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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. **Revenue** decreased by 5,431.0 (2022 **7,151.0**);
2. **Operating Profit** decreased by 855.4 (2022 **36.4**). **EBITDA** decreased by 1,796.3 (2022 **2,326.5**), **EBITDA margin** decreased by 32.5% (2022 **33.1%**).
3. **Operating Expenses** decreased by 940.9 (2022 **2,290.2**), **Operating Expenses margin** decreased by 17.3% (2022 **32.0%**), **Operating Profit margin** decreased by 855.4 (2022 **36.4**).
4. **Net Profit** decreased by 2,979.0 (2022 **3,210.5**);
5. **Net Profit margin** decreased by 2,673.8 (2022 **1,307.3**);
6. **Basic EPS** decreased by 1,084.1 (2022 **967.0**);
7. **Diluted EPS** decreased by 783.3 (2022 **727.4**).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended December 31, 2023

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

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended December 31, 2023

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
(LOSS)/PROFIT FOR THE YEAR	<u>(802,159)</u>	<u>715,035</u>
 OTHER COMPREHENSIVE INCOME		
Exchange differences on translation of foreign operations	51,000	260,977
Share of other comprehensive income of associates	(6,192)	(13,481)
Share of other comprehensive income of joint ventures	44,808	247,496
Share of other comprehensive income of subsidiaries	(9,234)	(5,554)
Other comprehensive income/(loss) from discontinued operations	(2,592)	67,688
Other comprehensive income/(loss) from equity-accounted investees	(11,826)	62,134
Other comprehensive income/(loss) from subsidiaries	32,982	309,630
Other comprehensive income/(loss) from associates	(769,177)	1,024,665
Other comprehensive income/(loss) from joint ventures	(750,324)	1,036,305
Other comprehensive income/(loss) from subsidiaries	<u>(18,853)</u>	<u>(11,640)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2023

	Notes	31 December 2023 RMB'000	31 2022 RMB'000 ()*	1 2022 RMB'000 ()*
NON-CURRENT ASSETS				
Property, plant and equipment		2,628,121	2,454,845	2,526,672
Intangible assets		220,883	244,443	239,854
Investments		2,322,375	2,350,992	2,152,201
Financial assets		389,423	462,908	472,969
Other non-current assets		1,004,046	989,386	1,146,465
Equity		503,565	507,146	474,885
Retained earnings		1,006,367	967,576	996,500
Other reserves		320,503	141,475	123,197
Minority interests		203,865	224,948	206,016
		<u>8,599,148</u>	<u>8,343,719</u>	<u>8,338,759</u>
CURRENT ASSETS				
Accounts receivable		6,654,111	6,843,906	4,707,549
Prepaid expenses and other receivables	10	1,263,584	1,606,211	1,525,209
Inventory		10,947	19,534	14,993
Other current assets		364,429	507,405	566,687
Financial assets		45,371	44,833	44,088
Other non-current assets		414,184	1,311,633	980,909
Accounts payable		-	10	248
Other payables		80	69,388	11,581
Contract liabilities		85,918	749,684	1,440,000
Other current liabilities		1,765,645	1,319,707	1,479,633
		<u>10,604,269</u>	<u>12,472,311</u>	<u>10,770,897</u>
CURRENT LIABILITIES				
Accounts payable	11	302,223	427,433	385,787
Contract liabilities		388	-	-
Other payables		497,560	545,512	608,729
Other current liabilities		362,052	428,218	377,814
Contract liabilities		3,624,575	4,020,784	3,268,166
Other current liabilities		157,178	112,257	112,997
Other current liabilities		4,403	5,902	6,223
Other current liabilities		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>
		()*	()*
NET CURRENT ASSETS	<u>5,618,087</u>	<u>6,896,515</u>	<u>5,979,427</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>14,217,235</u>	<u>15,240,234</u>	<u>14,318,186</u>
NON-CURRENT LIABILITIES			
Long-term bank borrowings	1,810,021	2,296,680	2,250,270
Long-term payables	30,426	32,547	16,673
Long-term employee benefits	252,568	328,920	275,358
Long-term employee benefits			

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Sales

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Heparin Industrial Chain Business

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Production capacity (million units) 4,286.3 (2022) 5,884.3 (2021).

CDMO Business

▼ 967.0 (2022 ▼ 1,084.1)
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Innovative Drugs and Innovative Business

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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 from operations	4,415,058	81.3%	6,012,848	84.1%	-26.6%
Revenue from investment	2,979,030	54.9%	3,210,465	44.9%	-7.2%
Revenue from other sources	1,307,343	24.1%	2,673,754	37.4%	-51.1%
(1) Revenue from government grants	128,685	2.4%	128,629	1.8%	0.0%
(2) Revenue from other government grants	966,952	17.8%	1,084,066	15.2%	-10.8%
	48,964	0.9%	54,125	0.8%	-9.5%
Total	5,430,974	100.0%	7,151,039	100%	-24.1%

Revenue from operations decreased by 1,597.8 million RMB, or 26.6%, from 6,012.8 million RMB in 2022 to 4,415.1 million RMB in 2023, mainly due to the decrease in revenue from operations of the Company's subsidiaries.

Cost of sales

Cost of sales decreased by 370.8 million RMB, or 4.9%, from 4,490.1 million RMB in 2022 to 4,860.9 million RMB in 2023, mainly due to the decrease in cost of sales of the Company's subsidiaries.

Gross Profit

	For the year ended December 31,			
	2023	2023	2022	2022
	Gross profit	Gross profit		
	<i>RMB'000</i>	margin	<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%

Impairment losses on goodwill

Impairment losses on goodwill were 68.2 million yen in the first quarter of 2018, compared with 10.5 million yen in the first quarter of 2017. The increase was primarily due to the impairment losses on goodwill of the Information Systems Division, which were 67.7 million yen in the first quarter of 2018, compared with 10.5 million yen in the first quarter of 2017. The increase was primarily due to the impairment losses on goodwill of the Information Systems Division, which were 67.7 million yen in the first quarter of 2018, compared with 10.5 million yen in the first quarter of 2017.

Impairment losses on property, plant and equipment and other intangible assets

Impairment losses on property, plant and equipment and other intangible assets were 44.5 million yen in the first quarter of 2018, compared with 1.5 million yen in the first quarter of 2017.

Liquidity and Financial Resources

Treasury Policies

As of 31, 2023, the Company's cash and cash equivalents were \$1,319.7 million, compared to \$1,765.6 million as of 31, 2022. The Company's accounts receivable were \$1,810.0 million as of 31, 2023, compared to \$2,296.7 million as of 31, 2022. The Company's inventory was \$3,624.6 million as of 31, 2023, compared to \$4,020.8 million as of 31, 2022. The Company's property, plant, and equipment were \$2,995.5 million as of 31, 2023, compared to \$3,182.0 million as of 31, 2022. The Company's intangible assets were \$19,203.4 million as of 31, 2023, compared to \$20,816.0 million as of 31, 2022. The Company's goodwill was \$8,406.6 million as of 31, 2023, compared to \$7,215.0 million as of 31, 2022. The Company's total assets were \$37.6% as of 31, 2023, compared to 40.4% as of 31, 2022.

Liquidity and Financial Resources

As of 31, 2023, the Company's cash and cash equivalents were \$1,319.7 million, compared to \$1,765.6 million as of 31, 2022. The Company's accounts receivable were \$1,810.0 million as of 31, 2023, compared to \$2,296.7 million as of 31, 2022. The Company's inventory was \$3,624.6 million as of 31, 2023, compared to \$4,020.8 million as of 31, 2022. The Company's property, plant, and equipment were \$2,995.5 million as of 31, 2023, compared to \$3,182.0 million as of 31, 2022. The Company's intangible assets were \$19,203.4 million as of 31, 2023, compared to \$20,816.0 million as of 31, 2022. The Company's goodwill was \$8,406.6 million as of 31, 2023, compared to \$7,215.0 million as of 31, 2022. The Company's total assets were \$37.6% as of 31, 2023, compared to 40.4% as of 31, 2022.

Capital Structure

As of 31, 2023, the Company's total debt was \$3,624.6 million, compared to \$4,020.8 million as of 31, 2022. The Company's total equity was \$1,810.0 million as of 31, 2023, compared to \$2,296.7 million as of 31, 2022. The Company's total capital was \$5,434.6 million as of 31, 2023, compared to \$6,317.5 million as of 31, 2022.

Pledge of Assets

As of 31, 2023, the Company's total pledged assets were \$2,995.5 million, compared to \$3,182.0 million as of 31, 2022.

Contingent Liabilities

As of 31, 2023, the Company's total contingent liabilities were \$19,203.4 million, compared to \$20,816.0 million as of 31, 2022.

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 total assets were \$37.6% as of 31, 2023, compared to 40.4% as of 31, 2022. The Company's total liabilities were \$62.4% as of 31, 2023, compared to 59.6% as of 31, 2022.

Interest Rate Risk

	As at December 31, 2023	As at December 31, 2022
Interest rate risk	96.6%	92.7%

Indebtedness

	As at December 31, 2023	As at December 31, 2022
Interest-bearing debt	5,434,596	6,317,464
Other debt	128,220	146,439
Total	5,562,816	6,463,903
Less: Cash and cash equivalents	(80)	(69,388)
Net indebtedness	5,562,736	6,394,515

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

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

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

December 31, 2023

1. Corporate Information

The Company is a public company incorporated in the People's Republic of China (PRC) on December 21, 1998. The Company's registered office is located at Room 1002, 10/F, No. 1002399, Jiefang Road, Shanghai, PRC. The Company's principal office is located at Room 1002, 10/F, No. 1002399, Jiefang Road, Shanghai, PRC. The Company's website is www.1002399.com. The Company's shares are listed on the Hong Kong Stock Exchange (HKSE) under the listing number 9989 on August 8, 2020. The Company's fiscal year ends on December 31. The Company's authorized share capital is 472,471,000 shares, of which 30,000,000 shares are held by the Company. The Company's registered capital is 472,471,000 shares, of which 30,000,000 shares are held by the Company.

2.1 Basis of Preparation

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRSs), (International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and applicable to the Company. The consolidated financial statements are prepared in Chinese Renminbi (RMB) and are presented in RMB ('000).

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries as of December 31, 2023. The consolidated financial statements are prepared on the basis of the financial statements of the Company and its subsidiaries, which are prepared in accordance with the accounting policies of the Company and its subsidiaries. The consolidated financial statements are prepared on the basis of the financial statements of the Company and its subsidiaries, which are prepared in accordance with the accounting policies of the Company and its subsidiaries.

2.2 Changes in Accounting Policies and Disclosures

1	<i>Disclosure of Accounting Policies</i>
2	
8	<i>Definition of Accounting Estimates</i>
12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
12	<i>International Tax Reform – Pillar Two Model Rules</i>

() 1 *Disclosure of Accounting Policies*

2 *Definition of Accounting Estimates*

8 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

12 *International Tax Reform – Pillar Two Model Rules*

() 8 *Definition of Accounting Estimates*

12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

12 *International Tax Reform – Pillar Two Model Rules*

() 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

12 *International Tax Reform – Pillar Two Model Rules*

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Impact on the consolidated statements of financial position:

	Increase/(decrease)		
	As at 31 December 2023 RMB'000	31 December 2022 RMB'000	31 December 2022 RMB'000
Assets			
Property, plant and equipment (Note 12)	2,244	1,826	1,479
Investment properties (Note 12)	2,244	1,826	1,479
Intangible assets (Note 12)	2,244	1,826	1,479
Prepaid expenses	2,244	1,826	1,479
Equity			
Shareholders' equity (Note 13)	2,244	1,826	1,479
Retained earnings	2,244	1,826	1,479
Reserves	-	-	-
Equity attributable to owners of the parent	2,244	1,826	1,479

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	Increase/(decrease) For the year ended 31 December	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	319	348
Cost of sales	319	348
	<u>319</u>	<u>348</u>
Employee benefits expense	99	-
	<u>99</u>	<u>-</u>
Finance income	418	348
Finance expense	-	-
	<u>418</u>	<u>348</u>

Revenue for the year ended 31 December 2023 was RMB319,000 (2022: RMB348,000). Revenue for the year ended 31 December 2023 was RMB319,000 (2022: RMB348,000).

- (c) Revenue for the year ended 31 December 2023 was RMB319,000 (2022: RMB348,000). Revenue for the year ended 31 December 2023 was RMB319,000 (2022: RMB348,000).
- Employee benefits expense for the year ended 31 December 2023 was RMB99,000 (2022: RMB0). Employee benefits expense for the year ended 31 December 2023 was RMB99,000 (2022: RMB0).
- Finance income for the year ended 31 December 2023 was RMB418,000 (2022: RMB348,000). Finance income for the year ended 31 December 2023 was RMB418,000 (2022: RMB348,000).
- Finance expense for the year ended 31 December 2023 was RMB0 (2022: RMB0). Finance expense for the year ended 31 December 2023 was RMB0 (2022: RMB0).

For the year ended December 31, 2023

Segments	Finished dose pharmaceutical				Total RMB'000
	products RMB'000	API RMB'000	CDMO RMB'000	Others RMB'000	
Segment revenue:					
Finished dose pharmaceutical products	2,979,030	1,307,343	966,952	177,649	5,430,974
Contract manufacturing services	3,469,110	2,137,584	1,309	270,601	5,878,604
	<u>6,448,140</u>	<u>3,444,927</u>	<u>968,261</u>	<u>448,250</u>	<u>11,309,578</u>
Segment results:					
Finished dose pharmaceutical products	1,224,118	(405,677)	213,038	59,932	1,091,411
Contract manufacturing services					(5,878,604)
					<u>5,430,974</u>
Exchange rate fluctuations					(150,515)
Impairment losses on financial assets					222,317
Impairment losses on investment properties					(517,416)
Impairment losses on intangible assets					(674,546)
Impairment losses on equity investments					(22,548)
Impairment losses on other financial assets					(68,155)
Impairment losses on other non-current assets					(9,801)
Impairment losses on other non-current assets					(44,515)
Impairment losses on other non-current assets					(78,528)
Impairment losses on other non-current assets					(228,087)
Impairment losses on other non-current assets					<u>(447,951)</u>
Group's loss before tax					<u><u>(928,334)</u></u>

For the year ended December 31, 2023 (continued)

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

31, 2022

	2022		2021		2020	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Segment revenue:						
Construction	3,210,465	2,673,754	1,084,066	182,754	7,151,039	
Construction materials	2,468,477	3,369,777	2,213	435,821	6,276,288	
Construction services	5,678,942	6,043,531	1,086,279	618,575	13,427,327	
Elimination of intercompany transactions						(6,276,288)

December 31, 2022 (continued)

	December 31, 2022		December 31, 2021		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	()	()	()	()	()
Segment assets	4,272,831	12,057,357	2,573,751	1,169,499	20,073,438
Elimination of inter-segment receivables					(5,442,142)
Elimination of inter-segment payables					6,184,734
					<u>20,816,030</u>
Segment liabilities	2,261,519	3,228,971	467,235	2,677,328	8,635,053
Elimination of inter-segment receivables					(6,703,798)
Elimination of inter-segment payables					6,475,310
					<u>8,406,565</u>
Other segment information					
Segment assets, net of inter-segment receivables	4,090	28,346	28,523	108	61,067
Segment liabilities, net of inter-segment payables	47,343	89,404	77,826	97,434	312,007
					<u>989,386</u>
Segment assets	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
Erasmus	2,615,709	3,729,856
Other	397,837	641,478
Total	<u>1,121,726</u>	<u>1,289,535</u>
Total	<u><u>5,430,974</u></u>	<u><u>7,151,039</u></u>

Revenue from external customers is derived from the following geographical areas:

(b) Non-current assets

	As at December 31,	
	2023 RMB'000	2022 RMB'000
China	2,878,234	2,705,525
Overseas	3,356,795	3,610,134
Erasmus	126,362	129,267
Other	407,322	282,596
Total	<u>6,768,713</u>	<u>6,727,522</u>

Non-current assets are derived from the following geographical areas:

Information about major customers

As at December 31, 2023, the revenue from the top five customers of the Group was RMB1,121,726 thousand, which accounted for 10% of the total revenue of the Group.

As at December 31, 2022, the revenue from the top five customers of the Group was RMB733,019,000, which accounted for 10% of the total revenue of the Group.

4. Revenue

Revenue from contracts with customers

(C) *Revenue from contracts with customers*

For the year ended December 31, 2023

Segments	Finished dose pharmaceutical products	API	CDMO	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Types of goods or services					
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
	<u>2,979,030</u>	<u>1,307,343</u>	<u>966,952</u>	<u>177,649</u>	<u>5,430,974</u>
Timing of revenue recognition					
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
	<u>-</u>	<u>-</u>	<u>510,841</u>	<u>35,146</u>	<u>545,987</u>
	<u>2,979,030</u>	<u>1,307,343</u>	<u>966,952</u>	<u>177,649</u>	<u>5,430,974</u>

	31, 2022				
	2022		2021		2020
	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					
Completed in the reporting period	3,210,465	2,673,754	-	128,629	6,012,848
Completed in the previous reporting period	-	-	320,179	20,207	340,386
Completed in the previous reporting period	-	-	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>

2023年，公司实现营业收入440,940千元，较2022年增加15,150千元，增幅为3.5%。其中，产品销售实现营业收入423,216千元，较2022年增加10,585千元，增幅为2.6%；CDMO服务实现营业收入17,724千元，较2022年增加4,565千元，增幅为25.7%。

	2023 RMB'000	2022 RMB'000
营业收入	440,940	418,264
其中：		
产品销售	423,216	407,679
CDMO服务	17,724	10,585

(-) 营业收入

营业收入是指公司在日常经营活动中，因销售商品、提供劳务、让渡资产使用权等而形成的经济利益的总流入。

Sale of products

2023年，公司产品销售实现营业收入423,216千元，较2022年增加10,585千元，增幅为2.6%。

CDMO services

2023年，公司CDMO服务实现营业收入17,724千元，较2022年增加4,565千元，增幅为25.7%。2023年，公司CDMO服务实现营业收入15,150千元，较2022年增加4,565千元，增幅为25.7%。

2023年，公司CDMO服务实现营业收入17,724千元，较2022年增加4,565千元，增幅为25.7%。2023年，公司CDMO服务实现营业收入15,150千元，较2022年增加4,565千元，增幅为25.7%。

2023年，公司CDMO服务实现营业收入17,724千元，较2022年增加4,565千元，增幅为25.7%。2023年，公司CDMO服务实现营业收入15,150千元，较2022年增加4,565千元，增幅为25.7%。

	2023 RMB'000	2022 RMB'000
营业收入	493,767	652,130

2023年，公司实现营业收入493,767千元，较2022年增加15,150千元，增幅为3.5%。其中，产品销售实现营业收入423,216千元，较2022年增加10,585千元，增幅为2.6%；CDMO服务实现营业收入17,724千元，较2022年增加4,565千元，增幅为25.7%。

5. Other Income and Gains

	2023 RMB'000	2022 RMB'000
Other income		
Bank interest income	39,521	54,139
Dividend income		
* (100%)	2,672	4,744
** (100%)	19,343	33,963
Interest income on financial assets at fair value through profit or loss		
- Government bonds	36,433	7,107
	<u>97,969</u>	<u>99,953</u>
Other gains		
Gain on disposal of subsidiaries	85,867	186,331
Gain/(Loss) on disposal of investment properties		
- Investment properties	1,014	(5,624)
Gain/(Loss) on disposal of other financial assets		
- Other financial assets	17,724	(74,831)
Gain/(Loss) on disposal of other non-current assets		
- Other non-current assets	(86)	(26,869)
Gain/(Loss) on disposal of other current assets		
- Other current assets	(1,678)	(2,760)
Gain/(Loss) on disposal of other non-current liabilities		
- Other non-current liabilities	7,265	21,771
Gain/(Loss) on disposal of other current liabilities		
- Other current liabilities	14,242	9,460
	<u>124,348</u>	<u>107,478</u>
	<u><u>222,317</u></u>	<u><u>207,431</u></u>

* Dividend income from subsidiaries is derived from the subsidiaries' share of profit/(loss) after tax. Dividend income from subsidiaries is included in the consolidated financial statements of the subsidiaries in the period in which the dividends are received.

** Dividend income from subsidiaries is derived from the subsidiaries' share of profit/(loss) after tax. Dividend income from subsidiaries is included in the consolidated financial statements of the subsidiaries in the period in which the dividends are received. Dividend income from subsidiaries is included in the consolidated financial statements of the subsidiaries in the period in which the dividends are received. Dividend income from subsidiaries is included in the consolidated financial statements of the subsidiaries in the period in which the dividends are received. Dividend income from subsidiaries is included in the consolidated financial statements of the subsidiaries in the period in which the dividends are received. Dividend income from subsidiaries is included in the consolidated financial statements of the subsidiaries in the period in which the dividends are received.

Dividend income from subsidiaries is derived from the subsidiaries' share of profit/(loss) after tax. Dividend income from subsidiaries is included in the consolidated financial statements of the subsidiaries in the period in which the dividends are received. Dividend income from subsidiaries is included in the consolidated financial statements of the subsidiaries in the period in which the dividends are received. Dividend income from subsidiaries is included in the consolidated financial statements of the subsidiaries in the period in which the dividends are received. Dividend income from subsidiaries is included in the consolidated financial statements of the subsidiaries in the period in which the dividends are received.

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

* ...

8. Income Tax (Credit)/Expense

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

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

Basic earnings (loss) per share is calculated by dividing the net profit (loss) attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period. The weighted average number of ordinary shares outstanding is calculated as follows:

1,467,296,204	(2022 1,467,296,204)	Weighted average number of ordinary shares outstanding
		31, 2023 to 2022.

Weighted average number of ordinary shares outstanding is calculated as follows:

	31	to	31
2023			2022.

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

WE	<u><u>1,467,296,204</u></u>	<u><u>1,467,296,204</u></u>
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10. Trade and Bills Receivables

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Trade receivables	1,300,441	1,712,557
Accounts receivable	3,182	8,118
Accounts receivable from related companies	<u>(40,039)</u>	<u>(114,464)</u>
Trade and bills receivables	<u><u>1,263,584</u></u>	<u><u>1,606,211</u></u>
<p>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 creditworthiness of the debtors and the aging of the accounts receivable. The allowance for doubtful accounts is reviewed periodically and adjusted as necessary.</p> <p>Trade receivables are classified into three categories based on the credit terms: 1. Trade receivables with credit terms of 1/10, net 30; 2. Trade receivables with credit terms of 2/10, net 30; 3. Trade receivables with credit terms of 3/10, net 30.</p>		
	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Trade receivables with credit terms of 1/10, net 30	1,250,716	1,601,907
Trade receivables with credit terms of 2/10, net 30	29,080	22,566
Trade receivables with credit terms of 3/10, net 30	10,992	69,085
Trade receivables with credit terms of 3/10, net 30	<u>12,835</u>	<u>27,117</u>
Trade and bills receivables	1,303,623	1,720,675
Accounts receivable from related companies	<u>(40,039)</u>	<u>(114,464)</u>
Trade and bills receivables	<u><u>1,263,584</u></u>	<u><u>1,606,211</u></u>
<p>Trade and bills receivables are recorded at the net amount, after deducting the allowance for doubtful accounts. The allowance for doubtful accounts is determined based on the creditworthiness of the debtors and the aging of the accounts receivable. The allowance for doubtful accounts is reviewed periodically and adjusted as necessary.</p>		
	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Trade and bills receivables	114,464	86,299
Accounts receivable from related companies	712	48,858
Trade and bills receivables	<u>(76,268)</u>	<u>(23,841)</u>
Trade and bills receivables	<u>1,131</u>	<u>3,148</u>
Trade and bills receivables	<u><u>40,039</u></u>	<u><u>114,464</u></u>

11. Trade Payables

	2023 RMB'000	2022 RMB'000
Trade payables	<u>302,223</u>	<u>427,433</u>
Other payables		
1. Other payables	299,729	424,520
2. Other payables	355	548
3. Other payables	445	1,373
4. Other payables	1,694	992
	<u>302,223</u>	<u>427,433</u>
Other payables		
5. Other payables		
6. Other payables		
7. Other payables		
8. Other payables		
9. Other payables		
10. Other payables		
11. Other payables		
12. Other payables		
13. Other payables		
14. Other payables		
15. Other payables		
16. Other payables		
17. Other payables		
18. Other payables		
19. Other payables		
20. Other payables		
21. Other payables		
22. Other payables		
23. Other payables		
24. Other payables		
25. Other payables		
26. Other payables		
27. Other payables		
28. Other payables		
29. Other payables		
30. Other payables		

12. Dividends

Dividends payable	31	2023. (2022)
1. Dividends payable	1.0	(1.0)

13. Share Capital

	2023 RMB'000	2022 RMB'000
Share capital	<u>1,467,296,204</u>	<u>1,467,296,204</u>

Use of Proceeds from the H Share Listing of the Company

End of 2019	8, 2020 (Listing Date-)	3,538.4	24, 2020	k
	(Net Proceeds-)			
	(Prospectus-), 30%	1,061.5		
	30%	1,061.5		k
	20%	707.7		k
	20%	707.7		
	(Announcement-)			
	20, 2023,	861.9		k
	15, 2023.	704.3	31, 2023,	

Significant Investments Held

... 5% ...

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

... ...

Employee and Remuneration Policy

31, 2023, ... 2,080 ... k ... 744.4 (2022 ... 774.4 ...).

Purchase, Sale or Redemption of Listed Securities

...

Compliance with Corporate Governance Code

... 2 ... (Corporate Governance Code-) ... 1 ... k E ... (Listing Rules-).

Final Dividend

... 31, 2023 (2022 ... 1.0 ...).

Annual General Meeting

2023 ... WE ... 22, 2024. ... 2023 ... k E ...

Closure of Register of Members

For attending and voting at the 2023 AGM

2024 WE ... 22, 2024, ... 17, ... 17/, ... E ... 16 ... 4 30 ... 16, 2024.

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

... (... k ...) ... 3 ... Model Code-). ...

Review of Annual Results by the Audit Committee

... 31, 2023 ... k ... 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 reporting period ending 31, 2023. EY has issued its audit report on the Company’s financial statements for the reporting period ending 31, 2023, which is included in the Company’s annual report for 2023. EY’s audit report is available on the Company’s website.

Events after the Reporting Period

On February 14, 2024, the Company’s board of directors has approved the 2023 annual dividend of RMB 89,809,600 (equivalent to RMB 11.74 per share) to be distributed to the shareholders of the Company. The dividend will be paid on February 15, 2024.

Publication of Annual Report

The Company’s annual report for 2023 will be published on the Company’s website (www.hepalink.com) and the Hong Kong Stock Exchange website (www.hkex.com.hk) on February 28, 2024. The annual report will be available in both Chinese and English.

Appreciation

The Company would like to express its appreciation to the shareholders, creditors, business partners, and other stakeholders for their support and cooperation throughout the year.

Shenzhen Hepalink Pharmaceutical Group Co., Ltd.

Li Li

Chairman

February 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.