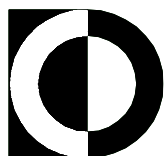


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DAWNRAYS PHARMACEUTICAL (HOLDINGS) LIMITED

東瑞製藥（控股）有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2348)

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

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

The board (the “Board”) of directors (the “Directors”) of Dawnrays Pharmaceutical (Holdings) Limited (the “Company”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2024 (the “period”) together with the comparative figures for the corresponding period in 2023. These interim results have been reviewed by the audit committee of the Company.

FINANCIAL HIGHLIGHTS

Unaudited	For the six months ended 30 June		Change
	2024	2023	
Revenue (RMB'000)	577,447	649,920	-11.2%
Gross Profit (RMB'000)	337,912	361,849	-6.6%
Gross Profit Margin	58.5%	55.7%	2.8 percentage points
Gain on disposal of an associate (RMB'000)	286,670	0	N/A
Profit before tax (RMB'000)	556,752	327,211	70.2%
Profit for the period attributable to owners of the parent (RMB'000)	493,046	255,941	92.6%
Net Profit Margin	85.4%	39.4%	46 percentage points
Earnings per share – basic (RMB)	0.3286	0.1707	92.5%
Interim dividend per share (HK\$)	0.015	0.015	-
Net asset value per share (RMB)	2.180	1.876	16.2%

*for identification purpose only

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		For the six months ended 30 June		
		2024	2023	
		(Unaudited)	(Unaudited)	
Notes		RMB'000	RMB'000	
	Revenue	3	577,447	649,920
	Cost of sales		<u>(239,535)</u>	<u>(288,071)</u>
	Gross profit		337,912	361,849
	Other income and gains	3	421,636	162,927
	Selling and distribution expenses		(68,911)	(68,999)
	Administrative expenses		(54,148)	(59,180)
	Research and development costs		(43,883)	(30,761)
	Other expenses		(29,498)	(17,994)
	Finance costs		(2,660)	(333)
	Share of losses of an associate		<u>(3,696)</u>	<u>(20,298)</u>
	PROFIT BEFORE TAX	5	556,752	327,211
	Income tax expense	6	<u>(65,169)</u>	<u>(73,041)</u>
	PROFIT FOR THE PERIOD		<u>491,583</u>	<u>254,170</u>
	Attributable to:			
	Owners of the parent		493,046	255,941
	Non-controlling interests		<u>(1,463)</u>	<u>(1,771)</u>
			<u>491,583</u>	<u>254,170</u>
	EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	8		
	- basic, for profit for the period		<u>RMB0.3286</u>	<u>RMB0.1707</u>
	- diluted, for profit for the period		<u>RMB0.3282</u>	<u>RMB0.1702</u>

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the six months ended 30 June	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
PROFIT FOR THE PERIOD	<u>491,583</u>	<u>254,170</u>
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	2,516	(7,575)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of the Company's financial statements	8,473	14,172
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	<u>10,989</u>	<u>6,597</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	<u>502,572</u>	<u>260,767</u>
Attributable to:		
Owners of the parent	504,035	262,538
Non-controlling interests	<u>(1,463)</u>	<u>(1,771)</u>
	<u>502,572</u>	<u>260,767</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		30 June 2024 (Unaudited) RMB'000	31 December 2023 (Audited) RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		1,041,642	758,907
Investment properties		2,675	2,739
Right-of-use assets		106,318	101,456
Construction in progress		88,075	356,898
Goodwill		241,158	241,158
Other intangible assets		303,110	288,307
Loan to an associate		-	106,457
Financial assets at fair value through profit or loss		20,000	20,000
Long-term prepayments		7,564	7,564
Deferred tax assets		3,458	18,977
		1,814,000	1,902,463
CURRENT ASSETS			
Inventories	9	235,656	211,107
Trade and notes receivables	10	295,777	321,996
Prepayments, other receivables and other assets		463,928	120,396
Financial assets at fair value through profit or loss		102,861	160,871
Cash and bank balances		1,132,322	905,826
		2,230,544	1,720,196
CURRENT LIABILITIES			
Trade and notes payables	11	189,416	162,161
Other payables and accruals		268,077	341,129
Interest-bearing bank and other borrowings		182,552	120,060
Lease liabilities		1,373	364
Income tax payable		14,435	45,226
		655,853	668,940
NET CURRENT ASSETS		1,574,691	1,051,256
TOTAL ASSETS LESS CURRENT LIABILITIES		3,388,691	2,953,719

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)*

	30 June 2024	31 December 2023
<i>Notes</i>	(Unaudited) RMB'000	(Audited) <i>RMB'000</i>
NON-CURRENT LIABILITIES		
Deferred tax liabilities	102,916	94,382
Lease liabilities	4,171	103
Other liabilities, non-current	10,500	-
	<hr/>	<hr/>
Total non-current liabilities	117,587	94,485
	<hr/>	<hr/>
Net assets	3,271,104	2,859,234
	<hr/>	<hr/>
EQUITY		
Equity attributable to owners of the parent		
Issued capital	80,463	80,455
Reserves	3,187,526	2,774,201
	<hr/>	<hr/>
	3,267,989	2,854,656
	<hr/>	<hr/>
Non-controlling interests	3,115	4,578
	<hr/>	<hr/>
Total equity	3,271,104	2,859,234
	<hr/>	<hr/>

NOTES:

1. CORPORATE INFORMATION AND BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

1.1 Corporate and Group Information

Dawnrays Pharmaceutical (Holdings) Limited (the “Company”) was incorporated as an exempted company with limited liability in the Cayman Islands on 20 September 2002 under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and the principal place of business is located at Units 3001-02, 30/F, CNT Tower, 338 Hennessy Road, Wanchai, Hong Kong.

The Company and its subsidiaries (collectively referred to as the “Group”) underwent a reorganization on 21 June 2003 to rationalize the Group’s structure in preparation for the listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), pursuant to which the Company became the holding company of the Group (the “Group Reorganization”).

The shares of the Company were listed on the Main Board of the Stock Exchange on 11 July 2003.

The Group is principally engaged in the development, manufacture and sale of non-patented pharmaceutical medicines including intermediate pharmaceuticals, bulk medicines and finished drugs. In the opinion of the Directors, Fortune United Group Limited, a company incorporated in the British Virgin Islands, is the ultimate holding company of the Company.

1.2 Basis of preparation

These unaudited interim condensed consolidated financial statements for the six months ended 30 June 2024 (collectively defined as the “interim financial information”) have been prepared in accordance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting and applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. They have been prepared under the historical cost convention, except for financial assets and liabilities at fair value through profit or loss which have been measured at fair value.

The interim condensed consolidated financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated. These interim condensed consolidated financial statements have not been audited. These interim condensed consolidated financial statements were approved and authorized for issue by the Board on 23 August 2024.

The interim financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s audited consolidated financial statements for the year ended 31 December 2023, which have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) (which include all International Financial Reporting Standards, International Accounting Standards and Interpretations) as issued by the International Accounting Standards Board (“IASB”).

1. CORPORATE INFORMATION AND BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES *(continued)*

1.3 CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of the following standards for the first time for the current period's financial information.

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current (the "2020 Amendments")
Amendments to IAS 1	Non-current Liabilities with Covenants (the "2022 Amendments")
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

2. SEGMENT INFORMATION

For management purposes, the Group is organized into business units based on their products and has two reportable segments as follows:

- a) Manufacture and sale of finished drugs (including antibiotics finished drugs and non-antibiotics finished drugs) (the "finished drugs" segment)
- b) Manufacture and sale of intermediates and bulk medicines (the "intermediates and bulk medicines" segment)

Management monitors the operating results of these operating segments for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that interest income, non-lease-related finance costs, government grants, dividend income, fair value gains/losses from the Group's financial instruments, share of losses of an associate, as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude deferred tax assets, cash and bank balances, financial assets at fair value through profit or loss and other unallocated head office and corporate assets as these assets are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

2. SEGMENT INFORMATION *(continued)*

The following is an analysis of the Group's revenue and results by operating segment for the period:

Six months ended 30 June 2024 (unaudited)	Finished drugs RMB'000	Intermediates and bulk medicines RMB'000	Elimination of intersegment sales RMB'000	Total RMB'000
Segment Revenue:				
Sales to external customers	560,878	16,569	-	577,447
Intersegment sales	-	55,920	(55,920)	-
	<u>560,878</u>	<u>72,489</u>	<u>(55,920)</u>	<u>577,447</u>
Segment Results	264,462	(25,858)	-	238,604
<i>Reconciliation:</i>				
Unallocated gains				421,337
Corporate and other unallocated expenses				(100,553)
Finance costs (other than interest on lease liabilities)				(2,636)
Profit before tax				<u>556,752</u>
Six months ended 30 June 2023 (unaudited)	Finished drugs RMB'000	Intermediates and bulk medicines RMB'000	Elimination of intersegment sales RMB'000	Total RMB'000
Segment Revenue:				
Sales to external customers	540,313	109,607	-	649,920
Intersegment sales	-	42,619	(42,619)	-
	<u>540,313</u>	<u>152,226</u>	<u>(42,619)</u>	<u>649,920</u>
Segment Results	290,301	(12,269)	-	278,032
<i>Reconciliation:</i>				
Unallocated gains				158,150
Corporate and other unallocated expenses				(108,665)
Finance costs (other than interest on lease liabilities)				(306)
Profit before tax				<u>327,211</u>

2. SEGMENT INFORMATION *(continued)*

The following is an analysis of the Group's assets by operating segment:

As at 30 June 2024 (unaudited)	Finished drugs RMB'000	Intermediates and bulk medicines RMB'000	Total RMB'000
Segment Assets:	900,608	885,266	1,785,874
<i>Reconciliation:</i>			
Corporate and other unallocated assets			<u>2,258,670</u>
Total assets			<u>4,044,544</u>
As at 31 December 2023 (audited)	Finished drugs RMB'000	Intermediates and bulk medicines RMB'000	Total RMB'000
Segment Assets:	909,622	611,947	1,521,569
<i>Reconciliation:</i>			
Corporate and other unallocated assets			<u>2,101,090</u>
Total assets			<u>3,622,659</u>

3. REVENUE, OTHER INCOME AND GAINS

An analysis of the Group's revenue, other income and gains is as follows:

	For the six months ended 30 June	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Revenue		
Revenue from contracts with customers	<u>577,447</u>	<u>649,920</u>

3. REVENUE, OTHER INCOME AND GAINS (continued)

Revenue from contracts with customers

Disaggregated revenue information

For the six months ended 30 June 2024

<u>Segments</u>	Finished drugs RMB'000	Intermediates & bulk medicines RMB'000	Total RMB'000
Type of goods or services			
Sale of pharmaceutical products	560,847	16,569	577,416
Rendering of pilot test services	31	-	31
Total revenue from contracts with customers	<u>560,878</u>	<u>16,569</u>	<u>577,447</u>
Geographical markets			
Chinese Mainland	560,878	13,332	574,210
Other countries	-	3,237	3,237
Total revenue from contracts with customers	<u>560,878</u>	<u>16,569</u>	<u>577,447</u>
Timing of revenue recognition			
Goods transferred at a point in time	560,847	16,569	577,416
Services transferred over time	31	-	31
Total revenue from contracts with customers	<u>560,878</u>	<u>16,569</u>	<u>577,447</u>

For the six months ended 30 June 2023

<u>Segments</u>	Finished drugs RMB'000	Intermediates & bulk medicines RMB'000	Total RMB'000
Type of goods or services			
Sale of pharmaceutical products	540,307	109,607	649,914
Rendering of pilot test services	6	-	6
Total revenue from contracts with customers	<u>540,313</u>	<u>109,607</u>	<u>649,920</u>
Geographical markets			
Chinese Mainland	537,134	103,883	641,017
Other countries	3,179	5,724	8,903
Total revenue from contracts with customers	<u>540,313</u>	<u>109,607</u>	<u>649,920</u>
Timing of revenue recognition			
Goods transferred at a point in time	540,307	109,607	649,914
Services transferred over time	6	-	6
Total revenue from contracts with customers	<u>540,313</u>	<u>109,607</u>	<u>649,920</u>

3. REVENUE, OTHER INCOME AND GAINS *(continued)*

	For the six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	RMB'000	<i>RMB'000</i>
Other income		
Bank interest income	15,498	10,446
Dividend income from financial assets at fair value through profit or loss	48	25
Government grants	113,567	2,887
Others	1,688	3,094
	<u>130,801</u>	<u>16,452</u>
Gains		
Government relocation compensation	-	142,882
Gain on sales of scrapped materials	72	109
Gain on disposal of an associate#	286,670	-
Fair value gain on financial assets at fair value through profit or loss, net	4,093	3,484
	<u>290,835</u>	<u>146,475</u>
Other Income and gains	<u>421,636</u>	<u>162,927</u>

On 8 February 2024, Dawnrays Biotechnology entered into a share transfer agreement with Akeso Biopharma, Akeso Inc. and AD Pharmaceuticals pursuant to which Dawnrays Biotechnology agreed to sell and Akeso Biopharma agreed to purchase Dawnrays Biotechnology's 35% equity interest in AD Pharmaceuticals at the purchase price of approximately RMB267,387,000.

4. FINANCE COSTS

	For the six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	RMB'000	<i>RMB'000</i>
Interest on bank loans	2,492	61
Interest on discounted notes receivable	144	245
Interest on lease liabilities	24	27
	<u>2,660</u>	<u>333</u>

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting) the following items:

	For the six months ended 30 June	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Cost of sales*	239,535	288,071
Depreciation of property, plant and equipment	33,451	31,751
Depreciation of investment properties	64	-
Depreciation of right-of-use assets**	1,517	1,482
Research and development costs:		
Amortisation of intangible assets***	6,836	3,757
Current year expenditure	37,047	27,004
	<u>43,883</u>	<u>30,761</u>
Lease payments not included in the measurement of lease liabilities	1,068	1,087
Employee benefit expense (including directors' and chief executive officer's remuneration):		
Wages and salaries	81,766	77,722
Retirement benefits	6,975	6,080
Accommodation benefits	3,941	3,338
Other benefits	13,523	11,172
Equity-settled share option expense reversal	(58)	(1,383)
	<u>106,147</u>	<u>96,929</u>
Foreign exchange differences, net****	2,689	6,205
Write-down of inventories to net realizable value****	24,492	4,474
Write-off of obsolete stocks****	1,073	1,332
Bank interest income	(15,498)	(10,446)
Loss on disposal of items of property, plant and equipment	431	5,630
Fair value gain on financial assets at fair value through profit or loss, net	(4,093)	(3,484)
Government relocation compensation	-	(142,882)
Government grants	(113,567)	(2,887)

* The depreciation of RMB25,095,000 (2023: RMB21,710,000) for the period is included in "Cost of sales".

** The depreciation of right-of-use assets for the period is included in "Administrative expenses" on the face of the condensed consolidated statement of profit or loss.

*** The amortisation of intangible assets amounted to RMB6,836,000 (2023: RMB3,757,000) for the period is included in "Research and development costs" on the face of the consolidated statement of profit or loss.

**** These expenses for the period are included in "Other expenses" on the face of the condensed consolidated statement of profit or loss.

6. INCOME TAX

	For the six months ended 30 June	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Current income tax		
Current income tax charge	41,256	75,699
Adjustments in respect of current income tax in previous years	(140)	(155)
Deferred income tax	24,053	(2,503)
Total tax charge for the period	<u>65,169</u>	<u>73,041</u>

No provision for Hong Kong profits tax has been made as the Group had no assessable profits arising in Hong Kong during the period. Taxation for the subsidiaries in Chinese Mainland is calculated on the estimated assessable profits for the period at the rates of tax prevailing in the locations in which the Group's subsidiaries operate, based on existing legislation, interpretations and practices in respect thereof.

7. DIVIDENDS

	For the six months ended 30 June	
	2024 (Unaudited) RMB'000	2023 (Unaudited) RMB'000
Dividend pertaining to the prior year declared in the six months ended 30 June:		
Final – HK\$0.065 (2022: HK\$0.073) per ordinary share	90,786	96,039
Interim – HK\$0.015*(2023: HK\$0.015) per ordinary share	<u>20,594</u>	<u>20,986</u>

- * On 23 August 2024, the Company declared an interim dividend for the year ending 31 December 2024, at HK\$0.015 per share, amounting to a total sum of approximately HK\$22,506,000 (equivalent to approximately RMB20,594,000).

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

The calculation of basic earnings per share is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of 1,500,393,000 shares (2023: 1,499,210,000 shares) in issue during the period.

The calculation of diluted earnings per share for the period is based on the profit for the period attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculation of the basic and diluted earnings per share is as follows:

(a) Earnings per share—basic

	For the six months ended 30 June	
	2024 (Unaudited)	2023 (Unaudited)
Profit attributable to ordinary equity holders of the parent (RMB'000)	493,046	255,941
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation ('000)	1,500,393	1,499,210
Earnings per share – basic (RMB)	0.3286	0.1707

(b) Earnings per share—diluted

	For the six months ended 30 June	
	2024 (Unaudited)	2023 (Unaudited)
Profit attributable to ordinary equity holders of the parent (RMB'000)	493,046	255,941
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation ('000)	1,500,393	1,499,210
Effect of dilution – weighted average number of ordinary shares:		
Share options ('000)	1,935	4,262
Weighted average number of ordinary shares adjusted for the effect of dilution ('000)	1,502,328	1,503,472
Earnings per share – diluted (RMB)	0.3282	0.1702

9. INVENTORIES

	30 June 2024 (Unaudited) RMB'000	31 December 2023 (Audited) RMB'000
Raw materials	108,109	116,540
Work in progress	73,219	35,496
Finished goods	79,141	70,258
	260,469	222,294
Less:provision	(24,813)	(11,187)
	235,656	211,107

10. TRADE AND NOTES RECEIVABLES

An ageing analysis of the trade receivables and notes receivable as at 30 June 2024, based on invoice date and net of loss allowance, is as follows:

	30 June 2024 (Unaudited) RMB'000	31 December 2023 (Audited) RMB'000
Trade receivables		
Outstanding balances with ages:		
Within 90 days	136,897	125,141
Between 91 and 180 days	13,682	18,606
Between 181 and 270 days	1,260	6,464
Between 271 and 360 days	163	3,648
Over one year	7,521	2,108
	159,523	155,967
Notes receivable	139,836	169,611
Impairment	(3,582)	(3,582)
Net carrying amount	295,777	321,996

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally three months for major customers.

11. TRADE AND NOTES PAYABLES

An ageing analysis of the trade payables and notes payable as at 30 June 2024 is as follows:

	30 June 2024 (Unaudited) RMB'000	31 December 2023 (Audited) RMB'000
Outstanding balances with ages:		
Within 90 days	124,684	98,076
Between 91 and 180 days	62,889	63,110
Between 181 and 270 days	286	459
Between 271 and 360 days	627	357
Over one year	930	159
	<u>189,416</u>	<u>162,161</u>

The trade payables are non-interest-bearing and are normally settled on 90-day terms. The carrying amounts of the trade and notes payables approximate to their fair values.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

The Group recorded revenue of approximately RMB577,447,000 for the six months ended 30 June 2024 (2023: RMB649,920,000), representing a decrease of approximately 11.2% as compared to the same period of 2023. Profit attributable to owners of the parent was approximately RMB493,046,000 (2023: RMB255,941,000), representing an increase of approximately 92.6% as compared to the same period of 2023. The increase in profit for the period was mainly attributable to the net gain of approximately RMB277,627,000 (before tax RMB286,670,000) from the disposal of the Group's 35% equity interest in AD Pharmaceuticals Co., Ltd. with nil carrying value, and the net gain of approximately RMB89,292,000 (before tax RMB105,049,000) from the government subsidy for the verification of the equipment in the factory on Tianling Road. Excluding the above non-recurring profit of approximately RMB366,919,000, recurring profit attributable to owners of the parent for the first half of 2024 amounted to approximately RMB126,127,000, representing a decrease of approximately RMB13,830,000 or by 9.9% as compared to approximately RMB139,957,000 for the same period of 2023, which was mainly due to the relocation of Tianling Road factory of Suzhou Dawnrays Pharmaceutical Co., Ltd. ("Suzhou Dawnrays"), the construction of a new factory of Lanzhou Dawnrays Pharmaceutical Co., Ltd. ("Lanzhou Dawnrays"), the impact of the centralized procurement of "Anneixi" and the increase in research and development expenses of the new research institute.

INDUSTRY ENVIRONMENT

In the first half of 2024, the pharmaceutical industry continued to make steady progress in the transformation and upgrading in the post-pandemic era. Driven by various factors such as technological innovation, market demand and policy support, the industry demonstrated strong momentum and extensive development prospects.

The accelerating trend of population ageing has fuelled growing demand for geriatric disease treatment and health management services. In addition, in the post-pandemic era, with the increasing health awareness among consumers, healthy lifestyles and preventive medicine are gradually being emphasised. The pharmaceutical industry has begun to focus more on health management and disease prevention, providing personalised health advice and disease risk assessment services to help consumers better manage their health. The government continues to implement healthcare reforms to optimise the allocation of healthcare resources, strictly control drug prices, improve the accessibility and fairness of healthcare services, as well as put forward new requirements on cost control, pipeline management, and marketing for enterprises. With the rapid development of science and technology, digital healthcare made significant progress in the first half of 2024. The increasing application of technologies such as artificial

intelligence, big data and cloud computing in the healthcare sector not only improved the efficiency and quality of healthcare services, but also provided new solutions for disease prevention and health management. Digital services such as telemedicine, online clinics and intelligent health monitoring have gradually become the norm, changing the traditional mode of medical services and marketing.

BUSINESS REVIEW

During the period, the ninth batch of national centralized procurement was finalized and one of the Group's products, "Azithromycin for Suspension"(Peidi(佩迪)) won the bids in this round of national centralized procurement. In the first half of the year, due to the impact of the centralized procurement of "Anneixi" (安内喜) and the relocation of the factory of cephalosporin bulk medicines as well as the filing of the co-operative manufacturers, total sales decreased by 11.2% as compared with the same period of last year. Of which, the sales volume and sales amount of the Group's anti-hypertensive drug "An" (安) series product decreased due to factors such as the national centralized procurement of "Anneizhen" (安内真), "Anneixi" (安内喜) and "Anmeiping"(安美平) . The sales volume and amount of "An" series products decreased by 2.8% and 18.4% respectively, as compared with the same period of 2023; the sales volume of Fujian Dawnrays series products which are mainly used for treating hyperlipidemia increased by 11.2% while the sales amount increased by 4.3% as compared with the same period of last year; the sales volume of anti-allergic drugs "Xikewei"(西可韋) and "Xikexin"(西可新) increased by 6.4% while the sales amount decreased by 1.9% as compared with the same period of last year; the sales volume of Entecavir Dispersible Tablets increased by 25.9% while the sales amount increased by 15.0% as compared with the same period of last year. Given the relocation of the production factory of bulk medicines and the filing of the co-operative manufacturers, the sales volume and amount of cephalosporin intermediates and bulk medicines decreased by 88.3% and 84.9% respectively, as compared with the same period of 2023.

PRODUCT RESEARCH AND DEVELOPMENT

The Group established the "Suzhou Dawnrays Advanced Technology Research Institute" to coordinate with and manage the technical R&D teams of various subsidiaries under Dawnrays Group, integrate the technical forces in the R&D of generic drugs and new drugs, and continuously improve the Group's R&D level and significantly enhance its self-research capability. Noticeable results have been achieved in product project selection, tracking and analysis of product under research, accelerated application progress, and innovation in performance appraisal system. The Group will continue investing more resources in R&D and innovation of production technology and products, and seek various cooperation opportunities externally so as to optimize product mix and profitability foundation.

NEW PRODUCTS AND PATENT LICENSING

During the period, a total of the following six applications of the Group have been approved by the Center for Drug Evaluation of NMPA (the “Center”): Loxoprofen Sodium (60mg), Cefazidime for Injection (1.0g), Cefixime Tablets (0.2g), Cefuroxime Sodium for Injection (0.75g), Cefuroxime Sodium for Injection (1.5g), Cefminox Sodium for Injection (1.0g). Another 4 varieties were applied to the Center for registration (among them: 3 supplemental applications (increase in specifications) and 1 supplemental application (consistency evaluation)). Currently, there are 8 varieties under review in the Center.

During the period, the Group obtained the following patent certificates:

A national patent certificate (patent number: ZL 2022 1 0402664.5) was granted for “A preparation method for Benidipine Hydrochloride” on 21 January 2024 ;

A national utility model patent certificate (patent number: ZL 2023 2 1773579.6) was granted for “A nozzle adjustment device for coating machines” on 26 April 2024;

A national patent certificate (patent number: ZL 2021 1 1517704.2) was granted for “A method for the preparation of pharmaceutical grade anhydrous ethanol by recycling of Sulbactam Sodium stock solution” on 31 May 2024;

A national patent certificate (patent number: ZL 2022 1 0183885.8) was granted for “A preparation method for Crisaborole” on 31 May 2024;

A national patent certificate (patent number: ZL 2022 1 0318770.5) was granted for “A preparation method for Rosuvastatin Calcium and its intermediates” on 18 June 2024; and

A national utility model patent certificate (patent number: ZL 2023 2 3340351.0) was granted for “A transparent film packaging machine for tablet production” on 18 June 2024.

PROJECT CONSTRUCTION

As at 30 June 2024, Lanzhou Dawnrays has completed the safety and environmental trial production runs and obtained the drug production license. Certain bulk medicines from the bulk material workshops in the factory of Suzhou Dawnrays on Shanfeng Road have obtained notification of passing GMP compliance inspection and have been put into production, and the preparation workshop has passed the GMP on-site inspection and is expected to be officially put into production in the second half of the year.

OTHER MATTERS

The Group continuously adhered to the management policy of quality first, and steadily improved its product quality. Work in terms of corporate governance and focusing on social responsibility was also promoted in an orderly manner. The corporate structure was further optimised, and staff training, performance appraisal reform and risk control were strengthened.

HONORS AWARDED TO THE GROUP IN THE FIRST HALF OF 2024

In February 2024, Suzhou Dawnrays Pharmaceutical Co., Ltd. was awarded the honorary credential of “2023 Advanced Collective in Industrial Enterprise Safety Production Management in Wuzhong District” by Suzhou Wuzhong Emergency Management Authority.

PROSPECT

With accelerating population ageing, the growing demand for high-quality medicines for the treatment of geriatric diseases and chronic disease management services has brought enormous market potential and innovation opportunities to the pharmaceutical industry. The steady implementation of policies such as consistency assessment, centralized volume-based procurement and price governance has provided new opportunities for the development of generic pharmaceutical enterprises, while at the same time placing higher demands on them in terms of cost control, pipeline management and marketing.

Against this backdrop, the Group needs to accelerate its pace in research and development, production and sales to actively adapt to market changes and continue to promote its corporate development. In terms of research and development, the Group will adhere to the strategy of innovative development and make use of the integrated resources of the “Suzhou Dawnrays Advanced Technology Research Institute” and “Nanjing PharmaRays Science and Technology Co., Ltd.”. We provide patients with life-cycle medication services with an orientation on clinical needs and a main focus on the product line for chronic diseases. At the same time, we concentrate on the research and development of difficult-to-generate, first-to-market and innovative drugs to achieve the synergistic development of generic drugs and innovative drugs. In terms of production, we adhere to the development strategy of integrating bulk medicines and preparations, and leverage on the advantages of the bulk medicine and intermediate production capacity of Lanzhou Dawnrays and the Shanfeng Road factory of Suzhou Dawnrays to provide more high-quality and low-cost products. With the successful commencement of the two relocation projects, the Group’s production facilities have reached an even higher standard in terms of hardware and software, which will help accelerate the commercialisation of the Group’s innovative research and development results, and at the same time provide strong support for the rapid development of the bulk medicine business, thereby enhancing the Group’s competitiveness in the face of the

healthcare reform and competition in the industry. On the sales front, the Group will establish wider co-operative relationships with pharmacy chains and explore diversified business models for mutual development. In the meantime, the Group will actively embrace pharmaceutical e-commerce to launch online sales and make use of new media to strengthen brand communication, so as to build the second growth curve of Dawnrays Pharmaceutical. Dawnrays Pharmaceutical will continue to uphold the principle of putting product quality first and sound financial management, and will continue to enhance its operational efficiency, with a view to energising the Group's sustainable development and creating long-term value for its shareholders.

FINANCIAL REVIEW

SALES AND GROSS PROFIT

For the six months ended 30 June 2024, due to the impact of the relocation of factory of Suzhou Dawnrays located on Tianling Road, the newly construction of factory of Lanzhou Dawnrays and the centralized procurement of “Anneixi” (安內喜), the Group recorded a turnover of approximately RMB577,447,000, representing a decrease of 11.2%, compared with that of approximately RMB649,920,000 during the corresponding period of last year. Of which, sales of finished drugs was approximately RMB560,878,000, representing an increase of sales amount of approximately RMB20,565,000 or 3.8% as compared with the corresponding period of last year; sales of intermediates and bulk medicines was approximately RMB16,569,000, representing a decrease of approximately RMB93,038,000 or 84.9% as compared with the corresponding period of last year.

Finished drugs comprise system specific medicines, powder for injection and tablets of cephalosporin and other oral solid-dosage-form of antibiotics. Taking into account of the total turnover, sales amount of finished drugs was approximately 97.1%, representing an increase of 14 percentage points as compared with last year, of which, sales amount of system specific medicines accounted for approximately 89.4% of sales of finished drugs.

Due to the impact of the relocation of factory of Suzhou Dawnrays located on Tianling Road, export sales during the period amounted to approximately RMB3,237,000, accounted for approximately 0.6% of the total turnover, representing a decrease of 63.6% as compared with the corresponding period of last year. The export destinations mainly included countries such as Pakistan and Vietnam etc.

Gross profit was approximately RMB337,912,000, which was decreased by approximately RMB23,937,000 or 6.6% as compared with the corresponding period of last year. Gross profit margin was 58.5%, which was increased by 2.8 percentage points as compared with 55.7% as in the corresponding period of last year. This was mainly due to the effect of the increase in the sales proportion of finished drugs.

TABLE OF TURNOVER ANALYSIS – by product category

PRODUCT	TURNOVER (RMB'000)			SALES BREAKDOWN (%)		
	For the six months ended 30 June			For the six months ended 30 June		Percentage points changes
	2024	2023	Changes	2024	2023	
Finished Drugs	560,878	540,313	20,565	97.1	83.1	14.0
Intermediates and Bulk Medicines	16,569	109,607	-93,038	2.9	16.9	-14.0
Overall	577,447	649,920	-72,473	100.0	100.0	0.0

EXPENSES

During the period, the expenses incurred were approximately RMB199,100,000, equivalent to 34.5% of turnover (2023: 27.3%), an increase of 7.2 percentage points as compared with the same period of last year. The total expenses increased by approximately RMB21,833,000 as compared with the same period of last year. Among them, selling expenses were approximately RMB68,911,000, which was basically same as the corresponding period of last year. The administrative expenses were approximately RMB54,158,000, which was decreased by approximately RMB5,032,000 or 8.5% as compared with the same period of last year. This was mainly due to the impact of decrease in amortisation of land use right and loss on work stoppage. Research and development expenses were approximately RMB43,883,000, which was increased by approximately RMB13,122,000 as compared with the corresponding period of last year. Other expenses were approximately RMB29,498,000, an increase of approximately RMB11,504,000 as compared with the corresponding period of last year. This was mainly due to the high products' unit cost caused high provision of inventories during the trial production period of Suzhou Dawnrays and Lanzhou Dawnrays.

SEGMENT PROFIT

For the six months ended 30 June 2024, the segment profit of finished drugs segment was approximately RMB264,462,000, which was decreased by approximately RMB25,839,000 when compared with the segment profit of approximately RMB290,301,000 as in the first half of 2023. This was mainly due to the impact of the centralized procurement of “Anneixi” (安内喜). The segment loss of intermediates and bulk medicines segment was approximately RMB25,858,000, which was increased by approximately RMB13,589,000 when compared with the loss of approximately RMB12,269,000 as in the first half of 2023. It was mainly due to Suzhou Dawnrays and Lanzhou Dawnrays had not reached the normal production capacity which had caused the impact of rising costs.

DISPOSAL OF SHARE INTEREST IN AN ASSOCIATE

Dawnrays Biotechnology Capital (Asia) Ltd. (“Dawnrays Biotechnology”), a subsidiary of the Group, originally invested a total of RMB185,000,000 for 35% share interest in AD Pharmaceuticals Co., Ltd.

(“AD Pharmaceuticals”). During the period, the Group shared an unaudited investment loss to an associate of approximately RMB3,696,000, in proportion to the investment percentage in AD Pharmaceutical, therefore, the carrying amount of the investment in an associate was RMB0 (31 December 2023: RMB0) and loss allowance for the loan to an associate was RMB19,283,000 (31 December 2023: RMB15,588,000) respectively. On 8 February 2024, Dawnrays Biotechnology entered into a share transfer agreement with Akeso Biopharma Co. Ltd. (“Akeso Biopharma”) to sell the 35% share interest of AD Pharmaceuticals to Akeso Biopharma for approximately RMB267,387,000 (“the Purchase Price”) and AD Pharmaceuticals agreed to repay the loan and interest accrued up to 8 February 2024 approximately RMB122,613,000. Details was set out in the Company’s announcement dated 9 February 2024 and 4 March 2024. According to the share transfer agreement, Dawnrays Biotechnology received repayment of loan and interest approximately RMB122,613,000 on 12 March 2024 from AD Pharmaceuticals and received final payment from Akeso Biopharma for the Purchase Price on 2 July 2024.

PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT

For the six months ended 30 June 2024, profit attributable to owners of the parent amounted to approximately RMB493,046,000, representing an increase of approximately RMB237,105,000 or 92.6% as compared with the corresponding period of last year. The reason for the increase was due to the net gain of approximately RMB277,627,000 derived from disposal of the Group’s 35% equity interest in AD Pharmaceuticals, and the net gain of approximately RMB89,292,000 from the government subsidy for the verification of the equipment in the factory on Tianling Road. After deduction of these profit, profit attributable to owners of the parent amounted to approximately RMB126,127,000, which was decreased by approximately RMB13,830,000 or 9.9% as compared with the corresponding period of last year.

ANALYSIS ON THE RETURN ON ASSETS

As at 30 June 2024, net assets attributable to owners of the parent were approximately RMB3,271,104,000. The return on net assets, which is defined as the profit attributable to owners of the parent divided by net assets attributable to owners of the parent, was 15.1% (2023: 9.1%). The current ratio and quick ratio was 3.40 and 3.04 respectively. Turnover days for trade receivables were approximately 49 days. Turnover days for accounts receivable including trade and notes receivables were approximately 96 days. The turnover days for accounts receivable including trade and notes receivables has decreased by 15 days as compared with the corresponding period of last year. This was mainly due to the decrease in the sales proportion of bulk medicines which had long payment period. Turnover days for inventory were approximately 168 days, an increase of 23 days as compared with the corresponding period of last year. This was mainly due to the increase in bulk medicines’ stock at the end of period.

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

As at 30 June 2024, the Group had financial assets at fair value through profit or loss (comprising of certain listed shares investments) including:

- (i) invested in certain Hong Kong public listed shares amounted approximately RMB9,848,000 (31 December 2023: approximately RMB10,333,000);
- (ii) purchased certain structured deposits of floating income principal-preservation type with annual interest rate from 1.0% to 2.805% of RMB92,500,000 (31 December 2023: RMB150,000,000) from four good credit worth banks in China. The expected yield would be approximately RMB513,000 in total. The structured deposits were relatively lower risk of default. All principal and interests will be paid together on the maturity date. The Board believes that the investment in aforementioned structured deposits can strengthen the financial position of the Group and bring the fruitful contribution to the profit of the Group.

The above mentioned financial assets at fair value through profit or loss amounted to approximately RMB102,861,000 (31 December 2023: approximately RMB160,871,000), representing approximately 2.5% (31 December 2023: 4.4%) of the total assets of the Group. For the period ended 30 June 2024, the Group recorded net gain of approximately RMB4,093,000 (2023: approximately RMB3,484,000) on the financial assets at fair value through profit or loss.

- (iii) As at 30 June 2024, the Group's financial investment of RMB20,000,000 (31 December 2023: RMB20,000,000) to hold 1,895,735 shares of Waterstone Pharmaceuticals (Wuhan) Co., Ltd. (stock code: 873938), accounting for 1.48% of share interest, did not have any indications of impairment.

The Board believes that investing in equity investments and financial assets can diversify the Group's investment portfolio and achieve better returns in the future.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2024, the Group held cash and bank balances of approximately RMB1,132,322,000 (31 December 2023: approximately RMB905,826,000). Financial assets at fair value through profit or loss amounted to approximately RMB122,861,000 (31 December 2023: approximately RMB180,871,000). Holding notes receivable amounted to approximately RMB139,836,000 (31 December 2023: approximately RMB169,611,000).

During the period, the net cash flows from operating activities was approximately RMB171,454,000 (2023: approximately RMB192,470,000). Net cash flows from investing activities was approximately RMB29,185,000 (2023: net cash outflows from investing activities was approximately RMB204,020,000). Net cash flows used in financing activities was approximately RMB31,428,000 (2023: approximately RMB70,538,000). Cash and cash equivalents increased by approximately RMB169,211,000 (2023: decreased by approximately RMB82,088,000).

As at 30 June 2024, the Group had aggregate bank facilities of RMB1,325,000,000 (31 December 2023: RMB1,270,000,000). As at 30 June 2024, the Group's interest-bearing bank and other borrowings amounted to approximately RMB182,552,000 (31 December 2023: approximately RMB120,060,000), including undue discounted notes receivable approximately RMB27,552,000 and short term bank loans

totaling RMB155,000,000 which were subject to the arrangement of fixed interest rates ranging from 1.27% to 3.6% per annum respectively. Of which, RMB5,000,000 short term bank loan is secured by corporate guarantee of the Group's subsidiary. As at 30 June 2024, the debt ratio (defined as sum of interest-bearing bank and other borrowings over total assets) of the Group was 4.5% (31 December 2023: 3.3%).

As at 30 June 2024, the Group had inventory balance approximately RMB235,656,000 (31 December 2023: approximately RMB211,107,000).

SIGNIFICANT INVESTMENT AND ASSETS CHANGES

The registered capital of Lanzhou Dawnrays, the Group's production base for bulk medicines and intermediates, was RMB540,344,000. During the period, Suzhou Dawnrays invested payable registered capital of RMB50,000,000. As at 30 June 2024, the aggregated paid-up registered capital was approximately RMB475,750,000. The project covers an area of 250 mu. The main products are cephalosporin bulk medicines and intermediates, system specific bulk medicines, raw materials of enzyme inhibitors, and raw materials of health supplements. The funds of approximately RMB492,982,000 are planned to be invested in the project. The phase I of the project was completed and put into production.

Due to the urban planning adjustment of Wuzhong Economic Development District by Suzhou Municipal People's Government, whole entity of factory of Suzhou Dawnrays located on Tianling Road relocated to Shanfeng Road in Wusongjiang Chemical Industrial Park of Wuzhong Economic Development Zone (the "Relocation Project"). Suzhou Dawnrays entered into the Compensation Agreement in respect of the relocation of factory located on Tianling Road with the local government on 20 December 2017. Both parties agreed the relocation compensation amount was RMB351,200,000. As of the end of June 2024, Suzhou Dawnrays had received relocation compensation of RMB175,595,000. The planned investment of the Relocation Project is approximately RMB565,497,000. Certain bulk medicines from the bulk material workshops in the factory of Suzhou Dawnrays on Shanfeng Road have obtained notification of passing GMP compliance inspection and have been put into production. The preparation workshop has passed the GMP on-site inspection and is expected to be officially put into production in the second half of the year. During the period, Dawnrays International Company Ltd. invested payable registered capital of USD5,000,000 into Suzhou Dawnrays.

Dawnrays (Nantong) Pharmaceutical Science and Technology Co. Ltd., a subsidiary of the Group, was deregistered in January 2024.

As at 30 June 2024, there was no sign of impairment of goodwill of RMB241,158,000 generated from the acquisition of Top Field Limited and its subsidiary, Fujian Dawnrays Pharmaceutical Co., Ltd. ("Fujian Dawnrays").

As at 30 June 2024, the Group's contracted but not provided for plant and machinery capital commitments amounted to approximately RMB82,190,000 (31 December 2023: approximately RMB62,588,000), which mainly related to investments in the project of Lanzhou Dawnrays and the Relocation Project of Suzhou Dawnrays.

Save as aforesaid disclosure, the Group had no significant external investments or material acquisitions or disposal of subsidiaries and associated companies during the period. The Group has sufficient financial and internal resources, but still may finance aforesaid capital expenditure with bank borrowing(s) or the Group's internal resources.

FOREIGN EXCHANGE AND TREASURY POLICIES

For the period ended 30 June 2024, the Group recorded an exchange loss of approximately RMB2,689,000 (2023: approximately RMB6,205,000) due to the fluctuation of Renminbi exchange rate. During the period, the Group's substantial business activities, assets and liabilities are denominated in Renminbi, so the risk derived from the foreign exchange is not high. However, the Group pays dividends in Hong Kong dollars. Therefore, foreign exchange risk is mainly related to the Hong Kong dollar.

The treasury policy of the Group is to manage any risk of foreign exchange or interest rate (if any), only if it will potentially impose a significant impact on the Group. The Group continues to observe the foreign exchange and interest rate market, and may hedge against foreign currency risk with foreign exchange forward contracts and interest rate risk with interest rate swap contracts if necessary.

STAFF AND REMUNERATION POLICY

As at 30 June 2024, the Group employed 1,175 employees and the total remuneration for the period was approximately RMB106,147,000 (2023: RMB96,929,000). The increase in remuneration was mainly due to the annual salary increase and also the increase in labour force due to Lanzhou Dawnrays and Suzhou Dawnrays located on Shanfeng Road commenced production and verification. The Group regards human resources as the most valuable assets and truly understands the importance of attracting and retaining high-performance employees. The remuneration policy is generally based on the references of market salary index and individual qualifications. The Group provides its employees with other fringe benefits, including defined contribution retirement schemes, share option scheme and medical coverage. The Group also offers some of its employees stationed in the PRC with dormitory accommodation.

CHARGES ON ASSETS

As at 30 June 2024, the Group had not pledged any assets to banks to secure credit facilities granted to its subsidiaries (31 December 2023: nil).

CONTINGENT LIABILITIES

As at 30 June 2024, the Group had no material contingent liabilities.

PLANS FOR SIGNIFICANT INVESTMENTS AND EXPECTED SOURCE OF FUNDING

Save for those disclosed above in connection with capital commitments under the section "Significant Investment and Assets Changes", increase registered capital of subsidiaries and capital investment for the

Relocation Project, the Group does not have any plan for significant investments or acquisition of capital assets.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

For the six months ended 30 June 2024, neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

To the best knowledge, information and belief of the Directors, the Company has complied with the code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix C1 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Ltd. (the "Listing Rules") during the six months period ended 30 June 2024. Except for the following deviation:

1. Code Provision C.1.6 of the CG Code - Attendance of Non-executive directors at general meeting

The code provision C.1.6 of the CG Code requires that independent non-executive directors and other non-executive directors should attend general meetings to gain and develop a balanced understanding of the view of shareholders. Except two independent non-executive directors namely Mr. Lo Tung Sing Tony ("Mr. Lo") and Mr. Ede, Ronald Hao Xi ("Mr. Ede") could not attend due to their other business commitment, all directors attended the annual general meeting of the Company held on 24 May 2024 (the "AGM"). The views of shareholders had been reported to Mr. Lo and Mr. Ede after the AGM.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 of the Listing Rules as the Company's code of conduct for dealings in securities of the Company by the Directors. Based on specific enquiry of all Directors, the Directors have complied with the required standard set out in the Model Code, throughout the six months period ended 30 June 2024.

AUDIT COMMITTEE

The Company has an Audit Committee which was established in compliance with Rule 3.21 of the Listing Rules to oversee the Group's financial reporting system, risk management and internal control systems. As at the date of this announcement, the Audit Committee's chairman is Mr. Lo Tung Sing Tony, Mr. Ede, Ronald Hao Xi and Ms. Lam Ming Yee Joan are the committee's members, all of them are independent non-executive directors of the Company.

The unaudited interim condensed consolidated financial statements of the Company for the six months ended 30 June 2024 have been reviewed by the Audit Committee before making recommendation to the Board for approval.

INTERIM DIVIDEND

The Board resolved to declare an interim dividend of HK\$0.015 per share for the year ending 31 December 2024, amounting to a total sum of approximately HK\$22,506,000 (equivalent to approximately RMB20,594,000).

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 18 September 2024 to Friday, 20 September 2024 (both days inclusive), for the purpose of ascertaining entitlement to the Company's interim dividend, during which period no transfer of shares will be registered.

The record date for the purpose of determining shareholders' entitlement to the interim dividend is Friday, 20 September 2024. In order to qualify for the interim dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Abacus Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Tuesday, 17 September 2024. Dividend warrants will be dispatched to shareholders on or about Thursday, 3 October 2024.

APPRECIATION

Meanwhile, I would like to take this opportunity to express my appreciation for the support to the Group from the Company's shareholders, directors and the Group's business partners, management personnel and all staff during the period.

By Order of the Board

Dawnrays Pharmaceutical (Holdings) Limited

Li Kei Ling

Chairman

Hong Kong, 23 August 2024

As at the date of this announcement, the Board of the Company comprises two Executive Directors, namely Ms. Li Kei Ling and Mr. Hung Yung Lai; one Non-executive Director namely Mr. Leung Hong Man; and three Independent Non-executive Directors, namely Mr. Lo Tung Sing Tony, Mr. Ede, Ronald Hao Xi and Ms. Lam Ming Yee Joan.