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山東新華製藥股份有限公司

**Shandong Xinhua Pharmaceutical Company Limited**

(a joint stock company established in the People's Republic of China with limited liability)

(Stock Code: 00719)

## **UNAUDITED QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022**

This announcement is made pursuant to rules 13.09 and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) [and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)].

The board of directors (the “**Board**”) of Shandong Xinhua Pharmaceutical Company Limited (the “**Company**”) hereby announces the unaudited consolidated results of the Company and its subsidiaries (the “**Group**”) for the nine months ended 30 September 2023. All financial information set out in this announcement has been prepared in accordance with the CASBE (as defined under the Listing Rules) and has been reviewed and approved by the Board and the Audit Committee of the Board.

The Board and the supervisory committee of the Company and its directors, supervisors and senior management, and persons in charge of the accounting function warrant that the information contained in this announcement is true, accurate and complete without false representations, misleading statements or material omissions, and bears individual and joint legal responsibility for its contents accordingly.

This announcement is simultaneously available on the website of The Stock Exchange of Hong Kong Limited at <https://www.hkexnews.hk> and the website of the Company at <http://www.xhzy.com>. The third quarterly report of 2023 prepared in accordance with the CASBE will also be available at <https://www.cninfo.com.cn>.

This announcement was prepared in both Chinese and English. In the event of any inconsistencies between the two versions, the Chinese version shall prevail.

### **1. KEY ACCOUNTING AND FINANCIAL DATA**

<b>Item</b>	<b>January to September 2023 (Unaudited) RMB Yuan</b>	<b>January to September 2022 (Unaudited) RMB Yuan</b>	<b>Change as compared to same period last year</b>
Operating income	6,497,534,830.57	5,453,318,659.20	19.15%
Net profit attributable to shareholders of listed company	391,968,372.92	293,443,285.57	33.58%
Net profit attributable to shareholders of listed company after deduction of non-recurring profit and loss	362,721,894.04	268,235,776.49	35.23%

Net cash flow from operating activities	76,245,167.69	233,819,696.10	(67.39%)
Basic earnings per share (RMB Yuan / Share)	0.58	0.45	28.89%
Diluted earnings per share (RMB Yuan / Share)	0.57	0.44	29.55%
Ratio of weighted average return on net assets (%)	9.05%	7.77%	Increased by 1.28 percentage points

Item	As at 30 September 2023 (Unaudited) RMB Yuan	As at 31 December 2022 (Audited) RMB Yuan	Change as compared to the end of last year
Total assets	7,921,817,083.48	8,265,131,332.13	(4.15%)
Net assets attributable to the shareholders of listed company	4,479,374,719.92	4,126,460,390.95	8.55%

## 2. PROFIT AND LOSS ACCOUNT

### Consolidated Income Statement

Item	Nine months ended 30 September 2023 (unaudited) RMB Yuan	Nine months ended 30 September 2022 (unaudited) RMB Yuan
<b>I. Gross revenue</b>	6,497,534,830.57	5,453,318,659.20
Including: Operating revenue	6,497,534,830.57	5,453,318,659.20
<b>II. Total operating costs</b>	6,039,257,829.40	5,118,017,176.96
Including: Operating costs	4,607,407,658.38	4,034,099,074.08
Taxes and surcharges	78,604,110.04	48,744,342.03
Selling expenses	643,446,889.77	453,048,473.38
Administration expenses	359,156,212.14	307,802,300.90
R&D cost	341,281,879.49	258,495,146.14
Financial expenses	9,361,079.58	15,827,840.43
Including: Interest expense	31,708,976.46	37,053,540.27
Interest income	9,710,348.87	6,451,380.72
Add: Other income	18,052,760.69	21,838,095.54
Investment income (losses to be listed with brackets)	9,689,034.62	10,297,156.18
Including: Income from investment in affiliates and joint ventures (losses to be listed with brackets)	1,523,273.02	2,379,340.18
Credit impairment loss (losses to be listed with brackets)	(3,088,314.61)	(2,032,673.39)
Assets impairment loss (losses to be listed with brackets)	(44,340,776.07)	(29,349,965.64)
Gains from assets disposal (losses to be listed with brackets)	8,280,514.96	2,027,180.13
<b>III. Operating profits (losses to be listed with brackets)</b>	446,870,220.76	338,081,275.06
Add: non-operating income	4,193,692.89	1,327,239.36
Less: non-operating expenditure	4,587,146.80	4,800,519.98

<b>IV. Total profits (total loss to be listed with brackets)</b>	446,476,766.85	334,607,994.44
Less: income tax expense	46,187,008.38	31,412,039.38
<b>V. Net profits (net loss to be listed with brackets)</b>	400,289,758.47	303,195,955.06
<b>(I) According to operation continuity</b>		
1. Net profit from continued operations (net losses to be listed in brackets)	400,289,758.47	303,195,955.06
2. Net profit from discontinued operations (net losses to be listed in brackets)		-
<b>(II) According to ownership</b>		
1. Net profit attributable to the shareholders of parent company	391,968,372.92	293,443,285.57
2. Minority interest	8,321,385.55	9,752,669.49
<b>VI. Net amount of other comprehensive income after tax (net loss to be listed with brackets)</b>	24,317,701.91	(22,163,814.37)
Net amount of other comprehensive income after tax attributable to the shareholders of parent company	23,870,787.70	(23,631,306.61)
<b>(I) Other comprehensive income not subject to reclassification into profit or loss</b>	22,323,522.74	(28,787,636.80)
1. Changes in fair value of other equity instruments investment	22,323,522.74	(28,787,636.80)
<b>(II) Other comprehensive income to be reclassified into profit or loss</b>	1,547,264.96	5,156,330.19
1. Conversion difference of foreign currency statement	1,547,264.96	5,156,330.19
Net amount of other comprehensive income after tax attributable to the minority shareholders	446,914.21	1,467,492.24
<b>VII. Total comprehensive income</b>	424,607,460.38	281,032,140.69
<b>Total comprehensive income attributable to the shareholders of parent company</b>	415,839,160.62	269,811,978.96
Total comprehensive income attributable to the minority shareholders	8,768,299.76	11,220,161.73
<b>VIII. Earnings per share:</b>		
(I) Basic earnings per share	0.58	0.45
(II) Diluted earnings per share	0.57	0.44

By order of the Board of Directors  
**Shandong Xinhua Pharmaceutical Company Limited**  
**He Tongqing**  
Chairman

27 October 2023, Zibo, PRC

As at the date of this announcement, the Board comprises:

Executive Directors:

Mr. He Tongqing (Chairman)  
Mr. Xu Wenhui  
Mr. Hou Ning

Independent Non-executive Directors:

Mr. Pan Guangcheng  
Mr. Zhu Jianwei  
Mr. Lo Wah Wai

Non-executive Directors:

Mr. Xu Lie  
Mr. Cong Kechun