



## I. ESTIMATED RESULTS FOR THE PERIOD

1. Period to which the estimated results apply: From January 1, 2023 to June 30, 2023
2. Expected operating results:  Loss  Turnaround  Increase compared with the corresponding period  Decrease compared with the corresponding period

Items	December - Reporting Period	Comparison
Net profit attributable to shareholders of the listed company	Earnings: RMB98.0 million to RMB127.0 million	Earnings: RMB511.1 million
	Decrease as compared with the corresponding period: 80.83% to 75.15%	
Net profit after non-recurring profit or loss	Earnings: RMB54.0 million to RMB81.0 million	Earnings: RMB504.3 million
	Decrease as compared with the corresponding period: 89.29% to 83.94%	
Basic earnings per share	Earnings: RMB0.0668 per share to RMB0.0866 per share	Earnings: RMB0.3484 per share

## II. COMMUNICATION WITH THE ACCOUNTING FIRM

The relevant data of this results estimate have not been pre-audited by an accounting firm.

**III. REASON FOR CHANGE IN THE RESULTS**

During the Reporting period, the heparin industry continued to face the severe challenges of destocking in end markets. The major heparin companies in the world saw a general decrease in their production rates, and the order demand for the active pharmaceutical ingredient (“API”) in heparin declined sharply. In the first half of the year, the export data of China’s heparin API was significantly lower than industry predictions and it is expected that the Company’s API business will be similarly affected. At the same time, due to the destocking, the Company’s finished-dose pharmaceutical business in international non-European and American markets also recorded decreases of varying degrees. On the CDMO business side, the Company saw business income returning to normal. After the order for the key enzymes required for the mRNA COVID-19 vaccine is completed, the new service contracts will require a longer period of time to achieve revenue recognition, putting pressure on the growth of the Company’s CDMO business’ revenue and profit.

During the reporting period, the net loss of HighTide Therapeutics, Inc., an associate of the Company, further increased due to reasons such as changes in the fair value of financial liabilities brought about by the application of listing on the Hong Kong Stock Exchange by HighTide Therapeutics, Inc., and valuation changes. The Company recognized an investment loss of approximately RMB230.0 million according to the accounting treatment for equity method (the same period of last year: RMB55.0 million). As this loss is reflected in the Company’s recurring profit and loss, the net profit during the reporting period has been significantly impacted.

**IV. OTHER RELEVANT INFORMATION**

The Company is still in the course of finalizing its consolidated financial results of the Group for the six months ended June 30, 2023. The information contained in this announcement is only based on the preliminary assessment made by the Board of Directors of the Company (the “Board”) by reference to the Group’s unaudited consolidated management accounts and the information currently available to the Board. Such information has neither been confirmed nor audited by the accounting firm of the Company or the audit committee of the Board and may be subject to change. Shareholders and potential investors are advised to refer to the Company’s announcement relating to the interim results of the Group for the six months ended June 30, 2023, which is expected to be published on or before August 31, 2023.

本公司董事會謹啟

By order of the Board  
HONGKONG PHARMACEUTICAL GROUP, LTD.  
L. L.  
Chairman

Shenzhen, the PRC  
July 14, 2023

*As at the date of this announcement, the executive directors of the Company are Mr. Li Li, Ms. Li Tan, Mr. Shan Yu and Mr. Zhang Ping; and the independent non-executive directors of the Company are Dr. Lu Chuan, Mr. Huang Pang and Mr. Yi Ming.*