Normal
DA034 (27#-2)	Two levels of water spraying + activated carbon adsorption/desorption	15000	2011	Stopped
DA035 (27#-3)	Photocatalytic oxidation + Level 1 alkali liquor spraying	22300	2016	Stopped
DA036 (8#-1)	Level 2 water spraying	25000	2017	Normal
DA037 (13#-1)	Level 2 water spraying + surface cooling + activated carbon adsorption/desorption	25000	2017	Normal
DA038 (28#-1)	Level 1 water spraying + photocatalytic oxidation	22000	2011	Stopped
DA039 (28#-2)	Level 2 water spraying + common photocatalytic oxidation	48000	2011	Stopped
DA040 (29#-1)	Level 1 water spraying + Level 1 alkali liquor spraying	22000	2011	Stopped
DA041 (33#-2)	Level 1 water spraying	18600	2012	Dismantled
DA042 (10#-1)	Level 1 water spraying	20000	2016	Normal
DA043 (15#-1)	Level 1 alkali liquor spraying + photocatalytic oxidation	25000	2018	Normal
DA044 (43#-1)	Level 1 alkali liquor spraying + Level 1 water spraying	45000	2014	Normal
DA045 (46#-1)	Level 1 water spraying	3000	2015	Normal
DA046 (46#-2)	Level 1 water spraying	25000	2015	Normal
DA047 (46#-3)	Level 1 water spraying	30000	2015	Normal
DA048 (23#-1)	Two levels of water spraying	7000	2019	Normal

(3) Solid waste

Name of pollution prevention and control facilities	Treatment process	Processing capacity	Time of operation	Status of operation
Hazardous waste warehouse	Standardized storage	160 tons	March 2012	Standardized storage; legal disposal by qualified units
	Standardized storage	240 tons	March 2010	
General solid waste yard	Standardized storage	7 tons	March 2010	Standardized storage; legal disposal by qualified units
	Standardized storage	30 tons	June 2004	

2. Construction and operation of pollution prevention and control facilities of Hangzhou Zhongmei Huadong Pharmaceutical Jiangdong Co., Ltd.

(1) Waste water

Name of pollution	Treatment process	Processing capacity	Time of operation	Status of operation
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prevention and control facilities				
Phase I sewage treatment station	Primary sedimentation + EGSB + facultative + aerobic + advanced treatment	1500tons/day	March 2016	Normal
Phase II sewage treatment station	EGSB + facultative + aerobic + advanced treatment	8500tons/day	July 2019	Normal

(2) Waste gas

Name of pollution prevention and control facilities		Treatment process	Processing capacity CMH	Time of operation	Status of operation
DA001	East fermentation exhaust	Level 2 alkali spray + Photocatalytic oxidation	45000	May 2016	Normal
DA002	West fermentation exhaust	Level 2 alkali spray + Photocatalytic oxidation	40000	May 2016	Normal
DA003	North dry exhaust gas	Level 2 alkali spray	80000	May 2016	Normal
DA004	Exhaust gas from the wastewater treatment station	Level 2 alkali spray	50000	May 2016	Normal
DA005	Ingredients and other exhaust gas	Level 2 alkali spray + Photocatalytic oxidation	20000	May 2016	Normal
DA006	Exhaust gas from ingredients	Level 1 alkali spray	10000	May 2016	Normal
DA007	Exhaust gas arising from quality control and R&D	Level 1 alkali spray + Photocatalytic oxidation	20000	May 2016	Normal
DA008	South dry exhaust gas	Level 2 alkali spray	80000	May 2016	Normal
DA010	Frame exhaust gas	Level 2 alkali spray + Photocatalytic oxidation	40000	May 2017	Normal
DA011	Exhaust gas from drying and cooling silo	Level 2 alkali spray	20000	May 2017	Normal
DA012	Dry 7m exhaust gas	Level 1 alkali spray	20000	May 2016	Normal
DA013	Dry 18m exhaust gas	Level 1 alkali spray	20000	May 2016	Normal
DA014	Exhaust gas in tank area	Active carbon+ alkali spray	A small amount	June 2019	Normal
DA015	RTO exhaust gas	Water spray +RTO+ alkali spray	100000	June 2019	Suspend
DA016	Vogli preparation exhaust gas 1	Bag dust collecting	A small amount	June 2019	Suspend
DA017	MP exhaust gas	Photocatalytic oxidation	44000	June 2019	Suspend
DA018	Super-resistant fermentation exhaust gas	Alkali spray + Photocatalytic oxidation + Water spray	20000	June 2019	Suspend
DA019	X8 exhaust gas	Acid spray + Water spray	6000	June 2019	Suspend
DA020	Vogli preparation exhaust gas 2	Bag dust collecting	A small amount	June 2019	Suspend

DA021	Quality inspection exhaust gas	Alkali spray + Photocatalytic oxidation + water spray	30000	June 2019	Normal
DA022	Hydrochloric acid exhaust gas refined from AK	Alkali spray + water spray	10000	June 2019	Suspend
DA023	Spray drying exhaust gas 1	Bag dust collecting + water spray	A small amount	June 2019	Suspend
DA024	North exhaust gas fermented from AK	Alkali spray + Photocatalytic oxidation + water spray	90000	June 2019	Suspend
DA025	South exhaust gas fermented from AK	Alkali spray + Photocatalytic oxidation + water spray	90000	June 2019	Suspend
DA026	Exhaust gas from the phase II wastewater treatment station	Alkali spray + water spray	58000	June 2019	Suspend
DA027	Central control exhaust gas	Alkali spray + Photocatalytic oxidation + water spray	8000	June 2019	Suspend
DA028	YT exhaust gas	Alkali spray + water spray	4000	June 2019	Suspend
DA029	Spray drying exhaust gas 2	Bag dust collecting + water spray	A small amount	June 2019	Suspend
DA030	Alcohol exhaust gas refined from AK	Alkali spray + water spray	1000	June 2019	Suspend

(3) Solid waste

Name of pollution prevention and control facilities	Treatment process	Processing capacity	Time of operation	Status of operation
Hazardous waste warehouse	Standardized storage	10tons	March 2017	Standardized storage; legal disposal by entrusted qualified units
	Standardized storage	200tons	May 2021	
General solid waste yard	Standardized storage	20tons	March 2016	Standardized storage; legal disposal by entrusted qualified units
	Standardized storage	15tons	March 2016	
	Standardized storage	40tons	July 2019	
	Standardized storage	30tons	July 2019	

3. Construction and operation of pollution prevention and control facilities of Huadong Medicine (Xi'an) Bohua Pharmaceutical Co., Ltd.:

(1) Waste water

Name of pollution prevention and control facilities	Treatment process	Processing capacity	Time of operation	Status of operation
Waste water treatment system of the sewage station	Fenton oxidation + facultative + aerobic+MBR+ Ozone oxidation	250 tons/day	July 2012	Normal

(2) Waste gas

Name of pollution prevention and control facilities	Treatment process	Time of operation	Status of operation
Waste gas treatment unit of raw medicine No. 1 workshop	Alkali spray + dry filter (filter cotton) +UV photolysis + activated carbon adsorption	October 2020	Normal
Waste gas treatment unit of raw medicine No. 2 workshop	Level 2 alkaline water spray + dry filter +UV photolysis + activated carbon	November 2019	Normal

(3) Solid waste

Name of pollution prevention and control facilities	Treatment process	Storage capacity	Time of operation	Status of operation
Hazardous waste warehouse	Standardized storage	60 tons	January 2012	Standardize storage; legal disposal by entrusted qualified units

4. Construction and operation of pollution prevention and control facilities of Jiangsu Joyang Laboratories Co., Ltd.:

(1) Waste water

Name of pollution prevention and control facilities	Treatment process	Processing capacity	Time of operation	Status of operation
Waste water treatment system of the sewage station	Air floatation tank + hydrolysis acidification + IC tower + UASB pool + A/O pool + O pool + secondary sedimentation tank	300 tons/day	December 2014	Normal

(2) Waste gas

Name of pollution prevention and control facilities	Treatment process	Processing capacity CMH	Time of operation	Status of operation
Waste gas treatment unit of the extraction section of workshop 101	Level 1 water spray + moisture separator + photocatalytic oxidation + level 2 activated carbon adsorption + high-altitude discharge via 25m exhaust pipe	10,000	2014	Normal
Waste gas treatment unit of the fermentation section of workshop 101	Level 1 water spray + moisture separator + level 2 activated carbon adsorption + high-altitude discharge via 25m exhaust pipe	2,000	2019	Normal
Waste gas treatment unit of the drying section of workshop 101	Level 1 water spray + moisture separator + level 2 activated carbon adsorption + high-altitude discharge via 25m exhaust pipe	22,000	2017	Normal
Waste gas treatment unit of the dosing section of workshop 101	Cyclone separator + level 1 water spray + high-altitude discharge via 15m exhaust pipe	5,000	2014	Normal
Waste gas treatment unit of the fermentation section of workshop 104/107/108	level 1 water spray + moisture separator + level 2 activated carbon adsorption + high-altitude discharge via 25m exhaust pipe	75000	2021	Normal
Waste gas treatment unit of the	Level 1 water spray + moisture separator + photocatalytic	10,000	2015	Normal

extraction section of workshop 104	oxidation + level 2 activated carbon adsorption + high-altitude discharge via 25m exhaust pipe			
Waste gas treatment unit of the dosing section of workshop 104/107/108	Cyclone separator + level 1 water spray +high-altitude discharge via 15m exhaust pipe	5000	2015	Normal
Waste gas treatment unit of the drying section of workshop 104/107/108	Level 1 water spray + moisture separator + level 2 activated carbon adsorption	20000	2015	Normal
Waste gas treatment unit of pretreatment basin and domestic waste yard of workshop 103 and 303	Level 1 water spray + moisture separator + photocatalytic oxidation + level 2 activated carbon adsorption +high-altitude discharge via 25m exhaust pipe	40000	2019	Normal
Waste gas treatment unit of workshop 106	Level 1 water spray + moisture separator + photocatalytic oxidation + level 2 activated carbon adsorption + high-altitude discharge via 25m exhaust pipe	10,000	2015	Normal
Waste gas treatment unit of the extraction section of workshop 107	Level 1 water spray + moisture separator +photocatalytic oxidation+ level 2 activated carbon adsorption + high-altitude discharge via 25m exhaust pipe	20,000	2019	Normal
Waste gas treatment unit of the extraction section of workshop 108	Level 1 water spray + moisture separator + photocatalytic oxidation + level 2 activated carbon adsorption + high-altitude discharge via 25m exhaust pipe	40,000	2019	Normal
Waste gas treatment unit of workshop 109	Level 1 water spray +high-altitude discharge via 25m exhaust pipe	20000	2019	Normal
Waste gas treatment unit of sewage station 303	Level 1 water spray + moisture separator + photocatalytic +high-altitude discharge via 25m exhaust pipe	15000	2021	Normal

(3) Solid waste

Name of pollution prevention and control facilities	Treatment process	Processing capacity	Time of operation	Status of operation
Hazardous waste warehouse	Standardized storage	300 tons	October 2020	Standardized storage; legal disposal by entrusted qualified units
Domestic waste yard	Standardized storage	3 tons	March 2015	Chengdong Garbage Disposal Station

Environmental impact assessment of construction projects and other administrative permits for environmental protection

All construction projects of the above four subsidiaries of the Company have been declared, constructed and accepted in strict accordance with the requirements of “three simultaneous” for environmental protection, have passed environmental impact assessment, and met the requirements of environmental impact assessment for construction projects. The Company has obtained the pollutant discharge permit and the discharge permit of urban sewage into the drainage pipe network according to the environmental protection requirements.

Hangzhou Zhongmei Huadong Pharmaceutical Jiangdong Co., Ltd. obtained the environmental assessment approval for the Bering tablet production renovation project on April 22, 2022. Jiangsu Jiuyang Biopharm Co., Ltd. obtained the pollutant discharge permit according to the environmental protection requirements. The valid period is from February 28, 2022 to February 27, 2027.

Emergency plan for environmental emergencies

The company has established a comprehensive emergency response plan for environmental emergencies, standardizes the emergency handling of environmental emergencies, and minimizes the impact on human health caused by the leakage of environmental risk substances into the air, water or soil due to fire, explosion, leakage or other unexpected emergencies. And environmental hazards, continue to improve the company's emergency response capabilities for sudden environmental pollution incidents. The company has comprehensively established the emergency plan for environmental emergencies, standardized the emergency treatment of environmental emergencies, minimized the harm to human health and environment caused by the leakage of environmental risk substances to air, water or soil due to fire, explosion, leakage or other unexpected emergencies, and continuously improved the emergency response capacity of the company for environmental pollution emergencies. The above four subsidiaries of the Company have compiled and established the mechanism of “Emergency Plan for Environmental Emergencies”, revised and improved it regularly according to the requirements.

Jiangsu Jiuyang Biopharm Co., Ltd. organized an emergency plan drill for fire environmental incidents in May 2022.

Environmental self-monitoring scheme

The above four subsidiaries of the Company have all established the mechanism of “Self-monitoring Scheme for Pollution Sources” which has been put on record in the environmental protection authorities, and all the monitoring data are reported according to the regulations.

Administrative punishment caused by environmental problems during the reporting period

Company/subsidiary name	Reasons	Violation description	Punishment	Impact on the production and operation of the listed Company	Rectification measures
Jiangsu Joyang Laboratories Co., Ltd	The Company fails to re-apply for a discharge permit to discharge pollutants	Types of pollutant emissions are increased	A fine of RMB228,000	No major impact	The Company need to stop immediately the production of the product and discharge pollutants according to the discharge permit

Other environmental information that should be made public

None

Carbon emissions reduction measures and effects during the reporting period

Applicable N/A

In the first half of 2022, Hangzhou Zhongmei Huadong Pharmaceutical Jiangdong Co., Ltd., a wholly-owned subsidiary of the Company, continued to use biogas for power generation, reducing the emission of methane, hydrogen sulfide and other pollutants, and continuously carried out measures such as water saving and consumption reduction in the workshop to reduce the emission of pollutants.

In the first half of 2022, Jiangsu Jiuyang Biopharm Co., Ltd., the holding subsidiary of the Company, conducted technical transformation of air pipelines to optimize pipeline layout, reduce air resistance, and improve air utilization rate, which can save 60,000 kWh per month. With the lean project, the power consumption of a single batch of products dropped by 13%, the consumption of tap water by 19%, and the consumption of steam by 8% in the first half of 2021.

In the first half of 2022, Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd., a wholly-owned subsidiary of the Company, carried out frequency conversion transformation on the tap water pressurization system and tail gas treatment system in Xiangfu Qiao plant, which is expected to save 380,000 kwh of electricity annually; it adjusted the service time of some high-power electrical equipment to avoid peak and fill valley, with estimated annual electricity cost savings of 150,000 yuan; it rectified or banned the use of electricity for non-process steam, which can save approximately 1,000 tons of steam per year; it implemented duty mode for air conditioners in the production area to reduce the consumption of energy such as air conditioning steam, chilled water and electricity during non-production hours; it carried out energy-saving and consumption-reduction technical transformation for the sewage treatment system and optimized the sewage treatment control index to reduce the use of compressed air and save electricity and energy, which can save more than 10,000 kwh of electricity per month.

Other information related to environmental protection

None

II. Social responsibilities

Since the normalization of the COVID-19 pandemic, the Company, as a provincial and municipal emergency medicine and equipment storage unit, has actively participated in the fight against the pandemic, performed social responsibilities, paid close attention to the epidemic situation, actively coordinated the production enterprises, and optimized the inventory structure of provincial physical reserves and emergency medical materials; it has scrambled to implement the organization, mobilization and coordination of pandemic prevention materials, and made every effort to speed up the transportation of emergency security materials to ensure supply, curbing the spread of the virus with practical actions.

Section VI. Important Matters

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

Applicable N/A

The Company does not have commitments made by interested parties such as the Company's de facto controller, shareholders, related parties, acquirer(s), and the Company that are fulfilled during the reporting period or unfulfilled by the end of the reporting period.

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

Applicable N/A

No such case during the reporting period.

III. External guarantees in violation of provisions

Applicable N/A

No such case during the reporting period.

IV. Employment and dismissal of accounting firms

Whether the half year report was audited

Yes No

The Company's half year report was not audited.

V. Explanation given by the Board of directors and the Board of Supervisors regarding the "non-standard auditor's report" issued by the accounting firm for the current reporting period

Applicable N/A

VI. Explanation given by the Board of Directors regarding the "non-standard auditor's report" for the prior year

Applicable N/A

VII. Bankruptcy reorganization

Applicable N/A

No such case during the reporting period.

VIII. Litigations

Major litigation and arbitration

Applicable N/A

No such case during the reporting period.

Other litigations

Applicable N/A

Basic litigation (arbitration) information	Amount involved (unit: RMB10,000)	Whether estimated liabilities are formed as a result	Progress of litigation (arbitration)	Litigation (arbitration) result and impact	Litigation (arbitration) judgment execution	Disclosure date	Disclosure index
Summary of matters that do not meet the disclosure standards for major litigation (arbitration) (domestic)	4,153.96	No	Some cases are being filed, some are under trial, and some have taken effect	The summary of litigation matters has no material impact on the Company	Some judgments have taken effect and are under execution, some have not yet taken effect, some are pending, and some are in progress	Not meet the disclosure standards for major litigation	/
Summary of matters that do not meet the disclosure standards for major litigation (arbitration) (overseas)	143	No	In trial	The summary of litigation matters has no material impact on the Company	In trial, with no decision made	Not meet the disclosure standards for major litigation	/

IX. Punishment and rectification

Applicable N/A

X. Integrity of the Company and its controlling shareholder and actual controller

Applicable N/A

XI. Major related transactions

1. Transactions related to daily operations

Applicable N/A

Related party	Relationship	Type of related transaction	Content of related transaction	Pricing principles for related transaction	Price of related transaction	Related transaction amount (ten thousand yuan)	Proportion in the amount of similar transactions	Approved transaction amount (ten thousand yuan)	Whether it exceeds the approved amount	Settlement method of related transaction	Available market prices of similar transactions	Date of disclosure	Disclosure index
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Grandpharma (China) Co., Ltd.	Subsidiary of the Company's controlling shareholder	Drug purchase	Drug purchase	Market price determined by the Company's related transaction decision-making process	Market price	2,936.89	0.24%	7,500	No	Cash, banker's acceptance bill	Market price	May 12, 2022	http://www.cninfo.com.cn
Hangzhou Jiuyuan Gene Engineering Co., Ltd.	Joint venture of the Company	Drug purchase	Drug purchase	Market price determined by the Company's related transaction decision-making process	Market price	3,351.17	0.27%	4,500	No	Cash, banker's acceptance bill	Market price	May 12, 2022	http://www.cninfo.com.cn
Sichuan Yuanda Shuyang Pharmaceutical Co., Ltd.	Subsidiary of the Company's controlling shareholder	Drug purchase	Drug purchase	Market price determined by the Company's related transaction decision-making process	Market price	1,423.87	0.12%	6,500	No	Cash, banker's acceptance bill	Market price	May 12, 2022	http://www.cninfo.com.cn
Beijing Grand Johamu Pharmaceutical Co.,	Subsidiary of the Company's controlling shareholder	Drug purchase	Drug purchase	Market price determined by the Company's related transaction	Market price	1,640.06	0.13%	4,000	No	Cash, banker's acceptance bill	Market price	May 12, 2022	http://www.cninfo.com.cn

Ltd.				ction decisi on- makin g proces s									
Wuhan Grand Pharmaceutical Group Sales Co., Ltd.	Subsidiary of the Company's controlling shareholder	Drug purchase	Drug purchase	Market price determined by the Company's related transaction decision-making process	Market price	1,315.25	0.11%	2,000	No	Cash, bankers' acceptance bill	Market price	May 12, 2022	http://www.cninfo.com.cn
Hangzhou Grand Biologic Pharmaceutical Inc	Subsidiary of the Company's controlling shareholder	Drug purchase	Drug purchase	Market price determined by the Company's related transaction decision-making process	Market price	1,551.1	0.13%	2,000	No	Cash, bankers' acceptance bill	Market price	May 12, 2022	http://www.cninfo.com.cn
Penglai Nuokang Pharmaceutical Co. Ltd.	Subsidiary of the Company's controlling shareholder	Drug purchase	Drug purchase	Market price determined by the Company's related transaction decision-making process	Market price	1,303.97	0.11%	3,000	No	Cash, bankers' acceptance bill	Market price	May 12, 2022	http://www.cninfo.com.cn
Yunnan	Subsidiary	Drug purchase	Drug purchase	Market price	Market price	939.29	0.08%	2,000	No	Cash, bankers' acceptance bill	Market price	May 12, 2022	http://www.cninfo.com.cn

Leiyu nshan g Lixian g Pharm aceuti cal Co., Ltd.	of the Comp any's contro lling shareh older	ase	ase	deter mined by the Comp any's relate d transa ction decisi on-makin g proces s						r's accept ance bill		22	cninfo .com. cn
Leiyu nshan g Pharm aceuti cal Group Co. Ltd.	Subsi diary of the Comp any's contro lling shareh older	Drug purch ase	Drug purch ase	Marke t price deter mined by the Comp any's relate d transa ction decisi on-makin g proces s	Marke t price	478.83	0.04%	500	No	Cash, banke r's accept ance bill	Marke t price	May 12,20 22	http:// www. cninfo .com. cn
Sheny ang Yaoda Leiyu nshan g Pharm aceuti cal Co., Ltd.	Subsi diary of the Comp any's contro lling shareh older	Drug purch ase	Drug purch ase	Marke t price deter mined by the Comp any's relate d transa ction decisi on-makin g proces s	Marke t price	279.97	0.02%	700	No	Cash, banke r's accept ance bill	Marke t price	May 12,20 22	http:// www. cninfo .com. cn
Guan gdong Leiyu nshan g Pharm aceuti cal Co., Ltd.	Subsi diary of the Comp any's contro lling shareh older	Drug purch ase	Drug purch ase	Marke t price deter mined by the Comp any's relate d transa ction decisi	Marke t price	151.91	0.01%	350	No	Cash, banke r's accept ance bill	Marke t price	May 12,20 22	http:// www. cninfo .com. cn

				on- making process									
Xi'an Yuanda a new Beilin Pharm aceutical Co., Ltd	Subsi diary of the Comp any's contro lling shareh older	Drug purch ase	Drug purch ase	Marke t price deter mined by the Comp any's relate d trans action decisi on- making proces s	Marke t price	216.6 8	0.02%	300	No	Cash, banke r's accept ance bill	Marke t price	May 12,20 22	http:// www. cninfo .com. cn
Chang shu Leiyu nshan g Pharm aceuti cal Co., Ltd.	Subsi diary of the Comp any's contro lling shareh older	Drug purch ase	Drug purch ase	Marke t price deter mined by the Comp any's relate d trans action decisi on- making proces s	Marke t price	28.93	0.00%	150	No	Cash, banke r's accept ance bill	Marke t price	May 12,20 22	http:// www. cninfo .com. cn
Chang chun Leiyu nshan g Pharm aceuti cal Co., Ltd.	Subsi diary of the Comp any's contro lling shareh older	Drug purch ase	Drug purch ase	Marke t price deter mined by the Comp any's relate d trans action decisi on- making proces s	Marke t price	200.7	0.02%	150	Yes	Cash, banke r's accept ance bill	Marke t price	May 12,20 22	http:// www. cninfo .com. cn
Xi'an Yuanda a Detia	Subsi diary of the Comp	Drug purch ase	Drug purch ase	Marke t price deter mined	Marke t price	109.5 8	0.01%	550	No	Cash, banke r's accept	Marke t price	May 12,20 22	http:// www. cninfo .com.

n Pharm aceuti cal Co., Ltd	any's contro lling shareh older			by the Comp any's relate d transa ction decisi on- makin g proces s						ance bill			cn
Grand pharm a Huan gshi Feiyu n Pharm aceuti cal Co., Ltd.	Subsi diary of the Comp any's contro lling shareh older	Drug purch ase	Drug purch ase	Marke t price deter mined by the Comp any's relate d transa ction decisi on- makin g proces s	Marke t price	6.15	0.00%	550	No	Cash, banke r's accept ance bill	Marke t price	May 12,20 22	http:// www. cninfo .com. cn
Anhui Leiyu nshan g Pharm aceuti cal Co., Ltd.	Subsi diary of the Comp any's contro lling shareh older	Drug purch ase	Drug purch ase	Marke t price deter mined by the Comp any's relate d transa ction decisi on- makin g proces s	Marke t price	24.83	0.00%	550	No	Cash, banke r's accept ance bill	Marke t price	May 12,20 22	http:// www. cninfo .com. cn
Grand Bioph armac eutica l (Chon gqing) Co., Ltd.	Subsi diary of the Comp any's contro lling shareh older	Drug purch ase	Drug purch ase	Marke t price deter mined by the Comp any's relate d transa ction decisi on- makin g proces s	Marke t price	232.2 7	0.02%	550	No	Cash, banke r's accept ance bill	Marke t price	May 12,20 22	http:// www. cninfo .com. cn

				g proces s									
Hangzhou Junlan Pharmaceutical Trading Co. Ltd.	Shareholding enterprise	Drug sales	Drug sales	Market price determined by the Company's related transaction decision-making process	Market price	4,931	0.27%	13,000	No	Cash, bankers' acceptance bill	Market price	May 12, 2022	http://www.cninfo.com.cn
Leiyunshan Pharmaceutical Group Co. Ltd.	Subsidiary of the Company's controlling shareholder	Drug sales	Drug sales	Market price determined by the Company's related transaction decision-making process	Market price	341	0.02%	650	No	Cash, bankers' acceptance bill	Market price	May 12, 2022	http://www.cninfo.com.cn
Guangdong Leiyunshan Pharmaceutical Co., Ltd.	Subsidiary of the Company's controlling shareholder	Drug sales	Drug sales	Market price determined by the Company's related transaction decision-making process	Market price	176.84	0.01%	220	No	Cash, bankers' acceptance bill	Market price	May 12, 2022	http://www.cninfo.com.cn
Yunnan Leiyunshan Lixian	Subsidiary of the Company's contro	Drug sales	Drug sales	Market price determined by the Comp	Market price	219.99	0.01%	350	No	Cash, bankers' acceptance bill	Market price	May 12, 2022	http://www.cninfo.com.cn

g Pharm aceuti cal Co., Ltd.	ling shareh older			any's relate d transa ction decisi on- makin g proces s									
Chang chun Leiyu nshan g Pharm aceuti cal Co., Ltd.	Subsi diary of the Comp any's contro lling shareh older	Drug sales	Drug sales	Marke t price deter mined by the Comp any's relate d transa ction decisi on- makin g proces s	Marke t price	21	0.00%	73	No	Cash, banke r's accept ance bill	Marke t price	May 12,20 22	http:// www. cninfo .com. cn
Chang shu Leiyu nshan g Pharm aceuti cal Co., Ltd.	Subsi diary of the Comp any's contro lling shareh older	Drug sales	Drug sales	Marke t price deter mined by the Comp any's relate d transa ction decisi on- makin g proces s	Marke t price	10.52	0.00%	73	No	Cash, banke r's accept ance bill	Marke t price	May 12,20 22	http:// www. cninfo .com. cn
Hangz hou Jiuyua n Gene Engin eering Co., Ltd.	Joint ventur e of the Comp any	Drug sales	Drug sales	Marke t price deter mined by the Comp any's relate d transa ction decisi on- makin g proces	Marke t price	358.1 6	0.02%	1,200	No	Cash, banke r's accept ance bill	Marke t price	May 12,20 22	http:// www. cninfo .com. cn

				s									
Hangzhou Tangyuan Pharmaceutical Co., Ltd.	Joint venture of the Company	Drug sales	Drug sales	Market price determined by the Company's related transaction decision-making process	Market price	94.06	0.00%	1,100	No	Cash, bank's acceptance bill	Market price	May 12, 2022	http://www.cninfo.com.cn
Hangzhou Grand Biologic Pharmaceutical Inc.	Subsidiary of the Company's controlling shareholder	Drug sales	Drug sales	Market price determined by the Company's related transaction decision-making process	Market price	55.17	0.00%	150	No	Cash, bank's acceptance bill	Market price	May 12, 2022	http://www.cninfo.com.cn
Hangzhou Tangyuan TCM Outpatient Department Co., Ltd.	Subsidiary of the Company's joint venture Hangzhou Tangyuan Pharmaceutical Co., Ltd.	Drug sales	Drug sales	Market price determined by the Company's related transaction decision-making process	Market price	272.82	0.02%	1100	No	Cash, bank's acceptance bill	Market price	May 12, 2022	http://www.cninfo.com.cn
Total				--	--	22,672.01	--	50,943	--	--	--	--	--
Details of bulk sales returns				N/A									
Actual performance during the reporting period where the total amount of daily related transactions				N/A									

is estimated by category for the current period (if any)	
Reasons for the large difference between the transaction price and the market reference price (if applicable)	N/A

2. Related transactions involving the acquisition or sale of assets and shares

Applicable N/A

No such case during the reporting period.

3. Related transactions of joint external investment

Applicable N/A

No such case during the reporting period.

4. Associated claim and debt transactions

Applicable N/A

No such case during the reporting period.

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

Applicable N/A

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

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

Applicable N/A

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

7. Other major related transactions

Applicable N/A

No such case during the reporting period.

XII. Major contracts and their fulfilment

1. Entrustment, contracting and leasing

(1) Entrustment

Applicable N/A

No such case during the reporting period.

(2) Contracting

Applicable N/A

No such case during the reporting period.

(3) Leasing

Applicable N/A

No such case during the reporting period.

2. Important guarantees

Applicable N/A

Unit: RMB ten thousand yuan

External guarantees of the Company and its subsidiaries (excluding guarantees for subsidiaries)										
guaranteed party	Disclosure date of the announcement related to the guarantee Cap	Guarantee Cap	Actual date of occurrence	Actual guaranteed amount	Type of guarantee	Collateral (if any)	Counter-guaranty (if any)	Period of guarantee	Fulfilled or not	Guarantee for a related party or not
The Company's guarantees for its subsidiaries										
guaranteed party	Disclosure date of the announcement related to the guarantee Cap	Guarantee Cap	Actual date of occurrence	Actual guaranteed amount	Type of guarantee	Collateral (if any)	Counter-guaranty (if any)	Period of guarantee	Fulfilled or not	Guarantee for a related party or not
Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd.	April 28, 2020	80,000	May 22, 2020	53.66	Joint liability guarantee			One year	No	No
Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd.	April 28, 2020	80,000	June 9, 2020	685.07	Joint liability guarantee			One year	No	No
Hangzhou Zhongmei	April 28, 2020	80,000	October 13, 2020	14.92	Joint liability guarantee			One year	No	No

Huadong Pharmaceutical Co., Ltd.										
Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd.	April 21, 2021	80,000	January 13, 2022	8,282	Joint liability guarantee			One year	No	No
Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd.	April 21, 2021	80,000	December 10, 2021	61.71	Joint liability guarantee			One year	No	No
Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd.	April 21, 2021	80,000	March 23, 2022	4,000	Joint liability guarantee			One year	No	No
Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd.	June 2, 2021	10,067.1	June 1, 2021	8,053.68	Joint liability guarantee				No	No
Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd.	April 28, 2022	85,000	May 25, 2022	7,742	Joint liability guarantee			One year	No	No
Huadong Medicine (Xi'an) Bohua Pharmaceutical Co., Ltd.	April 28, 2022	5,000						One year		
Huadong	April 28,	16,000						One year		

g Medicine Ningbo Sales Co., Ltd.	2022									
Huadong Medicine Huzhou Co., Ltd.	April 28, 2022	15,000						One year		
Huadong Medicine Shaoxing Co., Ltd.	April 21, 2021	18,000	March 25,2022	5,000	Joint liability guarante e			One year	No	No
Huadong Medicine Shaoxing Co., Ltd.	April 28, 2022	18,500						One year		
Huadong Medicine Supply Chain Management (JinHua) Co., Ltd.	April 19, 2019	20,000						Ten years		
Huadong Medicine (Hangzhou) Biological Products Co., Ltd.	April 28, 2022	3,000						One year		
Jiangsu Jiuyang Biopharm Co., Ltd.	April 28, 2022	7,000						One year		
Huadong Medicine Wenzhou Co., Ltd.	April 21, 2021	24,000	September 9,2021	2,000	Joint liability guarante e			One year	No	No

Huadong Medicine Wenzhou Co., Ltd.	April 21, 2021	24,000	September 15, 2021	2,000	Joint liability guarantee			One year	No	No
Huadong Medicine Wenzhou Co., Ltd.	April 21, 2021	24,000	October 21, 2021	1,980	Joint liability guarantee			One year	No	No
Huadong Medicine Wenzhou Co., Ltd.	April 21, 2021	24,000	November 22, 2021	990	Joint liability guarantee			One year	No	No
Huadong Medicine Wenzhou Co., Ltd.	April 21, 2021	24,000	November 23, 2021	990	Joint liability guarantee			One year	No	No
Huadong Medicine Wenzhou Co., Ltd.	April 21, 2021	24,000	December 14, 2021	990	Joint liability guarantee			One year	No	No
Huadong Medicine Wenzhou Co., Ltd.	April 21, 2021	24,000	December 15, 2021	990	Joint liability guarantee			One year	No	No
Huadong Medicine Wenzhou Co., Ltd.	April 21, 2021	24,000	December 16, 2021	990	Joint liability guarantee			One year	No	No
Huadong Medicine Wenzhou Co., Ltd.	April 21, 2021	24,000	December 20, 2021	990	Joint liability guarantee			One year	No	No
Huadong Medicine	April 28, 2022	24,000						One year		

Wenzhou Co., Ltd.										
Huadong Medicine Lishui Co., Ltd.	April 21, 2021	15,000	March 25, 2022	6,000	Joint liability guarantee			One year	No	No
Huadong Medicine Daishan Co., Ltd.	April 28, 2022	15,000						One year		
Huadong Medicine Cunde (Zhoushan) Co., Ltd.	April 28, 2022	2,500						One year		
Huadong Medicine Lishui Co., Ltd.	April 28, 2022	14,300						One year		
Hangzhou Zhongmei Huadong Pharmaceutical Jiangdong Co., Ltd.	April 21, 2021	70,000	January 20, 2022	6,197	Joint liability guarantee			One year	No	No
Hangzhou Zhongmei Huadong Pharmaceutical Jiangdong Co., Ltd.	April 28, 2022	70,000	May 26, 2022	1,289	Joint liability guarantee			One year	No	No
Hangzhou Huadong Pharmacy Chain Co., Ltd.	April 21, 2021	5,000	March 25, 2022	2,300	Joint liability guarantee			One year	No	No
Hangzhou Huadong	April 28, 2022	5,000						One year		

g Pharmacy Chain Co., Ltd.										
Huadong Medicine Jinhua Co., Ltd.	April 28, 2022	10,000						One year		
Huadong Pharmaceutical Investment Holding (Hong Kong) Limited	July 16, 2021	63,758.3	June 30, 2022	62,074.32	Joint liability guarantee			Three years	No	No
Huadong Pharmaceutical Investment Holding (Hong Kong) Limited	April 28, 2022	70,000						One year		
Sinclair Pharma Limited	November 23, 2018	40,000	May 21, 2020	9,763.8	Joint liability guarantee			Three years	No	No
Sinclair Pharma Limited	November 23, 2018	40,000	July 30, 2020	2,440.95	Joint liability guarantee			Three years	No	No
Sinclair Pharma Limited	November 23, 2018	40,000	November 16, 2020	1,627.3	Joint liability guarantee			Three years	No	No
Sinclair Pharma Limited	November 23, 2018	40,000	February 4, 2021	2,440.95	Joint liability guarantee			Three years	No	No
Sinclair Pharma Limited	September 17, 2020	12,204.75	March 30, 2021	2,440.95	Joint liability guarantee			Three years	No	No
Sinclair Pharma Limited	September 17, 2020	12,204.75	April 19, 2021	3,254.6	Joint liability guarantee			Three years	No	No

					e					
Sinclair Pharma Limited	September 17, 2020	12,204.75	May 26, 2021	3,254.6	Joint liability guarantee			Three years	No	No
Sinclair Pharma Limited	September 17, 2020	12,204.75	August 11, 2021	1,627.3	Joint liability guarantee			Three years	No	No
Sinclair Pharma Limited	September 17, 2020	12,204.75	September 14, 2021	1,627.3	Joint liability guarantee			Three years	No	No
Sinclair Pharma Limited	March 16, 2021	17,521						Three years		
Sinclair Pharma Limited	March 16, 2021	14,016.8	April 8, 2021	14,016.8	Joint liability guarantee			Three years	No	No
Sinclair Pharma Limited	March 16, 2021	14,016.8	March 17, 2021	14,016.8	Joint liability guarantee			December 31, 2024	No	No
Sinclair Pharma Limited	July 16, 2021	36,912.7	January 13, 2022	36,912.7	Joint liability guarantee			Three years	No	No
Sinclair Pharma Limited	April 28, 2022	58,600						One year		
Total guarantee cap for subsidiaries approved during the reporting period (B1)		418,900		Total actual guarantee amount for subsidiaries during the reporting period (B2)		139,797				
Total approved guarantee cap for subsidiaries at the end of the reporting period (B3)		939,397		Total actual guarantee balance for subsidiaries at the end of the reporting period (B4)		217,097				
Subsidiaries guarantee for subsidiaries										
guaranteed party	Disclosure date of the announcement related to the guarantee Cap	Guarantee Cap	Actual date of occurrence	Actual guaranteed amount	Type of guarantee	Collateral (if any)	Counter-guaranty (if any)	Period of guarantee	Fulfilled or not	Guarantee for a related party or not
Hangzhou Zhongmei	April 21, 2021	20,000	January 25, 2022	3,036	Joint liability guarantee			One year	No	No

Huadong Pharmaceutical Jiangdong Co., Ltd.										
Total guarantee cap for subsidiaries approved during the reporting period (C1)		20,000	Total guarantee cap for subsidiaries approved during the reporting period (C1)							3,036
Total approved guarantee cap for subsidiaries at the end of the reporting period (C3)		20,000	Total approved guarantee cap for subsidiaries at the end of the reporting period (C3)							3,036
Total amount of the Company's guarantees (i.e. the sum of the above-mentioned 3 kinds of guarantees)										
Total guarantees cap approved during the reporting period (A1+B1+C1)		438,900	Total actual guarantee amount during the reporting period (A2+B2+C2)							142,833
Total approved guarantee cap at the end of the reporting period (A3+B3+C3)		959,397	Total actual guarantee balance at the end of the reporting period (A4+B4+C4)							220,133
Proportion of the actual guarantee amount (i.e. A4+B4+C4) in the Company's net assets										12.69%
Including:										
Balance of guarantees for shareholders, de facto controllers and their related parties (D)										0
Amount of debt guarantees provided directly or indirectly for the entities with a liability-to-asset ratio over 70% (E)										113,644
The total amount of guarantees exceeds 50% of the net assets (F)										0
Total guarantee amount of the above-mentioned three kinds of guarantees (D+E+F)										113,644
For the unexpired guarantee, a guarantee liability has occurred or there may be a joint liability for satisfaction during the reporting period (if any)										/
Note of external guarantees in violation of prescribed procedures (if any)										/

Notes on the Guarantee Provided in Multiple Forms

Applicable N/A

3. Entrusted finances

Applicable N/A

No such case during the reporting period.

4. Other significant contracts

Applicable N/A

No such case during the reporting period.

XIII. Other major events

Applicable N/A

During the reporting period, the company did not have other major matters that need to be explained.

XIV. Major events of subsidiaries

Applicable N/A

Huadong Ningbo Medicine Co., Ltd. ("Huadong Ningbo"), a holding subsidiary of the Company, has officially entered into liquidation due to the expiration of its operation. This liquidation is under the auspices of the court. Ningbo Beilun court has selected and designated an intermediary institution to set up a liquidation group according to relevant procedures, which will preside over the liquidation. During the liquidation of Huadong Ningbo, the Company does not have a dominant position in the liquidation and does not have a controlling relationship over Huadong Ningbo. According to the relevant provisions of the *Company Law* and *Accounting Standards for Business Enterprises*, Huadong Ningbo will be no longer included in the consolidated scope of the Company's financial statements from December 31, 2021. As of the end of the reporting period, the Company has designated personnel to actively participate and cooperate in the subsequent liquidation of Huadong Ningbo, which is not expected to have a significant influence on the Company's operating results.

Section VII. Share Change and Shareholders

I. Changes in Share Capital

1. Table of Changes in share capital

Unit: share

	Before the change		Change in the period (+/-)					After the change	
	Number of shares	Proportion	New shares	Bonus share	Capital reserve conversion	Other	Subtotal	Number of shares	Proportion
I. Shares subject to conditional restriction	47,745	0.00%	0	0	0	68,415	68,415	116,160	0.01%
1. Shares held by the state	0	0.00%	0	0	0	0	0	0	0.00%
2. Shares held by state-owned corporations	0	0.00%	0	0	0	0	0	0	0.00%
3. Shares held by other domestic investors	47,745	0.00%	0	0	0	68,415	68,415	116,160	0.01%
Including: held by domestic corporations	0	0.00%	0	0	0	0	0	0	0.00%
held by domestic natural persons	47,745	0.00%	0	0	0	68,415	68,415	116,160	0.01%
4. Shares held by overseas investors	0	0.00%	0	0	0	0	0	0	0.00%
Including: held by overseas corporations	0	0.00%	0	0	0	0	0	0	0.00%
held by	0	0.00%	0	0	0	0	0	0	0.00%

overseas natural persons									
II. Shares without restriction	1,749,761,803	100.00%	0	0	0	-68,415	-68,415	1,749,693,388	99.99%
1. RMB ordinary shares	1,749,761,803	100.00%	0	0	0	-68,415	-68,415	1,749,693,388	99.99%
2. Domestically listed foreign shares	0	0.00%	0	0	0	0	0	0	0.00%
3. Foreign shares listed overseas	0	0.00%	0	0	0	0	0	0	0.00%
4. Others	0	0.00%	0	0	0	0	0	0	0.00%
III. Total number of shares	1,749,809,548	100.00%	0	0	0	0	0	1,749,809,548	100.00%

Reasons for the changes in share capital

Applicable N/A

During the reporting period, the Company held the first meeting of the 10th Board of Directors on June 1, 2022, adopted the *Proposal on the Appointment of the Company's Deputy General Manager*, and agreed to appoint Mr. Wu Hui, Ms. Zhu Li and Mr. Zhang Jianfei as the Company's deputy general manager. The term of office starts from the date of deliberation and approval by the Board of Directors and ends on the date of expiration of the term of the 10th board of directors. Since Mr. Zhang Jianfei holds 80,000 ordinary shares, in accordance with the provisions of the *Company Law*, the shares transferred by the Company's senior managers each year during tenure shall not exceed 25% of the total shares of the Company held by him, and 60,000 shares held by Mr. Zhang Jianfei are restricted shares; as Ms. He Rufen no longer serves as the employee supervisor of the Company, the supervisor shall not transfer the shares of the Company held by him within half a year after his resignation according to the provisions of the *Company Law*, and the 33,660 ordinary shares held by Ms. He Rufen are restricted shares.

Approval for changes in share capital

Applicable N/A

Transfer of shares

Applicable N/A

Progress of share repurchase

Applicable N/A

Progress of reducing repurchased shares through centralized bidding

Applicable N/A

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

Applicable N/A

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

Applicable N/A

2. Changes in restricted shares

√Applicable □N/A

Unit: share

Name of Shareholder	Number of Restricted Shares at the Beginning of the Period	Number of Shares Lifted from Restrictions during the Period	Number of New Restricted Shares during the Period	Number of Restricted Shares at the End of the Period	Reasons for Restricted Shares	Date of Lifting Restrictions
Zhu Li	22,500	0	0	22,500	Management lock-up shares	In accordance with the provisions on restricted sale by directors, supervisors and senior managers within tenure
Zhang Jianfei	0	0	60,000	60,000	Management lock-up shares	In accordance with the provisions on restricted sale by directors, supervisors and senior managers within tenure
He Rufen	25,245	0	8,415	33,660	Management lock-up shares	In accordance with the provisions on restricted sale by directors, supervisors and senior managers within tenure
Total	47,745	0	68,415	116,160	--	--

II. Issuance and listing of securities

□ Applicable √N/A

III. Total number of shareholders and their shareholdings

Unit: share

Total number of common shareholders at the end of the reporting period	96,073	Total number of preference shareholders with restoration of the voting rights at the end of the reporting period (if any) (see	0
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		Note 8)						
Particulars about shareholders with a shareholding ratio over 5% or the Top 10 shareholders								
Name of shareholder	Nature of shareholder	Shareholding ratio	Total common shares held at the end of the reporting period	Changes in the reporting period	The number of common shares held with trading restrictions	The number of common shares held without trading restriction	Pledged, marked or frozen	
							Status	Amount
China Grand Enterprises, Inc.	Domestic non-state-owned corporation	41.77%	730,938,157	0	0	730,938,157	Pledged	171,860,000
Hangzhou Huadong Medicine Group Co., Ltd.	State-owned corporation	16.46%	288,000,000	0	0	288,000,000		
Hong Kong Securities Clearing Company Ltd.	Overseas corporation	2.76%	48,323,471	15,862,958	0	48,323,471		
Industrial and Commercial Bank of China Limited-China-Europe Healthcare Hybrid Securities Investment Fund	Others	2.07%	36,180,052	32,467,903	0	36,180,052		
China Securities Finance Co.,	Domestic non-state-owned corporation	1.27%	22,186,818	0	0	22,186,818		
China Construction Bank Co., Ltd. - ICBC Credit Suisse Frontier Medical Equity Fund	Others	1.03%	18,000,037	7,999,987	0	18,000,037		
Shanghai Gao Yi Asset Management	Others	0.48%	8,378,920	8,378,920	0	8,378,920		

nt Partnership (L.P.) - Gao Yi Xiaofeng No. 2 Zhixin Fund								
Norges Bank-Equity fund	Overseas corporation	0.41%	7,219,991	4,443,762	0	7,219,991		
China Construction Bank Corporation-Huitianfu Medical and Health Care Mixed Securities Investment Fund	Others	0.40%	6,958,369	4,885,369	0	6,958,369		
China Foreign Economy and Trade Trust Co., Ltd.- Foreign Trade Trust- Gao Yi Xiaofeng Hongyuan Collective Fund Trust Plan	Others	0.39%	6,794,200	6,794,200	0	6,794,200		
Strategic investors or general corporations become the top 10 shareholders due to the placement of new shares (if any) (see Note 3)	N/A							
Explanation on associated relationships or concerted actions among the above-mentioned shareholders	The Company does not know whether the above-mentioned shareholders are related parties or whether they are acting-in-concert parties with one another.							
Description about above-mentioned shareholders' entrusting/being entrusted with and waiving voting rights	N/A							
Special instructions for	N/A							

the existence of special repurchase accounts among the top 10 shareholders (if any) (see Note 11)			
Shareholding of the top 10 shareholders without trading restriction conditions			
Name of shareholder	Number of the trading unrestricted stocks held at the end of the Report Period	Type of stocks	
		Type of stocks	Amount
China Grand Enterprises, Inc.	730,938,157	RMB ordinary stocks	730,938,157
Hangzhou Huadong Medicine Group Co., Ltd.	288,000,000	RMB ordinary stocks	288,000,000
Hong Kong Securities Clearing Company Ltd.	48,323,471	RMB ordinary stocks	48,323,471
Industrial and Commercial Bank of China Limited-China-Europe Healthcare Hybrid Securities Investment Fund	36,180,052	RMB ordinary stocks	36,180,052
China Securities Finance Co.,	22,186,818	RMB ordinary stocks	22,186,818
China Construction Bank Co., Ltd. - ICBC Credit Suisse Frontier Medical Equity Fund	18,000,037	RMB ordinary stocks	18,000,037
Shanghai Gao Yi Asset Management Partnership (L.P.) - Gao Yi Xiaofeng No. 2 Zhixin Fund	8,378,920	RMB ordinary stocks	8,378,920
Norges Bank-Equity fund	7,219,991	RMB ordinary stocks	7,219,991
China Construction Bank Corporation-Huitianfu Medical and Health Care Mixed Securities Investment Fund	6,958,369	RMB ordinary stocks	6,958,369
China Foreign Economy and Trade Trust Co., Ltd.-Foreign Trade Trust- Gao Yi Xiaofeng Hongyuan Collective Fund Trust Plan	6,794,200	RMB ordinary stocks	6,794,200
Description of the related relationship or concerted action between the top 10 common shareholders of unrestricted shares, and between the top 10	The Company does not know whether the above-mentioned shareholders are related parties or whether they are acting-in-concert parties with one another.		

common shareholders of unrestricted shares and the top 10 common shareholders	
Description of the participation in margin trading business of the top 10 common shareholders (if any) (see Note 4)	At the end of the reporting period, among the top 10 common shareholders of the Company, there were no shareholders holding the Company's shares through the margin trading and securities lending account.

Whether the Company's Top 10 common shareholders or the Top 10 common shareholders without trading restriction have carried out any agreement to repurchase transaction during the reporting period

Yes No

No such case during the reporting period.

IV. Changes in shareholding of directors, supervisors and senior managers

Applicable N/A

Name	Title	Tenure status	Shares held at the beginning of the period (shares)	Shares increased during the Period (shares)	Shares decreased during the Period (shares)	Shares held at the end of the Period (shares)	Number of restricted shares granted at the beginning of the reporting period (shares)	Number of restricted shares granted during the reporting period (shares)	Number of restricted shares granted at the end of the reporting period (shares)
Lv Liang	Chairman , Director	Incumbent	0	0	0	0	0	0	0
Li Bangliang	Honorary Chairman	Departing	0	0	0	0	0	0	0
Kang Wei	Director	Incumbent	0	0	0	0	0	0	0
Niu Zhanqi	Director	Incumbent	0	0	0	0	0	0	0
Zhu Feipeng	Director	Incumbent	0	0	0	0	0	0	0
Ye Bo	Director	Incumbent	0	0	0	0	0	0	0
Zhu Liang	Director	Incumbent	0	0	0	0	0	0	0
Jin Xuhu	Director	Departing	0	0	0	0	0	0	0
Gao Xiangdong	Independent Director	Incumbent	0	0	0	0	0	0	0
Wang Ruwei	Independent Director	Incumbent	0	0	0	0	0	0	0
Yang Lan	Independent Director	Incumbent	0	0	0	0	0	0	0

Zhong Xiaoming	Independent Director	Departing	0	0	0	0	0	0	0
Yang Jun	Independent Director	Departing	0	0	0	0	0	0	0
Bai Xinhua	Supervisor	Incumbent	0	0	0	0	0	0	0
Zhou Yanwu	Supervisor	Incumbent	0	0	0	0	0	0	0
Qin Yun	Supervisor	Incumbent	0	0	0	0	0	0	0
Dong Jiqin	Supervisor	Incumbent	0	0	0	0	0	0	0
Xu Zhifeng	Supervisor	Incumbent	0	0	0	0	0	0	0
Zhu Yinhua	Supervisor	Incumbent	0	0	0	0	0	0	0
Liu Chengwei	Supervisor	Departing	0	0	0	0	0	0	0
Hu Baozhen	Supervisor	Departing	0	0	0	0	0	0	0
He Rufen	Supervisor	Departing	33,660	0	0	33,660	0	0	0
Wu Hui	Deputy General Manager	Incumbent	0	0	0	0	0	0	0
Zhu li	Deputy General Manager	Incumbent	30,000	0	0	30,000	0	0	0
Zhang Jianfei	Deputy General Manager	Incumbent	80,000	0	0	80,000	0	0	0
Zhou Shunhua	Deputy General Manager	Departing	0	0	0	0	0	0	0
Chen Bo	Board Secretary	Incumbent	0	0	0	0	0	0	0
Qiu Renbo	Person in Charge of Finance	Incumbent	0	0	0	0	0	0	0
Total	--	--	143,660	0	0	143,660	0	0	0

V. Changes in controlling shareholders or actual controllers

Change of controlling shareholder during the reporting period

Applicable N/A

No such case during the reporting period.

Change of actual controller during the reporting period

Applicable N/A

No such case during the reporting period.

Section VIII. Preferred Shares

Applicable N/A

No such case during the reporting period.

Section IX. Information about Bonds

Applicable N/A

Section X. Financial Report

I. Audit report

Whether the half year report was audited

Yes No

The Company's half year report was not audited.

II. Financial statements

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

1. Consolidated balance sheet

Prepared by: Huadong Medicine Co., Ltd.

June 30, 2022

Unit: RMB yuan

Item	June 30, 2022	January 1, 2022
Current assets:		
Cahs and bank balances	3,682,953,466.77	4,032,424,555.22
Settlement reserve		
Lending to other banks and other financial institutions		
Financial assets for trade		
Derivative financial assets		
Notes receivable		
Accounts receivable	7,454,064,290.97	6,430,482,175.97
Accounts receivable for financing	802,248,535.33	509,190,888.54
Prepayments	229,659,830.03	275,353,134.69
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance contract reserve receivable		
Other receivables	387,568,284.05	223,707,267.30
Including: Interests receivable		
Dividends receivable	3,404,934.45	877,734.45

Financial assets purchased for resale		
Inventories	4,004,905,504.14	3,974,549,648.96
Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets	40,835,086.03	40,907,922.76
Total current assets	16,602,234,997.32	15,486,615,593.44
Non-current assets:		
Loans and prepayments issuance		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	1,005,658,952.83	984,927,398.68
Other equity instrument investments	250,792,740.36	257,815,844.68
Other non-current financial assets		
Real estate properties for investment	14,088,049.32	14,569,533.94
Fixed assets	3,006,669,793.91	3,077,227,759.84
Constructions in progress	1,756,500,881.94	1,582,125,201.25
Biological assets for production		
Oil & gas assets		
Right-of-use assets	126,894,326.47	153,724,197.81
Intangible assets	2,263,735,452.78	2,233,450,369.34
Development expenditures	35,704,500.05	
Goodwill	2,228,013,021.51	2,138,808,037.01
Long-term unamortized expenses	11,335,988.97	12,425,364.03
Deferred tax assets	157,610,340.81	143,651,186.84
Other non-current assets	1,301,733,649.28	911,062,879.83
Total non-current assets	12,158,737,698.23	11,509,787,773.25
Total assets	28,760,972,695.55	26,996,403,366.69
Current liabilities:		
Short-term borrowing	858,688,755.97	1,237,843,228.13
Borrowing from the central bank		
Borrowing from other banks and		

other financial institutions		
Financial liabilities for trade		
Derivative financial liabilities		
Notes payable	884,312,495.21	671,964,504.00
Accounts payable	4,117,862,016.06	3,847,719,574.86
Receipts in Advance	1,948,839.03	1,147,425.45
Contract liabilities	59,102,591.78	118,341,141.48
Financial assets sold for repurchase		
Absorbing deposits and due from banks		
Receipts for buying and selling securities as proxy		
Receipts for underwriting securities as proxy		
Payroll payable	192,932,148.00	168,210,088.82
Taxes payable	551,787,831.96	1,029,610,563.41
Other payables	2,320,887,243.25	1,935,116,784.93
Including: Interests payable		
Dividends payable	224,219.60	2,184,219.60
Handling fees and commissions payable		
Reinsurance accounts payable		
Liabilities held for sale		
Non-current liabilities due within one year	56,882,586.66	244,256,705.59
Other current liabilities	6,854,102.03	11,386,267.11
Total current liabilities	9,051,258,609.95	9,265,596,283.78
Non-current liabilities:		
Insurance policy reserve		
Long-term borrowing	1,299,388,765.81	139,178,905.04
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	70,263,650.58	80,889,403.39
Long-term payables	260,000,441.56	261,903,489.09
Long-term employee benefits		

payable		
Provisions	38,220,690.24	39,086,238.25
Deferred income	103,256,922.10	83,521,649.96
Deferred tax liabilities	184,714,029.50	184,908,391.50
Other non-current liabilities		
Total non-current liabilities	1,955,844,499.79	789,488,077.23
Total liabilities	11,007,103,109.74	10,055,084,361.01
Owners' Equity:		
Share capital	1,749,809,548.00	1,749,809,548.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	2,264,211,002.79	2,229,868,312.11
Less: Treasury shares		
Other comprehensive income	-146,020,959.74	-47,768,225.80
Special reserve		
Surplus reserves	1,021,670,687.31	1,021,670,687.31
General risk reserve		
Retained earnings	12,458,919,717.52	11,625,794,001.46
Total owners' equity attributable to owner of the Company	17,348,589,995.88	16,579,374,323.08
Minority interest	405,279,589.93	361,944,682.60
Total owners' equity	17,753,869,585.81	16,941,319,005.68
Total liabilities & owners' equity	28,760,972,695.55	26,996,403,366.69

Legal representative: Lv Liang

Person in charge of accounting work: Lv Liang

Person in charge of the Accounting Department: Qiu Renbo

2. Balance sheet of the parent company

Unit: RMB yuan

Item	June 30, 2022	January 1, 2022
Current assets:		
Cash and bank balances	1,539,552,368.34	2,280,519,812.31
Financial assets for trade		
Derivative financial assets		

Notes receivable		
Accounts receivable	4,230,719,604.60	3,369,254,003.85
Accounts receivable for financing	188,076,139.40	196,523,246.00
Prepayments	72,146,739.36	140,828,160.14
Other receivables	2,026,079,393.91	986,757,703.19
Including: Interests receivable		
Dividends receivable	1,000,000,000.00	
Inventories	2,080,534,013.80	1,946,036,027.82
Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets	0.00	20,289.53
Total current assets	10,137,108,259.41	8,919,939,242.84
Non-current assets:		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	5,064,568,480.23	5,079,071,023.37
Other equity instrument investments	10,100,870.56	10,100,870.56
Other non-current financial assets		
Real estate properties for investment	7,426,227.58	7,659,343.90
Fixed assets	153,399,586.45	160,678,584.54
Constructions in progress	689,460.69	211,760.72
Biological assets for production		
Oil & gas assets		
Right-of-use assets	6,998,988.33	11,020,708.66
Intangible assets	203,375,661.16	218,720,898.11
Development expenditures		
Goodwill		
Long-term unamortized expenses	189,850.98	321,067.34
Deferred tax assets	59,886,457.14	47,289,929.98
Other non-current assets	396,808,095.48	406,493,149.98
Total non-current assets	5,903,443,678.60	5,941,567,337.16

Total assets	16,040,551,938.01	14,861,506,580.00
Current liabilities:		
Short-term borrowing	524,080,831.49	630,446,420.72
Financial liabilities for trade		
Derivative financial liabilities		
Notes payable	547,050,320.54	311,085,944.14
Accounts payable	2,955,614,945.50	2,416,471,973.20
Receipts in advance		
Contract liabilities	34,788,963.17	19,690,922.48
Payroll payable	3,729,940.23	9,353,991.58
Taxes payable	74,926,245.39	176,633,138.73
Other payables	803,449,999.96	877,397,177.28
Including: Interests payable		
Dividends payable	224,219.60	224,219.60
Liabilities held for sale		
Non-current liabilities due within one year	3,860,492.46	5,939,175.02
Other current liabilities	4,492,075.91	2,494,822.02
Total current liabilities	4,951,993,814.65	4,449,513,565.17
Non-current liabilities:		
Long-term borrowing		
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	21,562.38	2,701,526.22
Long-term payables		
Long-term employee benefits payable		
Provision		
Deferred income	36,850,098.57	38,133,036.03
Deferred tax liabilities	12,511,476.38	12,511,476.38
Other non-current liabilities		
Total non-current liabilities	49,383,137.33	53,346,038.63
Total liabilities	5,001,376,951.98	4,502,859,603.80
Owners' Equity:		

Share capital	1,749,809,548.00	1,749,809,548.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	2,168,451,528.01	2,168,451,528.01
Less: Treasury shares		
Other comprehensive income	-129,129.44	-129,129.44
Special reserve		
Surplus reserves	1,099,526,446.75	1,099,526,446.75
Retained earnings	6,021,516,592.71	5,340,988,582.88
Total owners' equity	11,039,174,986.03	10,358,646,976.20
Total liabilities & owners' equity	16,040,551,938.01	14,861,506,580.00

3. Consolidated income statement

Unit: RMB yuan

Item	Current period in 2022	Previous period in 2021
I. Total operating income	18,197,963,991.01	17,179,437,902.61
Including: Operating revenue	18,197,963,991.01	17,179,437,902.61
Interests received		
Premiums earned		
Handling fees and commissions received		
II. Total operating cost	16,516,515,436.25	15,638,788,710.40
Including: Operating cost	12,243,374,078.15	11,589,419,896.59
Interests paid		
Handling fees and commissions paid		
Surrender value		
Net payment of insurance claims		
Net appropriation of policy reserve		
Policy dividends paid		
Reinsurance expenses		
Business taxes and	96,083,582.73	88,585,385.20

surcharges		
Selling expenses	3,032,965,177.95	2,978,753,751.45
Administrative expenses	572,048,249.55	534,683,411.33
Research and Development(R&D) expenses	566,596,381.67	437,556,684.96
Financial expenses	5,447,966.20	9,789,580.87
Including: Interests expenses	39,506,356.40	37,214,555.56
Interests income	49,960,917.39	38,453,252.17
Add: Other income	81,653,430.69	137,364,653.52
Investment income (Losses are indicated by “-”)	-53,479,017.66	-54,458,950.28
Including: Investment gains (losses) in associated enterprise and joint-venture enterprise	-43,145,347.52	-22,852,478.03
Gains on the derecognition of financial assets measured at amortized cost		
Gains on exchange (Losses are indicated by “-”)		
Gains on net exposure hedging (Losses are indicated by “-”)		
Gains on changes in fair value (Losses are indicated by “-”)		
Credit impairment losses (Losses are indicated by “-”)	-71,965,559.59	-38,263,673.24
Impairment losses of assets (Losses are indicated by “-”)	0.00	3,054,806.20
Gains on assets disposal (Losses are indicated by “-”)	8,506,580.12	182,307.80
III. Operating profit (Losses are indicated by “-”)	1,646,163,988.32	1,588,528,336.21
Add: Non-operating income	4,341,628.44	834,874.23
Less: Non-operating expenses	8,661,496.73	6,126,908.04
IV. Total profit (Total losses are indicated by “-”)	1,641,844,120.03	1,583,236,302.40
Less: Income tax expenses	287,938,727.72	240,728,486.55
V. Net profit (Net losses are indicated by	1,353,905,392.31	1,342,507,815.85

“-”)		
(I) Classification by continuous operations		
1. Net profit from continued operations (Net losses are indicated by “-”)	1,353,905,392.31	1,342,507,815.85
2. Net profit from terminational operations (Net losses are indicated by “-”)		
(II) Classification by attribution of ownership		
1. Net profit attributable to owners of the parent company	1,340,570,484.98	1,300,346,324.85
2. Profit or loss attributable to minority shareholders	13,334,907.33	42,161,491.00
VI. Other comprehensive income, net of income tax	-98,252,733.94	49,562,711.35
Other comprehensive income attributable to owners of the parent company, net of tax	-98,252,733.94	49,562,711.35
(I) Other comprehensive income that cannot be reclassified into gains/losses	-7,023,104.32	15,091,655.18
1. Changes in remeasurement on the defined benefit plan		
2. Other comprehensive income that cannot be reclassified into gains/losses under equity method		
3. Changes in fair value of other equity instrument investments	-7,023,104.32	15,091,655.18
4. Changes in fair value of credit risk of the enterprise		
5. Others		
(II) Other comprehensive income to be reclassified into gains/losses	-91,229,629.62	34,471,056.17
1. Other comprehensive income that can be reclassified into gains/losses under equity method		
2. Changes in fair value of		

other debt investments		
3. Amount of financial assets reclassified into other comprehensive income		
4. Credit impairment reserve of other debt investments		
5. Cash flow hedging reserve		
6. Exchange differences arising on conversion of financial statements denominated in foreign currencies	-91,229,629.62	34,471,056.17
7. Others		
Net amount after tax of other comprehensive income attributable to minority shareholders		
VII. Total comprehensive income	1,255,652,658.37	1,392,070,527.20
Total comprehensive income attributable to owners of the parent company	1,242,317,751.04	1,349,909,036.20
Total comprehensive income attributable to minority shareholders	13,334,907.33	42,161,491.00
VIII. Earnings per share (EPS):		
(I) Basic EPS	0.7661	0.7431
(II) Diluted EPS	0.7661	0.7431

As for enterprise merger under the same control in the current period, the net profit generated by the merged party before the merger is 0.00 yuan, and that generated during the previous period is 0.00 yuan.

Legal representative: Lv Liang

Person in charge of accounting work: Lv Liang

Person in charge of the Accounting Department: Qiu Renbo

4. Income statement of the parent company

Unit: RMB yuan

Item	Current period in 2022	Previous period in 2021
I. Total operating income	9,908,981,203.23	8,825,456,287.77
Less: Total operating cost	9,247,554,807.79	8,358,026,557.10
Business taxes and surcharges	14,000,999.79	8,620,356.90
Selling expenses	227,664,922.41	183,609,392.52

Administrative expenses	82,342,556.23	84,417,643.06
Research and Development (R&D) expenses		
Financial expenses	-396,898.80	3,945,113.42
Including: Interests expenses	27,507,061.68	28,654,116.50
Interests income	32,303,808.77	25,469,215.21
Add: Other income	12,314,150.33	3,491,044.84
Investment income (Losses are indicated by “-”)	1,013,355,132.27	1,013,064,044.10
Including: Investment gains (losses) in associated enterprise and joint-venture enterprise	-7,439,207.20	-488,201.29
Gains on the derecognition of financial assets measured at amortized cost (Losses are indicated by “-”)		
Gains on net exposure hedging (Losses are indicated by “-”)		
Gains from changes in fair values (Losses are indicated by “-”)		
Credit impairment losses (Losses are indicated by “-”)	-91,642,566.80	-37,061,514.45
Impairment gains (losses) of assets (Losses are indicated by “-”)		
Asset disposal income (Losses are indicated by “-”)	7,341,180.70	-24,172.29
II. Operating profit (Losses are indicated by “-”)	1,279,182,712.31	1,166,306,626.97
Add: Non-operating income	669,874.31	3,934.06
Less: Non-operating expenses	3,286,049.77	232,283.92
III. Total profit (Total losses are indicated by “-”)	1,276,566,536.85	1,166,078,277.11
Less: Income tax expenses	88,593,758.11	38,782,555.89
IV. Net profit (Net losses are indicated by “-”)	1,187,972,778.74	1,127,295,721.22
(I) Net profit from continuous operations (Net losses are indicated by “-”)	1,187,972,778.74	1,127,295,721.22

(II) Net profit from discontinued operations (Net losses are indicated by “-”)		
V. Other comprehensive income, net of income tax		
(I) Other comprehensive income that cannot be reclassified into gains/losses		
1. Changes in remeasurement on the defined benefit plan		
2. Other comprehensive income that cannot be reclassified into gains/losses under equity method		
3. Changes in fair value of other equity instrument investments		
4. Changes in fair value of credit risk of the enterprise		
5. Others		
(II) Other comprehensive income to be reclassified into gains/losses		
1. Other comprehensive income that can be reclassified into gains/losses under equity method		
2. Changes in fair value of other debt investments		
3. Amount of financial assets reclassified into other comprehensive income		
4. Credit impairment reserve of other debt investments		
5. Cash flow hedging reserve		
6. Exchange differences from translation of foreign currency financial statements		
7. Others		
VI. Total comprehensive income	1,187,972,778.74	1,127,295,721.22
VII. Earnings per share (EPS):		

(I) Basic EPS		
(II) Diluted EPS		

5. Consolidated cash flow statement

Unit: RMB yuan

Item	Current period in 2022	Previous period in 2021
I. Cash flows from operating activities:		
Cash received from sale of goods or rendering of services	18,859,480,723.70	19,260,978,489.19
Net increase in customer deposits and due from banks		
Net increase in borrowing from the central bank		
Net increase in borrowing from other financial institutions		
Cash from the premium of the original insurance policy		
Net cash from reinsurance		
Net increase in deposits and investment of the insured		
Cash from interests, handling fees and commissions		
Net increase in borrowing from other banks and other financial institutions		
Net increase in funds for repurchase		
Net cash received for buying and selling securities as proxy		
Receipts of tax refunds	11,410,179.66	1,862,175.25
Other cash receipts to operating activities	264,979,395.43	320,057,319.74
Sub-total of Cash inflows from operating activities	19,135,870,298.79	19,582,897,984.18
Cash payments for goods purchased and services received	12,623,103,224.34	12,667,873,491.42
Net increase in customer loans and prepayments		

Net increase in deposits of central bank and due from banks		
Cash payments for original insurance claims		
Net increase in lending to other banks and other financial institutions		
Cash payments for interests, handling fees and commissions		
Cash payments for policy dividends		
Cash payments to and on behalf of employees	1,600,540,802.72	1,324,178,305.24
Payments of various types of taxes	1,824,842,188.89	1,022,924,459.48
Other cash payments in relation to operating activities	2,803,149,672.57	2,829,409,355.93
Sub-total of cash outflows for operating activities	18,851,635,888.52	17,844,385,612.07
Net cash flow from operating activities	284,234,410.27	1,738,512,372.11
II. Cash flows from investing activities		
Cash receipts from recovery of investments		
Cash receipts from investment income	900,000.00	4,281,616.49
Net cash from disposal of fixed assets, intangible assets and other long-term assets	8,138,807.00	407,737.22
Net cash from disposal of subsidiaries and other business units		
Other cash receipts in relation to investing activities	0.00	4,788,636.47
Sub-total of cash inflows from investing activities	9,038,807.00	9,477,990.18
Cash payments for purchase and construction of fixed assets, intangible assets and other long-term assets	603,911,034.60	403,137,637.26
Cash payments for investment	29,400,000.00	120,706,000.00
Net increase in pledge loans	0.00	
Net cash paid for acquisition of subsidiaries and other business units	270,952,210.17	756,550,801.75

Other cash payments in relation to investing activities	100,000,000.00	26,127,840.41
Sub-total of cash outflows for investing activities	1,004,263,244.77	1,306,522,279.42
Net cash flow from investing activities	-995,224,437.77	-1,297,044,289.24
III. Cash flows from financing activities:		
Cash receipts from capital contributions	30,000,000.00	
Including: Cash receipts from capital contributions from minority owners of subsidiaries	30,000,000.00	
Cash from borrowing	2,750,601,977.68	1,421,047,085.43
Other cash receipts in relation to financing activities	248,207,838.55	
Sub-total of cash inflows from financing activities	3,028,809,816.23	1,421,047,085.43
Cash repayment of borrowings	2,144,574,467.10	1,309,701,912.43
Cash payments for distribution of dividends or profits or settlement of interest expenses	585,723,656.08	472,827,211.26
Including: Dividends and profits paid by subsidiaries to minority shareholders	1,960,000.00	
Other cash payments in relation to financing activities	20,708,449.20	5,424,076.04
Sub-total of cash outflows from financing activities	2,751,006,572.38	1,787,953,199.73
Net cash flows from financing activities	277,803,243.85	-366,906,114.30
IV. Effect of foreign exchange rate changes on Cash and Cash Equivalents	-26,309,944.30	-423,905.66
V. Net increase in cash and cash equivalents	-459,496,727.95	74,138,062.91
Add: Opening balance of cash and cash equivalents	3,580,140,638.17	3,157,407,073.26
VI. Closing balance of cash and cash equivalents	3,120,643,910.22	3,231,545,136.17

6. Cash flow statement of the parent company

Unit: RMB yuan

Item	Current period in 2022	Previous period in 2021
I. Cash flows from operating activities:		
Cash receipts from the sale of goods and the rendering of services	9,993,053,097.54	9,547,450,716.13
Receipts of tax refund		
Other cash receipts in relation to operating activities	322,420,601.02	257,412,395.37
Sub-total of cash inflows from operating activities	10,315,473,698.56	9,804,863,111.50
Cash payments for goods acquired and services received	9,590,776,506.25	9,463,890,457.11
Cash payments to and on behalf of employees	157,221,560.98	131,308,524.66
Payments of various types of taxes	436,406,580.06	199,085,236.17
Other cash payments in relation to operating activities	257,469,024.63	440,569,707.04
Sub-total of cash outflows for operating activities	10,441,873,671.92	10,234,853,924.98
Net cash flow from operating activities	-126,399,973.36	-429,990,813.48
II. Cash flows from investing activities		
Cash receipts from recovery of investments	50,059,838.75	
Cash receipts from investment income	0.00	1,003,363,380.00
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets	5,936,300.00	237,307.57
Net cash from disposal of subsidiaries and other business units		
Other cash receipts in relation to investing activities	245,102,300.59	289,814,850.52
Sub-total of cash inflows from investing activities	301,098,439.34	1,293,415,538.09
Cash payments for purchase and construction of fixed assets, intangible	3,052,228.94	23,188,911.97

assets and other long-term assets		
Cash payments for investment	36,400,000.00	79,200,000.00
Net cash paid for acquisition of subsidiaries and other business units		
Other cash payments in relation to investing activities	433,741,844.00	360,086,340.00
Sub-total of cash outflows for investing activities	473,194,072.94	462,475,251.97
Net cash flows from investing activities	-172,095,633.60	830,940,286.12
III. Cash flows from financing activities:		
Cash receipts from absorbing investments		
Cash receipts from borrowing	1,146,017,508.00	559,345,278.50
Other cash receipts in relation to financing activities	1,109,442,166.67	1,012,500,000.00
Sub-total of cash inflows from financing activities	2,255,459,674.67	1,571,845,278.50
Cash repayments of borrowings	1,255,017,310.01	879,341,384.32
Cash payments for distribution of dividends or profits or settlement of interest expenses	567,035,703.19	456,826,281.28
Other cash payments in relation to financing activities	983,212,333.68	1,025,043,198.88
Sub-total of cash outflows from financing activities	2,805,265,346.88	2,361,210,864.48
Net cash flow from financing activities	-549,805,672.21	-789,365,585.98
IV. Effect of foreign exchange rate changes on Cash and Cash Equivalents		-37,416.55
V. Net increase in cash and cash equivalents	-848,301,279.17	-388,453,529.89
Add: Opening balance of cash and cash equivalents	1,919,097,181.16	1,889,254,142.30
VI. Closing balance of cash and cash equivalents	1,070,795,901.99	1,500,800,612.41

7. Consolidated statement of changes in owners' Equity

Amount in the current period

Unit: RMB yuan

Item	Amount for the first half of 2022														
	Ownership interest attributable to the parent company												Minority interest	Total ownership interest	
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Others			Total
Prefereed shares		Perpetual bonds	Others												
I. Balance at the end of the period of the prior year	1,749,809,548.00				2,229,868,312.11	0.00	-47,768,225.80		1,021,670,687.31	0.00	11,625,794,001.46		16,579,374,323.08	361,944,682.60	16,941,319,005.68
Add: changes in accounting policies															
Error correction in the prior periods															
Merger of enterprises under the same control															
Others															
II. Balance at the beginning of the period of the current year	1,749,809,548.00				2,229,868,312.11	0.00	-47,768,225.80	0.00	1,021,670,687.31	0.00	11,625,794,001.46		16,579,374,323.08	361,944,682.60	16,941,319,005.68
III. Amount of change in the current period (Decreases	0.00				34,342,690.68	0.00	-98,252,733.94	0.00	0.00	0.00	833,125,716.06		769,215,672.80	43,334,907.33	812,550,580.13

are indicated by “-”)														
(I) Total comprehensive income						- 98,2 52,7 33.9 4				1,34 0,57 0,48 4.98		1,24 2,31 7,75 1.04	13,3 34,9 07.3 3	1,25 5,65 2,65 8.37
(II) Capital contributed by owners and capital decreases													30,0 00,0 00.0 0	30,0 00,0 00.0 0
1. Common shares invested by owners													30,0 00,0 00.0 0	30,0 00,0 00.0 0
2. Capital invested by holders of other equity instruments														
3. Amount of share-based payment included in ownership interest														
4. Others														
(III) Profit distribution										- 507, 444, 768. 92		- 507, 444, 768. 92	0.00	- 507, 444, 768. 92
1. Withdrawal of surplus reserve												0.00		0.00
2. Withdrawal of general risk reserve														0.00
3. Distribution to owners (or										- 507, 444, 768.		- 507, 444, 768.		- 507, 444, 768.

shareholders)											92		92		92
4. Others															
(IV) Internal conversion of ownership interest															
1. Capital (or share capital) increase from capital reserve conversion															
2. Capital (or share capital) increase from surplus reserve conversion															
3. Recovery of losses by surplus reserve															
4. Retained earnings from transfer of changes in the defined benefit plan															
5. Retained earnings from transfer of other comprehensive income															
6. Others															
(V) Special reserve															
1. Withdrawal in the current period															

2. Use in the current period															
(VI) Others					34,342,690.68								34,342,690.68	34,342,690.68	
IV. Balance at the end of the current period	1,749,809,548.00				2,264,211,002.79	0.00	-146,020,959.74	0.00	1,021,670,687.31	0.00	12,458,919,717.52		17,348,589,995.88	405,279,589.93	17,753,869,585.81

Amount in the previous period

Unit: RMB yuan

Item	Amount for the first half of 2021														Total ownership interest
	Ownership interest attributable to the parent company													Minority interest	
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Others	Total		
	Preferred shares	Perpetual bonds	Others												
I. Balance at the end of the period of the prior year	1,749,809,548.00				2,158,080,661.07		-2,191,069.45		861,680,578.42		9,852,441,590.56		14,619,821,308.60	559,590,204.87	15,179,411,513.47
Add: Changes in accounting policies															
Error correction in the prior periods															
Merger of enterprises under the same control															

Others														
II. Balance at the beginning of the period of the current year	1,749,809,548.00				2,158,080,661.07	-2,191,069.45		861,680,578.42		9,852,441,590.56		14,619,821,308.60	559,590,204.87	15,179,411,513.47
III. Amount of change in the current period (Decreases are indicated by “-”)						46,442,911.64				901,009,928.52		947,452,840.16	61,207,579.59	1,008,660,419.75
(I) Total comprehensive income						49,562,711.35				1,300,346,324.85		1,349,909,036.20	42,161,491.00	1,392,070,527.20
(II) Capital contributed by owners and capital decreases													19,046,088.59	19,046,088.59
1. Common shares invested by owners														
2. Capital invested by holders of other equity instruments														
3. Amount of share-based payment included in ownership interest														
4. Others													19,046,088.59	19,046,088.59
(III) Profit										-402,		-402,		-402,

distribution											456,196.04		456,196.04		456,196.04
1. Withdrawal of surplus reserve															
2. Withdrawal of general risk reserve															
3. Distribution to owners (or shareholders)											-402,456.04		-402,456.04		-402,456.04
4. Others															
(IV) Internal conversion of ownership interest											-3,119.79		-3,119.79		-3,119.79
1. Capital (or share capital) increase from capital reserve conversion															
2. Capital (or share capital) increase from surplus reserve conversion															
3. Recovery of losses by surplus reserve															
4. Retained earnings from transfer of changes in the defined benefit plan															

5. Retained earnings from transfer of other comprehensive income							- 3,11 9,79 9.71				3,11 9,79 9.71				
6. Others															
(V) Special reserve															
1. Withdrawal in the current period															
2. Use in the current period															
(VI) Others															
IV. Balance at the end of the current period	1,74 9,80 9,54 8.00				2,15 8,08 0,66 1.07	44,2 51,8 42.1 9		861, 680, 578. 42		10,7 53,4 51,5 19.0 8		15,5 67,2 74,1 48.7 6		620, 797, 784. 46	16,1 88,0 71,9 33.2 2

8. Statement of changes in ownership interest of the parent company

Amount in the current period

Unit: RMB yuan

Item	Amount for the first half of 2022											Total ownership interest
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surpluses reserve	Undistributed profit	Others	
		Preferred shares	Perpetual bonds	Others								
I. Balance at the end of the period of the prior year	1,749,809,548.00				2,168,451,528.01	0.00	-129,129.44		1,099,526,446.75	5,340,988,582.88		10,358,646,976.20
Add: Changes in accounting policies												0.00

Error correction in the prior periods												0.00
Others												0.00
II. Balance at the beginning of the period of the current year	1,749,809,548.00				2,168,451,528.01	0.00	-129,129.44		1,099,526,446.75	5,340,988,582.88		10,358,646,976.20
III. Amount of change in the current period (Decreases are indicated by “-”)										680,528,009.83		680,528,009.83
(I) Total comprehensive income										1,187,972,778.75		1,187,972,778.75
(II) Capital contributed by owners and capital decreases												
1. Common shares invested by owners												
2. Capital invested by holders of other equity instruments												
3. Amount of share-based payment included in ownership												

interest												
4. Others												
(III) Profit distribution										- 507,4 44,76 8.92		- 507,4 44,76 8.92
1. Withdrawal of surplus reserve												0.00
2. Distribution to owners (or shareholders)										- 507,4 44,76 8.92		- 507,4 44,76 8.92
3. Others												
(IV) Internal conversion of ownership interest												
1. Capital (or share capital) increase from capital reserve conversion												
2. Capital (or share capital) increase from surplus reserve conversion												
3. Recovery of losses by surplus reserve												
4. Retained earnings from transfer of changes in the defined benefit plan												
5. Retained												

earnings from transfer of other comprehensive income												
6. Others												
(V) Special reserve												
1. Withdrawal in the current period												
2. Use in the current period												
(VI) Others												0.00
IV. Balance at the end of the current period	1,749,809,548.00				2,168,451,528.01		-129,129.44		1,099,526,446.75	6,021,516,592.71		11,039,174,986.03

Amount in the previous period

Unit: RMB yuan

Item	Amount for the first half of 2021											
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Others	Total ownership interest
		Preferred shares	Perpetual bonds	Others								
I. Balance at the end of the period of the prior year	1,749,809,548.00				2,168,451,528.01		3,051,311.29	939,536,337.86		4,303,533,798.88		9,164,382,524.04
Add: Changes in accounting policies												
Error correction in the prior												

periods												
Others												
II. Balance at the beginning of the period of the current year	1,749,809,548.00				2,168,451,528.01		3,051,311.29	939,536,337.86		4,303,533,798.88		9,164,382,524.04
III. Amount of change in the current period (Decreases are indicated by “-”)										724,839,525.18		724,839,525.18
(I) Total comprehensive income										1,127,295,721.22		1,127,295,721.22
(II) Capital contributed by owners and capital decreases												
1. Common shares invested by owners												
2. Capital invested by holders of other equity instruments												
3. Amount of share-based payment included in ownership interest												
4. Others												
(III) Profit										-402,4		-402,4

distribution										56,19 6.04		56,19 6.04
1. Withdrawal of surplus reserve												
2. Distribution to owners (or shareholders)										- 402,4 56,19 6.04		- 402,4 56,19 6.04
3. Others												
(IV) Internal conversion of ownership interest												
1. Capital (or share capital) increase from capital reserve conversion												
2. Capital (or share capital) increase from surplus reserve conversion												
3. Recovery of losses by surplus reserve												
4. Retained earnings from transfer of changes in the defined benefit plan												
5. Retained earnings from transfer of other comprehensi												

ve income												
6. Others												
(V) Special reserve												
1. Withdrawal in the current period												
2. Use in the current period												
(VI) Others												
IV. Balance at the end of the current period	1,749,809,548.00				2,168,451,528.01		3,051,311.29	939,536,337.86		5,028,373,324.06		9,889,222,049.22

Huadong Medicine Co., Ltd.

Chairman of the Board: Lv Liang

August 10, 2022