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INNOCARE

诺诚健华

InnoCare Pharma Limited

諾誠健華醫藥有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 9969)

ANNOUNCEMENT IN RELATION TO THE ESTIMATED ANNUAL RESULTS FOR 2022

This announcement is made by InnoCare Pharma Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09(2) and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors and all directors of the Company warrant that the contents of this announcement do not contain any false, misleading statements or material omissions and assume liabilities for the authenticity, accuracy and completeness of its contents in respect thereof.

The principal financial data and indicators as set out in this announcement are preliminary data prepared in accordance with the PRC GAAP, and have not been audited by Company’s auditor.

I. ESTIMATED RESULTS DURING THE PERIOD

(I) Estimated results period

1 January 2022 to 31 December 2022.

(II) Estimated results

Based on a preliminary estimate by the finance department, after excluding non-recurring income and expenses (total of RMB491 million) from business development in 2021, and unrealised exchange losses (approximately RMB307 million) in 2022, as compared to the corresponding period of the previous year, in 2022, the net loss attributable to owners of the parent company was basically flat and the net loss after excluding non-recurring gains or losses attributable to owners of the parent company increased by approximately 6.3%.

Before taking into account non-recurring income and expenses from business development in 2021 and unrealised exchange losses in 2022, based on a preliminary estimate by the finance department:

The net profit attributable to owners of the parent company in 2022 is expected to be RMB-910 million, representing an increase in loss of approximately 1,309.8% as compared with that of the corresponding period of the previous year.

The net profit after excluding non-recurring gains or losses attributable to owners of the parent company in 2022 is expected to be RMB-950 million, representing an increase in loss of approximately 1,670.4% as compared with that of the corresponding period of the previous year.

II. OPERATING RESULTS AND FINANCIAL POSITIONS FOR THE CORRESPONDING PERIOD OF THE PREVIOUS YEAR

(I) Net profit attributable to owners of the parent company in 2021: RMB-64.546 million.

(II) Net profit after excluding non-recurring gains or losses attributable to owners of the parent company in 2021: RMB-53.6602 million.

III. MAIN REASONS FOR THE CHANGES IN RESULTS DURING THE PERIOD

In 2022, the Company steadily advanced its businesses, with a substantial increase in revenue from sales of drugs as compared to the corresponding period of the previous year. The main reasons for the decrease in profits are as follows:

(I) The Company entered into a strategic partnership with Biogen in 2021 and received its income from the first license-out payment of approximately RMB776 million, which led to a substantial increase in the Company's operating revenue in 2021.

- (II) As a bio-innovative drug company, the Company has been actively increasing its investment in research and development with increasing clinical programs in the PRC and internationally. After excluding the impact of the down payment made to Incyte Corporation in the previous year, its investment in research and development in 2022 increased by approximately 27% as compared to that of the previous year.
- (III) As affected by the fluctuation of the exchange rate of RMB against the United States dollar, the Company had an unrealised exchange loss of approximately RMB307 million in 2022, which had no actual impact on the Company's operating activities. This is due to that the Company is registered in the Cayman Islands and adopts the United States dollar as its reporting currency, and as the ordinary operation activities of the Company are mainly within the PRC, with RMB as the main payment currency, the funds of the Company for its listing in Hong Kong and additional issue of its shares are mainly converted into offshore RMB, the Company has higher amounts in RMB, which is not its reporting currency, in its books.
- (IV) Based on a preliminary estimate by the finance department, after excluding the factors of items (I), (II) and (III), the net loss attributable to owners of the parent company was basically flat and the net loss excluding non-recurring gains or losses attributable to owners of the parent company increased by approximately 6.3% as compared to the corresponding period of the previous year.

IV. RISK DISCLOSURE

The Company has not identified any material uncertainties affecting the accuracy of the contents of this announcement of the estimated results.

V. OTHER MATTERS

The foregoing estimated data is a preliminary review only. For the detailed and accurate financial data, please refer to the audited 2022 annual report to be formally disclosed by the Company. Investors are advised to pay attention to the investment risks.

By Order of the Board
InnoCare Pharma Limited
Dr. Jisong Cui
Chairperson and Executive Director

Hong Kong, 29 January 2023

As at the date of this announcement, the Board of Directors comprises Dr. Jisong Cui as Chairperson and executive Director, Dr. Renbin Zhao as executive Director, Dr. Yigong Shi, Mr. Ronggang Xie, Mr. Shan Fu and Mr. Ming Jin as non-executive Directors, and Dr. Zemin Jason Zhang, Ms. Lan Hu and Dr. Kaixian Chen as independent non-executive Directors.