H E C E H

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)

INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED JUNE 30, 2022

(Board) (Company Hepalink) (Group we our us) (Reporting Period)

FINANCIAL HIGHLIGHTS

	For the six months ended June 30,	
	2022	
	RMB'000	*B'000*
	3,756,335	%
	1,218,477	%
	511,140	%

% % % % %

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

F[illegible] 30, 2022

		Six months ended June 30,	
		2022	
		RMB'000	*B'000*
		(unaudited)	([illegible])
REVENUE	*4*	**3,756,335**	[illegible]
[illegible]		**(2,537,858)**	([illegible])
Gross profit		**1,218,477**	[illegible]
[illegible]	*5*	**140,353**	[illegible]
[illegible]		**(243,563)**	([illegible])
[illegible]		**(298,078)**	([illegible])
[illegible]		**(9,252)**	([illegible])
[illegible]		**(892)**	([illegible])
[illegible]	*6*	**(123,014)**	([illegible])
[illegible]		**(54,990)**	[illegible]
PROFIT BEFORE TAX	*7*	**629,041**	[illegible]
[illegible]	*8*	**(118,637)**	([illegible])
PROFIT FOR THE PERIOD		**510,404**	[illegible]
[illegible]		**511,140**	[illegible]
[illegible]		**(736)**	([illegible])
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*10*		
[illegible]		**RMB0.35**	[illegible]
[illegible]		**RMB0.35**	[illegible]

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the six months ended June 30, 2022

	Six months ended June 30,	
	2022	
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
PROFIT FOR THE PERIOD	**510,404**	
OTHER COMPREHENSIVE INCOME		
	127,108	
	14,161	
	141,269	
	(6,330)	
	55,720	
	49,390	
	190,659	
	701,063	
	701,162	
	(99)	

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

J[illegible] 30, 2022

		June 30, 2022	
		RMB'000	*B'000*
		(unaudited)	([illegible])
NON-CURRENT ASSETS			
[illegible]		**2,524,576**	
[illegible]		**233,185**	
[illegible]		**2,265,521**	
[illegible]		**467,037**	
[illegible]		**1,084,027**	
[illegible]		**489,917**	
[illegible]		**976,721**	
[illegible]		**126,183**	
[illegible]		**255,796**	
[illegible]		**8,422,963**	
CURRENT ASSETS			
[illegible]		**5,750,897**	
[illegible]	*11*	**1,784,190**	
[illegible]		**17,016**	
[illegible]		**501,140**	
[illegible]		**47,506**	
[illegible]		**1,344,007**	
[illegible]		**(1,940)**	
[illegible]		**30,284**	
[illegible]		**1,110,000**	
[illegible]		**2,355,848**	
[illegible]		**12,938,948**	
CURRENT LIABILITIES			
[illegible]	*12*	**554,266**	
[illegible]		**466,099**	
[illegible]		**51,355**	
[illegible]		**484,116**	
[illegible]		**5,368,927**	
[illegible]		**125,102**	
[illegible]		**40,199**	
[illegible]		**27,798**	
[illegible]		**7,117,862**	

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

J[illegible] 30, 2022

		June 30, 2022	[illegible]
		RMB'000	*B'000*
		(unaudited)	([illegible])
NET CURRENT ASSETS		**5,821,086**	[illegible]
TOTAL ASSETS LESS CURRENT LIABILITIES		**14,244,049**	[illegible]
NON-CURRENT LIABILITIES			
[illegible]		**1,593,832**	[illegible]
[illegible]		**17,460**	[illegible]
[illegible]		**311,933**	[illegible]
[illegible]		**64,111**	[illegible]
[illegible]		**9,558**	[illegible]
[illegible]		**101,162**	[illegible]
[illegible]		**2,098,056**	[illegible]
Net assets		**12,145,993**	[illegible]
EQUITY			
[illegible]	*13*	**1,467,296**	[illegible]
[illegible]		**10,566,836**	[illegible]
[illegible]		**12,034,132**	[illegible]
[illegible]		**111,861**	[illegible]
[illegible]		**12,145,993**	[illegible]

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

(CDMO)

( )

( ) (API)

( )

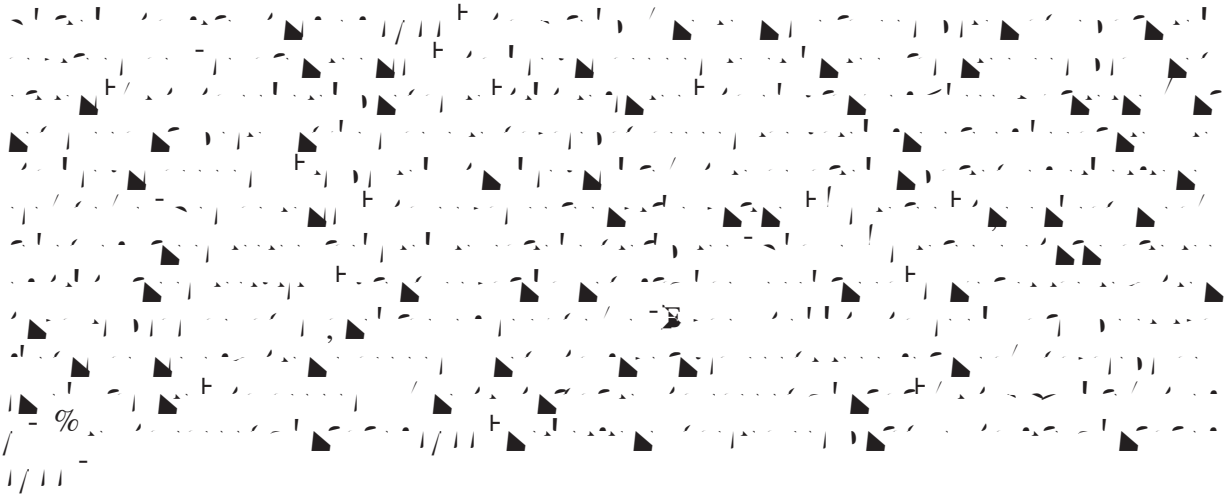
( )

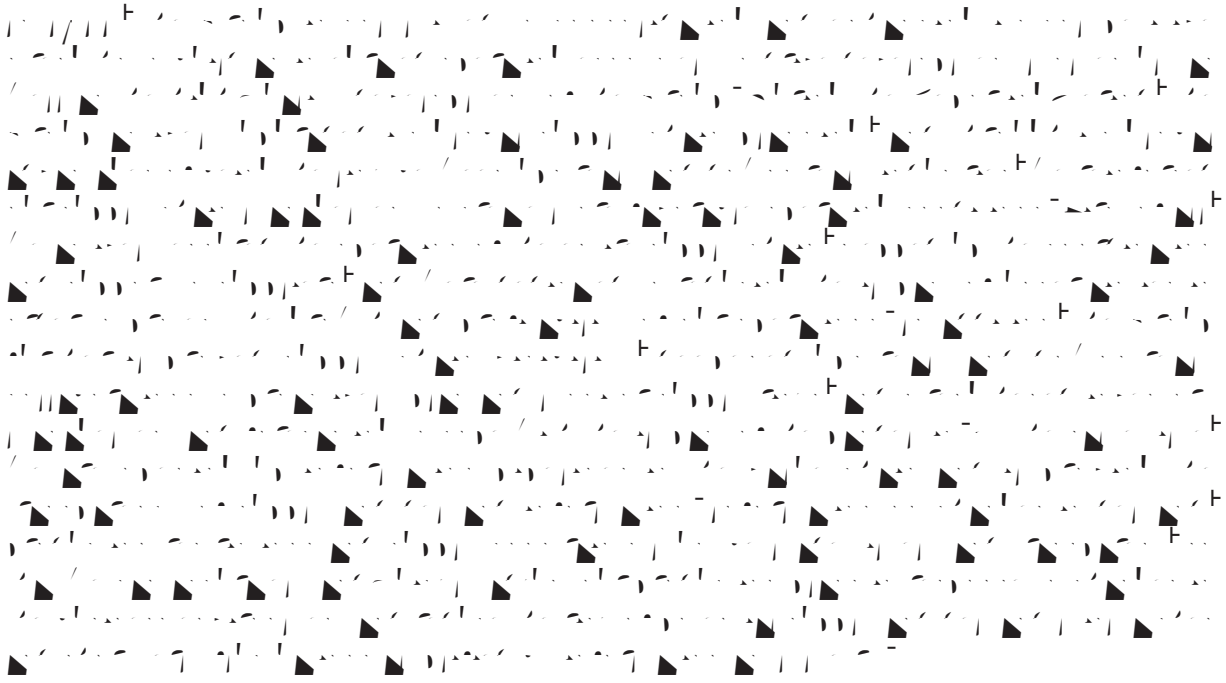
(R&D)

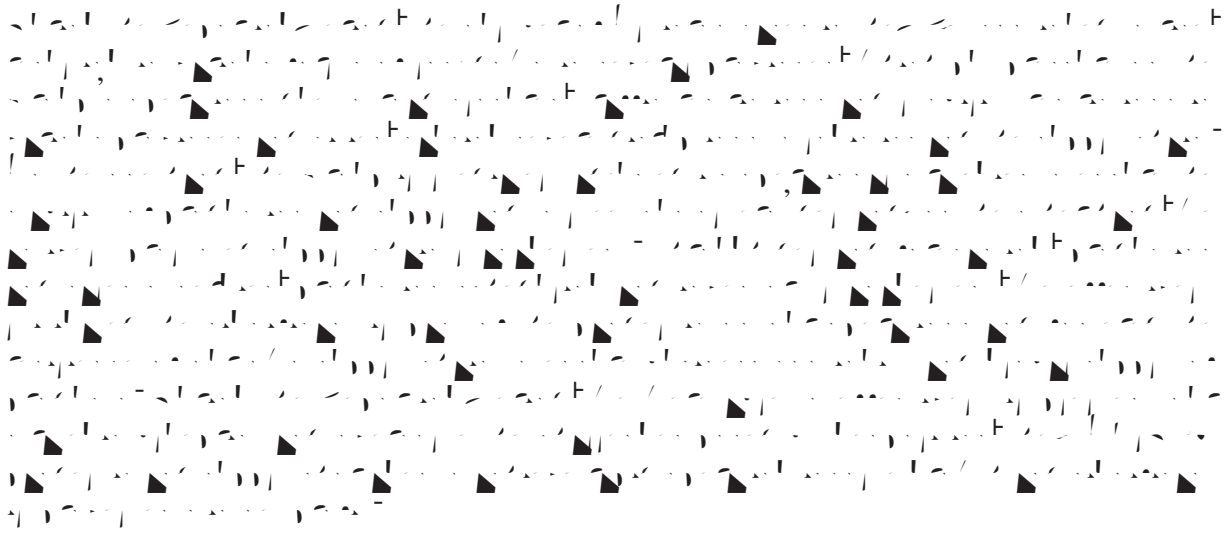
- (Cytovance)

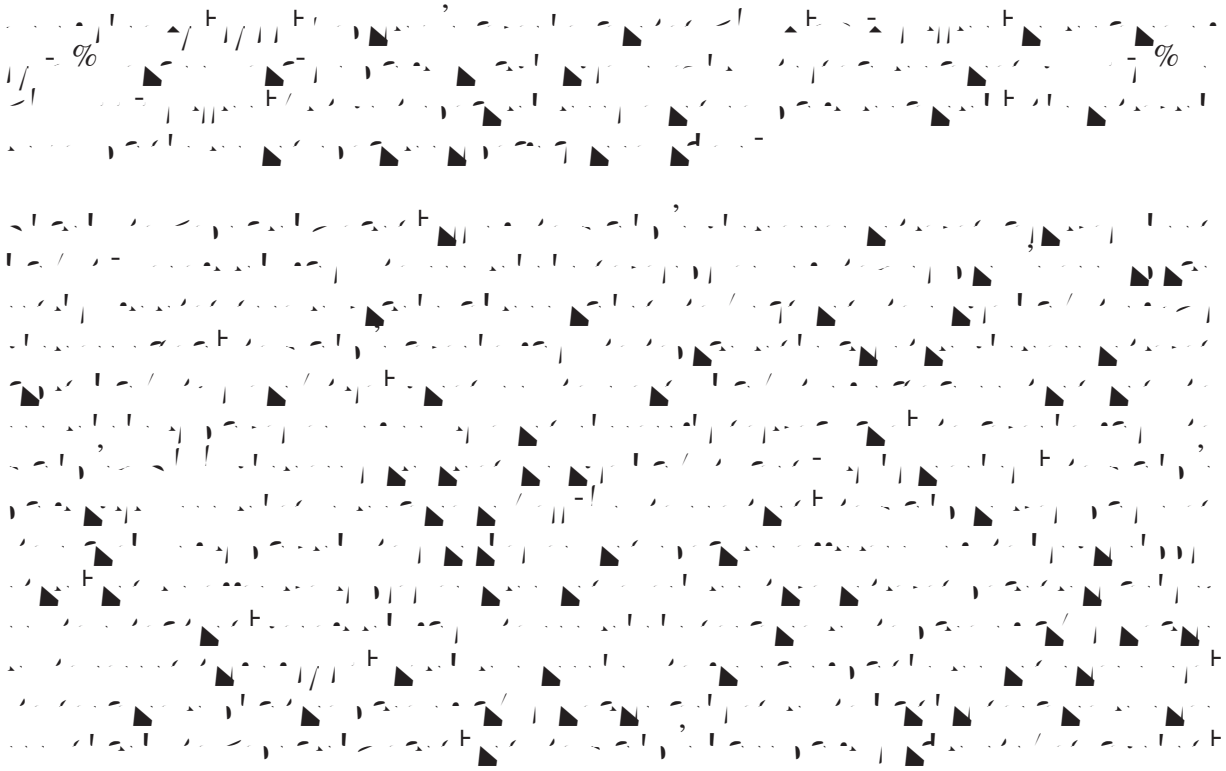
(SPL)

Business Review

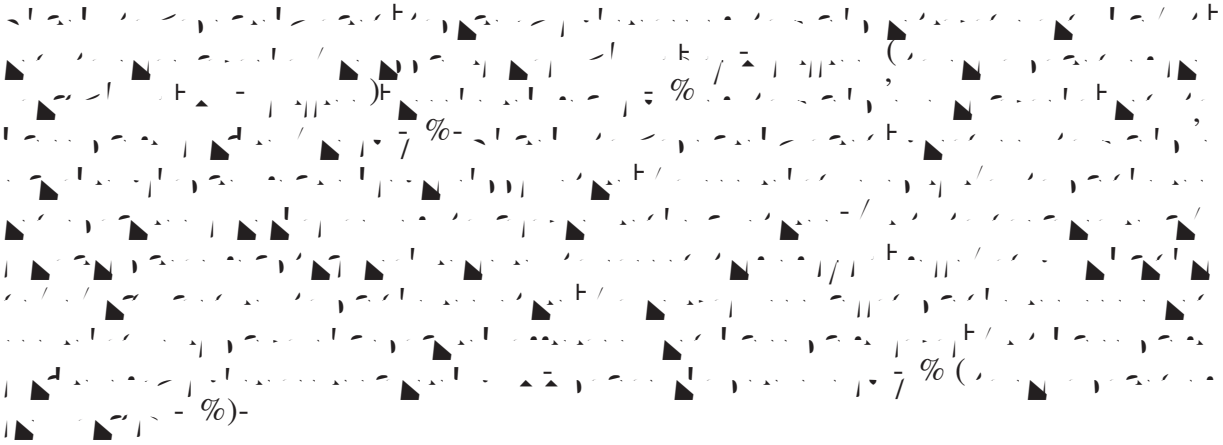


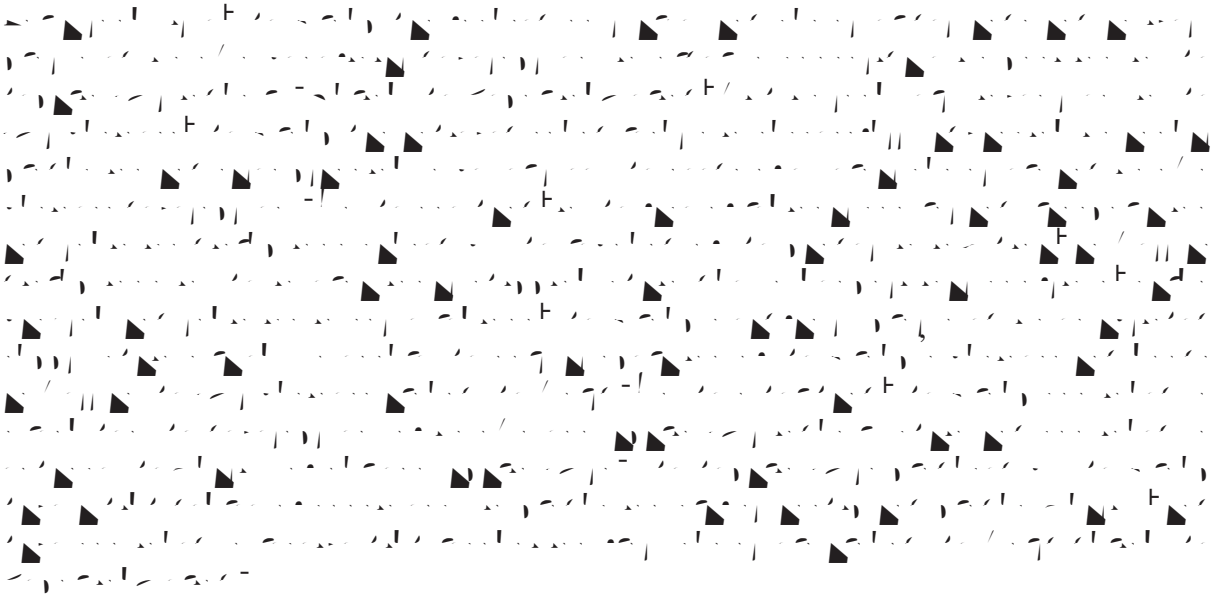


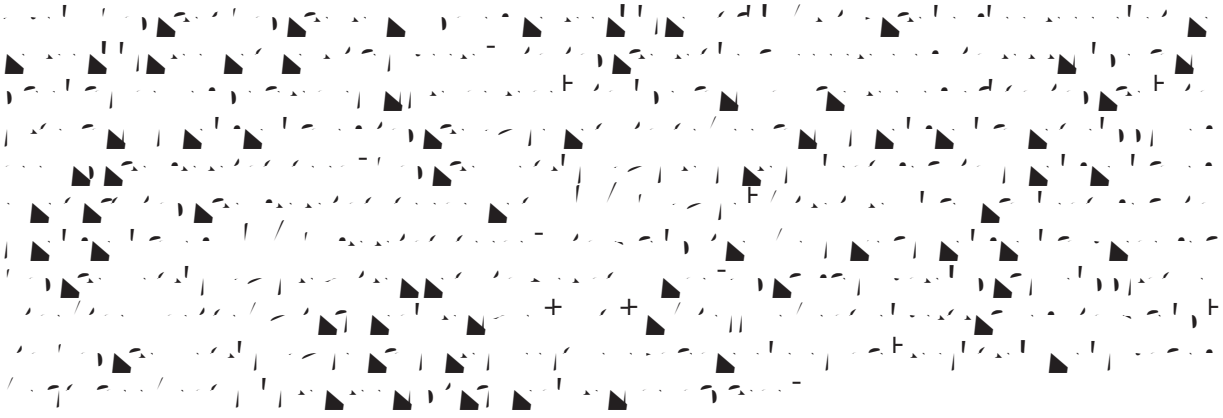




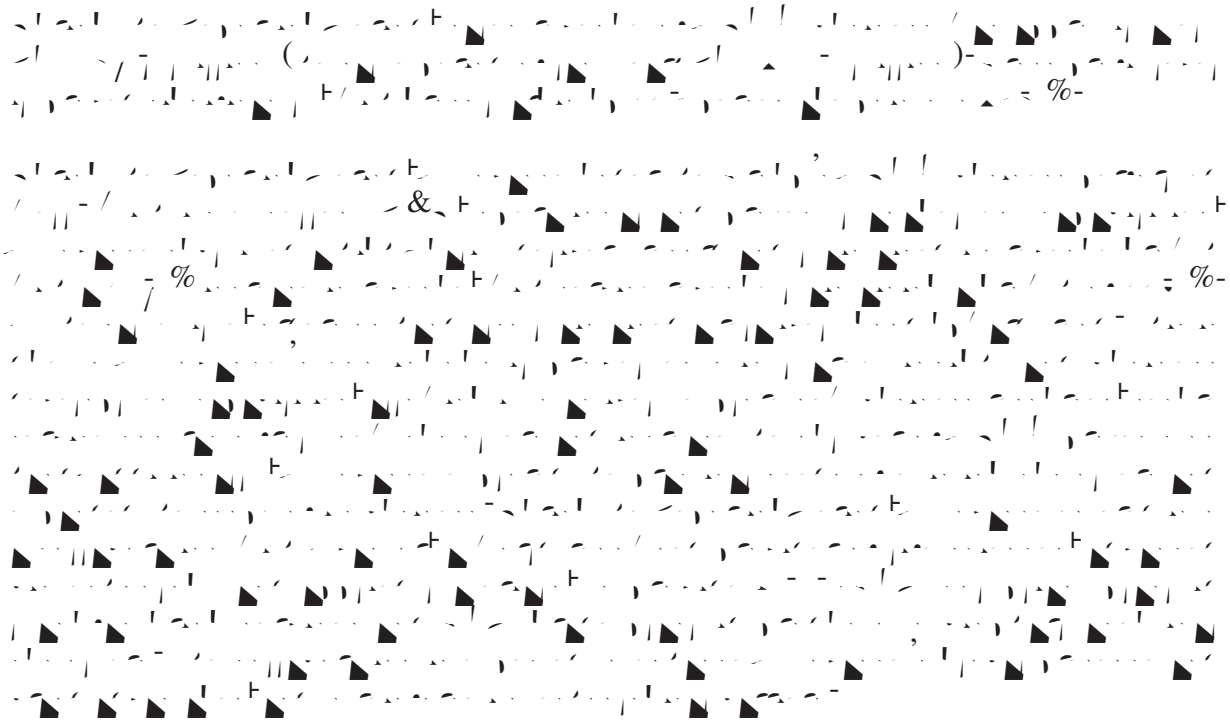
API Business







CDMO Business

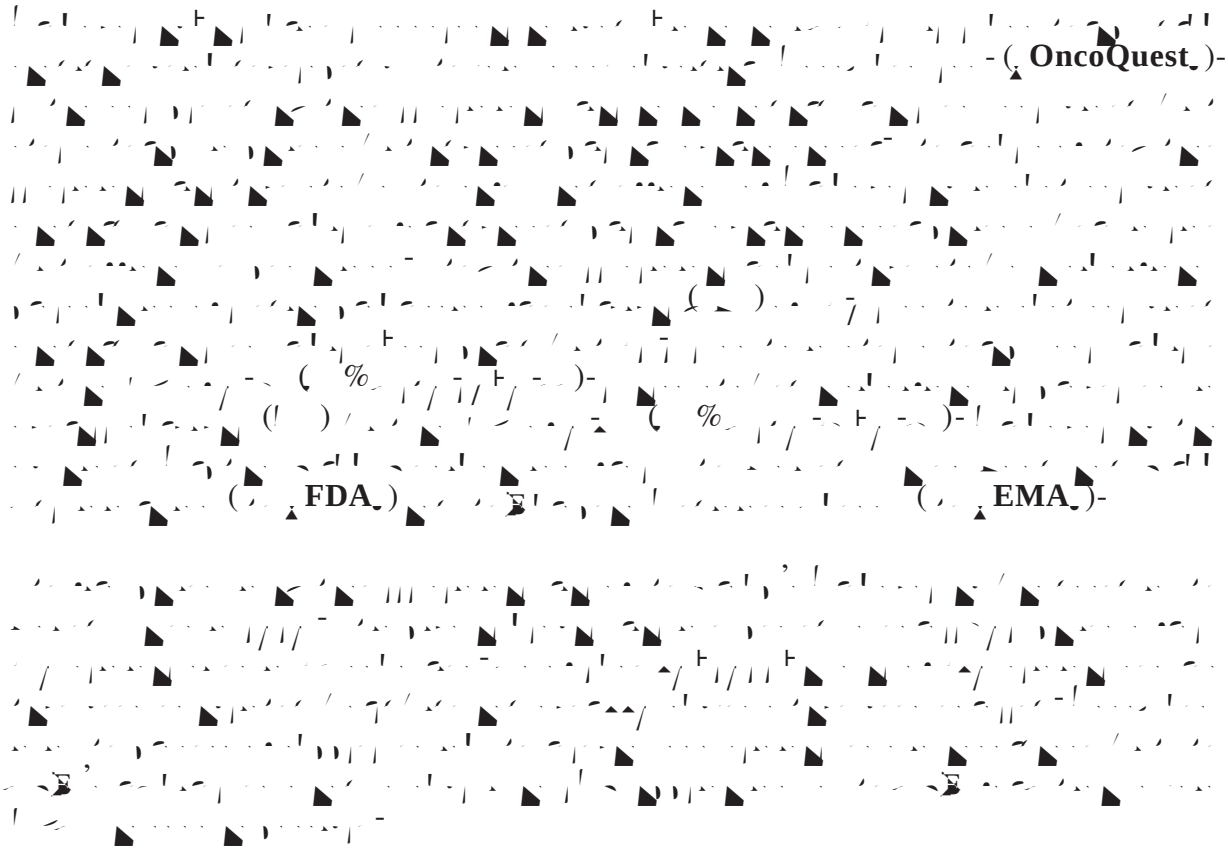


Progress of Innovative Drugs

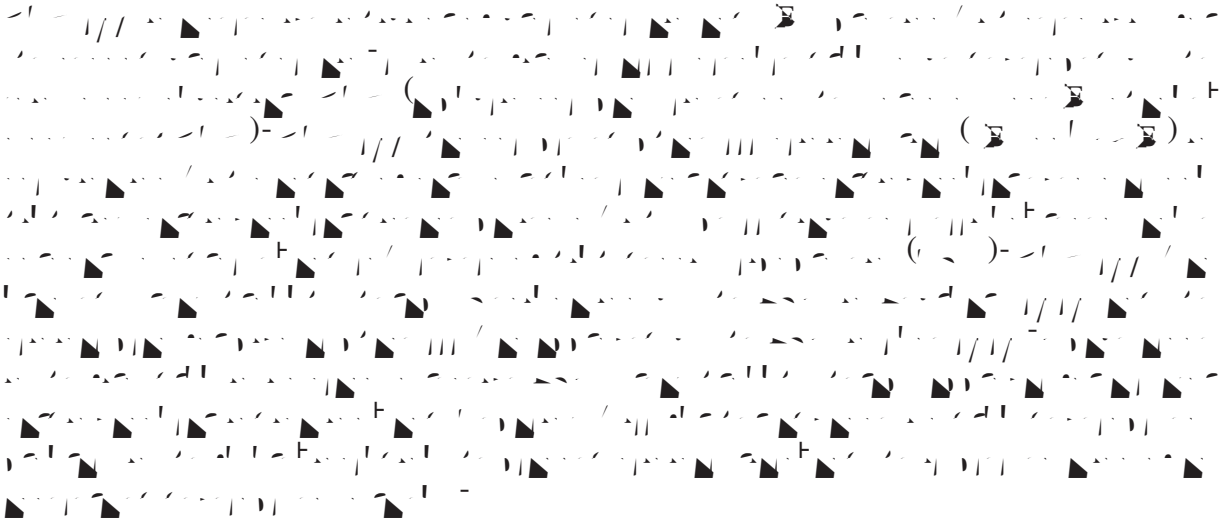
AR-301 (Sal ecin)

(AR-301-002)

Orego omab



RVX-208 (Apabetalone)



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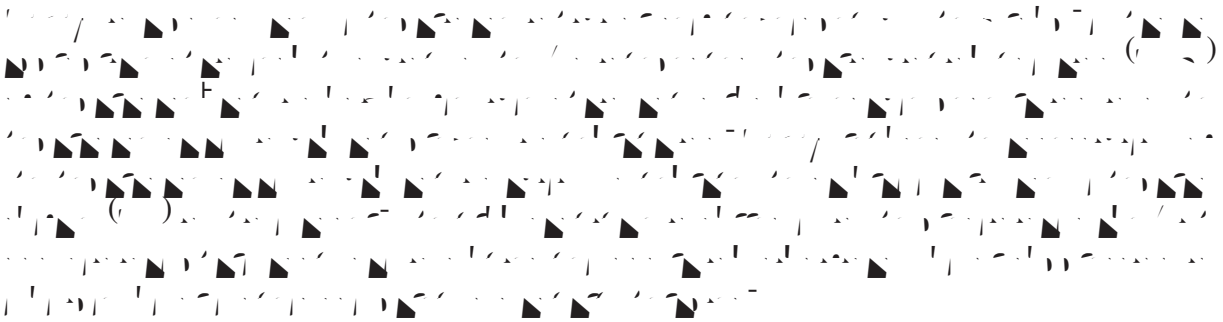
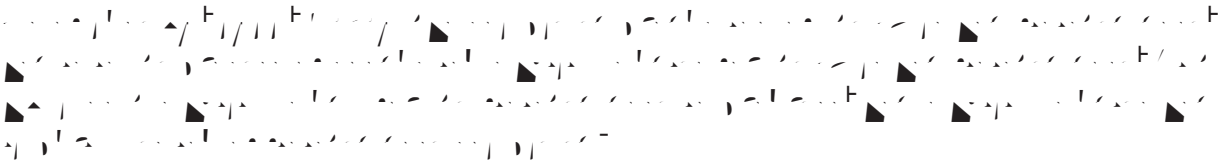
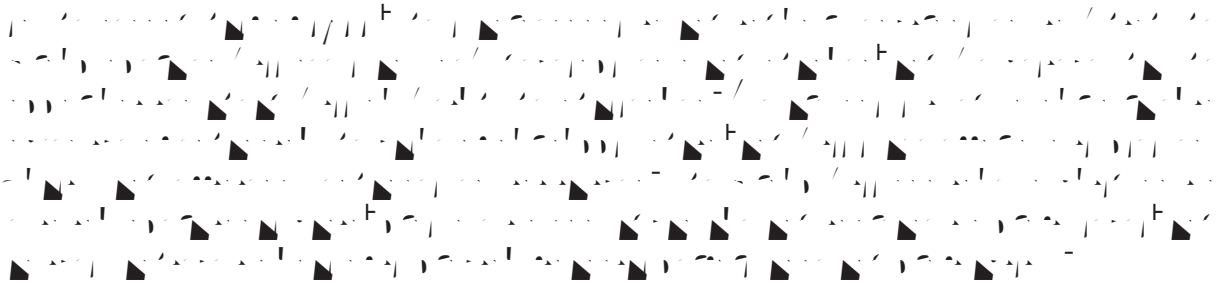
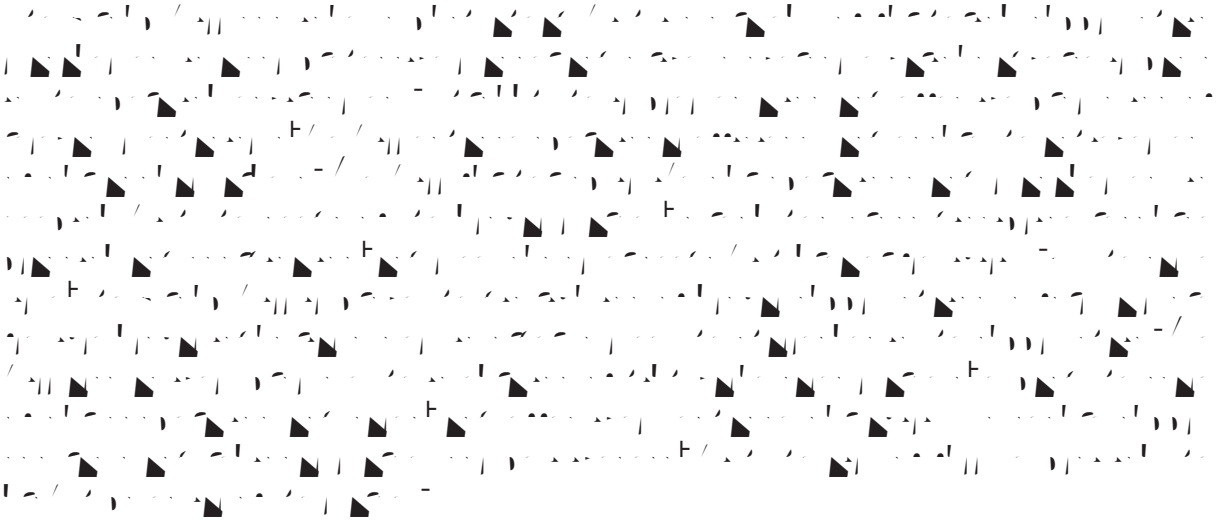
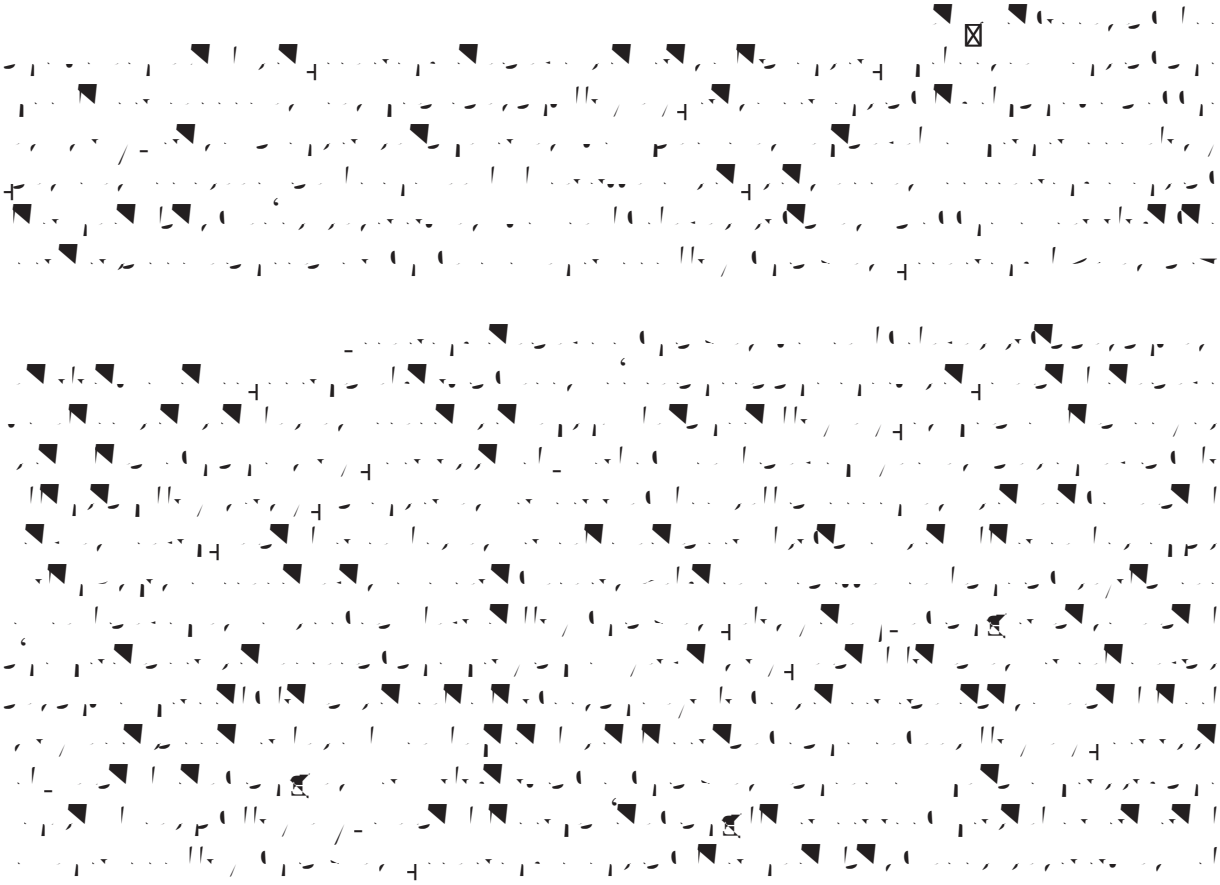


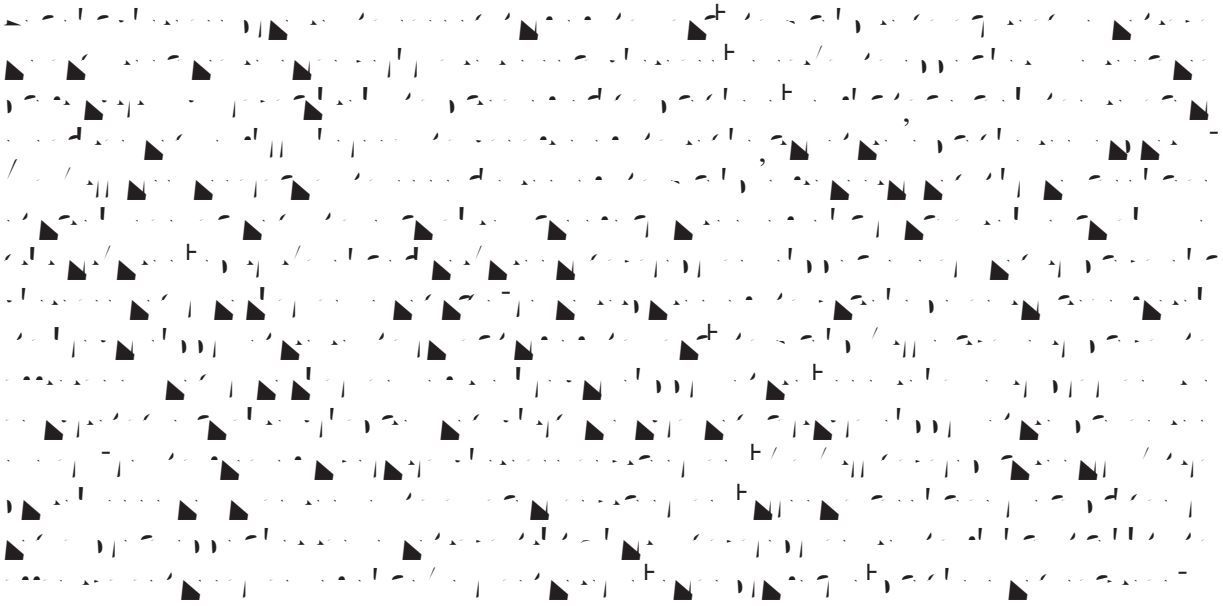


Outlook









Financial Review

Re en e

	For the six months ended June 30,				
	2022 Sales amount RMB'000 (unaudited)	2022 % of Revenue	2021 Sales amount RMB'000 (unaudited)	2021 % of Revenue	Year-on-year increase/ decrease (%)
	3,268,855	87.0%		%	- %
	1,601,941	42.6%		%	%
	1,610,312	42.9%		%	%
( )	56,602	1.5%		%	(%)
	468,180	12.5%		%	- %
( )	19,300	0.5%		%	- %
Total	3,756,335	100.0%	3,111,164	100.0%	20.7%

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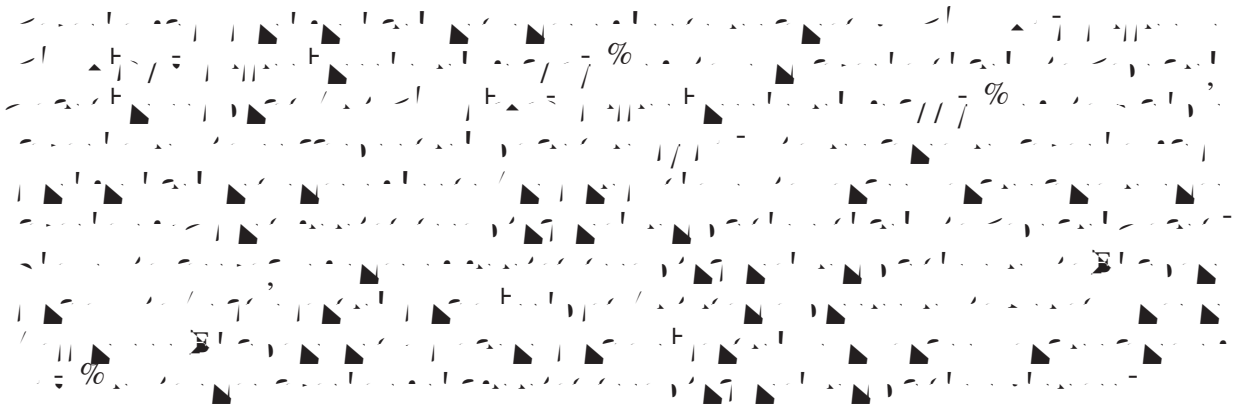


Cost of sales

Operating Costs

Gross profit

	For the six months ended June 30,			
	2022 Gross profit RMB'000 (unaudited)	2022 Gross profit margin (%)	2021 Gross profit RMB'000 (unaudited)	2021 Gross profit margin (%)
	1,023,644	31.3%		%
	545,970	34.1%		%
	479,295	29.8%		%
	(1,621)	(2.9%)		%
	176,030	37.6%		%
	18,803	97.4%		%
Total	**1,218,477**	**32.4%**	**976,907**	**31.4%**

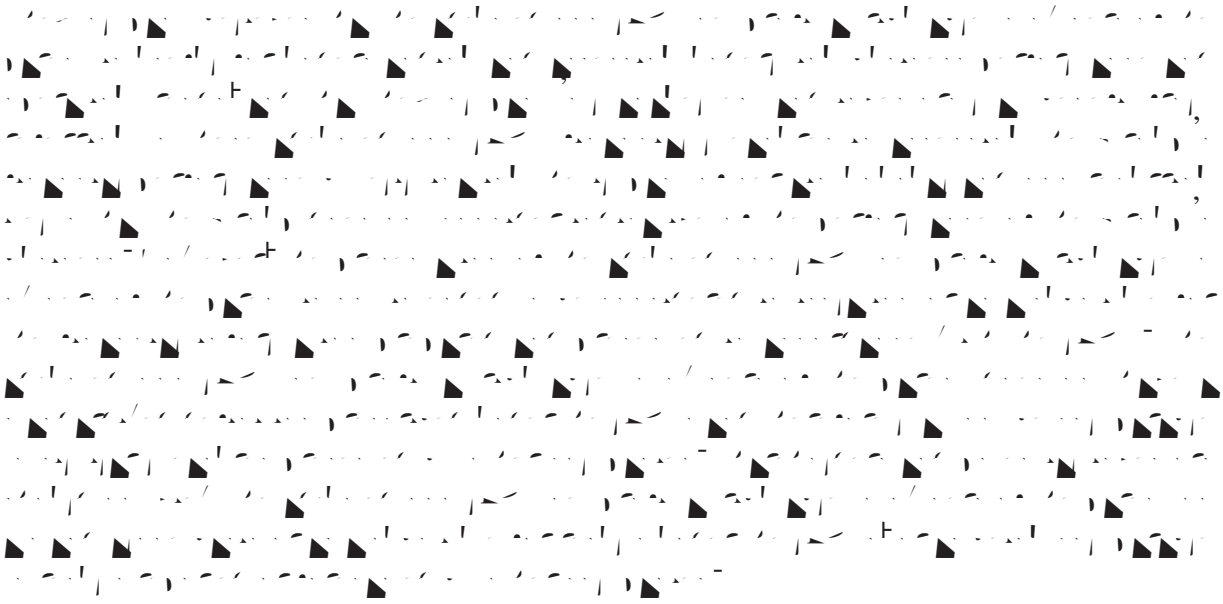
Finance Costs

Taxation

Profit Attributable to Equity Holders of the Company

Non-IFRS Measures

IFRSs



	For the six months ended June 30,	
	2022	
	RMB'000	*B'000*
	(unaudited)	( )
	511,140	
	(62)	
	14,393	
	(5,220)	
	(797)	( )
	(1,449)	( )
	(22)	( )
	6,843	
	504,297	

Earnings per Share

Liquidity and Financial Resources

Treas r Policies

Liq idit and Financial Reso rces

Capital Str ct re

Pledge of Assets

Contingent Liabilities

Asset-liabilit Ratio

Interest Rate Risk

Indebtedness

	As at June 30, 2022 *RMB'000* (unaudited)	
	6,962,759	
	128,960	
	7,091,719	
	(30,287)	
	7,061,432	

	As at June 30, 2022 *RMB'000* (unaudited)	
	5,368,927	
	483,803	
	630,692	
	479,337	
	6,962,759	

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

F[illegible] 28[illegible] J[illegible] 30, 2022

1. Corporate Information

([illegible] **PRC**[illegible])

([illegible] **Hong Kong Stock Exchange**[illegible]) ([illegible])

([illegible] **Group**[illegible])

2.1 Basis of Preparation

([illegible] **IAS**[illegible])

([illegible] **IFRSs**[illegible])-

([illegible]) ([illegible]) ([illegible])

2.2 Changes in Accounting Policies and Disclosures

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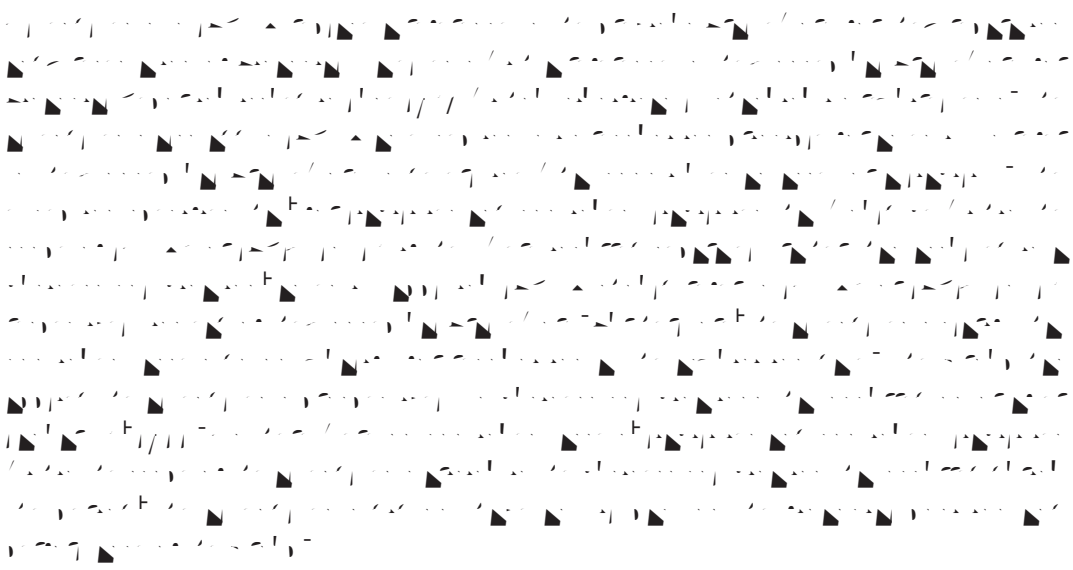

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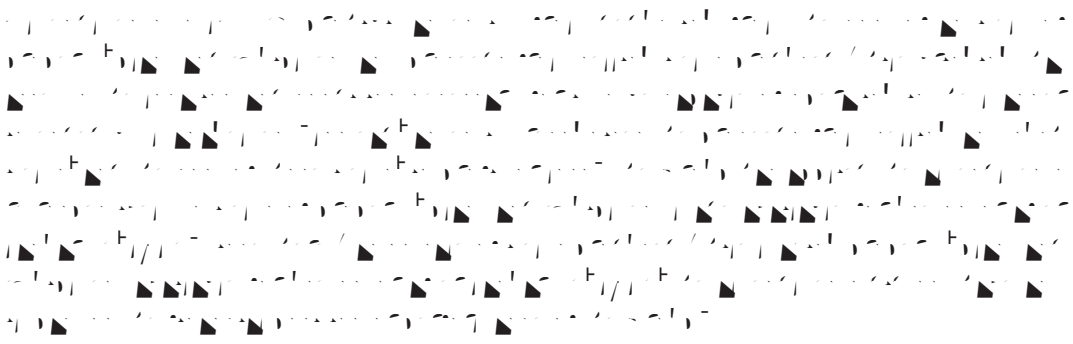

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3. Operating Segment Information

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Segment re en e and res lts

[illegible]

Segment	Finished dose pharmaceutical products *RMB'000*	Active pharmaceutical ingredients *RMB'000*	CDMO *RMB'000*	Others *RMB'000*	Total *RMB'000*
[illegible]	1,601,941	1,610,312	468,180	75,902	3,756,335
[illegible]	1,079,759	1,633,576	1,361	222,999	2,937,694
	2,681,700	3,243,888	469,541	298,901	6,694,029
[illegible]					(2,937,694)
					3,756,335
[illegible]	453,645	576,233	177,455	51,446	1,258,778
[illegible]					(40,301)
[illegible]					140,353
[illegible]					(243,563)
[illegible]					(298,078)
[illegible]					(9,252)
[illegible]					(892)
[illegible]					(123,014)
[illegible]					(54,990)
[illegible]					629,041

Geographical information

( )

	For the six months ended June 30,	
	2022	
	RMB'000	*B'000*
	(unaudited)	( )
	61,857	
	675,882	
	1,906,724	
	319,804	
	792,068	
	3,756,335	

( )

	As at June 30, 2022	
	RMB'000	*B'000*
	(unaudited)	( )
	2,863,063	
	3,506,849	
	131,054	
	329,177	

Information abo t major c stomers

%

%

4. Revenue

Re en e from contracts ith c stomers

( )

For the six months ended June 30, 2022 (unaudited)

Segment	Finished dose pharmaceutical products *RMB'000*	Active pharmaceutical ingredients *RMB'000*	CDMO *RMB'000*	Others *RMB'000*	Total *RMB'000*
Type of goods or services					
	1,601,941	1,610,312	–	56,602	3,268,855
	–	–	468,180	–	468,180
	–	–	–	19,300	19,300
	1,601,941	1,610,312	468,180	75,902	3,756,335
Timing of revenue recognition					
	1,601,941	1,610,312	–	56,602	3,268,855
	–	–	107,029	5,837	112,866
	–	–	361,151	13,463	374,614
	1,601,941	1,610,312	468,180	75,902	3,756,335

5. Other Income and Gains

	For the six months ended June 30,	
	2022	
	RMB'000	*B'000*
	(unaudited)	( )
Other income		
	29,000	
	1,036	
	13,358	
	4,843	
	–	
	48,237	
Other gains		
	102,886	( )
	2,255	
	(12,155)	
	(2,194)	( )
	(62)	
	–	
	1,386	
	92,116	( )
	140,353	

6. Finance Costs

	For the six months ended June 30,	
	2022	
	RMB'000	*B'000*
	(unaudited)	( )
	68,995	
	40,433	
	1,902	
	11,684	
	123,014	

7. Profit before Tax

	For the six months ended June 30,	
	2022	
	RMB'000	*B'000*
	(unaudited)	( )
	2,224,286	
	313,572	
	107,863	
	19,045	
	25,559	
	79,104	
	4,987	
	320,423	
	57,449	
	3,189	
	(29,000)	( )
	123,014	
	(4,843)	( )
	–	( )
	(102,886)	
	(2,255)	( )
	2,194	
	12,155	( )
	(47)	( )
	–	
	9,252	
	3,793	

8. Income Tax Expense

	For the six months ended June 30,	
	2022	
	RMB'000	*B'000*
	(unaudited)	( )
	36,810	
	57,684	
	9,141	
	7,667	
	111,302	
	12,387	( )
	(5,421)	
	369	
	7,335	( )
	118,637	

9. Dividends

	For the six months ended June 30,	
	2022	
	RMB'000	*B'000*
	(unaudited)	( )
	51,355	

10. Earnings per Share Attributable to Ordinary Equity Holders of the Parent

	For the six months ended June 30, 2022 *RMB'000* (unaudited)	*B'000*
	511,140	

	For the six months ended June 30, 2022 (unaudited)	
	1,467,296,204	

11. Trade and Bills Receivables

	As at June 30, 2022 *RMB'000* (unaudited)	*B'000*
	1,865,656	
	12,937	
	(94,403)	
	1,784,190	

	As at June 30, 2022 *RMB'000* (unaudited)	[illegible] *B'000* [illegible]
[illegible]	**1,745,500**	[illegible]
	63,003	[illegible]
	63,555	[illegible]
	6,535	[illegible]
	1,878,593	[illegible]
[illegible]	**(94,403)**	[illegible]
	1,784,190	[illegible]

	As at June 30, 2022 *RMB'000* (unaudited)	[illegible] *B'000* [illegible]
[illegible]	**86,299**	[illegible]
[illegible]	**6,905**	[illegible]
[illegible]	**–**	[illegible]
[illegible]	**1,199**	[illegible]
	94,403	[illegible]

12. Trade Payables

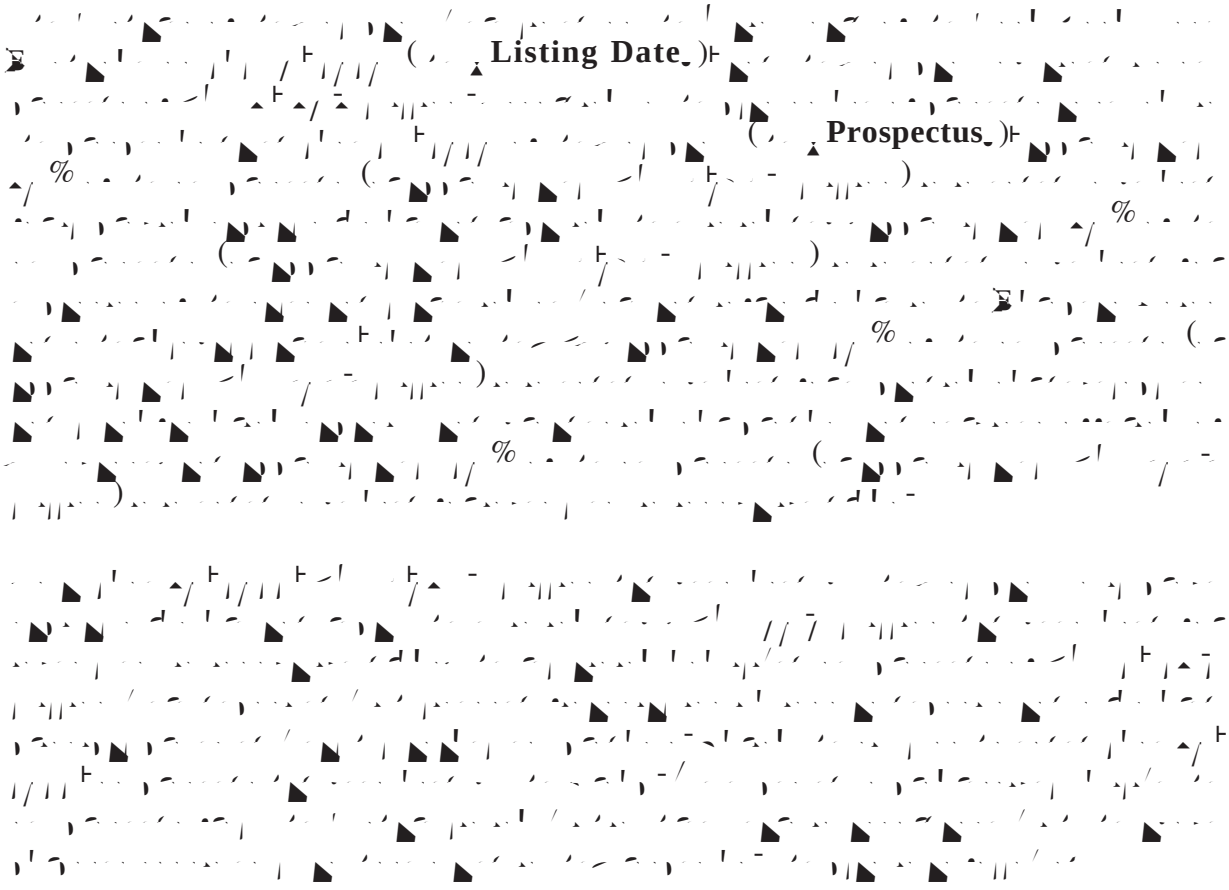
	As at June 30, 2022 *RMB'000* (unaudited)	
	554,266	

	As at June 30, 2022 *RMB'000* (unaudited)	
	551,662	
	1,457	
	287	
	860	
	554,266	

13. Share Capital

	As at June 30, 2022 *RMB'000* (unaudited)	
	1,467,296	

Use of Proceeds from the H Share Listing of the Company



Use of proceeds (RMB million)	Net proceeds from Global Offering	Utilised as at June 30, 2022	Remaining amount	Expected time of use

Significant Investments

%

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

Events after the Reporting Period

Employee and Remuneration Policy

(,)

( )-

Purchase, Sale or Redemption of Listed Securities

Compliance with Corporate Governance Code

(**Corporate Governance Code**)-

Compliance with the Model Code for Securities Transactions by Directors of Listed Issuers

Review of Interim Results by the Audit Committee

Interim Dividends

Publication of Interim Results Announcement and Interim Report 2022

Appreciation

Shenzhen Hepalink Pharmaceutical Group Co., Ltd.
Li Li