



Sinco Pharmaceuticals Holdings Limited 兴科蓉医药控股有限公司

(Incorporated under the laws of the Cayman Islands with limited liability)

(根據開曼群島法例註冊成立的有限公司)

Stock Code 股份代號: 6833

2023 INTERIM REPORT 中期報告





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Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Huang Xiangbin (*Chairman*)

Mr. Lei Shifeng (appointed with effect from 29 March 2023)

Independent Non-executive Directors

Mr. Lau Ying Kit

Mr. Liu Wenfang

Mr. Wang Qing

Mr. Bai Zhizhong

AUDIT COMMITTEE

Mr. Lau Ying Kit (*Chairman*)

Mr. Liu Wenfang

Mr. Wang Qing

Mr. Bai Zhizhong

REMUNERATION COMMITTEE

Mr. Wang Qing (*Chairman*)

Mr. Liu Wenfang

Mr. Bai Zhizhong

Mr. Lei Shifeng (appointed with effect from 29 March 2023)

NOMINATION COMMITTEE

Mr. Huang Xiangbin (*Chairman*)

Mr. Liu Wenfang

Mr. Lau Ying Kit

INTERNAL CONTROL AND CORPORATE GOVERNANCE COMMITTEE

Mr. Lau Ying Kit (*Chairman*)

Mr. Wang Qing

Mr. Liu Wenfang

Mr. Bai Zhizhong

Mr. Lei Shifeng (appointed with effect from 29 March 2023)

AUTHORISED REPRESENTATIVES

Mr. Huang Xiangbin

Mr. Li Kin Wai

JOINT COMPANY SECRETARIES

Ms. Peng Yunlu

Mr. Li Kin Wai

REGISTERED OFFICE

PO Box 309

Ugland House

Grand Cayman, KY1-1104

Cayman Islands

董事會

執行董事

黃祥彬先生(*主席*)

雷世鋒先生(於2023年3月29日獲委任)

獨立非執行董事

劉英傑先生

劉文芳先生

汪晴先生

白志中先生

審核委員會

劉英傑先生(*主席*)

劉文芳先生

汪晴先生

白志中先生

薪酬委員會

汪晴先生(*主席*)

劉文芳先生

白志中先生

雷世鋒先生(於2023年3月29日獲委任)

提名委員會

黃祥彬先生(*主席*)

劉文芳先生

劉英傑先生

內部控制及企業管治委員會

劉英傑先生(*主席*)

汪晴先生

劉文芳先生

白志中先生

雷世鋒先生(於2023年3月29日獲委任)

授權代表

黃祥彬先生

李健威先生

聯席公司秘書

彭雲璐女士

李健威先生

註冊辦事處

PO Box 309

Ugland House

Grand Cayman, KY1-1104

Cayman Islands

Corporate Information (Continued)

公司資料(續)

CORPORATE HEADQUARTERS

E5-1805, Global Centre
No. 1700, North Section of Tianfu Avenue
High-Tech Zone, Chengdu
Sichuan
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 2403, Wing On Centre
111 Connaught Road Central
Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Maples Fund Services (Cayman) Limited
P.O. Box 1093, Boundary Hall
Cricket Square
Grand Cayman, KY1-1102
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre,
183 Queen's Road East
Wan Chai
Hong Kong

HONG KONG LEGAL ADVISER

Tian Yuan Law Firm LLP

AUDITOR

CL Partners CPA Limited
Certified Public Accountants
Registered Public Interest Entity Auditor

STOCK CODE ON THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED

6833

COMPANY'S WEBSITE

www.sinco-pharm.com

LISTING DATE

10 March 2016

公司總部

中國
四川省
成都市高新區
天府大道北段1700號
環球中心E5-1805室

香港主要營業地點

香港
干諾道中111號
永安中心2403室

開曼群島證券登記總處及過戶代理

Maples Fund Services (Cayman) Limited
P.O. Box 1093, Boundary Hall
Cricket Square
Grand Cayman, KY1-1102
Cayman Islands

香港證券登記分處

香港中央證券登記有限公司
香港
灣仔
皇后大道東183號
合和中心17M樓

香港法律顧問

天元律師事務所(有限法律責任合夥)

核數師

先機會計師行有限公司
執業會計師
註冊公眾利益實體核數師

香港聯合交易所有限公司主板股份代號

6833

本公司網站

www.sinco-pharm.com

上市日期

2016年3月10日

Financial Highlights

財務摘要

- Revenue of the Group slightly decreased by 3.5% or RMB39.8 million to RMB1,090.1 million for the Reporting Period (six months ended 30 June 2022: RMB1,129.9 million), among which revenue from sales of pharmaceutical products decreased by approximately RMB51.3 million, revenue from medical beauty services increased by RMB11.5 million.
- In line with the decrease in the Group's revenue, the gross profit of the Group decreased by RMB39.7 million to RMB152.5 million for the Reporting Period (six months ended 30 June 2022: RMB192.2 million), while the gross profit margin decreased from 17.0% to 14.0%, which was further caused by the increase in the purchase cost due to the fluctuation of the exchange rate.
- During the Reporting Period, the net profit decreased by approximately RMB42.3 million to RMB19.6 million (six months ended 30 June 2022: RMB61.9 million). Such decrease was mainly due to the decrease of the Group's gross profit as stated above.
- During the Reporting Period, net profit attributable to owners of the Company amounted to RMB19.6 million (six months ended June 2022: RMB61.9 million), representing a decrease in net profit by RMB42.3 million.
- Basic earnings per share amounted to RMB0.00965 for the Reporting Period (six months ended 30 June 2022: RMB0.03049).
- Diluted earnings per share amounted to RMB0.00965 for the Reporting Period (six months ended 30 June 2022: RMB0.03048).
- The Board resolved not to declare any interim dividend for the Reporting Period (six months ended 30 June 2022: Nil).
- 報告期內，本集團收益輕微下降3.5%或人民幣39.8百萬元至人民幣1,090.1百萬元(截至2022年6月30日止六個月：人民幣1,129.9百萬元)，其中藥品銷售收益減少約人民幣51.3百萬元，醫美服務收益增加人民幣11.5百萬元。
- 隨著本集團收益減少，報告期內，本集團毛利減少人民幣39.7百萬元至人民幣152.5百萬元(截至2022年6月30日止六個月：人民幣192.2百萬元)，而毛利率由17.0%下降至14.0%，乃由於匯率波動，進而導致採購成本增加所致。
- 報告期內，純利減少約人民幣42.3百萬元至人民幣19.6百萬元(截至2022年6月30日止六個月：人民幣61.9百萬元)。該減少主要由於上文所述本集團毛利減少。
- 報告期內，本公司擁有人應佔純利為人民幣19.6百萬元(截至2022年6月止六個月：人民幣61.9百萬元)，純利減少人民幣42.3百萬元。
- 報告期內，每股基本盈利為人民幣0.00965元(截至2022年6月30日止六個月：人民幣0.03049元)。
- 報告期內，每股攤薄盈利為人民幣0.00965元(截至2022年6月30日止六個月：人民幣0.03048元)。
- 董事會決議不就報告期宣派任何中期股息(截至2022年6月30日止六個月：無)。

Financial Highlights (Continued)

財務摘要(續)

		Six months ended 30 June 截至6月30日止六個月	
		2023 2023年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2022 2022年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Operating results	經營業績		
Revenue	收益	1,090,126	1,129,926
Gross profit	毛利	152,546	192,198
Profit before tax	除稅前溢利	42,769	78,568
Profit for the period	期內溢利	19,595	61,923
Profit attributable to owners of the Company	本公司擁有人應佔溢利	19,595	61,923
Profitability	盈利		
Gross margin (%)	毛利率(%)	14.0%	17.0%
Net profit margin (%)	純利率(%)	1.8%	5.5%
		30 June 2023 2023年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2022 2022年 12月31日 RMB'000 人民幣千元 (Audited) (經審核)
Financial position	財務狀況		
Total assets	總資產	1,641,855	1,424,333
Total liabilities	總負債	1,036,560	820,521
Total equity	總權益	605,295	603,812
Equity attributable to owners of the Company	本公司擁有人應佔權益	605,295	603,812
Cash and cash equivalents*	現金及現金等價物*	761,899	436,996

* As stated in the consolidated statement of cash flows

* 如綜合現金流量表所列

Corporate Profile

公司簡介

As a leading MPCM service provider with extensive experience in the distribution of pharmaceutical imports, the Group focuses on blood products and, based on nationwide marketing and promotion network, provides comprehensive MPCM services for small and medium-sized overseas pharmaceuticals manufacturers. The Group's products are imported from well-known overseas pharmaceuticals manufacturers with product portfolio centers on blood products as well as anti-infective medicine and other prescription medicine.

The marketing and promotion services provided by the Group include: coordinating and cooperating with overseas pharmaceuticals manufacturers in respect of import registration/re-registration and other matters required by regulatory authorities; establishing customized marketing and promotion strategies based on the consideration of the product's therapeutic areas and characteristics, regulatory environment, market demand and other commercial factors; selecting, appointing and managing third-party service promoters; holding academic conferences, lectures, seminars, and other promotional activities; and informing doctors of the medical uses and effects of the Group's products.

The channel management services provided by the Group include: product clearance and testing; cooperating with third party on logistics and delivery; participating in tenders; confirming the purchase orders of, delivery products to and collecting payment from third-party commercial pharmaceutical delivery companies; collecting and analyzing sales data; and managing and improving the inventory level of commercial distribution channels.

The Group selects quality blood products from overseas markets, to meet the unsatisfied medical demand of the domestic market, and secure high growth potential in the Chinese pharmaceutical industry with the outstanding clinical results of such products.

The Group has also continued to facilitate the industrial layout in the field of medical aesthetics. The construction of the production line for the Group's products and the recruitment of medical aesthetics team have been proceeded successfully in the first half of 2023 while the medical aesthetics research and development project was making steady progress.

作為領先的營銷、推廣及渠道管理服務供應商，本集團憑藉豐富的進口醫藥分銷經驗，專注於血液製品，以覆蓋全中國的營銷及推廣網絡為基礎，為海外中小型製藥商提供綜合營銷、推廣及渠道管理服務。本集團的產品進口自知名的海外製藥商，產品組合主要涵蓋血液製品及抗感染藥物等處方藥品。

本集團提供的營銷及推廣服務涵蓋：協調和配合海外製藥商開展進口註冊／再註冊工作和監管機構要求的其他事宜；基於對產品治療領域、產品特性、監管環境、市場需求以及其他商業因素考慮，制定定制化的營銷及推廣策略；甄選、委任和管理第三方服務推廣商；舉辦學術會議、講座、研討會及其他推廣活動；及向醫師傳達有關本集團產品的醫療用途及功效。

本集團提供的渠道管理服務包括：產品清關及檢驗；與第三方合作開展物流配送工作；參加投標；確認第三方商業醫藥配送公司的採購訂單、產品交付及收款工作；收集與分析銷售數據；及管理 and 改善商業配送渠道的存貨量。

本集團從海外市場篩選優質血液製品，以彌補國內市場有待滿足的醫藥需求；並憑藉該等產品卓越的臨床效果，確保其在中國醫藥行業擁有強勁的增長潛力。

本集團也在持續推進醫美領域的產業佈局。在醫美研發項目穩步推進的同時，本集團的產品生產線搭建和醫美團隊招募都已於2023年上半年順利進行。

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW

In 2023, the global COVID-19 pandemic gradually came under control, but in the first half of the year, major cities in Mainland China experienced concentrated outbreaks, posing ongoing and severe challenges to various industries. The pharmaceutical industry, as a critical sector, was no exception. On one hand, the pandemic led to a sharp increase in demand for related pharmaceutical products, and specific market segments even experienced temporary shortages due to overwhelming demand. On the other hand, the domestic outbreak put immense pressure on the supply side and the pharmaceutical supply chain. Although the first wave of the pandemic in the first quarter gradually subsided, the pharmaceutical industry's supply chain quickly returned to normal, but not without facing numerous challenges during this process.

During the Reporting Period, the semi-annual batch release volume of human albumin was 38.6 million bottles, showing a significant increase of 25.8% compared to the same period last year. The proportion of imported albumin and domestically produced albumin was 55.7% and 44.3%, respectively. It is worth noting that the volume of domestically produced albumin remained stable at a high level, showing little change compared to the same period last year. On the other hand, for imported albumin, the volume experienced a decline last year due to frequent lockdowns in various port cities caused by the pandemic. However, this year, with the pandemic subsiding and the lifting of lockdown policies, the total batch release volume of imported albumin achieved a substantial increase of 19.9%.

During the Reporting Period, the sales revenue from pharmaceutical products was RMB1,076.1 million, showing a decrease of approximately RMB51.3 million compared to the same period last year, with a decline of 4.6%. Meanwhile, medical aesthetic services of the Group generated an income of approximately RMB14.0 million. During the Reporting Period, the Group achieved a gross profit of RMB152.5 million, which was a decrease of RMB39.7 million compared to the gross profit of RMB192.2 million in the same period last year, representing a decrease of 20.7%. The decline in gross profit was primarily attributed to a significant devaluation of the RMB exchange rate during the Reporting Period, leading to an increase in import costs. Despite facing challenges from exchange rate fluctuations, the Group remains committed to high-quality operations and maintain a keen market insight to respond to market changes with prudent financial controls and diversified strategic layouts. The Group will continue to strengthen market expansion, optimize product structures, enhance customer satisfaction, and actively implement effective measures to reduce costs and risks. Looking forward to the future, the Group aims to achieve better performance and steady growth in future development.

業務回顧

2023年新冠疫情在全球範圍逐漸得到控制，但上半年中國內地各大城市疫情卻集中爆發，給各行各業帶來了持續而嚴峻的考驗。醫藥行業作為關鍵領域，也不例外。一方面，由於疫情的衝擊，相關醫藥產品的需求急劇增加，特定細分市場甚至出現了供不應求的短暫現象。另一方面，境內疫情的爆發對醫藥產品的供給端和供應鏈造成了巨大的壓力。儘管第一季度的第一波疫情逐漸退去，醫藥行業的供應鏈也迅速恢復到常態，但在這一過程中仍面臨著不少挑戰。

在報告期內，人血白蛋白的半年批發量為38.6百萬瓶，較去年同期大幅增長25.8%。進口白蛋白和國產白蛋白的佔比分別為55.7%和44.3%。值得一提的是，國產白蛋白發量相較去年同期變化不大，穩定保持在高水平。而進口白蛋白方面，由於各個口岸城市受疫情影響出現頻繁的封控，導致去年進口量出現下降。但今年，隨著疫情的過去以及封控政策的取消，進口白蛋白的批發總量實現了19.9%的大幅上漲。

在報告期內，藥品銷售收益為人民幣1,076.1百萬元，相比去年同期減少約人民幣51.3百萬元，跌幅達4.6%。與此同時，本集團醫美服務收入約為人民幣14.0百萬元。報告期內，本集團實現了人民幣152.5百萬元的毛利，相較去年同期毛利人民幣192.2百萬元減少了人民幣39.7百萬元，降幅達20.7%。毛利的減少主要是由於報告期內人民幣匯率大幅貶值，導致進口成本增加。儘管面臨匯率波動的挑戰，本集團仍堅持高質量運營，並保持對市場的敏銳洞察力，以審慎的財務控制和多元化的戰略佈局來應對市場的變化。本集團將繼續加強市場拓展，優化產品結構，提升客戶滿意度，並積極實施有效措施來降低成本和風險。期待在未來的發展中，本集團能夠取得更好的業績表現，實現穩健的增長。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

In addition, the medical aesthetics field is an important direction for the Group's future development. During the first half of 2023, the Group made steady progress in medical aesthetics research and development projects. The recruitment of team members has been successfully completed, and the setup of the product production line was also completed on schedule and has been validated. The Group is looking forward to future clinical research and believes that medical aesthetic products will inject new vitality into the Group's further development.

FUTURE AND OUTLOOK

In the first half of 2023, the COVID-19 pandemic broke out and rapidly subsided in major cities across the country, and the macroeconomic environment in China entered the recovery phase after the pandemic. At this important historical moment, the healthcare and pharmaceutical industry, as a crucial industry for people's livelihood in China, fully demonstrated its outstanding contributions in combating the virus over the past three years of the pandemic. Our front-line medical personnel have been tirelessly fighting, researchers have worked tirelessly, and pharmaceutical companies have continued to innovate, collectively building a strong defense line that showcases our boundless resilience and courage in the battle against the pandemic.

In the post-pandemic era, the healthcare and pharmaceutical industry continues to demonstrate strong growth momentum and significant rigid demand. With the increasing awareness of public health, people's focus on health and quality of life has deepened, providing vast opportunities for the sustained development of the pharmaceutical industry. Our Group firmly believes that the innovation and advancement in the healthcare sector will not only meet the growing health needs of the people but also drive progress and development for society as a whole.

The Group will continue to play a leading role, firmly rooted in the healthcare and pharmaceutical industry, providing society with high-quality medical products and services. The Group will adhere to the original aspiration of the pharmaceutical industry, putting people's health at the center, keeping pace with technological advancements, continuously innovating business models, and enhancing product quality. The Group's commitment is to deliver superior, safer, and more reliable medical solutions to patients and medical institutions alike.

此外，醫美領域作為本集團未來發展的重要方向，本集團在2023年上半年穩步推進了醫美研發項目。團隊人員招募已圓滿完成，產品生產線搭建也如期完成並通過驗證。本集團對未來的臨床研究充滿期待，並相信醫美產品將為本集團的進一步發展注入新的活力。

前景展望

2023年上半年，新冠疫情在全國各個主要城市相繼爆發並快速消退，國內宏觀經濟環境進入了疫情後的復甦階段。在這個重要歷史節點下，醫藥健康行業作為中國的重要民生產業，充分展現了其在過去三年疫情期間為抗擊病毒作出的卓越貢獻。我們的一線醫療人員們日夜奮戰，科研人員們不辭辛勞，醫藥企業不斷創新，共同構築起一道堅實的防線，讓我們在與疫情抗爭中展現出無窮的堅韌和勇氣。

在後疫情時代，醫藥健康行業仍然呈現出強勁的增長動力和巨大的剛性需求。隨著全民健康意識的不斷提升，人們對健康和生命質量的關注愈發深刻，這為醫藥產業的持續發展帶來了廣闊的空間。本集團堅信，醫療健康行業的創新和發展將不僅滿足人民群眾日益增長的健康需求，更會推動整個社會的發展進步。

本集團將繼續發揮領先的角色，扎根醫藥健康產業，為社會提供高品質的醫療產品和服務。本集團將堅守醫藥行業的初心，堅持以人民健康為中心，緊跟科技進步的步伐，不斷創新業務模式，提升產品質量，致力為廣大患者和醫療機構提供更優質、更安全、更可靠的醫療解決方案。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

Unlike other pharmaceutical product supplies, the import process for blood products is more complex, and the import cycle is longer. With the rapid outbreak and subsequent decline of domestic COVID-19 cases at the beginning of the year, the import cycles in various ports have gradually returned to normal during the first half of 2023. Overall, there has been a significant increase in the batch release volume compared to the same period last year. It is expected that the batch release volume will continue to grow in the second half of 2023 and will significantly surpass last year's supply volume for the entire year. The Group will continue to expand the marketing and promotion network, strengthen the management of the marketing team, improve incentive systems, and advance network channel penetration. Simultaneously, the Group will extend reach to the end market through various cooperative modes with hospitals and pharmacies, aiming to enhance profit contribution and build core marketing capabilities while establishing a high-quality terminal promotion network.

As the Group officially launches its medical aesthetics industry layout, the research and development work for the first product in the medical aesthetics product line, "Girl Needle", has progressed smoothly this year. Currently, the project has successfully completed the product pilot production and clinical sample production. It is expected to complete all pre-clinical studies and enter the clinical research stage later this year. The Group will continue to invest the required manpower and resources to accelerate the product's market launch. Additionally, the Group is continuously researching the medical aesthetics market and will leverage polycaprolactone (PCL) as the raw material to develop a series of products, known as "PCL+X", which will yield various medical aesthetics products.

Furthermore, the Group will continue to strengthen the construction of our internal control system, enhance risk management, and place significant emphasis on corporate social responsibility, which will be practiced throughout the Group's governance. The Group is committed to providing employees with an ideal platform for professional development and tirelessly creating value for Shareholders. Moving forward, the Group will steadfastly uphold the values of integrity, professionalism, and innovation, and continue to advance the Group's strategy of innovative development, dedicating ourselves to stable operations and sustained growth. It is believed that through continuous improvement in management and resource optimization, the Group will become a leader in the pharmaceutical industry, creating even greater value for Shareholders and society.

不同於其他醫藥產品供應，血液製品的進口環節更複雜，進口週期更長。隨著年初國內新冠疫情的快速爆發並隨後消退，2023年上半年各個口岸的進口週期逐漸趨於正常。總體批發發量相較去年同期出現明顯增幅。預計2023年下半年的批發發量會繼續保持增長並且全年將會顯著超越去年的供應量。本集團將持續擴大營銷推廣網絡，加強對營銷團隊的管理，完善激勵制度，推進網絡管道下沉。同時，本集團將通過與醫院、藥房的多模式合作方式向終端市場延伸，旨在提升利潤貢獻，打造核心營銷能力和建立優質的終端推廣網絡。

隨著本集團正式啟動醫美行業的產業佈局，旗下醫美產品線的首款產品「少女針」的研發工作也在今年得以順利地開展。目前該項目已經順利完成了產品中試以及臨床樣品的生產，預計將於今年稍後完成所有臨床前研究並進入臨床研究階段。本集團將持續投入所需的人力和資源以期推動該產品的上市。同時，本集團也在持續調研醫美市場並將依托聚己內酯原材料開發系列產品「PCL+X」，衍生出多種醫美產品。

除此之外，本集團將持續加強內部控制體系建設，強化風險管理，同時高度重視企業社會責任，並在本集團的治理中踐行。本集團致力於為員工提供理想的專業發展平台，為股東不懈努力地創造價值。展望未來，本集團將堅定不移地秉承誠信、專業和創新的價值觀，持續推進本集團的創新發展戰略，致力於穩健的經營和持續的發展。本集團堅信，通過不斷提高管理水平和不斷優化資源配置，本集團將成為醫藥行業的領先者，並為股東和社會創造更加卓越的價值。

FINANCIAL REVIEW

Revenue

The Group recorded revenue of RMB1,090.1 million for the Reporting Period, representing a decrease of RMB39.8 million or 3.5% as compared to RMB1,129.9 million in the corresponding period of 2022, which could be further analyzed as follows:

財務回顧

收益

本集團於報告期內錄得收益人民幣1,090.1百萬元，較2022年同期的人民幣1,129.9百萬元減少人民幣39.8百萬元，減幅3.5%，可進一步分析如下：

		For the six months ended 30 June 截至6月30日止六個月			
		2023 2023年		2022 2022年	
	Notes 附註	RMB million 人民幣百萬元	% of revenue 收益佔比	RMB million 人民幣百萬元	% of revenue 收益佔比
Sales of pharmaceutical products	藥品銷售	1,076.1	98.7	1,127.4	99.8
Medical beauty services	醫美服務	14.0	1.3	2.5	0.2
Total	合計	1,090.1	100.0	1,129.9	100.0

Notes:

- During the Reporting Period, revenue from the sales of pharmaceutical products was RMB1,076.1 million, representing a decrease of approximately 4.6% or RMB51.3 million as compared to the first half of 2022. Such decrease in revenue was mainly due to the decrease in the supply volume of human albumin.
- During the Reporting Period, revenue generated from medical beauty services amounted to RMB14.0 million, representing the revenue from Demei Company which was acquired by the Group in the May of 2022.

附註：

- 於報告期內，藥品銷售收益為人民幣1,076.1百萬元，相比2022年上半年下降約4.6%或人民幣51.3百萬元。收益減少主要由於人血白蛋白供應量減少所致。
- 於報告期內，醫美服務收益為人民幣14.0百萬元，為本集團於2022年5月收購的德美公司的收益。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

Cost of sales

The Group recorded cost of sales of RMB937.6 million for the Reporting Period, almost as the same as the cost of sales of RMB937.7 million in the corresponding period of 2022.

Gross profit and gross profit margin

During the Reporting Period, the Group recorded gross profit of RMB152.5 million, representing a decrease of RMB39.7 million as compared with RMB192.2 million in the corresponding period of 2022, in which the gross profit of the sales of pharmaceutical products decreased by RMB46.9 million and the gross profit of medical beauty services increased by RMB7.2 million during the period.

As compared with the corresponding period of 2022, the gross profit margin declined from 17.0% to 14.0% for the Reporting Period. The decrease in profit margin was mainly due to the decrease of the gross profit margin of the human albumin which was primarily caused by its decreased sales and increased purchase cost.

Other income and gains

During the Reporting Period, other income and gains of the Group amounted to RMB4.2 million, representing a decrease of RMB7.3 million as compared with the corresponding period of 2022. Other income and gains for the Reporting Period mainly represented (i) logistics service income of RMB2.7 million; and (ii) the bank interest income of RMB1.4 million. The decrease was mainly due to the decrease in the foreign exchange gain amounted to RMB8.2 million.

Selling and distribution expenses

During the Reporting Period, the Group's selling and distribution expenses amounted to approximately RMB47.1 million, representing a decrease of RMB20.7 million as compared with the corresponding period of 2022. The decrease was mainly due to the decrease of the market promotion expenses.

Administrative expenses

During the Reporting Period, the Group recorded administrative expenses of RMB48.4 million, representing an increase of RMB11.1 million as compared with the corresponding period of 2022. The administrative expenses mainly included staff cost of RMB17.5 million, consultation and intermediary service fees of RMB9.4 million, R&D expenses of RMB1.5 million, tax charges of RMB3.6 million, depreciation and amortization of RMB4.8 million, office rental expenses of RMB2.3 million, office related expense of RMB4.8 million and other miscellaneous expenses.

銷售成本

本集團於報告期內錄得銷售成本人民幣937.6百萬元，與2022年同期的銷售成本人民幣937.7百萬元基本相同。

毛利及毛利率

於報告期內，本集團錄得毛利人民幣152.5百萬元，較2022年同期的人民幣192.2百萬元減少人民幣39.7百萬元，其中期內藥品銷售毛利減少人民幣46.9百萬元及醫美服務的毛利增加人民幣7.2百萬元。

和2022年同期相比，報告期內毛利率則由17.0%下降至14.0%。利潤率下降主要是因為人血白蛋白的毛利率下降，其主要是由於銷售減少及採購成本增加所致。

其他收入及收益

於報告期內，本集團的其他收入及收益為人民幣4.2百萬元，較2022年同期減少人民幣7.3百萬元。報告期內其他收入及收益主要是(i)物流服務收入人民幣2.7百萬元；及(ii)銀行利息收入人民幣1.4百萬元。該減幅主要由於匯兌收益減少人民幣8.2百萬元所致。

銷售及經銷開支

於報告期內，本集團銷售及經銷開支約為人民幣47.1百萬元，較2022年同期減少人民幣20.7百萬元。該減幅主要是由於市場推廣開支減少所致。

行政開支

於報告期內，本集團錄得行政開支人民幣48.4百萬元，較2022年同期增加人民幣11.1百萬元。行政開支主要包括員工成本人民幣17.5百萬元、諮詢及中介服務費人民幣9.4百萬元、研發費用人民幣1.5百萬元、稅費人民幣3.6百萬元、折舊和攤銷人民幣4.8百萬元、辦公室租賃開支人民幣2.3百萬元、辦公室相關開支人民幣4.8百萬元和其他雜項開支。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

Other expenses

During the Reporting Period, the Group recorded other expenses of RMB9.0 million representing an increase of RMB7.0 million as compared with RMB2.0 million in the corresponding period of 2022. The other expenses mainly presented (i) foreign exchange loss of RMB5.8 million and (ii) bank charges RMB3.2 million.

Finance costs

During the Reporting Period, the Group recorded finance costs of RMB7.4 million, representing a decrease of RMB4.2 million as compared with the corresponding period of 2022, which was mainly due to the decrease of the interest on bank and other borrowings of RMB4.5 million.

Income tax expense

During the Reporting Period, the Group recorded income tax expense of RMB23.2 million, representing an increase of RMB6.6 million as compared with the corresponding period of 2022.

Profit for the Reporting Period

As a result of the foregoing, the Group recorded the net profit of RMB19.6 million, representing a decrease of RMB42.3 million as compared with the corresponding period of 2022.

Inventories

Inventory balances amounted to RMB9.5 million as of 30 June 2023 (31 December 2022: RMB88.1 million), representing a decrease of RMB78.6 million as compared with the year-end balance of 2022. Such decrease was due to the decrease in the inventory balance of human albumin.

The Group's average inventory turnover days decreased by 1 day from 10 days for the corresponding period of 2022 to 9 days for the Reporting Period.

Trade and bills receivables

The balance of trade receivables amounted to RMB298.5 million as at 30 June 2023 (31 December 2022: RMB350.2 million), representing a decrease of RMB51.7 million as compared with the year-end balance of 2022. The decrease was mainly due to the decrease in the sales of the Group during the Reporting Period.

The balance of bills receivable as of 30 June 2023 was RMB4.8 million (31 December 2022: RMB1.1 million).

其他開支

於報告期內，本集團錄得其他開支人民幣9.0百萬元，較2022年同期的人民幣2.0百萬元增加人民幣7.0百萬元。其他開支主要指(i)匯兌虧損人民幣5.8百萬元及(ii)銀行收費人民幣3.2百萬元。

財務成本

於報告期內，本集團錄得財務成本人民幣7.4百萬元，較2022年同期減少人民幣4.2百萬元，主要由於銀行及其他借款利息減少人民幣4.5百萬元所致。

所得稅開支

於報告期內，本集團錄得所得稅開支人民幣23.2百萬元，較2022年同期增加人民幣6.6百萬元。

報告期內溢利

由於前述原因，本集團錄得純利人民幣19.6百萬元，較2022年同期減少人民幣42.3百萬元。

存貨

截至2023年6月30日，存貨餘額為人民幣9.5百萬元(2022年12月31日：人民幣88.1百萬元)，較2022年的年結日餘額減少人民幣78.6百萬元。該減少是由於人血白蛋白庫存餘額減少。

本集團於報告期內的平均存貨週轉天數為9天，較2022年同期的10天減少1天。

貿易應收款項及應收票據

於2023年6月30日，貿易應收款項餘額為人民幣298.5百萬元(2022年12月31日：人民幣350.2百萬元)，較2022年的年結日餘額減少人民幣51.7百萬元。該減幅主要由於報告期內本集團銷售減少所致。

截至2023年6月30日，應收票據餘額為人民幣4.8百萬元(2022年12月31日：人民幣1.1百萬元)。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

Prepayments, other receivables and other assets

As of 30 June 2023, the current portion of prepayments, other receivables and other assets amounted to RMB117.4 million (31 December 2022: RMB141.0 million), representing a decrease of RMB23.6 million as compared with the year-end balance of 2022, mainly due to the decrease of RMB26.1 million in the deposit in respect of issue of letters of credit, which was offset by the increase in the prepaid value added tax of RMB3.4 million as compared with the previous period.

Trade and bills payables

As of 30 June 2023, trade and bills payables amounted to RMB714.7 million (31 December 2022: RMB408.0 million), representing an increase of RMB306.7 million as compared with the year-end balance of 2022. The increase of trade payables was mainly due to the increase in purchase in the second quarter of this year and the payables are still not on due as at 30 June 2023.

Other payables and accruals (current-portion)

As of 30 June 2023, other payables and accruals amounted to RMB43.3 million (31 December 2022: RMB117.9 million), representing a decrease of RMB74.6 million as compared with the year-end balance of 2022. The decrease was mainly due to the decrease of payables related to import agent service of RMB74.6 million.

Borrowings

As of 30 June 2023, the Group has borrowings of RMB202.2 million in total, with details set out below:

預付款項、其他應收款項及其他資產

截至2023年6月30日，預付款項、其他應收款項及其他資產的即期部分為人民幣117.4百萬元(2022年12月31日：人民幣141.0百萬元)，較2022年的年結日餘額減少人民幣23.6百萬元，主要由於開立信用證的保證金減少人民幣26.1百萬元，由預繳的增值稅較上期增加人民幣3.4百萬元所抵銷。

貿易應付款項及應付票據

截至2023年6月30日，貿易應付款項及應付票據為人民幣714.7百萬元(2022年12月31日：人民幣408.0百萬元)，較2022年的年結日餘額增加人民幣306.7百萬元。貿易應付款項增加主要由於本年度第二季度採購增加，加上有關應付款項於2023年6月30日仍未到期所致。

其他應付款項及應計款項(即期部分)

截至2023年6月30日，其他應付款項及應計款項為人民幣43.3百萬元(2022年12月31日：人民幣117.9百萬元)，較2022年的年結日餘額減少人民幣74.6百萬元。該減少主要由於進口代理服務相關應付款項減少人民幣74.6百萬元所致。

借款

截至2023年6月30日，本集團的借款合計人民幣202.2百萬元，詳情列示如下：

		30 June 2023 2023年6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2022 2022年12月31日 RMB'000 人民幣千元 (Audited) (經審核)
Current:	即期：		
Interest-bearing bank loans	計息銀行貸款	200,857	180,806
Non-current:	非即期：		
Interest-bearing bank loans	計息銀行貸款	1,340	922
		202,197	181,728

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

Gearing ratio

At the end of the Reporting Period, the Group's gearing ratio was calculated as follows:

負債比率

於報告期末，本集團的負債比率計算如下：

		30 June 2023	31 December 2022
		2023年6月30日	2022年12月31日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
Interest-bearing bank and other borrowings	計息銀行及其他借款	202,197	181,728
Trade and bills payables	貿易應付款項及應付票據	714,739	407,988
Other payables	其他應付款項	43,263	117,927
Lease liabilities	租賃負債	9,000	10,684
Tax payables	應付稅項	14,112	5,437
Financial liabilities at fair value through profit or loss	按公平值計入損益的金融負債	20,421	19,078
Less: Cash and cash equivalents	減：現金及現金等價物	(520,822)	(329,144)
Less: Pledged bank balances	減：已抵押銀行結餘	(241,077)	(107,852)
Net debt^(a)	負債淨額^(a)	241,833	305,846
Equity	權益	605,295	603,812
Equity and net debt^(b)	權益及負債淨額^(b)	847,128	909,658
Gearing ratio^(a/b)	負債比率^(a/b)	28.6%	33.6%

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

Liquidity and capital resources

The following table sets out a condensed summary of the Group's consolidated statement of cash flows during the Reporting Period:

流動資金及資本來源

下表為本集團於報告期內綜合現金流量表的簡明摘要：

		For the six months ended 30 June 截至6月30日止六個月	
		2023 2023年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2022 2022年 RMB'000 人民幣千元 (Unaudited) (未經審核)
		Notes 附註	
Net cash from operating activities	經營活動所得現金淨額	1)	87,714
Net cash used in investing activities	投資活動所用現金淨額	2)	(90,047)
Net cash from (used in) financing activities	融資活動所得(所用)現金淨額	3)	124,625
Net increase in cash and cash equivalents	現金及現金等價物增加淨額		122,292
Effect of foreign exchange rate changes, net	外匯匯率變動影響淨額		8,363
Cash and cash equivalents at beginning of the period	期初現金及現金等價物	4)	326,052
Cash and cash equivalents at end of the period	期末現金及現金等價物	4)	456,707

Notes:

1) Net cash from operating activities

During the Reporting Period, the Group's net cash inflow from operating activities amounted to approximately RMB425.8 million (six months ended 30 June 2022: net cash inflow of RMB87.7 million), which was mainly due to the increase in trade payables of RMB302.4 million, as the purchases were made in the second quarter and the purchase payables are still not on due.

2) Net cash used in investing activities

During the Reporting Period, the Group's net cash outflow in investing activities amounted to approximately RMB47.6 million, which was decreased by RMB42.4 million as compared with the corresponding period of 2022 (net cash outflow of RMB90.0 million). The decrease was mainly due to (i) the decrease in acquisition of subsidiaries of RMB68.0 million and (ii) the decrease in the purchase of items of property, plant and equipments of RMB6.1 million, which were offset by the increase in purchase of right-for-use assets and other intangible assets of RMB31.2 million.

3) Net cash from financing activities

During the Reporting Period, the Group's net cash used in financing activities amounted to approximately RMB188.5 million (six months ended 30 June 2022: net cash inflow of RMB124.6 million), mainly including (i) the increase of the pledged deposits for letter of credit of RMB133.2 million and (ii) the decrease in other payables and accruals of RMB74.6 million.

附註：

1) 經營活動所得現金淨額

本集團報告期內經營活動所得現金流入淨額約為人民幣425.8百萬元(截至2022年6月30日止六個月：現金流入淨額人民幣87.7百萬元)，主要是由於第二季度進行採購且應付採購款項仍未到期，使貿易應付款項增加人民幣302.4百萬元。

2) 投資活動所用現金淨額

於報告期內，本集團投資活動現金流出淨額約為人民幣47.6百萬元，較2022年同期(現金流出淨額人民幣90.0百萬元)減少人民幣42.4百萬元。該減幅主要由於(i)收購附屬公司減少人民幣68.0百萬元；及(ii)購買物業、廠房及設備項目減少人民幣6.1百萬元，有關減幅由購買使用權資產及其他無形資產增加人民幣31.2百萬元所抵銷。

3) 融資活動所得現金淨額

本集團報告期內融資活動所用現金淨額約為人民幣188.5百萬元(截至2022年6月30日止六個月：現金流入淨額人民幣124.6百萬元)，主要包括(i)已抵押信用證保證金增加人民幣133.2百萬元；及(ii)其他應付款項及應計款項減少人民幣74.6百萬元。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

4) The following table sets out the Group's cash and cash equivalents at the end of the Reporting Period:

4) 下表載列本集團於報告期末的現金及現金等價物：

		30 June 2023 2023年6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2022 2022年12月31日 RMB'000 人民幣千元 (Audited) (經審核)
Denominated in RMB	以人民幣計值	501,550	284,759
Denominated in US\$	以美元計值	191,327	69,328
Denominated in HK\$	以港元計值	20,058	72,120
Denominated in S\$	以新加坡元計值	48,964	–
Denominated in C\$	以加拿大元計值	–	10,789
		761,899	436,996

Treasury policies

The Group has adopted a prudent financial management approach towards its treasury policies. Substantial amounts of the Group's cash and cash equivalents are deposited in major financial institutions located in Mainland China. The Group seeks to maintain strict control over its outstanding receivables and the senior management of the Company reviews and assesses the creditworthiness of the Group's existing customers on an ongoing basis. To manage liquidity risk, the Group monitors its exposure to a shortage of funds by considering the maturity of both its financial liabilities and financial assets and projected cash flows from operations. Cash and cash equivalents of the Group are mainly denominated in RMB.

Foreign currency risk

Most of the Group's assets and liabilities are denominated in RMB, except for certain items below:

- Certain bank balances are denominated in US\$, HK\$, S\$ and C\$; and
- Purchase of products from overseas suppliers and relevant trade payables are denominated in US\$.

The Group does not manage the potential fluctuation in foreign currencies by foreign currency forward and option contracts, and does not enter into any hedging transactions.

庫務政策

本集團在執行庫務政策上採取審慎的財務管理策略。本集團絕大部分現金及現金等價物存放於中國內地的主要金融機構。本集團致力於對尚未收回的應收款項維持嚴格控制，且本公司高級管理層持續檢討及評估本集團現有客戶的信譽。為管理流動資金風險，本集團透過考慮金融負債及金融資產的到期日以及預計經營現金流量監控資金短缺風險。本集團的現金及現金等價物主要以人民幣計值。

外匯風險

本集團大部分資產及負債以人民幣計值，惟下列若干項目除外：

- 若干銀行結餘以美元、港元、新加坡元及加拿大元計值；及
- 向海外供應商購買產品及相關貿易應付款項以美元計值。

本集團未通過外幣遠期及期權合約管理外匯潛在波動，並無訂立任何對沖交易。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

Capital expenditure

The following table sets out the Group's capital expenditure for the periods indicated:

資本開支

下表載列本集團於所示期間的資本開支：

		For the six months ended 30 June 截至6月30日止六個月	
		2023 2023年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2022 2022年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Purchase of property, plant and equipment	購買物業、廠房及設備	16,564	9,025
		16,564	9,025

Contingent liabilities

The Group had no material contingent liabilities as of 30 June 2023.

或然負債

截至2023年6月30日，本集團概無任何重大或然負債。

Pledge of assets

As of 30 June 2023, the carrying amounts of the Group's pledged assets were set out as follows:

資產抵押

截至2023年6月30日，本集團已抵押資產的賬面值載列如下：

		30 June 2023 2023年6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2022 2022年12月31日 RMB'000 人民幣千元 (Audited) (經審核)
For obtaining bank and other borrowings	用於獲得銀行及其他借款		
– Buildings	– 樓宇	69,654	70,999
– Inventories	– 存貨	–	38,982
For issuance of letters of credit and bills payable	用於開立信用證和應付票據		
– Bank balances	– 銀行結餘	241,077	107,852

Save as disclosed in this interim report, there were no other charges or pledges on the Group's assets as of 30 June 2023.

除本中期報告所披露者外，截至2023年6月30日，本集團並無其他資產抵押或質押。

Dividend

The Directors resolved not to declare any interim dividend for the Reporting Period (six months ended 30 June 2022: Nil).

股息

董事決議不就報告期宣派任何中期股息(截至2022年6月30日止六個月：無)。

SIGNIFICANT FINANCING EVENT AND USE OF PROCEEDS

2022 Placing of new Shares under general mandate

In order to capture the market opportunities of medical aesthetic products and to develop its own center to develop, produce and sell medical aesthetic products gradually, the Company entered into a placing agreement with Silverbricks Securities Company Limited (the “**Placing Agent**”) on 7 December 2021, pursuant to which the Company has conditionally agreed to issue an aggregate of 160,000,000 Shares (the “**Placing Shares**”), and the Placing Agent agreed to procure not less than six independent individuals, institutional or other professional investors (the “**Placees**”) to subscribe for, on a best effort basis, an aggregate of 160,000,000 Placing Shares at the placing price of HK\$1.29 per Placing Share, with an aggregate nominal value of HK\$16,000. The Placing Price of HK\$1.29 per Placing Share represented a discount of approximately 19.38% to the closing price of HK\$1.60 per Share as quoted on the HKSE on 7 December 2021, being the date of the Placing Agreement.

The net proceeds from the Placing, after deduction of the commission for the placing and other related expenses, amounted to approximately HK\$194.9 million, at a net price (which is calculated by dividing the net proceeds by the number of Placing Shares) of HK\$1.22. The Company intends that as to:

- (a) approximately 40% of the net proceeds of the Placing (approximately HK\$78.0 million) will be used for the development of polycaprolactone microsphere facial filler and its materials for injection; and
- (b) approximately 60% of the net proceeds of the Placing (approximately HK\$116.9 million) will be used for the strategic acquisition/development of new projects/products in the field of medical aesthetic including but not limited to acquisition of medical aesthetic organisations or investing in medical aesthetic projects and development of new medical aesthetic products.

All the conditions precedent set out in the Placing Agreement (together with its supplemental agreement entered into between the Company and the Placing Agent on 30 December 2021) have been fulfilled and the completion under the Placing Agreement took place on 3 January 2022. For details, please refer to the announcement of the Company dated 7 December 2021, 30 December 2021 and 3 January 2022.

重大融資事項及所得款項用途

2022年根據一般授權配售新股份

為把握醫療美容產品的市場機遇，並自設中心，以逐步開發、生產及銷售醫療美容產品，於2021年12月7日，本公司與元庫證券有限公司(「**配售代理**」)訂立配售協議，據此，本公司有條件同意發行合共160,000,000股股份(「**配售股份**」)，而配售代理同意盡最大努力促使不少於六名獨立個人、機構或其他專業投資者(「**承配人**」)認購合共160,000,000股配售股份，配售價為每股配售股份1.29港元，總面值為16,000港元。配售價每股配售股份1.29港元較2021年12月7日(即配售協議日期)香港聯交所所報收市價每股1.60港元折讓約19.38%。

經扣除配售事項的佣金及其他相關開支後，配售事項所得款項淨額約為194.9百萬港元，淨價(按所得款項淨額除以配售股份數目計算)為1.22港元。本公司擬將：

- (a) 配售事項所得款項淨額約40%(約78.0百萬港元)用於開發注射用聚己內酯微球面部填充劑及其材料；及
- (b) 配售事項所得款項淨額約60%(約116.9百萬港元)用於策略性收購/開發醫療美容領域的新項目/產品，包括但不限於收購醫療美容機構或投資醫療美容項目及開發新醫療美容產品。

配售協議(連同其由本公司與配售代理於2021年12月30日訂立的補充協議)所載的全部先決條件已獲達成，根據配售協議，完成已於2022年1月3日落實。有關詳情，請參閱本公司日期為2021年12月7日、2021年12月30日及2022年1月3日的公告。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

As of 31 December 2022 the unutilised net proceeds was approximately HK\$61.8 million, and during the Reporting Period, approximately HK\$18.8 million of the net proceeds had been used in accordance with the intended use and the details are as follows:

截至2022年12月31日，尚未動用的所得款項淨額約為61.8百萬港元，而於報告期內，約18.8百萬港元的所得款項淨額已根據擬定用途動用，有關詳情如下：

		Unutilised net proceeds as of 31 December 2022	Net proceeds utilised during the Reporting Period	Unutilised net proceeds as of 30 June 2023	Expected timeline for full utilization of the remaining net proceeds
Approximate % of total net proceeds	Net proceeds from the 2022 placing	as of 31 December 2022	during the Reporting Period	as of 30 June 2023	of the remaining net proceeds
佔所得款項總淨額的概約百分比	2022年配售事項所得款項淨額	截至2022年12月31日尚未動用的所得款項淨額	於報告期內動用的所得款項淨額	截至2023年6月30日尚未動用的所得款項淨額	悉數動用餘下所得款項淨額的預期時間表
(%)	HK\$(million)	HK\$(million)	HK\$(million)	HK\$(million)	
	(百萬)港元	(百萬)港元	(百萬)港元	(百萬)港元	
Development of polycaprolactone microsphere facial filler and its materials for injection, including but not limited to development of experimental workshop, research and development equipments and factories construction investment	開發注射用聚己內酯微球面部填充劑及其材料，包括但不限於開發實驗車間、研發設備及工廠建設投資	24.4	14.7	9.7	6 months 6個月
Strategic acquisition/development of new projects/products in the field of medical aesthetic including but not limited to acquisition of medical aesthetic organisations or investing in medical aesthetic projects and development of new medical aesthetic products	策略性收購/開發醫療美容領域的新項目/產品，包括但不限於收購醫療美容機構或投資醫療美容項目及開發新醫療美容產品	37.4	4.1	33.3	18 months 18個月
Total	總計	61.8	18.8	43.0	

EMPLOYEE AND REMUNERATION POLICY

As of 30 June 2023, the Group had a total of 266 employees. For the Reporting Period, the total staff cost of the Group was RMB24.4 million (six months ended 30 June 2022: RMB12.9 million).

The Group's employee remuneration policy is determined by factors such as remuneration in respect of the local market, the overall remuneration standard in the industry, the inflation level, corporate operating efficiency and employee performance. The Group conducts performance appraisals once every year for its employees, the results of which are applied in annual salary reviews and promotional assessments. The Group considers the employee's annual bonuses according to certain performance criteria and appraisals results. Social insurance contributions are made by the Group for its PRC employees in accordance with the relevant PRC regulations.

The Group also provides continuous learning and training programs to its employees to enhance their skills and knowledge, so as to maintain their competitiveness and improve customer service quality. The Group did not experience any major difficulties in recruitment, nor did it experience any material loss in manpower or suffer from any material labor dispute during the Reporting Period.

In addition, the Company adopted a Share Option Scheme to recognise the contribution by certain employees of the Group, and to provide them with incentives in order to retain them for their continuing support in the operation and development of the Group.

僱員及薪酬政策

截至2023年6月30日，本集團共有266名僱員。報告期內，本集團的員工成本總計人民幣24.4百萬元(截至2022年6月30日止六個月：人民幣12.9百萬元)。

本集團僱員薪酬政策乃根據有關當地市場的薪酬、行業的整體薪酬標準、通脹水平、企業運營效率及僱員表現等因素而確定。本集團每年為僱員作一次表現評核，年度薪金檢討及晉升評估時會考慮有關評核結果。本集團根據若干績效條件及評核結果考慮僱員年度花紅。本集團根據相關中國法規為其中國僱員作出社會保險供款。

本集團亦為僱員提供持續學習及培訓計劃，以提升彼等的技能及知識，藉以維持彼等的競爭力並提高客戶服務的品質。本集團於報告期內在招聘方面並無遇到任何重大困難，亦無出現任何嚴重人員流失或任何重大勞資糾紛。

此外，本公司採納購股權計劃以肯定本集團若干僱員的貢獻，及向彼等提供獎勵，以挽留彼等繼續協助本集團的營運及發展。

RISK MANAGEMENT

The principal risks and uncertainties identified by the Company which may have material and adverse impact on the Group's performance or operation are summarized below. There may be other principal risks and uncertainties in addition to those set out below which are not known to the Company or which may not be material now but could turn out to be material in the future.

- Failure to maintain relationships with existing suppliers – The Group currently sources all the product portfolio from a limited number of suppliers, directly or through their sales agents.
- Exchange rate fluctuation – The Group's purchase of products from overseas suppliers is denominated in US\$, and certain items of bank balances, other receivables, bank borrowings and bonds are denominated in US\$ and HK\$.
- Decrease in gross profits due to an increase in cost and competition.
- Experiencing prolonged delays or significant disruptions to the supply of the products.

The Company believes that risk management is essential to the Group's efficient and effective operation. The Company's management assists the Board in evaluating material risk exposure of the Group's business and participates in formulating appropriate risk management and internal control measures to ensure such measures are properly implemented in daily operational management.

RELATIONSHIP WITH KEY STAKEHOLDERS

Human resource is one of the most important assets of the Group. The Group strives to motivate its employees by providing them with a clear career path as well as comprehensive and professional training courses. In addition, the Group also offers competitive remuneration packages to its employees, including basic salary, certain benefits and other performance based incentives.

The Group purchases imported pharmaceutical products from overseas suppliers, either directly or indirectly through their sales agents, and generates revenue by reselling products to hospitals and pharmacies through distributors and deliverers. On one hand, the Group maintains stable and long-term relationship with distributors and deliverers by providing them guidance, training and support to carry out more marketing and promotion activities in targeted fields. Suppliers or its sales agents have granted the Group the rights to market, promote and manage sales channels for their products in China. On the other hand, the Group maintains a stable and long-term relationship with its suppliers by providing them access to the growing Chinese market with steady sales growth.

風險管理

以下概述本公司所識別的主要風險及不明朗因素，該等風險及不明朗因素可能會對本集團的表現或營運造成重大不利影響。除下文所示者外，可能還有其他為本公司未知或現時可能並不重大但於未來可變為重大的主要風險及不明朗因素。

- 未能與現有供應商維持關係—本集團現時向數目有限的供應商直接或透過其銷售代理採購所有產品組合。
- 匯率波動—本集團向海外供應商購買的產品以美元計值，且若干銀行結餘、其他應收款項、銀行借款及債券項目均以美元及港元計值。
- 成本增加及競爭加劇導致毛利減少。
- 產品供應遭遇長時間延誤或重大中斷。

本公司相信，風險管理對本集團的運營效率及效益十分重要。本公司的管理層協助董事會評估本集團業務所面對的重大風險，並參與制定合適的風險管理及內部控制措施，以確保在日常運營管理中妥善實施有關措施。

與主要利益相關者的關係

人力資源為本集團的最重要資產之一。本集團致力於以清晰的職業發展路徑以及完善專業的培訓課程激勵僱員。此外，本集團亦為僱員提供具有競爭力的薪酬待遇，包括基本薪金、若干福利及其他績效獎勵。

本集團從海外供應商直接或透過其銷售代理間接採購進口藥品，然後通過經銷商及配送商轉售藥品予醫院和藥房產生收益。一方面，本集團為經銷商及配送商提供指引、培訓和支援，助其在目標領域開展更多營銷及推廣活動，從而維持與彼等的長期穩定關係。供應商或其銷售代理授予本集團在中國營銷及推廣產品並管理其銷售渠道的權利。另一方面，本集團助力供應商進入不斷增長的中國市場，獲得穩定的銷售增長，從而維持與彼等的長期穩定關係。

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is primarily engaged in MPCM for imported pharmaceutical products, a line of business that does not have material impact on the environment. The key environment impact from the Group's operation is related to electricity, water and paper consumption. The Group is fully aware of the importance of sustainable environmental development, and has implemented the following measures to encourage environmental protection and energy conservation:

- Promoting paperless office
- Encouraging low-carbon commuting
- Ensuring reasonable energy consumption

During the Reporting Period, the Group did not incur any material cost on compliance with applicable environmental laws and regulations.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group's business and operations are subject to related laws and regulations of the Cayman Islands, the British Virgin Islands, Hong Kong and the PRC. During the Reporting Period, the Group complied with all applicable laws and regulations of the Cayman Islands, the British Virgin Islands, Hong Kong and the PRC, which would have significant impact on the Group.

環境政策及表現

本集團主要從事進口藥品營銷、推廣及渠道管理，該類業務不會對環境造成重大影響。本集團營運造成的重要環境影響與電、水及紙張消耗有關。本集團深明環境可持續發展的重要性，並已實施以下措施，以推動環保及節能：

- 推行無紙化辦公
- 鼓勵低碳出行
- 確保合理利用能源

於報告期內，本集團並無因遵守適用環境法律及法規而產生任何重大成本。

遵守法律法規

本集團的業務及營運須遵守開曼群島、英屬維爾京群島、香港及中國相關法律及法規。於報告期內，本集團遵守對本集團有重大影響的開曼群島、英屬維爾京群島、香港及中國所有適用法律及法規。

Other Information

其他資料

CORPORATE GOVERNANCE CODE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the CG Code as its own code of corporate governance.

Save as disclosed below, during the Reporting Period, the Company had complied with all applicable code provisions under the CG Code.

Under code provision C.2.1 of the CG Code, the roles of Chairman and chief executive officer should be separate and performed by different individuals. Under the organization structure of the Company, Mr. Huang is the Chairman. Further, Mr. Huang and Mr. Jin Min jointly serve as the co-chief executive officers (“Co-CEO”) of the Company, sharing the responsibility of the Group’s overall business development, operation, and management work. With Mr. Huang’s extensive experience in the pharmaceutical industry, the Board considers that vesting the roles of Chairman and Co-CEO in Mr. Huang is beneficial to the business prospects and management of the Group. The check and balance of power and authority is ensured by the operation of the senior management and the Board, which comprises experienced and high caliber individuals. Accordingly, the Board believes that this arrangement will not impair the balance of power and authority between the Board and the management of the Company. On 29 March 2023, Mr. Huang resigned as the Co-CEO. Upon Huang’s resignation as a Co-CEO, the other Co-CEO, Mr. Jin Min, became the chief executive officer of the Company. Subsequent to Mr. Huang’s resignation as a Co-CEO of the Company, the Company confirmed there was no deviation with the Code Provision C.2.1 of the CG Code, in which stated that the roles of Chairman and chief executive officer should be separate and should not be performed by the same individual. The Company will continuously review and comply with Code Provision C.2.1 of the CG Code as set out in Appendix 14 of the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUER

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions of the Directors. Having made specific enquiry with all Directors, all Directors confirmed that they complied with the required standard as set out in the Model Code throughout the Reporting Period.

INTERIM DIVIDEND

The Board resolved not to declare any interim dividend for the Reporting Period (six months ended 30 June 2022: Nil).

企業管治守則

本集團致力於維持高水平的企業管治，以保障股東的利益並提高企業價值與問責性。本公司已採納企業管治守則作為其本身的企業管治守則。

除下文所披露者外，於報告期內，本公司一直遵守企業管治守則的所有適用守則條文。

根據企業管治守則的守則條文第C.2.1條，主席及行政總裁的角色應予以區分及由不同人士擔任。根據本公司的組織架構，黃先生為主席。此外，黃先生與金敏先生共同擔任本公司聯席行政總裁（「聯席行政總裁」），共同負責本集團整體業務發展、營運及管理 work。憑藉黃先生於醫藥行業的豐富經驗，董事會認為由黃先生兼任主席及聯席行政總裁職位，有利於本集團的業務前景及管理。在高級管理層及由富有經驗及卓越才幹的人士組成的董事會運作下，可確保權力與權限之間有所制衡。因此，董事會相信，該安排不會影響董事會與本公司管理層之間的權力與權限互相制衡。於2023年3月29日，黃先生辭任聯席行政總裁。黃先生辭任聯席行政總裁後，另一名聯席行政總裁金敏先生成為本公司行政總裁。黃先生辭任本公司聯席行政總裁後，本公司確認並無偏離企業管治守則的守則條文第C.2.1條的情況，該條文規定主席及行政總裁的角色應予以區分及不應由同一人擔任。本公司將持續檢討及遵守上市規則附錄十四所載企業管治守則的守則條文第C.2.1條。

上市發行人董事進行證券交易的標準守則

本公司已採納上市規則附錄十所載標準守則作為其董事進行證券交易的操守守則。經向全體董事作出具體查詢後，全體董事確認彼等於報告期內遵守標準守則所載的規定標準。

中期股息

董事會決議不就報告期宣派任何中期股息（截至2022年6月30日止六個月：無）。

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this interim report, there were no other significant investments held, nor were there material acquisitions or disposals of subsidiaries during the Reporting Period. Apart from those disclosed in this interim report, there was no plan authorised by the Board for other material investments or additions of capital assets at the date of this interim report.

AUDIT COMMITTEE

The principal duties of the audit committee of the Company (“**Audit Committee**”) include the review and supervision of the Group’s financial reporting system, the preparation of financial statements and internal control procedures. It also acts as an important link between the Board and the external auditor for determining the scope of the Group audit.

The Audit Committee, together with management of the Company, have reviewed the unaudited condensed interim results of the Group and this interim report for the Reporting Period.

CHANGES TO DIRECTORS’ INFORMATION

Save as otherwise disclosed in this report, the Directors confirmed that no information was required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the Reporting Period.

DIRECTORS’ AND CHIEF EXECUTIVES’ INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2023, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the HKSE pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which were taken or deemed to have under such provisions of the SFO), or (ii) which were required, pursuant to section 352 of the SFO, to be entered into the register maintained by the Company, or (iii) which were required to be notified to the Company and the HKSE pursuant to Model Code as set out in Appendix 10 to the Listing Rules were as follows:

持有的重大投資、附屬公司的重大收購及出售以及有關重大投資或資本資產的未來計劃

除本中期報告所披露者外，於報告期內，概無持有其他重大投資，亦無附屬公司的重大收購或出售。除本中期報告所披露者外，於本中期報告日期，董事會並無授權有關其他重大投資或添置資本資產的計劃。

審核委員會

本公司審核委員會(「**審核委員會**」)的主要職責包括審閱及監察本集團財務申報系統、編製財務報表及內部控制程序。其亦就釐定本集團審核範圍作為董事會與外聘核數師之間的重要聯繫。

審核委員會與本公司管理層已審閱報告期內本集團的未經審核簡明中期業績及本中期報告。

董事資料變更

除本報告另有披露者外，董事確認並無任何資料根據上市規則第13.51B(1)條的規定須予披露。

購買、出售或贖回本公司上市證券

於報告期內，本公司及其附屬公司概無購買、出售或贖回本公司任何上市證券。

董事及最高行政人員於股份、相關股份及債券中的權益及淡倉

於2023年6月30日，董事及本公司最高行政人員於本公司或其相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份及債券中，擁有(i)根據證券及期貨條例第XV部第7及8分部須知會本公司及香港聯交所的權益及淡倉(包括根據證券及期貨條例有關條文被當作或視為擁有的權益或淡倉)，或(ii)根據證券及期貨條例第352條須記錄於本公司存置的登記冊內的權益及淡倉，或(iii)根據上市規則附錄十所載的標準守則須知會本公司及香港聯交所的權益及淡倉如下：

Other Information (Continued)

其他資料(續)

Interest in the Shares or underlying Shares of the Company 於本公司股份或相關股份的權益

Name of Director and chief executive 董事及最高行政人員姓名	Nature of Interest 權益性質	Number of Share or underlying Shares ⁽¹⁾ 股份或相關股份數目 ⁽¹⁾	Approximate percentage of shareholding ⁽³⁾ 股權概約百分比 ⁽³⁾
Mr. Huang ⁽²⁾ 黃先生 ⁽²⁾	Interest in controlled corporation 於受控法團的權益	1,050,000,000(L)	51.65%
Mr. Jin Min 金敏先生	Beneficial owner 實益擁有人	13,680,000(L)	0.67%

Notes:

- (1) The letter "L" denotes the person's long position in the Shares.
- (2) Mr. Huang is the settlor of a trust in which Wickhams Cay Trust Company Limited is the trustee and holds the entire interest in Fullwealth Holdings Limited, which in turn holds the entire beneficial interest in Risun. Mr. Huang is deemed to be interested in the 1,050,000,000 Shares held by Risun.
- (3) The calculation is based on the total number of 2,032,890,585 Shares in issue as at 30 June 2023.

附註：

- (1) 字母「L」指該名人士於股份所持有的好倉。
- (2) 黃先生為一項信託的財產授予人，其中Wickhams Cay Trust Company Limited為該信託的受託人並持有Fullwealth Holdings Limited全部權益，而Fullwealth Holdings Limited持有Risun全部實益權益。黃先生被視作擁有Risun所持1,050,000,000股股份的權益。
- (3) 該百分比乃根據於2023年6月30日的2,032,890,585股已發行股份總數計算得出。

Save as disclosed above, as at 30 June 2023, none of the Directors or the chief executives of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the HKSE pursuant to Divisions 7 and 8 of Part XV of the SFO, or as recorded in the register of the Company required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the HKSE pursuant to the Model Code.

除上文披露者外，於2023年6月30日，董事或本公司最高行政人員概無於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份或債券中擁有或被視為擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及香港聯交所的任何權益或淡倉，或記錄於本公司根據證券及期貨條例第352條須予存置的登記冊內的任何權益或淡倉，或根據標準守則須另行知會本公司及香港聯交所的任何權益或淡倉。

Other Information (Continued)

其他資料(續)

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITION IN SHARES AND UNDERLYING SHARES

As at 30 June 2023, to the best knowledge of the Directors having made all reasonable enquiries, the following persons/entities (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares of the Company which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

主要股東於股份及相關股份中的權益及淡倉

於2023年6月30日，據董事在作出一切合理查詢後所深知，根據本公司按照證券及期貨條例第336條須予存置的登記冊內所記錄，以下人士／實體(董事或本公司最高行政人員除外)於本公司股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部的條文須向本公司披露的權益或淡倉：

Interest in the Shares or underlying Shares of the Company

於本公司股份或相關股份的權益

Name	Nature of Interest	Number of Shares ⁽¹⁾	Approximate percentage of shareholding interest ⁽⁵⁾
名稱	權益性質	股份數目 ⁽¹⁾	股權概約百分比 ⁽⁵⁾
Risun ⁽²⁾	Beneficial owner 實益擁有人	1,050,000,000(L)	51.65%
Fullwealth Holdings Limited ⁽²⁾	Interest in controlled corporation 於受控法團的權益	1,050,000,000(L)	51.65%
Wickhams Cay Trust Company Limited ⁽²⁾	Trustee 受託人	1,050,000,000(L)	51.65%

Notes:

- (1) The letter "L" denotes the person's long position in the Shares.
- (2) Mr. Huang is the settlor of a trust in which Wickhams Cay Trust Company Limited is the trustee and holds the entire interest in Fullwealth Holdings Limited, which in turn holds the entire beneficial interest in Risun. Fullwealth Holdings Limited, Wickhams Cay Trust Company Limited and Mr. Huang are deemed to be interested in the 1,050,000,000 Shares beneficially held by Risun.
- (3) The calculation is based on the total number of 2,032,890,585 Shares in issue as at 30 June 2023.

Save as disclosed above, as at 30 June 2023, the Directors were not aware of any persons (who were not Directors or chief executives of the Company) who had an interest or short position in 5% or more of the Shares or underlying Shares of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

附註：

- (1) 字母「L」指該名人士於股份所持有的好倉。
- (2) 黃先生為一項信託的財產授予人，其中Wickhams Cay Trust Company Limited為該信託的受託人並持有Fullwealth Holdings Limited全部權益，而Fullwealth Holdings Limited持有Risun全部實益權益。Fullwealth Holdings Limited、Wickhams Cay Trust Company Limited及黃先生均被視作擁有Risun實益所持1,050,000,000股股份的權益。
- (3) 該百分比乃根據於2023年6月30日的2,032,890,585股已發行股份總數計算得出。

除上文披露者外，於2023年6月30日，董事概不知悉任何人士(董事或本公司最高行政人員除外)於本公司5%或以上的股份或相關股份中，擁有根據證券及期貨條例第XV部第2及3分部須予披露的權益或淡倉，或根據證券及期貨條例第336條須記錄於該條文所指的登記冊內的權益或淡倉。

Other Information (Continued)

其他資料(續)

SHARE OPTION SCHEME

Pursuant to a resolution passed by the Shareholders, the Company had adopted the Share Option Scheme, which became effective on 10 March 2016 (the “**Listing Date**”).

1. Purpose

The purpose of the Share Option Scheme is to provide an incentive or reward for Eligible Participants (defined below) for their contribution or potential contribution to the Company and/or any of its subsidiaries.

2. Eligible participants

The Board may subject to and in accordance with the provisions of the Share Option Scheme and the Listing Rules, as its discretion grant options to any full-time or part-time employees, including executives, senior management or officers (including executive, non-executive and independent non-executive Directors) of the Company, its subsidiaries or any entity in which the Group holds any equity interest, and to any company wholly owned by one or more persons belonging to any of the above classes of participants who, in the absolute discretion of the Board has contributed or will contribute to the Group (collectively, the “**Eligible Participants**”).

3. Life of the Share Option Scheme

The Share Option Scheme shall be valid and effective for a period of ten years from 10 March 2016, after which time no further option will be granted. The remaining life of the Share Option Scheme as at 30 June 2023 is approximately 2 years and 8 months.

4. Total number of Share available for issue

The maximum number of Share which may be issued upon exercise of all options to be granted under the Share Option Scheme shall not, in aggregate, exceed 160,000,000, representing 7.87% of the issued share capital of the Company as at the date of this report.

5. Maximum entitlement of each participant

Unless approved by Shareholders, the total number of Shares issued and to be issued upon exercise of options granted to any participant (including exercised and outstanding options) under the Share Option Scheme in any 12-month period up to the date of grant shall not exceed 1% of the total Shares in issue.

6. Offer period and amount payable for options

An option may be accepted by an Eligible Participant within 15 days from the date of the offer of grant of the option. A nominal consideration of HK\$1.00 is payable upon acceptance of the granted option.

購股權計劃

根據股東通過的一項決議案，本公司已採納購股權計劃，其已於2016年3月10日(「**上市日期**」)生效。

1. 目的

購股權計劃旨在向已經向本公司及／或其任何附屬公司作出貢獻或即將作出貢獻的合資格參與者(定義見下文)提供獎勵或回報。

2. 合資格參與者

董事會可依循及遵照購股權計劃的條文及上市規則酌情將購股權授予本公司、其附屬公司或本集團持有任何股權的任何實體的任何全職或兼職僱員(包括行政人員、高級管理層或高級職員(包括執行董事、非執行董事及獨立非執行董事))，以及董事會全權酌情認為已向或將向本集團作出貢獻的任何一名或多名上述類別參與者(統稱「**合資格參與者**」)全資擁有的任何公司。

3. 購股權計劃的期限

購股權計劃自2016年3月10日起計十年期間有效及生效，此後不會進一步授出購股權。購股權計劃於2023年6月30日的剩餘年期約為2年8個月。

4. 可供發行股份總數

因行使根據購股權計劃所授全部購股權而可能發行的最高股份數目，合共不得超過160,000,000股股份，佔本公司於本報告日期已發行股本的7.87%。

5. 每位參與者可享有的最高股份數目

除非經股東批准，於截至授出日期的任何12個月期間內因行使根據購股權計劃已授予任何參與者的購股權(包括已行使及尚未行使的購股權)而發行及將發行的股份總數，不得超逾已發行股份總數的1%。

6. 發售期及購股權應付金額

合資格參與者可於要約授出購股權日期起計15日內接納購股權。於接納獲授購股權時須支付名義代價1.00港元。

Other Information (Continued)

其他資料(續)

7. Minimum period for which an option must be held before it can be exercised

The period during which an option must be held before it can be exercised in accordance with the terms of the Share Option Scheme shall be one year after the date on which the option is granted. The Board may in its absolute discretion impose further restrictions on the exercise of the option.

8. Period within which the Share must be taken up

Subject to the discretion of the Board who may impose restrictions on the exercise of the option, any option may be exercised one year after the date on which the options is granted and shall expire on the earlier of the last day of (i) a six year period from the date of such grant and (ii) the expiration of the Share Option Scheme.

9. Basis of determining the subscription price

The price per Share at which a Grantee may subscribe for Shares upon exercise of an option (the “**Exercise Price**”) shall be a price determined by the Board but in any event shall be at least the highest of:

- (i) the closing price of the Shares as stated in the HKSE’s daily quotation sheets on the date on which the option is granted;
- (ii) the average closing price of the Shares as stated in the HKSE’s daily quotation sheets for five business days immediately preceding the date of grant of that option; and
- (iii) the nominal value of the Shares.

7. 可行使購股權前必須持有的最短期限

根據購股權計劃的條款，可行使購股權前必須持有的期限自授出購股權當日起計為期一年。董事會可全權酌情對行使購股權施加進一步限制。

8. 必須接納股份的期限

在董事會可酌情限制行使購股權的規限下，任何購股權可於授出購股權日期後一年行使，並於下列較早期限的最後一日屆滿：(i)授出日期起計六年期限；及(ii)購股權計劃屆滿。

9. 釐定認購價的基準

承授人行使購股權時可認購股份的每股股份價格(「**行使價**」)乃由董事會釐定，惟於任何情況下不得低於下列三者中的最高者：

- (i) 股份於授出購股權日期在香港聯交所日報表所載的收市價；
- (ii) 股份於緊接授出購股權日期前五個營業日在香港聯交所日報表所載的平均收市價；及
- (iii) 股份面值。

Other Information (Continued)

其他資料(續)

The movements of the options granted under the Share Option Scheme during the Reporting Period are as follows:

根據購股權計劃授出的購股權於報告期內的變動如下：

Grantee's name 承授人姓名	On 1 January 2023 於2023年1月1日	Nature of Interest 權益性質			On 30 June 2023 於2023年6月30日	Exercise price ⁽¹⁾ 行使價 ⁽¹⁾	Date of grant 授出日期	Exercise period ⁽²⁾ 行使期 ⁽²⁾
		Granted 授出	Exercised 行使	Cancelled/Lapsed 註銷/失效				
Employees in aggregate 僱員(合共)	0	-	-	-	0	HK\$0.568 0.568港元	21 September 2016 2016年9月21日	21 September 2017 - 20 September 2022 2017年9月21日至 2022年9月20日

Notes:

- (1) The exercise price represents not less than the highest of (i) the closing price of HK\$0.540 per Share as stated in the HKSE's daily quotation sheets on 21 September 2016, being the date of such grant; (ii) the average closing price of HK\$0.568 per Share as stated in the HKSE's daily quotation sheets for five business days immediately preceding the date of such grant; and (iii) the nominal value of the Share at HK\$0.0001 per Share.
- (2) 40% of the options granted shall be vested and can be exercised upon one year commencing the date of such grant (i.e. 21 September 2017) and a continuous employment of one year. Another 30% of the options granted, shall be vested and can be exercised upon two years commencing the date of such grant (i.e. 21 September 2018) and a continuous employment of two years. The remaining 30% of the options granted, shall be vested and can be exercised upon three years commencing the date of such grant (i.e. 21 September 2019) and a continuous employment of three years.

附註：

- (1) 行使價不低於以下三者中的最高者：(i) 股份於2016年9月21日(即有關授出日期)在香港聯交所日報表所載的收市價每股0.540港元；(ii) 股份於緊接有關授出日期前五個營業日在香港聯交所日報表所載的平均收市價每股0.568港元；及(iii) 股份面值每股0.0001港元。
- (2) 授出購股權的40%將自有關授出日期起計一年(即2017年9月21日)且持續受僱一年後可予歸屬及行使。授出購股權的另外30%將自有關授出日期起計兩年(即2018年9月21日)且持續受僱兩年後可予歸屬及行使。授出購股權的餘下30%將自有關授出日期起計三年(即2019年9月21日)且持續受僱三年後可予歸屬及行使。

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed in this report, no rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company were granted to any Director or their respective spouse or children under 18 years of age, nor were any such rights exercised by them. Neither the Company nor any of its subsidiaries was party to any arrangement to enable the Directors, or their respective spouse or children under 18 years of age, to acquire such rights in any other body corporate during the Reporting Period.

董事收購股份或債券的權利

除本報告另有披露者外，概無授予任何董事或彼等各自的配偶或未滿18歲子女以收購本公司股份或債券方式獲得利益的權利，彼等亦無行使任何有關權利。於報告期內，本公司及其任何附屬公司概無訂立任何令董事或彼等各自的配偶或未滿18歲子女獲得任何其他法人團體有關權利的安排。

Other Information (Continued)

其他資料(續)

EVENTS AFTER THE END OF THE REPORTING PERIOD

As disclosed in the announcements of the Company dated 26 September 2022, 30 September 2022, 24 October 2022, 8 December 2022, 13 December 2022, and 4 January 2023, the Company, on 15 September 2022, received the Letter from Ernst & Young (“**EY**”), being the then auditors of the Company, informing that there might be possible internal control irregularities (“**Incident**”), which involved transactions that took place in January 2022 with a sum equivalent to US\$13 million (approximately HK\$100 million).

On 17 September 2022, the Board resolved to establish the Independent Committee to review and investigate the Incident, which comprised of four independent non-executive Directors, namely Mr. Lau Ying Kit, Mr. Wang Qing, Mr. Liu Wenfang and Mr. Bai Zhizhong. Having considered the current information and evidence available to the Company was insufficient and therefore a proper investigation of the Incident with the assistance of an external forensic accountant was necessary, on 21 December 2022, the Independent Committee appointed Grant Thornton Advisory Services Limited (“**Forensic Accountant**”) as an independent forensic accountant to conduct an independent forensic investigation into the Incident (“**Forensic Investigation**”) and produce a report on the findings of the Forensic Investigation to be presented to the Independent Committee.

On 15 March 2023, the Independent Committee received a draft forensic investigation report (“**Forensic Investigation Report**”) from the Forensic Accountant, details of which were set out in the Company’s announcement dated 21 March 2023.

On 21 April 2023 the Independent Committee engaged Moore Advisory Services Limited as the internal control consultant (the “**Internal Control Consultant**”) to view the findings from the Forensic Investigation Report to ensure the Company has established adequate and effective controls to minimize the risk identified, details of which were set out in the Company’s announcement dated 27 April 2023.

On 4 July 2023, the Independent Committee received from the Forensic Accountant the final Forensic Investigation Report, details of which were set out in the Company’s announcement dated 10 July 2023.

報告期末後事項

誠如本公司日期為2022年9月26日、2022年9月30日、2022年10月24日、2022年12月8日、2022年12月13日及2023年1月4日的公告所披露，於2022年9月15日，本公司接獲本公司當時的核數師安永會計師事務所(「安永」)的函件，告知可能存在內部控制違規事件(「該事件」)，該事件涉及於2022年1月進行的交易，總額相等於13百萬美元(約100百萬港元)。

於2022年9月17日，董事會決議成立獨立委員會以審視及調查該事件。獨立委員會包括四名獨立非執行董事，即劉英傑先生、汪晴先生、劉文芳先生及白志中先生。考慮到本公司目前掌握的資料及證據不足，故有必要在外聘法證會計師協助下對該事件進行妥善調查。於2022年12月21日，獨立委員會委任致同諮詢服務有限公司(「法證會計師」)為獨立法證會計師，以對該事件進行獨立法證調查(「法證調查」)及向獨立委員會呈交法證調查發現結果報告。

於2023年3月15日，獨立委員會接獲法證會計師出具的法證調查報告(「法證調查報告」)草擬本，其詳情載於本公司日期為2023年3月21日的公告。

於2023年4月21日，獨立委員會委聘大華國際諮詢有限公司為內部控制顧問(「內部控制顧問」)，審視法證調查報告的發現結果，以確保本公司設立充足有效的控制，從而盡量減少所識別的風險，其詳情載於本公司日期為2023年4月27日的公告。

於2023年7月4日，獨立委員會接獲法證會計師出具的最終法證調查報告，其詳情載於本公司日期為2023年7月10日的公告。

Other Information (Continued)

其他資料(續)

As at the date hereof, Internal Control Consultant has completed the first draft of the internal control review report with remedial actions proposed to the Independent Committee for deficiencies identified. The Internal Control Consultant is now conducting the follow-up review (the “**Phase 2 Review**”) and the report of the Phase 2 Review will be ready in mid of September 2023.

The Company will make further announcement to update investors and shareholders once the internal control review results are available.

Other than the above, the Board is not aware of any material event requiring disclosure, that has taken place subsequent to 30 June 2023 and up to the date of this report.

於本報告日期，內部控制顧問已完成內部控制檢討報告首份草擬本，並就已識別的缺陷向獨立委員會提出補救行動建議。內部控制顧問目前正在進行後續檢討（「**第二期檢討**」），而第二期檢討報告將於2023年9月中備妥。

本公司於得出內部控制檢討結果後，將隨即另行刊發公告通知投資者及股東有關最新消息。

除上文所述者外，董事會並不知悉於2023年6月30日後及直至本報告日期發生任何須予披露的重大事件。

By order of the Board
Sinco Pharmaceuticals Holdings Limited
Huang Xiangbin
Chairman and executive Director

承董事會命
興科蓉醫藥控股有限公司
黃祥彬
主席兼執行董事

Sichuan, the PRC, 21 September 2023

中國四川，2023年9月21日

Independent Review Report

獨立審閱報告

Report on Review of Condensed Consolidated Financial Statements
To the Board of Directors of Sinco Pharmaceuticals Holdings Limited

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Sinco Pharmaceuticals Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 34 to 39, which comprise the condensed consolidated statement of financial position as of 30 June 2023 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”) issued by the Hong Kong Institute of Certified Public Accountants. The Directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” (“HKSRE 2410”) issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

簡明綜合財務報表的審閱報告
致興科蓉醫藥控股有限公司董事會

緒言

吾等已審閱載於第34至39頁的興科蓉醫藥控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的簡明綜合財務報表，其包括截至2023年6月30日的簡明綜合財務狀況表及截至該日止六個月期間的相關簡明綜合損益及其他全面收益表、簡明綜合權益變動表及簡明綜合現金流量表以及若干解釋附註。香港聯合交易所有限公司證券上市規則要求中期財務資料報告須根據當中的相關規定及香港會計師公會頒佈的國際會計準則第34號「中期財務報告」(「國際會計準則第34號」)編製。貴公司董事須負責根據國際會計準則第34號編製及呈列該等簡明綜合財務報表。吾等的責任是根據吾等的審閱，對該等簡明綜合財務報表作出結論，並僅根據吾等協定的委聘條款向閣下(作為整體)報告結論。除此之外，本報告並無其他用途。吾等不會就本報告的內容向任何其他人士負上或承擔任何責任。

審閱範圍

吾等已根據香港會計師公會頒佈的香港審閱委聘準則第2410號「由實體的獨立核數師審閱中期財務資料」(「香港審閱委聘準則第2410號」)進行審閱。該等簡明綜合財務報表的審閱包括主要向負責財務及會計事務的人員作出查詢，以及應用分析性及其他審閱程序。審閱的範圍遠較根據香港審計準則進行審計的範圍為小，故不能令吾等保證知悉在審計中可能被發現的所有重大事項。因此，吾等不會發表審計意見。

結論

根據吾等的審閱，吾等並無發現任何事項令吾等相信簡明綜合財務報表在各重大方面未有根據國際會計準則第34號編製。

Independent Review Report (Continued)

獨立審閱報告(續)

OTHER MATTER

The comparative condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period ended 30 June 2023 and the relevant explanatory notes included in these condensed consolidated financial statements have not been reviewed in accordance with HKSRE 2410.

CL Partners CPA LIMITED

Certified Public Accountants

Hong Kong

30 August 2023

其他事項

該等簡明綜合財務報表所載截至2023年6月30日止六個月期間的比較簡明綜合損益及其他全面收益表、簡明綜合權益變動表及簡明綜合現金流量表以及相關解釋附註，並未根據香港審閱委聘準則第2410號進行審閱。

先機會計師行有限公司

執業會計師

香港

2023年8月30日

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

中期簡明綜合損益及其他全面收益表

For the six months ended 30 June 2023 截至2023年6月30日止六個月

		For the six months ended 30 June 截至6月30日止六個月		
		Notes 附註	2023 2023年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2022 2022年 RMB'000 人民幣千元 (Unaudited) (未經審核)
REVENUE	收益	4	1,090,126	1,129,926
Cost of sales	銷售成本		(937,580)	(937,728)
Gross profit	毛利		152,546	192,198
Other income and gains	其他收入及收益	5	4,220	11,493
Selling and distribution expenses	銷售及經銷開支		(47,101)	(67,767)
Administrative expenses	行政開支		(48,417)	(37,328)
Provision for impairment loss on trade receivables, net	貿易應收款項減值虧損撥備淨額	7	(756)	(6,151)
Reversal of provision for impairment loss on financial assets included in prepayments, other receivables and other assets, net	計入預付款項、其他應收款項及其他資產的金融資產減值虧損撥備撥回淨額	7	–	280
Other expenses	其他開支		(9,020)	(2,046)
Changes in fair value on financial liabilities at fair value through profit or loss	按公平值計入損益的金融負債公平值變動		(1,343)	(494)
Finance costs	財務成本	6	(7,360)	(11,617)
PROFIT BEFORE TAX	除稅前溢利	7	42,769	78,568
Income tax expense	所得稅開支	8	(23,174)	(16,645)
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY	本公司擁有人應佔期內溢利及全面收益總額		19,595	61,923
Earnings per share attributable to owners of the Company:	本公司擁有人應佔每股盈利：			
Basic	基本		RMB0.00965	RMB0.03049
– For profit for the period (RMB)	一期內溢利(人民幣)	10	人民幣0.00965元	人民幣0.03049元
Diluted	攤薄		RMB0.00965	RMB0.03048
– For profit for the period (RMB)	一期內溢利(人民幣)	10	人民幣0.00965元	人民幣0.03048元

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

中期簡明綜合財務狀況表

30 June 2023 2023年6月30日

			30 June 2023 2023年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2022 2022年 12月31日 RMB'000 人民幣千元
		Notes 附註		
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	11	271,144	258,109
Investment property	投資物業	11	6,229	6,319
Right-of-use assets	使用權資產	11	75,429	57,730
Other intangible assets	其他無形資產	11	24,752	15,001
Payments in advance	預付款項	12	2,917	231
Goodwill	商譽	19	66,536	66,536
Deferred tax assets	遞延稅項資產		3,526	3,001
Total non-current assets	非流動資產總值		450,533	406,927
CURRENT ASSETS	流動資產			
Inventories	存貨		9,476	88,148
Trade and bills receivables	貿易應收款項及應收票據	13	302,534	351,268
Prepayments, other receivables and other assets	預付款項、其他應收款項及 其他資產	12	117,413	140,994
Pledged deposits	已抵押存款		241,077	107,852
Bank balances and cash	銀行結餘及現金		520,822	329,144
Total current assets	流動資產總值		1,191,322	1,017,406
CURRENT LIABILITIES	流動負債			
Trade and bills payables	貿易應付款項及應付票據	14	714,739	407,988
Contract liabilities	合約負債		30,803	75,429
Other payables and accruals	其他應付款項及應計款項	15	43,263	117,927
Bank borrowings	銀行借款	16	200,857	180,806
Tax payable	應付稅項		14,112	5,437
Lease liabilities	租賃負債		3,004	2,998
Total current liabilities	流動負債總額		1,006,778	790,585
NET CURRENT ASSETS	流動資產淨值		184,544	226,821
Total assets less current liabilities	總資產減流動負債		635,077	633,748

Interim Condensed Consolidated Statement of Financial Position (Continued)

中期簡明綜合財務狀況表(續)

30 June 2023 2023年6月30日

			30 June 2023 2023年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2022 2022年 12月31日 RMB'000 人民幣千元
		Notes 附註		
NON-CURRENT LIABILITIES	非流動負債			
Bank borrowings	銀行借款	16	1,340	922
Deferred tax liabilities	遞延稅項負債		2,025	2,250
Financial liabilities at fair value through profit or loss	按公平值計入損益的金融負債	19	20,421	19,078
Lease liabilities	租賃負債		5,996	7,686
Total non-current liabilities	非流動負債總額		29,782	29,936
Net assets	資產淨值		605,295	603,812
EQUITY	權益			
Equity attributable to owners of the Company	本公司擁有人應佔權益			
Issued capital	已發行股本	17	164	164
Reserves	儲備		605,131	603,648
Total equity	權益總額		605,295	603,812

Huang Xiangbin

黃祥彬

Director

董事

Lei Shifeng

雷世鋒

Director

董事

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

中期簡明綜合權益變動表

For the six months ended 30 June 2023 截至2023年6月30日止六個月

		Attributable to owners of the Company 本公司擁有人應佔							
		Issued capital 已發行股本	Share premium account 股份溢價賬	Contributed surplus 實繳盈餘	Statutory reserve 法定儲備	Share option reserve 購股權儲備	Changes in non-controlling interests 非控股權益變動	Accumulated profits (losses) 累計溢利(虧損)	Total equity 權益總額
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2023	於2023年1月1日	164	525,225*	4,250*	29,727*	-	-	44,446*	603,812
Profit and total comprehensive income for the period	期內溢利及全面收益總額	-	-	-	-	-	-	19,595	19,595
Dividends recognised as distribution	確認為分派的股息	-	-	-	-	-	-	(18,112)	(18,112)
At 30 June 2023 (unaudited)	於2023年6月30日(未經審核)	164	525,225*	4,250*	29,727*	-	-	45,929*	605,295
At 1 January 2022	於2022年1月1日	151	365,774*	4,250*	26,417*	219*	4,014*	(25,939)*	374,886
Profit and total comprehensive income for the period	期內溢利及全面收益總額	-	-	-	-	-	-	61,923	61,923
Issue of shares	發行股份	13	165,518	-	-	-	-	-	165,531
Share issue expenses	股份發行開支	-	(6,067)	-	-	-	-	-	(6,067)
At 30 June 2022 (unaudited)	於2022年6月30日(未經審核)	164	525,225*	4,250*	26,417*	219*	4,014*	35,984*	596,273

* These reserve accounts comprise the consolidated reserves of RMB605,131,000 (31 December 2022: RMB603,648,000) in the interim condensed consolidated statement of financial position.

* 該等儲備賬包括中期簡明綜合財務狀況表內的綜合儲備人民幣605,131,000元(2022年12月31日:人民幣603,648,000元)。

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

中期簡明綜合現金流量表

For the six months ended 30 June 2023 截至2023年6月30日止六個月

		For the six months ended 30 June 截至6月30日止六個月	
		2023 2023年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2022 2022年 RMB'000 人民幣千元 (Unaudited) (未經審核)
	Notes 附註		
CASH FLOWS FROM OPERATING ACTIVITIES	經營活動所得現金流量		
Profit before tax	除稅前溢利	42,769	78,568
Adjustments for:	就以下各項調整：		
Depreciation of property, plant and equipment	物業、廠房及設備折舊	11 3,501	2,783
Amortisation of other intangible assets	其他無形資產攤銷	11 1,499	500
Depreciation of investment property	投資物業折舊	11 90	90
Depreciation of right-of-use assets	使用權資產折舊	11 2,213	1,537
Unrealised foreign exchange loss/(gains), net	未變現外匯虧損/(收益)淨額	5,760	(8,238)
Finance costs	財務成本	6 7,360	11,617
Provision for impairment loss on trade receivables, net	貿易應收款項減值虧損撥備淨額	13 756	6,151
Reversal of impairment loss on prepayments, other receivables and other assets, net	預付款項、其他應收款項及其他資產減值虧損撥回淨額	7 –	(280)
Gain on disposal of financial assets at fair value through profit or loss	出售按公平值計入損益的金融資產收益	5 –	(617)
(Gain)/loss on disposal of property, plant and equipment	出售物業、廠房及設備(收益)/虧損	5 (36)	10
Bank interest income	銀行利息收入	5 (1,366)	(511)
Interest income from financial assets at fair value through profit or loss	按公平值計入損益的金融資產的利息收入	5 (3)	–
Fair value adjustment for contingent consideration	或然代價的公平值調整	1,343	494
		63,886	92,104
Decrease/(increase) in trade and bills receivables	貿易應收款項及應收票據減少/(增加)	44,518	(25,133)
Increase in prepayments, other receivables and other assets	預付款項、其他應收款項及其他資產增加	(5,162)	(106,540)
Decrease in inventories	存貨減少	78,672	16,024
Increase in trade payables	貿易應付款項增加	302,439	145,342
Decrease in other payables and accruals	其他應付款項及應計款項減少	(59)	(5,773)
Decrease in contract liabilities	合約負債減少	(44,626)	(1,548)
		439,668	114,476
Cash generated from operations	營運所得現金	1,366	511
Interest received	已收利息	(15,249)	(27,273)
Tax paid	已付稅項	425,785	87,714
Net cash flows from operating activities	經營活動所得現金流量淨額	425,785	87,714

Interim Condensed Consolidated Statement of Cash Flows (Continued)

中期簡明綜合現金流量表(續)

For the six months ended 30 June 2023 截至2023年6月30日止六個月

		For the six months ended 30 June 截至6月30日止六個月	
		2023 2023年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2022 2022年 RMB'000 人民幣千元 (Unaudited) (未經審核)
	Notes 附註		
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動所得現金流量		
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	64	-
Purchases of items of property, plant and equipment	購買物業、廠房及設備項目	(16,564)	(22,664)
Purchases of other intangible assets	購買其他無形資產	(11,250)	-
Payments for right-of-use assets	支付使用權資產	(19,880)	-
Purchase of wealth management products classified as financial assets at fair value through profit or loss	購買分類為按公平值計入損益的金融資產的理財產品	(10,000)	(80,000)
Redemption of wealth management products classified as financial assets at fair value through profit or loss	贖回分類為按公平值計入損益的金融資產的理財產品	10,000	80,617
Interest income from financial assets at fair value through profit or loss	按公平值計入損益的金融資產的利息收入	3	-
Acquisition of subsidiaries	收購附屬公司	-	(68,000)
Net cash flows used in investing activities	投資活動所用現金流量淨額	(47,627)	(90,047)
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動所得現金流量		
Dividends paid	已付股息	(18,112)	-
Interest paid	已付利息	(7,060)	(12,593)
Principal portion of lease payments	租賃付款的本金部分	(1,717)	(1,946)
Interest portion of lease payments	租賃付款的利息部分	(300)	(219)
Increase in pledged deposits	已抵押存款增加	(133,225)	(61,897)
Proceeds from bank borrowings	銀行借款所得款項	28,000	160,000
Repayment of bank borrowings	償還銀行借款	(7,531)	(40,366)
Decrease/(increase) in prepayments, other receivables and other assets, net	預付款項、其他應收款項及其他資產減少/(增加)淨額	26,057	(76,741)
Decrease in other payables and accruals, net	其他應付款項及應計款項減少淨額	(74,605)	(1,077)
Issue of new shares	發行新股	-	165,531
Share issue expenses	股份發行開支	-	(6,067)
Net cash flows (used in) from financing activities	融資活動(所用)所得現金流量淨額	(188,493)	124,625
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物增加淨額	189,665	122,292
Effect of foreign exchange rate changes, net	外匯匯率變動影響淨額	2,013	8,363
Cash and cash equivalents at beginning of period	期初現金及現金等價物	329,144	326,052
CASH AND CASH EQUIVALENTS AT END OF PERIOD	期末現金及現金等價物	520,822	456,707
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等價物結餘分析		
Cash and bank balances	現金及銀行結餘	520,822	456,707
Cash and cash equivalents as stated in the interim condensed consolidated statement of financial position	中期簡明綜合財務狀況表所列現金及現金等價物	520,822	456,707
Cash and cash equivalents as stated in the interim condensed consolidated statement of cash flows	中期簡明綜合現金流量表所列現金及現金等價物	520,822	456,707

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION

中期簡明財務資料附註

30 June 2023 2023年6月30日

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 (“IAS 34”) “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants as well as the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for financial instruments, which are measured at revalued amounts or fair values, as appropriate.

Other than additional/change in accounting policies resulting from application of amendments to International Financial Reporting Standards (“IFRSs”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2023 are the same as those presented in the Group’s annual consolidated financial statements for the year ended 31 December 2022.

Application of amendments to IFRSs

In the current interim period, the Group has applied the following new and amendments to IFRSs issued by the IASB, for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2023 for the preparation of the Group’s condensed consolidated financial statements:

IFRS 17 (including the June 2020 and December 2021 Amendments to IFRS 17)	Insurance Contracts
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform – Pillar Two Model Rules

1. 編製基準

簡明綜合財務報表已根據香港會計師公會頒佈的國際會計準則第34號(「國際會計準則第34號」)「中期財務報告」以及香港聯合交易所有限公司證券上市規則附錄十六的適用披露規定編製。

2. 主要會計政策

簡明綜合財務報表已按歷史成本基準編製，惟金融工具按重估金額或公平值(倘適當)計量。

除應用國際財務報告準則(「國際財務報告準則」)修訂本所產生的額外會計政策／會計政策變動外，截至2023年6月30日止六個月的簡明綜合財務報表所使用的會計政策及計算方法，與本集團截至2022年12月31日止年度的年度綜合財務報表所呈列者相同。

應用國際財務報告準則修訂本

於本中期期間，本集團已首次應用以下由國際會計準則理事會頒佈並於本集團2023年1月1日開始的年度期間強制生效的新訂國際財務報告準則及其修訂本，以編製本集團的簡明綜合財務報表：

國際財務報告準則第17號(包括國際財務報告準則第17號2020年6月及2021年12月修訂本)	保險合約
國際會計準則第8號(修訂本)	會計估計的定義
國際會計準則第12號(修訂本)	與單一交易產生資產及負債有關的遞延稅項
國際會計準則第12號(修訂本)	國際稅收改革—支柱二立法模板

Notes to Interim Condensed Financial Information (Continued) 中期簡明財務資料附註(續)

30 June 2023 2023年6月30日

2. PRINCIPAL ACCOUNTING POLICIES (Continued) Application of amendments to IFRSs (Continued)

The application of the amendments to IFRSs in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their services and products and has three (six months ended 30 June 2022: three; year ended 31 December 2022: three) reportable operating segments as follows:

- (a) the sale of imported pharmaceutical products segment;
- (b) the research and manufacturing of aesthetic medicine segment; and
- (c) the medical beauty services segment.

Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit/loss before tax except that other income and gains, other expenses, finance costs not related to lease and charges attributable to issue of letters of credit and corporate and other unallocated expenses are excluded from such measurement.

Segment assets exclude deferred tax assets, pledged deposits, bank balances and cash and corporate and other unallocated assets as these assets are managed on a group basis.

Segment liabilities exclude bank borrowings, deferred tax liabilities, tax payable and corporate and other unallocated liabilities as these liabilities are managed on a group basis.

2. 主要會計政策(續) 應用國際財務報告準則修訂本(續)

於本中期期間應用國際財務報告準則修訂本對本集團於本期間及過往期間的財務狀況及表現及/或該等簡明綜合財務報表所載的披露並無重大影響。

3. 經營分部資料

為進行管理，本集團的業務單元根據其服務及產品組成，並有如下三個(截至2022年6月30日止六個月：三個；截至2022年12月31日止年度：三個)可報告經營分部：

- (a) 進口藥品銷售分部；
- (b) 醫美藥物研究及製造分部；及
- (c) 醫美服務分部。

分部表現按可報告分部溢利/虧損(即對經調整除稅前溢利/虧損的計量)作出評估。經調整除稅前溢利/虧損的計量與本集團除稅前溢利/虧損一致，惟其他收入及收益、其他開支、非租賃相關財務成本及開立信用證應佔收費以及企業及其他未分配開支均於有關計量撇除。

由於遞延稅項資產、已抵押存款、銀行結餘及現金以及企業及其他未分配資產按組別管理，因此該等資產不計入分部資產。

由於銀行借款、遞延稅項負債、應付稅項以及企業及其他未分配負債按組別管理，因此該等負債不計入分部負債。

Notes to Interim Condensed Financial Information (Continued)

中期簡明財務資料附註(續)

30 June 2023 2023年6月30日

3. OPERATING SEGMENT INFORMATION (Continued) 3. 經營分部資料(續)

The following tables present revenue and profit information for the Group's operating segments for the six months ended 30 June 2023 and 30 June 2022, respectively.

下表分別呈列截至2023年6月30日及2022年6月30日止六個月本集團經營分部的收益及溢利資料。

Six months ended 30 June 2023

截至2023年6月30日止六個月

Segments		Sale of imported pharmaceutical products	Research and manufacturing of aesthetic medicine	Medical beauty services	Total
分部		進口藥品銷售	醫美藥物 研究及製造	醫美服務	總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)	(未經審核)	(未經審核)
Segment revenue (note 4)	分部收益(附註4)				
Sales to external customers	銷售予外部客戶	1,076,097	-	14,029	1,090,126
Segment results	分部業績	52,186	(3,197)	6,210	55,199
<u>Reconciliation:</u>	<u>對賬:</u>				
Corporate and other unallocated expenses	企業及其他未分配開支				(2,934)
Other income and gains	其他收入及收益				4,220
Other expenses	其他開支				(9,020)
Finance costs (other than interest on lease liabilities and finance charges attributable to issue of letters of credit)	財務成本(租賃負債利息及開立信用證應佔財務費用除外)				(4,696)
Profit before tax	除稅前溢利				42,769

Notes to Interim Condensed Financial Information (Continued)

中期簡明財務資料附註(續)

30 June 2023 2023年6月30日

3. OPERATING SEGMENT INFORMATION 3. 經營分部資料(續)

Six months ended 30 June 2022

截至2022年6月30日止六個月

Segments		Sale of imported pharmaceutical products	Research and manufacturing of aesthetic medicine 醫美藥物	Medical beauty services	Total
分部		進口藥品銷售	研究及製造	醫美服務	總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)	(未經審核)	(未經審核)
Segment revenue (note 4)	分部收益(附註4)				
Sales to external customers	銷售予外部客戶	1,127,374	-	2,552	1,129,926
Segment results	分部業績	90,546	(7,319)	683	83,910
Reconciliation:	對賬:				
Corporate and other unallocated expenses	企業及其他未分配開支				(5,602)
Other income and gains	其他收入及收益				11,493
Other expenses	其他開支				(2,046)
Finance costs (other than interest on lease liabilities and finance charges attributable to issue of letters of credit)	財務成本(租賃負債利息 及開立信用證應佔 財務費用除外)				(9,187)
Profit before tax	除稅前溢利				78,568

Notes to Interim Condensed Financial Information (Continued)

中期簡明財務資料附註(續)

30 June 2023 2023年6月30日

3. OPERATING SEGMENT INFORMATION 3. 經營分部資料(續)

The following table presents information of assets and liabilities of the Group's operating segments as at 30 June 2023 and 31 December 2022.

下表呈列於2023年6月30日及2022年12月31日本集團經營分部的資產及負債資料。

As at 30 June 2023

於2023年6月30日

Segments		Sale of imported pharmaceutical products	Research and manufacturing of aesthetic medicine	Medical beauty services	Total
分部		進口藥品銷售	醫美藥物 研究及製造	醫美服務	總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)	(未經審核)	(未經審核)
Segment assets	分部資產	790,841	64,277	21,122	876,240
<u>Reconciliation:</u>	<u>對賬:</u>				
Corporate and other unallocated assets	企業及其他未分配資產				190
Deferred tax assets	遞延稅項資產				3,526
Bank balances and cash	銀行結餘及現金				520,822
Pledged deposits	已抵押存款				241,077
Total assets	總資產				1,641,855
Segment liabilities	分部負債	792,693	20,535	4,863	818,091
<u>Reconciliation:</u>	<u>對賬:</u>				
Corporate and other unallocated liabilities	企業及其他未分配負債				135
Bank borrowings	銀行借款				202,197
Tax payable	應付稅項				14,112
Deferred tax liabilities	遞延稅項負債				2,025
Total liabilities	總負債				1,036,560

Notes to Interim Condensed Financial Information (Continued)

中期簡明財務資料附註(續)

30 June 2023 2023年6月30日

3. OPERATING SEGMENT INFORMATION 3. 經營分部資料(續)

As at 31 December 2022

於2022年12月31日

Segments		Sale of imported pharmaceutical products	Research and manufacturing of aesthetic medicine 醫美藥物	Medical beauty services	Total
分部		進口藥品銷售 RMB'000 人民幣千元 (Unaudited) (未經審核)	研究及製造 RMB'000 人民幣千元 (Unaudited) (未經審核)	醫美服務 RMB'000 人民幣千元 (Unaudited) (未經審核)	總計 RMB'000 人民幣千元 (Unaudited) (未經審核)
Segment assets	分部資產	833,202	51,381	99,030	983,613
<u>Reconciliation:</u>	<u>對賬:</u>				
Corporate and other unallocated assets	企業及其他未分配資產				723
Deferred tax assets	遞延稅項資產				3,001
Cash and cash equivalents	現金及現金等價物				329,144
Pledged deposits	已抵押存款				107,852
Total assets	總資產				<u>1,424,333</u>
Segment liabilities	分部負債	596,059	5,753	29,232	631,044
<u>Reconciliation:</u>	<u>對賬:</u>				
Corporate and other unallocated liabilities	企業及其他未分配負債				62
Interest-bearing bank and other borrowings	計息銀行及其他借款				181,728
Tax payable	應付稅項				5,437
Deferred tax liabilities	遞延稅項負債				2,250
Total liabilities	總負債				<u>820,521</u>

Notes to Interim Condensed Financial Information (Continued)

中期簡明財務資料附註(續)

30 June 2023 2023年6月30日

4. REVENUE

An analysis of revenue is as follows:

4. 收益

收益分析如下：

		For the six months ended 30 June 截至6月30日止六個月	
		2023 2023年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2022 2022年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Revenue from contracts with customers:	來自客戶合約的收益：		
Sales of pharmaceutical products	藥品銷售	1,076,097	1,127,374
Medical beauty services	醫美服務	14,029	2,552
		1,090,126	1,129,926

Disaggregated revenue information for revenue from contracts with customers

For the six months ended 30 June 2023

來自客戶合約的收益的收益資料明細

截至2023年6月30日止六個月

Segments 分部		Sale of imported pharmaceutical products 進口藥品銷售 RMB'000 人民幣千元 (Unaudited) (未經審核)	Medical beauty services 醫美服務 RMB'000 人民幣千元 (Unaudited) (未經審核)	Total 總計 RMB'000 人民幣千元 (Unaudited) (未經審核)
Types of goods or services	貨品或服務類型			
Sales of pharmaceutical products	藥品銷售	1,076,097	–	1,076,097
Medical beauty services	醫美服務	–	14,029	14,029
Total revenue from contracts with customers	來自客戶合約的收益總額	1,076,097	14,209	1,090,126

30 June 2023 2023年6月30日

4. REVENUE (Continued)

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

For the six months ended 30 June 2022

4. 收益(續)

來自客戶合約的收益的收益資料明細(續)

截至2022年6月30日止六個月

Segments 分部	Types of goods or services 貨品或服務類型	Sale of imported pharmaceutical products 進口藥品銷售 RMB'000 人民幣千元 (Unaudited) (未經審核)	Medical beauty services 醫美服務 RMB'000 人民幣千元 (Unaudited) (未經審核)	Total 總計 RMB'000 人民幣千元 (Unaudited) (未經審核)
	Sales of pharmaceutical products	1,127,374	-	1,127,374
	Medical beauty services	-	2,552	2,552
	Total revenue from contracts with customers	<u>1,127,374</u>	<u>2,552</u>	<u>1,129,926</u>

Geographical market

All revenue from contracts with customers of the Group during the reporting period was attributable to customers located in Mainland China, the place of domicile of the Group's operating entities. The Group's non-current assets are all located in Mainland China.

地區市場

本集團於報告期內所有來自客戶合約的收益均來自位於中國內地(本集團營運實體註冊地)的客戶。本集團的非流動資產均位於中國內地。

Timing of revenue recognition

All revenue from contracts with customers of the Group for the reporting period is recognised when goods or services are transferred at a point in time.

確認收益的時間

於報告期，本集團所有來自客戶合約的收益於轉讓貨品或服務的時間點確認。

Information about major customers

During the Period, revenue from contracts with customers of approximately RMB204,155,000 (for the six months ended 30 June 2022: RMB337,732,000) was derived from a major customer and contributed to 10% or more of the total revenue of the Group during the Period and the the six months ended 30 June 2023.

主要客戶資料

於本期間，來自客戶合約的收益約人民幣204,155,000元(截至2022年6月30日止六個月：人民幣337,732,000元)來自一名主要客戶，並佔本集團於本期間及截至2023年6月30日止六個月的收益總額10%或以上。

Notes to Interim Condensed Financial Information (Continued)

中期簡明財務資料附註(續)

30 June 2023 2023年6月30日

5. OTHER INCOME AND GAINS

An analysis of other income and gains is as follows:

5. 其他收入及收益

有關其他收入及收益的分析如下：

		For the six months ended 30 June 截至6月30日止六個月	
		2023 2023年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2022 2022年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Income from logistics services rendered	所提供物流服務的收入	2,718	1,940
Gain on disposal of financial assets at fair value through profit or loss	出售按公平值計入損益的金融資產收益	–	617
Bank interest income	銀行利息收入	1,366	511
Government grants	政府補助	–	42
Exchange differences, net	匯兌差額淨額	–	8,238
Rental income from investment property	投資物業租金收入	97	145
Interest income from financial assets at fair value through profit or loss	按公平值計入損益的金融資產的利息收入	3	–
Gain on disposal of property, plant and equipment	出售物業、廠房及設備收益	36	–
		4,220	11,493

6. FINANCE COSTS

6. 財務成本

		For the six months ended 30 June 截至6月30日止六個月	
		2023 2023年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2022 2022年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Interest on lease liabilities	租賃負債利息	300	219
Finance charges attributable to issue of letters of credit	開立信用證應佔財務費用	2,364	2,211
Interest on bank and other borrowings	銀行及其他借款利息	4,696	9,187
		7,360	11,617

Notes to Interim Condensed Financial Information (Continued)

中期簡明財務資料附註(續)

30 June 2023 2023年6月30日

7. PROFIT BEFORE TAX

The Group's profit before tax was arrived at after charging/(crediting):

7. 除稅前溢利

本集團的除稅前溢利已扣除/(計入)下列項目：

		For the six months ended 30 June 截至6月30日止六個月	
		2023 2023年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2022 2022年 RMB'000 人民幣千元 (Unaudited) (未經審核)
	Note 附註		
Cost of inventories sold	已售存貨成本	932,718	937,150
Cost of services provided	已提供服務成本	4,862	578
Provision for impairment loss on trade receivables, net	貿易應收款項減值虧損撥備淨額	756	6,151
Reversal of impairment loss on financial assets included in prepayments, other receivables and other assets, net	計入預付款項、其他應收款項及其他資產的金融資產減值虧損撥回淨額	—	(280)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	3,501	2,783
Depreciation of investment property	投資物業折舊	90	90
Depreciation of right-of-use assets	使用權資產折舊	2,213	1,537
Amortisation of intangible assets	無形資產攤銷	1,499	500

8. INCOME TAX

The major components of income tax expense are as follows:

8. 所得稅

所得稅開支的主要組成部分如下：

		For the six months ended 30 June 截至6月30日止六個月	
		2023 2023年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2022 2022年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Current tax	即期稅項		
– Mainland China	– 中國內地	18,963	14,880
– Hong Kong	– 香港	–	3,878
– other jurisdiction	– 其他司法權區	877	–
Under/(over) provision in prior year	過往年度撥備不足/(超額撥備)		
– Mainland China	– 中國內地	5,126	–
– Hong Kong	– 香港	(1,042)	–
Deferred	遞延	(750)	(2,113)
		23,174	16,645

Notes to Interim Condensed Financial Information (Continued)

中期簡明財務資料附註(續)

30 June 2023 2023年6月30日

8. INCOME TAX (Continued)

Notes:

- (a) Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI.
- (b) The assessable profits of the Group derived from Hong Kong are subject to a two-tiered profit tax rate regime. The first HK\$2,000,000 of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5% for the six months ended 30 June 2022.
- (c) Except for Demei Company as described below, other subsidiaries established in Mainland China are subject to corporate income tax at a statutory tax rate of 25% on their taxable profits for the Period and for the six months ended 30 June 2022.

According to the Circular on Issues Concerning Tax Policies for In-depth Implementation of Western Development Strategies (《關於深入實施西部大開發戰略有關稅收政策問題的通知》), Demei Company being a subsidiary located in Sichuan Province and engaged in the encouraged business is entitled to a preferential corporate income tax rate of 15% for the Period and until 31 December 2030.

- (d) Taxation in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

9. DIVIDENDS

During the current interim period, a final dividend of HK\$0.98 cents per share in respect of the year ended 31 December 2022 (2022: HK\$ nil cents per share in respect of the year ended 31 December 2021) was declared and paid to owners of the Company. The aggregate amount of the final dividend declared and paid in the interim period amounted to HK\$20,000,000 (equivalent to RMB18,112,000) (2022: HK\$ nil).

Subsequent to the end of the current interim period, the directors of the Company have resolved not to recommend the payment of an interim dividend for the six months ended 30 June 2023 (six months ended 30 June 2022: Nil).

8. 所得稅(續)

附註：

- (a) 根據開曼群島及英屬維爾京群島的規則及法規，本集團毋須繳納開曼群島及英屬維爾京群島的任何所得稅。
- (b) 本集團源自香港的應課稅溢利須按兩級制利得稅率繳稅。截至2022年6月30日止六個月，應課稅溢利的首2,000,000港元按8.25%的稅率繳稅，其餘應課稅溢利則按16.5%的稅率繳稅。
- (c) 除下文所述德美公司外，於中國內地成立的其他附屬公司須就本期間及截至2022年6月30日止六個月的應課稅溢利按25%的法定稅率繳納企業所得稅。

根據《關於深入實施西部大開發戰略有關稅收政策問題的通知》，德美公司為位於四川省的附屬公司及從事鼓勵類產業，故於本期間及直至2030年12月31日有權享受15%的企業所得稅優惠稅率。

- (d) 其他司法權區的稅項按有關司法權區的現行稅率計算。

9. 股息

於本中期期間，本公司已向其擁有人宣派及派付截至2022年12月31日止年度的末期股息每股0.98港仙(2022年：截至2021年12月31日止年度每股零港仙)。於中期期間宣派及派付的末期股息總額為20,000,000港元(相當於人民幣18,112,000元)(2022年：零港元)。

於本中期期間結束後，本公司董事決議不建議派付截至2023年6月30日止六個月的中期股息(2022年6月30日止六個月：無)。

Notes to Interim Condensed Financial Information (Continued)

中期簡明財務資料附註(續)

30 June 2023 2023年6月30日

10. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic and diluted earnings per share attributable to owners of the Company are based on the following data:

10. 本公司擁有人應佔每股盈利

本公司擁有人應佔每股基本及攤薄盈利是基於以下數據計算：

		For the six months ended 30 June 截至6月30日止六個月	
		2023 2023年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2022 2022年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Earnings	盈利		
Profit attributable to owners of the Company, used in the basic and diluted earnings per share calculations	用於計算每股基本及攤薄盈利的本公司擁有人應佔溢利	19,595	61,923
Shares	股份		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	用於計算每股基本盈利的期內已發行普通股加權平均數	2,031,122,629	2,031,122,629
Effect of dilution: Share options	攤薄影響：購股權	N/A 不適用	775,461
Weighted average number of ordinary shares in outstanding used in the diluted earnings per share calculation	用於計算每股攤薄盈利的尚未發行普通股加權平均數	2,031,122,629	2,031,898,090

No adjustment has been made to the basic loss per share amounts presented for the six months ended 30 June 2023 in respect of a dilution as there is no share option outstanding as at 30 June 2023.

截至2023年6月30日止六個月，由於2023年6月30日概無尚未行使的購股權，因此無須對呈列的每股基本虧損金額作出攤薄調整。

11. INVESTMENT PROPERTY, PROPERTY, PLANT AND EQUIPMENT, OTHER INTANGIBLE ASSETS AND RIGHT-OF-USE ASSETS

Movements in investment property, property, plant and equipment, other intangible assets and right-of-use assets during the Period are as follows:

		Investment property	Property, plant and equipment	Other intangible assets	Right-of-use assets
		投資物業	物業、廠房及設備	其他無形資產	使用權資產
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Carrying amount at 1 January 2023	於2023年1月1日的賬面值	6,319	258,109	15,001	57,730
Additions	添置	–	16,564	11,250	19,880
Disposals	出售	–	(28)	–	–
Depreciation/amortisation charged for the Period	本期間扣除折舊／攤銷	(90)	(3,501)	(1,499)	(2,213)
Exchange realignment	匯兌調整	–	–	–	32
Carrying amount at 30 June 2023 (unaudited)	於2023年6月30日的賬面值(未經審核)	6,229	271,144	24,752	75,429

As at 30 June 2023, the Group's buildings with a net carrying amount of RMB69,654,000 (31 December 2022: RMB70,999,000) were pledged to secure its bank borrowings (note 16).

Other intangible assets mainly refers to non-compete agreement and development expenditures. Non-compete agreement is the right appraised from the acquisition of Demei Company and is amortised on the straight-line basis over its' estimated useful life of 5.67 years by reference to the contractual term as stipulated in the non-compete agreement. Development expenditure represents the Group's development cost in pharmaceutical products technology which are used to enhance the Group's products.

11. 投資物業、物業、廠房及設備、其他無形資產以及使用權資產

投資物業、物業、廠房及設備、其他無形資產以及使用權資產於本期間的變動如下：

於2023年6月30日，本集團賬面淨值為人民幣69,654,000元(2022年12月31日：人民幣70,999,000元)的樓宇已抵押作為銀行借款的擔保(附註16)。

其他無形資產主要指非競爭協議及開發支出。非競爭協議為收購德美公司評估得出的權利，經參考非競爭協議規定的合約條款，於其5.67年的估計可使用年限內按直線法攤銷。開發支出指用於提升本集團產品的藥品技術的開發成本。

Notes to Interim Condensed Financial Information (Continued)

中期簡明財務資料附註(續)

30 June 2023 2023年6月30日

12. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS 12. 預付款項、其他應收款項及其他資產

		30 June 2023 2023年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2022 2022年 12月31日 RMB'000 人民幣千元
<i>Current portion:</i>	<i>即期部分：</i>		
Prepayments in respect of:	以下項目的預付款項：		
– purchase of inventories	– 購買存貨	1,406	1,436
– consultation fee	– 諮詢費	259	–
– others	– 其他	751	569
Deposits in respect of:	以下項目的按金：		
– issue of letters of credit	– 開立信用證	73,840	99,897
– others	– 其他	98	–
Value-added tax recoverable	可收回增值稅	38,103	34,730
Amount due from a related party (note 20(c))	應收一名關連方款項(附註20(c))	11	11
Other receivables in respect of:	以下項目的其他應收款項：		
– staff advances	– 員工墊款	2,557	1,355
– others	– 其他	465	3,073
		117,490	141,071
Impairment allowance	減值撥備	(77)	(77)
		117,413	140,994
<i>Non-current portion:</i>	<i>非即期部分：</i>		
Prepaid office decoration	預付辦公室裝修款項	2,917	231

Notes to Interim Condensed Financial Information (Continued)

中期簡明財務資料附註(續)

30 June 2023 2023年6月30日

13. TRADE AND BILLS RECEIVABLES

13. 貿易應收款項及應收票據

		30 June 2023 2023年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2022 2022年 12月31日 RMB'000 人民幣千元
Trade receivables	貿易應收款項	307,842	359,478
Impairment	減值	(10,072)	(9,316)
Trade receivables, net of impairment	貿易應收款項(扣除減值)	297,770	350,162
Bills receivables*	應收票據*	4,764	1,106
		302,534	351,268

* Bills receivables as at 30 June 2023 and 31 December 2022 were classified as financial assets at fair value through profit or loss as they were held for endorsement or discounting.

* 於2023年6月30日及2022年12月31日的應收票據分類為按公平值計入損益的金融資產，原因為該等應收票據持作背書或貼現。

As at 30 June 2023, trade receivables of RMB244,771,000 (31 December 2022: RMB319,381,000) were covered by letters of credit.

於2023年6月30日，貿易應收款項人民幣244,771,000元(2022年12月31日：人民幣319,381,000元)以信用證結算。

An ageing analysis of the trade receivables as at the end of the reporting periods, based on the date of revenue recognised and net of loss allowance, is as follows:

於報告期末基於收益確認日期的貿易應收款項(已扣除虧損撥備)的賬齡分析如下：

		30 June 2023 2023年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2022 2022年 12月31日 RMB'000 人民幣千元
Within 3 months	3個月內	236,032	349,742
Over 3 months	3個月以上	61,738	420
		297,770	350,162

13. TRADE AND BILLS RECEIVABLES (Continued)

Transferred financial assets that are derecognised in their entirety

As at 31 December 2022, the Group endorsed certain bills receivable accepted by banks in the People's Republic of China (the "PRC") to certain import agents in order to settle other payables, with a carrying amount in aggregate of RMB25,821,000 (30 June 2023: nil) (collectively referred to as the "Derecognised Bills"). All the Derecognised Bills had been accepted by banks which are reputable banks in the PRC and had a maturity within three months at the end of the reporting period. In accordance with the Law of Negotiable Instruments in the PRC (《中華人民共和國票據法》), the holders of the Derecognised Bills have a right of recourse against the Group if the PRC banks default (the "Continuing Involvement"). In the opinion of the Directors, the Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the Directors, the fair values of the Group's Continuing Involvement in the Derecognised Bills are not significant.

13. 貿易應收款項及應收票據(續)

全額終止確認的已轉讓金融資產

於2022年12月31日，本集團背書若干獲中華人民共和國(「中國」)銀行承兌的應收票據予若干進口代理，以結算賬面值合共人民幣25,821,000元(2023年6月30日：零)的其他應付款項(統稱「終止確認票據」)。於報告期末，所有終止確認票據已獲中國知名銀行承兌，到期日為三個月內。根據《中華人民共和國票據法》，倘中國的銀行違約，終止確認票據的持有人對本集團擁有追索權(「持續參與」)。董事認為，本集團已轉移絕大部分與終止確認票據有關的風險及回報。因此，其已終止確認終止確認票據的全部賬面值。本集團因對終止確認票據的持續參與而面對的最高損失風險及購回該等終止確認票據的未貼現現金流量與其賬面值相等。董事認為，本集團對終止確認票據的持續參與的公平值並不重大。

14. TRADE AND BILLS PAYABLES

14. 貿易應付款項及應付票據

		30 June 2023 2023年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2022 2022年 12月31日 RMB'000 人民幣千元
Trade payables	貿易應付款項	639,383	366,988
Bills payables	應付票據	75,356	41,000
		714,739	407,988

An ageing analysis of the trade payables based on the issuance date of the pharmaceuticals' inspection reports are as follows:

基於藥品檢驗報告發出日期的貿易應付款項的賬齡分析如下：

		30 June 2023 2023年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2022 2022年 12月31日 RMB'000 人民幣千元
Within 3 months	3個月內	714,739	407,988

The Group's bills payables as at 30 June 2023 was secured by the pledge of certain of the Group's deposits amounting to RMB75,356,000 (2022: RMB41,000,000).

本集團於2023年6月30日的應付票據由本集團金額為人民幣75,356,000元(2022年：人民幣41,000,000元)的若干存款抵押作擔保。

Notes to Interim Condensed Financial Information (Continued)

中期簡明財務資料附註(續)

30 June 2023 2023年6月30日

15. OTHER PAYABLES AND ACCRUALS

15. 其他應付款項及應計款項

			30 June 2023 2023年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2022 2022年 12月31日 RMB'000 人民幣千元
Payables related to:	有關以下項目的應付款項：			
– Payroll and welfare payable	– 應付工資及福利		5,869	4,399
– Deposits received	– 已收按金	(a)	23,935	21,513
– Consultation professional fees	– 諮詢專業費		2,054	3,324
– Other tax payables	– 其他應付稅項		6,287	3,780
– Import agent services	– 進口代理服務	(b)	–	74,605
– Others	– 其他		5,118	10,306
			43,263	117,927

Notes:

- (a) The balances represented refundable deposits received from the Group's distributors in order to guarantee their performance under the respective distribution contracts, which were unsecured and interest-free.
- (b) The balance as at 31 December 2022 mainly represented payables to three (30 June 2023: nil) independent third party, which is principally engaged in import agent services, for its' settlement of part of the purchase of pharmaceutical products on behalf of the Group together with the service charge for the import and logistics services. Such payables were non-interest-bearing and secured by inventories with a carrying amount of RMB38,982,000 (30 June 2023: nil).

附註：

- (a) 結餘指為保證本集團經銷商按照各經銷合約履約向彼等收取的可退還按金，該等按金為無抵押及不計息。
- (b) 於2022年12月31日的結餘主要指應付予三名(2023年6月30日：零)主要從事進口代理服務的獨立第三方的款項，因其代表本集團支付部分藥品採購的款項以及進口及物流服務的服務費。有關應付款項為不計息，且由賬面值為人民幣38,982,000元(2023年6月30日：零)的存貨作抵押。

Notes to Interim Condensed Financial Information (Continued)

中期簡明財務資料附註(續)

30 June 2023 2023年6月30日

16. BANK BORROWINGS

16. 銀行借款

					30 June 2023 2023年 6月30日	31 December 2022 2022年 12月31日
		Effective interest rate (%) 實際利率(%)	Notes 附註		RMB'000 人民幣千元 (Unaudited) (未經審核)	RMB'000 人民幣千元
<i>Current portion:</i>		<i>即期部分:</i>				
Secured and guaranteed bank loans	有抵押及有擔保的銀行貸款	3.50-5.00	(a)		200,000	180,000
Guaranteed long-term bank loans	有擔保的長期銀行貸款	2.75	(a)		857	806
					<u>200,857</u>	<u>180,806</u>
<i>Non-current portion:</i>		<i>非即期部分:</i>				
Guaranteed bank loans	有擔保的銀行貸款	2.75	(a)		1,340	922
					<u>1,340</u>	<u>922</u>
					<u>202,197</u>	<u>181,728</u>

Notes:

(a) The Group's bank loans were secured and guaranteed by:

- (i) As at 30 June 2023, the bank loan of RMB200,000,000 (2022: RMB180,000,000) was secured by the Group's certain buildings of RMB69,654,000 (31 December 2022: RMB70,999,000) and was jointly guaranteed by Mr. Huang Xiangbin, Chengdu Sinco Pharmaceutical Technology Co., Ltd. ("Chengdu Sinco Technology") and the Company;
- (ii) Mr. Huang Xiangbin has guaranteed the Group's bank loans of RMB9,728,000 (2022: RMB9,728,000).

附註:

(a) 本集團銀行貸款由以下作抵押及擔保:

- (i) 於2023年6月30日, 銀行貸款人民幣200,000,000元(2022年: 人民幣180,000,000元)由本集團人民幣69,654,000元(2022年12月31日: 人民幣70,999,000元)的若干樓宇作抵押, 並由黃祥彬先生、成都興科蓉醫藥技術有限責任公司(「成都興科蓉技術」)及本公司共同作擔保;
- (ii) 黃祥彬先生為本集團的銀行貸款人民幣9,728,000元(2022年: 人民幣9,728,000元)作擔保。

Notes to Interim Condensed Financial Information (Continued)

中期簡明財務資料附註(續)

30 June 2023 2023年6月30日

17. ISSUED CAPITAL

The movement in the Company's issued capital during the Period is as follows:

17. 已發行股本

本公司於本期間已發行股本的變動如下：

		Number of share in issue 已發行股份 數目	Issued capital 已發行 股本 RMB'000 人民幣千元
As at 1 January 2023 and 30 June 2023	於2023年1月1日及2023年6月30日	2,032,890,585	164

18. COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

18. 承擔

本集團於報告期末的資本承擔如下：

		30 June 2023 2023年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2022 2022年 12月31日 RMB'000 人民幣千元
Contracted, but not provided for:	已訂約但未撥備：		
– Plant and machinery	– 廠房及機器	17,320	27,322
– Furbishing of properties	– 翻新物業	6,879	18,338
		24,199	45,660

19. BUSINESS COMBINATION

On 10 May 2022, Sichuan Sinco Biotech Limited Company (四川興科蓉生物科技有限公司) (an indirectly wholly-owned subsidiary of the Company) acquired 100% equity interest in Deyang Yisida Biotech Limited (德陽億思達生物科技有限公司, “**Deyang Yisida**”), which owns and controls 70% equity interest in Demei Company, at a consideration of up to RMB66.5 million from Guanghan Fire Genie E-Commerce Co., Ltd. (廣漢火精靈電子商務有限責任公司, the “**Vendor A**”). On the same day, Mr. Huang Zhijian (the son of Mr. Huang Xiangbin who is the executive director, chairman of the board of directors and the substantial shareholder of the Company) acquired 100% equity interest in Deyang Renshangren Pharmaceutical Technology Co., Ltd. (德陽仁尚仁醫藥技術有限公司, “**Renshangren**”), which owns the remaining 30% equity interest in Demei Company, at a consideration of up to RMB28.5 million from Guanghan Haozheng Trading Co., Ltd. (廣漢市浩正商貿有限責任公司, the “**Vendor B**”). The Vendor A and the Vendor B are collectively referred to as the “**Vendors**”.

Upon the completion of the acquisition of Deyang Yisida, the Company indirectly held 70% equity interest in Demei Company. Through the entering into of a series of agreements constituting contractual arrangements (the “**old VIE Contractual Arrangements**”), the Group is entitled to exercise effective control over both operational and financial matters and enjoy the economic benefits derived from the entire equity interest in Renshangren and the remaining 30% equity interest in Demei Company. The acquisition of Deyang Yisida and the acquisition of Renshangren are collectively referred to as the “**Acquisition**”. Please refer to the announcements of the Company dated 22 March 2022 and 10 May 2022 for more details about the aforesaid acquisition and the old VIE Contractual Arrangements.

19. 業務合併

於2022年5月10日，本公司間接全資附屬公司四川興科蓉生物科技有限公司向廣漢火精靈電子商務有限責任公司(「賣方A」)收購德陽億思達生物科技有限公司(「德陽億思達」，其擁有及控制德美公司70%股權)全部股權，代價為不超過人民幣66.5百萬元。同日，黃智健先生(本公司執行董事、董事會主席兼主要股東黃祥彬先生之子)向廣漢市浩正商貿有限責任公司(「賣方B」)收購德陽仁尚仁醫藥技術有限公司(「仁尚仁」，其擁有德美公司剩餘30%股權)全部股權，代價為不超過人民幣28.5百萬元。賣方A及賣方B統稱「賣方」。

完成收購德陽億思達後，本公司間接持有德美公司70%股權。通過訂立構成合約安排的一系列協議(「舊VIE合約安排」)，本集團有權對仁尚仁全部股權及德美公司剩餘30%股權的營運及財務事宜行使有效控制權，並享有其產生的經濟利益。收購德陽億思達及收購仁尚仁統稱「收購事項」。有關上述收購事項及舊VIE合約安排的更多詳情，請參閱本公司日期為2022年3月22日及2022年5月10日的公告。

Notes to Interim Condensed Financial Information (Continued)

中期簡明財務資料附註(續)

30 June 2023 2023年6月30日

19. BUSINESS COMBINATION (Continued)

The fair value of the identifiable assets and liabilities of Demei Company as at the date of the Acquisition are as follows:

19. 業務合併(續)

德美公司於收購事項日期可識別資產及負債的公平值如下：

		Fair value recognised on the Acquisition 就收購事項 所確認的 公平值 RMB'000 人民幣千元 (unaudited) (未經審核)
Property, plant and equipment	物業、廠房及設備	3,459
Other intangible asset – Non-compete agreement	其他無形資產 – 非競爭協議	17,000
Deferred tax liabilities	遞延稅項負債	(2,550)
Total identifiable net assets at fair value	按公平值計量的可識別資產淨值總額	17,909
Goodwill on acquisition*	收購商譽*	66,536
Purchase consideration transferred	已轉讓購買代價	84,445
Purchase consideration transferred satisfied by:	已轉讓購買代價以下列方式償付：	
Cash	現金	68,000
Contingent consideration payable	應付或然代價	16,445
		84,445
An analysis of the cash flows in respect of the acquisition of the above subsidiaries is as follows:	有關收購上述附屬公司的現金流量分析如下：	
Net outflow of cash and cash equivalents included in cash flows used in investing activities during the Period	計入本期間投資活動所用現金流量的現金及現金等價物流出淨額	68,000

* The goodwill recognised is primarily attributed to the expected synergies and other benefits from combining the assets and activities of Demei Company. The goodwill recognised is not expected to be deductible for income tax purposes.

* 已確認商譽主要歸因於合併德美公司的資產及業務所帶來的預期協同效應及其他利益。已確認商譽預計不能抵扣所得稅。

Notes to Interim Condensed Financial Information (Continued)

中期簡明財務資料附註(續)

30 June 2023 2023年6月30日

19. BUSINESS COMBINATION (Continued)

As part of the series of agreements with the vendors, a contingent consideration is payable, which is dependent on the profit of Demei Company of each year of the years ended 31 December 2022, 2023 and 2024. At the acquisition date, the fair value of the initial amount recognised was estimated to be RMB16,445,000 which was determined using the scenario analysis method and is within Level 3 fair value measurement. As at 30 June 2023 and 31 December 2022, the contingent consideration was remeasured as RMB20,421,000 and RMB19,078,000 at fair value respectively. A significant increase/decrease in the profit of Demei Company would result in a significant change in the fair value of the contingent consideration. The contingent consideration is classified as financial liabilities at fair value through profit or loss. A reconciliation of fair value measurement of the contingent consideration liability is provided below:

19. 業務合併(續)

作為與賣方訂立的一系列協議的一部分，或然代價視乎德美公司於截至2022年、2023年及2024年12月31日止年度各年的溢利支付。於收購日期，已確認的初始金額的公平值估計為人民幣16,445,000元，採用情景分析法釐定，屬於第三級公平值計量。於2023年6月30日及2022年12月31日，或然代價按公平值分別重新計量為人民幣20,421,000元及人民幣19,078,000元。德美公司的溢利大幅增加/減少會導致或然代價的公平值發生重大變動。或然代價分類為按公平值計入損益的金融負債。或然代價負債的公平值計量對賬如下：

		RMB'000 人民幣千元 (unaudited) (未經審核)
Liability arising on business combination	業務合併產生的負債	16,445
Unrealised fair value change recognised in profit or loss	於損益中確認的未變現公平值變動	2,633
As at 31 December 2022	於2022年12月31日	19,078
Unrealised fair value change recognised in profit or loss	於損益中確認的未變現公平值變動	1,343
As at 30 June 2023	於2023年6月30日	20,421

20. RELATED PARTY TRANSACTIONS AND BALANCES 20. 關連方交易及結餘

(a) Transactions with related parties

In addition to the transactions detailed elsewhere in this financial information, the Group had the following transactions with related parties:

		For the six months ended 30 June 截至6月30日止六個月	
		2023 2023年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2022 2022年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Guaranteed by Mr. Huang Xiangbin: Interest-bearing bank loans	由黃祥彬先生擔保： 計息銀行貸款	200,000	180,000

(a) 關連方交易

除本財務資料其他部分詳述的交易外，本集團與關連方的交易如下：

(b) Compensation of key management personnel of the Group:

		For the six months ended 30 June 截至6月30日止六個月	
		2023 2023年 RMB'000 人民幣千元 (Unaudited) (未經審核)	2022 2022年 RMB'000 人民幣千元 (Unaudited) (未經審核)
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	4,033	1,668
Pension scheme contributions	退休金計劃供款	71	16
		4,104	1,684

(b) 本集團主要管理人員薪酬：

20. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)**(c) Balance with a related party**

The Group had outstanding balance due from a related party at the end of the reporting period:

	30 June 2023 2023年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2022 2022年 12月31日 RMB'000 人民幣千元
Amount due from Risun Investments Limited (“Risun”) 應收Risun Investments Limited (「Risun」)款項	11	11

Risun, a company incorporated in the British Virgin Islands (“BVI”), is the parent and the ultimate holding company of the Company. The balance represents miscellaneous expenditure paid on behalf Risun, which are unsecured, interest-free and repayable on demand.

20. 關連方交易及結餘(續)**(c) 與關連方的結餘**

本集團於報告期末有應收一名關連方的未償還結餘：

Risun(在英屬維爾京群島(「英屬維爾京群島」)註冊成立的公司)為本公司的母公司及最終控股公司。結餘指代Risun支付的雜項開支，為無抵押、免息及按要求償還。

21. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values due to short term to maturity, are as follows:

		Carrying amounts 賬面值		Fair values 公平值	
		30 June 2023 2023年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2022 2022年 12月31日 RMB'000 人民幣千元	30 June 2023 2023年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核)	31 December 2022 2022年 12月31日 RMB'000 人民幣千元
Financial liabilities	金融負債				
Non-current portion:	非即期部分：				
– bank borrowings	– 銀行借款	1,340	922	1,344	868
– financial liabilities at fair value through profit or loss	– 按公平值計入損益的金融負債	20,421	19,078	19,078	19,078
		21,761	20,000	20,422	19,946

Management has assessed that the fair values of cash and cash equivalents, pledged deposits, trade and bills receivables, financial assets included in current portion of prepayments, other receivables and other assets, financial liabilities included in the current portion of other payables and accruals, trade and bills payables and current bank borrowings approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

21. 金融工具公平值及公平值層級

除賬面值因在短期內到期而與公平值合理相若的本集團金融工具外，本集團該等工具的賬面值及公平值如下：

管理層已評估現金及現金等價物、已抵押存款、貿易應收款項及應收票據、計入預付款項、其他應收款項及其他資產即期部分的金融資產、計入其他應付款項及應計款項即期部分的金融負債、貿易應付款項及應付票據以及即期銀行借款的公平值與其賬面值相若，主要由於該等工具於短期內到期。

金融資產及負債的公平值按自願方（並非強逼或清盤出售）之間的當前交易中可進行交換的工具的金額入賬。

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

The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current interest-bearing bank and other borrowings and non-current portion of prepayments, other receivables and other assets have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for non-current financial liabilities as at 30 June 2023 was assessed to be insignificant.

The fair values of contingent consideration have been calculated by scenario analysis method, below is a summary of significant unobservable inputs to the valuation as at 30 June 2023 and 31 December 2022:

	Valuation Technique	Significant unobservable input	Increase/ (decrease)	Sensitivity of fair value to the input
	估值方法	重大不可觀察輸入數據	上升/(下降)	公平值對輸入數據的敏感度
Financial liabilities at fair value through profit or loss	Scenario based method	Target net income change range	10%/ (10%)	10% increase or decrease in net income would result in an increase in fair value by RMB791,824 and a decrease in fair value by RMB1,266,609.
按公平值計入損益的金融負債	情景法	目標淨收入變動範圍	10%/ (10%)	淨收入上升或下降10%會導致公平值增加人民幣791,824元及公平值減少人民幣1,266,609元。

21. 金融工具公平值及公平值層級(續)

用於估計公平值的方式及假設如下：

非即期計息銀行及其他借款以及預付款項、其他應收款項及其他資產非即期部分的公平值以具有類似條款、信貸風險及餘下到期日的工具現時可用的利率貼現預期未來現金流量計算得出。於2023年6月30日，本集團本身有關非流動金融負債的不履約風險被評估為不重大。

或然代價的公平值採用情景分析法計算得出，以下為於2023年6月30日及2022年12月31日估值的重大不可觀察輸入數據概要：

Notes to Interim Condensed Financial Information (Continued)

中期簡明財務資料附註(續)

30 June 2023 2023年6月30日

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

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

		Fair value measurement using			Total
		公平值計量使用			
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
		活躍市場報價 (第一級)	重大可觀察輸入數據 (第二級)	重大不可觀察輸入數據 (第三級)	總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Bills receivable:	應收票據：				
As at 30 June 2023 (Unaudited)	於2023年6月30日 (未經審核)	-	4,764	-	4,764
As at 31 December 2022	於2022年12月31日	-	1,106	-	1,106

21. 金融工具公平值及公平值層級(續)

公平值層級

下表闡述本集團金融工具之公平值計量層級：

按公平值計量的資產：

Liabilities measured at fair value:

按公平值計量的負債：

		Fair value measurement using			Total
		公平值計量使用			
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
		活躍市場報價 (第一級)	重大可觀察輸入數據 (第二級)	重大不可觀察輸入數據 (第三級)	總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Financial liabilities at fair value through profit or loss	按公平值計入損益的金融負債	-	-	19,078	19,078
As at 30 June 2023 (Unaudited)	於2023年6月30日(未經審核)	-	-	20,421	-
As at 31 December 2022	於2022年12月31日	-	-	19,078	19,078

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

Fair value hierarchy (Continued)

During the reporting period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities.

22. EVENT AFTER THE REPORTING PERIOD

As disclosed in the announcements of the Company dated 26 September 2022, 30 September 2022, 24 October 2022, 8 December 2022, 13 December 2022, and 4 January 2023, the Company, on 15 September 2022, received the Letter from Ernst & Young (“**EY**”), being the then auditors of the Company, informing that there might be possible internal control irregularities (“**Incident**”), which involved transactions that took place in January 2022 with a sum equivalent to US\$13 million (approximately HK\$100 million).

On 17 September 2022, the Board resolved to establish the Independent Committee to review and investigate the Incident, which comprised of four independent non-executive Directors, namely Mr. Lau Ying Kit, Mr. Wang Qing, Mr. Liu Wenfang and Mr. Bai Zhizhong. Having considered the current information and evidence available to the Company was insufficient and therefore a proper investigation of the Incident with the assistance of an external forensic accountant was necessary, on 21 December 2022, the Independent Committee appointed Grant Thornton Advisory Services Limited (“**Forensic Accountant**”) as an independent forensic accountant to conduct an independent forensic investigation into the Incident (“**Forensic Investigation**”) and produce a report on the findings of the Forensic Investigation to be presented to the Independent Committee.

On 15 March 2023, the Independent Committee received a draft forensic investigation report (“**Forensic Investigation Report**”) from the Forensic Accountant, details of which were set out in the Company’s announcement dated 21 March 2023.

On 21 April 2023, the Independent Committee engaged Moore Advisory Services Limited as the internal control consultant (the “**Internal Control Consultant**”) to view the findings from the Forensic Investigation Report to ensure the Company has established adequate and effective controls to minimize the risk identified, details of which were set out in the Company’s announcement dated 27 April 2023.

21. 金融工具公平值及公平值層級(續)

公平值層級(續)

於報告期內，就金融資產及金融負債而言，第一級與第二級之間概無公平值計量轉移，亦無轉入或轉出第三級。

22. 報告期後事項

誠如本公司日期為2022年9月26日、2022年9月30日、2022年10月24日、2022年12月8日、2022年12月13日及2023年1月4日的公告所披露，於2022年9月15日，本公司接獲本公司當時的核數師安永會計師事務所(「**安永**」)的函件，告知可能存在內部控制違規事件(「**該事件**」)，該事件涉及於2022年1月進行的交易，總額相等於13百萬美元(約100百萬港元)。

於2022年9月17日，董事會決議成立獨立委員會以審視及調查該事件。獨立委員會包括四名獨立非執行董事，即劉英傑先生、汪晴先生、劉文芳先生及白志中先生。考慮到本公司目前掌握的資料及證據不足，故有必要在外聘法證會計師協助下對該事件進行妥善調查。於2022年12月21日，獨立委員會委任致同諮詢服務有限公司(「**法證會計師**」)為獨立法證會計師，以對該事件進行獨立法證調查(「**法證調查**」)及向獨立委員會呈交法證調查發現結果報告。

於2023年3月15日，獨立委員會接獲法證會計師出具的法證調查報告(「**法證調查報告**」)草擬本，其詳情載於本公司日期為2023年3月21日的公告。

於2023年4月21日，獨立委員會委聘大華國際諮詢有限公司為內部控制顧問(「**內部控制顧問**」)，審視法證調查報告的發現結果，以確保本公司設立充足有效的控制，從而盡量減少所識別的風險，其詳情載於本公司日期為2023年4月27日的公告。

22. EVENT AFTER THE REPORTING PERIOD (Continued)

On 4 July 2023, the Independent Committee received from the Forensic Accountant the final Forensic Investigation Report, details of which were set out in the Company's announcement dated 10 July 2023. As at the date hereof, Internal Control Consultant has completed the first draft of the internal control review report with remedial actions proposed to the Independent Committee for deficiencies identified. The Internal Control Consultant is now conducting the follow-up review (the "Phase 2 Review") and the report of the Phase 2 Review will be ready in mid of September 2023. The Company will make further announcements to update investors and shareholders once the internal control review results are available. Other than the above, the Board is not aware of any material event requiring disclosure, that has taken place after 30 June 2023 and up to the date of this report.

23. APPROVAL OF THE INTERIM CONDENSED FINANCIAL INFORMATION

The interim condensed financial information was approved and authorised for issue by the board of directors on 30 August 2023.

22. 報告期後事項(續)

於2023年7月4日，獨立委員會接獲法證會計師出具的最終法證調查報告，其詳情載於本公司日期為2023年7月10日的公告。於本報告日期，內部控制顧問已完成內部控制檢討報告首份草擬本，並就已識別的缺陷向獨立委員會提出補救行動建議。內部控制顧問目前正在進行後續檢討(「第二期檢討」)，而第二期檢討報告將於2023年9月中備妥。本公司於得出內部控制檢討結果後，將隨即另行刊發公告通知投資者及股東有關最新消息。除上文所述者外，董事會並不知悉於2023年6月30日後及直至本報告日期發生任何須予披露的重大事件。

23. 批准中期簡明財務資料

中期簡明財務資料已於2023年8月30日獲董事會批准及授權刊發。

Definitions

釋義

“Board” 「董事會」	Board of Directors 董事會
“CG Code” 「企業管治守則」	the Corporate Governance Code as set out in Appendix 14 to the Listing Rules, as amended and supplemented from time to time, where references to code provisions in this interim report refer to code provisions in the CG Code that came into effect on 1 January 2022 上市規則附錄十四所載的企業管治守則(經不時修訂及補充)，而本中期報告中對守則條文的提述指於2022年1月1日生效的企業管治守則守則條文
“Chairman” 「主席」	Chairman of the Board 董事會主席
“Company” or “our Company” or “the Company” 「本公司」	Sinco Pharmaceuticals Holdings Limited (興科蓉醫藥控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 16 March 2015 興科蓉醫藥控股有限公司，於2015年3月16日在開曼群島註冊成立的獲豁免有限公司
“Demei Company” 「德美公司」	Deyang Demei Medical Beauty Hospital Limited Company (德陽德美醫療美容醫院有限公司), a limited liability company established under the law of the PRC 德陽德美醫療美容醫院有限公司，根據中國法律成立的有限公司
“Director(s)” 「董事」	the director(s) of the Company 本公司董事
“Group”, “our Group”, “the Group” “we”, “us”, or “our” 「本集團」、「我們」或「我們的」	the Company and its subsidiaries and, in respect of the period before we became the holding company of our present subsidiaries, the business operated by such subsidiaries or their predecessors (as the case may be) 本公司及其附屬公司以及(就我們成為現有附屬公司的控股公司前的期間而言)相關附屬公司或其前身(視情況而定)經營的業務
“HK\$” 「港元」	Hong Kong Dollars, the lawful currency of Hong Kong 港元，香港法定貨幣
“HKSE” 「香港聯交所」	The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司
“Hong Kong” 「香港」	the Hong Kong Special Administrative Region of the PRC 中國香港特別行政區

Definitions (Continued)

釋義(續)

“Human Albumin Solution” 「人血白蛋白注射液」	Octapharma’s human albumin 20% (containing 200 grams of total protein per litre) and human albumin solution 25% (containing 250 grams of total protein per litre) 奧克特法瑪生產的20%人血白蛋白(每升含總蛋白200克)及25%人血白蛋白注射液(每升含總蛋白250克)
“Listing Rules” 「上市規則」	the Rules Governing the Listing of Securities on the HKSE, as amended or supplemented from time to time 香港聯交所證券上市規則，經不時修訂或補充
“Main Board” 「主板」	Main Board of the HKSE 香港聯交所主板
“Mainland China” or the “PRC” 「中國內地」或「中國」	the People’s Republic of China excluding, for the purpose of this interim report, Hong Kong, Macau Special Administrative Region and Taiwan 中華人民共和國，就本中期報告而言，不包括香港、澳門特別行政區及台灣
“Model Code” 「標準守則」	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules, as amended and supplemented from time to time 上市規則附錄十所載上市發行人董事進行證券交易的標準守則，經不時修訂及補充
“MPCM” 「營銷、推廣及渠道管理」	marketing, promotion and channel management 營銷、推廣及渠道管理
“Mr. Huang” 「黃先生」	Mr. Huang Xiangbin (黃祥彬), the Chairman, executive Director, co-chief executive officer of the Company and one of our controlling shareholders 黃祥彬先生，主席、執行董事、本公司聯席行政總裁兼控股股東之一
“Prospectus” 「招股書」	the prospectus issued by the Company dated 29 February 2016 本公司於2016年2月29日刊發的招股書
“Renshangren” 「仁尚仁」	Deyang Renshangren Pharmaceutical Technology Co., Ltd. (德陽仁尚仁醫藥技術有限公司), a limited liability company established under the law of the PRC 德陽仁尚仁醫藥技術有限公司，根據中國法律成立的有限公司
“Reporting Period” 「報告期」	six months ended 30 June 2023 截至2023年6月30日止六個月

Definitions (Continued)

釋義(續)

“Risun” 「Risun」	Risun Investment Limited, a limited company incorporated under the laws of British Virgin Islands on 16 January 2015 Risun Investment Limited，於2015年1月16日根據英屬維爾京群島法律註冊成立的有限公司
“RMB” 「人民幣」	Renminbi Yuan, the lawful currency of China 人民幣元，中國法定貨幣
“SFO” 「證券及期貨條例」	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time 香港法例第571章證券及期貨條例，經不時修訂或補充
“Share(s)” 「股份」	ordinary share(s) in the share capital of the Company with nominal value of HK\$0.0001 each 本公司股本中每股面值0.0001港元的普通股
“Shareholder(s)” 「股東」	holder(s) of Shares 股份持有人
“Share Option Scheme” 「購股權計劃」	the share option scheme conditionally adopted by our Company on 1 February 2016, the principal terms of which are summarised in “Statutory and General Information – D. Other Information – 1. Share Option Scheme” in Appendix VII to the Prospectus 本公司於2016年2月1日有條件採納的購股權計劃，其主要條款於招股書附錄七「法定及一般資料—D.其他資料—1.購股權計劃」概述
“US\$” 「美元」	U.S. dollars, the lawful currency of the United States of America 美元，美利堅合眾國法定貨幣

In this Interim Report, the terms “associate”, “close associate”, “connected person”, “connected transaction”, “controlling shareholder”, “core connected person”, “subsidiary” and “substantial shareholder” shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

在本中期報告中，除文義另有所指外，「聯繫人」、「緊密聯繫人」、「關連人士」、「關連交易」、「控股股東」、「核心關連人士」、「附屬公司」及「主要股東」具有上市規則所賦予該等詞彙的涵義。

The English translation of the PRC entities, enterprises, national institutions, facilities, regulations in Chinese are translations of the Chinese names. To the extent there is any inconsistency between the Chinese names of the PRC entities, enterprises, national institutions, facilities, regulations and their English translations, the Chinese name shall prevail.

中國實體、企業、國家機構、設施、法規的英文名為中文名的翻譯。倘中國實體、企業、國家機構、設施、法規的中文名稱與其英文譯名有任何歧義，概以中文名為準。



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