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FINANCIAL HIGHLIGHTS

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

F[illegible] 30, 2022

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

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

F[illegible] J[illegible] 30, 2022

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

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)

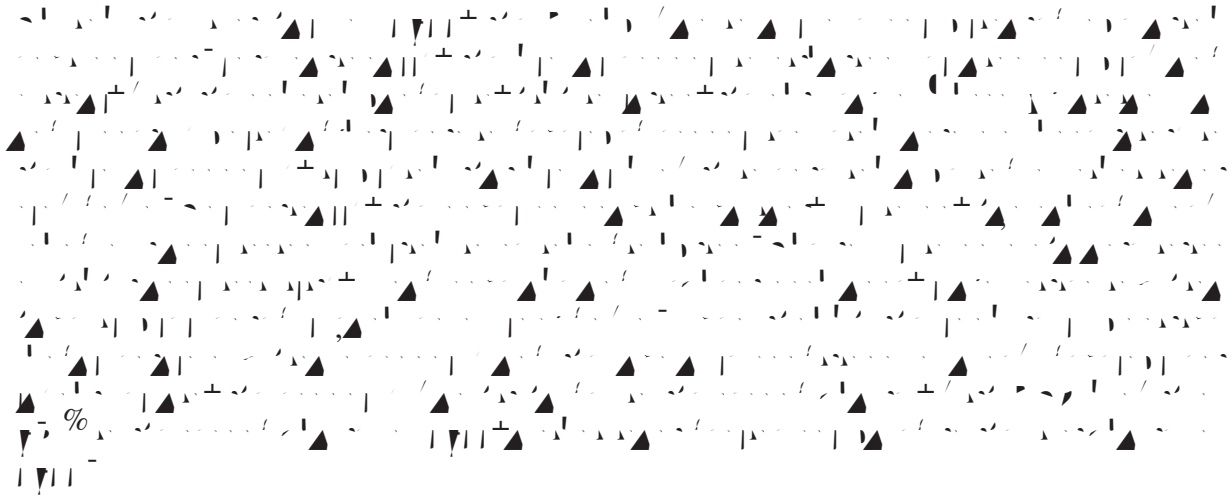
(API)

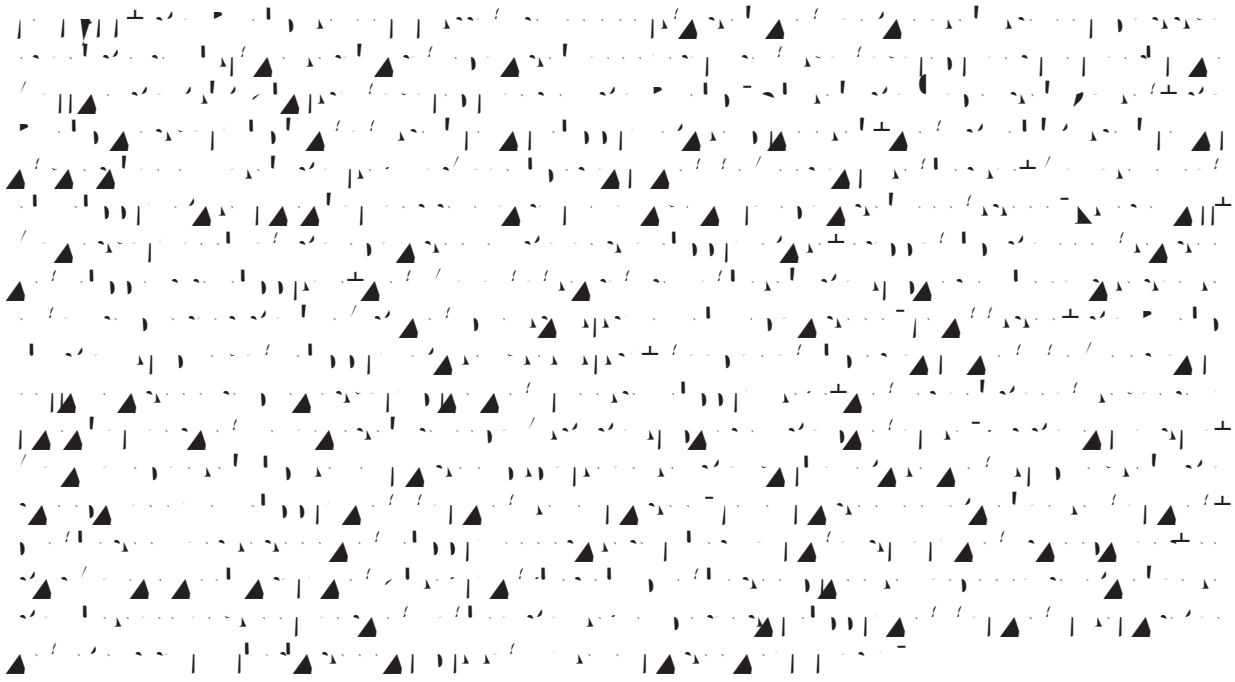
(R&D)

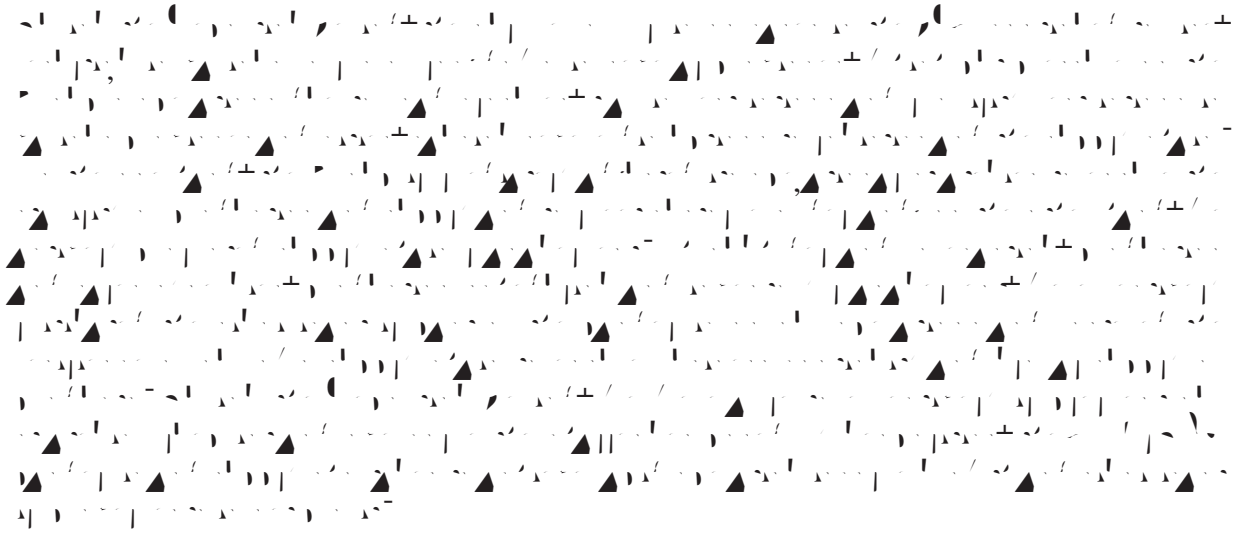
(Cytovance)

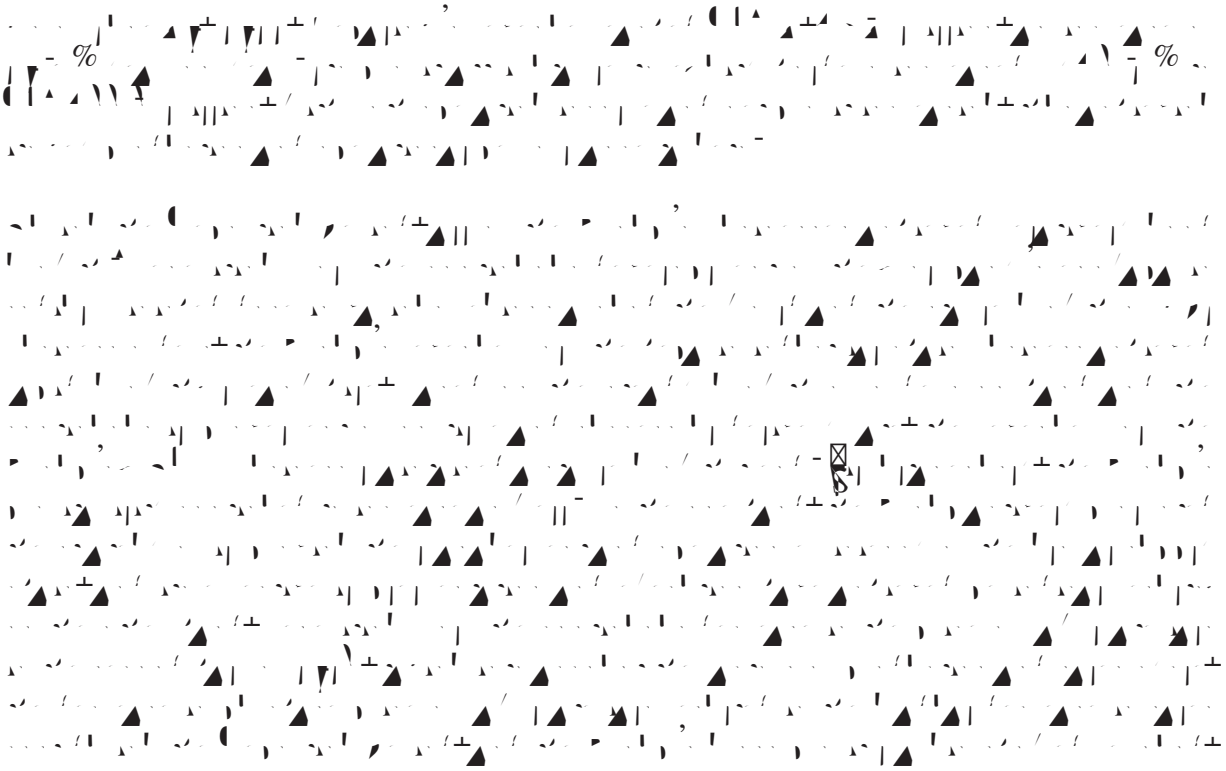
(SPL)

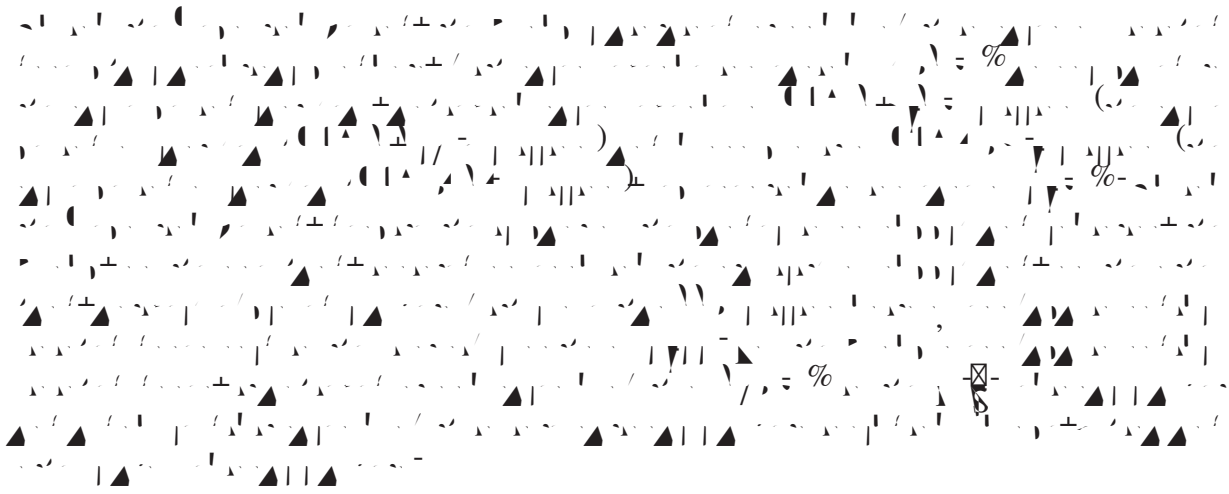
Business Review

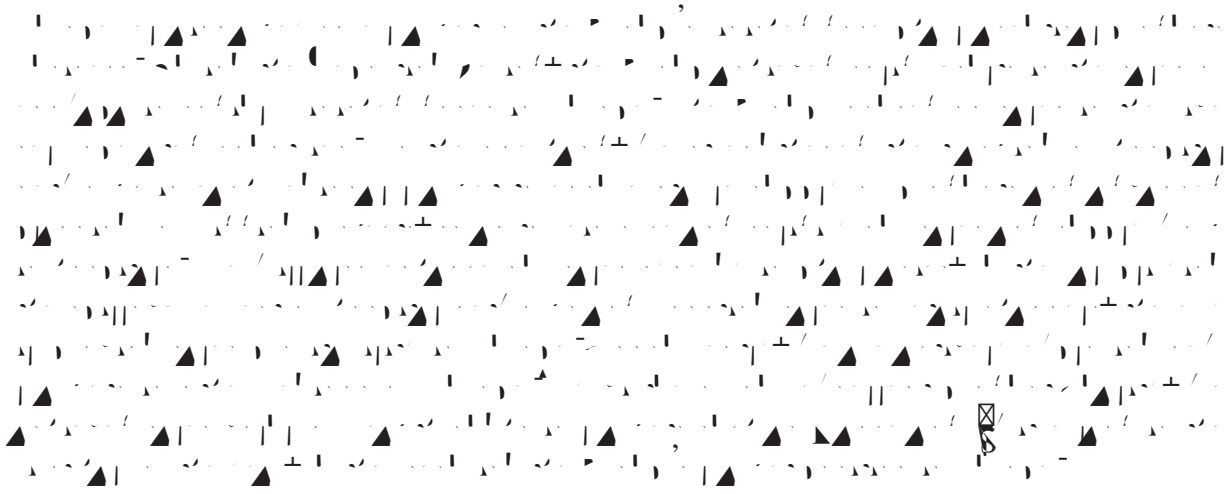


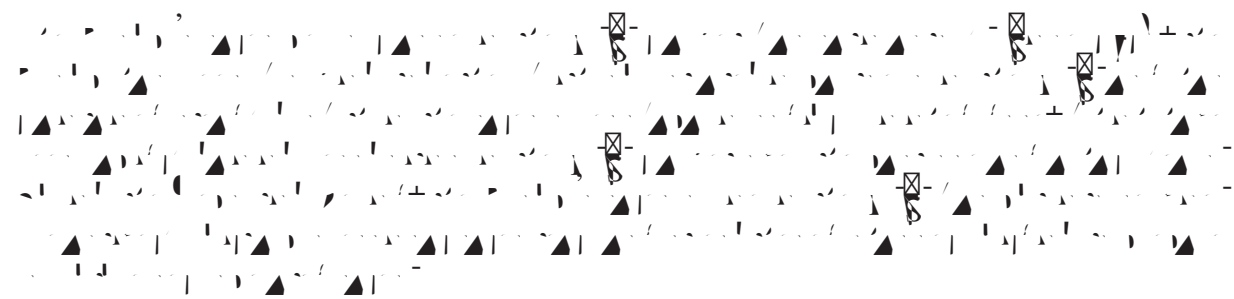


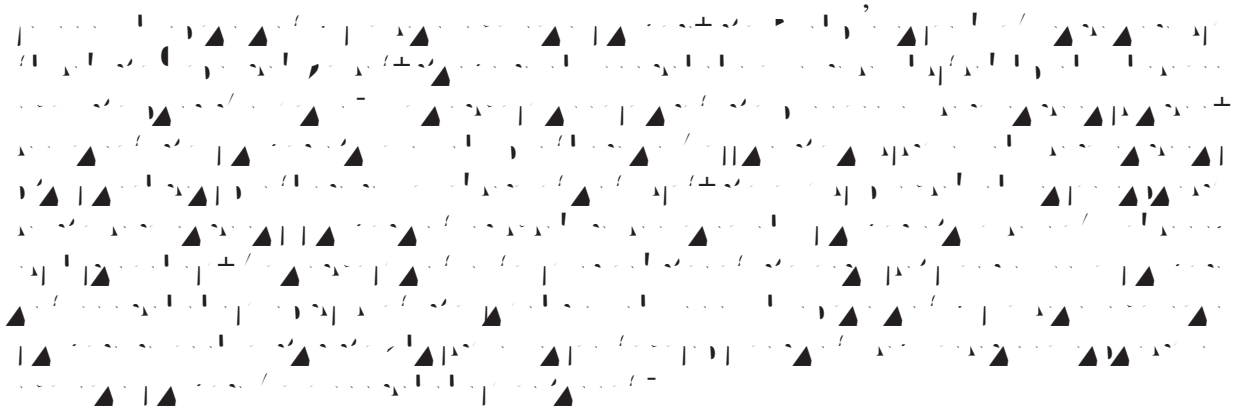




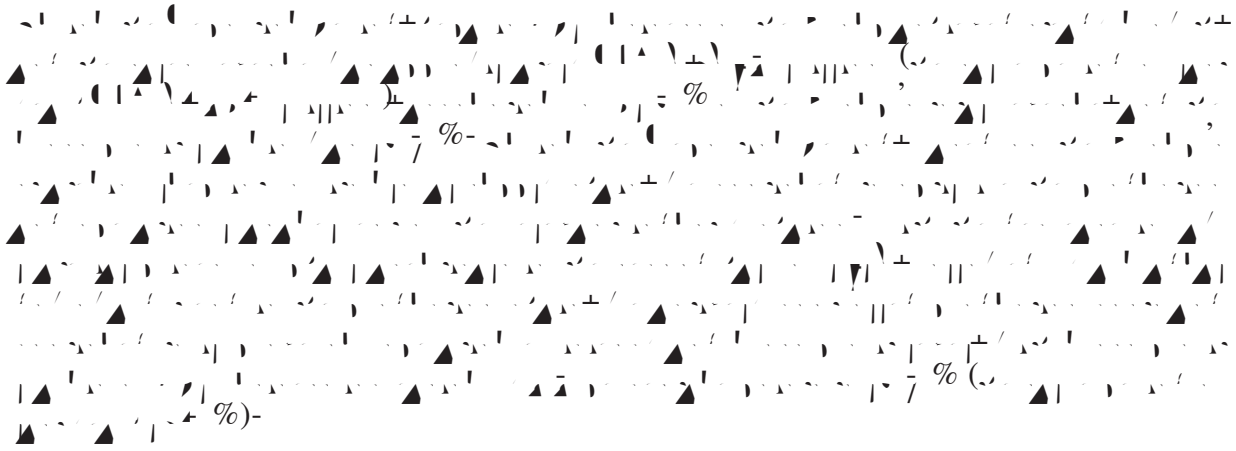


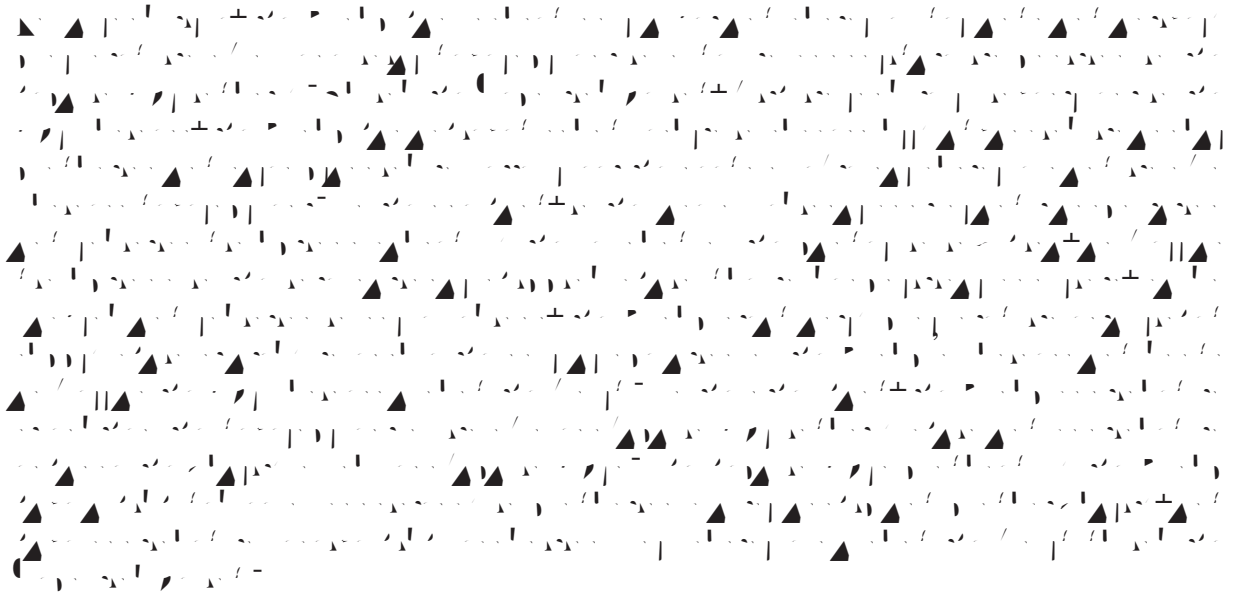


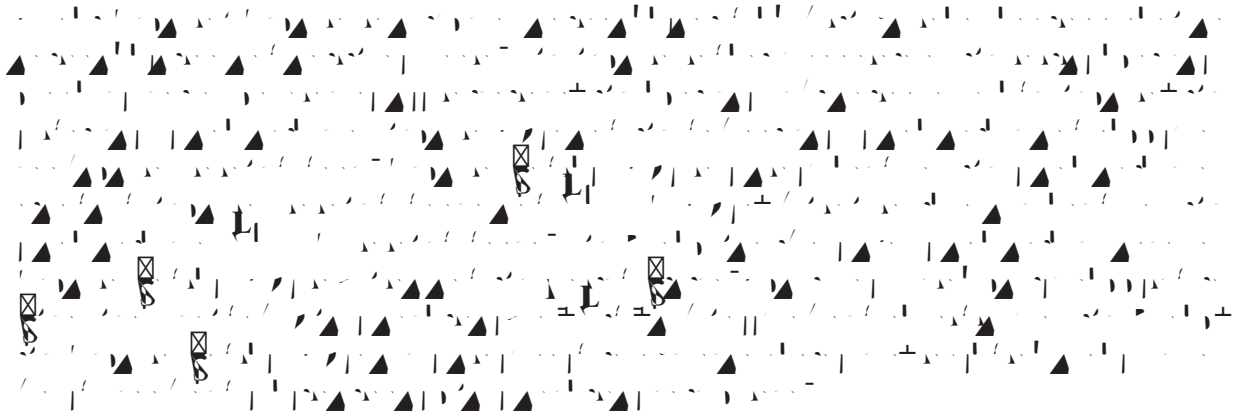




API Business







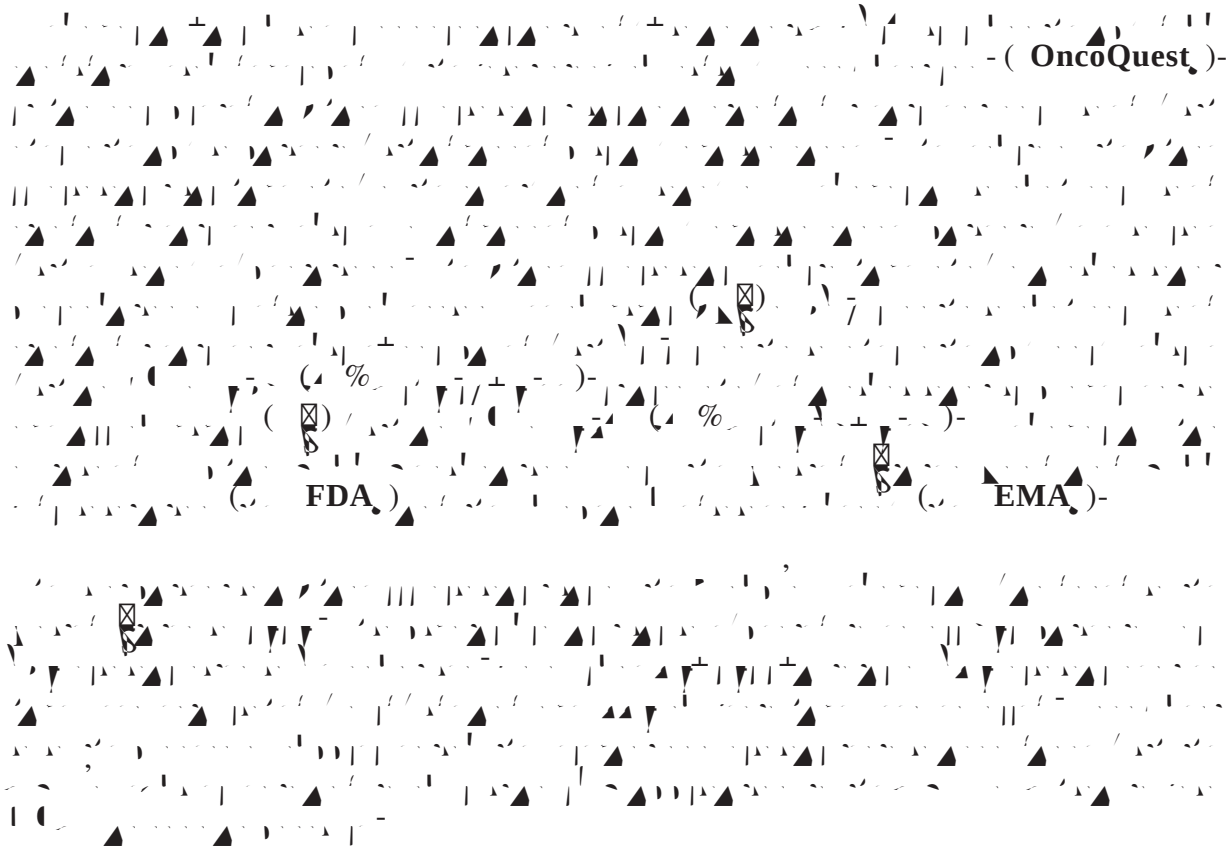
CDMO Business

Progress of Innovative Drugs

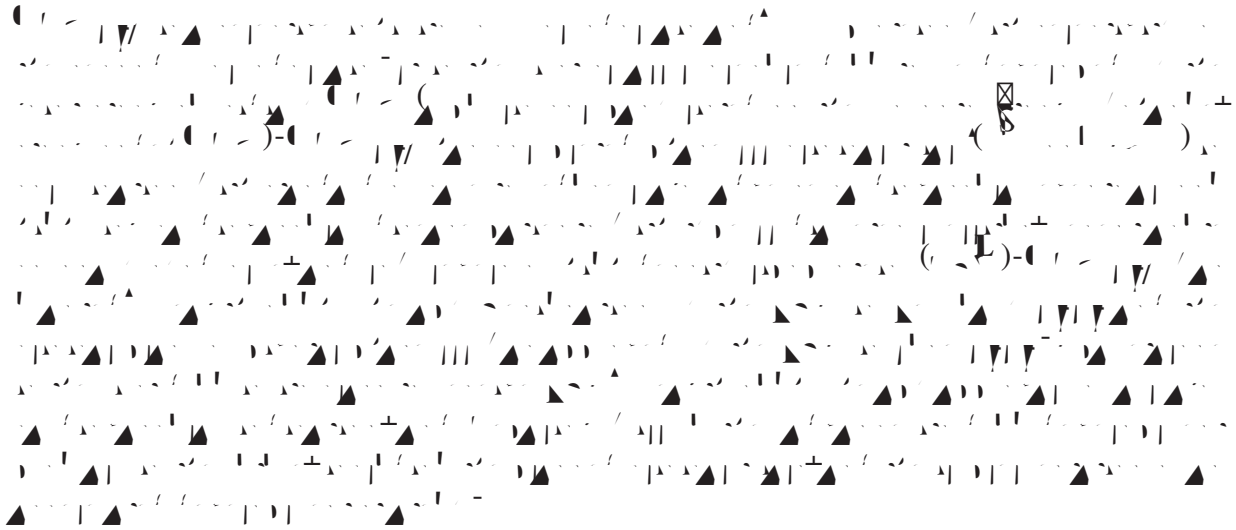
AR-301 (Sal ecin)

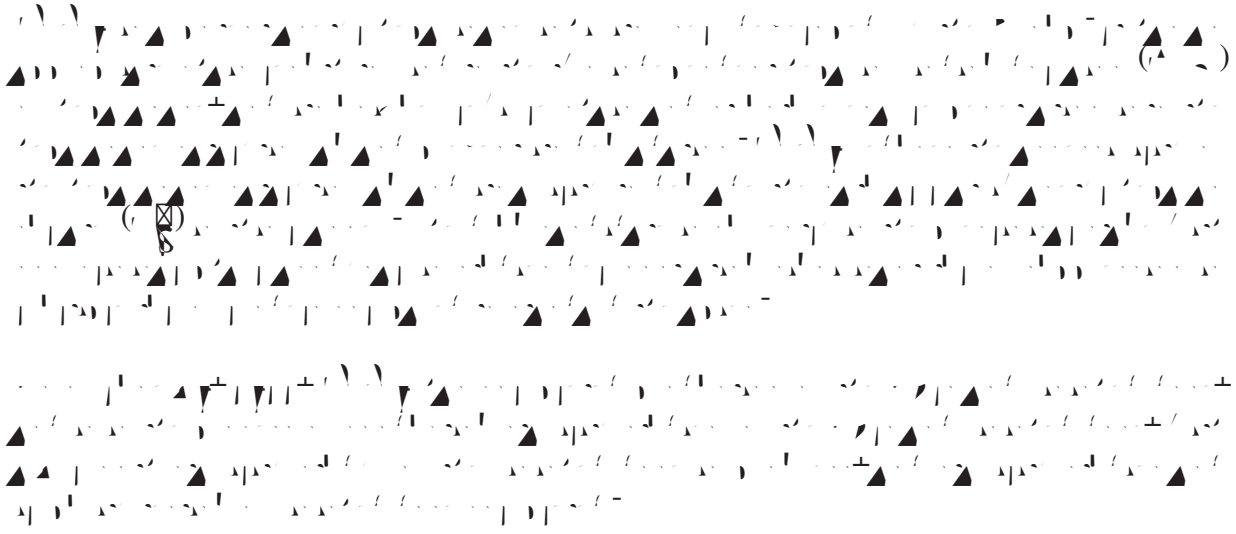
(AR-301-002)

Orego omab

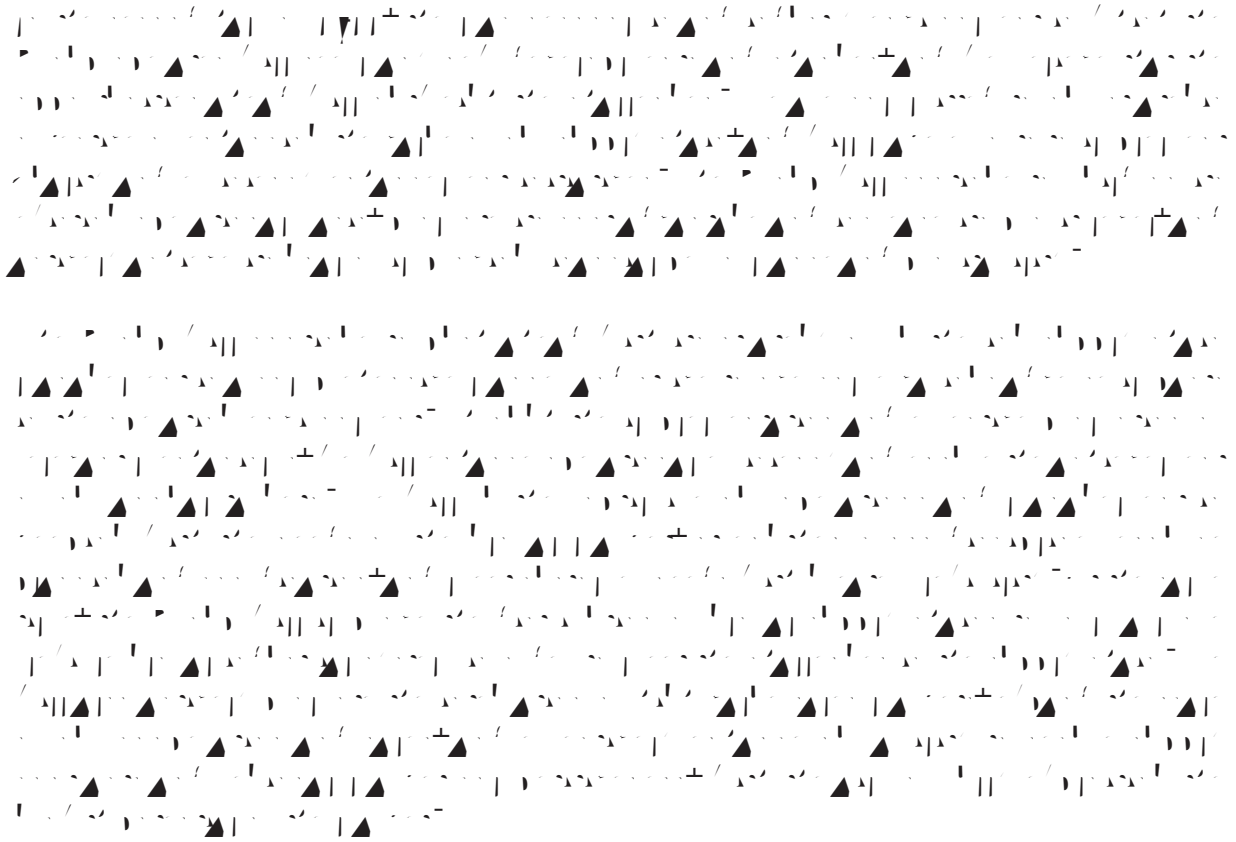


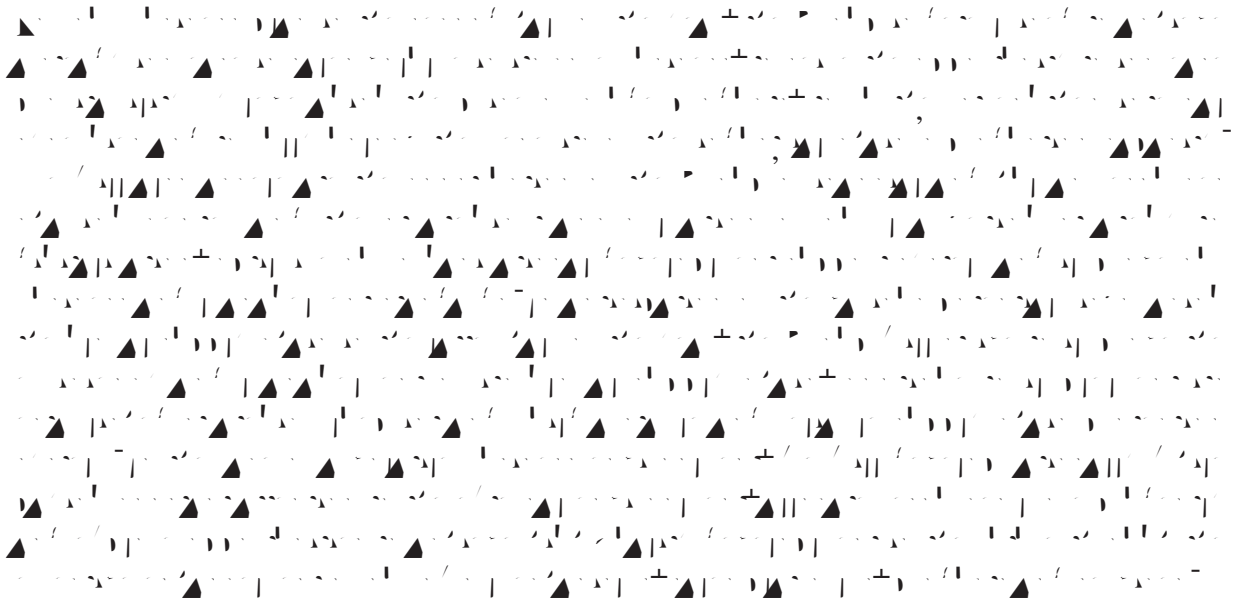
RVX-208 (Apabetalone)





Outlook





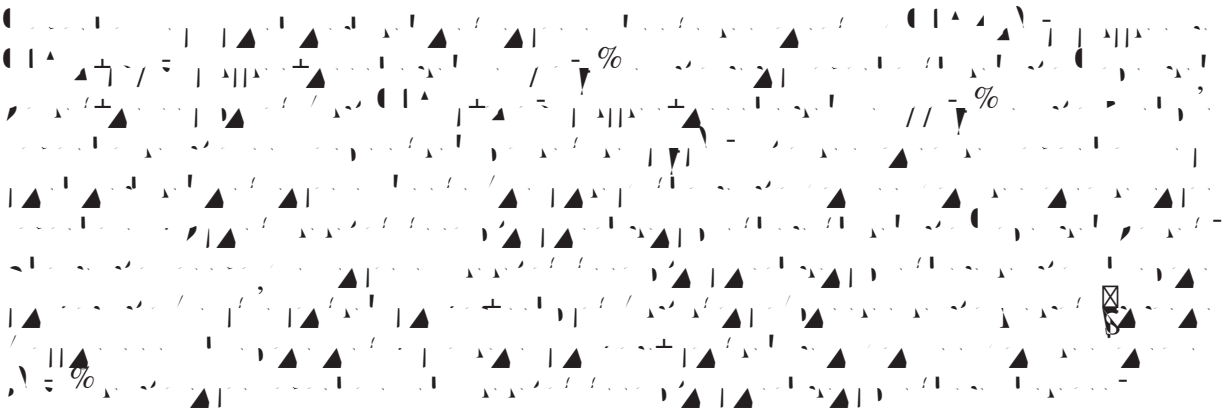
Financial Review

Re en e

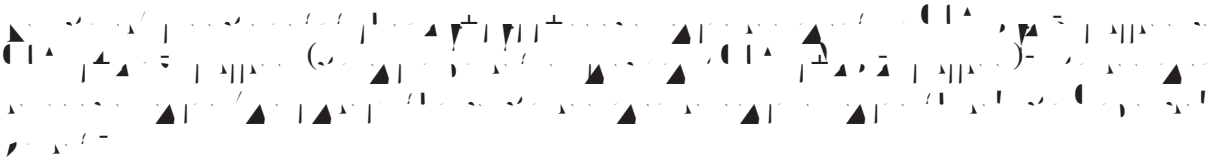
	For the six months ended June 30,				
	2022 Sales amount RMB'000 (unaudited)	2022 % of Revenue	2021 Sales amount RMB'000 (unaudited)	2021 % of Revenue	Year-on-year increase/ decrease (%)
	3,268,855	87.0%		%	%
	1,601,941	42.6%		%	%
	1,610,312	42.9%		%	%
( )	56,602	1.5%		%	(%)
	468,180	12.5%		%	%
( )	19,300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

( )

( )



Cost of sales



Operating Costs

Gross profit

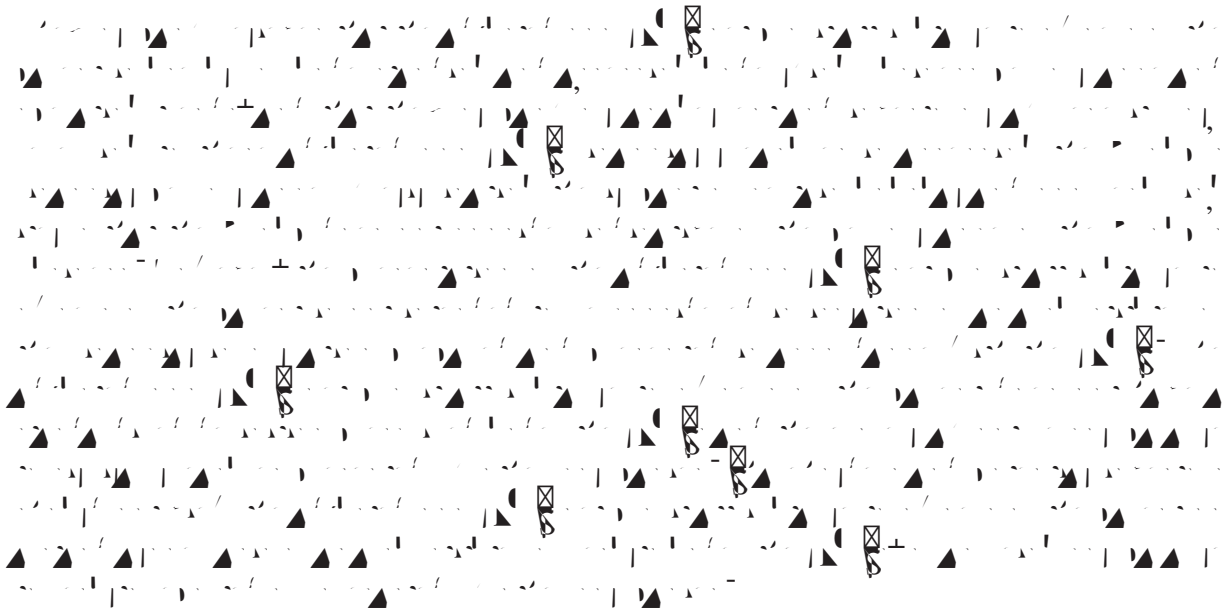
	For the six months ended June 30,			
	2022 Gross profit RMB'000 (unaudited)	2022 Gross profit margin (%)	2021 Gross profit RMB'000 (unaudited)	2021 Gross profit margin (%)
	1,023,644	31.3%		%
	545,970	34.1%		%
	479,295	29.8%		%
	(1,621)	(2.9%)		%
	176,030	37.6%		%
	18,803	97.4%		%
Total	1,218,477	32.4%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

Finance Costs

Taxation

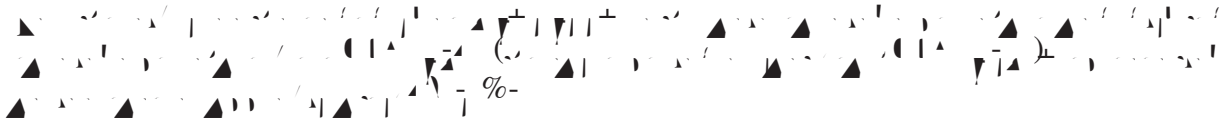
Profit Attributable to Equity Holders of the Company

Non-IFRS Measures



	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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

F... ...3... ... J... 30, 2022

1. Corporate Information

(PRC)

( ) (Hong Kong Stock Exchange) ( )

(Group)

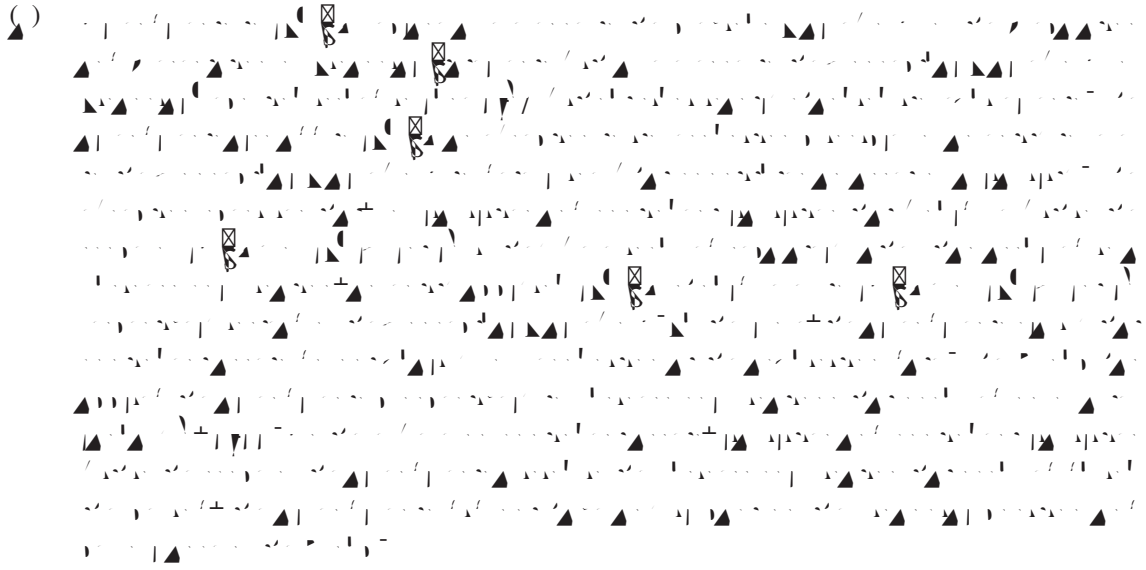
2.1 Basis of Preparation

(IAS)

(IFRSs)-

2.2 Changes in Accounting Policies and Disclosures

( )



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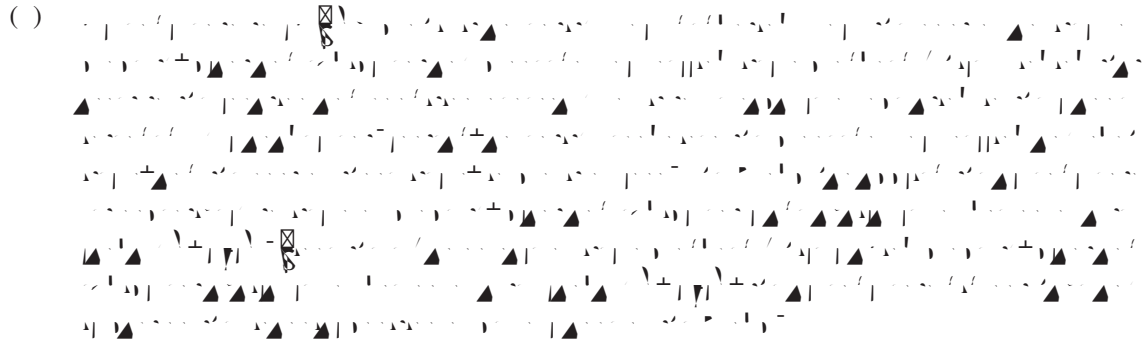

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( )

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3. Operating Segment Information

( )

( )

( )

( )

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]					
[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)
[illegible]					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

	B'000	*B'000*	*B'000*	*B'000*	*B'000*

Geographical information

(a)

	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

	B'000	*B'000*	*B'000*	*B'000*	*B'000*
Type of goods or services					
Timing of revenue recognition					

	For the six months ended June 30, 2022 *RMB'000* (unaudited)	*B'000*
	5,407	
	259,409	
	264,816	

CD

(**FFS**)

	As at June 30, 2022 *RMB'000* (unaudited)	*B'000*
	1,020,314	

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	

[illegible]

[illegible]

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)	
	1,745,500	
	63,003	
	63,555	
	6,535	
	1,878,593	
	(94,403)	
	1,784,190	

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

12. Trade Payables

	As at June 30, 2022 *RMB'000* (unaudited)	[illegible] *B'000* [illegible]
[illegible]	**554,266**	[illegible]

[illegible]

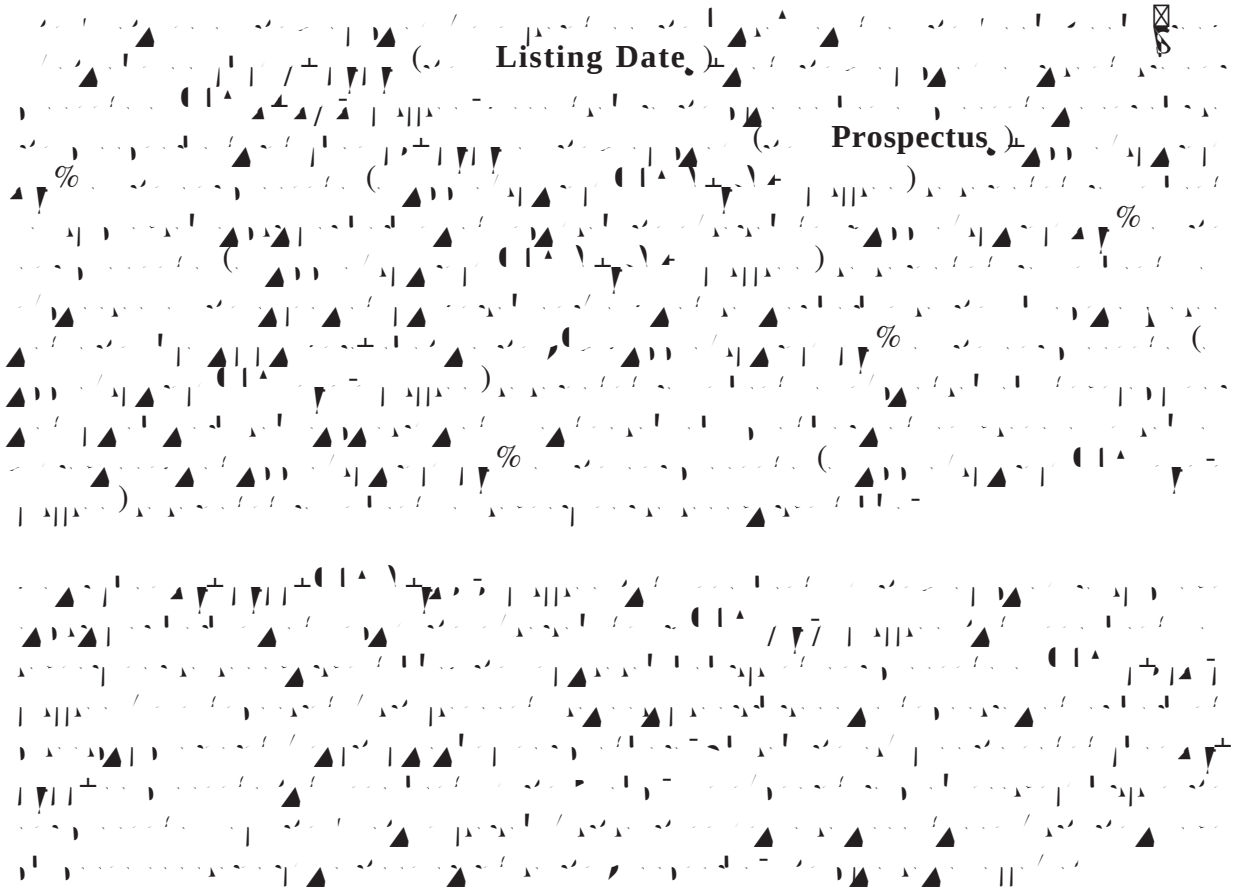
	As at June 30, 2022 *RMB'000* (unaudited)	[illegible] *B'000* [illegible]
[illegible]	**551,662**	[illegible]
[illegible]	**1,457**	[illegible]
[illegible]	**287**	[illegible]
[illegible]	**860**	[illegible]
	554,266	[illegible]

[illegible]

13. Share Capital

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

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

Model Code

Review of Interim Results by the Audit Committee

Audit Committee

Interim Dividends

Publication of Interim Results Announcement and Interim Report 2022

Appreciation

Shenzhen Hepalink Pharmaceutical Group Co., Ltd.
Li Li