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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 FIRST QUARTER RESULTS OF 2024

(for the period commencing from 1 January 2024 to 31 March 2024)

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 three months ended 31 March 2024. The 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 Audit Committee of the Board.

The Board of directors and the supervisory committee of the Company and each of the directors, the supervisors, the senior management and the persons in charge of the accounting function of the Company (i) warrant that there is no false representation or misleading statement contained in, or material omission from, this announcement; and (ii) jointly and severally accept legal responsibility for the genuineness, accuracy and completeness of the information contained in this announcement.

This announcement is simultaneously made available on the website of The Stock Exchange of Hong Kong Limited at <http://www.hkexnews.hk> and the website of the Company at <http://www.xhzy.com>. The first quarterly report of 2024 prepared in accordance with the CASBE will also be available at <http://www.cninfo.com.cn>.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

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

I. KEY ACCOUNTING AND FINANCIAL DATA

Item	Jan - Mar 2024 (Unaudited) RMB Yuan	Jan - Mar 2023 (Unaudited) RMB Yuan	Change as compared to the same period of last year
Operating income	2,474,697,457.66	2,639,665,769.78	(6.25%)
Net profit attributable to shareholders of listed company	141,879,437.62	151,603,818.36	(6.41%)
Net profit attributable to shareholders of listed company after deduction of non-recurring profit and loss	137,727,454.74	147,158,093.14	(6.41%)
Net cash flow from operating activities	38,063,364.43	(183,742,803.27)	120.72%
Basic earnings per share (RMB Yuan / Share)	0.21	0.23	(8.70%)
Diluted earnings per share (RMB Yuan / Share)	0.21	0.22	(4.55%)
Ratio of weighted average return on net assets (%)	3.04%	3.59%	Decreased by 0.55 percentage points
Item	As at 31 Mar 2024 (Unaudited) RMB Yuan	As at 31 Dec 2023 (Audited) RMB Yuan	Change as compared to the end of last year
Total assets	8,467,977,386.18	8,286,166,330.90	2.19%
Net assets attributable to the shareholders of listed company	4,764,918,585.13	4,553,103,869.56	4.65%

II. PROFIT AND LOSS ACCOUNT

Item	Jan - Mar 2024		Jan - Mar 2023	
	Consolidated (Unaudited) RMB Yuan	Parent company (Unaudited) RMB Yuan	Consolidated (Unaudited) RMB Yuan	Parent company (Unaudited) RMB Yuan
I. Gross revenue	2,474,697,457.66	1,154,265,554.98	2,639,665,769.78	1,397,782,678.67
Including: Operating revenue	2,474,697,457.66	1,154,265,554.98	2,639,665,769.78	1,397,782,678.67
II. Total operating costs	2,328,929,009.30	1,055,450,035.53	2,460,141,970.67	1,158,916,760.22
Including: Operating costs	1,795,729,697.76	879,237,906.56	1,811,323,065.52	936,802,233.21
Taxes and surcharges	18,434,857.09	9,416,090.97	42,055,615.47	15,002,808.42
Selling expenses	291,064,033.27	7,022,457.94	352,901,998.18	12,912,682.48
Administration expenses	78,840,015.11	51,041,657.25	126,174,409.90	89,394,185.45
R&D costs	141,905,763.44	106,503,368.09	112,119,587.26	89,429,421.07
Financial expenses	2,954,642.63	2,228,554.72	15,567,294.34	15,375,429.59
Including: Interest expense	9,217,078.08	8,423,691.85	11,804,437.54	11,333,803.04
Interest income	2,881,003.92	2,182,578.10	3,701,993.16	3,231,135.42
Add: Other income	22,684,697.21	17,165,832.74	5,670,706.38	5,235,892.41
Investment income (losses to be listed with brackets)	1,188,728.16	1,188,728.16	78,030.02	78,030.02
Including: Return on investment on joint ventures and joint ventures (losses to be listed with brackets)	1,188,728.16	1,188,728.16	78,030.02	78,030.02

Credit impairment loss (losses to be listed with brackets)	70,000.00	-	500.00	-
Assets impairment loss (losses to be listed with brackets)	-	-	-	-
Gains from asset disposal (losses to be listed with brackets)	845,111.01	767,199.84	525,019.96	520,089.31
III. Operating profits (losses to be listed in brackets)	170,556,984.74	117,937,280.19	185,798,055.47	244,699,930.19
Add: non-operating income	193,820.84	62,526.24	359,782.90	200,938.36
Less: non-operating expenditure	1,979,283.56	724,829.36	1,238,527.22	1,017,560.32
IV. Total profits (total loss to be listed with brackets)	168,771,522.02	117,274,977.07	184,919,311.15	243,883,308.23
Less: income tax expense	23,507,423.62	17,412,937.34	30,908,896.72	36,570,791.73
V. Net profits (net loss to be listed in brackets)	145,264,098.40	99,862,039.73	154,010,414.43	207,312,516.50
(I) According to operation continuity				
1. Net profit from continued operations (net losses to be listed in brackets)	145,264,098.40	99,862,039.73	154,010,414.43	207,312,516.50
2. Net profit from discontinued operations (net losses to be listed in brackets)	-	-	-	-
(II) According to ownership				
1. Net profit attributable to shareholders of parent company	141,879,437.62	-	151,603,818.36	-
2. Minority interest income or loss	3,384,660.78	-	2,406,596.07	-
VI. Net amount of other comprehensive income after tax	815,327.77	876,792.00	7,709,824.55	8,534,938.40
Net amount of other comprehensive income after tax attributable to the shareholders of parent company	807,373.60	-	7,890,797.98	-
(I) Other comprehensive income not subject to reclassification to profit or loss	876,792.00	876,792.00	8,534,938.40	8,534,938.40
Changes in fair value of other equity instruments investment	876,792.00	876,792.00	8,534,938.40	8,534,938.40
(II) Other comprehensive income to be reclassified to profit or loss	(69,418.40)	-	(644,140.42)	-
Conversion difference of foreign currency statement	(69,418.40)	-	(644,140.42)	-

Net amount of other comprehensive income after tax attributable to the minority shareholders	7,954.17	-	(180,973.43)	-
VII. Total comprehensive income	146,079,426.17	100,738,831.73	161,720,238.98	215,847,454.90
Total comprehensive income attributable to the shareholders of parent company	142,686,811.22	-	159,494,616.34	-
Total comprehensive income attributable to the minority shareholders	3,392,614.95	-	2,225,622.64	-
VIII. Earnings per share:				
(I) Basic earnings per share	0.21	-	0.23	-
(II) Diluted earnings per share	0.21	-	0.22	-

III. CHANGES IN ACCOUNTING POLICIES

Contents and reasons of accounting policy changes	Approval processes	Notes
<p>The Ministry of Finance issued the interpretation of accounting standards for Business Enterprises No. 17 (hereinafter referred to as "Interpretation No. 17") on 25 October 2023.</p> <p>Interpretation No. 17 provides for "Separation of current and non-current liabilities," "Disclosure of supplier financing arrangements," and "Accounting treatment of sale and leaseback transactions," with effect from 1 January 2024. In accordance with the requirements of Interpretation No. 17, the Company changes its current accounting policies accordingly.</p>	<p>Relevant accounting policy changes were approved at the third meeting of the 11th Board of the Company on 25 April 2024.</p>	<p>Changes in relevant accounting policies have no significant impact on the Group's financial statements.</p>

By Order of the Board
Shandong Xinhua Pharmaceutical Company Limited
He Tongqing
Chairman

25 April 2024, 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. Ling Peixue
Ms. Cheung Ching Ching, Daisy

Non-executive Directors:
Mr. Xu Lie
Mr. Zhang Chengyong