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CanSino Biologics Inc.
康希諾生物股份公司

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

(Stock code: 6185)

**THIRD QUARTERLY REPORT FOR THE
NINE MONTHS ENDED SEPTEMBER 30, 2023**

This announcement is made by CanSino Biologics Inc. (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) 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 in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The report of the unaudited results (the “**Third Quarterly Report**”) of the Group for the nine months ended September 30, 2023 (the “**Reporting Period**”) are provided. The financial information contained in the Third Quarterly Report was prepared in accordance with the Chinese Accounting Standards for Business Enterprises and has not been audited by the auditor of the Group. Potential investors and shareholders of the Company are advised to exercise caution when dealing in the shares of the Company.

The Third Quarterly Report is written in both Chinese and English. In the case of any discrepancies, the Chinese version of the Third Quarterly Report shall prevail.

By order of the Board
CanSino Biologics Inc.
Xuefeng YU
Chairman

Hong Kong, October 30, 2023

As at the date of this announcement, the Board of Directors comprises Dr. Xuefeng YU, Dr. Shou Bai CHAO, Dr. Tao ZHU, Dr. Dongxu QIU and Ms. Jing WANG as executive Directors, Mr. Liang LIN, Ms. Nisa Bernice Wing-Yu LEUNG and Mr. Zhi XIAO as non-executive Directors, and Mr. Shiu Kwan Danny WAI, Ms. Zhu XIN, Mr. Shuifa GUI and Mr. Jianzhong LIU as independent non-executive Directors.

IMPORTANT NOTICE

The board (the “**Board**”) of directors (the “**Directors**”), the board of supervisors, the Directors, supervisors and senior management of the Company confirm that the contents of the Third Quarterly Report are true, accurate and complete, and that there are no false representations, misleading statements contained or material omissions, and are jointly and severally responsible for the liabilities arising from the Third Quarterly Report of the Company.

The legal representative of the Company, the chief financial officer of the Company and the person responsible for the accounting department (person-in-charge of the accounting department), confirm that the financial statements contained in the Third Quarterly Report are true, accurate and complete.

Whether the Third Quarterly Report has been audited.

Yes No

I. BASIC INFORMATION OF THE GROUP

1.1 Key financial data and indicators

Unit: Yuan; Currency: RMB

Item	Amount for the period	Increase/(decrease) as compared with the corresponding period of 2022 (%)	Amount from the beginning of the year to the end of the Reporting Period	Increase/(decrease) as compared with the corresponding period of 2022 (%)
Operating revenue	149,723,992.40	92.93	175,631,799.90	(75.17)
Net profit attributable to shareholders of the listed company	(143,600,577.66)	(70.49)	(985,029,654.47)	107.63
Net profit after deduction of non-recurring profit or loss attributable to shareholders of the listed company	(186,431,076.05)	(64.54)	(1,079,391,649.35)	85.28
Net cash flows from operating activities	Not applicable	Not applicable	(748,974,021.75)	(46.24)
Basic earnings per share (RMB/Share)	(0.58)	(70.46)	(3.99)	107.90
Diluted earnings per share (RMB/Share)	(0.58)	(70.46)	(3.99)	107.90
Weighted average return on net assets (%)	(2.46)	Increased by 4.07 percentage points	(15.74)	Decreased by 9.56 percentage points
Research and development expenses	140,476,879.33	(38.80)	479,955,759.05	(13.64)
Proportion of research and development expenses to operating revenue (%)	93.82	Decreased by 201.94 percentage points	273.27	Increased by 194.71 percentage points

Item	As at the end of the Reporting Period	As at the end of 2022	Increase/(decrease) as at the end of the Reporting Period as compared with the end of 2022 (%)
Total assets	9,610,642,425.30	11,468,958,286.71	(19.34)
Total owners' equity attributable to the shareholders of the listed company	5,770,626,650.09	6,748,089,902.12	(16.94)

Note: "Amount for the period" refers to 3 months from the beginning of this quarter to the end of this quarter, the same below.

1.2 Items and amounts of non-recurring profits or losses

Unit: Yuan; Currency: RMB

Item	Amount for the period	Amount from the beginning of the year to the end of the Reporting Period	Notes
Income of disposal of non-current assets	–	37,458.07	
Government grants recognized though profit or loss for the current period excluding those closely related to the Company's ordinary operations and granted on an ongoing basis under the national policies according to certain fixed quota of amount or volume	46,959,415.96	92,078,561.13	
Except for effective hedging businesses that relate to the Company's normal business operations, profit or loss from fair value changes on financial assets held-for-trading, derivative financial assets, financial liabilities held-for-trading and derivative financial liabilities, and investment income from disposal of financial assets held-for-trading, derivative financial assets, financial liabilities held-for-trading, derivative financial liabilities and other debt investment	2,199,542.59	56,386,036.31	
Other non-operating revenue and expenses other than the foregoing items	1,303,462.29	(40,699,878.22)	
Less: Effect of income tax	7,322,038.49	17,009,664.92	
Effect of non-controlling interests after tax	309,883.96	(3,569,482.51)	
Total	42,830,498.39	94,361,994.88	

Statement of non-recurring items of profit or loss listed in “Explanatory Announcement No. 1 on Disclosure of Information by Companies Issuing Public Securities – Non-recurring Profit or Loss” defined as recurring items of profit or loss

Applicable Not applicable

1.3 Details of and reasons for material changes in the major financial statement captions and financial indicators of the Group

Applicable Not applicable

Item	Increase/(decrease) as at the end of the Reporting Period as compared with the end of 2022/ corresponding period of 2022 (%)	Reasons
Operating revenue – amount for the period	92.93	Primarily due to the significantly increased sales revenue of meningococcal vaccines as compared with the corresponding period of last year.
Operating revenue – amount from the beginning of the year to the end of the Reporting Period	(75.17)	Primarily due to the significant decrease in sales revenue of COVID-19 vaccines which accounted for a significant proportion of the total revenue in the corresponding period of last year. Although sales revenue of meningococcal vaccines significantly increased during the Reporting Period, total operating revenue decreased compared with the corresponding period of last year.
Net profit attributable to shareholders of the listed company – amount for the period	(70.49)	Net loss attributable to shareholders of the listed company and net loss after
Net profit after deduction of non-recurring profit or loss attributable to shareholders of the listed company – amount for the period	(64.54)	deduction of non-recurring profit or loss attributable to shareholders of the listed company decreased during the Reporting Period compared with the corresponding period of last year, primarily due to the increase in operating revenue, and the decrease in R&D expenses and assets impairment loss.

Item	Increase/(decrease) as at the end of the Reporting Period as compared with the end of 2022/ corresponding period of 2022 (%)	Reasons
Net profit attributable to shareholders of the listed company – amount from the beginning of the year to the end of the Reporting Period	107.63	Net loss attributable to shareholders of the listed company and net loss after deduction of non-recurring profit or loss attributable to shareholders of the listed company increased during the period from the beginning of the year to the end of the Reporting Period compared with the corresponding period of last year, primarily due to the decrease in operating revenue, the increase in cost generated by low-capacity utilization and assets impairment loss.
Net profit after deduction of non-recurring profit or loss attributable to shareholders of the listed company – amount from the beginning of the year to the end of the Reporting Period	85.28	
Net cash flows from operating activities – amount from the beginning of the year to the end of the Reporting Period	(46.24)	Net cash outflows from operating activities decreased from the beginning of the year to the end of the Reporting Period compared with the corresponding of period last year, primarily due to the decrease of cash payment for raw material purchase.
Basic earnings per share – amount for the period	(70.46)	Basic loss per share and diluted loss per share decreased during the Reporting Period compared with the corresponding period of last year, primarily due to the decrease in operating loss of the Group.
Diluted earnings per share – amount for the period	(70.46)	
Basic earnings per share – amount from the beginning of the year to the end of the Reporting Period	107.90	Basic loss per share and diluted loss per share increased during the period from the beginning of the year to the end of the Reporting Period compared with the corresponding of period last year, primarily due to the increase in operating loss of the Group.
Diluted earnings per share – amount from the beginning of the year to the end of the Reporting Period	107.90	

Item	Increase/(decrease) as at the end of the Reporting Period as compared with the end of 2022/ corresponding period of 2022 (%)	Reasons
Research and development expenses – amount for the period	(38.80)	Primarily due to the shift in the Group’s research and development focus, resulting in the decrease of research and development expenses related to COVID-19 vaccine products.
Proportion of research and development expenses to operating revenue – amount for the period	Decreased by 201.94 percentage points	Primarily due to the increase of operating revenue, and the decrease of research and development expenses during the Reporting Period.
Proportion of research and development expenses to operating revenue – amount from the beginning of the year to the end of the Reporting Period	Increased by 194.71 percentage points	Primarily due to the greater decline ratio of operating revenue than the decline ratio of research and development expenses from the beginning of the year to the end of the Reporting Period.

II. SHAREHOLDERS INFORMATION OF THE GROUP

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

Unit: Share

Total number of ordinary shareholders as at the end of the Reporting Period	23,196	Total number of preferred shareholders with voting rights restored as at the end of the Reporting Period (if any)	Not applicable
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Shareholdings of the top ten shareholders

Name of Shareholder	Nature of shareholder	Number of shares	Percentage (%)	Number of shares subject to selling restriction held	Number of restricted shares including shares lent by refinancing	Pledged or frozen Status of shares	Number of Shares
HKSCC NOMINEES LIMITED	Overseas corporation	98,066,897	39.63	–	–	Unknown	–
Xuefeng YU	Overseas natural person	17,874,200	7.22	–	–	None	0
Tao ZHU	Domestic natural person	17,874,200	7.22	–	–	None	0
Dongxu QIU	Overseas natural person	17,114,200	6.92	–	–	None	0
Helen Huihua MAO	Overseas natural person	15,195,441	6.14	–	–	None	0
Tianjin Qianyi Enterprise Management Partnership (Limited Partnership)	Domestic non-state-owned legal person	3,474,600	1.40	–	–	None	0
Tianjin Qianrui Enterprise Management Partnership (Limited Partnership)	Domestic non-state-owned legal person	3,299,475	1.33	–	–	None	0
Future Industry Investment Fund (Limited Partnership)	Domestic non-state-owned legal person	2,883,810	1.17	–	–	None	0
Ge SUN	Domestic natural person	1,403,742	0.57	–	–	None	0
Bank of China Limited – China Merchants National Securities Biomedical Index Classified Securities Investment Fund	Domestic non-state-owned legal person	1,291,998	0.52	–	–	None	0

Shareholdings of the top ten shareholders not subject to the selling restrictions

Name of Shareholder	Number of shares not subject to selling restrictions at the end of the Reporting Period	Class and number of Shares	
		Class	Number
HKSCC NOMINEES LIMITED	98,066,897	Overseas listed foreign shares	98,066,897
Xuefeng YU	17,874,200	RMB ordinary shares	17,874,200
Tao ZHU	17,874,200	RMB ordinary shares	17,874,200
Dongxu QIU	17,114,200	RMB ordinary shares	17,114,200
Helen Huihua MAO	15,195,441	RMB ordinary shares	15,195,441
Tianjin Qianyi Enterprise Management Partnership (Limited Partnership)	3,474,600	RMB ordinary shares	3,474,600
Tianjin Qianrui Enterprise Management Partnership (Limited Partnership)	3,299,475	RMB ordinary shares	3,299,475
Future Industry Investment Fund (Limited Partnership)	2,883,810	RMB ordinary shares	2,883,810
Ge SUN	1,403,742	RMB ordinary shares	1,403,742
Bank of China Limited – China Merchants National Securities Biomedical Index Classified Securities Investment Fund	1,291,998	RMB ordinary shares	1,291,998
Description on the related party relationship or parties acting in concert among the aforesaid shareholders	Xuefeng YU, Tao ZHU, Dongxu QIU, Helen Huihua MAO, Tianjin Qianyi Enterprise Management Partnership (Limited Partnership), and Tianjin Qianrui Enterprise Management Partnership (Limited Partnership) are acting in concert. Apart from the above, the Company is not aware of any related party relationship between the shareholders or whether they are parties acting in concert.		
Description on participation in margin trading and refinancing business by the top ten shareholders and the top ten shareholders not subject to the selling restrictions (if any)	Not applicable		

Note: The shares held by HKSCC NOMINEES LIMITED (Hong Kong Securities Clearing Company Limited) are the total number of shares in the accounts of the holders of H shares of the Company traded on the Hong Kong Securities Clearing Company Limited trading platform, excluding the number of H shares held by the controlling shareholders of the Company.

III. OTHER IMPORTANT MATTERS

Other important information in relation to the operation of the Company during the Reporting Period to which investors are advised to pay attention

Applicable Not applicable

During the Reporting Period, the sales revenue of the Group reached approximately RMB414,389.4 thousand in total, and the operating income of the Group during the first three quarters of 2023 amounted to approximately RMB175,631.8 thousand in total as a result of the sales return provision write-off of income of approximately RMB238,757.6 thousand. As the Group continued to enhance the promotion and marketing of meningococcal vaccines, meningococcal vaccines of the Group realized an operating income of approximately RMB371,153.6 thousand during the first three quarters of 2023, as compared with approximately RMB64,383.7 thousand during the corresponding period of last year, representing a year-on-year increase of approximately 476.47%.

IV. QUARTERLY REPORT

4.1 Audit opinion type of Quarterly Report

Applicable Not applicable

4.2 Financial Statements

CONSOLIDATED BALANCE SHEET

September 30, 2023

Prepared by: CanSino Biologics Inc.

Unit: Yuan; Currency: RMB; Type of audit: Unaudited

Item	As of September 30, 2023	As of December 31, 2022
Current assets:		
Monetary funds	3,221,172,324.19	3,464,734,156.87
Deposit reservation for balance		
Lending funds		
Financial assets held for trading	1,120,789,947.11	2,482,056,956.14
Derivative financial assets	4,403.63	–
Note receivables		
Trade receivables	652,970,462.58	855,490,098.31
Financing receivables		
Advances to suppliers	79,159,217.50	120,885,091.58
Premium receivables		
Reinsurance accounts receivable		
Receivable from subcontracting reserves		
Other receivables	7,714,022.26	5,082,737.88
Including: Interests receivable		
Dividend receivables		
Redemptory monetary capital for sale		
Inventories	417,379,697.15	677,776,961.91
Contract assets		
Assets classified as held for sale		
Non-current assets due within one year		
Other current assets	27,865,354.10	124,158,535.43
Total current assets	5,527,055,428.52	7,730,184,538.12

Item	As of September 30, 2023	As of December 31, 2022
Non-current assets:		
Issuing of loans and advances		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	3,255,796.45	3,250,000.00
Investments in other equity instruments		
Other non-current financial assets	152,995,416.21	46,865,167.36
Investment properties		
Fixed assets	1,739,808,723.13	1,502,482,617.40
Construction in progress	976,969,618.01	1,341,968,725.42
Bearer biological assets		
Oil-and-gas assets		
Right-of-use assets	207,334,289.58	224,552,309.46
Intangible assets	190,634,500.95	220,923,653.67
Development disbursement	56,096,774.20	37,814,538.47
Goodwill		
Long-term prepaid expenses	27,365,375.57	14,139,504.27
Deferred income tax assets	197,573,921.34	196,410,100.07
Other non-current assets	531,552,581.34	150,367,132.47
Total non-current assets	4,083,586,996.78	3,738,773,748.59
TOTAL ASSETS	9,610,642,425.30	11,468,958,286.71

Item	As of September 30, 2023	As of December 31, 2022
Current liabilities:		
Short-term borrowings	830,228,625.28	1,529,805,144.83
Borrowings from the Central Bank		
Borrowing funds		
Financial liabilities held for trading		
Derivative financial liabilities	13,534,700.31	–
Notes payables	22,204,500.72	32,896,001.90
Trade payables	130,182,288.49	220,223,937.60
Advances from customers		
Contract liabilities	2,095,621.94	1,480,275.00
Financial assets sold for repurchase		
Absorbing deposit and interbank deposit		
Receivings from vicariously traded securities		
Receivings from vicariously sold securities		
Employee benefits payable	97,280,565.73	182,408,109.09
Taxes payable	4,891,973.17	23,717,709.61
Other payables	606,481,618.30	585,756,399.06
Including: Interests payable		
Dividend payables		
Fees and commissions payable		
Reinsurance account payables		
Liabilities classified as held for sale		
Non-current liabilities due within one year	587,699,679.45	94,529,903.37
Other current liabilities	170,881,239.11	253,889,493.20
Total current liabilities	2,465,480,812.50	2,924,706,973.66
Non-current liabilities:		
Provision for insurance contracts		
Long-term borrowings	945,464,950.25	878,007,606.42
Bond payables		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	177,927,771.38	198,287,002.18
Long-term payables		
Long-term employee benefits payable		
Accrued liabilities		
Deferred income	215,028,764.13	222,354,979.26
Deferred income tax liabilities		
Other non-current liabilities	8,491,925.25	–
Total non-current liabilities	1,346,913,411.01	1,298,649,587.86
TOTAL LIABILITIES	3,812,394,223.51	4,223,356,561.52

Item	As of September 30, 2023	As of December 31, 2022
Owners' equity (or shareholders' equity):		
Paid-up capital (or share capital)	247,449,899.00	247,449,899.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	6,571,429,315.71	6,607,980,961.09
Less: Treasury shares	106,173,421.67	150,168,656.11
Other comprehensive income	243,346.44	120,533.06
Special reserves		
Surplus reserves	118,388,703.29	118,388,703.29
General risk provisions		
Undistributed profits	(1,060,711,192.68)	(75,681,538.21)
Total owners' equity (or shareholders' equity)		
attributable to the parent company	5,770,626,650.09	6,748,089,902.12
Non-controlling interests	27,621,551.70	497,511,823.07
TOTAL OWNERS' EQUITY (OR SHAREHOLDERS' EQUITY)	5,798,248,201.79	7,245,601,725.19
TOTAL LIABILITIES AND OWNERS' EQUITY (OR SHAREHOLDERS' EQUITY)	9,610,642,425.30	11,468,958,286.71

Legal representative:
Xuefeng YU

Chief Financial Officer:
Xi LUO

*Person-in-charge of
Accounting Department:*
Lu LI

CONSOLIDATED INCOME STATEMENT

From January to September, 2023

Prepared by: CanSino Biologics Inc.

Unit: Yuan; Currency: RMB; Type of audit: Unaudited

Item	First three quarters of 2023 (From January to September)	First three quarters of 2022 (From January to September)
I. Total revenue	175,631,799.90	707,395,485.26
Including: Operating Revenue	175,631,799.90	707,395,485.26
Interest income		
Earned premium		
Service charges and commission income		
 II. Total costs	 941,841,563.33	 942,201,945.70
Including: Cost of operation	172,718,572.70	241,685,591.45
Interest payments		
Service charges and commission fee		
Surrender charge fee		
Net payments for insurance claims		
Extraction of insurance obligations net reserves		
Policyholder dividend expenses		
Reinsurance expenses		
Business taxes and surcharges	6,010,892.21	4,895,953.83
Selling expenses	193,633,711.73	149,135,308.14
Administrative expenses	188,092,918.68	211,608,113.62
Research and development expenses	461,673,523.32	549,065,739.57
Financial expenses	(80,288,055.31)	(214,188,760.91)
Including: Interest expenses	45,958,596.79	27,547,910.74
Interest income	75,199,408.92	44,621,803.51

Item	First three quarters of 2023 (From January to September)	First three quarters of 2022 (From January to September)
Add: Other income	95,521,382.41	46,889,884.97
Investment income (loss)	71,754,545.48	69,270,608.25
Including: Share of investment profit of associates and joint ventures	5,796.44	–
Derecognition gains on financial assets measured at amortised cost		
Exchange earnings (losses)		
Net gains (losses) from hedging exposure		
Gains (losses) arising from changes in fair value	(15,368,509.17)	5,498,510.89
Credit impairment loss	(14,375,039.52)	(6,269,528.65)
Asset impairment loss	(786,743,942.29)	(526,175,864.95)
Gains (losses) on assets disposal	37,458.07	–
III. Operating profit (loss)	(1,415,383,868.45)	(645,592,849.93)
Add: Non-operating income	1,114,629.55	135,908.64
Less: Non-operating expenses	41,814,507.77	1,396,400.46
IV. Total profit (loss)	(1,456,083,746.67)	(646,853,341.75)
Less: Income tax expenses	(1,163,820.83)	(158,171,123.29)
V. Net profit (loss)	(1,454,919,925.84)	(488,682,218.46)
(I). Classified by operations continuity		
1. Net profit (loss) from continuing operations	(1,454,919,925.84)	(488,682,218.46)
2. Net profit (loss) from discontinued operations		
(II). Classified by ownership		
1. Net profit (loss) attributable to shareholders of the company	(985,029,654.47)	(474,411,349.48)
2. Net profit (loss) attributable to minority shareholders	(469,890,271.37)	(14,270,868.98)

Item	First three quarters of 2023 (From January to September)	First three quarters of 2022 (From January to September)
VI. Other comprehensive income, net of tax	122,813.38	56,389.38
(I). Other comprehensive income attributable to owners of the parent company, net of tax	122,813.38	56,389.38
1. Other comprehensive income that will not be reclassified to profit or loss		
(1) Changes in the re-measurement of defined benefit plans		
(2) Other comprehensive income accounted for using equity method, which will not be reclassified to profit or loss		
(3) Changes in fair value of investments in other equity instruments		
(4) Changes in fair value arising from the enterprise's credit risk		
2. Other comprehensive income that will be reclassified to profit or loss	122,813.38	56,389.38
(1) Other comprehensive income accounted for using equity method, which will be reclassified to profit or loss		
(2) Changes in fair value of other debt investments		
(3) Other comprehensive income arising from reclassifying financial assets		
(4) Provision for credit impairment of other debt investments		
(5) Cash flow hedging reserve		
(6) Exchange differences on translation of financial statements denominated in foreign currencies	122,813.38	56,389.38
(7) Others		
(II). Other comprehensive income attributable to minority shareholders, net of tax		

Item	First three quarters of 2023 (From January to September)	First three quarters of 2022 (From January to September)
VII. Total comprehensive profit	(1,454,797,112.46)	(488,625,829.08)
(I). Total comprehensive profit attributable to shareholders of the company	(984,906,841.09)	(474,354,960.10)
(II). Total comprehensive profit attributable to minority shareholders	(469,890,271.37)	(14,270,868.98)
VIII. Earnings per share		
(I). Basic earnings per share (RMB/share)	(3.99)	(1.92)
(II). Diluted earnings per share (RMB/share)	(3.99)	(1.92)

Under the circumstances that business combination under common control was effected in the current period, the net profit recognized by the merged party before the combination was nil, and the net profit recognized by the merged party in the corresponding period of last year was nil.

<i>Legal representative:</i> Xuefeng YU	<i>Chief Financial Officer:</i> Xi LUO	<i>Person-in-charge of Accounting Department:</i> Lu LI
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CONSOLIDATED STATEMENTS OF CASH FLOWS

From January to September, 2023

Prepared by: CanSino Biologics Inc.

Unit: Yuan; Currency: RMB; Type of audit: Unaudited

Item	First three quarters of 2023 (From January to September)	First three quarters of 2022 (From January to September)
I. Cash flows from operating activities:		
Cash received from sales of goods and rendering of services	311,333,825.97	374,158,061.76
Net increase in customer deposits and interbank deposit payment		
Net increase in borrowing from the Central Bank		
Net increase in funds borrowed from other financial institutions		
Cash received from the receipt of the original insurance contract premiums		
Net cash received from reinsurance business		
Net increase in deposit of the insured and investment fund		
Interest, fees and commission in cash		
Net increase in funds borrowed		
Net increase in capital for repurchase business		
Net cash received from customer for acting as securities trading agent		
Refund of taxes received	133,944,308.70	120,363,500.50
Cash received relating to other operating activities	170,530,912.04	269,070,674.82
Subtotal of cash inflow from operating activities	615,809,046.71	763,592,237.08
Cash paid for goods and services	357,070,337.34	940,101,949.69
Net increase in customer loans and advances		
Net increase in placements with the Central Bank and Interbank		
Cash paid for claims on original insurance contract		
Net increase in lending funds		
Cash paid for interest, fees, and commissions		
Cash paid for policy dividend		
Cash paid to and on behalf of employees	533,773,171.33	489,173,244.28
Payments of taxes	32,088,164.06	51,066,177.79
Cash paid relating to other operating activities	441,851,395.73	676,528,643.62
Subtotal of cash outflows from operating activities	1,364,783,068.46	2,156,870,015.38
Net cash flows from operating activities	(748,974,021.75)	(1,393,277,778.30)

Item	First three quarters of 2023 (From January to September)	First three quarters of 2022 (From January to September)
II. Cash flows from investing activities:		
Cash received from disposal of investments	6,520,000,000.00	8,836,912,000.00
Cash received from return on investments	51,191,701.63	85,984,181.35
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	51,000.00	–
Net cash received from disposal of subsidiaries and other business units		
Cash received relating to other investing activities	69,583,000.00	438,048,000.00
Subtotal of cash inflows from investing activities	6,640,825,701.63	9,360,944,181.35
Cash paid to acquire fixed assets, intangible assets and other long-term assets	447,263,717.91	862,617,991.61
Cash paid to acquire investments	5,266,463,679.41	10,421,912,000.00
Net increase in pledged loans		
Net cash paid to acquire subsidiaries and other business units	380,771.90	–
Cash paid relating to other investing activities	1,138,492,500.00	–
Subtotal of cash outflows from investing activities	6,852,600,669.22	11,284,529,991.61
Net cash flows from investing activities	(211,774,967.59)	(1,923,585,810.26)
III. Cash flows from financing activities:		
Cash received from capital contributions		
Including: Cash received from capital contributions of minority shareholders of subsidiaries		
Cash received from borrowings	1,320,650,351.96	2,206,463,974.87
Cash received relating to other financing activities	52,858,051.14	–
Subtotal of cash inflows from financing activities	1,373,508,403.10	2,206,463,974.87
Cash paid for repayments of debts	1,409,392,180.55	1,219,973,502.92
Cash paid for distribution of dividends, profits or interest payment	57,899,512.05	225,160,904.60
Including: Dividends and profits paid to minority shareholders by subsidiaries		
Cash paid relating to other financing activities	37,536,210.15	132,724,855.13
Subtotal of cash outflows from financing activities	1,504,827,902.75	1,577,859,262.65
Net cash flow from financing activities	(131,319,499.65)	628,604,712.22

Item	First three quarters of 2023 (From January to September)	First three quarters of 2022 (From January to September)
IV. Effect of foreign exchange rate changes on cash and cash equivalents	51,795,363.57	197,619,027.01
V. Net increase in cash and cash equivalents	(1,040,273,125.42)	(2,490,639,849.33)
Add: Balance of cash and cash equivalents at the beginning of the period	3,391,267,855.27	5,455,455,500.75
VI. Balance of cash and cash equivalents at the end of the Period	2,350,994,729.85	2,964,815,651.42

<i>Legal representative:</i> Xuefeng YU	<i>Chief Financial Officer:</i> Xi LUO	<i>Person-in-charge of Accounting Department:</i> Lu LI
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4.3 Adjustment to the financial statements of the first year of adopting new revenue standards and new leasing standards since 2023

Applicable Not applicable

The announcement is hereby made.

Board of CanSino Biologics Inc.