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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**

(the Board of Directors of Hepalink Pharmaceutical Group Co., Ltd. (the Company or Hepalink) (the Group, we, our or us) for the Reporting Period ended December 31, 2023 (the Reporting Period or Year), compared with the Reporting Period ended December 31, 2022.

RESULTS HIGHLIGHTS	
1.	Revenue (2023, RMB 5,431.0 million) (2022, RMB 7,151.0 million), decreased by 23.8%.
2.	Operating profit (2023, RMB 855.4 million) (2022, RMB 36.4 million), increased by 2,319.0 million, or 6373.1% (2022, 32.5%).
3.	Operating profit margin (2023, 15.76%) (2022, 0.51%), increased by 15.25 percentage points.
4.	Net profit (2023, RMB 1,796.3 million) (2022, RMB 2,326.5 million), decreased by 530.2 million, or 22.8%.
5.	Net profit margin (2023, 32.9%) (2022, 32.5%), increased by 0.4 percentage points.
6.	Basic earnings per share (2023, RMB 940.9) (2022, RMB 2,290.2), decreased by 1,349.3, or 59.0%.
7.	Basic earnings per share margin (2023, 17.3%) (2022, 32.0%), decreased by 14.7 percentage points.

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
		(4,490,078)	(4,860,850)
Gross profit		940,896	2,290,189
Cost of sales	5	222,317	207,431
Depreciation and amortization		(517,416)	(518,502)
Employee benefits		(674,546)	(742,461)
Impairment loss on disposal of non-current assets		(22,548)	(61,067)
Impairment loss on financial assets		(68,155)	-
Impairment loss on investment in subsidiaries		(44,515)	-
Impairment loss on investment in associates		(9,801)	-
Impairment loss on investment in joint ventures		(78,528)	(1,648)
Finance income	6	(228,087)	(245,629)
Finance expense		(447,951)	(98,462)
(LOSS)/PROFIT BEFORE TAX	7	(928,334)	829,851
Income tax expense/(income tax credit)	8	126,175	(114,816)
(LOSS)/PROFIT FOR THE YEAR		(802,159)	715,035
Non-controlling interests		(783,258)	727,425
Withholding tax		(18,901)	(12,390)
(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	9	RMB(0.53)	0.50

* 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		
Share of comprehensive income of associates and joint ventures (Note 12)		
Share of comprehensive income of equity-accounted investees (Note 12)		
Share of comprehensive income of structured entities (Note 12)		
Share of comprehensive income of subsidiaries (Note 12)	51,000	260,977
Share of comprehensive income of subsidiaries (Note 12)	<u>(6,192)</u>	<u>(13,481)</u>
Share of comprehensive income of subsidiaries (Note 12)		
Share of comprehensive income of subsidiaries (Note 12)	44,808	247,496
Share of comprehensive income of subsidiaries (Note 12)		
Share of comprehensive income of subsidiaries (Note 12)		
Share of comprehensive income of subsidiaries (Note 12)	(9,234)	(5,554)
Share of comprehensive income of subsidiaries (Note 12)	<u>(2,592)</u>	<u>67,688</u>
Share of comprehensive income of subsidiaries (Note 12)		
Share of comprehensive income of subsidiaries (Note 12)	(11,826)	62,134
Share of comprehensive income of subsidiaries (Note 12)		
Share of comprehensive income of subsidiaries (Note 12)	32,982	309,630
Share of comprehensive income of subsidiaries (Note 12)		
Share of comprehensive income of subsidiaries (Note 12)	<u>(769,177)</u>	<u>1,024,665</u>
Share of comprehensive income of subsidiaries (Note 12)		
Share of comprehensive income of subsidiaries (Note 12)	(750,324)	1,036,305
Share of comprehensive income of subsidiaries (Note 12)	<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 December 2022 RMB'000 (*)	31 December 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 in subsidiaries		2,322,375	2,350,992	2,152,201
Investments in associates		389,423	462,908	472,969
Long-term receivables		1,004,046	989,386	1,146,465
Long-term prepayments		503,565	507,146	474,885
Long-term deposits		1,006,367	967,576	996,500
Long-term financial assets		320,503	141,475	123,197
Long-term receivables		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
Accounts payable	10	1,263,584	1,606,211	1,525,209
Prepayments		10,947	19,534	14,993
Long-term deposits		364,429	507,405	566,687
Long-term receivables		45,371	44,833	44,088
Long-term prepayments		414,184	1,311,633	980,909
Long-term financial assets		-	10	248
Long-term receivables		80	69,388	11,581
Long-term deposits		85,918	749,684	1,440,000
Long-term receivables		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
Accounts receivable		388	-	-
Long-term deposits		497,560	545,512	608,729
Long-term receivables		362,052	428,218	377,814
Long-term prepayments		3,624,575	4,020,784	3,268,166
Long-term financial assets		157,178	112,257	112,997
Long-term receivables		4,403	5,902	6,223
Long-term deposits		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 December 2022	31 December 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 debt	1,810,021	2,296,680	2,250,270
Other non-current liabilities	30,426	32,540,734	16,673,000
	252,568	328,920	275,358

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

2023 w... w... 2023, w... 48.5%, w 3.3 2022. w 50%, w... 2022. 2023 5% 30.7 2023 2 8%.

2023 w... 4.5% 6.3% 4.9% 5.2% 5.2% w... w... w... w... w...

2023. 11,779

2023, 5, 4,805

2023. 2023.

2024 855.4

-19

2023. (HighTide-) 368.6

(2022) 83.9

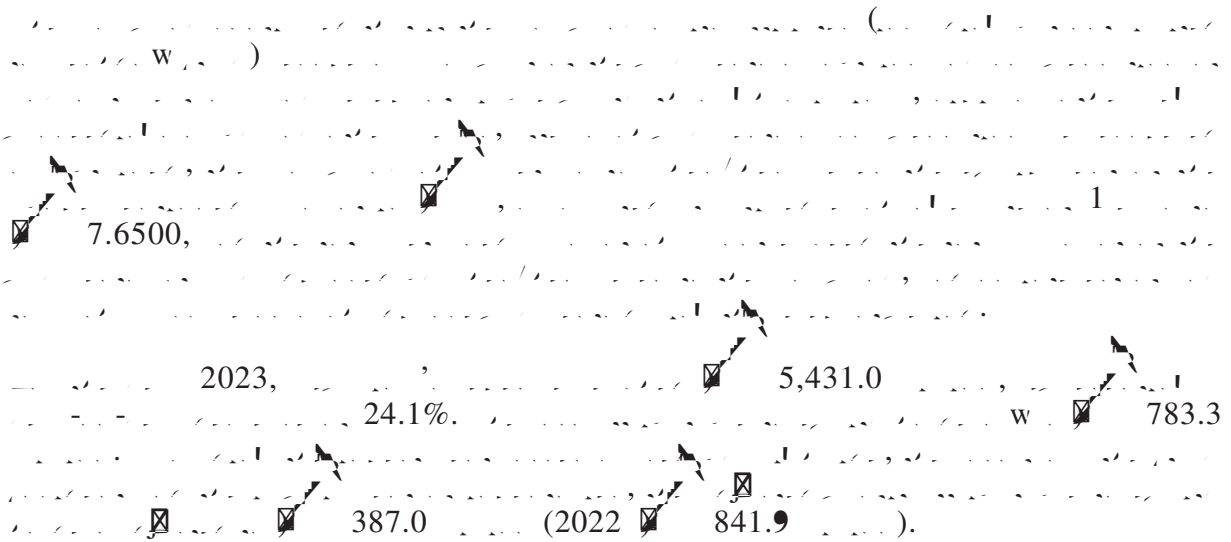
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1) 14 2024, (Mr. Li-), 89,809,600 (Shenzhen Lergen-), 11.74

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2023.



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2023,

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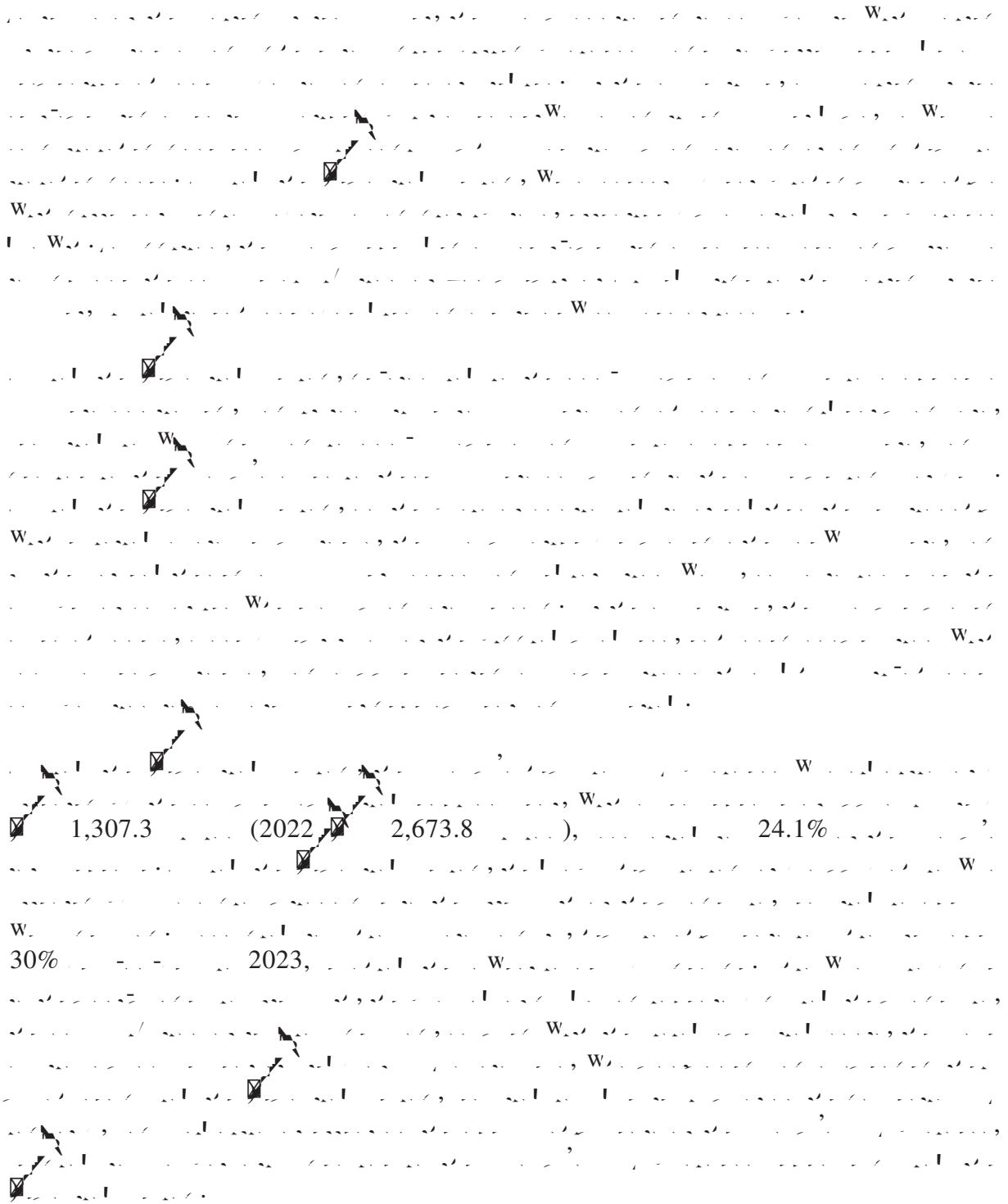
(**Techdow USA-**),

(**CTTQ-**),

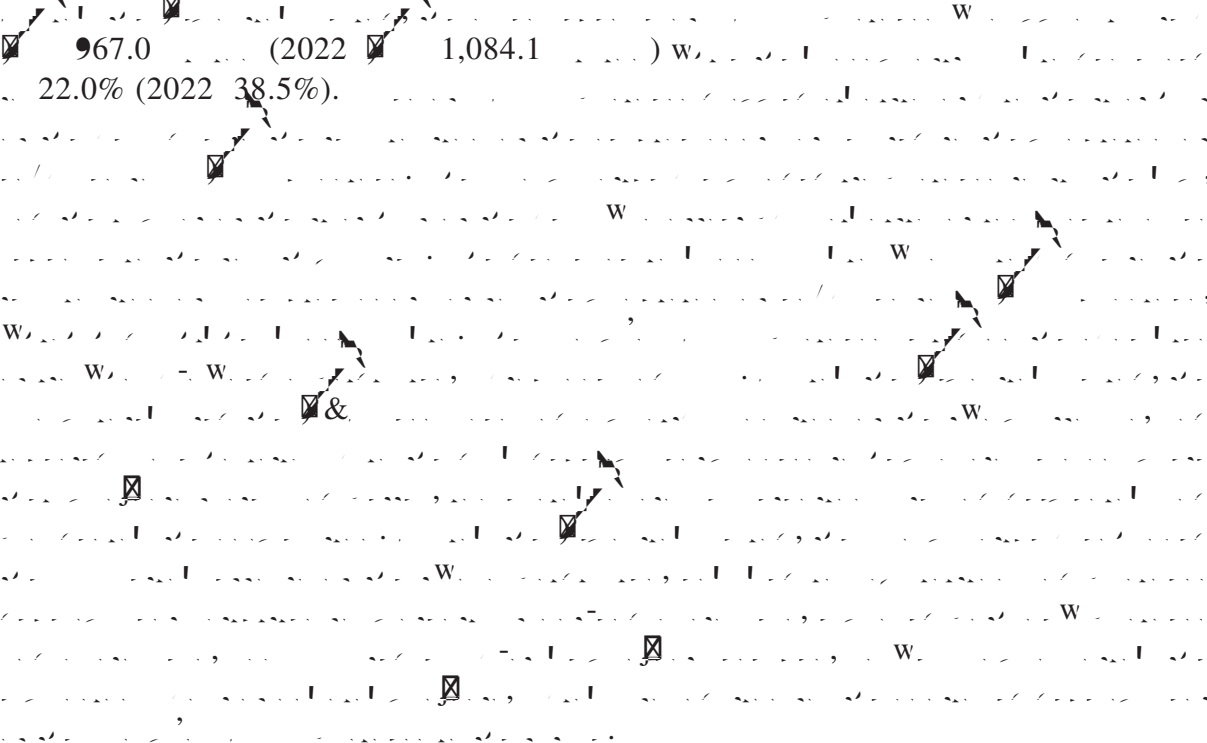
Sales

Heparin Industrial Chain Business

4,286.3 (2022 5,884.3).



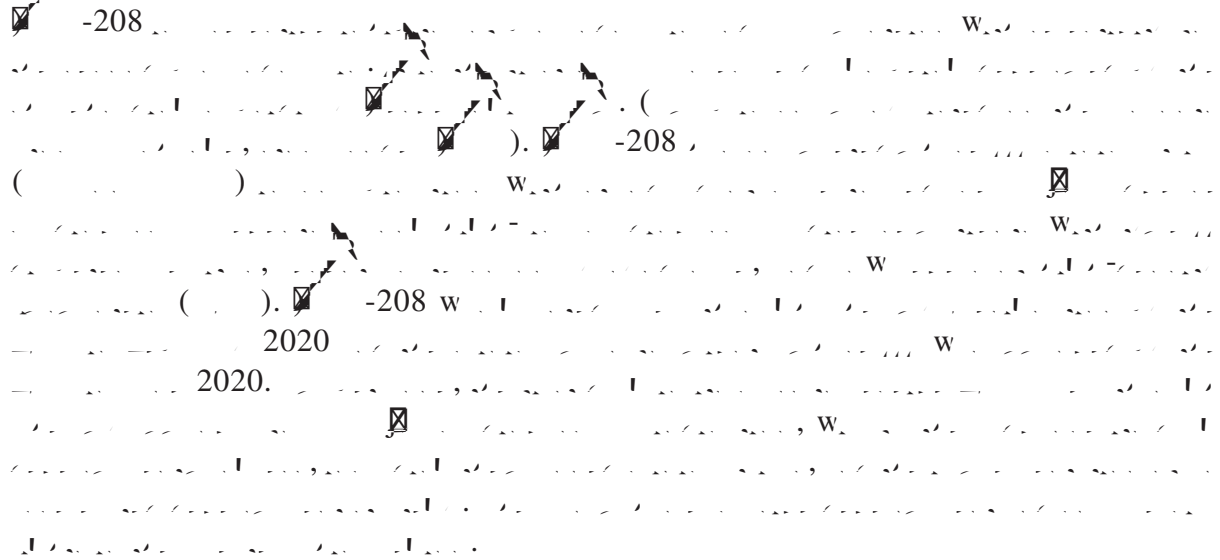
CDMO Business



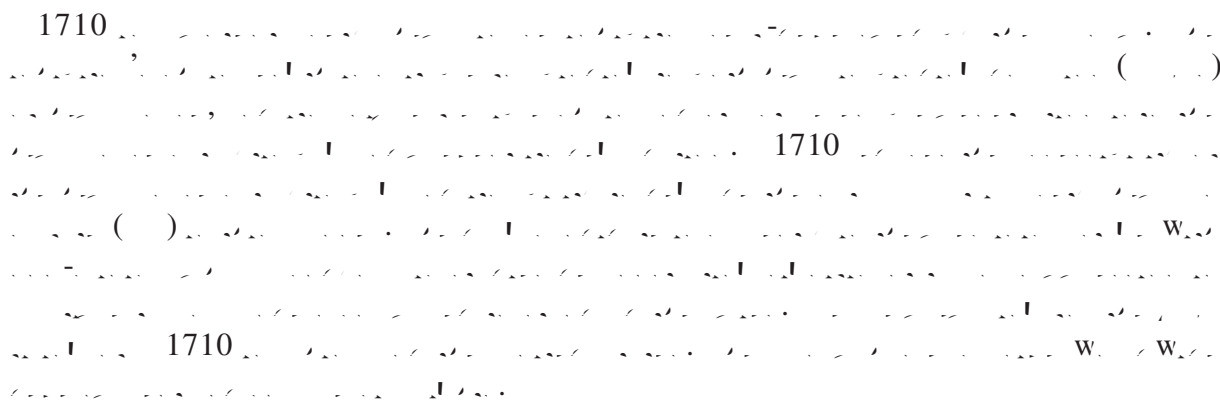
Innovative Drugs and Innovative Business

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RVX-208 (Apabetalone)



H1710



Outlook

The outlook for RVX-208 (Apabetalone) and H1710 is positive, with strong growth expected in 2020. The dashed line with square markers represents the outlook for RVX-208, and the solid line with triangle markers represents the outlook for H1710. The outlook is based on the following factors:

- Strong demand for RVX-208 (Apabetalone) and H1710.
- Increased production capacity for RVX-208 (Apabetalone) and H1710.
- Expansion of the sales and marketing network for RVX-208 (Apabetalone) and H1710.
- Strategic partnerships with key distributors and healthcare providers.

The outlook is based on the following factors:

- Strong demand for RVX-208 (Apabetalone) and H1710.
- Increased production capacity for RVX-208 (Apabetalone) and H1710.
- Expansion of the sales and marketing network for RVX-208 (Apabetalone) and H1710.
- Strategic partnerships with key distributors and healthcare providers.

Financial Review

Revenue

	For the year ended December 31,				Year-on-year increase/ decrease (%)
	2023	2023	2022	2022	
	Sales amount	% of Revenue		%	
	RMB'000		RMB'000		
Product sales	4,415,058	81.3%	6,012,848	84.1%	-26.6%
Service sales	2,979,030	54.9%	3,210,465	44.9%	-7.2%
Other sales	1,307,343	24.1%	2,673,754	37.4%	-51.1%
Government grants ⁽¹⁾	128,685	2.4%	128,629	1.8%	0.0%
Others ⁽²⁾	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%

Product sales decreased by 26.6% in 2023 compared with 2022, mainly due to the decrease in sales of mobile phone accessories, which decreased by 27.2% in 2023 compared with 2022. Service sales decreased by 7.2% in 2023 compared with 2022, mainly due to the decrease in sales of mobile phone accessories, which decreased by 27.2% in 2023 compared with 2022. Other sales decreased by 51.1% in 2023 compared with 2022, mainly due to the decrease in sales of mobile phone accessories, which decreased by 27.2% in 2023 compared with 2022. Government grants remained stable in 2023 compared with 2022. Others decreased by 10.8% in 2023 compared with 2022, mainly due to the decrease in sales of mobile phone accessories, which decreased by 27.2% in 2023 compared with 2022.

Cost of sales

Cost of sales decreased by 37.8% in 2023 compared with 2022, mainly due to the decrease in sales of mobile phone accessories, which decreased by 27.2% in 2023 compared with 2022. The decrease in sales of mobile phone accessories was mainly due to the decrease in sales of mobile phone accessories, which decreased by 27.2% in 2023 compared with 2022. The decrease in sales of mobile phone accessories was mainly due to the decrease in sales of mobile phone accessories, which decreased by 27.2% in 2023 compared with 2022.

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>	margin
		(%)		(%)
Cost of sales	693,525	15.7%	1,821,343	30.3%
Cost of services	1,284,627	43.1%	1,132,402	35.3%

Impairment losses on goodwill


	W	68.2
	W	
	W	
	W	
	W	
	W	
	W	
	W	
	W	
	W	

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

	W	44.5
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Liquidity and Financial Resources

Treasury Policies



 The Board of Directors has adopted a policy to maintain a minimum level of liquidity and financial resources to ensure the ability to meet the obligations of the Corporation. The Board has also adopted a policy to maintain a minimum level of liquidity and financial resources to ensure the ability to meet the obligations of the Corporation.

Liquidity and Financial Resources

As of 31, 2023, the Corporation had total liquidity and financial resources of 1,765.6, compared to 1,319.7 as of 31, 2022.

Capital Structure

As of 31, 2023, the Corporation had total capital of 3,624.6, compared to 2,296.7 as of 31, 2022. Total debt was 1,810.0 as of 31, 2022, compared to 4,020.8 as of 31, 2022.

Pledge of Assets

As of 31, 2023, the Corporation had total pledged assets of 2,995.5, compared to 3,182.0 as of 31, 2022.

Contingent Liabilities

As of 31, 2023, the Corporation had total contingent liabilities of 8,406.6, compared to 7,215.0 as of 31, 2022.

Asset-liability Ratio

As of 31, 2023, the Corporation had total assets of 19,203.4, compared to 20,816.0 as of 31, 2022. Total liabilities were 8,406.6 as of 31, 2022, compared to 7,215.0 as of 31, 2022. The asset-liability ratio was 40.4% as of 31, 2023, compared to 37.6% as of 31, 2022.

Interest Rate Risk

As at December 31, 2023, the weighted average maturity of the Group's financial assets was 1.1 years (December 31, 2022: 1.2 years) and the weighted average maturity of the Group's financial liabilities was 0.7 years (December 31, 2022: 0.7 years). The Group's weighted average maturity of financial assets was 96.6% (December 31, 2022: 92.7%).

Indebtedness

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

As at December 31, 2023, the Group's financial assets were primarily denominated in RMB, and its financial liabilities were primarily denominated in RMB.

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

As at December 31, 2023, the Group's financial assets were primarily denominated in RMB, and its financial liabilities were primarily denominated in RMB. The Group's weighted average maturity of financial assets was 1.1 years (December 31, 2022: 1.2 years) and the weighted average maturity of the Group's financial liabilities was 0.7 years (December 31, 2022: 0.7 years). The Group's weighted average maturity of financial assets was 96.6% (December 31, 2022: 92.7%).

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

December 31, 2023

1. Corporate Information

The Company was established in the People's Republic of China (PRC) on December 21, 1998. The Company's registration number is 002399. The Company was listed on the Hong Kong Stock Exchange (SEHK) on August 8, 2020. The Company's registration number on SEHK is 002399. The Company's fiscal year ends on December 31. The Company's registered office is located at 4724, 47th Floor, 30th Avenue, New York, NY 10018, United States of America. The Company's website is www.100000.com.hk.

2.1 Basis of Preparation

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRSs), (with modifications) as issued by the International Accounting Standards Board (IASB). The consolidated financial statements are presented in Chinese Renminbi Yuan (RMB) and are rounded to the nearest thousand (RMB '000). The consolidated financial statements are prepared on a going concern basis.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries as at and for the period ended December 31, 2023. The consolidated financial statements are prepared on a going concern basis. The consolidated financial statements are prepared in accordance with IFRSs, (with modifications) as issued by the IASB. The consolidated financial statements are presented in Chinese Renminbi Yuan (RMB) and are rounded to the nearest thousand (RMB '000). The consolidated financial statements are prepared on a going concern basis.

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2.2 Changes in Accounting Policies and Disclosures

1	Disclosure of Accounting Policies
2	
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

() 1 Making Materiality Judgements

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As at 31 December 2022, the Group's consolidated financial position was stable, with total assets of RMB2,244 million, total liabilities of RMB1,826 million and total equity of RMB1,479 million. The Group's consolidated financial performance for the year ended 31 December 2022 was as follows:

Revenue for the year ended 31 December 2022 was RMB1,826 million, an increase of RMB147.9 million (8.3%) compared with RMB1,479 million for the year ended 31 December 2021. The Group's consolidated operating profit for the year ended 31 December 2022 was RMB224.4 million, an increase of RMB147.9 million (66.7%) compared with RMB76.5 million for the year ended 31 December 2021. The Group's consolidated profit for the year ended 31 December 2022 was RMB224.4 million, an increase of RMB147.9 million (66.7%) compared with RMB76.5 million for the year ended 31 December 2021. The Group's consolidated profit for the year ended 31 December 2022 was RMB224.4 million, an increase of RMB147.9 million (66.7%) compared with RMB76.5 million for the year ended 31 December 2021.

Impact on the consolidated statements of financial position:

	Increase/(decrease)		
	As at 31 December 2023 RMB'000	31 December 2022 RMB'000	1 January 2022 RMB'000
Assets			
Property, plant and equipment	2,244	1,826	1,479
Intangible assets	2,244	1,826	1,479
Financial assets	2,244	1,826	1,479
Prepaid expenses	2,244	1,826	1,479
Equity			
Shareholders' equity	2,244	1,826	1,479
Reserves	2,244	1,826	1,479
Retained profits	—	—	—
Other reserves	2,244	1,826	1,479

The Group's consolidated financial position at 31 December 2022 was stable, with total assets of RMB2,244 million, total liabilities of RMB1,826 million and total equity of RMB1,479 million. The Group's consolidated financial performance for the year ended 31 December 2022 was as follows:

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
Finished dose pharmaceutical API	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>
Finished dose pharmaceutical CDMO					(5,878,604)
Finished dose pharmaceutical Others					<u>5,430,974</u>
Segment results:	1,224,118	(405,677)	213,038	59,932	1,091,411
Finished dose pharmaceutical products					(150,515)
Finished dose pharmaceutical API					222,317
Finished dose pharmaceutical CDMO					(517,416)
Finished dose pharmaceutical Others					(674,546)
Finished dose pharmaceutical CDMO					(22,548)
Finished dose pharmaceutical Others					(68,155)
Finished dose pharmaceutical CDMO					(9,801)
Finished dose pharmaceutical Others					(44,515)
Finished dose pharmaceutical CDMO					(78,528)
Finished dose pharmaceutical Others					(228,087)
Finished dose pharmaceutical CDMO					<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 <i>RMB'000</i>
	products <i>RMB'000</i>	API <i>RMB'000</i>	CDMO <i>RMB'000</i>	Others <i>RMB'000</i>	
Segment assets	4,888,040	11,710,207	2,392,778	1,152,181	20,143,206
Goodwill					(6,149,428)
Intangible assets					5,209,639
Property, plant and equipment					19,203,417
Segment liabilities	2,846,630	3,822,929	421,666	2,684,939	9,776,164
Goodwill					(7,390,598)
Intangible assets					4,829,474
Property, plant and equipment					7,215,040
Other segment information					
Prepaid expenses					
Accounts receivable	3,859	28,520	68,490	44,150	145,019
Accounts payable	50,921	104,098	84,492	138,337	377,848
Other receivables					1,004,046
Other payables	381,103	31,561	41,399	15,783	469,846

December 31, 2022

	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Segment revenue:					
Revenue from operations	3,210,465	2,673,754	1,084,066	182,754	7,151,039
Revenue from other sources	2,468,477	3,369,777	2,213	435,821	6,276,288
	<u>5,678,942</u>	<u>6,043,531</u>	<u>1,086,279</u>	<u>618,575</u>	<u>13,427,327</u>
Revenue from operations					(6,276,288)

December 31, 2022 (continued)

	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(12/31/22)	(12/31/21)	(12/31/21)	(12/31/21)	(12/31/21)
Segment assets	4,272,831	12,057,357	2,573,751	1,169,499	20,073,438
Goodwill					(5,442,142)
Identifiable intangible assets					6,184,734
					<u>20,816,030</u>
Segment liabilities	2,261,519	3,228,971	467,235	2,677,328	8,635,053
Goodwill					(6,703,798)
Identifiable intangible assets					6,475,310
					<u>8,406,565</u>
Other segment information					
Property, plant and equipment					
Leasehold improvements	4,090	28,346	28,523	108	61,067
Right-of-use assets	47,343	89,404	77,826	97,434	312,007
					<u>989,386</u>
Prepaid expenses	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
	2,615,709	3,729,856
Government	397,837	641,478
Non-government / Individual	1,121,726	1,289,535
	5,430,974	7,151,039

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
Property, plant and equipment	2,878,234	2,705,525
Intangible assets	3,356,795	3,610,134
Investments	126,362	129,267
Other non-current assets	407,322	282,596
	6,768,713	6,727,522

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

Information about major customers

As at December 31, 2023, the largest customer accounted for 10% of the revenue from external customers. As at December 31, 2022, the largest customer accounted for 10% of the revenue from external customers. As at December 31, 2022, the largest customer accounted for 10% of the revenue from external customers.

4. Revenue

Revenue from contracts with customers

(i) Revenue from contracts with customers

For the year ended December 31, 2023

Segments	Finished dose pharmaceutical products RMB'000	API RMB'000	CDMO RMB'000	Others RMB'000	Total RMB'000
Types of goods or services					
Finished dose pharmaceutical products	2,979,030	1,307,343	-	128,685	4,415,058
CDMO	-	-	966,952	-	966,952
Others	-	-	-	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 from contracts with customers	2,979,030	1,307,343	-	128,685	4,415,058
Revenue from contracts with customers - CDMO	-	-	456,111	13,818	469,929
Revenue from contracts with customers - Others	-	-	510,841	35,146	545,987
	<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

	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
Construction materials			1,084,066		1,084,066
Others				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					
Construction services	3,210,465	2,673,754		128,629	6,012,848
Construction materials			320,179	20,207	340,386
Others			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 RMB'000	2022 RMB'000
Contract revenue	17,724	10,585
Other revenue	423,216	407,679
Total revenue	440,940	418,264

(.) Revenue from contracts is primarily derived from the sale of products and CDMO services.

Sale of products

Revenue from the sale of products is primarily derived from the sale of pharmaceutical products.

CDMO services

Revenue from CDMO services is primarily derived from the provision of contract development and manufacturing organization services. Revenue from CDMO services was 15,000 RMB'000 in 2023.

Revenue from CDMO services is primarily derived from the provision of contract development and manufacturing organization services. Revenue from CDMO services was 15,000 RMB'000 in 2023.

Revenue from CDMO services is primarily derived from the provision of contract development and manufacturing organization services (including contract development and manufacturing organization) was 31,000 RMB'000 in 2023.

	2023 RMB'000	2022 RMB'000
Revenue from CDMO services	493,767	652,130

Revenue from CDMO services is primarily derived from the provision of contract development and manufacturing organization services. Revenue from CDMO services was 15,000 RMB'000 in 2023.

5. Other Income and Gains

	2023 RMB'000	2022 RMB'000
Other income		
Interest income	39,521	54,139
Dividend income		
* (100%)	2,672	4,744
** (100%)	19,343	33,963
Income from disposal of financial assets		
-/-	36,433	7,107
Other income	<u>97,969</u>	<u>99,953</u>
Other gains		
Income from disposal of financial assets	85,867	186,331
Gain/(loss) on disposal of subsidiaries		
-/-	1,014	(5,624)
Gain/(loss) on disposal of associates		
-/-	17,724	(74,831)
Gain/(loss) on disposal of investments		
-/-	(86)	(26,869)
Gain/(loss) on disposal of other financial assets		
-/-	(1,678)	(2,760)
Gain/(loss) on disposal of other assets		
-/-	7,265	21,771
Other gains	<u>14,242</u>	<u>9,460</u>
Other gains	<u>124,348</u>	<u>107,478</u>
Other income and gains	<u><u>222,317</u></u>	<u><u>207,431</u></u>

* The dividend income is derived from the disposal of the 100% equity interest in the subsidiary, which is a wholly owned subsidiary of the Company.

** The dividend income is derived from the disposal of the 100% equity interest in the subsidiary, which is a wholly owned subsidiary of the Company. The dividend income is derived from the disposal of the 100% equity interest in the subsidiary, which is a wholly owned subsidiary of the Company. The dividend income is derived from the disposal of the 100% equity interest in the subsidiary, which is a wholly owned subsidiary of the Company.

The dividend income is derived from the disposal of the 100% equity interest in the subsidiary, which is a wholly owned subsidiary of the Company. The dividend income is derived from the disposal of the 100% equity interest in the subsidiary, which is a wholly owned subsidiary of the Company.

6. Finance Costs

本集團的財務成本如下：

	2023 RMB'000	2022 RMB'000
短期貸款	185,053	160,912
應付短期票據	33,342	69,327
應付銀行存款	4,824	5,003
其他應付短期票據	4,868	10,387
	228,087	245,629

7. Profit before Tax

本集團的稅前利潤如下：

	2023 RMB'000	2022 RMB'000
銷售收入	3,721,533	4,191,405
銷售成本	768,545	669,445
毛利	2,952,988	3,521,960
其他收入	283,414	219,970
其他收益	38,341	38,741
其他虧損	(56,093)	(53,296)
其他虧損*	182,433	252,142
其他收入	68,155	-
其他收入	44,515	-
其他收入	8,640	6,010
其他收入 (附註 10)	-	-
其他收入	648,760	654,005
其他收入	95,615	120,378
	744,375	774,383

	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)
..... W.....	855,380	36,434
.....	9,801	-
.....	712	48,858
.....	21,836	12,209
.....	<u>22,548</u>	<u>61,067</u>

*

8. Income Tax (Credit)/Expense

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

The following table shows the calculation of the (Loss)/Earnings per Share Attributable to Ordinary Equity Holders of the Parent for the years ended December 31, 2023 and 2022. The (Loss)/Earnings per Share Attributable to Ordinary Equity Holders of the Parent for the year ended December 31, 2023 is 1,467,296,204 (2022: 1,467,296,204).

The following table shows the calculation of the (Loss)/Earnings per Share Attributable to Ordinary Equity Holders of the Parent for the years ended December 31, 2023 and 2022.

	2023 RMB'000	2022 RMB'000
(Loss)/Earnings	(783,258)	727,425
(Loss)/Earnings per Share Attributable to Ordinary Equity Holders of the Parent	<u><u>(783,258)</u></u>	<u><u>727,425</u></u>
	Year ended December 31,	2022
	2023	2022
	<u><u>1,467,296,204</u></u>	<u><u>1,467,296,204</u></u>

10. Trade and Bills Receivables

	2023	2022
	RMB'000	RMB'000
Trade receivables	1,300,441	1,712,557
Accounts receivable	3,182	8,118
Other receivables	(40,039)	(114,464)
	1,263,584	1,606,211

The Company's trade receivables are primarily from the sale of its products to customers in the domestic market. The Company's trade receivables are denominated in RMB. The Company's trade receivables are primarily from the sale of its products to customers in the domestic market. The Company's trade receivables are denominated in RMB.

The Company's trade receivables are primarily from the sale of its products to customers in the domestic market. The Company's trade receivables are denominated in RMB.

	2023	2022
	RMB'000	RMB'000
1 year or less	1,250,716	1,601,907
1 year to 2 years	29,080	22,566
2 years to 3 years	10,992	69,085
over 3 years	12,835	27,117
	1,303,623	1,720,675
Other receivables	(40,039)	(114,464)
	1,263,584	1,606,211

The Company's trade receivables are primarily from the sale of its products to customers in the domestic market. The Company's trade receivables are denominated in RMB.

	2023	2022
	RMB'000	RMB'000
Accounts receivable	114,464	86,299
Accounts payable	712	48,858
Other receivables	(76,268)	(23,841)
Other payables	1,131	3,148
	40,039	114,464

11. Trade Payables

	2023	2022
	RMB'000	RMB'000
Accounts payable	302,223	427,433
<p>Accounts payable are measured at amortized cost. The carrying amount is equal to the face value as the impact of interest accrued is immaterial.</p>		
	2023	2022
	RMB'000	RMB'000
1 year or less	299,729	424,520
1 year to 2 years	355	548
2 years to 3 years	445	1,373
over 3 years	1,694	992
	302,223	427,433
<p>The weighted average duration of accounts payable is approximately 30.90 days.</p>		

12. Dividends

On 31 December 2023, the Company has declared a cash dividend of RMB1.0 (2022: RMB1.0) per share.

13. Share Capital

	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

	W		
	8, 2020 (Listing Date-)	
	(Net Proceeds-)	3,538.4
			24, 2020
	(Prospectus-)	30%
1,061.5			
		30%	
1,061.5			
		20%	
			707.7
			20%
			707.7

	(Announcement-)	
	20, 2023,		
861.9			
W		W	
W		W	
		15, 2023.	31, 2023,
		704.3	
W			

Significant Investments Held

5%
W

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

W

Employee and Remuneration Policy

31, 2023, 2,080 W
W
744.4 (2022 774.4 W)

Purchase, Sale or Redemption of Listed Securities

W

Compliance with Corporate Governance Code

2 (Corporate Governance Code)
1 (Listing Rules)
W

W
W

Final Dividend

31, 2023 (2022 1.0 W)

Annual General Meeting

2023 W... 22, 2024. 2023
W... W...

Closure of Register of Members

For attending and voting at the 2023 AGM

W... 17,
2024, 22, 2024, W...
W... 17/
16 4 30 16,
2024.

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

W... (w...
)
3 (Model Code-).
W...
W... W...

Review of Annual Results by the Audit Committee

W...
31, 2023
W...
31, 2023 W...

Scope of Work of Ernst & Young

Ernst & Young (EY) was engaged by the Company to audit the financial statements of the Company for the period from January 1, 2023 to December 31, 2023. EY issued its audit report on February 14, 2024, and the audit report is available on the Company's website (<http://www.hepalink.com>) and the Company's annual report for 2023.

Events after the Reporting Period

On February 14, 2024, the Company's share price closed at 11.74 yuan per share. On February 15, 2024, the Company's share price closed at 89,809,600 yuan.

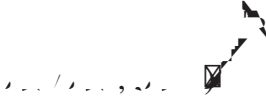
Publication of Annual Report

The Company's 2023 annual report is available on the Company's website (<http://www.hepalink.com>) and the Company's annual report for 2023.

Appreciation

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

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.