

Stock code: 600380

Stock abbreviation: 健康元

Joincare Pharmaceutical Group Industry Co., Ltd

2022 First Quarterly Report

Board of Directors (the “Board”) and all Directors of the Company hereby warrant that there are no false representations, misleading statements or material omissions contained in this report, and severally and jointly accept responsibility for the truthfulness, accuracy and completeness of the contents of the Report.

IMPORTANT NOTICE

- (I) The Board, the Supervisory Committee and the Directors, Supervisors and senior management of the Company hereby warrant the truthfulness, accuracy and completeness of the contents of quarterly reports, and that there are no false representations, misleading statements or material omissions contained in the Report, and severally and jointly accept responsibility.
- (II) The person-in-charge of the Company, the person-in-charge of the Company's accounting work and the person-in-charge of the accounting department (the head of the accounting department) hereby warrant the truthfulness, accuracy and completeness of the financial statements contained in quarterly reports.
- (III) Whether the first quarterly financial statements are audited
Applicable N/A
- (IV) The Report is prepared in both Chinese and English. In case of any ambiguity in the understanding of the Chinese and English texts, the Chinese version shall prevail.

I Principal Financial Data

(I) Principal accounting data and financial indicators

Unit: Yuan Currency: RMB

Item	The Reporting Period: (January-March 2022)	Year-on-Year Change (%)
Revenues	4,657,343,538.89	12.36
Net profit attributable to Shareholders of the listed company	460,537,813.53	25.52
Net profit attributable to Shareholders of the listed company after deducting the extraordinary gain or loss	457,193,702.95	36.47
Net cash flow from operating activities	871,904,476.98	76.27
Basic earnings per share (RMB/share)	0.2411	28.49
Diluted earnings per share (RMB/share)	0.2410	28.72
Weighted average return on net assets (%)	3.84	Increased by 0.58 percentage points

	End of the Reporting Period	End of the Previous Year	Change from the end of the previous year to the end of the Reporting Period (%)
Total assets	32,275,092,753.15	31,103,900,389.29	3.77
Owners' equity attributable to Shareholders of the listed company	12,073,975,596.59	11,820,293,656.69	2.15

Note: During the Reporting Period, the Company recorded revenues of RMB 4,657 million, representing an increase of 12.36% year-on-year; the main driver of the growth is steady increasing sales volume of main product categories in key specialist arenas. During the first quarter of 2022, Revenues from chemical drug preparation products amounted to RMB 2,737 million, representing an increase of 24.54% year-on-year, of which, Revenues from Inhalation products amounted to 363 million, representing an increase of 324.90% year-on-year; Revenues from anti-infective drugs amounted to RMB 350 million, representing an increase of 26.91% year-on-year; Revenues from gastroenterology products amounted to RMB 1,070 million, representing an increase of 5.90% year-on-year; Revenues from gonadotropic hormones products amounted to RMB 737 million, representing an increase of 22.84% year-on-year; Revenues from APIs and intermediates amounted to RMB 1,406 million, representing an increase of 14.90% year-on-year. The Revenues from traditional Chinese medicine preparations amounted to RMB 283 million, representing a decrease of 33.53% year-on-year. The Revenues from diagnostic reagents and equipment products amounted to RMB162 million, representing a decrease of 30.77% year-on-year.

(II) Items and amounts of extraordinary gains and losses

Unit: Yuan Currency: RMB

Item	Amounts for the Reporting Period	Explanation
Gains and losses on disposal of non-current assets	-374,417.51	Proceeds from disposal of fixed assets
Government grants included in profit and loss for the Period (except for government grants closely associated with normal corporate businesses, entitled at fixed amount or fixed level according to national policies and national unified standards)	56,644,887.24	Government grants through the profits and losses for the Period
Gains and losses on fair value changes derived from holding of financial assets held for trading, derivative financial assets, financial liabilities held for trading, derivative financial liabilities, and investment income generated on 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 related to the ordinary operating business of the Company	-45,275,532.62	Gains or losses arising from changes in fair value of financial assets/liabilities held for trading, and investment gains from holding and disposal of financial assets/liabilities held for trading
Other non-operating Revenues and non-operating expenditures apart from the above items	241,415.42	Other non-operating Revenues and non-operating expenditures apart from the above items
Less: Income tax effect	9,124,665.76	Effect of the above items on income tax
Effect of minority interests after tax	-1,232,423.81	The portion of the above items to which minority shareholders are entitled
Total	3,344,110.58	

The explanation on the recognitions of the items of extraordinary gains and losses as set out in the “Interpretative Announcement for Information Disclosure of Companies that Issue Securities to the Public No. 1 – Extraordinary Gains or Losses” as items of recurring gains and losses

□Applicable √N/A

(III) Changes and the reasons for changes in principal accounting data and financial indicators

√Applicable □N/A

Name of item	Change in proportion (%)	Explanation
Net profit attributable to Shareholders of the listed company after deducting the extraordinary gain or loss	36.47	Mainly due to the growth of the sales revenues from the chemical drugs and APIs products, which is the main driver of the growth of the net incomes.
Net cash flow from operating activities	76.27	Mainly due to an increase of cash collections of sales revenues.

(IV) Substantial changes of other items in the Financial Statements and financial indicators and reasons thereof

Unit: Yuan Currency: RMB

Balance Sheet	2022/03/31	2021/12/31	Change in proportion (%)	Main Reason
Short-term loans	1,655,807,901.10	2,518,484,835.09	-34.25	Mainly due to repayment of loans in the Period.
Contract liabilities	124,089,632.31	234,140,702.29	-47.00	Mainly due to part of the contract payments received in advance in the Period which met the conditions for revenue recognition were transferred to revenues.
Taxes payables	382,548,978.08	270,618,183.41	41.36	Mainly due to an increase in enterprise income tax payables.
Long-term loans	1,816,661,809.48	826,780,252.78	119.73	Mainly due to an increase of new long-term loans by subsidiaries in the Period.
Treasury shares	472,590,296.96	222,644,454.50	112.26	Mainly due to the share repurchased during the current period.
Other comprehensive income	-87,498,451.08	5,387,545.97	-1724.09	Mainly due to the disposal of stocks of China Galaxy Securities Co., Ltd. held during the Period.
Income Statement	2022 Jan.-Mar.	2021 Jan.-Mar.	Change in proportion (%)	Main Reason
Investment incomes	29,176,808.52	21,812,732.70	33.76	Mainly due to the increase in the investment incomes from associate investments held in the current period.
Gains from changes in fair value	-54,151,999.18	-39,393,074.92	N/A	Mainly due to fluctuations in the market value of subject securities investment held.
Credit impairment loss	217,773.10	-3,611,272.93	N/A	Mainly due to the recovery of the accounts receivables with relatively long ages in the current period which offset the expected credit losses accrued in the previous period.
Asset impairment loss	-5,309,013.21	-22,802,167.34	N/A	Mainly due to a decrease in the provision for inventory depreciation in the current period as compared with the previous period.
Gains from disposal of assets	-370,357.71	21,927.78	-1788.99	Mainly due to losses occurred from disposal of fixed assets in the current period.
Non-operating income	2,321,933.96	24,072,371.67	-90.35	Mainly due to the land disposal in the previous period.
Non-operating expenditure	2,084,578.34	3,257,611.14	-36.01	Mainly due to larger non-profit donation expenditure in the previous period.
Other comprehensive net income after taxation	-106,847,774.60	-166,618,134.73	N/A	Mainly due to changes in the fair value of other equity instrument investments.

Cash Flow Statement	2022 Jan.-Mar.	2021 Jan.-Mar.	Change in proportion (%)	Main Reason
Net cash flow from operating activities	871,904,476.98	494,649,514.25	76.27	Mainly due to an increase of cash collections of sales revenues.
Net cash flow from investment activities	-77,907,837.67	-269,420,918.38	N/A	Mainly due to the increase in cash inflow from investing activities caused by the disposal of stocks of China Galaxy Securities Co., Ltd. held during the Period.
Net cash flow from financing activities	62,714,553.34	-542,754,908.85	N/A	Mainly due to an increase of new long-term loans in the current period.
Effect of changes in foreign exchange rates on cash and cash equivalents	-12,259,201.98	3,666,733.44	-434.34	Mainly due to an increase of exchange losses on foreign currency funds held as a result of the fluctuations in exchange rates.
Net increase in cash and cash equivalents	844,451,990.66	-313,859,579.54	N/A	Mainly due to an increase of cash from daily operating activities of the Company and an increase of new long-term loans.

II Shareholders' Information

(I) Table of the total number of ordinary shareholders, the number of preferred shareholders with resumed voting rights and shareholdings of the top 10 shareholders

Unit: Shares

Total number of ordinary shareholders at the end of the Reporting Period	102,434	Total number of preferred shareholders with resumed voting rights at the end of the Reporting Period (if any)	0			
Shareholdings of the top 10 shareholders						
Name of shareholders	Nature of shareholders	Number of shares	Percentage (%)	Number of shares held with selling restrictions	Pledge, mark or lock-up	
					Share status	Number
Shenzhen Baiyeyuan Investment Co., Ltd. * (深圳市百业源投资有限公司)	Domestic non-state-owned legal person	895,653,653	46.85	0	Pledge	95,679,725
Hong Kong Securities Clearing Company Limited	Unknown	127,833,815	6.69	0	Unknown	
Might Seasons Limited	Overseas legal person	57,487,434	3.01	0	Unknown	
108 portfolio of national social security fund	Unknown	11,461,721	0.60	0	Unknown	
Huaxia Life Insurance Co., Ltd. - proprietary fund	Unknown	9,275,718	0.49	0	Unknown	
16011 portfolio of basic endowment insurance fund	Unknown	9,050,234	0.47	0	Unknown	
Bosera Funds Management Co., Ltd. - 419 portfolio of social security funds	Unknown	8,732,946	0.46	0	Unknown	
He Zhong	Domestic natural person	7,800,024	0.41	0	Unknown	
Abu Dhabi Investment Authority	Overseas legal person	5,417,816	0.28	0	Unknown	
Agricultural Bank of China Limited - China 500 Exchange Traded Open-End Index Securities Investment Fund (ETF)	Unknown	4,690,194	0.25	0	Unknown	

Shareholdings of the top 10 shareholders without selling restrictions			
Name of shareholders	Number of tradable shares held without selling restrictions	Class and number of shares	
		Class	Class
Shenzhen Baiyeyuan Investment Co., Ltd. * (深圳市百业源投资有限公司)	895,653,653	Ordinary shares denominated in Renminbi	895,653,653
Hong Kong Securities Clearing Company Limited	127,833,815	Ordinary shares denominated in Renminbi	127,833,815
Might Seasons Limited	57,487,434	Ordinary shares denominated in Renminbi	57,487,434
108 portfolio of national social security fund	11,461,721	Ordinary shares denominated in Renminbi	11,461,721
Huaxia Life Insurance Co., Ltd. - proprietary fund	9,275,718	Ordinary shares denominated in Renminbi	9,275,718
16011 portfolio of basic endowment insurance fund	9,050,234	Ordinary shares denominated in Renminbi	9,050,234
Bosera Funds Management Co., Ltd. - 419 portfolio of social security funds	8,732,946	Ordinary shares denominated in Renminbi	8,732,946
He Zhong	7,800,024	Ordinary shares denominated in Renminbi	7,800,024
Abu Dhabi Investment Authority	5,417,816	Ordinary shares denominated in Renminbi	5,417,816
Agricultural Bank of China Limited - China 500 Exchange Traded Open-End Index Securities Investment Fund (ETF)	4,690,194	Ordinary shares denominated in Renminbi	4,690,194
Description of connection or acting-in-concert relationship of the above shareholders	There was no connection or acting-in-concert relationship between Shenzhen Baiyeyuan Investment Co., Ltd., the controlling shareholder of the Company, and other shareholders; whether there is connection or acting-in-concert relationship among other shareholders is unknown.		
Description of the participation of the top 10 shareholders and the top 10 shareholders without selling restriction in securities margin trading and securities financing (if any)	Shareholder He Zhong held 800,000 shares through an ordinary securities account and 7,000,024 shares through a customer's margin account, namely 7,800,024 shares in total.		
Notes on the special repurchase account among the top 10 shareholders	As at the end of the Reporting Period, the special repurchase account of the Company (special securities repurchase account of Joincare Pharmaceutical Group Industry Co., Ltd.) owned 38,402,584 shares in total, accounting for 2.01% of total share capital of the Company.		

III Other Information

Other key information on the operations of the Company during the Reporting Period to which investors should be reminded to pay attention

Applicable N/A

1. Use of proceeds

Pursuant to the “Resolution on Change of Certain Projects Invested with Proceeds” considered and approved at the 8th meeting of the 8th Session of the Board of the Company on 24 January 2022, it was agreed that Zhuhai Health Industry Base Construction Project was changed to the New Product R&D Project, Haibin Pharma Pingshan Pharmaceutical Industrialization Base Expansion Project and the Information Platform Construction Project. The resolution was approved at the 2022 1st extraordinary general meeting of the Company on 11 February 2022.

Before the alteration of the projects invested with the Proceeds is as follows:

Unit: 10,000 Yuan

Project name	Total amount of investment	Total amount of proceeds investment	Use of proceeds as at 31 December 2021	Balance of proceeds as at 31 December 2021
Zhuhai Health Industry Base Construction Project (珠海大健康产业基地建设项目)	98,066.84	76,974.02	3,386.29	73,587.73
Haibin Pharma Pingshan Pharmaceutical Industrialization Base Project (海滨制药坪山医药产业化基地项目)	125,471.35	90,000.00	66,745.58	23,254.42
Total	223,538.19	166,974.02	70,131.87	96,842.15

Given the facts that the “Zhuhai Health Industry Base Construction Project” has been postponed for several times for not meeting the conditions for commencement, and the market environment and the Company's business situation have changed, which resulted in changes in the project feasibility, that the Company has an urgent need of funds for R&D investment and other projects, and that other financing channels are time-consuming and costly, the Company changed the aforementioned project to the New Product R&D Project, Haibin Pharma Pingshan Pharmaceutical Industrialization Base Expansion Project and the Information Platform Construction Project. See below for details:

Unit: 10,000 Yuan

Before alteration			After alteration		
Project name	Total amount of investment	Total amount of proceeds investment	Project name	Total amount of investment	Total amount of proceeds investment
Zhuhai Health Industry Base Construction Project (珠海大健康产业基地建设项目)	98,066.84	76,974.02	New Product R&D Project (新产品研发项目)	110,000.00	54,587.73
			Haibin Pharma Pingshan Pharmaceutical Industrialization Base Expansion Project (海滨制药坪山医药产业化基地扩建项目)	18,139.39	16,000.00
			The Information Platform Construction Project (信息化平台建设项目)	3,000.00	3,000.00
Total	98,066.84	76,974.02	Total	131,139.39	73,587.73

The details of alteration of the projects invested as follows:

(1) The New Product R&D Project

The total investment amount of the project is RMB 1,100,000,000, in which RMB 545,877,300 is raised, mainly for the research and development of inhalation preparations, complex injections, and new drug delivery devices among others. In particular, the investment is used to acquire R&D equipment, pre-clinical and clinical R&D inputs. Main products involved in this project are: 1) Respiratory drugs: the main purpose of the project as a part of the Company's strategic layout in the respiratory drug market, in a bid to increase sources of profit and enhance the Company's comprehensive competitiveness in the pharmaceutical market; 2) Complex injections: mainly

micronano injections. The Company has built a complex injection technology development platform, specializing in the development of special injection products such as nanocrystals, microcrystals, liposomes and emulsions. The micronano preparations proposed with this platform will be developed based on existing drugs with exact clinical value to further expand the clinical use of the drug; 3) New drug delivery devices: to be developed based on the progress of R&D of drugs for respiratory diseases, so as to improve the industrial chain of core products, and enhance the added value and core competitiveness of products to be marketed.

(2) Haibin Pharma Pingshan Pharmaceutical Industrialization Base Expansion Project

The total investment amount of this project is RMB 181,393,900, in which RMB 160,000,000 is raised. Expanded from the Haibin Pharma Pingshan Pharmaceutical Industrialization Base Expansion Project, this project established new production lines of Tobramycin Solution for Inhalation, Fluticasone Propionate Suspension for Inhalation, among others and expanded existing production lines of Budesonide Suspension for Inhalation and Levosalbutamol Hydrochloride Nebuliser Solution. This project is implemented for two key reasons: 1) New products are to be marketed, which requires related production lines. With inhalation preparations incorporated in its key layout in recent years, the Company has continuously invested in the R&D of several new products with high clinical value and broad market space. As new products like Tobramycin Solution for Inhalation and Fluticasone Propionate Suspension for Inhalation are to be marketed, related production lines are necessary to make preparation for commercial production. 2) The capacity is unable to meet demand of some products: Budesonide Suspension for Inhalation was involved in the fifth batch of national centralized drug procurement in June 2021, and will be supplied to public hospitals in 7 domestic provinces, meeting 70% of the drug needs according to policies. Levosalbutamol Hydrochloride Nebuliser Solution is the first approved exclusive generic drug in China. As at the date the resolution got approved (January 24, 2022), no originator manufacturers or other generic drug manufacturers have been approved for market in China. However, the market demand is huge. The original capacity of the above two products is unable to meet such market demand, making capacity expansion a must.

(3) The Information Platform Construction Project

The total investment amount of this project is RMB 30,000,000, in which RMB 30,000,000 is raised. The investment is used to purchase information management software and hardware as well as computer room facilities. The project planned to upgrade and improve: the information infrastructure of existing information management system, including disaster recovery and

infrastructure of the server, and security equipment; financial management system, including financial sharing system and tax administration system; group management and control system, including HR system and SAP system.

2. Matters about share repurchase

Pursuant to the Resolution on Share Repurchase Scheme by Way of Centralized bidding transactions and other resolutions considered and approved at the 6th Meeting of the 8th Session of the Board and the 2021 Fifth Extraordinary General Meeting of the Company on 6 December 2021 and 23 December 2021, it was approved that the Company repurchased company shares by way of Centralized bidding transactions with its own funds; the total amount of repurchase funds should be no less than RMB 300 million (inclusive) and no more than RMB 600 million (inclusive); the repurchase price should be no more than RMB 15/share (inclusive); the repurchase term should be no more than 12 months from the date when the repurchase scheme was approved by the General Meeting of the Company. For the details, please see the Announcement of Joincare Pharmaceutical Group Industry Co., Ltd. on the Share Repurchase Scheme by Way of Centralized bidding transactions (Lin 2021-145) and the Repurchase Report of Joincare Pharmaceutical Group Industry Co., Ltd. on Share Repurchase by Way of Centralized bidding transactions (Lin 2022-002). On 20 January 2022, the Company initially repurchased 785,992 shares by way of Centralized bidding transactions, representing 0.04% of total share capital (1,907,727,908 shares) of the Company. The aggregate amount of funds used for the repurchase was RMB 9.981 million (including the transaction costs). See the Announcement of Joincare Pharmaceutical Group Industry Co., Ltd. on Initial Share Repurchase by Way of Centralized bidding transactions (Lin 2022-004) for details.

As of 31 March 2022, the Company initially repurchased 20,942,771 shares by way of Centralized bidding transactions, representing 1.10% of total share capital (1,911,733,078 shares) of the Company. The aggregate amount of funds used for the repurchase was RMB 249.97 million (including the transaction costs). See the Announcement of Joincare Pharmaceutical Group Industry Co., Ltd. on the Repurchase Progress by way of Centralized bidding transactions (Lin 2022-037) for details.

3. Matters about Equity Incentives

During the period from 1 January 2022 to 31 March 2022, 4,005,170 shares were granted by way of independent exercise and registered at the Shanghai Branch of China Securities Depository and Clearing Corporation Limited with a total of RMB 32,227,676.96 been paid. As of 31 March 2022, the Company's registered capital after change was RMB 1,911,733,078 and its share capital

was RMB 1,911,733,078, of which, tradable shares subject to selling restrictions were RMB 0, representing 0% of the Company's registered capital, and tradable shares subject to no selling restrictions were RMB 1,911,733,078, representing 100% of the Company's registered capital. The exercise exerted no material impact on the financial conditions and operating results of the Company. See the Announcement on 2022 Q1 Independent Exercise Results of the 2018 Share Options Incentive Scheme of Joincare Pharmaceutical Industry Group Co., Ltd. & Changes in Shares (Lin 2022-038) for details.

IV Quarterly Financial Statements

(I) Audit Opinion

Applicable N/A

(II) Financial statements

Consolidated Balance Sheet Statement

31 March 2022

Prepared by: Joincare Pharmaceutical Group Industry Co., Ltd.

Unit: Yuan Currency: RMB Audit type: Unaudited

Item	31 March 2022	31 December 2021
Current assets:		
Monetary funds	12,579,072,007.38	11,729,230,390.98
Financial assets held for trading	130,554,453.78	184,638,344.31
Bills receivable	2,221,923,260.75	1,977,286,022.02
Accounts receivable	2,897,888,908.52	2,853,655,551.54
Receivable financing		
Prepayments	464,654,180.19	369,232,546.29
Other receivables	80,180,643.34	88,053,825.12
In which: Interests receivable	362,924.63	365,873.64
Dividends receivable		
Inventories	2,029,375,758.07	2,078,944,387.68
Contract assets		
Held-for-sale assets		
Non-current assets due within one year	317,381.23	317,381.23
Other current assets	83,883,266.43	83,986,214.37
Total current assets	20,487,849,859.69	19,365,344,663.54
Non-current assets:		
Debt investment		
Other debt investment		
Long-term receivables	266,904.13	266,904.13
Long-term equity investment	1,447,659,314.56	1,419,349,454.84
Other equity instrument investment	1,186,338,011.05	1,408,882,377.42
Other non-current financial assets		
Investment properties	6,191,475.43	6,191,475.43
Fixed assets	4,779,625,073.08	4,839,005,169.81
Construction in progress	903,828,896.94	742,998,743.75
Productive biological assets		
Oil & gas assets		
Right-of-use assets	51,560,715.90	46,774,759.69
Intangible assets	488,051,308.06	456,782,094.80
Development expenses	846,825,404.25	786,993,435.71
Goodwills	614,468,698.73	614,468,698.73
Long-term prepaid expenses	196,182,282.29	200,715,740.93
Deferred income tax assets	548,328,553.88	552,542,866.71
Other non-current assets	717,916,255.16	663,584,003.80
Total non-current assets	11,787,242,893.46	11,738,555,725.75
Total assets	32,275,092,753.15	31,103,900,389.29
Current liabilities:		
Short-term loans	1,655,807,901.10	2,518,484,835.09
Financial liabilities held for trading	211,410.89	143,302.24
Bills payable	1,871,975,736.48	1,582,386,767.93

Accounts payable	846,260,427.00	871,553,210.51
Receipts in advance	23,724,198.29	
Contract liabilities	124,089,632.31	234,140,702.29
Payroll payable	323,791,427.31	475,430,823.20
Taxes payable	382,548,978.08	270,618,183.41
Other payables	3,514,175,791.66	3,292,407,989.79
In which: Interests payable		
Dividends payable	6,951,984.46	6,951,984.46
Held-for-sale liabilities		
Non-current liabilities due within one year	93,590,946.07	91,576,066.33
Other current liabilities	10,663,325.14	15,626,224.29
Total current liabilities	8,846,839,774.33	9,352,368,105.08
Non-current liabilities:		
Long-term loans	1,816,661,809.48	826,780,252.78
Bonds payable		
Lease liabilities	27,215,133.45	25,071,794.32
Long-term payables		
Long-term payroll payable		
Estimated liabilities		
Deferred income	486,773,175.06	433,543,352.40
Deferred income tax liabilities	179,242,425.75	208,525,905.39
Other non-current liabilities	84,000,000.00	78,000,000.00
Total non-current liabilities	2,593,892,543.74	1,571,921,304.89
Total liabilities	11,440,732,318.07	10,924,289,409.97
Owners' equity (shareholders' equity):		
Paid-in capital (or equity capital)	1,911,733,078.00	1,907,727,908.00
Other equity instruments		
In which: Preferred shares		
Perpetual capital securities		
Capital reserve	2,303,238,441.65	2,265,357,311.92
Less: Treasury shares	472,590,296.96	222,644,454.50
Other comprehensive income	-87,498,451.08	5,387,545.97
Special reserve		
Surplus reserve	650,230,145.70	640,821,179.08
Undistributed profits	7,768,862,679.28	7,223,644,166.22
Total owners' equity (shareholders' equity) attributable to the parent company	12,073,975,596.59	11,820,293,656.69
Minority shareholders' equity	8,760,384,838.50	8,359,317,322.63
Total owners' equity (shareholders' equity)	20,834,360,435.08	20,179,610,979.32
Total liabilities and owners' equity (shareholders' equity)	32,275,092,753.15	31,103,900,389.29

Person-in-charge of the
Company: Zhu Baoguo

Person-in-charge of the
Company's accounting work:
Qiu Qingfeng

Person-in-charge of the
accounting department:
Qiu Qingfeng

Consolidated income statement

From January to March 2022

Prepared by: Joincare Pharmaceutical Group Industry Co., Ltd.

Unit: Yuan Currency: RMB Audit type: Unaudited

Item	2022 Jan.-Mar.	2021 Jan.-Mar.
I. Total operating revenues	4,657,343,538.89	4,144,871,763.27
In which: Operating revenues	4,657,343,538.89	4,144,871,763.27
II. Total operating costs	3,650,160,694.91	3,314,653,870.26
In which: Operating costs	1,611,006,712.60	1,448,371,494.49
Operating tax and surcharges	52,198,225.41	50,752,537.45
Selling expenses	1,413,289,256.99	1,342,825,512.04
Administrative expenses	252,854,561.35	223,288,755.24
R&D expenses	351,331,244.23	289,399,163.64
Finance expenses	-30,519,305.67	-39,983,592.60
In which: Interest expenses	29,854,923.66	15,859,568.04
Interest income	68,468,649.16	40,497,552.32
Add: Other income	59,138,624.91	77,577,799.31
Investment incomes (enter "-" for loss)	29,176,808.52	21,812,732.70
In which: Income from investment in associates and joint ventures	15,204,632.53	-1,982,728.44
Income from derecognition of financial assets at amortized cost		
Net exposure hedging gains (enter "-" for loss)		
Income from changes in fair value (enter "-" for loss)	-54,151,999.18	-39,393,074.92
Credit impairment loss (enter "-" for loss)	217,773.10	-3,611,272.93
Asset impairment loss (enter "-" for loss)	-5,309,013.21	-22,802,167.34
Profit on disposal of assets (enter "-" for loss)	-370,357.71	21,927.78
III. Operating profit (enter "-" for loss)	1,035,884,680.41	863,823,837.62
Add: Non-operating income	2,321,933.96	24,072,371.67
Less: Non-operating expenditures	2,084,578.34	3,257,611.14
IV. Total profit (enter "-" for total loss)	1,036,122,036.03	884,638,598.15
Less: Income tax expenses	173,764,775.30	126,802,840.14
V. Net profit (enter "-" for net loss)	862,357,260.73	757,835,758.01
(1) Classified by continuing operations		
1. Net profit from continuing operations (enter "-" for net loss)	862,357,260.73	757,835,758.01
2. Net profit from discontinuing operations (enter "-" for net loss)		
(2) Classified by attribution to ownership		

1. Net profit attributable to shareholders of the parent company (enter "-" for net loss)	460,537,813.53	366,890,019.20
2. Profit and loss attributable to minority interests (enter "-" for net loss)	401,819,447.20	390,945,738.81
VI. Other comprehensive net income after taxation	-106,847,774.60	-166,618,134.73
(1) Other comprehensive net income after taxation attributable to shareholders of the parent company	-92,885,997.05	-98,483,184.70
1. Other comprehensive income not to be reclassified into profit and loss	-75,513,312.70	-81,219,999.41
1) Changes in re-measurement of defined benefit plans		
2) Other comprehensive income not to be reclassified into profit and loss under the equity method		
3) Changes in fair value of other equity instrument investment	-75,513,312.70	-81,219,999.41
4) Changes in fair value of corporate credit risks		
2. Other comprehensive income to be reclassified into profit and loss	-17,372,684.35	-17,263,185.29
1) Other comprehensive income to be reclassified into profit and loss under the equity method		
2) Changes in fair value of other debt investment		
3) Amount of financial assets reclassified into other comprehensive income		
4) Provision for credit impairment of other debt investment		
5) Cash flow hedge reserve		
6) Foreign currency translation differences	-17,372,684.35	-17,263,185.29
7) Others		
(2) Other comprehensive net income after taxation attributable to minority interests	-13,961,777.55	-68,134,950.03
VII. Total comprehensive income	755,509,486.13	591,217,623.29
(1) Total comprehensive income attributable to shareholders of the parent company	367,651,816.48	268,406,834.51
(2) Total comprehensive income attributable to minority interests	387,857,669.65	322,810,788.78
VIII. Earnings per share		
(1) Basic earnings per share (RMB/share)	0.2411	0.1877
(2) Diluted earnings per share (RMB/share)	0.2410	0.1872

Person-in-charge of the
Company: Zhu Baoguo

Person-in-charge of the
Company's accounting work:
Qiu Qingfeng

Person-in-charge of the
accounting department:
Qiu Qingfeng

Consolidated Cash Flow Statement

From January to March 2022

Prepared by: Joincare Pharmaceutical Group Industry Co., Ltd.

Unit: Yuan Currency: RMB Audit type: Unaudited

Project	2022 Jan.-Mar.	2021 Jan.-Mar.
I. Cash flow from operating activities:		
Cash received from sales of goods and services rendered	4,614,758,574.74	3,878,119,048.16
Tax refunds	32,240,811.32	28,034,439.16
Other cash received related to operating activities	172,771,264.97	155,840,257.54
Subtotal of cash inflow from operating activities	4,819,770,651.03	4,061,993,744.86
Cash paid for purchase of goods and services rendered	1,165,780,579.10	960,547,682.14
Cash paid to and on behalf of employees	758,821,581.15	623,820,018.21
Taxes paid	420,627,138.84	457,863,727.21
Other cash paid related to operating activities	1,602,636,874.96	1,525,112,803.05
Subtotal of cash outflow in operating activities	3,947,866,174.05	3,567,344,230.61
Net cash flow from operating activities	871,904,476.98	494,649,514.25
II. Cash flows from investing activities:		
Cash received from disposal of investments	216,970,980.42	54,739,567.55
Cash received on investment income	6,832,308.83	16,991,426.46
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	346,152.00	330,823.20
Net cash received from disposal of subsidiaries and other business units		
Other cash received related to investing activities	7,668,394.07	7,743,584.00
Subtotal of cash inflow from investing activities	231,817,835.32	79,805,401.21
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	277,850,093.60	327,336,656.96
Cash payments for investments	30,338,557.45	20,000,000.00
Net cash paid for acquisition of subsidiaries and other business units		
Other cash paid related to investing activities	1,537,021.94	1,889,662.63
Subtotal of cash outflow in investing activities	309,725,672.99	349,226,319.59
Net cash flow from investment activities	-77,907,837.67	-269,420,918.38
III. Cash flow from financing activities:		
Cash received from investments	53,414,701.36	350,758,135.59
In which: Cash received by subsidiaries from investment of minority shareholders		
Cash received from borrowings	1,923,486,837.26	660,000,000.00
Other cash received related to financing activities	130,847,366.53	816,504.87
Subtotal of cash inflow from financing activities	2,107,748,905.15	1,011,574,640.46
Cash paid on repayment of debts	1,776,859,803.19	1,002,984,146.53
Cash paid for dividend and profit distribution or interest payment	19,177,786.10	15,889,262.19

In which: Dividends and profit paid by subsidiaries to minority shareholders		
Other cash paid related to financing activities	248,996,762.52	535,456,140.59
Subtotal of cash outflow in financing activities	2,045,034,351.81	1,554,329,549.31
Net cash flow from financing activities	62,714,553.34	-542,754,908.85
IV. Effect of changes in foreign exchange rates on cash and cash equivalents	-12,259,201.98	3,666,733.44
V. Net increase in cash and cash equivalents	844,451,990.66	-313,859,579.54
Add: Opening balance of cash and cash equivalents	11,697,518,141.18	12,122,781,311.49
VI. Closing balance of cash and cash equivalents	12,541,970,131.84	11,808,921,731.95

Person-in-charge of the
Company: Zhu Baoguo

Person-in-charge of the
Company's accounting work:
Qiu Qingfeng

Person-in-charge of the
accounting department:
Qiu Qingfeng

(III) Information on adjustment to relevant items in the financial statements at the beginning of the year of first implementation in respect of the new accounting standards adopted for the first time starting from 2022

Applicable N/A

Notice is hereby given.

Joincare Pharmaceutical Group Industry Co., Ltd.

April 22, 2022