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上海復旦張江生物醫藥股份有限公司

Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Co., Ltd.*

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

(Stock code:1349)

THE THIRD QUARTERLY RESULTS ANNOUNCEMENT

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2023

The board of directors (the “**Board**”) of Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Co., Ltd.* (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce the unaudited financial information of the Group for the nine months ended 30 September 2023, which is prepared in accordance with China Accounting Standards for Business Enterprises (the “**Third Quarterly Results Announcement**”). This announcement is made pursuant to the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and Rules 13.09(2) and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

KEY ACCOUNTING DATA

Major accounting data and financial indicators

Unit: RMB

Items	Amount for the reporting period (July - September 2023)	Percentage change in amount for the reporting period compared with the same period last year (%)	Amount from the beginning of this year to the end of the reporting period (January - September 2023)	Percentage change in amount from the beginning of this year to the end of the reporting period compared with the same period last year (%)
Revenue	185,132,977	-58.40	707,960,683	-1.16
Net profit attributable to shareholders of the listed company	21,454,125	-70.53	89,891,634	144.11
Net profit deducting non-recurring profit or loss attributable to shareholders of the listed company	16,582,241	-75.58	71,487,644	220.74
Net cash flows from operating activities	Not applicable	Not applicable	1,712,208	-99.13
Basic earnings per share (RMB per share)	0.02	-71.43	0.09	125.00
Diluted earnings per share (RMB per share)	0.02	-71.43	0.09	125.00
Weighted average rate of return on net assets (%)	0.92	Decreased by 2.43 percentage points	3.91	Increased by 2.24 percentage points
Total R&D investment	50,730,733	-28.58	169,321,586	-4.81
Proportion of R&D investment in operating revenue (%)	27.40	Increased by 11.44 percentage points	23.92	Decreased by 0.91 percentage points
	As at the end of the reporting period		As at the end of last year	Change as at the end of the reporting period compared with the end of last year (%)
Total assets	2,946,016,262		2,976,007,272	-1.01
Net assets attributable to shareholders of the listed company	2,335,669,182		2,257,102,217	3.48

Non-recurring profit or loss items and amounts

Unit: RMB

Items	Amount for the reporting period (July - September 2023)	Amount from the beginning of this year to the end of the reporting period (January - September 2023)	Description
Gains or losses from disposal of non-current assets	-179,616	1,293,835	/
Government grants recognised in the statement of profit or loss for the current period (except for government grants which are closely related to the Company's normal business operations, and in line with the country's policies, calculated according to certain standards or continuously granted in fixed amount)	1,526,440	5,547,249	/
Gain or loss arising from changes in fair value of holding held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities and derivative financial liabilities, and investment income from disposal of held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities and derivative financial liabilities and other equity investments, except effective hedging business related to the Company's normal operations.	4,742,160	15,018,295	It's mainly included the interest income recognised from the structured deposits of the Group.
Non-operating income and expenses other than the above items	-357,620	-207,191	/
Less: Impact on income tax	870,092	3,230,618	/
Impact on minority interests (after tax)	-10,612	17,580	/
Total	4,871,884	18,403,990	/

Explanation on extraordinary gain or loss items defined as recurring gain or loss items as illustrated in the *Notice on Explanation of Information Disclosure of Companies Publicly Issuing Securities No.1 – Extraordinary Gain or Loss*

Not applicable.

Changes in key accounting data and financial indicators and the reasons thereof

Items	Percentage Change (%)	Reason for changes
Revenue (for the reporting period from July to September 2023)	-58.40	It is mainly due to the impact of the external environment, the sales fluctuated significantly in the second and third quarters as well as the corresponding period of last year, but the sales of drugs and operation of the Group remained basically stable during the cumulative period.
Net profit attributable to shareholders of the listed company (for the reporting period from July to September 2023)	-70.53	
Net profit deducting non-recurring profit or loss attributable to shareholders of the listed company (for the reporting period from July to September 2023)	-75.58	
Basic earnings per share (RMB per share) (for the reporting period from July to September 2023)	-71.43	
Diluted earnings per share (RMB per share) (for the reporting period from July to September 2023)	-71.43	
Net profit attributable to shareholders of the listed company (for the reporting period from January to September 2023)	144.11	It is mainly due to the additional recognition of share-based payment expenses in the same period last year.
Net profit deducting non-recurring profit or loss attributable to shareholders of the listed company (for the reporting period from January to September 2023)	220.74	
Basic earnings per share (RMB per share) (for the reporting period from January to September 2023)	125.00	
Diluted earnings per share (RMB per share) (for the reporting period from January to September 2023)	125.00	
Net cash flows from operating activities (for the reporting period from January to September 2023)	-99.13	It is mainly due to the significant increase in the amount of cash paid for the purchase of goods and services from the beginning of this year to the end of the reporting period.

SHAREHOLDERS' INFORMATION

Total number of ordinary shareholders and the number of preferred shareholders with voting rights restored and the shareholding of top ten shareholders

Unit: Share

Total number of ordinary shareholders as at the end of the reporting period	22,420 ^{Note 1}	Total number of preferred shareholders with voting rights restored as at the end of the reporting period (if any)	Not applicable				
Particulars of Shareholdings of the top ten shareholders							
Name of shareholder	Nature of shareholder	Number of shares held	Percentage (%)	Number of shares held subject to trading moratorium	Number of restricted shares including shares lent by refinancing	Pledged, marked or frozen Shares	
						Status of shares	Number of shares
HKSCC NOMINEES LIMITED ^{Note 2}	Overseas legal person	235,295,900	22.70	-	-	Unknown	-
Shanghai Pharmaceuticals Holding Co., Ltd. ^{Note 2}	Domestic non-state-owned legal person	210,142,560	20.27	-	-	Nil	-
China New Enterprise Investment Fund II	Other	156,892,912	15.14	-	-	Nil	-
Yang Zong Meng	Domestic natural person	80,000,000	7.72	-	-	Nil	-
Wang Hai Bo	Domestic natural person	57,886,430	5.58	-	-	Nil	-
Invesco Hong Kong Limited ^{Note 2}	Overseas legal person	19,502,000	1.88	-	-	Unknown	-
Su Yong	Domestic natural person	18,677,860	1.80	-	-	Nil	-
Zhao Da Jun	Domestic natural person	15,620,710	1.51	-	-	Nil	-
Li Jun	Domestic natural person	9,018,200	0.87	-	-	Nil	-
Shanghai Pudong Technology Investment Co., Ltd.	Domestic non-state-owned legal person	6,562,382	0.63	-	-	Nil	-

SHAREHOLDERS' INFORMATION

Total number of ordinary shareholders and the number of preferred shareholders with voting rights restored and the shareholding of top ten shareholders

Unit: Share

Particulars of shareholding of the top ten shareholders not subject to trading moratorium			
Name of shareholder	Number of circulating shares held not subject to trading moratorium	Type and number of shares	
		Type of shares	Number
HKSCC NOMINEES LIMITED ^{Note 2}	235,295,900	Overseas listed foreign shares	235,295,900
Shanghai Pharmaceuticals Holding Co., Ltd. ^{Note 2}	210,142,560	Overseas listed foreign shares	70,564,000
		RMB ordinary shares	139,578,560
China New Enterprise Investment Fund II	156,892,912	RMB ordinary shares	156,892,912
Yang Zong Meng	80,000,000	RMB ordinary shares	80,000,000
Wang Hai Bo	57,886,430	RMB ordinary shares	57,886,430
Invesco Hong Kong Limited ^{Note 2}	19,502,000	Overseas listed foreign shares	19,502,000
Su Yong	18,677,860	RMB ordinary shares	18,677,860
Zhao Da Jun	15,620,710	RMB ordinary shares	15,620,710
Li Jun	9,018,200	RMB ordinary shares	9,018,200
Shanghai Pudong Technology Investment Co., Ltd.	6,562,382	RMB ordinary shares	6,562,382
Note on the connected relations or connected actions of the above shareholders	The Company is not aware whether the above shareholders have related party relationship or acting-in-concert arrangements.		
Description of participation in securities margin trading and refinancing business of top ten shareholders and top ten shareholders whose shares are not subject to trading moratorium (if any)	Not applicable		

Notes:

- As at the end of the reporting period, the Company had 22,420 shareholders, including 22,284 A share shareholders and 136 H share shareholders;
- Shares held by HKSCC NOMINEES LIMITED are held on behalf of its clients and the number of Shares it holds as shown in the table above excludes the 70,564,000 H shares held by Shanghai Pharmaceuticals and 19,502,000 H Shares held by Invesco Hong Kong Limited. As the relevant rules of the Hong Kong Stock Exchange do not require clients to report whether the shares that they hold are pledged or frozen, HKSCC NOMINEES LIMITED is unable to provide statistics on the number of shares that have been pledged or frozen. Shanghai Pharmaceuticals Holding Co., Ltd. is the largest shareholder of the Company, holding a total of 210,142,560 shares of the Company, of which 139,578,560 shares are A shares (RMB ordinary shares) and 70,564,000 shares are H shares (overseas listed foreign shares).

OTHER REMINDERS

Other important information about the Company's operating conditions during the reporting period that investors need to be reminded of and pay attention to.

Not applicable

CONSOLIDATED BALANCE SHEET

As at 30 September 2023

(All amounts in RMB Yuan unless otherwise stated)

Items	30 September 2023 Consolidated (Unaudited)	31 December 2022 Consolidated (Audited)
Current assets		
Cash at bank and on hand	1,242,462,297	1,289,302,664
Notes receivables	126,646,270	172,740,246
Accounts receivables	524,153,117	506,383,690
Advances to suppliers	6,321,183	17,987,140
Other receivables	4,772,300	4,870,442
Inventories	41,127,892	40,526,760
Current portion of non-current assets	-	33,320,625
Other current assets	4,603,143	4,057,218
Total current assets	1,950,086,202	2,069,188,785
Non-current assets		
Long-term equity investments	295,000,545	305,767,001
Other equity instruments	365,248	604,241
Fixed assets	226,584,416	206,262,520
Construction in progress	186,611,100	122,371,274
Right-of-use assets	16,813,606	22,876,981
Intangible assets	58,370,114	62,321,642
Development costs	35,605,837	34,825,737
Long-term prepaid expenses	6,325,662	8,261,211
Deferred tax assets	93,247,050	85,903,680
Other non-current assets	77,006,482	57,624,200
Total non-current assets	995,930,060	906,818,487
TOTAL ASSETS	2,946,016,262	2,976,007,272

CONSOLIDATED BALANCE SHEET

As at 30 September 2023

(All amounts in RMB Yuan unless otherwise stated)

Items	30 September 2023 Consolidated (Unaudited)	31 December 2022 Consolidated (Audited)
Current liabilities		
Short-term borrowings	100,000,000	101,000,000
Accounts payables	7,613,373	7,431,420
Contract liabilities	372,777	308,923
Employee benefits payable	20,370,624	27,761,585
Taxes payable	9,957,471	9,611,771
Other payables	424,747,279	518,974,183
Non-current liabilities due within one year	6,604,923	8,216,162
Other current liabilities	48,461	40,160
Total Current liabilities	569,714,908	673,344,204
Non-current liabilities		
Lease liabilities	10,428,815	15,598,764
Deferred income	29,096,675	34,042,949
Total Non-current liabilities	39,525,490	49,641,713
Total liabilities	609,240,398	722,985,917
Owners' equity (or shareholders' equity)		
Paid-in capital (or share capital)	103,657,210	102,900,000
Capital surplus	1,285,619,011	1,225,008,937
Other comprehensive income	-5,332,927	-5,201,021
Surplus reserve	52,150,000	52,150,000
Undistributed profits	899,575,888	882,244,301
Total equity attributable to equity owners of the Company (or shareholders' equity)	2,335,669,182	2,257,102,217
Minority interests	1,106,682	-4,080,862
Total owners' equity (or shareholders' equity)	2,336,775,864	2,253,021,355
TOTAL LIABILITIES AND OWNERS' EQUITY (OR SHAREHOLDERS' EQUITY)	2,946,016,262	2,976,007,272

Legal representative: Zhao Da Jun Principal in charge of accounting: Xue Yan Head of accounting department: Zhang Wen

CONSOLIDATED INCOME STATEMENTS

For the nine months ended 30 September 2023

(All amounts in RMB Yuan unless otherwise stated)

Items	For the nine months ended 30 September 2023 (Unaudited)	For the nine months ended 30 September 2022 (Unaudited)
Revenue	707,960,683	716,265,980
Total Cost	600,143,402	667,789,596
Cost of sales	54,968,433	55,072,149
Taxes and surcharges	3,893,911	3,930,490
Selling expenses	333,644,772	383,823,070
General and administrative expenses	39,075,379	55,061,168
Research and development expenses	168,541,486	171,893,365
Financial income/(expenses)	19,421	-1,990,646
Including: Interest expenses	2,684,421	1,030,278
Interest income	-3,847,847	-3,969,774
Add: Other income	5,547,249	2,481,052
Investment income	2,635,497	5,358,807
Including: Share of loss of associates and joint ventures	-12,382,799	-8,667,227
Credit impairment losses	-30,928,727	-22,666,224
Assets impairment losses	-2,249,524	-4,274,357
Gains on disposals of assets	1,293,835	1,381,059
Operating profit	84,115,611	30,756,721
Add: Non-operating income	626,502	604,251
Less: Non-operating expenses	833,693	1,391,897
Total profit	83,908,420	29,969,075
Less: Income tax expenses	-5,902,870	-6,770,876
Net profit	89,811,290	36,739,951
Net profit from continuing operations	89,811,290	36,739,951
Attributable to equity owners of the Company	89,891,634	36,823,845
Minority interests	-80,344	-83,894

CONSOLIDATED INCOME STATEMENTS

For the nine months ended 30 September 2023

(All amounts in RMB Yuan unless otherwise stated)

Items	For the nine months ended 30 September 2023 (Unaudited)	For the nine months ended 30 September 2022 (Unaudited)
Other comprehensive income, net of tax	-164,801	-1,204,460
Other comprehensive income that will not be reclassified to profit or loss	-238,993	-1,564,448
Changes in the fair value of other equity investments		
Other comprehensive income that will be reclassified to profit or loss	74,192	359,988
Translation differences on translation of foreign currency financial statements		
Total comprehensive income	89,646,489	35,535,491
Attributable to equity owners of the Company	89,726,833	35,619,385
Attributable to minority interests	-80,344	-83,894
Earnings per share		
Basic and diluted earnings per share (RMB per share)	0.09	0.04

For the business combination involving enterprises under common control during the reporting period, realised net profit of the merged parties before the merger was nil (corresponding period of the previous year: nil)

Legal representative: Zhao Da Jun Principal in charge of accounting: Xue Yan Head of accounting department: Zhang Wen

CONSOLIDATED CASH FLOW STATEMENTS

For the nine months ended 30 September 2023

(All amounts in RMB Yuan unless otherwise stated)

Items	For the nine months ended 30 September 2023 (Unaudited)	For the nine months ended 30 September 2022 (Unaudited)
Cash flows from operating activities		
Cash received from sales of goods or rendering of services	716,124,186	688,710,016
Cash received relating to other operating activities	11,765,504	14,043,725
Sub-total of cash inflows	727,889,690	702,753,741
Cash paid for goods and services	460,756,702	251,361,327
Cash paid to and on behalf of employees	186,112,117	177,486,918
Payments of taxes and surcharges	13,817,559	37,392,182
Cash paid relating to other operating activities	65,491,104	40,330,519
Sub-total of cash outflows	726,177,482	506,570,946
Net cash flows from operating activities	1,712,208	196,182,795
Cash flows from investing activities		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	1,410,325	1,244,273
Cash received relating to other investing activities	3,054,737,584	2,859,026,034
Sub-total of cash inflows	3,056,147,909	2,860,270,307
Cash paid to acquire fixed assets, intangible assets and other long-term assets	85,638,335	95,247,379
Cash paid relating to other investing activities	3,006,000,000	2,845,000,000
Sub-total of cash outflows	3,091,638,335	2,940,247,379
Net cash flows from investing activities	-35,490,426	-79,977,072
Cash flows from financing activities		
Cash received from capital contributions	66,861,642	-
Sub-total of cash inflows	66,861,642	-
Cash payments for distribution of dividends, profits or interest expenses	74,615,047	72,030,000
Cash payments relating to other financing activities	5,415,831	16,272,716
Sub-total of cash outflows	80,030,878	88,302,716
Net cash flows from financing activities	-13,169,236	-88,302,716
Effect of foreign exchange rate changes on cash and cash equivalents	107,087	359,988
Net increase in cash and cash equivalents	-46,840,367	28,262,995
Add: Cash and cash equivalents at beginning of the reporting period	1,289,302,664	1,208,880,911
Cash and cash equivalents at end of the reporting period	1,242,462,297	1,237,143,906

Legal representative: Zhao Da Jun Principal in charge of accounting: Xue Yan Head of accounting department: Zhang Wen

Adjustments to the financial statements as at the beginning of the year due to the application of new accounting standards or interpretations of accounting standards for the first time since 2023

Not applicable.

The financial information of the Company and its subsidiaries for the nine months ended 30 September 2023 is unaudited

The financial information is authorised for issue by the Board on 30 October 2023

The Third Quarterly Announcement is published on the websites of the Stock Exchange (<http://www.hkexnews.hk>), Shanghai Stock Exchange (<http://www.sse.com.cn>) and the Company (<http://www.fd-zj.com>)

By order of the Board

Zhao Da Jun

Chairman

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

Mr. Zhao Da Jun (Executive Director)

Ms. Xue Yan (Executive Director)

Mr. Shen Bo (Non-executive Director)

Ms. Yu Xiao Yang (Non-executive Director)

Mr. Wang Hong Guang (Independent Non-executive Director)

Mr. Lam Siu Wing (Independent Non-executive Director)

Mr. Xu Pei Long (Independent Non-executive Director)

Shanghai, the PRC

30 October 2023

** For identification purpose only*