



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 of Directors
 Company: Hepalink
 Group: we, our, us
 Reporting Period

FINANCIAL HIGHLIGHTS

	For the six months ended June 30, 2022		
	RMB'000	B'000	
Revenue	3,756,335		%
Operating profit	1,218,477		%
Profit attributable to shareholders	511,140		%
Net profit attributable to shareholders			%
Basic earnings per share			%
Diluted earnings per share			%
Operating profit margin			%
Profit margin			%
Net profit margin			%
Operating profit per share			%
Net profit per share			%

FINANCIAL HIGHLIGHTS

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

F J 30, 2022

		Six months ended June 30,	
		2022	2021
		RMB'000	B'000
		(unaudited)	(unaudited)
REVENUE	4	3,756,335	3,756,335
		(2,537,858)	(2,537,858)
Gross profit		1,218,477	1,218,477
	5	140,353	140,353
		(243,563)	(243,563)
		(298,078)	(298,078)
		(9,252)	(9,252)
		(892)	(892)
	6	(123,014)	(123,014)
		(54,990)	(54,990)
PROFIT BEFORE TAX	7	629,041	629,041
	8	(118,637)	(118,637)
PROFIT FOR THE PERIOD		510,404	510,404
		511,140	511,140
		(736)	(736)
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	10		
		RMB0.35	RMB0.35
		RMB0.35	RMB0.35

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

F J 30, 2022

	Six months ended June 30,	
	2022	2021
	RMB'000	B'000
	(unaudited)	(unaudited)
PROFIT FOR THE PERIOD	510,404	441,411
OTHER COMPREHENSIVE INCOME		
Share-based payment expense	127,108	(1,111)
Change in fair value of financial assets and liabilities held for trading	14,161	(1,111)
Change in fair value of investment properties	141,269	(1,111)
Change in fair value of financial assets and liabilities held for trading	(6,330)	1,111
Change in fair value of financial assets and liabilities held for trading	55,720	1,111
Change in fair value of financial assets and liabilities held for trading	49,390	1,111
Change in fair value of financial assets and liabilities held for trading	190,659	(1,111)
Change in fair value of financial assets and liabilities held for trading	701,063	1,111
Change in fair value of financial assets and liabilities held for trading	701,162	1,111
Change in fair value of financial assets and liabilities held for trading	(99)	(1,111)

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

June 30, 2022

	June 30, 2022	B'000
	RMB'000 (unaudited)	(US\$)
NON-CURRENT ASSETS		
Property, plant and equipment	2,524,576	377,100
Intangible assets	233,185	35,700
Investments in subsidiaries	2,265,521	347,000
Investments in associates	467,037	70,800
Long-term receivables	1,084,027	163,800
Other non-current assets	489,917	74,300
Deferred tax assets	976,721	148,500
Other non-current assets	126,183	19,200
	255,796	38,900
	<u>8,422,963</u>	<u>1,280,500</u>
CURRENT ASSETS		
Accounts receivable	5,750,897	875,000
Prepaid expenses and other receivables	1,784,190	271,000
Other receivables	17,016	2,600
Inventory	501,140	76,000
Other current assets	47,506	7,200
Financial assets at fair value through profit or loss	1,344,007	203,000
Financial assets at fair value through other comprehensive income	(1,940)	(0.3)
Other current assets	30,284	4,600
Accounts payable	1,110,000	169,000
Other current liabilities	2,355,848	357,000
	<u>12,938,948</u>	<u>1,980,300</u>
CURRENT LIABILITIES		
Accounts payable	554,266	84,000
Accounts payable	466,099	70,000
Accounts payable	51,355	7,800
Accounts payable	484,116	73,000
Accounts payable	5,368,927	811,000
Accounts payable	125,102	19,000
Accounts payable	40,199	6,100
Accounts payable	27,798	4,200
	<u>7,117,862</u>	<u>1,084,100</u>

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

June 30, 2022

	June 30, 2022 RMB'000 (unaudited)	B'000 (unaudited)
NET CURRENT ASSETS	5,821,086	
TOTAL ASSETS LESS CURRENT LIABILITIES	14,244,049	
NON-CURRENT LIABILITIES		
Long-term debt	1,593,832	
Deferred income tax	17,460	
Other non-current liabilities	311,933	
Long-term equity investments	64,111	
Other non-current liabilities	9,558	
	<u>101,162</u>	
	2,098,056	
Net assets	12,145,993	
EQUITY		
Attributable to owners of the parent	1,467,296	
Minority interest	10,566,836	
	<u>12,034,132</u>	
Reserves	111,861	
	<u>12,145,993</u>	

13

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

Our business is organized into three main segments: **CDMO**, **API**, and **R&D**. Each segment is supported by a robust infrastructure of manufacturing facilities and R&D centers. The CDMO segment focuses on providing contract development and manufacturing services for pharmaceutical clients. The API segment is dedicated to the production of active pharmaceutical ingredients. The R&D segment is focused on the discovery and development of new pharmaceutical products. Our strategic focus is on expanding our global footprint and increasing our capacity to serve our clients.

The CDMO segment is a key driver of our growth, with a strong track record of delivering high-quality products to our clients. We have a proven track record of successful collaborations with leading pharmaceutical companies. Our API segment is also a significant contributor to our revenue, with a focus on producing high-purity active pharmaceutical ingredients. The R&D segment is essential for our long-term success, as it enables us to discover and develop new pharmaceutical products. Our strategic focus is on expanding our global footprint and increasing our capacity to serve our clients. We have a strong track record of successful collaborations with leading pharmaceutical companies. Our API segment is also a significant contributor to our revenue, with a focus on producing high-purity active pharmaceutical ingredients. The R&D segment is essential for our long-term success, as it enables us to discover and develop new pharmaceutical products.

Our R&D segment is a key driver of our growth, with a strong track record of delivering high-quality products to our clients. We have a proven track record of successful collaborations with leading pharmaceutical companies. Our API segment is also a significant contributor to our revenue, with a focus on producing high-purity active pharmaceutical ingredients. The R&D segment is essential for our long-term success, as it enables us to discover and develop new pharmaceutical products. Our strategic focus is on expanding our global footprint and increasing our capacity to serve our clients. We have a strong track record of successful collaborations with leading pharmaceutical companies. Our API segment is also a significant contributor to our revenue, with a focus on producing high-purity active pharmaceutical ingredients. The R&D segment is essential for our long-term success, as it enables us to discover and develop new pharmaceutical products.

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Business Review

The first section of the report discusses the overall performance of the company over the past year. It highlights key achievements, such as the successful launch of the new product line and the expansion of our market presence. The revenue growth was steady, reaching a record high of 15% compared to the previous year. This was primarily driven by increased sales in the Asia-Pacific region and the introduction of our flagship product.

Operational efficiency was also a key focus. We implemented several cost-saving measures, including streamlining our supply chain and optimizing our production processes. These efforts resulted in a 10% reduction in operating expenses, contributing significantly to our overall profitability. Customer satisfaction remained high, with a net promoter score of 45, indicating a strong brand loyalty.

Looking ahead, we are confident in our ability to continue our growth trajectory. The market remains favorable, and we have a robust pipeline of new products in development. We will continue to invest in research and development to maintain our competitive edge and explore new market opportunities. Our strategic focus will remain on innovation, operational excellence, and customer-centricity to ensure long-term success.

The second section provides a detailed analysis of our financial performance. Our revenue for the year ended at \$1.2 billion, an increase of 12% from the previous year. This growth was supported by a strong performance in our core markets, particularly in North America and Europe. The gross profit margin improved to 35%, reflecting our focus on cost optimization and operational efficiency. Operating expenses were managed effectively, staying within budget and contributing to a net profit of \$180 million, up from \$160 million last year.

Our balance sheet remains strong, with a solid equity position and a healthy cash flow. We have successfully reduced our debt-to-equity ratio, demonstrating our commitment to financial stability. The return on equity (ROE) reached 18%, a testament to our effective capital management and operational performance. The dividend yield for shareholders was 3.5%, providing a steady return on investment.

Key financial ratios and metrics are summarized in the table below:

Metric	Current Year	Previous Year
Revenue	\$1.2 billion	\$1.07 billion
Gross Profit	\$420 million	\$375 million
Operating Profit	\$210 million	\$195 million
Net Profit	\$180 million	\$160 million
Equity	\$1.5 billion	\$1.4 billion
Debt	\$300 million	\$350 million
ROE	18%	16%
Dividend Yield	3.5%	3.2%

The third section outlines our strategic initiatives for the upcoming year. Our primary goal is to drive sustainable growth through innovation and market expansion. We will continue to invest in R&D, focusing on developing next-generation products that address customer needs and market trends. Strategic partnerships and acquisitions are also key to our growth strategy, as they allow us to enter new markets and enhance our capabilities.

Operational excellence remains a core pillar of our strategy. We will implement advanced manufacturing technologies and digital transformation initiatives to improve our production efficiency and reduce costs. Customer-centricity is at the heart of our business, and we will continue to invest in our sales and marketing efforts to strengthen our brand and improve customer engagement. Sustainability is also a key focus, as we aim to reduce our carbon footprint and promote ethical sourcing practices.

Our financial strategy is focused on maintaining a strong balance sheet and maximizing shareholder value. We will continue to optimize our capital structure and explore new financing options to support our growth plans. The board of directors and management are committed to transparent reporting and effective communication with our stakeholders. We are confident that our strategic initiatives will position us for long-term success and continued growth.

1. $\frac{1}{2} \int_{-\infty}^{\infty} \delta(x) dx = \frac{1}{2}$

2. $\int_{-\infty}^{\infty} \delta(x) dx = 1$

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes the need for transparency and accountability in financial reporting.

API Business

API Business is a leading provider of API services, offering a wide range of solutions for businesses of all sizes. Our services are designed to help businesses streamline their operations, improve their customer experience, and increase their revenue. We have a proven track record of success, with a long list of satisfied clients and a strong reputation in the industry.

Our API Business is a leading provider of API services, offering a wide range of solutions for businesses of all sizes. Our services are designed to help businesses streamline their operations, improve their customer experience, and increase their revenue. We have a proven track record of success, with a long list of satisfied clients and a strong reputation in the industry.

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The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that proper record-keeping is essential for ensuring the integrity and reliability of financial data. This section also outlines the various methods used to collect and analyze data, highlighting the need for consistency and accuracy in all reporting.

The second part of the document focuses on the role of management in overseeing the financial operations of the organization. It discusses the importance of setting clear goals and objectives, and the need for regular communication and reporting to ensure that the organization is on track to meet these goals. This section also addresses the challenges of managing financial resources and the need for effective budgeting and cost control.

Outlook

The outlook for the organization is positive, with strong growth prospects in the coming years. This is due to the company's commitment to innovation and excellence in customer service, as well as its strategic focus on expanding into new markets and developing new products. The management team is confident that the company's financial performance will continue to improve, and that it will be well-positioned to meet the challenges of the future.

In conclusion, the document provides a comprehensive overview of the organization's financial performance and outlook. It highlights the company's strengths and achievements, and also identifies areas for improvement and future opportunities. The management team is committed to maintaining the highest standards of financial integrity and transparency, and to ensuring that the organization continues to grow and thrive in the years ahead.

1. *Staphylococcus aureus* (Staph aureus) is a Gram-positive, spherical bacterium that is commonly found on the skin and in the nose of humans and other mammals. It is a facultative anaerobe, meaning it can grow with or without oxygen. Staph aureus is known for its ability to form a protective biofilm, which makes it resistant to antibiotics and disinfectants. It is a major cause of skin infections, such as abscesses and boils, and is also responsible for more serious conditions like pneumonia and sepsis. The bacterium's resistance to many antibiotics is a significant public health concern.

2. *Escherichia coli* (E. coli) is a Gram-negative, rod-shaped bacterium that is a normal inhabitant of the human gut. Most strains are harmless, but some can cause illness. E. coli is a facultative anaerobe and can form a biofilm. It is a common cause of foodborne and waterborne illness, leading to symptoms like diarrhea and abdominal pain. Some strains, such as E. coli O157:H7, are particularly virulent and can cause severe complications like hemolytic uremic syndrome. The ability of E. coli to form a biofilm contributes to its persistence in the environment and on surfaces.

Financial Review

Revenue

For the six months ended June 30,

	2022	2022	2021	2021	Year-on-year
	Sales amount	% of Revenue	Sales amount	% of Revenue	increase/ decrease (%)
	RMB'000		RMB'000		
	(unaudited)		(unaudited)		
Product Sales	3,268,855	87.0%	2,911,164	93.7%	11.3%
License fees	1,601,941	42.6%	1,111,164	35.7%	44.1%
Other sales	1,610,312	42.9%	1,111,164	35.7%	44.1%
Other income	56,602	1.5%	37,164	1.2%	51.8%
Other revenue	468,180	12.5%	37,164	1.2%	1152.0%
Other	19,300	0.5%	37,164	1.2%	(48.3%)
Total	3,756,335	100.0%	3,111,164	100.0%	20.7%

(1) Other sales

(2) Other revenue

(3) Other

	2022	2021
Revenue	3,750,000	3,750,000
Cost of sales	(2,526,356)	(2,526,356)
Gross profit	1,223,644	1,223,644
Gross profit margin	32.9%	32.9%
Operating Costs	(907,644)	(907,644)
Gross profit	316,000	316,000
Gross profit margin	8.4%	8.4%

Cost of sales

	2022	2021
Revenue	3,750,000	3,750,000
Cost of sales	(2,526,356)	(2,526,356)
Gross profit	1,223,644	1,223,644
Gross profit margin	32.9%	32.9%

Operating Costs

Gross profit

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

(1) Revenue is derived from the sale of goods and services.

(2) Cost of sales includes the cost of goods sold and services provided.

<p> 2022 RMB'000 (unaudited) </p>	<p> 2021 RMB'000 (unaudited) </p>
<p> 511,140 </p>	<p> 447,841 </p>
<p> (62) </p>	<p> 1,141 </p>
<p> 14,393 </p>	<p> 14,754 </p>
<p> (5,220) </p>	<p> 1,741 </p>
<p> (797) </p>	<p> (1,141) </p>
<p> (1,449) </p>	<p> (1,741) </p>
<p> (22) </p>	<p> (14) </p>
<p> 6,843 </p>	<p> 4,741 </p>
<p> 504,297 </p>	<p> 467,741 </p>

For the six months ended June 30,

2022
RMB'000
(unaudited)

511,140

(62)

14,393

(5,220)

(797)

(1,449)

(22)

6,843

504,297

2021
RMB'000
(unaudited)

447,841

1,141

14,754

1,741

(1,141)

(1,741)

(14)

4,741

467,741

Earnings per Share

Our earnings per share are calculated in accordance with GAAP. The following table shows our earnings per share for the periods indicated. The following table shows our earnings per share for the periods indicated. The following table shows our earnings per share for the periods indicated. The following table shows our earnings per share for the periods indicated. The following table shows our earnings per share for the periods indicated.

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Liquidity and Financial Resources

Treasur Policies

Our treasury policies are designed to ensure that we have sufficient liquidity to meet our obligations. The following table shows our liquidity and financial resources for the periods indicated. The following table shows our liquidity and financial resources for the periods indicated. The following table shows our liquidity and financial resources for the periods indicated. The following table shows our liquidity and financial resources for the periods indicated. The following table shows our liquidity and financial resources for the periods indicated.

Liquidit and Financial Resources

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Capital Structure

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Pledge of Assets

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Contingent Liabilities

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Asset-liabilit Ratio

... () - % - %)-

Interest Rate Risk

... () - % - %)-

Indebtedness

	As at June 30, 2022 RMB'000 (unaudited)	B'000 (unaudited)
Long-term debt	6,962,759	1,037,175
Other debt	128,960	19,338
Total debt	7,091,719	1,056,513
Less: Cash and cash equivalents	(30,287)	(4,527)
Net debt	7,061,432	1,051,986
<p>As at June 30, 2022, the Company's net debt is RMB7,061,432 thousand (US\$1,051,986 thousand), which is 100% of the net debt of the Company as at June 30, 2022.</p>		
	As at June 30, 2022 RMB'000 (unaudited)	B'000 (unaudited)
Bank deposits	5,368,927	800,417
Accounts receivable	483,803	72,306
Accounts payable	630,692	94,138
Other receivables	479,337	71,700
Total	6,962,759	1,038,561
<p>As at June 30, 2022, the Company's net debt is RMB7,061,432 thousand (US\$1,051,986 thousand), which is 100% of the net debt of the Company as at June 30, 2022.</p>		

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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J 30, 2022

1. Corporate Information

The Group is a company incorporated in the PRC. The Group is a public company listed on the Hong Kong Stock Exchange. The Group's principal activities are the provision of information technology services and solutions. The Group is a wholly owned subsidiary of the parent company. The Group's financial statements are prepared in accordance with the accounting standards and practices generally accepted in the PRC. The Group's financial statements are audited by an independent member of the accounting profession. The Group's financial statements are prepared on a going concern basis. The Group's financial statements are prepared in accordance with the accounting standards and practices generally accepted in the PRC. The Group's financial statements are audited by an independent member of the accounting profession. The Group's financial statements are prepared on a going concern basis.

2.1 Basis of Preparation

The financial statements are prepared in accordance with the accounting standards and practices generally accepted in the PRC. The financial statements are audited by an independent member of the accounting profession. The financial statements are prepared on a going concern basis. The financial statements are prepared in accordance with the accounting standards and practices generally accepted in the PRC. The financial statements are audited by an independent member of the accounting profession. The financial statements are prepared on a going concern basis. The financial statements are prepared in accordance with the accounting standards and practices generally accepted in the PRC. The financial statements are audited by an independent member of the accounting profession. The financial statements are prepared on a going concern basis.

2.2 Changes in Accounting Policies and Disclosures

(a) The company has adopted the new accounting policy from 1st January 2020. The comparative figures are based on the old accounting policy. The new accounting policy is applied retrospectively. The impact of the change in accounting policy is as follows:

Particulars	2019	2020
Profit before tax	100	100
Income tax expense	(20)	(20)
Profit after tax	80	80
Retained earnings at the beginning of the period	50	50
Profit after tax for the year	80	80
Dividend paid	(10)	(10)
Retained earnings at the end of the period	120	120

The profit after tax for the year 2020 is the same as for the year 2019.

(b) The company has adopted the new accounting policy from 1st January 2020. The comparative figures are based on the old accounting policy. The new accounting policy is applied retrospectively. The impact of the change in accounting policy is as follows:

Particulars	2019	2020
Profit before tax	100	100
Income tax expense	(20)	(20)
Profit after tax	80	80
Retained earnings at the beginning of the period	50	50
Profit after tax for the year	80	80
Dividend paid	(10)	(10)
Retained earnings at the end of the period	120	120

The profit after tax for the year 2020 is the same as for the year 2019.

(c) The company has adopted the new accounting policy from 1st January 2020. The comparative figures are based on the old accounting policy. The new accounting policy is applied retrospectively. The impact of the change in accounting policy is as follows:

Particulars	2019	2020
Profit before tax	100	100
Income tax expense	(20)	(20)
Profit after tax	80	80
Retained earnings at the beginning of the period	50	50
Profit after tax for the year	80	80
Dividend paid	(10)	(10)
Retained earnings at the end of the period	120	120

The profit after tax for the year 2020 is the same as for the year 2019.

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3. Operating Segment Information

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Segment revenue and results

Segment	Finished dose pharmaceutical products	Active pharmaceutical ingredients	CDMO	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
China	1,601,941	1,610,312	468,180	75,902	3,756,335
Overseas	1,079,759	1,633,576	1,361	222,999	2,937,694
	<u>2,681,700</u>	<u>3,243,888</u>	<u>469,541</u>	<u>298,901</u>	<u>6,694,029</u>
Cost of sales					(2,937,694)
Gross profit					<u>3,756,335</u>
China	453,645	576,233	177,455	51,446	1,258,778
Overseas					(40,301)
					140,353
Manufacturing expenses					(243,563)
Research and development					(298,078)
Selling and administrative expenses					(9,252)
Depreciation and amortization					(892)
Finance income					(123,014)
Finance expenses					(54,990)
Income before income tax					<u>629,041</u>

● $\frac{1}{2} \int_{-\infty}^{\infty} \delta(t) f(t) dt = \frac{1}{2} f(0)$ (Dirac Delta)

$\int_{-\infty}^{\infty} \delta(t) f(t) dt = f(0)$
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Geographical information

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	For the six months ended June 30,	
	2022	2021
	RMB'000	B'000
	(unaudited)	(unaudited)
Revenue	61,857	1,000,000
Cost of sales	675,882	1,000,000
Operating expenses	1,906,724	1,000,000
Other income	319,804	1,000,000
Other expenses	792,068	1,000,000
	3,756,335	1,000,000

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	As at June 30,	
	2022	2021
	RMB'000	B'000
	(unaudited)	(unaudited)
Property, plant and equipment	2,863,063	1,000,000
Intangible assets	3,506,849	1,000,000
Goodwill	131,054	1,000,000
Other non-current assets	329,177	1,000,000

Information about major customers

For the six months ended June 30, 2022, the revenue from the top five customers accounted for 17.2% of the total revenue.	17.2%
For the six months ended June 30, 2021, the revenue from the top five customers accounted for 15.8% of the total revenue.	15.8%

4. Revenue

Revenue from contracts with customers

(1) 2022年6月30日止六个月的收入

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					
Finished dose pharmaceutical products	1,601,941	1,610,312	-	56,602	3,268,855
Active pharmaceutical ingredients	-	-	468,180	-	468,180
CDMO	-	-	-	19,300	19,300
	<u>1,601,941</u>	<u>1,610,312</u>	<u>468,180</u>	<u>75,902</u>	<u>3,756,335</u>
Timing of revenue recognition					
Finished dose pharmaceutical products	1,601,941	1,610,312	-	56,602	3,268,855
Active pharmaceutical ingredients	-	-	107,029	5,837	112,866
CDMO	-	-	361,151	13,463	374,614
	<u>1,601,941</u>	<u>1,610,312</u>	<u>468,180</u>	<u>75,902</u>	<u>3,756,335</u>

1. **Revenue recognition** (continued)

	2018	2017	2016	2015	2014
	B'000	B'000	B'000	B'000	B'000
Type of goods or services					
<input checked="" type="checkbox"/> Revenue from contracts with customers	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
<input type="checkbox"/> Revenue from other sources	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
<input type="checkbox"/> Revenue from government grants	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
<input type="checkbox"/> Revenue from other sources	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
Timing of revenue recognition					
<input type="checkbox"/> Revenue recognized in the period	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
<input checked="" type="checkbox"/> Revenue recognized in other periods	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
<input checked="" type="checkbox"/> Revenue recognized in other periods	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
<input type="checkbox"/> Revenue recognized in the period	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
<input type="checkbox"/> Revenue recognized in other periods	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
<input type="checkbox"/> Revenue recognized in the period	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111
<input type="checkbox"/> Revenue recognized in other periods	1,111,111	1,111,111	1,111,111	1,111,111	1,111,111

本公司在截至2022年6月30日止六個月內，並無發行任何可轉換為本公司股本的金融工具。本公司在截至2022年6月30日止六個月內，並無發行任何可轉換為本公司股本的金融工具。

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

(附註 1)

<p>本公司在截至2022年6月30日止六個月內，並無發行任何可轉換為本公司股本的金融工具。</p> <p>本公司在截至2022年6月30日止六個月內，並無發行任何可轉換為本公司股本的金融工具。</p> <p>本公司在截至2022年6月30日止六個月內，並無發行任何可轉換為本公司股本的金融工具。</p>	<p>5,407</p> <p>259,409</p> <hr style="border: 1px solid black;"/> <p>264,816</p> <hr style="border: 3px double black;"/>
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(C) 本公司在截至2022年6月30日止六個月內，並無發行任何可轉換為本公司股本的金融工具。

本公司在截至2022年6月30日止六個月內，並無發行任何可轉換為本公司股本的金融工具。本公司在截至2022年6月30日止六個月內，並無發行任何可轉換為本公司股本的金融工具。

CD

本公司在截至2022年6月30日止六個月內，並無發行任何可轉換為本公司股本的金融工具。本公司在截至2022年6月30日止六個月內，並無發行任何可轉換為本公司股本的金融工具。

本公司在截至2022年6月30日止六個月內，並無發行任何可轉換為本公司股本的金融工具。本公司在截至2022年6月30日止六個月內，並無發行任何可轉換為本公司股本的金融工具。

本公司在截至2022年6月30日止六個月內，並無發行任何可轉換為本公司股本的金融工具。本公司在截至2022年6月30日止六個月內，並無發行任何可轉換為本公司股本的金融工具。

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

(附註 1)

	<p>1,020,314</p> <hr style="border: 3px double black;"/>
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本公司在截至2022年6月30日止六個月內，並無發行任何可轉換為本公司股本的金融工具。本公司在截至2022年6月30日止六個月內，並無發行任何可轉換為本公司股本的金融工具。

5. Other Income and Gains

	For the six months ended June 30,	
	2022	2021
	RMB'000	B'000
	(unaudited)	(unaudited)
Other income		
Interest income	29,000	1,717
Dividend income	1,036	1,125
Income from disposal of property	13,358	1,125
Income from disposal of investment	4,843	1,125
Income from disposal of financial assets	-	1,125
	<u>48,237</u>	<u>4,117</u>
Other gains		
Gain on disposal of property	102,886	(1,125)
Gain on disposal of investment	2,255	1,125
Gain on disposal of financial assets	(12,155)	1,125
Gain on disposal of other assets	(2,194)	(1,125)
Gain on disposal of other financial assets	(62)	1,125
Gain on disposal of other financial assets	-	1,125
	<u>1,386</u>	<u>1,125</u>
	<u>92,116</u>	<u>(1,125)</u>
	<u><u>140,353</u></u>	<u><u>4,117</u></u>

The above table shows the breakdown of other income and gains for the six months ended June 30, 2022 and 2021. The amounts are in RMB'000 and B'000 respectively. The amounts are unaudited.

The above table shows the breakdown of other income and gains for the six months ended June 30, 2022 and 2021. The amounts are in RMB'000 and B'000 respectively. The amounts are unaudited.

7. Profit before Tax

	For the six months ended June 30,	
	2022	2021
	RMB'000	B'000
	(unaudited)	(unaudited)
Revenue	2,224,286	1,711,177
Cost of sales	(313,572)	(230,110)
Net sales	1,910,714	1,481,067
Other income	19,045	17,100
Other expenses	(25,559)	(20,100)
Government subsidies	79,104	60,000
Other non-operating income	4,987	1,000
Profit before tax	320,423	248,967
Income tax expense	(57,449)	(40,000)
Profit after tax	262,974	208,967
Minority interest	(3,189)	(1,000)
Profit attributable to equity holders of the Company	(29,000)	(10,000)
Other non-operating income	123,014	100,000
Other non-operating expenses	(4,843)	(10,000)
Other non-operating income	-	(10,000)
Other non-operating expenses	(102,886)	(10,000)
Other non-operating income	(2,255)	(10,000)
Other non-operating expenses	2,194	(10,000)
Other non-operating income	12,155	(10,000)
Other non-operating expenses	(47)	(10,000)
Other non-operating income	-	(10,000)
Other non-operating expenses	9,252	(10,000)
Other non-operating income	3,793	(10,000)
Other non-operating expenses	-	(10,000)

8. Income Tax Expense

	For the six months ended June 30,	
	2022	2021
	<i>RMB'000</i>	<i>B'000</i>
	(unaudited)	(unaudited)
Income tax expense	36,810	(11,111)
Deferred tax expense	57,684	(11,111)
Income tax expense	9,141	(11,111)
Income tax expense	7,667	(11,111)
	<u>111,302</u>	<u>(43,333)</u>
Income tax expense	12,387	(11,111)
Income tax expense	(5,421)	(11,111)
Income tax expense	369	(11,111)
	<u>7,335</u>	<u>(43,333)</u>
	<u><u>118,637</u></u>	<u><u>(43,333)</u></u>

9. Dividends

	For the six months ended June 30,	
	2022	2021
	<i>RMB'000</i>	<i>B'000</i>
	(unaudited)	(unaudited)
Dividends	51,355	(11,111)

For the six months ended June 30, 2022, the Company's income tax expense was RMB36,810,000 (unaudited), compared with RMB11,111,000 (unaudited) for the same period in 2021. The increase in income tax expense was primarily due to the increase in the Company's taxable income.

For the six months ended June 30, 2022, the Company's income tax expense was RMB7,667,000 (unaudited), compared with RMB11,111,000 (unaudited) for the same period in 2021. The decrease in income tax expense was primarily due to the decrease in the Company's taxable income.

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

For the six months ended June 30, 2022, the Company's earnings per share attributable to ordinary equity holders of the parent is calculated as follows:

	For the six months ended June 30, 2022	
	<i>RMB'000</i>	<i>B'000</i>
	(unaudited)	(unaudited)
Profit attributable to ordinary equity holders of the parent	511,140	74,240

	For the six months ended June 30, 2022	
	(unaudited)	(unaudited)
Weighted average number of ordinary shares outstanding	1,467,296,204	1,467,296,204

11. Trade and Bills Receivables

	As at June 30, 2022	
	<i>RMB'000</i>	<i>B'000</i>
	(unaudited)	(unaudited)
Trade receivables	1,865,656	271,577
Bills receivable	12,937	1,917
Less: provision for doubtful debts	(94,403)	(13,817)
	1,784,190	259,677

As at June 30, 2022, the Company's total assets were RMB1,784,190,000, of which RMB1,745,500,000 were non-current assets and RMB38,690,000 were current assets. The Company's total liabilities were RMB1,878,593,000, of which RMB1,849,903,000 were non-current liabilities and RMB28,690,000 were current liabilities. The Company's total equity was RMB94,403,000, of which RMB86,299,000 were non-current equity and RMB8,104,000 were current equity.

As at June 30, 2022, the Company's total assets were RMB1,784,190,000, of which RMB1,745,500,000 were non-current assets and RMB38,690,000 were current assets. The Company's total liabilities were RMB1,878,593,000, of which RMB1,849,903,000 were non-current liabilities and RMB28,690,000 were current liabilities. The Company's total equity was RMB94,403,000, of which RMB86,299,000 were non-current equity and RMB8,104,000 were current equity.

	As at June 30, 2022 RMB'000 (unaudited)	US\$'000 (unaudited)
Property, plant and equipment	1,745,500	267,110
Construction in progress	63,003	9,577
Intangible assets	63,555	9,671
Investments	6,535	1,000
	<u>1,878,593</u>	<u>287,358</u>
Liabilities	(94,403)	(14,330)
	<u>1,784,190</u>	<u>273,028</u>

As at June 30, 2022, the Company's total assets were RMB1,784,190,000, of which RMB1,745,500,000 were non-current assets and RMB38,690,000 were current assets. The Company's total liabilities were RMB1,878,593,000, of which RMB1,849,903,000 were non-current liabilities and RMB28,690,000 were current liabilities. The Company's total equity was RMB94,403,000, of which RMB86,299,000 were non-current equity and RMB8,104,000 were current equity.

	As at June 30, 2022 RMB'000 (unaudited)	US\$'000 (unaudited)
Equity	86,299	13,147
Reserves	6,905	1,053
Minority interest	-	-
Liabilities	1,199	183
	<u>94,403</u>	<u>14,330</u>

Use of Proceeds from the H Share Listing of the Company

Listing Date, Prospectus, %

Use of proceeds

Use of proceeds (RMB million)	Net proceeds from Global Offering	Utilised as at June 30, 2022	Remaining amount	Expected time of use
11	1,234	1,234	0	Completed
12	1,234	1,234	0	Completed
13	1,234	1,234	0	Completed
14	1,234	1,234	0	Completed
15	1,234	1,234	0	Completed
16	1,234	1,234	0	Completed
17	1,234	1,234	0	Completed
18	1,234	1,234	0	Completed
19	1,234	1,234	0	Completed
20	1,234	1,234	0	Completed
21	1,234	1,234	0	Completed
22	1,234	1,234	0	Completed
23	1,234	1,234	0	Completed
24	1,234	1,234	0	Completed
25	1,234	1,234	0	Completed
26	1,234	1,234	0	Completed
27	1,234	1,234	0	Completed
28	1,234	1,234	0	Completed
29	1,234	1,234	0	Completed
30	1,234	1,234	0	Completed
31	1,234	1,234	0	Completed
32	1,234	1,234	0	Completed
33	1,234	1,234	0	Completed
34	1,234	1,234	0	Completed
35	1,234	1,234	0	Completed
36	1,234	1,234	0	Completed
37	1,234	1,234	0	Completed
38	1,234	1,234	0	Completed
39	1,234	1,234	0	Completed
40	1,234	1,234	0	Completed
41	1,234	1,234	0	Completed
42	1,234	1,234	0	Completed
43	1,234	1,234	0	Completed
44	1,234	1,234	0	Completed
45	1,234	1,234	0	Completed
46	1,234	1,234	0	Completed
47	1,234	1,234	0	Completed
48	1,234	1,234	0	Completed
49	1,234	1,234	0	Completed
50	1,234	1,234	0	Completed
51	1,234	1,234	0	Completed
52	1,234	1,234	0	Completed
53	1,234	1,234	0	Completed
54	1,234	1,234	0	Completed
55	1,234	1,234	0	Completed
56	1,234	1,234	0	Completed
57	1,234	1,234	0	Completed
58	1,234	1,234	0	Completed
59	1,234	1,234	0	Completed
60	1,234	1,234	0	Completed
61	1,234	1,234	0	Completed
62	1,234	1,234	0	Completed
63	1,234	1,234	0	Completed
64	1,234	1,234	0	Completed
65	1,234	1,234	0	Completed
66	1,234	1,234	0	Completed
67	1,234	1,234	0	Completed
68	1,234	1,234	0	Completed
69	1,234	1,234	0	Completed
70	1,234	1,234	0	Completed
71	1,234	1,234	0	Completed
72	1,234	1,234	0	Completed
73	1,234	1,234	0	Completed
74	1,234	1,234	0	Completed
75	1,234	1,234	0	Completed
76	1,234	1,234	0	Completed
77	1,234	1,234	0	Completed
78	1,234	1,234	0	Completed
79	1,234	1,234	0	Completed
80	1,234	1,234	0	Completed
81	1,234	1,234	0	Completed
82	1,234	1,234	0	Completed
83	1,234	1,234	0	Completed
84	1,234	1,234	0	Completed
85	1,234	1,234	0	Completed
86	1,234	1,234	0	Completed
87	1,234	1,234	0	Completed
88	1,234	1,234	0	Completed
89	1,234	1,234	0	Completed
90	1,234	1,234	0	Completed
91	1,234	1,234	0	Completed
92	1,234	1,234	0	Completed
93	1,234	1,234	0	Completed
94	1,234	1,234	0	Completed
95	1,234	1,234	0	Completed
96	1,234	1,234	0	Completed
97	1,234	1,234	0	Completed
98	1,234	1,234	0	Completed
99	1,234	1,234	0	Completed
100	1,234	1,234	0	Completed

Significant Investments

During the reporting period, the Company has not made any significant investments. The Company's investments are primarily in the form of equity investments in its subsidiaries and associates, which are disclosed in the financial statements.

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

During the reporting period, the Company has not made any material acquisitions or disposals of subsidiaries, associates or joint ventures.

Events after the Reporting Period

There are no events after the reporting period that have a material effect on the financial statements of the Company.

Employee and Remuneration Policy

The Company's remuneration policy is designed to attract, retain and motivate key employees. The policy is based on the following principles:

- The remuneration of key employees should be linked to the performance of the Company and the individual.
- The remuneration of key employees should be competitive with the market.
- The remuneration of key employees should be structured to encourage long-term performance.

The Company's remuneration policy is set out in the Remuneration Policy Statement, which is available on the Company's website.

Purchase, Sale or Redemption of Listed Securities

During the reporting period, the Company has not purchased, sold or redeemed any listed securities.

Compliance with Corporate Governance Code

The Company is committed to high standards of corporate governance and is a signatory to the Corporate Governance Code. The Company's corporate governance practices are set out in the Corporate Governance Statement, which is available on the Company's website.

The Company has complied with all the provisions of the Corporate Governance Code during the reporting period.

The Company's corporate governance practices are based on the following principles:

- The Company should be led and managed with integrity.
- The Company should be transparent and accountable.
- The Company should be fair and equitable.
- The Company should be socially and environmentally responsible.

The Company's corporate governance practices are designed to create long-term value for all stakeholders.

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

During the past few years, I have been very fortunate to have worked with a group of people who are not only very professional but also very friendly. I have learned a lot from them and I will miss their company. I would like to express my appreciation to them for their help and support during my time here.

Shenzhen Hepalink Pharmaceutical Group Co., Ltd.

Li Li

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During the past few years, I have been very fortunate to have worked with a group of people who are not only very professional but also very friendly. I have learned a lot from them and I will miss their company. I would like to express my appreciation to them for their help and support during my time here.

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