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INNOCARE

诺诚健华

InnoCare Pharma Limited

諾誠健華醫藥有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 9969)

2022 QUARTERLY REPORT FOR THE THIRD QUARTER

This announcement is made by InnoCare Pharma Limited (the “**Company**”) pursuant to Rules 13.09(2)(a) and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the “InnoCare Pharma Limited 2022 Quarterly Report for the Third Quarter” (the “**2022 Third Quarterly Report**”) published by the Company on the website of the Shanghai Stock Exchange, for reference purpose only. The following is a translation of the 2022 Third Quarterly Report of the Company solely for the purpose of providing information. Should there be any discrepancies, the Chinese version shall prevail.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company reminds shareholders and potential investors of the Company that the information and financial data set out in this announcement are unaudited, have been reviewed by the audit committee of the Company, but have not been reviewed by the independent auditors of the Company.

The unaudited financial data in the 2022 Third Quarterly Report set out in this announcement is prepared in accordance with the accounting principles of the People’s Republic of China instead of the International Financial Reporting Standards, and are prepared pursuant to the requirements of the STAR Market of the Shanghai Stock Exchange only.

Shareholders and potential investors are advised to exercise caution when dealing in securities of the Company.

By order of the Board
InnoCare Pharma Limited
Dr. Jisong Cui

Chairperson and Executive Director

Hong Kong, 11 November 2022

As at the date of this announcement, the Board of Directors of the Company comprises Dr. Jisong Cui as Chairperson and executive Director, Dr. Renbin Zhao as executive Director, Dr. Yigong Shi, Mr. Shan Fu, Mr. Ronggang Xie and Mr. Ming Jin as non-executive Directors, and Dr. Zemin Jason Zhang, Ms. Lan Hu and Dr. Kaixian Chen as independent non-executive Directors.

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Stock Code: 688428

Ticker Symbol: InnoCare

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The board of directors and all directors of the Company affirm that this announcement contains no false records or misleading statements or material omissions and that they are responsible for the truthfulness, accuracy, and completeness of its contents in accordance with the laws.

IMPORTANT NOTICE:

The board of directors, directors and senior management of the Company undertake that the contents of the quarterly report are true, accurate, complete and without any false records, misleading statements or material omissions and are severally and jointly liable therefor.

The person in charge of the Company, person in charge of accounting function and person in charge of the Accounting Department (chief accounting officer) warrant the truthfulness, accuracy and completeness of the financial information contained in the quarterly report.

Whether the third quarterly financial statements have been audited:

Yes No

PERFORMANCE REVIEW OF THE MANAGEMENT

The Management of InnoCare Pharma Limited (hereinafter referred as “InnoCare” or the “Company”) commented, “InnoCare is a high-tech and innovative bio-pharmaceutical enterprise driven by its outstanding and independent ability of research and development (R&D) as the core. Equipped with comprehensive abilities of R&D, production and commercialization and specializing in fields which there is a significant unmet clinical need, including malignancies and autoimmune disease areas, InnoCare develops the first or the best of similar drugs with ground-breaking potentials in global markets. As of 30 September 2022, Orelabrutinib (宜诺凯®), one of the main products of the Company, has been approved to be marketed¹ in December 2020 and successfully included in China’s NRDL in 2021. Tafasitamab has been approved to be used in Hainan Boao as imported drug in urgent clinical need. There are 13 products under I/II/III phrase of clinical trial and various products are under pre-clinical phrase.

¹ Conditional marketing approval, confirmatory clinical trials ongoing

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The sales of Orelabrutinib (宜诺凯®) of the Company for the third quarter in 2022 amounted to RMB183 million, representing an increase of 64% as compared to the second quarter. The sales of Orelabrutinib (宜诺凯®) in January – September 2022 was RMB400 million, representing an increase of 129% as compared to the same period of the previous year, mainly due to the increasing sales of Orelabrutinib (宜诺凯®) since its inclusion into new National Reimbursement Drug List.

The operating revenue for the third quarter in 2022 and in January – September 2022 decreased compared to the same period of the previous year, which was mainly due to the strategic cooperation between the Company and Biogen in the third quarter of 2021, which enabled us to obtain the first license revenue of approximately RMB776 million. The operating revenue, after deducting the impact, will increase by 88% in the third quarter of 2022, and the operating revenue will increase by 115% from January to September 2022, which is in line with the Company's expectation.

As a biological innovative drug enterprise, while our revenue from pharmaceutical sales continues to grow, we are not yet profitable as we continue to actively make investment into research and development. As Biogen 's licensing income in the third quarter of 2021 resulted in positive profits for the third quarter of 2021 and January-September, the resulting changes of “net profit attributable to shareholders of the listed company”, “net profit attributable to the shareholders of listed company after deducting non-recurring profits and losses”, “net cash flows generated from operating activities”, “basic earnings per share (RMB/share)” and “diluted earnings per share (RMB/share)” have no actual reference significance.

Net losses attributable to the owner of the parent company before and after deducting non-recurring profits and losses have increased in January – September 2022, mainly due to: 1) the Company invested RMB475 million in R&D in January – September 2022, representing an increase of 30% as compared to the previous year after excluding the impact of initial payment to Incyte Corporation, which was mainly due to the Company's increasing clinical programs in China and internationally. 2) The Company uses U.S. dollar as its functional currency as it is incorporated in the Cayman Islands. Since the Company's daily operating activities are mainly in China, RMB is the main payment currency. Funds used for listing on Hong Kong Stock Exchange and additional issuance are mainly converted into offshore RMB, resulting the amount of monetary capital in RMB, which is not the functional currency, is relatively high. The impact of fluctuation in exchange rate in RMB against U.S. dollar in January – September 2022 resulted in an unrealized exchange loss of approximately RMB399 million in account in January – September 2022 in respect of accounting treatment, and there is no tangible impact on the Company's operating activities. 3) Major expenses related to its daily operating activities has increased compared to the same period of the previous year with the development of the company and the increase in staff.

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As of 30 September 2022, we held cash and cash equivalents (investments at fair value through profit or loss + cash and bank balances + interest receivable) amounting over RMB 9.2 billion and net cash (cash balances-convertible loans and borrowings-loans from related parties) of more than RMB 7.7 billion. Leveraging on the sufficient cash flow, we will continue to accelerate the progress of each project, strive to provide more better treatments for patients nationally or even globally. We would hereby to express our sincere gratitude to all of our staffs, investors and partners, as well as for the trust and support from all walks of life!”

I. KEY FINANCIAL INFORMATION

(1) Key accounting data and financial indicators

Unit: RMB Currency: Renminbi

Items	The reporting period	Increase/decrease during the reporting period compared with the same period of the previous year (%)	From the beginning of the year to the end of the reporting period	Increase/decrease for the period from the beginning of the year to the end of the reporting period compared with the same period of the previous year (%)
Operating revenue	195,654,500.62	-77.76	441,612,184.36	-55.00
Among which: revenue from sales of drugs	182,918,325.05	147.23	399,989,782.11	128.63
Net profit attributable to shareholders of the listed company	-392,807,517.39	-232.11	-834,150,562.18	-1,048.85
Net profit attributable to shareholders of the listed company after deducting non-recurring profits and losses	-394,767,137.80	-226.57	-862,040,234.75	-891.92
Net cash flows generated from operating activities	N/A	N/A	-395,317,143.03	-241.19
Basic earnings per share (RMB/share)	-0.28	-233.33	-0.59	-1,083.33
Diluted earnings per	-0.28	-233.33	-0.59	-1,083.33

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share (RMB/share)				
Weighted average return on equity (%)	-7.53	Decrease of 12.81 percentage points	-15.78	Decrease of 17.49 percentage points
Total R&D expenditure	197,043,895.65	-50.85	475,344,994.01	-19.72
R&D expenditure as a percentage of operating revenue (%)	100.71	Increase of 55.14 percentage points	107.64	Increase of 47.31 percentage points
	As at the end of the reporting period	As at the end of the previous year		Increase/decrease as at the end of the reporting period compared with the end of the previous year (%)
Total assets	10,431,282,154.88		7,414,969,891.00	40.68
Owners' equity attributable to shareholders of the listed company	7,736,172,992.15		5,604,559,524.19	38.03

Note: The “reporting period” refers to the three-month period from the beginning of this quarter to the end of this quarter, the same hereinafter.

(2) Non-recurring profits and losses items and amounts

Unit: RMB Currency: Renminbi

Items	Amount for the reporting period	Amount from the beginning of the year to the end of the reporting period	Description
Profits or losses on disposal of non-current assets			
Tax rebates and tax credits due to ultra vires approvals or without official approval documents or on an occasional basis			
Government grants included in current profits and losses (excluding those closely related to	6,171,898.02	39,964,202.61	Government grants included in other income

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the Company's normal course of business operations and obtained constantly at a fixed amount or quantity according to a set of standards and based on the requirements of national policies)			
Capital utilization fee received from non-financial enterprises and included in current profits and losses			
Gains arising from the differences between the investment cost and the share of fair value of the investee's net identifiable assets in subsidiaries, associates and joint ventures			
Gains or losses from non-monetary asset exchange			
Gains or losses from entrusted investment or management of assets			
Provision for impairment of assets due to force majeure such as natural disaster			
Gains or losses from debt restructuring			
Restructuring costs, such as costs of employee relocation and integration cost			
Profit or loss arising from the excess of the unfair consideration over the fair value of a transaction			
Current net profit or loss of subsidiaries resulting from the combination of businesses under common control from the beginning of the period to the date			

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of the combination			
Profits and losses arising from contingencies irrelevant to the Company's normal course of business operations			
Gains and losses arising from changes in fair values of 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 investments, except for effective hedging activities associated with the Company's normal course of business operations	6,092,825.51	17,714,051.05	Gains and losses arising from changes in fair values of financial assets held for trading, and investment income from disposal of financial assets held for trading, except for effective hedging activities associated with the Company's normal course of business operations
Reversal of provisions for impairment of receivables and contract assets that are individually tested for impairment			
Gains and losses from external entrusted loans			
Gains and losses from changes in fair value of investment properties using the fair value model for subsequent measurement			
Effect on current profits and losses from one-off adjustment to current profits or losses as required by tax, accounting and other laws and regulations			
Trustee fee income from entrusted			

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operations			
Other non-operating income and expenses other than the above items	-92,799.60	-596,568.20	
Other gains and losses classified to non-recurring profits or losses	-10,832,064.76	-30,238,168.07	Other gains and losses items that meet the definition of non-recurring gains or loss are losses on fair value changes of convertible borrowings issued by the Group. It is recognized as other gains or loss items that meet the definition of non-recurring gains or loss due to its special nature and contingency which will affect the normal judgment of the users of the financial statements on the operation performance and profitability of the Company
Less: Effect on income tax			
Effect on minority interests (after tax)	619,761.24	1,046,155.18	
Total	1,959,620.41	27,889,672.57	

Explanation on defining the non-recurring profit or loss items set out in the “Explanatory Announcement No. 1 on Information Disclosure by Companies Offering Securities to the Public — Non-recurring Profits and Losses” as recurring profit or loss items

Applicable Not applicable

(3) Changes in key accounting data and financial indicators and the reasons therefor

Applicable Not applicable

Item	Percentage change (%)	Main reason
Operating revenue for the reporting period	-77.76	Having decreased this year as compared to the same period of the previous year is mainly due to the licensing cooperation agreed between the Company and Biogen in respect of Orelabrutinib in 2021, resulting in recognition of a relatively high one-off revenue from
Operating revenue from the beginning of the year to the reporting period	-55.00	

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		<p>license-out, while the increase in revenue from sales of drugs from the beginning of this year to the reporting period is unable to offset the impact of the decrease of the revenue from license-out last year.</p> <p>Excluding the impact of one-off revenue from the license-out:</p> <ul style="list-style-type: none"> ➤ the operating revenue for the reporting period has increased by 88.47%; ➤ the operating revenue from the beginning of the year to the reporting period has increased by 114.93%.
Revenue from sales of drugs for the reporting period	147.23	Having increased this year as compared to the same period of the previous year is mainly due to the increasing sales of Orelabrutinib.
Revenue from sales of drugs from the beginning of the year to the reporting period	128.63	
Net profit attributable to shareholders of the listed company for the reporting period	-232.11	Having decreased this year as compared to the same period of the previous year is because, on one hand, the Company recognized a relatively high revenue from license-out in the same period of the previous year; on the other hand, there is fluctuation in RMB against U.S. dollar during the period, resulting in a relatively high unrealized exchange loss recognized in the account.
Net profit attributable to shareholders of the listed company from the beginning of this year to the reporting period	-1,048.85	
Net profit attributable to shareholders of the listed company after deducting non-recurring profits and losses for the reporting period	-226.57	
Net profit attributable to shareholders of the listed company after deducting non-recurring profits and losses from the beginning of the year to the reporting period	-891.92	
Net cash flows generated from operating activities from the beginning of the year to the reporting period	-241.19	Having decreased this year as compared to the same period of the previous year is because, on one hand, the Company received the one-off larger payment of license-out from Biogen in the same period of the previous year; on the other hand, the personnel expense is increased due to the increased number of staff in R&D and production.
Basic earnings per share (RMB/share) for the reporting period	-233.33	Having decreased this year as compared to the same period of the previous year is because, on one hand, the Company recognized a relatively high revenue from license-out in the same period of the previous year; on the other hand, there is fluctuation in RMB against U.S. dollar during the period, resulting in a relatively high unrealized exchange loss recognized in the account.
Basic earnings per share (RMB/share) from the beginning of the year to the reporting period	-1,083.33	
Diluted earnings per share (RMB/share) for the reporting period	-233.33	
Diluted earnings per share (RMB/share) from the beginning of the year to the	-1,083.33	

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reporting period		
Total R&D investment for the reporting period	-50.85	Having decreased this year as compared to the same period of the previous year is mainly due to the initial payment of license-in paid to Incyte Corporation last year. Excluding this impact, R&D investment for the reporting period has increased by 12.71%.
Ratio of R&D investment to operating revenue(%) for the reporting period	Increase of 55.14 percentage points	Having increased this year as compared to the same period of the previous year is mainly due the Company increases its R&D investment while the operating revenue also decreased as compared to the same period of the previous year.
Ratio of R&D investment to operating revenue(%) from the beginning of the year to the reporting period	Increase of 47.31 percentage points	Excluding the impact of business expansion: <ul style="list-style-type: none"> ➤ Ratio of R&D investment to operating revenue(%) for the reporting period has decreased by 67.70 percentage points; ➤ Ratio of R&D investment in operating revenue(%) from the beginning of the year to the reporting period has decreased by 70.48 percentage points.
Total assets from the beginning of the year to the reporting period	40.68	Having increased at the end of the current period as compared to the previous period is mainly due the increase in funds raised from listing A shares.
Owners' equity attributable to shareholders of listed company	38.03	Having increased at the end of the current period as compared to the previous period is mainly due the financing by listing A shares resulted in an increase of share capital and capital reserve.

2. SHAREHOLDER INFORMATION

(I) Total number of ordinary shareholders and preferred shareholders whose voting rights have been restored, and shareholdings of the top ten shareholders

1. As of the end of the reporting period, the total number of issued shares of the Company was 1,764,321,452 shares, of which 1,499,673,235 shares were issued in Hong Kong, representing approximately 85% of the total issued shares of the Company. The number of RMB shares issued on the SSE STAR Market was 264,648,217 shares, representing approximately 15% of the total issued shares of the Company.

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2. The Hong Kong register of members of the Company consists of HKSCC NOMINEES LIMITED (HKSCC Nominees Limited) and other registered shareholders, of which HKSCC NOMINEES LIMITED held approximately 93.07% of the Company's Hong Kong shares on behalf of non-registered shareholders, and approximately 6.93% of the Company's Hong Kong shares were held by other registered shareholders.
3. Shares held by HKSCC NOMINEES LIMITED are held on behalf of various customers. According to the disclosure information in declaration submitted by shareholders on the Hong Kong Stock Exchange, the Company displayed the shares held by HKSCC NOMINEES LIMITED after excluding the shares held by HHLR Fund, L.P. and its persons acting in concert, King Bridge Investments Limited and its persons acting in concert, Sunny View Holdings Limited and the family of Renbin Zhao, Sunland BioMed Ltd and the family of Jisong Cui and Vivo Capital Fund VIII, L.P. and its persons acting in concert, respectively.
4. The nature of A shareholders is reported in accordance with the categories of holders in the A share register of CSDC.

Unit: share

Total number of ordinary shareholders as at the end of the reporting period	118,973	Total number of preferred shareholders whose voting rights have been restored as at the end of the reporting period (if any)	Not Applicable				
Shareholdings of the top ten shareholders							
Name of shareholder	Nature of shareholder	Number of shares held	Percentage of shareholding (%)	Number of restricted shares held	Number of restricted shares (including lending shares for refinancing)	Pledged, marked or frozen	
						Status of shares	Number of shares
HKSCC NOMINEES LIMITED	Overseas legal person	724,573,837	41.07	-	-	Unknown	-
HHLR Fund, L.P. and its persons acting in concert	Overseas legal person	208,671,222	11.83	-	-	Unknown	-
King Bridge Investments Limited and its persons acting in concert	Overseas legal person	162,944,332	9.24	-	-	Unknown	-

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Sunny View Holdings Limited and the family of Renbin Zhao	Overseas legal person	147,617,893	8.37	-	-	Nil	0
	Overseas natural person						
Sunland BioMed Ltd and the family of Jisong Cui	Overseas legal person	132,649,782	7.52	-	-	Nil	0
	Overseas natural person						
Vivo Capital Fund VIII, L.P. and its persons acting in concert	Overseas legal person	123,198,118	6.98	-	-	Unknown	-
Guangzhou High-Tech Zone Technology Holding Group Co., Ltd.	State-owned legal person	7,385,621	2.79	7,385,621	8,975,521	Nil	0
Yongtao Guo	Domestic natural person	6,000,000	2.27	0	6,000,000	Nil	0
Gao Hua-HSBC-Goldman, Sachs & Co. LLC	Overseas legal person	5,789,170	2.19	0	5,789,170	Nil	0
Morgan Stanley & Co. International Plc.	Overseas legal person	5,745,424	2.17	0	5,745,424	Nil	0

Shareholdings of the top ten unrestricted shareholders

Name of shareholder	Number of unrestricted outstanding shares held	Type and number of shares	
		Type	number
HKSCC NOMINEES LIMITED	724,573,837	Overseas listed foreign share	724,573,837
HHLR Fund, L.P. and its persons acting in concert	208,671,222	Overseas listed foreign share	208,671,222
King Bridge Investments Limited and its persons acting in concert	162,944,332	Overseas listed foreign share	162,944,332
Sunny View Holdings Limited and the family of Renbin Zhao	147,617,893	Overseas listed foreign share	147,617,893
Sunland BioMed Ltd and the family of Jisong Cui	132,649,782	Overseas listed foreign share	132,649,782
Vivo Capital Fund VIII, L.P. and its persons acting in concert	123,198,118	Overseas listed foreign share	123,198,118

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Yongtao Guo	6,000,000	RMB-denominated ordinary shares	6,000,000
Gao Hua-HSBC-Goldman, Sachs & Co. LLC	5,789,170	RMB-denominated ordinary shares	5,789,170
Morgan Stanley & Co. International Plc.	5,745,424	RMB-denominated ordinary shares	5,745,424
Agricultural Bank of China Co., Ltd.-Dacheng Ruixiang Hybrid Securities Investment Fund	3,461,360	RMB-denominated ordinary shares	3,461,360
Description of the connected relationships among, or concerted actions taken by the above shareholders	The Company is not aware of whether the above other shareholders have other related relationships or concerted action relationships		
Description of the top ten shareholders' and the top ten unrestricted shareholders involved in margin financing and securities lending and refinancing businesses (if any)	<ol style="list-style-type: none"> 1. Guangzhou High-Tech Zone Technology Holding Group Co., Ltd. participated in the strategic placing and received 8,975,521 shares. As at the end of the reporting period, 1,589,900 shares of the Company were lent through refinancing business 2. Yongtao Guo holds 1,000,000 shares of the Company through ordinary securities accounts and 5,000,000 shares of the Company through credit securities accounts, totaling 6,000,000 shares of the Company 3. In addition, the Company is not aware of whether the above other shareholders have involved in margin financing and securities lending and refinancing businesses 		

3. OTHER REMINDERS

Other important information about the operation of the Company during the reporting period to which investors should pay attention

Applicable Not applicable

4. QUARTERLY FINANCIAL STATEMENTS

(I) Types of audit opinions

Applicable Not applicable

(II) Financial statements

Consolidated balance sheet

30 September 2022

Prepared by: InnoCare Pharma Limited

Unit: RMB Currency: Renminbi Audit type: Unaudited

Items	30 September 2022	31 December 2021
Current assets:		
Cash and bank balances	8,668,051,273.79	5,970,079,564.53
Clearing settlement funds		

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Loans to banks and other financial institutions		
Held-for-trading financial assets		75,210,670.82
Derivative financial assets		
Notes receivable		
Accounts receivable	127,437,449.00	45,272,708.95
Receivables financing		
Prepayments	60,608,058.52	37,531,572.55
Premiums receivable		
Reinsurance premium receivable		
Reserves for reinsurance contract receivable		
Other receivables	3,350,215.90	3,548,209.39
Including: Interests receivable		
Dividends receivable		
Financial assets purchased under resale agreements		
Inventories	48,194,989.09	9,918,392.10
Contract assets		
Held-for-sale assets		
Non-current assets due within one year	248,256,000.00	241,848,000.00
Other current assets	8,262,871.96	33,702,333.77
Total current assets	9,164,160,858.26	6,417,111,452.11
Non-current assets:		
Disbursement of loans and advances		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	12,144,523.82	21,423,007.52
Investments in other equity instruments		
Other non-current financial assets	315,437,579.27	304,674,759.92
Investment properties		
Fixed assets	405,415,829.38	193,653,255.77
Construction in progress	128,778,850.97	230,723,207.08
Bearer biological assets		
Oil and gas assets		
Right-of-use assets	62,804,813.52	80,157,875.48
Intangible assets	263,983,134.71	107,445,990.67
Development expenses		

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Goodwill	3,124,706.56	3,124,706.56
Long-term prepaid expenses	12,632,779.53	11,851,939.76
Deferred income tax assets		
Other non-current assets	62,799,078.86	44,803,696.13
Total non-current assets	1,267,121,296.62	997,858,438.89
Total assets	10,431,282,154.88	7,414,969,891.00
Current liabilities:		
Short-term borrowings		
Borrowings from the central bank		
Loans from banks and other financial institutions		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable		
Accounts payable	99,575,462.83	84,601,585.32
Receipts in advance		
Contract liabilities	10,286,692.05	6,831,336.37
Financial assets sold under repurchase agreements		
Deposits taking and interbank deposits		
Funds from securities trading agency		
Funds from underwriting securities agency		
Payroll payable	49,453,516.73	41,405,853.71
Taxes payable	26,842,564.13	37,360,435.40
Other payables	122,675,221.78	96,177,527.62
Including: Interests payable		
Dividends payable		
Fees and commissions payable		
Reinsured accounts payable		
Held-for-sale liabilities		
Non-current liabilities due within one year	17,365,386.86	20,336,083.13
Other current liabilities	476,336,000.00	29,941,175.85
Total current liabilities	802,534,844.38	316,653,997.40
Non-current liabilities:		
Reserves for insurance contracts		
Long-term borrowings		
Bonds payable		

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Including: Preferred shares		
Perpetual bonds		
Lease liabilities	37,723,557.81	47,442,136.15
Long-term payables	283,444,936.58	37,693,079.49
Long-term payroll payable		
Estimated liabilities		
Deferred income	294,745,426.59	153,696,971.63
Deferred income tax liabilities		
Other non-current liabilities	1,230,802,508.22	1,200,564,340.15
Total non-current liabilities	1,846,716,429.20	1,439,396,527.42
Total liabilities	2,649,251,273.58	1,756,050,524.82
Owners' equity (or shareholders' equity):		
Paid-in capital (or share capital)	23,172.17	19,390.41
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserve	12,034,556,524.93	9,631,961,789.54
Less: treasury shares		
Other comprehensive income	97,408,610.85	-465,756,902.08
Special reserve		
Surplus reserve		
General risk provision		
Retained earnings	-4,395,815,315.80	-3,561,664,753.68
Total equity attributable to owners (or shareholders) of the parent company	7,736,172,992.15	5,604,559,524.19
Minority interests	45,857,889.15	54,359,841.99
Total owners' equity (or shareholders' equity)	7,782,030,881.30	5,658,919,366.18
Total liabilities and owners' equity (or shareholders' equity)	10,431,282,154.88	7,414,969,891.00

Person in charge of the Company: Jisong Cui

Person in charge of accounting function: Shaojing Tong

Person in charge of the Accounting Department: Yue Tan

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Consolidated Statement of Income

January-September 2022

Prepared by: InnoCare Pharma Limited

Unit: RMB Currency: Renminbi Audit type: Unaudited

Items	First three quarters (January - September) in 2022	First three quarters (January - September) in 2021
I. Total operating revenue	441,612,184.36	981,429,657.21
Including: Operating revenue	441,612,184.36	981,429,657.21
Interest income		
Premiums earned		
Fee and commission income		
II. Total operating costs	1,301,756,168.51	817,877,953.31
Including: Operating costs	99,719,827.97	37,969,860.41
Interest expenses		
Fee and commission expenses		
Surrender fee		
Net payments for insurance claims		
Net provision for deposit for insurance contracts		
Policyholder dividends		
Reinsurance premium expense		
Taxes and surcharges	3,527,470.04	568,041.48
Selling expenses	290,259,518.23	187,445,840.64
Administrative expenses	120,956,983.47	98,320,344.15
R&D expenses	475,344,994.01	592,085,984.21
Finance costs	311,947,374.79	-98,512,117.58
Including: Interest expenses	6,370,595.10	2,190,119.35
Interest income	-93,371,408.41	-97,100,228.86
Add: Other income	39,964,202.61	16,339,165.04
Investment income (loss denoted by “-”)	-8,524,581.18	-360,136.62
Including: Share of profit of associates and joint ventures	-9,278,483.70	-360,136.62
Income from derecognition of financial assets measured at amortised cost	753,902.52	
Exchange gain (loss denoted by “-”)		

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Net gain from hedging exposure (loss denoted by “-”)		
Gain from changes in fair value (loss denoted by “-”)	-13,278,019.54	-38,875,062.81
Credit impairment loss (loss denoted by “-”)	-73,564.54	-83,585.60
Asset impairment loss (loss denoted by “-”)		
Gain on disposal of assets (loss denoted by “-”)		-1,530.54
III. Operating profit (loss denoted by “-”)	-842,055,946.80	140,570,553.37
Add: Non-operating income	9,560.01	32,266.05
Less: Non-operating expenses	606,128.21	1,156,987.11
IV. Total profit (total loss denoted by “-”)	-842,652,515.00	139,445,832.31
Less: Income tax expenses		52,140,583.43
V. Net profit (net loss denoted by “-”)	-842,652,515.00	87,305,248.88
(I) By continuity of operations		
1. Net profit from continuing operations (net loss denoted by “-”)	-842,652,515.00	87,305,248.88
2. Net profit from discontinued operations (net loss denoted by “-”)		
(II) By attribution of ownership		
1. Net profit attributable to shareholders of the parent company (net loss denoted by “-”)	-834,150,562.18	87,911,292.64
2. Profit or loss attributable to minority shareholders (net loss denoted by “-”)	-8,501,952.82	-606,043.76
VI. Other comprehensive income, net of tax	563,165,512.93	-2,964,600.60
(I) Other comprehensive income attributable to owners of the parent company, net of tax	563,165,512.93	-2,964,600.60
1. Other comprehensive income not to be reclassified to profit or loss	563,165,512.93	-2,964,600.60
(1) Changes in remeasurement of a defined benefit plan		
(2) Other comprehensive income not to be reclassified into profit or loss under equity method		
(3) Changes in fair value of other equity instruments investments		
(4) Changes in fair value attributable to the changes in credit risk		
(5) Translation differences of the financial statements in foreign currency	563,165,512.93	-2,964,600.60
2. Other comprehensive income to be reclassified to profit or loss		

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(1) Other comprehensive income to be reclassified to profit or loss under equity method		
(2) Changes in fair value of other debt investments		
(3) Amount of financial assets reclassified into other comprehensive income		
(4) Provision for credit impairment of other debt investments		
(5) Cash flow hedge reserve		
(6) Translation differences of the financial statements in foreign currency		
(7) Others		
(II) Other comprehensive income attributable to minority shareholders, net of tax		
VII. Total comprehensive income	-279,487,002.07	84,340,648.28
(I) Total comprehensive income attributable to owners of the parent company	-270,985,049.25	84,946,692.04
(II) Total comprehensive income attributable to minority shareholders	-8,501,952.82	-606,043.76
VIII. Earnings per share:		
(I) Basic earnings per share (RMB/share)	-0.59	0.06
(II) Diluted earnings per share (RMB/share)	-0.59	0.06

For business combinations under the same control in the current period, the net profit achieved by the parties consolidated prior to the consolidation was RMB 0 ; the net profit achieved by the parties consolidated in the previous period was RMB 0 .

Person in charge of the Company: Jisong Cui

Person in charge of accounting function: Shaojing Tong

Person in charge of the Accounting Department: Yue Tan

Consolidated Statement of Cash Flows

January-September 2022

Prepared by: InnoCare Pharma Limited

Unit: RMB Currency: Renminbi Audit type: Unaudited

Items	First three quarters (January - September) in 2022	First three quarters (January - September) in 2021

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I. Cash flows generated from operating activities:		
Cash receipts from sales of goods and provision of services	389,838,923.35	924,533,272.33
Net increase in customer deposits and balances from banks and other financial institutions		
Net increase in borrowings from the central bank		
Net increase in funds borrowed from other financial institutions		
Cash premiums received on original insurance contracts		
Net cash received from reinsurance business		
Net increase in deposits and investments from insurers		
Cash received from interests, fees and commissions		
Net increase in loans from banks and other financial institutions		
Net increase in funds for repurchase business		
Net cash received from securities trading agency		
Tax refund received	17,747,318.70	26,191,653.37
Cash received from other operating activities	134,709,915.10	55,102,230.35
Sub-total of cash inflows from operating activities	542,296,157.15	1,005,827,156.05
Cash paid for goods and labour services	473,193,870.43	468,167,041.87
Net increase in customer loans and advances		
Net increase in deposits with the central bank and other financial institutions		
Cash for payment of claims under original insurance contracts		
Net increase in loans to banks and other financial institutions		
Cash paid for interests, fees and commissions		
Cash paid for policyholder dividends		
Cash paid to and on behalf of employees	337,409,170.31	186,467,031.70
Cash paid for taxes and levies	15,490,061.34	239,138.12
Cash paid for other operating activities	111,520,198.10	70,972,564.24
Sub-total of cash outflows from operating activities	937,613,300.18	725,845,775.93
Net cash flows generated from operating activities	-395,317,143.03	279,981,380.12
II. Cash flows generated from investment activities:		

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Cash received from the disposal of investments	75,000,000.00	2,067,495,394.82
Cash received from investment income	69,458,064.46	56,001,448.32
Net cash received from the disposal of fixed assets, intangible assets and other long-term assets		973.46
Net cash received from disposal of subsidiaries and other operating entities		
Cash received from other investment activities		
Sub-total of cash inflows from investment activities	144,458,064.46	2,123,497,816.60
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	328,514,111.39	119,669,926.87
Cash paid for investments	1,533,999,557.98	2,640,007,273.57
Net increase in pledged loans		
Net cash paid for acquisition of subsidiaries and other operating entities		
Cash paid for other investment activities		
Sub-total of cash outflows from investment activities	1,862,513,669.37	2,759,677,200.44
Net cash flows generated from investing activities	-1,718,055,604.91	-636,179,383.84
III. Cash flows generated from financing activities:		
Cash received from capital contributions	2,789,411,528.74	2,526,674,475.99
Including: Cash contribution to subsidiaries from minority shareholders' investment		
Cash received from borrowings	325,000,000.00	
Cash received from other financing activities	15,255,783.09	
Sub-total of cash inflows from financing activities	3,129,667,311.83	2,526,674,475.99
Cash paid for repayment of debts		
Cash paid for distribution of dividends or profits or settlement of interest	2,272,331.95	1,839,299.46
Including: Dividends and profits paid by subsidiaries to minority shareholders		
Cash paid for other financing activities	21,373,511.62	19,454,809.15
Sub-total of cash outflows from financing activities	23,645,843.57	21,294,108.61
Net cash flows generated from financing activities	3,106,021,468.26	2,505,380,367.38
IV. Effects of changes in exchange rate on cash and cash equivalents	184,239,440.58	-15,410,290.44
V. Net increase in cash and cash equivalents	1,176,888,160.90	2,133,772,073.22
Add: Balance of cash and cash equivalents at the beginning of the period	3,237,484,305.58	2,285,001,520.92

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VI. Balance of cash and cash equivalents at the end of the period	4,414,372,466.48	4,418,773,594.14
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Note: Cash and cash equivalents includes demand deposits and bank deposits due within 3 months, excluding bank deposits maturing over 3 months.

Person in charge of the Company: Jisong Cui

Person in charge of accounting function: Shaojing Tong

Person in charge of the Accounting Department: Yue Tan

Adjustment of the financial statements for the beginning of 2022 when the Company implements the new accounting standards or interpretation of standards for the first time

Applicable Not applicable

The announcement is hereby made.

Board of directors of InnoCare Pharma Limited

11 November 2022