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丽珠医药
LIVZON

麗珠醫藥集團股份有限公司

LIVZON PHARMACEUTICAL GROUP INC.*

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

(Stock code: 1513)

2022 THIRD QUARTERLY REPORT

This announcement is made by 麗珠醫藥集團股份有限公司 Livzon Pharmaceutical Group Inc.* (the “**Company**”, together with its subsidiaries collectively, the “**Group**”) pursuant to Rules 13.09 and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provision under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The Company and all members of the board of directors (the “**Board**”) warrant that the contents of the information disclosure are true, accurate and complete without containing any false representations, misleading statements or material omissions.

IMPORTANT NOTICE:

1. The Board, the supervisory committee and the directors, supervisors and senior management of the Company warrant the truthfulness, accuracy, completeness of the 2022 third quarterly report (the “**Quarterly Report**”) of the Company which does not contain any false representations, misleading statements or material omissions, and accept joint and several legal liabilities for its contents.
2. Mr. Zhu Baoguo (朱保國先生), the person-in-charge of the Company, Ms. Si Yanxia (司燕霞女士), the person-in-charge of accounting work, and Ms. Zhuang Jianying (莊健瑩女士), the person-in-charge of the accounting department (the head of the accounting department), declare that they warrant the truthfulness, accuracy and completeness of the financial information contained in the Quarterly Report.
3. The Quarterly Report was prepared in both Chinese and English. In the event of any discrepancy between the Chinese and the English versions, the Chinese version shall prevail. The financial statements and corresponding information as contained in the Quarterly Report have been prepared in accordance with the China Accounting Standards for Business Enterprises (中國《企業會計準則》). Unless otherwise stated, the currency denominations herein are Renminbi (RMB).
4. Whether the third quarterly report is audited
 Yes No
5. Items with non-standard opinion from the auditor
 Applicable Not Applicable

I. KEY FINANCIAL DATA

(I) Key Accounting Data and Financial Indicators

Whether the Company has made retrospective adjustments or restatements of accounting data of prior years

Yes No

	The Reporting Period (July – September 2022)	Period-to-period change	From the beginning of the year to the end of the Period (January – September 2022)	Period-to-period change
Operating income (RMB)	3,185,688,204.81	1.66%	9,488,253,415.41	1.27%
Net profit attributable to the shareholders of the Company (RMB)	489,254,328.37	25.37%	1,506,800,118.40	3.72%
Net profit attributable to the shareholders of the Company after deducting extraordinary gains or losses (RMB)	462,530,618.00	9.01%	1,508,954,092.50	12.24%
Net cash flow from operating activities (RMB)	–	–	1,847,923,769.75	41.57%
Basic earnings per share (RMB/share)	0.52	26.83%	1.61	3.87%
Diluted earnings per share (RMB/share)	0.52	26.83%	1.61	3.87%
Weighted average return on equity	3.72%	Increased by 0.52 percentage point	11.34%	Decreased by 0.43 percentage point

	End of the Reporting Period	End of last year	Change
Total assets (RMB)	23,569,873,466.33	22,371,915,590.82	5.35%
Owners' equity attributable to the shareholders of the Company (RMB)	13,432,828,237.84	13,003,763,631.47	3.30%

Total share capital of the Company as at the trading day preceding the date of disclosure:

Total share capital of the Company as at the trading day preceding the date of disclosure (shares)	935,131,144
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Fully diluted earnings per share based on the latest share capital:

Dividends payable to preferred shares (RMB)	–
Interests payable to perpetual bonds (RMB)	–
Fully diluted earnings per share based on the latest share capital (RMB/share)	1.61

(II) Items and Amounts of Extraordinary Gains and Losses

√ Applicable □ Not Applicable

Unit: RMB

Items	Amount for the Reporting Period (July – September 2022)	Amount from the beginning of the year to the end of the Period (January – September 2022)	Explanation
Gains and losses on disposal of non-current assets (including the written-off portion of provisions made for asset impairment)	1,632,198.57	1,121,679.66	–
Government grants included in profit and loss for the Period (except for government grants closely associated with ordinary operating business of the Company, met national policies and regulations, continuously entitled at fixed amount or fixed level according to certain standards)	29,327,272.49	109,274,186.31	–
Gains or losses arising from changes in fair value derived from holding of financial assets held for trading and financial liabilities held for trading, and investment income generated on disposal of financial assets held for trading, financial liabilities held for trading and available-for-sale financial assets, except for effective hedging activities related to the ordinary operating business of the Company	-462,132.91	-90,086,696.72	–
Other non-operating income and expenditure apart from the above items	-4,210,315.49	-6,789,593.66	–
Less: Income tax effect	-59,354.73	8,432,956.50	–
Effect of minority interests (after tax)	-377,332.98	7,240,593.19	–
Total	26,723,710.37	-2,153,974.10	–

Explanation on defining items of extraordinary gains or losses as illustrated in the “Notice on Explanation of Information Disclosure of Companies Publicly Issuing Securities No.1 – Extraordinary Gains or Losses” as items of recurring gains or losses

The Company has not defined any items of extraordinary gains or losses as illustrated in the “Notice on Explanation of Information Disclosure of Companies Publicly Issuing Securities No.1 – Extraordinary Gains or Losses” as items of recurring gains or losses.

(III) Changes of Key Accounting Data and Financial Indicators and Reasons Thereof

√ Applicable □ Not Applicable

1. Substantial changes of items in the consolidated balance sheet and reasons thereof

Item	Amount at the end of the Period (RMB)	Amount at the beginning of the year (RMB)	Change	Explanation
Financial assets held for trading	121,394,233.59	182,773,354.56	-33.58%	It was mainly due to fluctuations in the market value of the securities investments held.
Prepayments	189,887,320.91	281,083,347.36	-32.44%	It was mainly due to the decrease in prepayments for procurement of materials as at the balance sheet date.
Non-current assets due within one year	38,498.84	317,381.23	-87.87%	It was mainly due to the collection of financial leasing amount.
Other current assets	14,840,854.90	57,624,626.16	-74.25%	It was mainly due to the rebate of remaining VAT credit resulting in a reduction in remaining VAT credit.
Long-term receivables	82,574.69	266,904.13	-69.06%	It was mainly due to the collection of financial leasing amount.
Other non-current assets	253,663,682.22	444,352,845.12	-42.91%	It was mainly due to the decrease in remaining VAT credit caused by the rebate of remaining VAT credit and the decrease in prepayments for engineering equipment.
Financial liabilities held for trading	17,037,073.75	143,302.24	11,788.91%	It was mainly due to changes in the fair value of forward foreign exchange contracts.
Contract liabilities	43,968,190.38	167,796,768.82	-73.80%	It was mainly due to part of the advanced receipts of contract amounts fulfilled the conditions for recognition as revenue during the Period and were transferred to revenue.
Other current liabilities	3,171,764.95	13,485,363.41	-76.48%	It was mainly due to part of the contract prepayment amount fulfilled the conditions for recognition during the Period and transferred to revenue, resulting in reduction in tax for items pending for settlement.
Long-term loans	1,778,666,590.94	636,780,252.78	179.32%	It was mainly due to the increase in loans for subsidiaries during the Period.

Item	Amount at the end of the Period (RMB)	Amount at the beginning of the year (RMB)	Change	Explanation
Leasing liabilities	7,833,985.41	5,274,240.80	48.53%	It was mainly due to the increase in leasing contracts signed during the Period, as a result the leasing amount payable increased.
Treasury shares	–	71,209,491.00	-100.00%	It was mainly due to the completion of cancellation of repurchased shares.
Other comprehensive income	144,157,010.04	46,548,997.70	209.69%	It was mainly due to the change in conversion differences of foreign currency statements caused by fluctuations of exchange rates.

2. Substantial changes of items in the consolidated income statement from the beginning of the year to the end of the Reporting Period and reasons thereof

Item	Amount for the Period (RMB) (January – September 2022)	Amount for the Previous Period (RMB) (January – September 2021)	Change	Explanation
Operating income	9,488,253,415.41	9,369,264,787.55	1.27%	Please see Note for details.
Finance expenses	-254,166,791.47	-24,291,944.01	-946.30%	It was mainly due to the increase in interest income from deposits as compared with the Previous Period and the exchange gains gained from fluctuations of exchange rates during the Period.
Investment income	39,625,539.45	68,653,895.91	-42.28%	It was mainly due to the decrease in bonus for the Period and fluctuations of exchange rates, losses were incurred in the exchange settlement of forward foreign exchange contracts.
Gains from changes in fair value	-78,272,892.48	-16,178,795.31	-383.80%	It was mainly due to fluctuations in the market value of the securities investments held.

Item	Amount for the Period (RMB) (January – September 2022)	Amount for the Previous Period (RMB) (January – September 2021)	Change	Explanation
Asset impairment loss	-120,547,775.58	-35,533,764.42	-239.25%	It was mainly due to the provision for price decline of inventories for the Period increased as compared with the Previous Period.
Profit and loss attributable to minority interests	53,530,865.97	159,792,620.61	-66.50%	It was mainly due to the decrease in operating results of non-wholly owned subsidiaries for the Period as compared with the Previous Period.
Other comprehensive net income after taxation	100,294,789.83	-157,799,005.62	163.56%	It was mainly due to the change in conversion differences of foreign currency statements caused by fluctuations of exchange rates and the transfer of other comprehensive income recognized previously to retained earnings after the disposal of investment in other equity instruments during the Previous Period.

Note: From January to September 2022, the Group recorded an operating income of RMB9,488.25 million, representing an increase of 1.27% period-to-period. Income from chemical drug preparation products amounted to RMB5,571.60 million, representing a decrease of 3.40% period-to-period, of which, income from gastroenterology products amounted to RMB2,645.96 million, representing a decrease of 11.60% period-to-period; income from gonadotropic hormone products amounted to RMB2,092.39 million, representing an increase of 5.81% period-to-period; income from psychiatry products amounted to RMB399.60 million, representing an increase of 30.68% period-to-period; income from anti-infection drugs amounted to RMB297.99 million, representing an increase of 7.23% period-to-period. The income from API and intermediate products amounted to RMB2,499.26 million, representing an increase of 15.99% period-to-period. The income from traditional Chinese medicine preparation products amounted to RMB830.19 million, representing an increase of 0.92% period to-period. The income from diagnostic reagent and equipment products amounted to RMB502.27 million, representing a decrease of 9.09% period-to-period.

3. Substantial changes of items in the consolidated cash flow statement from the beginning of the year to the end of the Reporting Period and reasons thereof

Item	Amount for the Period (RMB) (January – September 2022)	Amount for the Previous Period (RMB) (January – September 2021)	Change	Explanation
Net cash flow from operating activities	1,847,923,769.75	1,305,344,241.22	41.57%	It was mainly due to the combined effect of an increase in sales receipts and interest income and a decrease in payment of marketing promotion expenses during the Period.
Subtotal of cash inflow from investing activities	71,135,583.20	210,123,531.69	-66.15%	It was mainly due to the recovery of investment amount in the Previous Period.
Subtotal of cash outflow from investing activities	840,187,621.53	1,583,476,698.03	-46.94%	It was mainly due to the payment of consideration for acquisition of equity interest in Tianjin Tongrentang Group Co., Ltd. (天津同仁堂集團股份有限公司) in the Previous Period.
Net cash flow from investing activities	-769,052,038.33	-1,373,353,166.34	44.00%	It was mainly due to the payment of consideration for acquisition of equity interest in Tianjin Tongrentang Group Co., Ltd. (天津同仁堂集團股份有限公司) in the Previous Period.
Effect of changes in foreign exchange rates on cash and cash equivalents	131,850,063.12	-18,496,696.04	812.83%	It was mainly due to changes in foreign exchange rates resulting in an increase in exchange gains from foreign exchange funds held.
Net increase in cash and cash equivalents	453,132,823.42	-985,162,891.56	146.00%	It was mainly due to the combined effect of an increase in cash generated from ordinary operating activities of the Company during the Period and a decrease in external investment period-to-period.

II. INFORMATION OF SHAREHOLDERS

(I) Total number of shareholders of ordinary shares and preferred shares with voting rights resumed and information on shareholdings of the Top 10 shareholders

Unit: share

Total number of ordinary shareholders as at the end of the Reporting Period	67,097 holders (including 67,073 holders of A shares and 24 holders of H shares ^(Note 1))	Total number of preference shareholders with voting rights resumed as at the end of the Reporting Period (if any)	-
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Shareholdings of the Top 10 Shareholders

Name of shareholder	Nature of shareholder	Percentage of shareholding	Number of shares held Status of shares	Number of restricted shares held Number	Status of pledged, charged or locked up	
					Status of shares	Number
HKSCC Nominees Limited ^(Note 2)	Foreign legal person	33.10%	309,562,240	-	-	-
Joincare Pharmaceutical Industry Group Co., Ltd. (健康元藥業集團股份有限公司)	Domestic non-state owned legal person	23.67%	221,376,789	-	-	-
Hong Kong Securities Clearing Company Limited	Foreign legal person	2.46%	23,047,932	-	-	-
Guangzhou Begol Trading Holdings Limited (廣州市保科力貿易公司)	State-owned legal person	1.85%	17,306,329	17,306,329	Pledged and locked up	17,306,329
Shenzhen Haibin Pharmaceutical Co., Ltd. (深圳市海濱製藥有限公司)	Domestic non-state owned legal person	1.80%	16,830,835	-	-	-
Shanghai Lingren Private Equity Fund Management Partnership (Limited Partnership) – Lingren Excellence Evergreen Phase II Private Equity Securities Investment Fund (上海瓚仁私募基金管理合夥企業(有限合夥)–瓚仁卓越長青二期私募證券投資基金)	Others	0.54%	5,094,949	-	-	-
China Guangfa Bank Co., Ltd. – Guotai Juxin Value Advantage Flexible Allocation of Hybrid Securities Investment Fund (廣發銀行股份有限公司 – 國泰聚信價值優勢靈活配置混合型證券投資基金)	Others	0.44%	4,100,000	-	-	-
CITIC Securities Co., Ltd. – Social Security Fund Portfolio 1106 (中信證券股份有限公司 – 社保基金 1106 組合)	Others	0.43%	4,020,589	-	-	-
Rizhao Steel Co., Ltd. (日照鋼鐵有限公司)	Domestic non-state owned legal person	0.32%	3,033,300	-	-	-
Norges Bank – Internal Funds (挪威中央銀行 – 自有資金)	Foreign legal person	0.31%	2,896,962	-	-	-

Shareholdings of Top 10 Non-restricted Shareholders

Name of shareholder	Number of non-restricted shares held	Class of shares	Number
HKSCC Nominees Limited ^(Note 2)	309,562,240	Overseas listed foreign shares	309,562,240
Joincare Pharmaceutical Industry Group Co., Ltd. (健康元藥業集團股份有限公司)	221,376,789	Ordinary shares denominated in Renminbi	221,376,789
Hong Kong Securities Clearing Company Limited	23,047,932	Ordinary shares denominated in Renminbi	23,047,932
Shenzhen Haibin Pharmaceutical Co., Ltd. (深圳市海濱製藥有限公司)	16,830,835	Ordinary shares denominated in Renminbi	16,830,835
Shanghai Lingren Private Equity Fund Management Partnership (Limited Partnership) – Lingren Excellence Evergreen Phase II Private Equity Securities Investment Fund (上海瓊仁私募基金管理合夥企業(有限合夥) – 瓊仁卓越長青二期私募證券投資基金)	5,094,949	Ordinary shares denominated in Renminbi	5,094,949
China Guangfa Bank Co., Ltd. – Guotai Juxin Value Advantage Flexible Allocation of Hybrid Securities Investment Fund (廣發銀行股份有限公司 – 國泰聚信價值優勢靈活配置混合型證券投資基金)	4,100,000	Ordinary shares denominated in Renminbi	4,100,000
CITIC Securities Co., Ltd. – Social Security Fund Portfolio 1106 (中信證券股份有限公司 – 社保基金 1106 組合)	4,020,589	Ordinary shares denominated in Renminbi	4,020,589
Rizhao Steel Co., Ltd. (日照鋼鐵有限公司)	3,033,300	Ordinary shares denominated in Renminbi	3,033,300
Norges Bank – Internal Funds (挪威中央銀行 – 自有資金)	2,896,962	Ordinary shares denominated in Renminbi	2,896,962
He Shijin (何時金)	2,787,805	Ordinary shares denominated in Renminbi	2,787,805

Description on the connected relationship or acting-in-concert relationship among the aforementioned shareholders

(1) On 2 January 2004, Joincare Pharmaceutical Industry Group Co., Ltd. (“**Joincare**”) and Guangzhou Begol Trading Holdings Limited (“**Begol**”) entered into a Share Transfer and Custody Agreement and a Share Pledge Agreement, pursuant to which the original domestic legal person shares of 6,059,428 shares of the Company (the number of shares was increased to 7,877,256 shares after the Company’s implementation of 2014 Equity Distribution, the number of shares was increased to 10,240,432 shares after the Company’s implementation of 2016 Equity Distribution, the number of shares was increased to 13,312,561 shares after the Company’s implementation of 2017 Equity Distribution, and the number of shares was increased to 17,306,329 shares after the Company’s implementation of 2018 Equity Distribution) held by Begol were directly transferred, entrusted and pledged to Joincare; (2) Shenzhen Haibin Pharmaceutical Co., Ltd. is a subsidiary controlled by Joincare which directly and indirectly holds 100% of its interest; (3) the Company is not aware of any connected relationship among the other abovementioned shareholders or whether they are persons acting-in-concert under the provisions of the Administrative Measures for the Takeover of Listed Companies (《上市公司收購管理辦法》).

Description of the Top 10 shareholders involved in the margin financing and securities lending business (if any)

Not Applicable

- Notes:*
1. The shareholdings of the above top 10 shareholders are listed in accordance with the data in the register of members as at 30 September 2022 provided by Shenzhen Branch of China Securities Depository and Clearing Corporation Limited and Tricor Investor Services Limited in Hong Kong.
 2. HKSCC Nominees Limited is a nominee holder of H Shares of the Company, and the Company cannot ascertain whether such shares it held are subject to any pledge or lock-up, and such shareholdings held by HKSCC Nominees Limited on behalf of others include 163,364,672 H Shares held by Topsino Industries Limited (天誠實業有限公司), which is a wholly-owned subsidiary of Joicare, the controlling shareholder of the Company.

(II) Total number of preference shareholders of the Company and shareholdings of the Top 10 preference shareholders

Applicable Not Applicable

III. OTHER IMPORTANT EVENTS

Applicable Not Applicable

IV. QUARTERLY FINANCIAL STATEMENTS

(I) Financial Statements

Consolidated Balance Sheet

Prepared by: Livzon Pharmaceutical Group Inc.

Unit: RMB

Item	Amount at the End of the Period	Amount at the Beginning of the Year
Current assets:		
Monetary funds	9,625,364,202.43	9,146,373,455.01
Financial assets held for trading	121,394,233.59	182,773,354.56
Bills receivable	1,320,445,173.12	1,342,029,380.44
Accounts receivables	2,482,694,080.97	1,951,898,111.20
Receivables financing		
Prepayments	189,887,320.91	281,083,347.36
Other receivables	42,269,477.51	47,768,970.54
Of which: Interest receivable		
Dividends receivable		
Inventories	1,815,939,531.36	1,663,227,968.17
Contract assets		
Held-for-sale assets		
Non-current assets due within one year	38,498.84	317,381.23
Other current assets	14,840,854.90	57,624,626.16
Total current assets	15,612,873,373.63	14,673,096,594.67
Non-current assets:		
Debt investments		
Other debt investments		
Long-term receivables	82,574.69	266,904.13
Long-term equity investments	1,096,747,823.95	1,064,968,250.00
Other equity instrument investments	643,871,058.55	629,914,544.37
Other non-current financial assets		
Investment properties		
Fixed assets	3,792,829,041.70	3,669,728,093.97
Construction in progress	699,165,097.82	554,575,587.48
Productive biological assets		
Oil and gas assets		
Right-of-use assets	18,061,060.46	14,588,322.60
Intangible assets	302,289,523.92	260,279,167.34
Development expenditure	639,446,915.49	574,499,574.42
Goodwill	103,040,497.85	103,040,497.85
Long-term deferred expenses	140,637,461.99	129,910,521.60
Deferred income tax assets	267,165,354.06	252,694,687.27
Other non-current assets	253,663,682.22	444,352,845.12
Total non-current assets	7,957,000,092.70	7,698,818,996.15
Total assets	23,569,873,466.33	22,371,915,590.82

Item	Amount at the End of the Period	Amount at the Beginning of the Year
Current liabilities:		
Short-term loans	1,711,608,333.36	2,043,048,023.71
Financial liabilities held for trading	17,037,073.75	143,302.24
Bills payables	1,051,220,630.05	1,026,619,858.93
Accounts payables	680,665,986.61	790,679,701.29
Receipts in advance		
Contract liabilities	43,968,190.38	167,796,768.82
Employee benefits payables	254,391,238.29	296,784,492.89
Taxes and surcharge payables	207,317,993.18	160,385,251.99
Other payables	2,753,369,069.14	2,416,840,968.10
Of which: Interest payable		
Dividends payable	14,009,877.69	6,951,984.46
Held-for-sale liabilities		
Non-current liabilities due within one year	11,267,351.12	9,284,335.86
Other current liabilities	3,171,764.95	13,485,363.41
Total current liabilities	6,734,017,630.83	6,925,068,067.24
Non-current liabilities:		
Long-term loans	1,778,666,590.94	636,780,252.78
Bonds payables		
Leasing liabilities	7,833,985.41	5,274,240.80
Long-term payables		
Long-term employee benefits payables		
Provisions		
Deferred gains	284,340,246.58	258,882,992.46
Deferred income tax liabilities	169,636,035.27	156,885,243.92
Other non-current liabilities	84,000,000.00	78,000,000.00
Total non-current liabilities	2,324,476,858.20	1,135,822,729.96
Total liabilities	9,058,494,489.03	8,060,890,797.20
Share capital	935,131,144.00	937,865,121.00
Other equity instruments		
Of which: Preferred shares		
Perpetual bonds		
Capital reserve	1,600,891,038.37	1,629,356,574.34
Less: treasury shares		71,209,491.00
Other comprehensive income	144,157,010.04	46,548,997.70
Special reserve		
Surplus reserve	744,801,154.15	744,801,154.15
Undistributed profits	10,007,847,891.28	9,716,401,275.28
Total equity attributable to shareholders of the parent company	13,432,828,237.84	13,003,763,631.47
Minority interests	1,078,550,739.46	1,307,261,162.15
Total shareholders' (or owners') equity	14,511,378,977.30	14,311,024,793.62
Total liabilities and shareholders' (or owners') equity	23,569,873,466.33	22,371,915,590.82

Chairman of the Board and Legal Representative: *Zhu Baoguo*

Executive Director and President: *Tang Yanggang*

Chief Financial Officer: *Si Yanxia*

Head of Accounting Department: *Zhuang Jianying*

Consolidated Income Statement from the Beginning of the Year to the End of the Reporting Period

Prepared by: Livzon Pharmaceutical Group Inc.

Unit: RMB

Item	Amount for the Period (January – September 2022)	Amount for the Previous Period (January – September 2021)
I. Operating income	9,488,253,415.41	9,369,264,787.55
Less: Operating costs	3,272,527,611.16	3,203,472,201.88
Tax and surcharge	106,030,810.28	107,561,409.80
Selling expenses	2,902,292,445.97	3,086,661,650.71
Administrative expenses	554,794,501.21	487,456,985.11
R&D expenses	978,746,743.57	786,282,945.23
Finance expenses	-254,166,791.47	-24,291,944.01
Of which: Interest expenses	71,071,527.61	70,923,609.61
Interest income	254,866,278.54	95,888,615.60
Add: Other income	111,767,923.98	144,350,693.37
Investment income (“-” represents losses)	39,625,539.45	68,653,895.91
Of which: Income from investments in associates and joint ventures	51,102,817.39	23,352,814.06
Derecognition of income from financial assets at amortized cost (“-” represents losses)		
Gains from hedging net exposure (“-” represents losses)		
Gains from changes in fair value (“-” represents losses)	-78,272,892.48	-16,178,795.31
Credit impairment loss (“-” represents losses)	-9,116,587.96	-9,433,500.35
Asset impairment loss (“-” represents losses)	-120,547,775.58	-35,533,764.42
Gains from disposal of assets (“-” represents losses)	1,121,679.66	943,911.31
II. Operating profit (“-” represents losses)	1,872,605,981.76	1,874,923,979.34
Add: Non-operating income	3,703,434.85	4,508,100.87
Less: Non-operating expenditure	10,493,028.51	11,106,015.07
III. Total profit (“-” represents net losses)	1,865,816,388.10	1,868,326,065.14
Less: Income tax expenses	305,485,403.73	255,803,028.75
IV. Net profit (“-” represents net losses)	1,560,330,984.37	1,612,523,036.39
(I) Classified by continuing operations:		
Of which: Net profit from continuing operations (“-” represents net losses)	1,560,330,984.37	1,612,523,036.39
Net profit from discontinued operations (“-” represents net losses)		
(II) Classified by attribution to ownership:		
Of which: Net profit attributable to shareholders of the parent company (“-” represents net losses)	1,506,800,118.40	1,452,730,415.78
Profit and loss attributable to minority interests (“-” represents net losses)	53,530,865.97	159,792,620.61

Item	Amount for the Period (January – September 2022)	Amount for the Previous Period (January – September 2021)
V. Other comprehensive income after taxation	100,294,789.83	-157,799,005.62
Other comprehensive income after taxation attributable to shareholders of the parent company	97,608,012.34	-157,511,972.35
(I) Other comprehensive income not to be reclassified into profit or loss	14,697,082.48	-142,516,636.53
1. Changes in remeasurement of defined benefit plans		
2. Other comprehensive income not to be reclassified into profit or loss under equity method	2,476,997.86	-8,910,033.87
3. Changes in fair value of other equity instrument investments	12,220,084.62	-133,606,602.66
4. Changes in fair value of enterprise's own credit risk		
5. Others		
(II) Other comprehensive income to be reclassified into profit or loss	82,910,929.86	-14,995,335.82
1. Other comprehensive income to be reclassified into profit or loss under equity method	133,999.48	
2. Changes in fair value of other debt investments		
3. Financial assets reclassified into other comprehensive income		
4. Credit impairment provision for other debt investments		
5. Reserve for cash flow hedging (effective portion of profit or loss from cash flow hedging)		
6. Translation difference of financial statements denominated in foreign currency	82,776,930.38	-14,995,335.82
7. Others		
Other comprehensive income after taxation attributable to minority interests	2,686,777.49	-287,033.27
VI. Total comprehensive income	1,660,625,774.20	1,454,724,030.77
Total comprehensive income attributable to shareholders of the parent company	1,604,408,130.74	1,295,218,443.43
Total comprehensive income attributable to minority interests	56,217,643.46	159,505,587.34
VII. Earnings per share		
(I) Basic earnings per share	1.61	1.55
(II) Diluted earnings per share	1.61	1.55

Chairman of the Board and Legal Representative: Executive Director and President:
Zhu Baoguo Tang Yanggang

Chief Financial Officer:
Si Yanxia

Head of Accounting Department:
Zhuang Jianying

Consolidated Cash Flow Statement from the Beginning of the Year to the End of the Reporting Period

Prepared by: Livzon Pharmaceutical Group Inc.

Unit: RMB

Item	Amount for the Period (January – September 2022)	Amount for the Previous Period (January – September 2021)
I. Cash flow from operating activities:		
Cash received from sale of goods and services rendered	9,475,097,845.56	9,394,025,667.32
Refund of taxes and levies	193,127,216.21	99,634,885.12
Cash received relating to other operating activities	427,437,639.05	290,345,766.83
Subtotal of cash inflow from operating activities	10,095,662,700.82	9,784,006,319.27
Cash paid for purchase of goods and services rendered	2,550,298,764.55	2,251,683,361.97
Cash paid to and on behalf of employees	1,209,454,236.82	1,107,398,260.19
Payments for various taxes and levies	966,670,812.90	1,039,881,148.06
Cash paid relating to other operating activities	3,521,315,116.80	4,079,699,307.83
Subtotal of cash outflow from operating activities	8,247,738,931.07	8,478,662,078.05
Net cash flow from operating activities	1,847,923,769.75	1,305,344,241.22
II. Cash flow from investing activities:		
Cash received from disposal of investments		110,302,936.39
Cash received on investment income	64,170,413.70	89,121,721.77
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	775,169.50	7,351,053.00
Net cash received from disposal of subsidiaries and other operating units		3,311,220.53
Cash received relating to other investing activities	6,190,000.00	36,600.00
Subtotal of cash inflow from investing activities	71,135,583.20	210,123,531.69
Cash payments for acquisition of fixed assets, intangible assets and other long-term assets	790,431,463.53	806,462,283.70
Cash payments for investments	30,338,557.45	774,000,000.00
Net cash paid for acquisition of subsidiaries and other operating units		
Cash paid relating to other investing activities	19,417,600.55	3,014,414.33
Subtotal of cash outflow from investing activities	840,187,621.53	1,583,476,698.03
Net cash flow from investing activities	-769,052,038.33	-1,373,353,166.34

Item	Amount for the Period (January – September 2022)	Amount for the Previous Period (January – September 2021)
III. Cash flow from financing activities:		
Cash received from investments	26,581,190.01	753,706,675.00
Of which: Cash received by subsidiaries from investments of minority interests		594,899,481.00
Cash received from borrowings	3,395,663,680.22	2,304,753,015.63
Cash received relating to other financing activities	326,863.94	1,839,371.34
Subtotal of cash inflow from financing activities	3,422,571,734.17	3,060,299,061.97
Cash paid on repayment of debts	2,594,080,892.47	1,722,684,146.53
Cash paid for distribution of dividends, profit or interests	1,566,668,782.30	1,449,644,316.87
Of which: Dividends and profits paid to minority interests by subsidiaries	289,382,106.77	210,102,367.10
Cash paid relating to other financing activities	19,411,030.52	786,627,868.97
Subtotal of cash outflow from financing activities	4,180,160,705.29	3,958,956,332.37
Net cash flow from financing activities	-757,588,971.12	-898,657,270.40
IV. Effect of changes in foreign exchange rates on cash and cash equivalents	131,850,063.12	-18,496,696.04
V. Net increase in cash and cash equivalents	453,132,823.42	-985,162,891.56
Add: Balance of cash and cash equivalents at the beginning of the period	9,125,309,968.12	9,952,049,990.08
VI. Cash and cash equivalents at the end of the period	9,578,442,791.54	8,966,887,098.52

Chairman of the Board and Legal Representative: Executive Director and President:
Zhu Baoguo

Tang Yanggang

Chief Financial Officer:
Si Yanxia

Head of Accounting Department:
Zhuang Jianying

(II) Audit Report

Whether the Third Quarterly Report is audited

Yes No

The Third Quarterly Report of the Company has not been audited.

By order of the Board
麗珠醫藥集團股份有限公司
Livzon Pharmaceutical Group Inc. *
Yang Liang
Company Secretary

Zhuhai, China
25 October 2022

As at the date of this announcement, the Executive Directors of the Company are Mr. Tang Yanggang (President) and Mr. Xu Guoxiang (Vice Chairman and Vice President); the Non-Executive Directors of the Company are Mr. Zhu Baoguo (Chairman), Mr. Tao Desheng (Vice Chairman), Mr. Qiu Qingfeng and Mr. Yu Xiong; and the Independent Non-Executive Directors of the Company are Mr. Bai Hua, Mr. Tian Qiusheng, Mr. Wong Kam Wa, Mr. Luo Huiyuan and Ms. Cui Lijie.

* For identification purpose only