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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 FIRST QUARTERLY RESULTS ANNOUNCEMENT

FOR THE THREE MONTHS ENDED 31 MARCH 2024

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 Company and its subsidiaries for the three months ended 31 March 2024 (the “**Reporting Period**”), which is prepared in accordance with China Accounting Standards for Business Enterprises (the “**First Quarterly Results**”). 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 (the “**Stock Exchange**”).

KEY ACCOUNTING DATA

Major accounting data and financial indicators

Unit: RMB

Items	Amount for the Reporting Period		Percentage change in amount for the Reporting Period compared with the same period last year (%)
	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 (%)
Revenue	147,647,109		-21.94
Net profit attributable to shareholders of the listed company	2,347,396		-73.29
Net profit deducting non-recurring profit or loss attributable to shareholders of the listed company	-4,515,799		-292.19
Net cash flows from operating activities	43,938,388		Not applicable
Basic earnings per share (RMB per share)	0.00		-100.00
Diluted earnings per share (RMB per share)	0.00		-100.00
Weighted average rate of return on net assets (%)	0.10		Decreased by 0.29 percentage points
Total R&D investment	64,173,693		17.73
Proportion of R&D investment in operating revenue (%)	43.46		Increased by 14.64 percentage points
Total assets	2,825,346,356	2,876,687,507	-1.78
Net assets attributable to shareholders of the listed company	2,359,932,124	2,357,553,851	0.10

Non-recurring profit or loss items and amounts

Unit: RMB

Items	Amount for the Reporting Period	Description
Gains or losses from disposal of non-current assets, including the offsetting portion of provision for asset impairment	127,994	/
Government grants recognised in the statement of profit or loss for the current period (excluding those that are closely related to the normal business operations, and are granted in line with the national policies, regulations and standards, and have an on-going impact on the Company's profit or loss)	3,222,058	/
Gains or losses arising from changes in the fair value of financial assets and financial liabilities held by non-financial corporations, as well as those arising from disposals of financial assets and financial liabilities, except for the effective hedging activities related to the Company's normal business operations	4,554,032	It mainly included the interest income or gains recognised from the structured deposits and wealth management products.
Non-operating income and expenses other than the above items	139,227	/
Less: Impact on income tax	1,166,606	/
Impact on minority interests (after tax)	13,510	/
Total	6,863,195	/

The reasons should be explained for the non recurring gains and losses items with large amounts defined by the Company but not set out in the *Explanatory Announcement on Information Disclosure for Companies Offering Their Securities to the Public No.1 Non recurring Gains and Losses*, and the non recurring profit and loss items listed in *Explanatory Announcement on Information Disclosure for Companies Offering Their Securities to the Public No.1 Non recurring Gains and Losses* as recurring gains and losses items.

Not applicable.

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

Items	Percentage Change (%)	Reason for changes
Net profit attributable to shareholders of the listed company	-73.29	It is mainly due to the termination of the co-operation between the Company and its marketing service supplier. The handover process resulted in a decrease in the sales revenue of LIBOd®, one of the Company's major products, during the Reporting Period. It led to a decline in the Group's revenue compared to the same period last year, resulting a corresponding decrease in other relevant financial data.
Net profit deducting non-recurring profit or loss attributable to shareholders of the listed company	-292.19	
Basic earnings per share (RMB per share)	-100.00	
Diluted earnings per share (RMB per share)	-100.00	
Net cash flows from operating activities	Not applicable	It is mainly due to the increase of received receivables during the Reporting Period. Net cash flows from operating activities for the same period last year amounted to RMB-160.26 million, compared to RMB43.94 million during 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	20,860	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	Number
HKSCC NOMINEES LIMITED ^{Note}	Overseas legal person	235,291,740	22.70	-	-	Unknown	-
Shanghai Pharmaceuticals Holding Co., Ltd. ^{Note}	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	Overseas 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}	Overseas legal person	19,502,000	1.88	-	-	Unknown	-
Su Yong	Domestic natural person	18,477,860	1.78	-	-	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 Emerging Industry Investment Co., Ltd.	state-owned legal person	6,562,382	0.63	-	-	Nil	-

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}	235,291,740	Overseas listed foreign shares	235,291,740
Shanghai Pharmaceuticals Holding Co., Ltd. ^{Note}	210,142,560	RMB ordinary shares	139,578,560
		Overseas listed foreign shares	70,564,000
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}	19,502,000	Overseas listed foreign shares	19,502,000
Su Yong	18,477,860	RMB ordinary shares	18,477,860
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 Emerging Industry 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)	Nil		

As at the end of the Reporting Period, the Company had 20,860 shareholders, including 20,724 A share shareholders and 136 H share shareholders.

Note: 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 Holding Co., Ltd. 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.

Shareholders holding more than 5% of the shares, top 10 shareholders and top 10 unrestricted tradable shareholders participating in lending of shares through refinancing

Not applicable.

Changes in top 10 shareholders and top 10 unrestricted tradable shareholders over the previous period due to lending or return through refinancing

Not applicable.

OTHER ISSUES

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

The Company exclusively engaged Huizheng (Shanghai) Pharmaceuticals Technology Co., Ltd.* (輝正(上海)醫藥科技有限公司) (“Shanghai Huizheng”) for the marketing and promotion of LIBOd[®], one of the Company's major products. During 2023, the revenue contributed by the sales of LIBOd[®] did not meet the expectation, leading to a significant decrease in the Group's revenue for year 2023 compared to the last year. The Company issued a formal letter to Shanghai Huizheng as at the end of 2023 with a view to terminate the marketing services agreement with effect from 31 December 2023. During the Reporting Period, the Company was in the process of communicating with Shanghai Huizheng in relation to the termination of the co-operation, and both parties have already completed some handover work, including but not limited to: the recognition of the terminal hospitals, the handover of the marketing work and the preliminary confirmation of part of the expenses that should be deducted from the marketing fee, etc. In order to ensure the orderly convergence of marketing related work, the Company timely adjusted the sales strategy of LIBOd[®] by screening and identifying professional CSO companies for oncology products to provide marketing and academic promotion services in each province and municipality based on the terminal sales price and market coverage there. On the premise of compliance, the Company will take advantage of various tendering and pooling opportunities to leverage CSO's core promotional capabilities in each provinces and adopt a refined and flat investment promotion and agency model to carry out academic promotion of its products in accordance with local conditions. This model aims to improve the efficiency of communication between all parties, which satisfies the overall planning of the products, while taking into account the regional characteristics, and reduce the overall operational risks.

CONSOLIDATED BALANCE SHEET

As at 31 March 2024

(All amounts in RMB Yuan unless otherwise stated)

Items	31 March 2024 Consolidated	31 December 2023 Consolidated
Current assets		
Cash at bank and on hand	1,233,394,449	1,195,895,997
Notes receivables	83,179,922	174,262,319
Accounts receivables	452,005,745	446,223,107
Advances to suppliers	11,571,164	4,330,980
Other receivables	3,356,696	3,539,328
Inventories	46,919,894	43,651,360
Other current assets	2,890,909	1,521,795
Total current assets	1,833,318,779	1,869,424,886
Non-current assets		
Long-term receivables	958,502	958,502
Long-term equity investments	282,302,672	287,518,193
Other equity instruments	9,291	15,126
Fixed assets	221,314,826	228,496,043
Construction in progress	233,440,024	229,962,812
Right-of-use assets	14,694,257	16,870,559
Intangible assets	83,058,457	86,350,098
Development costs	556,783	-
Long-term prepaid expenses	8,544,802	11,323,048
Deferred tax assets	101,804,057	100,873,445
Other non-current assets	45,343,906	44,894,795
Total non-current assets	992,027,577	1,007,262,621
TOTAL ASSETS	2,825,346,356	2,876,687,507

CONSOLIDATED BALANCE SHEET

As at 31 March 2024

(All amounts in RMB Yuan unless otherwise stated)

Items	31 March 2024 Consolidated	31 December 2023 Consolidated
Current liabilities		
Accounts payables	7,390,932	8,054,847
Contract liabilities	316,090	260,736
Employee benefits payable	962,777	25,084,497
Taxes payable	8,064,579	12,200,227
Other payables	431,368,452	453,055,613
Non-current liabilities due within one year	4,905,405	6,329,026
Other current liabilities	41,092	33,896
Total Current liabilities	453,049,327	505,018,842
Non-current liabilities		
Lease liabilities	9,869,581	10,952,722
Deferred income	1,573,325	2,152,575
Total Non-current liabilities	11,442,906	13,105,297
Total liabilities	464,492,233	518,124,139
Owners' equity (or shareholders' equity)		
Paid-in capital (or share capital)	103,657,210	103,657,210
Capital surplus	1,289,293,388	1,289,293,388
Other comprehensive income	-5,827,492	-5,858,369
Surplus reserve	52,150,000	52,150,000
Undistributed profits	920,659,018	918,311,622
Total equity attributable to equity owners of the Company (or shareholders' equity)	2,359,932,124	2,357,553,851
Minority interests	921,999	1,009,517
Total owners' equity (or shareholders' equity)	2,360,854,123	2,358,563,368
TOTAL LIABILITIES AND OWNERS' EQUITY (OR SHAREHOLDERS' EQUITY)	2,825,346,356	2,876,687,507

CONSOLIDATED INCOME STATEMENTS

For the three months ended 31 March 2024

(All amounts in RMB Yuan unless otherwise stated)

Items	For the three months ended 31 March 2024	For the three months ended 31 March 2023
Revenue	147,647,109	189,147,552
Total Cost	145,212,805	166,153,944
Cost of sales	10,875,486	17,345,982
Taxes and surcharges	1,267,941	1,234,703
Selling expenses	59,705,805	83,441,297
General and administrative expenses	10,977,294	10,061,354
Research and development expenses	63,616,910	54,123,028
Financial income/(expenses)	-1,230,631	-52,420
Including: Interest expenses	162,314	924,663
Interest income	-1,411,671	-1,048,325
Add: Other income	3,222,058	3,216,857
Investment income	1,080,735	1,784,427
Including: Share of loss of associates and joint ventures	-3,473,297	-3,118,431
Credit impairment losses	-5,559,028	-24,228,694
Assets impairment losses	-116,024	-1,046,555
Gains on disposals of assets	127,994	761,947
Operating profit	1,190,039	3,481,590
Add: Non-operating income	293,217	205,737
Less: Non-operating expenses	153,990	1,514,296
Total profit	1,329,266	2,173,031
Less: Income tax expenses	-930,612	-6,621,092
Net profit	2,259,878	8,794,123
Net profit from continuing operations	2,259,878	8,794,123
Attributable to equity owners of the Company	2,347,396	8,787,158
Minority interests	-87,518	6,965
Other comprehensive income, net of tax	30,877	-345,106
Other comprehensive income that will not be reclassified to profit or loss	-5,864	-298,882
Changes in the fair value of other equity investments		
Other comprehensive income that will be reclassified to profit or loss	36,741	-46,224
Translation differences on translation of foreign currency financial statements		
Total comprehensive income	2,290,755	8,449,017
Attributable to equity owners of the Company	2,378,273	8,442,052
Attributable to minority interests	-87,518	6,965
Earnings per share		
Basic and diluted earnings per share (RMB per share)	0.00	0.01

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)

CONSOLIDATED CASH FLOW STATEMENTS

For the three months ended 31 March 2024

(All amounts in RMB Yuan unless otherwise stated)

Items	For the three months ended 31 March 2024	For the three months ended 31 March 2023
Cash flows from operating activities		
Cash received from sales of goods or rendering of services	240,959,496	159,320,010
Cash received relating to other operating activities	3,769,626	3,581,231
Sub-total of cash inflows	244,729,122	162,901,241
Cash paid for goods and services	82,458,828	228,636,546
Cash paid to and on behalf of employees	74,884,497	76,980,417
Payments of taxes and surcharges	11,351,003	7,029,540
Cash paid relating to other operating activities	32,096,406	10,514,952
Sub-total of cash outflows	200,790,734	323,161,455
Net cash flows from operating activities	43,938,388	-160,260,214
Cash flows from investing activities		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	428,185	607,819
Cash received relating to other investing activities	919,296,256	1,054,902,840
Sub-total of cash inflows	919,724,441	1,055,510,659
Cash paid to acquire fixed assets, intangible assets and other long-term assets	10,532,013	51,246,012
Cash paid relating to other investing activities	913,000,000	1,240,000,000
Sub-total of cash outflows	923,532,013	1,291,246,012
Net cash flows from investing activities	-3,807,572	-235,735,353
Cash flows from financing activities		
Cash payments for distribution of dividends, profits or interest expenses	-	2,015,717
Cash payments relating to other financing activities	2,669,076	3,235,327
Sub-total of cash outflows	2,669,076	5,251,044
Net cash flows from financing activities	-2,669,076	-5,251,044
Effect of foreign exchange rate changes on cash and cash equivalents	36,712	-46,224
Net increase in cash and cash equivalents	37,498,452	-401,292,835
Add: Cash and cash equivalents at beginning of the reporting period	1,195,895,997	1,289,302,664
Cash and cash equivalents at end of the reporting period	1,233,394,449	888,009,829

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 2024

Not applicable.

The financial information of the Company and its subsidiaries for the three months ended 31 March 2024 is unaudited

The financial information in this announcement is authorised for issue by the Board on 29 April 2024

This First Quarterly Results 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

29 April 2024

** For identification purpose only*