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)

2021 THIRD QUARTERLY REPORT

The Board of Directors 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 nine months ended 30 September 2021 (the "**Reporting Period**"), which is prepared in accordance with China Accounting Standards for Business Enterprises (the "**Third Quarterly Report**"). 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 2021)	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 2021)	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	299,076,861	14.77	698,113,963	40.69
Net profit attributable to shareholders of the listed company	53,128,822	-4.73	118,614,270	39.80
Net profit deducting non-recurring profit or loss attributable to shareholders of the listed company	47,320,806	-0.56	101,864,470	75.28
Net cash flows from operating activities	Not applicable	Not applicable	147,058,878	662.49
Basic earnings per share (RMB per share)	0.05	0.00	0.11	22.22
Diluted earnings per share (RMB per share)	0.05	0.00	0.11	22.22
Weighted average rate of return on net assets (%)	2.59	Decreased by 0.35 percentage points	5.83	Decreased by 0.94 percentage points
Total R&D investment	70,765,888	41.05	178,269,594	66.49
Proportion of R&D investment in operating revenue (%)	23.66	Increased by 4.41 percentage points	25.54	Increased by 3.96 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	2,543,080,453	2,500,701,037		1.69
Net assets attributable to shareholders of the listed company	2,067,806,206	2,010,930,752		2.83

Non-recurring profit or loss items and amounts

Unit: RMB

Items	Amount for the reporting period (July - September 2021)	Amount from the beginning of this year to the end of the reporting period (January - September 2021)	Description
Gains or losses from disposal of non-current assets (including those already written off in the provision for impairment of assets)	471,681	1,079,026	/
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)	2,036,256	3,922,985	/
In addition to the effective hedging business related to the company's normal business operations, the profit and loss of fair value changes arising from the holding of financial assets held for trading, derivative financial assets, trading financial liabilities, derivative financial liabilities, and investment income obtained from the disposal of trading financial assets, derivative financial assets, trading financial liabilities, derivative financial liabilities and other creditor's rights investment	3,749,856	15,644,637	It’s mainly the interest accrued from the structured deposits of the Company.
Non-operating income and expenses other than the above items	199,742	-1,532,181	/
Less: Impact on income tax	-649,685	-2,353,854	/
Impact on minority interests (after tax)	166	-10,813	/
Total	5,808,016	16,749,800	/

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)	40.69	It is mainly due to the control of COVID-19 epidemic ("Epidemic"), the transportation of products and the treatment of patients have significant recovered, the sales volume and terminal use of the medical products of the Group have also gradually recovered and sales of main products rebounded.
Net profit attributable to shareholders of the listed company (for the Reporting Period)	39.80	Same as above
Net profit deducting non-recurring profit or loss attributable to shareholders of the listed company (for the Reporting Period)	75.28	Same as above
Net cash flows from operating activities (for the Reporting Period)	662.49	It is mainly due to the control of Epidemic, the sales and the collection of accounts receivables gradually recovered.
Total R&D investment (for the reporting period from July to September 2021)	41.05	The Group is actively promoting the progress of R&D projects, and the clinical, material and outsourcing R&D expenses have increased in this Reporting Period, which is due to the increase of investment for the progress of R&D projects.
Total R&D investment (for the Reporting Period)	66.49	Same as above

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 shareholders	21,993	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	Shares pledged or frozen	
						Status of shares	Number of shares
HKSCC NOMINEES LIMITED [Note 1]	Overseas legal person	237,962,900	22.82	-	-	Unknown	-
Shanghai Pharmaceuticals Holding Co., Ltd. [Note 1]	Domestic non-state-owned legal person	210,142,560	20.15	139,578,560	139,578,560	Nil	-
China New Enterprise Investment Fund II	Other	156,892,912	15.04	156,892,912	156,892,912	Nil	-
Yang Zong Meng	Domestic natural person	80,000,000	7.67	80,000,000	80,000,000	Nil	-
Wang Hai Bo	Domestic natural person	57,886,430	5.55	57,886,430	57,886,430	Nil	-
Invesco Hong Kong Limited [Note 1]	Overseas legal person	30,835,000	2.96	-	-	Unknown	-
Shanghai Fudan Asset Management Co., Ltd.	State-owned legal person	27,590,260	2.65	-	-	Nil	-
Shanghai Zhiyuan Investment Center LP [Note 2]	Other	26,160,000	2.51	-	-	Nil	-
Su Yong	Domestic natural person	22,312,860	2.14	-	-	Nil	-
Zhao Da Jun	Domestic natural person	19,260,710	1.85	-	-	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 1	237,962,900	Overseas listed foreign shares	237,962,900
Shanghai Pharmaceuticals Holding Co., Ltd. Note 1	70,564,000	Overseas listed foreign shares	70,564,000
Invesco Hong Kong Limited Note 1	30,835,000	Overseas listed foreign shares	30,835,000
Shanghai Fudan Asset Management Co., Ltd.	27,590,260	RMB ordinary shares	27,590,260
Shanghai Zhiyuan Investment Center LP Note2	26,160,000	RMB ordinary shares	26,160,000
Su Yong	22,312,860	RMB ordinary shares	22,312,860
Zhao Da Jun	19,260,710	RMB ordinary shares	19,260,710
Shanghai Dayuan Investment Center LP Note2	15,900,000	RMB ordinary shares	15,900,000
Shanghai Chengyuan Investment Center LP Note2	12,470,000	RMB ordinary shares	12,470,000
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 other 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		

As at the end of the Reporting Period, the Company had 21,993 shareholders, including 21,842 A share shareholders and 151 H share shareholders.

Note 1: 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 30,835,000 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;
Note 2: Shanghai Zhiyuan Investment Center LP, Shanghai Dayuan Investment Center LP, and Shanghai Chengyuan Investment Center LP are employee stock holding platforms of the Company.

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.

2021 Restricted incentive scheme

Pursuant to the authorization granted by the Shareholders at the AGM and the Class Meetings on 27 May 2021, the Board of Directors and the Board of Supervisors considered and approved resolutions including the "Resolution on the Grant of Restricted Shares to Participants under the First Grant" at the 10th (temporary) meeting of the seventh session of the Board of Directors and the 10th (temporary) meeting of the seventh session of the Board of Supervisors held on 22 July 2021. In abovementioned meetings, the Board of Directors and the Board of Supervisors resolved to grant 32,770,000 Restricted A Shares to 258 Participants (including the Connected Participants) at the Grant Price of RMB8.90 per share on the Grant Date, being 22 July 2021, under the First Grant pursuant to the Incentive Scheme. For more details, please refer to the announcements of the Company dated 6 April 2021 and 22 July 2021, and the supplementary circular of the Company dated 7 May 2021.

Construction of pharmaceutical production base by a subsidiary

Taizhou Fudan-Zhangjiang Pharmaceutical Co., Ltd* (泰州復旦張江藥業有限公司) (the "**Taizhou Fudan-Zhangjiang**"), a subsidiary of the Company, is an important production base of the Group to facilitate the industrialization process of the subsequent R&D projects and the application progress of existing R&D projects. Based on the strategic planning and business development needs, on 11 August 2021, the Board of the Company approved the construction of phase II pharmaceutical production base project for Taizhou Fudan-Zhangjiang (the "Project") on the land adjacent to its existing plant, which includes the construction of antibody drug conjugate production line, solid preparation production line, injection preparation production line as well as office, R&D area, quality inspection, storage, environmental protection and other auxiliary facilities with a total construction area of about 42,000 square meters. The total investment of the Project is RMB600 million (including the bidding payment for land use right at a price of RMB12.65 million). The Company will use its self-owned fund to invest in the Project. For more details, please refer to the announcement of the Company dated 11 August 2021.

CONSOLIDATED BALANCE SHEET

As at 30 September 2021

(All amounts in RMB Yuan unless otherwise stated)

Items	**30 September 2021 Consolidated**	31 December 2020 Consolidated
Current assets		
Cash at bank and on hand	**919,497,196**	1,396,890,192
Financial assets held for trading	**210,000,000**	-
Notes receivables	**93,281,591**	124,175,082
Accounts receivables	**460,632,171**	458,920,891
Advances to suppliers	**11,131,380**	7,429,378
Other receivables	**4,001,737**	2,908,453
Inventories	**40,154,851**	36,009,341
Other current assets	**418,554**	240,837
Total current assets	**1,739,117,480**	2,026,574,174
Non-current assets		
Long-term equity investments	**321,918,991**	61,459,426
Other equity instruments	**3,511,559**	5,253,127
Fixed assets	**222,454,236**	227,748,639
Construction in progress	**3,846,165**	1,827,729
Right-of-use assets	**31,912,443**	19,189,934
Intangible assets	**84,752,896**	56,177,941
Development costs	**28,313,061**	30,675,655
Long-term prepaid expenses	**7,331,892**	1,849,810
Deferred tax assets	**75,921,428**	62,973,789
Other non-current assets	**24,000,302**	6,970,813
Total non-current assets	**803,962,973**	474,126,863
TOTAL ASSETS	**2,543,080,453**	2,500,701,037

CONSOLIDATED BALANCE SHEET

As at 30 September 2021

(All amounts in RMB Yuan unless otherwise stated)

Items	**30 September 2021 Consolidated**	31 December 2020 Consolidated
Current liabilities		
Accounts payables	**5,366,449**	5,267,823
Contract liabilities	**672,674**	1,948,705
Employee benefits payable	**30,494,415**	35,464,873
Taxes payable	**11,524,244**	17,490,231
Other payables	**354,734,832**	361,660,803
Current portion of non-current liabilities	**8,429,352**	6,093,386
Total current liabilities	**411,221,966**	427,925,821
Non-current liabilities		
Lease liabilities	**24,573,829**	13,597,392
Deferred income	**42,606,739**	50,687,981
Total Non-current liabilities	**67,180,568**	64,285,373
Total liabilities	**478,402,534**	492,211,194
Owners' equity		
Share capital	**104,300,000**	104,300,000
Capital surplus	**1,223,919,241**	1,200,120,029
Less: Treasury stock	**31,626,821**	-
Other comprehensive income	**-2,531,929**	-770,722
Surplus reserve	**52,150,000**	52,150,000
Undistributed profits	**721,595,715**	655,131,445
Total equity attributable to equity owners of the Company	**2,067,806,206**	2,010,930,752
Minority interests	**-3,128,287**	-2,440,909
Total owners' equity	**2,064,677,919**	2,008,489,843
TOTAL LIABILITIES AND OWNERS' EQUITY	**2,543,080,453**	2,500,701,037

Legal representative: Wang Haibo Principal in charge of accounting: Xue Yan Head of accounting department: Zhang Wen

CONSOLIDATED INCOME STATEMENTS

For the nine months ended 30 September 2021
(All amounts in RMB Yuan unless otherwise stated)

Items	For the nine months ended 30 September 2021	For the nine months ended 30 September 2020
Revenue	**698,113,963**	496,213,149
Total Cost	**592,930,829**	427,844,076
Cost of sales	**49,044,582**	37,914,317
Taxes and surcharges	**3,874,737**	2,887,799
Selling expenses	**346,570,728**	257,724,780
General and administrative expenses	**38,043,903**	26,560,557
Research and development expenses	**159,207,486**	102,365,503
Financial income/(expenses)	**-3,810,607**	391,120
Including: Interest expenses	**384,798**	4,692,137
Interest income	**-386,593**	-4,941,381
Add: Other income	**3,922,985**	13,694,956
Investment income	**10,144,720**	9,204,997
Including: Share of loss of associates and joint ventures	**-5,499,917**	-3,333,784
Credit impairment losses	**-4,431,214**	-7,275,088
Gains on disposals of assets	**1,079,026**	4,104,246
Operating profit	**115,898,651**	88,098,184
Add: Non-operating income	**636,125**	871,393
Less: Non-operating expenses	**2,168,307**	390,014
Total profit	**114,366,469**	88,579,563
Less: Income tax expenses	**-3,560,423**	3,720,168
Net profit	**117,926,892**	84,859,395
Net profit from continuing operations	**117,926,892**	84,859,395
Net profit from discontinued operations	**-**	-
Attributable to equity owners of the Company	**118,614,270**	84,847,892
Minority interests	**-687,378**	11,503
Other comprehensive income, net of tax	**-1,761,207**	-82,602
Other comprehensive income that will not be reclassified to profit or loss Changes in the fair value of other equity investments	**-1,741,568**	-
Other comprehensive income that will be reclassified to profit or loss Translation differences on translation of foreign currency financial statements	**-19,639**	-82,602
Total comprehensive income	**116,165,685**	84,776,793
Attributable to equity owners of the Company	**116,853,063**	84,765,290
Attributable to minority interests	**-687,378**	11,503
Basic and diluted earnings per share (RMB per share)	**0.11**	0.09

Legal representative: Wang Haibo Principal in charge of accounting: Xue Yan Head of accounting department: Zhang Wen

CONSOLIDATED CASH FLOW STATEMENTS

For the nine months ended 30 September 2021

(All amounts in RMB Yuan unless otherwise stated)

Items	For the nine months ended 30 September 2021	For the nine months ended 30 September 2020
Cash flows from operating activities		
Cash received from sales of goods or rendering of services	**762,540,450**	536,405,190
Refunds of taxes	**7,933,500**	-
Cash received relating to other operating activities	**5,066,722**	17,203,306
Sub-total of cash inflows	**775,540,672**	553,608,496
Cash paid for goods and services	**414,285,123**	330,080,892
Cash paid to and on behalf of employees	**112,130,627**	119,862,895
Payments of taxes and surcharges	**56,619,649**	47,528,671
Cash paid relating to other operating activities	**45,446,395**	36,849,444
Sub-total of cash outflows	**628,481,794**	534,321,902
Net cash flows from operating activities	**147,058,878**	19,286,594
Cash flows from investing activities		
Net cash received from disposal of fixed assets	**897,283**	11,449,501
Net cash received from disposal of subsidiaries	**6,339,800**	-
Cash received relating to other investing activities	**2,455,444,638**	1,886,430,695
Sub-total of cash inflows	**2,462,681,721**	1,897,880,196
Cash paid to acquire fixed assets, intangible assets and other long-term assets	**82,465,101**	23,202,959
Net cash paid to acquire joint venture	**265,959,483**	36,000,000
Cash paid relating to other investing activities	**2,649,800,000**	1,873,890,932
Sub-total of cash outflows	**2,998,224,584**	1,933,093,891
Net cash flows from investing activities	**-535,542,863**	-35,213,695
Cash flows from financing activities		
Cash received from capital contributions	**-**	996,190,000
Cash received from borrowings	**-**	51,057,427
Sub-total of cash inflows	**-**	1,047,247,427
Cash repayments of borrowings	**-**	100,000,000
Cash payments for distribution of dividends, profits or interest expenses	**52,150,000**	69,055,522
Cash payments relating to other financing activities	**36,739,372**	22,239,039
Sub-total of cash outflows	**88,889,372**	191,294,561
Net cash flows from financing activities	**-88,889,372**	855,952,866
Effect of foreign exchange rate changes on cash and cash equivalents	**-19,639**	-82,602
Net increase/(decrease) in cash and cash equivalents	**-477,392,996**	839,943,163
Add: Cash and cash equivalents at beginning of the reporting period	**1,396,890,192**	576,799,410
Cash and cash equivalents at end of the reporting period	**919,497,196**	1,416,742,573

Legal representative: Wang Haibo   Principal in charge of accounting: Xue Yan   Head of accounting department: Zhang Wen

Particulars in relation to adjustments made to the financial statements as at the beginning of the year of the initial adoption new lease standard since 2021

Not applicable.

The financial information of the Company and its subsidiaries for the nine months ended 30 September 2021 is unaudited

The financial information is authorised for issue by the Board of Directors of the Company on 28 October 2021

The Third Quarterly Report 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
Wang Hai Bo
Chairman

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

Mr. Wang Hai Bo (Executive Director)
Mr. Su Yong (Executive Director)
Mr. Zhao Da Jun (Executive Director)
Mr. Shen Bo (Non-executive Director)
Ms. Yu Xiao Yang (Non-executive Director)
Mr. Zhou Zhong Hui (Independent Non-executive Director)
Mr. Lam Yiu Kin (Independent Non-executive Director)
Mr. Xu Qing (Independent Non-executive Director)
Mr. Yang Chun Bao (Independent Non-executive Director)

Shanghai, the PRC
28 October 2021

** For identification purpose only*