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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**)
 (**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)
	☒	1,766.3	(2022 2,326.5)
	☒	32.5%)	33.1% (2022)
3.	☒	40.	(2022 2,202)
	☒	17.3% (2022 32.0%),	
	☒	855.4	
4.	☒	2,710	(2022 3,210.5)
5.	☒	2,673.8	(2022 1,307.3)
6.	☒	1,084.1	(2022 67.0)
7.	☒		(2022 783.3)
	☒		727.4)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended December 31, 2023

	<i>Notes</i>	2023 RMB'000	2022 RMB'000 ()*
REVENUE	4	5,430,974 (4,490,078)	7,151,03 (4,860,850)
Gross profit		940,896	2,2 0,18
	5	222,317 (517,416) (674,546)	207,431 (518,502) (742,461)
		(22,548) (68,155)	(61,067)
		(44,515)	
		(9,801) (78,528)	(1,648)
	6	(228,087) (447,951)	(245,62) (8,462)
(LOSS)/PROFIT BEFORE TAX	7	(928,334)	82 ,851
/()	8	126,175	(114,816)
(LOSS)/PROFIT FOR THE YEAR		(802,159)	715,035
		(783,258) (18,901)	727,425 (12,3 0)
(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	9	RMB(0.53)	0.50
()/		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	(802,159)	715,035
OTHER COMPREHENSIVE INCOME		
()	51,000	260, 77
()/	<u>(6,192)</u>	<u>(13,481)</u>
()/	<u>44,808</u>	<u>247,4 6</u>
()/	(9,234)	(5,554)
()/	<u>(2,592)</u>	<u>67,688</u>
()/	<u>(11,826)</u>	<u>62,134</u>
()/	<u>32,982</u>	<u>30 ,630</u>
()/	<u>(769,177)</u>	<u>1,024,665</u>
()/	<u>(750,324)</u>	1,036,305
()/	<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				
		2,628,121	2,454,845	2,526,672
		220,883	244,443	23,854
		2,322,375	2,350,2	2,152,201
		389,423	462,08	472,6
		1,004,046	8,386	1,146,465
		503,565	507,146	474,885
		1,006,367	67,576	6,500
		320,503	141,475	123,17
		203,865	224,48	206,016
		8,599,148	8,343,71	8,338,75
CURRENT ASSETS				
		6,654,111	6,843,06	4,707,54
	10	1,263,584	1,606,211	1,525,20
		10,947	1,534	14,3
		364,429	507,405	566,687
		45,371	44,833	44,088
		414,184	1,311,633	80,0
		-	10	248
		80	6,388	11,581
		85,918	74,684	1,440,000
		1,765,645	1,31,707	1,47,633
		10,604,269	12,472,311	10,770,87
CURRENT LIABILITIES				
	11	302,223	427,433	385,787
		388		
		497,560	545,512	608,72
		362,052	428,218	377,814
		3,624,575	4,020,784	3,268,166
		157,178	112,257	112,7
		4,403	5,02	6,223
		37,803	35,60	31,754
		4,986,182	5,575,76	4,714,470

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

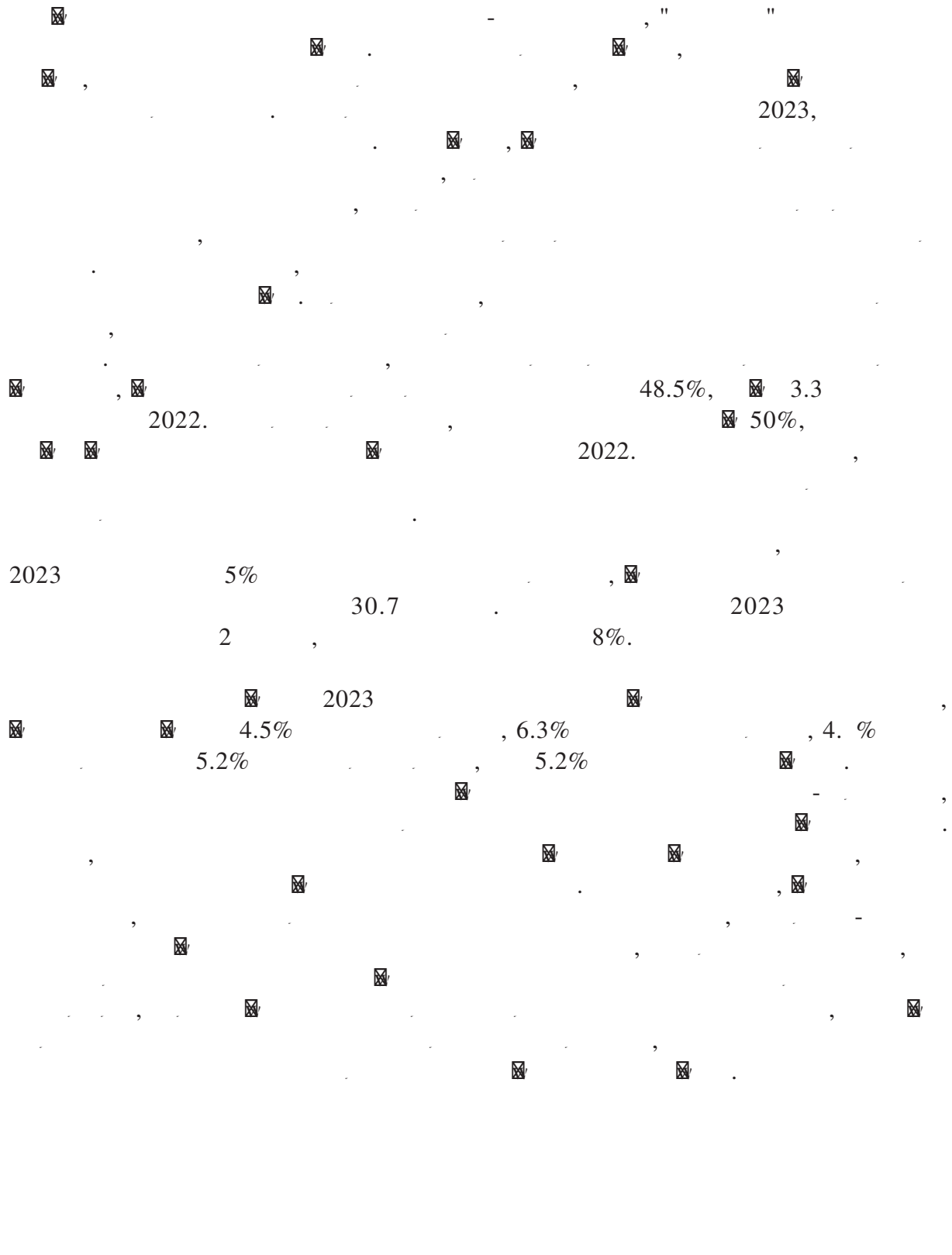
As at December 31, 2023

	31	31	1
	December		
	2023	2022	2022
<i>Notes</i>	RMB'000	<i>RMB'000</i>	<i>RMB'000</i>
		()*	()*
NET CURRENT ASSETS	<u>5,618,087</u>	<u>6,866,515</u>	<u>5,742,427</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>14,217,235</u>	<u>15,240,234</u>	<u>14,318,186</u>
NON-CURRENT LIABILITIES			
-	1,810,021	2,266,680	2,250,270
	30,426	32,547	16,673
	252,568	328,20	275,358
-	(-)/ 7	(-)/ 362	(-)/ 368
	.600687/	(-)/	35

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

2023



2023. 2023, 2023. 2024 2023. 2023. 2023. (2022 2023. (2022 83.) (HighTide) 368.6 15, 2024, (Techdow Italy), - 11.74 (Italy Incident). 1) 14 2024, (Mr. Li), 8 ,80 ,600 (Shenzhen Leren), 11.74 2) 11.7 11.74 (74.5) 2023. 2023.

7.6500, 2023, 5,431.0, 783.3
 24.1%, 387.0 (2022 841.)
 VBP), 8 () (8th
 2023, (FDA), (Techdow USA),
 (CTTQ),
 Sales () () ()

Heparin Industrial Chain Business

4,286.3 (2022 5,884.3).

1,307.3 (2022 2,673.8), 24.1%
30% - - 2023,

CDMO Business

67.0 (2022 1,084.1)
22.0% (2022 38.5%).

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Innovative Drugs and Innovative Business

Oregovomab

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AR-301 (Salvecin)

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RVX-208 (Apabetalone)

RVX-208 (Apabetalone) is a selective, orally active, and reversible inhibitor of the enzyme HMG-CoA reductase (HMGCR) that is involved in the biosynthesis of cholesterol. It is being developed as a treatment for hypercholesterolemia. In a Phase I study, RVX-208 was shown to be well-tolerated and to significantly reduce LDL cholesterol levels in a dose-dependent manner. The study also demonstrated that RVX-208 does not significantly affect HDL cholesterol levels. The results of the Phase I study are consistent with the mechanism of action of HMGCR inhibition. The Phase II study is currently ongoing and is expected to complete in 2020. The Phase III study is also ongoing and is expected to complete in 2020.

H1710

H1710 is a novel, orally active, and reversible inhibitor of the enzyme HMG-CoA reductase (HMGCR) that is involved in the biosynthesis of cholesterol. It is being developed as a treatment for hypercholesterolemia. In a Phase I study, H1710 was shown to be well-tolerated and to significantly reduce LDL cholesterol levels in a dose-dependent manner. The study also demonstrated that H1710 does not significantly affect HDL cholesterol levels. The results of the Phase I study are consistent with the mechanism of action of HMGCR inhibition. The Phase II study is currently ongoing and is expected to complete in 2020. The Phase III study is also ongoing and is expected to complete in 2020.

Outlook

The outlook for RVX-208 (Apabetalone) and H1710 is positive. Both drugs are showing promising results in clinical trials and are expected to be approved for use in the near future. The market for cholesterol-lowering drugs is large and growing, and these two drugs are expected to capture a significant portion of this market. The development of these two drugs is a testament to the power of HMGCR inhibition as a treatment for hypercholesterolemia.



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2024,



Financial Review

Revenue

	For the year ended December 31,			2022	Year-on-year increase/ decrease (%)
	2023	2023	2022		
	Sales amount	% of Revenue			
	RMB'000		RMB'000		
	4,415,058	81.3%	6,012,848	84.1%	-26.6%
	2,979,030	54.9%	3,210,465	44.1%	-7.2%
	1,307,343	24.1%	2,673,754	37.4%	-51.1%
(1)	128,685	2.4%	128,62	1.8%	0.0%
	966,952	17.8%	1,084,066	15.2%	-10.8%
(2)	48,964	0.9%	54,125	0.8%	-0.5%
Total	5,430,974	100.0%	7,151,03	100%	-24.1%

4,415.1 , 81.3%
 , 6,012. 84.1%
 2022.

Cost of sales

370.8 4,401.1
 , 4,860. 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>	(%)
	(%)		
693,525	15.7%	1,821,343	30.3%
1,284,627	43.1%	1,132,402	35.3%

Impairment losses on goodwill

Year	Impairment losses on goodwill
2017	1.2
2018	1.5
2019	2.8
2020	68.2
2021	1.5
2022	0.5

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

Year	Impairment losses on property, plant and equipment and other intangible assets
2017	0.5
2018	0.5
2019	0.5
2020	44.5
2021	0.5
2022	0.5

Liquidity and Financial Resources

Treasury Policies

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Liquidity and Financial Resources

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31, 2023,

1,765.6

(

31, 2022

1,311.7).

Capital Structure

31, 2023,

3,624.6

(

31, 2022

-

4,020.8

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-

1,810.0

(

31, 2022

2,267.7).

Pledge of Assets

31, 2023,

2,555.5

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(

31, 2022

3,182.0

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Contingent Liabilities

31, 2023,

(31, 2022).

Asset-liability Ratio

31, 2023,

1,203.4

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31, 2022

20,816.0

),

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7,215.0

(

31, 2022

8,406.6

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37.6%

31, 2022

40.4%).

Interest Rate Risk

31, 2023, (31, 2022 6.6% - 2.7%).

Indebtedness

		As at December 31, 2023 RMB'000	31, 2022 RMB'000
-	☒	5,434,596	6,317,464
		128,220	146,43
		5,562,816	6,463, 03
		(80)	(6 ,388)
		5,562,736	6,3 4,515
	☒		
☒			
		3,624,575	4,020,784
	☒	772,003	1,404,818
	☒	642,237	435,1 5
	☒	395,781	456,667
		5,434,596	6,317,464
			4,365.
(	31, 2022	4,311.0).
	☒	512.7	(
1,403.0	).	31, 2023,	31, 2022
☒	556.0	(	31, 2022
		603.4).

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

December 31, 2023

1. Corporate Information

(PRC) 21, 1 8. ()
(0023 .) 6, 2010.
(Hong Kong Stock Exchange) (8) 8, 2020.
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4724, 47/ ,
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2.1 Basis of Preparation

(IFRSs), ()
(IASs)
(IASB)
(RMB)
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Basis of consolidation

31, 2023. (),
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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			
		☒	☒	
				<i>2 Making Materiality Judgements</i>
			☒	
()	8		☒	
		☒		
			☒	
()	12			
		☒		12
				()

1 2022.
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 1 2022, RMB

Impact on the consolidated statements of financial position:

		Increase/(decrease)	
		As at	
		31 December	1
		2023	2022
		RMB'000	RMB'000
Assets	()	<u>2,244</u>	<u>1,826</u>
		<u>2,244</u>	<u>1,826</u>
		<u>2,244</u>	<u>1,47</u>
		<u>2,244</u>	<u>1,826</u>
		<u>2,244</u>	<u>1,47</u>
Equity	()	<u>2,244</u>	<u>1,826</u>
		<u>2,244</u>	<u>1,826</u>
		<u>-</u>	<u>-</u>
		<u>2,244</u>	<u>1,826</u>

**Increase/(decrease)
For the year ended
31 December**

2023 2022
RMB'000 RMB'000

319	348
319	348

99	

418	348
-	

418	348

12

2023 2022.

()

12

31

3. Operating Segment Information

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For the year ended December 31, 2023

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 revenue:					
	2,979,030	1,307,343	966,952	177,649	5,430,974
	<u>3,469,110</u>	<u>2,137,584</u>	<u>1,309</u>	<u>270,601</u>	<u>5,878,604</u>
	<u>6,448,140</u>	<u>3,444,927</u>	<u>968,261</u>	<u>448,250</u>	<u>11,309,578</u>
					<u>(5,878,604)</u>
					<u>5,430,974</u>
Segment results:					
	1,224,118	(405,677)	213,038	59,932	1,091,411
					(150,515)
					222,317
					(517,416)
					(674,546)
					(22,548)
					(68,155)
					(9,801)
					(44,515)
					(78,528)
					(228,087)
					<u>(447,951)</u>
Group's loss before tax					<u>(928,334)</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
					(6,149,428)
					<u>5,209,639</u>
					<u><u>19,203,417</u></u>
Segment liabilities	2,846,630	3,822,929	421,666	2,684,939	9,776,164
					(7,390,598)
					<u>4,829,474</u>
					<u><u>7,215,040</u></u>
Other segment information					
	3,859	28,520	68,490	44,150	145,019
	50,921	104,098	84,492	138,337	377,848
					1,004,046
	381,103	31,561	41,399	15,783	469,846

31, 2022

	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Segment revenue:					
	3,210,465	2,673,754	1,084,066	182,754	7,151,03
	<u>2,468,477</u>	<u>3,36 ,777</u>	<u>2,213</u>	<u>435,821</u>	<u>6,276,288</u>
	<u>5,678, 42</u>	<u>6,043,531</u>	<u>1,086,27</u>	<u>618,575</u>	<u>13,427,327</u>
					(6,276,288)

31, 2022 ()

	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	()	()	()	()	()
Segment assets	4,272,831	12,057,357	2,573,751	1,16 ,4	20,073,438
					(5,442,142)
					<u>6,184,734</u>
					<u><u>20,816,030</u></u>
Segment liabilities	2,261,51	3,228, 71	467,235	2,677,328	8,635,053
					(6,703,7 8)
					<u>6,475,310</u>
					<u><u>8,406,565</u></u>
Other segment information					
	4,0 0	28,346	28,523	108	61,067
	47,343	8 ,404	77,826	7,434	312,007
					8 ,386
	15,100	4 , 04	68,758	12,532	146,2 4

Geographical information

(a) Revenue from external customers

2023	2022
<i>RMB'000</i>	<i>RMB'000</i>
18,098	103,018
1,277,604	1,387,152
2,615,709	3,728,856
397,837	641,478
1,121,726	1,288,535
5,430,974	7,151,030

(b) Non-current assets

As at December 31,	
2023	2022
<i>RMB'000</i>	<i>RMB'000</i>
2,878,234	2,705,525
3,356,795	3,610,134
126,362	128,267
407,322	282,506
6,768,713	6,727,522

Information about major customers

	10%	
31, 2023,	10%	733,010,000
31, 2022,	10%	733,010,000

4. Revenue

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>
Types of goods or services					
	2,979,030	1,307,343	-	128,685	4,415,058
	-	-	966,952	-	966,952
	-	-	-	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					
	2,979,030	1,307,343	-	128,685	4,415,058
	-	-	456,111	13,818	469,929
	-	-	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

	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Types of goods or services					
	3,210,465	2,673,754		128,62	6,012,848
			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>7,151,03</u>
Timing of revenue recognition					
	3,210,465	2,673,754		128,62	6,012,848
			320,17	20,207	340,386
			763,887	33, 18	7 7,805
	<u>3,210,465</u>	<u>2,673,754</u>	<u>1,084,066</u>	<u>182,754</u>	<u>7,151,03</u>

	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
	17,724	10,585
	423,216	407,67
	440,940	418,264

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Sale of products

CDMO services

15,

31

	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
	493,767	652,130

5. Other Income and Gains

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
Other income	39,521	54,13
*	2,672	4,744
**	19,343	33, 63
	<u>36,433</u>	<u>7,107</u>
	<u>97,969</u>	<u>, 53</u>
Other gains	85,867	186,331
/()	1,014	(5,624)
/(),	17,724	(74,831)
	(86)	(26,86)
	(1,678)	(2,760)
	7,265	21,771
	<u>14,242</u>	<u>,460</u>
	<u>124,348</u>	<u>107,478</u>
	<u>222,317</u>	<u>207,431</u>

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6. Finance Costs

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	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
☒	185,053	160,12
	33,342	6,327
	4,824	5,003
	4,868	10,387
	<u>228,087</u>	<u>245,62</u>

7. Profit before Tax

/()

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
	3,721,533	4,114,405
	768,545	66,445
	283,414	21,70
	38,341	38,741
	56,093	53,26
	182,433	252,142
	68,155	
	44,515	
	8,640	6,010
	648,760	654,005
	95,615	120,378
	<u>744,375</u>	<u>774,383</u>

	2023	2022
	RMB'000	RMB'000
	3,749	2,488
	(39,521)	(54,13)
	228,087	245,62
	(36,433)	(7,107)
()/ ()/ ,	(85,867)	(186,331)
()/	(1,014)	5,624
()/	86	26,86
()/	(17,724)	74,831
	1,678	2,760
	(7,265)	(21,771)
☒ - ☒	855,380	36,434
	9,801	
	712	48,858
	21,836	12,20
	22,548	61,067

*

8. Income Tax (Credit)/Expense

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i> ()
☒	60,356	56,733
	35,960	0,431
☒	10,780	12,638
	4,357	(1,338)
	<u>111,453</u>	<u>158,464</u>
	(148,044)	(2,873)
☒	(46,882)	(41,162)
	(42,702)	387
	<u>(237,628)</u>	<u>(43,648)</u>
()/	<u>(126,175)</u>	<u>114,816</u>

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

	2023 <i>RMB'000</i>	2022 <i>RMB'000</i>
1,467,262,04		
(2022 1,467,262,04)		
	31, 2023	2022.
		31
2023 2022.		
()/		
()/		
	<u>(783,258)</u>	<u>727,425</u>
	Year ended December 31,	
	2023	2022
☒	<u>1,467,296,204</u>	<u>1,467,262,04</u>

10. Trade and Bills Receivables

			2023	2022
			<i>RMB'000</i>	<i>RMB'000</i>
			1,300,441	1,712,557
			3,182	8,118
			(40,039)	(114,464)
			<u>1,263,584</u>	<u>1,606,211</u>
			2023	2022
			<i>RMB'000</i>	<i>RMB'000</i>
			1,250,716	1,601,07
			29,080	22,566
			10,992	6,085
			12,835	27,117
			<u>1,303,623</u>	<u>1,720,675</u>
			(40,039)	(114,464)
			<u>1,263,584</u>	<u>1,606,211</u>
			2023	2022
			<i>RMB'000</i>	<i>RMB'000</i>
			114,464	86,2
			712	48,858
			(76,268)	(23,841)
			1,131	3,148
			<u>40,039</u>	<u>114,464</u>

11. Trade Payables

	2023	2022
	RMB'000	RMB'000
	302,223	427,433
	<u> </u>	<u> </u>
	299,729	424,520
	355	548
	445	1,373
	1,694	2
	<u> </u>	<u> </u>
	302,223	427,433
	<u> </u>	<u> </u>
	30	0

12. Dividends

	31	2023. (2022
	1.0).

13. Share Capital

	2023	2022
	RMB'000	RMB'000
	1,467,296	1,467,2 6
	<u> </u>	<u> </u>

Use of Proceeds from the H Share Listing of the Company

	☒			
		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.		
	☒			
	☒			
				☒
			15, 2023.	31, 2023,
			704.3	
	☒			

Significant Investments Held

5%

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

Employee and Remuneration Policy

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

Purchase, Sale or Redemption of Listed Securities

Compliance with Corporate Governance Code

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

Final Dividend

31, 2023 (2022 1.0).

Annual General Meeting

2023 , 22, 2024. 2023

Closure of Register of Members

For attending and voting at the 2023 AGM

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

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

()
)
3 (**Model Code**).

Review of Annual Results by the Audit Committee

31, 2023

31, 2023

Scope of Work of Ernst & Young

31, 2023
&
&

Events after the Reporting Period

14, 2024, 8 ,80 ,600
(11.74)
15, 2024.

Publication of Annual Report

(// . /) 2023
(// .)

Appreciation

,

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

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.