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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 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 nine months ended 30 September 2024. 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.

Members of the Board, members of the supervisory committee of the Company, members of senior management and 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 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 2024 prepared in accordance with the CASBE will also be available at <https://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.

**1. KEY ACCOUNTING AND FINANCIAL DATA**

Item	January to September 2024 (Unaudited) RMB Yuan	January to September 2023 (Unaudited) RMB Yuan	Change as compared to same period last year
Operating income	6,734,166,240.75	6,497,534,830.57	3.64%
Net profit attributable to shareholders of listed company	344,079,950.67	391,968,372.92	(12.22%)

Net profit attributable to shareholders of listed company after deduction of non-recurring profit and loss	<b>321,411,536.21</b>	362,721,894.04	(11.39%)
Net cash flow from operating activities	<b>254,240,659.40</b>	76,245,167.69	233.45%
Basic earnings per share (RMB Yuan / Share)	<b>0.50</b>	0.58	(13.79%)
Diluted earnings per share (RMB Yuan / Share)	<b>0.50</b>	0.57	(12.28%)
Ratio of weighted average return on net assets (%)	<b>7.21%</b>	9.05%	Decreased by 1.84 percentage points
	<b>As at 30 September 2024 (Unaudited) RMB Yuan</b>	<b>As at 31 December 2023 (Audited) RMB Yuan</b>	<b>Change as compared to the end of last year</b>
Total assets	<b>8,824,372,920.30</b>	8,286,166,330.90	6.50%
Net assets attributable to the shareholders of listed company	<b>4,871,406,971.82</b>	4,553,103,869.56	6.99%

## 2. PROFIT AND LOSS ACCOUNT

### Consolidated Income Statement

Item	Nine months ended 30 September 2024 (unaudited) RMB Yuan	Nine months ended 30 September 2023 (unaudited) RMB Yuan
<b>I. Gross revenue</b>	6,734,166,240.75	6,497,534,830.57
Including: Operating revenue	6,734,166,240.75	6,497,534,830.57
<b>II. Total operating costs</b>	6,337,089,365.67	6,039,257,829.40
Including: Operating costs	5,151,913,375.72	4,607,407,658.38
Taxes and surcharges	51,662,674.60	78,604,110.04
Selling expenses	504,223,794.96	643,446,889.77
Administration expenses	292,405,195.99	359,156,212.14
R&D cost	326,669,940.69	341,281,879.49
Financial expenses	10,214,383.71	9,361,079.58
Including: Interest expense	28,115,663.07	31,708,976.46
Interest income	8,324,746.77	9,710,348.87
Add: Other income	47,979,403.05	18,052,760.69
Investment income (losses to be listed with brackets)	8,399,571.55	9,689,034.62
Including: Income from investment in affiliates and joint ventures (losses to be listed with brackets)	217,371.55	1,523,273.02
Credit impairment loss (losses to be listed with brackets)	(8,073,501.52)	(3,088,314.61)
Assets impairment loss (losses to be listed with brackets)	(48,313,538.64)	(44,340,776.07)
Gains from assets disposal (losses to be listed with brackets)	1,201,542.62	8,280,514.96
<b>III. Operating profits (losses to be listed with brackets)</b>	398,270,352.14	446,870,220.76
Add: non-operating income	659,426.07	4,193,692.89
Less: non-operating expenditure	6,012,150.78	4,587,146.80
<b>IV. Total profits (total loss to be listed with brackets)</b>	392,917,627.43	446,476,766.85

Less: income tax expense	37,468,356.21	46,187,008.38
<b>V. Net profits (net loss to be listed with brackets)</b>	<b>355,449,271.22</b>	<b>400,289,758.47</b>
<b>(I) According to operation continuity</b>		
1. Net profit from continued operations (net losses to be listed in brackets)	355,449,271.22	400,289,758.47
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	344,079,950.67	391,968,372.92
2. Minority interest	11,369,320.55	8,321,385.55
<b>VI. Net amount of other comprehensive income after tax (net loss to be listed with brackets)</b>	<b>74,961,072.66</b>	<b>24,317,701.91</b>
Net amount of other comprehensive income after tax attributable to the shareholders of parent company	75,223,458.18	23,870,787.70
(I) Other comprehensive income not subject to reclassification into profit or loss	75,253,169.68	22,323,522.74
1. Changes in fair value of other equity instruments investment	75,253,169.68	22,323,522.74
(II) Other comprehensive income to be reclassified into profit or loss	(29,711.50)	1,547,264.96
1. Conversion difference of foreign currency statement	(29,711.50)	1,547,264.96
Net amount of other comprehensive income after tax attributable to the minority shareholders	(262,385.52)	446,914.21
<b>VII. Total comprehensive income</b>	<b>430,410,343.88</b>	<b>424,607,460.38</b>
<b>Total comprehensive income attributable to the shareholders of parent company</b>	<b>419,303,408.85</b>	<b>415,839,160.62</b>
Total comprehensive income attributable to the minority shareholders	11,106,935.03	8,768,299.76
<b>VIII. Earnings per share:</b>		
(I) Basic earnings per share	0.50	0.58
(II) Diluted earnings per share	0.50	0.57

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

29 October 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

Non-executive Directors:

Mr. Xu Lie  
Mr. Zhang Chengyong

Independent Non-executive Directors:

Mr. Pan Guangcheng  
Mr. Zhu Jianwei  
Mr. Ling Peixue  
Ms. Cheung Ching Ching, Daisy