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SHENZHEN HEPALINK PHARMACEUTICAL GROUP CO., LTD.

(深圳市海普瑞藥業集團股份有限公司)

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock code: 9989)

PROFIT WARNING

ANNOUNCEMENT ON THE ESTIMATED DECREASE IN PROFIT FOR THE ANNUAL RESULTS OF 2021

This announcement is made by Shenzhen Hepalink Pharmaceutical Group Co., Ltd. (the “**Company**”) pursuant to the requirements of Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) for the purpose of providing shareholders of the Company (the “**Shareholders**”) and the public with the financial information of the Company. This announcement is also published in accordance with Rule 13.10B of the Listing Rules as it is also published on the Shenzhen Stock Exchange.

The following is the estimated annual results for 2021 of the Company together with its subsidiaries (the “**Group**”). The financial data contained in this results estimate has not been audited and is, except for non-IFRSs (International Financial Reporting Standards) adjusted net profit attributable to shareholders of the listed company or as otherwise indicated, prepared in accordance with the People's Republic of China Accounting Standards for Business Enterprises. Detailed financial information of the Group for the year ended 31 December, 2021 will be disclosed in the annual results announcement of the Company for the year ended 31 December, 2021, which is expected to be published on or before 31 March, 2022 in accordance with the Listing Rules.

I. ESTIMATED RESULTS FOR THE PERIOD

1. Period to which the estimated results apply: From 1 January, 2021 to 31 December, 2021
2. Expected operating results: ☐ Loss ☐ Turnaround ☐ Increase compared with the corresponding period ☒ Decrease compared with the corresponding period

Items	1 January, 2021 to 31 December, 2021	Corresponding period of last year
Net profit attributable to shareholders of the listed company	Earnings: RMB275.0 million to RMB412.5 million	Earnings: RMB1,024.0 million
	Decrease as compared with the corresponding period: 73.14% to 59.72%	
Net profit after non-recurring profit or loss	Earnings: RMB243.0 million to RMB352.5 million	Earnings: RMB592.0 million
	Decrease as compared with the corresponding period: 58.95% to 40.46%	
Basic earnings per share	Earnings: RMB0.1874 per share to RMB0.2811 per share	Earnings: RMB0.7568 per share

II. PRELIMINARY AUDIT OF THE ESTIMATED RESULTS

The relevant data of this estimated results has not been audited by audit institution.

III. REASONS FOR CHANGES IN THE RESULTS

Reasons for changes in the results:

1. During the reporting period, the Company achieved double-digit growth in operating income. Benefiting from the sales of the enoxaparin finished dose and enoxaparin API, the income of the Company's heparin industry chain achieved rapid growth; meanwhile, the CDMO business income maintained stable growth based on the increase of orders in hand and the continuous and steady improvement of on-time and successful delivery rate.
2. However, during the reporting period, the high cost of raw materials for crude heparin had an impact on the gross profit margin of the Company's heparin industry chain. The price of raw materials showed a downward trend in the second half of 2021. While the downward trend in the price of crude heparin raw materials will be beneficial to the Company's gross profit margin performance, due to the cyclical factors of production and sales, there was a certain time lag in shifting the purchase price of raw materials to the cost of sales.

3. During the reporting period, the Company's net profit was negatively affected by the sum of investment income and changes in fair value, while in the corresponding period of 2020, the impact of the sum of investment income and changes in fair value on net profit of the period was RMB586 million due to the reasons such as investment income recognised by associates under the equity method, investment income from the disposal of financial assets and dividends, and the increase in fair value of the equity interests held in Kymab; this data had a significant impact on the year-on-year change in net profit for the reporting period.

As a result of, among others, investment income from the disposal of financial assets and dividends as well as changes in the fair value of financial assets held, the impact of non-recurring profit or loss on the Company's net profit for 2021 would be approximately RMB32 million to RMB60 million, compared with non-recurring profit or loss of RMB432 million for the same period in 2020, accordingly, the Company's operating results for 2021 would be affected to a certain extent.

IV. OTHER RELEVANT INFORMATION

The Company is still in the course of finalizing its consolidated financial results of the Group for the year ended 31 December, 2021. The information contained in this announcement is only based on the preliminary assessment made by the Board by reference to the Group's unaudited consolidated management accounts and the