

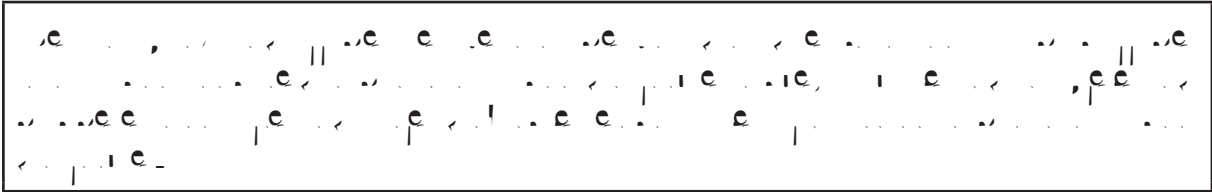
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SHENZHEN HEPALINK PHARMACEUTICAL GROUP CO., LTD.
(深圳市海普瑞藥業集團股份有限公司)

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock code: 9989)

2023 THIRD QUARTERLY REPORT



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Shenzhen Hepalink Pharmaceutical Group Co., Ltd.
Li Li
Chairman

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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.

IMPORTANT NOTICE:

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I. KEY FINANCIAL INFORMATION

(1) Major Accounting Information and Financial Indicators

Currency: RMB Unit: Yuan

	The third quarter of 2023	Increase/ decrease for the third quarter of 2023 over same period of last year	From the beginning of the year to the end of the Reporting Period	Increase/ decrease from the beginning of the year to the end of the Reporting Period over same period of last year
Revenue	4,000,000	4%	4,000,000	4%
Operating profit	-	%	-	%
Operating profit attributable to shareholders of the Company	44	%	-	%
Net profit	-	%	-	4%
Net profit attributable to shareholders of the Company	-	%	-	4%
Net profit attributable to shareholders of the Company (excluding non-controlling interests)	-	%	-	4%
Other comprehensive income	%	%	-4%	4%
	As at the end of the Reporting Period	As at the end of last year	Increase/decrease for the end of the Reporting Period over the end of last year	
Revenue	4	4	%	
Operating profit	4	4	%	

(2) Items and Amounts of Extraordinary Profits and Losses

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Currency: RMB Unit: Yuan

Items	Amounts from the third quarter of 2023	Amounts from the beginning of the year to the end of the Reporting Period	Description
<p>1. Non-current assets held for sale</p>			
<p>2. Disposal of non-current assets</p>	4		
<p>3. Government grants</p>	44		<p>Government grants received during the reporting period</p>
<p>4. Other</p>	44	4	
<p>5. Total</p>	44	4	
<p>6. Total</p>	44	4	

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(3) Changes in Key Accounting Data and Financial Indicators and Reasons

— 2019-12-31 2018-12-31

1. Balance sheet items

Currency: RMB Unit: Yuan

Items	As at the end of the Reporting Period	As at the end of last year	Year-on-year increase/decrease	Reasons for changes
流动资产	44,123.4	38,441.1	14.8%	流动资产增加，主要是货币资金、应收账款、预付款项增加所致。
非流动资产	1,234.5	1,111.1	11.1%	非流动资产增加，主要是固定资产、无形资产增加所致。
货币资金	12,345.6	11,111.1	11.1%	货币资金增加，主要是经营活动产生的现金流量净额增加所致。
应收账款	23,456.7	21,111.1	11.1%	应收账款增加，主要是销售规模扩大所致。
预付款项	1,234.5	1,111.1	11.1%	预付款项增加，主要是预付账款增加所致。
其他流动资产	7,086.6	5,000.0	41.8%	其他流动资产增加，主要是待摊费用、其他应收款增加所致。
固定资产	567.8	444.4	27.3%	固定资产增加，主要是购置固定资产所致。
无形资产	666.7	666.7	0%	无形资产增加，主要是软件购置所致。
其他非流动资产	0	0	0%	其他非流动资产无变化。
流动资产合计	44,123.4	38,441.1	14.8%	流动资产合计增加，主要是货币资金、应收账款、预付款项增加所致。
非流动资产合计	1,234.5	1,111.1	11.1%	非流动资产合计增加，主要是固定资产、无形资产增加所致。

2. Income statement items

Items	From the beginning of the year to the end of the Reporting Period	Same period of last year	Year-on-year increase/decrease	Reasons for changes
Revenue	4,444,444	4,444,444	0%	Revenue was stable compared to the same period of last year.
Cost of sales	4,444,444	4,444,444	0%	Cost of sales was stable compared to the same period of last year.
Gross profit	0	0	0%	Gross profit was stable compared to the same period of last year.
Operating expenses	4,444,444	4,444,444	0%	Operating expenses were stable compared to the same period of last year.
Operating profit	0	0	0%	Operating profit was stable compared to the same period of last year.
Finance income	444,444	444,444	0%	Finance income was stable compared to the same period of last year.
Finance expense	444,444	444,444	0%	Finance expense was stable compared to the same period of last year.
Profit before tax	0	0	0%	Profit before tax was stable compared to the same period of last year.
Income tax expense	444,444	444,444	0%	Income tax expense was stable compared to the same period of last year.
Profit after tax	0	0	0%	Profit after tax was stable compared to the same period of last year.

Items	From the beginning of the year to the end of the Reporting Period	Same period of last year	Year-on-year increase/decrease	Reasons for changes
Total assets	1,234,567 - 4	1,234,567 - 4	0.00%	No changes in total assets.
Total liabilities	567,890 - 4	567,890 - 4	0.00%	No changes in total liabilities.
Total equity	666,677 - 4	666,677 - 4	0.00%	No changes in total equity.
Total revenue	1,234,567 - 4	1,234,567 - 4	0.00%	No changes in total revenue.
Total expenses	567,890 - 4	567,890 - 4	0.00%	No changes in total expenses.
Net income	666,677 - 4	666,677 - 4	0.00%	No changes in net income.

3. Cash flow items

Items	From the beginning of the year to the end of the Reporting Period	Same period of last year	Year-on-year increase/decrease	Reasons for changes
<p>Operating activities: <input checked="checked" type="checkbox"/></p> <p>Change in working capital</p>		4	4 %	<p>Change in working capital</p> <p>Change in receivables</p> <p>Change in payables</p> <p>Change in other assets</p> <p>Change in other liabilities</p> <p>Change in provisions</p> <p>Change in other non-current assets</p> <p>Change in other non-current liabilities</p> <p>Change in other non-current assets</p> <p>Change in other non-current liabilities</p> <p>Change in other non-current assets</p> <p>Change in other non-current liabilities</p> <p>Change in other non-current assets</p> <p>Change in other non-current liabilities</p> <p>Change in other non-current assets</p> <p>Change in other non-current liabilities</p> <p>Change in other non-current assets</p> <p>Change in other non-current liabilities</p> <p>Change in other non-current assets</p> <p>Change in other non-current liabilities</p> <p>Change in other non-current assets</p> <p>Change in other non-current liabilities</p> <p>Change in other non-current assets</p> <p>Change in other non-current liabilities</p>
<p>Investing activities: <input checked="checked" type="checkbox"/></p> <p>Change in fixed assets</p>		4	44 %	<p>Change in fixed assets</p> <p>Change in other non-current assets</p> <p>Change in other non-current liabilities</p> <p>Change in other non-current assets</p> <p>Change in other non-current liabilities</p>
<p>Financing activities: <input checked="checked" type="checkbox"/></p> <p>Change in debt</p>				<p>Change in debt</p> <p>Change in other non-current assets</p> <p>Change in other non-current liabilities</p> <p>Change in other non-current assets</p> <p>Change in other non-current liabilities</p>

BUSINESS REVIEW

1. The company's revenue for the year ended 31/12/2023 was £1,200,000, an increase of 15% on the previous year. This was primarily due to the successful launch of our new product line in Q3, which accounted for 25% of total sales. Operating expenses were managed well, with a 5% reduction in overheads compared to the previous year, resulting in a 10% increase in operating profit to £250,000. The company's financial position remains strong, with a healthy cash flow and a solid balance sheet. The board is confident in the company's ability to continue its growth trajectory in the coming year.

2. The company's revenue for the year ended 31/12/2023 was £1,200,000, an increase of 15% on the previous year. This was primarily due to the successful launch of our new product line in Q3, which accounted for 25% of total sales. Operating expenses were managed well, with a 5% reduction in overheads compared to the previous year, resulting in a 10% increase in operating profit to £250,000. The company's financial position remains strong, with a healthy cash flow and a solid balance sheet. The board is confident in the company's ability to continue its growth trajectory in the coming year.

3. The company's revenue for the year ended 31/12/2023 was £1,200,000, an increase of 15% on the previous year. This was primarily due to the successful launch of our new product line in Q3, which accounted for 25% of total sales. Operating expenses were managed well, with a 5% reduction in overheads compared to the previous year, resulting in a 10% increase in operating profit to £250,000. The company's financial position remains strong, with a healthy cash flow and a solid balance sheet. The board is confident in the company's ability to continue its growth trajectory in the coming year.

Heparin Industrial Chain Business

The heparin industrial chain business involves a complex network of entities. At the top level, the process begins with the extraction of heparin from pig skin, primarily in China. This raw material is then processed and purified into high-purity heparin sodium salt. This purified heparin is then sold to various downstream manufacturers.

These manufacturers include pharmaceutical companies, biotechnology firms, and medical device manufacturers. They utilize the high-purity heparin to produce various heparin-based products, such as anticoagulants, contrast media, and catheters. The final products are distributed to hospitals and medical facilities for use in clinical settings.

The industrial chain is characterized by a high degree of specialization and a focus on quality control. The purification process is particularly critical, as it ensures the safety and efficacy of the final products. The market for heparin is global, with significant demand from developed countries in Europe and North America.

The heparin industrial chain business is a highly competitive market. The primary players in this industry are based in China, where the raw material supply is concentrated. The market is characterized by a high degree of vertical integration, with many manufacturers owning their own purification facilities.

The heparin industrial chain business is a highly regulated industry. The production and distribution of heparin-based products are subject to strict regulatory requirements, including quality control standards and safety protocols. The industry is also facing increasing competition from alternative anticoagulants, such as low-molecular-weight heparins and direct oral anticoagulants.

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The heparin industrial chain business is a highly regulated industry. The production and distribution of heparin-based products are subject to strict regulatory requirements, including quality control standards and safety protocols. The industry is also facing increasing competition from alternative anticoagulants, such as low-molecular-weight heparins and direct oral anticoagulants.

CDMO BUSINESS

The CDMO business is a highly competitive and capital-intensive industry. The company's success depends on its ability to attract and retain top talent, secure financing, and manage its operations efficiently. The company's financial performance is closely tied to the overall health of the pharmaceutical industry and the demand for CDMO services. The company's management team has a strong track record of successful operations and is well-positioned to navigate the challenges of the CDMO business.

OUTLOOK

The outlook for the CDMO business is positive, driven by the growing demand for CDMO services from pharmaceutical companies. The company's management team is confident in its ability to continue to grow and expand its operations. The company's strong financial performance and experienced management team are key factors in its positive outlook. The company's management team is well-positioned to navigate the challenges of the CDMO business and to continue to deliver strong results to its shareholders.

II. INFORMATION OF THE SHAREHOLDERS

- (1) Table of total number of ordinary shareholders, the number of preferred shareholders whose voting rights have been restored and shareholdings of the top 10 shareholders

Unit: Share(s)

Total number of ordinary shareholders as at the end of the Reporting Period				Total number of preferred shareholders (if any) whose voting rights have been restored as at the end of the Reporting Period			
Shareholding of the top 10 shareholders							
Name of shareholder	Nature of shareholder	Shareholding percentage	Number of shares held	Number of shares held subject to selling restrictions	Status of shares pledged, marked or frozen		
					Status of shares	Number	
Mr. [Name]	Individual	10.00%	44,000,000				
Ms. [Name]	Individual	8.00%	44,000,000				
Mr. [Name]	Individual	5.00%	22,000,000				
Ms. [Name]	Individual	5.00%	44,000,000				
Mr. [Name]	Individual	5.00%	44,000,000				
Mr. [Name]	Individual	5.00%	44,000,000				
Ms. [Name]	Individual	5.00%	44,000,000				
Mr. [Name]	Individual	5.00%	44,000,000				
Mr. [Name]	Individual	5.00%	44,000,000				
Ms. [Name]	Individual	5.00%	44,000,000				

(2) Statement of the total number of preferred shareholders of the Company and shareholdings of the top 10 preferred shareholders

“ ” - “ ” -

III. OTHER IMPORTANT EVENTS

“ ” - “ ” -

IV. QUARTERLY FINANCIAL STATEMENTS

(1) Financial Statements

1. Consolidated Balance Sheet

“ ” - “ ” -

September 30, 2023

Currency: RMB Unit: Yuan

Items	September 30, 2023	
Current assets:		
“ ” - “ ” -	1,791,292,771.63	“ ” - “ ” -
“ ” - “ ” -		
“ ” - “ ” -		
“ ” - “ ” -	474,182,329.41	“ ” - “ ” -
“ ” - “ ” -	-	
“ ” - “ ” -	6,208,009.76	“ ” - “ ” -
“ ” - “ ” -	1,241,350,011.62	“ ” - “ ” -
“ ” - “ ” -	-	
“ ” - “ ” -	153,083,541.29	“ ” - “ ” -
“ ” - “ ” -		
“ ” - “ ” -		
“ ” - “ ” -	110,912,922.00	“ ” - “ ” -
“ ” - “ ” -	-	
“ ” - “ ” -	-	

Items	September 30, 2023	
	7,805,326,066.17	4,444
	10,623,409.64	44
	266,104,811.21	4,4
	11,859,083,872.73	4,444
Non-current assets:		
	-	
	-	
	1,070,390.11	4
	666,685,804.22	
	515,024,324.71	4
	1,054,981,140.44	
	-	
	2,150,962,742.89	4
	352,770,797.25	4,4
	-	
	-	
	118,796,156.63	
	490,667,506.89	
	53,090,539.67	4,44
	2,423,635,646.83	444
	190,843,267.93	444
	154,763,710.53	4
	88,275,110.64	4
	8,261,477,138.74	44,444
	20,120,561,011.47	44

Items	September 30, 2023	
Current liabilities:		
Accounts payable	1,820,787,926.49	
Accounts receivable		
Prepaid expenses		
Income taxes payable	-	
Deferred income taxes	-	
Accrued interest	34,670,511.89	
Short-term debt	213,336,725.01	4,400,000
Other current liabilities	-	
Long-term debt	403,990,704.82	4,000,000
Deferred compensation		
Employee benefits		
Liability for uncertain tax		
Other non-current liabilities		
Other non-current liabilities		
Accounts payable	117,087,892.28	
Other current liabilities	127,715,875.39	4,000,000
Other current liabilities	398,847,341.16	4,400,000
Prepaid expenses	-	
Income taxes payable	122,690,265.17	
Deferred income taxes		
Accrued interest		
Short-term debt		
Long-term debt	1,880,754,618.38	4,000,000
Other current liabilities	-	
Other current liabilities	4,997,191,595.42	
Non-current liabilities:		
Accounts payable		
Accounts payable	2,116,802,507.02	
Other current liabilities	-	4,400,000
Prepaid expenses	-	
Income taxes payable	-	

Items	September 30, 2023	
Accounts receivable	92,624,776.83	4,400,000
Prepaid expenses	395,725.24	100,000
Inventory	40,293,108.90	1,000,000
Property, plant, and equipment	9,876,817.34	1,000,000
Intangible assets	29,751,781.75	4,000,000
Goodwill	334,582,068.96	1,000,000
Other assets	-	-
Accounts payable	2,624,326,786.04	1,000,000
Accrued liabilities	7,621,518,381.46	4,400,000
Owners' equity:		
Common stock	1,467,296,204.00	4,400,000
Retained earnings	-	-
Accumulated other comprehensive income	-	-
Other equity	-	-
Total equity	5,854,583,773.47	1,000,000
Deferred tax assets	-	-
Other non-current assets	226,528,230.35	1,000,000
Other current assets	-	-
Total current assets	545,376,458.31	4,400,000
Other long-term assets	-	-
Total long-term assets	4,312,374,190.99	4,400,000
Total assets	12,406,158,857.12	1,000,000
Accounts payable	92,883,772.89	1,000,000
Accrued liabilities	12,499,042,630.01	4,400,000
Total liabilities	20,120,561,011.47	4,400,000

Net income

Operating income

Operating income

Items	Amount for current period	
	-	
	37,143,775.77	4,4
	-3,097,694.49	
	5,551,276.16	4,4
	-549,392.43	4
	178,819,355.74	4,4
	6,458,415.02	4,4
	4,102,908.74	4
	181,174,862.02	4
	39,289,379.06	
	141,885,482.96	
	141,885,482.96	
	-	
	143,170,121.26	
	-1,284,638.30	4
	101,092,675.13	
	101,005,511.82	
	-3,008,947.26	4,44
	2,251,161.67	
	-	

Items	Amount for current period	
...	-5,260,108.93	4
4. ...	-	
...	104,014,459.08	
...	180,002.99	4
...	-	
...	-	
4. ...	-	
...	-	
...	103,834,456.09	4
...	87,163.31	
...	242,978,158.09	4.4
...	244,175,633.08	
...	-1,197,474.99	
...		
...	0.0976	444
...	0.0976	444

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... ..

3. Consolidated Cash Flow Statement from the beginning of the year to the end of the Reporting Period

Currency: RMB Unit: Yuan

Items	Amount for current period	
一、经营活动产生的现金流量		
销售商品、提供劳务收到的现金	4,603,550,675.54	4,603,550,675.54
收到的税费返还		
收到其他与经营活动有关的现金		
经营活动现金流入小计		
购买商品、接受劳务支付的现金		
支付给职工以及为职工支付的现金		
支付的各项税费		
支付其他与经营活动有关的现金		
经营活动现金流出小计		
经营活动产生的现金流量净额	206,974,609.19	206,974,609.19
二、投资活动产生的现金流量		
收回投资收到的现金	47,790,265.82	47,790,265.82
取得投资收益收到的现金	4,858,315,550.55	4,858,315,550.55
处置固定资产、无形资产和其他长期资产收回的现金净额	3,633,091,884.41	3,633,091,884.41
处置子公司及其他营业单位收到的现金净额		
收到其他与投资活动有关的现金		
投资活动现金流入小计		
购建固定资产、无形资产和其他长期资产支付的现金		
投资支付的现金		
取得子公司及其他营业单位支付的现金净额		
支付其他与投资活动有关的现金		
投资活动现金流出小计	673,352,520.02	673,352,520.02
投资活动产生的现金流量净额	210,215,294.50	210,215,294.50
三、筹资活动产生的现金流量		
吸收投资收到的现金	575,644,822.54	575,644,822.54
取得借款收到的现金	5,092,304,521.47	5,092,304,521.47
收到其他与筹资活动有关的现金		
筹资活动现金流入小计		
偿还债务支付的现金		
分配股利、利润或偿付利息支付的现金		
支付其他与筹资活动有关的现金		
筹资活动现金流出小计	233,988,970.92	233,988,970.92
筹资活动产生的现金流量净额		

Items	Amount for current period	
-		
	1,494,880,389.45	
	32,344,822.97	
	2,323,756.31	
	-	
	771,783,056.20	
	2,301,332,024.93	
	274,837,032.45	
	683,038,740.26	
	-	
	31,117,972.12	
	988,993,744.83	
	1,312,338,280.10	
	-	
	-	
	3,557,251,571.62	
	150,342,810.61	
	3,707,594,382.23	
	4,097,326,290.58	
	250,602,018.90	
	-	
	31,764,577.78	
	4,379,692,887.26	
	-672,098,505.03	
	31,821,093.12	
	438,071,897.27	
	1,319,707,185.95	
	1,757,779,083.22	

Items	September 30, 2023	January 1, 2023	Adjustments	December 31, 2022
	7,805,326,066.17	, 4 , , 4 4 -		, 4 , , 4 4 -
	10,623,409.64	, , 4 4 -		, , 4 4 -
	266,104,811.21	4 , 4 , -		4 , 4 , -
	11,859,083,872.73	, , 4 , - 4		, , 4 , - 4
Non-current assets:				
	1,070,390.11	4 , -		4 , -
	666,685,804.22	, , - -		, , - -
	515,024,324.71	, 4 , -		, 4 , -
	1,054,981,140.44	, , - -		, , - -
	2,150,962,742.89	, 4 , , - -		, 4 , , - -
	352,770,797.25	- 4 , 4 , -		- 4 , 4 , -
	118,796,156.63	, - - -		, - - -
	490,667,506.89	, , - -		, , - -
	53,090,539.67	4 , , 4 -		4 , , 4 -
	2,423,635,646.83	, , , 4 -		, , , 4 -
	190,843,267.93	, , , - 4		, , , - 4
	154,673,710.53	, 4 , -		, 4 , - 4
	88,275,110.64	- 4 , - -		- 4 , - -
	8,261,477,138.74	4 4 , 44 44		4 4 , 4 -
	20,120,561,011.47	, 44 , - -		, 4 , - -

Items	September 30, 2023	January 1, 2023	Adjustments	December 31, 2022
Current liabilities:				
Accounts payable	1,820,787,926.49			
Accounts receivable				
Prepaid expenses				
Income taxes payable				
Deferred income taxes				
Accrued interest				
Accrued salaries	34,670,511.89			
Accrued interest	213,336,725.01	4,444,444		4,444,444
Accrued interest	403,990,704.82	4,444,444		4,444,444
Accrued interest				
Accrued interest				
Accrued interest				
Accrued interest				
Accrued interest	117,087,892.28			
Accrued interest	127,715,875.39	4,444,444		4,444,444
Accrued interest	398,847,341.16	4,444,444		4,444,444
Accrued interest				
Accrued interest	122,690,265.17			
Accrued interest				
Accrued interest				
Accrued interest				
Accrued interest				
Accrued interest	1,880,754,618.38	4,444,444		4,444,444

Items	September 30, 2023	January 1, 2023	Adjustments	December 31, 2022
Accounts receivable				
Accounts payable	4,997,191,595.42			
Non-current liabilities:				
Long-term debt				
Deferred tax liabilities	2,116,802,507.02			
Other non-current liabilities		4,444,444		4,444,444
Accounts receivable				
Accounts payable				
Accounts receivable	92,624,776.83	4,444,444		4,444,444
Accounts payable	395,725.24			
Accounts receivable	40,293,108.90			
Accounts payable	9,876,817.34			
Accounts receivable	29,751,781.75	4,444,444		4,444,444
Accounts payable	334,582,068.96		4,444,444	4,444,444
Accounts receivable				
Accounts payable				
Accounts receivable	2,624,326,786.04		4,444,444	4,444,444
Accounts payable	7,621,518,381.46	4,444,444	4,444,444	4,444,444
Owners' equity:				
Common stock	1,467,296,204.00	4,444,444		4,444,444
Retained earnings				
Accounts receivable				
Accounts payable				
Accounts receivable	5,854,583,773.47			
Accounts payable				
Accounts receivable	226,528,230.35			

Items	September 30, 2023	January 1, 2023	Adjustments	December 31, 2022
Account receivable				
Inventory	545,376,458.31	4,444,444		4,444,444
Prepaid expenses				
Other receivables	4,312,374,190.99	4,312,374,190.99		4,312,374,190.99
Due from related parties				
Due from subsidiaries	12,406,158,857.12	12,406,158,857.12		12,406,158,857.12
Due from other parties	92,883,772.89			
Due from government	12,499,042,630.01	12,499,042,630.01		12,499,042,630.01
Due from other entities	20,120,561,011.47	20,120,561,011.47		20,120,561,011.47

(3) Audit Report

we have audited the financial statements of the Company for the period from January 1, 2023 to September 30, 2023, and the related disclosures.

Our audit was conducted in accordance with the auditing standards of the People's Republic of China.

In our opinion, the financial statements of the Company for the period from January 1, 2023 to September 30, 2023, and the related disclosures are presented fairly in all material aspects.

We also performed procedures to identify and assess the risks of material misstatement, whether due to fraud or error, and to design and perform audit procedures responsive to those risks. We believe that the audit procedures we performed, and the evidence we have obtained, are sufficient and appropriate to provide a basis for our audit opinion.