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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)

2024 QUARTERLY REPORT FOR THE THIRD QUARTER AND UPDATE IN USE OF PROCEEDS

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

2024 QUARTERLY REPORT FOR THE THIRD QUARTER

Reference is made to the “InnoCare Pharma Limited 2024 Third Quarterly Report” (the “**2024 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 2024 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 2024 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.

UPDATE IN USE OF PROCEEDS

Net Proceeds from the Global Offering

The ordinary shares in the share capital of our Company with a nominal value of US\$0.000002 each were listed on the Main Board of the Stock Exchange on 23 March 2020. The Group received net proceeds (after deduction of underwriting commissions and related costs and expenses) from the initial public offering and the exercise of over-allotment option of approximately HK\$2,415.67 million (collectively, the “**Net Proceeds**”). As at the date of this announcement, approximately HKD1,568.33 million, representing 64.9% out of the Net Proceeds have been utilized.

The Board has resolved to change the use of the unutilised Net Proceeds as specified in the below table. The completion time for usage of proceeds is determined based on the Company’s actual business needs and future business development.

	Use of proceeds as stated in the Prospectus <i>(in HK\$'000)</i> (approximate)	Utilised Net Proceeds as at the date of this announcement <i>(in HK\$'000)</i> (approximate)	Unutilised Net Proceeds as at the date of this announcement <i>(in HK\$'000)</i> (approximate)	Expected timeline for usage of proceeds
50% for ongoing and planned clinical trials, preparation for registration filings and potential commercial launches (including sales and marketing) of Orelabrutinib concurrently in both China and the U.S. ^(Note 1)	1,207,835	990,822	217,013	The amount is expected to be fully utilized before the second half of 2026
40% for our other clinical stage product candidates ^(Note 1)	966,268	345,970	620,298	The amount is expected to be fully utilized by the second half of 2026
10% for working capital and general corporate purposes ^(Note 1)	241,567	231,535	10,032	The amount is expected to be fully utilized before the second half of 2026
Total	<u>2,415,670</u>	<u>1,568,327</u>	<u>847,343</u>	

Note 1: To the extent that any of such unutilized Net Proceeds are not immediately required for the allocated purpose, or if the Company is unable to put into effect any part of its plans as intended, the Company may temporarily use such funds to invest in wealth management products with terms of maturity not exceeding 12 months so long as it is deemed to be in the best interests of the Company. In such event, the Company will comply with the appropriate disclosure requirements under the Listing Rules. Together with the income to be generated from the investment in wealth management products, the Company will continue to apply the unutilized Net Proceeds in the manner disclosed in the Prospectus.

Subscription Net Proceeds

On 2 February 2021, the Company and certain investors had entered into two subscription agreements pursuant to which the Company has conditionally agreed to allot and issue and the investors, namely Gaoling Fund L.P., YHG Investment L.P. and Vivo Opportunity Fund, L.P., have conditionally, on a several but not joint basis, agreed to subscribe for an aggregate of 210,508,000 ordinary shares of the Company. The Group received net proceeds from the issued subscription shares of approximately HK\$3,041.44 million (the “**Subscription Net Proceeds**”). As at the date of this announcement, approximately HK\$1,967.09 million, representing 64.7% out of the Subscription Net Proceeds have been utilized.

The Board has resolved to change the use of the unutilised Subscription Net Proceeds as specified in the below table. The completion time for usage of proceeds is determined based on the Company’s actual business needs and future business development.

Intended use of proceeds	Use of proceeds as stated in the Prospectus (in HK\$’000) (approximate)	Utilised	Unutilised	Expected timeline for usage of proceeds
		Subscription Net Proceeds as at the date of this announcement (in HK\$’000) (approximate)	Subscription Net Proceeds as at the date of this announcement (in HK\$’000) (approximate)	
(i) R&D cost, which includes, expanding and accelerating ongoing and planned clinical trials in domestic and international regions, and expanding and accelerating internal discovery stage programs (including the multiple IND-enabling stage candidates in our pipeline) ^(Note 2)	N/A ^(Note 1)	245,197	N/A ^(Note 1)	All remaining proceeds are expected to be fully utilized before 2027 in accordance with the intended use of proceeds the respective exact sum of which will depend on the Company’s actual business needs with reference to evolving market conditions

Intended use of proceeds	Use of proceeds as stated in the Prospectus (in HK\$'000) (approximate)	Utilised	Unutilised	Expected timeline for usage of proceeds
		Subscription Net Proceeds as at the date of this announcement (in HK\$'000) (approximate)	Subscription Net Proceeds as at the date of this announcement (in HK\$'000) (approximate)	
(ii) Retain and recruiting domestic and international talents to strengthen the Group's capabilities in discovery, clinical, business development and commercialization functions (including commercial team expansion to ensure successful launches of orelabrutinib and subsequent products) ^(Note 2)		672,774		
(iii) Reserve fund for any potential external collaboration and in licensing opportunities ^(Note 2)		273,634		
(iv) To use as working capital and other general corporate purpose ^(Note 2)		775,481		
Total	3,041,440	1,967,086	1,074,354	

Note 1: Pursuant to the subscription agreements dated 2 February 2021, there is no allocation on how the proceeds would be applied to each intended use. Accordingly, there were no numerical value applicable to the relevant columns.

Note 2: To the extent that any of such unutilized Subscription Net Proceeds are not immediately required for the allocated purpose, or if the Company is unable to put into effect any part of its plans as intended, the Company may temporarily use such funds to invest in wealth management products with terms of maturity not exceeding 12 months so long as it is deemed to be in the best interests of the Company. In such event, the Company will comply with the appropriate disclosure requirements under the Listing Rules. Together with the income to be generated from the investment in wealth management products, the Company will continue to apply the unutilized Subscription Net Proceeds in the manner disclosed in the Prospectus.

Details on the Update in Use of Proceeds

Despite funds being deployed in an orderly manner in accordance with the disclosures in the prospectus of the Company dated 11 March 2020 (the “**Prospectus**”), as illustrated in the above table, an approximate amount of HK\$847.34 million of Net Proceeds, and an approximate amount of HK\$1,074.35 million of Subscription Net Proceeds, remains unutilized as of the date of this announcement, due to the wait time required in connection with the Company’s R&D progress, clinical trials and ensuing regulatory approval process for commercialization.

Therefore, taking into account the Group’s current operation and business updates, with a view to improving efficiency in the use of temporarily idle Net Proceeds and Subscription Net Proceeds allocated, the Board proposes to change the use of proceeds to investing in wealth management products with terms of maturity not exceeding 12 months, which is expected to facilitate efficient and meaningful allocation of financial resources and utilization of idle funds, and in turn further enhancing the overall profitability of the Company and creating better investment return to the Company and the Shareholders as a whole.

The wealth management products intended to be subscribed by the Company shall be low risk in nature, and the term of maturity for any single wealth management product subscribed for or purchased by the Company shall not exceed 12 months. As such, the Company does not anticipate the day-to-day capital turnover of the Group or the operation of the Group’s principal businesses to be impacted. The proposed subscription of wealth management products, if materialized, may constitute notifiable transaction(s) under Chapter 14 of the Listing Rules by which time the Company will fully comply with any relevant requirements thereunder as appropriately.

The Board considers that the development direction of the Company is still in line with the disclosures in the Prospectus despite the change in Use of Proceeds as stated above. The Board believes that the use of idle Net Proceeds and idle Subscription Net Proceeds to subscribe for wealth management products with terms of maturity not exceeding 12 months will not affect the intended use of the Net Proceeds and Subscription Net Proceeds, and the Company will use the remaining Net Proceeds and Subscription Net Proceeds for the purpose as disclosed in the Prospectus and follow the allocation and implementation timetable as disclosed above. The Board confirms that there have been no material changes in the nature of the business of the Group as set out in the Prospectus. The Board will continuously assess the plan for the use of the unutilized Net Proceeds and Subscription Net Proceeds and may revise or amend such plan where necessary to cope with the changing market conditions and strive for better business performance of the Group.

By order of the Board
InnoCare Pharma Limited
Dr. Jisong Cui
Chairperson and Executive Director

Hong Kong, 11 November 2024

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 and Mr. Ronggang Xie as non-executive Directors, and Ms. Lan Hu and Dr. Dandan Dong as independent non-executive Directors.

Stock Code:688428

Ticker Symbol: InnoCare

InnoCare Pharma Limited
2024 THIRD QUARTERLY REPORT

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

MANAGEMENT PERFORMANCE REVIEW

The management of InnoCare Pharma Limited (“InnoCare” or the “Company”) commented, “The Company is a high-tech innovative biopharmaceutical enterprise driven by outstanding independent research and development capabilities, possessing comprehensive research and development, manufacturing and commercialization abilities. It focuses on areas with significant unmet clinical needs such as oncology and autoimmune diseases, developing drugs with breakthrough potential that are either first-in-class or best-in-class on a global scale.

The Company’s core product, Orelabrutinib (宜諾凱®), has achieved sales revenue of RMB276 million in the third quarter of 2024, representing a year-over-year increase of 75.5%. From January to September 2024, it recorded sales revenue of RMB693 million, representing a year-over-year increase of 45.0%. Ushering in 2024, with the new National Reimbursement Drug List implemented, Orelabrutinib’s three indications: adult patients with chronic lymphocytic leukemia (CLL)/small lymphocytic lymphoma (SLL) who have received at least one prior therapy (r/r CLL/SLL), adult patients with mantle cell lymphoma (MCL) who have received at least one prior therapy (r/r MCL), and adult patients with marginal zone lymphoma (MZL) who have received at least one prior therapy (r/r MZL), are all covered by medical insurance. Orelabrutinib is the first and only BTK inhibitor approved in China for the MZL indication and is recommended as a Class I option of second-line treatment for marginal zone lymphoma (MZL) in the Chinese Society of Clinical Oncology (“CSCO”) Diagnosis and Treatment Guidelines for Malignant Lymphoma for 2024. In terms of commercialization capacity building, the Company has further strengthened its core management team and optimized its execution strategies, laying a solid foundation for accelerated growth in the future.

From January to September 2024, the Company recorded total operating revenue of RMB698 million, representing an increase of 29.8% as compared with the same period of the previous year. Moreover, the Company has continued to improve its gross profit margin, which amounted to 86.0% from January to September 2024, representing an increase of 4.8 percentage points from 81.2% of the same period of the previous year. From January to September 2024, the Company recorded net loss of RMB285 million, representing a decrease of 47.1% as compared with the loss for the same period of the previous year.

InnoCare Pharma Limited 2024 THIRD QUARTERLY REPORT

As of 30 September 2024, the Company held approximately RMB7.8 billion in cash and related accounts balances (including cash and bank balances, financial assets held for trading and financial assets in other current assets and other non-current assets). With sufficient cash reserves, the Company will continue to carry out various projects in an effort to provide more and better treatment options for patients in China and around the world.”

I. KEY FINANCIAL INFORMATION

(I) 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 from the beginning of the year to the end of the reporting period compared with the same period of the previous year (%)
Operating revenue	278,010,318.01	73.96	697,748,228.93	29.85
Among which: revenue from sales of drugs	276,986,523.90	76.30	694,807,018.14	45.18
Finance expenses	-96,627,964.44	N/A	-147,531,402.57	-510.93
Among which: foreign exchange gains	-62,800,826.82	N/A	-29,795,807.01	-120.03
Net profit attributable to shareholders of the listed company	-13,569,871.89	N/A	-275,409,931.99	N/A
Net profit attributable to shareholders of the listed company after deducting non-recurring profits and losses	-14,507,961.63	N/A	-267,086,382.00	N/A
Net cash flows generated from operating activities	N/A	N/A	-333,136,181.63	N/A
Basic earnings per share (RMB/share)	-0.01	N/A	-0.16	N/A
Diluted earnings per share (RMB/share)	-0.01	N/A	-0.16	N/A
Weighted average return on equity (%)	-0.20	N/A	-3.95	N/A
Total R&D expenditure	193,579,142.02	2.68	614,983,375.71	11.87
R&D expenditure as a percentage of operating revenue (%)	69.63	Decreased by 48.34 percentage points	88.14	Decreased by 14.16 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	9,457,598,106.76	9,919,995,852.46		-4.66
Owners' equity attributable to shareholders of the listed company	6,799,081,314.14	7,147,848,684.92		-4.88

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

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

✓ Applicable Not applicable

Unit: RMB Currency: Renminbi

Non-recurring profits and losses items	Amount for the reporting period	Amount from the beginning of the year to the end of the reporting period	Description

InnoCare Pharma Limited 2024 THIRD QUARTERLY REPORT

Gains and losses on disposal of non-current assets, including the write-off portion of asset impairment provisions that have been made	-	-14,343.66	
Government grants included in current profits and losses (excluding those closely related to the Company's normal course of business operations, in compliance with national policies and regulations, and have a continuous impact on the Company's profit or loss according to established standards)	958,038.57	12,783,901.95	
Gain or loss arising from changes in fair value of financial assets and financial liabilities held by a non-financial enterprise, and gain or loss arising from disposal of financial assets and financial liabilities, except for effective hedging business related to the Company's normal operations	5,529,908.27	6,539,086.01	
Other non-operating income and expenses other than the above items	1,035.55	7,756.67	
Other gains and losses classified to non-recurring profits or losses	-5,946,104.68	-29,608,834.47	Note
Less: Effect on income tax	-	-	
Effect on minority interests (after tax)	-395,212.03	-1,968,883.51	
Total	938,089.74	-8,323,549.99	

Note: 1. Other gains and losses classified to non-recurring profits or loss are losses on fair value changes of convertible loan issued by the Group. It is recognized as other gains or loss classified to non-recurring profits 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.

2. Non-recurring profits and losses items were recognized by the Company in compliance with the requirements of the “Explanatory Announcement No. 1 on Information Disclosure by Companies Offering Securities to the Public — Non-recurring Profits and Losses” (CSRC Announcement [2023] No. 65), which resulted in a decrease in non-recurring profits and losses items from the beginning of the year to the end of the reporting period for the comparable period by a total of RMB6,040,881.28.

Reasons should be provided for identifying items not listed in the “Explanatory Announcement No. 1 on Information Disclosure by Companies Offering Securities to the Public — Non-recurring Profits and Losses” as non-recurring profit or loss items with significant amounts, as well as for 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

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

Applicable Not applicable

Item	Percentage change (%)	Main reason
Operating revenue during the reporting period	73.96	The year-on-year increase was mainly due to the continued increase in sales of Orelabrutinib and the increase in unrealized foreign exchange gains recognized in book during the reporting period compared with the same period of the previous year.
Revenue from sales of drugs during the reporting period	76.30	
Finance expenses during the reporting period	N/A	
Foreign exchange gain during the reporting period	N/A	
Net profit attributable to shareholders of the listed company during the reporting period	N/A	
Net profit attributable to shareholders of the listed company after deducting non-	N/A	

InnoCare Pharma Limited 2024 THIRD QUARTERLY REPORT

recurring profits and losses during the reporting period		
Basic earnings per share (RMB/share) during the reporting period	N/A	
Diluted earnings per share (RMB/share) during the reporting period	N/A	
R&D expenditure as a percentage of operating revenue (%) during the reporting period	Decreased by 48.34 percentage points	The year-on-year decrease was mainly due to the significant increase in operating revenue during the reporting period compared with the same period of the previous year.
Revenue from sales of drugs from the beginning of the year to the end of the reporting period	45.18	The year-on-year increase in sales revenue was mainly due to the increase in sales of Orelabrutinib. The year-on-year decrease in net loss attributable to shareholders of the listed company and net loss attributable to shareholders of the listed company after deducting non-recurring profits and losses was mainly due to the increase in sales revenue and the increase in unrealized foreign exchange gains recognized in book from the beginning of the year to the end of the reporting period compared with the same period of the previous year.
Finance expenses from the beginning of the year to the end of the reporting period	-510.93	
Foreign exchange gain from the beginning of the year to the end of the reporting period	-120.03	
Net profit attributable to shareholders of the listed company from the beginning of the year to the end of the reporting period	N/A	
Net profit attributable to shareholders of the listed company after deducting non-recurring profits and losses from the beginning of the year to the end of the reporting period	N/A	
Basic earnings per share (RMB/share) from the beginning of the year to the end of the reporting period	N/A	
Diluted earnings per share (RMB/share) from the beginning of the year to the end of the reporting period	N/A	
R&D expenditure as a percentage of operating revenue (%) from the beginning of the year to the end of the reporting period	Decreased by 14.16 percentage points	The year-on-year decrease was mainly due to the significant increase in operating revenue from the beginning of the year to the end of the reporting period compared with the same period of the previous year.

II. SHAREHOLDER INFORMATION

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

1. As at the end of the reporting period, the total number of issued shares of the Company was 1,762,567,202 shares, of which 1,496,284,235 shares were issued in Hong Kong, representing approximately 84.89% of the total issued shares of the Company. The number of RMB shares issued on the SSE STAR Market was 266,282,967 shares, representing approximately 15.11% of the total issued shares of the Company.

2. The Hong Kong register of members of the Company consists of HKSCC NOMINEES LIMITED and other registered shareholders, of which HKSCC NOMINEES LIMITED held approximately 99.999% of the Company's Hong Kong shares on behalf of non-registered shareholders, and approximately 0.001% 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 as at the end of the reporting period, the Company displayed in the table below 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 and Sunland BioMed Ltd and the family of Jisong Cui, respectively.

4. As at the end of the reporting period, the shareholdings of the top ten shareholders are listed based on the disclosure information in declaration submitted by the relevant shareholders to the Hong Kong Stock Exchange and the A share register provided by CSDC. The nature of A shareholders is reported in accordance with the categories of holders in the A share register of CSDC.

Unit: Share

InnoCare Pharma Limited 2024 THIRD QUARTERLY REPORT

Total number of ordinary shareholders as at the end of the reporting period	16,139				Total number of preferred shareholders whose voting rights have been restored as at the end of the reporting period (if any)	0	
Shareholdings of the top ten shareholders (excluding lending shares for refinancing)							
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	Unknown	857,691,175	48.6615	-	-	Unknown	-
HHLR Fund, L.P. and its persons acting in concert	Overseas legal person	208,671,222	11.8391	-	-	Unknown	-
King Bridge Investments Limited and its persons acting in concert	Overseas legal person	158,588,612	8.9976	-	-	Unknown	-
Sunny View Holdings Limited and the family of Renbin Zhao	Overseas legal person	144,717,893	8.2106	-	-	Nil	0
	Overseas natural person						
Sunland BioMed Ltd and the family of Jisong Cui	Overseas legal person	126,600,282	7.1827	-	-	Nil	0
	Overseas natural person						
Agricultural Bank of China Limited – Penghua Pharmaceutical Technology Equity Securities Investment Fund	Others	19,150,594	1.0865	-	-	Nil	0
China Construction Bank Corporation – Fullgoal Precision Medicine Flexible Allocation Hybrid Securities Investment Fund	Others	12,823,368	0.7275	-	-	Nil	0
Bank of China Limited – E Fund Healthcare Sector Hybrid Securities Investment Fund	Others	11,515,730	0.6533	-	-	Nil	0
GZHT Technology Holdings	State-owned legal person	8,975,521	0.5092	-	-	Nil	0
China Merchants Bank Co., Ltd. – China Universal Medical Service Flexible Allocation Hybrid Securities Investment Fund	Others	8,836,511	0.5013	-	-	Nil	0
Shareholdings of the top ten unrestricted shareholders (excluding lending shares for refinancing)							
Name of shareholder	Number of unrestricted outstanding shares held	Type and number of shares					
		Type	Number				
HKSCC NOMINEES LIMITED	857,691,175	Others	857,691,175				
HHLR Fund, L.P. and its persons acting in concert	208,671,222	Others	208,671,222				
King Bridge Investments Limited and its persons acting in concert	158,588,612	Others	158,588,612				
Sunny View Holdings Limited and the family of Renbin Zhao	144,717,893	Others	144,717,893				

InnoCare Pharma Limited 2024 THIRD QUARTERLY REPORT

Sunland BioMed Ltd and the family of Jisong Cui	126,600,282	Others	126,600,282
Agricultural Bank of China Limited – Penghua Pharmaceutical Technology Equity Securities Investment Fund	19,150,594	RMB-denominated ordinary shares	19,150,594
China Construction Bank Corporation – Fullgoal Precision Medicine Flexible Allocation Hybrid Securities Investment Fund	12,823,368	RMB-denominated ordinary shares	12,823,368
Bank of China Limited – E Fund Healthcare Sector Hybrid Securities Investment Fund	11,515,730	RMB-denominated ordinary shares	11,515,730
GZHT Technology Holdings	8,975,521	RMB-denominated ordinary shares	8,975,521
China Merchants Bank Co., Ltd. – China Universal Medical Service Flexible Allocation Hybrid Securities Investment Fund	8,836,511	RMB-denominated ordinary shares	8,836,511
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 connected 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)	Nil		

Involvement of shareholders with shareholdings of more than 5%, top ten shareholders and top ten unrestricted shareholders in lending shares for refinancing businesses

Applicable Not applicable

Changes of top ten shareholders and top ten unrestricted shareholders as compared with the previous period due to lending/returning shares for refinancing

Applicable Not applicable

III. OTHER REMINDERS

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

Applicable Not applicable

IV. QUARTERLY FINANCIAL STATEMENTS

(I) Types of audit opinions

Applicable Not applicable

(II) Financial statements

Consolidated balance sheet

30 September 2024

Prepared by: InnoCare Pharma Limited

Unit: RMB Currency: Renminbi Audit type: Unaudited

Items	30 September 2024	31 December 2023
Current assets:		
Cash and bank balances	6,839,240,725.79	8,287,136,644.81
Financial assets held for trading	244,185,118.35	-
Accounts receivable	303,973,768.00	276,377,549.08
Receivables financing	-	31,260,680.06
Prepayments	82,231,063.01	39,043,785.79
Other receivables	263,929.12	2,020,426.63
Including: Interests receivable	-	-
Dividends receivable	-	-
Inventories	93,508,492.49	119,094,840.89
Including: Data resources	-	-
Other current assets	304,785,737.60	10,390,135.51
Total current assets	7,868,188,834.36	8,765,324,062.77
Non-current assets:		
Long-term equity investments	2,397,254.94	5,660,187.95
Fixed assets	565,532,617.88	563,916,250.69
Construction in progress	200,422,046.44	166,908,613.33
Right-of-use assets	66,502,681.59	67,675,076.97
Intangible assets	259,116,940.19	266,034,974.53
Including: Data resources	-	-
Goodwill	3,124,706.56	3,124,706.56
Long-term prepaid expenses	33,026,499.87	33,296,596.24
Other non-current assets	459,286,524.93	48,055,383.42
Total non-current assets	1,589,409,272.40	1,154,671,789.69
Total assets	9,457,598,106.76	9,919,995,852.46
Current liabilities:		
Short-term borrowings	106,050,614.00	-
Accounts payable	143,066,526.10	134,904,878.31
Contract liabilities	76,455.92	-
Payroll payable	56,689,028.64	52,998,908.88
Taxes payable	27,716,639.95	15,252,770.76
Other payables	117,308,067.69	123,130,143.37
Including: Interests payable	-	-
Dividends payable	-	-
Non-current liabilities due within one year	88,874,948.03	28,233,387.44
Other current liabilities	476,336,000.00	1,727,467,165.53
Total current liabilities	1,016,118,280.33	2,081,987,254.29
Non-current liabilities:		
Long-term borrowings	1,018,600,000.00	26,300,000.00

InnoCare Pharma Limited 2024 THIRD QUARTERLY REPORT

Lease liabilities	35,272,168.42	43,646,576.13
Long-term payables	298,552,839.59	305,576,610.80
Deferred income	267,024,187.47	281,779,757.46
Total non-current liabilities	1,619,449,195.48	657,302,944.39
Total liabilities	2,635,567,475.81	2,739,290,198.68
Owners' equity (or shareholders' equity):		
Paid-in capital (or share capital)	23,393.22	23,315.98
Capital reserve	12,138,077,470.78	12,150,114,225.86
Other comprehensive income	15,911,158.25	77,231,919.20
Retained earnings	-5,354,930,708.11	-5,079,520,776.12
Total equity attributable to owners (or shareholders) of the parent company	6,799,081,314.14	7,147,848,684.92
Minority interests	22,949,316.81	32,856,968.86
Total owners' equity (or shareholders' equity)	6,822,030,630.95	7,180,705,653.78
Total liabilities and owners' equity (or shareholders' equity)	9,457,598,106.76	9,919,995,852.46

Person in charge of the Company: Jisong Cui Person in charge of accounting function: Xin Fu
 Person in charge of the Accounting Department: Yue Tan

Consolidated Statement of Income

January – September 2024

Prepared by: InnoCare Pharma Limited

Unit: RMB Currency: Renminbi Audit type: Unaudited

Items	First three quarters of 2024 (January – September)	First three quarters of 2023 (January – September)
I. Total operating revenue	697,748,228.93	537,361,649.40
Including: Operating revenue	697,748,228.93	537,361,649.40
II. Total operating costs	975,965,605.67	1,088,452,691.35
Including: Operating costs	98,028,598.02	100,879,190.90
Taxes and surcharges	10,737,102.16	6,713,226.46
Selling expenses	273,927,859.06	267,298,034.29
Administrative expenses	125,820,073.29	127,943,846.06
R&D expenses	614,983,375.71	549,716,988.65
Finance costs	-147,531,402.57	35,901,404.99
Including: Interest expenses	20,557,333.16	30,510,275.37
Interest income	138,559,308.84	143,640,174.13
Add: Other income	19,951,442.33	29,211,621.34
Investment income (loss denoted by “-”)	3,091,034.65	-3,526,776.07
Including: Share of profit of associates and joint ventures	-3,262,933.01	-3,526,776.07
Gain from changes in fair value (loss denoted by “-”)	-29,423,716.12	-23,480,706.51
Credit impairment loss (loss denoted by “-”)	-683,961.47	32,389.08
III. Operating profit (loss denoted by “-”)	-285,282,577.35	-548,854,514.11
Add: Non-operating income	47,821.12	11,475,062.56
Less: Non-operating expenses	54,408.11	1,907,814.33
IV. Total profit (total loss denoted by “-”)	-285,289,164.34	-539,287,265.88
Less: Income tax expenses	28,419.70	-
V. Net profit (net loss denoted by “-”)	-285,317,584.04	-539,287,265.88

InnoCare Pharma Limited 2024 THIRD QUARTERLY REPORT

(I) By continuity of operations		
1. Net profit from continuing operations (net loss denoted by “-”)	-285,317,584.04	-539,287,265.88
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 “-”)	-275,409,931.99	-531,165,508.57
2. Profit or loss attributable to minority shareholders (net loss denoted by “-”)	-9,907,652.05	-8,121,757.31
VI. Other comprehensive income, net of tax		
(I) Other comprehensive income attributable to owners of the parent company, net of tax	-61,320,760.95	201,686,015.77
1. Other comprehensive income not to be reclassified to profit or loss	-61,320,760.95	201,686,015.77
(1) Translation differences of the financial statements in foreign currency	-61,320,760.95	201,686,015.77
2. Other comprehensive income to be reclassified to profit or loss	-	-
(II) Other comprehensive income attributable to minority shareholders, net of tax	-	-
VII. Total comprehensive income		
(I) Total comprehensive income attributable to owners of the parent company	-336,730,692.94	-329,479,492.80
(II) Total comprehensive income attributable to minority shareholders	-9,907,652.05	-8,121,757.31
VIII. Earnings per share:		
(I) Basic earnings per share (RMB/share)	-0.16	-0.31
(II) Diluted earnings per share (RMB/share)	-0.16	-0.31

For business combinations under the same control in the current period, the net profit achieved by the parties consolidated prior to the consolidation was RMB0.00; the net profit achieved by the parties consolidated in the previous period was RMB0.00.

Person in charge of the Company: Jisong Cui Person in charge of accounting function: Xin Fu
 Person in charge of the Accounting Department: Yue Tan

Consolidated Statement of Cash Flows

January – September 2024

Prepared by: InnoCare Pharma Limited

Unit: RMB Currency: Renminbi Audit type: Unaudited

Items	First three quarters of 2024 (January – September)	First three quarters of 2023 (January – September)
I. Cash flows generated from operating activities:		
Cash receipts from sales of goods and provision of services	827,073,730.52	552,799,573.58

InnoCare Pharma Limited 2024 THIRD QUARTERLY REPORT

Tax refund received	-	14,116,505.77
Cash received from other operating activities	60,507,528.13	97,996,800.51
Sub-total of cash inflows from operating activities	887,581,258.65	664,912,879.86
Cash paid for goods and services	585,530,578.69	599,606,492.50
Cash paid to and on behalf of employees	450,381,004.54	391,421,746.58
Cash paid for taxes and levies	60,042,736.66	45,958,588.12
Cash paid for other operating activities	124,763,120.39	74,069,403.14
Sub-total of cash outflows from operating activities	1,220,717,440.28	1,111,056,230.34
Net cash flows generated from operating activities	-333,136,181.63	-446,143,350.48
II. Cash flows generated from investment activities:		
Cash received from the disposal of investments	4,544,105,333.68	4,607,828,800.00
Cash received from investment income	104,474,676.68	78,406,534.99
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	467.52	3,234.11
Sub-total of cash inflows from investment activities	4,648,580,477.88	4,686,238,569.10
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	71,268,903.50	176,134,239.15
Cash paid for investments	3,218,374,649.51	2,859,223,600.00
Sub-total of cash outflows from investment activities	3,289,643,553.01	3,035,357,839.15
Net cash flows generated from investing activities	1,358,936,924.87	1,650,880,729.95
III. Cash flows generated from financing activities:		
Cash received from capital contributions	17,902,214.00	9,761,471.49
Including: Cash received from capital contribution by minority shareholders of subsidiaries	-	-
Cash received from borrowings	1,065,300,000.00	27,200,000.00
Sub-total of cash inflows from financing activities	1,083,202,214.00	36,961,471.49
Cash repayments of borrowings	957,500,000.00	-
Cash paid for distribution of dividends or profits or settlement of interest	354,608,094.89	2,083,939.75
Including: Dividends and profits paid by subsidiaries to minority shareholders	-	-
Cash paid for other financing activities	32,786,905.37	27,045,459.68
Sub-total of cash outflows from financing activities	1,344,895,000.26	29,129,399.43
Net cash flows generated from financing activities	-261,692,786.26	7,832,072.06

InnoCare Pharma Limited 2024 THIRD QUARTERLY REPORT

IV. Effects of changes in exchange rate on cash and cash equivalents	-17,034,579.89	47,690,184.76
V. Net increase in cash and cash equivalents	747,073,377.09	1,260,259,636.29
Add: Balance of cash and cash equivalents at the beginning of the period	4,202,563,804.93	4,179,983,730.99
VI. Balance of cash and cash equivalents at the end of the period	4,949,637,182.02	5,440,243,367.28

Person in charge of the Company: Jisong Cui Person in charge of accounting function: Xin Fu
Person in charge of the Accounting Department: Yue Tan

Adjustment of the financial statements for the beginning of 2024 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 2024