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**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)**

**ANNUAL RESULTS ANNOUNCEMENT**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

( Board ) k  
 ( Company – Hepalink – )  
 ( Group – we – our – us – )  
 31, 2023 ( Reporting Period – Year – ),  
 31, 2022.

**RESULTS HIGHLIGHTS**

1. 5,431.0 (2022 7,151.0 ),
2. 855.4 (2022 36.4 ). E  
 2023, 1,796.3 (2022 2,326.5 ),  
 33.1% (2022  
 32.5%).
3. 940.9 (2022 2,290.2 ),  
 17.3% (2022 32.0%),  
 855.4
4. 2,979.0 (2022 3,210.5 ),
5. 1,307.3 (2022  
 2,673.8 ),
6. 967.0 (2022  
 1,084.1 ),
7. 783.3 (2022  
 727.4 ).

# **CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

*Year ended December 31, 2023*

	Notes	2023 RMB'000	2022 RMB'000 ( )*
<b>REVENUE</b>	4	<b>5,430,974</b>	7,151,039
		<b>(4,490,078)</b>	(4,860,850)
<b>Gross profit</b>		<b>940,896</b>	2,290,189
	5	<b>222,317</b>	207,431
		<b>(517,416)</b>	(518,502)
		<b>(674,546)</b>	(742,461)
		<b>(22,548)</b>	(61,067)
		<b>(68,155)</b>	
		<b>(44,515)</b>	
		<b>(9,801)</b>	
		<b>(78,528)</b>	(1,648)
	6	<b>(228,087)</b>	(245,629)
		<b>(447,951)</b>	(98,462)
<b>(LOSS)/PROFIT BEFORE TAX</b>	7	<b>(928,334)</b>	829,851
	8	<b>126,175</b>	(114,816)
<b>(LOSS)/PROFIT FOR THE YEAR</b>		<b>(802,159)</b>	715,035
		<b>(783,258)</b>	727,425
		<b>(18,901)</b>	(12,390)
<b>(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>	9	<b>RMB(0.53)</b>	0.50

\* Details of restatement are set out in note 2.2 on page 23

*Year ended December 31, 2023*

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# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*As at December 31, 2023*

		31 December 2023 RMB'000	31 2022 RMB'000 ( )*	1 2022 RMB'000 ( )*
	Notes			
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment		2,628,121	2,454,845	2,526,672
Intangible assets		220,883	244,443	239,854
Investments in subsidiaries		2,322,375	2,350,992	2,152,201
Investments in associates		389,423	462,908	472,969
Investments in equity instruments of other entities		1,004,046	989,386	1,146,465
Deferred tax assets		503,565	507,146	474,885
Other non-current assets		1,006,367	967,576	996,500
Prepaid expenses and deposits		320,503	141,475	123,197
Other receivables		203,865	224,948	206,016
		<u>8,599,148</u>	<u>8,343,719</u>	<u>8,338,759</u>
<b>CURRENT ASSETS</b>				
Accounts receivable		6,654,111	6,843,906	4,707,549
Prepaid expenses and deposits	10	1,263,584	1,606,211	1,525,209
Other receivables		10,947	19,534	14,993
Inventory		364,429	507,405	566,687
Financial assets at fair value through profit or loss		45,371	44,833	44,088
Other non-current assets		414,184	1,311,633	980,909
Prepaid expenses and deposits		—	10	248
Other receivables		80	69,388	11,581
Accounts payable		85,918	749,684	1,440,000
Other payables		1,765,645	1,319,707	1,479,633
		<u>10,604,269</u>	<u>12,472,311</u>	<u>10,770,897</u>
<b>CURRENT LIABILITIES</b>				
Accounts payable	11	302,223	427,433	385,787
Accounts receivable		388	—	—
Accounts payable		497,560	545,512	608,729
Accounts payable		362,052	428,218	377,814
Accounts payable		3,624,575	4,020,784	3,268,166
Accounts payable		157,178	112,257	112,997
Accounts payable		4,403	5,902	6,223
Accounts payable		37,803	35,690	31,754
		<u>4,986,182</u>	<u>5,575,796</u>	<u>4,791,470</u>

\* Details of restatement are set out in note 2.2 on page 23

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*As at December 31, 2023*

	31 December 2023	31 2022	1 2022
<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
		( )*	( )*
<b>NET CURRENT ASSETS</b>	<b><u>5,618,087</u></b>	<b><u>6,896,515</u></b>	<b><u>5,979,427</u></b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b><u>14,217,235</u></b>	<b><u>15,240,234</u></b>	<b><u>14,318,186</u></b>
<b>NON-CURRENT LIABILITIES</b>			
Long-term bank borrowings	1,810,021	2,296,680	2,250,270
Long-term employee benefits	30,426	32,547	16,673
Long-term employee benefits	252,568	328,920	275,358
<b>Long-term employee benefits</b>			

## Overview

2023, 2022. 48.5%, 3.3 50%, 2022.

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2023. 2023, 11,779 k. 5, 4,805 k. 2023. k. 2023. 2024 k. k. 855.4 -19 k. k E. ( HighTide-) 2023. 368.6 (2022 83.9 ) 15, 2024, ( Techdow Italy-), E 11.74 ( Italy Incident-). k 1) 14 2024, ( Mr. Li-), 89,809,600 ( Shenzhen Leren-), E 11.74 ), 2) k 11.7 9.74 ( 74.5 E ) 2023.

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## Sales

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## Heparin Industrial Chain Business

2022年1-6月，公司实现主营业务收入4,286.3万元（2021年1-6月实现主营业务收入5,884.3万元）。

2022年1-6月，公司实现利润总额1,000.0万元（2021年1-6月实现利润总额1,000.0万元）。



967.0 (2022 1,084.1 )  
22.0% (2022 38.5%).

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## Outlook

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## Financial Review

### Revenue

	For the year ended December 31,				Year-on-year increase/ decrease (%)
	2023	2023	2022	2022	
	Sales amount	% of Revenue	Sales amount	% of Revenue	
	RMB'000		RMB'000		
Revenue	4,415,058	81.3%	6,012,848	84.1%	-26.6%
Cost of sales	2,979,030	54.9%	3,210,465	44.9%	-7.2%
Gross profit	1,307,343	24.1%	2,673,754	37.4%	-51.1%
(1) Selling expenses	128,685	2.4%	128,629	1.8%	0.0%
(2) Administrative expenses	966,952	17.8%	1,084,066	15.2%	-10.8%
	48,964	0.9%	54,125	0.8%	-9.5%
<b>Total</b>	<b>5,430,974</b>	<b>100.0%</b>	<b>7,151,039</b>	<b>100%</b>	<b>-24.1%</b>

Revenue decreased by 26.6% in 2023 compared to 2022, mainly due to the decrease in the sales of the main products. The decrease in revenue was primarily driven by the decline in the sales of the main products, which accounted for 81.3% of the total revenue in 2023, compared to 84.1% in 2022. The decrease in revenue was also influenced by the decline in the sales of the other products, which accounted for 18.7% of the total revenue in 2023, compared to 15.9% in 2022.

### Cost of sales

Cost of sales decreased by 7.2% in 2023 compared to 2022, mainly due to the decrease in the cost of the main products. The decrease in cost of sales was primarily driven by the decline in the cost of the main products, which accounted for 54.9% of the total cost of sales in 2023, compared to 44.9% in 2022. The decrease in cost of sales was also influenced by the decline in the cost of the other products, which accounted for 45.1% of the total cost of sales in 2023, compared to 55.1% in 2022.



***Gross Profit***

	For the year ended December 31,			
	2023	2023	2022	2022
	Gross profit			
	Gross profit	margin		
	<i>RMB'000</i>	(%)	<i>RMB'000</i>	(%)
2023	693,525	15.7%	1,821,343	30.3%
2022	1,284,627	43.1%	1,132,402	35.3%



## Liquidity and Financial Resources

### Treasury Policies

As of 31, 2023, the Company's cash and cash equivalents were \$1,765.6 million, compared to \$1,319.7 million as of 31, 2022. The Company's cash and cash equivalents are held in various banks and are subject to credit risk. The Company's cash and cash equivalents are held in various banks and are subject to credit risk. The Company's cash and cash equivalents are held in various banks and are subject to credit risk.

### Liquidity and Financial Resources

As of 31, 2023, the Company's cash and cash equivalents were \$1,765.6 million, compared to \$1,319.7 million as of 31, 2022. The Company's cash and cash equivalents are held in various banks and are subject to credit risk. The Company's cash and cash equivalents are held in various banks and are subject to credit risk.

### Capital Structure

As of 31, 2023, the Company's capital structure was \$3,624.6 million, compared to \$4,020.8 million as of 31, 2022. The Company's capital structure is composed of common stock and preferred stock. The Company's capital structure is composed of common stock and preferred stock.

### Pledge of Assets

As of 31, 2023, the Company's pledged assets were \$2,995.5 million, compared to \$3,182.0 million as of 31, 2022. The Company's pledged assets are held in various banks and are subject to credit risk. The Company's pledged assets are held in various banks and are subject to credit risk.

### Contingent Liabilities

As of 31, 2023, the Company's contingent liabilities were \$8,406.6 million, compared to \$8,406.6 million as of 31, 2022. The Company's contingent liabilities are held in various banks and are subject to credit risk. The Company's contingent liabilities are held in various banks and are subject to credit risk.

### Asset-liability Ratio

As of 31, 2023, the Company's asset-liability ratio was 37.6%, compared to 40.4% as of 31, 2022. The Company's asset-liability ratio is calculated as the ratio of assets to liabilities. The Company's asset-liability ratio is calculated as the ratio of assets to liabilities.

## Interest Rate Risk

As at December 31, 2023	As at December 31, 2022
96.6%	92.7%
(31, 2023)	(31, 2022)

## Indebtedness

	As at December 31, 2023 RMB'000	31, 2022 RMB'000
As at December 31, 2023	5,434,596	6,317,464
As at December 31, 2022	128,220	146,439
As at December 31, 2023	5,562,816	6,463,903
As at December 31, 2022	(80)	(69,388)
As at December 31, 2023	5,562,736	6,394,515

	As at December 31, 2023 RMB'000	31, 2022 RMB'000
As at December 31, 2023	3,624,575	4,020,784
As at December 31, 2022	772,003	1,404,818
As at December 31, 2023	642,237	435,195
As at December 31, 2022	395,781	456,667
As at December 31, 2023	5,434,596	6,317,464

As at December 31, 2023	4,365.9
(31, 2022) 4,311.0	(31, 2023)
512.7	(31, 2022)
1,403.0	(31, 2023)
556.0	(31, 2022)
603.4	(31, 2022)

## December 31, 2023

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*Impact on the consolidated statements of financial position:*





### 3. Operating Segment Information

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- ( ) \_\_\_\_\_
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- ( ) \_\_\_\_\_.

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**For the year ended December 31, 2023 (continued)**

Segments	Finished dose pharmaceutical products	API	CDMO	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Segment assets</b>	<b>4,888,040</b>	<b>11,710,207</b>	<b>2,392,778</b>	<b>1,152,181</b>	<b>20,143,206</b>
Goodwill					
Identifiable intangible assets					(6,149,428)
Investment in subsidiaries					5,209,639
Other assets					19,203,417
<b>Segment liabilities</b>	<b>2,846,630</b>	<b>3,822,929</b>	<b>421,666</b>	<b>2,684,939</b>	<b>9,776,164</b>
Goodwill					
Identifiable intangible assets					(7,390,598)
Investment in subsidiaries					4,829,474
Other liabilities					7,215,040
<b>Other segment information</b>					
Segment revenue					
Revenue from sales of finished dose pharmaceutical products	3,859	28,520	68,490	44,150	145,019
Revenue from sales of API	50,921	104,098	84,492	138,337	377,848
Revenue from sales of CDMO services					1,004,046
Revenue from sales of other services					
Revenue from sales of other products	381,103	31,561	41,399	15,783	469,846

		31, 2022			
		in thousands of U.S. dollars			
		2022	2021	2020	2019
		RMB'000	RMB'000	RMB'000	RMB'000
<b>Segment revenue:</b>					
Product revenue		3,210,465	2,673,754	1,084,066	7,151,039
Service revenue		2,468,477	3,369,777	2,213	6,276,288
		<u>5,678,942</u>	<u>6,043,531</u>	<u>1,086,279</u>	<u>13,427,327</u>
E					(6,276,288)

31, 2022 (continued)

Description	RMB'000				
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	( )	( )	( )	( )	( )
<b>Segment assets</b>	4,272,831	12,057,357	2,573,751	1,169,499	20,073,438
<b>Elimination of inter-segment assets</b>					(5,442,142)
<b>Segment assets, net of inter-segment assets</b>					<u>6,184,734</u>
<b>Segment liabilities</b>	2,261,519	3,228,971	467,235	2,677,328	8,635,053
<b>Elimination of inter-segment liabilities</b>					(6,703,798)
<b>Segment liabilities, net of inter-segment liabilities</b>					<u>6,475,310</u>
<b>Other segment information</b>					<u>8,406,565</u>
<b>Segment assets, net of inter-segment assets, and segment liabilities, net of inter-segment liabilities</b>					
<b>Segment assets, net of inter-segment assets, and segment liabilities, net of inter-segment liabilities</b>	4,090	28,346	28,523	108	61,067
<b>Segment assets, net of inter-segment assets, and segment liabilities, net of inter-segment liabilities</b>	47,343	89,404	77,826	97,434	312,007
<b>Segment assets, net of inter-segment assets, and segment liabilities, net of inter-segment liabilities</b>					<u>989,386</u>
<b>Segment assets, net of inter-segment assets, and segment liabilities, net of inter-segment liabilities</b>	15,100	49,904	68,758	12,532	146,294

## Geographical information

### (a) Revenue from external customers

	2023 RMB'000	2022 RMB'000
China	18,098	103,018
Overseas	1,277,604	1,387,152
Elimination	2,615,709	3,729,856
Revenue from external customers	397,837	641,478
Revenue from government / related parties	1,121,726	1,289,535
Revenue from other parties	5,430,974	7,151,039

### (b) Non-current assets

	As at December 31, 2023 RMB'000	2022 RMB'000
Land use rights	2,878,234	2,705,525
Investment properties	3,356,795	3,610,134
Equity investments	126,362	129,267
Other non-current assets	407,322	282,596
Non-current assets	6,768,713	6,727,522

## Information about major customers

As at December 31, 2023, the revenue from the top five customers of the Group was RMB1,277,604 thousand, accounting for 32.3% of the total revenue. No customer accounted for 10% or more of the total revenue.

As at December 31, 2022, the revenue from the top five customers of the Group was RMB733,019,000, accounting for 22.5% of the total revenue. No customer accounted for 10% or more of the total revenue.

#### 4. Revenue

##### *Revenue from contracts with customers*

(-) *Revenue from contracts with customers*

**For the year ended December 31, 2023**

Segments	Finished dose pharmaceutical products <i>RMB'000</i>	API <i>RMB'000</i>	CDMO <i>RMB'000</i>	Others <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Types of goods or services</b>					
Finished dose pharmaceutical products	2,979,030	1,307,343	–	128,685	4,415,058
API	–	–	966,952	–	966,952
CDMO	–	–	–	48,964	48,964
<b>Total</b>	<b>2,979,030</b>	<b>1,307,343</b>	<b>966,952</b>	<b>177,649</b>	<b>5,430,974</b>
<b>Timing of revenue recognition</b>					
Revenue recognized at a point in time	2,979,030	1,307,343	–	128,685	4,415,058
Revenue recognized over time	–	–	456,111	13,818	469,929
<b>Total</b>	<b>–</b>	<b>–</b>	<b>510,841</b>	<b>35,146</b>	<b>545,987</b>
<b>Total</b>	<b>2,979,030</b>	<b>1,307,343</b>	<b>966,952</b>	<b>177,649</b>	<b>5,430,974</b>



31, 2022					
Types of goods or services	2021		2022		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Types of goods or services					
Construction services	3,210,465	2,673,754		128,629	6,012,848
Other services			1,084,066		1,084,066
				54,125	54,125
	<u>3,210,465</u>	<u>2,673,754</u>	<u>1,084,066</u>	<u>182,754</u>	<u>7,151,039</u>
Timing of revenue recognition					
At the time of contract completion	3,210,465	2,673,754		128,629	6,012,848
Over the course of the contract period			320,179	20,207	340,386
			763,887	33,918	797,805
	<u>3,210,465</u>	<u>2,673,754</u>	<u>1,084,066</u>	<u>182,754</u>	<u>7,151,039</u>

<p>2023年12月31日，本公司应收账款账面余额为440,940,000.00元，坏账准备余额为17,724,000.00元，应收账款净额为423,216,000.00元。2022年12月31日，本公司应收账款账面余额为448,929,000.00元，坏账准备余额为41,250,000.00元，应收账款净额为407,679,000.00元。</p>		
	2023 RMB'000	2022 RMB'000
应收账款	17,724	10,585
坏账准备	423,216	407,679
合计	440,940	418,264

(一) 按账龄披露

本公司应收账款按账龄披露如下：

#### Sale of products

本公司销售的产品为定制化的产品，其生产周期较长，通常在6个月以上。

#### CDMO services

本公司提供的CDMO服务，其生产周期较长，通常在6个月以上。2023年12月31日，本公司应收账款余额为440,940,000.00元，2022年12月31日，本公司应收账款余额为448,929,000.00元。

本公司应收账款余额较大，主要是由于本公司提供的CDMO服务，其生产周期较长，通常在6个月以上。2023年12月31日，本公司应收账款余额为440,940,000.00元，2022年12月31日，本公司应收账款余额为448,929,000.00元。

本公司应收账款余额较大，主要是由于本公司提供的CDMO服务，其生产周期较长，通常在6个月以上。2023年12月31日，本公司应收账款余额为440,940,000.00元，2022年12月31日，本公司应收账款余额为448,929,000.00元。

	2023 RMB'000	2022 RMB'000
应收账款	493,767	652,130

本公司应收账款余额较大，主要是由于本公司提供的CDMO服务，其生产周期较长，通常在6个月以上。2023年12月31日，本公司应收账款余额为440,940,000.00元，2022年12月31日，本公司应收账款余额为448,929,000.00元。

## 5. Other Income and Gains

	2023 RMB'000	2022 RMB'000
<b>Other income</b>		
— Bank interest income	39,521	54,139
— Dividend income from equity investments		
— Interest income from financial assets at fair value through profit or loss*	2,672	4,744
— Interest income from financial assets at amortized cost**	19,343	33,963
— Income from disposal of financial assets at fair value through profit or loss		
— Income from disposal of financial assets at amortized cost	36,433	7,107
— Other income	97,969	99,953
<b>Other gains</b>		
— Gain on disposal of subsidiaries	85,867	186,331
— Gain/(loss) on disposal of subsidiaries, net of income tax		
— Gain/(loss) on disposal of subsidiaries, net of income tax	1,014	(5,624)
— Gain/(loss) on disposal of subsidiaries, net of income tax	17,724	(74,831)
— Gain/(loss) on disposal of subsidiaries, net of income tax	(86)	(26,869)
— Gain/(loss) on disposal of subsidiaries, net of income tax	(1,678)	(2,760)
— Gain/(loss) on disposal of subsidiaries, net of income tax	7,265	21,771
— Gain/(loss) on disposal of subsidiaries, net of income tax	14,242	9,460
— Other gains	124,348	107,478
<b>Other income and gains</b>	222,317	207,431

## 6. Finance Costs

Finance costs are included in the consolidated statement of profit or loss.

	2023 RMB'000	2022 RMB'000
Interest on bank borrowings	185,053	160,912
Interest on finance lease	33,342	69,327
Interest on other financial assets	4,824	5,003
Interest on other financial liabilities	4,868	10,387
	<u>228,087</u>	<u>245,629</u>

## 7. Profit before Tax

Profit before tax is calculated as follows: (continued)

	2023 RMB'000	2022 RMB'000
Operating profit	3,721,533	4,191,405
Finance income	768,545	669,445
Finance costs	283,414	219,970
Share of profit of associates	38,341	38,741
Share of profit of joint ventures	56,093	53,296
Share of profit of equity-accounted entities *	182,433	252,142
Share of profit of subsidiaries	68,155	-
Share of profit of subsidiaries, joint ventures and associates	44,515	-
Profit before tax	8,640	6,010
Earnings per share (continued):		
Basic earnings per share	648,760	654,005
Diluted earnings per share	95,615	120,378
	<u>744,375</u>	<u>774,383</u>

	2023 RMB'000	2022 RMB'000
— 2023年12月31日	3,749	2,488
— 2022年12月31日	(39,521)	(54,139)
— 2023年12月31日	228,087	245,629
— 2022年12月31日	(36,433)	(7,107)
— 2023年12月31日	(85,867)	(186,331)
— 2022年12月31日	(1,014)	5,624
— 2023年12月31日	86	26,869
— 2022年12月31日	(17,724)	74,831
— 2023年12月31日	1,678	2,760
— 2022年12月31日	(7,265)	(21,771)
— 2023年12月31日	855,380	36,434
— 2022年12月31日	9,801	—
— 2023年12月31日	712	48,858
— 2022年12月31日	21,836	12,209
— 2023年12月31日	22,548	61,067
— 2022年12月31日		

\* 本公司在2023年12月31日及2022年12月31日，均无其他应付款项。

## 8. Income Tax (Credit)/Expense

	2023 RMB'000	2022 RMB'000 ( )
Current income tax expense	60,356	56,733
Deferred income tax expense	35,960	90,431
Equity-accounted investee	10,780	12,638
Income tax expense	4,357	(1,338)
	<u>111,453</u>	<u>158,464</u>
Current income tax credit	(148,044)	(2,873)
Deferred income tax credit	(46,882)	(41,162)
Equity-accounted investee	(42,702)	387
	<u>(237,628)</u>	<u>(43,648)</u>
Income tax (credit)/expense	<u>(126,175)</u>	<u>114,816</u>

## 9. (Loss)/Earnings per Share Attributable to Ordinary Equity Holders of the Parent

For the year ended December 31, 2023, the Company's basic earnings (loss) per share attributable to ordinary equity holders of the parent was RMB1.467,296,204 (2022: 1,467,296,204) and diluted earnings (loss) per share attributable to ordinary equity holders of the parent was RMB1.467,296,204 (2022: 1,467,296,204).

For the year ended December 31, 2023, the Company's basic earnings (loss) per share attributable to ordinary equity holders of the parent was RMB1.467,296,204 (2022: 1,467,296,204) and diluted earnings (loss) per share attributable to ordinary equity holders of the parent was RMB1.467,296,204 (2022: 1,467,296,204).

For the year ended December 31, 2023, the Company's basic earnings (loss) per share attributable to ordinary equity holders of the parent was RMB1.467,296,204 (2022: 1,467,296,204) and diluted earnings (loss) per share attributable to ordinary equity holders of the parent was RMB1.467,296,204 (2022: 1,467,296,204).

	2023 RMB'000	2022 RMB'000
( )/		
( )/		
	<u>(783,258)</u>	<u>727,425</u>
	<u>(783,258)</u>	<u>727,425</u>
Year ended December 31,		
2023		2022

WE		
	<u>1,467,296,204</u>	<u>1,467,296,204</u>
	<u>1,467,296,204</u>	<u>1,467,296,204</u>

# 10. Trade and Bills Receivables

	2023 RMB'000	2022 RMB'000
Trade receivables	1,300,441	1,712,557
Accounts receivable	3,182	8,118
Accounts receivable from related companies	(40,039)	(114,464)
	<u>1,263,584</u>	<u>1,606,211</u>

Trade receivables are recorded at the net amount, after deducting the allowance for doubtful accounts. The allowance for doubtful accounts is determined based on the aging of the trade receivables and the historical experience of the company. The allowance for doubtful accounts is recorded as a credit to the allowance for doubtful accounts and a debit to the trade receivables. The allowance for doubtful accounts is recorded as a credit to the allowance for doubtful accounts and a debit to the trade receivables.

The trade receivables are classified into three categories: trade receivables, accounts receivable, and accounts receivable from related companies. The trade receivables are classified into three categories: trade receivables, accounts receivable, and accounts receivable from related companies.

	2023 RMB'000	2022 RMB'000
Trade receivables	1,250,716	1,601,907
Accounts receivable	29,080	22,566
Accounts receivable from related companies	10,992	69,085
	<u>12,835</u>	<u>27,117</u>
	<u>1,303,623</u>	<u>1,720,675</u>
Accounts receivable from related companies	(40,039)	(114,464)
	<u>1,263,584</u>	<u>1,606,211</u>

The trade receivables are classified into three categories: trade receivables, accounts receivable, and accounts receivable from related companies. The trade receivables are classified into three categories: trade receivables, accounts receivable, and accounts receivable from related companies.

	2023 RMB'000	2022 RMB'000
Trade receivables	114,464	86,299
Accounts receivable	712	48,858
Accounts receivable from related companies	(76,268)	(23,841)
	<u>1,131</u>	<u>3,148</u>
	<u>40,039</u>	<u>114,464</u>

	2023	2022
	RMB'000	RMB'000
	302,223	427,433

		2023	2022
		RMB'000	RMB'000
Weighted average	1	299,729	424,520
1	2	355	548
2	3	445	1,373
3		1,694	992
		<u>302,223</u>	<u>427,433</u>

1.0 (2023. (2022

	2023	2022
	RMB'000	RMB'000
1,467,296,204 (2022: 1,467,296,204)	1,467,296	1,467,296



## Use of Proceeds from the H Share Listing of the Company

E, 8, 2020 (Listing Date–),  
 (Net Proceeds–) 3,538.4  
 24, 2020  
 (Prospectus–), 30%  
 1,061.5  
 30%  
 1,061.5  
 k  
 k E, k  
 20% (707.7)  
 20%  
 (707.7)

(Announcement–)  
 20, 2023,  
 861.9  
 k  
 15, 2023. 31, 2023,  
 704.3



## Significant Investments Held

During the year, the Company did not acquire any investments that are significant to the Company's financial position, and the Company did not dispose of any investments that are significant to the Company's financial position.

## Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

During the year, the Company did not acquire any subsidiaries, associates or joint ventures, and the Company did not dispose of any subsidiaries, associates or joint ventures.

## Employee and Remuneration Policy

As at 31, 2023, the Company had 2,080 employees. The Company's remuneration policy is to attract and retain the necessary personnel to achieve the Company's business objectives. The remuneration policy is based on the employee's performance, experience and qualifications. The remuneration policy is also based on the market conditions and the Company's financial performance. The Company's remuneration policy is approved by the Board of Directors. The Company's remuneration policy is also subject to the approval of the shareholders.

## Purchase, Sale or Redemption of Listed Securities

During the year, the Company did not purchase, sell or redeem any listed securities.

## Compliance with Corporate Governance Code

The Company has adopted the Corporate Governance Code (the "Code") as set out in the Listing Rules. The Company has complied with the Code throughout the year. The Company has also adopted the Code as set out in the Listing Rules. The Company has complied with the Code throughout the year. The Company has also adopted the Code as set out in the Listing Rules. The Company has complied with the Code throughout the year.

## Final Dividend

The Company has declared a final dividend of 1.0 (2022: 1.0) for the year ended 31, 2023 (2022: 1.0).

## Annual General Meeting

The 2023 Annual General Meeting of the Company will be held on Wednesday, 22, 2024. The meeting will be held at the Company's registered office, 17, 2024. The meeting will be held at the Company's registered office, 17, 2024. The meeting will be held at the Company's registered office, 17, 2024.

## Closure of Register of Members

### *For attending and voting at the 2023 AGM*

The Register of Members of the Company will be closed from Wednesday, 22, 2024, to Wednesday, 22, 2024. The Register of Members of the Company will be closed from Wednesday, 22, 2024, to Wednesday, 22, 2024. The Register of Members of the Company will be closed from Wednesday, 22, 2024, to Wednesday, 22, 2024.

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

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as its code of conduct for the Directors. The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as its code of conduct for the Directors. The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as its code of conduct for the Directors.

## Review of Annual Results by the Audit Committee

The Audit Committee has reviewed the Annual Results of the Company for the year ended 31, 2023. The Audit Committee has reviewed the Annual Results of the Company for the year ended 31, 2023. The Audit Committee has reviewed the Annual Results of the Company for the year ended 31, 2023.

## Scope of Work of Ernst & Young

Ernst & Young (“EY”) has been engaged by the Company to provide audit services for the Company’s financial statements for the year ended 31, 2023. EY has also been engaged by the Company to provide non-audit services for the year ended 31, 2023. EY has also been engaged by the Company to provide tax advisory services for the year ended 31, 2023. EY has also been engaged by the Company to provide other services for the year ended 31, 2023.

## Events after the Reporting Period

On March 14, 2024, the Company announced that it had received a notice from the China Securities Regulatory Commission (“CSRC”) regarding the Company’s 2023 annual report. The notice stated that the CSRC had identified certain issues with the Company’s 2023 annual report, including the Company’s failure to disclose certain information regarding its business operations and financial performance. The Company has been instructed to revise its 2023 annual report and resubmit it to the CSRC for review.

## Publication of Annual Report

The Company’s 2023 annual report will be published on the Company’s website and the Shanghai Stock Exchange website. The annual report will be available in both Chinese and English. The Company’s 2023 annual report will be published on the Company’s website and the Shanghai Stock Exchange website. The annual report will be available in both Chinese and English. The Company’s 2023 annual report will be published on the Company’s website and the Shanghai Stock Exchange website. The annual report will be available in both Chinese and English.

## Appreciation

The Company would like to express its appreciation to the shareholders, creditors, and other stakeholders for their support and cooperation. The Company will continue to work hard to improve its business performance and financial results.

**Shenzhen Hepalink Pharmaceutical Group Co., Ltd.**

**Li Li**

*Chairman*

March 28, 2024

*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 Peng and Mr. Yi Ming.*